

## Consolidated Financial Results

### For the Fiscal Year Ended March 31, 2018

Company name: PACIFIC INDUSTRIAL CO., LTD.

Stock exchange listings: Tokyo and Nagoya Stock Exchanges (First Section)

Stock code number: 7250

URL: <http://www.pacific-ind.co.jp/>

Representative: Shinya Ogawa, President

Contact person: Satoshi Watanabe, General Manager of Accounting Dept.

Telephone: +81-584-93-0117

(Amounts less than one million yen are omitted)

#### 1. Consolidated Financial Results for FY 2017 (April 1, 2017 through March 31, 2018)

##### (1) Consolidated financial results

(%: changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%
FY 2017	117,758	13.6	8,063	(6.9)	9,485	(4.7)	7,393	(1.7)
FY 2016	103,669	(3.0)	8,662	10.1	9,957	10.5	7,524	5.8

(Note) Comprehensive income: FY2017 : 8,537 million yen ( 10.6 %)    FY2016 : 7,719 million yen ( - % )

	Net income per share	Diluted net income per share	Return on equity	Return on asset	Operating margin
	<i>Yen</i>	<i>Yen</i>	%	%	%
FY 2017	123.53	121.96	8.5	6.3	6.8
FY 2016	138.08	124.19	9.7	7.4	8.4

(Reference) Share of (profit) loss of entities accounted for using equity method:

FY2017 : 616 million yen    FY2016 : 399 million yen

##### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	<i>Millions of yen</i>	<i>Millions of yen</i>	%	<i>Yen</i>
FY 2017	159,615	91,913	57.0	1,508.95
FY 2016	140,869	84,266	59.2	1,404.98

(Reference) Equity: FY2017: 90,940 million yen    FY2016: 83,365 million yen

##### (3) Cash flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalent at end of period
	<i>Millions of yen</i>	<i>Millions of yen</i>	<i>Millions of yen</i>	<i>Millions of yen</i>
FY 2017	17,944	(22,229)	5,239	13,181
FY 2016	14,381	(16,420)	246	12,356

#### 2. Cash Dividends

	Annual dividends per share					Total annual dividends	Payout ratio (consolidate)	Dividend on equity (consolidated)
	At end of 1 <sup>st</sup> quarter	At end of 2 <sup>nd</sup> quarter	At end of 3 <sup>rd</sup> quarter	At year-end	Total			
FY2016	<i>Yen</i> —	<i>Yen</i> 13.00	<i>Yen</i> —	<i>Yen</i> 15.00	<i>Yen</i> 28.00	<i>Millions of yen</i> 1,605	% 20.3	% 2.0
FY2017	<i>Yen</i> —	<i>Yen</i> 14.00	<i>Yen</i> —	<i>Yen</i> 14.00	<i>Yen</i> 28.00	<i>Millions of yen</i> 1,692	% 22.7	% 1.9
FY2018 (forecast)	<i>Yen</i> —	<i>Yen</i> 14.00	<i>Yen</i> —	<i>Yen</i> 14.00	<i>Yen</i> 28.00		% 23.4	

### 3. Forecasts of Consolidated Financial Results for FY2018 (April 1, 2018 through March 31, 2019)

(%: changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income for the year attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	61,000	7.9	4,000	4.0	4,500	(5.1)	3,400	(0.1)	56.42
FY 2018	125,000	6.1	8,800	9.1	9,800	3.3	7,200	(2.6)	119.47

#### \* Notes

(1) Changes in significant subsidiaries during the period : None

(Changes in specified subsidiaries resulting in changes in scope of consolidation)

Newly included: — (company name)

Newly excluded: — (company name)

(2) Changes in accounting policies, accounting estimates and restatements

① Changes in accounting policies with revision of accounting standards : None

② Changes other than ① : None

③ Changes in accounting estimates : None

④ Restatement : None

(3) Number of shares issued and outstanding (common stock)

① Number of shares outstanding at end of period (including treasury stock)	FY2017	61,268,395 shares	FY2016	60,336,074 shares
② Number of shares of treasury stock at end of period	FY2017	1,001,061 shares	FY2016	1,000,304 shares
③ Average number of shares during the year ended March 31	FY2017	59,850,890 shares	FY2016	54,496,786 shares

#### (Reference) Summary of non-consolidated business results

##### 1. Non-Consolidated Financial Result for FY2017 (April 1, 2017 through March 31, 2018)

(1) Non-consolidated financial results

(%: changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2017	71,715	8.4	5,835	8.8	7,210	3.2	5,284	(2.4)
FY 2016	66,168	4.8	5,362	0.0	6,987	4.9	5,414	1.2

	Net income per share	Diluted net income per share
	Yen	Yen
FY 2017	87.64	86.53
FY 2016	98.55	88.71

(1) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2017	119,337	69,619	58.1	1,142.80
FY 2016	108,724	63,898	58.6	1,065.43

(Reference) Equity: FY2017: 69,386 million yen FY2016: 63,696 million yen

\* Indication regarding status of performance of audit procedures

This summary of financial results is not subject to the audit procedures in accordance with the Financial Instruments and Exchange Act. As of the time of disclosure of this summary of financial results, the audit procedures for consolidated financial statements under the Financial Instruments and Exchange Act have not been completed.

