

# **Financial Briefing (Fiscal year ended March 31, 2025)**

May 13, 2025



**PUNCH INDUSTRY CO., LTD.**

(Security Code: 6165 TSE Standard)



**PUNCH INDUSTRY CO., LTD.**

# Financial Highlights for the Fiscal Year Ended March 31, 2025

The Japanese market was in a slump, but there were signs of recovery in China, leading to increased revenue and profits.

Net sales	Consolidated	Consolidated net sales increased to 106.5% year on year, up ¥2.4 billion to ¥40.8 billion.
	Japan	Decreased to 93.4% year on year to ¥11.6 billion. The medical-related sector performed well, but the decline in the electronic devices and semi-conductors sectors, in particular, had a significant impact.
	China	Increased to 114.4% year on year to ¥23.3 billion. Increased revenue due mainly to recovery in the automotive industry.
	Southeast Asia	Increased to 102.6% year on year to ¥1.9 billion. India, Vietnam, and Malaysia performed well, but Singapore was weak.
	Europe, the US, and Others	Increased to 108.8% year on year to ¥3.8 billion. Europe and other regions performed well, while the Americas remained steady.
Profit		Operating profit was ¥1,685 million, or 135.9% of the previous fiscal year's level. Ordinary profit was ¥1,613 million, or 113.5% of the previous fiscal year's level. Profit attributable to owners of parent was ¥868 million (compared to loss attributable to owners of parent of ¥577 million in the previous fiscal year).
Net cash		Increased by ¥1,083 million from the beginning of the fiscal year under review due mainly to the recording of profit.



# Income Statement Summary

(Unit: Millions of yen)

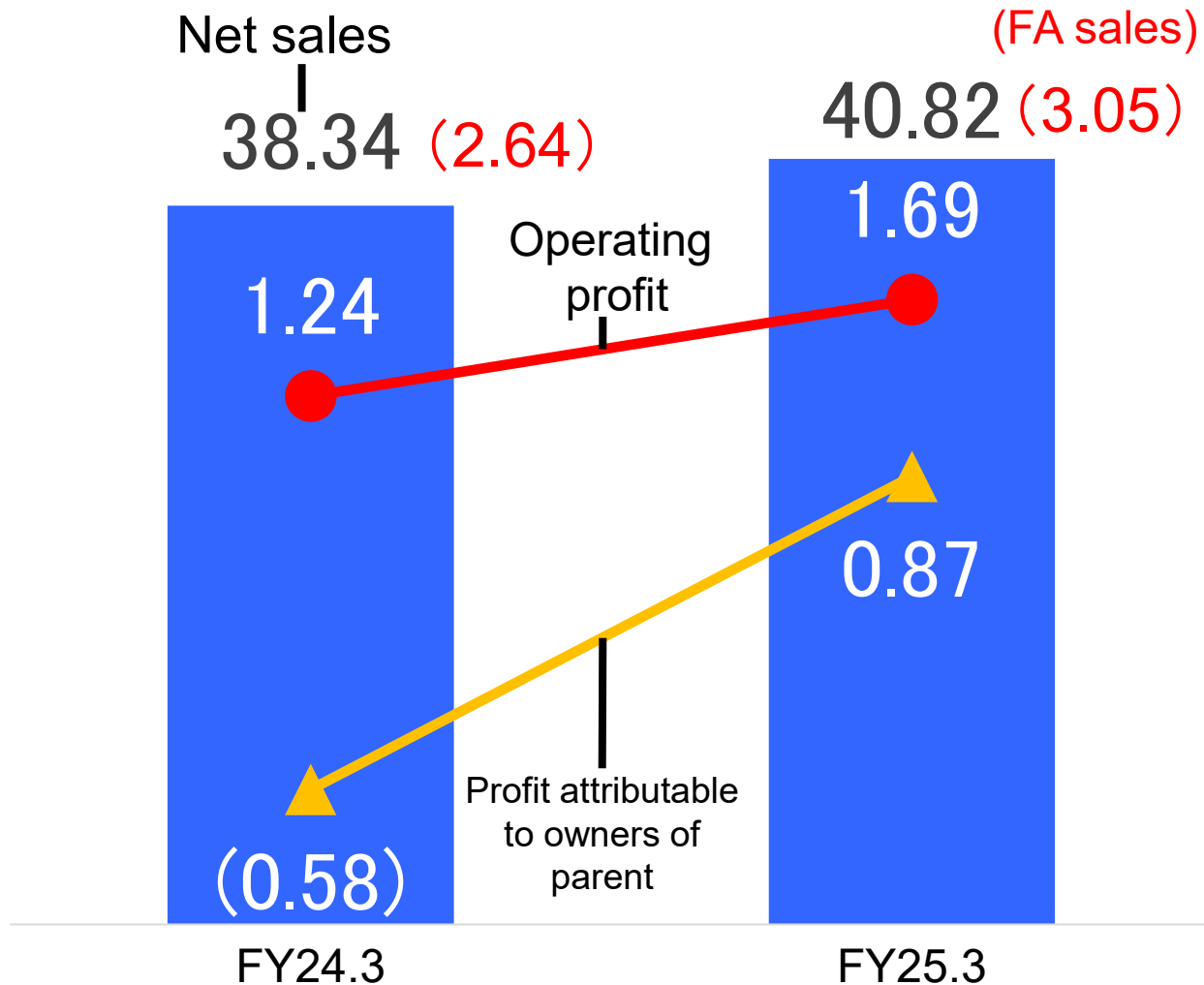
		FY24.3		FY25.3	Year-on-year difference	FY25.3 / FY24.3 (%)
<b>Net sales</b>		38,344		40,822	2,477	106.5%
<b>Operating profit</b>	3.2%	1,240	4.1%	1,685	444	135.9%
<b>Ordinary profit</b>	3.7%	1,421	4.0%	1,613	191	113.5%
<b>Profit (loss) attributable to owners of parent</b>	-	(577)	2.1%	868	1,445	-

[Actual Exchange Rate] 1 RMB = 21.03 JPY / 1 USD = 151.44 JPY



# Net Sales and Profit

(Unit: Billions of yen)



[Year-on-year comparison]

Net sales increased by ¥2,477 million

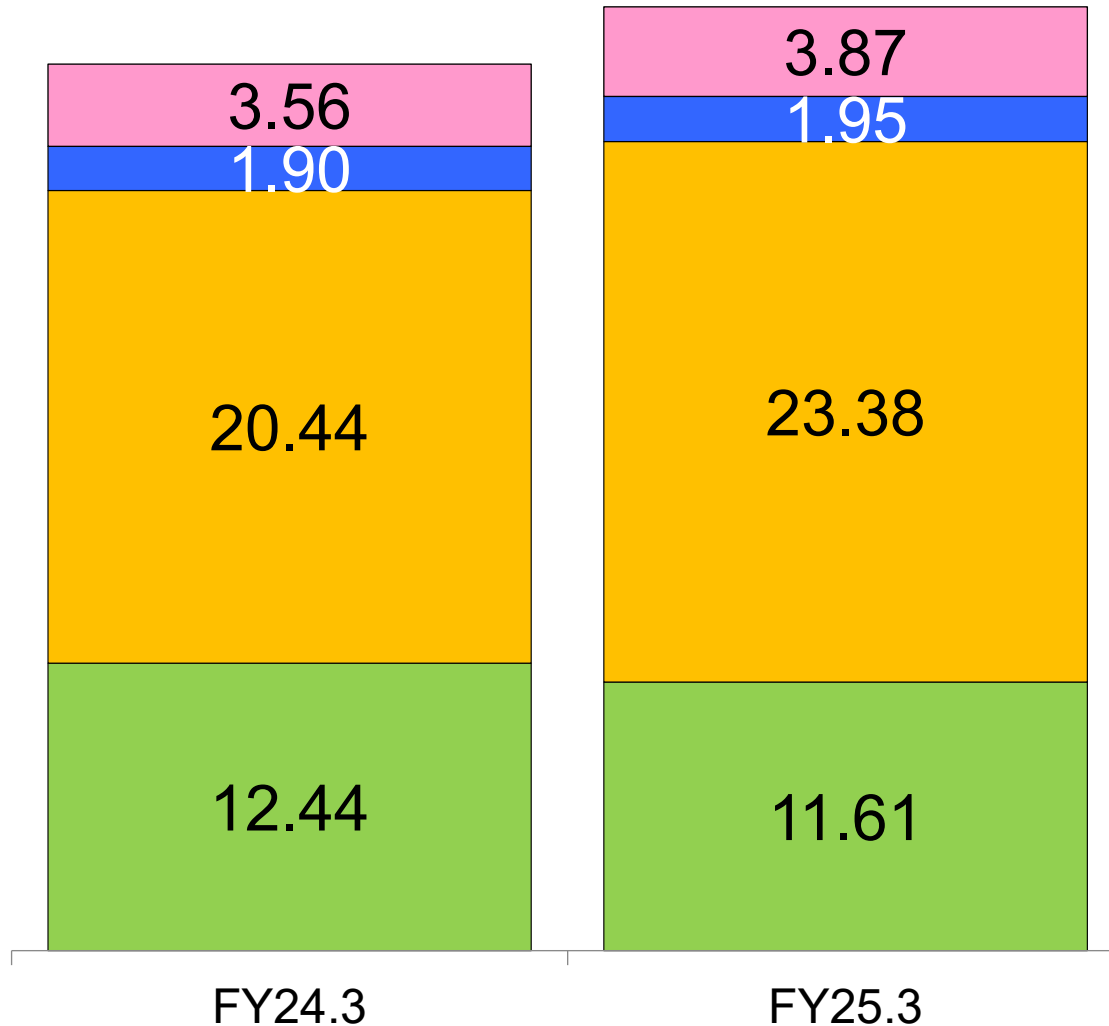
Operating profit increased by ¥444 million

Net profit\* increased by ¥1,445 million

\*Profit attributable to owners of parent

# Net Sales by Region

(Unit: Billions of yen)

