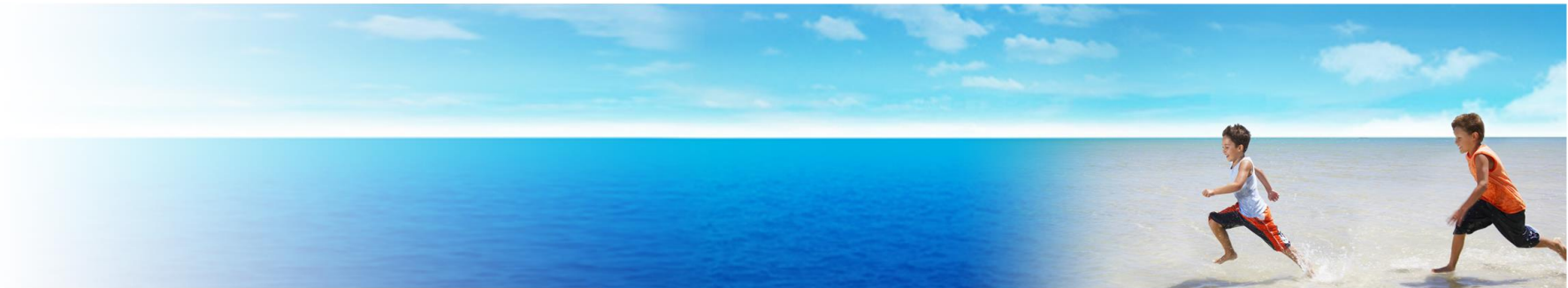


Financial Results Briefing for Q2 Year Ending March 2023

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



November 1, 2022
PACIFIC INDUSTRIAL CO., LTD.

- 1 . Financial Results for Q2**
- 2 . Full Year Forecast for FY2022**
- 3 . Sustainability Management**

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.

■ Changes in management environment and Risks

- Insufficient supply of semiconductors etc.
- Production fluctuations due to the locked down
- Steep rise in raw material and energy prices
- Progress in yen depreciation

■ Results in the First Half

- Decrease in sales volume due to production fluctuations
- Promote cost improvement and cost reduction activities, etc.

■ Future Issues and Initiatives

- Prepare system for recovery production, maximize effect of increased production
- Continuing activities to grow existing and new businesses
- Develop a new mid-term management plan

1-1 Q2 Consolidated Results

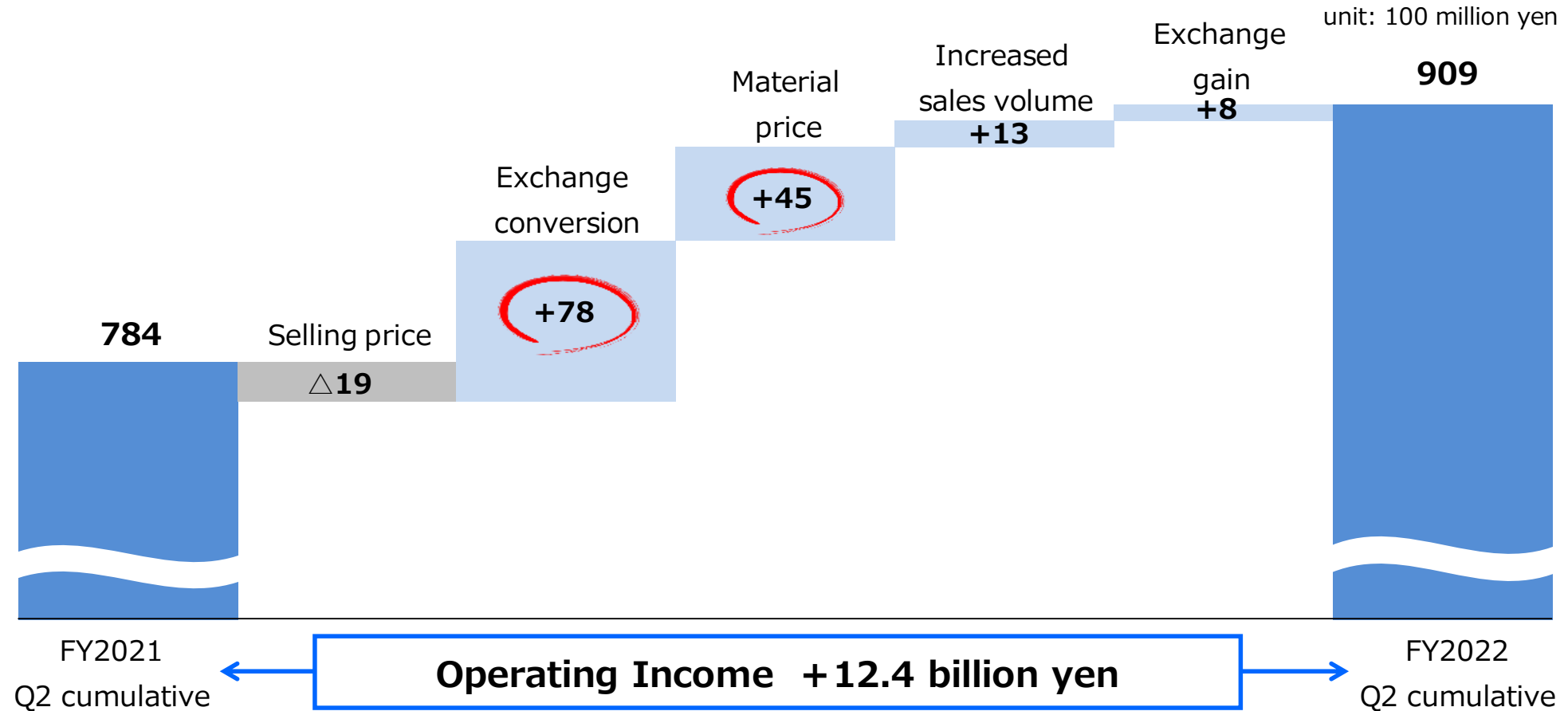


Sales up, operating income down

(100 million yen, %)

