

Financial Results Briefing for FY2024 Q2

The 101st period : Apr. 1st, 2024- Sep. 30th, 2024

Nov. 1, 2024

PACIFIC INDUSTRIAL CO., LTD.



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2. Full Year Forecast FY2024
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Cautionary Statement with Respect to Forward-Looking Statements

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 Consolidated Financial Summary



Due to a decrease in sales volume, both sales and operating income decreased.

(100 millions of yen, %)

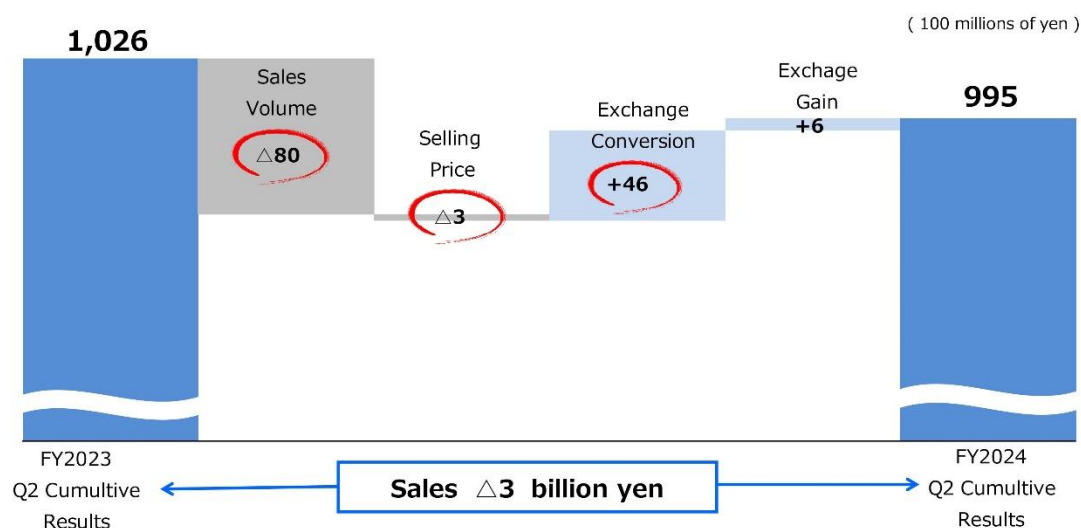
	FY2023 23/ 2 Q Cumulative Result	FY2024 24/ 2 Q Cumulative Forecast on 25Jul.	24/ 2 Q Cumulative Result	YoY rate		Diff. from Forecast	
				Gain&Loss	% Change	Gain&Loss	% Change
Sales	1,026	990	995	△30	△3.0	+5	+0.6
Operating Income	74	50	49	△25	△34.6	△0	△2.0
Operating Income Ratio	7.3%	5.1%	4.9%	△2.4P	—	△0.2P	—
Ordinary Income	103	70	64	△38	△37.3	△5	△7.4
Ordinary Income Ratio	10.1%	7.1%	6.5%	△3.6P	—	△0.6P	—
Net income attributable to owners parent	75	55	53	△22	△29.3	△1	△3.1
Quarterly Net Income margin	7.3%	5.6%	5.4%	△1.9P	—	△0.2P	—
Average exchange rate (USDJPY)	139.9	152.3	153.9	14	—	1.6	—

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For H1 of FY2024, our group reported sales of JPY99.5 billion, operating income of JPY4.9 billion, ordinary income of JPY6.4 billion, and net income of JPY5.3 billion.

1-2 Analysis of Consolidated Results : Sales

Sales decreased due to a decline in sales volume.



4/28

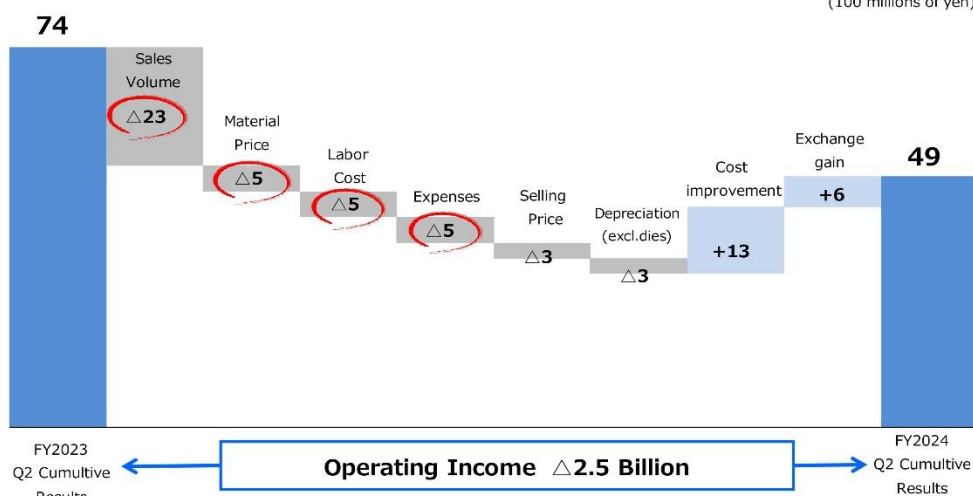
Sales decreased due to the suspension of production of some vehicles in Japan and the US, a decrease in sales volume resulting from lower sales of new vehicle dies and molds, and sales price revisions overseas. This means the reduced sales offset the positive impact of exchange rate differences and other factors resulting from the yen's depreciation.