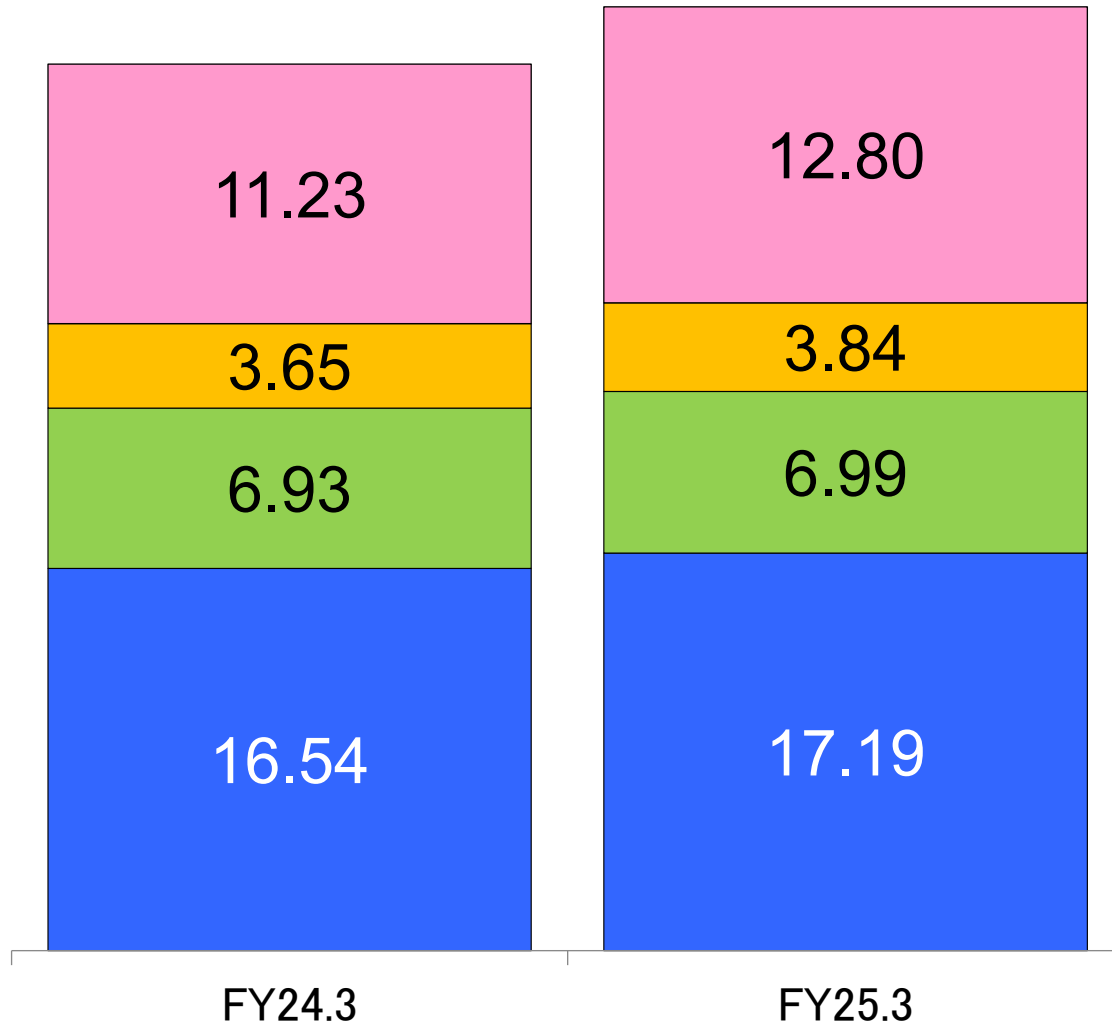


Signs of recovery in China's automotive industry.  
Strong performance in Europe, the US, and other regions.

Europe, the US, and Others	Europe and other regions performed well. The US remained steady.
Southeast Asia	India, Vietnam, and Malaysia performed well.
China	Signs of recovery in China's automotive industry.
Japan	Continuing on from Q3, only medical-related sector remained strong.

# Net Sales by Industry

(Unit: Billions of yen)

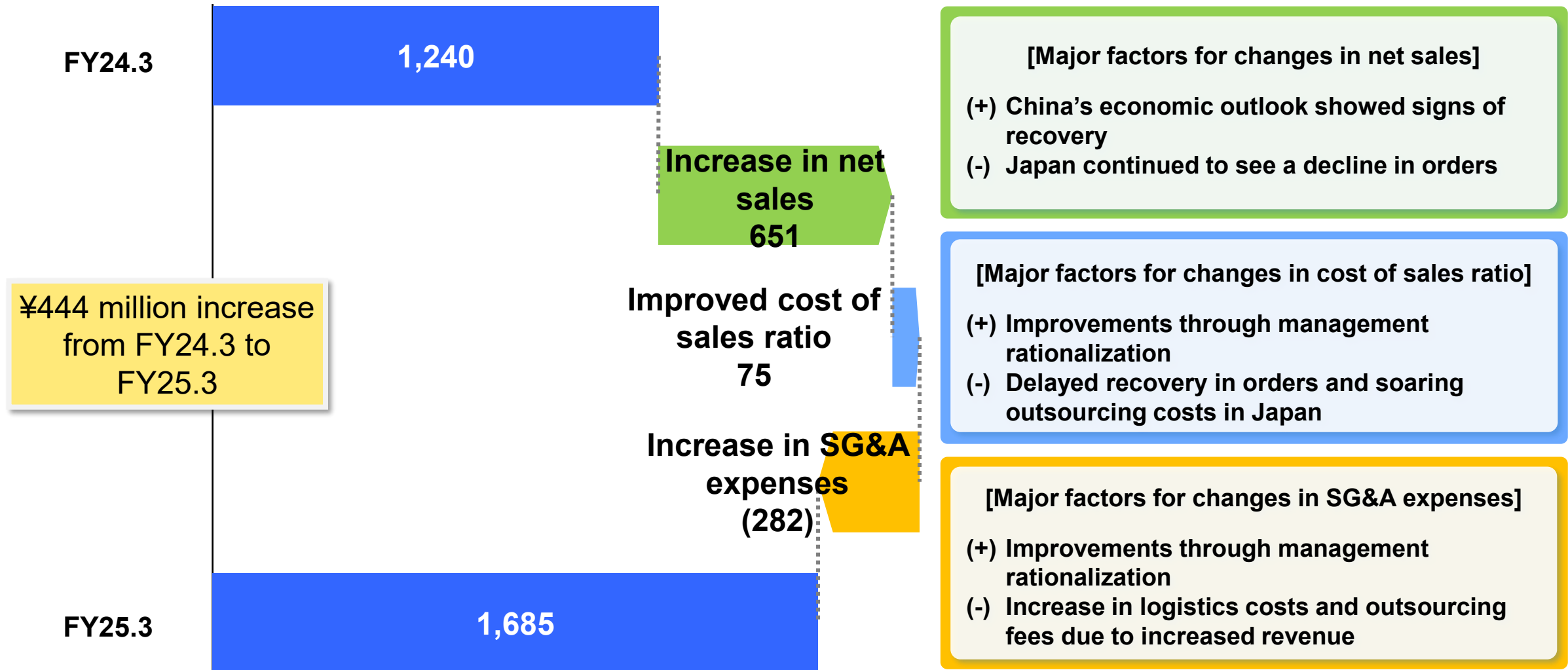


The automotive sector was significantly impacted by increased revenue in China.  
Other sectors, such as food and medical, remained steady.

Other	Food and medical-related sectors remained strong.
Consumer electronics/ precision equipment	Sluggish market.
Electronic devices/ semi-conductors	Stagnation in the smartphone market. Signs of a slight recovery.
Automobile	Japanese market continued to be in a slump, but China showed signs of recovery.

# Operating Profit Changes

(Unit: Millions of yen)



# Balance Sheet Summary

(Unit: Millions of yen)

	Mar. 31, 2024	Mar. 31, 2025	Year-on-year changes
Total assets	29,649	32,970	3,320
Total liabilities	10,899	10,931	32
Interest-bearing debt	3,721	3,101	(461)
Net assets	18,750	22,038	3,287
Net cash	2,310	3,393	1,083
Equity ratio	63.1%	66.7%	3.6 pt
Return on equity (ROE)	-	5.4%	-
Return on invested capital (ROIC)	3.9%	6.0%	2.1 pt
Capital expenditure (including intangible assets)	915	1,058	142
Depreciation and amortization (including intangible assets)	1,166	1,177	11





# Cash Flows Summary

(Unit: Millions of yen)

	FY24.3	FY25.3
Cash flows from operating activities	1,276	2,271
Cash flows from investing activities	(680)	(2,415)
Free cash flow	596	(143)
Cash flows from financing activities	(2)	181
Changes in cash and cash equivalents (including translation adjustments)	791	446
Cash and cash equivalents at end of period	6,003	6,450



# FY26.3 Results and Dividend Forecasts

(Unit: Millions of yen)

	FY25.3 results		FY26.3		
			Full-year earnings forecasts	Year-on-year difference	FY26.3 forecasts / FY25.3 results (%)
Net sales		40,822	39,880	(942)	97.7%
Operating profit	4.1%	1,685	2.9% 1,150	(535)	68.2%
Ordinary profit	4.0%	1,613	2.8% 1,130	(483)	70.0%
Profit attributable to owners of parent	2.1%	868	0.5% 180	(688)	20.7%
Return on equity (ROE)		5.4%	1.1%	(4.3 pt)	
Return on invested capital (ROIC)		6.0%	4.0%	(2.0 pt)	

## FY26.3 Dividend Forecasts

Interim dividend of ¥9.06 per share + year-end dividend of ¥9.06 per share = ¥18.12 per share (planned)

