

1

Results for the Fiscal Year Ended December 31, 2023

- Net sales increased year on year to a record high, driven by the strong sales of the writing instrument business in Japan and the Americas and the positive impact of the yen's depreciation.
- Operating profit decreased as total costs increased, pushed up mainly by higher raw material costs, as prices remained at high levels, and by higher labor costs.
- We will pay a year-end dividend of 50 yen per share, which, together with the interim dividend of 50 yen, will bring the annual dividend to 100 yen per share (a payout ratio of 28.9%), an increase of 10 yen from the previous fiscal year.

2

Financial Forecast for the Fiscal Year Ending December 31, 2024

- We expect 121 billion yen in net sales, 20 billion yen in operating profit, and 14 billion yen in profit attributable to owners of parent.
- We remain focused on achieving the numerical targets for the final year of the Medium-Term Management Plan.

3

Medium-Term Management Plan Progress

- In FY2023, we made steady progress in laying the foundation for the 2030 Vision of becoming the No. 1 brand in the global writing instrument market and growing the sales of our non-writing instrument businesses.

4

New Management Structure

- Effective March 28, 2024, Fumio Fujisaki will become President & Representative Director



FY2023 Consolidated Financial Results

(Fiscal Year Ended December 31, 2023)

Results Summary



- We posted record-high net sales, driven by the writing instrument business's strong sales in such products as FRIXION series in Japan and G-2 gel ink roller ball pen in the U.S. The yen's depreciation also had a positive impact on net sales.
- Profits fell due to economic slowdown caused by remained high prices and increase in total costs such as labor costs.

(Unit: million yen)

| | FY2022 Full-Year Results | FY2023 Full-Year Results | YoY Comparison | FY 2023 Initial Forecast |
|---|-----------------------------|-------------------------------------|----------------|-----------------------------|
| Net sales | 112,850 | 118,590 | 5.1% | 115,000 |
| Gross profit | 60,112 | 61,878 | 2.9% | - |
| Operating profit | 21,244 | 19,003 | -10.6% | 22,000 |
| Operating margin | 18.8% | 16.0% | -2.8pt | - |
| Ordinary profit | 22,633 | 20,840 | -7.9% | 23,000 |
| Profit attributable to owners of parent | 15,773 | 13,661 | -13.4% | 16,000 |
| Profit per share (yen) | 399.86 | 346.31 | -13.4% | 405.58 |
| Return on equity (ROE) | 14.5% | 11.1% | -3.4pt | - |

| Average exchange rate | 1 US dollar | 131.62 yen | 140.67 yen |
|----------------------------------|-------------|------------|------------|
| | 1 euro | 138.14 yen | 152.11 yen |
| | 1 yuan | 19.50 yen | 19.82 yen |

Sales Breakdown



Comment on full-year results

The sales increase was driven by writing instrument business's strong performance in Japan and Americas and by the positive impact of the yen's depreciation.

Comment on 4Q results

Year on year, sales increased in Japan, the Americas, and Asia but were flat in Europe. Compared with 3Q, sales rose in Japan and the Americas and fell in Europe and Asia.

(Unit: million yen)

| | | FY2022 Full Year | FY2023 Full Year | Change | Percentage Change | FY2022 4Q | FY2023 4Q | Change | Percentage Change | |
|----------------------------|--|---------------------|---------------------|---------------|----------------------|--------------|---------------|--------------|----------------------|-------|
| Sales by Segment | Japan | | | | | | | | | |
| | Sales | 35,051 | 39,062 | 4,011 | 11.4% | 11,024 | 11,836 | 812 | 7.4% | |
| | Domestic market | 26,649 | 28,923 | 2,274 | 8.5% | 8,488 | 9,109 | 620 | 7.3% | |
| | Overseas market | 8,402 | 10,139 | 1,736 | 20.7% | 2,535 | 2,727 | 192 | 7.6% | |
| | Americas | | | | | | | | | |
| | Sales | 32,090 | 35,360 | 3,270 | 10.2% | 7,593 | 8,338 | 745 | 9.8% | |
| Europe | Sales | 25,506 | 24,313 | -1,193 | -4.7% | 5,272 | 5,261 | -10 | -0.2% | |
| Asia | Sales | 20,202 | 19,853 | -348 | -1.7% | 4,855 | 4,901 | 46 | 1.0% | |
| Segment total | Sales | 112,850 | 118,590 | 5,740 | 5.1% | 28,744 | 30,339 | 1,594 | 5.5% | |
| | Domestic market | 26,649 | 28,923 | 2,274 | 8.5% | 8,488 | 9,109 | 620 | 7.3% | |
| | Overseas market | 86,201 | 89,667 | 3,465 | 4.0% | 20,256 | 21,229 | 973 | 4.8% | |
| Sales by Business | Writing instrument business | | | | | | | | | |
| | Sales | 101,679 | 106,273 | 4,593 | 4.5% | 25,199 | 26,213 | 1,014 | 4.0% | |
| | Non-writing instrument business | Sales | 11,171 | 12,317 | 1,146 | 10.3% | 3,545 | 4,125 | 579 | 16.4% |
| | | Stationery/other | 4,687 | 5,458 | 770 | 16.4% | 1,282 | 1,709 | 427 | 33.3% |
| | | Toys | 4,233 | 3,900 | -332 | -7.8% | 1,618 | 1,656 | 37 | 2.3% |
| Industrial materials/other | | 2,250 | 2,958 | 708 | 31.5% | 644 | 759 | 115 | 17.9% | |

Note: Industrial materials/other includes jewelry, ceramics, sundry items (MARK'S Inc.), and other products.

Analysis of Changes in Sales



Japan

- Steady sales of stationery products for Japanese market and overseas distributors, mainly in the emerging markets.

Americas

- Strong sales in products such as the G-2 gel ink roller ball pen in the U.S. and the V-Board Master whiteboard marker in Brazil, plus the positive impact of foreign exchange rates.

