

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

August 8, 2019

Company name: PRESS KOGYO CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 7246 URL <http://www.presskogyo.co.jp>
 Representative: President & CEO Tetsushi Mino
 Inquiries: General Manager, General Affairs Dept. Hisako Konishi TEL 044-276-3901
 Scheduled date to file Quarterly Securities Report: August 8, 2019
 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, 2019 (from April 1, 2019 to June 30, 2019)

(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	%
Three months ended June 30, 2019	54,026	(1.1)	2,604	(11.8)	2,569	(14.0)	1,402	(22.1)
Three months ended June 30, 2018	54,653	5.5	2,953	(7.6)	2,988	(5.3)	1,801	(7.6)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2019	12.76	–
Three months ended June 30, 2018	16.59	–

(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, 2019	159,946	93,651	54.6	794.36
As of March 31, 2019	159,073	94,214	54.8	793.05

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, 2019	–	6.50	–	7.50	14.00
Year ending March 31, 2020	–				
Year ending March 31, 2020 (Forecast)		6.50	–	6.50	13.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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
Six months ending September 30, 2019	105,000	(2.0)	4,900	(21.7)	4,900	(22.4)	2,600	(29.8)	23.74
Full year	213,000	(3.5)	10,700	(22.5)	10,500	(23.1)	5,800	(23.4)	52.96

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2019
(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 June 30, 2019	114,009,770 shares	As of March 31, 2019	114,009,770 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	4,108,246 shares	As of March 31, 2019	4,108,216 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2019	109,901,539 shares	Three months ended June 30, 2018	108,622,832 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	18,556	18,374
Notes and accounts receivable - trade	38,778	39,887
Merchandise and finished goods	1,363	1,323
Work in process	10,395	11,144
Raw materials and supplies	1,266	1,333
Income taxes receivable	193	67
Other	2,528	2,478
Allowance for doubtful accounts	(1)	(1)
Total current assets	73,080	74,609
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,214	12,060
Machinery, equipment and vehicles, net	21,020	20,585
Land	31,928	32,163
Other	9,070	9,564
Total property, plant and equipment	74,234	74,373
Intangible assets		
Other	516	514
Total intangible assets	516	514
Investments and other assets		
Deferred tax assets	625	683
Retirement benefit asset	2,445	2,499
Investments and other assets	8,321	7,416
Allowance for doubtful accounts	(150)	(150)
Total investments and other assets	11,241	10,449
Total non-current assets	85,992	85,337
Total assets	159,073	159,946
Liabilities		
Current liabilities		
Notes and accounts payable - trade	27,996	29,523
Short-term borrowings	9,162	8,942
Income taxes payable	1,264	1,160
Provision for bonuses	3,592	1,490
Provisions	147	29
Other	8,175	11,009
Total current liabilities	50,338	52,155
Non-current liabilities		
Long-term borrowings	2,905	2,838
Deferred tax liabilities	1,581	1,016
Deferred tax liabilities for land revaluation	7,601	7,601
Provisions	101	88
Retirement benefit liability	1,587	1,640
Asset retirement obligations	410	411
Other	331	542
Total non-current liabilities	14,520	14,138
Total liabilities	64,858	66,294

	(Millions of yen)	
	As of March 31, 2019	As of June 30, 2019
Net assets		
Shareholders' equity		
Share capital	8,070	8,070
Capital surplus	2,074	2,074
Retained earnings	56,957	57,535
Treasury shares	(916)	(916)
Total shareholders' equity	66,186	66,764
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,319	1,668
Revaluation reserve for land	17,255	17,255
Foreign currency translation adjustment	1,180	1,368
Remeasurements of defined benefit plans	214	242
Total accumulated other comprehensive income	20,970	20,536
Non-controlling interests	7,057	6,350
Total net assets	94,214	93,651
Total liabilities and net assets	159,073	159,946

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, 2018	Three months ended June 30, 2019
Net sales	54,653	54,026
Cost of sales	47,932	47,684
Gross profit	6,720	6,342
Selling, general and administrative expenses	3,766	3,737
Operating profit	2,953	2,604
Non-operating income		
Interest income	6	12
Dividend income	73	81
Foreign exchange gains	17	—
Other	31	31
Total non-operating income	130	125
Non-operating expenses		
Interest expenses	79	85
Foreign exchange losses	—	56
Other	15	19
Total non-operating expenses	95	161
Ordinary profit	2,988	2,569
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on insurance claims	—	2
Total extraordinary income	0	2
Extraordinary losses		
Loss on retirement of non-current assets	9	2
Total extraordinary losses	9	2
Profit before income taxes	2,979	2,569
Income taxes - current	1,156	1,002
Income taxes - deferred	(371)	(375)
Total income taxes	785	626
Profit	2,194	1,942
Profit attributable to non-controlling interests	392	539
Profit attributable to owners of parent	1,801	1,402

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	2,194	1,942
Other comprehensive income		
Valuation difference on available-for-sale securities	(519)	(651)
Foreign currency translation adjustment	(939)	318
Remeasurements of defined benefit plans, net of tax	16	28
Total other comprehensive income	(1,442)	(304)
Comprehensive income	751	1,637
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	509	968
Comprehensive income attributable to non-controlling interests	242	669