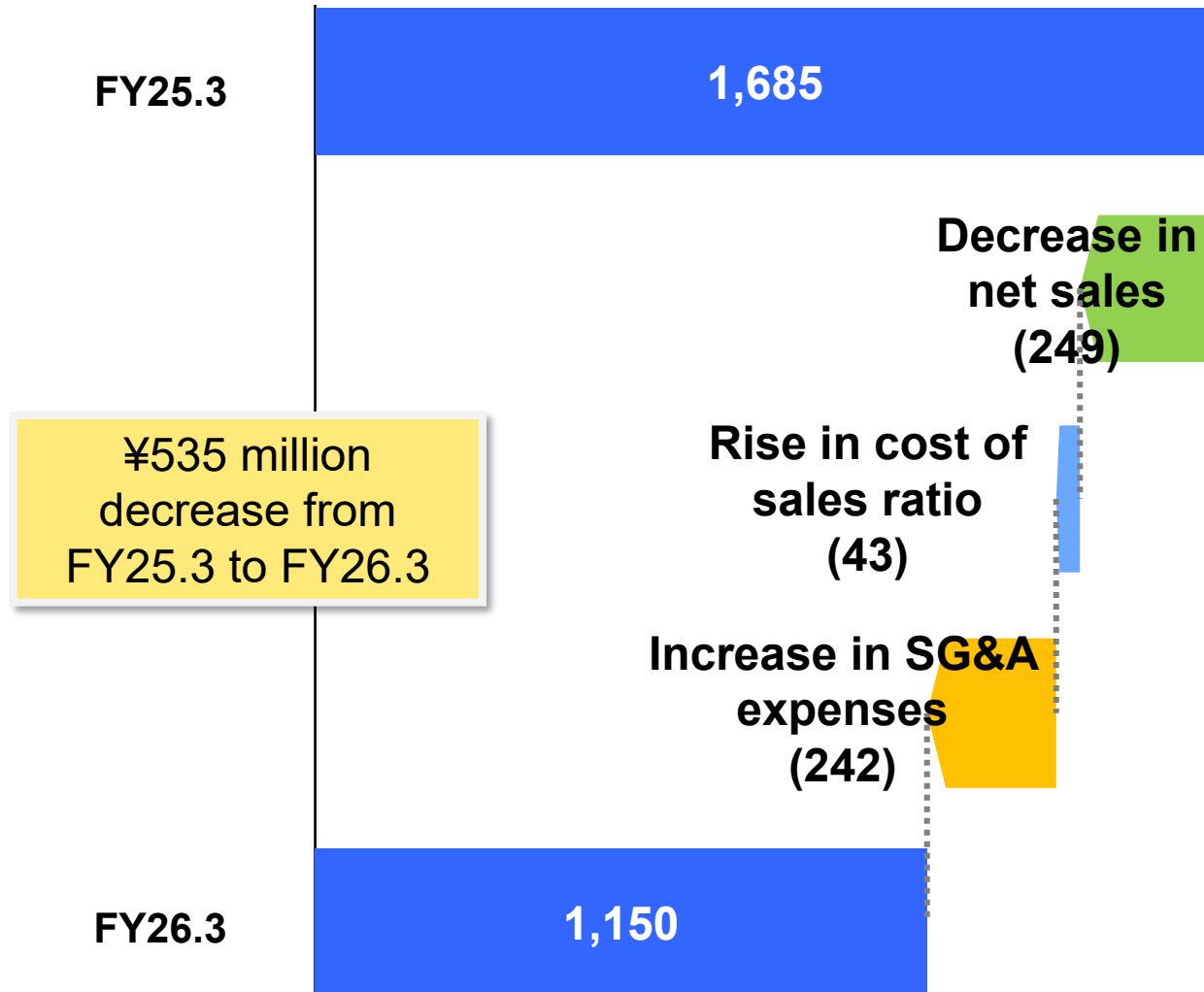
[Exchange Rate] 1 RMB = 19.50 JPY / 1 USD = 142.00 JPY

[Total Investment] Capital expenditure: ¥1.4 billion / Depreciation: ¥1.1 billion



# Operating Profit Changes (Earnings Forecast for FY26.3)

(Unit: Millions of yen)



## [Major factors for changes in net sales]

- (+) Overseas economies are showing signs of recovery
- (-) Despite Japan's recovery continuing to lag behind, China is expected to see increased revenue in local currency terms but a decline in yen terms, amid an expected economic downturn due to the impact of U.S. trade policies

## [Major factors for changes in cost of sales ratio]

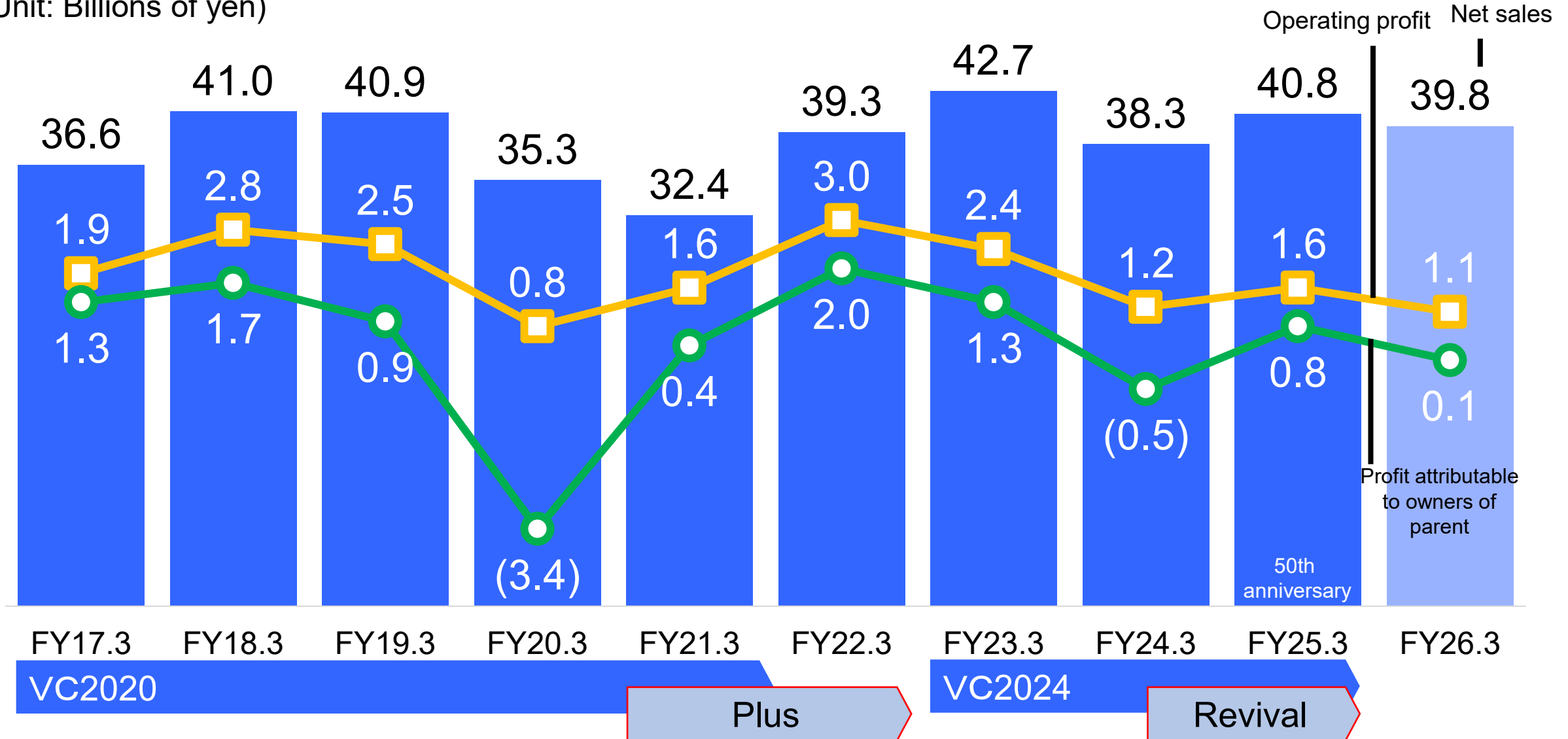
- (+) Price revision in Japan
- (-) Japan: Delayed recovery in orders and soaring outsourcing costs  
China: Higher cost of sales ratio due to continued price competition

## [Major factors for changes in SG&A expenses]

- (+) In China, labor costs are expected to be curtailed through increased efficiency
- (-) In Japan, expenses are expected to increase due to higher travel and transportation expenses associated with greater sales activity, upfront costs from an increase in sales personnel, and a rise in outsourcing fees

# Management Figures

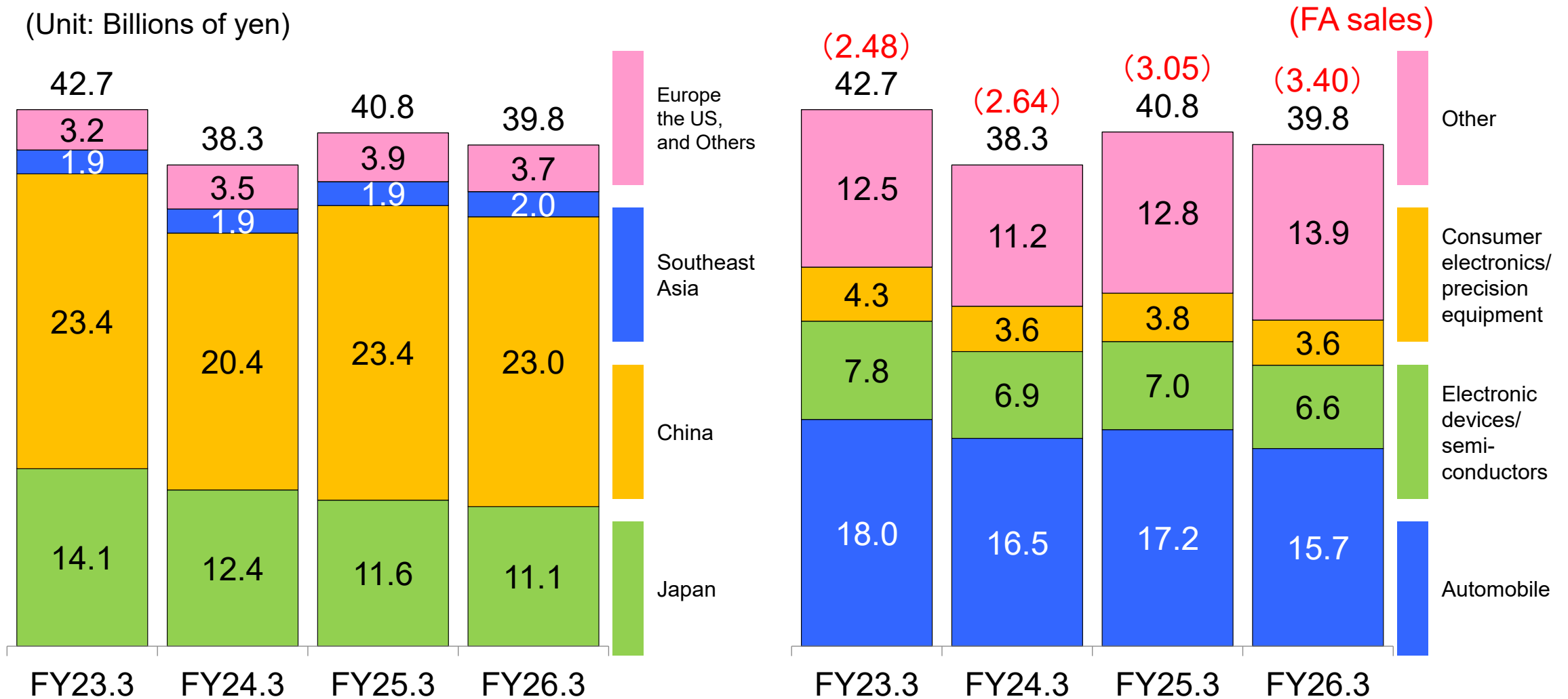
(Unit: Billions of yen)



# Net Sales (incl. FA) by Region and Industry

Japan continues to suffer from a slump in orders due to a shortage of sales personnel. Overseas, despite signs of economic recovery, the consolidated revenue is expected to decline due partly to the impact of exchange rates.

