

Financial Results Briefing for Q3 Year Ending March 2021

The 97th period : Cumulative Third Quarter
(Apr. 1st, 2020-Dec. 31st, 2020)

Feb 3, 2021



PACIFIC INDUSTRIAL CO., LTD.

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 Q3 Consolidated Results

Record high for 3Q due to improvement efforts and sales recovery.

(million yen,%)

	Previous Q3		Q3		Year-on-year rate			
	Q3 results	Cumulative results	Q3 results	Cumulative results	Q3 results		Cumulative results	
					Gain&Loss	%change	Gain&Loss	%change
Sales	40,310	Record High 123,075	Record High 43,210	Record High 108,038	2,900	+7.2	△15,037	△12.2
Operating Income	2,115 5.2%	Record High 6,798 5.5%	Record High 4,101 -9.5%	Record High 4,963 4.6%	1,985	+93.9	△1,835	△27.0
Ordinary Income	2,855 7.1%	Record High 7,791 6.3%	Record High 4,559 10.6%	Record High 5,873 5.4%	1,704	+59.7	△1,917	△24.6
Q3 Net Income	2,095 5.2%	Record High 5,568 4.5%	Record High 3,324 7.7%	Record High 4,267 3.9%	1,229	+58.7	△1,301	△23.4

✓Sales Sales recovery in Q2 continues in 3Q. Record high for 3Q.

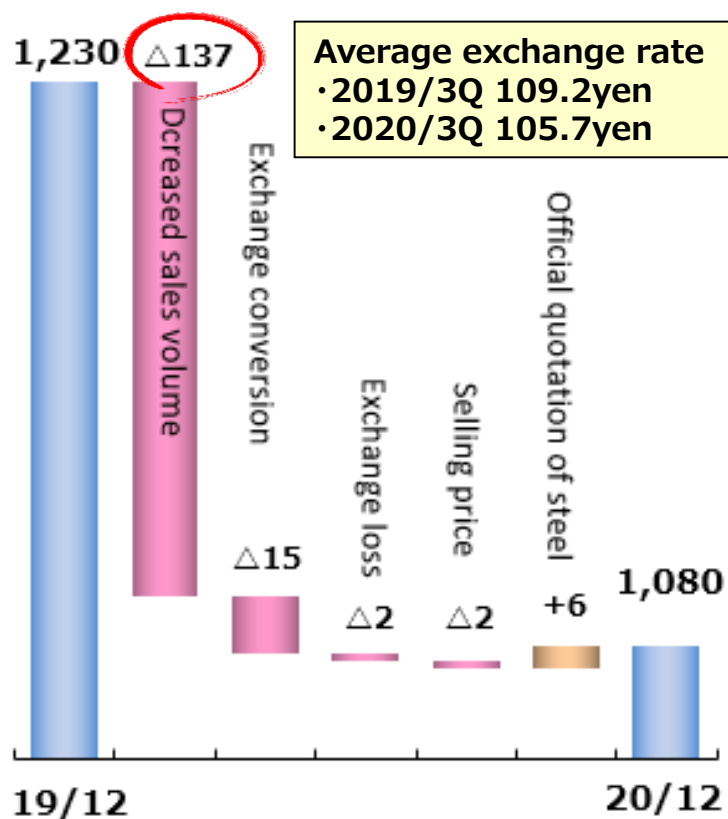
✓Operating Income Record high for 3Q due to improvement efforts and sales recovery.

1-2 Q3 Causes of Fluctuation in Consolidated Sales & Income

Although sales decreased significantly due to the impact of Covid-19, the margin of decrease in profits was reduced by improvement and cost reduction.

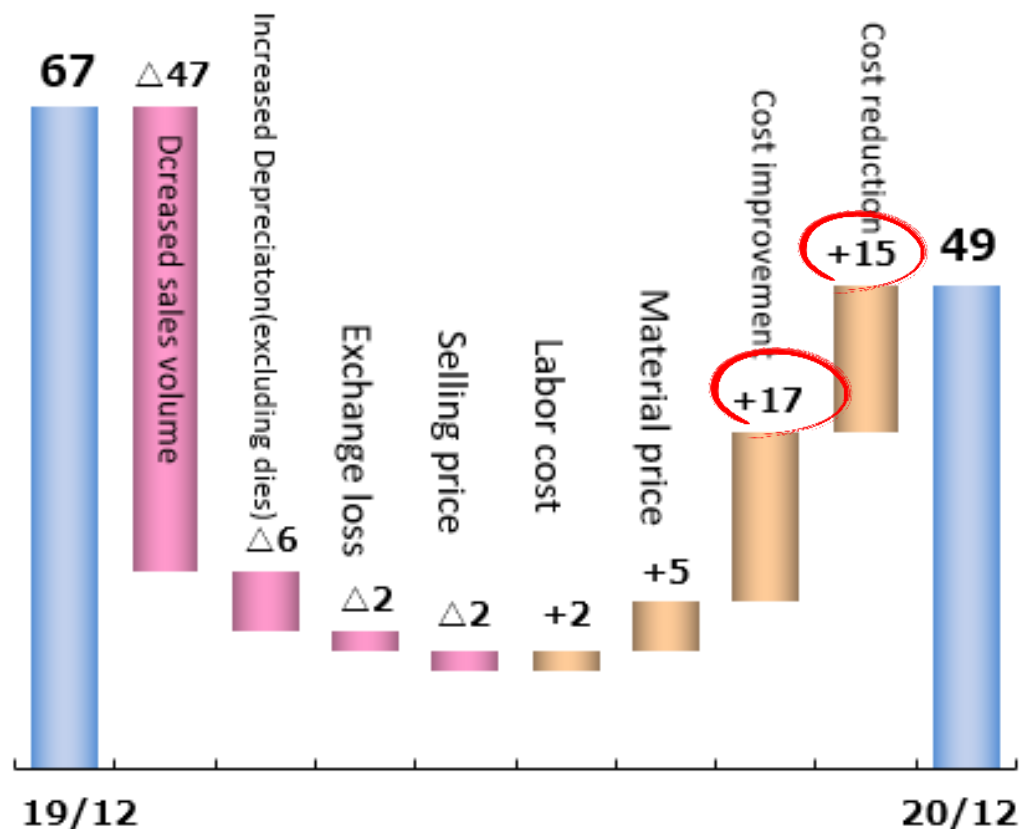
«Q3 2020 vs Q3 2019»
Sales Δ 15 billion yen

