

Summary of Business Results for the Third Quarter Ended May 31, 2015

[Japan GAAP] (Consolidated)

July 10, 2015

Company **Watts Co., Ltd.** Listed on the TSE
 Stock Code 2735 URL: <http://www.watts-jp.com/>
 Representative Fumio Hiraoka, President and CEO
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 Director, General Manager of Corporate Planning Office
 Expected date of filing of quarterly report: July 10, 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 nine months ended May 2015

(September 1, 2014 through May 31, 2015)

(1) Consolidated results of operations

(% change from the previous corresponding period)

	Sales		Operating profit		Recurring profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended May 2015	33,304	1.8	1,132	-17.8	1,132	-18.4	653	-14.1
Nine months ended May 2014	32,705	5.8	1,376	-19.6	1,387	-19.1	760	-24.3

(Note) Comprehensive income

Nine months ended May 2015: 723 million yen (-6.2%)

Nine months ended May 2014: 771 million yen (-27.6%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended May 2015	48.24	-
Nine months ended May 2014	56.14	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of May 2015	19,638	8,913	45.4
As of Aug. 2014	18,977	8,420	44.4

(Reference) Shareholders' equity

As of May 2015: 8,913 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	-	0.00	-		
Year ending Aug. 2015 (forecast)				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)

	Sales		Operating profit		Recurring profit		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
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

- | | |
|--|--------|
| 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 |

(3) Shares outstanding (common stock)

- | | |
|---|-------------------|
| ① Number of shares outstanding at the end of period (treasury stock included) | |
| As of May 2015 | 13,958,800 shares |
| As of August 2014 | 13,958,800 shares |
| ② Treasury stock at the end of period | |
| As of May 2015 | 410,825 shares |
| As of August 2014 | 410,825 shares |
| ③ Average number of stock during period (quarterly cumulative period) | |
| Nine months ended May 2015 | 13,547,975 shares |
| Nine months ended May 2014 | 13,548,002 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.