(Unit: Billions of yen)



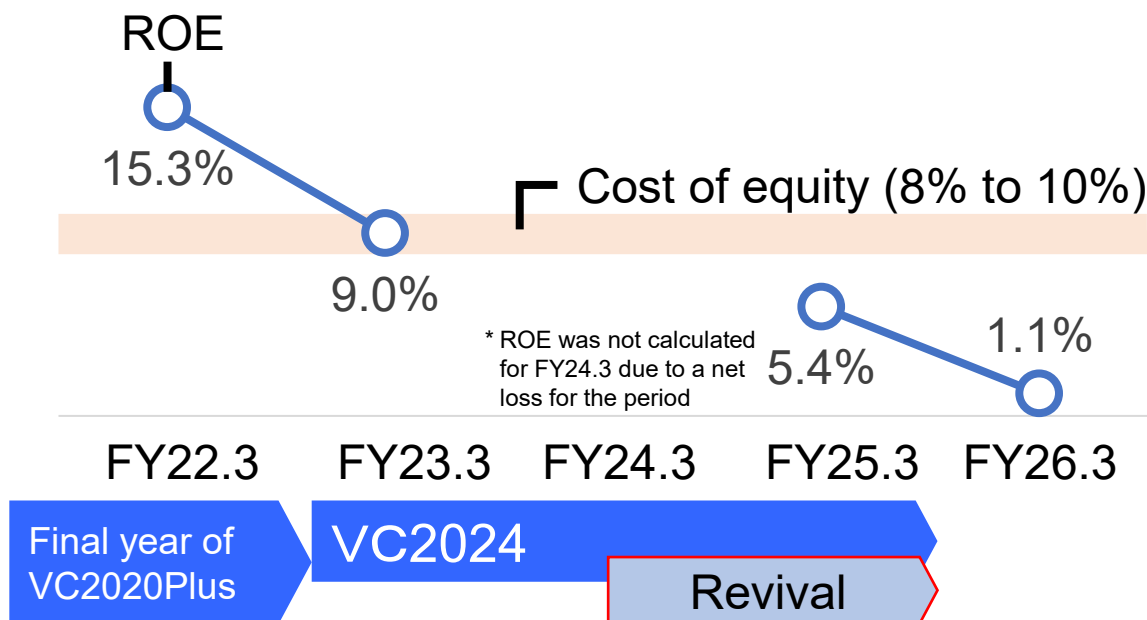
# Management with an Awareness of Capital Cost and Share Price

## (Current Situation Analysis)

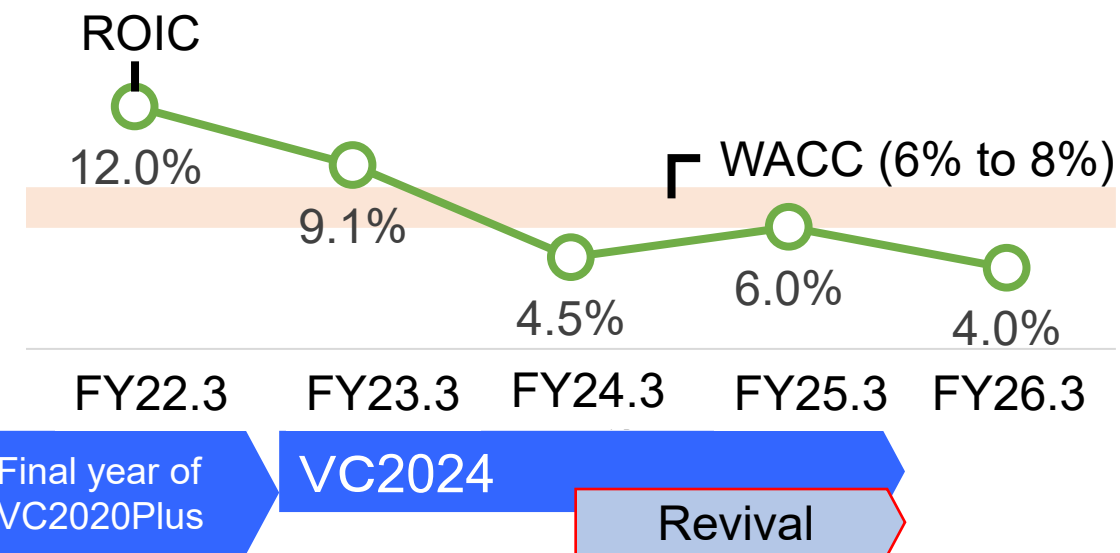
ROE and ROIC fell below targets, and improvements are needed in both capital profitability and stock market valuation

- The most recent PBR (price-to-book ratio) has remained below 1.0, at around 0.6.
- ROE (return on equity) is below the cost of equity, while ROIC (return on invested capital) is below WACC (weighted average cost of capital).
- Efforts are needed to improve both capital profitability and stock market valuation.
- Key challenges include improving ROE and ROIC by increasing operating profit and asset turnover ratio, as well as fostering growth expectations for the Company in the stock market.

\* We calculate the cost of equity and WACC based on the CAPM and then confirm them with the advice of external experts.



[Calculation formula] ROE = Profit ÷ Average shareholders' equity at beginning and end of the period

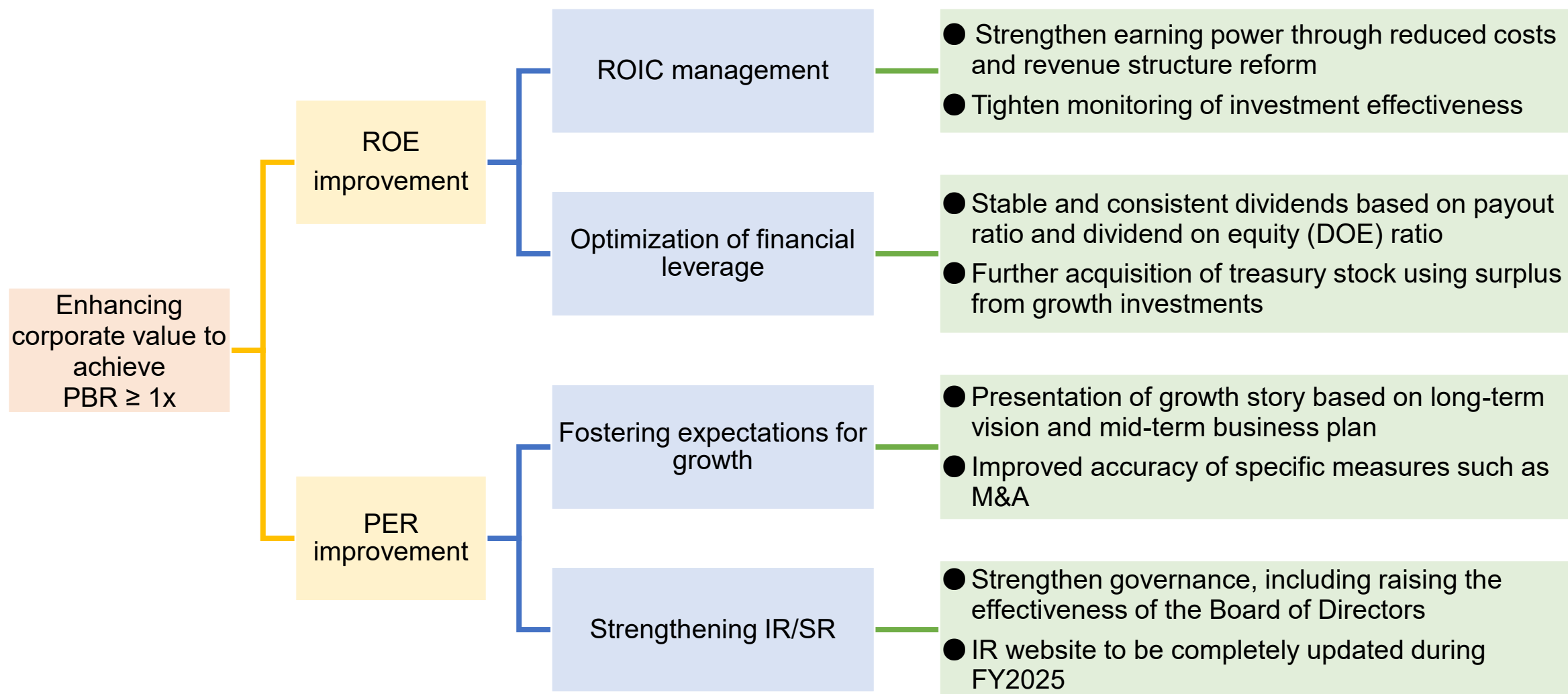


[Calculation formula] ROIC = NOPAT (net operating profit after tax) ÷ Average of (interest-bearing debt and shareholders' equity) at beginning and end of the period



# Management with an Awareness of Capital Cost and Share Price (Initiatives)

## Continuing to focus on ROIC management and enhancing corporate value



# Capital Allocation Approach

Aim to improve capital profitability and corporate value  
by optimizing balance sheets and cash flow allocation

## Basic Policy on Capital Allocation

Basic Policy: Strive to maximize corporate value over the medium to long term through appropriate capital allocation.

- (1) We will prioritize the allocation of funds to investments that contribute to enhancing corporate value, such as capital expenditures, M&A, research and development, human capital, and sustainability initiatives.
- (2) We will pay stable and consistent dividends in accordance with our shareholder return policy.  
Any surplus funds remaining after necessary investments and profit distribution will be returned to shareholders through flexible measures such as the acquisition of treasury stock.
- (3) As sources of funds for (1) and (2), we will strive to continuously generate operating cash flow by increasing our business value, and raise funds through the use of interest-bearing debt and other means as required.
- (4) In raising funds and returning profits to shareholders, we will ensure adequate on-hand liquidity while striving to maintain an optimal capital structure and financial soundness.

