

A grayscale image of a car's metal chassis, showing the front and rear ends, the steering wheel, and the engine compartment. The car is viewed from a top-down perspective.

Financial Results Briefing for Q1 Year Ending March 2023

The 99th period : Cumulative First Quarter
(Apr. 1st, 2022-Jun. 30th, 2022)

July 27, 2022

PACIFIC INDUSTRIAL CO., LTD.

- 1. Financial Results for Q1**
- 2. Full Year Forecast for FY2022**
- 3. Focus for This Term**

Caution in handling this document

Future forecasts, including this document, were judged according to the current information. Actual financial results might be considerably different from the forecast mentioned here depending on the Japanese or international economic situation, business trends related to our company, and any risk or indefinite factors involved in fluctuation of exchange rates.

1-1 Q1 Consolidated Results



Record highest were achieved for sales and net income due to foreign exchange gains from yen depreciation despite decrease in sales volume due to lower automobile production

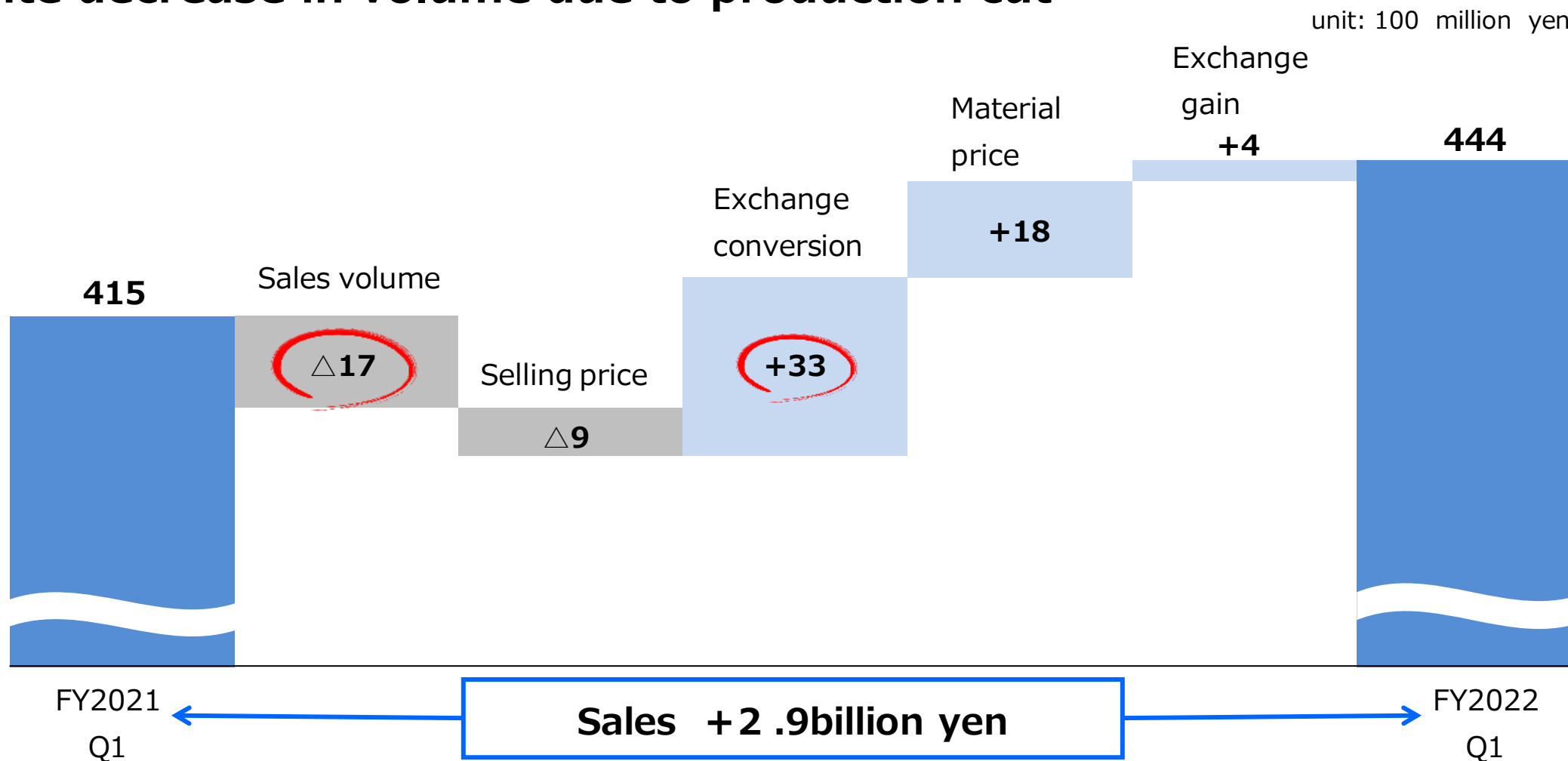
(100 million yen,%)

