

Brief Financial Report for the First Quarter Ending March 2020
[Based on Japanese Accounting Standards] (Consolidated)

Listed Company: PIOLAX Inc.

Code No.: 5988 (URL <https://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, 2019

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, 2020 (April 1, 2019 to June 30, 2019)

(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	%
FY3/20 1Q	15,896	-7.4	1,721	-33.8	1,947	-31.2	1,545	-29.3
FY3/19 1Q	17,160	4.0	2,598	-1.0	2,829	0.9	2,186	5.1

Note: Comprehensive income FY3/20 1Q 1,893 million yen (110.9%), FY 3/19 1Q 897 million yen (-34.8%)

	Quarter net income per share		Quarter net income per share-diluted	
	Yen		Yen	
FY3/20 1Q	43.15		-	
FY3/19 1Q	61.05		-	

(2) Consolidate financial position

	Total assets		Net assets		Equity capital ratio	
	Millions of yen		Millions of yen		%	
FY3/20 1Q	102,729		91,586		87.8	
FY3/19	102,155		90,500		87.3	

(Reference) Equity capital: FY3/20 1Q 90,227 million yen, FY 3/19 89,142 million yen

2. Cash dividends

	Annual dividends				
	End of first quarter	End of second quarter	End of third quarter	Term end	Full year
FY3/19	Yen -	Yen 22.50	Yen -	Yen 22.50	Yen 45.00
FY3/20	-				
FY3/20 (Forecast)		22.50	-	22.50	45.00

Note: Changes in the latest forecasts released: None

3. Forecast consolidated performance 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

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, 2019)	Current first quarter (June 30, 2019)
Assets		
Current assets		
Cash and cash equivalents	30,484	31,345
Notes and accounts receivable-trade	13,096	12,782
Electronically recorded monetary claims-operating	2,071	1,991
Marketable securities	1,958	2,052
Goods and Finished products	4,823	5,009
Material in progress	1,693	1,734
Raw materials and inventory goods	1,953	1,864
Other	1,602	1,742
Allowance for bad loans	-40	-41
Total current assets	57,644	58,480
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	7,978	7,901
Machinery equipment and vehicles (net)	7,243	7,555
Tools, furniture and fixture (net)	2,066	2,204
Land	5,567	5,569
Lease asset (net)	35	34
Construction in progress	1,955	1,680
Total tangible fixed assets	24,847	24,945
Intangible fixed assets		
Other	1,782	1,793
Total intangible fixed assets	1,782	1,793
Investments and other assets		
Investment account securities	16,476	16,373
Other	1,405	1,135
Allowance for bad loans	-0	-0
Total investments and other assets	17,881	17,509
Total fixed assets	44,511	44,248
Total assets	102,155	102,729

	Previous consolidated FY (March 31, 2019)	Current first quarter (June 30, 2019)
Liabilities		
Current liabilities		
Accounts payable-trade	3,128	3,114
Accrued income taxes	985	341
Allowance reserve	882	454
Other	3,893	4,891
Total current liabilities	8,890	8,803
Long-term liabilities		
Allowance reserve	58	66
Net defined benefit liability	234	266
Asset removal liabilities	56	56
Other	2,415	1,950
Total long-term liabilities	2,764	2,340
Total liabilities	11,654	11,143
Total equity		
Equity		
Common stock	2,960	2,960
Capital surplus	2,888	2,888
Retained earnings	85,590	86,328
Treasury stock	-3,029	-3,029
Total shareholders' equity	88,410	89,148
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	1,233	1,061
Deferred gains or losses on hedges	4	4
Foreign currency translation adjustments	-216	292
Remeasurements of defined benefit plans	-289	-279
Total accumulated other comprehensive income	731	1,079
Minority interests in consolidated subsidiaries	1,358	1,358
Total equity	90,500	91,586
Total liabilities and equity	102,155	102,729

(2) Quarterly Consolidated Statements of (Comprehensive) Income
 (Quarterly Consolidated Statements of Income)
 [FY2020 first quarter]

(Millions of Yen)

	Previous first quarter (April 1, 2018 to June 30, 2018)	Current first quarter (April 1, 2019 to June 30, 2019)
Net sales	17,160	15,896
Cost of sales	11,888	11,536
Gross profit	5,272	4,360
Selling, general and administrative expenses	2,673	2,639
Operating income	2,598	1,721
Non-operating income		
Interest income	32	30
Dividend income	37	37
Equity method investment gain	234	210
Other	23	49
Total non-operating income	327	328
Non-operating expenses		
Interest expense	-	0
Loss on valuation of derivatives	33	-
Foreign exchange loss	43	71
Loss on disposal of property and equipment	13	8
Cost of lease revenue	1	1
Loss on insurance cancellation	-	17
Other	3	2
Total non-operating expenses	96	102
Ordinary income	2,829	1,947
Quarterly net income before taxes and other adjustments	2,829	1,947
Corporate taxes	627	393
Net income before non-controlling interests	2,202	1,553
Net income attributable to non-controlling interests	15	7
Net income attributable to owners of PIOLAX Inc.	2,186	1,545