

Brief Financial Report for the Third 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: February 12, 2020

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, 2020 (April 1, 2019 to December 31, 2019)

(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	%
FY3/20 3Q	47,544	-8.8	5,409	-30.1	6,122	-28.6	4,798	-26.0
FY3/19 3Q	52,112	3.0	7,734	-3.4	8,572	-1.9	6,487	2.2

Note: Comprehensive income FY3/20 3Q 3,500 million yen (-32.5%), FY 3/19 3Q 5,189 million yen (-26.6%)

	Quarter net income per share	Quarter net income per share-diluted
	Yen	Yen
FY3/20 3Q	134.44	-
FY3/19 3Q	181.13	-

(2) Consolidate financial position

	Total assets	Net assets	Equity capital ratio
	Millions of yen	Millions of yen	%
FY3/20 3Q	100,926	90,873	88.8
FY3/19	102,155	90,500	87.3

(Reference) Equity capital: FY3/20 3Q 89,601 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	62,500	-8.5	6,700	-28.1	7,600	-26.4	5,700	-23.2	159.71

Note: Changes in the latest forecasts released: Yes

2. [Quarterly consolidated financial statement]

(1) Quarterly consolidated balance sheet

(Millions of Yen)

	Previous consolidated FY (March 31, 2019)	Current Third quarter (December 31, 2019)
Assets		
Current assets		
Cash and cash equivalents	30,484	29,401
Notes and accounts receivable-trade	13,096	12,579
Electronically recorded monetary claims-operating	2,071	2,046
Marketable securities	1,958	1,899
Goods and Finished products	4,823	4,711
Material in progress	1,693	1,791
Raw materials and inventory goods	1,953	1,785
Other	1,602	2,217
Allowance for bad loans	-40	-33
Total current assets	57,644	56,399
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	7,978	8,328
Machinery equipment and vehicles (net)	7,243	7,241
Tools, furniture and fixture (net)	2,066	2,169
Land	5,567	5,539
Lease asset (net)	35	33
Construction in progress	1,955	1,185
Total tangible fixed assets	24,847	24,497
Intangible fixed assets		
Other	1,782	1,758
Total intangible fixed assets	1,782	1,758
Investments and other assets		
Investment account securities	16,476	17,059
Other	1,405	1,210
Allowance for bad loans	-0	-0
Total investments and other assets	17,881	18,270
Total fixed assets	44,511	44,526
Total assets	102,155	100,926

(Millions of Yen)

	Previous consolidated FY (March 31, 2019)	Current third quarter (December 31, 2019)
Liabilities		
Current liabilities		
Accounts payable-trade	3,128	3,023
Accrued income taxes	985	328
Allowance reserve	882	448
Other	3,893	3,810
Total current liabilities	8,890	7,610
Long-term liabilities		
Allowance reserve	58	51
Net defined benefit liability	234	291
Asset removal liabilities	56	56
Other	2,415	2,041
Total long-term liabilities	2,764	2,441
Total liabilities	11,654	10,052
Total equity		
Equity		
Common stock	2,960	2,960
Capital surplus	2,888	2,888
Retained earnings	85,590	88,772
Treasury stock	-3,029	-4,541
Total shareholders' equity	88,410	90,081
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	1,233	1,174
Deferred gains or losses on hedges	4	-3
Foreign currency translation adjustments	-216	-1,393
Remeasurements of defined benefit plans	-289	-257
Total accumulated other comprehensive income	731	-480
Non-controlling interests	1,358	1,272
Total equity	90,500	90,873
Total liabilities and equity	102,155	100,925

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

(Millions of Yen)

	Previous Third quarter (April 1, 2018 to December 31, 2018)	Current Third quarter (April 1, 2019 to December 31, 2019)
Net sales,	52,112	47,544
Cost of sales	36,423	34,464
Gross profit	15,688	13,080
Selling, general and administrative expenses	7,953	7,670
Operating income	7,734	5,409
Non-operating income		
Interest income	92	116
Dividend income	74	63
Equity method investment gain	697	613
Other	102	118
Total non-operating income	967	911
Non-operating expenses		
Interest expense	0	0
Loss on valuation of derivatives	-	23
Foreign exchange loss	79	41
Loss on disposal of property and equipment	33	51
Cost of lease revenue	4	4
Loss on insurance cancellation	-	19
Office transfer expenses	-	38
Other	11	20
Total non-operating expenses	129	199
Ordinary income	8,572	6,122
Extraordinary loss		
Impairment loss	152	-
Total extraordinary loss	152	-
Quarterly net income before taxes and other adjustments	8,420	6,122
Corporate taxes	1,886	1,290
Net income before non-controlling interests	6,534	4,832
Net income attributable to non-controlling interests	47	33
Net income attributable to owners of PIOLAX Inc.	6,487	4,798