

Brief Financial Report for the Third Quarter Ending March 2021
[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 9, 2021

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, 2021 (April 1, 2020 to December 31, 2020)

(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	%
FY3/21 3Q	35,018	-26.3	1,764	-67.4	3,238	-47.1	2,329	-51.5
FY3/20 3Q	47,544	-8.8	5,409	-30.1	6,122	-28.6	4,798	-26.0

Note: Comprehensive income FY3/21 3Q 834 million yen (-76.2%), FY 3/20 3Q 3,500 million yen (-32.5%)

	Quarter net income per share	Quarter net income per share-diluted
	Yen	Yen
FY3/21 3Q	66.72	-
FY3/20 3Q	134.44	-

(2) Consolidate financial position

	Total assets	Net assets	Equity capital ratio
	Millions of yen	Millions of yen	%
FY3/21 3Q	102,047	91,135	88.0
FY3/20	101,755	91,460	88.6

(Reference) Equity capital: FY3/21 3Q 89,844 million yen, FY 3/20 90,115 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
FY3/20	-	22.50	-	22.50	45.00
FY3/21	-	10.00	-	-	-
FY3/21 (Forecast)	-	-	-	20.00	30.00

Note: Changes in the latest forecasts released: Yes

3. Forecast consolidated performance for the year ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(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	49,600	-20.6	3,300	-51.1	4,800	-35.1	3,300	-36.9	94.53

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, 2020)	Current Third quarter (December 31, 2020)
Assets		
Current assets		
Cash and cash equivalents	31,424	33,028
Notes and accounts receivable-trade	12,346	12,541
Electronically recorded monetary claims-operating	1,785	2,029
Marketable securities	2,154	1,899
Goods and Finished products	4,832	3,873
Material in progress	1,705	1,613
Raw materials and inventory goods	1,796	1,719
Income taxes receivable	218	100
Other	1,740	2,122
Allowance for bad loans	-35	-34
Total current assets	57,968	58,894
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	8,197	7,890
Machinery equipment and vehicles (net)	7,339	6,396
Tools, furniture and fixture (net)	2,119	2,002
Land	5,565	5,539
Lease asset (net)	107	103
Construction in progress	1,162	1,311
Total tangible fixed assets	24,492	23,244
Intangible fixed assets		
Other	1,869	1,648
Total intangible fixed assets	1,869	1,648
Investments and other assets		
Investment account securities	16,161	17,035
Other	1,263	1,224
Allowance for bad loans	-0	-0
Total investments and other assets	17,425	18,260
Total fixed assets	43,787	43,153
Total assets	101,755	102,047

	Previous consolidated FY (March 31, 2020)	Current third quarter (December 31, 2020)
Liabilities		
Current liabilities		
Accounts payable-trade	3,037	2,771
Accrued income taxes	289	394
Allowance reserve	861	359
Short-term loans payable	-	1,500
Other	3,692	3,416
Total current liabilities	7,879	8,442
Long-term liabilities		
Allowance reserve	57	59
Net defined benefit liability	265	296
Asset removal liabilities	57	56
Other	2,035	2,056
Total long-term liabilities	2,415	2,469
Total liabilities	10,295	10,912
Total equity		
Equity		
Common stock	2,960	2,960
Capital surplus	2,888	2,888
Retained earnings	89,206	90,398
Treasury stock	-5,003	-4,986
Total shareholders' equity	90,052	91,261
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	649	930
Deferred gains or losses on hedges	2	-0
Foreign currency translation adjustments	-316	-2,106
Remeasurements of defined benefit plans	-273	-240
Total accumulated other comprehensive income	62	-1,417
Non-controlling interests	1,345	1,290
Total equity	91,460	91,135
Total liabilities and equity	101,755	102,047

(2) Consolidated Statements of Income
[FY2021 Third quarter]

(Millions of Yen)

	Previous Third quarter (April 1, 2019 to December 31, 2019)	Current Third quarter (April 1, 2020 to December 31, 2020)
Net sales,	47,544	35,018
Cost of sales	34,464	26,854
Gross profit	13,080	8,164
Selling, general and administrative expenses	7,670	6,400
Operating income	5,409	1,764
Non-operating income		
Interest income	116	110
Dividend income	63	29
Equity method investment gain	613	559
Foreign exchange gains	-	245
Employment adjustment subsidy	-	240
Other	118	427
Total non-operating income	911	1,611
Non-operating expenses		
Interest expense	0	8
Loss on valuation of derivatives	23	-
Foreign exchange loss	41	-
Loss on disposal of property and equipment	51	25
Cost of lease revenue	4	3
Loss on insurance cancellation	19	-
Office transfer expenses	38	-
Building demolition expense	-	56
Loss on fire	-	28
Other	20	16
Total non-operating expenses	199	137
Ordinary income	6,122	3,238
Quarterly net income before taxes and other adjustments	6,122	3,238
Corporate taxes	1,290	877
Net income before non-controlling interests	4,832	2,360
Net income attributable to non-controlling interests	33	31
Net income attributable to owners of PIOLAX Inc.	4,798	2,329