

Brief Financial Report for the Second Quarter Ending March 2015
[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: November 11, 2014

Date scheduled to start dividend payment: December 1, 2014

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, 2015 (April 1, 2014 to September 30, 2014)

(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	%
FY3/15 2Q	29,431	11.7	4,339	26.9	4,761	23.4	3,338	19.6
FY3/14 2Q	26,340	4.3	3,420	8.5	3,857	10.2	2,792	22.5

Note: Comprehensive income FY3/15 2Q 3,046 million yen (-35.0%), FY 3/14 2Q 4,684 million yen (120.3%)

	Quarter net income per share	Quarter net income per share-diluted
	Yen	Yen
FY3/15 2Q	268.36	-
FY3/14 2Q	224.47	-

(2) Consolidate financial position

	Total assets	Net assets	Equity capital ratio
	Millions of yen	Millions of yen	%
FY3/15 2Q	77,566	65,371	82.8
FY3/14	75,865	62,737	81.2

(Reference) Equity capital: FY3/15 2Q 64,234 million yen, FY 3/14 61,637 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
FY3/14	-	22.50	-	22.50	45.00
FY3/15	-	27.50			
FY3/15 (Forecast)			-	27.50	55.00

Note: Changes in the latest forecasts released: Yes

3. Forecast consolidated performance for the year ending March 31, 2015 (April 1, 2014 to March 31, 2015)

(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	58,500	6.9	7,800	3.1	8,500	0.7	5,700	-0.4	458.25

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, 2014)	Current second quarter (September 30, 2014)
Assets		
Current assets		
Cash and cash equivalents	16,767	16,435
Notes and accounts receivable-trade	13,763	13,909
Marketable securities	187	187
Goods and Finished products	3,933	4,146
Material in progress	1,574	1,654
Raw materials and inventory goods	1,521	1,527
Other	2,200	2,306
Allowance for bad loans	-48	-47
Total current assets	39,900	40,119
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	5,019	4,855
Machinery equipment and vehicles (net)	7,572	7,086
Tools, furniture and fixture (net)	1,888	2,137
Land	5,159	5,155
Lease asset (net)	70	65
Construction in progress	1,768	3,184
Total tangible fixed assets	21,478	22,484
Intangible fixed assets		
Goodwill	9	7
Other	904	864
Total intangible fixed assets	913	872
Investments and other assets		
Investment account securities	12,278	12,842
Other	1,294	1,247
Allowance for bad loans	-0	-0
Total investments and other assets	13,573	14,090
Total fixed assets	35,965	37,447
Total assets	75,865	77,566

	Previous consolidated FY (March 31, 2014)	Current second quarter (September 30, 2014)
Liabilities		
Current liabilities		
Accounts payable-trade	3,467	2,969
Short-term borrowings	778	944
Accrued income taxes	1,847	1,088
Allowance for bonus	775	780
Other provision	35	31
Other	3,381	3,358
Total current liabilities	10,286	9,173
Long-term liabilities		
Allowance reserve	109	153
Asset removal liabilities	18	18
Other	2,714	2,849
Total long-term liabilities	2,842	3,021
Total liabilities	13,128	12,194
Total equity		
Equity		
Common stock	2,960	2,960
Capital surplus	2,696	2,696
Retained earnings	54,426	57,353
Treasury stock	-710	-710
Total shareholders' equity	59,373	62,300
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	1,084	1,397
Foreign currency translation adjustments	1,427	773
Remeasurements of defined benefit plans	-248	-236
Total accumulated other comprehensive income	2,263	1,934
Minority interests in consolidated subsidiaries	1,099	1,136
Total equity	62,737	65,371
Total liabilities and equity	75,865	77,566

(2) Consolidated Statements of Income
 [FY2015 second quarter]

(Millions of Yen)

	Previous second quarter (April 1, 2013 to September 30, 2013)	Current second quarter (April 1, 2014 to September 30, 2014)
Net sales	26,340	29,431
Cost of sales	19,009	20,768
Gross profit	7,331	8,662
Selling, general and administrative expenses	3,910	4,323
Operating income	3,420	4,339
Non-operating income		
Interest income	15	26
Dividend income	15	21
Equity method investment gain	309	366
Other	122	122
Total non-operating income	463	536
Non-operating expenses		
Interest expense	2	32
Loss on valuation of derivatives	-	51
Loss on disposal of property and equipment	6	12
Cost of lease revenue	5	4
Other	11	13
Total non-operating expenses	26	114
Ordinary income	3,857	4,761
Extraordinary income		
Compensation received	334	-
Total extraordinary income	334	-
Quarterly net income before taxes and other adjustments	4,192	4,761
Corporate taxes	1,380	1,380
Quarterly net income before minority interests	2,811	3,380
Minority interests in income	19	42
Quarterly net income	2,792	3,338