unit:100 million yen



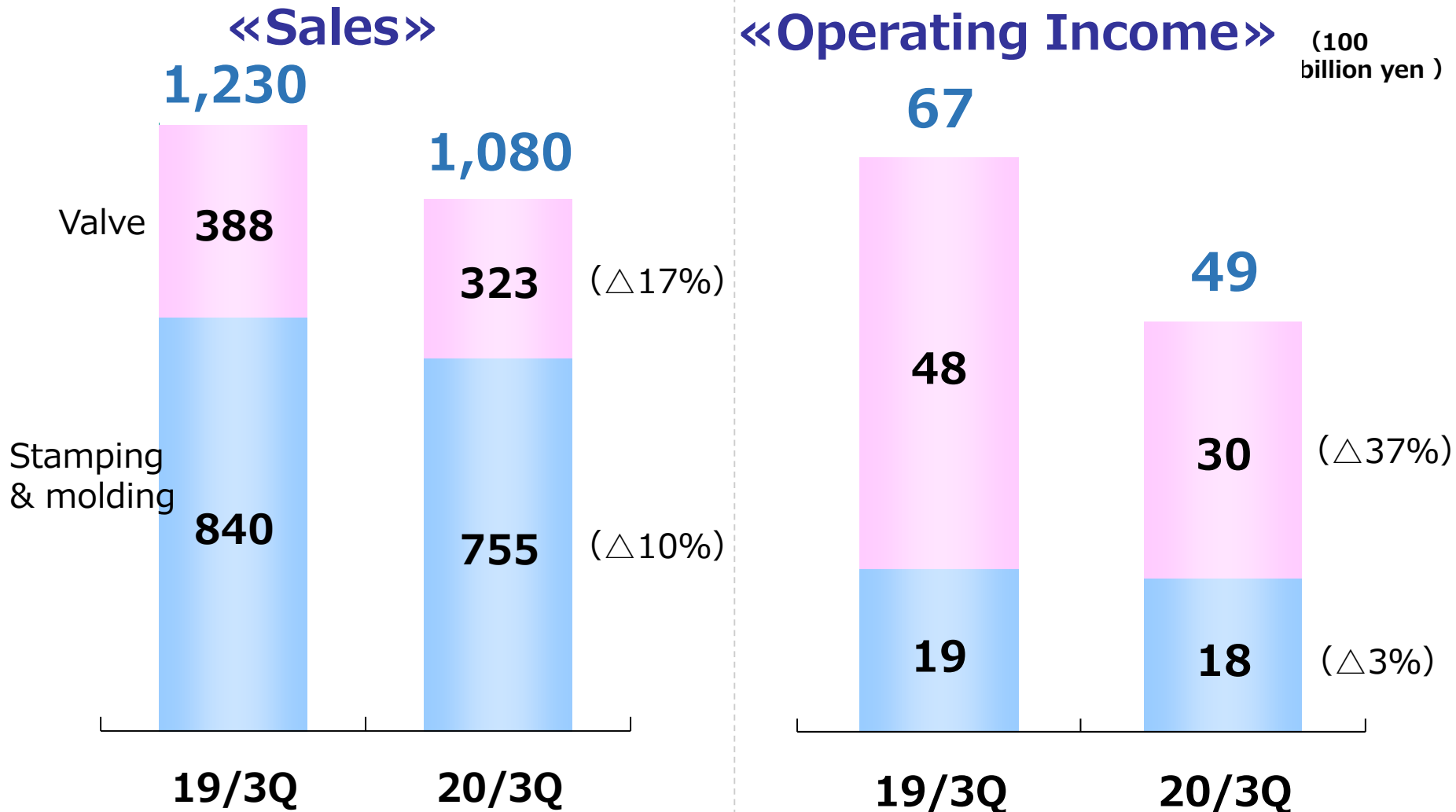
« Q3 2020 vs Q3 2019 »
Operating Income Δ 1.8 billion yen