	FY2021 Q1 Result	FY2022 Q1 Result	YoY rate	
			Gain&Loss	%Change
Sales	415	Record High 444	+29	+7.1
Operating Income	33	16	△16	△50.6
Operating Income Ratio	8.1%	3.7%	△4.4P	-
Ordinary Income	38	38	△0	△0.8
Ordinary Income Ratio	9.4%	8.7%	△0.7P	-
Net income for the year attributable to owners of the parent	28	Record High 29	+0	+0.7
Ratio of net income to sales(%)	7.0%	6.5%	△0.5P	-
Average exchange rate (US dollars)	¥109.9	¥125.9	¥16.0	-

1-2 Causes of Fluctuation in Consolidated Net Sales



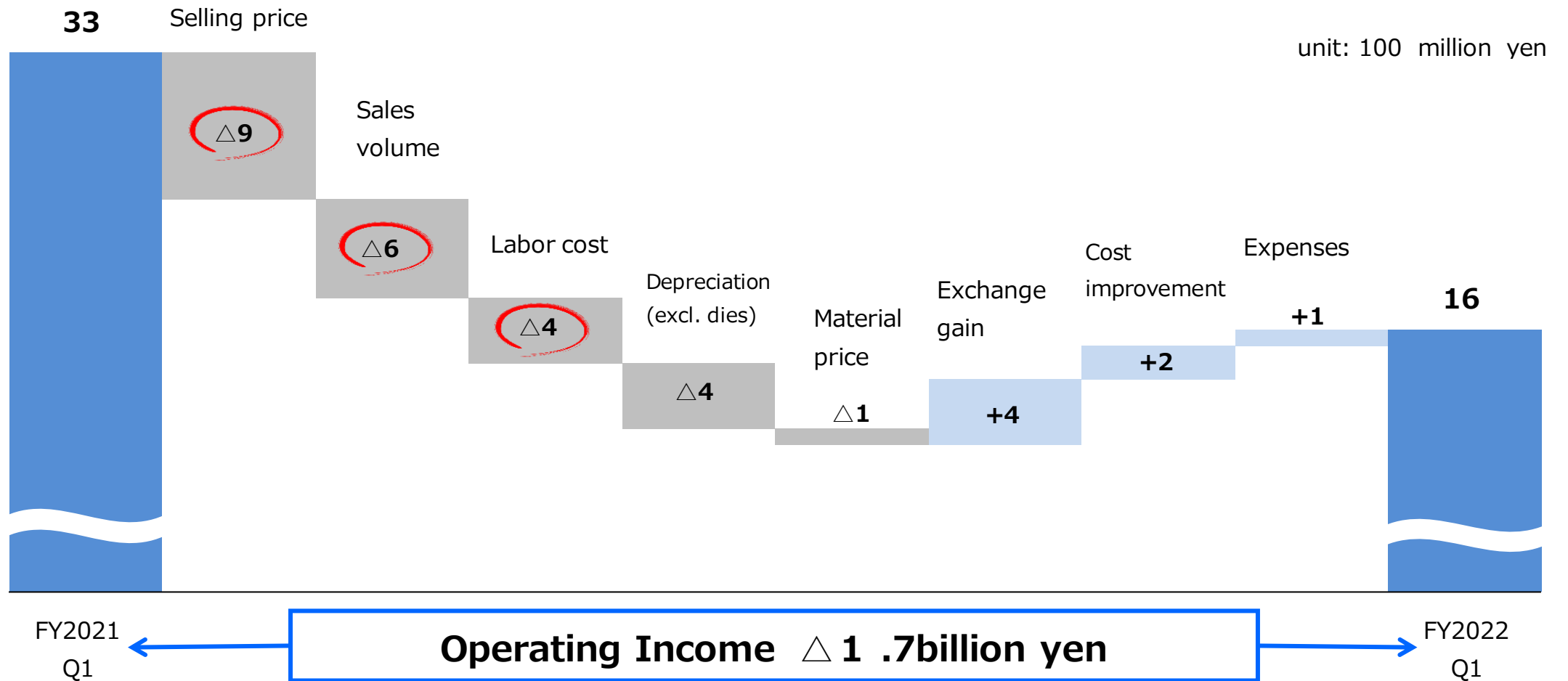
Sales reached a record high in Q1 due to yen's depreciation, despite decrease in volume due to production cut



