# Financial Results Briefing for FY2025 Q1

The 102st period: Apr. 1st, 2025- Jun. 30th, 2025

Jul. 25, 2025

PACIFIC INDUSTRIAL CO., LTD.



#### **Contents**



- 1. FY2025 Q1 Financial Performance
- 2. Full Year Forecast FY2025
- 3. Concerning the Tender Offer for our company's shares

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 Q1 Consolidated Financial Summary



#### Increasing sales volume led to record high sales and operating income.

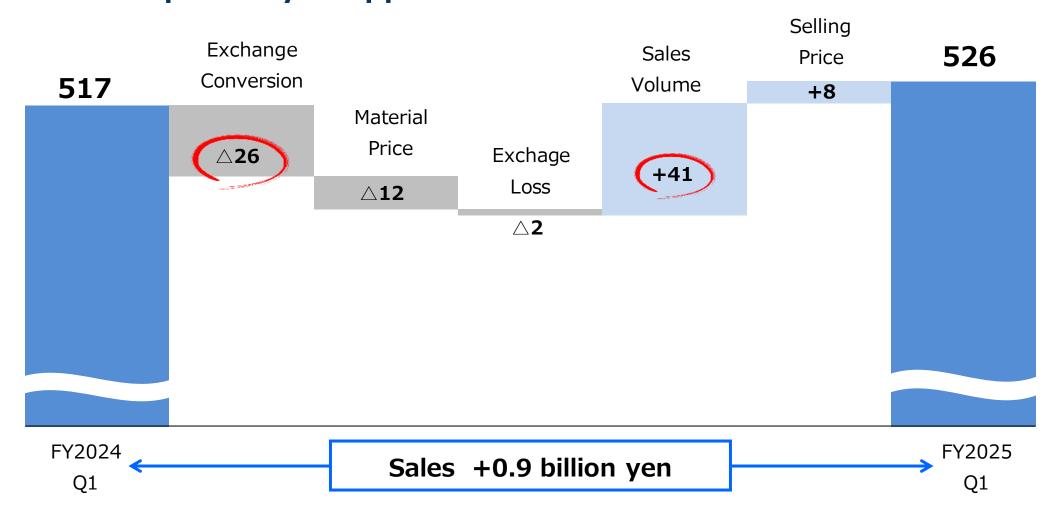
(100 millions of yen, %)

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	FY2024	FY2024 FY2025		rate
	Q1 Results	Q1 Results	Gain&Loss	% Change
Sales	517	Record High 526	+9	+1.8
Operating Income	27	Record High	+17	+61.4
Operating Income Ratio	5.4%	8.5%	+3.1P	_
Ordinary Income	51	49	△2	△4.3
Ordinary Income Ratio	9.9%	9.3%	△0.6P	_
Net income attributable to owners parent	Record High	34	△8	△19.7
Net Income margin	8.2%	6.5%	△1.7P	_
Average exchange rate (USDJPY)	154.6	145.0	-9.6	_

#### 1-2 Analysis of Consolidated Results: Sales



Sales reached a record high as an increase in sales volume offset the impact of yen appreciation. (100 millions of yen)