(Reference) Shareholder Return Policy

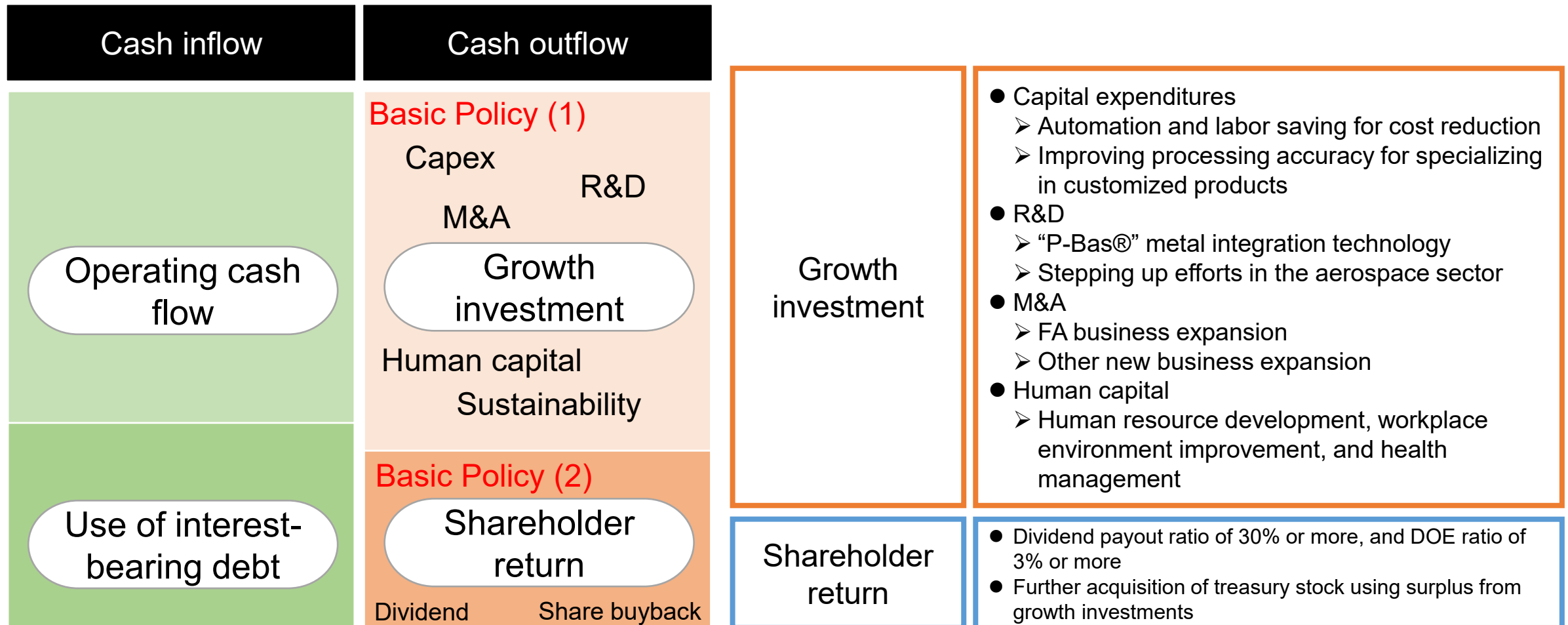
- (1) We will determine dividends based on the principle of stable, consistent, and performance-linked profit distribution, using a consolidated payout ratio of 30% or more and a dividend on equity (DOE) ratio of 3% or more as target indicators, while taking a comprehensive view of the Company's financial condition, funding needs, and other relevant factors.
- (2) We will purchase treasury stock flexibly as necessary, taking into consideration trends in our financial condition and the market environment such as stock prices.





# Capital Allocation Concept

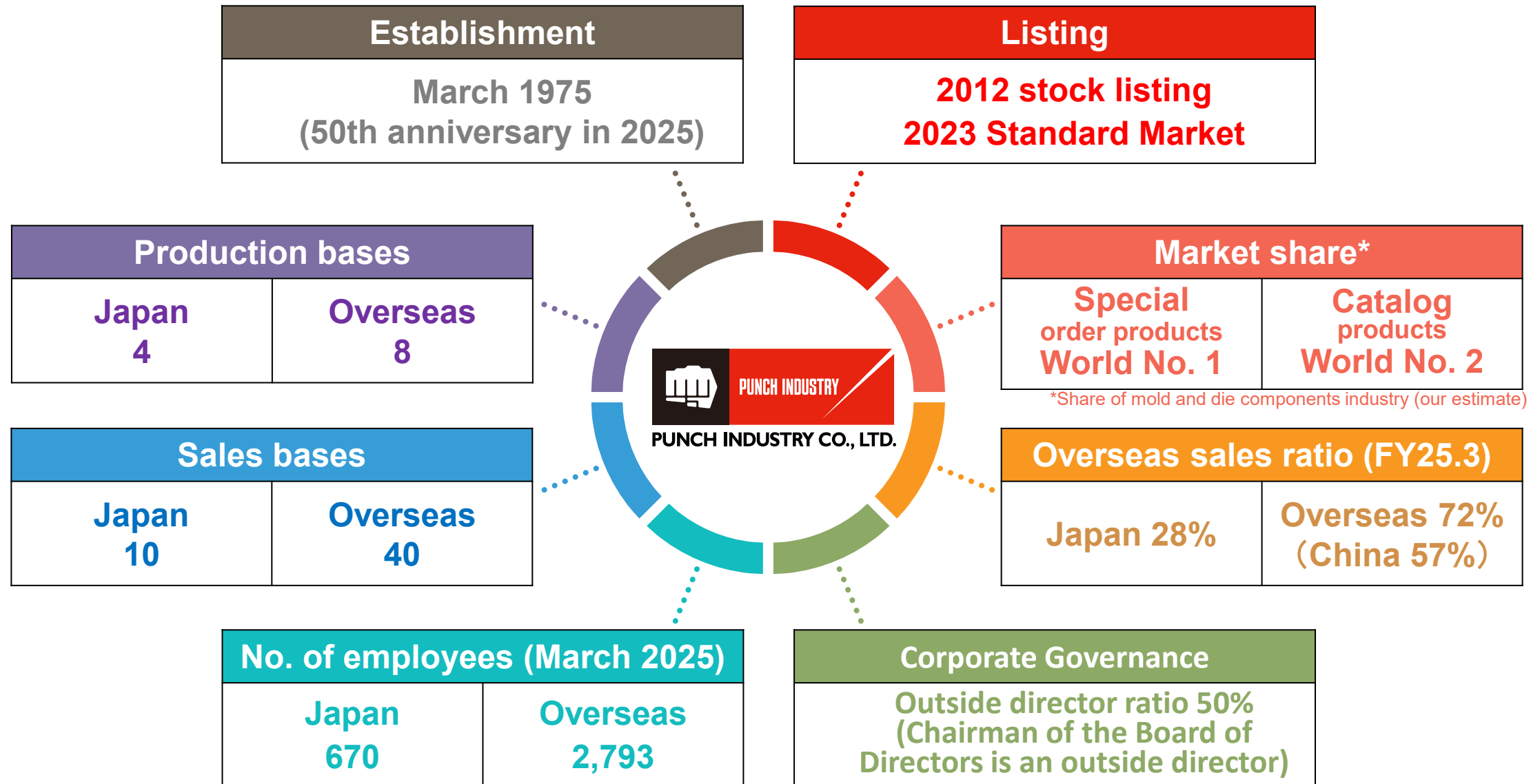
Ensuring financial soundness and prioritizing growth investment while focusing on shareholder returns



# Reference Materials



# Punch Group at a Glance



# Management Structure

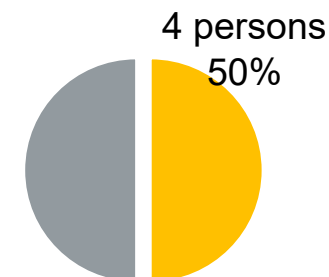
## Profile of President and Representative Director

Name and date of birth	Career	
 <p><b>Tetsuji Morikubo</b> (January 22, 1977)</p>	May 2003	Joined the Company
	Feb. 2005	PUNCH INDUSTRY (DALIAN) Co.Ltd.
	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)

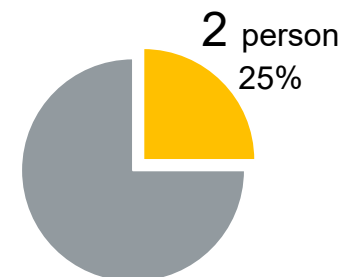
## Board of Directors

<b>Directors</b>	Representative Director, President and Chief Executive Officer Chief Executive Officer (CEO)	Tetsuji Morikubo
	Director and Senior Executive Officer Chief Financial Officer (CFO)	Takao Murata
	Director and Senior Executive Officer Chief Operating Officer (COO)	Akira Takanashi
	Outside Director	Naruhiko Takatsuji
	Outside Director <b>Chairman of the Board</b>	Mariko Osato
<b>Directors (Audit &amp; Supervisory Board Member)</b>	Director (Audit & Supervisory Board Member)	Minoru Kawano
	Outside Director (Audit & Supervisory Board Member)	Tomoo Suzuki
	Outside Director (Audit & Supervisory Board Member)	Chie Tabata