unit:100 million yen



1-3 Q3 Consolidated Business Segments

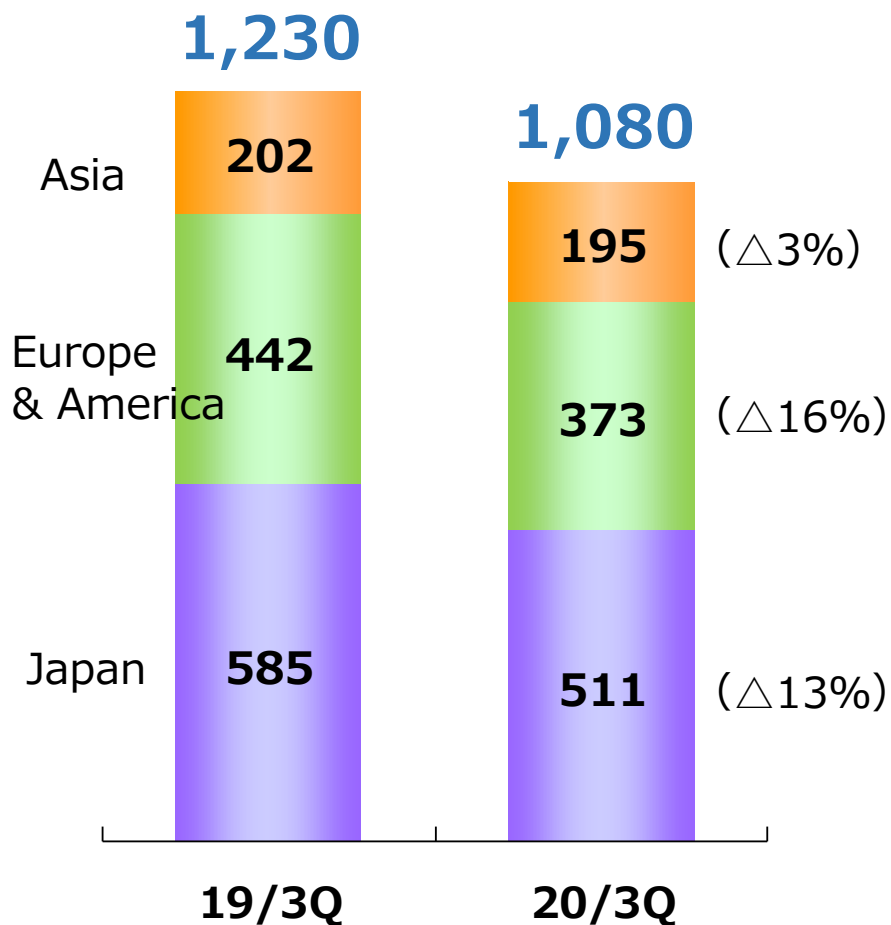
Profitability in Stamping & molding business moved into the black, and the margin of decrease in profits was reduced in valve business.



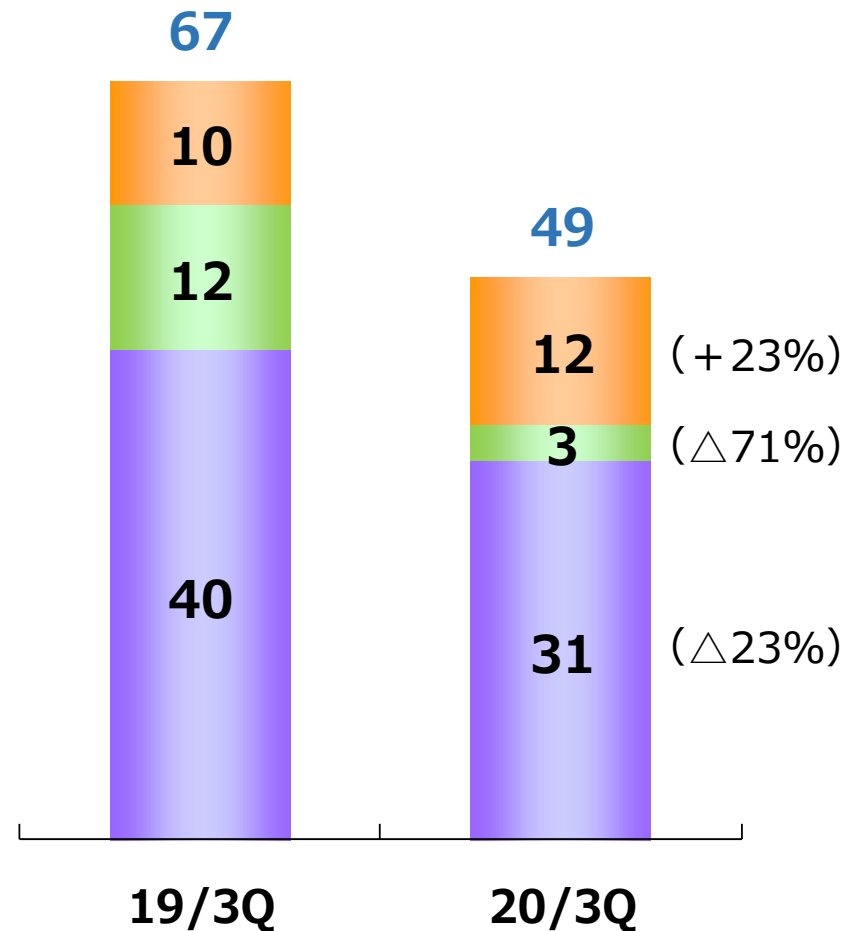
1-4 Q3 Consolidated Regional Segment

Profit increased in Asia, profitability in Europe and America moved into the black, and the margin of decrease in profits was reduced in Japan

