

Brief Financial Report for the Second Quarter Ending March 2013
[Based on Japanese Accounting Standards] (Consolidated)

Listed Company: PIOLAX Inc.

Code No.: 5988 (URL <http://www.piolax.co.jp>)

Representative: President Yukihiro Shimazu

Contact person in charge: Accounting Group Leader Management & Planning Dept. Shinichi Gohara (Phone 045-731-1211)

Estimated submission date of quarterly report: November 9, 2012

Date scheduled to start dividend payment: December 3, 2012

Preparation of supplementary materials for quarterly financial results: No

Information meeting for quarterly financial results to be held: Yes (for corporate investors and investment analysts)

(Amounts are rounded to the nearest million yen.)

1. Consolidated performance for the second quarter ending March 31, 2013 (April 1, 2012 to September 30, 2012)

(1) Consolidated business results (Total sum)

(Percentage changes from the same period of the previous year.)

| | Net sales | | Operating income | | Ordinary income | | Quarter net income | |
|-----------|-----------------|------|------------------|-------|-----------------|-------|--------------------|-------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| FY3/13 2Q | 25,243 | 15.8 | 3,151 | 72.4 | 3,501 | 68.1 | 2,279 | 64.7 |
| FY3/12 2Q | 21,789 | -3.4 | 1,828 | -32.2 | 2,083 | -31.9 | 1,383 | -28.4 |

Note: Comprehensive income FY3/13 2Q 2,126 million yen (66.4%), FY 3/12 2Q 1,277 million yen (-12.2%)

| | Quarter net income per share | Quarter net income per share-diluted |
|-----------|------------------------------|--------------------------------------|
| | Yen | Yen |
| FY3/13 2Q | 183.23 | - |
| FY3/12 2Q | 109.88 | - |

(2) Consolidate financial position

| | Total assets | Net assets | Equity capital ratio |
|-----------|-----------------|-----------------|----------------------|
| | Millions of yen | Millions of yen | % |
| FY3/13 2Q | 60,567 | 51,000 | 83.4 |
| FY3/12 | 58,151 | 49,079 | 83.7 |

(Reference) Equity capital: FY3/13 2Q 50,542 million yen, FY 3/12 48,676 million yen

2. Cash dividends

| | Annual dividends | | | | |
|-------------------|----------------------|-----------------------|----------------------|----------|-----------|
| | End of first quarter | End of second quarter | End of third quarter | Term end | Full year |
| | Yen | Yen | Yen | Yen | Yen |
| FY3/12 | - | 15.00 | - | 17.50 | 32.50 |
| FY3/13 | - | 17.50 | | | |
| FY3/13 (Forecast) | | | - | 17.50 | 35.00 |

Note: Changes in the latest forecasts released: No

3. Forecast consolidated performance for the year ending March 31, 2013 (April 1, 2012 to March 31, 2013)

(Percentage changes from the same period of the previous year.)

| | Net sales | | Operating income | | Ordinary income | | Net income | | Net income per share |
|--------|-----------------|-----|------------------|------|-----------------|------|-----------------|-----|----------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Annual | 49,000 | 5.4 | 5,300 | 12.7 | 5,700 | 10.0 | 3,600 | 5.7 | 289.42 |

Note: Changes in the latest forecasts released: No

3. [Quarterly consolidated financial statement]

(1) Quarterly consolidated balance sheet

(Millions of Yen)

