

# Financial Results for FY2022 and Mid-term Business Plan Briefing

The 99th period : Apr. 1st, 2022- Mar. 31st, 2023

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Passion in Creating Tomorrow

May 10, 2023

**PACIFIC INDUSTRIAL CO., LTD.**

- 1. FY2022 Financial Performance**
- 2. Financial Forecast (FY2023)**

### Cautionary Statement with Respect to Forward-Looking Statements

These materials contain forward-looking statements that reflect our current expectations. These forward-looking statements are not guarantees of future performance. It involves any risk depending on the Japanese or international economic situation, business trends related to our company, fluctuation of exchange rates and other factors. It may cause our actual performance to be materially different from any future results announced.

# 1-1 FY2022 Consolidated Financial Summary



**Increase in sales and reached a record high, decrease in income due to higher costs of materials, etc.**

(100 millions of yen, %)

	FY2021		FY2022		YoY rate			
	Q4 Cumulative Result	Result	Q4 Cumulative Result	Result	Q4 Cumulative Gain&Loss	Result % Change	Q4 Cumulative Gain&Loss	Result % Change
Sales	444	1,644	478	<b>Record High</b> 1,912	+34	+7.7	+267	+16.3
Operating Income	29	107	36	92	+6	+21.4	△14	△13.6
Operating Income Ratio	6.7%	6.5%	7.5%	4.9%	+0.8P	-	△1.6P	-
Ordinary Income	45	146	46	132	+1	+2.5	△14	△9.6
Ordinary Income Ratio	10.3%	8.9%	9.8%	6.9%	△0.5P	-	△2.0P	-
Net income attributable to owners parent	24	98	31	93	+6	+29.1	△5	△5.1
Quarterly Net Income margin	5.4%	6.0%	6.5%	4.9%	+1.1P	-	△1.1P	-
Average exchange rate (U.S. dollars)	¥115.4	¥112.1	¥133.3	¥134.9	¥17.9	-	¥22.8	-

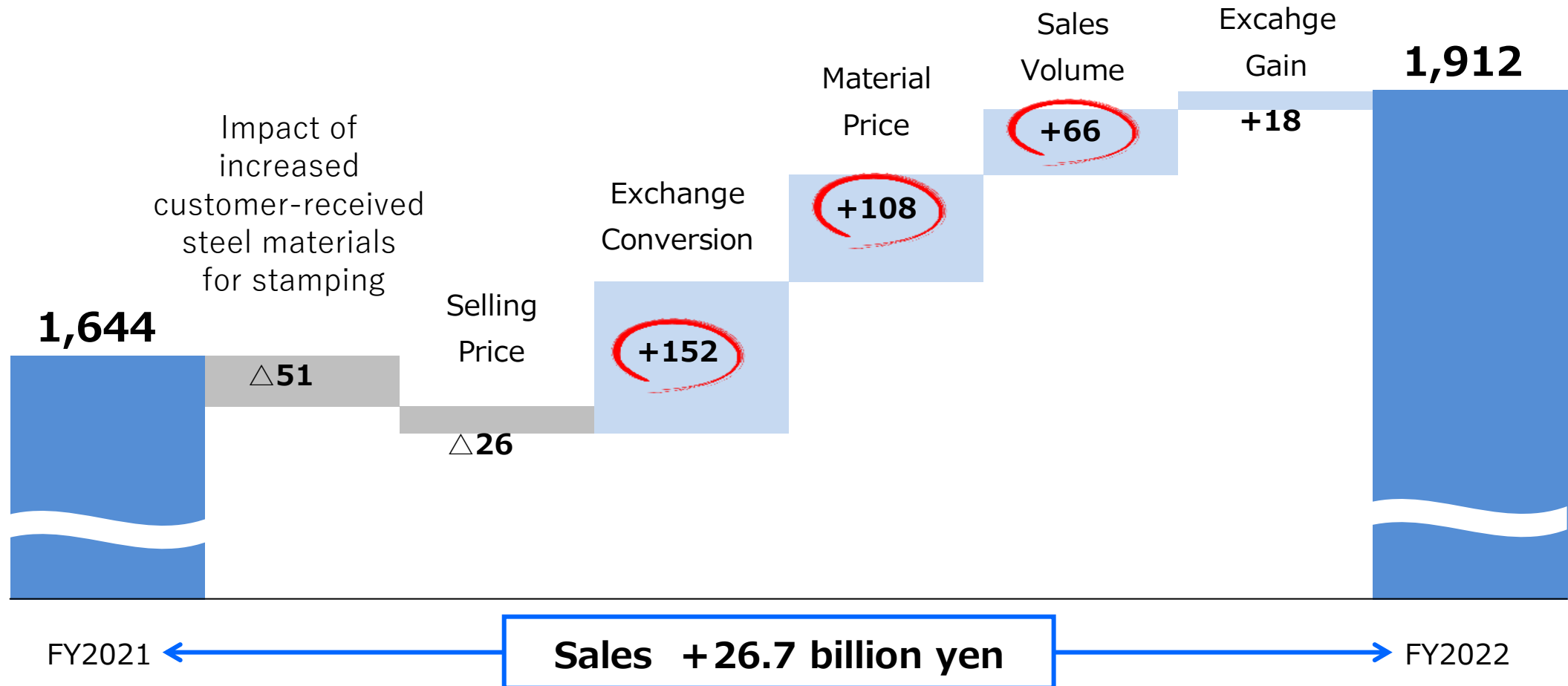
- **FY2022 Sales includes YoY decrease 5.1billion in FY2022 Q4 due to the impact of increased customer-received steel materials for stamping. No impact on income.**

