

## Translation

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# Summary of Consolidated Financial Results for the Year Ended March 31, 2020 (Based on Japanese GAAP)

May 12, 2020

Company name: PRESS KOGYO CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 7246 URL <https://www.presskogyo.co.jp>  
 Representative: President & CEO Tetsushi Mino  
 Inquiries: General Manager, General Affairs Dept. Takanori Sasaoka TEL 044-276-3901  
 Scheduled date of ordinary general meeting of shareholders: June 26, 2020  
 Scheduled date to file Securities Report: June 26, 2020  
 Scheduled date to commence dividend payments: June 29, 2020  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

### (1) Consolidated operating results

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	%
Year ended March 31, 2020	205,292	(7.0)	7,459	(45.9)	7,339	(46.3)	3,728	(50.7)
Year ended March 31, 2019	220,661	4.0	13,800	20.0	13,661	19.4	7,567	29.5

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2020	34.22	—	4.3	4.7	3.6
Year ended March 31, 2019	69.10	—	8.9	8.3	6.3

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2020	154,170	94,624	56.3	801.06
As of March 31, 2019	159,073	94,214	54.8	793.05

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2020	18,466	(9,695)	(5,111)	22,273
Year ended March 31, 2019	16,825	(7,419)	(15,450)	18,539

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2019	—	6.50	—	7.50	14.00	1,538	20.3	1.8
Year ended March 31, 2020	—	6.50	—	6.50	13.00	1,409	38.0	1.6

### 3. Notes

- (1) Changes in significant subsidiaries during the year ended March 31, 2020  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) 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

#### (3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2020	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 March 31, 2020	5,608,758 shares	As of March 31, 2019	4,108,216 shares
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Average number of shares during the period

Year ended March 31, 2020	108,942,644 shares	Year ended March 31, 2019	109,508,569 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	18,556	22,291
Notes and accounts receivable - trade	38,778	34,633
Merchandise and finished goods	1,363	1,408
Work in process	10,395	8,618
Raw materials and supplies	1,266	1,369
Income taxes receivable	193	446
Other	2,528	1,828
Allowance for doubtful accounts	(1)	—
Total current assets	73,080	70,597
Non-current assets		
Property, plant and equipment		
Buildings and structures	37,800	38,425
Accumulated depreciation	(25,585)	(26,700)
Buildings and structures, net	12,214	11,724
Machinery, equipment and vehicles	98,384	101,833
Accumulated depreciation	(77,364)	(82,185)
Machinery, equipment and vehicles, net	21,020	19,648
Tools, furniture and fixtures	30,207	34,257
Accumulated depreciation	(25,049)	(27,875)
Tools, furniture and fixtures, net	5,157	6,382
Land	31,928	32,306
Construction in progress	3,913	4,390
Total property, plant and equipment	74,234	74,452
Intangible assets	516	532
Investments and other assets		
Investment securities	7,092	4,028
Deferred tax assets	625	681
Retirement benefit asset	2,445	2,853
Other	1,229	1,100
Allowance for doubtful accounts	(150)	(76)
Total investments and other assets	11,241	8,588
Total non-current assets	85,992	83,573
Total assets	159,073	154,170

	(Millions of yen)	
	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	24,438	22,866
Electronically recorded obligations - operating	3,557	3,369
Short-term borrowings	9,162	7,689
Lease obligations	56	26
Income taxes payable	1,264	154
Provision for bonuses	3,592	3,289
Provision for bonuses for directors (and other officers)	147	98
Other	8,119	7,555
Total current liabilities	50,338	45,050
Non-current liabilities		
Long-term borrowings	2,905	2,767
Lease obligations	29	235
Deferred tax liabilities	1,581	1,081
Deferred tax liabilities for land revaluation	7,601	7,601
Retirement benefit liability	1,587	2,032
Provision for environmental measures	101	83
Asset retirement obligations	410	404
Other	301	290
Total non-current liabilities	14,520	14,496
Total liabilities	64,858	59,546
Net assets		
Shareholders' equity		
Share capital	8,070	8,070
Capital surplus	2,074	2,074
Retained earnings	56,957	59,156
Treasury shares	(916)	(1,619)
Total shareholders' equity	66,186	67,682
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,319	161
Revaluation reserve for land	17,255	17,255
Foreign currency translation adjustment	1,180	1,239
Remeasurements of defined benefit plans	214	496
Total accumulated other comprehensive income	20,970	19,153
Non-controlling interests	7,057	7,788
Total net assets	94,214	94,624
Total liabilities and net assets	159,073	154,170

