

Summary of Financial Results for the First Quarter Ended November 30, 2014 [Japan GAAP] (Consolidated)

January 9, 2015

Company **Watts Co., Ltd.**
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Expected date of filing of quarterly report: January 9, 2015

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 2014 (September 1, 2014 through November 30, 2014)

(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. 2014	10,931	1.9	383	-11.2	401	-9.2	307	17.7
Three months ended Nov. 2013	10,724	5.2	431	-20.9	441	-19.5	261	-22.3

(Note) Comprehensive income

Three months ended November 2014: 346 million yen (31.6%)

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

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended Nov. 2014	22.70		-	
Three months ended Nov. 2013	19.29		-	

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Nov. 2014	19,582	8,536	43.6
As of Aug. 2014	18,977	8,420	44.4

(Reference) Shareholders' equity

As of November 2014: 8,536 million yen

As of August 2014: 8,420 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. 2014	-	0.00	-	17.00	17.00
Year ending Aug. 2015	-				
Year ending Aug. 2015 (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 2014 to commemorate change in listing market to the 1st section of the Tokyo Stock Exchange.

3. Forecast of consolidated business results for the fiscal year ending August 2015 (September 1, 2014 through August 31, 2015)

(% 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. 2015	22,400	4.0	880	-2.9	880	-2.8	500	4.0	36.91
Year ending Aug. 2015	45,300	4.0	1,790	0.3	1,800	0.0	1,040	9.7	76.76

(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): None

(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 2014	13,958,800 Shares
As of August 2014	13,958,800 shares

② Treasury stock at the end of period

As of November 2014	410,825 shares
As of August 2014	410,825 shares

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

Three months ended November 2014	13,547,975 shares
Three months ended November 2013	13,548,006 shares

***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 completed.

*** 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.