# 1-2 Analysis of Consolidated Sales



**Record high sales due to yen depreciation, rising material prices and production recovery**

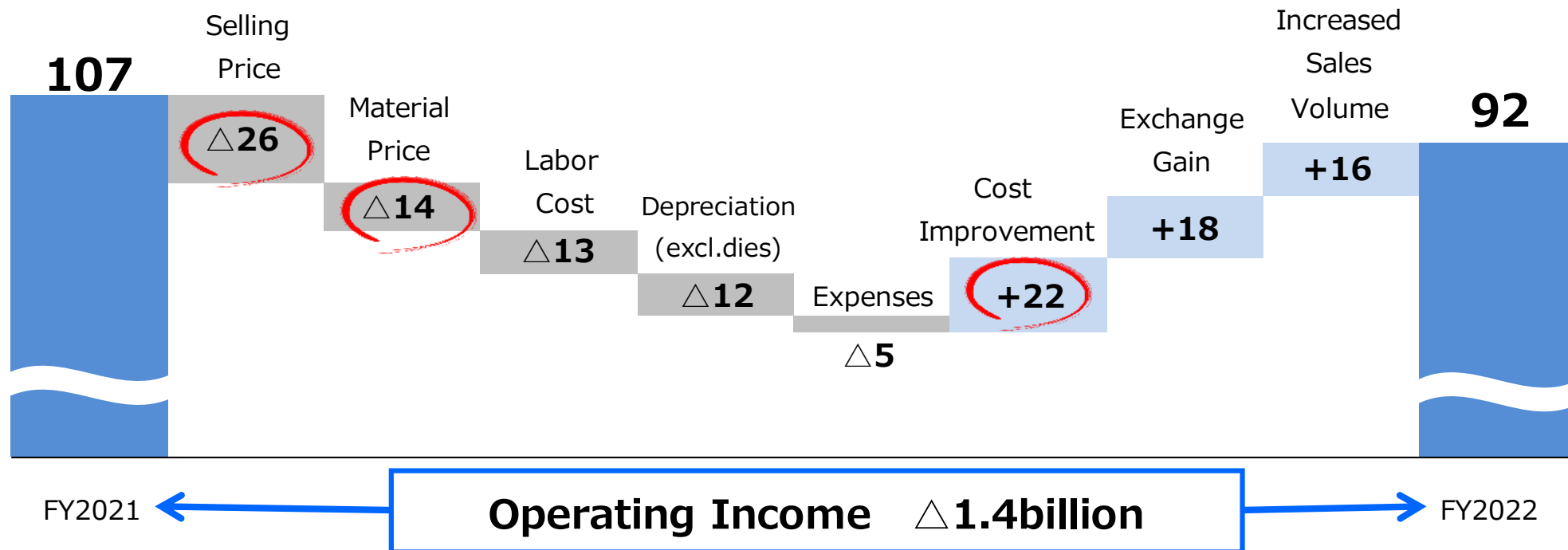
unit: 100 million yen



# 1-3 Analysis of FY2022 Results: Operating Income

**Income decreased due to lower selling prices and higher costs despite efforts to cost improvements**

(100 million yen)



# 1-4 Financial Results by Business Segments



**Sales increased in Stamping & Molding segment , but income remained unchanged from the previous year, while in Valve segment increased in sales and decreased in income.**

(100 millions of yen,%)

	Sales				Operating Income			
	FY2021 Result	FY2022 Result	YoY Rate		YoY rate Result	0 Result	YoY Rate	
			Gain&Loss	%Change			Gain&Loss	%Change
<b>Stamping &amp; Molding</b>	1,142	1,368	+225	+19.7	49	49	+0	+1.1
(The Impact of increased customer-received materials for stamping)		* 1 (△51)						
Operating Income Ratio					4.3%	3.6%	△0.7P	
<b>Valves</b>	499	542	+42	+8.4	58	42	△15	△26.9
Operating Income Ratio					11.7%	7.9%	△3.8P	

- FY2022 Sales includes YoY decrease 5.1billion in FY2022 Q4 due to the impact of increased customer-received steel materials for stamping. No impact on income.