1-3 Causes of Fluctuation in Consolidated Operating Income



Profitability improvement efforts continued, but operating income decreased due to lower volume and labor cost for production fluctuations.



1-4 Q1 Consolidated Business Segments



Sales up of both stamping&molding and valves due to foreign exchange gains, but income decreased due to cost increase caused by production fluctuation and energy and material price hikes.

(100 million yen,%)

	Sales				Operating Income			
	21/Q1	22/Q1	YoY rate		21/Q1	22/Q1	YoY rate	
	Result	Result	Gain&Loss	%Change	Result	Result	Gain&Loss	%Change
Stamping & Molding	283	310	+26	+9.5	15	4	△10	△70.1
Operating Income Ratio					5.4%	1.5%	△3.9P	
Valves	131	133	+2	+1.7	18	11	△6	△36.8
Operating Income Ratio					14.2%	8.8%	△5.4P	

1-5 Q1 Consolidated Regional Segment



**Sales and income down in Japan due to lower production volume.
Sales up and income down in Europe, in the U.S. and Asia**

(100 million yen,%)

	Sales				Operating Income			
	21/Q1	22/Q1	YoY rate		21/Q1	22/Q1	YoY rate	
	Result	Result	Gain&Loss	%Change	Result	Result	Gain&Loss	%Change
Japan	175	162	△13	△7.6	18	8	△10	△56.3
Operating Income Ratio					10.6%	5.0%	△5.6P	
Europe & America	161	183	+22	+13.7	6	1	△4	△74.9
Operating Income Ratio					4.1%	0.9%	△3.2P	
Asia	77	98	+20	+26.6	8	7	△0	△11.9
Operating Income Ratio					10.7%	7.4%	△3.3P	

1. Financial Results for Q1
- 2. Full Year Forecast for FY2022**
3. Focus for This Term

2-1 Full Year Consolidated Financial Forecast



Based on the Q1 results and changes in external environment, full-year forecast have been revised.

(100 million yen,%)