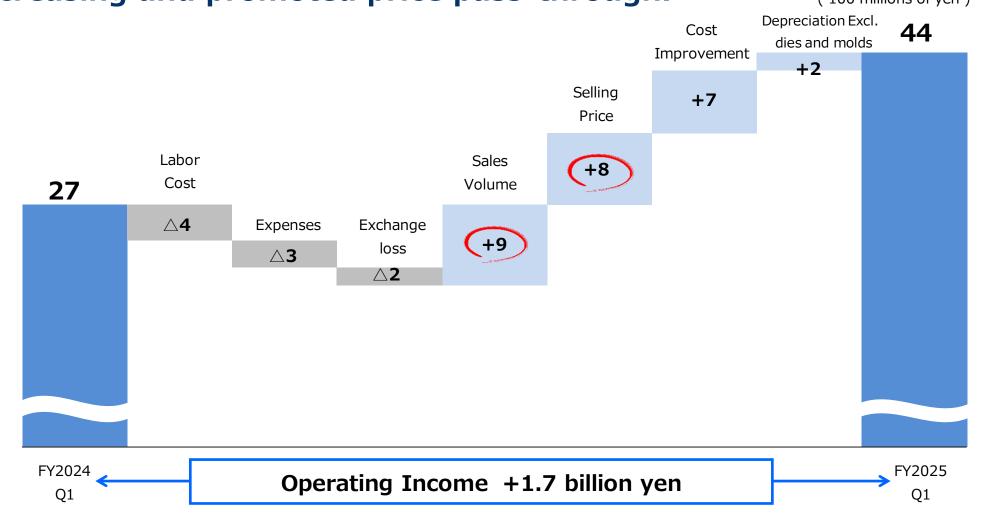


#### 1-3 Analysis of Consolidated Results: Operating Income



Operating income reached a record high due to an sales volume increasing and promoted price pass-through.

(100 millions of yen)



## 1-4 Consolidated Results by Business Segments



In the stamping and plastic molding business, both sales and profits increased due to an increase in the volume of products. In the valve business, sales remained flat YonY, but income declined due to yen appreciation.

(100 million yen,%)

		Sale	S			Operating :	Income	
	FY2024 Q1	FY2025 Q1	YoY	Rate	FY2024 Q1	FY2025 Q1	YoY	Rate
	Result	Result	Gain&Loss	%Change	Result	Result	Gain&Loss	%Change
Stamping & Plastic Molding	373	382	+8	+2.4	14	33	+19	+129.7
Operating Income Ratio					4.0%	8.9%	+4.9P	
Valves	143	143	+0	+0.3	13	11	△2	△15.5
Operating Income Ratio					9.2%	7.8%	△1.4P	

## 1-5 Consolidated Results by Region



In Japan, sales and income increased due to higher sales volume. In Europe and U.S of America, sales decreased due to yen appreciation, while income increased due to higher sales volume. In Asia, sales and income remained flat YonY.

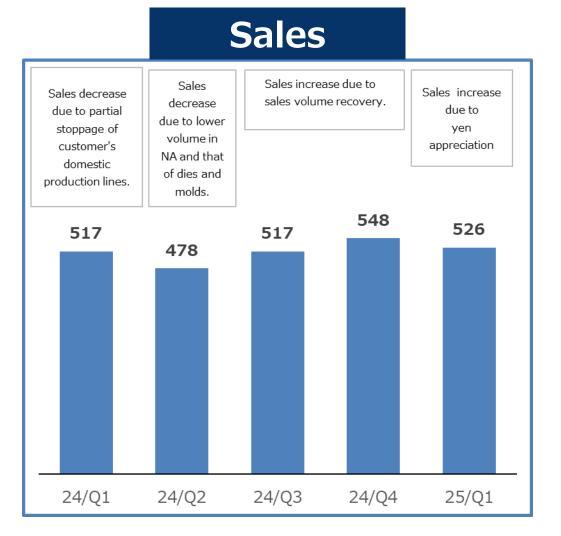
(100 millions of yen, %)

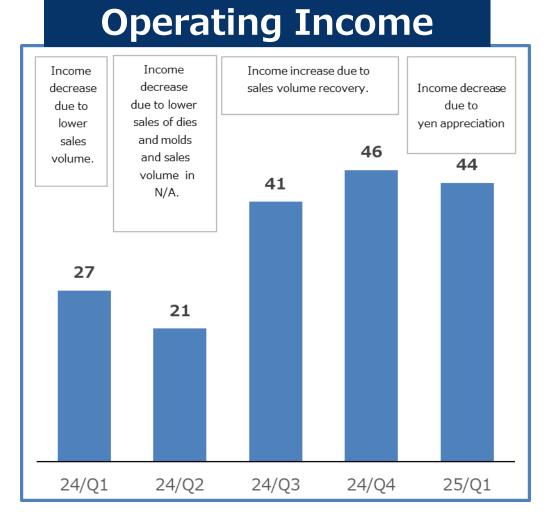
		Sale	es			Operating :	Income	
	FY2024 Q1	FY2025 Q1	YoY	Rate	FY2024 Q1	FY2025 Q1	YoY Rate	
	Results	Results	Gain&Loss	%Change	Results	Results	Gain&Loss	%Change
Japan	162	174	+12	+7.6	8	14	+5	+65.5
Operating Income Ratio					5.2%	8.0%	+2.8P	
Europe & America	271	265	△5	△1.9	13	23	+9	+73.3
Operating Income Ratio					5.0%	8.8%	+3.8P	
Asia	83	85	+1	+2.3	4	6	+2	+49.7
Operating Income Ratio					5.4%	8.0%	+2.6P	

#### 1-6 Quarterly Consolidated Financial Results



Both sales and income increased after the Q3 of FY2024 due to the production recovery in Japan and overseas.

