



FY2023 Third Quarter Financial Results Briefing

The 100th period : Apr. 1st, 2023- Dec.31st, 2023

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Passion in Creating Tomorrow

Feb. 1st, 2024

PACIFIC INDUSTRIAL CO., LTD.

- 1. FY2023 Q3 Financial Performance**
- 2. Financial Forecast (FY2023 Full Year)**

Cautionary Statement with Respect to Forward-Looking Statements

These materials contain forward-looking statements that reflect our current expectations. These forward-looking statements are not guarantees of future performance. It involves any risk depending on the Japanese or international economic situation, business trends related to our company, fluctuation of exchange rates and other factors. It may cause our actual performance to be materially different from any future results announced.

1-1 Q3 Consolidated Financial Summary



Sales volume increased due to steady automobile production, and both sales and profits reached record highs

(100 millions of yen, %)

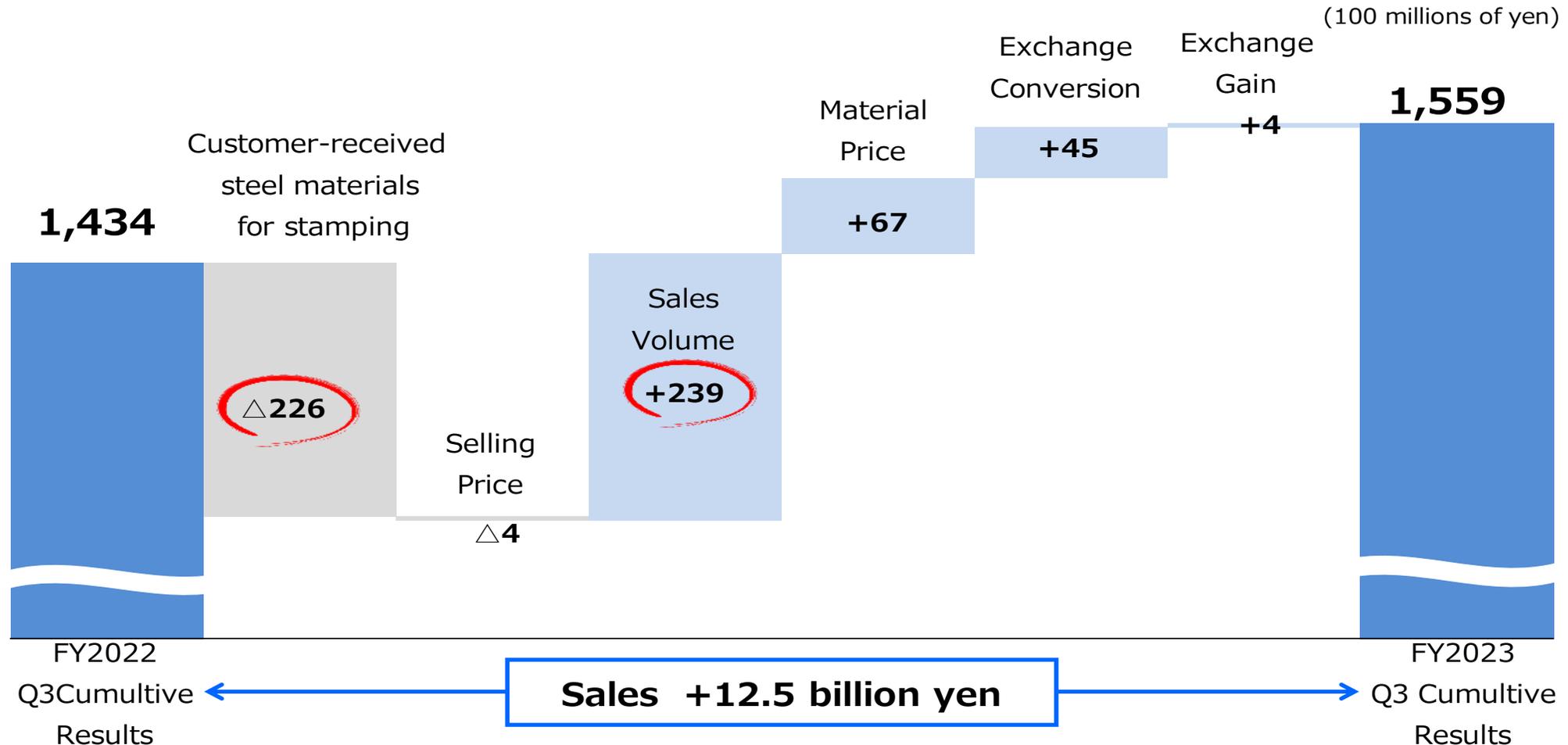
	FY2022 23/3Q Cumulative Result	FY2023		YoY rate	
		23/3Q Cumulative Result	Gain&Loss	% Change	
Sales	1,434	Record High 1,559	+125	+8.8	
Operating Income	56	Record High 112	+55	+97.5	
Operating Income Ratio	4.0%	7.2%	+3.2P	-	
Ordinary Income	85	Record High 143	+58	+68.4	
Ordinary Income Ratio	5.9%	9.2%	+3.3P	-	
Net income attributable to owners parent	62	Record High 109	+47	+75.9	
Quarterly Net Income margin	4.3%	7.0%	+2.7P	-	
Average exchange rate (U.S. dollars)	¥135.4	¥143.2	¥7.8	-	