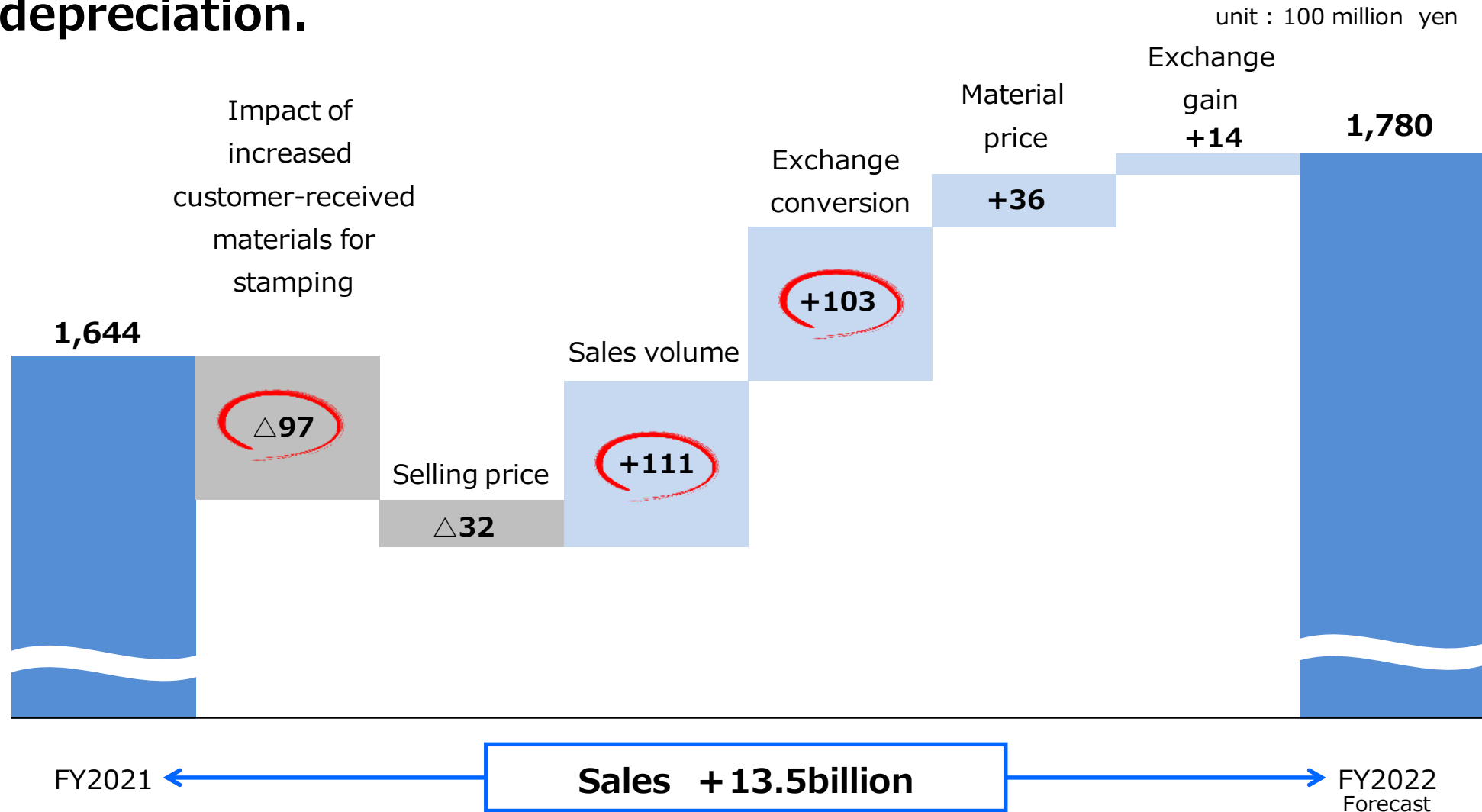
	FY2021	FY2022		YoY rate		Previous (Apr.27) Forecast Rate	
	Full Year	Full Year Forecast		Full Year		Full Year	
	Result	Forecast as of April 27	Forecast latest	Gain&Loss	%Change	Gain&Loss	%Change
Sales	1,644	1,780	1,780	+135	8.2%	+0	0.0%
Operating Income	107	125	105	△2	△2.4%	△20	△16.0%
Operating Income Ratio	6.5%	7.0%	5.9%	△0.6P	—	△1.1P	—
Ordinary Income	146	140	135	△11	△7.6%	△5	△3.6%
Current Net Income	98	100	95	△3	△3.1%	△5	△5.0%
R O E	8.1%	7.5%	7.0%	△1.1P	—	△0.5P	—
R O A (Operating income basis)	4.6%	5.0%	4.2%	△0.4P	—	△0.8P	—
Net Assts per Share	¥2,138	¥2,254	¥2,370	¥232	10.9%	¥116	5.1%
Average exchange rate (US dollars)	¥112.1	¥120.0	¥129.0	¥16.9	—	¥9.0	—

* Current Net income is profit attributable to owners of parent for the current period.

