



# FY2023 First Quarter Financial Results Briefing

The 100th period : Apr. 1st, 2023- Jun.30th, 2023

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Passion in Creating Tomorrow

July 27th, 2023

**PACIFIC INDUSTRIAL CO., LTD.**

- 1. FY2023 Q1 Financial Performance**
- 2. Financial Forecast (FY2023 Full Year)**

### 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.

## Record highest were achieved for sales, ordinary and net income due to increase in higher automobile production

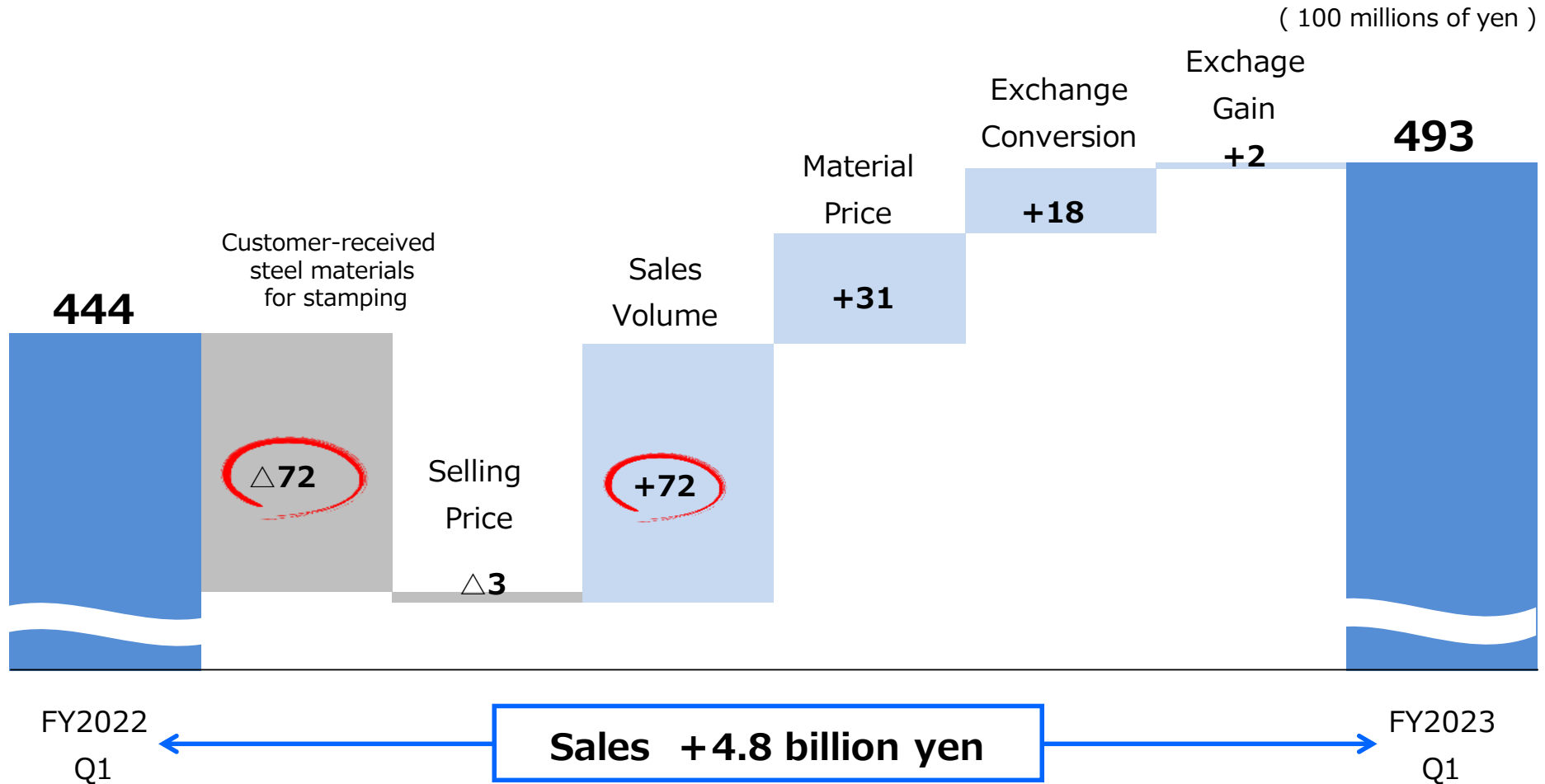
(100 millions of yen, %)

