

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 9, 2022

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: August 10, 2022
 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, 2022 (from April 1, 2022 to June 30, 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	%
Three months ended June 30, 2022	10,234	10.3	705	(11.4)	698	(8.3)	427	(18.7)
Three months ended June 30, 2021	9,278	29.4	796	–	761	–	526	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	19.32		19.13	
Three months ended June 30, 2021	24.13		24.00	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	29,748	17,717	59.4
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	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	4.00	–	9.00	13.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	6.50	–	6.50	13.00

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
Six months ending September 30, 2022	21,700	11.1	1,530	(13.5)	1,520	(12.4)	850	(32.5)	37.94
Full year	44,300	12.6	3,100	1.9	3,070	2.1	1,850	(9.3)	82.57

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 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 June 30, 2022	22,532,400 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 June 30, 2022	275,868 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)

Three months ended June 30, 2022	22,140,597 shares	Three months ended June 30, 2021	21,818,994 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	4,816,271	4,396,066
Notes receivable - trade	2,043,258	1,792,674
Accounts receivable - trade	9,191,812	9,879,777
Merchandise and finished goods	2,408,754	2,607,826
Work in process	813,141	740,217
Raw materials and supplies	1,569,159	1,747,617
Other	485,384	812,557
Allowance for doubtful accounts	(48,002)	(53,536)
Total current assets	21,279,780	21,923,201
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,905,167	6,096,709
Accumulated depreciation	(4,140,358)	(4,248,725)
Buildings and structures, net	1,764,809	1,847,984
Machinery, equipment and vehicles	16,310,582	16,982,927
Accumulated depreciation	(12,703,869)	(13,256,482)
Machinery, equipment and vehicles, net	3,606,712	3,726,445
Tools, furniture and fixtures	2,514,054	2,645,862
Accumulated depreciation	(2,081,516)	(2,196,153)
Tools, furniture and fixtures, net	432,538	449,708
Land	778,847	781,589
Construction in progress	168,440	280,953
Other	392,570	456,679
Accumulated depreciation	(131,311)	(183,588)
Other, net	261,259	273,091
Total property, plant and equipment	7,012,607	7,359,772
Intangible assets		
Other	177,903	181,675
Total intangible assets	177,903	181,675
Investments and other assets		
Investments and other assets	317,431	299,298
Allowance for doubtful accounts	(13,623)	(15,019)
Total investments and other assets	303,807	284,279
Total non-current assets	7,494,318	7,825,727
Total assets	28,774,098	29,748,928

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,738,725	2,652,606
Electronically recorded obligations - operating	1,078,059	1,131,577
Short-term borrowings	1,774,655	1,571,820
Current portion of long-term borrowings	710,978	861,948
Income taxes payable	384,126	393,030
Provision for bonuses	400,265	434,235
Provision for directors' bonuses	17,183	–
Other	2,897,059	2,306,680
Total current liabilities	10,001,052	9,351,898
Non-current liabilities		
Long-term borrowings	907,890	1,062,683
Retirement benefit liability	1,145,220	1,195,074
Provision for bonuses	–	1,021
Provision for directors' bonuses	–	4,086
Other	412,726	416,298
Total non-current liabilities	2,465,836	2,679,163
Total liabilities	12,466,888	12,031,061
Net assets		
Shareholders' equity		
Share capital	2,944,776	2,987,581
Capital surplus	2,512,189	2,574,844
Retained earnings	9,057,592	9,266,989
Treasury shares	(136,301)	(136,301)
Total shareholders' equity	14,378,256	14,693,114
Accumulated other comprehensive income		
Foreign currency translation adjustment	1,962,065	3,084,619
Remeasurements of defined benefit plans	(75,761)	(105,170)
Total accumulated other comprehensive income	1,886,303	2,979,449
Share acquisition rights	26,130	25,670
Non-controlling interests	16,518	19,632
Total net assets	16,307,209	17,717,866
Total liabilities and net assets	28,774,098	29,748,928

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	9,278,668	10,234,380
Cost of sales	6,521,748	7,343,069
Gross profit	2,756,919	2,891,311
Selling, general and administrative expenses	1,960,186	2,185,427
Operating profit	796,733	705,884
Non-operating income		
Interest income	10,538	13,810
Gain on sale of scraps	5,685	9,057
Other	14,390	15,339
Total non-operating income	30,614	38,206
Non-operating expenses		
Interest expenses	16,621	11,830
Foreign exchange losses	42,189	31,419
Other	6,769	2,398
Total non-operating expenses	65,581	45,648
Ordinary profit	761,765	698,441
Extraordinary income		
Gain on sale of non-current assets	917	2,484
Total extraordinary income	917	2,484
Extraordinary losses		
Loss on sale and retirement of non-current assets	1,244	5,475
Impairment losses	30,348	55,102
Total extraordinary losses	31,592	60,578
Profit before income taxes	731,090	640,348
Income taxes - current	168,316	175,480
Income taxes - refund	(2,097)	(4,085)
Income taxes - deferred	37,654	39,159
Total income taxes	203,873	210,554
Net Profit	527,217	429,793
Profit attributable to non-controlling interests	774	2,037
Profit attributable to owners of parent	526,442	427,756

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net profit	527,217	429,793
Other comprehensive income		
Foreign currency translation adjustment	806,243	1,123,630
Remeasurements of defined benefit plans, net of tax	3,909	(29,408)
Total other comprehensive income	810,153	1,094,221
Comprehensive income	1,337,370	1,524,015
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,336,154	1,520,901
Comprehensive income attributable to non-controlling interests	1,215	3,113