

## Consolidated Financial Results

### For the Fiscal Year Ended March 31, 2020

Company name: PACIFIC INDUSTRIAL CO., LTD.

Stock exchange listings: Tokyo and Nagoya Stock Exchanges (First Section)

Stock code number: 7250

URL: <http://www.pacific-ind.co.jp/>

Representative: Shinya Ogawa, President

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(Amounts less than one million yen are omitted)

#### 1. Consolidated Financial Results for FY 2019 (From April 1, 2019 to March 31, 2020)

##### (1) Consolidated financial results

(%: changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%
FY 2019	165,969	14.4	10,511	2.0	11,130	△5.4	7,256	△16.9
FY 2018	145,030	23.2	10,307	27.8	11,767	24.1	8,730	18.1

(Note) Comprehensive income: FY2019 : 3,465 million yen ( △48.4%) FY2018 : 6,711 million yen ( △21.4%)

	Net income per share	Diluted net income per share	Return on equity	Return on asset	Operating margin
	<i>Yen</i>	<i>Yen</i>	%	%	%
FY 2019	120.12	119.63	7.5	5.5	6.3
FY 2018	144.80	143.95	9.3	6.5	7.1

(Reference) Share of (profit) loss of entities accounted for using equity method:

FY2019 : 345 million yen FY2018 : 688 million yen

##### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	<i>Millions of yen</i>	<i>Millions of yen</i>	%	<i>Yen</i>
FY 2019	204,280	98,422	47.8	1,614.01
FY 2018	203,831	97,075	47.0	1,590.09

(Reference) Equity: FY2019: 97,557 million yen FY2018: 95,900 million yen

##### (3) Cash flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalent at end of period
	<i>Millions of yen</i>	<i>Millions of yen</i>	<i>Millions of yen</i>	<i>Millions of yen</i>
FY 2019	21,190	△24,270	90	18,066
FY 2018	18,941	△40,595	29,231	21,488

#### 2. Cash Dividends

	Annual dividends per share					Total annual dividends	Payout ratio (consolidate)	Dividend on equity (consolidated)
	At end of 1 <sup>st</sup> quarter	At end of 2 <sup>nd</sup> quarter	At end of 3 <sup>rd</sup> quarter	At year-end	Total			
FY2018	<i>Yen</i> —	<i>Yen</i> 14.00	<i>Yen</i> —	<i>Yen</i> 19.00	<i>Yen</i> 33.00	<i>Millions of yen</i> 2,004	% 22.8	% 2.1
FY2019	<i>Yen</i> —	<i>Yen</i> 16.00	<i>Yen</i> —	<i>Yen</i> 14.00	<i>Yen</i> 30.00	<i>Millions of yen</i> 1,826	% 25.0	% 1.9
FY2020 (forecast)	<i>Yen</i> —	<i>Yen</i> —	<i>Yen</i> —	<i>Yen</i> —	<i>Yen</i> —		% —	% —

Note: The dividend forecast for FY2020 is undecided at present.

### 3. Forecasts of Consolidated Financial Results for FY2020 (From April 1, 2020 to March 31, 2021)

Forecast of consolidated financial results for FY2020 is not decided because it is difficult to reasonably calculate the impact of COVID-19 at present.

#### \* Notes

(1) Changes in significant subsidiaries during the period: None

(Changes in specified subsidiaries resulting in changes in scope of consolidation)

Newly included: — (company name)

Newly excluded: — (company name)

(2) Changes in accounting policies, accounting estimates and restatements

① Changes in accounting policies with revision of accounting standards : None

② Changes other than ① : None

③ Changes in accounting estimates : None

④ Restatement : None

(3) Number of shares issued and outstanding (common stock)

① Number of shares outstanding at end of period (including treasury stock)	FY2019	61,312,896 shares	FY2018	61,312,896 shares
② Number of shares of treasury stock at end of period	FY2019	868,865 shares	FY2018	1,001,484 shares
③ Average number of shares during the year ended March 31	FY2019	60,411,973 shares	FY2018	60,290,304 shares

#### (Reference) Summary of non-consolidated business results

##### 1. Non-Consolidated Financial Result for FY2019 (From April 1, 2019 to March 31, 2020)

(1) Non-consolidated financial results

(%: changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2019	89,901	7.6	5,212	△15.2	7,370	△6.4	4,038	△31.5
FY 2018	83,562	16.5	6,146	5.3	7,871	9.2	5,895	11.6

	Net income per share	Diluted net income per share
	Yen	Yen
FY 2019	66.35	66.08
FY 2018	97.06	96.49

(1) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2019	156,731	73,753	46.9	1,208.17
FY 2018	153,607	72,654	47.1	1,191.24

(Reference) Equity: FY2019: 73,569 million yen FY2018: 72,380 million yen

\* Indication regarding status of performance of audit procedures

This summary of financial results is not subject to the audit procedures in accordance with the Financial Instruments and Exchange Act. As of the time of disclosure of this summary of financial results, the audit procedures for consolidated financial statements under the Financial Instruments and Exchange Act have not been completed.