1-3 Analysis of Consolidated Results : Operating Income



Profit decreased due to a decline in sales volume, rising material costs, and increased labor cost and expenses.

(100 millions of yen)



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Operating income decreased mainly due to these negative factors: on the sales side, such as a decrease in sales volume and selling prices; and on the cost of sales side, the impact of material prices, including higher prices for brass and other materials and higher import prices for ICs for TPMS due to the weak yen and strong euro, as well as increased labor and expenses associated with the operation of the new stamping plant.

1-4 Consolidated Results by Business Segments



Stamping and plastic molding business decreased in both sales and income.
For valves, sales remained flat YoY, with an increase in profits.

(100 millions of yen, %)

	Sales				Operating Income			
	FY2023	FY2024	YoY		FY2023	FY2024	YoY	
	Q2 Cumulative Results	Q2 Cumulative Results	Gain&Loss	%Change	Q2 Cumulative Results	Q2 Cumulative Results	Gain&Loss	%Change
Stamping & Plastic Molding *1	741	711	△29	△4.0	55	22	△32	△58.8
Operating Income Ratio					7.5%	3.2%	△4.3P	
Valves *2	284	283	△0	△0.3	19	26	+7	+36.0
Operating Income Ratio					6.9%	9.4%	+2.5P	

<Analysis>

*1 Sales decreased due to a decline in volume, and profits decreased due to the decline in volume and increased depreciation expenses.

*2 Despite the decrease in volume, sales remained flat YoY due to yen depreciation, with profits increasing due to reduced depreciation expenses.

6/28

In the stamping and plastic molding business, sales decreased to JPY71.1 billion due to a decline in sales volume. Operating income decreased due to the decline in volume and increased depreciation expenses, resulting in JPY2.2 billion.

For valves business, sales were JPY28.3 billion, the same level as the previous year, due to the effect of yen depreciation, despite the decrease in volume. On the other hand, operating income increased to JPY2.6 billion, mainly due to reduced depreciation expenses.

1-5 Consolidated Results by Region



Sales and income down in Japan, sales and income up in Europe and the U.S of America, sales and income down in Asia.

(100 millions of yen, %)

	Sales				Operating Income			
	FY2023	FY2024	YoY		FY2023	FY2024	YoY	
	Q2 Cumulative Results	Q2 Cumulative Results	Gain&Loss	%Change	Q2 Cumulative Results	Q2 Cumulative Results	Gain&Loss	%Change
Japan *1	341	333	△8	△2.6	38	20	△17	△46.5
Operating Income Ratio					11.2%	6.2%	△5.0P	
Europe&America *2	473	488	+15	+3.2	15	16	+1	+6.7
Operating Income Ratio					3.2%	3.3%	+0.1P	
Asia *3	211	173	△37	△17.6	14	9	△4	△30.6
Operating Income Ratio					6.7%	5.6%	△1.1P	

<Analysis>

*1 Sales decreased due to a decrease in sales volume, and income decreased due to sales volume down and an increase in depreciation expenses.

*2 Sales increased due to the weak yen, and income increased due to a decrease in depreciation expenses.

*3 Sales and income decreased due to a sales volume down.

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In Japan, sales decreased to JPY33.3 billion due to reduced sales volume. Operating income was JPY2 billion, down 46.5% YoY, mainly due to sales volume down and an increase in depreciation expenses.

Sales in Europe and the US totaled JPY48.8 billion due to the weak yen. Operating income was JPY1.6 billion, up 6.7% YoY, mainly due to a decrease in depreciation expenses.

Sales in Asia declined by 17.6% YoY to JPY17.3 billion due to lower sales volume. This resulted in decreased operating income of JPY0.9 billion, down 30.6% YoY.

2-1 Full Year Forecast FY2024



Forecasts have been revised in light of 1st half results and changes in the external environment.

(100 millions of yen, %)

	FY2023	FY2024		YonY		Diff. from Previous Forecast	
	Full Year	Full Year Forecast		Full Year		Full Year	
	Results	Previous on 25th Jul.	Latest	Gain&Loss	%Change	Gain&Loss	%Change
Sales	2,073	2,010	1,970	△103	△5.0%	△40	△2.0%
Operating Income	144	115	110	△34	△23.9%	△5	△4.3%
Operating Income Ratio	7.0%	5.7%	5.6%	△1.4P	—	△0.1P	—
Ordinary Income	188	145	135	△53	△28.3%	△10	△6.9%
Current Net Income ^{*1}	169	110	105	△64	△38.1%	△5	△4.5%
R O E	11.2%	6.5%	6.4%	△4.8P	—	△0.1P	—
R O A (Operating income basis)	5.3%	3.9%	3.8%	△1.5P	—	△0.1P	—
Net Assets per Share(JPY)	2,840	3,025	2,850	+10	0.4%	△ 175	△5.8%
Average exchange rate (USDJPY)	144.2	151.1	149.4 ^{*2}	+5	—	△ 1.7	—

^{*1} Current net income is the current net income attributable to the parent company shareholders.

^{*2} We have revised the assumed exchange rate from the previously announced 150 yen/USD on July 25th to the current forecast of 145 yen/USD from the third quarter onwards.

