

Financial Briefing (Fiscal year ended March 31, 2022)

May 13, 2022



PUNCH INDUSTRY CO., LTD.

(Security Code: 6165 TSE Prime)

Financial Highlights for the year ended March 31, 2022

Achieved revenue growth in all regions and recorded highest profits since listing

Sales	Consolidated	Consolidated sales increased 121.2% year-on-year, an increase of ¥6.8 billion to ¥39.3 billion.
	Japan	Increased 113.6% year-on-year to ¥14.0 billion. Sales for electronic devices and semiconductors remained strong, influenced by a recovery in the automotive sector.
	China	Increased 124.1% year-on-year to ¥20.9 billion. All industries remained strong despite the significant impact of foreign exchange rates.
	Southeast Asia	Increased 126.4% year-on-year to ¥1.7 billion. Singapore, Malaysia and Vietnam performed particularly well.
	Europe, The US, and Others	Increased 142.2% year-on-year to ¥2.6 billion. In addition to medical products, sales of electronic devices and semiconductors were strong.
Profit		Operating profit was ¥3,041 million, 188.5% of the previous fiscal year Ordinary profit was ¥3,007 million, 179.4% of the previous fiscal year Profit attributable to owners of parent was ¥2,040 million, 427.2% of the previous fiscal year
Net Cash		Increased by ¥1,901 million from the beginning of the fiscal year ended March 31, 2022, mainly due to the recording of net income.



Income Statement Summary

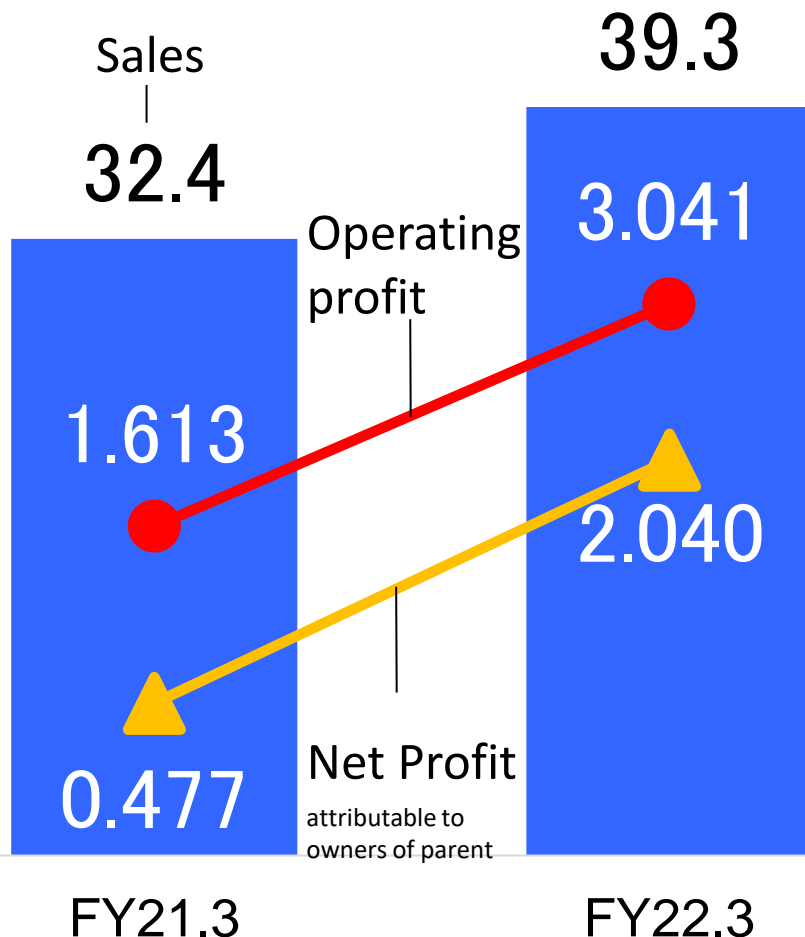
(Unit: Millions of yen)

	FY21.3	FY22.3	Difference year-on-year	Percentage of change year-on-year
Sales	32,462	39,358	6,896	121.2%
Operating profit	5.0% 1,613	7.7% 3,041	1,428	188.5%
Ordinary profit	5.2% 1,676	7.6% 3,007	1,331	179.4%
Profit attributable to owners of parent	1.5% 477	5.2% 2,040	1,563	427.2%



Sales and Profit

(Unit: Billions of yen)



[Year-on-year comparison]