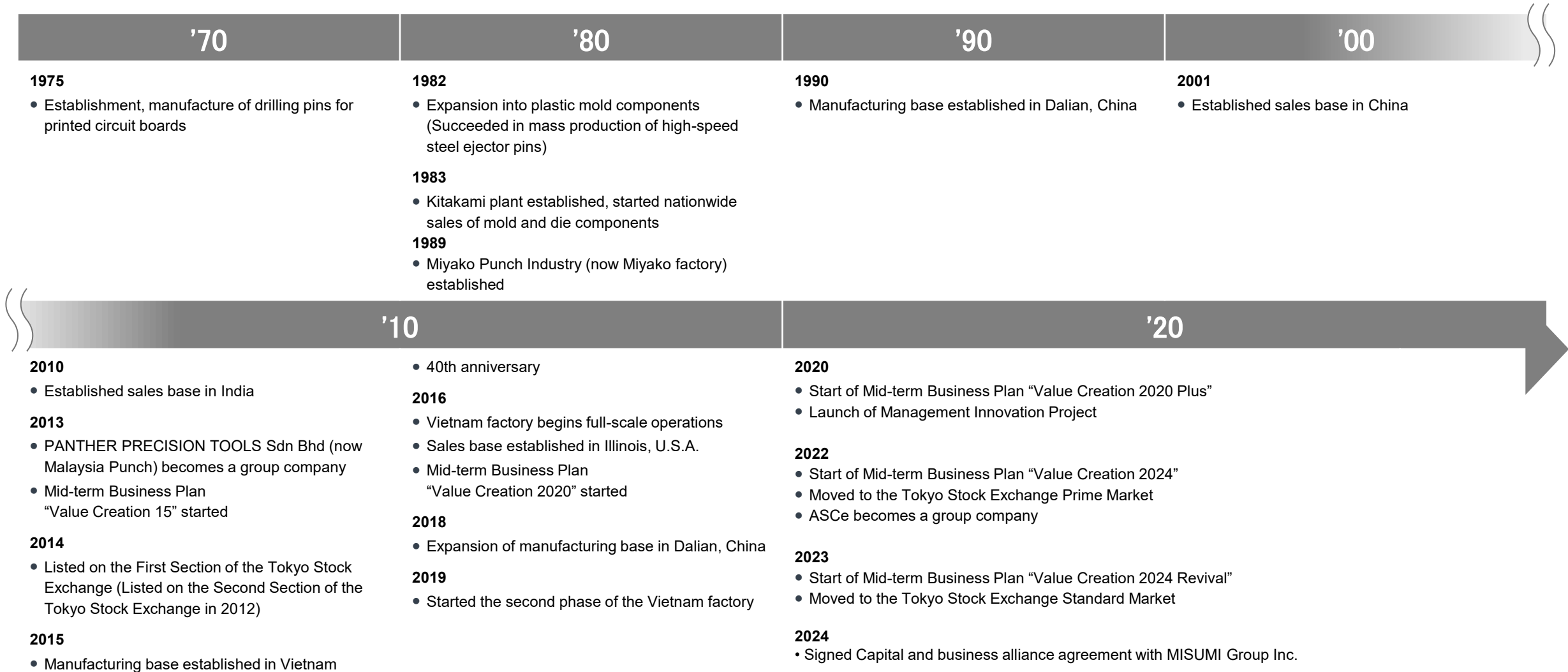
Ratio of Outside Directors



Ratio of Female Directors

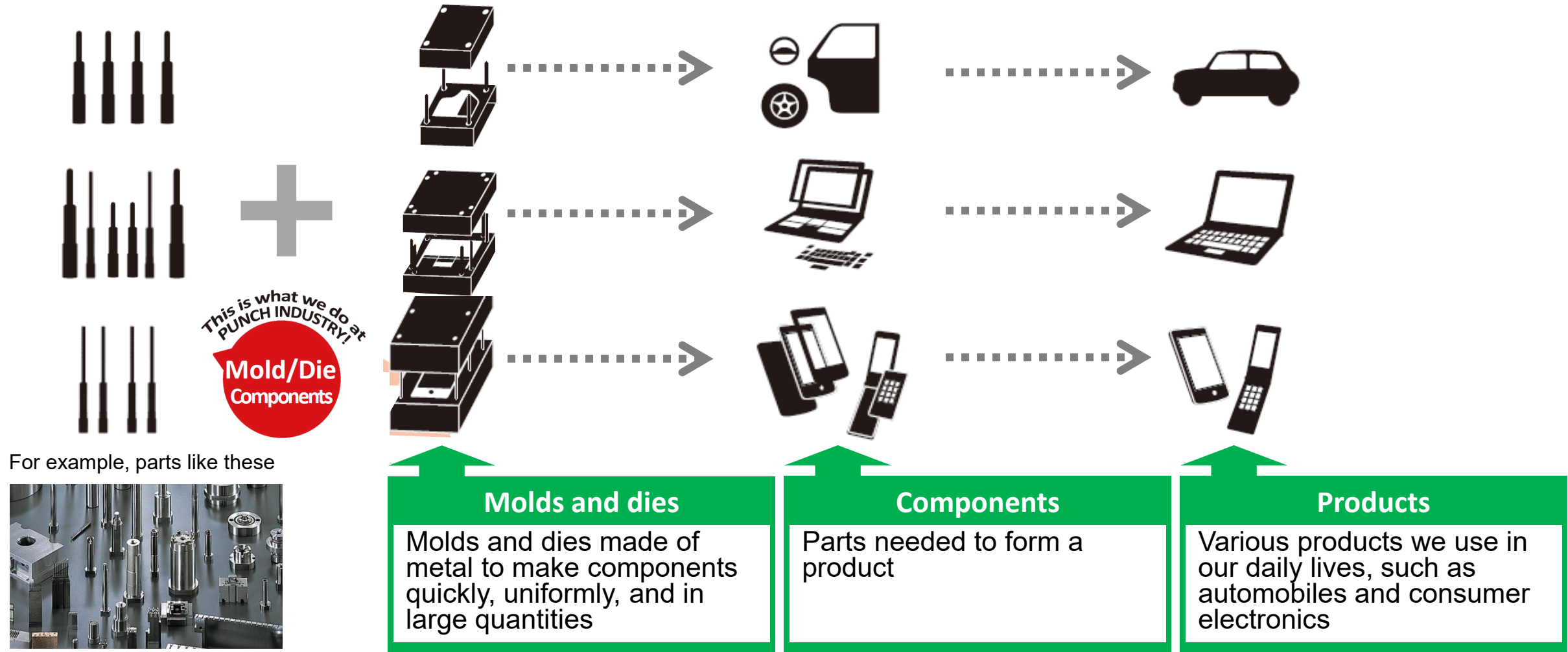


# Punch Group History



# Description of the Business

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



# Punch Group's Core Products

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

## Plastic mold 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.



### 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 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

Japan ▪ China

Special order products Market share: No.1 ※our estimate

### Catalog products

Extensive lineup of highly versatile standard products



Timely, precise solutions

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

**A customer-oriented business structure**  
meticulous, responsive and capable

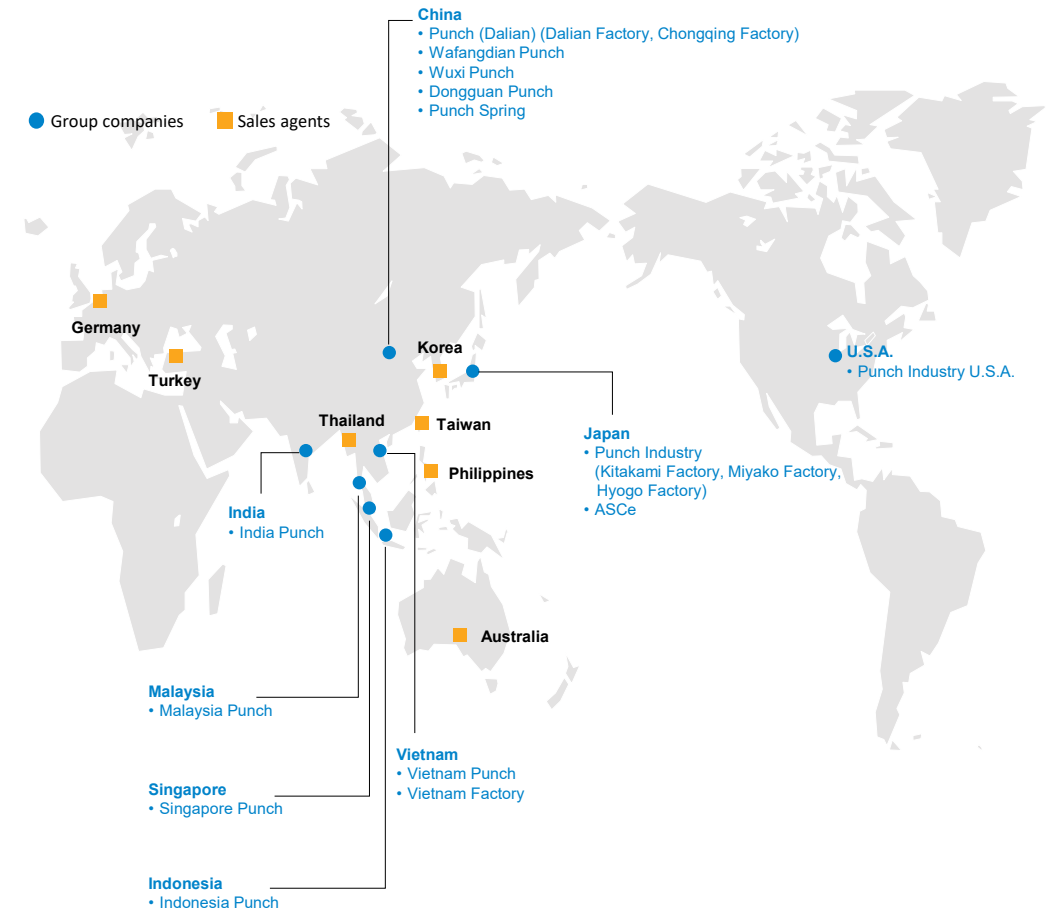
### Special order products

Capable of responding flexibly to custom needs



**High technical capabilities**  
Expertise cultivated since the Company's founding, and untiring research and development

