

Brief Financial Report for the Second 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: November 10, 2015

Date scheduled to start dividend payment: December 1, 2015

Preparation of supplementary materials for quarterly financial results: Yes

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, 2016 (April 1, 2015 to September 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 2Q	31,335	6.5	4,400	1.4	4,839	1.6	3,446	3.2
FY3/15 2Q	29,431	11.7	4,339	26.9	4,761	23.4	3,338	19.6

Note: Comprehensive income FY3/16 2Q 3,667 million yen (20.4%), FY 3/15 2Q 3,046 million yen (-35.0%)

	Quarter net income per share	Quarter net income per share-diluted
	Yen	Yen
FY3/16 2Q	288.69	-
FY3/15 2Q	268.36	-

(2) Consolidate financial position

	Total assets	Net assets	Equity capital ratio
	Millions of yen	Millions of yen	%
FY3/16 2Q	85,497	73,158	84.1
FY3/15	82,794	69,877	82.9

(Reference) Equity capital: FY3/16 2Q 71,868 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 second quarter (September 30, 2015)
Assets		
Current assets		
Cash and cash equivalents	16,438	18,568
Notes and accounts receivable-trade	13,377	13,363
Electronically recorded monetary claims-operating	974	1,111
Marketable securities	287	287
Goods and Finished products	4,251	4,414
Material in progress	1,738	1,651
Raw materials and inventory goods	1,788	1,797
Other	2,309	2,371
Allowance for bad loans	-61	-68
Total current assets	41,104	43,496
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	8,118	7,932
Machinery equipment and vehicles (net)	8,140	7,909
Tools, furniture and fixture (net)	2,590	2,700
Land	5,222	5,223
Lease asset (net)	78	72
Construction in progress	1,387	1,535
Total tangible fixed assets	25,538	25,374
Intangible fixed assets		
Goodwill	7	6
Other	869	845
Total intangible fixed assets	876	851
Investments and other assets		
Investment account securities	13,946	14,378
Other	1,328	1,396
Allowance for bad loans	-0	-0
Total investments and other assets	15,274	15,774
Total fixed assets	41,689	42,000
Total assets	82,794	85,497

	Previous consolidated FY (March 31, 2015)	Current second quarter (September 30, 2015)
Liabilities		
Current liabilities		
Accounts payable-trade	3,027	2,895
Short-term borrowings	1,228	1,254
Accrued income taxes	1,038	934
Allowance reserve	810	813
Other	3,702	3,147
Total current liabilities	9,807	9,044
Long-term liabilities		
Net defined benefit liability	174	243
Asset removal liabilities	18	18
Other	2,915	3,032
Total long-term liabilities	3,109	3,295
Total liabilities	12,916	12,339
Total equity		
Equity		
Common stock	2,960	2,960
Capital surplus	2,696	2,697
Retained earnings	59,973	63,033
Treasury stock	-2,836	-2,836
Total shareholders' equity	62,794	65,855
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	1,675	1,672
Foreign currency translation adjustments	4,281	4,456
Remeasurements of defined benefit plans	-140	-115
Total accumulated other comprehensive income	5,815	6,013
Non-controlling interests	1,266	1,289
Total equity	69,877	73,158
Total liabilities and equity	82,794	85,497

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

(Millions of Yen)

	Previous second quarter (April 1, 2014 to September 30, 2014)	Current second quarter (April 1, 2015 to September 30, 2015)
Net sales	29,431	31,335
Cost of sales	20,768	22,116
Gross profit	8,662	9,218
Selling, general and administrative expenses	4,323	4,818
Operating income	4,339	4,400
Non-operating income		
Interest income	26	29
Dividend income	21	24
Equity method investment gain	366	358
Other	122	110
Total non-operating income	536	523
Non-operating expenses		
Interest expense	32	31
Loss on valuation of derivatives	51	-
Foreign exchange loss	-	10
Loss on disposal of property and equipment	12	13
Cost of lease revenue	4	6
Other	13	22
Total non-operating expenses	114	84
Ordinary income	4,761	4,839
Quarterly net income before taxes and other adjustments	4,761	4,839
Corporate taxes	1,380	1,371
Net income before non-controlling interests	3,380	3,468
Net income attributable to non-controlling interests	42	21
Net income attributable to owners of PIOLAX Inc.	3,338	3,446