

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2015 (Based on Japanese GAAP)

May 15, 2015

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: General Manager, General Affairs Dept. Hisako Konishi TEL 044-276-3901
 Scheduled date of ordinary general meeting of shareholders: June 26, 2015
 Scheduled date to file Securities Report: June 26, 2015
 Scheduled date to commence dividend payments: June 29, 2015
 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, 2015 (from April 1, 2014 to March 31, 2015)

(1) Consolidated financial results

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	%
Year ended March 31, 2015	197,615	7.6	9,821	4.5	10,794	6.9	6,356	1.4
Year ended March 31, 2014	183,618	4.9	9,400	5.8	10,098	4.5	6,270	12.2

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2015	58.51	—	9.8	6.8	5.0
Year ended March 31, 2014	57.71	—	11.0	7.2	5.1

(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, 2015	166,941	74,536	41.7	640.98
As of March 31, 2014	150,833	65,293	40.2	557.98

(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, 2015	9,657	(10,899)	3,967	15,495
Year ended March 31, 2014	13,906	(18,599)	3,968	12,153

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, 2014	—	5.00	—	5.00	10.00	1,086	17.3	1.9
Year ended March 31, 2015	—	5.00	—	6.00	11.00	1,194	18.8	1.8
Year ending March 31, 2016 (Forecast)	—	5.00	—	6.00	11.00		21.0	

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2015	97,600	6.8	3,700	(13.4)	3,500	(14.4)	2,200	(13.1)	20.25
Full year	199,600	1.0	9,400	(4.3)	9,000	(16.6)	5,700	(10.3)	52.47

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2015

(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:

Yes

Changes in accounting policies due to other reasons:

No

Changes in accounting estimates:

No

Restatement of prior period financial statements after error corrections:

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, 2015	114,007,210 shares	As of March 31, 2014	114,007,210 shares
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Number of treasury shares at the end of the period

As of March 31, 2015	5,378,905 shares	As of March 31, 2014	5,370,271 shares
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Average number of shares during the period

Year ended March 31, 2015	108,633,682 shares	Year ended March 31, 2014	108,643,882 shares
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Consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	12,367	16,071
Notes and accounts receivable - trade	28,534	33,358
Merchandise and finished goods	1,301	1,317
Work in process	12,173	13,364
Raw materials and supplies	1,246	1,310
Deferred tax assets	1,418	1,400
Income taxes receivable	93	257
Other	2,586	2,948
Allowance for doubtful accounts	(15)	(25)
Total current assets	59,706	70,003
Non-current assets		
Property, plant and equipment		
Buildings and structures	34,760	37,155
Accumulated depreciation	(21,224)	(22,868)
Buildings and structures, net	13,535	14,287
Machinery, equipment and vehicles	83,088	93,574
Accumulated depreciation	(63,559)	(69,753)
Machinery, equipment and vehicles, net	19,528	23,820
Tools, furniture and fixtures	24,526	27,937
Accumulated depreciation	(19,307)	(21,649)
Tools, furniture and fixtures, net	5,219	6,287
Land	31,719	32,050
Construction in progress	10,660	7,892
Total property, plant and equipment	80,663	84,338
Intangible assets	1,344	1,236
Investments and other assets		
Investment securities	5,367	8,180
Long-term loans receivable	14	8
Deferred tax assets	597	596
Net defined benefit asset	1,754	1,269
Other	1,495	1,382
Allowance for doubtful accounts	(110)	(74)
Total investments and other assets	9,118	11,363
Total non-current assets	91,127	96,938
Total assets	150,833	166,941

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,519	22,845
Electronically recorded obligations - operating	6,353	5,652
Short-term loans payable	10,324	17,769
Lease obligations	955	880
Income taxes payable	2,370	2,717
Provision for bonuses	2,857	3,025
Provision for directors' bonuses	127	129
Other	9,239	8,286
Total current liabilities	53,749	61,308
Non-current liabilities		
Convertible bond-type bonds with subscription rights to shares	10,000	10,000
Long-term loans payable	8,882	8,738
Lease obligations	980	628
Deferred tax liabilities	2,049	2,320
Deferred tax liabilities for land revaluation	8,844	8,013
Net defined benefit liability	427	529
Provision for environmental measures	59	59
Asset retirement obligations	406	407
Other	140	397
Total non-current liabilities	31,791	31,096
Total liabilities	85,540	92,404
Net assets		
Shareholders' equity		
Capital stock	8,070	8,070
Capital surplus	2,074	2,075
Retained earnings	33,842	38,014
Treasury shares	(1,192)	(1,196)
Total shareholders' equity	42,794	46,963
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,325	2,945
Revaluation reserve for land	16,013	16,843
Foreign currency translation adjustment	1,363	2,999
Remeasurements of defined benefit plans	(879)	(122)
Total accumulated other comprehensive income	17,822	22,665
Minority interests	4,676	4,907
Total net assets	65,293	74,536
Total liabilities and net assets	150,833	166,941