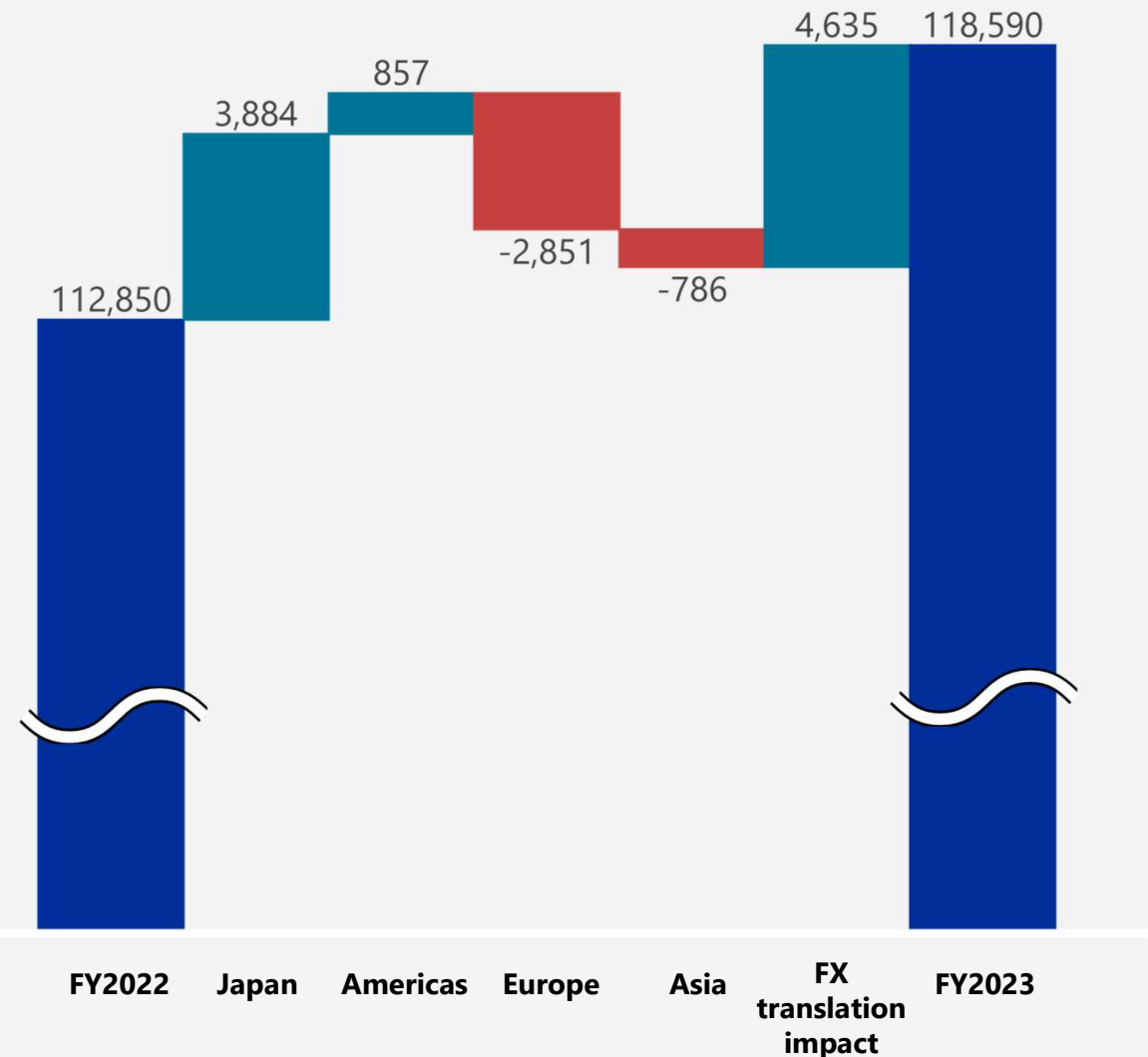
Europe

- Consumers refrained from buying relatively expensive products such as FRIXION series as the market remained weak amid surging prices.

Asia

- Sales struggled due to a sluggish Chinese economy, which in particular led to weak student demand.

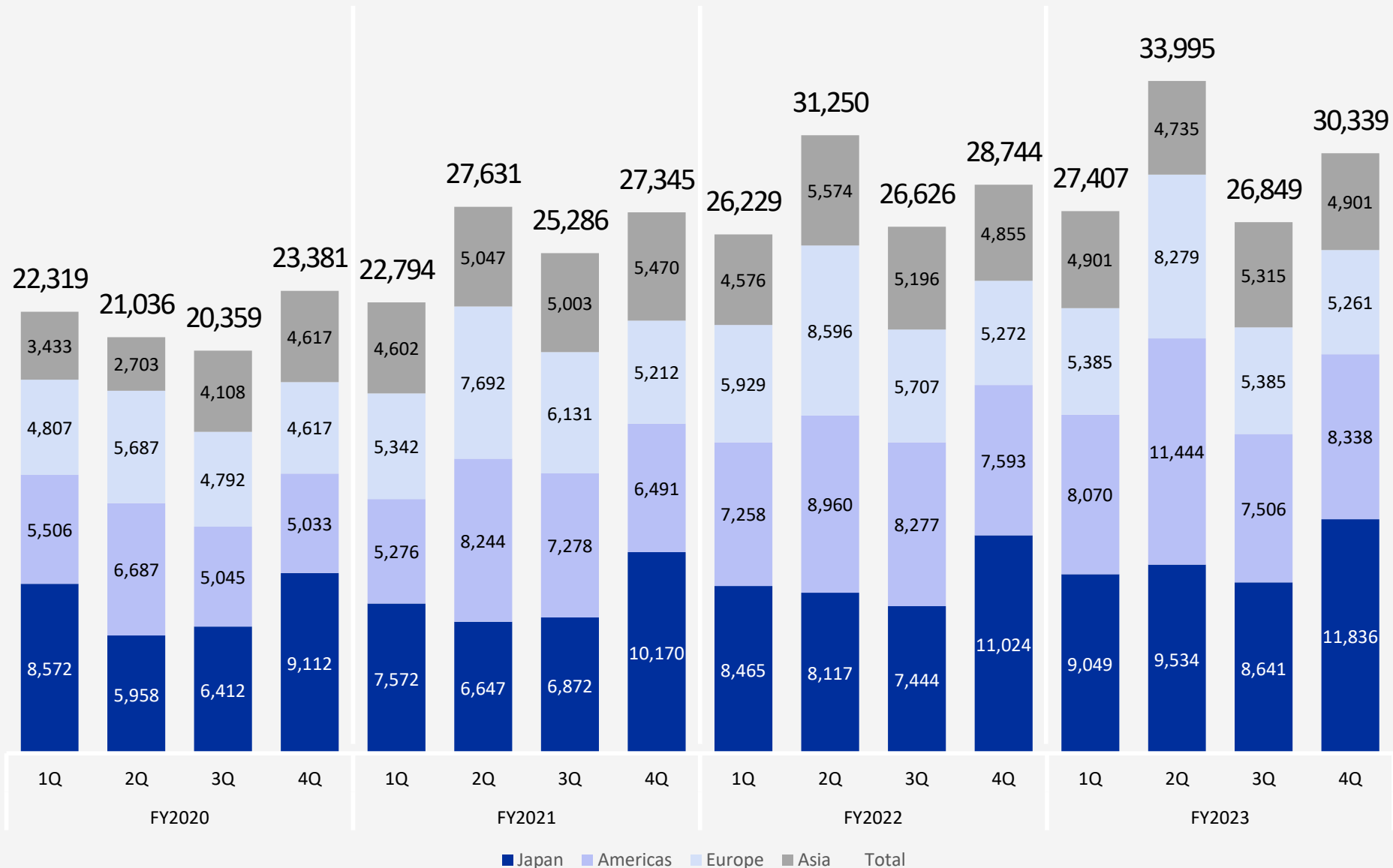
(Unit: million yen)



Changes in Quarterly Sales by Geographic Segment



(Unit: million yen)



Operating Profit Breakdown by Segment



Comment on full-year results

Profits fell due to weak demand in overseas major markets, which was dampened by surging prices, and an increase in SG&A expenses including labor costs.

