

Consolidated Financial Results

For the 2nd Quarter Ended September 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 2nd Quarter (From April 1, 2022 to September 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 2nd quarter	90,911	15.9	2,601	-48.2	5,542	-4.4	4,131	-5.7
FY2021 2nd quarter	78,422	21.0	5,024	482.6	5,797	341.4	4,381	364.9

Note: Comprehensive income

FY2022 2nd quarter: 12,116 million yen (48.0%), FY2021 2nd quarter: 8,189 million yen (953.2%)

	Earnings Per Share	Fully Diluted Earnings Per Share
	Yen	Yen
FY2022 2nd quarter	68.75	68.62
FY2021 2nd quarter	72.37	72.20

(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 2nd quarter	251,803	139,985	55.2
FY2021	245,439	130,382	52.8

Note: Shareholders' equity: FY2022 2nd quarter: 139,066 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	—	20.00	—	—	—
FY2022(Forecast)	—	—	—	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	185,000	12.5	8,500	-21.0	11,500	-21.3	8,300	-15.3	138.60

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 2nd quarter	61,312,896 shares	FY 2021	61,312,896 shares
②Number of shares of treasury stock at end of period	FY2022 2nd quarter	1,670,855 shares	FY 2021	732,655 shares
③Average number of common stock (quarterly total)	FY2022 2nd quarter	60,096,170 shares	FY2021 2nd quarter	60,550,312 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 Sep.30, 2022)		FY2021 (As of Mar.31, 2022)	FY2022 (As of Sep.30, 2022)
(Assets)			(Liabilities)		
Current Assets	82,351	81,150	Current Liabilities	44,910	44,116
Cash and time deposits	27,014	20,755	Trade notes and accounts payable	13,189	14,281
Trade notes and accounts receivable	29,999	31,969	Electronically recorded obligations - operating	8,095	7,437
Merchandise and finished goods	7,834	9,545	Short-term borrowings	1,015	1,015
Work in process	6,209	7,118	Current portion of long-term borrowings	5,986	3,527
Raw materials and supplies	6,429	6,892	Accounts payable	4,387	5,663
Other current assets	5,023	5,027	Income taxes payable	3,234	1,176
Less: Allowance for doubtful accounts	(159)	(158)	Allowance for bonuses	1,671	1,738
			Other current liabilities	7,329	9,277
Fixed Assets	163,087	170,653	Noncurrent Liabilities	70,146	67,701
Property, Plant and Equipment	104,348	112,877	Long-term borrowings	55,099	53,303
Buildings and structures	30,218	32,837	Provision for directors retirement benefit	160	158
Machinery and vehicles	47,797	48,529	Net defined benefit liabilities	610	662
Tools, Furniture, and fixtures	2,140	2,269	Other noncurrent liabilities	14,276	13,577
Land	10,456	10,597			
Lease Asset	1,036	1,044	Total Liabilities	115,056	111,818
Construction in progress	12,699	17,599			
Intangible Fixed Assets	12,063	12,885	(Net assets)		
Goodwill	6,751	7,096	Shareholders' Equity	102,265	103,886
Other	5,312	5,788	Capital stock	7,316	7,316
Investments and Other Assets	46,675	44,890	Capital surplus	7,683	7,686
Investments in securities	38,473	36,167	Retained earnings	87,470	90,076
Other fixed assets	8,209	8,726	Less: Treasury stock at cost	(205)	(1,193)
Less: Allowance for doubtful accounts	(8)	(3)	Valuation and Translation Adjustment	27,268	35,180
			Valuation difference on available securities	18,284	15,902
			Foreign currency translation adjustments	7,602	17,916
			Remeasurement of defined benefit plan	1,381	1,361
			Subscription rights to shares	97	97
			Minority Interests	751	821
			Total Net Assets	130,382	139,985
Total Assets	245,439	251,803	Total Liabilities and Net Assets	245,439	251,803

Consolidated Statements of Income

(Million Yen)

	FY2021 For the Second Quarter Sep.30, 2021	FY2022 For the Second Quarter Sep.30, 2022
Net sales	78,422	90,911
Cost of sales	67,166	81,503
Gross profit	11,255	9,408
Selling, general and administrative expenses	6,230	6,806
Operating Income (loss)	5,024	2,601
Non-operating income	1,243	3,117
Interest income	72	30
Dividend income	374	392
Equity in earnings of affiliated companies	588	471
Foreign exchange gain	-	1,743
Other non-operating income	207	479
Non-operating Expenses	469	176
Interest expense	232	144
Foreign exchange losses	226	-
Other non-operating expense	10	31
Ordinary income (loss)	5,797	5,542
Extraordinary Losses	103	104
Loss on sales and retirements of fixed assets	103	104
Profit (loss) before income taxes and non controlling interests	5,694	5,437
Income taxes	1,295	1,264
Current term net profit (loss)	4,399	4,173
Profit (loss) attributable to non-controlling interests	17	41
Profit (loss) attributable to owners of parent	4,381	4,131