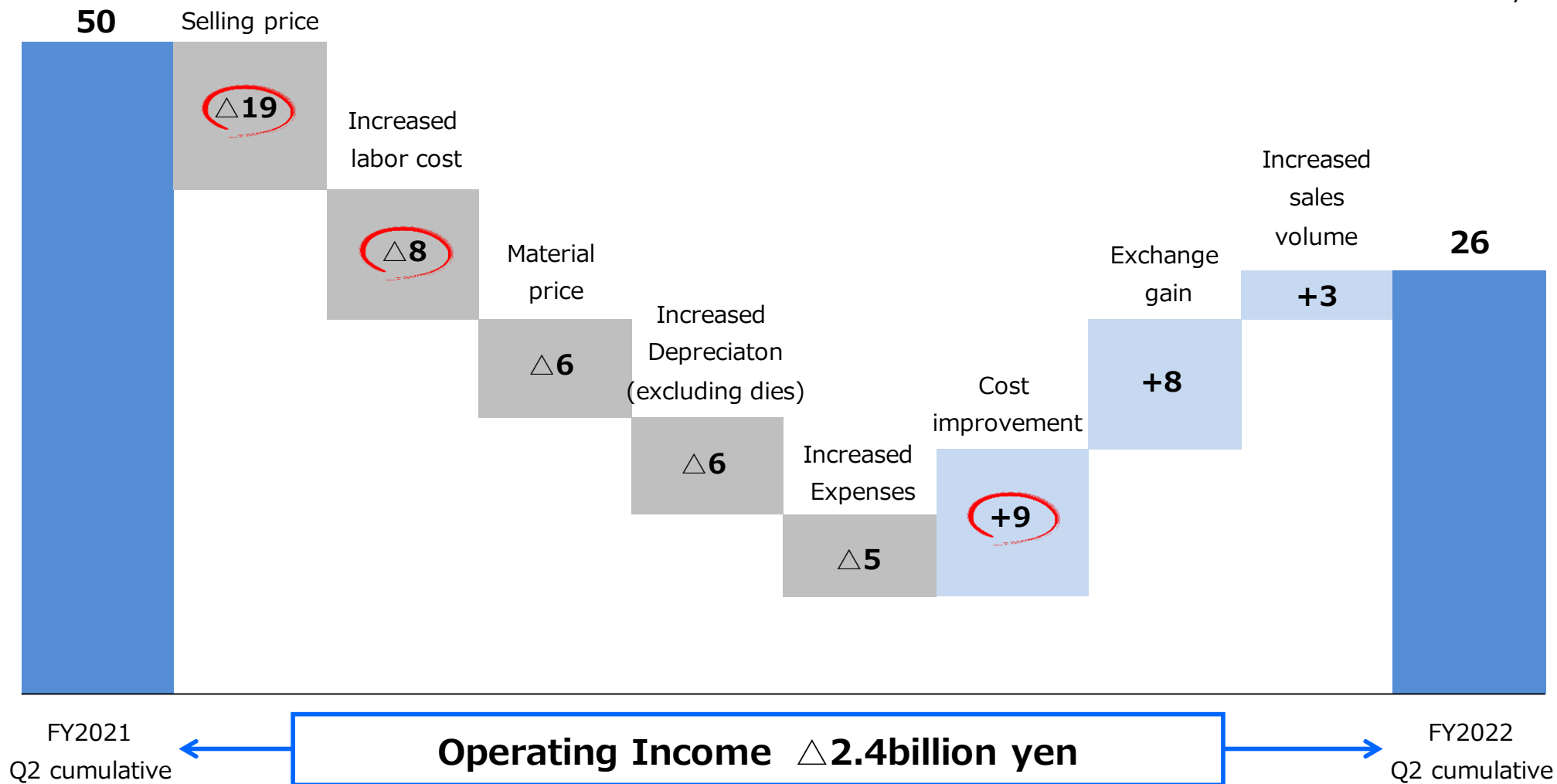
	FY2021	FY2022		YoY rate		Forecast ratio	
	Q2 Cumulative Result	Q2 Cumulative forecast	Q2 Cumulative Result	Gain&Loss	% Change	Gain&Loss	% Change
Sales	784	890	Record High 909	+124	+15.9	+19	+2.1
Operating Income	Record High 50	35	26	△24	△48.2	△8	△25.7
Operating Income Ratio	6.4%	3.9%	2.9%	△3.5P	-	△1.0P	-
Ordinary Income	Record High 57	53	55	△2	△4.4	+2	+4.6
Ordinary Income Ratio	7.4%	6.0%	6.1%	△1.3P	-	+0.1P	-
Quarterly net income attributable to the parent company shareholders	Record High 43	38	41	△2	△5.7	+3	+8.7
Quarterly Net Income margin	5.6%	4.3%	4.5%	△1.1P	-	+0.2P	-
Average exchange rate (U.S. dollars)	¥109.9	¥128.0	¥129.8	+¥19.9	-	+¥1.8	-

