

**Brief Financial Report for the First 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: August 7, 2015

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, 2016 (April 1, 2015 to June 30, 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 1Q	15,331	4.1	2,065	-7.9	2,290	-5.9	1,597	-7.1
FY3/15 1Q	14,733	16.8	2,241	48.5	2,434	39.2	1,718	28.4

Note: Comprehensive income FY3/16 1Q 1,655 million yen (14.3%), FY 3/15 1Q 1,447 million yen (-43.6%)

	Quarter net income per share	Quarter net income per share-diluted
	Yen	Yen
FY3/16 1Q	133.79	-
FY3/15 1Q	138.19	-

(2) Consolidate financial position

	Total assets	Net assets	Equity capital ratio
	Millions of yen	Millions of yen	%
FY3/16 1Q	84,159	71,145	83.0
FY3/15	82,794	69,877	82.9

(Reference) Equity capital: FY3/16 1Q 69,876 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	-	-	-	-	-
FY3/16 (Forecast)	-	35.00	-	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 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)	31,000	5.3	3,900	-10.1	4,100	-13.9	2,800	-16.1	234.54
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 first quarter (June 30, 2015)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	16,438	17,705
Notes and accounts receivable-trade	13,377	12,876
Electronically recorded monetary claims-operating	974	1,019
Marketable securities	287	287
Goods and Finished products	4,251	4,595
Material in progress	1,738	1,707
Raw materials and inventory goods	1,788	1,834
Other	2,309	2,316
Allowance for bad loans	-61	-65
Total current assets	41,104	42,276
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	8,118	7,993
Machinery equipment and vehicles (net)	8,140	7,936
Tools, furniture and fixture (net)	2,590	2,667
Land	5,222	5,217
Lease asset (net)	78	75
Construction in progress	1,387	1,403
Total tangible fixed assets	25,538	25,292
Intangible fixed assets		
Goodwill	7	6
Other	869	850
Total intangible fixed assets	876	856
Investments and other assets		
Investment account securities	13,946	14,360
Other	1,328	1,372
Allowance for bad loans	-0	-0
Total investments and other assets	15,274	15,733
Total fixed assets	41,689	41,883
Total assets	82,794	84,159

	Previous consolidated FY (March 31, 2015)	Current first quarter (June 30, 2015)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	3,027	3,295
Short-term borrowings	1,228	1,230
Accrued income taxes	1,038	657
Allowance reserve	810	409
Other	3,702	4,221
<b>Total current liabilities</b>	<b>9,807</b>	<b>9,815</b>
<b>Long-term liabilities</b>		
Net defined benefit liability	174	188
Asset removal liabilities	18	18
Other	2,915	2,991
<b>Total long-term liabilities</b>	<b>3,109</b>	<b>3,198</b>
<b>Total liabilities</b>	<b>12,916</b>	<b>13,014</b>
<b>Total equity</b>		
<b>Equity</b>		
Common stock	2,960	2,960
Capital surplus	2,696	2,697
Retained earnings	59,973	61,184
Treasury stock	-2,836	-2,836
<b>Total shareholders' equity</b>	<b>62,794</b>	<b>64,005</b>
<b>Accumulated other comprehensive income</b>		
Unrealized gain on available-for-sale securities	1,675	1,871
Foreign currency translation adjustments	4,281	4,127
Remeasurements of defined benefit plans	-140	-128
<b>Total accumulated other comprehensive income</b>	<b>5,815</b>	<b>5,870</b>
Minority interests in consolidated subsidiaries	1,266	1,269
<b>Total equity</b>	<b>69,877</b>	<b>71,145</b>
<b>Total liabilities and equity</b>	<b>82,794</b>	<b>84,159</b>

(2) Quarterly Consolidated Statements of (Comprehensive) Income  
 (Quarterly Consolidated Statements of Income)  
 [FY2016 first quarter]

(Millions of Yen)

	Previous first quarter (April 1, 2014 to June 30, 2014)	Current first quarter (April 1, 2015 to June 30, 2015)
Net sales	14,733	15,331
Cost of sales	10,336	10,828
Gross profit	4,396	4,502
Selling, general and administrative expenses	2,154	2,437
Operating income	2,241	2,065
Non-operating income		
Interest income	7	14
Dividend income	20	23
Equity method investment gain	188	161
Other	57	71
Total non-operating income	274	270
Non-operating expenses		
Interest expense	20	15
Loss on valuation of derivatives	-	8
Foreign exchange loss	42	-
Loss on disposal of property and equipment	9	12
Cost of lease revenue	1	1
Other	6	7
Total non-operating expenses	81	45
Ordinary income	2,434	2,290
Quarterly net income before taxes and other adjustments	2,434	2,290
Corporate taxes	695	680
Net income before non-controlling interests	1,738	1,610
Net income attributable to non-controlling interests	19	13
Net income attributable to owners of PIOLAX Inc.	1,718	1,597