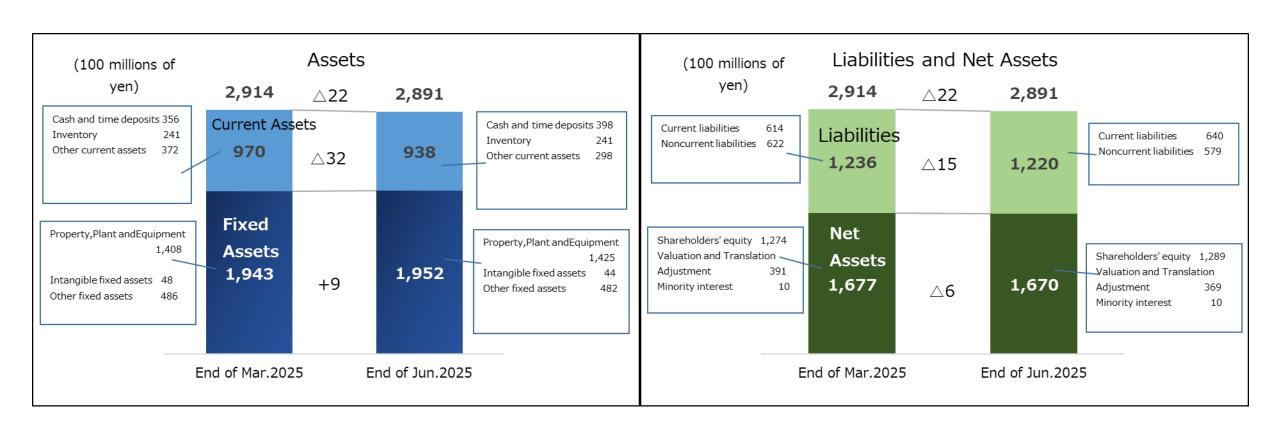




#### 1-7 Consolidated Balance Sheet



# Total assets at the end of June 2025 decreased by 2.2 billion yen compared to the end of March 2025.



#### Contents



- 1. FY2025 Q1 Financial Performance
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#### 2-1 Full Year Forecast FY2025



# Forecast remains unchanged. Expect both sales and income decrease due to yen appreciation.

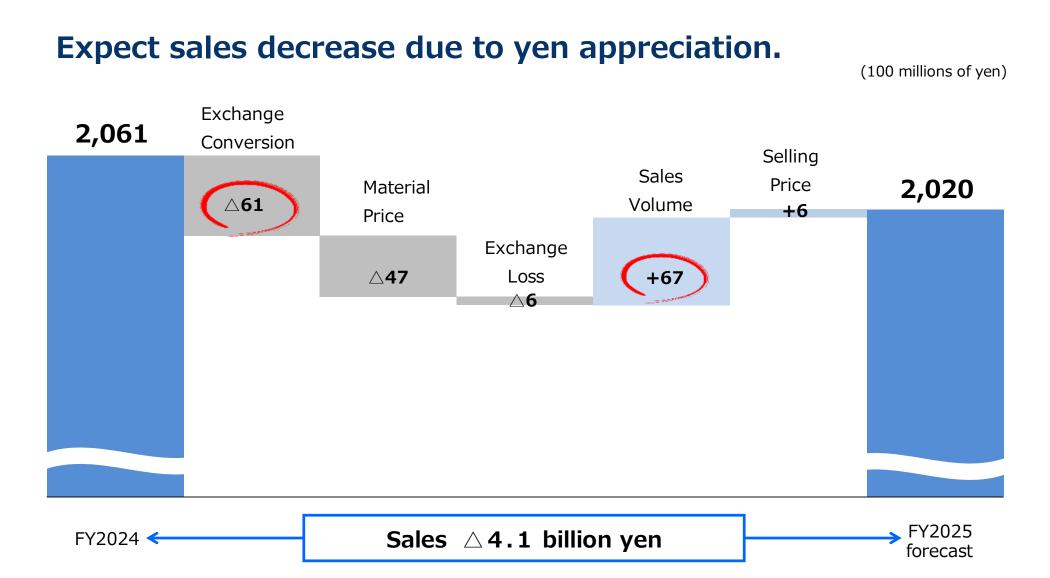
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	FY2024	FY2025	YoY Rate		
	Full Year	Full Year	Full `	Year	
	Results	Forecast	Gain&Loss	%Change	
Sales	2,061	2,020	△41	△2.0%	
Operating Income	136	130	△6	△4.9%	
Operating Income Ratio	6.6%	6.4%	△0.2P	_	
Ordinary Income	172	155	△17	△10.3%	
Current Net Income *1	132	110	△22	△16.8%	
ROE	7.9%	6.5%	△1.4P	_	
R O A (Operating income basis)	4.7%	4.4%	△0.3P	_	
Average exchange rate (USDJPY)	152.5	145.0	△ 7.5	_	