Record high sales for Q2 due to yen depreciation and rising steel prices



Income decreased due to lower selling prices and higher costs despite efforts to improve costs

unit: 100 million yen



1-4 Q2 Consolidated Business Segments



Sales increased and income decreased for stamping & molding and valves

(100 million yen,%)

	Sales				Operating Income			
	21/Q2 Cumulative Result	22/Q2 Cumulative Result	Gain&Loss	YoY rate %Change	21/Q2 Cumulative Result	22/Q2 Cumulative Result	Gain&Loss	YoY rate %Change
Stamping & Molding	532	638	+105	+19.9	16	1	△14	△88.5
Operating Income Ratio					3.1%	0.3%	△2.8P	
Valves	250	269	+19	+7.7	33	23	△9	△29.3
Operating Income Ratio					13.5%	8.8%	△4.7P	

1-5 Q2 Consolidated Regional Segment



Sales increased and income decreased in Japan, Europe, America, and Asia

(100 million yen,%)

	Sales				Operating Income			
	21/Q2 Cumulative Result	22/Q2 Cumulative Result	Gain&Loss	YoY rate %Change	21/Q2 Cumulative Result	22/Q2 Cumulative Result	Gain&Loss	YoY rate %Change
Japan	334	338	+4	+1.3	31	15	△15	△49.8
Operating Income Ratio					9.3%	4.6%	△4.7P	
Europe & America	297	379	+81	+27.3	5	△3	△8	△163.9
Operating Income Ratio					1.8%	△ 0.9%	△2.7P	
Asia	151	191	+39	+25.9	13	11	△1	△12.8
Operating Income Ratio					8.6%	6.0%	△2.6P	

1. Financial Results for Q2
- 2. Full Year Forecast for FY2022**
3. Sustainability Management

2-1 Full Year Consolidated Financial Forecast



Based on the cumulative Q2 results, we have incorporated the latest information into the forecast for the second half and revised the full-year forecast.

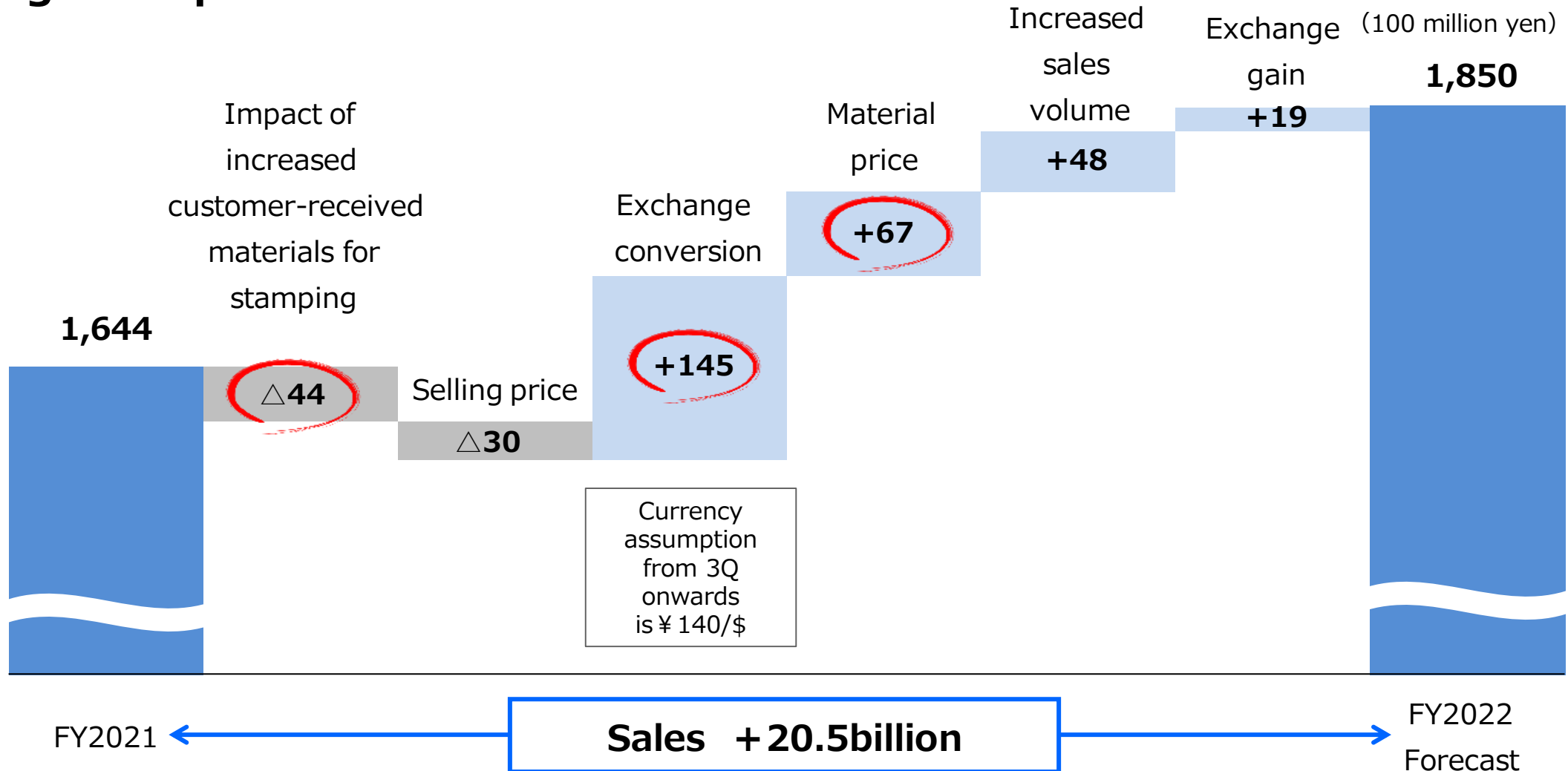
(100 million yen,%)