As for adjustments, unrealized profits from inventories declined, as the US subsidiary adjusted its inventories.

Comment on 4Q results

Year on year, profit decreased in Japan due to a decline in sales to subsidiaries in the U.S. and Europe. Compared with 3Q, profit increased in Japan, and the Americas returned to profitability, driven by strong sales in the year-end shopping season, while Europe and Asia saw a decline in profit on lower sales.

(Unit: million yen)

| | | FY2022 Full Year | FY2023 Full Year | Change | Percentage Change | FY2022 4Q | FY2023 4Q | Change | Percentage Change |
|----------------------|------------------|---------------------|---------------------|--------|----------------------|--------------|--------------|--------|----------------------|
| Japan* | Operating profit | 22,591 | 13,482 | -9,109 | -40.3% | 6,169 | 3,871 | -2,297 | -37.2% |
| | Operating margin | 64.5% | 34.5% | - | - | 56.0% | 32.7% | - | - |
| Americas | Operating profit | 605 | 1,182 | 576 | 95.3% | -199 | 553 | 753 | - |
| | Operating margin | 1.9% | 3.3% | - | - | -2.6% | 6.6% | - | - |
| Europe | Operating profit | 1,772 | 1,687 | -85 | -4.8% | -113 | 65 | 178 | - |
| | Operating margin | 7.0% | 6.9% | - | - | -2.2% | 1.2% | - | - |
| Asia | Operating profit | 996 | 809 | -187 | -18.8% | 52 | 60 | 7 | 14.6% |
| | Operating margin | 4.9% | 4.1% | - | - | 1.1% | 1.2% | - | - |
| Segment total | Operating profit | 25,965 | 17,161 | -8,804 | -33.9% | 5,909 | 4,551 | -1,358 | -23.0% |
| | Operating margin | 23.0% | 14.5% | - | - | 20.6% | 15.0% | - | - |
| Adjustment | Operating profit | -4,720 | 1,842 | 6,562 | - | -401 | -374 | 27 | - |
| Total | Operating profit | 21,244 | 19,003 | -2,241 | -10.6% | 5,507 | 4,176 | -1,331 | -24.2% |
| | Operating margin | 18.8% | 16.0% | - | - | 19.2% | 13.8% | - | - |

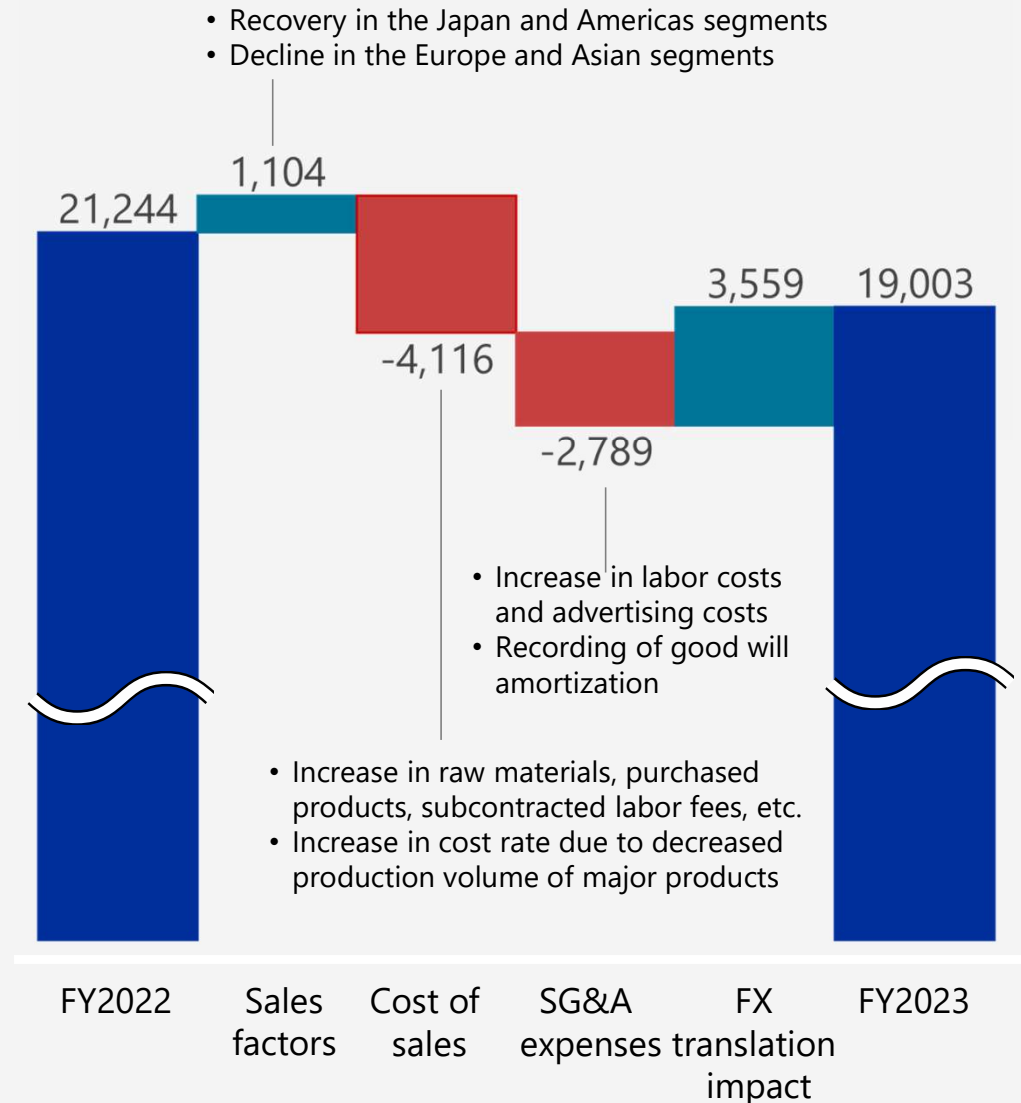
* Since PILOT's head office sells products manufactured in plants in Japan to Japanese and overseas customers (subsidiaries or local distributors), profits are accumulated in the Japan segment.