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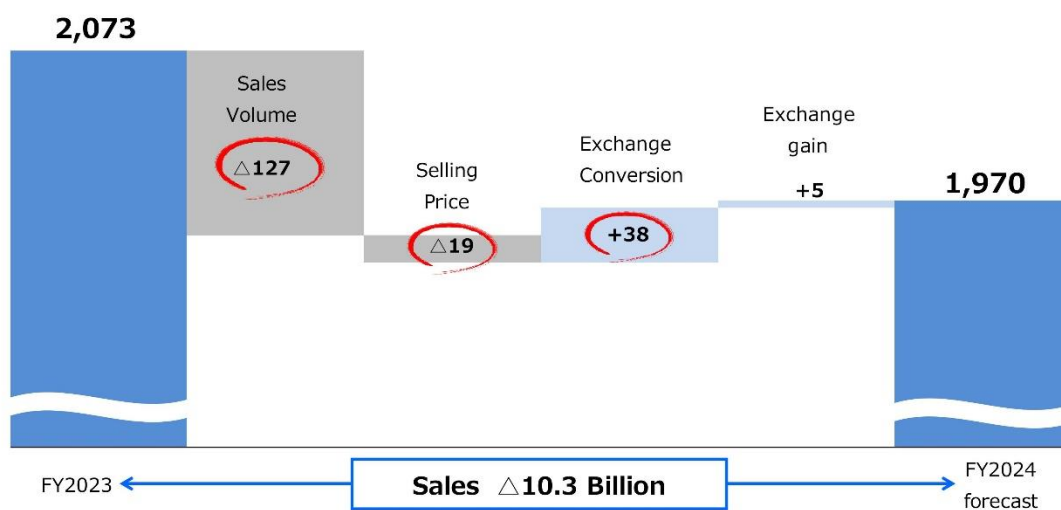
We have revised our full-year forecasts. Forecasts were revised to sales of JPY197 billion, operating income of JPY11 billion, ordinary income of JPY13.5 billion, and current net income of JPY10.5 billion. Meanwhile, after Q3, the assumed exchange rate has been revised from JPY150 vs. USD1 to JPY145 vs. USD1. The annual foreign exchange rate sensitivity is JPY100 million per one yen.

2-2 Analysis of FY2024 Forecasts: Sales



Decreased in sales due to lower sales volumes.

(100 millions of yen)



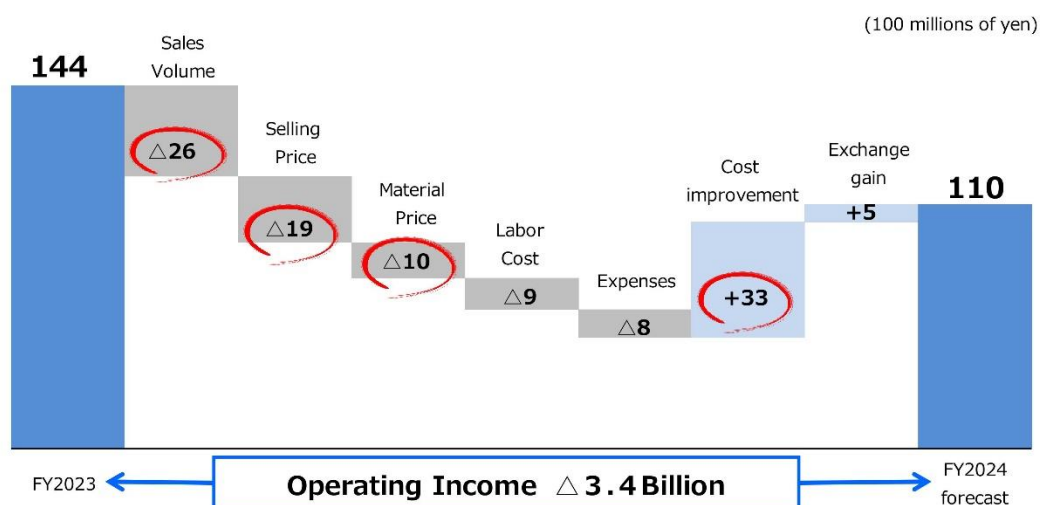
10/28

Although there are positive effects such as foreign currency translation differences due to the yen's depreciation, full-year sales are expected to decrease due to a decline in production volume, a decrease in sales volume due to lower dies and mold sales, and sales price revisions in overseas markets.

2-3 Analysis of FY2024 Forecasts : Operating Income



Lower sales volumes, negative impact on pricing and higher costs are recovered through cost improvements.



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Operating income for the full year is expected to decrease due to negative factors on the sales side (i.e. decreases in sales volume and sales prices) and on the cost of sales side (i.e. the impact of material prices, including an increase in the price of brass materials and an increase in the import price of ICs for TPMS due to the weak yen and strong euro, and an increase in labor costs and expenses associated with the start of operations at the new stamping plant).

2-4 Consolidated forecasts by Segments



Stamping and plastic molding business expects lower sales and income, while valve business expects sales down and income up.

(100 millions of yen, %)

	Sales				Operating Income			
	FY2023 Result	FY2024 Forecast	YonY		FY2023 Result	FY2024 Forecast	YonY	
			Gain&Loss	%Change			Gain&Loss	%Change
Stamping & Plastic Molding *1	1,499	1,411	△88	△5.9	103	65	△38	△37.5
Operating Income Ratio					6.9%	4.6%	△2.3P	
Valves *2	571	556	△15	△2.7	41	45	+3	+9.2
Operating Income Ratio					7.2%	8.1%	+0.9P	

<Analysis>

*1 Sales decrease due to sales volume down, income decrease due sales volume down and increase in depreciation expenses.

*2 Sales expects to be down due to sales volume decrease, and income increase due to decrease in depreciation.