Sales ¥6,896 million

Increase in sales

Operating profit ¥1,428 million

Increase in profit

Net profit* ¥1,563 million

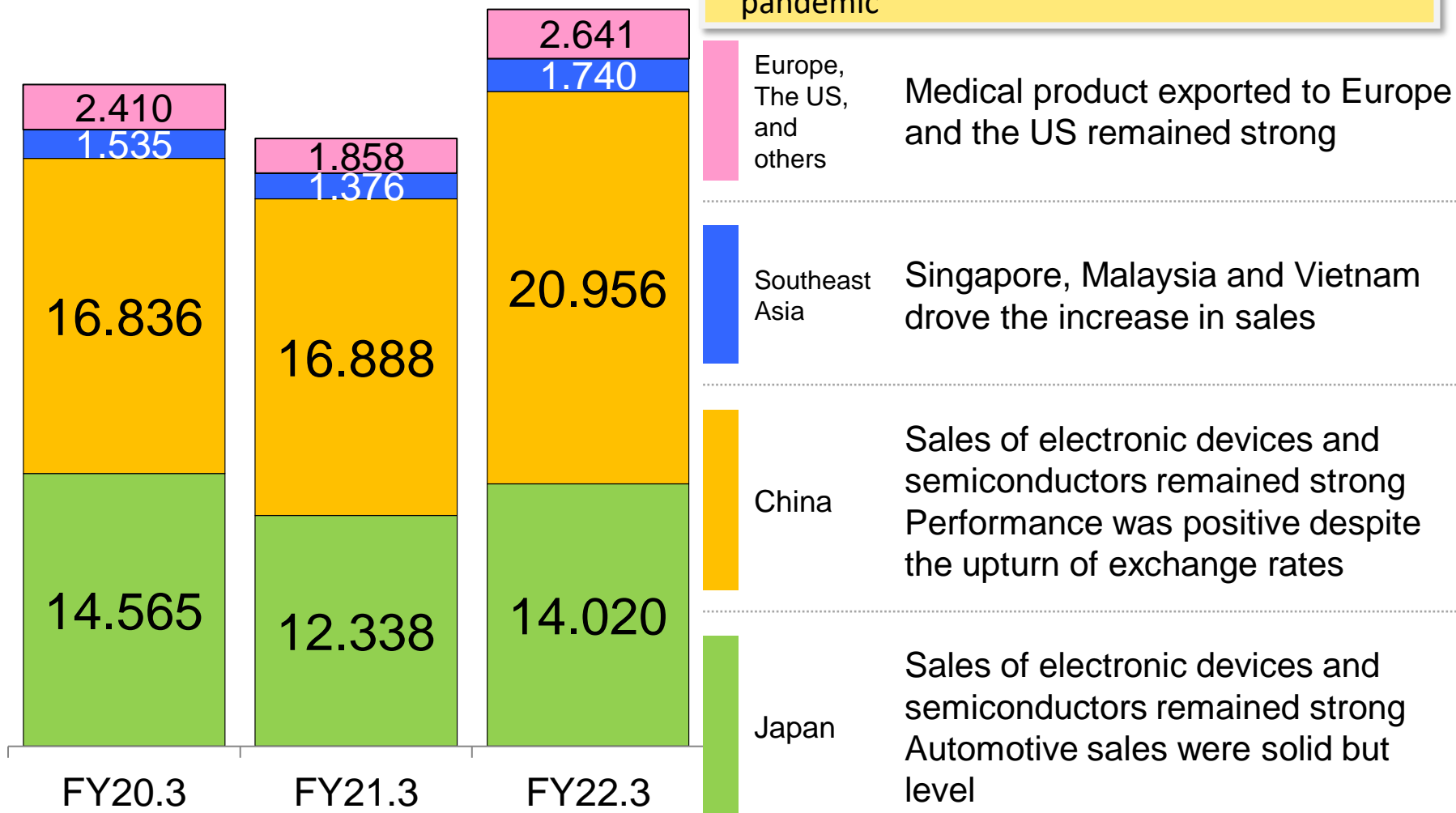
Increase in profit

*Profit attributable to owners of parent



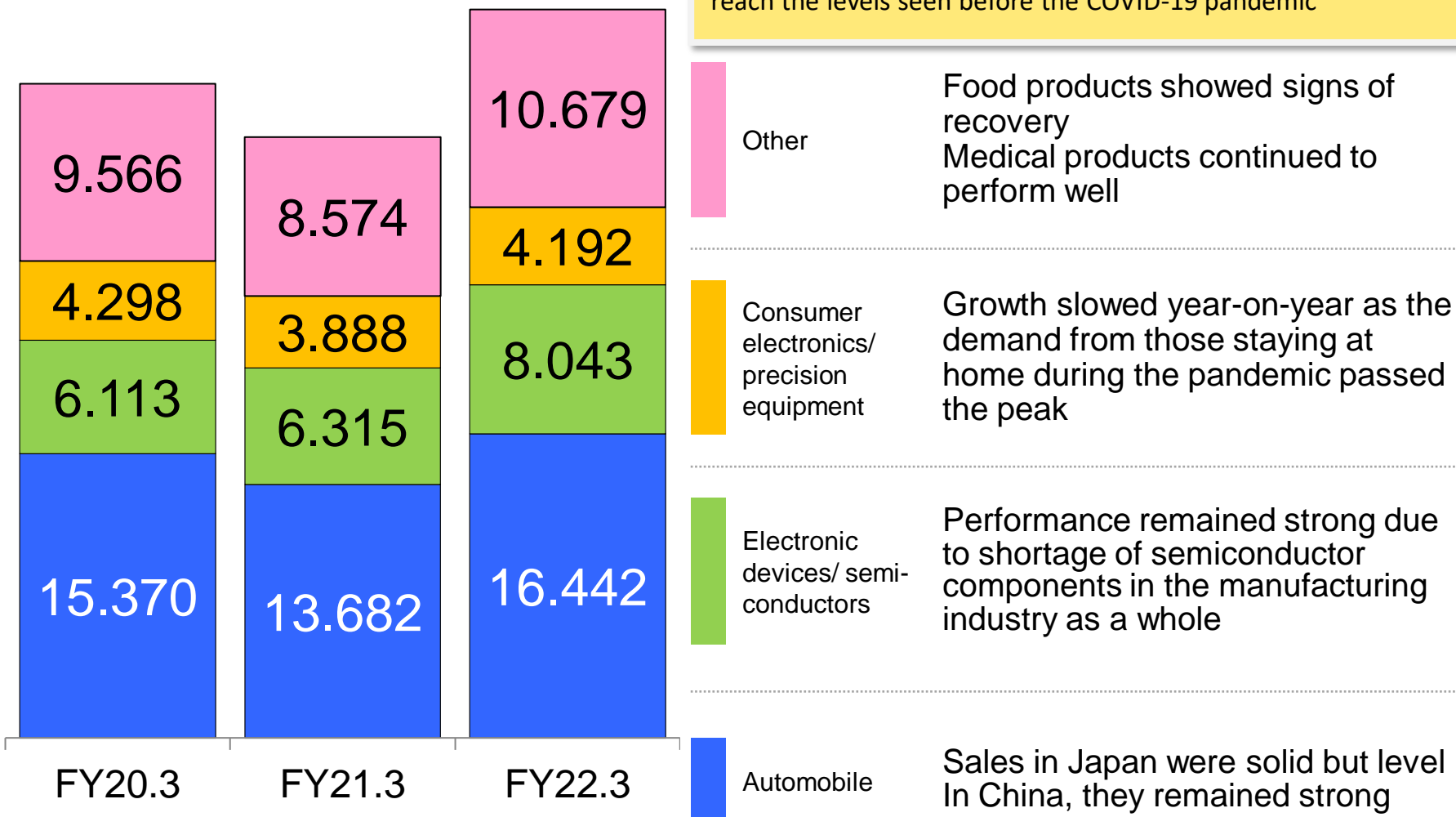
Sales by Region

(Unit: Billions of yen)



Sales by Industry

(Unit: Billions of yen)

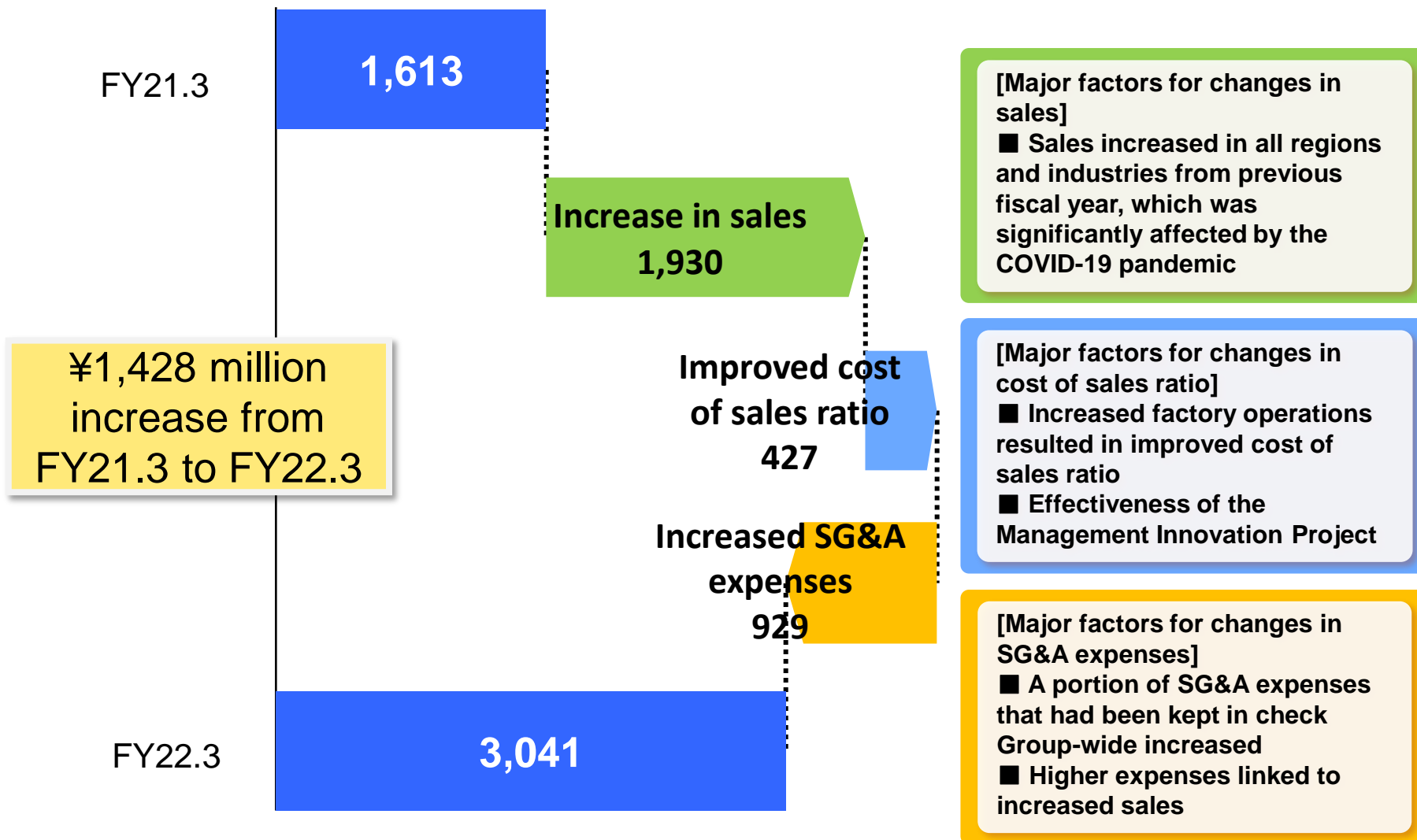


Sales of electronic devices and semiconductors remained strong
Sales of consumer electronics and precision equipment failed to reach the levels seen before the COVID-19 pandemic