* Sales decrease since FY2022 Q4 due to expansion of offsetting range of sales and its cost; the impact of customer-received steel materials for stamping. As a result of this, fiscal 2023 3rd quarter cumulative results includes a 22billion yen year-on-year decline in net sales. No impact on income.

1-2 Analysis of Q3 Cumulative Results : Sales



Record high for 3Q due to increase in sales volume more than decrease in sales due to the impact of customer-received steel materials for stamping.

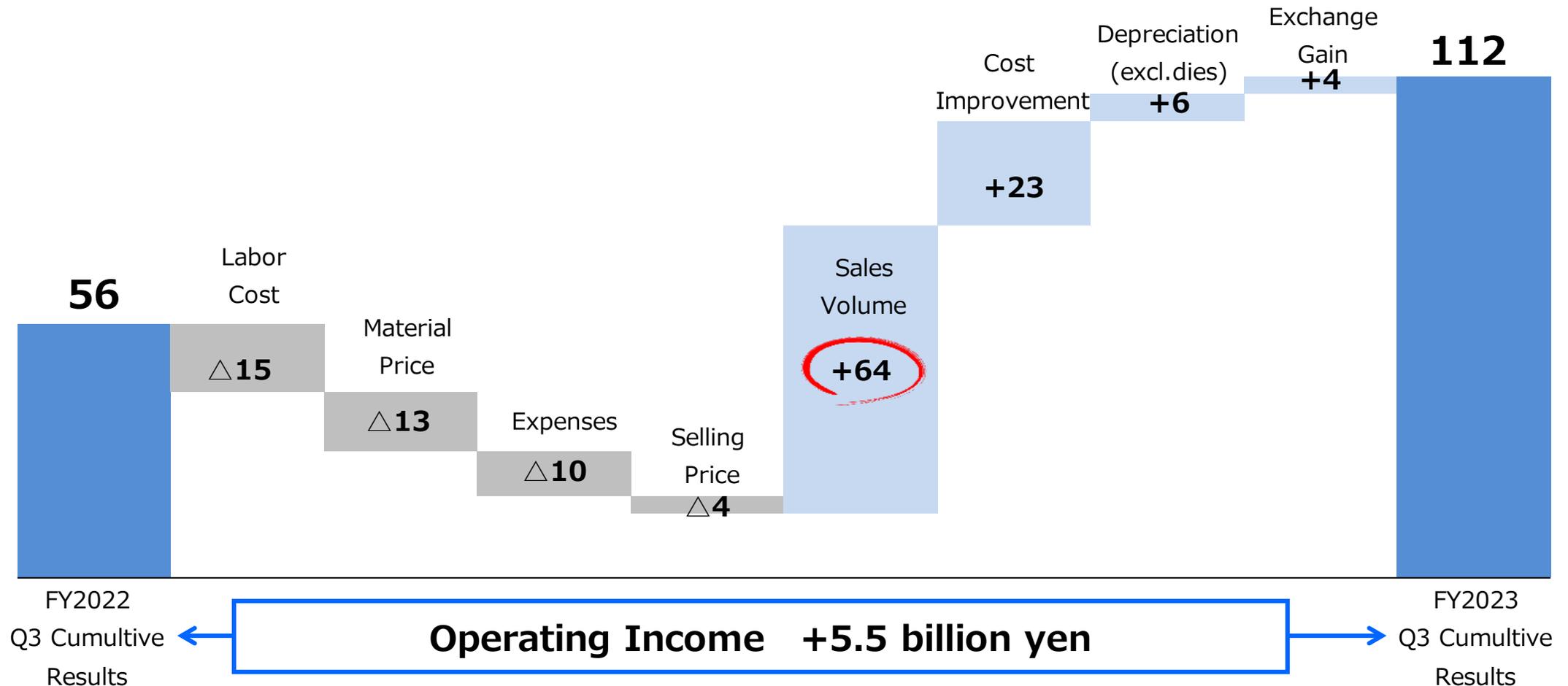


1-3 Analysis of Q3 Cumulative Results: Operating Income



Costs increased due to sales volume up. Record-high profit for Q3 due to increased sales volume and cost improvements.

