

## Consolidated Financial Results

### For the Fiscal Year Ended March 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

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(Amounts less than one million yen are omitted)

#### 1. Consolidated Financial Results for FY 2015 (April 1, 2015 through March 31, 2016)

##### (1) Consolidated financial results

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

	Net sales		Operating income		Ordinary income		Net income	
	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%
FY 2015	106,886	6.9	7,869	13.0	9,013	3.7	7,114	6.0
FY 2014	99,952	8.7	6,962	26.6	8,691	23.1	6,714	46.4

(Note) Comprehensive income: FY2015: △901 million yen ( - %) FY2014: 15,325 million yen ( 50.4%)

	Net income per share	Diluted net income per share	Return on equity	Return on asset	Operating margin
	<i>Yen</i>	<i>Yen</i>	%	%	%
FY 2015	132.42	117.54	9.7	6.8	7.4
FY 2014	125.47	111.09	10.2	6.9	7.0

(Reference) Share of (profit) loss of entities accounted for using equity method:

FY2015: 796 million yen FY2014: 577 million yen

##### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	<i>Millions of yen</i>	<i>Millions of yen</i>	%	<i>Yen</i>
FY 2015	129,954	73,244	55.7	1,339.62
FY 2014	133,694	75,459	55.5	1,385.19

(Reference) Equity: FY2015: 72,358 million yen FY2014: 74,142 million yen

##### (3) Cash flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalent at end of period
	<i>Millions of yen</i>	<i>Millions of yen</i>	<i>Millions of yen</i>	<i>Millions of yen</i>
FY 2015	15,211	(12,754)	(236)	14,209
FY 2014	11,130	(15,370)	(1,812)	12,478

#### 2. Cash Dividends

	Annual dividends per share					Total annual dividends	Payout ratio (consolidate)	Dividend on equity (consolidated)
	At end of 1 <sup>st</sup> quarter	At end of 2 <sup>nd</sup> quarter	At end of 3 <sup>rd</sup> quarter	At year-end	Total			
FY2014	<i>Yen</i> —	<i>Yen</i> 8.00	<i>Yen</i> —	<i>Yen</i> 16.00	<i>Yen</i> 24.00	<i>Millions of yen</i> 1,295	% 19.1	% 1.9
FY2015	—	12.00	—	14.00	26.00	1,411	19.6	1.9
FY2016 (forecast)	—	13.00	—	13.00	26.00		23.4	

### 3. Forecasts of Consolidated Financial Results for FY2016 (April 1, 2016 through March 31, 2017)

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

	Net sales		Operating income		Ordinary income		Net income for the year attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	50,000	(4.5)	3,000	(11.6)	3,300	(18.8)	2,400	(28.7)	44.43
FY 2016	103,000	(3.6)	7,200	(8.5)	8,300	(7.9)	6,000	(15.7)	111.08

#### \* Notes

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

Newly included: — (company name).

Newly excluded: 1 company (company name) Pacific Development Co., Ltd.

(2) Changes in accounting policies, accounting estimates and restatements

① Changes in accounting policies with revision of accounting standards : Yes

② Changes other than ① : None

③ Changes in accounting estimates : None

④ Restatement : None

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

① Number of shares outstanding at end of period (including treasury stock)	FY2015	55,051,262 shares	FY2014	54,646,347 shares
② Number of shares of treasury stock at end of period	FY2015	1,037,219 shares	FY2014	1,121,570 shares
③ Average number of shares during the year ended March 31	FY2015	53,727,275 shares	FY2014	53,512,147 shares

#### (Reference) Summary of non-consolidated business results

##### 1. Non-Consolidated Financial Result for FY2015 (April 1, 2015 through March 31, 2016)

(1) Non-consolidated financial results

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2015	63,146	1.7	5,361	4.8	6,660	2.6	5,350	15.2
FY 2014	62,080	1.4	5,115	9.5	6,493	12.4	4,643	28.3

	Net income per share	Diluted net income per share
FY 2015	98.75 Yen	87.74 Yen
FY 2014	86.05	76.25

(1) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2015	103,296	54,446	52.5	996.19
FY 2014	104,808	54,199	51.6	1,001.07

(Reference) Equity: FY2015: 54,255 million yen FY2014: 54,031 million yen

\* Indication regarding status of performance of audit procedures

This summary of financial results is not subject to the audit procedures in accordance with the Financial Instruments and Exchange Act. As of the time of disclosure of this summary of financial results, the audit procedures for 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)