Operating Profit Changes

(Unit: Millions of yen)



Balance Sheet Summary

(Unit: Millions of yen)

	FY 21.3	FY 22.3	Year-on-year changes
Total assets	24,702	28,774	4,071
Total liabilities	12,266	12,466	200
Interest-bearing debt	4,997	3,820	(1,177)
Net assets	12,436	16,307	3,870
Net cash	(905)	995	1,901

Equity ratio	50.2%	56.5%	6.3pt
Return on equity (ROE)	4.0%	14.2%	10.2pt

Capital expenditure (including intangible assets)	452	1,149	696
Depreciation (including intangible assets)	968	971	2



Cash Flows Summary

(Unit: Millions of yen)

	FY21.3	FY22.3
Cash flows from operating activities	2,942	2,941
Cash flows from investing activities	(670)	(1,099)
Free cash flow	2,272	1,841
Cash flows from financing activities	(1,684)	(1,600)
Changes in cash and cash equivalents (including translation adjustments)	596	707
Cash and cash equivalents at end of period	3,962	4,669



FY23.3 Full-Year Earnings Forecasts

Mid-term Business Plan “Value Creation 2024” Numerical Targets

- ◆ In this document, **V**ALUE **C**REATION as used in the Mid-term Business Plan is referred to as “VC.”

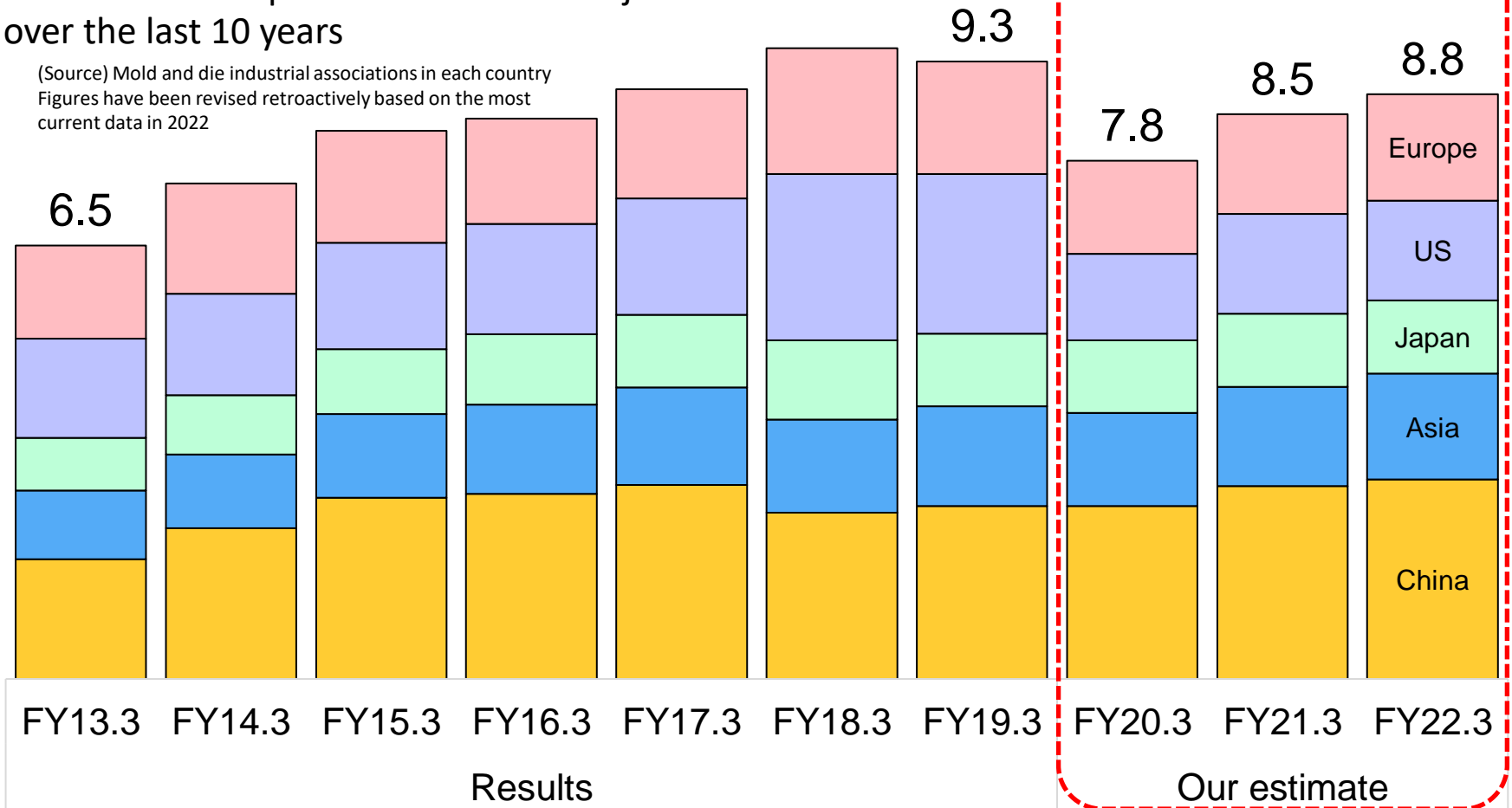
Mold and Die Market Forecasts (Amounts)

Temporarily down from investment curtailment due to factors including the COVID-19 pandemic, but recovering

(Unit: Trillions of yen)

Mold and die shipment amounts of major countries over the last 10 years

(Source) Mold and die industrial associations in each country
 Figures have been revised retroactively based on the most current data in 2022



FY23.3 Results and Dividend Forecasts

(Unit: Millions of yen)

	FY22.3 (Results)		FY23.3 (Forecasts)		Difference year-on-year	Percentage of change year- on-year
Sales	39,358		43,500		4,142	110.5%
Operating profit	7.7%	3,041	6.0%	3,300	259	108.5%
Ordinary profit	7.6%	3,007	5.9%	3,270	263	108.7%
Profit attributable to owners of parent	5.2%	2,040	4.0%	2,100	60	102.9%
ROE	14.2%		12.2%		(2.0 pt)	—
Capital expenditure (including intangible assets)	1,149		1,600		451	139.3%
Depreciation (including intangible assets)	971		1,000		29	103.0%