(100 millions of yen)



1-4 Q3 Cumulative Results by Business Segments



**Sales and profits increased in the stamping and plastic molding business.
Sales of valves increased, but profits decreased.**

(100 millions of yen,%)

	Sales				Operating Income			
	22/Q3 Result	23/Q3 Result	YoY Rate		22/Q3 Result	23/Q3 Result	YoY Rate	
			Gain&Loss	%Change			Gain&Loss	%Change
Stamping & Plastic Molding	1,027	1,130	+103	+10.1	20	78	+58	+286.5
(The Impact of increased customer-received materials for stamping)		※ (△226)						
Operating Income Ratio					2.0%	7.0%	+5.0P	
Valves	405	427	+21	+5.3	36	33	△2	△7.3
Operating Income Ratio					8.9%	7.8%	△1.1P	

*Sales decrease since FY2022 Q4 due to expansion of offsetting range of sales and its cost; the impact of customer-received steel materials for stamping. No impact on income.

1-5 Q3 Cumulative Results by Region



Sales and profits increased in Japan, Europe and America in real terms. Sales in Asia remained at the same level as the previous year, while income declined.

(100 millions of yen,%)

	Sales				Operating Income			
	22/Q3	23/Q3	YoY Rate		22/Q3	23/Q3	YoY Rate	
	Result	Result	Gain&Loss	%Change	Result	Result	Gain&Loss	%Change
Japan	553	536	△17	△3.1	35	59	+23	+65.1
(The Impact of increased customer-received materials for stamping)		*						
Operating Income Ratio		(△226)			6.5%	11.1%	+4.6P	
Europe & America	559	703	+144	+25.8	△13	25	+38	-
Operating Income Ratio					△2.3%	3.6%	+5.9P	
Asia	321	319	△1	△0.4	29	18	△11	△37.9
Operating Income Ratio					9.2%	5.8%	△3.4P	

* Sales decrease since FY2022 Q4 due to expansion of offsetting range of sales and its cost; the impact of customer-received steel materials for stamping. No impact on income.

1. FY2023 Q3 Financial Performance
2. **Financial Forecast (FY2023 Full Year)**

2-1 Full Year Financial Forecast



Revised the forecast upward to reflect the Q3 results, expecting record highs for both sales and profits.

(100 millions of yen, %)

	FY2022	FY2023		YonY rate		Diff. from Previous Forecast	
	Full Year	Full Year		Full Year		Full Year	
	Results	Forecast on 26th Oct.	Latest Forecast	Gain&Loss	%Change	Gain&Loss	%Change
Sales	1,912	1,980	2,000 ^{*2}	+87	4.6%	+20	1.0%
Operating Income	92	120	130	+37	39.8%	+10	8.3%
Operating Income Ratio	4.9%	6.1%	6.5%	+1.6P	—	+0.4P	—
Ordinary Income	132	150	160	+27	21.1%	+10	6.7%
Ordinary Income Ratio	6.9%	7.6%	8.0%	+1.1P	—	+0.4P	—
Current Net Income ^{*1}	93	105	115	+21	23.6%	+10	9.5%
R O E	7.0%	7.1%	7.8%	+0.8P	—	+0.7P	—
R O A (Operating income basis)	3.7%	4.5%	4.8%	+1.1P	—	+0.3P	—
Net Assets per Share	2,309円	2,712円	2,678円	369円	16.0%	△34円	△1.2%
Average exchange rate (US dollars)	134.9円	140.0円	142.2円	7.3円	—	2.2円	—

*1 Current net income is the current net income attributable to the parent company shareholders.

