

Consolidated Financial Results

For the 1st Quarter Ended June 30, 2022

Company name: PACIFIC INDUSTRIAL CO., LTD.

Stock exchange listings: Tokyo and Nagoya Stock Exchanges

Stock code number: 7250

URL: <https://www.pacific-ind.co.jp/>

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(Amounts less than one million yen are omitted)

1. Consolidated Financial Results for FY 2022 1st Quarter (From April 1, 2022 to June 30, 2022)

(1) Consolidated Financial Results

(%:changes from the same period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit attribute to owners of parent	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FY2022 1st quarter	44,468	7.1	1,662	-50.6	3,864	-0.8	2,909	0.7
FY2021 1st quarter	41,530	74.2	3,362	—	3,896	—	2,888	—

Note: Comprehensive income

FY2022 1st quarter: 8,937 million yen (51.9%), FY2021 1st quarter: 5,883 million yen (—%)

	Earnings Per Share	Fully Diluted Earnings Per Share
	Yen	Yen
FY2022 1st quarter	48.18	48.08
FY2021 1st quarter	47.72	47.60

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net assets excluding subscription rights to shares and Non-controlling interests as a percentage of total assets
	Million Yen	Million Yen	%
FY2022 1st quarter	252,950	137,275	53.9
FY2021	245,439	130,382	52.8

Note: Shareholders' equity: FY2022 1st quarter: 136,372 million yen FY2021: 129,534 million yen

2. Cash Dividends

	Annual Cash Dividends Per Share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	FY Total
	Yen	Yen	Yen	Yen	Yen
FY2021	—	16.00	—	25.00	41.00
FY2022	—	—	—	—	—
FY2022(Forecast)	—	20.00	—	22.00	42.00

Note: Revisions to the forecasts announced most recently: None

3. Forecasts of Consolidated Financial Results for FY 2022 (From April 1, 2022 to March 31, 2023)

(%:changes from the same period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit attribute to owners of parent		Earning Per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
FY2022 First half	89,000	13.5	3,500	-30.3	5,300	-8.6	3,800	-13.3	63.25
FY2022	178,000	8.2	10,500	-2.4	13,500	-7.6	9,500	-3.1	158.68

Note: Revisions to the forecasts announced most recently: Yes

4. Notes

(1) Changes in major subsidiaries during the current quarter: None

(changes in specified subsidiaries that caused a change in the scope of consolidation)

Newly included: — (company name)

Newly excluded: — (company name)

(2) Application of special accounting methods for the preparation of quarterly consolidated financial statements : None

(3) Changes in accounting policies, accounting estimates and restatement

① Changes in accounting policies with revision of accounting standards : None

② Changes other than ① : None

③ Changes in accounting estimates : None

④ Restatement : None

(3) Number of shares issued and outstanding (common stock)

①Number of shares outstanding at end of period(including treasury stock)	FY2022 1st quarter	61,312,896 shares	FY 2021	61,312,896 shares
②Number of shares of treasury stock at end of period	FY2022 1st quarter	1,234,755 shares	FY 2021	732,655 shares
③Average number of common stock (quarterly total)	FY2022 1st quarter	60,383,916 shares	FY2021 1st quarter	60,527,866 shares

* Note on status of quarterly review procedures

This summary of quarterly financial results is not subject to quarterly review procedures under the Financial Instruments and Exchange Act. As of the time of disclosure of this summary of quarterly financial results, however, the review procedures for quarterly consolidated financial statements under the Financial Instruments and Exchange Act have not been completed.

* Explanation about appropriate use of the financial results forecasts, and other noteworthy matters

Statements related to the future, including the forecasts of financial results, described in this document are based on information currently available to Pacific industrial and on certain assumptions deemed by Pacific industrial to be rational.

Consolidated Balance Sheets

(Million Yen)

	FY2021 (As of Mar.31, 2022)	FY2022 (As of Jun.30, 2022)		FY2021 (As of Mar.31, 2022)	FY2022 (As of Jun.30, 2022)
(Assets)			(Liabilities)		
Current Assets	82,351	84,411	Current Liabilities	44,910	45,963
Cash and time deposits	27,014	25,975	Trade notes and accounts payable	13,189	13,164
Trade notes and accounts receivable	29,999	31,154	Electronically recorded obligations - operating	8,095	7,945
Merchandise and finished goods	7,834	9,268	Short-term borrowings	1,015	1,015
Work in process	6,209	6,714	Current portion of long-term borrowings	5,986	6,144
Raw materials and supplies	6,429	6,879	Accounts payable	4,387	6,029
Other current assets	5,023	4,604	Income taxes payable	3,234	1,423
Less: Allowance for doubtful accounts	(159)	(184)	Allowance for bonuses	1,671	964
			Other current liabilities	7,329	9,275
Fixed Assets	163,087	168,538			
Property, Plant and Equipment	104,348	109,325	Noncurrent Liabilities	70,146	69,711
Buildings and structures	30,218	31,829	Long-term borrowings	55,099	54,813
Machinery and vehicles	47,797	49,121	Provision for directors retirement benefit	160	157
Tools, Furniture, and fixtures	2,140	2,216	Net defined benefit liabilities	610	628
Land	10,456	10,623	Other noncurrent liabilities	14,276	14,111
Lease Asset	1,036	1,011			
Construction in progress	12,699	14,522	Total Liabilities	115,056	115,675
Intangible Fixed Assets	12,063	12,633			
Goodwill	6,751	7,026	(Net assets)		
Other	5,312	5,607	Shareholders' Equity	102,265	103,132
Investments and Other Assets	46,675	46,579	Capital stock	7,316	7,316
Investments in securities	38,473	38,132	Capital surplus	7,683	7,683
Other fixed assets	8,209	8,457	Retained earnings	87,470	88,853
Less: Allowance for doubtful accounts	(8)	(9)	Less: Treasury stock at cost	(205)	(722)
			Valuation and Translation Adjustment	27,268	33,240
			Valuation difference on available securities	18,284	17,512
			Foreign currency translation adjustments	7,602	14,299
			Remeasurement of defined benefit plan	1,381	1,427
			Subscription rights to shares	97	97
			Minority Interests	751	805
			Total Net Assets	130,382	137,275
Total Assets	245,439	252,950	Total Liabilities and Net Assets	245,439	252,950

Consolidated Statements of Income

(Million Yen)

	FY2021 For the First Quarter Jun.30, 2021	FY2022 For the First Quarter Jun.30, 2022
Net sales	41,530	44,468
Cost of sales	34,959	39,437
Gross profit	6,571	5,030
Selling, general and administrative expenses	3,209	3,368
Operating Income (loss)	3,362	1,662
Non-operating income	734	2,293
Interest income	34	12
Dividend income	317	335
Equity in earnings of affiliated companies	315	274
Foreign exchange gain	-	1,323
Other non-operating income	66	347
Non-operating Expenses	199	90
Interest expense	120	74
Foreign exchange losses	62	-
Other non-operating expense	16	16
Ordinary income (loss)	3,896	3,864
Extraordinary Losses	71	54
Loss on sales and retirements of fixed assets	71	54
Profit (loss) before income taxes and non controlling interests	3,824	3,810
Income taxes	925	880
Current term net profit (loss)	2,898	2,929
Profit (loss) attributable to non-controlling interests	9	20
Profit (loss) attributable to owners of parent	2,888	2,909