2-2 Causes of Fluctuation in Full Year Consolidated Sales

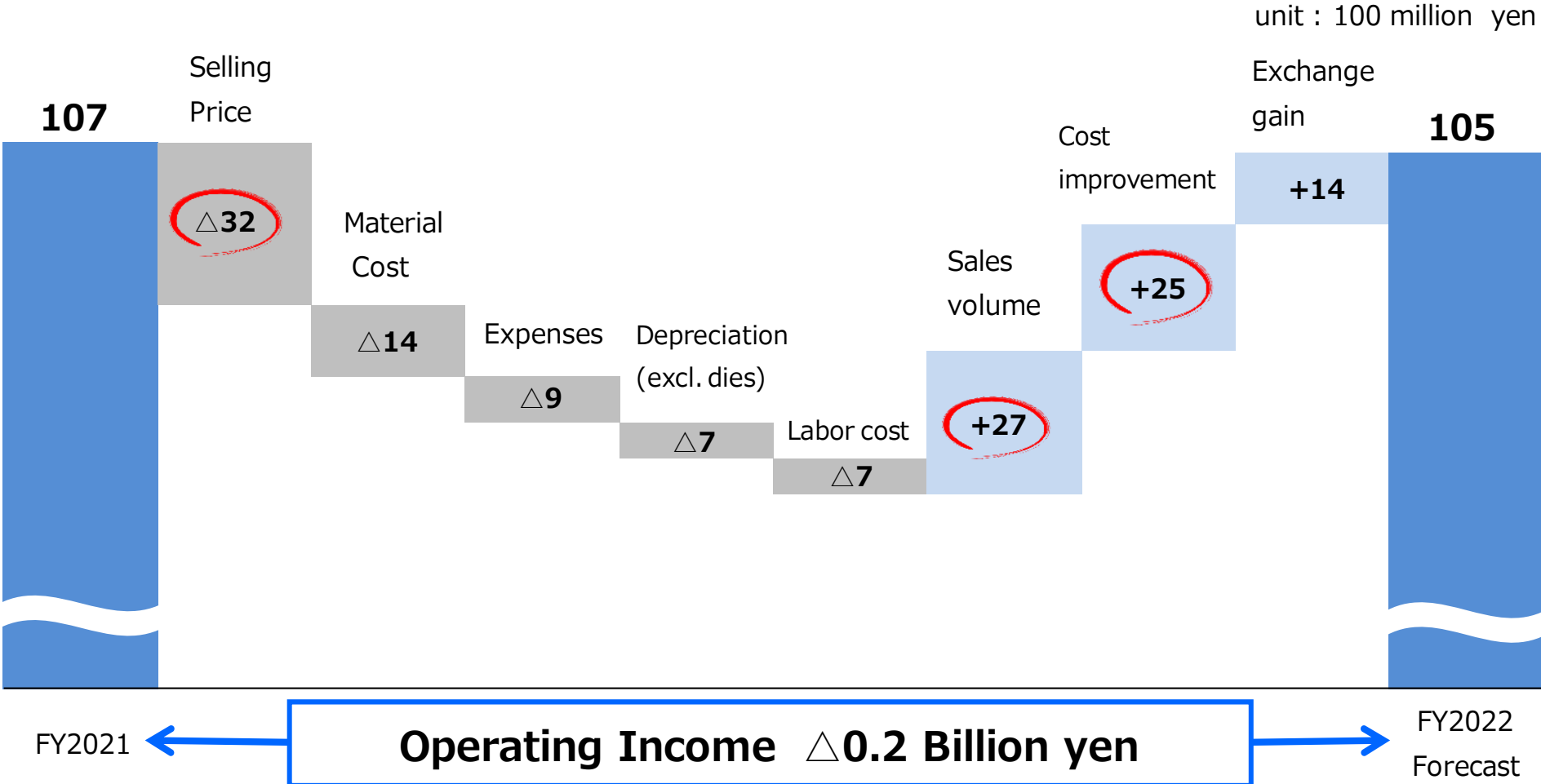


Expect increase in sales due to increase in sales volume and impact of yen depreciation.



2-3 Causes of Fluctuation in Full Year Consolidated Operating Income

Operating income is expected to decrease due to material price hikes despite recovery in sales volume; focus on continuous profit improvement



2-4 Full Year Consolidated Business Segments



Sales and operating income are expected to increase for stamping and molding, Valve sales are expected to increase, while its operating income is expected to decrease.