	FY2021	FY2022		YonY rate		Previous Forecast Rate	
	Full Year	Forecast		Full Year		Full Year	
	Result	Forecast 7/27	This time (updated)	Gain&Loss	%Change	Gain&Loss	%Change
Sales	1,644	1,780	1,850	+205	12.5%	+70	3.9%
Operating Income	107	105	85	△22	△21.0%	△20	△19.0%
Operating Income Ratio	6.5%	5.9%	4.6%	△1.9P	—	△1.3P	—
Ordinary Income	146	135	115	△31	△21.3%	△20	△14.8%
Current Net Income	98	95	83	△15	△15.3%	△12	△12.6%
R O E	8.1%	7.0%	6.1%	△2.0P	—	△0.9P	—
R O A (Operating income basis)	4.6%	4.2%	3.4%	△1.2P	—	△0.8P	—
Net Assts per Share	¥2,138	¥2,370	¥2,381	¥243	11.4%	¥11	0.5%
Average exchange rate (US dollars)	¥112.1	¥129.0	¥135.0	¥22.9	—	¥6.0	—

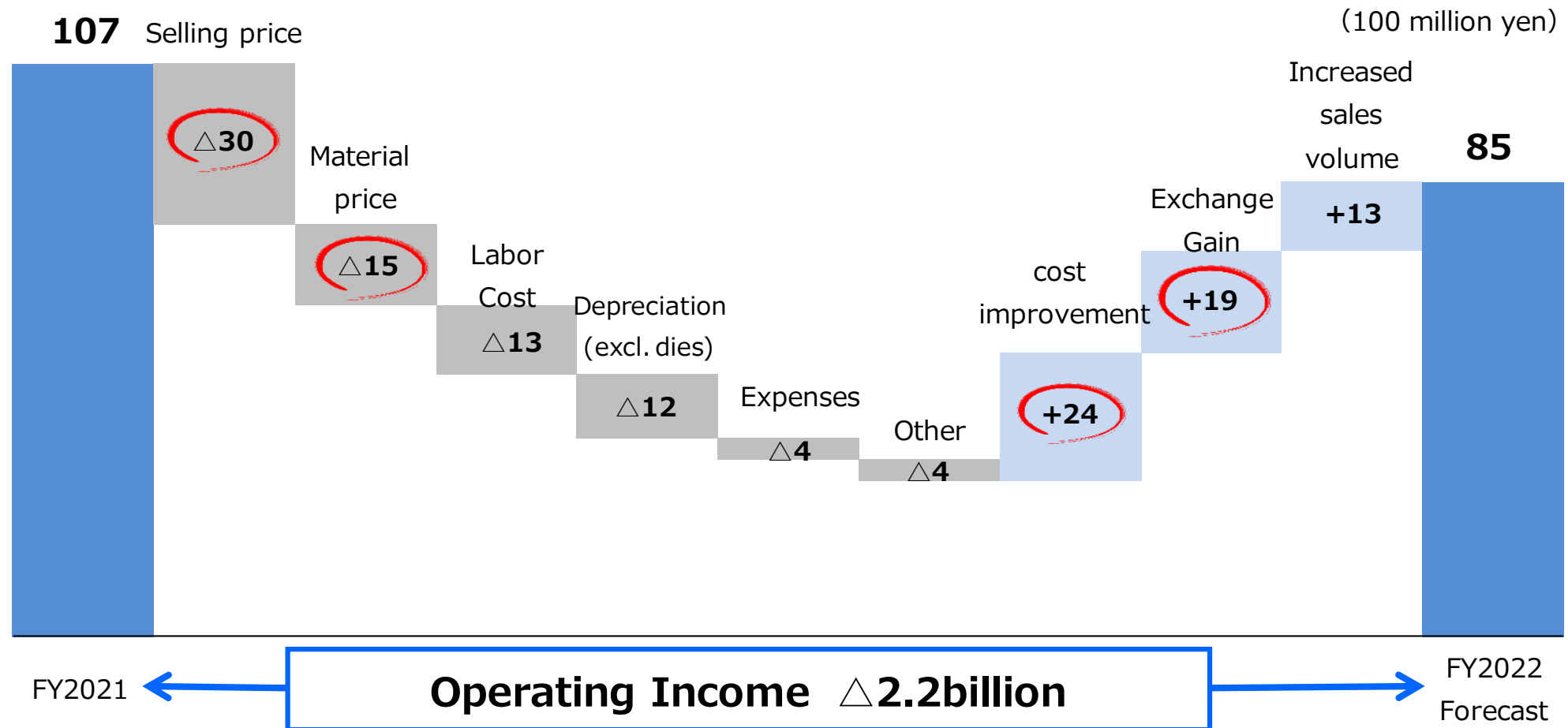
※Current net income is the current net income attributable to the parent company shareholders.