<sup>\*1</sup> Current net income is the current net income attributable to the parent company shareholders.

#### 2-2 Analysis of FY2025 Forecasts: Sales

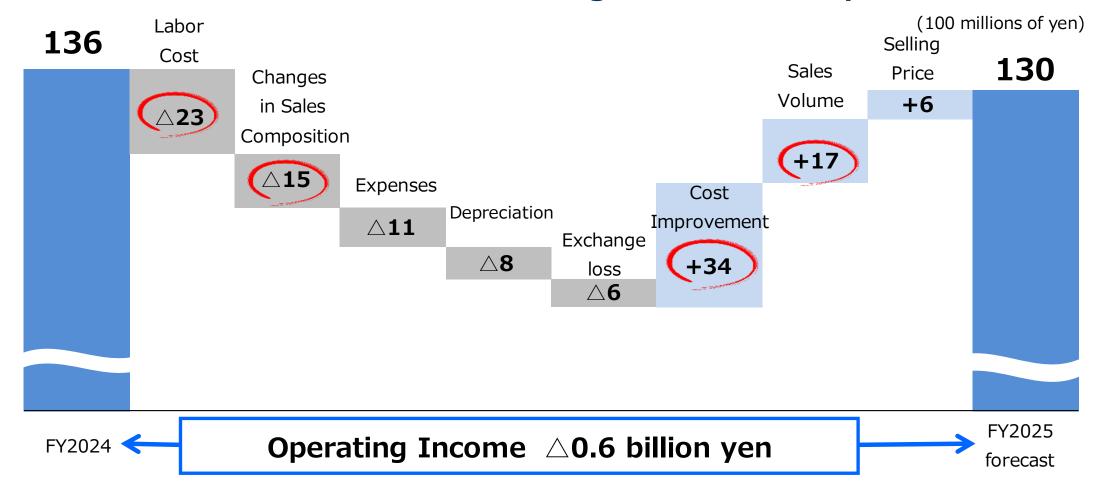




#### 2-3 Analysis of FY2025 Forecasts: Operating Income



Cost improvements and price pass-through covered the income decrease due to increased labor costs and changes in sales composition.



## 2-4 Consolidated forecasts by Segments



In the Stamping and Plastic Molding Business, decrease in sales and an increase in income are expected, while in the Valve Business, both sales and income are expected to decrease.

(100 million yen,%)

		Sale	S		Operating Income			
	FY2024	FY2025	YoY	YoY Rate		FY2025	YoY	Rate
	Result	Forecast	Gain&Loss	%Change	Result	Forecast	Gain&Loss	%Change
Stamping & Plastic Molding	1,486	1,467	△19	△1.3	81	104	+22	+27.3
Operating Income Ratio					5.5%	7.1%	+1.6P	
Valves	572	550	△22	△3.9	55	27	△28	△51.3
Operating Income Ratio					9.7%	4.9%	△4.8P	

## 2-5 Consolidated forecasts by Region



# Expect sales increase in Japan. Sales decrease in Europe and the U.S. of America. Both sales and income decrease in Asia.

