

Consolidated Financial Results

For the Third Quarter Ended December 31, 2016

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 third Quarter (From April 1, 2016 to December 31, 2016)

(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	%
FY2016 third quarter	75,853	△5.1	6,308	16.4	7,241	7.9	5,464	0.5
FY2015 third quarter	79,967	9.1	5,417	13.0	6,710	9.5	5,435	22.9

Note: Comprehensive income

FY2016 third quarter: 5,514 million yen(107.1%), FY2015 third quarter: 2,662 million yen(△68.5%)

	Earnings Per Share	Fully Diluted Earnings Per Share
	Yen	Yen
FY2016 third quarter	101.09	90.19
FY2015 third quarter	101.34	89.82

(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	%
FY2016 third quarter	135,992	77,436	56.3
FY2015	129,954	73,244	55.7

Note: Shareholders' equity:

FY2016 third quarter : 76,589 million yen FY2015: 72,358 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
FY2015	—	12.00	—	14.00	26.00
FY2016	—	13.00	—	—	—
FY2016(Forecast)	—	—	—	13.00	26.00

Note: Revisions to the forecasts announced most recently: None

3. Forecasts of Consolidated Financial Results for FY 2016(April 1, 2016 through March 31, 2017)

(%: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
FY2016	103,000	△3.6	8,100	2.9	9,500	5.4	7,000	△1.6	129.42

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)	FY2016 3rd quarter	55,190,332 shares	FY 2015	55,051,262 shares
②Number of shares of treasury stock at end of period	FY2016 3rd quarter	1,000,242 shares	FY 2015	1,037,219 shares
③Average number of common stock (quarterly total)	FY2016 3rd quarter	54,055,215 shares	FY2015 3rd quarter	53,642,782 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)

	FY2015 (As of Mar.31, 2016)	FY2016 (As of Dec.31, 2016)		FY2015 (As of Mar.31, 2016)	FY2016 (As of Dec.31, 2016)
(Assets)			(Liabilities)		
Current Assets	40,670	39,489	Current Liabilities	30,104	26,960
Cash and time deposits	15,164	14,353	Trade notes and accounts payable	6,313	6,014
Trade notes and accounts receivable	15,507	14,378	Electronically recorded obligations - operating	6,208	6,677
Inventories	6,617	7,487	Short-term borrowings	3,480	3,480
Other current assets	3,406	3,303	Current portion of long-term borrowings	4,826	2,550
Less: Allowance for doubtful accounts	(25)	(34)	Other accounts payable	3,633	2,987
			Income taxes payable	910	791
Fixed Assets	89,283	96,502	Allowance for bonuses	1,366	749
			Allowance for bonuses to directors	69	42
Property, Plant and Equipment	58,065	61,999	Other current liabilities	3,296	3,666
Buildings and structures	18,510	17,466	Noncurrent Liabilities	26,605	31,595
Machinery and vehicles	22,269	23,271			
Tools, Furniture, and fixtures	4,744	3,857	Convertible bond	5,635	5,510
Land	5,392	5,391	Long-term borrowings	13,428	17,824
Lease Asset	449	419	Provision for directors retirement benefit	248	199
Construction in progress	6,697	11,593	Net defined benefit liabilities	135	237
			Other noncurrent liabilities	7,158	7,823
Intangible Fixed Assets	1,001	920			
Investments and Other Assets	30,216	33,581	Total Liabilities	56,710	58,555
Investments in securities	24,924	27,673			
Other fixed assets	5,300	5,912	(Net assets)		
Less: Allowance for doubtful accounts	(9)	(4)	Shareholders' Equity	58,642	62,782
			Capital stock	4,502	4,565
			Capital surplus	4,800	4,874
			Retained earnings	49,632	53,625
			Less: Treasury stock at cost	(294)	(283)
			Valuation and Translation Adjustment	13,716	13,806
			Valuation difference on available securities	10,551	12,542
			Foreign currency translation adjustments	2,861	892
			Remeasurement of defined benefit plan	303	371
			Subscription rights to shares	190	201
			Minority Interests	695	645
			Total Net Assets	73,244	77,436
Total Assets	129,954	135,992	Total Liabilities and Net Assets	129,954	135,992

Consolidated Statements of Income

(Million Yen)

	FY2015 For the third Quarter Dec.31, 2015	FY2016 For the third Quarter Dec.31, 2016
Net sales	79,967	75,853
Cost of sales	68,331	63,404
Gross profit	11,636	12,449
Selling, general and administrative expenses	6,219	6,141
Operating Income	5,417	6,308
Non-operating income	1,664	1,228
Interest income	41	39
Dividend income	558	535
Equity in earnings of affiliated companies	715	473
Other non-operating income	349	179
Non-operating Expenses	371	294
Interest expense	128	108
Foreign exchange losses	221	174
Other non-operating expense	21	11
Ordinary income	6,710	7,241
Extraordinary income	53	303
Gains on sale of fixed assets	9	14
Gain on sales of investment securities	-	289
Gains on sale of subsidiaries and affiliates' stocks	44	-
Extraordinary Losses	115	105
Losses on sales and retirements of fixed assets	115	105
Income before income taxes and non controlling interests	6,647	7,440
Income taxes	1,218	1,966
Current term net profit	5,429	5,473
Loss attributable to non controlling interests	(6)	9
Profit attributable to the owners of parent	5,435	5,464