*The assumption of the exchange rate for the third quarter onward has been revised from the previous forecast of 130 yen/\$ announced on July 27 to the current forecast of 140 yen/\$.

Sales are expected to increase due to the impact of yen depreciation and rising steel prices



Efforts to improve costs are expected to be less effective due to changes in production volume, and incomes are expected to decline for the full year



Sales increased and income decreased for stamping & molding and valves

(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	1,312	+169	+14.8	49	39	△10	△20.8
(The Impact of increased customer-received materials for stamping)		※ (△44)						
Operating Income Ratio					4.3%	3.0%	△1.3P	
Valves	499	535	+35	+7.0	58	46	△12	△21.1
Operating Income Ratio					11.7%	8.6%	△3.1P	

* FY2022 Sales will be expected decrease 4.4billion since FY2022 Q4 due to the impact of increased customer-received materials for stamping. No impact on income.

2-5 Full Year Consolidated Regional Segment



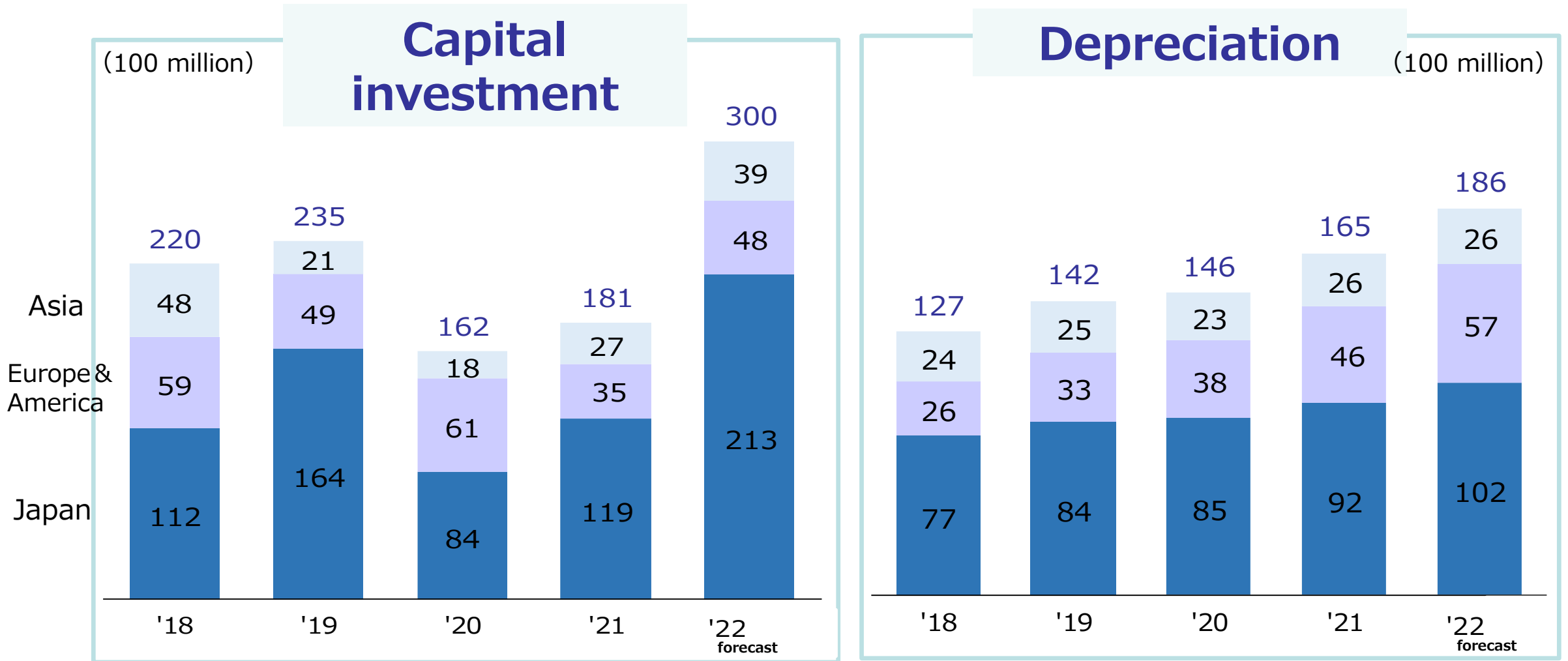
Sales and income are expected to increase and decrease in Japan, Europe, and the U.S., while sales and income are expected to increase and increase in Asia.

(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 (The Impact of increased customer-received materials for stamping) Operating Income Ratio	687	690 ※ (△44)	+2	+0.3	61	38	△23	△38.2
					8.9%	5.5%	△3.4P	
Europe & America Operating Income Ratio	612	738	+125	+20.5	13	9	△4	△34.6
					2.2%	1.2%	△1.0P	
Asia Operating Income Ratio	344	422	+77	+22.5	31	37	+5	+16.8
					9.2%	8.8%	△0.4P	

* FY2022 Sales will be expected decrease 4.4billion since FY2022 Q4 due to the impact of increased customer-received materials for stamping.
No impact on income.