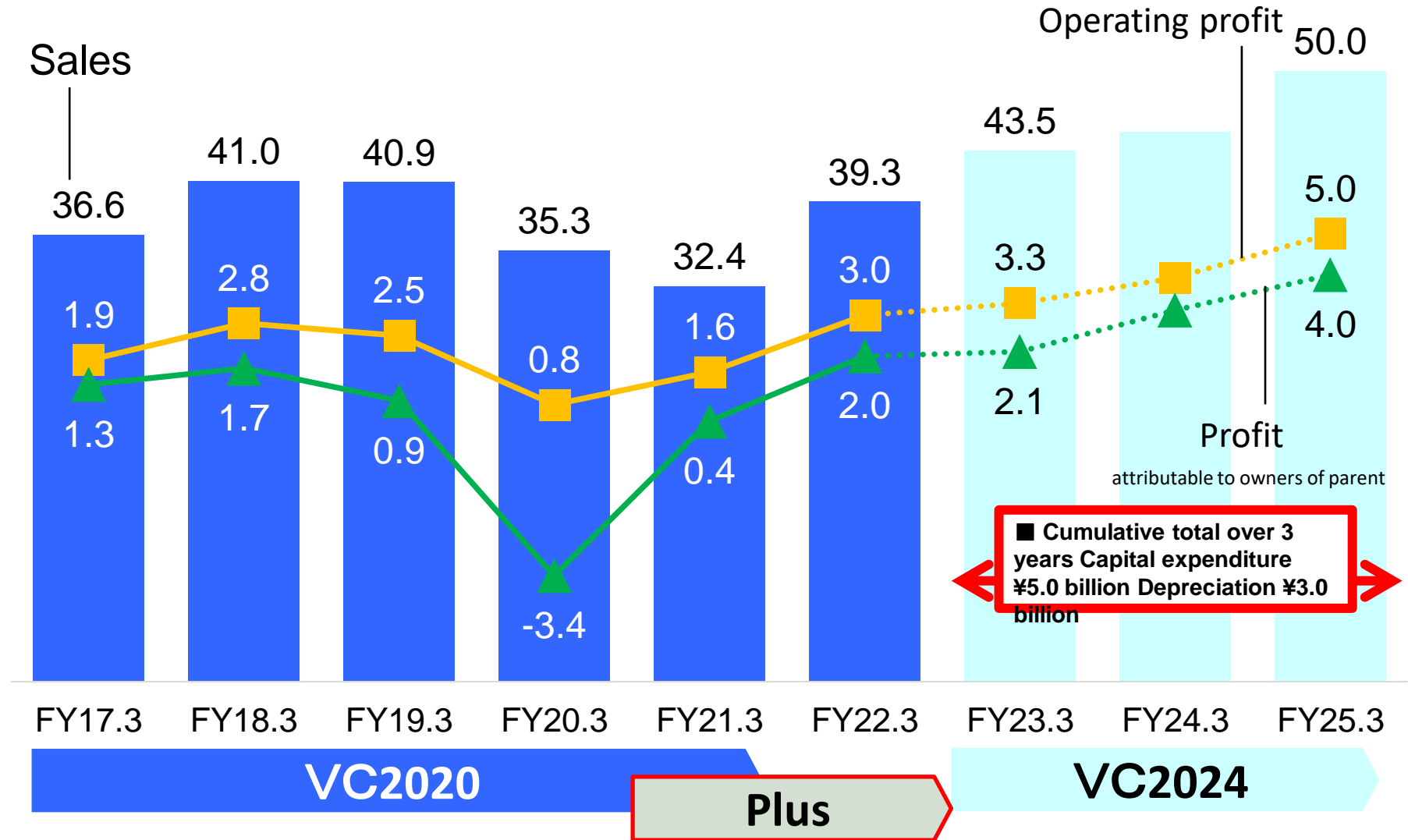
Dividend forecast

Interim dividend of ¥6.5 per share + year-end dividend of ¥6.5 per share = ¥13 per share



Management Targets for the VC 2024 Mid-term Business Plan

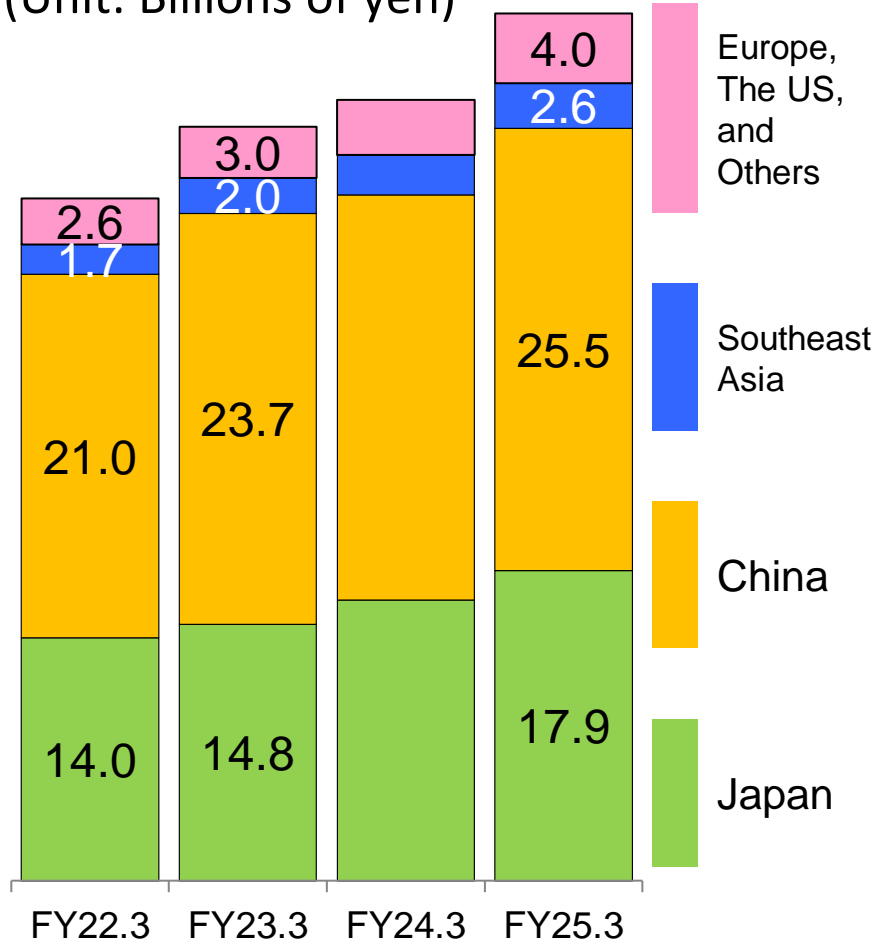
(Unit: Billions of yen)



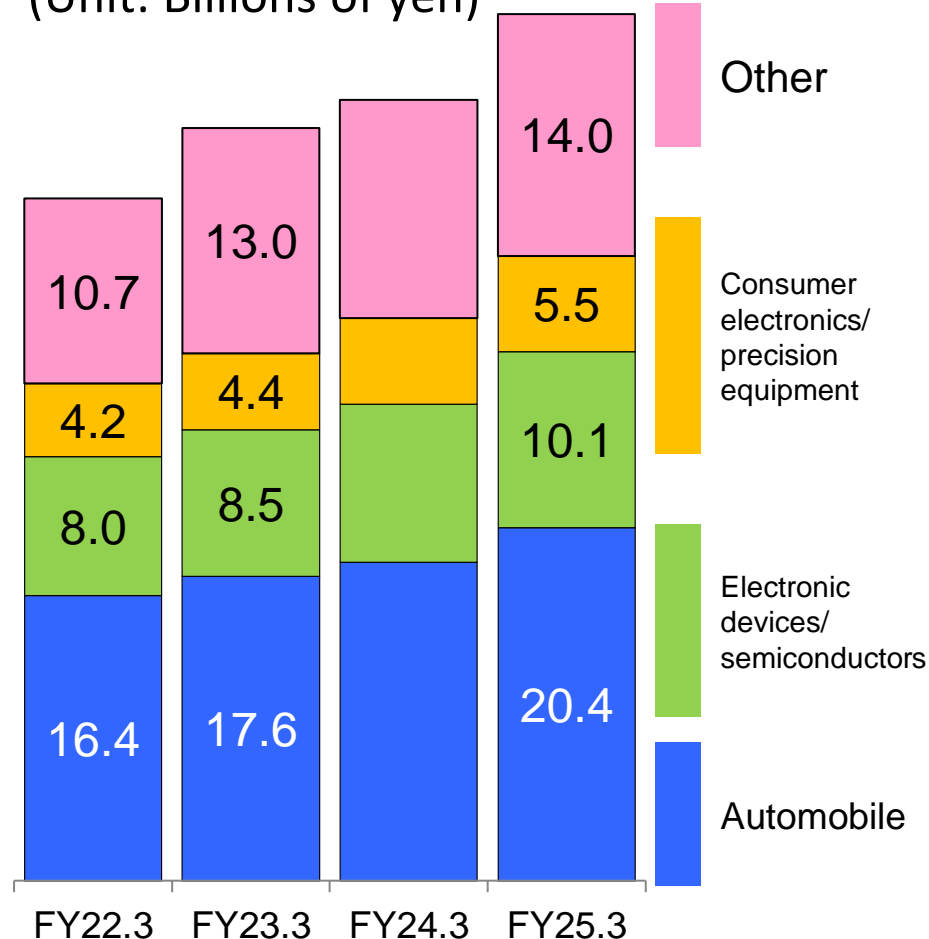
Numerical Targets for Sales by Region and Industry