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As for the full-year forecast by segments, the stamping and plastic molding business expects lower sales and income: sales of JPY141.1 billion and operating income of JPY6.5 billion, due to lower sales volume and an increase in depreciation expenses.

In the valve business, sales are expected to be JPY55.6 billion due to a decrease in sales volume. Operating income is projected at JPY4.5 billion due to a decrease in depreciation expenses.

2-5 Consolidated Forecast by Region



Sales remain flat YoY and income down in Japan. In Europe and the U.S. of America, sales and income down. In Asia, sales down and income expected to be flat YoY.

(100 millions of yen, %)

	Sales				Operating Income			
	FY2023 Results	FY2024 Forecast	YoY		FY2023 Results	FY2024 Forecast	YoY	
			Gain&Loss	%Change			Gain&Loss	%Change
Japan *1	679	670	△9	△1.4	62	42	△20	△32.8
Operating Income Ratio					9.2%	6.3%	△2.9P	
Europe&America *2	969	932	△37	△3.9	43	36	△7	△16.5
Operating Income Ratio					4.4%	3.9%	△0.5P	
Asia *3	424	368	△56	△13.3	26	25	△1	△7.2
Operating Income Ratio					6.4%	6.8%	+0.4P	

<Analysis>

*1 Sales remain flat YoY but income decrease due to increase in labor cost, expenses and depreciation.

*2 Sales decrease due to dies and molds sales down, and income decrease due to sales volume down and higher labor costs.

*3 Sales decrease due to lower volume in China, income expected to be flat YoY due to lower volume and depreciation expenses.

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Sales in Japan are expected to remain flat YoY at JPY67 billion. Operating income is projected at JPY4.2 billion, mainly due to increases in labor cost, expenses, and depreciation.

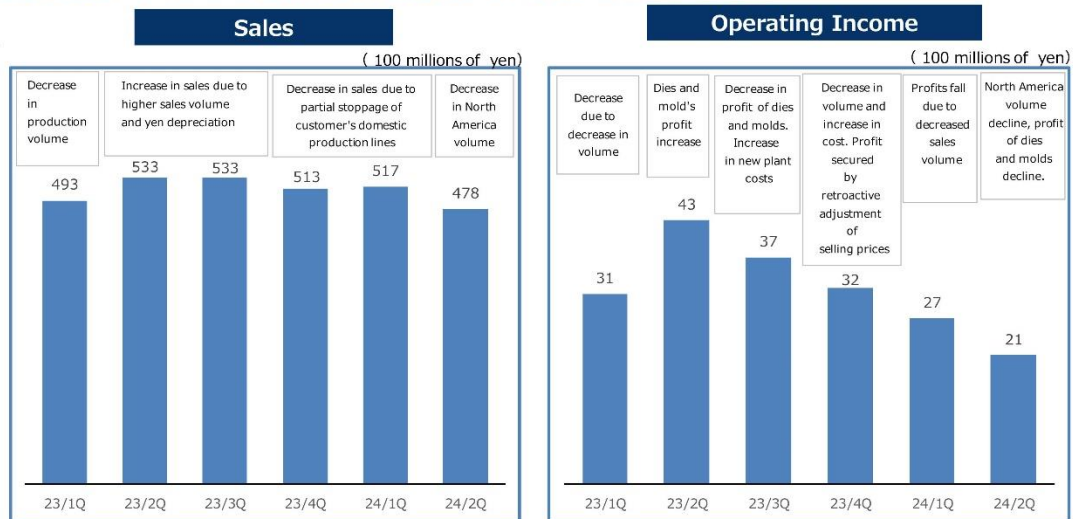
Sales in Europe and the US are projected to be JPY93.2 billion, due to reduced sales of dies and molds. Operating income is projected at JPY3.6 billion due to lower sales volume and higher labor costs.

In Asia, sales are projected to be JPY36.8 billion due to lower volume. Operating income is projected at JPY2.5 billion, despite the decrease in volume, due to lower depreciation expenses.

2-6 Quarterly Consolidated Financial Results



Decrease in profits due to partial suspension of customer's vehicle production and a decline in sales of dies and molds.