Analysis of Changes in Operating Profit



(Unit: million yen)

- Operating profit fell 10.6% year on year, impacted by deterioration in the European and Asian markets, as the cost rate rose due to such factors as the production volumes of major products declining and raw material costs remaining at high levels. Higher SG&A expenses, pushed up by pay rises and efforts to secure human resources, also weighed on operating profit.



- Equity ratio at the end of the fiscal year was 78.3%. We maintained a healthy financial position that would allow us to operate stably even in the event of contingencies while actively making capital investments.
- Net assets per share increased 11.9% from the end of the previous fiscal, mainly due to an increase in net assets resulting from profit attributable to owners of parent and foreign currency translation adjustment.

(Unit: million yen)

| | As of December 31, 2022 | As of December 31, 2023 | Change |
|----------------------------------|----------------------------|----------------------------|---------|
| Current assets | 106,606 | 107,138 | 531 |
| Cash and deposits | 46,128 | 39,171 | -6,956 |
| Non-current assets | 49,936 | 59,330 | 9,394 |
| Total assets | 156,542 | 166,468 | 9,926 |
| Current liabilities | 36,792 | 31,567 | -5,224 |
| Non-current liabilities | 1,760 | 2,555 | 795 |
| Net assets | 117,989 | 132,345 | 14,355 |
| Total liabilities and net assets | 156,542 | 166,468 | 9,926 |
| Net assets per share | 2,954.51 yen | 3,305.72 yen | 351 yen |
| Equity ratio | 74.5% | 78.3% | |

Cash Flow Statement



- Cash flows from operating activities declined compared to FY2022 mainly due to decreases in profit before income taxes and trade payables, but secured above 10 billion yen.
- Cash outflows for investments increased as a result of growth investment dissolving a joint venture arrangement of a production subsidiary in Indonesia and taking full control of it, as well as capital investment in plants in Japan.

(Unit: million yen)

| | FY2022 Full Year | FY2023 Full Year | Change |
|--|---------------------|---------------------|--------|
| Cash flow from operating activities | 13,753 | 10,175 | -3,577 |
| Cash flow from investing activities | -5,350 | -10,707 | -5,356 |
| Free cash flow | 8,402 | -531 | -8,933 |
| Cash flow from financing activities | -8,370 | -7,380 | 990 |
| Cash and cash equivalents at the end of period | 45,444 | 38,329 | -7,115 |



Financial Forecast for the Fiscal Year Ending December 31, 2024

- Net sales in the Japanese market are expected to increase, boosted by recovery in demand by inbound tourism and demand for novelty goods, and by the full-year sales contribution of Mark's Group Holdings, Inc., which joined the group in FY2023. Outside Japan, inflation rates are subsiding, and each overseas region is forecasted to increase sales by actively enhancing their promotion activities.
- Operating profit is expected to increase from FY2023 to 20 billion yen (operating margin of 16.5%) on higher sales, although we expect that depreciation, labor costs, and other expenses will increase as we continue investing in people, equipment, and R&D as necessary to achieve the 2030 Vision.

(Unit: million yen)

| | FY2023 Full-Year Results | FY2024 Full-Year Forecast | YoY Comparison |
|---|-----------------------------|------------------------------|----------------|
| Net sales | 118,590 | 121,000 | 2.0% |
| Operating profit | 19,003 | 20,000 | 5.2% |
| Operating margin | 16.0% | 16.5% | +0.5pt |
| Ordinary profit | 20,840 | 21,000 | 0.8% |
| Profit attributable to owners of parent | 13,661 | 14,000 | 2.5% |
| Profit per share (yen) | 346.31 | 354.88 | 2.5% |

| Applied exchange rate | 1 US dollar | 140.67 yen | 136.00 yen |
|--------------------------|-------------|------------|------------|
| | 1 euro | 152.11 yen | 148.00 yen |
| | 1 yuan | 19.82 yen | 19.50 yen |

Analysis of Changes in Sales Forecast



Japan

- Japanese market expects a recovery in demands for inbound tourism and for novelty goods, as well as the contribution of Mark's Inc. to higher sales. Also, sales to overseas distributors are expected to increase mainly in Asia where they are performing well.

Americas

- We expect a recovery in the writing instrument market in the U.S. We will strive to expand our market share by strengthening sales promotion to retailers, mainly for the G-2 gel ink roller ball pen.