“VC 2024” covers FY23.3 through FY25.3 (fiscal year ending March 31, 2023 through fiscal year ending March 31, 2025)

(Unit: Billions of yen)



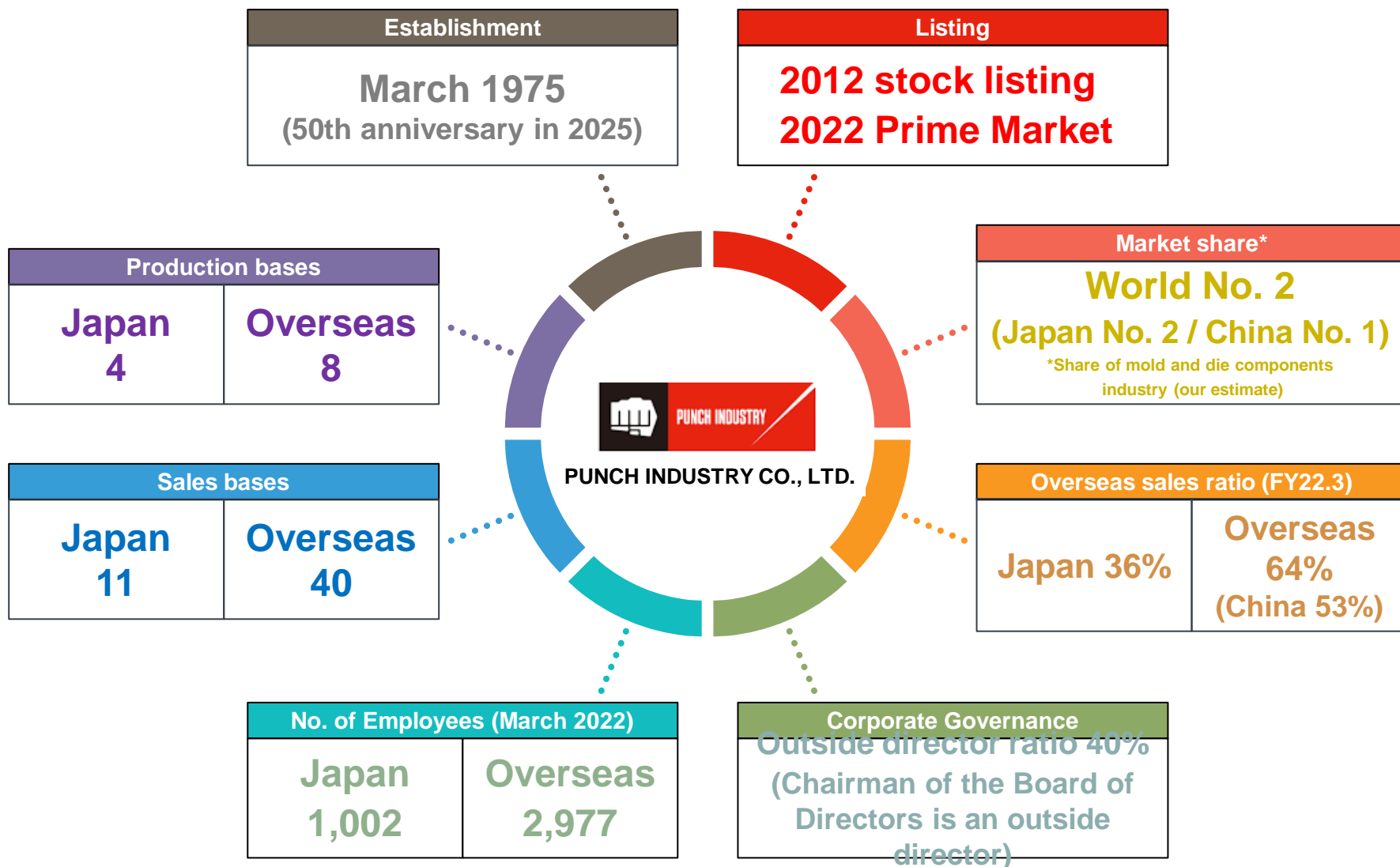
(Unit: Billions of yen)





Reference Materials

Punch Group at a Glance



Management Structure

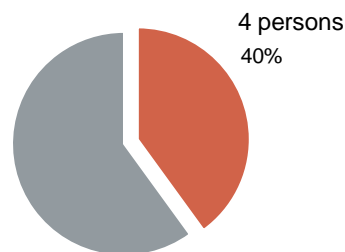
Profile of President and Representative Director

Name and date of birth	Career	
 Tetsuji Morikubo (January 22, 1977)	May 2003	Joined the Company
	Feb. 2005	PUNCH INDUSTRY (DALIAN) Co.
	Nov. 2012	General Manager, Value Creation Promotion Office
	Apr. 2013	General Manager, Corporate Planning Office
	Apr. 2015	PUNCH INDUSTRY MALAYSIA SDN. BHD.
	May 2016	Executive Officer
	Jun. 2018	Director, Senior Executive Officer, Corporate Strategy
	Apr. 2019	Chief Strategy Officer Group Business Management
	Jun. 2019	Representative Director (incumbent) Executive Vice President
	Nov. 2019	President and Chief Executive Officer in charge of the Punch Industry Group (incumbent)

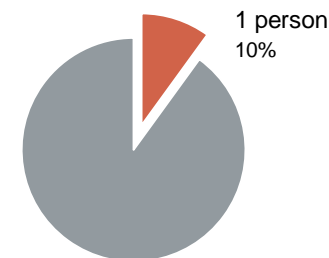
Board of Directors

Directors	Representative Director, President and Chief Executive Officer Chief Executive Officer (CEO)	Tetsuji Morikubo
	Director, Managing Executive Officer Chief Operating Officer (COO/Sales)	Yasuhiro Sanada
	Director and Senior Executive Officer Chief Financial Officer (CFO)	Takao Murata
	Director and Senior Executive Officer Chief Operating Officer (COO/Manufacturing)	Akira Takanashi
	Director	Susumu Sugita
	Outside Director Chairman of the Board	Yukiko Mitsuhashi
	Outside Director	Naruhiko Takatsuji
Director (Audit & Supervisory Board Member)	Director (Audit & Supervisory Board Member)	Minoru Kawano
	Outside Director (Audit & Supervisory Board Member)	Yoriatsu Matsue
	Outside Director (Audit & Supervisory Board Member)	Tomoo Suzuki

