

Brief Financial Report for the Third Quarter Ending March 2014
[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 (Phone 045-731-1211)

Estimated submission date of quarterly report: February 12, 2014

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 third quarter ending March 31, 2014 (April 1, 2013 to December 31, 2013)

(1) Consolidated business results (Total sum)

(Percentage changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Quarter net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY3/14 3Q	40,370	8.3	5,653	26.2	6,288	26.6	4,495	37.9
FY3/13 3Q	37,268	8.2	4,479	24.8	4,966	24.6	3,259	24.0

Note: Comprehensive income FY3/14 3Q 6,247 million yen (86.8%), FY 3/13 3Q 3,344 million yen (78.1%)

	Quarter net income per share	Quarter net income per share-diluted
	Yen	Yen
FY3/14 3Q	361.38	-
FY3/13 3Q	262.06	-

(2) Consolidate financial position

	Total assets	Net assets	Equity capital ratio
	Millions of yen	Millions of yen	%
FY3/14 3Q	71,457	60,379	83.1
FY3/13	64,109	54,345	84.0

(Reference) Equity capital: FY3/14 3Q 59,382 million yen, FY 3/13 53,822 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
FY3/13	-	17.50	-	27.50	45.00
FY3/14	-	22.50	-		
FY3/14 (Forecast)			-	22.50	45.00

Note: Changes in the latest forecasts released: No

3. Forecast consolidated performance for the year ending March 31, 2014 (April 1, 2013 to March 31, 2014)

(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	52,500	8.3	6,200	19.5	6,900	19.4	4,600	22.4	369.82

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, 2013)	Current second quarter (December 31, 2013)
Assets		
Current assets		
Cash and cash equivalents	14,881	14,705
Notes and accounts receivable-trade	10,626	13,492
Marketable securities	187	187
Goods and Finished products	3,264	3,367
Material in progress	1,245	1,513
Raw materials and inventory goods	1,341	1,515
Other	2,077	2,211
Allowance for bad loans	-38	-44
Total current assets	33,584	36,947
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	4,398	4,609
Machinery equipment and vehicles (net)	5,438	6,778
Tools, furniture and fixture (net)	1,369	1,792
Land	4,722	4,827
Lease asset (net)	80	70
Construction in progress	1,497	2,150
Total tangible fixed assets	17,507	20,228
Intangible fixed assets		
Goodwill	0	9
Other	608	749
Total intangible fixed assets	609	758
Investments and other assets		
Investment account securities	11,281	12,260
Other	1,126	1,261
Allowance for bad loans	-0	-0
Total investments and other assets	12,408	13,522
Total fixed assets	30,524	34,510
Total assets	64,109	71,457

	Previous consolidated FY (March 31, 2013)	Current third quarter (December 31, 2013)
Liabilities		
Current liabilities		
Accounts payable-trade	2,127	2,922
Short-term borrowings	625	638
Accrued income taxes	882	1,151
Allowance reserve	805	448
Other	2,829	3,271
Total current liabilities	7,271	8,432
Long-term liabilities		
Allowance reserve	113	181
Asset removal liabilities	18	18
Other	2,360	2,446
Total long-term liabilities	2,492	2,646
Total liabilities	9,763	11,078
Total equity		
Equity		
Common stock	2,960	2,960
Capital surplus	2,696	2,696
Retained earnings	49,325	53,199
Treasury stock	-710	-710
Total shareholders' equity	54,273	58,146
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	863	1,069
Foreign currency translation adjustments	-1,314	165
Total accumulated other comprehensive income	-451	1,235
Minority interests in consolidated subsidiaries	523	997
Total equity	54,345	60,379
Total liabilities and equity	64,109	71,457

(2) Consolidated Statements of (Comprehensive) Income

(Consolidated Statements of Income)

[FY2014 third quarter]

(Millions of Yen)

	Previous third quarter (April 1, 2012 to December 31, 2012)	Current third quarter (April 1, 2013 to December 31, 2013)
Net sales	37,268	40,370
Cost of sales	27,386	28,817
Gross profit	9,882	11,552
Selling, general and administrative expenses	5,402	5,899
Operating income	4,479	5,653
Non-operating income		
Interest income	18	25
Dividend income	25	30
Equity method investment gain	445	522
Other	96	145
Total non-operating income	585	723
Non-operating expenses		
Interest expense	18	21
Loss on valuation of derivative	33	35
Loss on disposal of property and equipment	10	10
Foreign exchange loss	22	-
Cost of lease revenue	6	7
Other	7	14
Total non-operating expenses	99	88
Ordinary income	4,966	6,288
Extraordinary income		
Compensation received	-	334
Total extraordinary income	-	334
Quarterly net income before taxes and other adjustments	4,966	6,622
Corporate taxes	1,661	2,096
Quarterly net income before minority interests	3,304	4,525
Minority interests in income	45	30
Quarterly net income	3,259	4,495