	FY2022 Q1 Result	FY2023 Q1 Result	YoY rate	
			Gain&Loss	% Change
Sales	444	Record High 493	+48	+10.9
Operating Income	16	31	+14	+89.4
Operating Income Ratio	3.7%	6.4%	+2.7P	-
Ordinary Income	38	Record High 52	+13	+36.0
Ordinary Income Ratio	8.7%	10.7%	+2.0P	-
Net income attributable to owners parent	29	Record High 39	+10	+36.0
Quarterly Net Income margin	6.5%	8.0%	+1.5P	-
Average exchange rate (U.S. dollars)	¥125.9	¥135.7	¥9.8	-

- Sales decrease since FY2022 Q4 due to expansion of offsetting range of sales and its cost; the impact of customer-received steel materials for stamping. No impact on income.

# 1-2 Analysis of Consolidated Sales

Sales reached a record high in Q1. The sales volume increasing compensated for the decline in sales due to the impact of customer-received steel materials for stamping.

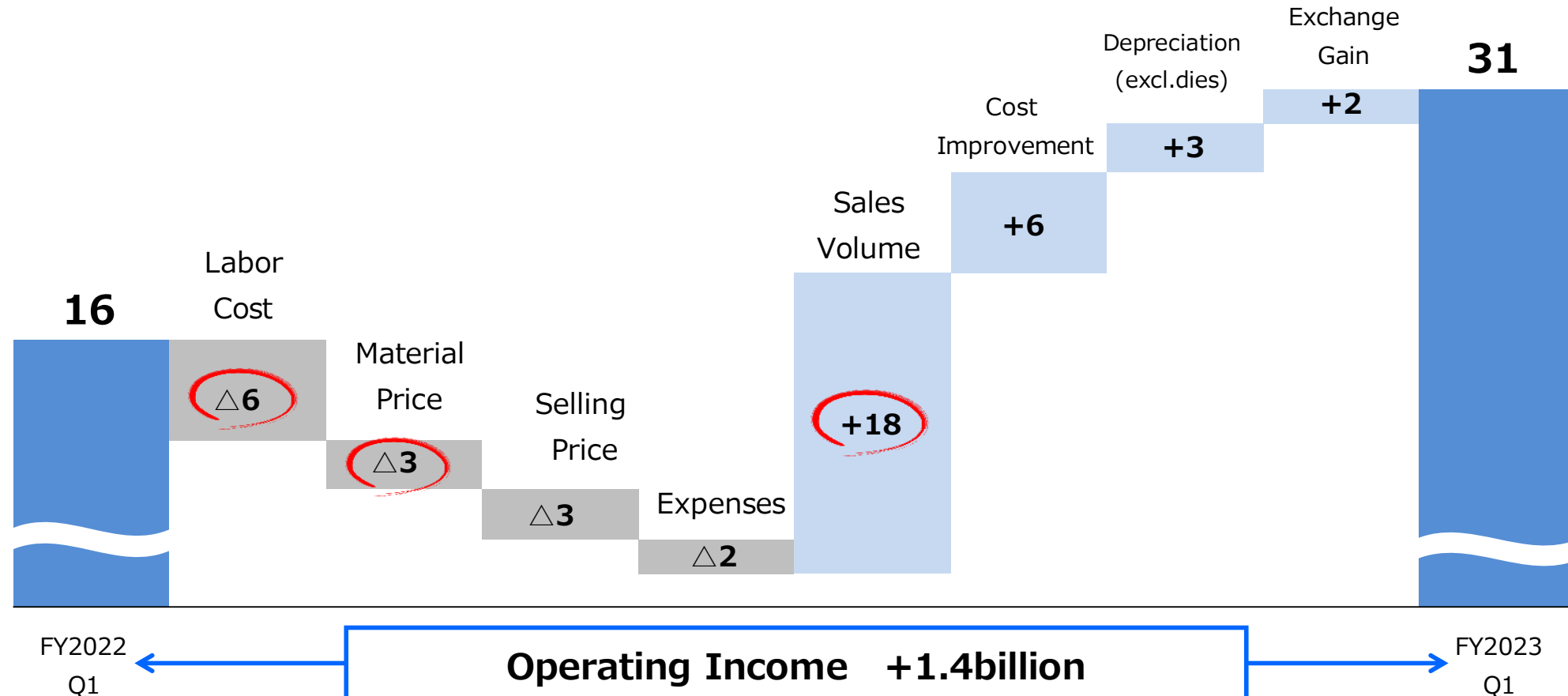


# 1-3 Analysis of Consolidated Operating Income



**Profit increased because of cost improvement despite cost increase owing to increase in sales volume.**

(100 millions of yen)



# 1-4 Financial Results by Business Segments



**Sales and profit increased in Stamping & Plastic Molding segment because of sales volume up. Sales of valves increased due to the impact of exchange rates. Decrease in profit due to cost increase owing to soaring material and labor costs.**

(100 millions of yen, %)

	Sales				Operating Income			