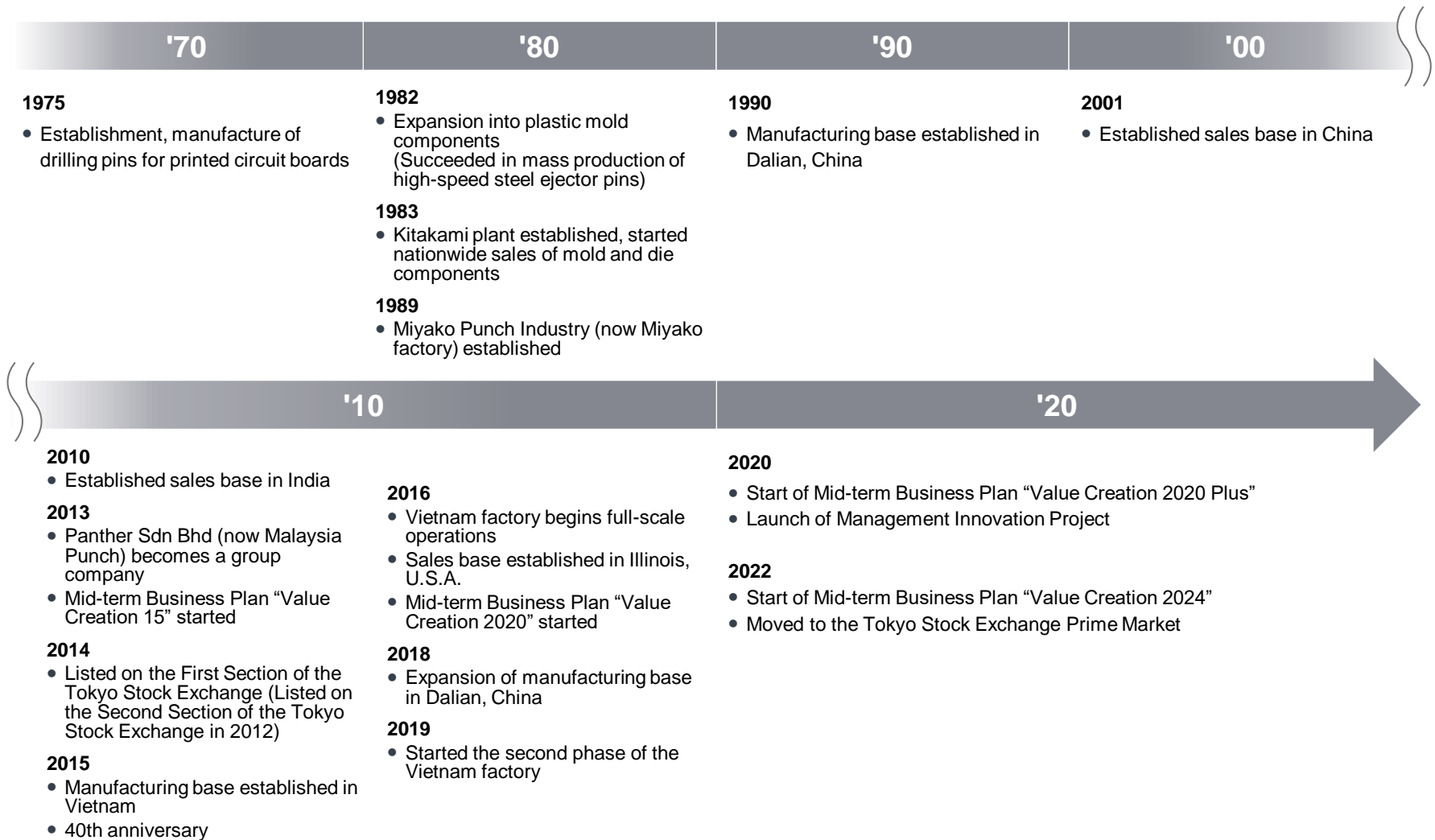
Ratio of Outside Directors



Ratio of Female Directors

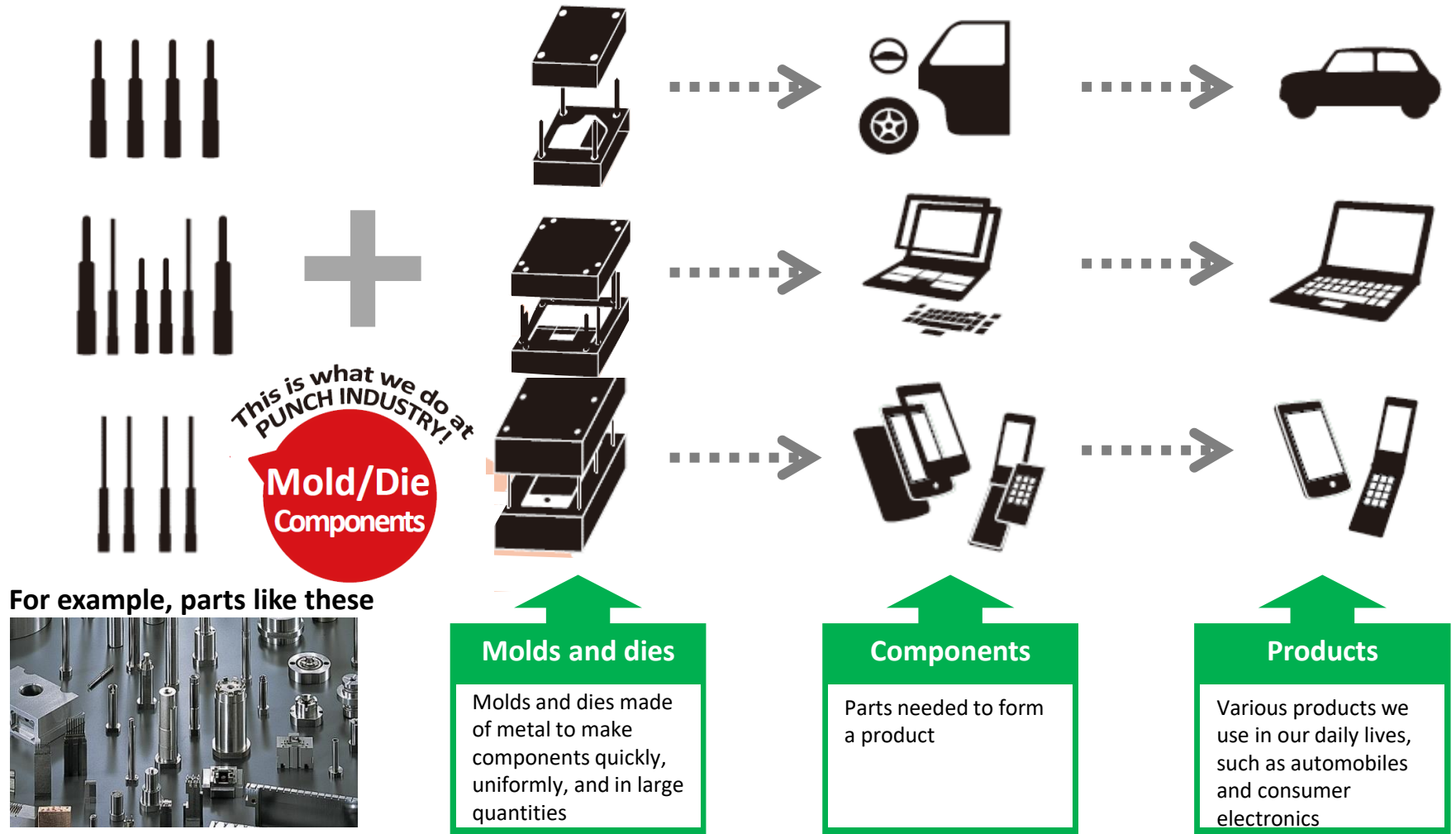


Punch Group History



Description of the Business

Manufacture and sale of a wide variety of precision mold and die components that are indispensable to the construction of molds. The “behind-the-scenes expertise” that enriches your life.



Punch Group's Core Products

Plastic mold and die components such as injection molding dies and press die components such as stamping dies, for a wide range of customers spanning upstream to downstream manufacturing

Plastic mold and die components

Plastic molds are used in the manufacture of many plastic products, including the exteriors of smartphones and digital cameras. Products are made by injecting heated, molten plastic resin into a mold mounted on an injection molding machine, cooling, and solidifying. The Punch Group manufactures and sells the components that make up these molds and dies.



Core product

Ejector pin

This part (extrusion pin) is used to separate the injection-molded product from the mold itself and eject it.



Core product

Core pin

Used to form the product section, the shape of the core pin is transferred. The core pin forms a void in the product section or engraving on the product section.

Press die components

A die is mounted on a press machine (a machine that moves up and down), a metal sheet is placed between the upper and lower dies, and the press machine is operated to produce a product molded by the die. The Punch Group manufactures and sells the components that make up these molds and dies.



Core product

Punch

Typical parts incorporated in press dies, these parts are used to make holes in metal plates and transfer shapes. Our company name comes from this punch.