«Sales»



«Operating Income» (100 billion yen)



2-1 Full FY Consolidated Financial Forecast

**Full-year forecast revised upward.
Recovered to 20% decrease from the previous quarter**

	'2019 Result	2020 Previous Forecast	FY'2020			Previous Forecast Rate		Year-on-year	
			Q3 Cumulative result	Q4 Forecast	Full year Forecast	Gain&Loss	%change	Gain&Loss	%change
Sales	Record High 165,969	145,000	108,038	39,962	148,000	3,000	2.1%	△17,969	△10.8%
Operating income	Record High 10,511	6,000	4,963	2,537	7,500	1,500	25.0%	△3,011	△28.6%
Ordinary Income	11,130	6,500	5,873	2,627	8,500	2,000	30.8%	△2,630	△23.6%
(Q3)Current Net Income	7,256	4,500	4,267	1,733	6,000	1,500	33.3%	△1,256	△17.3%
Sales Operating Income Ratio	6.3%	4.1%	4.6%	6.3%	5.1%	1.0%	/	△1.2%	/
R O E	7.5%	4.5%	—	—	6.0%	1.5%		△1.5%	/
R O A (Operating Income base)	5.2%	2.9%	—	—	3.6%	0.7%		△1.6%	/
Net Assets per Share	(yen) 1,614	1,661	1,686	1,714	1,714	53	3.2%	100	6.2%

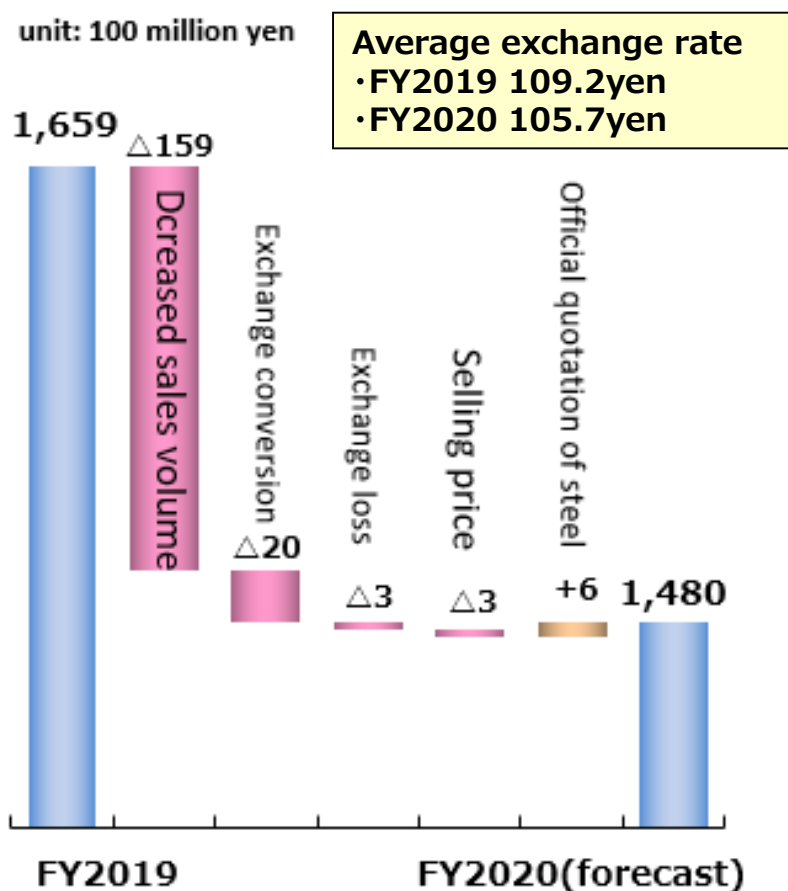
✓Sales Assuming 4Q is still in the process of recovery

✓Operating Income Full-year increase of 1.5 billion yen from the previous forecast due to continuous improvement and sales recovery

