

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.

This original disclosure in Japanese was released on November 7, 2014 at 14:00 (GMT+9).

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2014 (Based on Japanese GAAP)

November 7, 2014

Company name: PRESS KOGYO CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 7246 URL <http://www.presskogyo.co.jp>
 Representative: President & CEO Hiroshige Kakudo
 Inquiries: Executive Officer Hiroshi Yahara TEL 044-276-3901
 Scheduled date to file Quarterly Securities Report: November 7, 2014
 Scheduled date to commence dividend payments: December 2, 2014
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2014 (from April 1, 2014 to September 30, 2014)

(1) Consolidated financial results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2014	91,417	1.2	4,271	(8.7)	4,088	(18.5)	2,531	(24.2)
Six months ended September 30, 2013	90,372	2.6	4,679	(13.4)	5,015	(4.1)	3,341	12.9

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2014	23.30	—
Six months ended September 30, 2013	30.76	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2014	153,679	66,007	40.4	570.87
As of March 31, 2014	150,833	65,293	40.2	557.98

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, 2014	—	5.00	—	5.00	10.00
Year ending March 31, 2015	—	5.00	—	—	—
Year ending March 31, 2015 (Forecast)	—	—	—	5.00	10.00

3. Forecast of consolidated financial results for the year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	180,000	(2.0)	9,000	(4.3)	8,500	(15.8)	5,400	(13.9)	49.70

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2014
(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: Yes
- 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 September 30, 2014	114,007,210 shares	As of March 31, 2014	114,007,210 shares
--------------------------	--------------------	----------------------	--------------------

Number of treasury shares at the end of the period

As of September 30, 2014	5,373,313 shares	As of March 31, 2014	5,370,271 shares
--------------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2014	108,636,202 shares	Six months ended September 30, 2013	108,647,386 shares
-------------------------------------	--------------------	-------------------------------------	--------------------

Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of September 30, 2014
Assets		
Current assets		
Cash and deposits	12,367	11,236
Notes and accounts receivable - trade	28,534	30,948
Merchandise and finished goods	1,301	1,067
Work in process	12,173	13,823
Raw materials and supplies	1,246	1,351
Income taxes receivable	93	20
Other	4,004	4,513
Allowance for doubtful accounts	(15)	–
Total current assets	59,706	62,960
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,535	13,205
Machinery, equipment and vehicles, net	19,528	20,974
Land	31,719	31,674
Other, net	15,879	14,300
Total property, plant and equipment	80,663	80,155
Intangible assets		
Other	1,344	1,168
Total intangible assets	1,344	1,168
Investments and other assets		
Net defined benefit asset	1,754	313
Investments and other assets	7,475	9,193
Allowance for doubtful accounts	(110)	(110)
Total investment and other assets	9,118	9,396
Total non-current assets	91,127	90,719
Total assets	150,833	153,679
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,519	22,799
Electronically recorded obligations - operating	6,353	5,973
Short-term loans payable	10,324	16,617
Income taxes payable	2,370	2,092
Provision for bonuses	2,857	2,456
Provision	127	64
Other	10,195	8,048
Total current liabilities	53,749	58,051
Non-current liabilities		
Convertible bond-type bonds with subscription rights to shares	10,000	10,000
Long-term loans payable	8,882	6,422
Deferred tax liabilities for land revaluation	8,844	8,844
Provision	59	59
Net defined benefit liability	427	448
Asset retirement obligations	406	406
Other	3,171	3,439
Total non-current liabilities	31,791	29,620
Total liabilities	85,540	87,672

(Millions of yen)

	As of March 31, 2014	As of September 30, 2014
Net assets		
Shareholders' equity		
Capital stock	8,070	8,070
Capital surplus	2,074	2,075
Retained earnings	33,842	34,732
Treasury shares	(1,192)	(1,194)
Total shareholders' equity	42,794	43,683
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,325	2,568
Revaluation reserve for land	16,013	16,013
Foreign currency translation adjustment	1,363	504
Remeasurements of defined benefit plans	(879)	(754)
Total accumulated other comprehensive income	17,822	18,332
Minority interests	4,676	3,991
Total net assets	65,293	66,007
Total liabilities and net assets	150,833	153,679