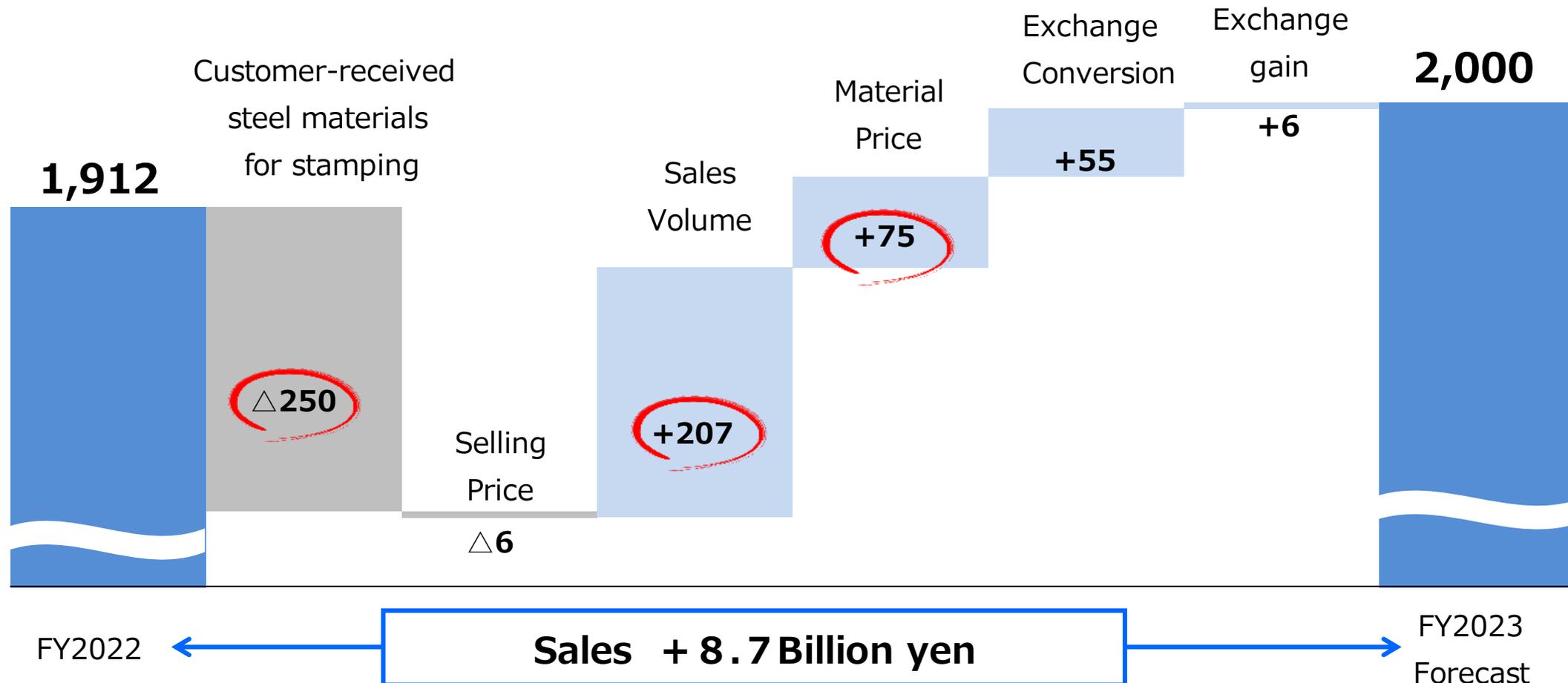
*2 Sales decrease since FY2022 Q4 due to expansion of offsetting range of sales and its cost; the impact of steel material costs procured from customers. As a result of this, fiscal 2023 includes a 25 billion yen year-on-year decline in net sales. No impact on income.

2-2 Analysis of FY2023 Forecasts: Sales



The decrease in sales due to the impact of customer-received steel materials for stamping will be offset by the increase in sales volume, which is expected to reach a record high.

