

**Brief Financial Report for the First Quarter Ending March 2017**  
**[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: General Manager, Management & Planning Department Toru Nagashima (Tel. 045-731-1211)

Estimated submission date of quarterly report: August 8, 2016

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, 2017 (April 1, 2016 to June 30, 2016)**

(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	%
FY3/17 1Q	15,609	1.8	2,458	19.0	2,677	16.9	1,926	20.6
FY3/16 1Q	15,331	4.1	2,065	-7.9	2,290	-5.9	1,597	-7.1

Note: Comprehensive income FY3/17 1Q -155 million yen (-%), FY 3/16 1Q 1,655 million yen (14.3%)

	Quarter net income per share	Quarter net income per share-diluted
	Yen	Yen
FY3/17 1Q	161.40	-
FY3/16 1Q	133.79	-

(2) Consolidate financial position

	Total assets	Net assets	Equity capital ratio
	Millions of yen	Millions of yen	%
FY3/17 1Q	85,080	73,240	84.7
FY3/16	86,544	73,933	84.0

(Reference) Equity capital: FY3/17 1Q 72,027 million yen, FY 3/16 72,686 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
FY3/16	-	35.00	-	45.00	80.00
FY3/17	-				
FY3/17 (Forecast)		40.00	-	40.00	80.00

Note: Changes in the latest forecasts released: No

**3. Forecast consolidated performance for the year ending March 31, 2017 (April 1, 2016 to March 31, 2017)**

(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)	30,500	-2.7	4,200	-4.6	4,400	-9.1	3,000	-13.0	251.29
Annual	61,500	-4.4	8,600	-6.0	9,100	-9.6	6,200	-11.7	519.33

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, 2016)	Current first quarter (June 30, 2016)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	21,517	21,273
Notes and accounts receivable-trade	13,055	12,872
Electronically recorded monetary claims-operating	1,228	1,323
Marketable securities	187	187
Goods and Finished products	4,310	4,300
Material in progress	1,595	1,628
Raw materials and inventory goods	1,768	1,662
Other	2,124	2,270
Allowance for bad loans	-42	-54
Total current assets	45,746	45,463
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	7,872	7,688
Machinery equipment and vehicles (net)	7,663	7,146
Tools, furniture and fixture (net)	2,553	2,447
Land	5,179	5,148
Lease asset (net)	62	56
Construction in progress	1,122	1,273
Total tangible fixed assets	24,455	23,761
Intangible fixed assets		
Goodwill	4	3
Other	904	901
Total intangible fixed assets	909	905
Investments and other assets		
Investment account securities	14,197	13,767
Other	1,235	1,181
Allowance for bad loans	-0	-0
Total investments and other assets	15,433	14,949
Total fixed assets	40,797	39,616
Total assets	86,544	85,080

	Previous consolidated FY (March 31, 2016)	Current first quarter (June 30, 2016)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	3,199	3,009
Short-term borrowings	881	572
Accrued income taxes	1,050	730
Allowance reserve	831	446
Other	3,468	4,015
<b>Total current liabilities</b>	<b>9,430</b>	<b>8,774</b>
<b>Long-term liabilities</b>		
Net defined benefit liability	168	177
Asset removal liabilities	18	18
Other	2,993	2,869
<b>Total long-term liabilities</b>	<b>3,180</b>	<b>3,066</b>
<b>Total liabilities</b>	<b>12,611</b>	<b>11,840</b>
<b>Total equity</b>		
<b>Equity</b>		
Common stock	2,960	2,960
Capital surplus	2,697	2,697
Retained earnings	66,193	67,582
Treasury stock	-2,837	-2,837
<b>Total shareholders' equity</b>	<b>69,014</b>	<b>70,403</b>
<b>Accumulated other comprehensive income</b>		
Unrealized gain on available-for-sale securities	1,615	1,236
Foreign currency translation adjustments	2,465	779
Remeasurements of defined benefit plans	-408	-392
<b>Total accumulated other comprehensive income</b>	<b>3,672</b>	<b>1,624</b>
Minority interests in consolidated subsidiaries	1,246	1,212
<b>Total equity</b>	<b>73,933</b>	<b>73,240</b>
<b>Total liabilities and equity</b>	<b>86,544</b>	<b>85,080</b>

(2) Quarterly Consolidated Statements of (Comprehensive) Income  
 (Quarterly Consolidated Statements of Income)  
 [FY2017 first quarter]

(Millions of Yen)

	Previous first quarter (April 1, 2015 to June 30, 2015)	Current first quarter (April 1, 2016 to June 30, 2016)
Net sales	15,331	15,609
Cost of sales	10,828	10,736
Gross profit	4,502	4,872
Selling, general and administrative expenses	2,437	2,413
Operating income	2,065	2,458
Non-operating income		
Interest income	14	14
Dividend income	23	30
Equity method investment gain	161	179
Other	71	76
Total non-operating income	270	301
Non-operating expenses		
Interest expense	15	6
Loss on valuation of derivatives	8	-
Foreign exchange loss	-	70
Loss on disposal of property and equipment	12	0
Cost of lease revenue	1	1
Other	7	2
Total non-operating expenses	45	82
Ordinary income	2,290	2,677
Quarterly net income before taxes and other adjustments	2,290	2,677
Corporate taxes	680	727
Net income before non-controlling interests	1,610	1,950
Net income attributable to non-controlling interests	13	23
Net income attributable to owners of PIOLAX Inc.	1,597	1,926