

## Brief Financial Report for the Year Ended March 31, 2014 [Based on Japanese Accounting Standards] (Consolidated)

Listed Company Name: PIOLAX Inc. Listing Exchanges: Tokyo Stock Exchange (First Section)  
 Code No.: 5988 URL: <http://www.piolax.co.jp>  
 Representative: President Yukihiko Shimazu  
 Contact: Accounting Group Leader Management & Planning Dept. Shinichi Gohara Phone: 045-731-1211  
 Date scheduled for general meeting of shareholders: June 25, 2014 Date scheduled to start dividend payment: June 26, 2014  
 Date scheduled to submit asset securities report: June 26, 2014  
 Preparation of supplementary materials for quarterly financial results: None  
 Information meeting for financial results to be held: Yes (For institutional investor and investment analyst)

(Amounts are rounded to the nearest million yen.)

### 1. Consolidated performance for the year ended March 31, 2014 (April 1, 2013 to March 31, 2014)

#### (1) Consolidated business results

(Percentage changes from previous period.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY3/14	54,712	12.9	7,566	45.8	8,441	46.1	5,722	52.3
FY3/13	48,476	4.2	5,189	10.4	5,776	11.5	3,757	10.4

(Note) Comprehensive income FY3/14 8,873 million yen (55.4%) FY3/13 5,710 million yen (90.8%)

	Net income per share	Net income per share-diluted	Net income to treasury shares	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY3/14	460.06	-	9.9	12.1	13.8
FY3/13	302.05	-	7.3	9.4	10.7

(Reference) Investment profit (loss) arising from equity method FY3/14 609 million yen FY3/13 478 million yen

#### (2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY3/14	75,865	62,737	81.2	4,955.31
FY3/13	64,109	54,345	84.0	4,327.01

(Reference) Shareholders' equity FY3/14 61,637 million yen FY3/13 53,822 million yen

#### (3) Consolidated cash flows

	Net cash flows from operating activities	Net cash flows from investing activities	Net cash flows from financing activities	Cash and cash equivalents at ending of the term
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY3/14	8,014	-6,992	-293	15,818
FY3/13	7,220	-4,150	-258	15,049

### 2. Dividends

(Record date)	Annual dividends					Total dividend amount (annual)	Payout ratio (consolidated)	Dividend on net assets (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Term end	Full year			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY3/13	-	17.50	-	27.50	45.00	577	14.9	1.1
FY3/14	-	22.50	-	22.50	45.00	577	9.8	1.0
FY3/15 (forecast)	-	22.50	-	22.50	45.00		12.2	

(Note) Breakdown of the term-end dividends (FY3/13) Ordinary dividend 17.50 Yen Commemorative dividend 10.00 Yen

### 3. Consolidated performance forecast for the year ending March 31, 2015 (April 1, 2014 to March 31, 2015)

(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)	27,700	5.2	3,300	-3.5	3,600	-6.7	2,300	-17.6	184.91
Annual	56,600	3.4	6,900	-8.8	7,500	-11.2	4,600	-19.6	369.82

## 4. Consolidated financial statement

## (1) Consolidated balance sheet

(Millions of yen)

	FY 2012 (As of March 31, 2013)	FY 2013 (As of March 31, 2014)
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	14,881	16,767
Notes and accounts receivable-trade	10,626	13,763
Marketable securities	187	187
Goods and finished products	3,264	3,933
Material in progress	1,245	1,574
Raw materials and inventory goods	1,341	1,521
Deferred income taxes	708	773
Other current assets	1,368	1,427
Allowance for bad loans	-38	-48
<b>Total current assets</b>	<b>33,584</b>	<b>39,900</b>
<b>Fixed assets</b>		
<b>Tangible fixed assets</b>		
Buildings and structures	11,196	12,307
Accumulated depreciation	-6,797	-7,288
<b>Buildings and structures (net)</b>	<b>4,398</b>	<b>5,019</b>
Machinery equipment, and vehicles	18,789	22,381
Accumulated depreciation	-13,350	-14,808
<b>Machinery equipment and vehicles (net)</b>	<b>5,438</b>	<b>7,572</b>
Tools, furniture and fixture	24,592	26,376
Accumulated depreciation	-23,222	-24,487
<b>Tools, furniture and fixture (net)</b>	<b>1,369</b>	<b>1,888</b>
Land	4,722	5,159
Lease asset	113	91
Accumulated depreciation	-32	-21
<b>Lease asset (net)</b>	<b>80</b>	<b>70</b>
Construction in progress	1,497	1,768
<b>Total tangible fixed assets</b>	<b>17,507</b>	<b>21,478</b>
<b>Intangible fixed assets</b>		
Goodwill	<sup>2</sup> 0	<sup>2</sup> 9
Lease asset	0	-
Other	608	904
<b>Total intangible fixed assets</b>	<b>609</b>	<b>913</b>
<b>Investments and other assets</b>		
Investment securities	<sup>1</sup> 11,281	<sup>1</sup> 12,278
Deferred income taxes	49	46
Other assets	1,076	1,248
Allowance for bad loans	-0	-0
<b>Total investments and other assets</b>	<b>12,408</b>	<b>13,573</b>
<b>Total fixed assets</b>	<b>30,524</b>	<b>35,965</b>
<b>Total assets</b>	<b>64,109</b>	<b>75,865</b>