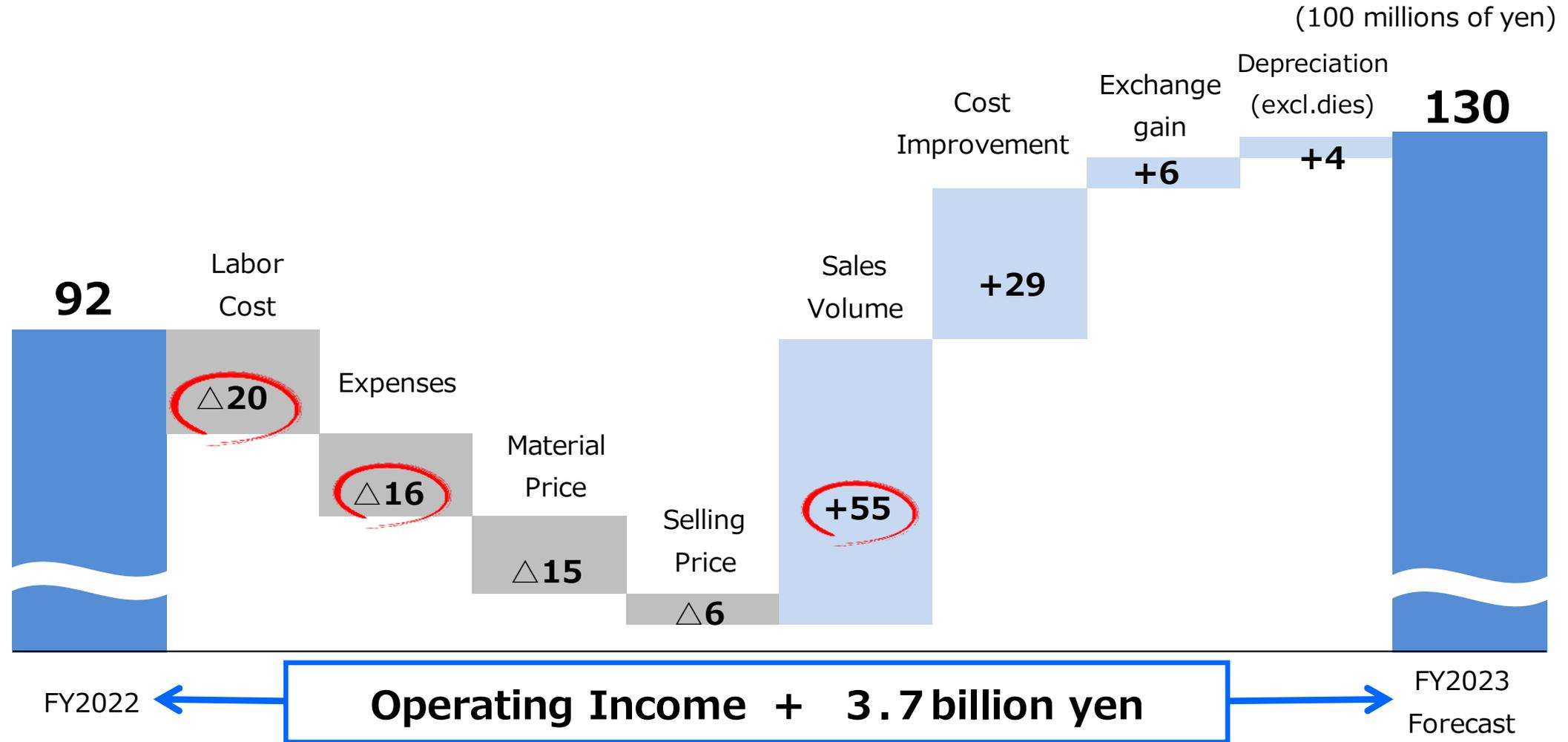
(100 millions of yen)



2-3 Analysis of FY2023 Forecasts : Operating Income



Costs increased due to sales volume up. Expected to reach record profits due to increased sales volume and continued improvements.



2-4 Forecast by Business Segments



The stamping and plastic molding business is expected to increase sales and profits, while the valve business is expected to see an increase in sales and a decrease in profits.

(100 million yen,%)

	Sales				Operating Income			
	FY2022 Result	FY2023 Forecast	YoY Rate		FY2022 Result	FY2023 Forecast	YoY Rate	
			Gain&Loss	%Change			Gain&Loss	%Change
Stamping & Plastic Molding	1,368	1,448	+79	+5.8	49	92	+42	+84.8
(The Impact of increased customer-received materials for stamping)	(△51)	* (△301)	(△250)					
Operating Income Ratio					3.6%	6.4%	+2.8P	
Valves	542	550	+7	+1.5	42	38	△4	△10.8
Operating Income Ratio					7.9%	6.9%	△1.0P	

*Sales decrease since FY2022 Q4 due to expansion of offsetting range of sales and its cost; the impact of customer-received steel materials for stamping. No impact on income.

2-5 Forecast by Region



Sales and profits are expected to increase in real terms in Japan, Europe and the America. Sales and profits are expected to decline in Asia.

(100 millions of yen,%)

	Sales				Operating Income			
	FY2022 Result	FY2023 Forecast	YoY Rate		FY2022 Result	FY2023 Forecast	YoY Rate	
			Gain&Loss	%Change			Gain&Loss	%Change
Japan	706	685	△21	△3.0	49	63	+13	+26.3
(The Impact of increased customer-received materials for stamping)	(△51)	* (△301)	(△250)					
Operating Income Ratio					7.1%	9.2%	+2.1P	
Europe & America	781	900	+118	+15.2	△1	30	+31	-
Operating Income Ratio					△0.2%	3.3%	+3.5P	
Asia	425	415	△10	△2.4	36	28	△8	△24.1
Operating Income Ratio					8.7%	6.7%	△2.0P	

* Sales decrease since FY2022 Q4 due to expansion of offsetting range of sales and its cost; the impact of customer-received steel materials for stamping. No impact on income.