\* Explanation about appropriate use of the financial results forecasts, and other noteworthy matters

Statements related to the future, including the forecasts of financial results, described in this document are based on information currently available to Pacific industrial and on certain assumptions deemed by Pacific industrial to be rational.

# Consolidated Balance Sheets

(Mmillion Yen)

	FY2016 <small>(As of Mar.31, 2017)</small>	FY2017 <small>(As of Mar.31, 2018)</small>		FY2016 <small>(As of Mar.31, 2017)</small>	FY2017 <small>(As of Mar.31, 2018)</small>
(Assets)			(Liabilities)		
Current Assets	41,559	44,704	Current Liabilities	29,890	37,534
Cash and time deposits	13,737	14,081	Trade notes and accounts payable	7,161	7,951
Trade notes and accounts receivable	16,257	17,592	Electronically recorded obligations - operating	6,584	7,655
Inventories	7,992	9,535	Short-term borrowings	3,920	4,021
Deferred tax assets	1,075	816	Current portion of long-term borrowings	1,751	4,582
Other accounts receivable	2,034	2,483	Other accounts payable	3,879	4,661
Other current assets	494	235	Accrued expenses	1,024	1,122
Less: Allowance for doubtful accounts	(32)	(41)	Income taxes payable	1,475	991
Fixed Assets	99,310	114,911	Consumption taxes payable	43	231
Property, Plant and Equipment	65,405	76,315	Deposit received	147	330
Buildings and structures	17,664	19,943	Allowance for bonuses	1,444	1,460
Machinery and vehicles	24,948	27,724	Allowance for bonuses to directors	63	48
Tools, Furniture, and fixtures	5,971	5,763	Notes concerning installations	570	122
Land	5,867	5,886	Other current liabilities	1,822	4,353
Lease Asset	398	377	Noncurrent Liabilities	26,713	30,167
Construction in progress	10,554	16,620	Convertible bond	885	-
Intangible Fixed Assets	994	936	Long-term borrowings	17,934	21,804
Investments and Other Assets	32,909	37,659	Deferred tax liabilities	6,784	7,155
Investments in securities	26,230	28,659	Provision for directors retirement benefit	211	206
Long-term loans	1,220	3,464	Net defined benefit liabilities	151	303
Deferred tax assets	183	221	Other noncurrent liabilities	747	697
Net defined benefit asset	4,376	4,343			
Other fixed assets	903	975	Total Liabilities	56,603	67,702
Less: Allowance for doubtful accounts	(4)	(3)			
			(Net assets)		
			Shareholders' Equity	69,467	75,958
			Capital stock	6,877	7,296
			Capital surplus	7,187	7,606
			Retained earnings	55,686	61,340
			Less: Treasury stock at cost	(283)	(284)
			Valuation and Translation Adjustment	13,897	14,981
			Valuation difference on available securities	11,481	12,768
			Foreign currency translation adjustments	2,040	1,627
			Remeasurement of defined benefit plan	374	585
			Subscription rights to shares	201	232
			Minority Interests	699	740
			Total Net Assets	84,266	91,913
Total Assets	140,869	159,615	Total Liabilities and Net Assets	140,869	159,615

## Consolidated Statements of Income

(Million Yen)

	FY2016 For the Year Ended Mar.31, 2017	FY2017 For the Year Ended Mar.31, 2018
Net Sales	103,669	117,758
Cost of Sales	86,655	100,675
Gross Profit	17,014	17,082
Selling, General and Administrative Expenses	8,352	9,019
Operating Income	8,662	8,063
Non-Operating Income	1,700	1,707
Interest income	63	137
Dividend income	584	662
Equity in earnings of affiliated companies	399	616
Other Non-operating income	652	291
Non-Operating Expenses	405	284
Interest expense	150	229
Foreign exchange loss	219	33
Other Non-operating expense	34	21
Ordinary Income	9,957	9,485
Extraordinary Income	309	-
Gains on sale of fixed assets	19	-
Gain on sales of investment securities	289	-
Extraordinary Losses	275	227
Losses on sales and retirements of fixed assets	275	227
Income Before Income Taxes and Minority Interests	9,991	9,258
Income Taxes-current	2,403	1,902
Income Taxes-deferred	28	(73)
Income Taxes	2,432	1,829
Income before minority interests	7,558	7,429
Minority Interests in Income (Loss)	33	36
Net Income	7,524	7,393