

Consolidated Financial Results For the Third Quarter Ended December 31, 2015

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 2015 third Quarter (From April 1, 2015 to December 31, 2015)

(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	%
FY2015 third quarter	79,967	9.1	5,417	13.0	6,710	9.5	5,435	22.9
FY2014 third quarter	73,308	8.1	4,794	17.2	6,125	14.0	4,424	27.5

Note: Comprehensive income

FY2015 third quarter: 2,662 million yen(Δ 68.5%), FY2014 third quarter: 8,450 million yen(Δ 6.4%)

	Earnings Per Share	Fully Diluted Earnings Per Share
	Yen	Yen
FY2015 third quarter	101.34	89.82
FY2014 third quarter	82.68	73.21

(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	%
FY2015 third quarter	133,094	76,784	57.0
FY2014	133,694	75,459	55.5

Note: Shareholders' equity:

FY2015 third quarter : 75,878 million yen FY2014: 74,142 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
FY2014	—	8.00	—	16.00	24.00
FY2015	—	12.00	—	—	—
FY2015(Forecast)	—	—	—	12.00	24.00

Note: Revisions to the forecasts announced most recently: None

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

(%: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
FY2015	104,500	4.6	7,700	10.6	8,800	1.3	6,400	△4.7	119.13

Note: Revisions to the forecasts announced most recently: None

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: — (company name)

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

(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 : Yes

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)	FY2015 3rd quarter	55,035,732 shares	FY 2014	54,646,347 shares
②Number of shares of treasury stock at end of period	FY2015 3rd quarter	1,037,061 shares	FY 2014	1,121,570shares
③Average number of common stock (quarterly total)	FY2015 3rd quarter	53,642,782 shares	FY2014 3rd quarter	53,508,357 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)

	FY2014 <small>(As of Mar.31, 2015)</small>	FY2015 <small>(As of Dec.31, 2015)</small>		FY2014 <small>(As of Mar.31, 2015)</small>	FY2015 <small>(As of Dec.31, 2015)</small>
(Assets)			(Liabilities)		
Current Assets	39,382	38,390	Current Liabilities	28,813	30,285
Cash and time deposits	13,811	14,349	Trade notes and accounts payable	6,553	5,423
Trade notes and accounts receivable	15,104	14,576	Electronically recorded obligations - operating	6,281	6,578
Inventories	7,256	6,792	Short-term borrowings	3,698	3,480
Other current assets	3,241	2,700	Current portion of long-term borrowings	2,990	6,790
Less: Allowance for doubtful accounts	(31)	(28)	Other accounts payable	4,154	3,543
			Income taxes payable	951	290
Fixed Assets	94,312	94,703	Allowance for bonuses	1,487	785
			Allowance for bonuses to directors	73	56
Property, Plant and Equipment	56,615	58,410	Other current liabilities	2,622	3,336
Buildings and structures	16,667	18,239			
Machinery and vehicles	21,398	23,162	Noncurrent Liabilities	29,422	26,024
Tools, Furniture, and fixtures	4,329	5,424			
Land	5,680	5,449	Convertible bond	6,000	5,649
Lease Asset	486	444	Long-term borrowings	13,237	11,102
Construction in progress	8,053	5,689	Provision for directors retirement benefit	233	247
Intangible Fixed Assets	1,002	1,001	Net defined benefit liabilities	201	246
Investments and Other Assets	36,694	35,292	Other noncurrent liabilities	9,750	8,779
Investments in securities	30,735	28,988			
Other fixed assets	5,971	6,316	Total Liabilities	58,235	56,310
Less: Allowance for doubtful accounts	(12)	(12)			
			(Net assets)		
			Shareholders' Equity	52,478	56,939
			Capital stock	4,320	4,495
			Capital surplus	4,597	4,787
			Retained earnings	43,878	47,950
			Less: Treasury stock at cost	(318)	(294)
			Valuation and Translation Adjustment	21,663	18,938
			Valuation difference on available securities	14,786	13,155
			Foreign currency translation adjustments	5,693	4,675
			Remeasurement of defined benefit plan	1,183	1,108
			Subscription rights to shares	168	190
			Total investments and other assets	1,148	715
			Total Net Assets	75,459	76,784
Total Assets	133,694	133,094	Total Liabilities and Net Assets	133,694	133,094

Consolidated Statements of Income

(Million Yen)

	FY2014 For the third Quarter Dec.31, 2014	FY2015 For the third Quarter Dec.31, 2015
Net sales	73,308	79,967
Cost of sales	62,695	68,331
Gross profit	10,613	11,636
Selling, general and administrative expenses	5,819	6,219
Operating Income	4,794	5,417
Non-operating income	1,570	1,664
Interest income	22	41
Dividend income	442	558
Equity in earnings of affiliated companies	516	715
Foreign exchange gain	428	-
Other non-operating income	159	349
Non-operating Expenses	239	371
Interest expense	152	128
Foreign exchange losses	-	221
Other non-operating expense	87	21
Ordinary income	6,125	6,710
Extraordinary income	0	53
Gains on sale of fixed assets	0	9
Gains on sale of subsidiaries and affiliates' stocks	-	44
Extraordinary Losses	1,527	115
Losses on sales and retirements of fixed assets	20	115
Impairment loss	1,506	-
Income before income taxes and non controlling interests	4,597	6,647
Income taxes	1,701	1,218
Current term net profit	2,896	5,429
Loss attributable to non controlling interests	(1,527)	(6)
Profit attributable to the owners of parent	4,424	5,435