	22/Q1 Result	23/Q1 Result	YoY Rate Gain&Loss	YoY Rate %Change	22/Q1 Result	23/Q1 Result	YoY Rate Gain&Loss	YoY Rate %Change
<b>Stamping &amp; Plastic Molding</b>	310	353	+42	+13.8	4	22	+17	+388.0
(The Impact of increased customer-received materials for stamping)		(△72)						
Operating Income Ratio					1.5%	6.3%	+4.8P	
<b>Valves</b>	133	139	+5	+4.0	11	9	△2	△23.0
Operating Income Ratio					8.8%	6.5%	△2.3P	

- Sales decrease since FY2022 Q4 due to expansion of offsetting range of sales and its cost; the impact of customer-received steel materials for stamping. No impact on income.

# 1-5 Financial Results by Region



**Sales and income increased in Japan, Europe, and America.  
Asia remained flat year-on-year.**

(100 millions of yen,%)

	Sales				Operating Income			
	22/Q1	23/Q1	YoY Rate		22/Q1	23/Q1	YoY Rate	
	Result	Result	Gain&Loss	%Change	Result	Result	Gain&Loss	%Change
<b>Japan</b>	162	167	+5	+3.2	8	16	+7	+96.0
(The Impact of increased customer-received materials for stamping)		(△72)						
Operating Income Ratio					5.0%	9.6%	+4.6P	
<b>Europe &amp; America</b>	183	225	+41	+22.7	1	8	+6	+385.5
Operating Income Ratio					0.9%	3.6%	+2.7P	
<b>Asia</b>	98	99	+1	+1.4	7	5	△1	△22.5
Operating Income Ratio					7.4%	5.7%	△1.7P	

- Sales decrease since FY2022 Q4 due to expansion of offsetting range of sales and its cost; the impact of customer-received steel materials for stamping. No impact on income.