# 1-5 Financial Results by Region



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

(100 millions of yen,%)

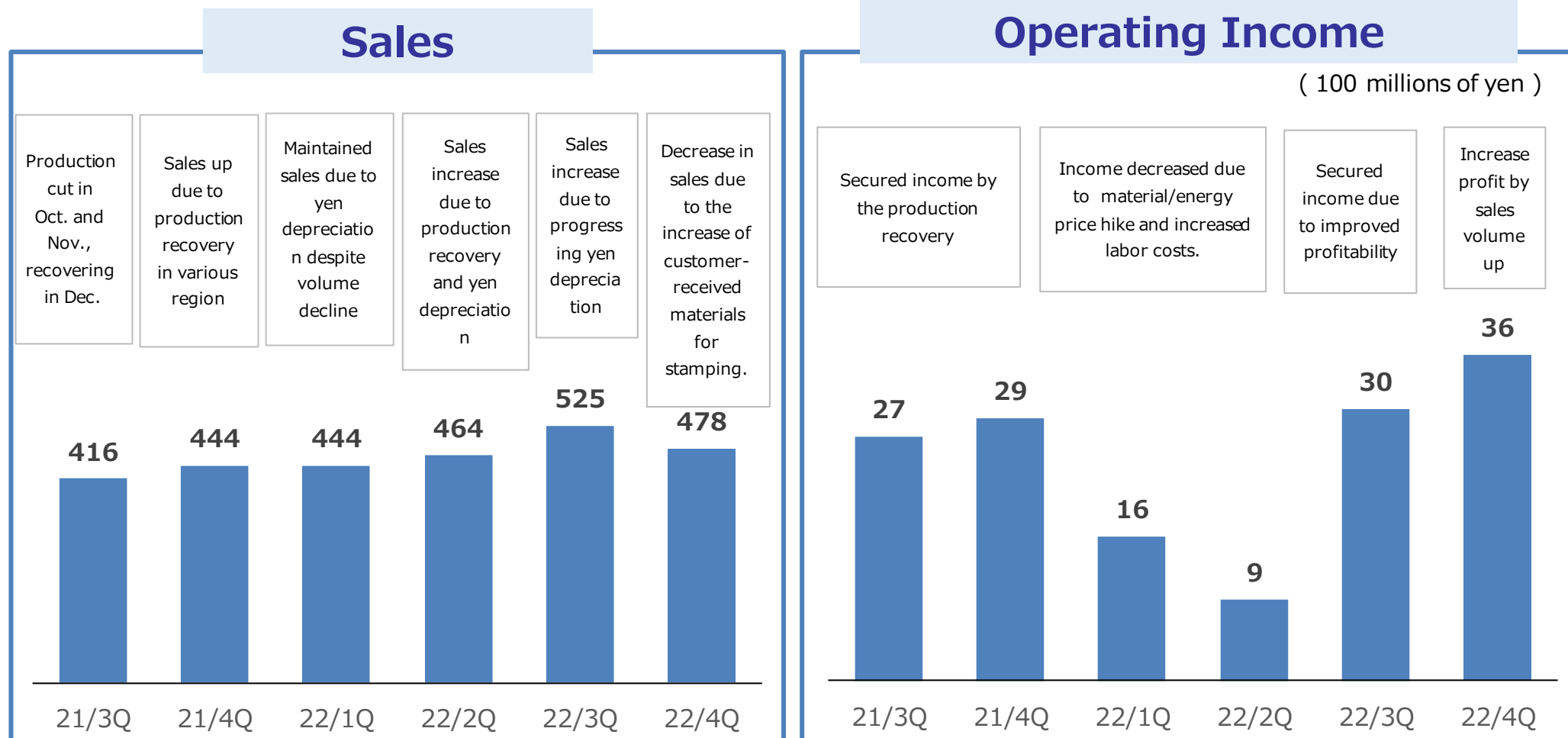
	Sales				Operating Income			
	FY2021	FY2022	YoY Rate		FY2021	FY2022	YoY Rate	
	Result	Result	Gain&Loss	%Change	Result	Result	Gain&Loss	%Change
<b>Japan</b>	687	706	+18	+2.7	61	49	△11	△18.9
(The Impact of increased customer-received materials for stamping)		*1 (△51)						
Operating Income Ratio					8.9%	7.1%	△1.8P	
<b>Europe &amp; America</b>	612	781	+168	+27.5	13	△1	△15	Deficit
Operating Income Ratio					2.2%	△0.2%	△2.4P	
<b>Asia</b>	344	425	+80	+23.4	31	36	+5	+16.4
Operating Income Ratio					9.2%	8.7%	△0.5P	

- FY2022 Sales includes YoY decrease 5.1billion in FY2022 Q4 due to the impact of increased customer-received steel materials for stamping. No impact on income.

# 1-6 Quarterly performance trends



Secured income in Q3 due to profit improvement. Income in Q4 increased due to sales volume increasing.





1. FY2022 Financial Performance
- 2. Financial Forecast (FY2023)**

# 2-1 FY2023 Forecast Summary



Sales are expected down due to the impact of increased customer-received steel materials for stamping, but operating income will be up by sale volume increasing.

