

Consolidated Financial Results For the 1st Quarter Ended Jun 30, 2019

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 2019 1st Quarter (From April 1, 2019 to June 30, 2019)

(1) Consolidated Financial Results

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

	Net Sales		Operating Income		Ordinary Income		Profit attribute to owners of parent	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FY2019 1st quarter	42,924	33.5	2,891	50.0	2,964	20.4	2,113	15.5
FY2018 1st quarter	32,144	19.7	1,927	0.6	2,461	3.3	1,830	8.5

Note: Comprehensive income

FY2019 1st quarter: 967 million yen (Δ 52.8%), FY2018 1st quarter: 2,050 million yen (82.5%)

	Earnings Per Share	Fully Diluted Earnings Per Share
	Yen	Yen
FY2019 1st quarter	35.03	34.85
FY2018 1st quarter	30.37	30.19

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net assets excluding subscription rights to shares and Non-controlling interests as a percentage of total assets
	Million Yen	Million Yen	%
FY2019 1st quarter	203,968	96,861	47.0
FY2018	203,831	97,075	47.0

Note: Shareholders' equity: FY2019 1st quarter : 95,794 million yen FY2018: 95,900 million yen

2. Cash Dividends

	Annual Cash Dividends Per Share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	FY Total
	Yen	Yen	Yen	Yen	Yen
FY2018	—	14.00	—	19.00	33.00
FY2019	—				
FY2019(Forecast)		16.00	—	—	—

Note: Revisions to the forecasts announced most recently: None

The year-end dividend forecast for FY2019 is undecided at present.

3. Forecasts of Consolidated Financial Results for FY 2019 (April 1, 2019 through March 31, 2020)

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

	Net Sales		Operating Income		Ordinary Income		Profit attribute to owners of parent		Earning Per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
FY2019 First half	78,000	21.3	4,900	21.3	5,400	4.5	3,800	△ 2.5	62.93
FY2019	155,000	6.9	10,000	△ 3.0	11,000	△ 6.5	8,000	△ 8.4	132.42

Note: Revisions to the forecasts announced most recently: None

4. Notes

(1) Changes in major subsidiaries during the current quarter: None

(changes in specified subsidiaries that caused a change in the scope of consolidation)

Newly included: — (company name)

Newly excluded: — (company name)

(2) Application of special accounting methods for the preparation of quarterly consolidated financial statements : None

(3) Changes in accounting policies, accounting estimates and restatement

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

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

① Number of shares outstanding at end of period(including treasury stock)	FY2019 1st quarter	61,312,896 shares	FY 2018	61,312,896 shares
② Number of shares of treasury stock at end of period	FY2019 1st quarter	888,484 shares	FY 2018	1,001,484 shares
③ Average number of common stock (quarterly total)	FY2019 1st quarter	60,339,662 shares	FY2018 1st quarter	60,271,728 shares

* Note on status of quarterly review procedures

This summary of quarterly financial results is not subject to quarterly review procedures under the Financial Instruments and Exchange Act. As of the time of disclosure of this summary of quarterly financial results, however, the review procedures for quarterly 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 Statements of Income

(Million Yen)

	FY2018 For the Year Ended Jun.30, 2018	FY2019 For the Year Ended Jun.30, 2019
Net sales	32,144	42,924
Cost of sales	27,546	36,780
Gross profit	4,598	6,143
Selling, general and administrative expenses	2,670	3,251
Operating Income	1,927	2,891
Non-operating income	653	472
Interest income	17	23
Dividend income	278	285
Equity in earnings of affiliated companies	224	69
Foreign exchange gain	65	-
Other non-operating income	68	93
Non-operating Expenses	118	399
Interest expense	58	78
Commission fee	56	-
Foreign exchange losses	-	294
Other non-operating expense	3	26
Ordinary income	2,461	2,964
Extraordinary income	127	-
Gain on sales of fixed assets	127	-
Extraordinary Losses	19	28
Loss on sales and retirements of fixed assets	19	28
Income before income taxes and non controlling interests	2,569	2,935
Income taxes	737	818
Current term net profit	1,832	2,116
Loss attributable to non controlling interests	1	3
Profit attributable to the owners of parent	1,830	2,113

Consolidated Balance Sheets

(Million Yen)

	FY2018 (As of Mar.31, 2019)	FY2019 (As of Jun.30, 2019)		FY2018 (As of Mar.31, 2019)	FY2019 (As of Jun.30, 2019)
(Assets)			(Liabilities)		
Current Assets	64,320	63,072	Current Liabilities	45,151	45,252
Cash and time deposits	21,763	22,433	Trade notes and accounts payable	10,626	10,454
Trade notes and accounts receivable	23,949	23,979	Electronically recorded obligations - operating	8,447	8,993
Inventories	14,671	13,500	Short-term borrowings	4,769	4,742
Other accounts receivable	3,366	2,665	Current portion of long-term borrowings	5,285	4,244
Other current assets	652	577	Other accounts payable	6,509	6,888
Less: Allowance for doubtful accounts	△ 82	△ 84	Accrued expenses	2,163	2,279
			Income taxes payable	1,924	1,239
Fixed Assets	139,510	140,895	Consumption taxes payable	111	97
Property, Plant and Equipment	92,178	93,468	Deposit received	784	938
Buildings and structures	23,332	24,933	Allowance for bonuses	1,615	887
Machinery and vehicles	37,002	38,618	Allowance for bonuses to directors	60	15
Tools, Furniture, and fixtures	7,605	7,212	Notes concerning installations	127	34
Land	7,627	7,544	Other current liabilities	2,727	4,435
Lease Asset	412	530	Noncurrent Liabilities	61,604	61,853
Construction in progress	16,197	14,628	Long-term borrowings	51,529	51,932
Intangible Fixed Assets	15,035	14,772	Deferred tax liabilities	8,181	7,981
Goodwill	8,803	8,790	Provision for directors retirement benefit	191	189
Other	6,232	5,981	Net defined benefit liabilities	648	666
Investments and Other Assets	32,296	32,655	Other noncurrent liabilities	1,052	1,083
Investments in securities	26,675	27,008	Total Liabilities	106,755	107,106
Long-term loans	64	63	(Net assets)		
Deferred tax assets	273	274	Shareholders' Equity	82,973	84,023
Net defined benefit asset	4,473	4,550	Capital stock	7,316	7,316
Other fixed assets	812	760	Capital surplus	7,626	7,683
Less: Allowance for doubtful accounts	△ 3	△ 2	Retained earnings	68,315	69,274
			Less: Treasury stock at cost	△ 285	△ 251
			Valuation and Translation Adjustment	12,927	11,771
			Valuation difference on available securities	11,480	11,682
			Foreign currency translation adjustments	1,015	△ 308
			Remeasurement of defined benefit plan	431	397
			Subscription rights to shares	274	184
			Minority Interests	900	882
			Total Net Assets	97,075	96,861
Total Assets	203,831	203,968	Total Liabilities and Net Assets	203,831	203,968