

Brief Financial Report for the Third 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: February 10, 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 third quarter ending March 31, 2015 (April 1, 2014 to December 31, 2014)

(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	%
FY3/15 3Q	44,309	9.8	6,350	12.3	7,007	11.4	4,906	9.1
FY3/14 3Q	40,370	8.3	5,653	26.2	6,288	26.6	4,495	37.9

Note: Comprehensive income FY3/15 3Q 6,345 million yen (1.6%), FY 3/14 3Q 6,247 million yen (86.8%)

	Quarter net income per share	Quarter net income per share-diluted
	Yen	Yen
FY3/15 3Q	394.44	-
FY3/14 3Q	361.38	-

(2) Consolidate financial position

	Total assets	Net assets	Equity capital ratio
	Millions of yen	Millions of yen	%
FY3/15 3Q	80,032	68,328	83.9
FY3/14	75,865	62,737	81.2

(Reference) Equity capital: FY3/15 3Q 67,129 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: No

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: No

3. [Quarterly consolidated financial statement]

(1) Quarterly consolidated balance sheet

(Millions of Yen)

	Previous consolidated FY (March 31, 2014)	Current second quarter (December 31, 2014)
Assets		
Current assets		
Cash and cash equivalents	16,767	16,147
Notes and accounts receivable-trade	13,763	14,507
Marketable securities	187	187
Goods and Finished products	3,933	4,152
Material in progress	1,574	1,539
Raw materials and inventory goods	1,521	1,708
Other	2,200	2,566
Allowance for bad loans	-48	-52
Total current assets	39,900	40,759
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	5,019	4,963
Machinery equipment and vehicles (net)	7,572	7,463
Tools, furniture and fixture (net)	1,888	2,284
Land	5,159	5,181
Lease asset (net)	70	65
Construction in progress	1,768	3,929
Total tangible fixed assets	21,478	23,886
Intangible fixed assets		
Goodwill	9	7
Other	904	850
Total intangible fixed assets	913	857
Investments and other assets		
Investment account securities	12,278	13,242
Other	1,294	1,286
Allowance for bad loans	-0	-0
Total investments and other assets	13,573	14,528
Total fixed assets	35,965	39,272
Total assets	75,865	80,032

	Previous consolidated FY (March 31, 2014)	Current third quarter (December 31, 2014)
Liabilities		
Current liabilities		
Accounts payable-trade	3,467	2,958
Short-term borrowings	778	1,027
Accrued income taxes	1,847	394
Allowance reserve	811	424
Other	3,381	3,792
Total current liabilities	10,286	8,597
Long-term liabilities		
Allowance reserve	109	171
Asset removal liabilities	18	18
Other	2,714	2,915
Total long-term liabilities	2,842	3,106
Total liabilities	13,128	11,703
Total equity		
Equity		
Common stock	2,960	2,960
Capital surplus	2,696	2,696
Retained earnings	54,426	58,579
Treasury stock	-710	-710
Total shareholders' equity	59,373	63,526
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	1,084	1,455
Foreign currency translation adjustments	1,427	2,378
Remeasurements of defined benefit plans	-248	-231
Total accumulated other comprehensive income	2,263	3,603
Minority interests in consolidated subsidiaries	1,099	1,198
Total equity	62,737	68,328
Total liabilities and equity	75,865	80,032

(2) Consolidated statements of income and Consolidated comprehensive income

(Consolidated Statements of Income)

[FY2015 third quarter]

(Millions of Yen)

	Previous third quarter (April 1, 2013 to December 31, 2013)	Current third quarter (April 1, 2014 to December 31, 2014)
Net sales	40,370	44,309
Cost of sales	28,817	31,404
Gross profit	11,552	12,905
Selling, general and administrative expenses	5,899	6,554
Operating income	5,653	6,350
Non-operating income		
Interest income	25	44
Dividend income	30	40
Equity method investment gain	522	555
Other	145	162
Total non-operating income	723	802
Non-operating expenses		
Interest expense	21	45
Loss on valuation of derivative	35	60
Loss on disposal of property and equipment	10	14
Cost of lease revenue	7	5
Other	14	19
Total non-operating expenses	88	146
Ordinary income	6,288	7,007
Extraordinary income		
Compensation received	334	-
Total extraordinary income	334	-
Quarterly net income before taxes and other adjustments	6,622	7,007
Corporate taxes	2,096	2,050
Quarterly net income before minority interests	4,525	4,957
Minority interests in income	30	50
Quarterly net income	4,495	4,906

(Consolidated comprehensive Income)
[FY2015 third quarter]

(Millions of Yen)

	Previous third quarter (April 1, 2013 to December 31, 2013)	Current third quarter (April 1, 2014 to December 31, 2014)
Quarterly net income before minority interests	4,525	4,957
Other comprehensive income		
Valuation difference on available-for-sale securities	52	287
Foreign currency translation adjustment	1,357	926
Share of other comprehensive income of associates accounted for using equity method	312	174
Total other comprehensive income	1,721	1,388
Quarterly comprehensive income	6,247	6,345
(Quarterly comprehensive income attributable to)		
Quarterly comprehensive income attributable to owners of the parent	6,182	6,246
Quarterly comprehensive income attributable to minority interests	65	98