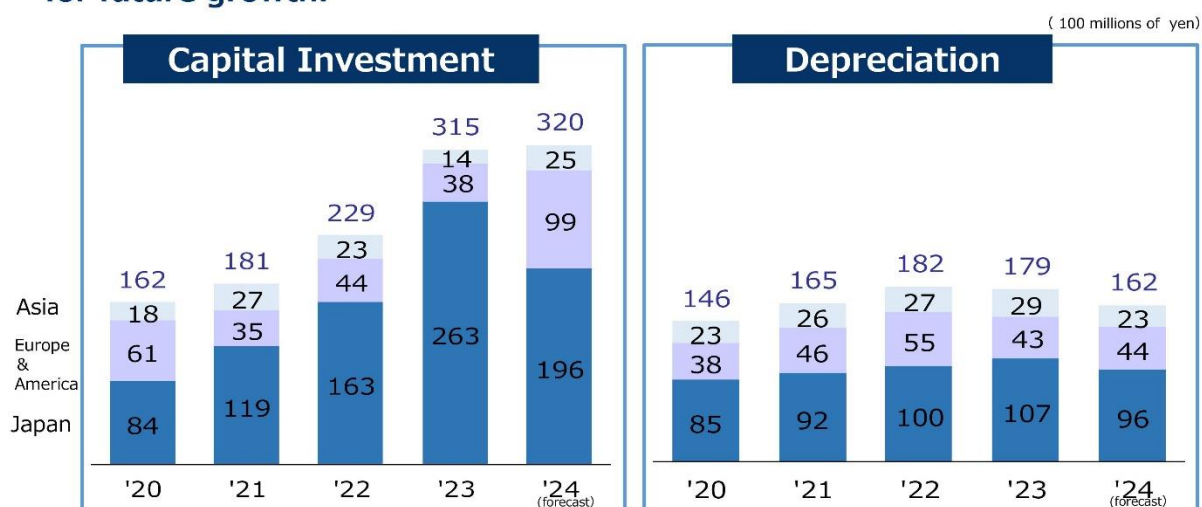


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Since Q4 of last fiscal year, profits have decreased due to partial suspension of customer's vehicle production and a decline in sales volume. The decline was particularly large in Q1 and Q2 of FY2024 due to a combination of vehicle production stoppages in Japan and the US, as well as a decline in sales of dies and molds.

2-7 Capital Investments and Depreciation

Investing in die factory, new valve plant, and development center, etc.
for future growth.



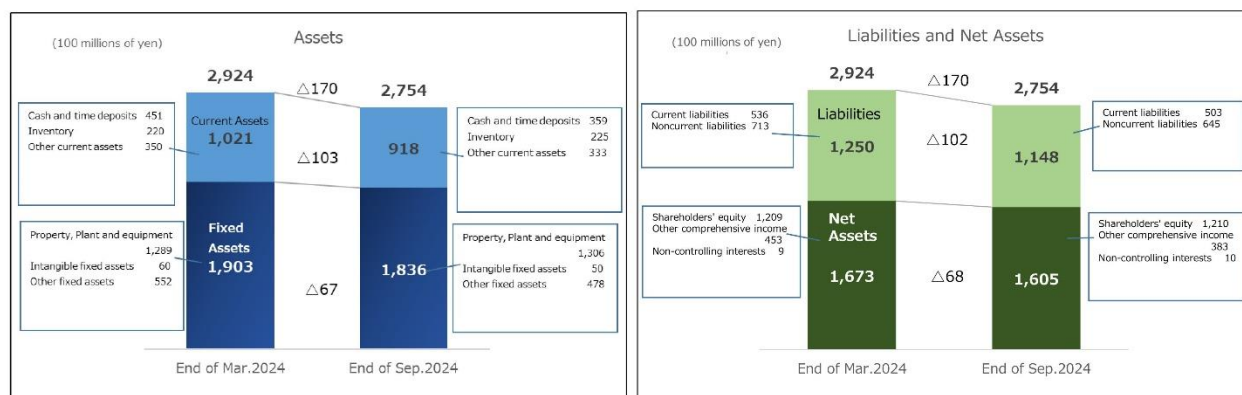
15/28

Capital investments are made for future growth in addition to normal investments in production preparation, improvement, and renewal. In FY2024, we plan to make a capital investment of JPY32 billion, including investments in the construction of a new die factory, a new valve plant, and a development center in Japan, and in the construction of a new plant to increase stamping production capacity in the US.

2-8 Consolidated Balance Sheet



We are gradually selling off our cross-shareholdings, aiming to keep them at 20% or less of our net assets. As of the end of the Sep., they had fallen to 16.8%, including deemed shares.



16/28

Regarding the consolidated balance sheet, total assets decreased by JPY17 billion as of September 30, 2024 compared to March 31, 2024. The balance of cross-shareholdings, including deemed shares, as a percentage of net assets decreased from 22.7% as of March 31, 2024 to 16.8% as of September 30, 2024.

3-1 Progress on the “NEXUS-26” of the Mid-Term Business Plan



We are promoting initiatives to enhance financial and non-financial value in line with our plan. Progress is steady towards achieving our targets for FY2026.

Financial value targets	FY2022 Result	FY2023 Result	FY2024 Forecast	FY2026 Target
Sales (Billion yen)	191.2	207.3	197	210
Ratio of operating income to sales	4.9%	7.0%	5.6%	7% or more
ROE	7.0%	11.2%	6.4%	8% or more

Non-financial Value targets	FY2022 Result	FY2023 Result	FY2026 Target
Sales ratio for electrified vehicles	29.1%	34.1%	50%
No. of new product and services launched	1 case	7 cases	15 cases (Accumulated from FY2023)
Employee engagement Positive assessment rate	-	First survey implementation 48.2%	60%
CO2 Emissions (Scope 1 and 2, group, compared to FY2019)	18.4% reduction	20.3% reduction	30% reduction