| | Previous consolidated FY (March 31, 2012) | Current second quarter (September 30, 2012) |
|--|--|--|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 11,913 | 13,183 |
| Notes and accounts receivable-trade | 11,879 | 12,194 |
| Marketable securities | 187 | 187 |
| Goods and Finished products | 2,710 | 2,807 |
| Material in progress | 1,277 | 1,266 |
| Raw materials and inventory goods | 1,087 | 1,092 |
| Other | 1,736 | 1,784 |
| Allowance for bad loans | -32 | -46 |
| Total current assets | 30,760 | 32,470 |
| Fixed assets | | |
| Tangible fixed assets | | |
| Buildings and structures (net) | 4,042 | 4,134 |
| Machinery equipment and vehicles (net) | 4,369 | 4,668 |
| Tools, furniture and fixture (net) | 1,325 | 1,391 |
| Land | 4,699 | 4,701 |
| Lease asset (net) | 26 | 47 |
| Construction in progress | 985 | 1,181 |
| Total tangible fixed assets | 15,448 | 16,125 |
| Intangible fixed assets | 397 | 528 |
| Investments and other assets | | |
| Investment account securities | 10,480 | 10,362 |
| Other | 1,065 | 1,080 |
| Allowance for bad loans | -0 | -0 |
| Total investments and other assets | 11,545 | 11,442 |
| Total fixed assets | 27,391 | 28,096 |
| Total assets | 58,151 | 60,567 |

| | Previous consolidated FY (March 31, 2012) | Current second quarter (September 30, 2012) |
|--|--|--|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable-trade | 2,567 | 2,439 |
| Short-term borrowings | 353 | 473 |
| Accrued income taxes | 731 | 1,053 |
| Allowance for bonus | 710 | 713 |
| Allowance reserve | 7 | - |
| Other | 2,576 | 2,700 |
| Total current liabilities | 6,947 | 7,379 |
| Long-term liabilities | | |
| Allowance reserve | 71 | 86 |
| Asset removal liabilities | 18 | 18 |
| Negative goodwill | 0 | 0 |
| Other | 2,034 | 2,080 |
| Total long-term liabilities | 2,124 | 2,186 |
| Total liabilities | 9,072 | 9,566 |
| Total equity | | |
| Equity | | |
| Common stock | 2,960 | 2,960 |
| Capital surplus | 2,696 | 2,696 |
| Retained earnings | 46,004 | 48,065 |
| Treasury stock | -710 | -710 |
| Total shareholders' equity | 50,951 | 53,013 |
| Accumulated other comprehensive income | | |
| Unrealized gain on available-for-sale securities | 608 | 308 |
| Foreign currency translation adjustments | -2,883 | -2,779 |
| Total accumulated other comprehensive income | -2,274 | -2,470 |
| Minority interests in consolidated subsidiaries | 402 | 458 |
| Total equity | 49,079 | 51,000 |
| Total liabilities and equity | 58,151 | 60,567 |

(2) Consolidated Statements of (Comprehensive) Income

(Consolidated Statements of Income)

[FY2013 second quarter]

(Millions of Yen)

| | Previous second quarter (April 1, 2011 to September 30, 2011) | Current first quarter (April 1, 2012 to September 30, 2012) |
|---|--|--|
| Net sales | 21,789 | 25,243 |
| Cost of sales | 16,655 | 18,483 |
| Gross profit | 5,134 | 6,759 |
| Selling, general and administrative expenses | 3,305 | 3,607 |
| Operating income | 1,828 | 3,151 |
| Non-operating income | | |
| Interest income | 11 | 13 |
| Dividend income | 11 | 13 |
| Equity method investment gain | 175 | 294 |
| Other | 90 | 83 |
| Total non-operating income | 288 | 404 |
| Non-operating expenses | | |
| Interest expense | 6 | 11 |
| Loss on disposal of property and equipment | 3 | 8 |
| Foreign exchange loss | 8 | 22 |
| Other | 14 | 11 |
| Total non-operating expenses | 33 | 54 |
| Ordinary income | 2,083 | 3,501 |
| Special losses | | |
| Provision of reserve for disaster loss | 11 | - |
| Disaster loss | 0 | - |
| Total special losses | 11 | - |
| Quarterly net income before taxes and other adjustments | 2,071 | 3,501 |
| Corporate taxes | 663 | 1,187 |
| Quarterly net income before minority interests | 1,407 | 2,314 |
| Minority interests in income | 23 | 35 |
| Quarterly net income | 1,383 | 2,279 |