# Consolidated statements of income and consolidated statements of comprehensive income

## Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	220,661	205,292
Cost of sales	191,939	183,207
Gross profit	28,721	22,085
Selling, general and administrative expenses	14,921	14,625
Operating profit	13,800	7,459
Non-operating income		
Interest income	36	53
Dividend income	181	195
Rental income from non-current assets	64	67
Foreign exchange gains	18	—
Other	65	46
Total non-operating income	366	362
Non-operating expenses		
Interest expenses	338	319
Provision of allowance for doubtful accounts	76	1
Foreign exchange losses	—	60
Other	89	101
Total non-operating expenses	505	482
Ordinary profit	13,661	7,339
Extraordinary income		
Gain on sales of non-current assets	19	8
Gain on insurance claims	6	14
Total extraordinary income	25	22
Extraordinary losses		
Loss on sales of non-current assets	109	0
Loss on retirement of non-current assets	56	126
Loss on valuation of investment securities	—	91
Loss on disaster	208	—
Impairment loss	20	42
Total extraordinary losses	395	261
Profit before income taxes	13,291	7,100
Income taxes - current	2,991	1,430
Income taxes - deferred	335	180
Total income taxes	3,326	1,611
Profit	9,964	5,489
Profit attributable to non-controlling interests	2,397	1,761
Profit attributable to owners of parent	7,567	3,728

**Consolidated statements of comprehensive income**

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	9,964	5,489
Other comprehensive income		
Valuation difference on available-for-sale securities	(984)	(2,158)
Foreign currency translation adjustment	(844)	405
Remeasurements of defined benefit plans, net of tax	261	282
Total other comprehensive income	(1,567)	(1,471)
Comprehensive income	8,396	4,018
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,101	1,911
Comprehensive income attributable to non-controlling interests	2,295	2,107

# Consolidated statements of changes in equity

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,070	2,075	51,040	(1,199)	59,986
Changes during period					
Dividends of surplus			(1,366)		(1,366)
Profit attributable to owners of parent			7,567		7,567
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(0)	(284)	284	–
Net changes in items other than shareholders' equity					
Total changes during period	–	(0)	5,916	283	6,199
Balance at end of period	8,070	2,074	56,957	(916)	66,186

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,304	17,255	1,920	(44)	22,436	5,700	88,123
Changes during period							
Dividends of surplus							(1,366)
Profit attributable to owners of parent							7,567
Purchase of treasury shares							(1)
Disposal of treasury shares							–
Net changes in items other than shareholders' equity	(984)	–	(739)	258	(1,465)	1,357	(108)
Total changes during period	(984)	–	(739)	258	(1,465)	1,357	6,091
Balance at end of period	2,319	17,255	1,180	214	20,970	7,057	94,214

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,070	2,074	56,957	(916)	66,186
Changes during period					
Dividends of surplus			(1,528)		(1,528)
Profit attributable to owners of parent			3,728		3,728
Purchase of treasury shares				(703)	(703)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					
Total changes during period	–	0	2,199	(703)	1,495
Balance at end of period	8,070	2,074	59,156	(1,619)	67,682

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,319	17,255	1,180	214	20,970	7,057	94,214
Changes during period							
Dividends of surplus							(1,528)
Profit attributable to owners of parent							3,728
Purchase of treasury shares							(703)
Disposal of treasury shares							0
Net changes in items other than shareholders' equity	(2,158)	–	59	282	(1,816)	730	(1,086)
Total changes during period	(2,158)	–	59	282	(1,816)	730	409
Balance at end of period	161	17,255	1,239	496	19,153	7,788	94,624



# Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	13,291	7,100
Depreciation	9,586	9,499
Loss on disaster	208	—
Impairment loss	20	42
Loss (gain) on valuation of investment securities	—	91
Increase (decrease) in allowance for doubtful accounts	77	0
Increase (decrease) in provision for bonuses	248	(393)
Increase (decrease) in provision for bonuses for directors (and other officers)	12	(49)
Increase (decrease) in retirement benefit liability	120	400
Decrease (increase) in retirement benefit asset	(222)	(4)
Interest and dividend income	(218)	(249)
Interest expenses	338	319
Gain on sales of Property, plant and equipment	(19)	(8)
Loss on sales of Property, plant and equipment	109	0
Loss on retirement of property, plant and equipment	56	126
Decrease (increase) in trade receivables	(851)	4,935
Increase (decrease) in trade payables	(2,459)	(2,389)
Decrease (increase) in inventories	(45)	1,675
Other, net	(370)	298
Subtotal	19,884	21,396
Interest and dividends received	216	250
Interest paid	(338)	(321)
Income taxes refund	31	64
Income taxes paid	(2,975)	(2,937)
Proceeds from insurance income	6	14
Net cash provided by (used in) operating activities	16,825	18,466
Cash flows from investing activities		
Payments into time deposits	(3)	(3)
Proceeds from withdrawal of time deposits	2	2
Purchase of property, plant and equipment	(7,190)	(9,461)
Proceeds from sales of property, plant and equipment	79	14
Purchase of investment securities	(33)	(36)
Loan advances	(85)	(7)
Collection of loans receivable	10	10
Other, net	(198)	(214)
Net cash provided by (used in) investing activities	(7,419)	(9,695)

	(Millions of yen)	
	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,904)	(774)
Proceeds from long-term borrowings	522	734
Repayments of long-term borrowings	(1,620)	(1,406)
Purchase of treasury shares	(1)	(703)
Dividends paid to non-controlling interests	(938)	(1,376)
Dividends paid	(1,366)	(1,528)
Amortization by purchase of convertible bond with stock acquisition rights	(10,000)	—
Other, net	(142)	(56)
Net cash provided by (used in) financing activities	(15,450)	(5,111)
Effect of exchange rate change on cash and cash equivalents	(26)	74
Net increase (decrease) in cash and cash equivalents	(6,071)	3,733
Cash and cash equivalents at beginning of period	24,611	18,539
Cash and cash equivalents at end of period	18,539	22,273

**Non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	11,654	15,490
Notes receivable - trade	3,342	1,984
Accounts receivable - trade	19,840	18,734
Work in process	5,572	3,548
Raw materials and supplies	672	748
Prepaid expenses	89	89
Income taxes receivable	—	352
Other	1,137	569
Total current assets	42,309	41,518
Non-current assets		
Property, plant and equipment		
Buildings	4,178	3,999
Structures	493	461
Machinery and equipment	6,192	6,371
Vehicles	64	49
Tools, furniture and fixtures	1,339	1,022
Land	29,017	29,126
Construction in progress	785	1,378
Total property, plant and equipment	42,072	42,408
Intangible assets		
Software	335	324
Other	19	4
Total intangible assets	354	329
Investments and other assets		
Investment securities	6,842	3,830
Shares of subsidiaries and associates	7,917	7,917
Investments in capital of subsidiaries and associates	4,319	4,319
Long-term loans receivable from subsidiaries and associates	1,712	1,679
Prepaid pension costs	2,130	2,135
Deferred tax assets	—	2
Other	282	232
Allowance for doubtful accounts	(74)	(76)
Total investments and other assets	23,130	20,042
Total non-current assets	65,558	62,780
Total assets	107,867	104,298

	(Millions of yen)	
	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes payable - trade	2	0
Accounts payable - trade	10,641	10,597
Electronically recorded obligations - operating	3,586	3,415
Lease obligations	1	1
Accounts payable - other	553	296
Accrued expenses	1,486	1,184
Income taxes payable	916	—
Advances received	161	199
Deposits received	3,130	3,084
Provision for bonuses	1,807	1,599
Provision for bonuses for directors (and other officers)	120	76
Other	799	1,066
Total current liabilities	23,207	21,521
Non-current liabilities		
Lease obligations	0	2
Deferred tax liabilities	702	—
Deferred tax liabilities for land revaluation	7,601	7,601
Provision for retirement benefits	538	524
Provision for environmental measures	101	83
Asset retirement obligations	339	332
Other	0	0
Total non-current liabilities	9,283	8,544
Total liabilities	32,490	30,065
Net assets		
Shareholders' equity		
Share capital	8,070	8,070
Capital surplus		
Legal capital surplus	2,074	2,074
Other capital surplus	—	0
Total capital surpluses	2,074	2,074
Retained earnings		
Legal retained earnings	25	25
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	24	22
General reserve	11,000	11,000
Retained earnings brought forward	35,554	37,231
Total retained earnings	46,604	48,280
Treasury shares	(916)	(1,619)
Total shareholders' equity	55,832	56,805
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,288	171
Revaluation reserve for land	17,255	17,255
Total valuation and translation adjustments	19,544	17,427
Total net assets	75,377	74,233
Total liabilities and net assets	107,867	104,298