1. FY2023 Q1 Financial Performance
- 2. Financial Forecast (FY2023 Full Year)**



# 2-1 FY2023 Consolidated Financial Forecast



**Revised the forecast upward to reflect the results of Q1 and changes in the external environment.**

( 100 millions of yen, %)

	FY2022	FY2023		YonY rate		Diff. from 27th Apr.	
	Full Year	Full Year		Full Year		Full Year	
	Results	Forecast on 27th Apr.	Latest Forecast	Gain&Loss	%Change	Gain&Loss	%Change
Sales	1,912	1,850	1,900	△12	△0.7%	+50	2.7%
Operating Income	92	100	105	+12	12.9%	+5	5.0%
Operating Income Ratio	4.9%	5.4%	5.5%	+0.6P	—	+0.1P	—
Ordinary Income	132	130	140	+7	6.0%	+10	7.7%
Current Net Income	93	90	95	+1	2.1%	+5	5.6%
R O E	7.0%	6.4%	6.6%	△0.4P	—	+0.2P	—
R O A (Operating income basis)	3.7%	3.7%	3.9%	+0.2P	—	+0.2P	—
Net Assets per Share	¥2,309	¥2,467	¥2,590	¥281	12.2%	¥123	5.0%
Average exchange rate (US dollars)	¥134.9	¥130.0	¥131.4	△¥3.5	—	¥1.4	—

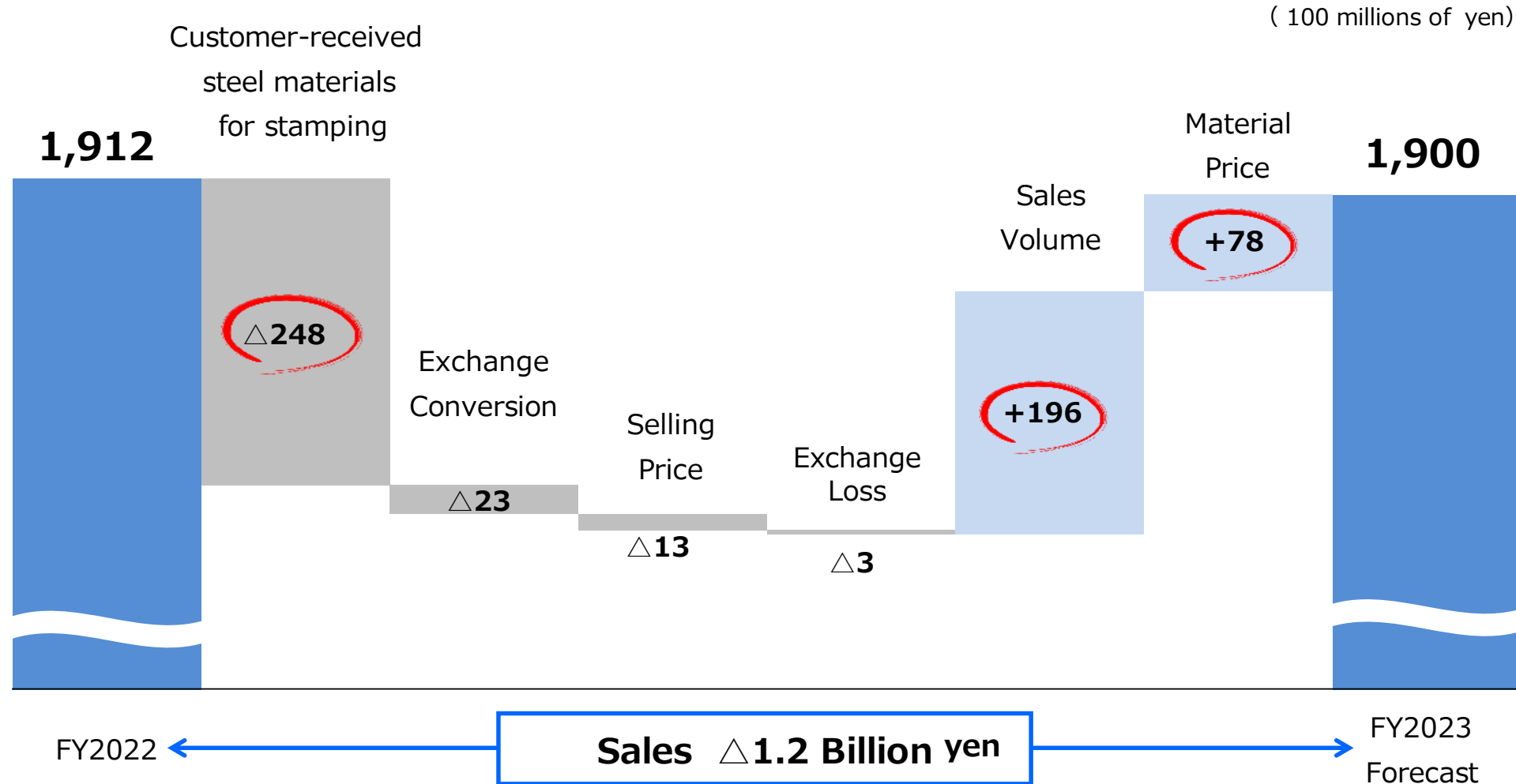
\* Current net income is the current net income attributable to the parent company shareholders.