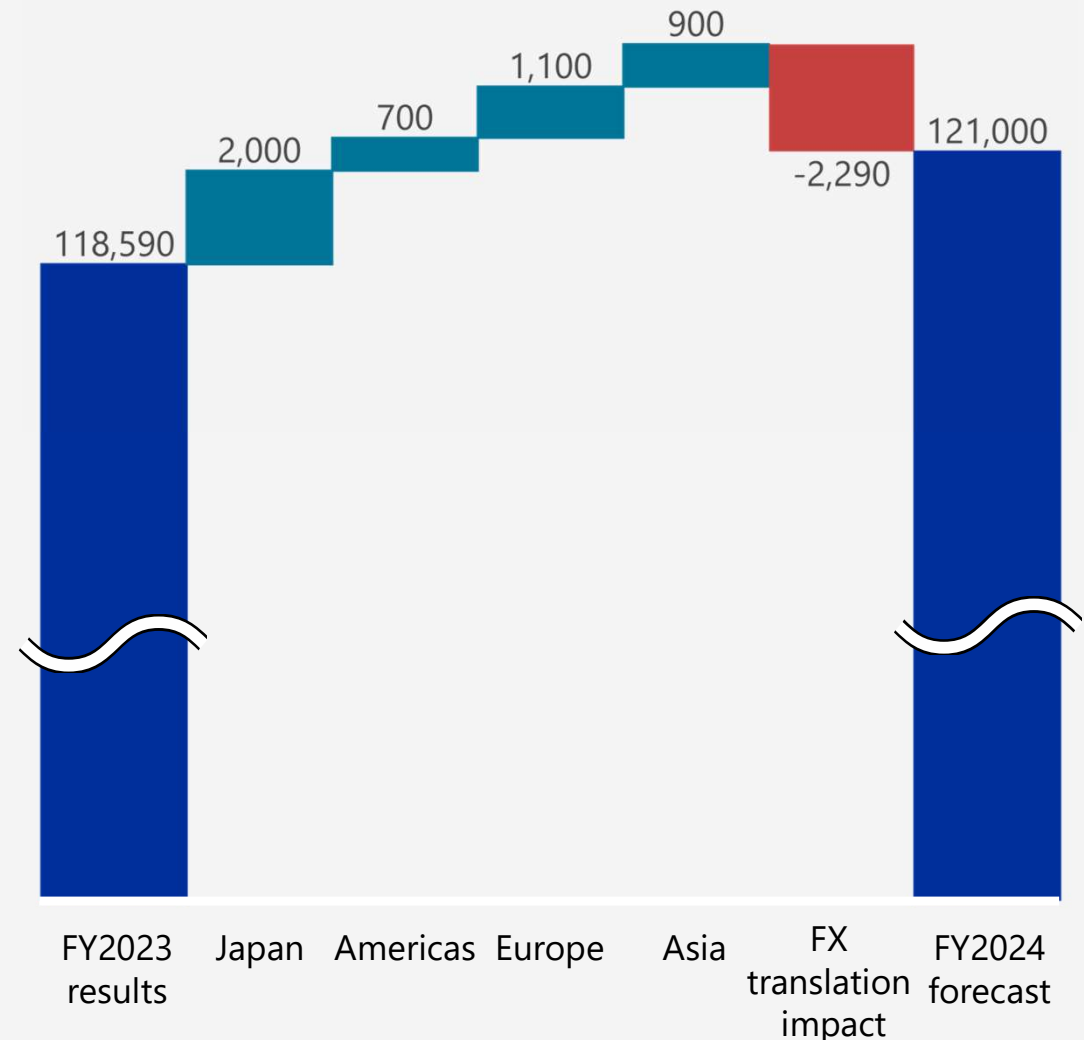
Europe

- With inflation subsiding, consumer appetite is expected to recover. We aim for a recovery in sales of FRIXION series to around FY2022 level in major countries by sales promotion initiatives including collaborative products to boost sales of ballpoint pens.

Asia

- We have enhanced our sales organization in China. We aim for a recovery in sales by strengthening our presence in the eyes of consumers, mainly for our top products P-500 and Juice.

(Unit: million yen)



Capital Investment: Capacity Expansion of Production Bases and BCP management



- In FY2024, we will invest in higher production capacity for existing plants and setting up bases in overseas markets where growth is expected. The aim of this is rebuilding production structures from a global perspective, with a balance between boosting production capacity to realize the 2030 Vision and taking measures under the business continuity plan.
 - PILOT Corporation’s Hiratsuka Plant and Isesaki Plant: 7.6 billion yen
e.g., boosting production capacity for such as G-2 gel ink roller ball pen and Juice, and diversifying Isesaki Plant’s risks
 - The Pilot Ink Co., Ltd.: 1.8 billion yen
e.g., diversifying Isesaki Plant’s risks, new equipment for production of new products, transferring equipment to PPIN PRIVATE LIMITED (India)

(Unit: 100 million yen)

| | FY2023 Full-Year Results | FY2024 Full-Year Forecast | YoY Comparison |
|--------------------|-----------------------------|---------------------------------|----------------|
| Capital investment | 110 | 132 | +22 |
| Depreciation | 45 | 62 | +17 |

Hiratsuka Plant

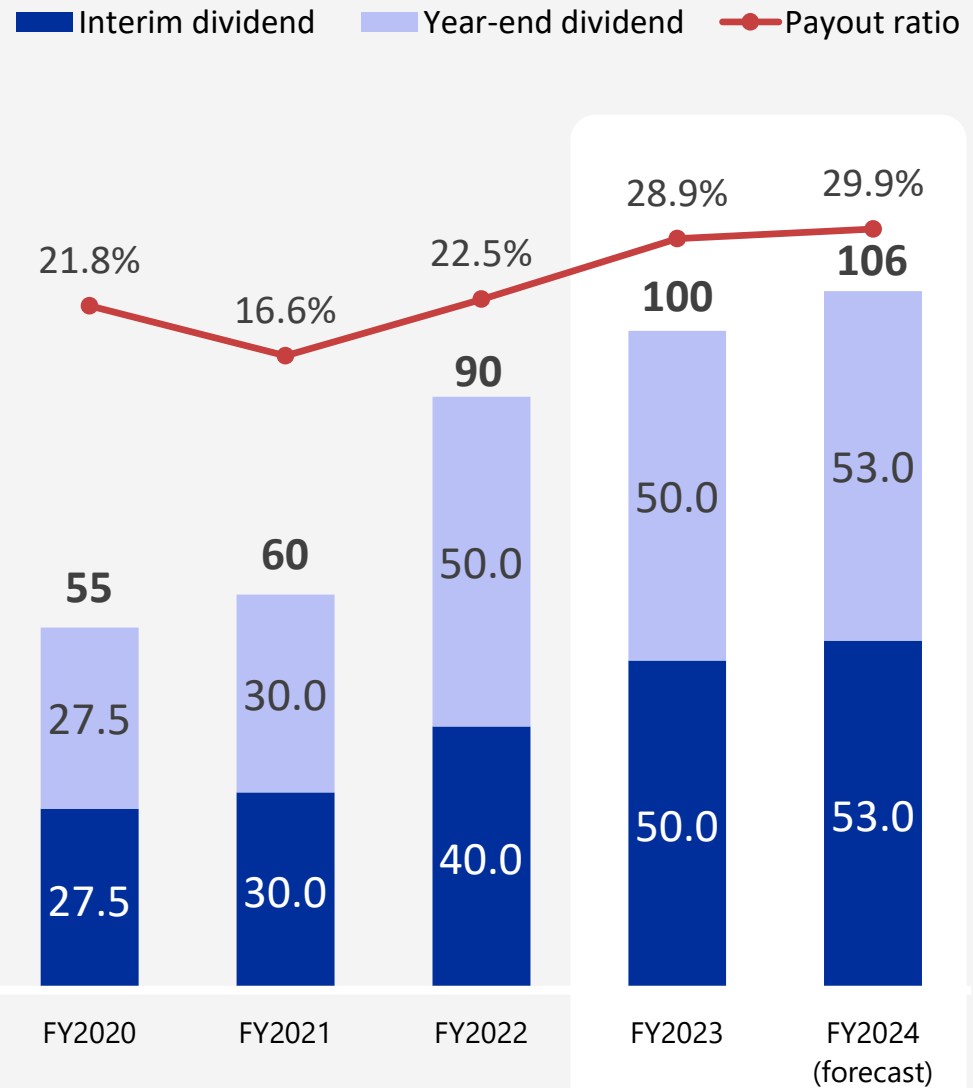


Shareholder Returns



(Unit: yen)

- The annual dividend for FY2023 is 100 yen per share (payout ratio of 28.9%), making for the 8th consecutive years of dividend increases.
- The annual dividend for FY2024 is expected to be 106 yen (payout ratio of 29.9%), an increase of 6 yen per share from the previous fiscal year.





