

Consolidated Financial Results

For the Fiscal Year Ended March 31, 2015

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

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(Amounts less than one million yen are omitted)

1. Consolidated Financial Results for FY 2014 (April 1, 2014 through March 31, 2015)

(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 2014	99,952	8.7	6,962	26.6	8,691	23.1	6,714	46.4
FY 2013	91,976	9.9	5,500	26.7	7,062	31.4	4,587	63.4

(Note) Comprehensive income: FY2014 : 15,325 million yen (50.4%) FY2013 : 10,186 million yen (16.8%)

	Net income per share	Diluted net income per share	Return on equity	Return on asset	Operating margin
	<i>Yen</i>	<i>Yen</i>	%	%	%
FY 2014	125.47	111.09	10.2	6.9	7.0
FY 2013	85.80	84.49	8.7	6.6	6.0

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

FY2014 : 577 million yen FY2013 : 590 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 2014	133,694	75,459	55.5	1,385.19
FY 2013	116,562	60,648	49.5	1,079.42

(Reference) Equity: FY2014: 74,142 million yen FY2013: 57,716 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 2014	11,130	(15,370)	(1,812)	12,478
FY 2013	10,689	(10,749)	5,515	17,772

2. Cash Dividends

	Annual dividends per share					Total annual dividends	Payout ratio (consolidate)	Dividend on equity (consolidated)
	At end of 1 st quarter	At end of 2 nd quarter	At end of 3 rd quarter	At year-end	Total			
FY2013	<i>Yen</i> —	<i>Yen</i> 7.00	<i>Yen</i> —	<i>Yen</i> 9.00	<i>Yen</i> 16.00	<i>Millions of yen</i> 862	% 18.6	% 1.6
FY2014	—	8.00	—	16.00	24.00	1,295	19.1	1.9
FY2015 (forecast)	—	—	—	—	—		—	

3. Forecasts of Consolidated Financial Results for FY2015 (April 1, 2015 through March 31, 2016)

(%: 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	49,000	2.9	2,700	(6.5)	3,300	(6.6)	2,700	9.5	50.44
FY 2015	102,000	2.0	7,000	0.5	8,200	(5.7)	6,000	(10.6)	112.10

* Notes

(1) Changes in significant subsidiaries during the period

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

Newly included: 2 company (company name) Pacific Auto Parts Technology (Changshu) Co., Ltd
Pacific Manufacturing Tennessee, Inc.

Excluded: None

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

① Changes in accounting policies with revision of accounting standards : Yes

② Changes other than ① : Yes

③ Changes in accounting estimates : Yes

④ Restatement : None

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

① Number of shares outstanding at end of period (including treasury stock)	FY2014	54,646,347 shares	FY2013	54,646,347 shares
② Number of shares of treasury stock at end of period	FY2014	1,121,570 shares	FY2013	1,176,419 shares
③ Average number of shares during the year ended March 31	FY2014	53,512,147 shares	FY2013	53,461,888 shares

(Reference) Summary of non-consolidated business results

1. Non-Consolidated Financial Result for FY2014 (April 1, 2014 through March 31, 2015)

(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 2014	62,080	1.4	5,115	9.5	6,493	12.4	4,643	28.3
FY 2013	61,206	2.1	4,669	29.5	5,778	25.2	3,618	22.5

	Net income per share	Diluted net income per share
	Yen	Yen
FY 2014	86.05	76.25
FY 2013	67.12	66.10

(1) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2014	104,808	54,199	51.6	1,001.07
FY 2013	95,405	45,244	47.3	836.40

(Reference) Equity: FY2014: 54,031 million yen FY2013: 45,098 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)

