

# Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 12, 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. Takamori Sasaoka TEL 044-276-3901  
 Scheduled date of ordinary general meeting of shareholders: June 29, 2021  
 Scheduled date to file Securities Report: June 29, 2021  
 Scheduled date to commence dividend payments: June 30, 2021  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

#### (1) Consolidated operating results

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	%
Year ended March 31, 2021	153,725	(25.1)	4,764	(36.1)	5,013	(31.7)	1,489	(60.1)
Year ended March 31, 2020	205,292	(7.0)	7,459	(45.9)	7,339	(46.3)	3,728	(50.7)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	13.74	—	1.7	3.3	3.1
Year ended March 31, 2020	34.22	—	4.3	4.7	3.6

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	152,609	95,604	58.3	820.51
As of March 31, 2020	154,170	94,624	56.3	801.06

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	7,103	(9,892)	(1,988)	17,132
Year ended March 31, 2020	18,466	(9,695)	(5,111)	22,273

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	—	6.50	—	6.50	13.00	1,409	38.0	1.6
Year ended March 31, 2021	—	0.00	—	7.50	7.50	813	54.6	0.9
Year ending March 31, 2022 (Forecast)	—	8.00	—	8.00	16.00		36.1	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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, 2021	75,400	—	5,100	—	5,100	—	2,300	—	21.22
Full year	149,500	—	9,900	—	9,700	—	4,800	—	44.28

Note: From the beginning of the year ending March 31, 2022, the Company applies “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29). Forecast of consolidated financial results above include the effects of the new standards. Accordingly, percentages of changes from the same period of the previous fiscal year are not indicated.

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2021	114,009,770 shares	As of March 31, 2020	114,009,770 shares
----------------------	--------------------	----------------------	--------------------

Number of treasury shares at the end of the period

As of March 31, 2021	5,609,495 shares	As of March 31, 2020	5,608,758 shares
----------------------	------------------	----------------------	------------------

Average number of shares during the period

Year ended March 31, 2021	108,400,771 shares	Year ended March 31, 2020	108,942,644 shares
---------------------------	--------------------	---------------------------	--------------------

**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	22,291	17,151
Notes and accounts receivable - trade	34,633	34,360
Merchandise and finished goods	1,408	1,381
Work in process	8,618	12,644
Raw materials and supplies	1,369	1,748
Income taxes receivable	446	10
Other	1,828	1,653
Total current assets	70,597	68,950
Non-current assets		
Property, plant and equipment		
Buildings and structures	38,425	38,753
Accumulated depreciation	(26,700)	(27,254)
Buildings and structures, net	11,724	11,499
Machinery, equipment and vehicles	101,833	101,906
Accumulated depreciation	(82,185)	(84,778)
Machinery, equipment and vehicles, net	19,648	17,127
Tools, furniture and fixtures	34,257	35,875
Accumulated depreciation	(27,875)	(29,476)
Tools, furniture and fixtures, net	6,382	6,398
Land	32,306	32,223
Construction in progress	4,390	4,550
Total property, plant and equipment	74,452	71,800
Intangible assets	532	637
Investments and other assets		
Investment securities	4,028	6,047
Deferred tax assets	681	636
Retirement benefit asset	2,853	3,571
Other	1,100	1,042
Allowance for doubtful accounts	(76)	(76)
Total investments and other assets	8,588	11,221
Total non-current assets	83,573	83,658
Total assets	154,170	152,609

	(Millions of yen)	
	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,866	20,707
Electronically recorded obligations - operating	3,369	3,468
Short-term borrowings	7,689	7,213
Lease obligations	26	22
Income taxes payable	154	366
Provision for bonuses	3,289	2,637
Provision for bonuses for directors (and other officers)	98	77
Other	7,555	7,216
Total current liabilities	45,050	41,709
Non-current liabilities		
Long-term borrowings	2,767	2,571
Lease obligations	235	241
Deferred tax liabilities	1,081	1,870
Deferred tax liabilities for land revaluation	7,601	7,601
Retirement benefit liability	2,032	2,115
Provision for environmental measures	83	205
Asset retirement obligations	404	404
Other	290	284
Total non-current liabilities	14,496	15,295
Total liabilities	59,546	57,005
Net assets		
Shareholders' equity		
Share capital	8,070	8,070
Capital surplus	2,074	2,074
Retained earnings	59,156	59,941
Treasury shares	(1,619)	(1,619)
Total shareholders' equity	67,682	68,466
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	161	1,561
Revaluation reserve for land	17,255	17,255
Foreign currency translation adjustment	1,239	629
Remeasurements of defined benefit plans	496	1,031
Total accumulated other comprehensive income	19,153	20,477
Non-controlling interests	7,788	6,660
Total net assets	94,624	95,604
Total liabilities and net assets	154,170	152,609

