

# Summary of Financial Results for the First Quarter Ended November 30, 2015

## [Japan GAAP] (Consolidated)

January 13, 2016

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 13, 2016 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 2015

#### (September 1, 2015 through November 30, 2015)

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

	Sales		Operating profit		Recurring profit		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Nov. 2015	11,329	3.6	149	-61.0	158	-60.6	111	-63.8
Three months ended Nov. 2014	10,931	1.9	383	-11.2	401	-9.2	307	17.7

(Note) Comprehensive income

Three months ended November 2015: 46 million yen (-86.6%)

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

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Nov. 2015	8.21	-
Three months ended Nov. 2014	22.70	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Nov. 2015	18,264	8,783	48.1
As of Aug. 2015	17,877	8,966	50.2

(Reference) Shareholders' equity

As of November 2015: 8,783 million yen

As of August 2015: 8,966 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. 2015	-	0.00	-	17.00	17.00
Year ending Aug. 2016	-				
Year ending Aug. 2016 (forecast)		0.00	-	15.00	15.00

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

Year-end dividend for the fiscal year ended August 2015 is including 2 yen of dividend to commemorate the company's 20<sup>th</sup> anniversary.

### 3. Forecast of consolidated business results for the fiscal year ending August 2016

#### (September 1, 2015 through August 31, 2016)

(% change from the previous corresponding period)

	Sales		Operating profit		Recurring profit		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
For the six months ending Feb. 2016	22,700	3.1	570	-28.7	570	-28.8	360	-27.0	26.57
Year ending Aug. 2016	46,100	3.7	1,360	8.1	1,370	8.4	870	24.1	64.22

(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

- |  |        |
|--|--------|
| ① Changes in accounting policies associated with revision of accounting standards: | : Yes  |
| 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 2015	13,958,800 shares
As of August 2015	13,958,800 shares

② Treasury stock at the end of period

As of November 2015	410,825 shares
As of August 2015	410,825 shares

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

Three months ended November 2015	13,547,975 shares
Three months ended November 2014	13,547,975 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 have been 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.