

Brief Financial Report for the Third 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: February 7, 2019

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, 2019 (April 1, 2018 to December 31, 2018)

(1) Consolidated business results (Total sum)

(Percentage changes from the same period of 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 3Q	52,112	3.0	7,734	-3.4	8,572	-1.9	6,487	2.2
FY3/18 3Q	50,613	6.6	8,005	3.9	8,736	4.5	6,345	4.9

Note: Comprehensive income FY3/19 3Q 5,189 million yen (-26.6%), FY 3/18 3Q 7,066 million yen (433.9%)

	Quarter net income per share	Quarter net income per share-diluted
	Yen	Yen
FY3/19 3Q	181.13	-
FY3/18 3Q	177.17	-

(2) Consolidate financial position

	Total assets	Net assets	Equity capital ratio
	Millions of yen	Millions of yen	%
FY3/19 3Q	101,800	90,530	87.6
FY3/18	99,140	87,154	86.5

(Reference) Equity capital: FY3/19 3Q 89,133 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
	Yen	Yen	Yen	Yen	Yen
FY3/18	-	17.00	-	28.00	45.00
FY3/19	-	22.50	-	-	-
FY3/19 (Forecast)	-	-	-	22.50	45.00

Note: Changes in the latest forecasts released: No

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 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	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: No

2. [Quarterly consolidated financial statement]

(1) Quarterly consolidated balance sheet

(Millions of Yen)

	Previous consolidated FY (March 31, 2018)	Current Third quarter (December 31, 2018)
Assets		
Current assets		
Cash and cash equivalents	27,848	28,011
Notes and accounts receivable-trade	14,425	14,578
Electronically recorded monetary claims-operating	1,913	2,273
Marketable securities	1,699	1,957
Goods and Finished products	4,534	4,920
Material in progress	1,565	1,691
Raw materials and inventory goods	1,837	2,061
Other	1,650	1,741
Allowance for bad loans	-32	-31
Total current assets	55,441	57,205
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	8,151	7,935
Machinery equipment and vehicles (net)	7,684	7,308
Tools, furniture and fixture (net)	2,225	2,169
Land	5,183	5,586
Lease asset (net)	36	34
Construction in progress	1,058	2,001
Total tangible fixed assets	24,339	25,036
Intangible fixed assets		
Other	1,375	1,666
Total intangible fixed assets	1,375	1,666
Investments and other assets		
Investment account securities	16,100	16,278
Other	1,883	1,612
Allowance for bad loans	-0	-0
Total investments and other assets	17,984	17,891
Total fixed assets	43,699	44,594
Total assets	99,140	101,800

	Previous consolidated FY (March 31, 2018)	Current third quarter (December 31, 2018)
Liabilities		
Current liabilities		
Accounts payable-trade	3,566	3,395
Accrued income taxes	978	591
Allowance reserve	876	443
Other	3,734	4,037
Total current liabilities	9,156	8,468
Long-term liabilities		
Allowance reserve	29	57
Net defined benefit liability	225	303
Asset removal liabilities	18	56
Other	2,556	2,384
Total long-term liabilities	2,829	2,801
Total liabilities	11,985	11,270
Total equity		
Equity		
Common stock	2,960	2,960
Capital surplus	2,888	2,888
Retained earnings	79,982	84,656
Treasury stock	-3,029	-3,029
Total shareholders' equity	82,802	87,476
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	1,902	1,199
Deferred gains or losses on hedges	-8	5
Foreign currency translation adjustments	1,376	732
Remeasurements of defined benefit plans	-321	-279
Total accumulated other comprehensive income	2,948	1,657
Non-controlling interests	1,402	1,396
Total equity	87,154	90,530
Total liabilities and equity	99,140	101,800

(2) Consolidated Statements of Income
 [FY2019 Third quarter]

(Millions of Yen)

	Previous Third quarter (April 1, 2017 to December 31, 2017)	Current Third quarter (April 1, 2018 to December 31, 2018)
Net sales,	50,613	52,112
Cost of sales	34,906	36,423
Gross profit	15,707	15,688
Selling, general and administrative expenses	7,702	7,953
Operating income	8,005	7,734
Non-operating income		
Interest income	59	92
Dividend income	65	74
Equity method investment gain	719	697
Other	103	102
Total non-operating income	948	967
Non-operating expenses		
Interest expense	8	0
Loss on valuation of derivatives	28	-
Foreign exchange loss	107	79
Loss on disposal of property and equipment	19	33
Cost of lease revenue	4	4
Other	48	11
Total non-operating expenses	216	129
Ordinary income	8,736	8,572
Extraordinary loss		
Impairment loss	46	152
Total extraordinary loss	46	152
Quarterly net income before taxes and other adjustments	8,690	8,420
Corporate taxes	2,269	1,886
Net income before non-controlling interests	6,420	6,534
Net income attributable to non-controlling interests	74	47
Net income attributable to owners of PIOLAX Inc.	6,345	6,487