\* Sales decrease since FY2022 Q4 due to expansion of offsetting range of sales and its cost; the impact of customer-received steel materials for stamping. As a result of this, fiscal 2023 includes a 24.8 billion yen year-on-year decline in net sales. No impact on income.

## 2-2 Analysis of FY2023 Forecasts: Consolidated Sales



Sales volume is expected to increase. Net sales are expected to decrease due to the impact of customer-received steel materials for stamping.

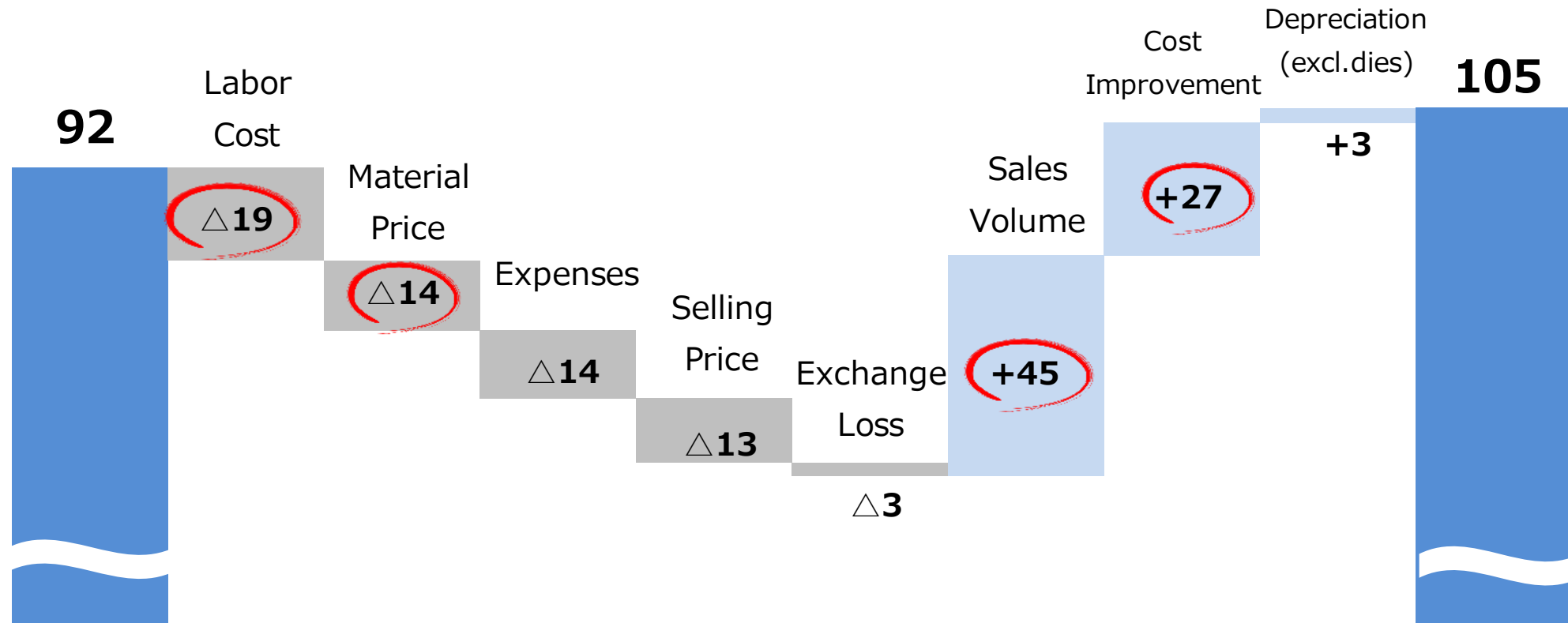


# 2-3 Analysis of FY2022 Forecasts: Operating Income



Costs increased due to sales volume up. Continued improvement is expected to increase profits.

(100 millions of yen)



FY2022 ← **Operating Income +1.2 billion yen** → FY2023 Forecast

# 2-4 Forecast by Business Segments



In the stamping and plastic molding business, sales are apparently expected to decline, but profit is expected to increase due to an increase in actual volume.  
Decrease in sales and profit expected for valves.

(100 million 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; Plastic Molding</b>	1,368	1,360	△8	△0.6	49	75	+25	+50.7
