

Consolidated Financial Results

For the 3rd Quarter Ended December 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/>

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(Amounts less than one million yen are omitted)

1. Consolidated Financial Results for FY 2017 3rd Quarter (From April 1, 2017 to Dec. 31, 2017)

(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	%
FY2017 3rd quarter	86,762	14.4	5,719	Δ 9.3	7,241	Δ 0.0	5,389	Δ 1.4
FY2016 3rd quarter	75,853	Δ 5.1	6,308	16.4	7,241	7.9	5,464	0.5

Note: Comprehensive income

FY2017 3rd quarter: 8,747 million yen(58.6%), FY2016 3rd quarter: 5,514 million yen(107.1%)

	Earnings Per Share	Fully Diluted Earnings Per Share
	Yen	Yen
FY2017 3rd quarter	90.23	88.90
FY2016 3rd quarter	101.09	90.19

(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	%
FY2017 3rd quarter	155,756	92,117	58.5
FY2016	140,869	84,266	59.2

Note: Shareholders' equity:

FY2017 3rd quarter : 91,162 million yen FY2016: 83,365 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
FY2016	—	13.00	—	15.00	28.00
FY2017	—	14.00	—	—	—
FY2017(Forecast)	—	—	—	14.00	28.00

Note: Revisions to the forecasts announced most recently: None

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

(%: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
FY2017	114,000	10.0	8,500	Δ 1.9	9,700	Δ 2.6	6,900	Δ 8.3	115.29

Note: Revisions to the forecasts announced most recently: Yes

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)

①Number of shares outstanding at end of period(including treasury stock)	FY2017 3rd quarter	61,262,834 shares	FY 2016	60,336,074 shares
②Number of shares of treasury stock at end of period	FY2017 3rd quarter	1,001,012 shares	FY 2016	1,000,304 shares
③Average number of common stock (quarterly total)	FY2017 3rd quarter	59,726,068 shares	FY2016 3rd quarter	54,055,215 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

(Mmillion Yen)

	FY2016 <small>(As of Mar.31, 2017)</small>	FY2017 <small>(As of Dec.31, 2017)</small>		FY2016 <small>(As of Mar.31, 2017)</small>	FY2017 <small>(As of Dec.31, 2017)</small>
(Assets)			(Liabilities)		
Current Assets	41,559	42,622	Current Liabilities	29,890	31,215
Cash and time deposits	13,737	14,280	Trade notes and accounts payable	7,161	6,294
Trade notes and accounts receivable	16,257	16,825	Electronically recorded obligations - operating	6,584	7,215
Inventories	7,992	8,430	Short-term borrowings	3,920	3,926
Other current assets	3,604	3,132	Current portion of long-term borrowings	1,751	3,228
Less: Allowance for doubtful accounts	(32)	(46)	Other accounts payable	3,879	4,308
			Income taxes payable	1,475	529
			Allowance for bonuses	1,444	752
			Allowance for bonuses to directors	63	41
			Other current liabilities	3,608	4,919
Fixed Assets	99,310	113,133			
Property, Plant and Equipment	65,405	73,404			
Buildings and structures	17,664	19,507			
Machinery and vehicles	24,948	27,307			
Tools, Furniture, and fixtures	5,971	6,332			
Land	5,867	5,999	Noncurrent Liabilities	26,713	32,423
Lease Asset	398	376	Convertible bond	885	52
Construction in progress	10,554	13,881	Long-term borrowings	17,934	23,816
Intangible Fixed Assets	994	953	Provision for directors retirement benefit	211	210
Investments and Other Assets	32,909	38,775	Net defined benefit liabilities	151	268
Investments in securities	26,230	30,092	Other noncurrent liabilities	7,531	8,075
Other fixed assets	6,684	8,688			
Less: Allowance for doubtful accounts	(4)	(5)			
			Total Liabilities	56,603	63,638
			(Net assets)		
			Shareholders' Equity	69,467	73,949
			Capital stock	6,877	7,294
			Capital surplus	7,187	7,603
			Retained earnings	55,686	59,336
			Less: Treasury stock at cost	(283)	(284)
			Valuation and Translation Adjustment	13,897	17,212
			Valuation difference on available securities	11,481	13,834
			Foreign currency translation adjustments	2,040	2,893
			Remeasurement of defined benefit plan	374	484
			Subscription rights to shares	201	232
			Minority Interests	699	722
			Total Net Assets	84,266	92,117
Total Assets	140,869	155,756	Total Liabilities and Net Assets	140,869	155,756

Consolidated Statements of Income

(Million Yen)

	FY2016 For the Third Quarter Dec.31, 2016	FY2017 For the Third Quarter Dec.31, 2017
Net sales	75,853	86,762
Cost of sales	63,404	74,549
Gross profit	12,449	12,212
Selling, general and administrative expenses	6,141	6,493
Operating Income	6,308	5,719
Non-operating income	1,228	1,724
Interest income	39	92
Dividend income	535	606
Equity in earnings of affiliated companies	473	527
Foreign exchange gain	-	276
Other non-operating income	179	221
Non-operating Expenses	294	202
Interest expense	108	175
Foreign exchange losses	174	-
Other non-operating expense	11	26
Ordinary income	7,241	7,241
Extraordinary income	303	-
Gain on sales of fixed assets	14	-
Gain on sales of investment securities	289	-
Extraordinary Losses	105	164
Loss on sales and retirements of fixed assets	105	164
Income before income taxes and non controlling interests	7,440	7,077
Income taxes	1,966	1,670
Current term net profit	5,473	5,406
Loss attributable to non controlling interests	9	17
Profit attributable to the owners of parent	5,464	5,389