(100 millions of yen,%)

	FY2022		FY2023		YonY rate			
	22/2Q Cumulative Result	Full Year Result	23/2Q Cumulative Forecast	Full Year Forecast	2Q		Full Year	
					Gain&Loss	%Change	Gain&Loss	%Change
Sales	909	1,912	910	*1 1,850	+0	0.1%	△62	△3.3%
Operating Income	26	92	50	100	+23	92.2%	+7	7.6%
Operating Income Ratio	2.9%	4.9%	5.5%	5.4%	+2.6P	—	+0.5P	—
Ordinary Income	55	132	65	130	+9	17.3%	△2	△1.6%
Ordinary Income Ratio	6.1%	6.9%	7.1%	7.0%	+1.0P	—	+0.1P	—
*2 Current Net Income	41	93	45	90	+3	8.9%	△3	△3.2%
R O E	—	7.0%	—	6.4%	—	—	△0.6P	—
R O A (Operating income basis)	—	3.7%	—	3.7%	—	—	—	—
Net Assets per Share	—	¥2,309	—	¥2,467	—	—	¥158.0	6.8%
Average exchange rate (US dollars)	¥129.8	¥134.9	¥130.0	¥130.0	¥0.2	—	△¥4.9	—

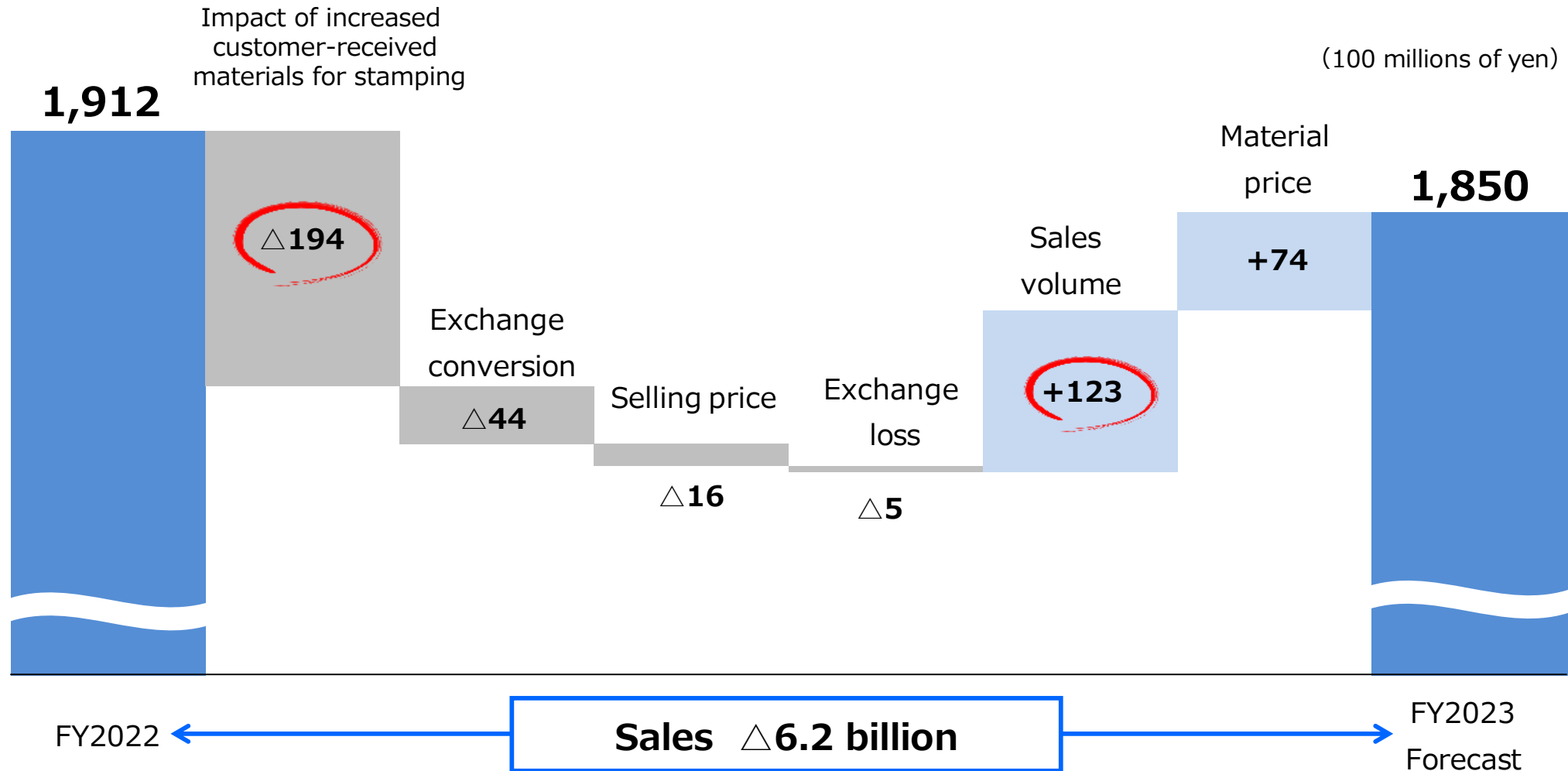
\*1 FY2023 Sales includes YonY decrease 19.4billion due to the impact of increased customer-received steel materials for stamping. No impact on income.

\*2 Current net income is the current net income attributable to the parent company shareholders.