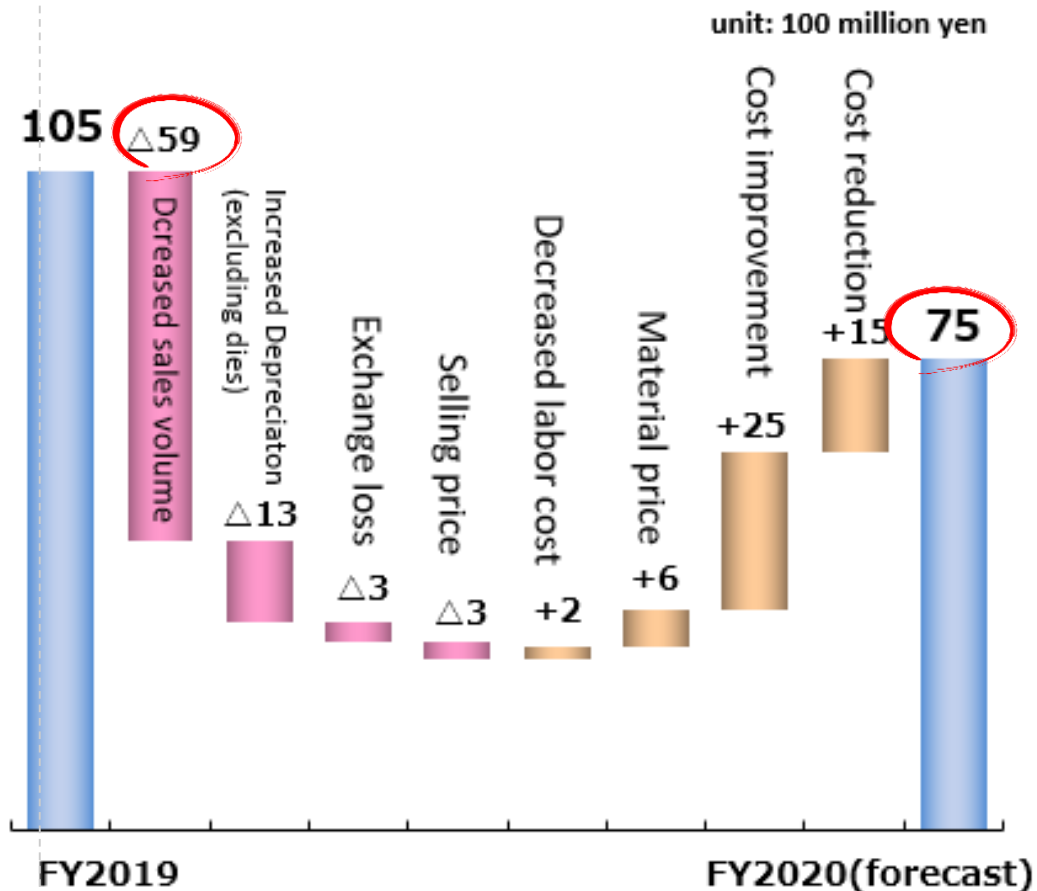
2-2 Full FY Causes of Fluctuation in Consolidated Sales & Income

Business performance recovers sharply due to improvement efforts and sales recovery

«2020 forecast vs 2019»
Sales Δ 17.9 billion yen



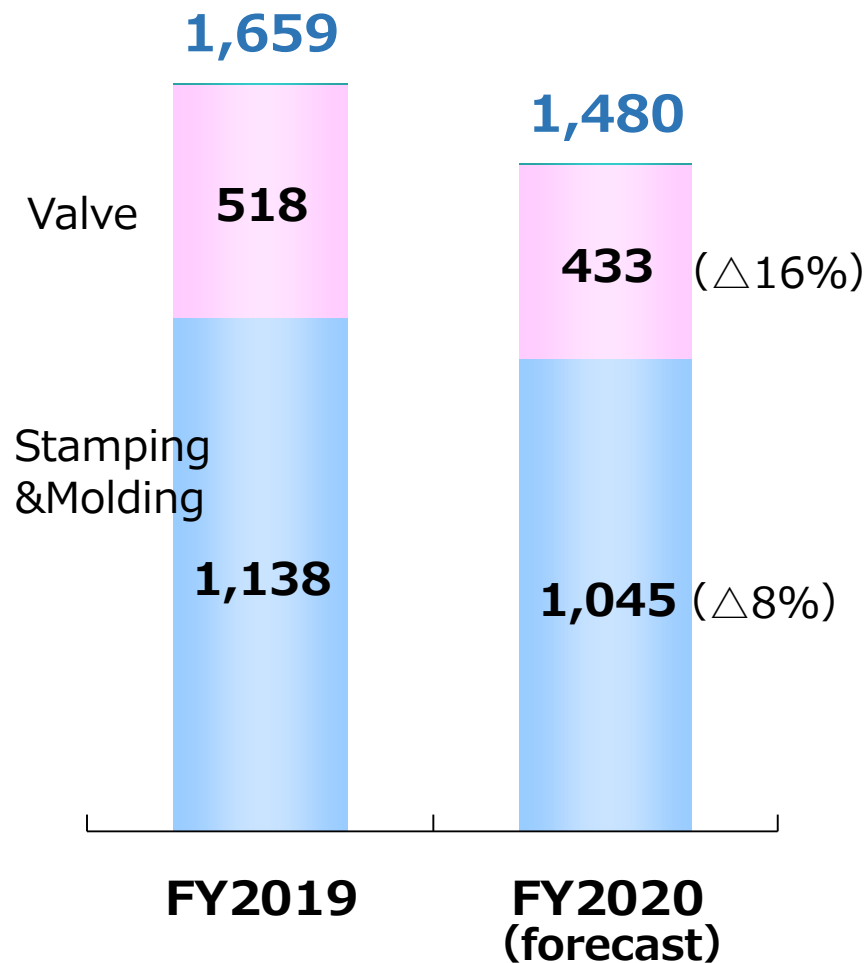
«2020 forecast vs 2019»
Operating Income Δ 3 billion yen



