

Summary of Financial Results for the First Quarter Ended November 30, 2016 [Japan GAAP] (Consolidated)

January 13, 2017

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, 2017 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 2016 (September 1, 2016 through November 30, 2016)

(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. 2016	11,609	2.5	235	57.5	258	63.2	218	96.1
Three months ended Nov. 2015	11,329	3.6	149	-61.0	158	-60.6	111	-63.8

(Note) Comprehensive income

Three months ended November 2016: 166 million yen (258.0%)

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

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Nov. 2016	16.10	-
Three months ended Nov. 2015	8.21	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Nov. 2016	19,388	9,229	47.8
As of Aug. 2016	18,485	9,265	50.1

(Reference) Shareholders' equity

As of November 2016: 9,262 million yen

As of August 2016: 9,265 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. 2016	-	0.00	-	15.00	15.00
Year ending Aug. 2017	-				
Year ending Aug. 2017 (forecast)		0.00	-	15.00	15.00

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

3. Forecast of consolidated business results for the fiscal year ending August 2017

(September 1, 2016 through August 31, 2017)

(% 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. 2017	23,500	2.6	605	3.2	590	0.8	385	10.9	28.42
Year ending Aug. 2017	48,000	4.0	1,370	13.6	1,350	13.2	910	26.7	67.17

(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 2016	13,958,800 shares
As of August 2016	13,958,800 shares

② Treasury stock at the end of period

As of November 2016	410,874 shares
As of August 2016	410,874 shares

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

Three months ended November 2016	13,547,926 shares
Three months ended November 2015	13,547,975 shares

***Implementation status of quarterly review procedures**

This quarterly financial summary is not subject to the quarterly review procedures pursuant to the Financial Instruments and Exchange Act. 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.