

Brief Financial Report for the First Quarter Ending March 2019
[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 9, 2018

Date scheduled to start dividend payment: -

Preparation of supplementary materials for quarterly financial results: None

Information meeting for quarterly financial results to be held: None

(Amounts are rounded to the nearest million yen)

1. Consolidated performance for the first quarter ending March 31, 2019 (April 1, 2018 to June 30, 2018)

(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	%
FY3/19 1Q	17,160	4.0	2,598	-1.0	2,829	0.9	2,186	5.1
FY3/18 1Q	16,495	5.7	2,625	6.8	2,805	4.8	2,080	8.0

Note: Comprehensive income FY3/19 1Q 897 million yen (-34.8%), FY 3/18 1Q 1,377 million yen (-%)

	Quarter net income per share		Quarter net income per share-diluted	
	Yen		Yen	
FY3/19 1Q	61.05		-	
FY3/18 1Q	58.09		-	

(2) Consolidate financial position

	Total assets		Net assets		Equity capital ratio	
	Millions of yen		Millions of yen		%	
FY3/19 1Q	98,916		87,046		86.6	
FY3/18	99,140		87,154		86.5	

(Reference) Equity capital: FY3/19 1Q 85,698 million yen, FY 3/18 85,751 million yen

2. Cash dividends

	Annual dividends				
	End of first quarter	End of second quarter	End of third quarter	Term end	Full year
FY3/18	Yen -	Yen 17.00	Yen -	Yen 28.00	Yen 45.00
FY3/19	-	-	-	-	-
FY3/19 (Forecast)	-	22.50	-	22.50	45.00

Note: Changes in the latest forecasts released: None

Note: The term-end dividend for the fiscal year ending March 31, 2018 includes a commemorative dividend of 5.00 yen.

3. Forecast consolidated performance for the year ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(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 attributable to owners of PIOLAX Inc.		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half (total sum)	33,100	-0.3	4,500	-13.0	5,200	-6.1	3,600	-10.1	100.52
Annual	67,000	-1.3	9,500	-7.0	10,800	-1.7	7,200	-11.4	201.03

Note: Changes in the latest forecasts released: None

2. Quarterly consolidated financial statement

(1) Quarterly consolidated balance sheet

(Millions of Yen)

	Previous consolidated FY (March 31, 2018)	Current first quarter (June 30, 2018)
Assets		
Current assets		
Cash and cash equivalents	27,848	27,678
Notes and accounts receivable-trade	14,425	14,762
Electronically recorded monetary claims-operating	1,913	1,976
Marketable securities	1,699	1,599
Goods and Finished products	4,534	4,726
Material in progress	1,565	1,718
Raw materials and inventory goods	1,837	1,763
Other	1,650	1,664
Allowance for bad loans	-32	-30
Total current assets	55,441	55,859
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	8,151	7,862
Machinery equipment and vehicles (net)	7,684	7,312
Tools, furniture and fixture (net)	2,225	2,198
Land	5,183	5,156
Lease asset (net)	36	35
Construction in progress	1,058	1,310
Total tangible fixed assets	24,339	23,876
Intangible fixed assets		
Other	1,375	1,350
Total intangible fixed assets	1,375	1,350
Investments and other assets		
Investment account securities	16,100	16,108
Other	1,883	1,722
Allowance for bad loans	-0	-0
Total investments and other assets	17,984	17,830
Total fixed assets	43,699	43,057
Total assets	99,140	98,916

	Previous consolidated FY (March 31, 2018)	Current first quarter (June 30, 2018)
Liabilities		
Current liabilities		
Accounts payable-trade	3,566	3,419
Accrued income taxes	978	605
Allowance reserve	876	450
Other	3,734	4,577
Total current liabilities	9,156	9,053
Long-term liabilities		
Allowance reserve	29	42
Net defined benefit liability	225	271
Asset removal liabilities	18	18
Other	2,556	2,483
Total long-term liabilities	2,829	2,816
Total liabilities	11,985	11,869
Total equity		
Equity		
Common stock	2,960	2,960
Capital surplus	2,888	2,888
Retained earnings	79,982	81,163
Treasury stock	-3,029	-3,029
Total shareholders' equity	82,802	83,983
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	1,902	1,766
Deferred gains or losses on hedges	-8	-8
Foreign currency translation adjustments	1,376	263
Remeasurements of defined benefit plans	-321	-307
Total accumulated other comprehensive income	2,948	1,714
Minority interests in consolidated subsidiaries	1,402	1,348
Total equity	87,154	87,046
Total liabilities and equity	99,140	98,916

(2) Quarterly Consolidated Statements of (Comprehensive) Income
 (Quarterly Consolidated Statements of Income)
 [FY2019 first quarter]

(Millions of Yen)

	Previous first quarter (April 1, 2017 to June 30, 2017)	Current first quarter (April 1, 2018 to June 30, 2018)
Net sales	16,495	17,160
Cost of sales	11,343	11,888
Gross profit	5,152	5,272
Selling, general and administrative expenses	2,527	2,673
Operating income	2,625	2,598
Non-operating income		
Interest income	16	32
Dividend income	31	37
Equity method investment gain	248	234
Other	40	23
Total non-operating income	337	327
Non-operating expenses		
Interest expense	3	-
Loss on valuation of derivatives	50	33
Foreign exchange loss	84	43
Loss on disposal of property and equipment	8	13
Cost of lease revenue	1	1
Other	9	3
Total non-operating expenses	157	96
Ordinary income	2,805	2,829
Quarterly net income before taxes and other adjustments	2,805	2,829
Corporate taxes	694	627
Net income before non-controlling interests	2,111	2,202
Net income attributable to non-controlling interests	30	15
Net income attributable to owners of PIOLAX Inc.	2,080	2,186