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
Net sales	90,372	91,417
Cost of sales	79,581	81,254
Gross profit	10,790	10,162
Selling, general and administrative expenses	6,111	5,891
Operating income	4,679	4,271
Non-operating income		
Interest income	50	18
Dividend income	56	58
Rent income	43	37
Foreign exchange gains	395	–
Other	17	44
Total non-operating income	563	158
Non-operating expenses		
Interest expenses	223	258
Foreign exchange losses	–	72
Other	3	10
Total non-operating expenses	227	341
Ordinary income	5,015	4,088
Extraordinary income		
Gain on sales of non-current assets	6	4
Gain on liquidation of subsidiaries and associates	418	–
Gain on insurance adjustment	0	2
Other	24	–
Total extraordinary income	449	7
Extraordinary losses		
Loss on retirement of non-current assets	48	7
Loss on sales of non-current assets	0	–
Total extraordinary losses	48	7
Income before income taxes and minority interests	5,416	4,087
Income taxes - current	1,826	2,133
Income taxes - deferred	184	(96)
Total income taxes	2,011	2,037
Income before minority interests	3,405	2,050
Minority interests in income (loss)	63	(480)
Net income	3,341	2,531

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
Income before minority interests	3,405	2,050
Other comprehensive income		
Valuation difference on available-for-sale securities	462	1,243
Foreign currency translation adjustment	2,258	(1,062)
Remeasurements of defined benefit plans, net of tax	—	125
Total other comprehensive income	2,721	306
Comprehensive income	6,126	2,357
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,395	3,041
Comprehensive income attributable to minority interests	730	(684)

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	5,416	4,087
Depreciation	3,556	3,949
Increase (decrease) in provision for bonuses	(122)	(379)
Interest and dividend income	(106)	(76)
Interest expenses	223	258
Loss (gain) on sales of property, plant and equipment	(5)	(4)
Loss on retirement of property, plant and equipment	48	7
Loss (gain) on liquidation of subsidiaries and associates	(418)	–
Decrease (increase) in notes and accounts receivable - trade	(2,461)	(2,775)
Decrease (increase) in inventories	(531)	(720)
Increase (decrease) in notes and accounts payable - trade	2,939	1,190
Other, net	(361)	(2,981)
Subtotal	8,177	2,555
Interest and dividend income received	102	79
Interest expenses paid	(238)	(219)
Income taxes refund	271	69
Income taxes paid	(1,227)	(2,407)
Net cash provided by (used in) operating activities	7,086	77
Cash flows from investing activities		
Payments into time deposits	(485)	(378)
Proceeds from withdrawal of time deposits	504	171
Purchase of investments in capital of subsidiaries	(1,420)	–
Purchase of property, plant and equipment	(7,997)	(4,311)
Proceeds from sales of property, plant and equipment	117	27
Purchase of investment securities	(13)	(13)
Proceeds from sales of investment securities	10	–
Proceeds from liquidation of subsidiaries and associates	573	–
Other, net	(154)	(107)
Net cash provided by (used in) investing activities	(8,866)	(4,610)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,278	5,192
Proceeds from long-term loans payable	1,692	828
Repayments of long-term loans payable	(3,253)	(1,699)
Cash dividends paid to minority shareholders	(383)	(0)
Cash dividends paid	(488)	(543)
Proceeds from share issuance to minority shareholders	308	–
Other, net	54	(510)
Net cash provided by (used in) financing activities	(791)	3,267
Effect of exchange rate change on cash and cash equivalents	695	(60)
Net increase (decrease) in cash and cash equivalents	(1,876)	(1,327)
Cash and cash equivalents at beginning of period	11,840	12,153
Cash and cash equivalents at end of period	9,963	10,826