# 2-2 Analysis of FY2023 Forecasts: Consolidated Sales



Sales volume are expected to be up, but sales down due to the impact of increased customer-received steel materials for stamping

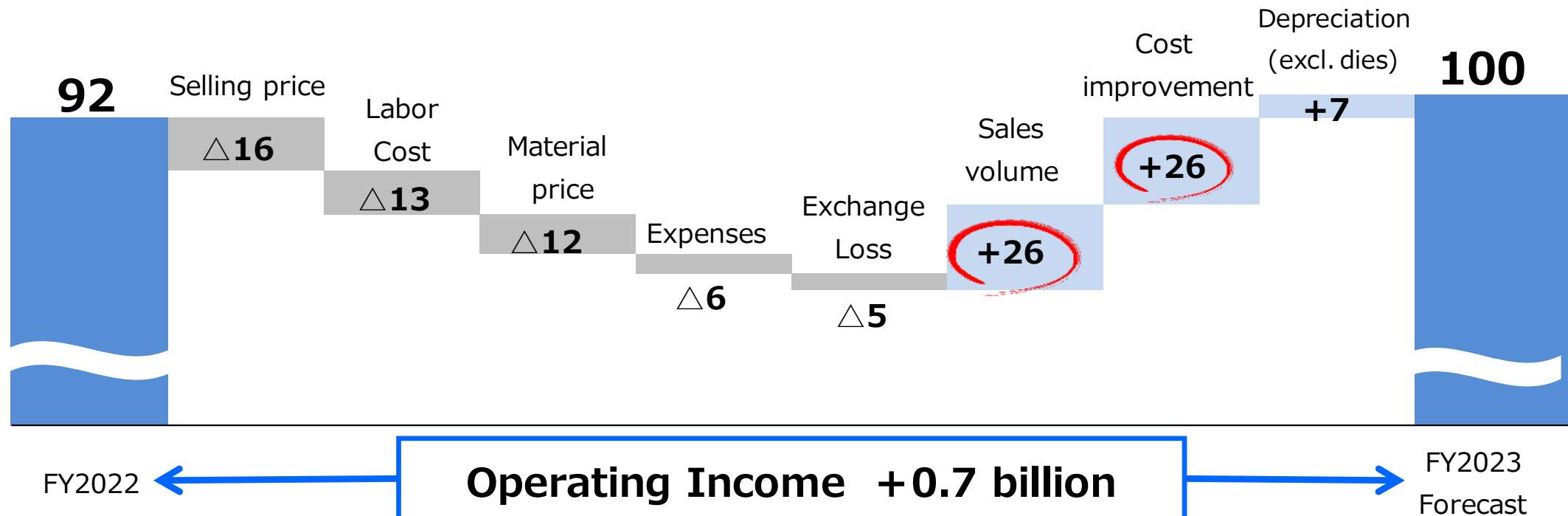


## 2-3 Analysis of FY2022 Forecasts: Operating Income



Sales are expected to recover, income will be up due to ongoing efforts to cost improvements.

(100 millions of yen)



## 2-4 Forecast by Business Segments



Sales are expected to decline in the Stamping and molding business due to the impact described below<sup>(\*1)</sup>, while sales and income are expected to decline in the valve business.

(100 millions of yen,%)

	Sales				Operating Income			
	FY2022 Result	FY2023 Forecast	YoY Rate		FY2022 Result	FY2023 Forecast	YoY Rate	
			Gain&Loss	%Change			Gain&Loss	%Change
<b>Stamping &amp; Molding</b>	1,368	1,315	△53	△3.9	49	70	+20	+40.6
(The Impact of increased customer-received materials for stamping)	*1 (△51)	(△245)	(△194)					
Operating Income Ratio					3.6%	5.3%	+1.7P	
<b>Valves</b>	542	530	△12	△2.2	42	30	△12	△29.6
Operating Income Ratio					7.9%	5.7%	△2.2P	

\* 1 The above includes sales decrease since FY2022 Q4 due to the impact of increased customer-received materials for stamping.  
No impact on income.

# 2-5 Forecast by Region



**Sales and income will be down in Japan and Asia. Sales will be down and income will be up in Europe and the United States.**

(100 millions of yen,%)

	Sales				Operating Income			
	FY2022 Result	FY2023 Forecast	YoY Rate		FY2022 Result	FY2023 Forecast	YoY Rate	
			Gain&Loss	%Change			Gain&Loss	%Change
<b>Japan</b>	706	685	△21	△3.0	49	40	△9	△19.8
(The Impact of increased customer-received materials for stamping)	*1 (△51)	(△245)	(△194)					
Operating Income Ratio					7.1%	5.8%	△1.3P	
<b>Europe &amp; America</b>	781	747	△34	△4.4	△1	19	+20	Surplus
Operating Income Ratio					△0.2%	2.5%	+2.7P	
<b>Asia</b>	425	418	△7	△1.7	36	33	△3	△10.5
Operating Income Ratio					8.7%	7.9%	△0.8P	

