

Brief Financial Report for the Second Quarter Ending March 2022
[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 10, 2021

Date scheduled to start dividend payment: December 1, 2021

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, 2022 (April 1, 2021 to September 30, 2021)

(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	%
FY3/22 2Q	28,003	37.4	2,996	-	3,521	403.0	2,525	422.4
FY3/21 2Q	20,384	-36.2	-3	-	700	-82.5	483	-84.5

Note: Comprehensive income FY3/22 2Q 4,748 million yen (-%), FY 3/21 2Q -944 million yen (-%)

	Quarter net income per share	Quarter net income per share-diluted
	Yen	Yen
FY3/22 2Q	72.34	-
FY3/21 2Q	13.85	-

(2) Consolidate financial position

	Total assets	Net assets	Equity capital ratio
	Millions of yen	Millions of yen	%
FY3/22 2Q	107,984	97,741	89.2
FY3/21	106,051	93,746	87.1

(Reference) Equity capital: FY3/22 2Q 96,306 million yen, FY 3/21 92,410 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
FY3/21	-	10.00	-	25.00	35.00
FY3/22	-	22.50	-	-	-
FY3/22 (Forecast)	-	-	-	22.50	45.00

Note: Changes in the latest forecasts released: No

3. Forecast consolidated performance for the year ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(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	55,000	9.7	4,400	9.5	5,300	-2.7	3,600	-9.1	103.11

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, 2021)	Current second quarter (September 30, 2021)
Assets		
Current assets		
Cash and cash equivalents	32,964	36,888
Notes and accounts receivable-trade	12,788	11,883
Electronically recorded monetary claims-operating	1,875	1,680
Marketable securities	5,599	2,004
Goods and Finished products	4,191	5,188
Material in progress	1,744	2,069
Raw materials and inventory goods	1,827	2,397
Other	1,640	1,764
Allowance for bad loans	-33	-36
Total current assets	62,600	63,841
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	7,809	7,747
Machinery equipment and vehicles (net)	6,372	6,337
Tools, furniture and fixture (net)	2,115	2,135
Land	5,583	5,606
Lease asset (net)	228	287
Construction in progress	1,210	1,058
Total tangible fixed assets	23,321	23,174
Intangible fixed assets		
Other	1,623	1,644
Total intangible fixed assets	1,623	1,644
Investments and other assets		
Investment account securities	17,297	18,124
Other	1,208	1,199
Allowance for bad loans	-	-0
Total investments and other assets	18,506	19,324
Total fixed assets	43,450	44,143
Total assets	106,051	107,984

	Previous consolidated FY (March 31, 2021)	Current second quarter (September 30, 2021)
Liabilities		
Current liabilities		
Accounts payable-trade	3,013	2,668
Accrued income taxes	688	333
Allowance reserve	884	893
Short-term loans payable	1,500	-
Other	3,778	3,855
Total current liabilities	9,864	7,751
Long-term liabilities		
Allowance reserve	66	79
Net defined benefit liability	253	250
Asset removal liabilities	56	56
Other	2,064	2,105
Total long-term liabilities	2,441	2,492
Total liabilities	12,305	10,243
Total equity		
Equity		
Common stock	2,960	2,960
Capital surplus	2,888	2,888
Retained earnings	92,031	93,803
Treasury stock	-4,986	-4,986
Total shareholders' equity	92,894	94,666
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	1,081	1,048
Deferred gains or losses on hedges	-1	-10
Foreign currency translation adjustments	-1,358	782
Remeasurements of defined benefit plans	-204	-180
Total accumulated other comprehensive income	-483	1,640
Non-controlling interests	1,335	1,434
Total equity	93,746	97,741
Total liabilities and equity	106,051	107,984

(2) Consolidated Statements of Income
 [FY2022 second quarter]

(Millions of Yen)

	Previous second quarter (April 1, 2020 to September 30, 2020)	Current second quarter (April 1, 2021 to September 30, 2021)
Net sales	20,384	28,003
Cost of sales	16,209	20,161
Gross profit	4,174	7,841
Selling, general and administrative expenses	4,178	4,845
Operating income / operating loss (-)	-3	2,996
Non-operating income		
Interest income	77	51
Dividend income	18	16
Equity method investment gain	255	429
Foreign exchange gains	184	-
Employment adjustment subsidy	175	-
Other	94	104
Total non-operating income	805	601
Non-operating expenses		
Interest expense	6	4
Foreign exchange loss	-	53
Loss on disposal of property and equipment	16	12
Cost of lease revenue	2	2
Building demolition expense	56	-
Other	20	3
Total non-operating expenses	101	75
Ordinary income	700	3,521
Extraordinary loss		
Impairment loss	-	182
Total extraordinary loss	-	182
Quarterly net income before taxes and other adjustments	700	3,339
Corporate taxes	196	778
Net income before non-controlling interests	503	2,560
Net income attributable to non-controlling interests	20	34
Net income attributable to owners of PIOLAX Inc.	483	2,525