(100 million yen,%)

	Sales				Operating Income			
	FY2021 Result	FY2022 Forecast	YoY Rate		FY2021 Result	FY2022 Forecast	YoY Rate	
			Gain&Loss	%Change			Gain&Loss	%Change
Stamping & Molding	1,142	1,235	+92	+8.1	49	57	+7	+15.8
(The Impact of increased customer-received materials for stamping)		* (△97)						
Operating Income Ratio					4.3%	4.6%	+0.3P	
Valves	499	542	+42	+8.4	58	48	△10	△17.7
Operating Income Ratio					11.7%	8.9%	△2.8P	

* FY2022 Sales will be expected decrease 9.7 billion since FY2022 Q3 due to the impact of increased customer-received materials for stamping. No impact on income.

2-5 Full Year in Consolidated Regional Segment



Sales and operating income are expected to decrease in Japan, while expected to increase in Europe, the U.S., and Asia.

(100 million yen,%)

	Sales				Operating Income			
	FY2021 Result	FY2022 Forecast	YoY Rate		FY2021 Result	FY2022 Forecast	YoY Rate	
			Gain&Loss	%Change			Gain&Loss	%Change
Japan	687	648	△39	△5.8	61	49	△12	△20.3
(The Impact of increased customer-received materials for stamping)		* (△97)						
Operating Income Ratio					8.9%	7.6%	△1.3P	
Europe & America	612	707	+94	+15.4	13	21	+7	+52.6
Operating Income Ratio					2.2%	3.0%	+0.8P	
Asia	344	425	+80	+23.4	31	33	+1	+4.2
Operating Income Ratio					9.2%	7.8%	△1.4P	

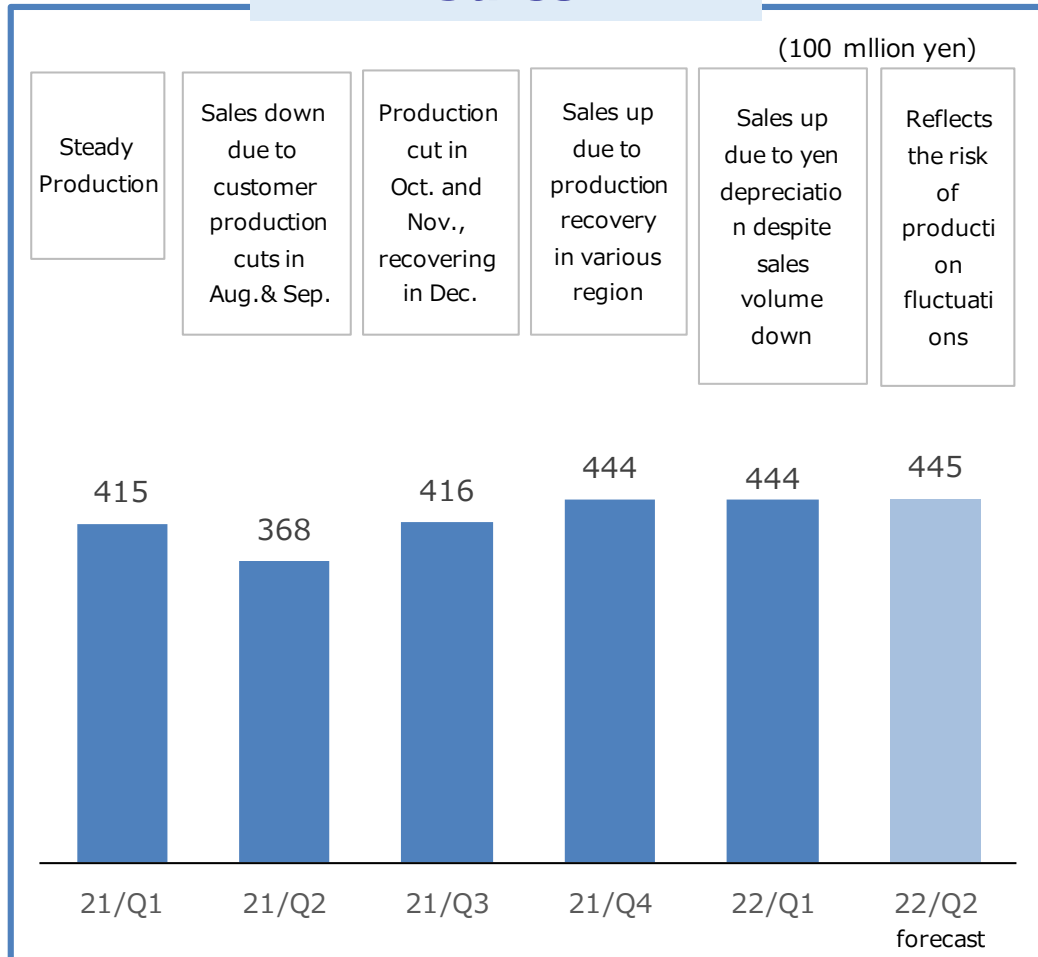
* FY2022 Sales will be expected decrease 9.7 billion since FY2022 Q3 due to the impact of increased customer-received materials for stamping
No impact on income.