(The Impact of increased customer-received materials for stamping)	(△51)	(△299)	(△248)					
Operating Income Ratio					3.6%	5.5%	+1.9P	
<b>Valves</b>	542	535	△7	△1.3	42	30	△12	△29.6
Operating Income Ratio					7.9%	5.6%	△2.3P	

- Sales decrease since FY2022 Q4 due to expansion of offsetting range of sales and its cost; the impact of customer-received steel materials for stamping. No impact on income.

# 2-5 Forecast by Region



**Decrease in sales and income in Japan and Asia, increase in sales and income in Europe and America.**

(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	47	△2	△5.8
(The Impact of increased customer-received materials for stamping)	(△51)	(△299)	(△248)					
Operating Income Ratio					7.1%	6.9%	△0.2P	
<b>Europe &amp; America</b>	781	803	+21	+2.8	△1	23	+24	-
Operating Income Ratio					△0.2%	2.9%	+3.1P	
<b>Asia</b>	425	412	△13	△3.1	36	27	△9	△26.8
Operating Income Ratio					8.7%	6.6%	△2.1P	

- Sales decrease since FY2022 Q4 due to expansion of offsetting range of sales and its cost; the impact of customer-received steel materials for stamping. No impact on income.

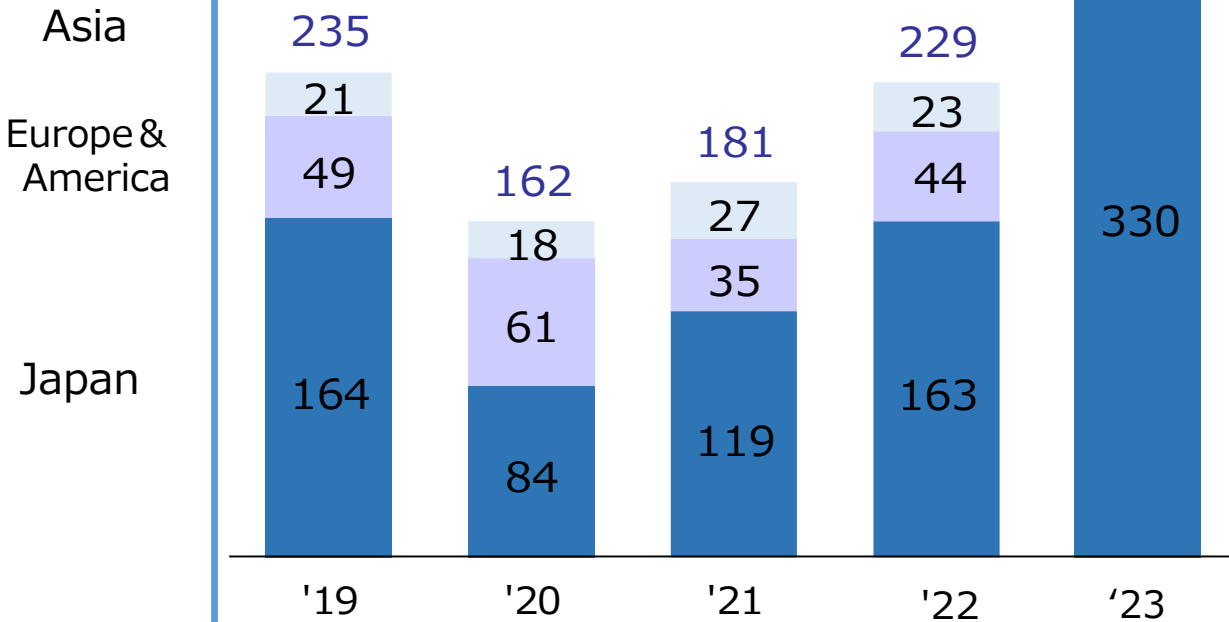
# 2-6 Capital investments and Depreciation



