

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.

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

February 7, 2020

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: February 7, 2020
 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, 2019 (from April 1, 2019 to December 31, 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	%
Nine months ended December 31, 2019	154,583	(7.7)	4,716	(55.5)	4,807	(54.6)	2,157	(63.7)
Nine months ended December 31, 2018	167,540	6.4	10,604	21.0	10,597	19.3	5,952	13.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2019	19.78	–
Nine months ended December 31, 2018	54.42	–

(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, 2019	153,578	93,482	56.2	796.62
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 nine months ended December 31, 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 December 31, 2019	114,009,770 shares	As of March 31, 2019	114,009,770 shares
-------------------------	--------------------	----------------------	--------------------

Number of treasury shares at the end of the period

As of December 31, 2019	5,608,515 shares	As of March 31, 2019	4,108,216 shares
-------------------------	------------------	----------------------	------------------

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

Nine months ended December 31, 2019	109,105,127 shares	Nine months ended December 31, 2018	109,390,624 shares
-------------------------------------	--------------------	-------------------------------------	--------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	18,556	18,687
Notes and accounts receivable - trade	38,778	35,423
Merchandise and finished goods	1,363	1,478
Work in process	10,395	9,198
Raw materials and supplies	1,266	1,307
Income taxes receivable	193	66
Other	2,528	3,401
Allowance for doubtful accounts	(1)	(0)
Total current assets	73,080	69,561
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,214	11,764
Machinery, equipment and vehicles, net	21,020	19,411
Land	31,928	32,263
Other, net	9,070	9,230
Total property, plant and equipment	74,234	72,669
Intangible assets		
Other	516	521
Total intangible assets	516	521
Investments and other assets		
Deferred tax assets	625	577
Retirement benefit asset	2,445	2,589
Investments and other assets	8,321	7,734
Allowance for doubtful accounts	(150)	(76)
Total investments and other assets	11,241	10,825
Total non-current assets	85,992	84,017
Total assets	159,073	153,578
Liabilities		
Current liabilities		
Notes and accounts payable - trade	27,996	26,171
Short-term borrowings	9,162	8,279
Income taxes payable	1,264	339
Provision for bonuses	3,592	2,097
Provisions	147	85
Other	8,175	8,509
Total current liabilities	50,338	45,482
Non-current liabilities		
Long-term borrowings	2,905	2,349
Deferred tax liabilities	1,581	1,746
Deferred tax liabilities for land revaluation	7,601	7,601
Provisions	101	85
Retirement benefit liability	1,587	1,919
Asset retirement obligations	410	404
Other	331	506
Total non-current liabilities	14,520	14,613
Total liabilities	64,858	60,096

	(Millions of yen)	
	As of March 31, 2019	As of December 31, 2019
Net assets		
Shareholders' equity		
Share capital	8,070	8,070
Capital surplus	2,074	2,074
Retained earnings	56,957	57,586
Treasury shares	(916)	(1,619)
Total shareholders' equity	66,186	66,111
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,319	1,979
Revaluation reserve for land	17,255	17,255
Foreign currency translation adjustment	1,180	708
Remeasurements of defined benefit plans	214	299
Total accumulated other comprehensive income	20,970	20,242
Non-controlling interests	7,057	7,128
Total net assets	94,214	93,482
Total liabilities and net assets	159,073	153,578

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, 2018	Nine months ended December 31, 2019
Net sales	167,540	154,583
Cost of sales	145,680	138,887
Gross profit	21,860	15,696
Selling, general and administrative expenses	11,255	10,979
Operating profit	10,604	4,716
Non-operating income		
Interest income	22	36
Dividend income	165	178
Rental income from non-current assets	48	49
Foreign exchange gains	42	88
Other	41	34
Total non-operating income	321	387
Non-operating expenses		
Interest expenses	262	251
Other	66	45
Total non-operating expenses	328	296
Ordinary profit	10,597	4,807
Extraordinary income		
Gain on sales of non-current assets	12	6
Gain on insurance claims	0	4
Total extraordinary income	13	10
Extraordinary losses		
Loss on retirement of non-current assets	53	31
Loss on sales of non-current assets	0	0
Loss on disaster	207	—
Total extraordinary losses	260	31
Profit before income taxes	10,350	4,786
Income taxes - current	2,120	1,038
Income taxes - deferred	656	302
Total income taxes	2,777	1,341
Profit	7,573	3,445
Profit attributable to non-controlling interests	1,621	1,287
Profit attributable to owners of parent	5,952	2,157

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	7,573	3,445
Other comprehensive income		
Valuation difference on available-for-sale securities	(898)	(340)
Foreign currency translation adjustment	(299)	(312)
Remeasurements of defined benefit plans, net of tax	46	84
Total other comprehensive income	(1,151)	(568)
Comprehensive income	6,422	2,876
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,785	1,429
Comprehensive income attributable to non-controlling interests	1,636	1,446