

Brief Financial Report for the Second Quarter Ending March 2014
[Based on Japanese Accounting Standards] (Consolidated)

Listed Company: PIOLAX Inc.

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

Representative: President Yukihiko Shimazu

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

Estimated submission date of quarterly report: November 8, 2013

Date scheduled to start dividend payment: December 2, 2013

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 first quarter ending March 31, 2014 (April 1, 2013 to September 30, 2013)

(1) Consolidated business results (Total sum)

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

	Net sales		Operating income		Ordinary income		Quarter net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY3/14 2Q	26,340	4.3	3,420	8.5	3,857	10.2	2,792	22.5
FY3/13 2Q	25,243	15.8	3,151	72.4	3,501	68.1	2,279	64.7

Note: Comprehensive income FY3/14 2Q 4,684 million yen (120.3%), FY 3/13 2Q 2,126 million yen (66.4%)

	Quarter net income per share	Quarter net income per share-diluted
	Yen	Yen
FY3/14 2Q	224.47	-
FY3/13 2Q	183.23	-

(2) Consolidate financial position

	Total assets	Net assets	Equity capital ratio
	Millions of yen	Millions of yen	%
FY3/14 2Q	70,221	59,096	82.8
FY3/13	64,109	54,345	84.0

(Reference) Equity capital: FY3/14 2Q 58,151 million yen, FY 3/13 53,822 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
FY3/13	-	17.50	-	27.50	45.00
FY3/14	-	22.50			
FY3/143 (Forecast)			-	22.50	45.00

Note: Changes in the latest forecasts released: Yes

3. Forecast consolidated performance for the year ending March 31, 2014 (April 1, 2013 to March 31, 2014)

(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	52,500	8.3	6,200	19.5	6,900	19.4	4,600	22.4	369.82

Note: Changes in the latest forecasts released: Yes

3. [Quarterly consolidated financial statement]

(1) Quarterly consolidated balance sheet

(Millions of Yen)

	Previous consolidated FY (March 31, 2013)	Current second quarter (September 30, 2013)
Assets		
Current assets		
Cash and cash equivalents	14,881	15,933
Notes and accounts receivable-trade	10,626	12,507
Marketable securities	187	187
Goods and Finished products	3,264	3,086
Material in progress	1,245	1,393
Raw materials and inventory goods	1,341	1,396
Other	2,077	2,318
Allowance for bad loans	-38	-43
Total current assets	33,584	36,780
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	4,398	4,743
Machinery equipment and vehicles (net)	5,438	6,499
Tools, furniture and fixture (net)	1,369	1,736
Land	4,722	4,827
Lease asset (net)	80	75
Construction in progress	1,497	1,643
Total tangible fixed assets	17,507	19,525
Intangible fixed assets		
Goodwill	0	9
Other	608	725
Total intangible fixed assets	609	734
Investments and other assets		
Investment account securities	11,281	12,002
Other	1,126	1,177
Allowance for bad loans	-0	-0
Total investments and other assets	12,408	13,180
Total fixed assets	30,524	33,441
Total assets	64,109	70,221

	Previous consolidated FY (March 31, 2013)	Current second quarter (September 30, 2013)
Liabilities		
Current liabilities		
Accounts payable-trade	2,127	2,669
Short-term borrowings	625	642
Accrued income taxes	882	1,263
Allowance for bonus	730	743
Allowance reserve	74	73
Other	2,829	3,092
Total current liabilities	7,271	8,484
Long-term liabilities		
Allowance reserve	113	165
Asset removal liabilities	18	18
Other	2,360	2,456
Total long-term liabilities	2,492	2,641
Total liabilities	9,763	11,125
Total equity		
Equity		
Common stock	2,960	2,960
Capital surplus	2,696	2,696
Retained earnings	49,325	51,776
Treasury stock	-710	-710
Total shareholders' equity	54,273	56,723
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	863	1,005
Foreign currency translation adjustments	-1,314	422
Total accumulated other comprehensive income	-451	1,427
Minority interests in consolidated subsidiaries	523	944
Total equity	54,345	59,096
Total liabilities and equity	64,109	70,221

(2) Consolidated Statements of Income
[FY2014 second quarter]

(Millions of Yen)

	Previous second quarter (April 1, 2012 to September 30, 2012)	Current second quarter (April 1, 2013 to September 30, 2013)
Net sales	25,243	26,340
Cost of sales	18,483	19,009
Gross profit	6,759	7,331
Selling, general and administrative expenses	3,607	3,910
Operating income	3,151	3,420
Non-operating income		
Interest income	13	15
Dividend income	13	15
Equity method investment gain	294	309
Other	83	122
Total non-operating income	404	463
Non-operating expenses		
Interest expense	11	2
Loss on disposal of property and equipment	8	6
Foreign exchange loss	22	-
Cost of lease revenue	4	5
Other	7	11
Total non-operating expenses	54	26
Ordinary income	3,501	3,857
Extraordinary income		
Compensation received	-	334
Total extraordinary income	-	334
Quarterly net income before taxes and other adjustments	3,501	4,192
Corporate taxes	1,187	1,380
Quarterly net income before minority interests	2,314	2,811
Minority interests in income	35	19
Quarterly net income	2,279	2,792