

Consolidated Financial Results For the 3rd Quarter Ended December 31, 2020

Company name: PACIFIC INDUSTRIAL CO., LTD.

Stock exchange listings: Tokyo and Nagoya Stock Exchanges (First Section)

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 2020 3rd Quarter (From April 1, 2020 to December 31, 2020)

(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	%
FY2020 3rd quarter	108,038	-12.2	4,963	-27.0	5,873	-24.6	4,267	-23.4
FY2019 3rd quarter	123,075	22.3	6,798	6.6	7,791	4.3	5,568	0.6

Note: Comprehensive income

FY2020 3rd quarter: 5,856 million yen (13.4%), FY2019 3rd quarter: 5,165 million yen (13.9%)

	Earnings Per Share	Fully Diluted Earnings Per Share
	Yen	Yen
FY2020 3rd quarter	70.54	70.33
FY2019 3rd quarter	92.20	91.81

(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	%
FY2020 3rd quarter	211,389	102,820	48.3
FY2019	204,280	98,422	47.8

Note: Shareholders' equity: FY2020 3rd quarter: 102,014 million yen FY2019: 97,557 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
FY2019	—	16.00	—	14.00	30.00
FY2020	—	10.00			
FY2020(Forecast)				10.00	20.00

Note: Revisions to the forecasts announced most recently: None

3. Forecasts of Consolidated Financial Results for FY 2020 (From April 1, 2020 to March 31, 2021)

(%: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
FY2020	148,000	-10.8	7,500	-28.6	8,500	-23.6	6,000	-17.3	99.18

Note: Revisions to the forecasts announced most recently: Yes

4. Notes

(1) Changes in major subsidiaries during the current quarter: Yes

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

Newly included: 1 company (company name) PACIFIC INDUSTRIES (THAILAND) CO., LTD.

Newly excluded: 2 companies (company name) PACIFIC INDUSTRIES (THAILAND) CO., LTD.
PACIFIC AUTOPARTS (THAILAND) CO., LTD.

(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

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

① Number of shares outstanding at end of period (including treasury stock)	FY2020 3rd quarter	61,312,896 shares	FY 2019	61,312,896 shares
② Number of shares of treasury stock at end of period	FY2020 3rd quarter	798,055 shares	FY 2019	868,865 shares
③ Average number of common stock (quarterly total)	FY2020 3rd quarter	60,491,759 shares	FY2019 3rd quarter	60,402,356 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)

	FY2019 (As of Mar.31, 2020)	FY2020 (As of Dec.31, 2020)		FY2019 (As of Mar.31, 2020)	FY2020 (As of Dec.31, 2020)
(Assets)			(Liabilities)		
Current Assets	61,060	63,887	Current Liabilities	42,807	44,877
Cash and time deposits	18,315	24,197	Trade notes and accounts payable	10,876	10,308
Trade notes and accounts receivable	24,452	22,675	Electronically recorded obligations - operating	7,017	7,741
Merchandise and finished goods	6,522	6,091	Short-term borrowings	4,720	4,816
Work in process	4,638	3,874	Current portion of long-term borrowings	6,450	10,937
Raw materials and supplies	3,829	4,037	Accounts payable	4,457	3,583
Other current assets	3,375	3,103	Income taxes payable	583	1,346
Less: Allowance for doubtful accounts	(74)	(94)	Allowance for bonuses	1,563	779
Fixed Assets	143,219	147,502	Allowance for bonuses to directors	57	25
Property, Plant and Equipment	98,361	100,141	Other current liabilities	7,080	5,339
Buildings and structures	26,155	25,366	Noncurrent Liabilities	63,050	63,691
Machinery and vehicles	41,729	44,749	Long-term borrowings	52,471	52,382
Tools, Furniture, and fixtures	5,499	6,260	Provision for directors retirement benefit	184	165
Land	9,884	9,994	Net defined benefit liabilities	682	714
Lease Asset	1,219	1,140	Other noncurrent liabilities	9,712	10,428
Construction in progress	13,873	12,630	Total Liabilities	105,858	108,568
Intangible Fixed Assets	13,682	12,445	(Net assets)		
Goodwill	8,056	7,223	Shareholders' Equity	88,220	91,085
Other	5,626	5,222	Capital stock	7,316	7,316
Investments and Other Assets	31,175	34,915	Capital surplus	7,705	7,744
Investments in securities	25,796	29,630	Retained earnings	73,443	76,248
Other fixed assets	5,382	5,288	Less: Treasury stock at cost	(246)	(224)
Less: Allowance for doubtful accounts	(3)	(3)	Valuation and Translation Adjustment	9,337	10,929
			Valuation difference on available securities	10,653	13,161
			Foreign currency translation adjustments	(1,139)	(2,085)
			Remeasurement of defined benefit plan	(176)	(146)
			Subscription rights to shares	184	141
			Minority Interests	680	664
			Total Net Assets	98,422	102,820
Total Assets	204,280	211,389	Total Liabilities and Net Assets	204,280	211,389

Consolidated Statements of Income

(Million Yen)

	FY2019 For the Year Ended Dec.31, 2019	FY2020 For the Year Ended Dec.31, 2020
Net sales	123,075	108,038
Cost of sales	106,520	94,306
Gross profit	16,555	13,732
Selling, general and administrative expenses	9,756	8,768
Operating Income (loss)	6,798	4,963
Non-operating income	1,314	1,460
Interest income	67	26
Dividend income	580	569
Equity in earnings of affiliated companies	393	384
Subsidy income	1	241
Other non-operating income	271	238
Non-operating Expenses	322	550
Interest expense	237	277
Foreign exchange losses	51	223
Other non-operating expense	33	49
Ordinary income (loss)	7,791	5,873
Extraordinary Losses	126	89
Loss on sales and retirements of fixed assets	126	89
Profit (loss) before income taxes and non controlling interests	7,664	5,783
Income taxes	2,113	1,536
Current term net profit (loss)	5,550	4,247
Profit (loss) attributable to non-controlling interests	(18)	(19)
Profit (loss) attributable to owners of parent	5,568	4,267