

**Brief Financial Report for the First 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 Yukihiro Shimazu

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

Estimated submission date of quarterly report: August 9, 2013

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 first quarter ending March 31, 2014 (April 1, 2013 to June 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 1Q	12,614	-1.2	1,509	-11.7	1,749	-8.7	1,339	11.3
FY3/13 1Q	12,772	26.4	1,709	133.0	1,915	139.5	1,203	125.1

Note: Comprehensive income FY3/14 1Q 2,566 million yen (40.6%), FY 3/13 1Q 1,825 million yen (105.8%)

	Quarter net income per share	Quarter net income per share-diluted
	Yen	Yen
FY3/14 1Q	107.65	-
FY3/13 1Q	96.72	-

(2) Consolidate financial position

	Total assets	Net assets	Equity capital ratio
	Millions of yen	Millions of yen	%
FY3/14 1Q	67,584	56,978	83.0
FY3/13	64,109	54,345	84.0

(Reference) Equity capital: FY3/14 1Q 56,070 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	-				
FY3/143 (Forecast)		17.50	-	17.50	35.00

Note: Changes in the latest forecasts released: No

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

(Percentage changes from previous period, and changes from the previous first half term for the same term)

	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
First half (total sum)	24,800	-1.8	2,400	-23.8	2,600	-25.8	1,800	-21.0	144.71
Annual	50,600	4.4	5,300	2.1	5,800	0.4	3,800	1.1	305.50

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, 2013)	Current first quarter (June 30, 2013)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	14,881	15,670
Notes and accounts receivable-trade	10,626	11,522
Marketable securities	187	187
Goods and Finished products	3,264	3,150
Material in progress	1,245	1,393
Raw materials and inventory goods	1,341	1,349
Other	2,077	2,367
Allowance for bad loans	-38	-39
Total current assets	33,584	35,600
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	4,398	4,479
Machinery equipment and vehicles (net)	5,438	6,033
Tools, furniture and fixture (net)	1,369	1,606
Land	4,722	4,738
Lease asset (net)	80	80
Construction in progress	1,497	1,582
Total tangible fixed assets	17,507	18,520
Intangible fixed assets		
Goodwill	0	9
Other	608	657
Total intangible fixed assets	609	666
Investments and other assets		
Investment account securities	11,281	11,646
Other	1,126	1,149
Allowance for bad loans	-0	-0
Total investments and other assets	12,408	12,796
Total fixed assets	30,524	31,983
Total assets	64,109	67,584

	Previous consolidated FY (March 31, 2013)	Current first quarter (June 30, 2013)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	2,127	2,440
Short-term borrowings	625	681
Accrued income taxes	882	718
Allowance reserve	805	444
Other	2,829	3,769
<b>Total current liabilities</b>	<b>7,271</b>	<b>8,053</b>
<b>Long-term liabilities</b>		
Allowance reserve	113	147
Asset removal liabilities	18	18
Other	2,360	2,385
<b>Total long-term liabilities</b>	<b>2,492</b>	<b>2,551</b>
<b>Total liabilities</b>	<b>9,763</b>	<b>10,605</b>
<b>Total equity</b>		
<b>Equity</b>		
Common stock	2,960	2,960
Capital surplus	2,696	2,696
Retained earnings	49,325	50,322
Treasury stock	-710	-710
<b>Total shareholders' equity</b>	<b>54,273</b>	<b>55,270</b>
<b>Accumulated other comprehensive income</b>		
Unrealized gain on available-for-sale securities	863	893
Foreign currency translation adjustments	-1,314	-93
<b>Total accumulated other comprehensive income</b>	<b>-451</b>	<b>799</b>
<b>Minority interests in consolidated subsidiaries</b>	<b>523</b>	<b>908</b>
<b>Total equity</b>	<b>54,345</b>	<b>56,978</b>
<b>Total liabilities and equity</b>	<b>64,109</b>	<b>67,584</b>

**(2) Consolidated Statements of (Comprehensive) Income**

(Consolidated Statements of Income)

[FY2014 first quarter]

(Millions of Yen)

	Previous first quarter (April 1, 2012 to June 30, 2012)	Current first quarter (April 1, 2013 to June 30, 2013)
Net sales	12,772	12,614
Cost of sales	9,254	9,223
Gross profit	3,517	3,391
Selling, general and administrative expenses	1,807	1,881
Operating income	1,709	1,509
Non-operating income		
Interest income	4	7
Dividend income	12	15
Equity method investment gain	147	142
Other	74	84
Total non-operating income	239	250
Non-operating expenses		
Interest expense	4	1
Foreign exchange loss	9	-
Loss on disposal of property and equipment	3	1
Cost of lease revenue	2	2
Other	13	5
Total non-operating expenses	33	10
Ordinary income	1,915	1,749
Extraordinary income		
Compensation received	-	334
Total extraordinary income	-	334
Quarterly net income before taxes and other adjustments	1,915	2,083
Corporate taxes	687	737
Quarterly net income before minority interests	1,228	1,345
Minority interests in income	25	6
Quarterly net income	1,203	1,339