

**Translation**

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 9, 2023

Company name: PUNCH INDUSTRY CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 6165 URL <https://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: August 10, 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

## (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	%
Three months ended June 30, 2023	9,442	(7.7)	98	(86.0)	338	(51.5)	119	(72.1)
Three months ended June 30, 2022	10,234	10.3	705	(11.4)	698	(8.3)	427	(18.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	4.88		4.87	
Three months ended June 30, 2022	19.32		19.13	

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	29,518	19,250	65.1
As of March 31, 2023	30,455	19,052	62.4

## 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, 2023	–	6.50	–	13.00	19.50
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		10.00	–	10.30	20.30

## 3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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
Six months ending September 30, 2023	19,250	(11.2)	330	(78.5)	620	(59.3)	120	(86.8)	4.91
Full year	37,600	(12.1)	750	(69.2)	1,000	(58.2)	100	(92.8)	4.09

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023  
(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 June 30, 2023	24,622,400 shares	As of March 31, 2023	24,622,400 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	191,439 shares	As of March 31, 2023	191,339 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	24,431,059 shares	Three months ended June 30, 2022	22,140,597 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	5,212	4,157
Notes receivable - trade	1,745	1,965
Accounts receivable - trade	9,632	9,346
Merchandise and finished goods	2,851	2,813
Work in process	658	668
Raw materials and supplies	1,531	1,543
Other	484	713
Allowance for doubtful accounts	(39)	(44)
<b>Total current assets</b>	<b>22,077</b>	<b>21,163</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	6,157	6,229
Accumulated depreciation	(4,386)	(4,463)
Buildings and structures, net	1,771	1,765
Machinery, equipment and vehicles	17,405	17,631
Accumulated depreciation	(13,513)	(13,753)
Machinery, equipment and vehicles, net	3,892	3,877
Tools, furniture and fixtures	2,732	2,778
Accumulated depreciation	(2,273)	(2,326)
Tools, furniture and fixtures, net	459	451
Land	829	830
Construction in progress	161	208
Other	466	492
Accumulated depreciation	(265)	(297)
Other, net	200	194
<b>Total property, plant and equipment</b>	<b>7,314</b>	<b>7,327</b>
<b>Intangible assets</b>		
Goodwill	466	454
Other	228	212
<b>Total intangible assets</b>	<b>695</b>	<b>667</b>
<b>Investments and other assets</b>		
Investments and other assets	404	392
Allowance for doubtful accounts	(36)	(32)
<b>Total investments and other assets</b>	<b>367</b>	<b>360</b>
<b>Total non-current assets</b>	<b>8,377</b>	<b>8,355</b>
<b>Total assets</b>	<b>30,455</b>	<b>29,518</b>

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	2,667	2,412
Electronically recorded obligations - operating	999	981
Short-term borrowings	1,300	1,200
Current portion of bonds payable	10	10
Current portion of long-term borrowings	728	680
Income taxes payable	396	314
Provision for bonuses	379	391
Other	2,698	2,180
<b>Total current liabilities</b>	<b>9,180</b>	<b>8,169</b>
<b>Non-current liabilities</b>		
Long-term borrowings	675	554
Retirement benefit liability	1,243	1,243
Other	303	300
<b>Total non-current liabilities</b>	<b>2,222</b>	<b>2,098</b>
<b>Total liabilities</b>	<b>11,403</b>	<b>10,268</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	3,406	3,406
Capital surplus	2,967	2,967
Retained earnings	10,101	9,903
Treasury shares	(94)	(94)
<b>Total shareholders' equity</b>	<b>16,381</b>	<b>16,182</b>
<b>Accumulated other comprehensive income</b>		
Foreign currency translation adjustment	2,737	3,117
Remeasurements of defined benefit plans	(111)	(98)
<b>Total accumulated other comprehensive income</b>	<b>2,626</b>	<b>3,019</b>
Share acquisition rights	20	20
Non-controlling interests	23	27
<b>Total net assets</b>	<b>19,052</b>	<b>19,250</b>
<b>Total liabilities and net assets</b>	<b>30,455</b>	<b>29,518</b>

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	10,234	9,442
Cost of sales	7,343	7,026
Gross profit	2,891	2,416
Selling, general and administrative expenses	2,185	2,317
Operating profit	705	98
Non-operating income		
Interest income	13	13
Foreign exchange gains	–	192
Other	24	51
Total non-operating income	38	257
Non-operating expenses		
Interest expenses	11	13
Foreign exchange losses	31	–
Other	2	3
Total non-operating expenses	45	16
Ordinary profit	698	338
Extraordinary income		
Gain on sale of non-current assets	2	4
Total extraordinary income	2	4
Extraordinary losses		
Loss on sale and retirement of non-current assets	5	3
Impairment losses	55	118
Total extraordinary losses	60	121
Profit before income taxes	640	222
Income taxes - current	171	95
Income taxes - deferred	39	5
Total income taxes	210	100
Net Profit	429	121
Profit attributable to non-controlling interests	2	2
Profit attributable to owners of parent	427	119

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net Profit	429	121
Other comprehensive income		
Foreign currency translation adjustment	1,123	381
Remeasurements of defined benefit plans, net of tax	(29)	12
Total other comprehensive income	1,094	393
Comprehensive income	1,524	515
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,520	511
Comprehensive income attributable to non-controlling interests	3	3