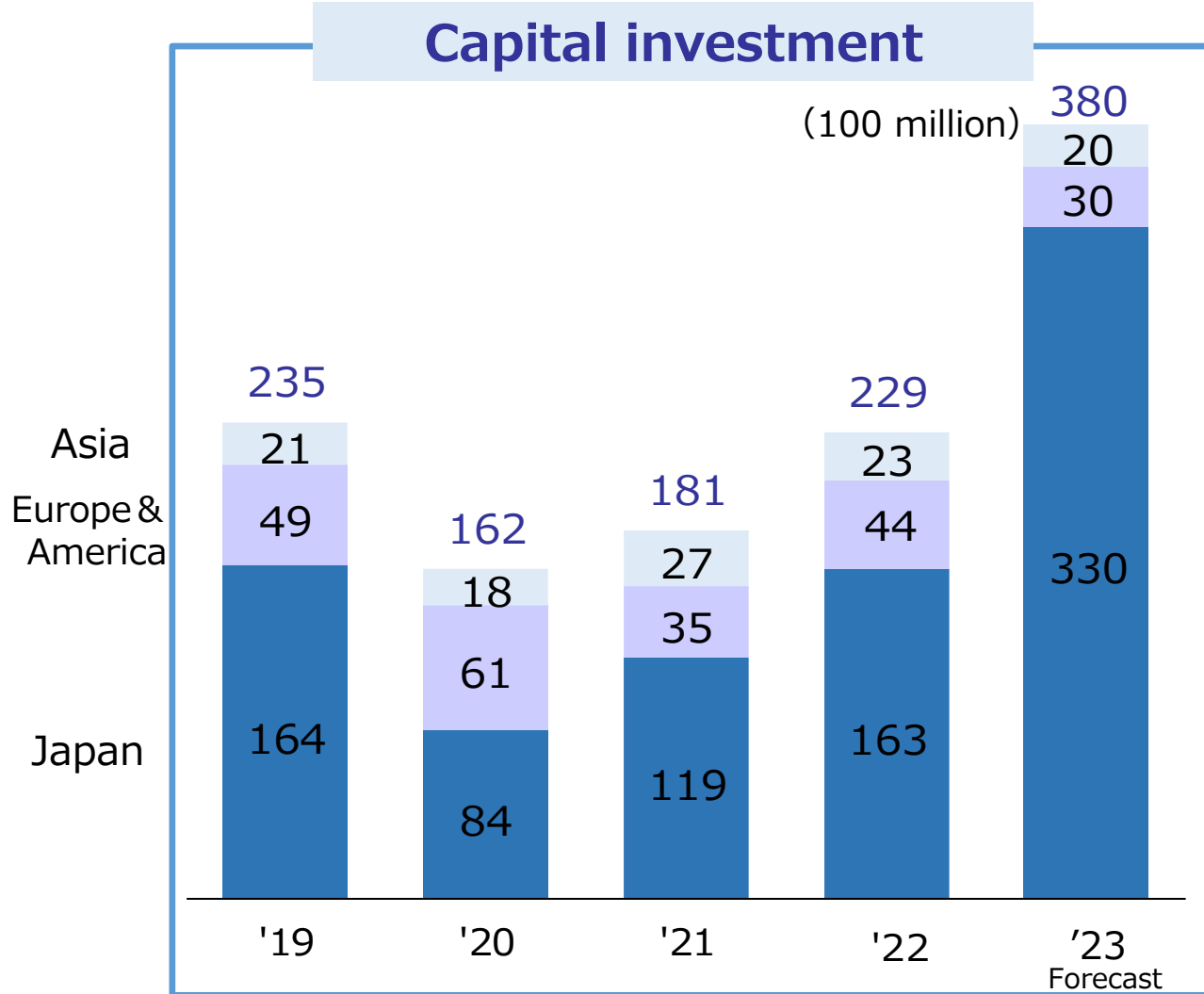
\* 1 The above includes sales decrease since FY2022 Q4 due to the impact of increased customer-received materials for stamping.  
No impact on income.