2022-2024 Medium-Term Management Plan Progress

The PILOT Group formulated the 2022–2024 Medium-Term Management Plan to realize our 2030 Vision based on our purpose—Our Creations Inspire Creativity. Having positioned 2022–2024 as the three years for “Reform and Challenge,” we will speedily implement the five basic strategies stated below and push forward initiatives for achieving the 2024 goals set respectively for the strategies as well as the managerial index and financial indicators.



Basic Strategy 1: Further Strengthen Functions for Business Expansion



2024 Goal:

Toward 2030, we will drive forward to strengthening marketing and R&D functions, building supply chains, and strengthening sales channels and distribution in stages

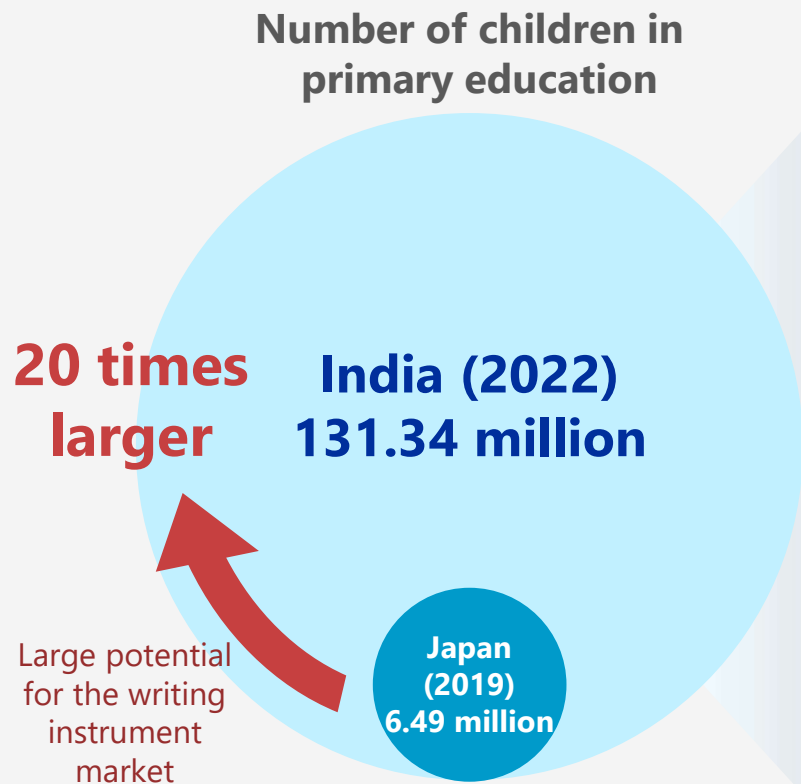
2023 Initiatives

| | 2024 Target | 2023 Progress |
|----------------------------|--|--|
| Marketing, R&D | Strengthen product planning and sales promotion activities that reflect customer needs of respective countries and regions | <ul style="list-style-type: none"> • Developed human resources to strengthen product managers • Globally expanded the marketing team (set up a new Global Marketing Division) • Enhanced "International Meeting" and shared information with major sales subsidiaries in each country and region • Exhibited at Virtual Market 2023 Summer and Winter |
| | Strengthen functions of research and development | <ul style="list-style-type: none"> • Created new development themes for non-writing instruments • Examined coexistence and co-prosperity for analog and digital technologies |
| Procurement, production | Reallocate domestic production bases to enhance BCP measures and production facilities | <ul style="list-style-type: none"> • Developed an optimum production structure, production goals, and investment plan in light of supply chain risk analyses, stable supply, BCP, and other aspects • Planned the dispersion of production processes across factories as a countermeasure to production risks, with the plan being implemented step by step • Introduced a headquarters for the production department, consolidated the materials procurement department • Planned and examined the details of the reconstruction of factories • Collected information on parts procurement for overseas production |
| | Preparation for expansion of overseas production | |
| Distribution, sales | Implement strategies for every domestic channel | <ul style="list-style-type: none"> • Facilitated a shift to optimum operating and sales structures for each channel • Promoted the use of sales support systems |
| | Enhance sales network in every country | <ul style="list-style-type: none"> • Started operation of a sales and manufacturing subsidiary in India • Established a sales subsidiary in Indonesia • Turned an Indonesian manufacturing joint venture into a wholly-owned subsidiary |

Basic Strategy 1: Business Expansion in Emerging Markets



- In recent years, Republic of India, with its rapid economic growth, is seen as a promising market. Since 1983, we have sold our products via distributors in the country, and our brands and products are already well known there.
- We set up our sales and production subsidiary PPIN PRIVATE LIMITED and started its operations in July 2023 for the purpose of increasing our sales and market share in India.



Source: worldbank.org
Reference: <https://graphtochart.com/education/india-primary-education-pupils.php>



Basic Strategy 2: Capital and Business Alliances and New Business Concept



2024 Goal:

- Actively consider and implement capital and business alliances with other companies for business expansion
- Increase market shares of the existing products and expand new item range, and create a new business concept from a medium- to long-term perspective

2023 Initiatives



Status after capital and business alliance with Mark's Inc.

- Opened its flagship store MARK'S STYLE AZABUDAI HILLS in Azabudai Hills in November 2023
Planned mutual collaboration sales between PILOT and Mark's Inc.—between materials "to write" and "to be written"
- Launched collaboration products
- Conducted personnel exchanges to understand each other's culture

Rolling out PILOT's unique strengths

- Reorganized its technologies in the IP landscape
- Searched and studied on seeds that can leverage PILOT's unique technologies
- Examined development themes according to social needs
- Launched a new penmanship course for writing own names

Establishing new "Future Creations Office"

- Established a new Future Creations Office as a team dedicated to creating businesses that will become the second pillar of PILOT's business in July 2023