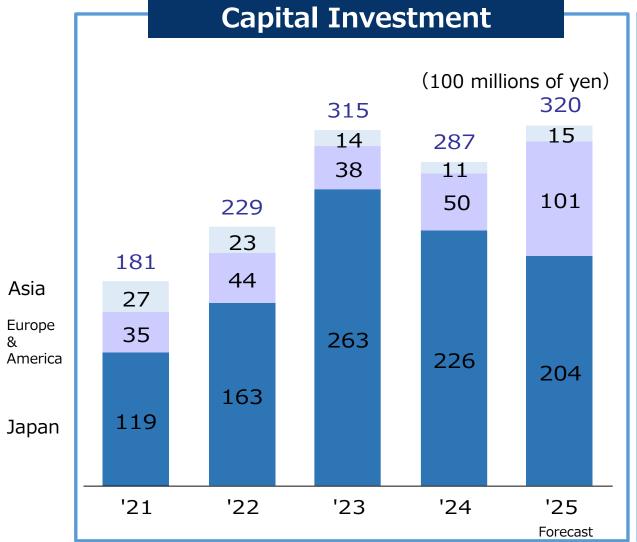
(100 millions of yen,%)

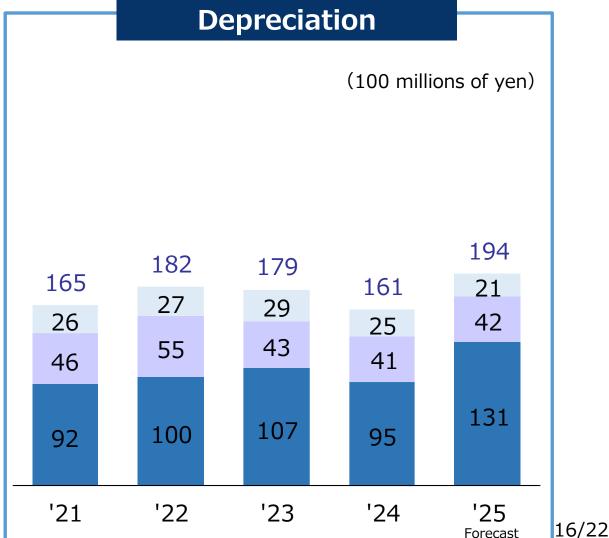
		Sale	S			Operating	Income	
	FY2024	FY2025	YoY	Rate	FY2024	FY2025	YoY	Rate
	Result	Forecast	Gain&Loss	%Change	Result	Forecast	Gain&Loss	%Change
Japan	684	765	+80	+11.8	54	54	+0	△1.5
Operating Income Ratio					8.0%	7.1%	△0.9P	
Europe & America	1,000	905	△95	△9.5	51	49	△2	△3.9
Operating Income Ratio					5.1%	5.4%	+0.3P	
Asia	376	350	△26	△7.1	26	19	△7	△29.5
Operating Income Ratio					7.1%	5.4%	△1.7P	

## 2-6 Capital Investments and Depreciation



Investing for future growth, such as in the Technical Development Center and strengthening overseas production capacity.





#### **Contents**



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#### **3-1** Summary of the Tender Offer for Our Company's Shares



CORE Inc. announced today that it will commence a tender offer (the "Tender Offer") for our company's shares. The Tender Offer will be implemented as part of a management buyout (MBO) by Mr. Shinya Ogawa, Chairman and Representative Director of our company, and Mr. Tetsushi Ogawa, President and Representative Director of our company.

#### **Summary of the Tender Offer**

Items	Details	
Offeror	<ul> <li>CORE Inc.</li> <li>Mr. Tetsushi Ogawa, Representative Director</li> <li>A kabushiki kaisha established on March 3, 2025, having as its primary business th acquisition and possession of our company's shares and share acquisition rights</li> </ul>	he
Scheme	A tender offer for our company's shares and share acquisition rights to privatize our company (to delist our company's shares)	
Price of tender offer, etc.	2,050 yen per share of ordinary share/1 yen per share acquisition right	
Number of shares planned for purchase	Maximum: None Minimum: 35,841,900 shares	
Period of Tender Offer	From July 28, 2025 (Mon) to September 8, 2025 (Mon) (30 business days)	
Settlement commencement date	September 16, 2025 (Tue)	18/2

# 3-2 Opinion concerning the Tender Offer



The company's Board of Directors adopted a resolution at its meeting held today that we will state our opinion in support of the Tender Offer and that we will recommend that shareholders tender their shares in the Tender Offer and leave the decision on whether to tender share acquisition rights to the holders of share acquisition rights in the Tender Offer.