	FY2013 (As of Mar.31, 2014)	FY2014 (As of Mar.31, 2015)		FY2013 (As of Mar.31, 2014)	FY2014 (As of Mar.31, 2015)
(Assets)			(Liabilities)		
Current Assets	41,702	39,382	Current Liabilities	29,491	28,813
Cash and time deposits	18,924	13,811	Trade notes and accounts payable	9,423	6,553
Trade notes and accounts receivable	13,108	15,104	Electronically recorded obligations - operating	-	6,281
Inventories	6,457	7,256	Short-term borrowings	3,754	3,698
Deferred tax assets	1,001	1,041	Current portion of long-term borrowings	4,304	2,990
Other accounts receivable	1,844	1,874	Other accounts payable	7,063	4,154
Other current assets	394	324	Accrued expenses	1,148	1,233
Less: Allowance for doubtful accounts	(27)	(31)	Income taxes payable	1,375	951
Fixed Assets	74,860	94,312	Consumption taxes payable	35	165
Property, Plant and Equipment	46,987	56,615	Deferred tax liabilities	49	55
Buildings and structures	13,969	16,667	Deposit received	134	122
Machinery and vehicles	16,121	21,398	Allowance for bonuses	1,433	1,487
Tools, Furniture, and fixtures	3,397	4,329	Allowance for bonuses to directors	73	73
Land	6,807	5,680	Notes concerning installations	329	37
Lease Asset	615	486	Other current liabilities	364	1,008
Construction in progress	6,075	8,053	Noncurrent Liabilities	26,422	29,422
Intangible Fixed Assets	709	1,002	Convertible bond	6,000	6,000
Investments and Other Assets	27,163	36,694	Long-term borrowings	12,064	13,237
Investments in securities	23,449	30,735	Deferred tax liabilities	6,503	8,661
Long-term loans	16	128	Provision for retirement benefit	-	-
Deferred tax assets	132	184	Provision for directors retirement benefit	226	233
Prepaid pension cost	-	-	Net defined benefit liabilities	241	201
Net defined benefit asset	2,684	4,895	Guarantee deposits	134	133
Other fixed assets	893	761	Other noncurrent liabilities	1,251	954
Less: Allowance for doubtful accounts	(12)	(12)	Total Liabilities	55,914	58,235
			(Net assets)		
			Shareholders' Equity	46,419	52,478
			Capital stock	4,320	4,320
			Capital surplus	4,587	4,597
			Retained earnings	37,846	43,878
			Less: Treasury stock at cost	(334)	(318)
			Valuation and Translation Adjustment	11,297	21,663
			Valuation difference on available securities	9,891	14,786
			Foreign currency translation adjustments	1,321	5,693
			Remeasurement of defined benefit plan	84	1,183
			Subscription rights to shares	145	168
			Minority Interests	2,785	1,148
			Total Net Assets	60,648	75,459
Total Assets	116,562	133,694	Total Liabilities and Net Assets	116,562	133,694

Consolidated Statements of Income

(Million Yen)

	FY2013 For the Year Ended Mar.31, 2014	FY2014 For the Year Ended Mar.31, 2015
Net Sales	91,976	99,952
Cost of Sales	78,989	85,129
Gross Profit	12,986	14,822
Selling, General and Administrative Expenses	7,486	7,860
Operating Income	5,500	6,962
Non-Operating Income	2,007	2,005
Interest income	51	34
Dividend income	359	489
Equity in earnings of affiliated companies	590	577
Foreign exchange gain	646	601
Other Non-operating income	359	302
Non-Operating Expenses	445	276
Interest expense	249	196
Other Non-operating expense	196	80
Ordinary Income	7,062	8,691
Extraordinary Income	3	0
Gains on sale of fixed assets	3	0
Extraordinary Losses	106	1,868
Losses on sales and retirements of fixed assets	85	62
Losses on valuation of investment securities	20	143
Impairment loss	-	1,663
Income Before Income Taxes and Minority Interests	6,959	6,823
Income Taxes-current	2,382	2,098
Income Taxes-deferred	28	(141)
Income Taxes	2,410	1,956
Income before minority interests	4,548	4,866
Minority Interests in Income (Loss)	(38)	(1,847)
Net Income	4,587	6,714