

Consolidated Financial Results For the 1st Quarter Ended Jun 30, 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 1st Quarter (From April 1, 2017 to June 30, 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 1st quarter	26,844	8.9	1,915	Δ 5.2	2,384	24.3	1,687	31.9
FY2016 1st quarter	24,660	Δ 4.4	2,020	13.9	1,918	Δ 18.2	1,280	Δ 20.2

Note: Comprehensive income

FY2017 1st quarter: 1,123 million yen(—%), FY2016 1st quarter: Δ3,705 million yen(—%)

	Earnings Per Share	Fully Diluted Earnings Per Share
	Yen	Yen
FY2017 1st quarter	28.37	27.87
FY2016 1st quarter	23.70	21.14

(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 1st quarter	146,046	84,764	57.4
FY2016	140,869	84,266	59.2

Note: Shareholders' equity:

FY2017 1st quarter : 83,889 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	—				
FY2017(Forecast)		14.00	—	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
First half	53,000	6.5	3,500	Δ 13.7	4,000	Δ 0.9	2,800	Δ 9.5	47.01
FY2017	110,000	6.1	8,700	0.4	9,500	Δ 4.6	6,700	Δ 11.0	112.40

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)

①Number of shares outstanding at end of period(including treasury stock)	FY2017 1st quarter	60,660,947 shares	FY 2016	60,336,074 shares
②Number of shares of treasury stock at end of period	FY2017 1st quarter	1,000,414 shares	FY 2016	1,000,304 shares
③Average number of common stock (quarterly total)	FY2017 1st quarter	59,498,724 shares	FY2016 1st quarter	54,023,292 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 (As of Mar.31, 2017)	FY2017 (As of Mar.31, 2017)		FY2016 (As of Mar.31, 2017)	FY2017 (As of Mar.31, 2017)
(Assets)			(Liabilities)		
Current Assets	41,559	43,799	Current Liabilities	29,890	30,457
Cash and time deposits	13,737	16,701	Trade notes and accounts payable	7,161	7,071
Trade notes and accounts receivable	16,257	15,411	Electronically recorded obligations - operating	6,584	6,904
Inventories	7,992	8,573	Short-term borrowings	3,920	3,907
Deferred tax assets	1,075	1,025	Current portion of long-term borrowings	1,751	1,776
Other accounts receivable	2,034	1,655	Other accounts payable	3,879	4,986
Other current assets	494	472	Accrued expenses	1,024	1,257
Less: Allowance for doubtful accounts	(32)	(39)	Income taxes payable	1,475	788
Fixed Assets	99,310	102,246	Consumption taxes payable	43	53
Property, Plant and Equipment	65,405	68,278	Deposit received	147	207
Buildings and structures	17,664	17,886	Allowance for bonuses	1,444	734
Machinery and vehicles	24,948	24,747	Allowance for bonuses to directors	63	13
Tools, Furniture, and fixtures	5,971	5,290	Notes concerning installations	570	499
Land	5,867	5,856	Other current liabilities	1,822	2,255
Lease Asset	398	397	Noncurrent Liabilities	26,713	30,823
Construction in progress	10,554	14,100	Convertible bond	885	593
Intangible Fixed Assets	994	968	Long-term borrowings	17,934	22,495
Investments and Other Assets	32,909	32,999	Deferred tax liabilities	6,784	6,578
Investments in securities	26,230	26,236	Provision for directors retirement benefit	211	208
Long-term loans	1,220	1,231	Net defined benefit liabilities	151	210
Deferred tax assets	183	181	Other noncurrent liabilities	747	737
Net defined benefit asset	4,376	4,439	Total Liabilities	56,603	61,281
Other fixed assets	903	915	(Net assets)		
Less: Allowance for doubtful accounts	(4)	(4)	Shareholders' Equity	69,467	70,550
			Capital stock	6,877	7,023
			Capital surplus	7,187	7,333
			Retained earnings	55,686	56,477
			Less: Treasury stock at cost	(283)	(283)
			Valuation and Translation Adjustment	13,897	13,338
			Valuation difference on available securities	11,481	11,448
			Foreign currency translation adjustments	2,040	1,479
			Remeasurement of defined benefit plan	374	411
			Subscription rights to shares	201	201
			Minority Interests	699	673
			Total Net Assets	84,266	84,764
Total Assets	140,869	146,046	Total Liabilities and Net Assets	140,869	146,046

Consolidated Statements of Income

(Million Yen)

	FY2016 For the 1st Quarter Jun.30, 2016	FY2017 For the 1st Quarter Jun.30, 2017
Net sales	24,660	26,844
Cost of sales	20,680	22,860
Gross profit	3,980	3,984
Selling, general and administrative expenses	1,959	2,069
Operating Income	2,020	1,915
Non-operating income	508	517
Interest income	11	23
Dividend income	249	254
Equity in earnings of affiliated companies	174	136
Foreign exchange gain	-	37
Other non-operating income	72	65
Non-operating Expenses	611	48
Interest expense	36	48
Foreign exchange losses	569	-
Other non-operating expense	4	0
Ordinary income	1,918	2,384
Extraordinary Losses	72	19
Losses on sales and retirements of fixed assets	72	19
Income before income taxes and non controlling interests	1,846	2,364
Income taxes	568	678
Current term net profit	1,277	1,686
Loss attributable to non controlling interests	(2)	(1)
Profit attributable to the owners of parent	1,280	1,687