\* Explanation about appropriate use of the financial results forecasts, and other noteworthy matters  
Statements related to the future, including the forecasts of financial results, described in this document are based on information currently available to Pacific industrial and on certain assumptions deemed by Pacific industrial to be rational.

# Consolidated Balance Sheets

(Million Yen)

	FY2018 (As of Mar.31, 2019)	FY2019 (As of Mar.31, 2020)		FY2018 (As of Mar.31, 2019)	FY2019 (As of Mar.31, 2020)
<b>(Assets)</b>			<b>(Liabilities)</b>		
<b>Current Assets</b>	64,320	61,060	<b>Current Liabilities</b>	45,151	42,807
Cash and time deposits	21,763	18,315	Trade notes and accounts payable	10,626	10,876
Trade notes and accounts receivable	23,949	24,452	Electronically recorded obligations - operating	8,447	7,017
Merchandise and finished goods	5,863	6,522	Short-term borrowings	4,769	4,720
Work in process	5,393	4,638	Current portion of long-term borrowings	5,285	6,450
Raw materials and supplies	3,414	3,829	Accounts payable	6,509	4,457
Accounts receivable	3,366	2,701	Accrued expenses	2,163	2,307
Other current assets	652	673	Income taxes payable	1,924	583
Less: Allowance for doubtful accounts	△ 82	△ 74	Consumption taxes payable	111	126
			Deposit received	784	642
<b>Fixed Assets</b>	139,510	143,219	Allowance for bonuses	1,615	1,563
Property, Plant and Equipment	92,178	98,361	Allowance for bonuses to directors	60	57
Buildings and structures	23,332	26,155	Notes concerning installations	127	94
Machinery and vehicles	37,002	41,729	Other current liabilities	2,727	3,910
Tools, Furniture, and fixtures	7,605	5,499	<b>Noncurrent Liabilities</b>	61,604	63,050
Land	7,627	9,884	Long-term borrowings	51,529	52,471
Lease Asset	412	1,219	Deferred tax liabilities	8,181	8,126
Construction in progress	16,197	13,873	Provision for directors retirement benefit	191	184
<b>Intangible Fixed Assets</b>	15,035	13,682	Net defined benefit liabilities	648	682
Goodwill	8,803	8,056	Other noncurrent liabilities	1,052	1,586
Other	6,232	5,626			
<b>Investments and Other Assets</b>	32,296	31,175	<b>Total Liabilities</b>	106,755	105,858
Investments in securities	26,675	25,796			
Long-term loans	64	59	<b>(Net assets)</b>		
Deferred tax assets	273	248	<b>Shareholders' Equity</b>	82,973	88,220
Net defined benefit asset	4,473	4,251	Capital stock	7,316	7,316
Other fixed assets	812	822	Capital surplus	7,626	7,705
Less: Allowance for doubtful accounts	△ 3	△ 3	Retained earnings	68,315	73,443
			Less: Treasury stock at cost	△ 285	△ 246
			Valuation and Translation Adjustment	12,927	9,337
			Valuation difference on available securities	11,480	10,653
			Foreign currency translation adjustments	1,015	△ 1,139
			Remeasurement of defined benefit plan	431	△ 176
			Subscription rights to shares	274	184
			Minority Interests	900	680
			<b>Total Net Assets</b>	97,075	98,422
<b>Total Assets</b>	203,831	204,280	<b>Total Liabilities and Net Assets</b>	203,831	204,280

## Consolidated Statements of Income

(Million Yen)

	FY2018 For the Year Ended Mar.31, 2019	FY2019 For the Year Ended Mar.31, 2020
Net sales	145,030	165,969
Cost of sales	123,417	142,533
Gross profit	21,612	23,436
Selling, general and administrative expenses	11,305	12,924
Operating Income	10,307	10,511
Non-operating income	1,950	1,586
Interest income	90	87
Dividend income	624	639
Equity in earnings of affiliated companies	688	345
Foreign exchange gain	228	-
Other non-operating income	318	513
Non-operating Expenses	490	967
Interest expense	260	321
Commission fee	190	1
Foreign exchange losses	-	568
Other non-operating expense	39	77
Ordinary income	11,767	11,130
Extraordinary income	132	-
Gain on sales of fixed assets	132	-
Extraordinary Losses	92	1,583
Loss on sales and retirements of fixed assets	92	248
Impairment loss	-	1,334
Income before income taxes and non controlling interests	11,807	9,546
Income taxes	3,043	2,458
Current term net profit	8,764	7,088
Profit (loss) attributable to non-controlling interests	34	△ 168
Profit attributable to the owners of parent	8,730	7,256