	FY2014	FY2015		FY2014	FY2015
	<small>(As of Mar.31, 2015)</small>	<small>(As of Mar.31, 2016)</small>		<small>(As of Mar.31, 2015)</small>	<small>(As of Mar.31, 2016)</small>
(Assets)			(Liabilities)		
Current Assets	39,382	40,670	Current Liabilities	28,813	30,104
Cash and time deposits	13,811	15,164	Trade notes and accounts payable	6,553	6,313
Trade notes and accounts receivable	15,104	15,507	Electronically recorded obligations - operating	6,281	6,208
Inventories	7,256	6,617	Short-term borrowings	3,698	3,480
Deferred tax assets	1,041	880	Current portion of long-term borrowings	2,990	4,826
Other accounts receivable	1,874	2,009	Other accounts payable	4,154	3,633
Other current assets	324	516	Accrued expenses	1,233	983
Less: Allowance for doubtful accounts	(31)	(25)	Income taxes payable	951	910
Fixed Assets	94,312	89,283	Consumption taxes payable	165	303
Property, Plant and Equipment	56,615	58,065	Deferred tax liabilities	55	-
Buildings and structures	16,667	18,510	Deposit received	122	113
Machinery and vehicles	21,398	22,269	Allowance for bonuses	1,487	1,366
Tools, Furniture, and fixtures	4,329	4,744	Allowance for bonuses to directors	73	69
Land	5,680	5,392	Notes concerning installations	37	54
Lease Asset	486	449	Other current liabilities	1,008	1,842
Construction in progress	8,053	6,697	Noncurrent Liabilities	29,422	26,605
Intangible Fixed Assets	1,002	1,001	Convertible bond	6,000	5,635
Investments and Other Assets	36,694	30,216	Long-term borrowings	13,237	13,428
Investments in securities	30,735	24,924	Deferred tax liabilities	8,661	6,223
Long-term loans	128	116	Provision for directors retirement benefit	233	248
Deferred tax assets	184	191	Net defined benefit liabilities	201	135
Net defined benefit asset	4,895	4,055	Guarantee deposits	133	-
Other fixed assets	761	938	Other noncurrent liabilities	954	934
Less: Allowance for doubtful accounts	(12)	(9)	Total Liabilities	58,235	56,710
			(Net assets)		
			Shareholders' Equity	52,478	58,642
			Capital stock	4,320	4,502
			Capital surplus	4,597	4,800
			Retained earnings	43,878	49,632
			Less: Treasury stock at cost	(318)	(294)
			Valuation and Translation Adjustment	21,663	13,716
			Valuation difference on available securities	14,786	10,551
			Foreign currency translation adjustments	5,693	2,861
			Remeasurement of defined benefit plan	1,183	303
			Subscription rights to shares	168	190
			Minority Interests	1,148	695
			Total Net Assets	75,459	73,244
Total Assets	133,694	129,954	Total Liabilities and Net Assets	133,694	129,954

## Consolidated Statements of Income

(Million Yen)

	FY2014 For the Year Ended Mar.31, 2015	FY2015 For the Year Ended Mar.31, 2016
Net Sales	99,952	106,886
Cost of Sales	85,129	90,911
Gross Profit	14,822	15,975
Selling, General and Administrative Expenses	7,860	8,105
Operating Income	6,962	7,869
Non-Operating Income	2,005	1,798
Interest income	34	59
Dividend income	489	608
Equity in earnings of affiliated companies	577	796
Foreign exchange gain	601	—
Other Non-operating income	302	335
Non-Operating Expenses	276	654
Interest expense	196	166
Foreign exchange loss	—	480
Other Non-operating expense	80	7
Ordinary Income	8,691	9,013
Extraordinary Income	0	55
Gains on sale of fixed assets	0	11
Gain on sales of shares of subsidiaries and associates	—	44
Extraordinary Losses	1,868	209
Losses on sales and retirements of fixed assets	62	144
Losses on valuation of investment securities	143	—
Impairment loss	1,663	64
Income Before Income Taxes and Minority Interests	6,823	8,859
Income Taxes-current	2,098	1,364
Income Taxes-deferred	(141)	378
Income Taxes	1,956	1,742
Income before minority interests	4,866	7,117
Minority Interests in Income (Loss)	(1,847)	2
Net Income	6,714	7,114