# Consolidated statements of income and consolidated statements of comprehensive income

## Consolidated statements of income

	(Millions of yen)	
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	205,292	153,725
Cost of sales	183,207	136,461
Gross profit	22,085	17,263
Selling, general and administrative expenses	14,625	12,499
Operating profit	7,459	4,764
Non-operating income		
Interest income	53	22
Dividend income	195	138
Rental income from non-current assets	67	70
Foreign exchange gains	–	91
Subsidy income	7	69
Other	38	104
Total non-operating income	362	498
Non-operating expenses		
Interest expenses	319	207
Commitment fees	30	28
Provision of allowance for doubtful accounts	1	–
Foreign exchange losses	60	–
Other	71	12
Total non-operating expenses	482	249
Ordinary profit	7,339	5,013
Extraordinary income		
Gain on sale of non-current assets	8	19
Gain on insurance claims	14	1
Total extraordinary income	22	20
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	126	187
Loss on valuation of investment securities	91	–
Impairment losses	42	73
Provision for environmental measures	–	179
Loss on COVID19	–	1,646
Total extraordinary losses	261	2,088
Profit before income taxes	7,100	2,945
Income taxes - current	1,430	1,156
Income taxes - deferred	180	(70)
Total income taxes	1,611	1,086
Profit	5,489	1,859
Profit attributable to non-controlling interests	1,761	370
Profit attributable to owners of parent	3,728	1,489

**Consolidated statements of comprehensive income**

	(Millions of yen)	
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	5,489	1,859
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,158)	1,400
Foreign currency translation adjustment	405	(1,090)
Remeasurements of defined benefit plans, net of tax	282	534
Total other comprehensive income	(1,471)	844
Comprehensive income	4,018	2,703
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,911	2,812
Comprehensive income attributable to non-controlling interests	2,107	(109)

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,070	2,074	56,957	(916)	66,186
Changes during period					
Dividends of surplus			(1,528)		(1,528)
Profit attributable to owners of parent			3,728		3,728
Purchase of treasury shares				(703)	(703)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					
Total changes during period	–	0	2,199	(703)	1,495
Balance at end of period	8,070	2,074	59,156	(1,619)	67,682

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,319	17,255	1,180	214	20,970	7,057	94,214
Changes during period							
Dividends of surplus							(1,528)
Profit attributable to owners of parent							3,728
Purchase of treasury shares							(703)
Disposal of treasury shares							0
Net changes in items other than shareholders' equity	(2,158)	–	59	282	(1,816)	730	(1,086)
Total changes during period	(2,158)	–	59	282	(1,816)	730	409
Balance at end of period	161	17,255	1,239	496	19,153	7,788	94,624

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,070	2,074	59,156	(1,619)	67,682
Changes during period					
Dividends of surplus			(704)		(704)
Profit attributable to owners of parent			1,489		1,489
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)		0	0
Net changes in items other than shareholders' equity					
Total changes during period	–	(0)	784	(0)	784
Balance at end of period	8,070	2,074	59,941	(1,619)	68,466

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	161	17,255	1,239	496	19,153	7,788	94,624
Changes during period							
Dividends of surplus							(704)
Profit attributable to owners of parent							1,489
Purchase of treasury shares							(0)
Disposal of treasury shares							0
Net changes in items other than shareholders' equity	1,400	–	(610)	534	1,323	(1,127)	195
Total changes during period	1,400	–	(610)	534	1,323	(1,127)	980
Balance at end of period	1,561	17,255	629	1,031	20,477	6,660	95,604



# Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	7,100	2,945
Depreciation	9,499	9,414
Impairment losses	42	73
Loss (gain) on valuation of investment securities	91	—
Increase (decrease) in allowance for doubtful accounts	0	—
Increase (decrease) in provision for bonuses	(393)	(579)
Increase (decrease) in provision for bonuses for directors (and other officers)	(49)	(21)
Increase (decrease) in retirement benefit liability	400	158
Decrease (increase) in retirement benefit asset	(4)	50
Interest and dividend income	(249)	(161)
Interest expenses	319	207
Loss on COVID19	—	1,646
Gain on sales of Property, plant and equipment	(8)	(19)
Loss on sales of Property, plant and equipment	0	0
Loss on retirement of property, plant and equipment	126	187
Decrease (increase) in trade receivables	4,935	(311)
Increase (decrease) in trade payables	(2,389)	(1,517)
Decrease (increase) in inventories	1,675	(4,566)
Other, net	298	674
Subtotal	21,396	8,183
Interest and dividends received	250	161
Interest paid	(321)	(203)
Income taxes refund	64	470
Income taxes paid	(2,937)	(998)
Payments for loss on COVID19	—	(511)
Proceeds from insurance income	14	1
Net cash provided by (used in) operating activities	18,466	7,103
Cash flows from investing activities		
Payments into time deposits	(3)	(3)
Proceeds from withdrawal of time deposits	2	2
Purchase of property, plant and equipment	(9,461)	(9,709)
Proceeds from sale of property, plant and equipment	14	64
Purchase of investment securities	(36)	(32)
Loan advances	(7)	(6)
Proceeds from collection of loans receivable	10	8
Other, net	(214)	(217)
Net cash provided by (used in) investing activities	(9,695)	(9,892)

	(Millions of yen)	
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(774)	(345)
Proceeds from long-term borrowings	734	908
Repayments of long-term borrowings	(1,406)	(804)
Purchase of treasury shares	(703)	(0)
Dividends paid to non-controlling interests	(1,376)	(1,018)
Dividends paid	(1,528)	(704)
Other, net	(56)	(23)
Net cash provided by (used in) financing activities	(5,111)	(1,988)
Effect of exchange rate change on cash and cash equivalents	74	(363)
Net increase (decrease) in cash and cash equivalents	3,733	(5,141)
Cash and cash equivalents at beginning of period	18,539	22,273
Cash and cash equivalents at end of period	22,273	17,132

**Non-consolidated financial statements**  
**Non-consolidated balance sheets**

	(Millions of yen)	
	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	15,490	12,208
Notes receivable - trade	1,984	2,095
Accounts receivable - trade	18,734	20,373
Work in process	3,548	4,325
Raw materials and supplies	748	819
Prepaid expenses	89	81
Income taxes receivable	352	—
Other	569	885
Total current assets	41,518	40,789
Non-current assets		
Property, plant and equipment		
Buildings	3,999	3,831
Structures	461	468
Machinery and equipment	6,371	6,788
Vehicles	49	37
Tools, furniture and fixtures	1,022	1,079
Land	29,126	29,126
Construction in progress	1,378	1,465
Total property, plant and equipment	42,408	42,796
Intangible assets		
Software	324	442
Other	4	5
Total intangible assets	329	447
Investments and other assets		
Investment securities	3,830	5,761
Shares of subsidiaries and associates	7,917	7,917
Investments in capital of subsidiaries and associates	4,319	4,319
Long-term loans receivable from subsidiaries and associates	1,679	1,366
Prepaid pension costs	2,135	2,085
Deferred tax assets	2	—
Other	232	188
Allowance for doubtful accounts	(76)	(76)
Total investments and other assets	20,042	21,563
Total non-current assets	62,780	64,807
Total assets	104,298	105,596

	(Millions of yen)	
	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes payable - trade	0	6
Accounts payable - trade	10,597	9,408
Electronically recorded obligations - operating	3,415	3,464
Lease obligations	1	5
Accounts payable - other	296	290
Accrued expenses	1,184	1,224
Income taxes payable	–	136
Advances received	199	17
Deposits received	3,084	2,737
Provision for bonuses	1,599	1,569
Provision for bonuses for directors (and other officers)	76	65
Other	1,066	884
Total current liabilities	21,521	19,809
Non-current liabilities		
Lease obligations	2	28
Deferred tax liabilities	–	525
Deferred tax liabilities for land revaluation	7,601	7,601
Provision for retirement benefits	524	526
Provision for environmental measures	83	205
Asset retirement obligations	332	333
Other	0	2
Total non-current liabilities	8,544	9,222
Total liabilities	30,065	29,032
Net assets		
Shareholders' equity		
Share capital	8,070	8,070
Capital surplus		
Legal capital surplus	2,074	2,074
Other capital surplus	0	0
Total capital surplus	2,074	2,074
Retained earnings		
Legal retained earnings	25	25
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	22	21
General reserve	11,000	11,000
Retained earnings brought forward	37,231	38,217
Total retained earnings	48,280	49,263
Treasury shares	(1,619)	(1,619)
Total shareholders' equity	56,805	57,789
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	171	1,519
Revaluation reserve for land	17,255	17,255
Total valuation and translation adjustments	17,427	18,775
Total net assets	74,233	76,564
Total liabilities and net assets	104,298	105,596

