

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

February 9, 2018

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 9, 2018
 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, 2017 (from April 1, 2017 to December 31, 2017)

(1) Consolidated operating results (cumulative)

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	%
Nine months ended December 31, 2017	157,528	20.4	8,767	42.4	8,884	60.6	5,249	52.1
Nine months ended December 31, 2016	130,815	(9.2)	6,156	(11.4)	5,532	(12.3)	3,451	0.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2017	48.33	–
Nine months ended December 31, 2016	31.77	–

(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, 2017	168,261	87,359	48.9	758.06
As of March 31, 2017	160,293	80,664	47.9	706.38

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, 2017	–	5.00	–	6.00	11.00
Year ending March 31, 2018	–	6.00	–		
Year ending March 31, 2018 (Forecast)				6.00	12.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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
Full year	203,000	8.8	10,600	22.7	10,500	29.6	6,300	19.7	58.00

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2017
(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: No
- 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, 2017	114,007,210 shares	As of March 31, 2017	114,007,210 shares
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Number of treasury shares at the end of the period

As of December 31, 2017	5,383,983 shares	As of March 31, 2017	5,382,533 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2017	108,624,044 shares	Nine months ended December 31, 2016	108,625,864 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	20,456	21,255
Notes and accounts receivable - trade	34,533	39,006
Merchandise and finished goods	1,351	1,245
Work in process	9,601	10,798
Raw materials and supplies	1,095	1,277
Income taxes receivable	19	41
Other	3,251	3,168
Allowance for doubtful accounts	(10)	(10)
Total current assets	70,297	76,783
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,926	12,538
Machinery, equipment and vehicles, net	22,571	22,030
Land	31,915	31,937
Other, net	10,541	10,755
Total property, plant and equipment	77,954	77,262
Intangible assets		
Other	810	615
Total intangible assets	810	615
Investments and other assets		
Net defined benefit asset	1,280	1,579
Investments and other assets	10,024	12,094
Allowance for doubtful accounts	(74)	(74)
Total investments and other assets	11,230	13,600
Total non-current assets	89,995	91,477
Total assets	160,293	168,261
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,834	25,587
Electronically recorded obligations - operating	5,076	5,573
Short-term loans payable	14,360	11,742
Current portion of bonds with subscription rights to shares	—	10,000
Income taxes payable	909	612
Provision for bonuses	3,017	1,834
Provision	145	87
Other	6,742	8,663
Total current liabilities	53,085	64,101
Non-current liabilities		
Convertible bond-type bonds with subscription rights to shares	10,000	—
Long-term loans payable	4,941	4,305
Deferred tax liabilities for land revaluation	7,601	7,601
Provision	52	27
Net defined benefit liability	1,163	1,278
Asset retirement obligations	409	410
Other	2,374	3,177
Total non-current liabilities	26,543	16,800
Total liabilities	79,628	80,902

	(Millions of yen)	
	As of March 31, 2017	As of December 31, 2017
Net assets		
Shareholders' equity		
Capital stock	8,070	8,070
Capital surplus	2,075	2,075
Retained earnings	46,501	50,448
Treasury shares	(1,198)	(1,199)
Total shareholders' equity	55,448	59,394
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,780	4,220
Revaluation reserve for land	17,255	17,255
Foreign currency translation adjustment	1,628	1,666
Remeasurements of defined benefit plans	(382)	(193)
Total accumulated other comprehensive income	21,282	22,949
Non-controlling interests	3,933	5,015
Total net assets	80,664	87,359
Total liabilities and net assets	160,293	168,261

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, 2016	Nine months ended December 31, 2017
Net sales	130,815	157,528
Cost of sales	115,399	138,201
Gross profit	15,416	19,327
Selling, general and administrative expenses	9,259	10,560
Operating profit	6,156	8,767
Non-operating income		
Interest income	24	23
Dividend income	147	151
Rent income on non-current assets	53	50
Foreign exchange gains	–	165
Other	34	42
Total non-operating income	259	434
Non-operating expenses		
Interest expenses	261	280
Foreign exchange losses	587	–
Other	34	37
Total non-operating expenses	883	317
Ordinary profit	5,532	8,884
Extraordinary income		
Gain on sales of non-current assets	34	1
Gain on sales of investment securities	0	–
Gain on insurance adjustment	73	0
State subsidy	163	–
Total extraordinary income	272	1
Extraordinary losses		
Loss on retirement of non-current assets	35	93
Loss on sales of non-current assets	19	14
Loss on reduction of non-current assets	129	–
Total extraordinary losses	184	107
Profit before income taxes	5,619	8,778
Income taxes - current	1,461	1,783
Income taxes - deferred	326	529
Total income taxes	1,787	2,313
Profit	3,831	6,465
Profit attributable to non-controlling interests	380	1,215
Profit attributable to owners of parent	3,451	5,249

Consolidated statements of comprehensive income (cumulative)

	(Millions of yen)	
	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	3,831	6,465
Other comprehensive income		
Valuation difference on available-for-sale securities	1,080	1,440
Foreign currency translation adjustment	(3,336)	138
Remeasurements of defined benefit plans, net of tax	122	188
Total other comprehensive income	(2,133)	1,766
Comprehensive income	1,698	8,231
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,872	6,916
Comprehensive income attributable to non-controlling interests	(173)	1,314