Investments for future growth are progressing as planned

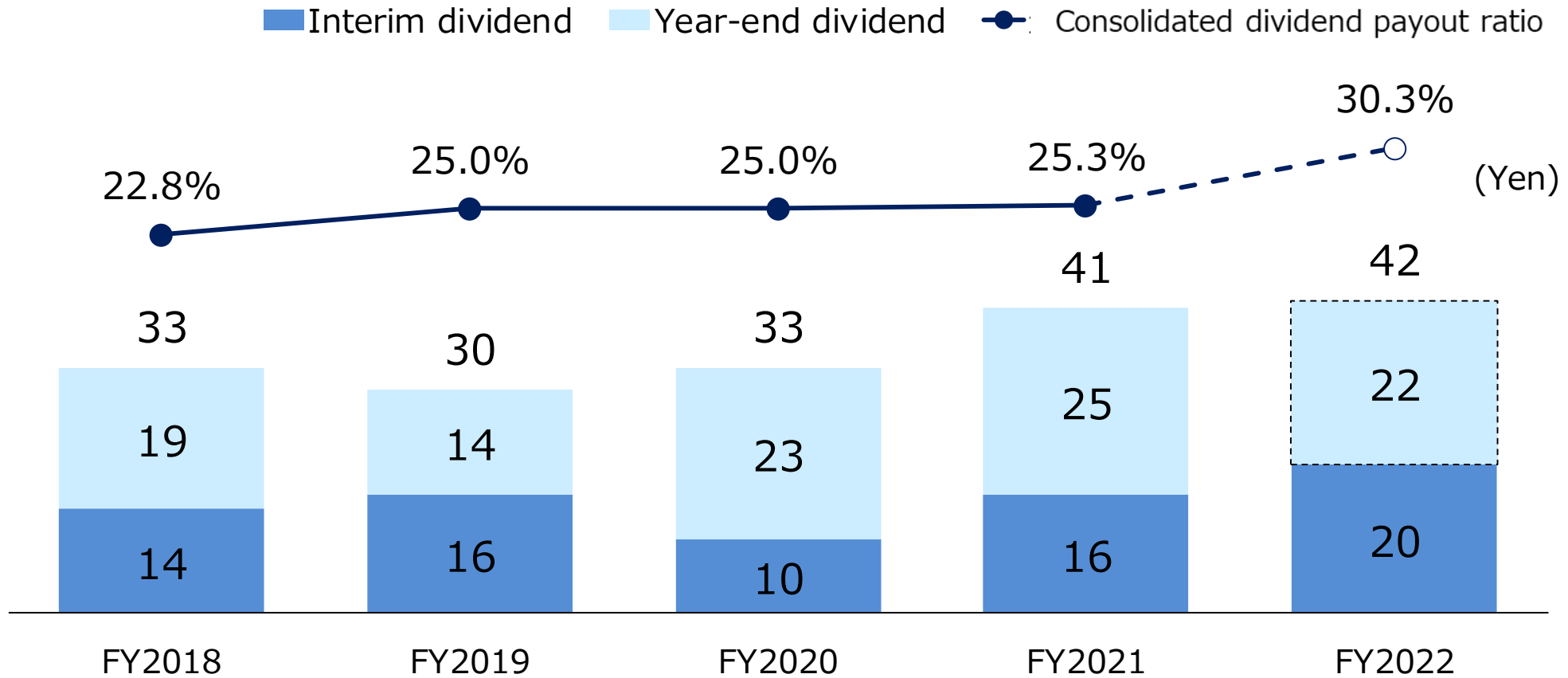


2-7 Return to Stockholders



Dividend forecast is 1 yen higher than the previous year, and the dividend payout ratio forecast is 30%

**A- (stable)
Long-term
Issuer Rating
at JCR**



※From May 2022 to August 2022, approximately 950,000 shares of treasury stock will be acquired (approximately 1 billion yen)

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3-1 Weave "OCEAN-22" as a Warp, SDGs as a Weft



Passion in Creating Tomorrow PACIFIC GLOCAL VISION

PACIFIC Environmental Challenge 2050

OCEAN-22

SDGs·ESG

Fostering trust with stakeholders

Solving social and customer issues through products

Minimizing environmental load

2030 target: 50% reduction in CO2 emissions

Respecting human resources and their active participation

Business activities

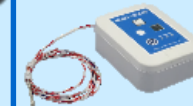
Stamping & Molding Product Business



Valve Product Business



New Product Business



Contributing to prosperous and sustainable living in next-generation mobility society through "monozukuri"

PACIFIC VALUES "Dreams & Challenges" "Trust & Respect"

