

Consolidated Financial Results

For the 1st Quarter Ended June 30, 2023

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/>

Representative: Tetsushi 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 2023 1st Quarter (From April 1, 2023 to June 30, 2023)

(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	%
FY2023 1st quarter	49,301	10.9	3,147	89.4	5,254	36.0	3,956	36.0
FY2022 1st quarter	44,468	7.1	1,662	-50.6	3,864	-0.8	2,909	0.7

Note: Comprehensive income

FY2023 1st quarter: 12,684 million yen (41.9%), FY2022 1st quarter: 8,937 million yen (51.9%)

	Earnings Per Share	Fully Diluted Earnings Per Share
	Yen	Yen
FY2023 1st quarter	67.26	67.13
FY2022 1st quarter	48.18	48.08

(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	%
FY2023 1st quarter	270,142	148,794	54.7
FY2022	258,058	138,721	53.4

Note: Shareholders' equity: FY2023 1st quarter: 147,732 million yen FY2022: 137,717 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
FY2022	—	20.00	—	22.00	42.00
FY2023	—	—	—	—	—
FY2023(Forecast)	—	20.00	—	22.00	42.00

Note: Revisions to the forecasts announced most recently: None

3. Forecasts of Consolidated Financial Results for FY 2023 (From April 1, 2023 to March 31, 2024)

(%: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
FY2023 First half	97,500	7.2	5,500	111.5	7,800	40.7	5,000	21.0	85.17
FY2023	190,000	-0.7	10,500	12.9	14,000	6.0	9,500	2.1	162.01

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 : Yes

④ Restatement : None

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

①Number of shares outstanding at end of period(including treasury stock)	FY2023 1st quarter	61,312,896 shares	FY 2022	61,312,896 shares
②Number of shares of treasury stock at end of period	FY2023 1st quarter	2,768,209 shares	FY 2022	1,670,909 shares
③Average number of common stock (quarterly total)	FY2023 1st quarter	58,819,012 shares	FY2022 1st quarter	60,383,916 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)

	FY2022 (As of Mar.31, 2023)	FY2023 (As of Jun.30, 2023)		FY2022 (As of Mar.31, 2023)	FY2023 (As of Jun.30, 2023)
(Assets)			(Liabilities)		
Current Assets	90,690	90,214	Current Liabilities	52,635	53,835
Cash and time deposits	32,088	28,424	Trade notes and accounts payable	14,394	13,907
Trade notes and accounts receivable	31,227	34,163	Electronically recorded obligations - operating	6,832	7,347
Merchandise and finished goods	9,522	9,065	Short-term borrowings	1,015	1,015
Work in process	7,414	7,784	Current portion of long-term borrowings	6,851	6,798
Raw materials and supplies	6,185	6,389	Accounts payable	5,285	6,836
Other current assets	4,424	4,577	Income taxes payable	2,040	2,060
Less: Allowance for doubtful accounts	(173)	(191)	Allowance for bonuses	1,605	944
			Other current liabilities	14,610	14,925
Fixed Assets	167,367	179,928			
Property, Plant and Equipment	111,924	119,073	Noncurrent Liabilities	66,701	67,512
Buildings and structures	32,658	34,460	Long-term borrowings	53,350	52,833
Machinery and vehicles	46,081	48,135	Provision for directors retirement benefit	173	170
Tools, Furniture, and fixtures	2,297	2,327	Net defined benefit liabilities	553	564
Land	10,651	10,844	Other noncurrent liabilities	12,623	13,944
Lease Asset	1,311	1,340			
Construction in progress	18,924	21,966	Total Liabilities	119,337	121,348
Intangible Fixed Assets	11,545	11,781			
Goodwill	6,219	6,282	(Net assets)		
Other	5,325	5,498	Shareholders' Equity	107,854	109,203
Investments and Other Assets	43,897	49,073	Capital stock	7,316	7,316
Investments in securities	36,636	41,886	Capital surplus	7,686	7,686
Other fixed assets	7,262	7,189	Retained earnings	94,044	96,679
Less: Allowance for doubtful accounts	(1)	(2)	Less: Treasury stock at cost	(1,193)	(2,478)
			Valuation and Translation Adjustment	29,862	38,528
			Valuation difference on available securities	16,100	19,566
			Foreign currency translation adjustments	13,154	18,402
			Remeasurement of defined benefit plan	608	559
			Subscription rights to shares	97	97
			Minority Interests	905	964
			Total Net Assets	138,721	148,794
Total Assets	258,058	270,142	Total Liabilities and Net Assets	258,058	270,142

Consolidated Statements of Income

(Million Yen)

	FY2022 For the First Quarter Jun.30, 2022	FY2023 For the First Quarter Jun.30, 2023
Net sales	44,468	49,301
Cost of sales	39,437	42,573
Gross profit	5,030	6,727
Selling, general and administrative expenses	3,368	3,579
Operating Income (loss)	1,662	3,147
Non-operating income	2,293	2,205
Interest income	12	74
Dividend income	335	405
Equity in earnings of affiliated companies	274	337
Foreign exchange gain	1,323	857
Other non-operating income	347	530
Non-operating Expenses	90	98
Interest expense	74	76
Other non-operating expense	16	21
Ordinary income (loss)	3,864	5,254
Extraordinary Losses	54	20
Loss on sales and retirements of fixed assets	54	20
Profit (loss) before income taxes and non controlling interests	3,810	5,234
Income taxes	880	1,252
Current term net profit (loss)	2,929	3,981
Profit (loss) attributable to non-controlling interests	20	25
Profit (loss) attributable to owners of parent	2,909	3,956