2-6 Quarterly Consolidated Financial Results

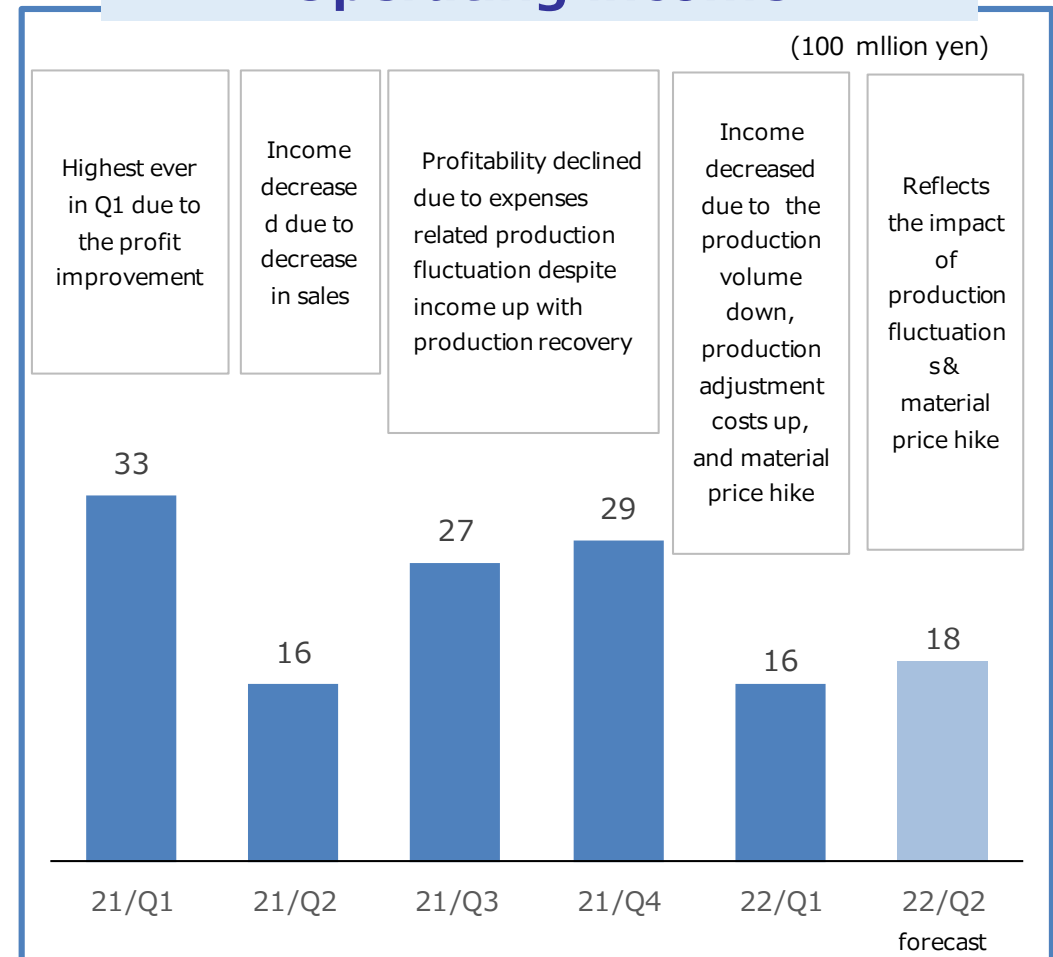


Profitability declined due to cost increases caused by volume fluctuations and material price hikes, but continue to improve profitability and minimize losses.

