

Consolidated Financial Results

For the 3rd Quarter Ended December 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/>

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(Amounts less than one million yen are omitted)

1. Consolidated Financial Results for FY 2018 3rd Quarter (From April 1, 2018 to Dec. 31, 2018)

(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	%
FY2018 3rd quarter	100,607	16.0	6,711	17.3	7,799	7.7	5,746	6.6
FY2017 3rd quarter	86,762	14.4	5,719	Δ 9.3	7,241	Δ 0.0	5,389	Δ 1.4

Note: Comprehensive income

FY2018 3rd quarter: 4,525 million yen(Δ48.3%), FY2017 3rd quarter: 8,747 million yen(58.6%)

	Earnings Per Share	Fully Diluted Earnings Per Share
	Yen	Yen
FY2018 3rd quarter	95.33	94.76
FY2017 3rd quarter	90.23	88.90

(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	%
FY2018 3rd quarter	195,498	94,888	47.9
FY2017	158,858	91,913	57.2

Note: Shareholders' equity:

FY2018 3rd quarter : 93,739 million yen FY2017: 90,940 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
FY2017	—	14.00	—	14.00	28.00
FY2018	—	14.00	—	—	—
FY2018(Forecast)	—	—	—	14.00	28.00

Note: Revisions to the forecasts announced most recently: None

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

(%: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
FY2018	138,000	17.2	9,600	19.1	10,800	13.9	7,800	5.5	129.37

Note: Revisions to the forecasts announced most recently: Yes

4. Notes

(1) Changes in major subsidiaries during the current quarter: Yes

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

Newly included: 2 company (company name) PACIFIC AUTO PARTS (THAILAND)CO.,LTD.

AUGUST FRANCE HOLDING COMPANY SAS

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)

①Number of shares outstanding at end of period(including treasury stock)	FY2018 3rd quarter	61,311,784 shares	FY 2017	61,268,395 shares
②Number of shares of treasury stock at end of period	FY2018 3rd quarter	1,001,411 shares	FY 2017	1,001,061 shares
③Average number of common stock (quarterly total)	FY2018 3rd quarter	60,284,183 shares	FY2017 3rd quarter	59,726,068 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 Balance Sheets

(Million Yen)

	FY2017 (As of Mar.31, 2018)	FY2018 (As of Dec.31, 2018)		FY2017 (As of Mar.31, 2018)	FY2018 (As of Dec.31, 2018)
(Assets)			(Liabilities)		
Current Assets	43,887	58,983	Current Liabilities	37,534	41,967
Cash and time deposits	14,081	20,092	Trade notes and accounts payable	7,951	9,596
Trade notes and accounts receivable	17,592	19,050	Electronically recorded obligations - operating	7,655	7,971
Inventories	9,535	16,392	Short-term borrowings	4,021	3,987
Other accounts receivable	2,483	2,947	Current portion of long-term borrowings	4,582	5,992
Other current assets	235	611	Other accounts payable	4,661	4,976
Less: Allowance for doubtful accounts	(41)	(111)	Accrued expenses	1,122	2,596
Fixed Assets	114,970	136,515	Income taxes payable	991	601
Property, Plant and Equipment	76,315	89,544	Consumption taxes payable	231	65
Buildings and structures	19,943	21,249	Deposit received	330	1,047
Machinery and vehicles	27,724	32,585	Allowance for bonuses	1,460	845
Tools, Furniture, and fixtures	5,763	7,451	Allowance for bonuses to directors	48	39
Land	5,886	7,462	Notes concerning installations	122	187
Lease Asset	377	411	Other current liabilities	4,353	4,059
Construction in progress	16,620	20,384	Noncurrent Liabilities	29,410	58,642
Intangible Fixed Assets	936	14,700	Long-term borrowings	21,804	50,693
Goodwill	-	13,845	Deferred tax liabilities	6,397	6,003
Other	936	854	Provision for directors retirement benefit	206	196
Investments and Other Assets	37,718	32,271	Net defined benefit liabilities	303	731
Investments in securities	28,659	26,304	Other noncurrent liabilities	697	1,018
Long-term loans	3,464	63	Total Liabilities	66,945	100,609
Deferred tax assets	280	450	(Net assets)		
Net defined benefit asset	4,343	4,606	Shareholders' Equity	75,958	79,989
Other fixed assets	975	850	Capital stock	7,296	7,316
Less: Allowance for doubtful accounts	(3)	(3)	Capital surplus	7,606	7,625
			Retained earnings	61,340	65,332
			Less: Treasury stock at cost	(284)	(285)
			Valuation and Translation Adjustment	14,981	13,750
			Valuation difference on available securities	12,768	11,325
			Foreign currency translation adjustments	1,627	1,828
			Remeasurement of defined benefit plan	585	595
			Subscription rights to shares	232	274
			Minority Interests	740	874
			Total Net Assets	91,913	94,888
Total Assets	158,858	195,498	Total Liabilities and Net Assets	158,858	195,498

Consolidated Statements of Income

(Million Yen)

	FY2017 For the Third Quarter Dec.31, 2017	FY2018 For the Third Quarter Dec.31, 2018
Net sales	86,762	100,607
Cost of sales	74,549	86,374
Gross profit	12,212	14,232
Selling, general and administrative expenses	6,493	7,521
Operating Income	5,719	6,711
Non-operating income	1,724	1,484
Interest income	92	56
Dividend income	606	569
Equity in earnings of affiliated companies	527	502
Foreign exchange gain	276	131
Other non-operating income	221	224
Non-operating Expenses	202	395
Interest expense	175	189
Foreign exchange losses	-	190
Other non-operating expense	26	16
Ordinary income	7,241	7,799
Extraordinary income	-	128
Gain on sales of fixed assets	-	128
Extraordinary Losses	164	58
Loss on sales and retirements of fixed assets	164	58
Income before income taxes and non controlling interests	7,077	7,869
Income taxes	1,670	2,105
Current term net profit	5,406	5,763
Loss attributable to non controlling interests	17	17
Profit attributable to the owners of parent	5,389	5,746