2-3 Full FY Consolidated Business Segments

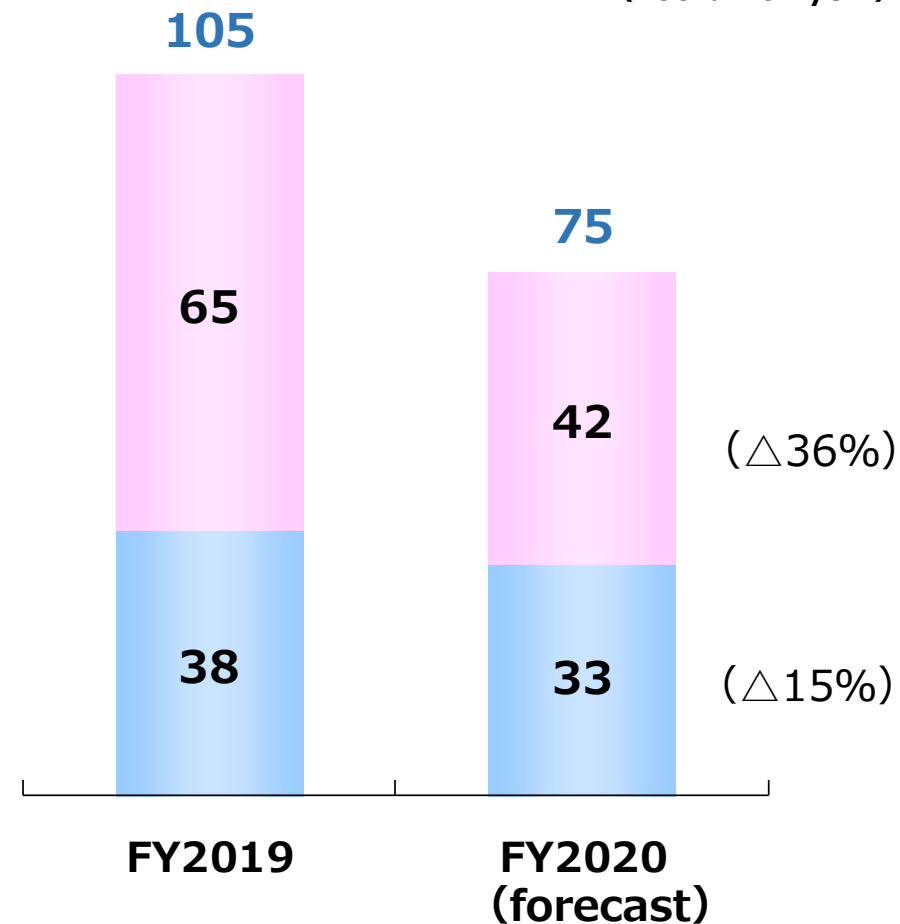
Both businesses are expected to be profitable.
Reduced the margin of decrease in sales and profits

«Sales»



«Operating Income»

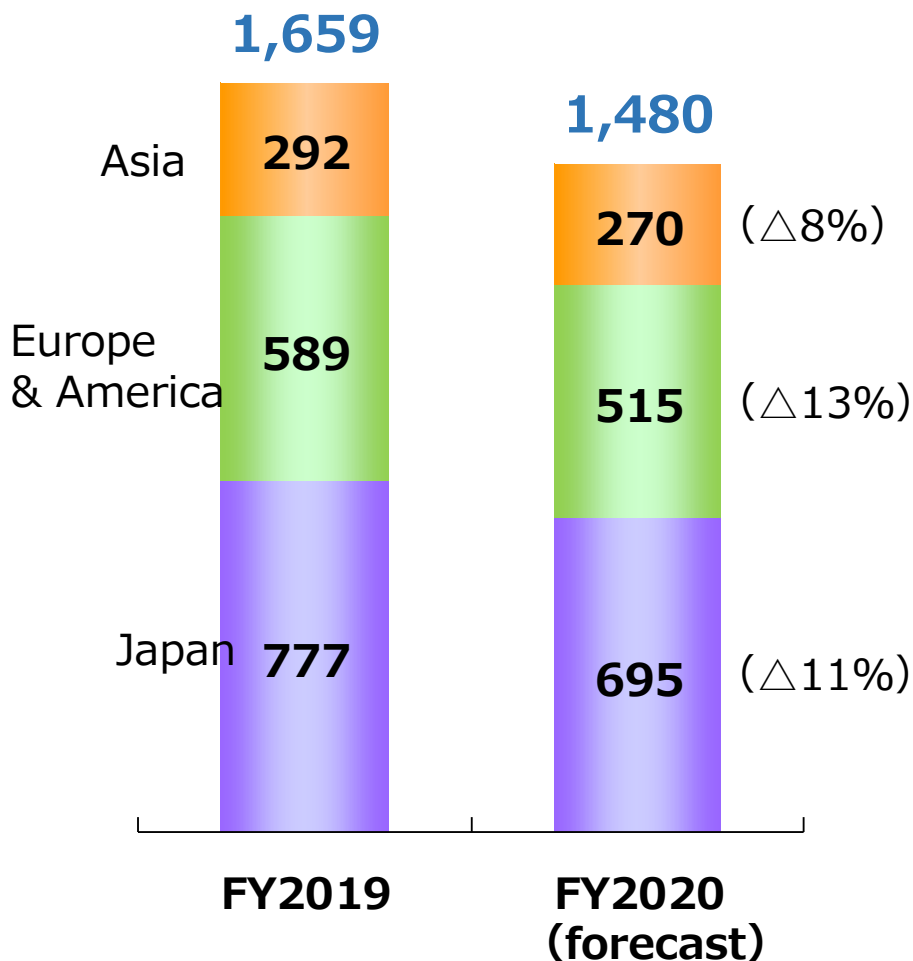
(100 billion yen)



