

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

August 6, 2020

Company name: PRESS KOGYO CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 7246 URL <https://www.presskogyo.co.jp>
 Representative: President & CEO Tetsushi Mino
 Inquiries: General Manager, General Affairs Dept. Takanori Sasaoka TEL 044-276-3901
 Scheduled date to file Quarterly Securities Report: August 6, 2020
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2020	38,858	(28.1)	(293)	–	(271)	–	(681)	–
Three months ended June 30, 2019	54,026	(1.1)	2,604	(11.8)	2,569	(14.0)	1,402	(22.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2020	(6.28)	–
Three months ended June 30, 2019	12.76	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2020	149,637	91,766	57.0	786.63
As of March 31, 2020	154,170	94,624	56.3	801.06

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2020	–	6.50	–	6.50	13.00
Year ending March 31, 2021	–				
Year ending March 31, 2021 (Forecast)		0.00	–	–	–

Note 1: Revisions to the forecast of dividends since the latest announcement: Yes

Note 2: The dividend forecast for the year-end of the fiscal year ending March 31, 2021 remains undetermined. The forecast will be announced when the calculation becomes possible.

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2020	66,800	(36.5)	(2,900)	–	(2,800)	–	(2,700)	–	(24.91)

Note 1: Revisions to the forecast of consolidated results since the latest announcement: Yes

Note 2: The consolidated financial forecast for the fiscal year ending March 31, 2021 (Full year forecast) remains undetermined due to the uncertain prospects of business environment in the second half of the fiscal year at this time. The forecast will be announced when the calculation becomes possible.

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2020	114,009,770 shares	As of March 31, 2020	114,009,770 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	5,608,738 shares	As of March 31, 2020	5,608,758 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2020	108,401,042 shares	Three months ended June 30, 2019	109,901,539 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	22,291	21,963
Notes and accounts receivable - trade	34,633	29,397
Merchandise and finished goods	1,408	1,458
Work in process	8,618	9,787
Raw materials and supplies	1,369	1,305
Income taxes receivable	446	369
Other	1,828	1,799
Total current assets	70,597	66,081
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,724	11,404
Machinery, equipment and vehicles, net	19,648	18,609
Land	32,306	32,216
Other	10,772	11,028
Total property, plant and equipment	74,452	73,259
Intangible assets		
Other	532	627
Total intangible assets	532	627
Investments and other assets		
Deferred tax assets	681	792
Retirement benefit asset	2,853	2,878
Investments and other assets	5,129	6,072
Allowance for doubtful accounts	(76)	(76)
Total investments and other assets	8,588	9,667
Total non-current assets	83,573	83,555
Total assets	154,170	149,637
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,235	23,366
Short-term borrowings	7,689	7,155
Income taxes payable	154	500
Provision for bonuses	3,289	1,358
Provisions	98	3
Other	7,582	10,208
Total current liabilities	45,050	42,592
Non-current liabilities		
Long-term borrowings	2,767	3,651
Deferred tax liabilities	1,081	1,018
Deferred tax liabilities for land revaluation	7,601	7,601
Provisions	83	82
Retirement benefit liability	2,032	2,023
Asset retirement obligations	404	404
Other	526	495
Total non-current liabilities	14,496	15,277
Total liabilities	59,546	57,870

	(Millions of yen)	
	As of March 31, 2020	As of June 30, 2020
Net assets		
Shareholders' equity		
Share capital	8,070	8,070
Capital surplus	2,074	2,074
Retained earnings	59,156	57,769
Treasury shares	(1,619)	(1,619)
Total shareholders' equity	67,682	66,294
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	161	851
Revaluation reserve for land	17,255	17,255
Foreign currency translation adjustment	1,239	343
Remeasurements of defined benefit plans	496	525
Total accumulated other comprehensive income	19,153	18,977
Non-controlling interests	7,788	6,494
Total net assets	94,624	91,766
Total liabilities and net assets	154,170	149,637

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

	(Millions of yen)	
	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales	54,026	38,858
Cost of sales	47,684	35,506
Gross profit	6,342	3,351
Selling, general and administrative expenses	3,737	3,644
Operating profit (loss)	2,604	(293)
Non-operating income		
Interest income	12	7
Dividend income	81	73
Other	31	39
Total non-operating income	125	120
Non-operating expenses		
Interest expenses	85	65
Foreign exchange losses	56	24
Other	19	8
Total non-operating expenses	161	98
Ordinary profit (loss)	2,569	(271)
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on insurance claims	2	1
Total extraordinary income	2	1
Extraordinary losses		
Loss on retirement of non-current assets	2	6
Total extraordinary losses	2	6
Profit (loss) before income taxes	2,569	(276)
Income taxes - current	1,002	531
Income taxes - deferred	(375)	(467)
Total income taxes	626	64
Profit (loss)	1,942	(340)
Profit attributable to non-controlling interests	539	340
Profit (loss) attributable to owners of parent	1,402	(681)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit (loss)	1,942	(340)
Other comprehensive income		
Valuation difference on available-for-sale securities	(651)	690
Foreign currency translation adjustment	318	(1,508)
Remeasurements of defined benefit plans, net of tax	28	13
Total other comprehensive income	(304)	(803)
Comprehensive income	1,637	(1,144)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	968	(869)
Comprehensive income attributable to non-controlling interests	669	(275)