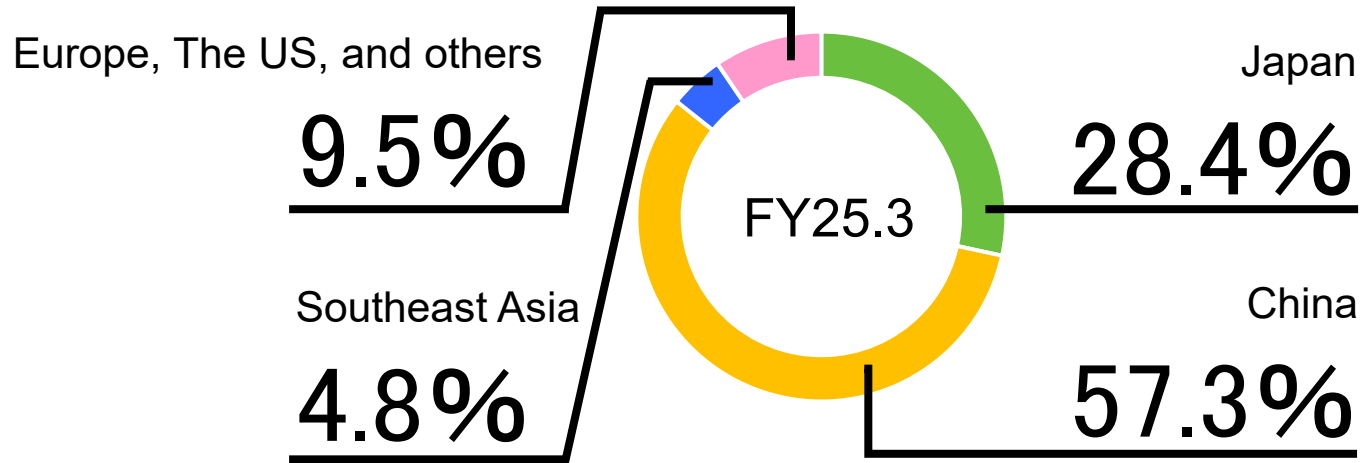
## Punch Group Network



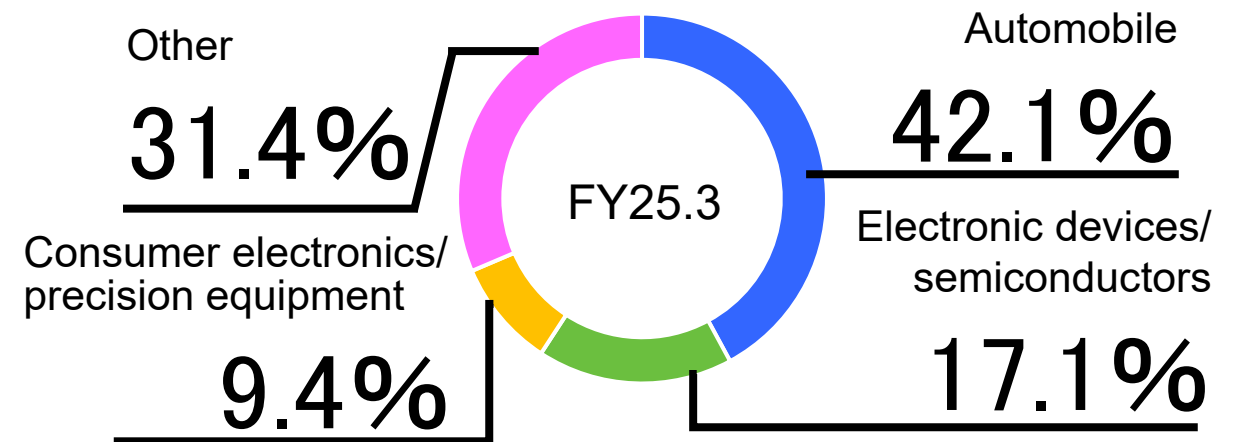


# Composition of Sales by Region and by Industry

## Composition of Sales by Region



## Composition of Sales by Industry



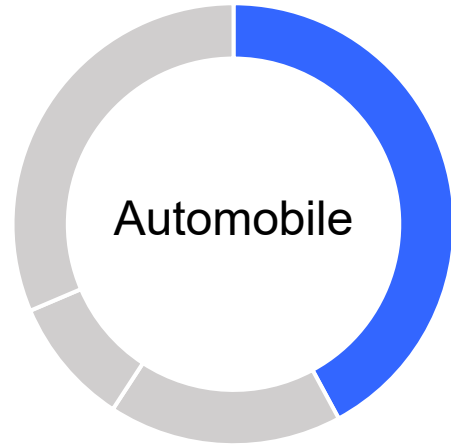
# Major Customers by Industry

**Main rivals in Japan:**

**Major general machinery trading companies, local manufacturers of molds and dies, etc.**

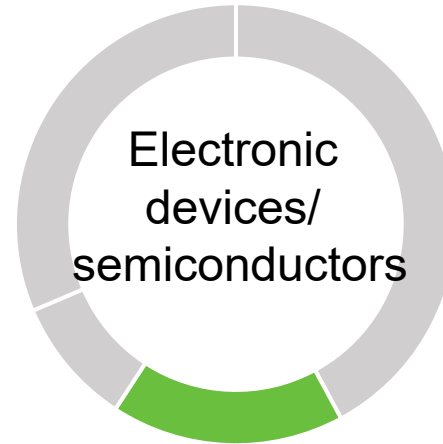
**Main rivals in China: Chinese machinery trading companies, Chinese machinery manufacturers, etc.**

## Major Customers



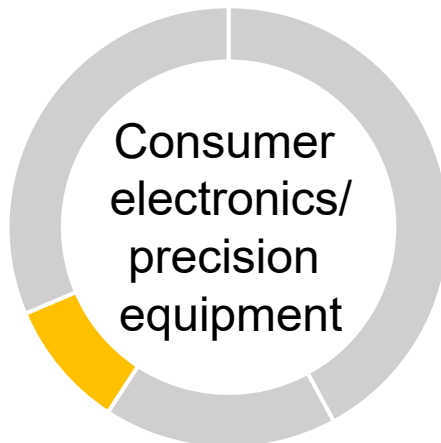
Automotive  
manufacturers and  
Tier 1, 2  
Manufacturers of  
molds and dies

## Major Customers



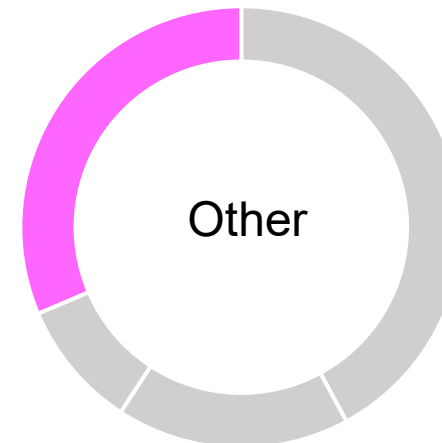
Electronic device manufacturers  
Semiconductor equipment  
manufacturers  
Manufacturers of molds and dies

## Major Customers



Consumer  
electronics  
manufacturers  
Manufacturers of  
molds and dies

## Major Customers



Stationery manufacturers  
Toy manufacturers  
Medical manufacturers  
Beverage container manufacturers  
Global trading companies  
Manufacturers of molds and dies



# Image of end users (e.g. Automotive)

Many end users are manufacturers of molds and dies

Automotive manufacturers



Manufacturers of bodies, exteriors, seats, connectors, etc.