Basic Strategy 3: Strengthen Overall Group Governance System

2024 Goal:

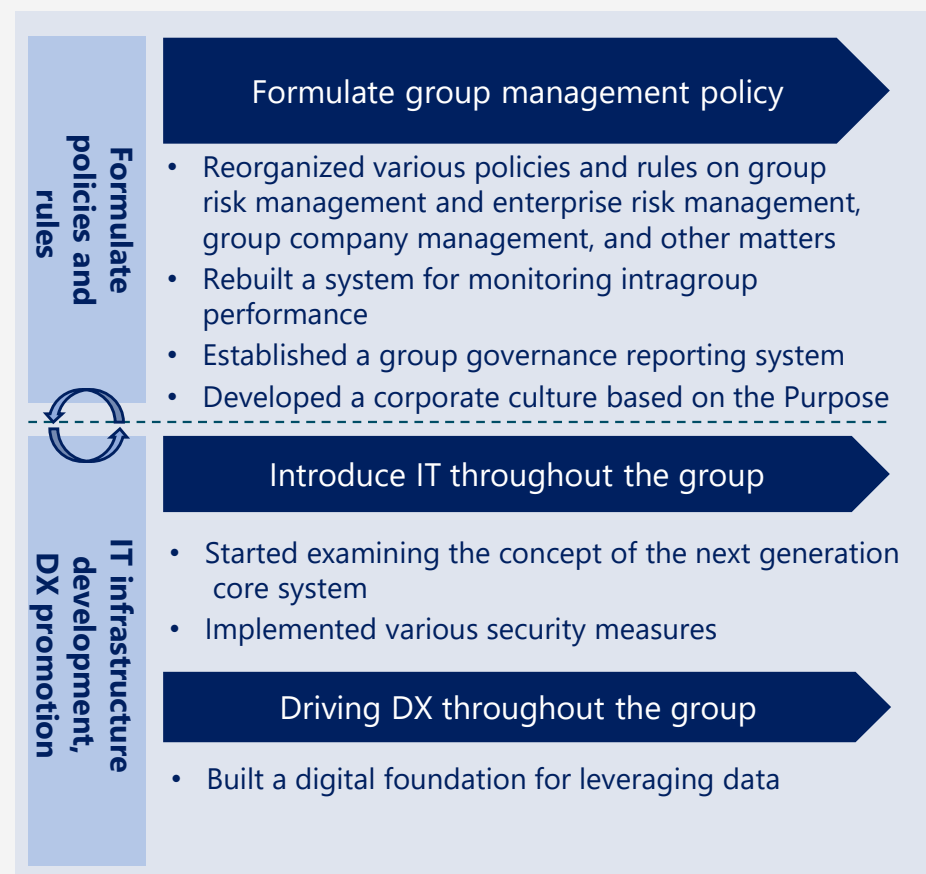
- Shift to a Company with Audit and Supervisory Committee in 2022 to strengthen the supervisory function of the Board of Directors and enable swift decision-making
- Also, build a solid group governance structure and accelerate initiatives for accomplishing 2030 Vision

2023 Initiatives

Shift to a Company with Audit and Supervisory Committee



Build and operate a group governance system



Basic Strategy 4:

Integrate Sustainability and Medium-Term Management Plan



2024 Goal:

Incorporate crucial sustainability issues into the Medium-Term Management Plan and work on solutions to accomplish our vision to contribute to economic value as well as the environment, society and employees

2023 Initiatives

Initiatives for solving crucial sustainability issues

| | |
|------------------------|--|
| For global environment | <ul style="list-style-type: none">• Offered limited editions of ballpoint pens that use reclaimed resin collected through a program for recycling used pens• Disclosed information based on TCFD recommendations• Set and disclose Scope 1 and 2 emissions reduction targets• Set and disclose water and waste reduction targets |
| For society | <ul style="list-style-type: none">• Handling the execution of agreements based on procurement policy and guidelines for suppliers• Provided environmental education (visiting schools for classes)• Co-sponsored the LIMITS HS-tournament 2023 for high school creators |
| For employees | <ul style="list-style-type: none">• Launched global leadership training (experience of working overseas) and experimental training in different departments• Continued running employee satisfaction surveys• Held meetings for the management and employees to have dialogue to facilitate awareness of the Purpose• Started sustainability penetration activities by using distributed guidebooks and streamed movies |
| Business foundation | <ul style="list-style-type: none">• Enhanced disclosure on PILOT's website• Reorganized internal rules (e.g., group governance, enterprise risk, risk management)• Enhanced Audit Department and established Materials Procurement Department• Continued providing internal training on cybersecurity, etc. |

Basic Strategy 5: Formulate and Implement Long-Term Design of Human Resource



2024 Goal:

Formulate a long-term design of human resources with a focus on 2030 and advance human resource development and strengthening of organization, as well as enhancement of diversity and specialty by utilizing external human resources. At the same time, develop unified organizational culture involving all the employees

2023 Initiatives

- **Formulate a long-term design of human resources**
Developing a long-term design of human resources (HR strategies) that reflects recommendations by a meeting consisting of younger employees, or bearers of the future, which discusses the concept of human resources for the future
- **Develop human resources, strengthen organization**
Provided training, including global leadership training and experimental training in different departments
Carried out a competency assessment of head office employees and encouraged self-development using correspondence courses
Promoted education and training with training expenses per employee of:
FY2023 94,000 yen (FY2024 target: 80,000 yen) (FY2022 58,900 yen)
- **Enhance diversity and specialty by utilizing external human resources**
Augmented expertise by hiring new graduates and mid-career professionals from a diverse pool of candidates, regardless of nationality and gender
FY2023 New graduates hired: 54, mid-career professionals hired: 39 (including 1 foreign national) (Target number for FY2024 mid-career hires: 50)
(FY2022 New graduates hired: 29, mid-career professionals hired: 20 (including 4 foreign nationals))
- **Develop unified organizational culture involving all the employees**
Promoted active participation by women
Share of women in managerial positions: 8.3% in 2023 (9.9% in 2022) *Comparison as of July
Encouraged the taking of childcare leave
Rate of taking childcare leave in FY2023: 100% for women, 50% for men (100% for women, 50% for men in FY2022)
Promoted the taking of paid leave, proper management of working hours, and diverse and flexible workstyles; and introduced mechanisms for active communication
- **Implement the employee satisfaction survey**
Total satisfaction rate: 69.6% (target: 75% or higher) (FY2022 rate: 69.0%)
Tasks we have to address include achieving proper organization and people deployment, conducting personnel evaluation appropriately, creating an environment where it is easy to ask for advice, coordinating with other departments, and enabling diverse employees to demonstrate their ability.
We will continue with the measures stated above.

2024 Managerial Index and Financial Indicators



| | | |
|----------------------|--|---|
| Financial KGIs | 2024 target consolidated net sales | 118.0 billion yen (105.0 billion yen in writing instrument business and 13.0 billion yen in non-writing instrument business) |
| | 2023 result | 118.5 billion yen (106.2 billion yen in writing instrument business and 12.3 billion yen in non-writing instrument business) |
| | 2024 target operating margin ratio | Ensure 18% or more |
| | 2023 result | 16.0% |
| | 2024 target ROE | Maintain and improve the current revenue base and stably secure 12% or more in a medium-to long term |
| | 2023 result | 11.1% |
| Financial indicators | Investment for growth by 2024 | With a resource of internal reserves of approx. 30.0 billion yen, we will actively allocate investment over “human resource development and investment,” “existing business fields,” “growing and new business fields,” “capital and business alliances,” etc. |
| | Progress by 2023 | In 2022–2023, we invested 0.7 billion yen in human resource development and investment, 24.0 billion yen in business fields (4.0 billion yen in R&D, 16.9 billion yen in CAPEX, 3.1 billion yen in overseas group companies) and 1.0 billion yen in capital and business alliances. We made investments associated with enhancing global human resource development and hiring mid-career talent, R&D that leverages PILOT’s technologies, augmenting production facilities for writing instruments including BCP measures, setting up a manufacturing and sales subsidiary in India and a sales subsidiary in Indonesia, and making a manufacturing subsidiary a wholly-owned one in Indonesia. |
| | 2024 target Shareholder return policy | Achieve stable growth in dividends and aim for payout ratio of 30% or more |
| | 2023 result | Continuously increased dividends while maintaining the principle of paying stable dividends Annual dividend: 100 yen (up 10 yen), payout ratio: 28.9% |