Core product

Holder guide posts

These parts are used to maintain the correct relationship between the upper and lower molds.



Punch Group Strengths and Network

Extensive lineup of versatile catalog products and special order products to meet custom needs supporting manufacturing across the world

Strengths of the Punch Group

Providing high customer satisfaction

Catalog products

Extensive lineup of highly versatile standard products



Timely, precise solutions

Special order products

Capable of responding flexibly to custom needs



A one-stop production system
with 2,000 units of equipment and wide ranging support

A customer-oriented business structure
meticulous, responsive and capable

High technical capabilities

Expertise cultivated since the Company's founding, and untiring research and development

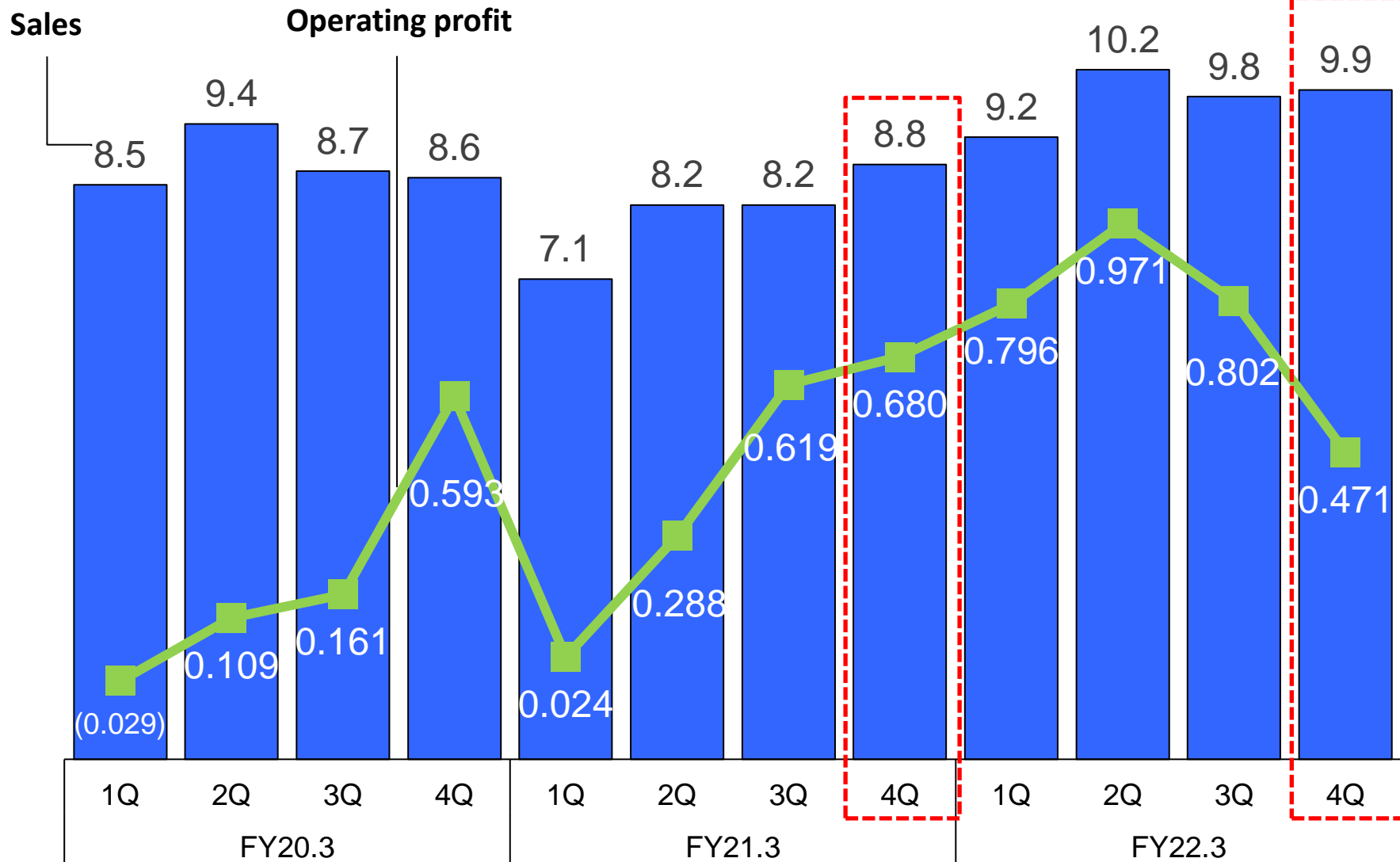
Punch Group Network

● Group companies ■ Sales offices



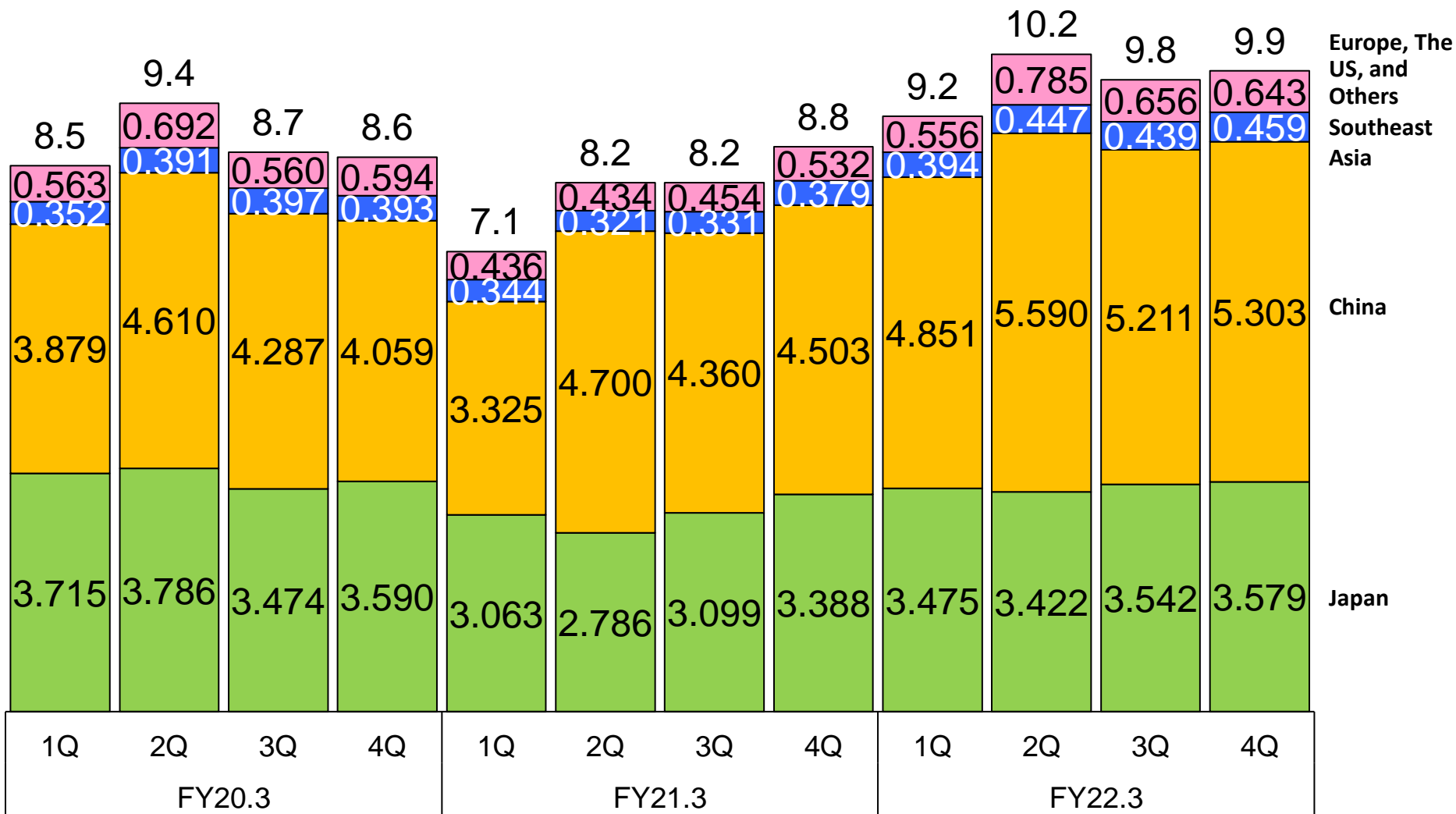
Sales and Operating Profit

(Unit: Billions of yen)