2-4 Full FY Consolidated Regional Segment

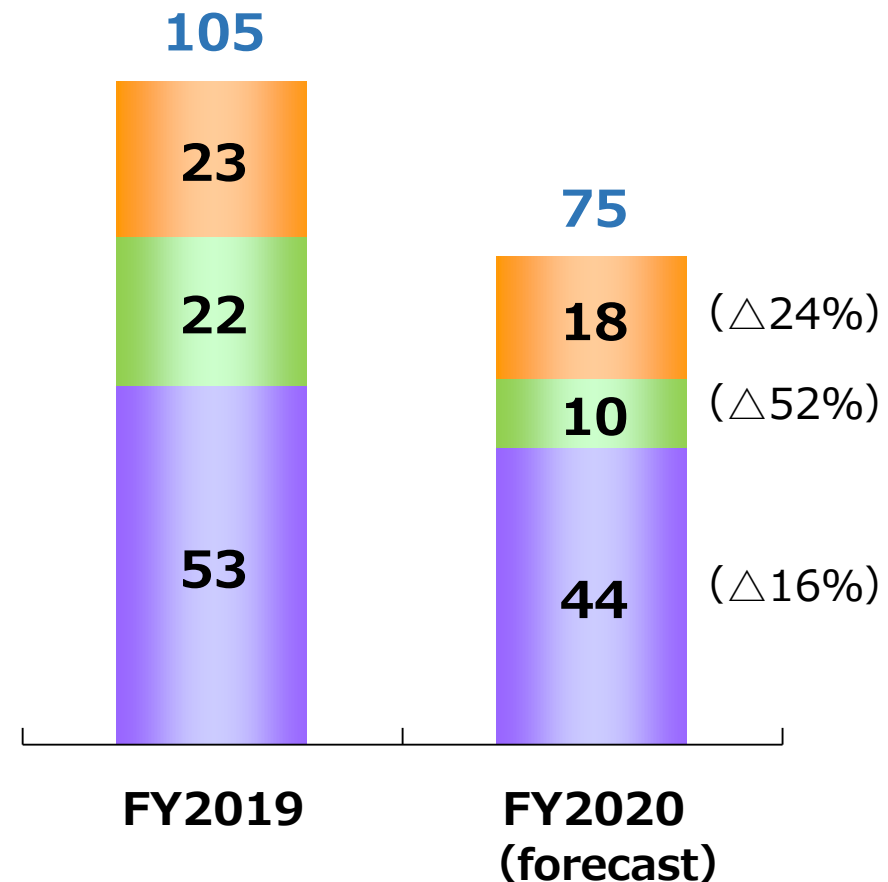
Margin of decrease in sales and profits was reduced from the previous forecast in Japan, Europe & America, and Asia

«Sales»



« Operating Income »

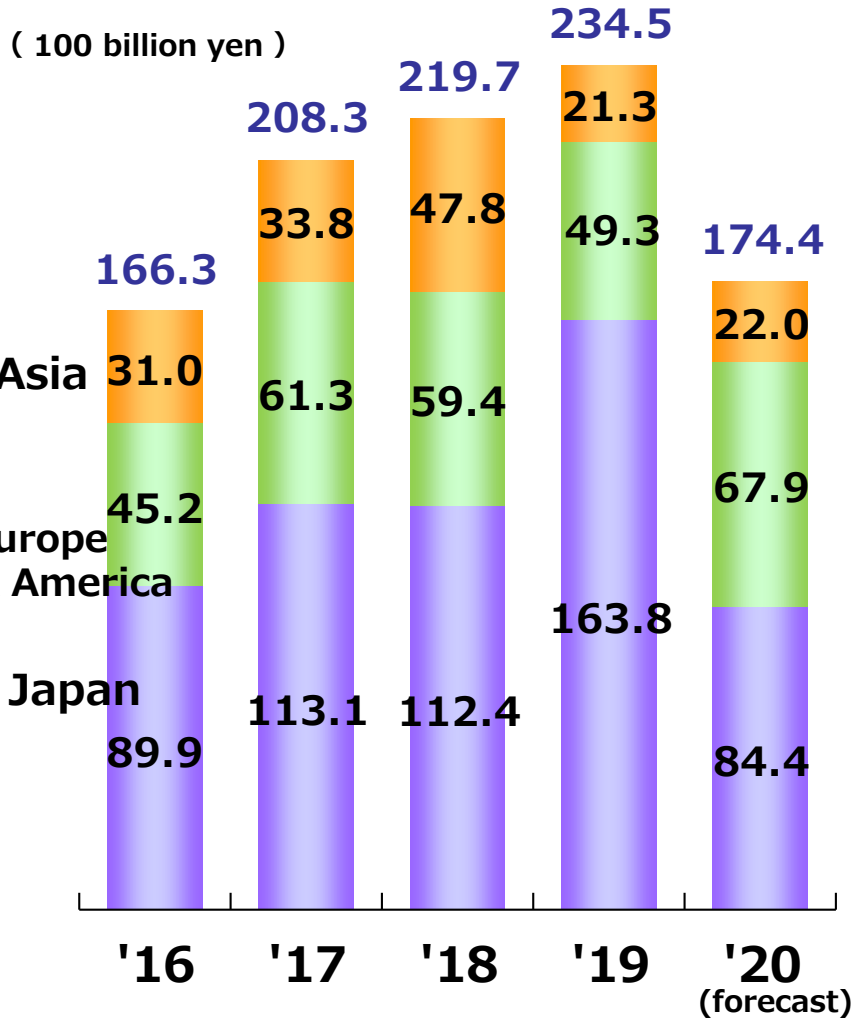
(100 billion yen)



