

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 February 10, 2017 at 14:00 (GMT+9)

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

February 10, 2017

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: February 10, 2017
 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, 2016 (from April 1, 2016 to December 31, 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	%
Nine months ended December 31, 2016	130,815	(9.2)	6,156	(11.4)	5,532	(12.3)	3,451	0.3
Nine months ended December 31, 2015	144,013	0.6	6,950	7.6	6,307	(12.3)	3,442	(21.5)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2016	31.77	–
Nine months ended December 31, 2015	31.69	–

(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, 2016	147,962	75,927	49.2	670.54
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	Yen	Yen	Yen	Yen
Year ended March 31, 2016	–	5.00	–	6.00	11.00
Year ending March 31, 2017	–	5.00	–		
Year ending March 31, 2017 (Forecast)				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
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 nine months ended December 31, 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 December 31, 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 December 31, 2016	5,382,055 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)

Nine months ended December 31, 2016	108,625,864 shares	Nine months ended December 31, 2015	108,627,490 shares
-------------------------------------	--------------------	-------------------------------------	--------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	18,898	18,108
Notes and accounts receivable - trade	34,336	30,255
Merchandise and finished goods	1,376	1,169
Work in process	9,775	10,000
Raw materials and supplies	1,055	1,023
Income taxes receivable	16	—
Other	3,298	2,946
Allowance for doubtful accounts	(16)	(14)
Total current assets	68,741	63,490
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,702	12,116
Machinery, equipment and vehicles, net	24,011	19,615
Land	31,966	31,759
Other, net	9,558	10,540
Total property, plant and equipment	79,239	74,032
Intangible assets		
Other	1,044	771
Total intangible assets	1,044	771
Investments and other assets		
Net defined benefit asset	727	786
Investments and other assets	7,839	8,956
Allowance for doubtful accounts	(74)	(74)
Total investments and other assets	8,492	9,668
Total non-current assets	88,775	84,472
Total assets	157,517	147,962
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,265	19,886
Electronically recorded obligations - operating	5,158	4,855
Short-term loans payable	13,443	11,499
Income taxes payable	585	322
Provision for bonuses	2,902	1,576
Provision	130	101
Other	8,772	8,018
Total current liabilities	52,258	46,260
Non-current liabilities		
Convertible bond-type bonds with subscription rights to shares	10,000	10,000
Long-term loans payable	7,701	4,917
Deferred tax liabilities for land revaluation	7,621	7,621
Provision	59	52
Net defined benefit liability	546	570
Asset retirement obligations	408	409
Other	1,873	2,203
Total non-current liabilities	28,211	25,774
Total liabilities	80,469	72,035

	(Millions of yen)	
	As of March 31, 2016	As of December 31, 2016
Net assets		
Shareholders' equity		
Capital stock	8,070	8,070
Capital surplus	2,075	2,075
Retained earnings	42,433	44,689
Treasury shares	(1,197)	(1,198)
Total shareholders' equity	51,380	53,636
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,528	2,608
Revaluation reserve for land	17,236	17,236
Foreign currency translation adjustment	2,467	(313)
Remeasurements of defined benefit plans	(452)	(330)
Total accumulated other comprehensive income	20,779	19,200
Non-controlling interests	4,887	3,090
Total net assets	77,047	75,927
Total liabilities and net assets	157,517	147,962

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, 2015	Nine months ended December 31, 2016
Net sales	144,013	130,815
Cost of sales	127,773	115,399
Gross profit	16,239	15,416
Selling, general and administrative expenses	9,288	9,259
Operating income	6,950	6,156
Non-operating income		
Interest income	34	24
Dividend income	147	147
Rent income on non-current assets	55	53
Other	41	34
Total non-operating income	278	259
Non-operating expenses		
Interest expenses	423	261
Foreign exchange losses	466	587
Other	31	34
Total non-operating expenses	921	883
Ordinary income	6,307	5,532
Extraordinary income		
Gain on sales of non-current assets	15	34
Gain on sales of securities	—	0
Gain on insurance adjustment	723	73
State subsidy	—	163
Total extraordinary income	738	272
Extraordinary losses		
Loss on retirement of non-current assets	136	35
Loss on sales of non-current assets	0	19
Loss on reduction of non-current assets	523	129
Loss on valuation of investment securities	172	—
Impairment loss	353	—
Objection costs	178	—
Loss on disaster	92	—
Total extraordinary losses	1,457	184
Profit before income taxes	5,589	5,619
Income taxes - current	1,575	1,461
Income taxes - deferred	589	326
Total income taxes	2,164	1,787
Profit	3,424	3,831
Profit (loss) attributable to non-controlling interests	(17)	380
Profit attributable to owners of parent	3,442	3,451

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	3,424	3,831
Other comprehensive income		
Valuation difference on available-for-sale securities	(716)	1,080
Foreign currency translation adjustment	(778)	(3,336)
Remeasurements of defined benefit plans, net of tax	125	122
Total other comprehensive income	(1,369)	(2,133)
Comprehensive income	2,054	1,698
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,350	1,872
Comprehensive income attributable to non-controlling interests	(295)	(173)