2-6 Capital investments and Depreciation

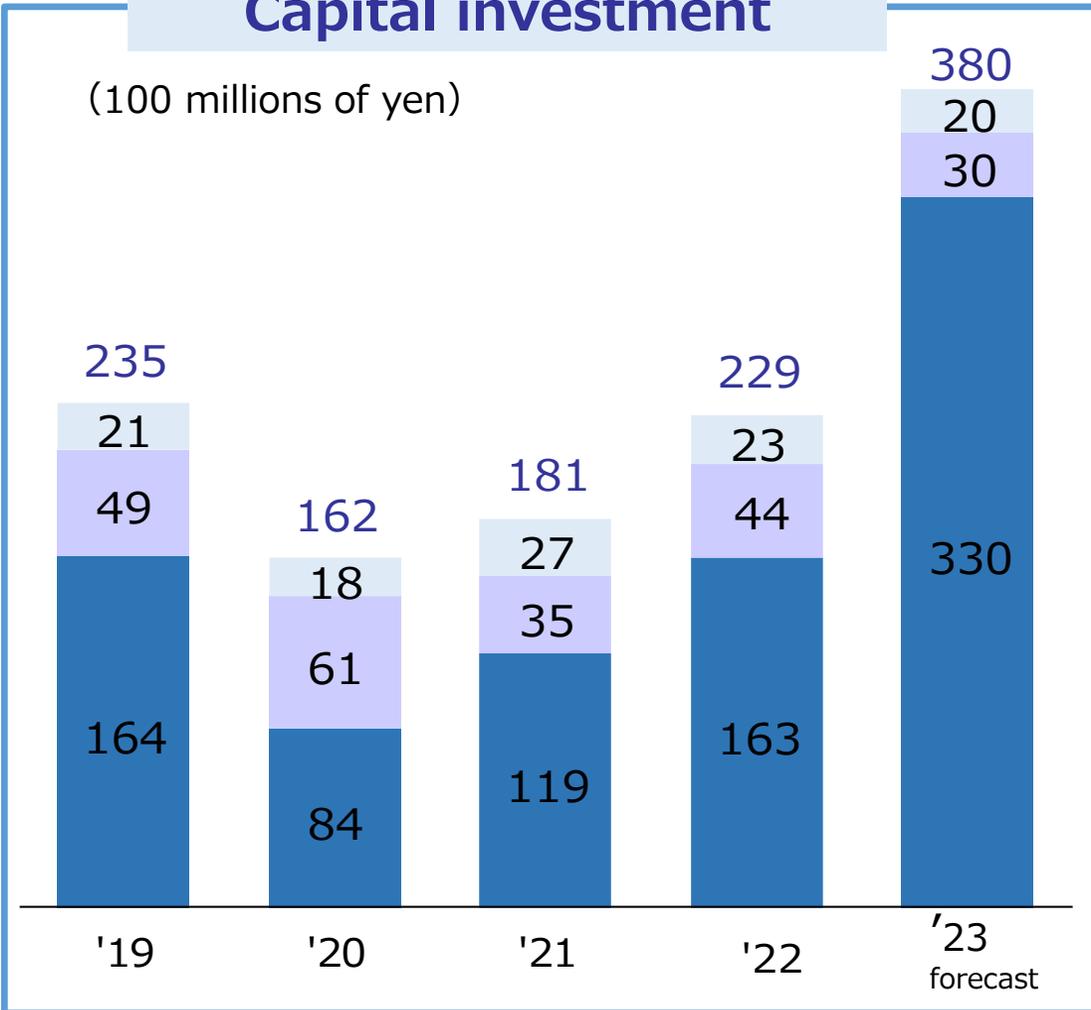


Aggressive investments in new stamping plants and new valve production lines with capital efficiency considerations.

