

Brief Financial Report for the Second 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: November 7, 2019

Date scheduled to start dividend payment: December 2, 2019

Preparation of supplementary materials for quarterly financial results: Yes

Information meeting for quarterly financial results to be held: Yes (for corporate investors and investment analysts)

(Amounts are rounded to the nearest million yen)

1. Consolidated performance for the second quarter ending March 31, 2020 (April 1, 2019 to September 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 2Q	31,934	-7.7	3,644	-31.0	3,992	-31.2	3,129	-27.8
FY3/19 2Q	34,596	4.2	5,281	2.1	5,799	4.7	4,333	8.3

Note: Comprehensive income FY3/20 2Q 2,165 million yen (-21.2%), FY 3/19 2Q 2,746 million yen (-29.4%)

	Quarter net income per share	Quarter net income per share-diluted
	Yen	Yen
FY3/20 2Q	87.36	-
FY3/19 2Q	121.01	-

(2) Consolidate financial position

	Total assets	Net assets	Equity capital ratio
	Millions of yen	Millions of yen	%
FY3/20 2Q	102,332	91,884	88.5
FY3/19	102,155	90,500	87.3

(Reference) Equity capital: FY3/20 2Q 90,579 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
	Yen	Yen	Yen	Yen	Yen
FY3/19	-	22.50	-	22.50	45.00
FY3/20	-	22.50	-	-	-
FY3/20 (Forecast)	-	-	-	22.50	45.00

Note: Changes in the latest forecasts released: No

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

(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	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: No

2. [Quarterly consolidated financial statement]

(1) Quarterly consolidated balance sheet

(Millions of Yen)

	Previous consolidated FY (March 31, 2019)	Current second quarter (September 30, 2019)
Assets		
Current assets		
Cash and cash equivalents	30,484	31,141
Notes and accounts receivable-trade	13,096	13,070
Electronically recorded monetary claims-operating	2,071	1,907
Marketable securities	1,958	1,900
Goods and Finished products	4,823	4,611
Material in progress	1,693	1,665
Raw materials and inventory goods	1,953	1,742
Other	1,602	2,096
Allowance for bad loans	-40	-40
Total current assets	57,644	58,094
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	7,978	8,301
Machinery equipment and vehicles (net)	7,243	7,496
Tools, furniture and fixture (net)	2,066	2,143
Land	5,567	5,551
Lease asset (net)	35	33
Construction in progress	1,955	1,197
Total tangible fixed assets	24,847	24,723
Intangible fixed assets		
Other	1,782	1,791
Total intangible fixed assets	1,782	1,791
Investments and other assets		
Investment account securities	16,476	16,526
Other	1,405	1,197
Allowance for bad loans	-0	-0
Total investments and other assets	17,881	17,723
Total fixed assets	44,511	44,238
Total assets	102,155	102,332

	Previous consolidated FY (March 31, 2019)	Current second quarter (September 30, 2019)
Liabilities		
Current liabilities		
Accounts payable-trade	3,128	3,073
Accrued income taxes	985	537
Allowance reserve	882	899
Other	3,893	3,614
Total current liabilities	8,890	8,124
Long-term liabilities		
Allowance reserve	58	45
Net defined benefit liability	234	279
Asset removal liabilities	56	56
Other	2,415	1,941
Total long-term liabilities	2,764	2,323
Total liabilities	11,654	10,448
Total equity		
Equity		
Common stock	2,960	2,960
Capital surplus	2,888	2,888
Retained earnings	85,590	87,911
Treasury stock	-3,029	-3,003
Total shareholders' equity	88,410	90,757
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	1,233	981
Deferred gains or losses on hedges	4	-2
Foreign currency translation adjustments	-216	-889
Remeasurements of defined benefit plans	-289	-268
Total accumulated other comprehensive income	731	-177
Non-controlling interests	1,358	1,304
Total equity	90,500	91,884
Total liabilities and equity	102,155	102,332

(2) Consolidated Statements of Income
 [FY2020 second quarter]

(Millions of Yen)

	Previous second quarter (April 1, 2018 to September 30, 2018)	Current second quarter (April 1, 2019 to September 30, 2019)
Net sales	34,596	31,934
Cost of sales	23,941	23,121
Gross profit	10,655	8,813
Selling, general and administrative expenses	5,374	5,168
Operating income	5,281	3,644
Non-operating income		
Interest income	55	76
Dividend income	38	37
Equity method investment gain	476	315
Other	54	77
Total non-operating income	624	508
Non-operating expenses		
Interest expense	-	0
Loss on valuation of derivatives	50	3
Foreign exchange loss	26	58
Loss on disposal of property and equipment	15	21
Cost of lease revenue	2	2
Loss on insurance cancellation	-	19
Office transfer expenses	-	38
Other	10	16
Total non-operating expenses	105	160
Ordinary income	5,799	3,992
Extraordinary loss		
Impairment loss	152	-
Total extraordinary loss	152	-
Quarterly net income before taxes and other adjustments	5,647	3,992
Corporate taxes	1,276	844
Net income before non-controlling interests	4,370	3,147
Net income attributable to non-controlling interests	36	18
Net income attributable to owners of PIOLAX Inc.	4,333	3,129