

Brief Financial Report for the Year Ended March 31, 2020 [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 24, 2020 Date scheduled to start dividend payment: June 25, 2020
 Date scheduled to submit asset securities report: August 6, 2020
 Preparation of supplementary materials for quarterly financial results: No
 Information meeting for financial results to be held: No (For institutional investor and investment analyst)

(Amounts are rounded to the nearest million yen.)

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

(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	%
FY3/20	62,480	-8.5	6,753	-27.5	7,396	-28.3	5,231	-29.5
FY3/19	68,298	0.6	9,312	-8.9	10,321	-6.1	7,421	-8.7

(Note) Comprehensive income FY3/20 4,567 million yen (-11.9%) FY3/19 5,182 million yen (-43.0%)

	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	%	%	%
FY3/20	147.32	-	5.8	7.3	10.8
FY3/19	207.22	-	8.5	10.2	13.6

(Reference) Investment profit (loss) arising from equity method FY3/20 589 million yen FY3/19 838 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY3/20	101,755	91,460	88.6	2,581.43
FY3/19	102,155	90,500	87.3	2,489.00

(Reference) Shareholders' equity FY3/20 90,115 million yen FY3/19 89,142 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
FY3/20	8,583	-6,192	-3,673	26,246
FY3/19	10,915	-7,370	-1,917	27,646

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	%	%
FY3/19	-	22.50	-	22.50	45.00	1,670	21.7	1.8
FY3/20	-	22.50	-	22.50	45.00	1,649	30.6	1.8
FY3/21 (forecast)	-	-	-	-	0.00		0.0	

(Note)

- We had introduced a stock compensation plan for directors, and the total dividend includes the dividend paid to the trust account.
- The dividend for the fiscal year ended March 31, 2021 is undecided at the present stage. We will announce the dividend forecast as soon as it becomes possible to disclose it.

4. Consolidated financial statement

(1) Consolidated balance sheet

(Millions of yen)

	FY 2018 (As of March 31, 2019)	FY 2019 (As of March 31, 2020)
Assets		
Current assets		
Cash and cash equivalents	30,484	31,424
Notes and accounts receivable-trade	13,096	12,346
Electronically recorded monetary claims-operating	2,071	1,785
Marketable securities	1,958	2,154
Goods and finished products	4,823	4,832
Material in progress	1,693	1,705
Raw materials and inventory goods	1,953	1,796
Income taxes receivable	-	218
Other current assets	1,602	1,740
Allowance for bad loans	-40	-35
Total current assets	57,644	57,968
Fixed assets		
Tangible fixed assets		
Buildings and structures	17,517	18,319
Accumulated depreciation	-9,538	-10,121
Buildings and structures (net)	7,978	8,197
Machinery equipment, and vehicles	28,231	29,783
Accumulated depreciation	-20,987	-22,444
Machinery equipment and vehicles (net)	7,243	7,339
Tools, furniture and fixture	28,276	29,236
Accumulated depreciation	-26,209	-27,116
Tools, furniture and fixture (net)	2,066	2,119
Land	5,567	5,565
Lease asset	75	185
Accumulated depreciation	-39	-77
Lease asset (net)	35	107
Construction in progress	1,955	1,162
Total tangible fixed assets	24,847	24,492
Intangible fixed assets		
Other	1,782	1,869
Total intangible fixed assets	1,782	1,869
Investments and other assets		
Investment securities	16,476	16,161
Deferred income taxes	356	344
Other assets	1,048	919
Allowance for bad loans	-0	-0
Total investments and other assets	17,881	17,425
Total fixed assets	44,511	43,787
Total assets	102,155	101,755

(Millions of yen)

	FY 2018 (As of March 31, 2019)	FY 2019 (As of March 31, 2020)
Liabilities		
Current liabilities		
Accounts payable-trade	3,128	3,037
Lease obligation	8	72
Accrued income taxes	985	289
Accrued bonuses to employees	879	861
Accrued bonuses to directors	2	-
Reserve for environmental measures	0	-
Other current liabilities	3,885	3,619
Total current liabilities	8,890	7,879
Long-term liabilities		
Lease obligation	23	128
Deferred tax liabilities	1,793	1,899
Provision for directors' stock benefit	58	57
Net defined benefit liability	234	265
Asset removal liabilities	56	57
Other long-term liabilities	598	7
Total long-term fixed liabilities	2,764	2,415
Total liabilities	11,654	10,295
Total equity		
Equity		
Common stock	2,960	2,960
Capital surplus	2,888	2,888
Retained earnings	85,590	89,206
Treasury stock	-3,029	-5,003
Total shareholders' equity	88,410	90,052
Accumulated other comprehensive income		
Valuation difference on available-for-sale	1,233	649
Deferred gains or losses on hedges	4	2
Foreign currency translation adjustments	-216	-316
Remeasurements of defined benefit plans	-289	-273
Total accumulated other comprehensive income	731	62
Non-controlling interests	1,358	1,345
Total equity	90,500	91,460
Total liabilities and equity	102,155	101,755

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

(Millions of yen)

	FY 2018 (April 1, 2018 to March 31, 2019)	FY 2019 (April 1, 2019 to March 31, 2020)
Net sales	68,298	62,480
Cost of sales	48,156	45,490
Gross profit	20,141	16,989
Selling, general and administrative expenses	10,828	10,235
Operating income	9,312	6,753
Non-operating income		
Interest income	131	211
Dividend income	74	63
Equity method investment gain	838	589
Other	121	184
Total non-operating income	1,167	1,048
Non-operating expenses		
Interest expense	0	8
Loss on sales of investment securities	-	0
Loss on disposal of property and equipment	49	75
Foreign exchange loss	86	184
Leases	6	6
Loss on insurance cancellation	-	19
Office transfer expenses	-	38
Other	15	72
Total non-operating expenses	158	406
Ordinary income	10,321	7,396
Extraordinary loss		
Impairment loss	152	327
Total extraordinary loss	152	327
Net income before taxes and other adjustments	10,169	7,068
Corporate taxes	2,551	1,436
Income taxes-deferred	125	335
Total corporate taxes	2,677	1,772
Current net income	7,492	5,296
Net income attributable to non-controlling interests	70	64
Net income attributable to owners of PIOLAX Inc.	7,421	5,231