

Brief Financial Report for the Second Quarter Ending March 2023 [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. 045-577-3880)

Estimated submission date of quarterly report: November 10, 2022

Date scheduled to start dividend payment: December 1, 2022

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, 2022 to September 30, 2022)

(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	%
FY3/23 2Q	27,707	-1.1	1,651	-44.9	2,062	-41.4	1,439	-43.0
FY3/22 2Q	28,003	37.4	2,996	-	3,521	403.0	2,525	422.4

Note: Comprehensive income FY3/23 2Q 7,426 million yen (56.4%), FY 3/22 2Q 4,748 million yen (-%)

	Quarter net income per share	Quarter net income per share-diluted
	Yen	Yen
FY3/23 2Q	42.29	-
FY3/22 2Q	72.34	-

(2) Consolidate financial position

	Total assets	Net assets	Equity capital ratio
	Millions of yen	Millions of yen	%
FY3/23 2Q	115,265	104,999	89.7
FY3/22	109,674	98,332	88.4

(Reference) Equity capital: FY3/23 2Q 103,403 million yen, FY 3/22 96,892 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
FY3/22	-	22.50	-	22.50	45.00
FY3/23	-	43.00	-	-	-
FY3/23 (Forecast)	-	-	-	54.00	97.00

Note: Changes in the latest forecasts released: Yes

3. Forecast consolidated performance for the year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(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	60,500	9.7	4,300	-17.6	5,300	-8.3	3,300	-21.9	96.94

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, 2022)	Current second quarter (September 30, 2022)
Assets		
Current assets		
Cash and cash equivalents	35,505	36,755
Notes and accounts receivable-trade	12,187	13,398
Electronically recorded monetary claims-operating	1,566	1,560
Marketable securities	2,535	2,518
Goods and Finished products	5,321	6,094
Material in progress	2,082	2,062
Raw materials and inventory goods	2,859	3,148
Income taxes receivable	88	287
Other	2,022	1,825
Allowance for bad loans	-34	-36
Total current assets	64,135	67,615
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	7,710	8,152
Machinery equipment and vehicles (net)	6,599	7,200
Tools, furniture and fixture (net)	2,132	2,480
Land	5,603	5,672
Lease asset (net)	419	297
Construction in progress	1,271	1,338
Total tangible fixed assets	23,736	25,141
Intangible fixed assets		
Other	1,705	1,747
Total intangible fixed assets	1,705	1,747
Investments and other assets		
Investment account securities	18,723	19,387
Other	1,372	1,380
Allowance for bad loans	-0	-6
Total investments and other assets	20,096	20,761
Total fixed assets	45,538	47,650
Total assets	109,674	115,265

	Previous consolidated FY (March 31, 2022)	Current second quarter (September 30, 2022)
Liabilities		
Current liabilities		
Accounts payable-trade	2,680	2,658
Accrued income taxes	359	358
Allowance reserve	917	899
Other	4,863	3,644
Total current liabilities	8,821	7,561
Long-term liabilities		
Allowance reserve	93	99
Net defined benefit liability	217	268
Asset removal liabilities	81	81
Other	2,126	2,254
Total long-term liabilities	2,519	2,704
Total liabilities	11,341	10,266
Total equity		
Equity		
Common stock	2,960	2,960
Capital surplus	2,572	2,572
Retained earnings	93,221	93,893
Treasury stock	-4,677	-4,670
Total shareholders' equity	94,077	94,757
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	878	778
Deferred gains or losses on hedges	-0	-5
Foreign currency translation adjustments	2,097	8,015
Remeasurements of defined benefit plans	-160	-142
Total accumulated other comprehensive income	2,814	8,646
Non-controlling interests	1,440	1,596
Total equity	98,332	104,999
Total liabilities and equity	109,674	115,265

(2) Consolidated Statements of Income
 [FY2023 second quarter]

(Millions of Yen)

	Previous second quarter (April 1, 2021 to September 30, 2021)	Current second quarter (April 1, 2022 to September 30, 2022)
Net sales	28,003	27,707
Cost of sales	20,161	20,869
Gross profit	7,841	6,838
Selling, general and administrative expenses	4,845	5,187
Operating income	2,996	1,651
Non-operating income		
Interest income	51	76
Dividend income	16	29
Equity method investment gain	429	341
Other	104	153
Total non-operating income	601	600
Non-operating expenses		
Interest expense	4	8
Foreign exchange loss	53	155
Loss on disposal of property and equipment	12	7
Cost of lease revenue	2	2
Other	3	14
Total non-operating expenses	75	189
Ordinary income	3,521	2,062
Extraordinary loss		
Impairment loss	182	34
Total extraordinary loss	182	34
Quarterly net income before taxes and other adjustments	3,339	2,028
Corporate taxes	778	570
Net income before non-controlling interests	2,560	1,458
Net income attributable to non-controlling interests	34	18
Net income attributable to owners of PIOLAX Inc.	2,525	1,439