(Millions of yen)

	FY 2012 (As of March 31, 2013)	FY 2013 (As of March 31, 2014)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	2,127	3,467
Short-term borrowings	625	778
Lease obligation	14	8
Accrued income taxes	882	1,847
Accrued bonuses to employees	730	775
Accrued bonuses to directors	1	4
Reserve for environmental measures	73	31
Other current liabilities	2,815	3,373
<b>Total current liabilities</b>	<b>7,271</b>	<b>10,286</b>
<b>Long-term liabilities</b>		
Lease obligation	31	23
Deferred tax liabilities	1,886	2,259
Accrued retirement allowances	113	-
Net defined benefit liability	-	109
Asset removal liabilities	18	18
Other long-term liabilities	442	430
<b>Total long-term fixed liabilities</b>	<b>2,492</b>	<b>2,842</b>
<b>Total liabilities</b>	<b>9,763</b>	<b>13,128</b>
<b>Total equity</b>		
<b>Equity</b>		
Common stock	2,960	2,960
Capital surplus	2,696	2,696
Retained earnings	49,325	54,426
Treasury stock	-710	-710
<b>Total shareholders' equity</b>	<b>54,273</b>	<b>59,373</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale	863	1,084
Foreign currency translation adjustments	-1,314	1,427
Remeasurements of defined benefit plans	-	-248
<b>Total accumulated other comprehensive income</b>	<b>-451</b>	<b>2,263</b>
<b>Minority interests in consolidated subsidiaries</b>	<b>523</b>	<b>1,099</b>
<b>Total equity</b>	<b>54,345</b>	<b>62,737</b>
<b>Total liabilities and equity</b>	<b>64,109</b>	<b>75,865</b>

(Millions of yen)

(2) Consolidated statements of income and Consolidated comprehensive income  
(Consolidated statements of income)

	FY 2012 (April 1, 2012 to March 31, 2013)	FY 2013 (April 1, 2013 to March 31, 2014)
Net sales	48,476	54,712
Cost of sales	<sup>*2</sup> <sup>*3</sup> 36,044	<sup>*2</sup> <sup>*3</sup> 39,004
Gross profit	12,432	15,707
Selling, general and administrative expenses	<sup>*1</sup> 7,243	<sup>*1</sup> 8,141
Operating income	5,189	7,566
Non-operating income		
Interest income	23	50
Dividend income	26	30
Equity method investment gain	478	609
Other	130	273
Total non-operating income	659	963
Non-operating expenses		
Interest expense	19	35
Loss on valuation of derivative	7	-
Loss on disposal of property and equipment	17	14
Leases	8	10
Other	18	29
Total non-operating expenses	71	89
Ordinary income	5,776	8,441
Extraordinary income		
Compensation income	-	<sup>*4</sup> 334
Total extraordinary income	-	334
Specials losses		
Provision of reserve for environmental measures	73	-
Total special losses	73	-
Net income before taxes and other adjustments	5,703	8,775
Corporate taxes	1,765	2,809
Income taxes-deferred	134	184
Total corporate taxes	1,899	2,993
Net income before minority interests in income or loss of minority shareholders adjustments	3,803	5,782
Minority interests in income of minority shareholders	46	59
Current net income	3,757	5,722