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	183,618	197,615
Cost of sales	162,126	174,900
Gross profit	21,491	22,715
Selling, general and administrative expenses	12,091	12,893
Operating income	9,400	9,821
Non-operating income		
Interest income	85	57
Dividend income	104	116
Foreign exchange gains	839	1,270
Other	209	155
Total non-operating income	1,239	1,600
Non-operating expenses		
Interest expenses	422	597
Other	119	30
Total non-operating expenses	541	627
Ordinary income	10,098	10,794
Extraordinary income		
Gain on sales of non-current assets	11	13
Gain on liquidation of subsidiaries and associates	418	–
Gain on insurance adjustment	5	140
Other	34	–
Total extraordinary income	469	154
Extraordinary losses		
Loss on retirement of non-current assets	189	67
Loss on sales of non-current assets	1	1
Loss on disaster	105	–
Impairment loss	–	316
Other	0	–
Total extraordinary losses	296	385
Income before income taxes and minority interests	10,270	10,562
Income taxes - current	3,753	4,534
Income taxes - deferred	140	(112)
Total income taxes	3,893	4,421
Income before minority interests	6,377	6,141
Minority interests in income (loss)	106	(215)
Net income	6,270	6,356

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before minority interests	6,377	6,141
Other comprehensive income		
Valuation difference on available-for-sale securities	218	1,619
Revaluation reserve for land	–	830
Foreign currency translation adjustment	3,258	2,258
Remeasurements of defined benefit plans, net of tax	–	756
Total other comprehensive income	3,476	5,465
Comprehensive income	9,853	11,606
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,926	11,199
Comprehensive income attributable to minority interests	927	406

Consolidated statements of changes in net assets

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	8,070	2,074	28,604	(1,187)	37,561
Cumulative effects of changes in accounting policies					—
Restated balance	8,070	2,074	28,604	(1,187)	37,561
Changes of items during period					
Dividends of surplus			(1,032)		(1,032)
Net income			6,270		6,270
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	—	0	5,238	(5)	5,232
Balance at end of current period	8,070	2,074	33,842	(1,192)	42,794

	Accumulated other comprehensive income					Minority 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 current period	1,107	16,013	(1,074)	—	16,045	4,890	58,498
Cumulative effects of changes in accounting policies							—
Restated balance	1,107	16,013	(1,074)	—	16,045	4,890	58,498
Changes of items during period							
Dividends of surplus							(1,032)
Net income							6,270
Purchase of treasury shares							(5)
Disposal of treasury shares							0
Net changes of items other than shareholders' equity	218	—	2,437	(879)	1,776	(214)	1,562
Total changes of items during period	218	—	2,437	(879)	1,776	(214)	6,794
Balance at end of current period	1,325	16,013	1,363	(879)	17,822	4,676	65,293

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	8,070	2,074	33,842	(1,192)	42,794
Cumulative effects of changes in accounting policies			(1,097)		(1,097)
Restated balance	8,070	2,074	32,744	(1,192)	41,696
Changes of items during period					
Dividends of surplus			(1,086)		(1,086)
Net income			6,356		6,356
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	—	0	5,270	(3)	5,266
Balance at end of current period	8,070	2,075	38,014	(1,196)	46,963

	Accumulated other comprehensive income					Minority 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 current period	1,325	16,013	1,363	(879)	17,822	4,676	65,293
Cumulative effects of changes in accounting policies							(1,097)
Restated balance	1,325	16,013	1,363	(879)	17,822	4,676	64,195
Changes of items during period							
Dividends of surplus							(1,086)
Net income							6,356
Purchase of treasury shares							(4)
Disposal of treasury shares							0
Net changes of items other than shareholders' equity	1,619	830	1,635	757	4,843	231	5,074
Total changes of items during period	1,619	830	1,635	757	4,843	231	10,341
Balance at end of current period	2,945	16,843	2,999	(122)	22,665	4,907	74,536