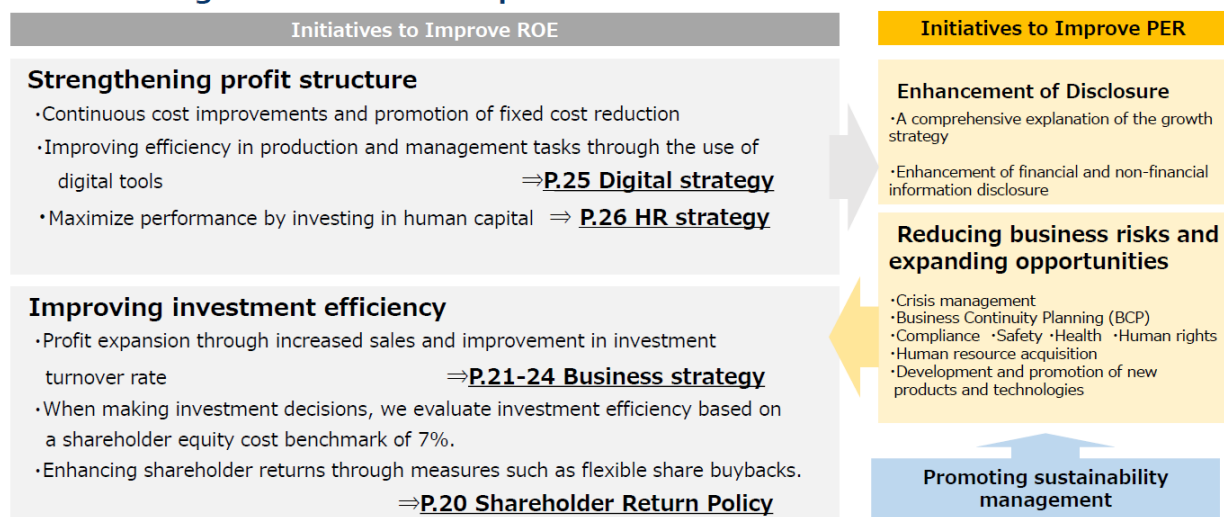
18/28

Under NEXUS-26, financial and non-financial value targets are set to be achieved by FY2026, which is the final year of the plan. Progress on each of these targets is shown here on page 18. As I explained earlier in our full-year forecast, we are making good progress toward achieving our goals, although sales and profits will once decline in FY2024.

3-2 To achieve management that is conscious of capital costs and stock prices



To achieve improvements in ROE and PER and aim for a PBR of over 1, the following initiatives will be promoted.



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With regard to efforts to realize management that is conscious of cost of capital and stock price, we aim to achieve a P/B ratio of over 1 by improving ROE and P/E ratio. To improve ROE, we believe it is first important to strengthen the earnings structure and foundation of the business.

In addition, we believe it is necessary to improve investment and capital efficiency. In addition to improving investment turnover by promoting sales expansion in each business, we verify the cost of capital as a criterion when making investment decisions. Moreover, in order to enhance capital efficiency, the Company will implement flexible share repurchases and enhance shareholder returns.

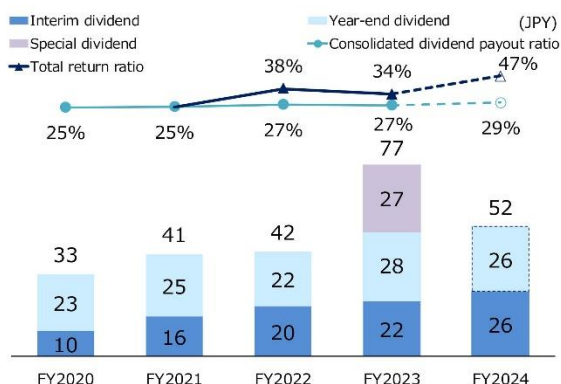
In order to improve P/E ratio, we will explain each business strategy in IR and enhance disclosure of financial and non-financial aspects, including digital and human resource strategies, so that our growth strategy can be fully understood. We aim to reduce business risks and expand opportunities by promoting sustainability management.

3-3 Shareholder Return Policy



Enhance shareholder returns with a dividend payout benchmark of 30% and flexible share buybacks.

<Trends in Dividends per Share, Dividend Payout Ratio, and Total Shareholder Return Ratio>



<Dividend>

•Based on a dividend payout ratio of 30%, we will implement stable and continuous dividends.

<Share buybacks>

•Purpose : Improve shareholder returns and capital efficiency, implement flexible capital policy

【 FYI 】

20 Billion yen /FY2024

13 Billion yen /FY2023

10 Billion yen /FY2022

20/28

The Company's shareholder return policy is to enhance returns to shareholders by setting the dividend payout ratio at a standard of 30% and, in addition, implementing flexible share buybacks.

The annual dividend for FY2024 is planned to be JPY52, an increase of JPY2 from last year's ordinary dividend of JPY50, excluding last year's special dividend, thus providing a stable and continuous dividend.

Meanwhile, the Company conducted a share buyback of JPY2 billion in the current fiscal year for the purpose of returning profits to shareholders, improving capital efficiency, and implementing a flexible capital policy.

3-4 The Progress : Stamping business



Development, sales expansion, and order acquisition are progressing as planned, and the production system is being established.

Stamping business strategy :

- Develop and expand sales of electrified vehicle components for the decarbonized era
- Increase orders by strengthening relationships of trust with major customers

Stamping Sales Target

FY2022 FY2026
129 155 billion yen
CAGR 4.7%
 (Before the change in revenue recognition standards)

FY2023 results

Key measure

- Received orders for BEV battery-related parts and started up a new plant
- Development of new products for BEVs utilizing ultra-high strength steel stamping technology
- Improvement of order unit price per vehicle by expanding sales of existing body shell parts
- Improvement of profitability due to the effect of the new plant and the Establishment of a new tooling plant
- Enhancing production capacity in Japan and the US to meet increased orders

Sales amount of stamping business



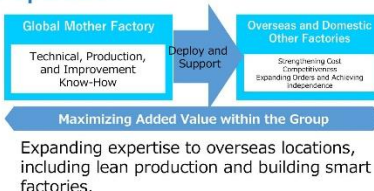
Higashi-Ogaki New Stamping Plant started operation



Large stamping machine



Welding Shop



Strengthening In-House Mold Production Capability



New Mold Factory Scheduled to Begin Operations in November 2024

21/28

In the stamping business, development of technologies and products and sales expansion are progressing steadily, and we are promoting the establishment of a production system to increase sales. In addition, we are expanding orders for new products for electric cars that utilize ultra-high strength steel stamping technology and by expanding sales of existing stamping parts.