# 2-6 Capital investments and Depreciation

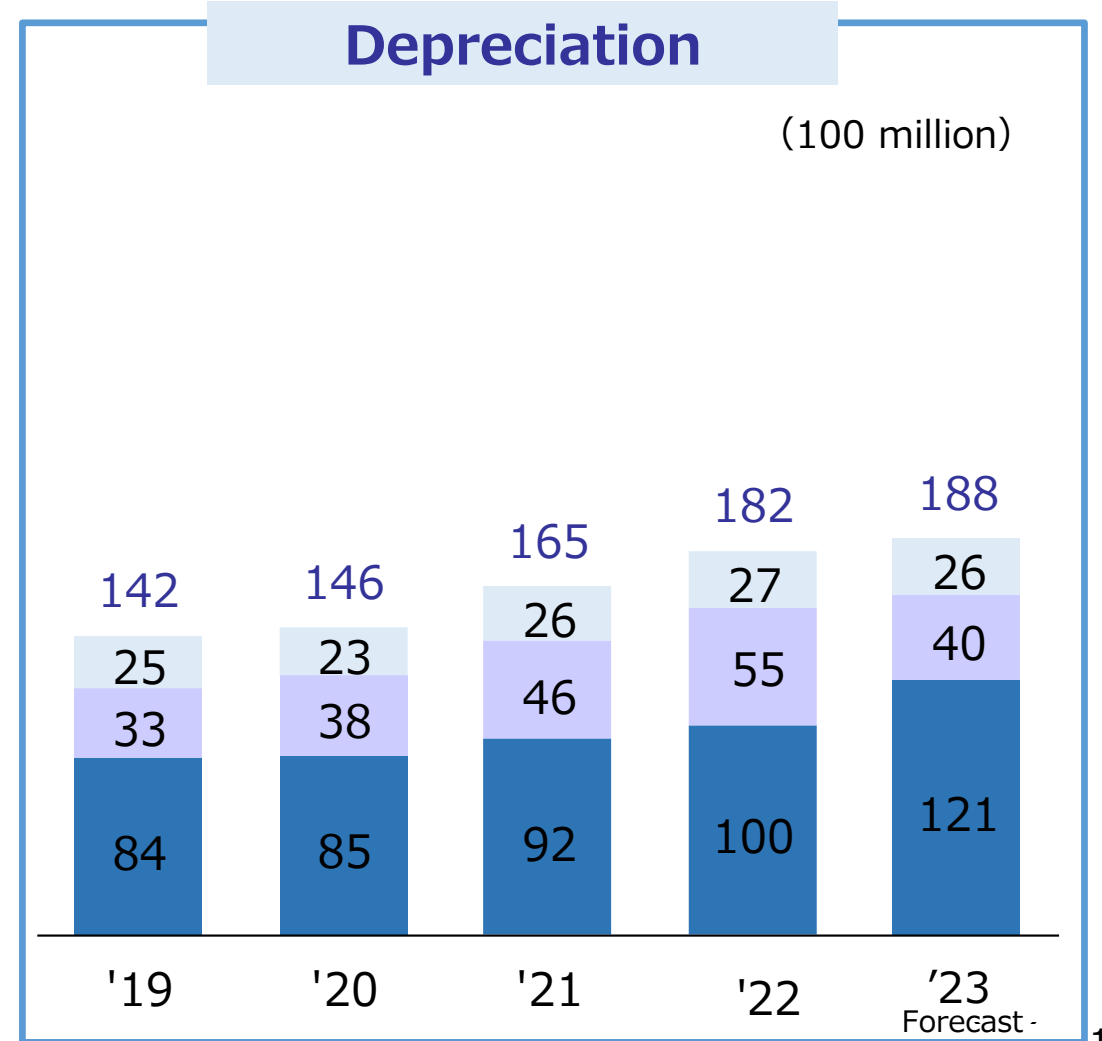


Investments for future growth are progressing

Capital investment



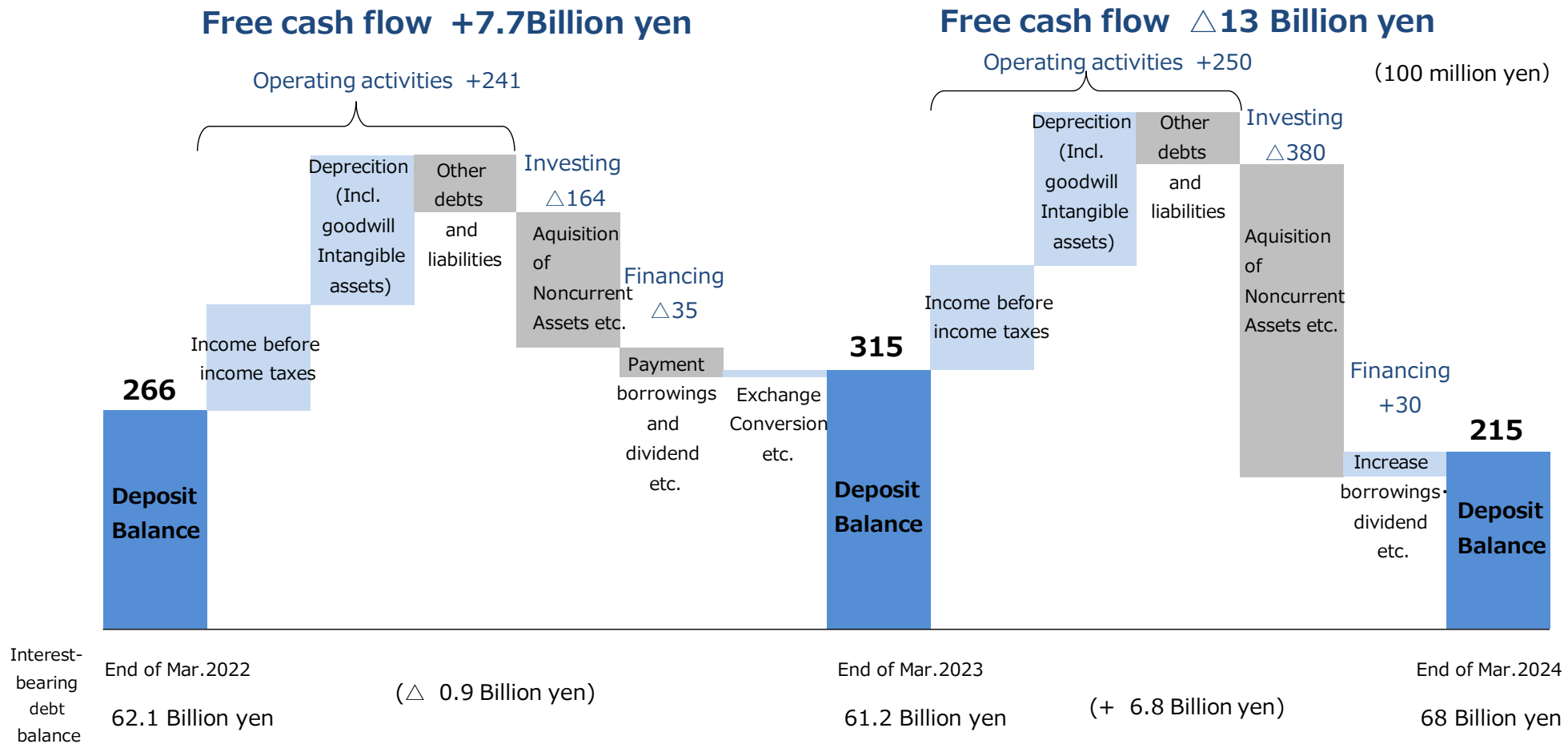
Depreciation



# 2-7 Consolidated Cash Flow



## Efficient fund management by strengthening consolidated cash management



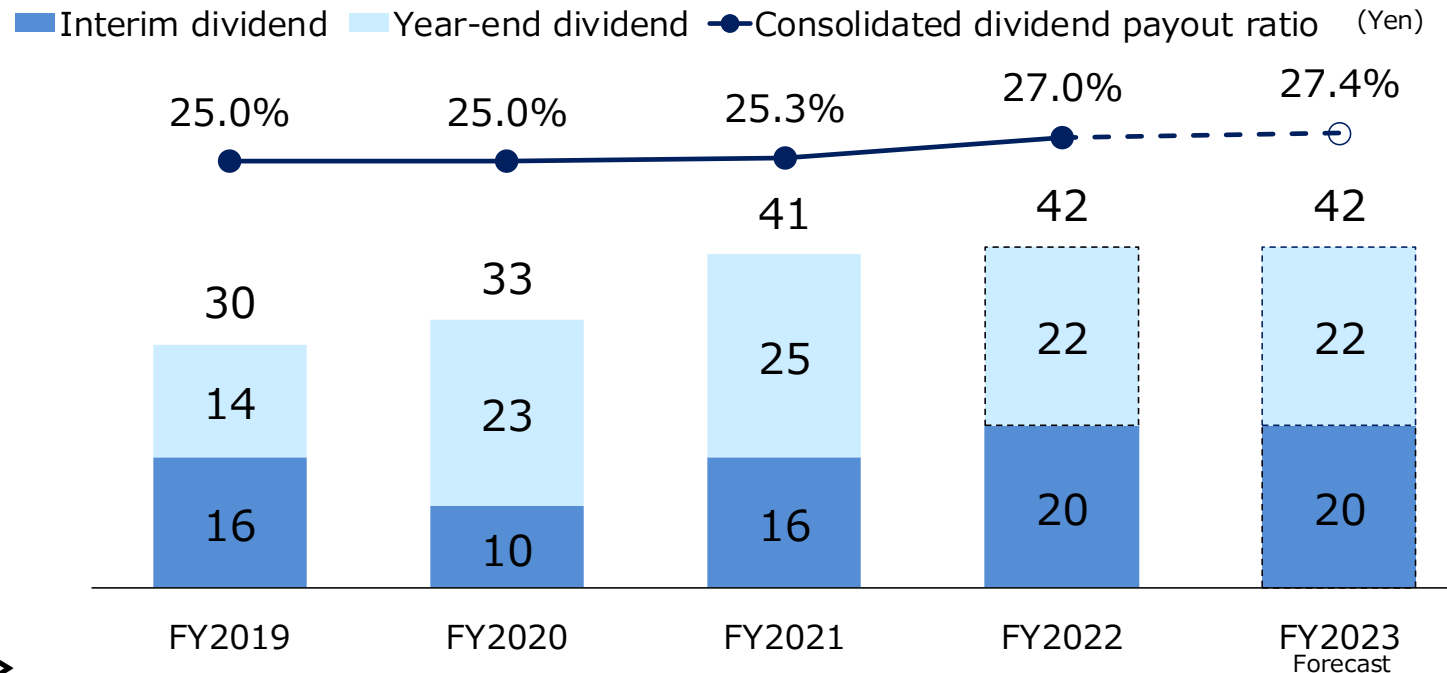


# 2-8 Return to Stockholders



**Flexible shareholder returns through share buybacks, and stable dividends will continue.**

## <Dividend per share>



## <Acquisition of treasury stock>

- Improve shareholder returns and capital efficiency, implement flexible capital policy
- Acquisition date, number of shares, amount: April 28, 2023, 1,284 million yen, 1,090,000 shares
- Total shareholder return ratio : 37.9%/FY2022、43.1%/FY2023 forecast



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