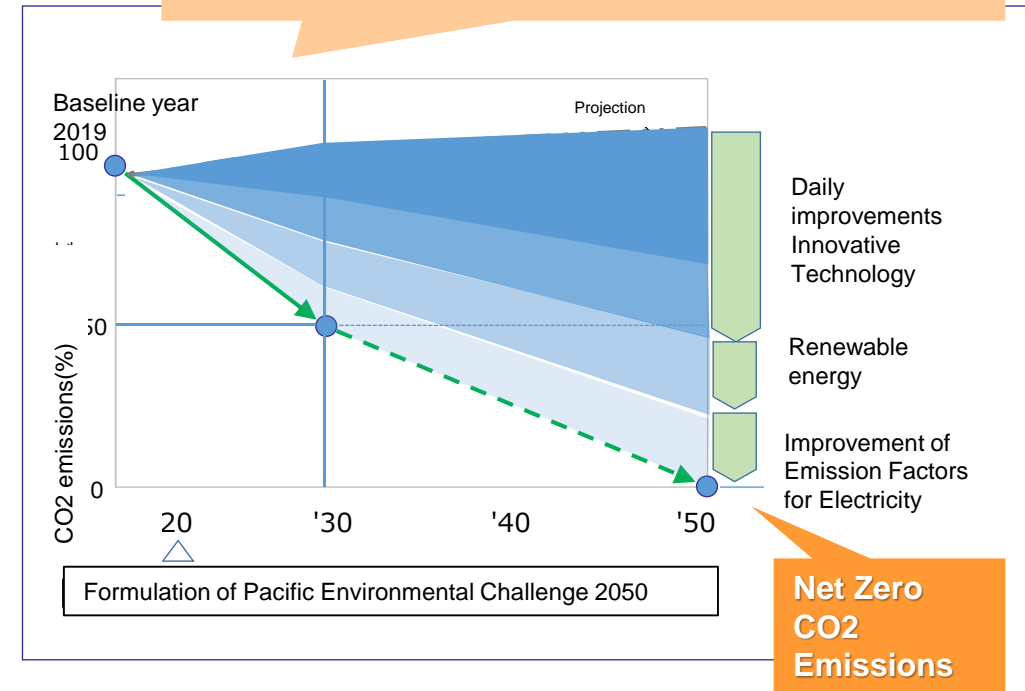
3-2 Efforts to minimize Environmental Load

Setting milestones and accelerate efforts in the "PACIFIC Environmental Challenge 2050"

			Achievement of annual target			
	Materiality	SDGs	Item	Current Status (FY2021 Result)	2030 Targets	2050 Targets
Carbon neutrality	Mitigation and adaptation to climate change	 	CO2 emissions	85.2(kt) ▲9.7% compared to 2019	50% reduction compared to 2019	Net Zero
			Amount of industrial wastes	2,256(t) Domestic ▲36.9% Overseas ▲24.2% compared to 2019	60% reduction in Japan 30% reduction in overseas compared to 2019	Minimum usage
Minimizing Environmental load	Sustainable resources use		Water usage	1,374 (km ³) ▲21.2% compared to 2019	Optimal usage	Minimum usage
	Conservation of water resources					

< 2030 Mid-term Goal >

- CO2 emission...▲50%
- Renewable energy usage ratio ... 20%

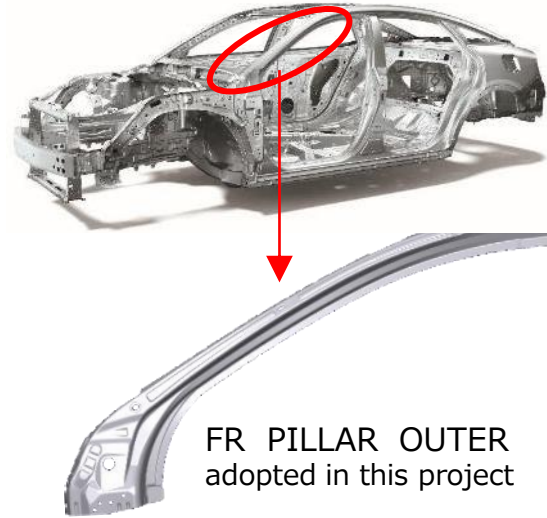


Case studies :

- Introduction of renewable energy, optimal operation of heating furnaces, compressors, etc.
- Recycling of scrap rubber, conversion of sludge into materials
- Reduction of water consumption by downsizing the electrodeposition coating equipment

Replaced hot stamping with cold stamping products of 1180MPa material

Received **Toyota Motor Corporation's New Crown Project Award**



FR PILLAR OUTER adopted in this project

- Realization of cold stamped ultra high tensile strength 1180MPa parts with long and difficult shapes
- Design optimization by CAE analysis, expansion of the stamped body shell parts
- Pillar products are narrow and difficult to form to improve visibility for drivers

Expansion of production bases in the U.S. and China

< Ohio, U.S.A. >



- Orders increased due to the shift to localization of battery product
- Improved productivity through building expansion and layout changes
- Production capacity increased by 10%

< Tianjin, China >



- Expansion due to increased production of electric vehicles by major customers
- Third large press machine installed, production capacity increased by 20%