**Aggressive investment in new stamping plants and production lines for new valve products.**

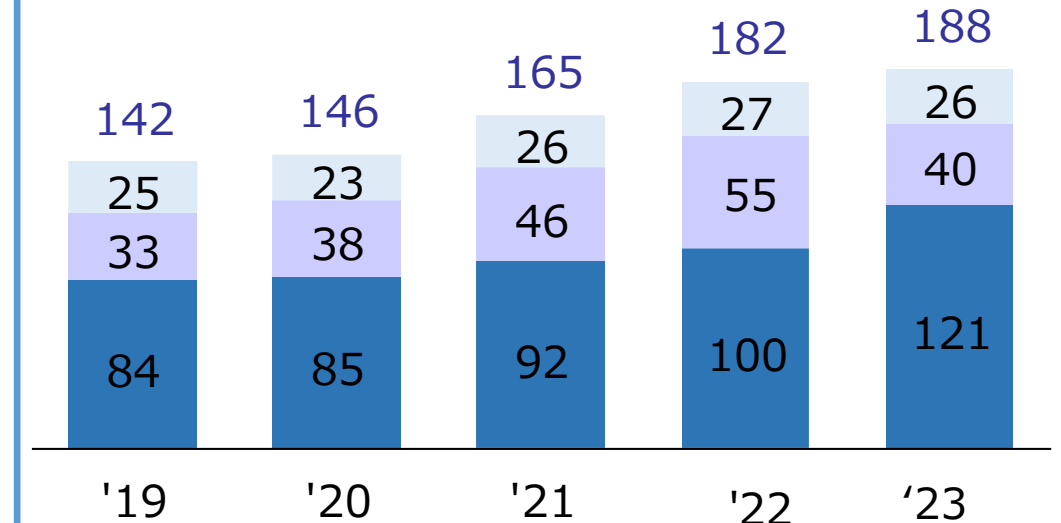
## Capital investment

(100 million yen)



## Depreciation

(100 million yen)



Promote solutions to customer and social issues and improve corporate value.

## New stamping plant



- The first construction was completed in July. Preparing to start operation in November.
- Improve a decent work environment
- Sequentially established die production plant and R&D center.

## e-WAVES Cloud



<https://www.pacific-ind.co.jp/news/20230704113026.html>

- Update dedicated cloud system for multi-sensing logger "e-WAVES"
- Ensuring high security and falsification prevention in line with the requirements of the pharmaceutical industry.

## Selected as an ESG index adopted by GPIF



FTSE Blossom Japan Index



FTSE Blossom Japan Sector Relative Index

(Selected for 2 consecutive years)

- Selected as a constituent of the FTSE Blossom Japan Index for the first time. It is an index for Japanese companies that are making excellent efforts on ESG.



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