New Management Structure

New Management Structure (Effective March 28, 2024)

- Fumio Fujisaki will become President & Representative Director by a resolution of the Annual General Meeting of Shareholders scheduled on March 28, 2024, and by a resolution of the Board of Directors at its meeting held after the General Meeting of Shareholders.
- The management structure was changed at this time in order for Fumio Fujisaki to lead the formulation of the three-year Medium-Term Management Plan starting from the next fiscal year.
- Shu Itoh, the current President & Representative Director, will oversee overall management as Chairman & Director, and support the new President Fumio Fujisaki.



Fumio Fujisaki

Born in 1960 (age 63)
B.A. in Commerce, Meiji University

(Career summary)

- | | |
|------|---|
| 1984 | Joined The Pilot Pen Co., Ltd. (currently PILOT Corporation) |
| 2011 | General Manager of Planning Office |
| 2015 | Executive Officer, General Manager of International Sales Division |
| 2019 | Senior Executive Officer Managing Director, Pilot Corporation of Europe S.A. |
| 2022 | Director & Senior Executive Officer (present) |



Appendix

Changes in Quarterly Results



(Unit: million yen)

| | FY2022 | | | | FY2023 | | | |
|---|--------|--------|--------|--------|--------|--------|--------|---------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Net sales | 26,229 | 31,250 | 26,626 | 28,744 | 27,407 | 33,995 | 26,849 | 30,339 |
| YoY | 15.1% | 13.1% | 5.3% | 5.1% | 4.5% | 8.8% | 0.8% | 5.5% |
| Gross profit | 13,568 | 16,688 | 13,793 | 16,062 | 14,627 | 18,042 | 13,497 | 15,711 |
| YoY | 20.1% | 12.6% | 1.8% | 10.6% | 7.8% | 8.1% | -2.1% | -2.2% |
| Operating profit | 4,647 | 7,118 | 3,971 | 5,507 | 4,892 | 7,198 | 2,735 | 4,176 |
| YoY | 32.8% | 14.2% | -18.4% | 16.6% | 5.30 | 1.1% | -31.1% | -24.2% |
| Ordinary profit | 5,338 | 8,451 | 4,289 | 4,554 | 5,251 | 8,860 | 3,193 | 3,535 |
| YoY | 39.0% | 29.0% | -13.3% | -9.4% | -1.6% | 4.8% | -25.5% | -22.4% |
| Profit attributable to owners of parent | 3,363 | 6,095 | 3,145 | 3,169 | 3,622 | 6,219 | 2,146 | 1,672 |
| YoY | 26.2% | 36.2% | -8.3% | -14.3% | 7.7% | 2.0% | -31.7% | -47.2% |

Quarterly Changes by Geographic Segment



(Unit: million yen)

| | | FY2022 | | | | FY2023 | | | |
|----------|------------------|--------|-------|-------|--------|--------|--------|-------|---------------|
| | | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Japan | Sales | 8,465 | 8,117 | 7,444 | 11,024 | 9,049 | 9,534 | 8,641 | 11,836 |
| | YoY | 11.8% | 22.1% | 8.3% | 8.4% | 6.9% | 17.5% | 16.1% | 7.4% |
| | Operating profit | 5,365 | 6,156 | 4,898 | 6,169 | 3,680 | 3,104 | 2,825 | 3,871 |
| | Operating margin | 63.4% | 75.8% | 65.8% | 56.0% | 40.7% | 32.6% | 32.7% | 32.7% |
| Americas | Sales | 7,258 | 8,960 | 8,277 | 7,593 | 8,070 | 11,444 | 7,506 | 8,338 |
| | YoY | 37.6% | 8.7% | 13.7% | 17.0% | 11.2% | 27.7% | -9.3% | 9.8% |
| | Operating profit | 597 | 517 | -310 | -199 | 347 | 942 | -661 | 553 |
| | Operating margin | 8.2% | 5.8% | -3.7% | -2.6% | 4.3% | 8.2% | -8.8% | 6.6% |
| Europe | Sales | 5,929 | 8,596 | 5,707 | 5,272 | 5,385 | 8,279 | 5,385 | 5,261 |
| | YoY | 11.0% | 11.8% | -6.9% | 1.2% | -9.2% | -3.7% | -5.6% | -0.2% |
| | Operating profit | 429 | 1,225 | 231 | -113 | 294 | 1,126 | 201 | 65 |
| | Operating margin | 7.2% | 14.3% | 4.0% | -2.2% | 5.5% | 13.6% | 3.7% | 1.2% |
| Asia | Sales | 4,576 | 5,574 | 5,196 | 4,855 | 4,901 | 4,735 | 5,315 | 4,901 |
| | YoY | -0.6% | 10.4% | 3.9% | -11.3% | 7.1% | -15.1% | 2.3% | 1.0% |
| | Operating profit | 311 | 304 | 327 | 52 | 301 | 166 | 280 | 60 |
| | Operating margin | 6.8% | 5.5% | 6.3% | 1.1% | 6.2% | 3.5% | 5.3% | 1.2% |

About the PILOT Group's Segments

The PILOT Group's segments are divided by location based on our management structure. The locations of the Group companies included in each segment are as follows:

- **Japan segment**

Japan (domestic sales, overseas sales*)

- **Americas segment**

United States, Mexico, Brazil

- **Europe segment**

France**, Germany, United Kingdom, Sweden, Australia

- **Asia segment**

China, Hong Kong, Taiwan, Singapore, South Africa

* "Overseas sales" includes sales to countries and regions other than those where overseas consolidated subsidiaries handle direct selling.

** Our European headquarters is in France, which handles sales to various European countries excluding those in which we have established overseas subsidiaries.

About Overseas Production Bases

The PILOT Group has established production bases in various countries around the world. Except for some manufacturing plants that make low-cost merchandise for the local market, most of these plants are for processing products imported from Japan (packaging, some assembly). As a rule, we export and sell products manufactured in Japan.

DISCLAIMER

The results forecasts and forward-looking statements included in this document were prepared based on information available as of February 13, 2024. Actual results may differ materially from the contents of this document due to their inherent risks and unforeseen events.