# Non-consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	106,419	84,936
Cost of sales	97,023	77,587
Gross profit	9,396	7,348
Selling, general and administrative expenses		
Delivery expenses of finished goods	1,150	951
Employees' salaries and allowances	2,251	2,226
Employees' bonuses	378	352
Provision for bonuses	385	382
Provision for bonuses for directors (and other officers)	76	64
Retirement benefit expenses	195	191
Welfare expenses	647	659
Depreciation	130	138
Research and development expenses	300	342
Other	1,329	851
Total selling, general and administrative expenses	6,845	6,161
Operating profit	2,550	1,187
Non-operating income		
Interest income	64	19
Dividend income	1,925	1,259
Rental income from non-current assets	92	96
Foreign exchange gains	–	142
Other	21	22
Total non-operating income	2,104	1,540
Non-operating expenses		
Interest expenses	17	16
Commitment fees	30	28
Foreign exchange losses	108	–
Settlement package	30	–
Other	13	6
Total non-operating expenses	199	51
Ordinary profit	4,454	2,675
Extraordinary income		
Gain on sale of non-current assets	0	2
Gain on insurance claims	10	1
Total extraordinary income	10	3
Extraordinary losses		
Loss on retirement of non-current assets	46	45
Loss on valuation of investment securities	91	–
Impairment losses	42	73
Provision for environmental measures	–	179
Loss on COVID19	–	18
Total extraordinary losses	181	317
Profit before income taxes	4,284	2,362
Income taxes - current	956	705
Income taxes - deferred	123	(31)
Total income taxes	1,079	673
Profit	3,204	1,688

# Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity										
	Share capital	Capital surplus			Retained earnings					Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings		
						Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward			
Balance at beginning of period	8,070	2,074	–	2,074	25	24	11,000	35,554	46,604	(916)	55,832
Changes during period											
Reversal of reserve for tax purpose reduction entry of non-current assets						(1)		1	–		–
Dividends of surplus								(1,528)	(1,528)		(1,528)
Profit								3,204	3,204		3,204
Purchase of treasury shares										(703)	(703)
Disposal of treasury shares			0	0						0	0
Net changes in items other than shareholders' equity											
Total changes during period	–	–	0	0	–	(1)	–	1,677	1,675	(703)	972
Balance at end of period	8,070	2,074	0	2,074	25	22	11,000	37,231	48,280	(1,619)	56,805

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	2,288	17,255	19,544	75,377
Changes during period				
Reversal of reserve for tax purpose reduction entry of non-current assets				—
Dividends of surplus				(1,528)
Profit				3,204
Purchase of treasury shares				(703)
Disposal of treasury shares				0
Net changes in items other than shareholders' equity	(2,116)	—	(2,116)	(2,116)
Total changes during period	(2,116)	—	(2,116)	(1,144)
Balance at end of period	171	17,255	17,427	74,233

(millions of yen)

	Shareholders' equity										
	Share capital	Capital surplus			Retained earnings					Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings		
						Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward			
Balance at beginning of period	8,070	2,074	0	2,074	25	22	11,000	37,231	48,280	(1,619)	56,805
Changes during period											
Reversal of reserve for tax purpose reduction entry of non-current assets						(1)		1	–		–
Dividends of surplus								(704)	(704)		(704)
Profit								1,688	1,688		1,688
Purchase of treasury shares										(0)	(0)
Disposal of treasury shares			(0)	(0)						0	0
Net changes in items other than shareholders' equity											
Total changes during period	–	–	(0)	(0)	–	(1)	–	985	983	(0)	983
Balance at end of period	8,070	2,074	0	2,074	25	21	11,000	38,217	49,263	(1,619)	57,789



	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	171	17,255	17,427	74,233
Changes during period				
Reversal of reserve for tax purpose reduction entry of non-current assets				—
Dividends of surplus				(704)
Profit				1,688
Purchase of treasury shares				(0)
Disposal of treasury shares				0
Net changes in items other than shareholders' equity	1,347	—	1,347	1,347
Total changes during period	1,347	—	1,347	2,331
Balance at end of period	1,519	17,255	18,775	76,564