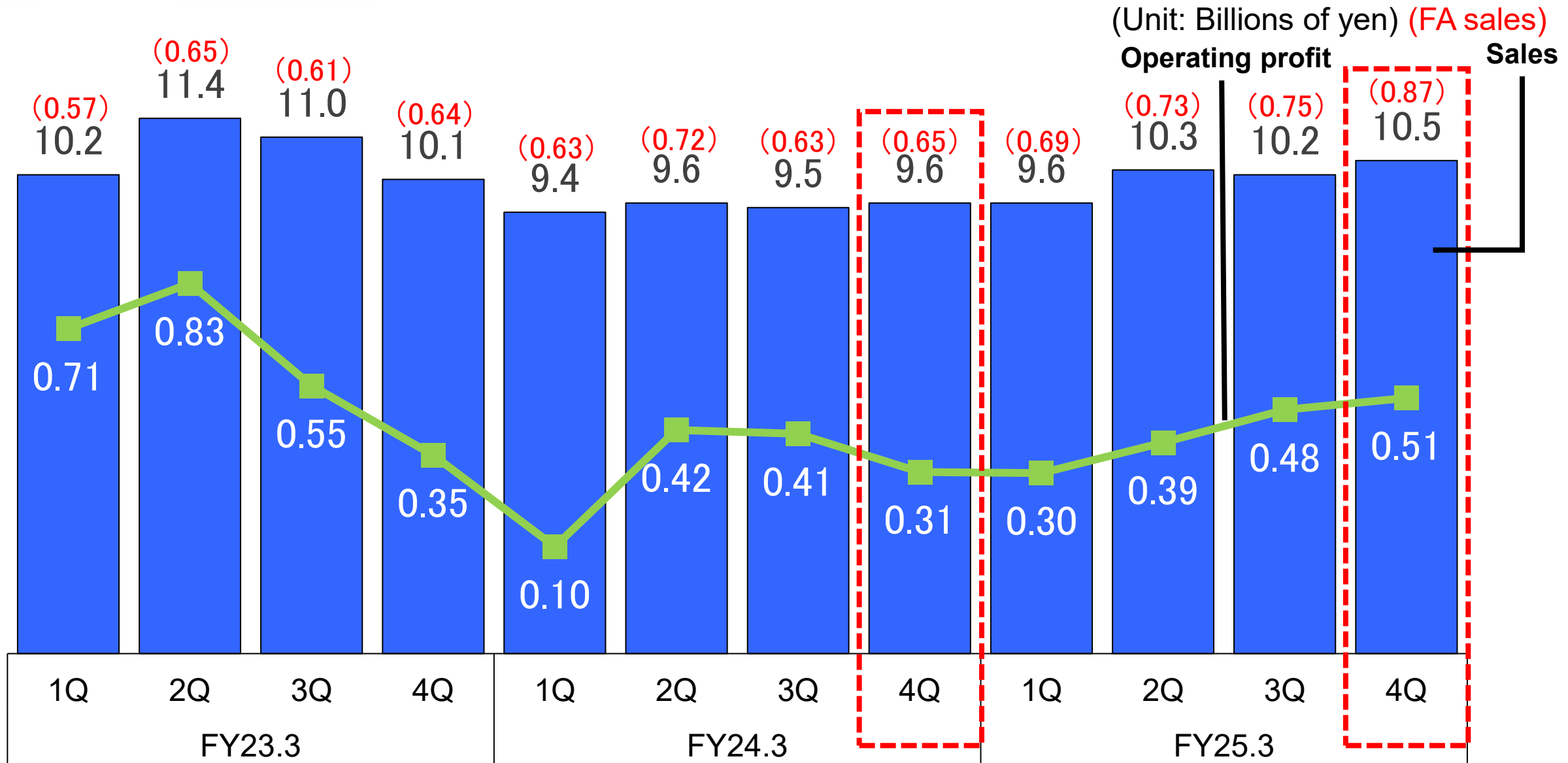
Manufacturers of molds and dies



Punch Group

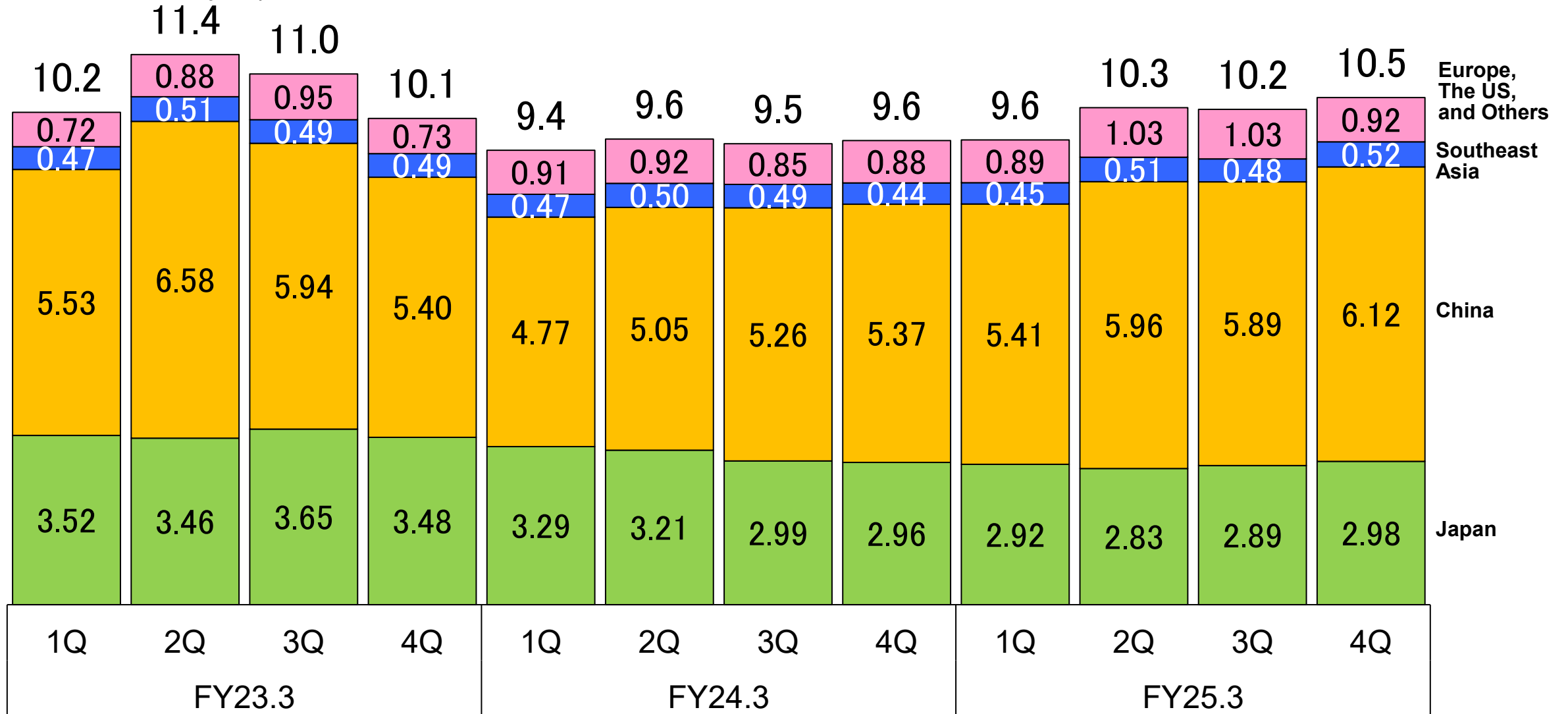


# Sales and Operating Profit



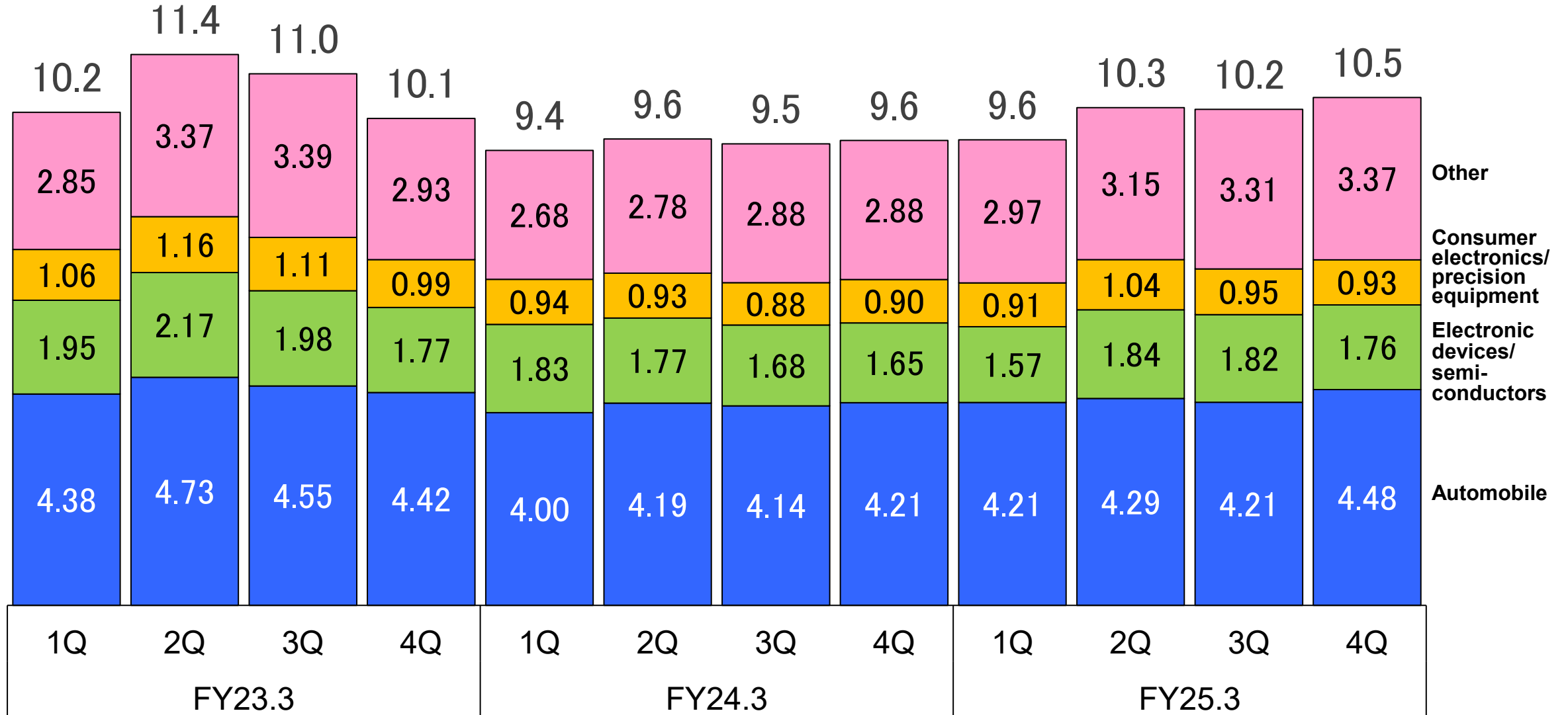
# Sales by Region

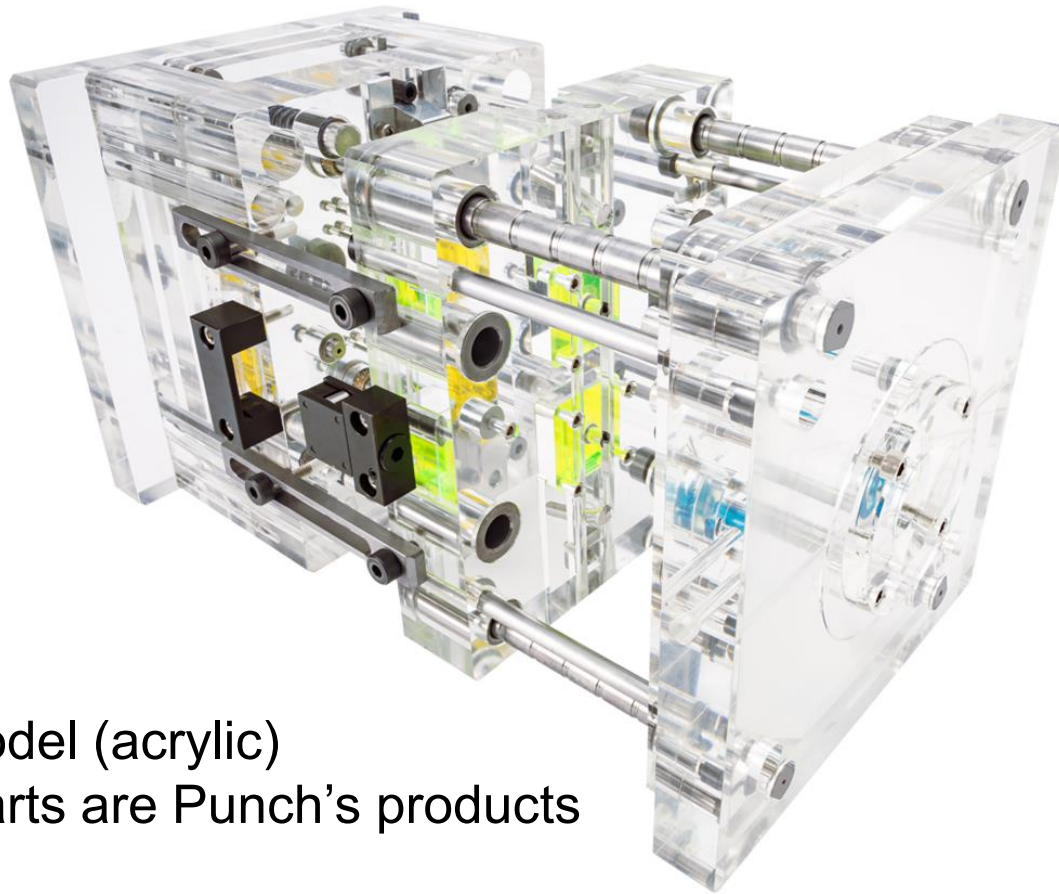
(Unit: Billions of yen)



# Sales by Industry

(Unit: Billions of yen)





Mold model (acrylic)  
Metal parts are Punch's products

IR & PR Division, Corporate Communication Office, PUNCH INDUSTRY CO., LTD. E-mail: [info-corp@punch.co.jp](mailto:info-corp@punch.co.jp)

**Disclaimer Regarding Forward-Looking Statements**

This report contains forward-looking statements regarding Punch Industry's future plans, strategies, and forecasts. Such statements are not based on historical fact, but are expectations, estimates, and forecasts based on information currently available. These expectations, estimates, and forecasts involve many potential risks and uncertainties, including changes to the economy, exchange rate variations, changes in the competitive environment, the outcome of current or future litigation, or the continued usefulness of capital procurement.

As a result, actual business results may differ materially from these statements. Accordingly, investors are cautioned not to place undue reliance on forward-looking statements. Punch Industry is not obliged to amend these forward-looking statements based on new information or future events.