Sales



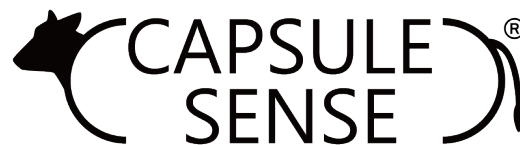
Operating income



2-7 New product launched

Contributing to the growth of high-quality cattle and Solving the challenges facing farmers by labor saving and improving management efficiency

Sales start on **June 1, 2022**



of cattle body condition monitoring

Needs and Issues
of
cattle livestock
industry

▶ Labor saving

Increase in number of animals per household and lack of successors

▶ Productivity Improvement

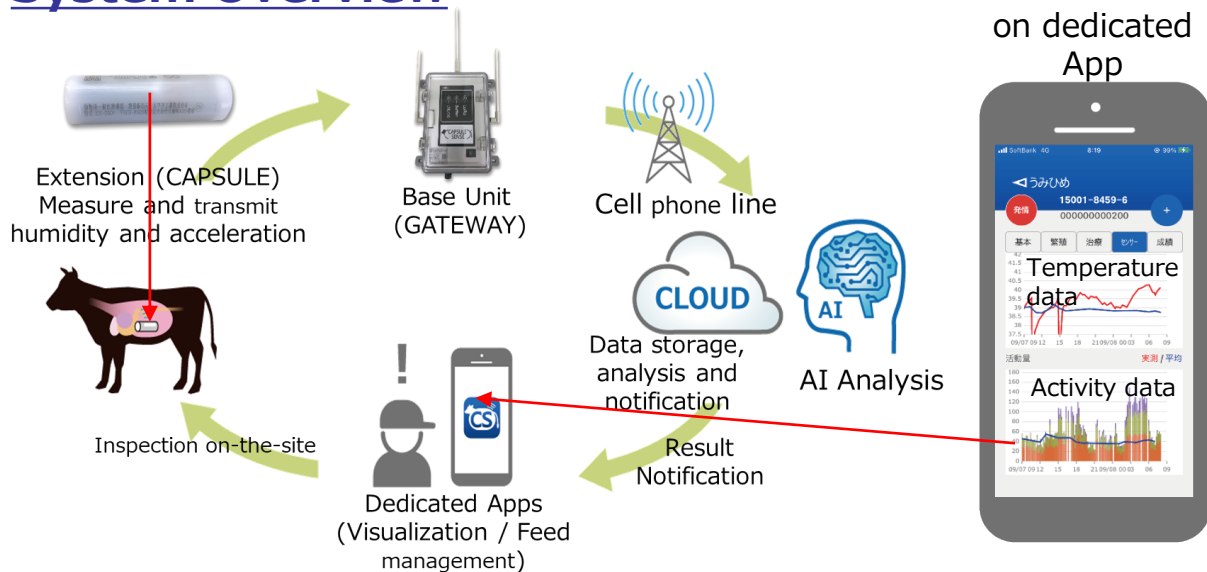
Decreased productivity due to lower conception rates

▶ Disease detection

Economic loss due to illness, injury, accident, etc.

**Solving with
TPMS Sensing & ICT**

System Overview



Features and Strengths

*Approved veterinary medical devices

- Multifunction in one
- Stress-free for cattle
- High detection
- AI analysis
- Maintenance-free
- Labor saving for Livestock monitoring

- 1 . Financial Results for Q1
- 2 . Full Year Forecast for FY2022
- 3 . Focus for This Term**

3 Focus for This Term



■ Result of Q1

- Semiconductor shortage
- Production fluctuations due to the impact of the Shanghai lockdown, etc.
- Secured profit by controlling expenses and other costs

■ Full year forecast

- Production is expected to recover from September onward.
- Concerns about production fluctuations due to supply shortages in semiconductors, etc.

■ Future Initiatives

- Prepare for production recovery and **maximize the effect of production increase**
- **Launched a new product** based on sensing technology
- **Continue activities to grow** existing and new business



思いをこめて、あしたをつくる

Passion in Creating Tomorrow