

Brief Financial Report for the Second Quarter Ending March 2024 [Based on Japanese Accounting Standards] (Consolidated)

Listed Company: PIOLAX Inc.

Code No.: 5988 (URL <https://www.piolax.co.jp>)

Representative: President Yukihiro Shimazu

Contact person in charge: General Manager, Management & Planning Department Toru Nagashima (Tel. 045-577-3880)

Estimated submission date of quarterly report: November 9, 2023

Date scheduled to start dividend payment: December 1, 2023

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, 2024 (April 1, 2023 to September 30, 2023)

(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	%
FY3/24 2Q	30,966	11.8	1,881	13.9	2,354	14.1	1,980	37.6
FY3/23 2Q	27,707	-1.1	1,651	-44.9	2,062	-41.4	1,439	-43.0

Note: Comprehensive income FY3/24 2Q 6,064 million yen (-18.3%), FY 3/23 2Q 7,426 million yen (56.4%)

	Quarter net income per share		Quarter net income per share-diluted	
	Yen		Yen	
FY3/24 2Q	58.18		-	
FY3/23 2Q	42.29		-	

(2) Consolidate financial position

	Total assets		Net assets		Equity capital ratio	
	Millions of yen		Millions of yen		%	
FY3/24 2Q	119,988		108,369		88.9	
FY3/23	115,458		104,250		88.9	

(Reference) Equity capital: FY3/24 2Q 106,697 million yen, FY 3/23 102,670 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
FY3/23	-	43.00	-	57.00	100.00
FY3/24	-	69.00	-	-	-
FY3/24 (Forecast)	-	-	-	50.00	119.00

Note: 1. Changes in the latest forecasts released: Yes

2. 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.

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

(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	63,900	9.4	4,200	6.3	5,000	2.7	3,700	9.6	108.69

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, 2023)	Current second quarter (September 30, 2023)
Assets		
Current assets		
Cash and cash equivalents	36,973	37,558
Notes and accounts receivable-trade	13,549	13,992
Electronically recorded monetary claims-operating	1,640	1,983
Marketable securities	1,864	1,693
Goods and Finished products	5,554	5,238
Material in progress	2,186	2,075
Raw materials and inventory goods	3,047	3,056
Income taxes receivable	322	351
Other	1,806	2,375
Allowance for bad loans	-38	-36
Total current assets	66,906	68,289
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	7,816	7,844
Machinery equipment and vehicles (net)	6,796	6,988
Tools, furniture and fixture (net)	2,431	2,530
Land	5,830	5,883
Lease asset (net)	415	458
Construction in progress	2,224	4,327
Total tangible fixed assets	25,514	28,032
Intangible fixed assets		
Other	1,607	1,593
Total intangible fixed assets	1,607	1,593
Investments and other assets		
Investment account securities	20,064	20,724
Other	1,374	1,349
Allowance for bad loans	-8	-0
Total investments and other assets	21,429	22,074
Total fixed assets	48,551	51,699
Total assets	115,458	119,988

	Previous consolidated FY (March 31, 2023)	Current second quarter (September 30, 2023)
Liabilities		
Current liabilities		
Accounts payable-trade	2,756	3,072
Accrued income taxes	282	344
Allowance reserve	936	944
Asset removal liabilities	18	12
Other	4,287	4,148
Total current liabilities	8,281	8,522
Long-term liabilities		
Allowance reserve	113	135
Net defined benefit liability	269	320
Asset removal liabilities	100	100
Other	2,443	2,539
Total long-term liabilities	2,927	3,096
Total liabilities	11,208	11,619
Total equity		
Equity		
Common stock	2,960	2,960
Capital surplus	2,572	2,634
Retained earnings	94,362	94,397
Treasury stock	-4,670	-4,732
Total shareholders' equity	95,225	95,261
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	1,009	1,578
Deferred gains or losses on hedges	-0	-1
Foreign currency translation adjustments	6,375	9,791
Remeasurements of defined benefit plans	59	68
Total accumulated other comprehensive income	7,445	11,436
Non-controlling interests	1,579	1,671
Total equity	104,250	108,369
Total liabilities and equity	115,458	119,988

(2) Consolidated Statements of Income
 [FY2024 second quarter]

(Millions of Yen)

	Previous second quarter (April 1, 2022 to September 30, 2022)	Current second quarter (April 1, 2023 to September 30, 2023)
Net sales	27,707	30,966
Cost of sales	20,869	23,510
Gross profit	6,838	7,455
Selling, general and administrative expenses	5,187	5,574
Operating income	1,651	1,881
Non-operating income		
Interest income	76	245
Dividend income	29	37
Equity method investment gain	341	335
Other	153	204
Total non-operating income	600	822
Non-operating expenses		
Interest expense	8	5
Loss on disposal of property and equipment	7	12
Loss on valuation of derivatives	-	1
Cost of lease revenue	2	2
Foreign exchange loss	155	192
Building demolition expense	-	115
Other	14	19
Total non-operating expenses	189	349
Ordinary income	2,062	2,354
Extraordinary loss		
Impairment loss	34	-
Total extraordinary loss	34	-
Quarterly net income before taxes and other adjustments	2,028	2,354
Corporate taxes	570	347
Net income before non-controlling interests	1,458	2,006
Net income attributable to non-controlling interests	18	25
Net income attributable to owners of PIOLAX Inc.	1,439	1,980