The new stamping plant, which was launched last year, will gradually increase its operating rate and is expected to contribute to profits in H2 of the next fiscal year. In addition, as a global mother factory, we will maximize added value for the Group by horizontally deploying our know-how.

New orders in the US are also increasing, and we plan to increase production capacity by building a plant and installing stamping machines.

3-5 The Progress : Plastic molding business



Development, sales expansion, and order acquisition are progressing as planned, and the production system is being established.

Plastic Molding business strategy :

Promote development of new products for BEVs and expand sales to new customers

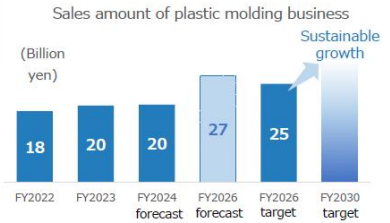
Plastic Molding Sales Target
FY2022 18 **FY2026** 25 billion yen
CAGR 8.6%

FY2023 Result

Key measure

Received orders for soundproof covers and decorative wheel parts for BEVs

- Continue to expand sales to new mega Tier 1 and global customers
- Increase production capacity to meet demand based on BEV trends



Expand and Enhance Production Capacity for Soundproofing and Decoration Technologies Globally



Strengthening Development Capabilities

In the development center scheduled to start operations next year, we will enhance prototyping and evaluation facilities to refine soundproofing and decoration technologies.



Appearance Image



Image of Soundproof Evaluation Facility

22/28

In the plastic molding business, product development and sales expansion for battery EVs are progressing, and we are working to build a production system to increase the volume of products. We will continue to increase production capacity in each region to meet demand, while also keeping an eye on future battery EV trends. In addition, at the development center scheduled to start operation next year, we will speed up the development process by integrating prototyping and evaluation under the theme of co-creation space. We are strengthening our soundproofing and decoration technologies to enhance our competitiveness.

3-6 The Progress : Valve business



Development and sales expansion underway through collaboration among global, New Product development is also underway.

Growth strategy :

- Develop and expand sales of products for electrified vehicles
- Develop new customers for existing products and strengthen revenue base

Valves Sales Target

FY2022
54.2

FY2026
63 billion yen

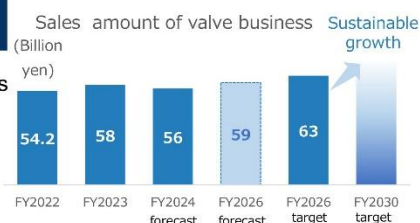
CAGR 3.8%

FY2023
results

Key
measure

Received new orders for electronic expansion valves

- Expanding Sales of Thermal Management Valves to Mega Tier 1 Manufacturers
- Establish production system and promote investment while monitoring demand
- Secure sales and maintain profitability by expanding sales to new TPMS customers



Constructing a New Factory with an Eye on Market Expansion



Valve New Factory Rendering

Expansion of Electronic Expansion Valve Variations

Providing Optimal Products Tailored to Diverse Customer Needs

Electronic Expansion Valve

LIN-Control Type Electronic Expansion Valve

Module

Development of Valves for BEV Batteries



Leveraging Expertise in Relief Valves, We Promote Development and Proposals to OEMs.

23/28

In the valve business, we are developing and expanding sales of valves for electric vehicles, including valves for thermal management systems and electronic expansion valves.

In anticipation of market expansion associated with future electrification, we are building a factory to produce valves for electrified vehicles in order to expand our business and strengthen our competitiveness.

In terms of future business development of electronic expansion valves, we are developing variations by developing products suited to detailed control specifications, and since it is possible to develop modules that combine multiple valves in a complex manner, we hope to expand adoption by responding flexibly to customer needs.

In addition, as a new valve product for battery EVs—which are expected to grow over the medium to long term—we are developing a relief valve for battery packs to quickly release excessive pressure when gas is generated in a battery pack. We are developing this product by leveraging our expertise in relief valves for automotive air-conditioner refrigerants, for which we boast an 80% global market share, and relief valves for hydrogen, and will make proposals to OEMs in order to expand their adoption.

3-7 The progress : New business



Continuing to take on the challenge of creating new business pillars.

Growth strategy : Develop IoT products and systems that contribute to solving social issues

No. of new products and services launched

FY2026
15 cases

FY2030
35 cases

FY2023
results

Key
measure

7 new products released, e-WAVES variations developed

- Effective sales expansion activities tailored to product characteristics, such as web marketing
- Continuing to launch new products through in-house resource development and open innovation



Developing and Selling New Products in Each Area



Utilizing Open Innovation

Ω (Omega) Project : business idea contest through in-house recruiting

- In the second year, 4 out of 82 submissions passed the first round of screening.
- Last year's submitted ideas were narrowed down to 2 in the second screening.

Establishment of Open Innovation Promotion Office

- Composed of 10 dual-role members connected to various business units
- Accelerating growth and value creation through collaboration with startups and other companies

24/28

In our new business, we are developing a variety of products with new ideas based on business axes that are tied to solving social issues in order to create pillars outside the mobility area.

For products released to date, we are working to increase sales through web marketing and other sales expansion activities tailored to product characteristics.

While promoting development using in-house resources, we are also promoting the use of open innovation. We are promoting initiatives to speedily commercialize new ideas through new business creation projects, which are open to internal applicants, and the establishment of a new organization aimed at creating value through collaborative creation with external parties.