#### Matters resolved by the company's Board of Directors concerning the Tender Offer

Matters resolved	Reasons
Opinion in support.	<ul> <li>The automobile industry is undergoing a period of great change and it is indispensable to proactively and quickly implement medium-to-long-term management measures to enhance the corporate value in the medium- to long-term as an entity with a "Passion in Creating Tomorrow."</li> <li>On the other hand, these measures will not immediately contribute to the business performance, but that considerable time and upfront investment will be necessary, and there is a risk of a temporary decline in profit levels and deterioration of cash flow, etc. which may temporarily negatively affect the shareholders.</li> <li>The company decided that this is the choice in order to realize the increase of the company's corporate value by delisting the company's shares while avoiding having the shareholders from bearing the risk of decline in share price due to a temporary deterioration of business by providing them with an opportunity to sell their shares.</li> </ul>
Recommendation for tender	Based on the results of calculation of the stock value by a third-party valuation agency, premium rate towards the market price in similar transactions, and implementation of measure to ensure fairness, the company decided that the price of the Tender Offer (2,050 yen) and other terms and conditions of the Tender Offer are appropriate for the shareholders and that the Tender Offer offers the shareholders a reasonable opportunity to sell their shares.
Dividends	On the condition that the Tender Offer will be completed successfully, the fiscal year ending March 31, 2026 expected dividend will be revised and the interim and year-end dividends for the fiscal year ending March 2026 will not be distributed.

<sup>\*\*</sup>For details, please see the "Notice Regarding Implementation of MBO and Recommendation for Tender" and the "Notice of Revision of Interim and Fiscal-year End Dividend Forecasts (No Dividend Payment) for the Fiscal Year Ending March 31, 2026" announced on July 25, 2025.

## 3-3 Post-Tender Offer Managerial Policy



# Mr. Shinya Ogawa and Mr. Tetsushi Ogawa will continue to manage the company as its Representative Director after the successful completion of the Tender Offer

Measures expected to be implemented after privatization

Managerial measures	Summary
Further strengthening of technological development capabilities with a view to carbon neutrality in the future	<ul> <li>Strengthen ability to propose body structures by integrating the sophistication of CAE structural analysis technology with the advanced molding technology</li> <li>Invest in the development of molding methods for difficult-to-mold parts using high-strength ultra-high-tensile strength materials</li> <li>Strengthen ability to develop new molding products by improving soundproofing and decoration technology capabilities</li> </ul>
Strengthening supply chains for a stable and long-term supply of high-quality products	<ul> <li>Expand the production capacity for electric vehicle parts in Japan and the United States</li> <li>Strengthen ASEAN bases in anticipation of growth in the Indian market, which is expected to grow in the future</li> <li>Restructure bases and optimize production and sales systems in China and Europe</li> <li>Create a global smart factory through the visualization and digitalization of all production processes</li> </ul>
Creation of new businesses looking toward sustainable growth	<ul> <li>Create a development environment in which diverse human resources can take on challenges and play an active role, through the establishment of an integrated R&amp;D system for development and production technologies, and the expansion of innovation areas, at the company's technology development center</li> <li>Flexible business alliances and other alliances, including M&amp;As with companies that can create synergies</li> </ul>
Nurturing and securing human resources to achieve sustainable management	<ul> <li>Strengthen educational programs related to general business skills, promote career development and relearning</li> <li>Raise digital literacy company-wide by providing DX literacy education to all employees</li> <li>Assign the right DX specialized human resources in the right places based on the characteristics of each department</li> </ul>

#### 3-4 Contact information for the Tender Offer



Please contact the below for inquiries on procedures to apply for the Tender Offer:

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

• Inquiry on TOB:

TEL:0120-532-347

Phone reception hours: Weekdays from 9:00~17:00

Information on tender offers (\*\*on Mitsubishi UFJ Morgan Stanley Securities HP (TOB (Tender Offer)) (available in Japanese only)

https://www.sc.mufg.jp/products/stock/tob/index.html

#### Please contact the below for other questions:

PACIFIC INDUSTRIAL CO., LTD.

**Corporate Planning Dept.** 

TEL: 0584-93-0101

Phone reception hours: Weekdays from 9:00~17:00



# 思いをこめて、あしたをつくる

Passion in Creating Tomorrow