Capital investment

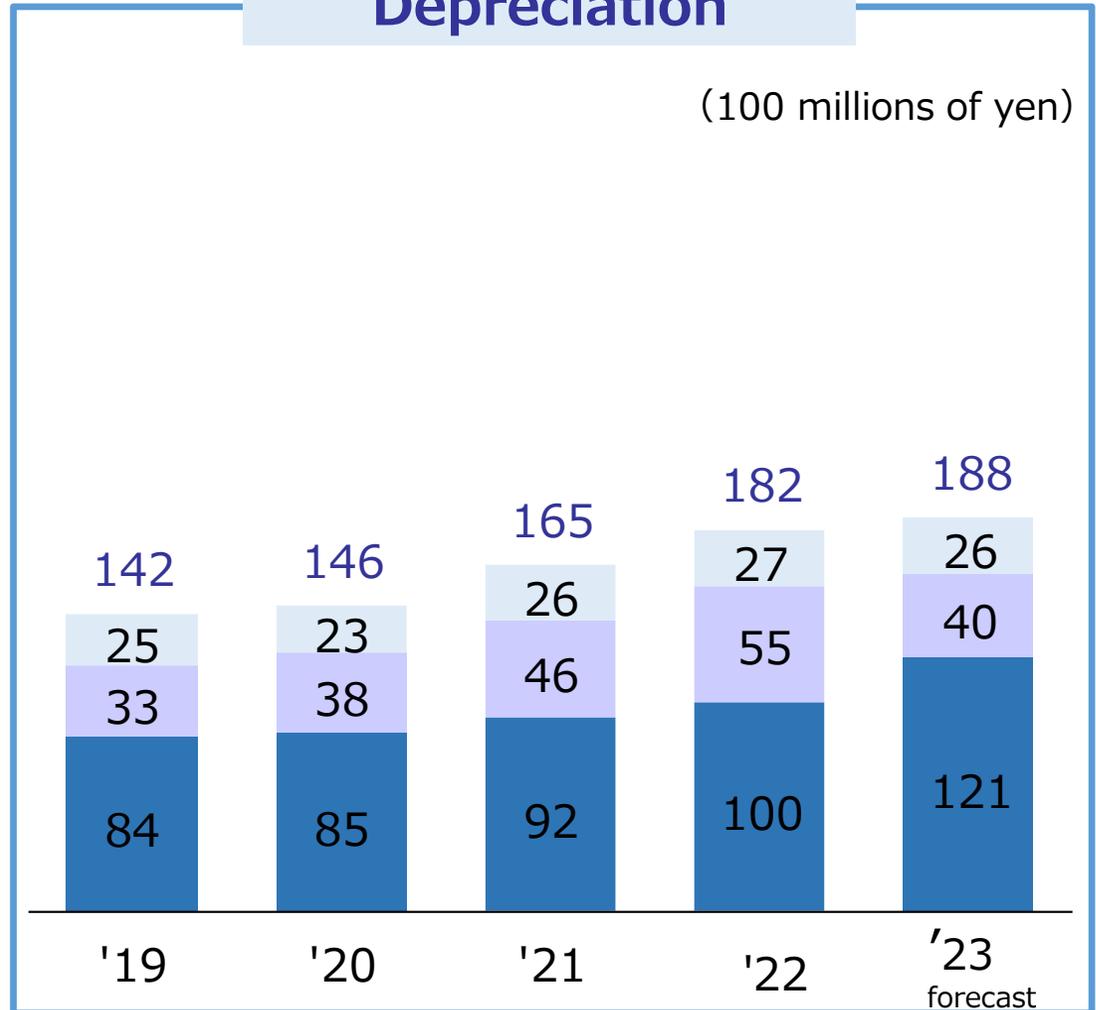
(100 millions of yen)

Asia
Europe & America
Japan



Depreciation

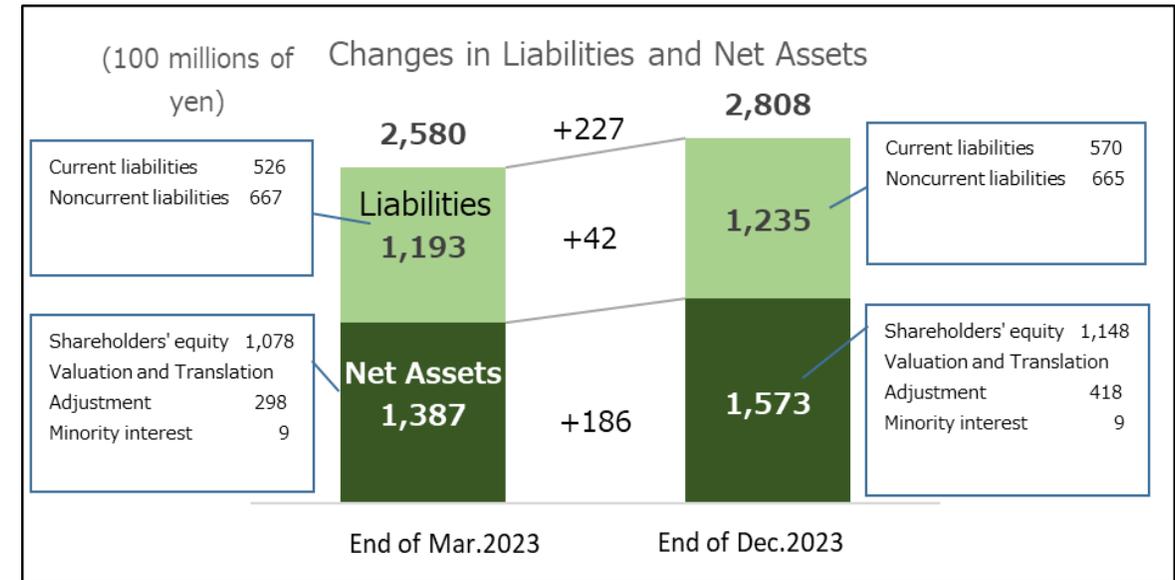
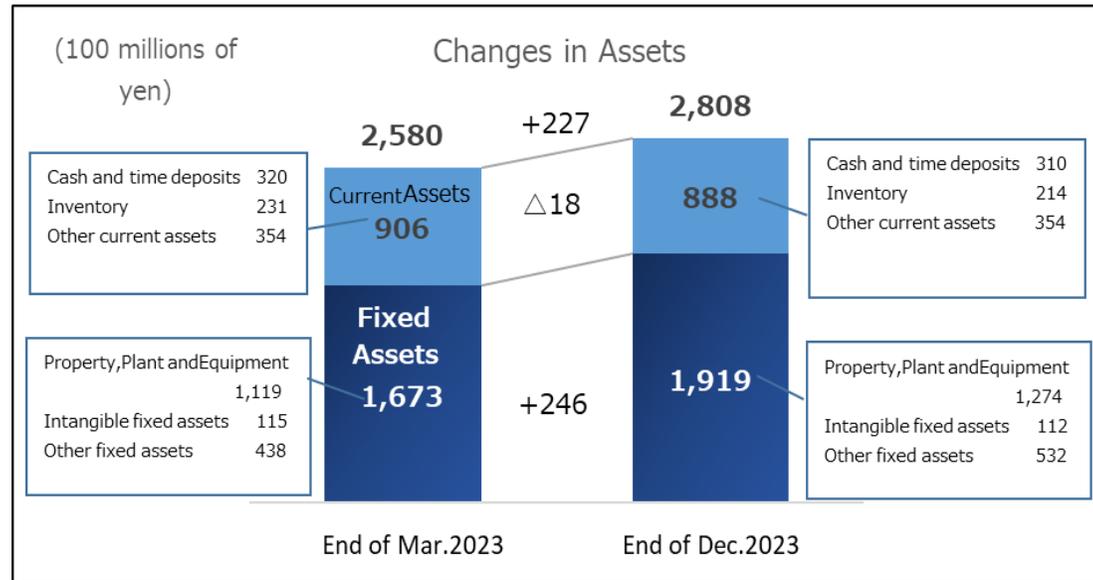
(100 millions of yen)



