

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 5, 2021

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: February 5, 2021
 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 nine months ended December 31, 2020 (from April 1, 2020 to December 31, 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	%
Nine months ended December 31, 2020	105,398	(31.8)	296	(93.7)	389	(91.9)	(1,701)	–
Nine months ended December 31, 2019	154,583	(7.7)	4,716	(55.5)	4,807	(54.6)	2,157	(63.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2020	(15.69)		–	
Nine months ended December 31, 2019	19.78		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2020	144,982	90,333	58.3	779.55
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				
Year ended March 31, 2020	–	6.50	–	6.50	13.00
Year ending March 31, 2021	–	0.00	–	–	–
Year ending March 31, 2021 (Forecast)	–	–	–	6.00	6.00

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
Full year	153,500	(25.2)	4,300	(42.4)	4,400	(40.0)	500	(86.6)	4.61

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2020	5,609,183 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)

Nine months ended December 31, 2020	108,400,902 shares	Nine months ended December 31, 2019	109,105,127 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	22,291	16,724
Notes and accounts receivable - trade	34,633	28,268
Merchandise and finished goods	1,408	1,331
Work in process	8,618	12,865
Raw materials and supplies	1,369	1,382
Income taxes receivable	446	28
Other	1,828	1,737
Total current assets	<u>70,597</u>	<u>62,337</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,724	11,163
Machinery, equipment and vehicles, net	19,648	17,850
Land	32,306	32,197
Other, net	10,772	11,224
Total property, plant and equipment	<u>74,452</u>	<u>72,435</u>
Intangible assets		
Other	532	624
Total intangible assets	<u>532</u>	<u>624</u>
Investments and other assets		
Deferred tax assets	681	675
Retirement benefit asset	2,853	2,925
Investments and other assets	5,129	6,059
Allowance for doubtful accounts	(76)	(76)
Total investments and other assets	<u>8,588</u>	<u>9,584</u>
Total non-current assets	<u>83,573</u>	<u>82,644</u>
Total assets	<u>154,170</u>	<u>144,982</u>
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,235	19,771
Short-term borrowings	7,689	10,051
Income taxes payable	154	169
Provision for bonuses	3,289	1,406
Provisions	98	10
Other	7,582	8,276
Total current liabilities	<u>45,050</u>	<u>39,684</u>
Non-current liabilities		
Long-term borrowings	2,767	3,067
Deferred tax liabilities	1,081	1,111
Deferred tax liabilities for land revaluation	7,601	7,601
Provisions	83	255
Retirement benefit liability	2,032	2,000
Asset retirement obligations	404	404
Other	526	523
Total non-current liabilities	<u>14,496</u>	<u>14,963</u>
Total liabilities	<u>59,546</u>	<u>54,648</u>

	(Millions of yen)	
	As of March 31, 2020	As of December 31, 2020
Net assets		
Shareholders' equity		
Share capital	8,070	8,070
Capital surplus	2,074	2,074
Retained earnings	59,156	56,750
Treasury shares	(1,619)	(1,619)
Total shareholders' equity	67,682	65,276
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	161	978
Revaluation reserve for land	17,255	17,255
Foreign currency translation adjustment	1,239	421
Remeasurements of defined benefit plans	496	571
Total accumulated other comprehensive income	19,153	19,227
Non-controlling interests	7,788	5,830
Total net assets	94,624	90,333
Total liabilities and net assets	154,170	144,982

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

Consolidated statements of income (cumulative)

	(Millions of yen)	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	154,583	105,398
Cost of sales	138,887	95,998
Gross profit	15,696	9,400
Selling, general and administrative expenses	10,979	9,103
Operating profit	4,716	296
Non-operating income		
Interest income	36	18
Dividend income	178	126
Rental income from non-current assets	49	53
Foreign exchange gains	88	–
Other	34	149
Total non-operating income	387	348
Non-operating expenses		
Interest expenses	251	162
Foreign exchange losses	–	64
Other	45	27
Total non-operating expenses	296	255
Ordinary profit	4,807	389
Extraordinary income		
Gain on sales of non-current assets	6	11
Gain on insurance claims	4	1
Total extraordinary income	10	13
Extraordinary losses		
Loss on retirement of non-current assets	31	51
Loss on sales of non-current assets	0	3
Impairment loss	–	73
Loss on valuation of investment securities	–	161
Provision for environmental measures	–	179
Loss on COVID19	–	1,612
Total extraordinary losses	31	2,082
Profit (loss) before income taxes	4,786	(1,679)
Income taxes - current	1,038	670
Income taxes - deferred	302	(320)
Total income taxes	1,341	349
Profit (loss)	3,445	(2,028)
Profit (loss) attributable to non-controlling interests	1,287	(327)
Profit (loss) attributable to owners of parent	2,157	(1,701)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit (loss)	3,445	(2,028)
Other comprehensive income		
Valuation difference on available-for-sale securities	(340)	817
Foreign currency translation adjustment	(312)	(1,430)
Remeasurements of defined benefit plans, net of tax	84	74
Total other comprehensive income	(568)	(538)
Comprehensive income	2,876	(2,566)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,429	(1,627)
Comprehensive income attributable to non-controlling interests	1,446	(939)