

## Consolidated Financial Results

### For the Fiscal Year Ended March 31, 2017

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 2016 (April 1, 2016 through March 31, 2017)

##### (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 2016	103,669	(3.0)	8,662	10.1	9,957	10.5	7,524	5.8
FY 2015	106,886	6.9	7,869	13.0	9,013	3.7	7,114	6.0

(Note) Comprehensive income: FY2016 : 7,719 million yen ( - %) FY2015 : △901 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 2016	138.08	124.19	9.7	7.4	8.4
FY 2015	132.42	117.54	9.7	6.8	7.4

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

FY2016 : 399 million yen FY2015 : 796 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 2016	140,869	84,266	59.2	1,404.98
FY 2015	129,954	73,244	55.7	1,339.62

(Reference) Equity: FY2016: 83,365 million yen FY2015: 72,358 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 2016	14,381	(16,420)	246	12,356
FY 2015	15,211	(12,754)	(236)	14,209

#### 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			
FY2015	<i>Yen</i> —	<i>Yen</i> 12.00	<i>Yen</i> —	<i>Yen</i> 14.00	<i>Yen</i> 26.00	<i>Millions of yen</i> 1,411	% 19.6	% 1.9
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 (forecast)	<i>Yen</i> —	<i>Yen</i> 14.00	<i>Yen</i> —	<i>Yen</i> 14.00	<i>Yen</i> 28.00		% 24.8	

### 3. Forecasts of Consolidated Financial Results for FY2017 (April 1, 2017 through March 31, 2018)

(%: 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	53,000	6.5	3,500	(13.7)	4,000	(0.9)	2,800	(9.5)	47.19
FY 2017	110,000	6.1	8,700	0.4	9,500	(4.6)	6,700	(11.0)	112.92

#### \* 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)	FY2016	60,336,074 shares	FY2015	55,051,262 shares
② Number of shares of treasury stock at end of period	FY2016	1,000,304 shares	FY2015	1,037,219 shares
③ Average number of shares during the year ended March 31	FY2016	54,496,786 shares	FY2015	53,727,275 shares

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

##### 1. Non-Consolidated Financial Result for FY2016 (April 1, 2016 through March 31, 2017)

(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 2016	66,168	4.8	5,362	0.0	6,987	4.9	5,414	1.2
FY 2015	63,146	1.7	5,361	4.8	6,660	2.6	5,350	15.2

	Net income per share	Diluted net income per share
FY 2016	98.55 Yen	88.71 Yen
FY 2015	98.75 Yen	87.74 Yen

(1) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2016	108,724	63,898	58.6	1,065.43
FY 2015	103,296	54,446	52.5	996.19

(Reference) Equity: FY2016: 63,696 million yen FY2015: 54,255 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)

	FY2015 (As of Mar.31, 2016)	FY2016 (As of Mar.31, 2017)		FY2015 (As of Mar.31, 2016)	FY2016 (As of Mar.31, 2017)
(Assets)			(Liabilities)		
Current Assets	40,670	41,559	Current Liabilities	30,104	29,890
Cash and time deposits	15,164	13,737	Trade notes and accounts payable	6,313	7,161
Trade notes and accounts receivable	15,507	16,257	Electronically recorded obligations - operating	6,208	6,584
Inventories	6,617	7,992	Short-term borrowings	3,480	3,920
Deferred tax assets	880	1,075	Current portion of long-term borrowings	4,826	1,751
Other accounts receivable	2,009	2,034	Other accounts payable	3,633	3,879
Other current assets	516	494	Accrued expenses	983	1,024
Less: Allowance for doubtful accounts	(25)	(32)	Income taxes payable	910	1,475
			Consumption taxes payable	303	43
Fixed Assets	89,283	99,310	Deposit received	113	147
Property, Plant and Equipment	58,065	65,405	Allowance for bonuses	1,366	1,444
Buildings and structures	18,510	17,664	Allowance for bonuses to directors	69	63
Machinery and vehicles	22,269	24,948	Notes concerning installations	54	570
Tools, Furniture, and fixtures	4,744	5,971	Other current liabilities	1,842	1,822
Land	5,392	5,867			
Lease Asset	449	398	Noncurrent Liabilities	26,605	26,713
Construction in progress	6,697	10,554	Convertible bond	5,635	885
Intangible Fixed Assets	1,001	994	Long-term borrowings	13,428	17,934
Investments and Other Assets	30,216	32,909	Deferred tax liabilities	6,223	6,784
Investments in securities	24,924	26,230	Provision for directors retirement benefit	248	211
Long-term loans	116	1,220	Net defined benefit liabilities	135	151
Deferred tax assets	191	183	Other noncurrent liabilities	934	747
Net defined benefit asset	4,055	4,376			
Other fixed assets	938	903	Total Liabilities	56,710	56,603
Less: Allowance for doubtful accounts	(9)	(4)			
			(Net assets)		
			Shareholders' Equity	58,642	69,467
			Capital stock	4,502	6,877
			Capital surplus	4,800	7,187
			Retained earnings	49,632	55,686
			Less: Treasury stock at cost	(294)	(283)
			Valuation and Translation Adjustment	13,716	13,897
			Valuation difference on available securities	10,551	11,481
			Foreign currency translation adjustments	2,861	2,040
			Remeasurement of defined benefit plan	303	374
			Subscription rights to shares	190	201
			Minority Interests	695	699
			Total Net Assets	73,244	84,266
Total Assets	129,954	140,869	Total Liabilities and Net Assets	129,954	140,869

## Consolidated Statements of Income

(Million Yen)

	FY2015 For the Year Ended Mar.31, 2016	FY2016 For the Year Ended Mar.31, 2017
Net Sales	106,886	103,669
Cost of Sales	90,911	86,655
Gross Profit	15,975	17,014
Selling, General and Administrative Expenses	8,105	8,352
Operating Income	7,869	8,662
Non-Operating Income	1,798	1,700
Interest income	59	63
Dividend income	608	584
Equity in earnings of affiliated companies	796	399
Subsidy income	75	427
Other Non-operating income	259	224
Non-Operating Expenses	654	405
Interest expense	166	150
Foreign exchange loss	480	219
Other Non-operating expense	7	34
Ordinary Income	9,013	9,957
Extraordinary Income	55	309
Gains on sale of fixed assets	11	19
Gain on sales of investment securities	—	289
Gain on sales of shares of subsidiaries and associates	44	—
Extraordinary Losses	209	275
Losses on sales and retirements of fixed assets	144	275
Impairment loss	64	—
Income Before Income Taxes and Minority Interests	8,859	9,991
Income Taxes-current	1,364	2,403
Income Taxes-deferred	378	28
Income Taxes	1,742	2,432
Income before minority interests	7,117	7,558
Minority Interests in Income (Loss)	2	33
Net Income	7,114	7,524