2-7 Consolidated balance sheet



Fixed assets increased due to investment in new stamping plants, etc., and market value evaluation of cross-shareholdings. Promote sequential sale of cross-shareholdings with a target of 20% or less of net assets.



< Main increase/decrease details >

Assets

- Property, plant and equipment (Investment in new stamping plants, etc.) +155
- Other fixed assets (Market value evaluation of held stocks) +93

Liabilities

- Trade payables, etc. +65
- Interest-bearing liabilities Δ 48

Net Assets

- Quarterly net assets +109
- Retained earnings Δ 26
- Valuation and translation adjustment +115

Improve the competitiveness of existing businesses by strengthening customer proposal capabilities and improving productivity

Expand Stamping Business Orders



- Obtained many new orders by strengthening communication with customers and proposing activities that utilized ultra-high tensile strength technology
- Contributes to the establishment of a highly rigid body that achieves both collision performance and cost reduction

New Stamping Plant Operation Status



- Mass production of stamping products such as ultra high strength parts and HEV battery cases
- Efficient production line that follows the process flow
- Improve productivity by introducing automatic transport and AGV
- Improve the ease of working in plants and offices

Utilizing IoT technology and new ideas to help solve customer and social issues

New model Of "e-WAVES"



New model of "e-WAVES" as the multi-sensing logger

- Enables remote real-time temperature management
- Expanded product lineup, started selling entry model with narrowed measurement items

IoT New Products



"Chokkyu Rakuraku" as workplace improvement tool.

- Achieving paperless workplaces, improving quality and operational efficiency easily at low cost



"Gokkuon" as swallowing checker

- Easily measure the number of saliva swallows
- Easily check oral frailty

Our Upcycled Brands



We named it "LcycL"



Sound absorbing panels with consideration for neighbors

- The upcycled product has started selling.
- Utilizing waste materials generated during the manufacturing process of automobile parts as resources

2-10 Activities for the next term

Work to minimize risks and maximize opportunities due to changes in the business environment

■ Changes, risks, and opportunities in the business environment

Risks

- Continued rise in raw material and energy prices
- Exchange rate fluctuations due to changes in Japan-U.S. Monetary policy, concerns about a slowdown in the North American economy

Opportunities

- Expanding demand for new products due to progress in vehicle electrification

■ Activities in the future

Business

- Promote cost improvement and price pass-through, strengthen profit structure
- Expand existing business by seizing business opportunities in vehicle electrification
- Speed up development in non-automotive business and discover more new businesses

Finance

- Improving capital efficiency by improving investment efficiency and balance sheet improvement
- Improve PER and PBR by improving ROE and enriching IR



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