We will continue to take on new business challenges.

3-8 The progress : Digital strategy



Enhancing Competitiveness with Three Pillars: DX and Digitalization, Human resource Development, and Cybersecurity.

What we aim to be by 2030

Realization of smart factories

Visualization of all production processes and optimization of the overall production process through the use of digital technologies and data such as IoT and AI

Key
measure

- Promoting Improvement of Manufacturing and Logistics Efficiency through DX and Digitalization
- Developing Advanced Digital Talent and Optimal Placement Through Tiered DX Talent Education
- Enhancing Digital Literacy Among All Employees to Promote Utilization and Improve Operational Efficiency

Promotion of switching to Smart Factory

Through an in-house developed system by the digital department, we visualize the status of equipment and production lines, supporting management and improvement.



Digital Andon board
(display board)

Centralized Operation Monitor



25/28

The digital strategy is to enhance competitiveness with three pillars, which are DX and digitalization, human resource development, and cybersecurity. In addition to the smart factory, the Company is working to improve the efficiency of its internal operations, including manufacturing, logistics, and administrative staff operations.

At the new stamping plant, which started operation last year, an in-house developed system by the digital department visualizes the operation status of production equipment and lines and is used for on-site improvements.

We are also developing tiered DX talent education throughout the Company. By raising the level of digital literacy and promoting the use of digital technology, we are working to improve the efficiency of our operations.

Furthermore, by establishing an AI expert team system, in which AI engineers within the Company are organized into a single team that transcends divisions, we are working to promote improvements by helping to solve problems within the Group and to promote the use of AI in new businesses and other areas, thereby contributing to the creation of value.

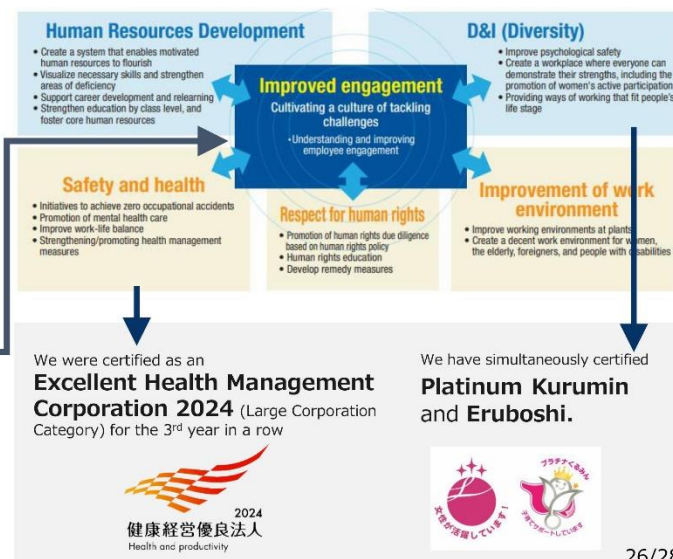
3-9 The Progress : HR strategy

Identified 4 priority measures based on employee engagement survey and promoting them.

What we aim to be by 2030

All workers can play an active role with passion

Employee Engagement survey	FY2023 result	FY2026 target	FY2030 target
Positive assessment rate	48.2%	60%	70%



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We believe that our human resources strategy is an important initiative to realize our purpose.

Using the positive response rate from the employee engagement survey that we have conducted since last year as an indicator, we aim to achieve 60% in FY2026 and 70% in FY2030, compared to 48.2% in FY2023 actual results.

We have themed four key initiatives to improve employee engagement company-wide. Encouraging empathy with management vision, building trusting relationships with superiors and co-workers, being able to feel own job as rewarding, and feeling of growth and learning. By promoting these four key initiatives, we hope to create a positive cycle of increased employee engagement, business growth, and increased corporate value.

3-10 Sustainability



Promoting sustainability and risk reduction efforts, and enhancing Information disclosure to increase corporate value.

Actively introduce solar power generation

- Expanded at Higashi Ogaki Plant
- First introduction in China at the Tianjin Business entities
- CO2 Reduction Effects
3,170t/year approx.
23% Renewable Energy Ratio for FY2023



Reducing CO₂ emissions by compacting electrodeposition coating equipment.

- Cost saving
- Productivity improvement
- CO₂ reduction
320t/year approx.



Implemented the disaster-use mat "MATOMAT" in all elementary schools in Ogaki City.

- Developed using urethane remnants from the production process ; upcycled product.
- Delivered 8,218 units to all 19 elementary schools in the Ogaki city.



Adopted in 5 out of 6 domestic stock ESG Indexes by GPIF



FTSE Blossom Japan Index

- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index
- MSCI Japan ESG Select Leaders Index
- S&P/JPX Carbon Efficient Index
- Morningstar Japan Gender Diversity Tilt-Index

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To enhance corporate value, we promote sustainability initiatives, reduce business risks, and enhance information disclosure.

We have established KPIs and disclosed information on four sustainability themes: building trust with stakeholders, solving social and customer issues through our products, minimizing environmental impact, and respecting and promoting human resources. Specific measures taken include the active introduction of solar power generation aimed at achieving carbon neutrality, reducing CO₂ emissions, and upcycling urethane product scrap materials.

In recognition of these sustainability and ESG initiatives and disclosures, our initiatives are adopted in five out of six domestic stock ESG indexes by GPIF.

We will continue to pursue our purpose, "Passion in Creating Tomorrow," and promote sustainability management to enhance our corporate value.