

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 10, 2023

Company name: PUNCH INDUSTRY CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 6165 URL <http://www.punch.co.jp/ir/>
 Representative: Chief Executive Officer Tetsuji Morikubo
 Inquiries: Chief Financial Officer Takao Murata TEL 03-5753-3130
 Scheduled date to file Quarterly Securities Report: February 13, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2022	32,694	11.3	2,083	(19.0)	1,983	(22.0)	1,093	(38.5)
Nine months ended December 31, 2021	29,372	24.2	2,570	175.5	2,543	153.0	1,778	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	48.53		48.11	
Nine months ended December 31, 2021	81.45		81.29	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	32,935	19,526	59.1
As of March 31, 2022	28,774	16,307	56.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	4.00	–	9.00	13.00
Year ending March 31, 2023	–	6.50	–		
Year ending March 31, 2023 (Forecast)				13.00	19.50

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	43,100	9.5	2,350	(22.7)	2,300	(23.5)	1,130	(44.6)	46.35

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2022	23,722,400 shares	As of March 31, 2022	22,332,400 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	241,539 shares	As of March 31, 2022	275,868 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	22,542,798 shares	Nine months ended December 31, 2021	21,832,834 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	4,816,271	5,591,542
Notes receivable - trade	2,043,258	1,757,332
Accounts receivable - trade	9,191,812	10,513,749
Merchandise and finished goods	2,408,754	3,007,781
Work in process	813,141	869,616
Raw materials and supplies	1,569,159	1,820,622
Other	485,384	569,288
Allowance for doubtful accounts	(48,002)	(32,962)
Total current assets	21,279,780	24,096,970
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,905,167	6,340,455
Accumulated depreciation	(4,140,358)	(4,461,346)
Buildings and structures, net	1,764,809	1,879,108
Machinery, equipment and vehicles	16,310,582	18,059,349
Accumulated depreciation	(12,703,869)	(13,946,900)
Machinery, equipment and vehicles, net	3,606,712	4,112,449
Tools, furniture and fixtures	2,514,054	2,860,804
Accumulated depreciation	(2,081,516)	(2,339,265)
Tools, furniture and fixtures, net	432,538	521,539
Land	778,847	831,935
Construction in progress	168,440	189,613
Other	392,570	503,952
Accumulated depreciation	(131,311)	(259,855)
Other, net	261,259	244,097
Total property, plant and equipment	7,012,607	7,778,743
Intangible assets		
Goodwill	–	478,849
Other	177,903	235,469
Total intangible assets	177,903	714,318
Investments and other assets		
Investments and other assets	317,431	362,534
Allowance for doubtful accounts	(13,623)	(16,659)
Total investments and other assets	303,807	345,874
Total non-current assets	7,494,318	8,838,936
Total assets	28,774,098	32,935,907

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,738,725	3,085,974
Electronically recorded obligations - operating	1,078,059	1,125,665
Short-term borrowings	1,774,655	2,182,550
Current portion of long-term borrowings	710,978	792,037
Income taxes payable	384,126	285,676
Provision for bonuses	400,265	933,587
Provision for directors' bonuses	17,183	7,309
Other	2,897,059	2,409,280
Total current liabilities	10,001,052	10,822,080
Non-current liabilities		
Long-term borrowings	907,890	823,720
Bonds payable	–	15,000
Retirement benefit liability	1,145,220	1,244,542
Other	412,726	503,593
Total non-current liabilities	2,465,836	2,586,856
Total liabilities	12,466,888	13,408,937
Net assets		
Shareholders' equity		
Share capital	2,944,776	3,222,387
Capital surplus	2,512,189	2,787,843
Retained earnings	9,057,592	9,805,393
Treasury shares	(136,301)	(119,343)
Total shareholders' equity	14,378,256	15,696,281
Accumulated other comprehensive income		
Foreign currency translation adjustment	1,962,065	3,909,392
Remeasurements of defined benefit plans	(75,761)	(124,967)
Total accumulated other comprehensive income	1,886,303	3,784,425
Share acquisition rights	26,130	22,933
Non-controlling interests	16,518	23,329
Total net assets	16,307,209	19,526,970
Total liabilities and net assets	28,774,098	32,935,907

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	29,372,850	32,694,487
Cost of sales	20,613,837	23,666,410
Gross profit	8,759,012	9,028,077
Selling, general and administrative expenses	6,188,481	6,944,671
Operating profit	2,570,531	2,083,406
Non-operating income		
Interest income	37,738	43,663
Gain on sale of scraps	22,794	29,948
Subsidy income	–	27,488
Other	41,466	33,017
Total non-operating income	101,999	134,117
Non-operating expenses		
Interest expenses	42,595	37,996
Foreign exchange losses	60,990	179,121
Other	24,985	16,912
Total non-operating expenses	128,571	234,029
Ordinary profit	2,543,958	1,983,494
Extraordinary income		
Gain on sale of non-current assets	5,637	5,538
Total extraordinary income	5,637	5,538
Extraordinary losses		
Loss on sale and retirement of non-current assets	3,633	14,203
Impairment losses	68,380	223,595
Total extraordinary losses	72,014	237,798
Profit before income taxes	2,477,581	1,751,234
Income taxes - current	513,541	487,043
Income taxes - deferred	183,777	166,516
Total income taxes	697,318	653,559
Net Profit	1,780,263	1,097,674
Profit attributable to non-controlling interests	2,020	3,679
Profit attributable to owners of parent	1,778,242	1,093,995

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net Profit	1,780,263	1,097,674
Other comprehensive income		
Foreign currency translation adjustment	1,201,959	1,950,459
Remeasurements of defined benefit plans, net of tax	24,001	(49,205)
Total other comprehensive income	1,225,961	1,901,253
Comprehensive income	3,006,224	2,998,928
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,003,409	2,992,117
Comprehensive income attributable to non-controlling interests	2,814	6,811