

Consolidated Financial Results

For the 1st Quarter Ended Jun 30, 2020

Company name: PACIFIC INDUSTRIAL CO., LTD.

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

Stock code number: 7250

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

Representative: Shinya Ogawa, President

Contact person: Satoshi Watanabe, General Manager of Accounting Dept.

Telephone: +81-584-93-0117

(Amounts less than one million yen are omitted)

1. Consolidated Financial Results for FY 2020 1st Quarter (From April 1, 2020 to June 30, 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 1st quarter	23,838	△ 44.5	△ 2,249	—	△ 1,784	—	△ 1,299	—
FY2019 1st quarter	42,924	33.5	2,891	50.0	2,964	20.4	2,113	15.5

Note: Comprehensive income

FY2020 1st quarter: △1,261 million yen (—%), FY2019 1st quarter: 967 million yen (△52.8%)

	Earnings Per Share	Fully Diluted Earnings Per Share
	Yen	Yen
FY2020 1st quarter	△ 21.50	—
FY2019 1st quarter	35.03	34.85

(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 1st quarter	203,905	96,294	46.8
FY2019	204,280	98,422	47.8

Note: Shareholders' equity: FY2020 1st quarter : 95,493 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	—				
FY2020(Forecast)		10.00	—	10.00	20.00

Note: Revisions to the forecasts announced most recently: Yes

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 First half	58,500	△ 29.3	△ 1,600	—	△ 1,000	—	△ 1,000	—	△ 16.53
FY2020	135,000	△ 18.7	2,000	△ 81.0	3,000	△ 73.0	2,000	△ 72.4	33.06

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

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

① Number of shares outstanding at end of period(including treasury stock)	FY2020 1st quarter	61,312,896 shares	FY 2019	61,312,896 shares
② Number of shares of treasury stock at end of period	FY2020 1st quarter	816,455 shares	FY 2019	868,865 shares
③ Average number of common stock (quarterly total)	FY2020 1st quarter	60,457,136 shares	FY2019 1st quarter	60,339,662 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 Jun.30, 2020)		FY2019 (As of Mar.31, 2020)	FY2020 (As of Jun.30, 2020)
(Assets)			(Liabilities)		
Current Assets	61,060	59,029	Current Liabilities	42,807	42,215
Cash and time deposits	18,315	21,495	Trade notes and accounts payable	10,876	7,504
Trade notes and accounts receivable	24,452	18,697	Electronically recorded obligations - operating	7,017	5,677
Merchandise and finished goods	6,522	6,507	Short-term borrowings	4,720	6,729
Work in process	4,638	5,291	Current portion of long-term borrowings	6,450	8,787
Raw materials and supplies	3,829	3,972	Accounts payable	4,457	5,743
Other current assets	3,375	3,151	Income taxes payable	583	175
Less: Allowance for doubtful accounts	△ 74	△ 86	Allowance for bonuses	1,563	788
Fixed Assets	143,219	144,875	Allowance for bonuses to directors	57	-
Property, Plant and Equipment	98,361	99,764	Other current liabilities	7,080	6,809
Buildings and structures	26,155	25,877	Noncurrent Liabilities	63,050	65,395
Machinery and vehicles	41,729	44,268	Long-term borrowings	52,471	55,072
Tools, Furniture, and fixtures	5,499	6,159	Provision for directors retirement benefit	184	158
Land	9,884	9,934	Net defined benefit liabilities	682	639
Lease Asset	1,219	1,168	Other noncurrent liabilities	9,712	9,525
Construction in progress	13,873	12,356	Total Liabilities	105,858	107,610
Intangible Fixed Assets	13,682	13,108	(Net assets)		
Goodwill	8,056	7,685	Shareholders' Equity	88,220	86,110
Other	5,626	5,422	Capital stock	7,316	7,316
Investments and Other Assets	31,175	32,003	Capital surplus	7,705	7,732
Investments in securities	25,796	26,600	Retained earnings	73,443	71,291
Other fixed assets	5,382	5,406	Less: Treasury stock at cost	△ 246	△ 230
Less: Allowance for doubtful accounts	△ 3	△ 3	Valuation and Translation Adjustment	9,337	9,382
			Valuation difference on available securities	10,653	11,277
			Foreign currency translation adjustments	△ 1,139	△ 1,764
			Remeasurement of defined benefit plan	△ 176	△ 130
			Subscription rights to shares	184	141
			Minority Interests	680	659
			Total Net Assets	98,422	96,294
Total Assets	204,280	203,905	Total Liabilities and Net Assets	204,280	203,905

Consolidated Statements of Income

(Million Yen)

	FY2019 For the Year Ended Jun.30, 2019	FY2020 For the Year Ended Jun.30, 2020
Net sales	42,924	23,838
Cost of sales	36,780	23,269
Gross profit	6,143	568
Selling, general and administrative expenses	3,251	2,817
Operating Income (loss)	2,891	△ 2,249
Non-operating income	472	597
Interest income	23	9
Dividend income	285	285
Equity in earnings of affiliated companies	69	5
Foreign exchange gain	-	187
Other non-operating income	93	109
Non-operating Expenses	399	133
Interest expense	78	100
Foreign exchange losses	294	-
Other non-operating expense	26	33
Ordinary income (loss)	2,964	△ 1,784
Extraordinary Losses	28	28
Loss on sales and retirements of fixed assets	28	28
Profit (loss) before income taxes and non controlling interests	2,935	△ 1,813
Income taxes	818	△ 482
Current term net profit (loss)	2,116	△ 1,331
Profit (loss) attributable to non-controlling interests	3	△ 31
Profit (loss) attributable to owners of parent	2,113	△ 1,299