

Brief Financial Report for the Year Ended March 31, 2023 [Based on Japanese Accounting Standards] (Consolidated)

Listed Company Name: PIOLAX Inc. Listing Exchanges: Tokyo Stock Exchange (Prime Market)
 Code No.: 5988 URL: <https://www.piolax.co.jp>
 Representative: President Yukihiro Shimazu
 Contact: General Manager, Management & Planning Department Toru Nagashima Tel.: 045-577-3880
 Date scheduled for general meeting of shareholders: June 27, 2023 Date scheduled to start dividend payment: June 28, 2023
 Date scheduled to submit asset securities report: June 28, 2023
 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, 2023 (April 1, 2022 to March 31, 2023)

(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	%
FY3/23	58,422	5.9	3,949	-24.3	4,868	-15.7	3,375	-20.1
FY3/22	55,144	10.0	5,216	29.8	5,776	6.1	4,224	6.6

(Note) Comprehensive income FY3/23 8,221 million yen (7.3%) FY3/22 7,661 million yen (120.7%)

	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	%	%	%
FY3/23	99.15	-	3.4	4.3	6.8
FY3/22	121.71	-	4.5	5.4	9.5

(Reference) Investment profit (loss) arising from equity method FY3/23 688 million yen FY3/22 769 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY3/23	115,458	104,250	88.9	3,015.93
FY3/22	109,674	98,332	88.4	2,846.39

(Reference) Shareholders' equity FY3/23 102,670 million yen FY3/22 96,892 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
FY3/23	6,068	-5,001	-2,443	29,068
FY3/22	6,441	-3,861	-4,686	29,925

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	%	%
FY3/22	-	22.50	-	22.50	45.00	1,608	37.0	1.6
FY3/23	-	43.00	-	57.00	100.00	3,533	100.9	3.4
FY3/24 (forecast)	-	49.00	-	53.00	102.00		112.0	

(Note)

- The end of second quarter dividend for the fiscal year ending March 31, 2024 (forecast) includes a 90th anniversary commemorative dividend of 10.00 yen.
- We had introduced a stock compensation plan for directors, and the total dividend includes the dividend paid to the trust account.

3. Consolidated performance forecast for the year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(Percentage changes from previous period, and changes from the previous first half term for the same term)

	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
First half (total sum)	29,800	7.6	1,300	-21.3	1,700	-17.6	1,300	-9.7	38.19
Annual	63,000	7.8	4,000	1.3	4,600	-5.5	3,100	-8.2	91.06

4. Consolidated financial statement

(1) Consolidated balance sheet

(Millions of yen)

	FY 2021 (As of March 31, 2022)	FY 2022 (As of March 31, 2023)
Assets		
Current assets		
Cash and cash equivalents	35,505	36,973
Notes and accounts receivable-trade	12,187	13,549
Electronically recorded monetary claims-operating	1,566	1,640
Marketable securities	2,535	1,864
Goods and finished products	5,321	5,554
Material in progress	2,082	2,186
Raw materials and inventory goods	2,859	3,047
Income taxes receivable	88	322
Other current assets	2,022	1,806
Allowance for bad loans	-34	-38
Total current assets	64,135	66,906
Fixed assets		
Tangible fixed assets		
Buildings and structures	18,288	19,097
Accumulated depreciation	-10,578	-11,281
Buildings and structures (net)	7,710	7,816
Machinery equipment, and vehicles	31,493	34,595
Accumulated depreciation	-24,894	-27,799
Machinery equipment and vehicles (net)	6,599	6,796
Tools, furniture and fixture	30,277	31,585
Accumulated depreciation	-28,145	-29,154
Tools, furniture and fixture (net)	2,132	2,431
Land	5,603	5,830
Lease asset	570	452
Accumulated depreciation	-150	-36
Lease asset (net)	419	415
Construction in progress	1,271	2,224
Total tangible fixed assets	23,736	25,514
Intangible fixed assets		
Other	1,705	1,607
Total intangible fixed assets	1,705	1,607
Investments and other assets		
Investment securities	18,723	20,064
Deferred income taxes	409	354
Other assets	963	1,019
Allowance for bad loans	-0	-8
Total investments and other assets	20,096	21,429
Total fixed assets	45,538	48,551
Total assets	109,674	115,458

(Millions of yen)

	FY 2021 (As of March 31, 2022)	FY 2022 (As of March 31, 2023)
Liabilities		
Current liabilities		
Accounts payable-trade	2,680	2,756
Lease obligation	262	115
Accrued income taxes	359	282
Accrued bonuses to employees	917	936
Asset removal liabilities	-	18
Other current liabilities	4,601	4,171
Total current liabilities	8,821	8,281
Long-term liabilities		
Lease obligation	142	162
Deferred tax liabilities	1,976	2,276
Provision for directors' stock benefit	93	113
Net defined benefit liability	217	269
Asset removal liabilities	81	100
Other long-term liabilities	7	5
Total long-term fixed liabilities	2,519	2,927
Total liabilities	11,341	11,208
Total equity		
Equity		
Common stock	2,960	2,960
Capital surplus	2,572	2,572
Retained earnings	93,221	94,362
Treasury stock	-4,677	-4,670
Total shareholders' equity	94,077	95,225
Accumulated other comprehensive income		
Valuation difference on available-for-sale	878	1,009
Deferred gains or losses on hedges	-0	-0
Foreign currency translation adjustments	2,097	6,375
Remeasurements of defined benefit plans	-160	59
Total accumulated other comprehensive income	2,814	7,445
Non-controlling interests	1,440	1,579
Total equity	98,332	104,250
Total liabilities and equity	109,674	115,458

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

(Millions of yen)

	FY 2021 (April 1, 2021 to March 31, 2022)	FY 2022 (April 1, 2022 to March 31, 2023)
Net sales	55,144	58,422
Cost of sales	40,066	43,730
Gross profit	15,077	14,691
Selling, general and administrative expenses	9,860	10,742
Operating income	5,216	3,949
Non-operating income		
Interest income	148	277
Dividend income	33	59
Gain on sales of investment securities	0	5
Equity method investment gain	769	688
Other	97	292
Total non-operating income	1,050	1,324
Non-operating expenses		
Interest expense	8	19
Loss on valuation of derivatives	50	-
Loss on disposal of property and equipment	70	50
Foreign exchange loss	137	297
Leases	6	5
Compensation expenses	200	-
Other	16	32
Total non-operating expenses	490	404
Ordinary income	5,776	4,868
Extraordinary loss		
Impairment loss	182	111
Total extraordinary loss	182	111
Net income before taxes and other adjustments	5,594	4,756
Corporate taxes	1,412	946
Income taxes-deferred	-110	338
Total corporate taxes	1,302	1,285
Current net income	4,292	3,471
Net income attributable to non-controlling interests	68	96
Net income attributable to owners of PIOLAX Inc.	4,224	3,375