

Summary of Financial Results for the First Quarter Ended November 30, 2013 [Japan GAAP] (Consolidated)

January 14, 2014

Company **Watts Co., Ltd.** Listed on the TSE
 Stock Code 2735 URL: <http://www.watts-jp.com>
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 Expected date of filing of quarterly report: January 14, 2014 Expected starting date of dividend payment: -
 Preparation of quarterly supplementary financial document: None
 Quarterly results briefing: None

(Rounded down to million yen)

1. Consolidated business results for the three months ended November 2013 (September 1, 2013 through November 30, 2013)

(1) Consolidated results of operations (% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Nov. 2013	10,724	5.2	431	-20.9	441	-19.5	261	-22.3
Three months ended Nov. 2012	10,190	1.9	546	12.5	549	13.0	336	7.4

(Note) Comprehensive income

Three months ended November 2013: 263 million yen (-21.5%)

Three months ended November 2012: 335 million yen (9.6%)

	Net income per share		Diluted net income per share	
	Yen	Yen	Yen	Yen
Three months ended Nov. 2013	19.29	-	-	-
Three months ended Nov. 2012	26.58	-	-	-

(Note) The Company carried out a 2-for-1 stock split on common shares with the effective date of March 1, 2013. Consequently, the amount provided in net income per share has been retrospectively adjusted by calculating it on the assumption that the stock split was carried out at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Nov. 2013	18,252	7,729	42.3
As of Aug. 2013	18,177	7,695	42.3

(Reference) Shareholders' equity

As of November 2013: 7,729 million yen

As of August 2013: 7,695 million yen

2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Aug. 2013	-	0.00	-	17.00	17.00
Year ending Aug. 2014	-	-	-	-	-
Year ending Aug. 2014 (forecast)	-	0.00	-	15.00	15.00

(Note) Revisions to dividend forecast for the current quarter: None

Dividend of 2 yen is included in the year-end dividend for the fiscal year ended August 2013 to commemorate change in listing market to the second section of the Tokyo Stock Exchange.

3. Forecast of consolidated business results for the fiscal year ending August 2014

(September 1, 2013 through August 31, 2014)

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
For the six months ending Feb. 2014	21,650	5.6	960	-21.0	940	-22.7	520	-28.2	41.01
Year ending Aug. 2014	44,000	5.5	2,140	3.1	2,100	1.2	1,180	5.0	93.07

(Note) Revisions to business forecast for the current quarter: None

*Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): Yes

(2) Application of accounting procedures specific to preparation of the consolidated quarterly financial statements: None

(3) Changes in accounting policies, accounting estimates and restatement

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|--|--------|
| ① Changes in accounting policies associated with revision of accounting standards: | : None |
| ② Changes in accounting policies other than ① | : None |
| ③ Changes in accounting estimates | : None |
| ④ Restatement | : None |

(4) Shares outstanding (common stock)

① Number of shares outstanding at the end of period (treasury stock included)

As of November 2013 13,958,800 Shares

As of August 2013 13,958,800 shares

② Treasury stock at the end of period

As of November 2013 410,794 shares

As of August 2013 410,794 shares

③ Average number of stock during period (quarterly cumulative period)

Three months ended November 2013 13,548,006 shares

Three months ended November 2012 12,652,006 shares

(Note) The Company carried out a 2-for-1 stock split on common shares with the effective date of March 1, 2013. Consequently, the numbers of shares provided have been retrospectively adjusted by calculating them on the assumption that the stock split was carried out at the beginning of the previous consolidated fiscal year.

*Implementation status of quarterly review procedures

At the time of disclosure of this report, the procedures for review of consolidated financial statements pursuant to the Financial Instruments and Exchange Act are in progress.

*Explanation regarding appropriate use of business forecasts and other special instructions

(Caution concerning forward-looking statements)

The forward-looking statements regarding future performance in this material are based on information currently available to the company and certain assumptions that the company deems to be reasonable at the time this report was prepared. Therefore, the company does not make promises about the achievements. Actual results may differ significantly from the forecasts due to various factors.