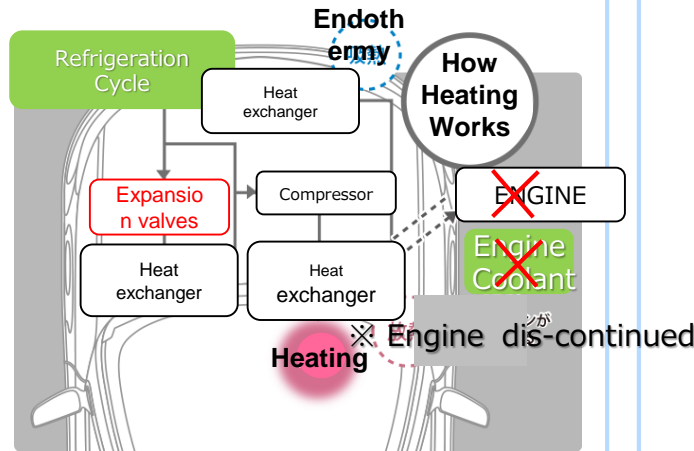
3-4 Product development for electrified vehicles

Promote development and sales expansion of control valves and soundproofing urethane

Control Valves for EV



Electric expansion valves for BEV



- For heat management systems Development and promotion of control valves
- Development completed of electric expansion valve for BEVs
- Promote sales expansion to OEMs and system manufacturers globally



Noise reduction cover for Electric Compressors

- Manufactured with Urethane form molding Techniques
- For new noise generating instead of engine sound
- Developing for adoption in EV noise reduction growing needs increasingly



Noise reduction cover For Electric Compressors

Promoting new product development utilizing core technologies

New product development that leads to solving social issues

TPMS core technology
Sensing Wireless



×

Market needs

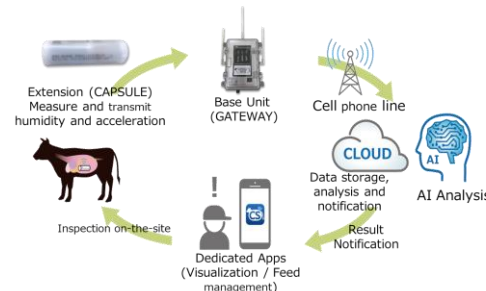
demand for monitoring
Data Business

- With water ingress detection sensor
- Participation in demonstration experiments by the MLIT

App • Cloud • A I

Cattle body condition monitoring “CAPSULE SENSE”

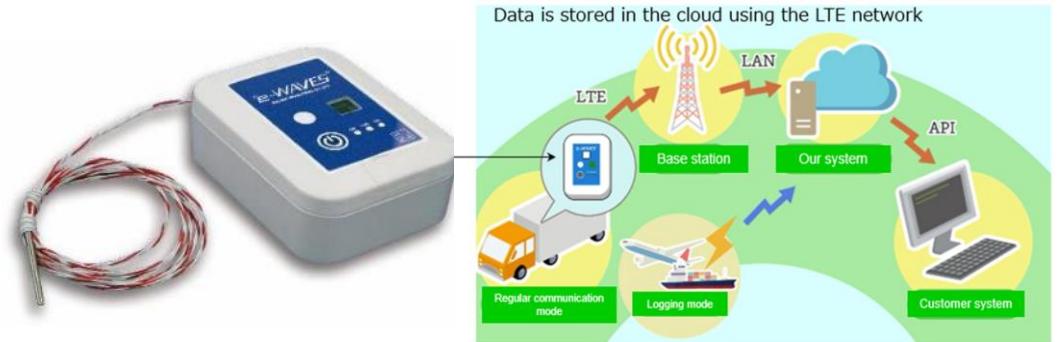
- Launched from June 2022
- Direct measurement in cattle stomach
- Reduce monitoring burden with AI analysis



“e-WAVES” , the multi sensing logger

Received “Cho” Monozukuri Parts Grand Prize
“Japan Brand Award “ of 2022

- High contribution to society, such as being used to transport vaccines
- Evaluated for high originality, versatility, convenience, and economy



- Sensing temperature, humidity, collision, location, air-pressure and brightness
- Real-time confirmation of the transport status of pharmaceuticals and foodstuffs

Promoting carbon neutral initiatives and aiming to achieve CO2 emissions reduction targets

Use of renewable energy



Kurihara Plant with solar panels installed

- Sequential switch to renewable energy for purchased electricity at domestic plants
 - ⇒ Kyushu and Tohoku achieve 100% renewable electricity
- Introduced solar power generation at 7 domestic and 3 overseas plants

New higashi-ogaki plant



Appearance image of Higashi Ogaki Plant

- Enhancing press production capacity in anticipation of progress in electrification
- Global mother factory pursuing manufacturing efficiency
- Incorporation of measures for carbon neutrality
- Creating an environment where employees can work enthusiastically

3-7 Efforts and Evaluation toward Sustainability Management

Promoting based on the Group's key issue "Materiality"

Sustainability Initiatives and Disclosure

<Respecting human resource and their active participation>

- Respect for human rights : Formulation of human rights policy/ Conducting Human Rights Surveys
- Health management : Health Declaration,
Safe and secure workplace culture
- D&I, create a comfortable work environment ,
Human resource development, etc.

< Disclosure >



- Published of Sustainability Report
- Materiality progress and KPI reporting
- Enhancement of disclosure such as TCFD



Evaluation by External Organizations

- Selected for CDP's " Supplier Engagement Rating" Leaderboard for 2 Consecutive Years
- Awarded the " Silver Medal " in EcoVadis rating
- Selected for "FTSE Blossom Japan Sector Relative Index"
- Selected under the "2022 Certified Health & Productivity" (Large Corporate Sector)



FTSE Blossom
Japan Sector
Relative Index





思いをこめて、あしたをつくる

Passion in Creating Tomorrow