

Consolidated Financial Results For the Third Quarter Ended December 31, 2014

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 2014 third quarter (From April 1, 2014 to December 31, 2014)

(1) Consolidated Financial Results

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2014 third quarter	73,308	8.1	4,794	17.2	6,125	14.0	4,424	27.5
FY 2013 third quarter	67,822	8.9	4,092	22.2	5,373	25.7	3,470	59.4

Note: Comprehensive income

FY2014 third quarter: 8,450 million yen (Δ 6.4%) FY2013 third quarter: 9,031 million yen (156.9%)

	Net income Per share	Diluted net income Per share
	Yen	Yen
FY 2014 third quarter	82.68	73.21
FY 2013 third quarter	64.91	64.58

(2) Consolidated Financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
FY 2014 third quarter	122,786	68,584	54.6
FY 2013	116,562	60,648	49.5

Note: Shareholders' equity:

FY2014 third quarter: 66,980 million yen FY2013: 57,716 million yen

2. Cash Dividends

	Annual cash dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2013	—	7.00	—	9.00	16.00
FY 2014	—	8.00	—		
FY 2014(Forecast)				8.00	16.00

Note: Revisions to the forecasts announced most recently: None

3. Forecasts of Consolidated Financial Results for FY 2014(April 1, 2014 through March 31, 2015)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share-basic
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY 2014	97,500	6.0	6,800	23.6	8,400	18.9	6,000	30.8	112.12

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: 2 company (company name) Pacific Auto Parts Technology (Changshu) Co.,Ltd
Pacific Manufacturing Tennessee, Inc.

(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 : Yes

③ Changes in accounting estimates : Yes

④ Restatement : None

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

①Number of shares outstanding at end of period (including treasury stock)	FY2014 3rd quarter	54,646,347 shares	FY2013	54,646,347 shares
②Number of shares of treasury stock at end of period	FY2014 3rd quarter	1,121,570 shares	FY2013	1,176,419 shares
③Average number of shares during the nine months ended December 31	FY2014 3rd quarter	53,508,357 shares	FY2013 3rd quarter	53,459,475 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)

	FY2013 <small>(As of Mar.31, 2014)</small>	Q3 FY2014 <small>(As of Dec.31, 2015)</small>		FY2013 <small>(As of Mar.31, 2014)</small>	Q3 FY2014 <small>(As of Dec.31, 2015)</small>
(Assets)			(Liabilities)		
Current Assets	41,702	35,802	Current Liabilities	29,491	24,337
Cash and time deposits	18,924	12,337	Trade notes and accounts payable	9,423	6,172
Trade notes and accounts receivable	13,108	13,922	Electronically recorded obligations - operating	-	3,681
Goods and products	2,724	2,535	Short-term borrowings	3,754	3,703
Work in process	1,956	2,260	Current portion of long-term borrowings	4,304	2,186
Raw materials and supplies	1,776	2,060	Other accounts payable	7,063	4,620
Other current assets	3,240	2,724	Income taxes payable	1,375	414
Less: Allowance for doubtful accounts	(27)	(38)	Allowance for bonuses	1,433	791
			Allowance for bonuses to directors	73	52
Fixed Assets	74,860	86,983	Other current liabilities	2,062	2,715
Property, Plant and Equipment	46,987	53,218	Noncurrent Liabilities	26,422	29,864
Buildings and structures	13,969	15,746	Convertible bond	6,000	6,000
Machinery and vehicles	16,121	18,216	Long-term borrowings	12,064	14,077
Tools, Furniture, and fixtures	3,397	4,075	Provision for directors retirement benefit	226	267
Land	6,807	5,726	Net defined benefit liabilities	241	224
Lease Asset	615	434	Other noncurrent liabilities	7,889	9,295
Construction in progress	6,075	9,018			
Intangible Fixed Assets	709	898	Total Liabilities	55,914	54,201
Investments and Other Assets	27,163	32,866	(Net assets)		
Investments in securities	23,449	28,543	Shareholders' Equity	46,419	50,188
Other fixed assets	3,727	4,336	Capital stock	4,320	4,320
Less: Allowance for doubtful accounts	(12)	(13)	Capital surplus	4,587	4,597
			Retained earnings	37,846	41,588
			Less: Treasury stock at cost	(334)	(318)
			Valuation and Translation Adjustment	11,297	16,792
			Valuation difference on available securities	9,891	12,719
			Foreign currency translation adjustments	1,321	3,997
			Remeasurement of defined benefit plan	84	75
			Subscription rights to shares	145	168
			Minority Interests	2,785	1,435
			Total Net Assets	60,648	68,584
Total Assets	116,562	122,786	Total Liabilities and Net Assets	116,562	122,786

Consolidated Statements of Income

(Million Yen)

	Q3 FY2013 (April 1, 2013 - December 31, 2013)	Q3 FY2014 (April 1, 2014 - December 31, 2014)
Net Sales	67,822	73,308
Cost of Sales	58,187	62,695
Gross Profit	9,634	10,613
Selling, General and Administrative Expenses	5,541	5,819
Operating Income	4,092	4,794
Non-Operating Income	1,538	1,570
Interest income	38	22
Dividend income	329	442
Equity in earnings of affiliated companies	498	516
Foreign exchange gain	482	428
Other Non-operating income	189	159
Non-Operating Expenses	258	239
Interest expense	189	152
Other Non-operating expense	68	87
Ordinary Income	5,373	6,125
Extraordinary Income	7	0
Gains on sale of fixed assets	7	0
Extraordinary Losses	66	1,527
Losses on sales and retirements of fixed assets	66	20
Impairment loss	-	1,506
Income Before Income Taxes and Minority Interests	5,313	4,597
Income Taxes	1,874	1,701
Income before minority interests	3,438	2,896
Minority Interests in Income (Loss)	(31)	(1,527)
Net Income	3,470	4,424