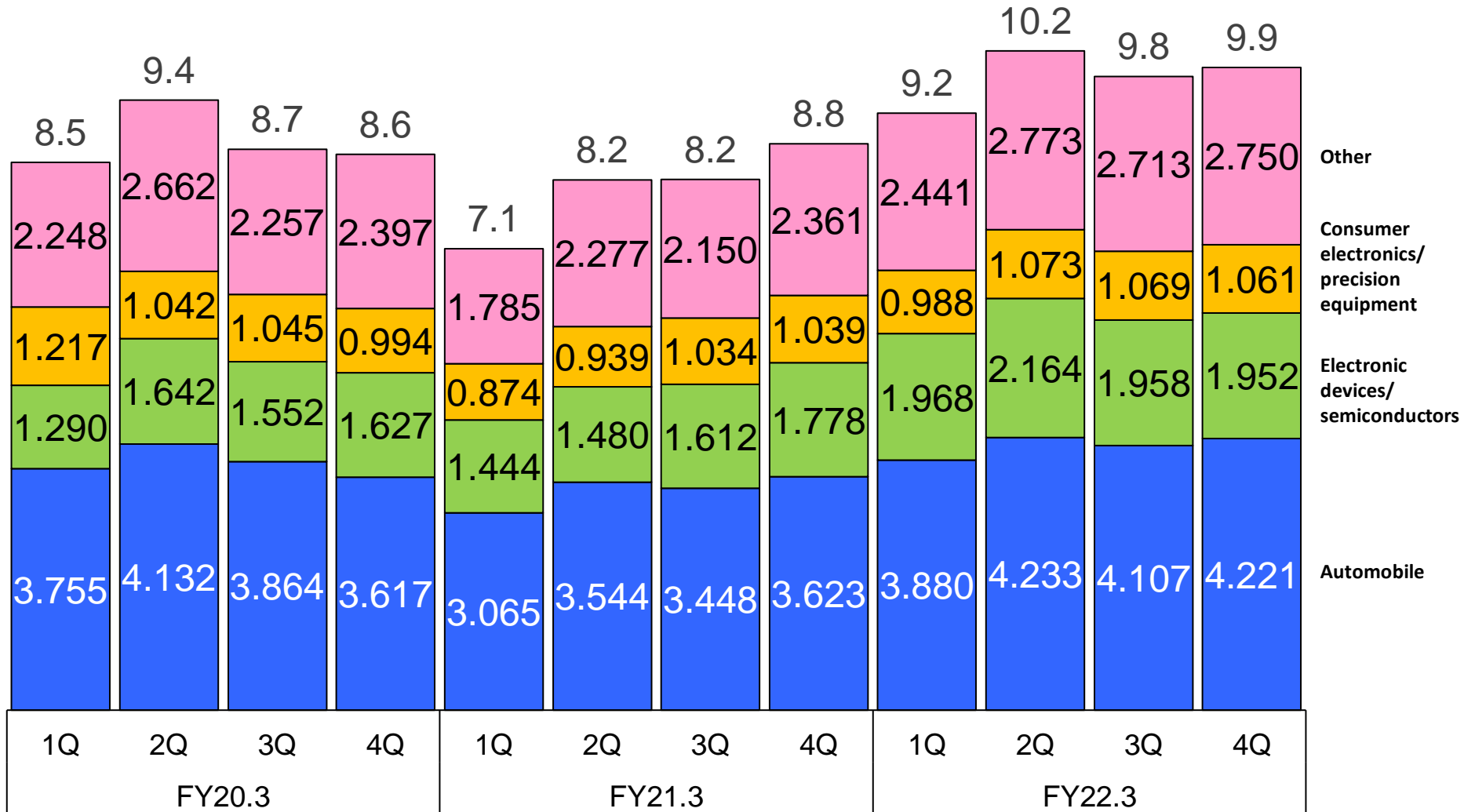
Sales by Region

(Unit: Billions of yen)



Sales by Industry

(Unit: Billions of yen)



Toward Increasing the Market Capitalization of Tradable Shares

Through increases in the share price and market capitalization, measures to enhance corporate value, we aim to achieve and further increase market capitalization of tradable shares of 10 bn JPY, which is the standard for maintaining a Prime Market listing

Challenges to increasing the market capitalization of tradable shares

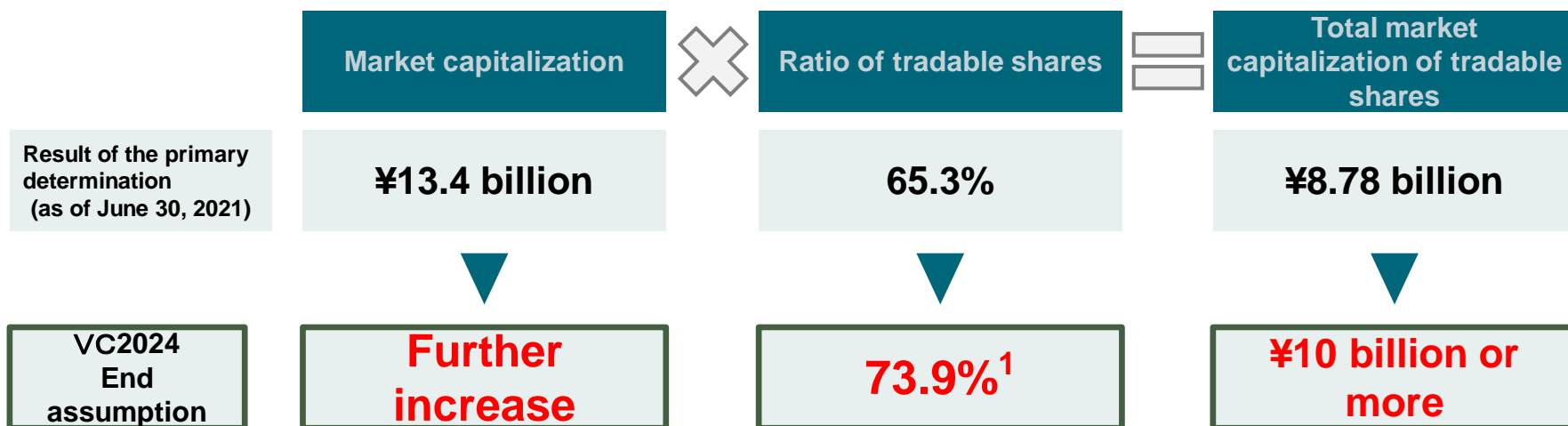
Increase in share price through measures to enhance corporate value

Strengthen “earning power” through ROIC management
Optimal balance between growth investments and stable dividends

Basic policy for addressing the challenges

Implement capital investment for growth

Improving business performance and changing work styles through DX promotion
Sustained development of new technologies and products



1. Assuming that 2,500,000 new shares were issued through the issuance of the 4th series of share acquisition rights with an exercise price amendment clause by way of third-party allotment and that all of them were tradable shares





Contact for IR related inquiries: IR & PR Division, Corporate Strategy Planning Office, PUNCH INDUSTRY CO., LTD.
Phone: +81-3-5753-3130 E-mail: info-corp@punch.co.jp

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Its forward-looking statements are based on targets and forecasts and do not constitute commitments or guarantees. Please also be aware that the company's results going forward may differ from our current predictions.

In addition, statements regarding industries are made based on a variety of data that are assumed to be reliable, but we do not guarantee their accuracy or completeness.

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