

## Consolidated Financial Results

### For the 2nd Quarter Ended September 30, 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 2020 2nd Quarter (From April 1, 2020 to September 30, 2020)

##### (1) Consolidated Financial Results

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

	Net Sales		Operating Income		Ordinary Income		Profit attribute to owners of parent	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FY2020 2nd quarter	64,827	-21.7	862	-81.6	1,313	-73.4	942	-72.9
FY2019 2nd quarter	82,765	28.7	4,683	19.1	4,935	-2.5	3,473	-9.2

Note: Comprehensive income

FY2020 2nd quarter: 777 million yen (-61.6%), FY2019 2nd quarter: 2,026 million yen (-60.8%)

	Earnings Per Share	Fully Diluted Earnings Per Share
	Yen	Yen
FY2020 2nd quarter	15.58	15.53
FY2019 2nd quarter	57.53	57.27

##### (2) Consolidated Financial Position

	Total Assets	Net Assets	Net assets excluding subscription rights to shares and Non-controlling interests as a percentage of total assets
	Million Yen	Million Yen	%
FY2020 2nd quarter	208,475	98,351	46.8
FY2019	204,280	98,422	47.8

Note: Shareholders' equity: FY2020 2nd quarter : 97,590 million yen FY2019: 97,557 million yen

#### 2. Cash Dividends

	Annual Cash Dividends Per Share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	FY Total
	Yen	Yen	Yen	Yen	Yen
FY2019	—	16.00	—	14.00	30.00
FY2020	—	10.00	—	—	—
FY2020(Forecast)	—	—	—	10.00	20.00

Note: Revisions to the forecasts announced most recently: No

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

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

	Net Sales		Operating Income		Ordinary Income		Profit attribute to owners of parent		Earning Per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
FY2020	145,000	-12.6	6,000	-42.9	6,500	-41.6	4,500	-38.0	74.38

Note: Revisions to the forecasts announced most recently: Yes

#### 4. Notes

(1) Changes in major subsidiaries during the current quarter: None

(changes in specified subsidiaries that caused a change in the scope of consolidation)

Newly included: — (company name)

Newly excluded: — (company name)

(2) Application of special accounting methods for the preparation of quarterly consolidated financial statements : None

(3) Changes in accounting policies, accounting estimates and restatement

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

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

①Number of shares outstanding at end of period(including treasury stock)	FY2020 2nd quarter	61,312,896 shares	FY 2019	61,312,896 shares
②Number of shares of treasury stock at end of period	FY2020 2nd quarter	798,055 shares	FY 2019	868,865 shares
③Average number of common stock (quarterly total)	FY2020 2nd quarter	60,481,867 shares	FY2019 2nd quarter	60,384,449 shares

\* Note on status of quarterly review procedures

This summary of quarterly financial results is not subject to quarterly review procedures under the Financial Instruments and Exchange Act. As of the time of disclosure of this summary of quarterly financial results, however, the review procedures for quarterly 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 Sep.30, 2020)		FY2019 (As of Mar.31, 2020)	FY2020 (As of Sep.30, 2020)
(Assets)			(Liabilities)		
Current Assets	61,060	62,291	Current Liabilities	42,807	44,064
Cash and time deposits	18,315	22,366	Trade notes and accounts payable	10,876	10,027
Trade notes and accounts receivable	24,452	22,746	Electronically recorded obligations - operating	7,017	5,233
Merchandise and finished goods	6,522	5,992	Short-term borrowings	4,720	8,011
Work in process	4,638	4,333	Current portion of long-term borrowings	6,450	8,267
Raw materials and supplies	3,829	3,749	Accounts payable	4,457	4,614
Other current assets	3,375	3,185	Income taxes payable	583	468
Less: Allowance for doubtful accounts	(74)	(81)	Allowance for bonuses	1,563	1,398
Fixed Assets	143,219	146,183	Allowance for bonuses to directors	57	13
Property, Plant and Equipment	98,361	101,028	Other current liabilities	7,080	6,028
Buildings and structures	26,155	25,511	Noncurrent Liabilities	63,050	66,059
Machinery and vehicles	41,729	42,714	Long-term borrowings	52,471	55,419
Tools, Furniture, and fixtures	5,499	5,882	Provision for directors retirement benefit	184	158
Land	9,884	9,910	Net defined benefit liabilities	682	650
Lease Asset	1,219	1,179	Other noncurrent liabilities	9,712	9,831
Construction in progress	13,873	15,830	Total Liabilities	105,858	110,123
Intangible Fixed Assets	13,682	12,732	(Net assets)		
Goodwill	8,056	7,435	Shareholders' Equity	88,220	88,370
Other	5,626	5,297	Capital stock	7,316	7,316
Investments and Other Assets	31,175	32,422	Capital surplus	7,705	7,744
Investments in securities	25,796	27,113	Retained earnings	73,443	73,533
Other fixed assets	5,382	5,311	Less: Treasury stock at cost	(246)	(224)
Less: Allowance for doubtful accounts	(3)	(2)	Valuation and Translation Adjustment	9,337	9,220
			Valuation difference on available securities	10,653	11,573
			Foreign currency translation adjustments	(1,139)	(2,214)
			Remeasurement of defined benefit plan	(176)	(137)
			Subscription rights to shares	184	141
			Minority Interests	680	618
			Total Net Assets	98,422	98,351
Total Assets	204,280	208,475	Total Liabilities and Net Assets	204,280	208,475

## Consolidated Statements of Income

(Million Yen)

	FY2019 For the Year Ended Sep.30, 2019	FY2020 For the Year Ended Sep.30, 2020
Net sales	82,765	64,827
Cost of sales	71,595	58,276
Gross profit	11,170	6,550
Selling, general and administrative expenses	6,486	5,688
Operating Income (loss)	4,683	862
Non-operating income	747	857
Interest income	47	15
Dividend income	341	321
Equity in earnings of affiliated companies	204	84
Subsidy income	1	217
Other non-operating income	153	217
Non-operating Expenses	495	406
Interest expense	128	190
Foreign exchange losses	323	178
Other non-operating expense	42	37
Ordinary income (loss)	4,935	1,313
Extraordinary Losses	81	45
Loss on sales and retirements of fixed assets	81	45
Profit (loss) before income taxes and non controlling interests	4,854	1,268
Income taxes	1,381	373
Current term net profit (loss)	3,473	895
Profit (loss) attributable to non-controlling interests	(0)	(47)
Profit (loss) attributable to owners of parent	3,473	942