# Non-consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	112,500	106,419
Cost of sales	99,093	97,023
Gross profit	13,407	9,396
Selling, general and administrative expenses		
Delivery expenses of finished goods	1,314	1,150
Employees' salaries and allowances	2,159	2,251
Employees' bonuses	382	378
Provision for bonuses	449	385
Provision for bonuses for directors (and other officers)	120	76
Retirement benefit expenses	203	195
Welfare expenses	668	647
Depreciation	118	130
Research and development expenses	329	300
Other	1,335	1,329
Total selling, general and administrative expenses	7,080	6,845
Operating profit	6,326	2,550
Non-operating income		
Interest income	71	64
Dividend income	1,327	1,925
Rental income from non-current assets	94	92
Foreign exchange gains	66	—
Other	27	21
Total non-operating income	1,587	2,104
Non-operating expenses		
Interest expenses	17	17
Commitment fee	32	30
Foreign exchange losses	—	108
Settlement package	—	30
Other	44	13
Total non-operating expenses	94	199
Ordinary profit	7,819	4,454
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on insurance claims	6	10
Total extraordinary income	6	10
Extraordinary losses		
Loss on retirement of non-current assets	43	46
Loss on valuation of investment securities	—	91
Loss on disaster	167	—
Impairment loss	20	42
Total extraordinary losses	231	181
Profit before income taxes	7,594	4,284
Income taxes - current	2,082	956
Income taxes - deferred	5	123
Total income taxes	2,088	1,079
Profit	5,505	3,204

# Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity										
	Share capital	Capital surplus			Retained earnings					Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings		
						Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward			
Balance at beginning of period	8,070	2,074	0	2,075	25	29	11,000	31,693	42,748	(1,199)	51,694
Changes during period											
Reversal of reserve for tax purpose reduction entry of non-current assets						(5)		5	—		—
Dividends of surplus								(1,366)	(1,366)		(1,366)
Profit								5,505	5,505		5,505
Purchase of treasury shares										(1)	(1)
Disposal of treasury shares			(0)	(0)				(284)	(284)	284	—
Net changes in items other than shareholders' equity											
Total changes during period	—	—	(0)	(0)	—	(5)	—	3,861	3,855	283	4,138
Balance at end of period	8,070	2,074	—	2,074	25	24	11,000	35,554	46,604	(916)	55,832

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	3,248	17,255	20,504	72,198
Changes during period				
Reversal of reserve for tax purpose reduction entry of non-current assets				—
Dividends of surplus				(1,366)
Profit				5,505
Purchase of treasury shares				(1)
Disposal of treasury shares				—
Net changes in items other than shareholders' equity	(960)	—	(960)	(960)
Total changes during period	(960)	—	(960)	3,178
Balance at end of period	2,288	17,255	19,544	75,377

	Shareholders' equity										
	Share capital	Capital surplus			Retained earnings					Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings		
						Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward			
Balance at beginning of period	8,070	2,074	–	2,074	25	24	11,000	35,554	46,604	(916)	55,832
Changes during period											
Reversal of reserve for tax purpose reduction entry of non-current assets						(1)		1	–		–
Dividends of surplus								(1,528)	(1,528)		(1,528)
Profit								3,204	3,204		3,204
Purchase of treasury shares										(703)	(703)
Disposal of treasury shares			0	0						0	0
Net changes in items other than shareholders' equity											
Total changes during period	–	–	0	0	–	(1)	–	1,677	1,675	(703)	972
Balance at end of period	8,070	2,074	0	2,074	25	22	11,000	37,231	48,280	(1,619)	56,805



	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	2,288	17,255	19,544	75,377
Changes during period				
Reversal of reserve for tax purpose reduction entry of non-current assets				—
Dividends of surplus				(1,528)
Profit				3,204
Purchase of treasury shares				(703)
Disposal of treasury shares				0
Net changes in items other than shareholders' equity	(2,116)	—	(2,116)	(2,116)
Total changes during period	(2,116)	—	(2,116)	(1,144)
Balance at end of period	171	17,255	17,427	74,233