

Consolidated Financial Results

For the Fiscal Year Ended March 31, 2021

Company name: PACIFIC INDUSTRIAL CO., LTD.

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

Stock code number: 7250

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

Representative: Shinya Ogawa, President

Contact person: Satoshi Watanabe, General Manager of Accounting Dept.

Telephone: +81-584-93-0117

(Amounts less than one million yen are omitted)

1. Consolidated Financial Results for FY 2020 (From April 1, 2020 to March 31, 2021)

(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 2020	150,408	-9.4	8,974	-14.6	11,218	0.8	7,982	10.0
FY 2019	165,969	14.4	10,511	2.0	11,130	-5.4	7,256	-16.9

(Note) Comprehensive income: FY2020 : 15,693 million yen (352.9%) FY2019 : 3,465 million yen (△48.4%)

	Net income per share	Diluted net income per share	Return on equity	Return on asset	Operating margin
	<i>Yen</i>	<i>Yen</i>	%	%	%
FY 2020	131.95	131.56	7.6	5.2	6.0
FY 2019	120.12	119.63	7.5	5.5	6.3

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

FY2020 : 772 million yen FY2019 : 345 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 2020	225,531	112,508	49.5	1,846.06
FY 2019	204,280	98,422	47.8	1,614.01

(Reference) Equity: FY2020: 111,714 million yen FY2019: 97,557 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 2020	26,988	-18,509	808	28,058
FY 2019	21,190	-24,270	90	18,066

2. Cash Dividends

	Annual dividends per share					Total annual dividends	Payout ratio (consolidate)	Dividend on equity (consolidated)
	At end of 1 st quarter	At end of 2 nd quarter	At end of 3 rd quarter	At year-end	Total			
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	<i>Yen</i> —	<i>Yen</i> 10.00	<i>Yen</i> —	<i>Yen</i> 23.00	<i>Yen</i> 33.00	<i>Millions of yen</i> 2,011	% 25.0	% 1.9
FY2021 (forecast)	<i>Yen</i> —	<i>Yen</i> 16.00	<i>Yen</i> —	<i>Yen</i> 17.00	<i>Yen</i> 33.00		% 25.0	

3. Forecasts of Consolidated Financial Results for FY2021 (From April 1, 2021 to March 31, 2022)

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

	Net sales		Operating income		Ordinary income		Net income for the year attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	77,500	19.5	4,000	363.8	4,800	265.4	3,300	250.1	54.53
FY 2021	156,000	3.7	9,500	5.9	11,500	2.5	8,000	0.2	132.20

* Notes

(1) Changes in significant subsidiaries during the period: Yes

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

Newly included: 1 company (company name) PACIFIC INDUSTRIES (THAILAND) CO., LTD.

Newly excluded: 2 companies (company name) PACIFIC INDUSTRIES (THAILAND) CO., LTD.
PACIFIC AUTOPARTS (THAILAND) CO., LTD.

(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)	FY2020	61,312,896 shares	FY2019	61,312,896 shares
② Number of shares of treasury stock at end of period	FY2020	798,055 shares	FY2019	868,865 shares
③ Average number of shares during the year ended March 31	FY2020	60,497,086 shares	FY2019	60,411,973 shares

(Reference) Summary of non-consolidated business results

1. Non-Consolidated Financial Result for FY2020 (From April 1, 2020 to March 31, 2021)

(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 2020	81,820	-9.0	5,083	-2.5	7,512	1.9	4,986	23.5
FY 2019	89,901	7.6	5,212	-15.2	7,370	-6.4	4,038	-31.5

	Net income per share	Diluted net income per share
	Yen	Yen
FY 2020	81.81	81.57
FY 2019	66.35	66.08

(1) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2020	170,909	81,464	47.6	1,333.95
FY 2019	156,731	73,753	46.9	1,208.17

(Reference) Equity: FY2020: 81,323 million yen FY2019: 73,569 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)

	FY2019 (As of Mar.31, 2020)	FY2020 (As of Mar.31, 2021)		FY2019 (As of Mar.31, 2020)	FY2020 (As of Mar.31, 2021)
(Assets)			(Liabilities)		
Current Assets	61,060	71,456	Current Liabilities	42,807	47,874
Cash and time deposits	18,315	28,332	Trade notes and accounts payable	10,876	12,005
Trade notes and accounts receivable	24,452	24,027	Electronically recorded obligations - operating	7,017	7,566
Merchandise and finished goods	6,522	6,969	Short-term borrowings	4,720	4,188
Work in process	4,638	4,383	Current portion of long-term borrowings	6,450	9,614
Raw materials and supplies	3,829	4,148	Accounts payable	4,457	5,057
Other current assets	3,375	3,727	Income taxes payable	583	2,404
Less: Allowance for doubtful accounts	(74)	(133)	Allowance for bonuses	1,563	1,536
Fixed Assets	143,219	154,075	Allowance for bonuses to directors	57	-
Property, Plant and Equipment	98,361	101,983	Other current liabilities	7,080	5,501
Buildings and structures	26,155	28,781	Noncurrent Liabilities	63,050	65,148
Machinery and vehicles	41,729	48,227	Long-term borrowings	52,471	52,480
Tools, Furniture, and fixtures	5,499	5,816	Provision for directors retirement benefit	184	161
Land	9,884	10,089	Net defined benefit liabilities	682	716
Lease Asset	1,219	1,104	Other noncurrent liabilities	9,712	11,790
Construction in progress	13,873	7,963	Total Liabilities	105,858	113,023
Intangible Fixed Assets	13,682	12,640	(Net assets)		
Goodwill	8,056	7,304	Shareholders' Equity	88,220	94,700
Other	5,626	5,336	Capital stock	7,316	7,316
Investments and Other Assets	31,175	39,450	Capital surplus	7,705	7,643
Investments in securities	25,796	32,497	Retained earnings	73,443	79,964
Other fixed assets	5,382	6,957	Less: Treasury stock at cost	(246)	(224)
Less: Allowance for doubtful accounts	(3)	(3)	Valuation and Translation Adjustment	9,337	17,013
			Valuation difference on available securities	10,653	14,893
			Foreign currency translation adjustments	(1,139)	1,135
			Remeasurement of defined benefit plan	(176)	985
			Subscription rights to shares	184	141
			Minority Interests	680	652
			Total Net Assets	98,422	112,508
Total Assets	204,280	225,531	Total Liabilities and Net Assets	204,280	225,531

Consolidated Statements of Income

(Million Yen)

	FY2019 For the Year Ended Mar.31, 2020	FY2020 For the Year Ended Mar.31, 2021
Net sales	165,969	150,408
Cost of sales	142,533	129,280
Gross profit	23,436	21,127
Selling, general and administrative expenses	12,924	12,152
Operating Income (loss)	10,511	8,974
Non-operating income	1,586	2,665
Interest income	87	36
Dividend income	639	625
Equity in earnings of affiliated companies	345	772
Foreign exchange gain	–	627
Other non-operating income	513	603
Non-operating Expenses	967	421
Interest expense	321	365
Foreign exchange losses	568	–
Other non-operating expense	77	55
Ordinary income (loss)	11,130	11,218
Extraordinary Losses	1,583	965
Loss on sales and retirements of fixed assets	248	162
Impairment loss	1,334	–
Settlement package	–	802
Profit (loss) before income taxes and non controlling interests	9,546	10,253
Income taxes	2,458	2,273
Current term net profit	7,088	7,979
Loss attributable to non-controlling interests	(168)	(3)
Profit attributable to owners of parent	7,256	7,982