

Translation

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

November 7, 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: November 7, 2019
 Scheduled date to commence dividend payments: December 3, 2019
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2019 (from April 1, 2019 to September 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	%
Six months ended September 30, 2019	105,200	(1.9)	3,019	(51.8)	2,969	(53.0)	1,477	(60.1)
Six months ended September 30, 2018	107,192	3.6	6,257	5.2	6,316	5.9	3,705	3.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2019	13.50	—
Six months ended September 30, 2018	33.94	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2019	153,859	92,650	55.9	794.06
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	—	6.50			
Year ending March 31, 2020 (Forecast)			—	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
Full year	203,000	(8.0)	7,500	(45.7)	7,300	(46.6)	4,100	(45.8)	37.47

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 30, 2019	5,608,422 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)

Six months ended September 30, 2019	109,406,769 shares	Six months ended September 30, 2018	109,171,373 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	18,556	18,348
Notes and accounts receivable - trade	38,778	36,101
Merchandise and finished goods	1,363	1,369
Work in process	10,395	10,020
Raw materials and supplies	1,266	1,295
Income taxes receivable	193	66
Other	2,528	2,581
Allowance for doubtful accounts	(1)	(0)
Total current assets	73,080	69,782
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,214	11,792
Machinery, equipment and vehicles, net	21,020	19,716
Land	31,928	32,259
Other, net	9,070	9,578
Total property, plant and equipment	74,234	73,347
Intangible assets		
Other	516	529
Total intangible assets	516	529
Investments and other assets		
Deferred tax assets	625	652
Retirement benefit asset	2,445	2,555
Investment and other assets	8,321	7,141
Allowance for doubtful accounts	(150)	(149)
Total investments and other assets	11,241	10,199
Total non-current assets	85,992	84,077
Total assets	159,073	153,859
Liabilities		
Current liabilities		
Notes and accounts payable - trade	27,996	27,209
Short-term borrowings	9,162	9,174
Income taxes payable	1,264	443
Provision for bonuses	3,592	2,653
Provisions	147	56
Other	8,175	7,489
Total current liabilities	50,338	47,027
Non-current liabilities		
Long-term borrowings	2,905	2,403
Deferred tax liabilities	1,581	1,275
Deferred tax liabilities for land revaluation	7,601	7,601
Provisions	101	87
Retirement benefit liability	1,587	1,886
Asset retirement obligations	410	404
Other	331	523
Total non-current liabilities	14,520	14,182
Total liabilities	64,858	61,209

	(Millions of yen)	
	As of March 31, 2019	As of September 30, 2019
Net assets		
Shareholders' equity		
Share capital	8,070	8,070
Capital surplus	2,074	2,074
Retained earnings	56,957	57,610
Treasury shares	(916)	(1,619)
Total shareholders' equity	66,186	66,136
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,319	1,489
Revaluation reserve for land	17,255	17,255
Foreign currency translation adjustment	1,180	924
Remeasurements of defined benefit plans	214	271
Total accumulated other comprehensive income	20,970	19,941
Non-controlling interests	7,057	6,572
Total net assets	94,214	92,650
Total liabilities and net assets	159,073	153,859

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

	(Millions of yen)	
	Six months ended September 30, 2018	Six months ended September 30, 2019
Net sales	107,192	105,200
Cost of sales	93,606	94,732
Gross profit	13,586	10,467
Selling, general and administrative expenses	7,328	7,448
Operating profit	6,257	3,019
Non-operating income		
Interest income	21	27
Dividend income	90	99
Rental income from non-current assets	32	31
Foreign exchange gains	115	—
Other	26	28
Total non-operating income	285	187
Non-operating expenses		
Interest expenses	169	169
Foreign exchange losses	—	31
Other	57	36
Total non-operating expenses	227	237
Ordinary profit	6,316	2,969
Extraordinary income		
Gain on sales of non-current assets	1	6
Gain on insurance claims	0	2
Total extraordinary income	1	8
Extraordinary losses		
Loss on retirement of non-current assets	10	16
Loss on sales of non-current assets	0	—
Loss on disaster	207	—
Total extraordinary losses	217	16
Profit before income taxes	6,100	2,961
Income taxes - current	1,693	765
Income taxes - deferred	54	(36)
Total income taxes	1,748	728
Profit	4,352	2,232
Profit attributable to non-controlling interests	647	755
Profit attributable to owners of parent	3,705	1,477

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit	4,352	2,232
Other comprehensive income		
Valuation difference on available-for-sale securities	126	(829)
Foreign currency translation adjustment	(1,033)	(119)
Remeasurements of defined benefit plans, net of tax	31	56
Total other comprehensive income	(875)	(892)
Comprehensive income	3,476	1,339
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,065	448
Comprehensive income attributable to non-controlling interests	410	891

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Cash flows from operating activities		
Profit before income taxes	6,100	2,961
Depreciation	4,689	4,612
Increase (decrease) in provision for bonuses	(730)	(974)
Increase (decrease) in retirement benefit liability	81	281
Decrease (increase) in retirement benefit asset	(161)	(28)
Interest and dividend income	(111)	(127)
Interest expenses	169	169
Loss on disaster	207	—
Loss (gain) on sales of property, plant and equipment	(1)	(6)
Loss on retirement of property, plant and equipment	10	16
Decrease (increase) in trade receivables	(1,503)	2,978
Decrease (increase) in inventories	(99)	273
Increase (decrease) in trade payables	(2,653)	(994)
Other, net	268	(99)
Subtotal	6,266	9,063
Interest and dividends received	109	128
Interest paid	(159)	(170)
Income taxes refund	5	2
Income taxes paid	(1,585)	(1,590)
Proceeds from insurance income	0	2
Net cash provided by (used in) operating activities	4,637	7,435
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,636)	(4,403)
Proceeds from sales of property, plant and equipment	2	11
Purchase of investment securities	(16)	(18)
Other, net	(94)	(124)
Net cash provided by (used in) investing activities	(4,743)	(4,534)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	78	601
Proceeds from long-term borrowings	121	—
Repayments of long-term borrowings	(810)	(762)
Purchase of treasury shares	(0)	(703)
Dividends paid to non-controlling interests	(938)	(1,376)
Dividends paid	(651)	(824)
Amortization by purchase of convertible bond with stock acquisition rights	(10,000)	—
Other, net	(70)	(42)
Net cash provided by (used in) financing activities	(12,271)	(3,107)
Effect of exchange rate change on cash and cash equivalents	(31)	(2)
Net increase (decrease) in cash and cash equivalents	(12,409)	(209)
Cash and cash equivalents at beginning of period	24,611	18,539
Cash and cash equivalents at end of period	12,201	18,330