

Translation

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**Summary of Consolidated Financial Results
for the Nine Months Ended December 31, 2023
(Based on Japanese GAAP)**

February 9, 2024

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: February 13, 2024
 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, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	28,699	(12.2)	934	(55.2)	1,164	(41.3)	(793)	–
Nine months ended December 31, 2022	32,694	11.3	2,083	(19.0)	1,983	(22.0)	1,093	(38.5)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	(32.44)	–
Nine months ended December 31, 2022	48.53	48.11

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	29,916	18,891	63.0
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	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	6.50	–	13.00	19.50
Year ending March 31, 2024	–	10.00	–		
Year ending March 31, 2024 (Forecast)				9.21	19.21

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
Full year	38,200	(10.7)	1,150	(52.8)	1,350	(43.6)	(900)	–	(36.79)

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2023	156,772 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)

Nine months ended December 31, 2023	24,448,106 shares	Nine months ended December 31, 2022	22,542,798 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	5,212	5,551
Notes receivable - trade	1,745	1,874
Accounts receivable - trade	9,632	9,244
Merchandise and finished goods	2,851	2,452
Work in process	658	637
Raw materials and supplies	1,531	1,433
Other	484	525
Allowance for doubtful accounts	(39)	(40)
Total current assets	22,077	21,678
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,157	6,384
Accumulated depreciation	(4,386)	(4,649)
Buildings and structures, net	1,771	1,734
Machinery, equipment and vehicles	17,405	17,744
Accumulated depreciation	(13,513)	(13,755)
Machinery, equipment and vehicles, net	3,892	3,988
Tools, furniture and fixtures	2,732	2,865
Accumulated depreciation	(2,273)	(2,393)
Tools, furniture and fixtures, net	459	472
Land	829	825
Construction in progress	161	146
Other	466	515
Accumulated depreciation	(265)	(353)
Other, net	200	162
Total property, plant and equipment	7,314	7,328
Intangible assets		
Goodwill	466	429
Other	228	198
Total intangible assets	695	628
Investments and other assets		
Investments and other assets	404	317
Allowance for doubtful accounts	(36)	(35)
Total investments and other assets	367	281
Total non-current assets	8,377	8,238
Total assets	30,455	29,916

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,667	2,419
Electronically recorded obligations - operating	999	948
Short-term borrowings	1,300	–
Current portion of bonds payable	10	5
Current portion of long-term borrowings	728	1,407
Income taxes payable	396	155
Provision for bonuses	379	537
Other	2,698	1,904
Total current liabilities	9,180	7,378
Non-current liabilities		
Long-term borrowings	675	2,481
Retirement benefit liability	1,243	855
Other	303	311
Total non-current liabilities	2,222	3,647
Total liabilities	11,403	11,025
Net assets		
Shareholders' equity		
Share capital	3,406	3,406
Capital surplus	2,967	2,968
Retained earnings	10,101	8,746
Treasury shares	(94)	(76)
Total shareholders' equity	16,381	15,043
Accumulated other comprehensive income		
Foreign currency translation adjustment	2,737	3,875
Remeasurements of defined benefit plans	(111)	(67)
Total accumulated other comprehensive income	2,626	3,807
Share acquisition rights	20	14
Non-controlling interests	23	25
Total net assets	19,052	18,891
Total liabilities and net assets	30,455	29,916

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	32,694	28,699
Cost of sales	23,666	21,143
Gross profit	9,028	7,555
Selling, general and administrative expenses	6,944	6,621
Operating profit	2,083	934
Non-operating income		
Interest income	43	51
Foreign exchange gains	–	145
Other	90	79
Total non-operating income	134	276
Non-operating expenses		
Interest expenses	37	31
Foreign exchange losses	179	–
Other	16	13
Total non-operating expenses	234	45
Ordinary profit	1,983	1,164
Extraordinary income		
Gain on sale of non-current assets	5	18
Total extraordinary income	5	18
Extraordinary losses		
Loss on sale and retirement of non-current assets	14	10
Impairment losses	223	323
Loss on business restructuring	–	791
Retirement benefit expenses	–	45
Loss on liquidation of subsidiaries	–	340
Other	–	10
Total extraordinary losses	237	1,521
Profit (loss) before income taxes	1,751	(338)
Income taxes - current	487	330
Income taxes - deferred	166	119
Total income taxes	653	450
Net Profit (loss)	1,097	(788)
Profit attributable to non-controlling interests	3	5
Profit (loss) attributable to owners of parent	1,093	(793)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net Profit (loss)	1,097	(788)
Other comprehensive income		
Foreign currency translation adjustment	1,950	1,133
Remeasurements of defined benefit plans, net of tax	(49)	43
Total other comprehensive income	1,901	1,176
Comprehensive income	2,998	388
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,992	387
Comprehensive income attributable to non-controlling interests	6	1