

Brief Financial Report for the Third Quarter Ending March 2016
[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 (Tel. 045-731-1211)

Estimated submission date of quarterly report: February 9, 2016

Date scheduled to start dividend payment: -

Preparation of supplementary materials for quarterly financial results: No

Information meeting for quarterly financial results to be held: No

(Amounts are rounded to the nearest million yen.)

1. Consolidated performance for the third quarter ending March 31, 2016 (April 1, 2015 to December 31, 2015)

(1) Consolidated business results (Total sum)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of PIOLAX Inc.	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY3/16 3Q	47,619	7.5	6,959	9.6	7,727	10.3	5,494	12.0
FY3/15 3Q	44,309	9.8	6,350	12.3	7,007	11.4	4,906	9.1

Note: Comprehensive income FY3/16 3Q 4,500 million yen (-29.1%), FY 3/15 3Q 6,345 million yen (1.6%)

	Quarter net income per share	Quarter net income per share-diluted
	Yen	Yen
FY3/16 3Q	460.25	-
FY3/15 3Q	394.44	-

(2) Consolidate financial position

	Total assets	Net assets	Equity capital ratio
	Millions of yen	Millions of yen	%
FY3/16 3Q	85,585	73,571	84.5
FY3/15	82,794	69,877	82.9

(Reference) Equity capital: FY3/16 3Q 72,347 million yen, FY 3/15 68,610 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
FY3/15	-	27.50	-	32.50	60.00
FY3/16	-	35.00	-	-	-
FY3/16 (Forecast)	-	-	-	35.00	70.00

Note: Changes in the latest forecasts released: No

3. Forecast consolidated performance for the year ending March 31, 2016 (April 1, 2015 to March 31, 2016)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of PIOLAX Inc.		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Annual	63,000	5.9	8,300	2.7	8,800	-4.4	5,900	-6.4	494.20

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, 2015)	Current Third quarter (December 31, 2015)
Assets		
Current assets		
Cash and cash equivalents	16,438	18,886
Notes and accounts receivable-trade	13,377	13,256
Electronically recorded monetary claims-operating	974	1,214
Marketable securities	287	287
Goods and Finished products	4,251	4,326
Material in progress	1,738	1,768
Raw materials and inventory goods	1,788	1,842
Other	2,309	2,212
Allowance for bad loans	-61	-62
Total current assets	41,104	43,732
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	8,118	8,049
Machinery equipment and vehicles (net)	8,140	7,459
Tools, furniture and fixture (net)	2,590	2,615
Land	5,222	5,170
Lease asset (net)	78	68
Construction in progress	1,387	1,053
Total tangible fixed assets	25,538	24,417
Intangible fixed assets		
Goodwill	7	4
Other	869	815
Total intangible fixed assets	876	820
Investments and other assets		
Investment account securities	13,946	15,283
Other	1,328	1,330
Allowance for bad loans	-0	-0
Total investments and other assets	15,274	16,614
Total fixed assets	41,689	41,852
Total assets	82,794	85,585

	Previous consolidated FY (March 31, 2015)	Current third quarter (December 31, 2015)
Liabilities		
Current liabilities		
Accounts payable-trade	3,027	2,986
Short-term borrowings	1,228	1,015
Accrued income taxes	1,038	576
Allowance reserve	810	411
Other	3,702	3,521
Total current liabilities	9,807	8,512
Long-term liabilities		
Net defined benefit liability	174	202
Asset removal liabilities	18	18
Other	2,915	3,280
Total long-term liabilities	3,109	3,500
Total liabilities	12,916	12,013
Total equity		
Equity		
Common stock	2,960	2,960
Capital surplus	2,696	2,697
Retained earnings	59,973	64,662
Treasury stock	-2,836	-2,837
Total shareholders' equity	62,794	67,484
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	1,675	2,256
Foreign currency translation adjustments	4,281	2,725
Remeasurements of defined benefit plans	-140	-119
Total accumulated other comprehensive income	5,815	4,862
Non-controlling interests	1,266	1,224
Total equity	69,877	73,571
Total liabilities and equity	82,794	85,585

(2) Consolidated Statements of Income
[FY2016 Third quarter]

(Millions of Yen)

	Previous Third quarter (April 1, 2014 to December 31, 2014)	Current Third quarter (April 1, 2015 to December 31, 2015)
Net sales,	44,309	47,619
Cost of sales	31,404	33,433
Gross profit	12,905	14,186
Selling, general and administrative expenses	6,554	7,226
Operating income	6,350	6,959
Non-operating income		
Interest income	44	42
Dividend income	40	48
Equity method investment gain	555	570
Other	162	201
Total non-operating income	802	863
Non-operating expenses		
Interest expense	45	44
Loss on valuation of derivatives	60	-
Loss on disposal of property and equipment	14	21
Cost of lease revenue	5	7
Other	19	21
Total non-operating expenses	146	95
Ordinary income	7,007	7,727
Quarterly net income before taxes and other adjustments	7,007	7,727
Corporate taxes	2,050	2,180
Net income before non-controlling interests	4,957	5,546
Net income attributable to non-controlling interests	50	52
Net income attributable to owners of PIOLAX Inc.	4,906	5,494