

Brief Financial Report for the Year Ended March 31, 2019 [Based on Japanese Accounting Standards] (Consolidated)

Listed Company Name: PIOLAX Inc. Listing Exchanges: Tokyo Stock Exchange (First Section)
 Code No.: 5988 URL: <https://www.piolax.co.jp>
 Representative: President Yukihiko Shimazu
 Contact: General Manager, Management & Planning Department Toru Nagashima Tel.: 045-731-1211
 Date scheduled for general meeting of shareholders: June 25, 2019 Date scheduled to start dividend payment: June 26, 2019
 Date scheduled to submit asset securities report: June 26, 2019
 Preparation of supplementary materials for quarterly financial results: Yes
 Information meeting for financial results to be held: Yes (For institutional investor and investment analyst)

(Amounts are rounded to the nearest million yen.)

1. Consolidated performance for the year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(1) Consolidated business results

(Percentage changes from previous period.)

	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	68,298	0.6	9,312	-8.9	10,321	-6.1	7,421	-8.7
FY3/18	67,876	5.6	10,220	-1.6	10,987	-3.9	8,126	1.5

(Note) Comprehensive income FY3/19 5,182 million yen (-43.0%) FY3/18 9,089 million yen (39.0%)

	Net income per share	Net income per share-diluted	Net income to treasury shares	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY3/19	207.22	-	8.5	10.2	13.6
FY3/18	226.91	-	9.9	11.4	15.1

(Reference) Investment profit (loss) arising from equity method FY3/19 838 million yen FY3/18 755 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY3/19	102,155	90,500	87.3	2,489.00
FY3/18	99,140	87,154	86.5	2,394.31

(Reference) Shareholders' equity FY3/19 89,142 million yen FY3/18 85,751 million yen

(3) Consolidated cash flows

	Net cash flows from operating activities	Net cash flows from investing activities	Net cash flows from financing activities	Cash and cash equivalents at ending of the term
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY3/19	10,915	-7,370	-1,917	27,646
FY3/18	9,853	-5,892	-1,835	26,403

2. Dividends

	Annual dividends					Total dividend amount (annual)	Payout ratio (consolidated)	Dividend on net assets (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Term end	Full year			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY3/18	-	17.00	-	28.00	45.00	1,670	19.8	2.0
FY3/19	-	22.50	-	22.50	45.00	1,670	21.7	1.8
FY3/20 (forecast)	-	22.50	-	22.50	45.00		26.0	

(Note)

- The term-end dividend for the fiscal year ending March 31, 2018 includes a commemorative dividend of 5.00 yen.
- From the previous consolidated fiscal year, we had introduced a new performance-linked stock compensation plan, and the total dividend includes the dividend paid to the trust account.

3. Consolidated performance forecast for the year ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(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)	32,600	-5.8	3,800	-28.0	4,300	-25.9	3,000	-30.8	83.76
Annual	66,000	-3.4	8,000	-14.1	9,000	-12.8	6,200	-16.5	173.11

4. Consolidated financial statement

(1) Consolidated balance sheet

(Millions of yen)

	FY 2017 (As of March 31, 2018)	FY 2018 (As of March 31, 2019)
Assets		
Current assets		
Cash and cash equivalents	27,848	30,484
Notes and accounts receivable-trade	14,425	13,096
Electronically recorded monetary claims-operating	1,913	2,071
Marketable securities	1,699	1,958
Goods and finished products	4,534	4,823
Material in progress	1,565	1,693
Raw materials and inventory goods	1,837	1,953
Other current assets	1,650	1,602
Allowance for bad loans	-32	-40
Total current assets	55,441	57,644
Fixed assets		
Tangible fixed assets		
Buildings and structures	17,162	17,517
Accumulated depreciation	-9,010	-9,538
Buildings and structures (net)	8,151	7,978
Machinery equipment, and vehicles	27,907	28,231
Accumulated depreciation	-20,222	-20,987
Machinery equipment and vehicles (net)	7,684	7,243
Tools, furniture and fixture	27,830	28,276
Accumulated depreciation	-25,604	-26,209
Tools, furniture and fixture (net)	2,225	2,066
Land	5,183	5,567
Lease asset	72	75
Accumulated depreciation	-36	-39
Lease asset (net)	36	35
Construction in progress	1,058	1,955
Total tangible fixed assets	24,339	24,847
Intangible fixed assets		
Other	1,375	1,782
Total intangible fixed assets	1,375	1,782
Investments and other assets		
Investment securities	16,100	16,476
Deferred income taxes	342	356
Other assets	1,540	1,048
Allowance for bad loans	-0	-0
Total investments and other assets	17,984	17,881
Total fixed assets	43,699	44,511
Total assets	99,140	102,155

(Millions of yen)

	FY 2017 (As of March 31, 2018)	FY 2018 (As of March 31, 2019)
Liabilities		
Current liabilities		
Accounts payable-trade	3,566	3,128
Lease obligation	10	8
Accrued income taxes	978	985
Accrued bonuses to employees	868	879
Accrued bonuses to directors	6	2
Reserve for environmental measures	1	0
Other current liabilities	3,724	3,885
Total current liabilities	9,156	8,890
Long-term liabilities		
Lease obligation	31	23
Deferred tax liabilities	1,860	1,793
Provision for directors' stock benefit	29	58
Net defined benefit liability	225	234
Asset removal liabilities	18	56
Other long-term liabilities	664	598
Total long-term fixed liabilities	2,829	2,764
Total liabilities	11,985	11,654
Total equity		
Equity		
Common stock	2,960	2,960
Capital surplus	2,888	2,888
Retained earnings	79,982	85,590
Treasury stock	-3,029	-3,029
Total shareholders' equity	82,802	88,410
Accumulated other comprehensive income		
Valuation difference on available-for-sale	1,902	1,233
Deferred gains or losses on hedges	-8	4
Foreign currency translation adjustments	1,376	-216
Remeasurements of defined benefit plans	-321	-289
Total accumulated other comprehensive income	2,948	731
Non-controlling interests	1,402	1,358
Total equity	87,154	90,500
Total liabilities and equity	99,140	102,155

(2) Consolidated statements of income and Consolidated comprehensive income
 (Consolidated statements of income)

(Millions of yen)

	FY 2017 (April 1, 2017 to March 31, 2018)	FY 2018 (April 1, 2018 to March 31, 2019)
Net sales	67,876	68,298
Cost of sales	47,054	48,156
Gross profit	20,822	20,141
Selling, general and administrative expenses	10,601	10,828
Operating income	10,220	9,312
Non-operating income		
Interest income	83	131
Dividend income	66	74
Equity method investment gain	755	838
Other	124	121
Total non-operating income	1,029	1,167
Non-operating expenses		
Interest expense	8	0
Loss on disposal of property and equipment	24	49
Foreign exchange loss	143	86
Leases	7	6
Other	79	15
Total non-operating expenses	262	158
Ordinary income	10,987	10,321
Extraordinary loss		
Impairment loss	46	152
Loss on welfare pension fund dissolution	215	-
Total extraordinary loss	261	152
Net income before taxes and other adjustments	10,725	10,169
Corporate taxes	3,108	2,551
Income taxes-deferred	-606	125
Total corporate taxes	2,501	2,677
Current net income	8,224	7,492
Net income attributable to non-controlling interests	97	70
Net income attributable to owners of PIOLAX Inc.	8,126	7,421