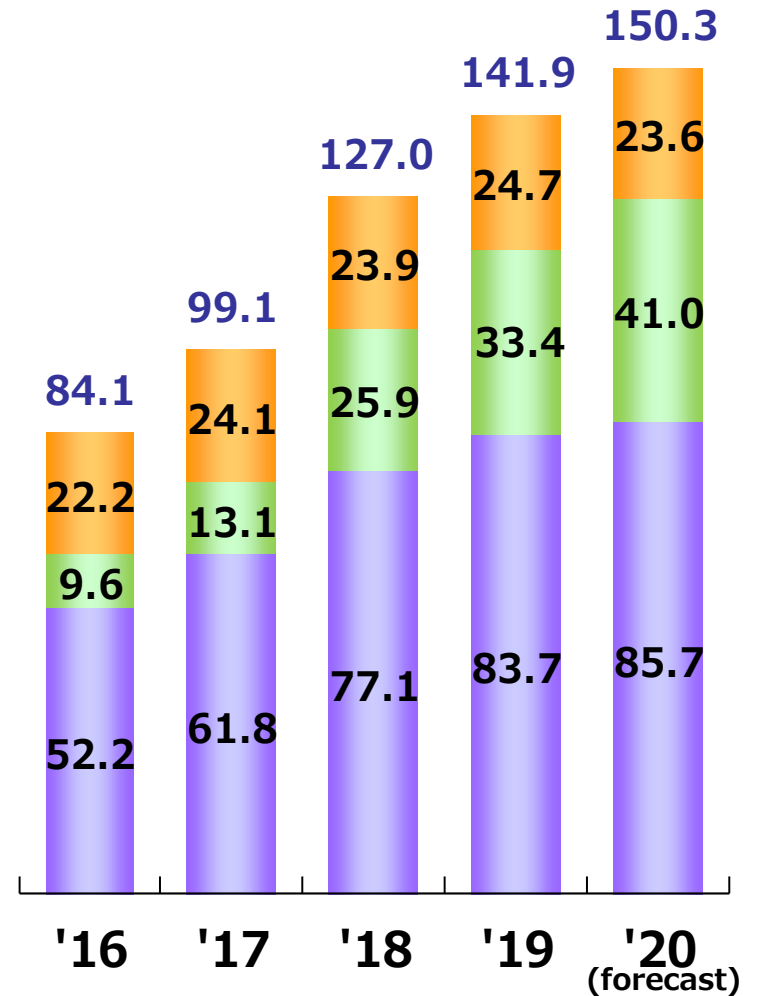
2-5 Consolidated Capital Investment/Depreciation

Prioritized capital investment that has a large effect and that comes out quickly

«Capital Investment»



« Depreciation »

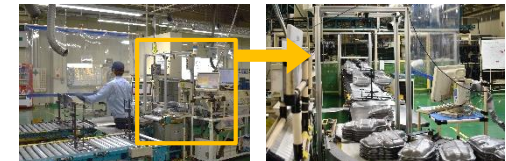


3-1 Achievement by Strengthening the Foundation

To become a company that continues to grow steadily
by continuing steady efforts

■ Improving profitability by improving costs and reducing fixed costs

- Making use of web meeting, improving work style
- Utilization of IoT / AI at production sites and promotion of efficiency



Reducing handling part number recognition by AI

■ New product development applying TPMS core technology

- Multi sensing logger ... It can check Temperature, humidity, position, acceleration, etc. during transportation, contributing to quality control of chemicals and foods.
- A thermo charging cable for electric forklifts



3-2 What We Tackle Going Forward

To become a company that continues to grow steadily
by continuing steady efforts

■ Sustainability management

- Identified 4 pillars and 15 materialities
- Developed "PACIFIC Environment Challenge 2050"
- CDP Climate change assessment :
Gained leadership level "A –"
- Issued Sustainability report 2020

<https://www.pacific-ind.co.jp/eng/csr/report/>



15 Materialities

■ What we continue to tackle

- Thorough infection prevention and maintenance of production system globally
- Acceleration of new product development in the electrification area



思いをこめて、あしたをつくる

Passion in Creating Tomorrow