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	10,270	10,562
Depreciation	7,600	8,853
Impairment loss	–	316
Increase (decrease) in allowance for doubtful accounts	12	(28)
Increase (decrease) in provision for bonuses	232	59
Increase (decrease) in provision for directors' bonuses	(1)	1
Increase (decrease) in net defined benefit liability	71	65
Increase (decrease) in net defined benefit asset	(365)	(31)
Interest and dividend income	(190)	(173)
Interest expenses	422	597
Loss (gain) on sales of investment securities	(1)	–
Gain on sales of Property, plant and equipment	(11)	(13)
Loss on sales of Property, plant and equipment	1	1
Loss on retirement of property, plant and equipment	189	67
Decrease (increase) in notes and accounts receivable - trade	(424)	(3,837)
Increase (decrease) in notes and accounts payable - trade	1,068	(450)
Decrease (increase) in inventories	(2,216)	1,447
Other, net	(92)	(3,379)
Subtotal	16,568	14,059
Interest and dividend income received	192	174
Interest expenses paid	(446)	(547)
Income taxes refund	235	62
Income taxes paid	(2,643)	(4,232)
Proceeds from insurance income	–	140
Net cash provided by (used in) operating activities	13,906	9,657
Cash flows from investing activities		
Payments into time deposits	(528)	(643)
Proceeds from withdrawal of time deposits	723	301
Purchase of property, plant and equipment	(17,786)	(9,861)
Proceeds from sales of property, plant and equipment	131	31
Purchase of investment securities	(21)	(526)
Proceeds from sales of investment securities	10	–
Purchase of investments in capital of subsidiaries	(1,420)	–
Payments of loans receivable	(20)	(11)
Collection of loans receivable	28	20
Other, net	283	(210)
Net cash provided by (used in) investing activities	(18,599)	(10,899)

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,495)	7,493
Proceeds from long-term loans payable	3,827	1,109
Repayments of long-term loans payable	(6,314)	(2,982)
Proceeds from issuance of convertible-type bonds with subscription rights to shares	9,982	–
Proceeds from share issuance to minority shareholders	308	–
Cash dividends paid to minority shareholders	(1,001)	(175)
Cash dividends paid	(1,032)	(1,086)
Other, net	(305)	(391)
Net cash provided by (used in) financing activities	3,968	3,967
Effect of exchange rate change on cash and cash equivalents	1,038	616
Net increase (decrease) in cash and cash equivalents	313	3,341
Cash and cash equivalents at beginning of period	11,840	12,153
Cash and cash equivalents at end of period	12,153	15,495

Non-consolidated financial statements
Non-consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	9,675	12,700
Notes receivable - trade	583	2,443
Accounts receivable - trade	22,287	23,406
Work in process	4,436	3,389
Raw materials and supplies	597	549
Prepaid expenses	80	36
Deferred tax assets	893	891
Other	989	1,291
Total current assets	39,544	44,709
Non-current assets		
Property, plant and equipment		
Buildings	4,304	4,241
Structures	372	425
Machinery and equipment	7,111	5,969
Vehicles	14	15
Tools, furniture and fixtures	1,483	1,027
Land	29,017	29,017
Construction in progress	2,456	1,481
Total property, plant and equipment	44,761	42,179
Intangible assets		
Software	131	130
Other	20	19
Total intangible assets	151	150
Investments and other assets		
Investment securities	5,174	7,959
Shares of subsidiaries and associates	7,490	7,490
Investments in capital of subsidiaries and associates	4,319	4,319
Long-term loans receivable from subsidiaries and associates	3,731	4,061
Prepaid pension cost	3,116	1,439
Other	281	242
Allowance for doubtful accounts	(74)	(74)
Total investments and other assets	24,039	25,438
Total non-current assets	68,951	67,767
Total assets	108,495	112,477

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Notes payable - trade	130	171
Accounts payable - trade	11,395	11,280
Electronically recorded obligations - operating	6,837	6,196
Current portion of long-term loans payable	1,708	1,132
Lease obligations	920	730
Accounts payable - other	419	231
Accrued expenses	1,092	1,176
Income taxes payable	1,898	2,230
Advances received	441	686
Deposits received	1,933	1,974
Provision for bonuses	1,731	1,729
Provision for directors' bonuses	112	114
Other	388	772
Total current liabilities	29,010	28,426
Non-current liabilities		
Convertible bond-type bonds with subscription rights to shares	10,000	10,000
Long-term loans payable	2,236	1,104
Lease obligations	840	110
Deferred tax liabilities	1,885	1,806
Deferred tax liabilities for land revaluation	8,844	8,013
Provision for environmental measures	49	49
Asset retirement obligations	335	336
Other	24	1
Total non-current liabilities	24,217	21,422
Total liabilities	53,227	49,849
Net assets		
Shareholders' equity		
Capital stock	8,070	8,070
Capital surplus		
Legal capital surplus	2,074	2,074
Other capital surplus	0	0
Total capital surpluses	2,074	2,075
Retained earnings		
Legal retained earnings	25	25
Other retained earnings		
Reserve for advanced depreciation of non-current assets	43	39
General reserve	11,000	11,000
Retained earnings brought forward	17,930	22,862
Total retained earnings	28,999	33,927
Treasury shares	(1,192)	(1,196)
Total shareholders' equity	37,951	42,876
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,303	2,908
Revaluation reserve for land	16,013	16,843
Total valuation and translation adjustments	17,316	19,751
Total net assets	55,268	62,628
Total liabilities and net assets	108,495	112,477

