

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 August 8, 2016 at 14:00 (GMT+9).

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2016 (Based on Japanese GAAP)

August 8, 2016

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 to file Quarterly Securities Report: August 8, 2016
 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, 2016 (from April 1, 2016 to June 30, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2016	48,175	(8.2)	2,677	10.1	2,094	(12.5)	1,237	(7.7)
Three months ended June 30, 2015	52,500	13.2	2,431	6.5	2,395	12.6	1,340	(0.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2016	11.40		–	
Three months ended June 30, 2015	12.34		–	

(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, 2016	155,657		75,499		46.3		663.24	
As of March 31, 2016	157,517		77,047		45.8		664.30	

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, 2016	–	5.00	–	6.00	11.00
Year ending March 31, 2017	–	–	–	–	–
Year ending March 31, 2017 (Forecast)	–	5.00	–	6.00	11.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		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, 2016	90,500	(9.8)	3,500	(31.0)	3,200	(32.5)	2,000	(26.5)	18.41
Full year	180,000	(8.1)	7,400	(26.8)	7,100	(22.9)	4,300	(23.4)	39.58

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2016
(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 June 30, 2016	114,007,210 shares	As of March 31, 2016	114,007,210 shares
---------------------	--------------------	----------------------	--------------------

Number of treasury shares at the end of the period

As of June 30, 2016	5,381,158 shares	As of March 31, 2016	5,380,985 shares
---------------------	------------------	----------------------	------------------

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

Three months ended June 30, 2016	108,626,138 shares	Three months ended June 30, 2015	108,628,105 shares
----------------------------------	--------------------	----------------------------------	--------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	18,898	17,491
Notes and accounts receivable - trade	34,336	36,209
Merchandise and finished goods	1,376	1,204
Work in process	9,775	9,730
Raw materials and supplies	1,055	1,091
Income taxes receivable	16	15
Other	3,298	3,574
Allowance for doubtful accounts	(16)	(15)
Total current assets	68,741	69,303
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,702	13,072
Machinery, equipment and vehicles, net	24,011	22,231
Land	31,966	31,892
Other, net	9,558	9,740
Total property, plant and equipment	79,239	76,937
Intangible assets		
Other	1,044	953
Total intangible assets	1,044	953
Investments and other assets		
Net defined benefit asset	727	724
Investments and other assets	7,839	7,812
Allowance for doubtful accounts	(74)	(74)
Total investments and other assets	8,492	8,462
Total non-current assets	88,775	86,353
Total assets	157,517	155,657
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,265	21,963
Electronically recorded obligations - operating	5,158	5,353
Short-term loans payable	13,443	15,382
Income taxes payable	585	985
Provision for bonuses	2,902	1,177
Provision	130	32
Other	8,772	10,127
Total current liabilities	52,258	55,022
Non-current liabilities		
Convertible bond-type bonds with subscription rights to shares	10,000	10,000
Long-term loans payable	7,701	4,585
Deferred tax liabilities for land revaluation	7,621	7,621
Provision	59	59
Net defined benefit liability	546	555
Asset retirement obligations	408	408
Other	1,873	1,904
Total non-current liabilities	28,211	25,135
Total liabilities	80,469	80,157

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Net assets		
Shareholders' equity		
Capital stock	8,070	8,070
Capital surplus	2,075	2,075
Retained earnings	42,433	43,019
Treasury shares	(1,197)	(1,197)
Total shareholders' equity	51,380	51,966
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,528	1,536
Revaluation reserve for land	17,236	17,236
Foreign currency translation adjustment	2,467	1,716
Remeasurements of defined benefit plans	(452)	(411)
Total accumulated other comprehensive income	20,779	20,077
Non-controlling interests	4,887	3,455
Total net assets	77,047	75,499
Total liabilities and net assets	157,517	155,657

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, 2015	Three months ended June 30, 2016
Net sales	52,500	48,175
Cost of sales	46,637	42,111
Gross profit	5,862	6,064
Selling, general and administrative expenses	3,430	3,386
Operating income	2,431	2,677
Non-operating income		
Interest income	14	6
Dividend income	75	70
Other	65	25
Total non-operating income	154	102
Non-operating expenses		
Interest expenses	171	100
Foreign exchange losses	12	575
Other	6	9
Total non-operating expenses	191	685
Ordinary income	2,395	2,094
Extraordinary income		
Gain on sales of non-current assets	1	17
Gain on insurance adjustment	–	64
Total extraordinary income	1	81
Extraordinary losses		
Loss on retirement of non-current assets	2	3
Objection costs	105	–
Loss on reduction of non-current assets	–	44
Total extraordinary losses	108	48
Profit before income taxes	2,288	2,128
Income taxes - current	960	932
Income taxes - deferred	(98)	(269)
Total income taxes	862	662
Profit	1,426	1,465
Profit attributable to non-controlling interests	85	227
Profit attributable to owners of parent	1,340	1,237

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Profit	1,426	1,465
Other comprehensive income		
Valuation difference on available-for-sale securities	(54)	8
Foreign currency translation adjustment	(122)	(891)
Remeasurements of defined benefit plans, net of tax	41	40
Total other comprehensive income	(135)	(842)
Comprehensive income	1,291	623
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,196	536
Comprehensive income attributable to non-controlling interests	94	86