

Brief Financial Report for the Year Ended March 31, 2021 [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 22, 2021 Date scheduled to start dividend payment: June 23, 2021
 Date scheduled to submit asset securities report: June 23, 2021
 Preparation of supplementary materials for quarterly financial results: Yes
 Information meeting for financial results to be held: Yes (For institutional investor and investment analyst)

(Amounts are rounded to the nearest million yen.)

1. Consolidated performance for the year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(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	%
FY3/21	50,152	-19.7	4,018	-40.5	5,446	-26.4	3,962	-24.3
FY3/20	62,480	-8.5	6,753	-27.5	7,396	-28.3	5,231	-29.5

(Note) Comprehensive income FY3/21 3,471 million yen (-24.0%) FY3/20 4,567 million yen (-11.9%)

	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	%	%	%
FY3/21	113.49	-	4.3	5.2	8.0
FY3/20	147.32	-	5.8	7.3	10.8

(Reference) Investment profit (loss) arising from equity method FY3/21 751 million yen FY3/20 589 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY3/21	106,051	93,746	87.1	2,646.78
FY3/20	101,755	91,460	88.6	2,581.43

(Reference) Shareholders' equity FY3/21 92,410 million yen FY3/20 90,115 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
FY3/21	7,343	-2,580	300	31,161
FY3/20	8,583	-6,192	-3,673	26,246

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	%	%
FY3/20	-	22.50	-	22.50	45.00	1,649	30.6	1.8
FY3/21	-	10.00	-	25.00	35.00	1,267	30.8	1.3
FY3/22 (forecast)	-	-	-	-	45.00		34.2	

(Note)

1. We had introduced a stock compensation plan for directors, and the total dividend includes the dividend paid to the trust account.

4. Consolidated financial statement

(1) Consolidated balance sheet

(Millions of yen)

	FY 2019 (As of March 31, 2020)	FY 2020 (As of March 31, 2021)
Assets		
Current assets		
Cash and cash equivalents	31,424	32,964
Notes and accounts receivable-trade	12,346	12,788
Electronically recorded monetary claims-operating	1,785	1,875
Marketable securities	2,154	5,599
Goods and finished products	4,832	4,191
Material in progress	1,705	1,744
Raw materials and inventory goods	1,796	1,827
Income taxes receivable	218	-
Other current assets	1,740	1,640
Allowance for bad loans	-35	-33
Total current assets	57,968	62,600
Fixed assets		
Tangible fixed assets		
Buildings and structures	18,319	17,395
Accumulated depreciation	-10,121	-9,585
Buildings and structures (net)	8,197	7,809
Machinery equipment, and vehicles	29,783	29,082
Accumulated depreciation	-22,444	-22,709
Machinery equipment and vehicles (net)	7,339	6,372
Tools, furniture and fixture	29,236	29,434
Accumulated depreciation	-27,116	-27,318
Tools, furniture and fixture (net)	2,119	2,115
Land	5,565	5,583
Lease asset	185	265
Accumulated depreciation	-77	-36
Lease asset (net)	107	228
Construction in progress	1,162	1,210
Total tangible fixed assets	24,492	23,321
Intangible fixed assets		
Other	1,869	1,623
Total intangible fixed assets	1,869	1,623
Investments and other assets		
Investment securities	16,161	17,297
Deferred income taxes	344	393
Other assets	919	815
Allowance for bad loans	-0	-
Total investments and other assets	17,425	18,506
Total fixed assets	43,787	43,450
Total assets	101,755	106,051

(Millions of yen)

	FY 2019 (As of March 31, 2020)	FY 2020 (As of March 31, 2021)
Liabilities		
Current liabilities		
Accounts payable-trade	3,037	3,013
Short-term loans payable	-	1,500
Lease obligation	72	94
Accrued income taxes	289	688
Accrued bonuses to employees	861	884
Other current liabilities	3,619	3,684
Total current liabilities	7,879	9,864
Long-term liabilities		
Lease obligation	128	76
Deferred tax liabilities	1,899	1,981
Provision for directors' stock benefit	57	66
Net defined benefit liability	265	253
Asset removal liabilities	57	56
Other long-term liabilities	7	7
Total long-term fixed liabilities	2,415	2,441
Total liabilities	10,295	12,305
Total equity		
Equity		
Common stock	2,960	2,960
Capital surplus	2,888	2,888
Retained earnings	89,206	92,031
Treasury stock	-5,003	-4,986
Total shareholders' equity	90,052	92,894
Accumulated other comprehensive income		
Valuation difference on available-for-sale	649	1,081
Deferred gains or losses on hedges	2	-1
Foreign currency translation adjustments	-316	-1,358
Remeasurements of defined benefit plans	-273	-204
Total accumulated other comprehensive income	62	-483
Non-controlling interests	1,345	1,335
Total equity	91,460	93,746
Total liabilities and equity	101,755	106,051

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

(Millions of yen)

	FY 2019 (April 1, 2019 to March 31, 2020)	FY 2020 (April 1, 2020 to March 31, 2021)
Net sales	62,480	50,152
Cost of sales	45,490	37,315
Gross profit	16,989	12,837
Selling, general and administrative expenses	10,235	8,818
Operating income	6,753	4,018
Non-operating income		
Interest income	211	153
Dividend income	63	29
Gain on sales of investment securities	-	243
Equity method investment gain	589	751
Employment adjustment subsidy	-	245
Other	184	323
Total non-operating income	1,048	1,746
Non-operating expenses		
Interest expense	8	14
Loss on sales of investment securities	0	-
Loss on valuation of derivatives	16	70
Loss on disposal of property and equipment	75	71
Foreign exchange loss	184	-
Leases	6	6
Loss on insurance cancellation	19	-
Office transfer expenses	38	-
Building demolition expense	-	56
Loss on fire	-	28
Other	56	70
Total non-operating expenses	406	318
Ordinary income	7,396	5,446
Extraordinary loss		
Impairment loss	327	-
Total extraordinary loss	327	-
Net income before taxes and other adjustments	7,068	5,446
Corporate taxes	1,436	1,354
Income taxes-deferred	335	74
Total corporate taxes	1,772	1,429
Current net income	5,296	4,017
Net income attributable to non-controlling interests	64	54
Net income attributable to owners of PIOLAX Inc.	5,231	3,962