Non-consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	119,897	124,569
Cost of sales	104,587	107,903
Gross profit	15,309	16,665
Selling, general and administrative expenses		
Delivery expenses of finished goods	1,163	1,216
Employees' salaries and allowances	2,015	2,050
Employees' bonuses	381	374
Provision for bonuses	402	408
Provision for directors' bonuses	112	114
Retirement benefit expenses	327	292
Welfare expenses	598	614
Depreciation	132	117
Research and development expenses	262	379
Other	1,122	1,118
Total selling, general and administrative expenses	6,519	6,687
Operating income	8,790	9,978
Non-operating income		
Interest income	83	97
Dividend income	1,454	620
Rent income on non-current assets	101	105
Foreign exchange gains	78	521
Other	16	18
Total non-operating income	1,733	1,362
Non-operating expenses		
Interest expenses	139	56
Other	109	17
Total non-operating expenses	249	74
Ordinary income	10,274	11,266
Extraordinary income		
Gain on sales of non-current assets	–	0
Gain on liquidation of subsidiaries and associates	418	–
Other	38	1
Total extraordinary income	456	1
Extraordinary losses		
Loss on retirement of non-current assets	139	26
Loss on sales of non-current assets	0	–
Impairment loss	–	316
Total extraordinary losses	140	342
Income before income taxes	10,591	10,925
Income taxes - current	3,248	3,945
Income taxes - deferred	368	(132)
Total income taxes	3,616	3,813
Net income	6,974	7,112

Non-consolidated statements of changes in net assets

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity										
	Capital stock	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 advanced depreciation of non-current assets	General reserve	Retained earnings brought forward			
Balance at beginning of current period	8,070	2,074	0	2,074	25	48	11,000	11,982	23,057	(1,187)	32,014
Cumulative effects of changes in accounting policies											–
Restated balance	8,070	2,074	0	2,074	25	48	11,000	11,982	23,057	(1,187)	32,014
Changes of items during period											
Reversal of reserve for advanced depreciation of non-current assets						(5)		5	–		–
Dividends of surplus								(1,032)	(1,032)		(1,032)
Net income								6,974	6,974		6,974
Purchase of treasury shares										(5)	(5)
Disposal of treasury shares			0	0						0	0
Net changes of items other than shareholders' equity											
Total changes of items during period	–	–	0	0	–	(5)	–	5,947	5,942	(5)	5,937
Balance at end of current period	8,070	2,074	0	2,074	25	43	11,000	17,930	28,999	(1,192)	37,951

	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 current period	1,088	16,013	17,101	49,116
Cumulative effects of changes in accounting policies				–
Restated balance	1,088	16,013	17,101	49,116
Changes of items during period				
Reversal of reserve for advanced depreciation of non-current assets				–
Dividends of surplus				(1,032)
Net income				6,974
Purchase of treasury shares				(5)
Disposal of treasury shares				0
Net changes of items other than shareholders' equity	214	–	214	214
Total changes of items during period	214	–	214	6,151
Balance at end of current period	1,303	16,013	17,316	55,268

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity										
	Capital stock	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 advanced depreciation of non-current assets	General reserve	Retained earnings brought forward			
Balance at beginning of current period	8,070	2,074	0	2,074	25	43	11,000	17,930	28,999	(1,192)	37,951
Cumulative effects of changes in accounting policies								(1,097)	(1,097)		(1,097)
Restated balance	8,070	2,074	0	2,074	25	43	11,000	16,832	27,901	(1,192)	36,854
Changes of items during period											
Reversal of reserve for advanced depreciation of non-current assets						(3)		3	–		–
Dividends of surplus								(1,086)	(1,086)		(1,086)
Net income								7,112	7,112		7,112
Purchase of treasury shares										(4)	(4)
Disposal of treasury shares			0	0						0	0
Net changes of items other than shareholders' equity											
Total changes of items during period	–	–	0	0	–	(3)	–	6,029	6,025	(3)	6,022
Balance at end of current period	8,070	2,074	0	2,075	25	39	11,000	22,862	33,927	(1,196)	42,876

	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 current period	1,303	16,013	17,316	55,268
Cumulative effects of changes in accounting policies				(1,097)
Restated balance	1,303	16,013	17,316	54,170
Changes of items during period				
Reversal of reserve for advanced depreciation of non-current assets				—
Dividends of surplus				(1,086)
Net income				7,112
Purchase of treasury shares				(4)
Disposal of treasury shares				0
Net changes of items other than shareholders' equity	1,605	830	2,435	2,435
Total changes of items during period	1,605	830	2,435	8,457
Balance at end of current period	2,908	16,843	19,751	62,628