

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

February 7, 2022

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 to file Quarterly Securities Report: February 7, 2022
 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, 2021 (from April 1, 2021 to December 31, 2021)

(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, 2021 | 110,808 | – | 7,997 | – | 7,900 | – | 4,045 | – |
| Nine months ended December 31, 2020 | 105,398 | (31.8) | 296 | (93.7) | 389 | (91.9) | (1,701) | – |

| | Earnings per share | Diluted earnings per share |
|-------------------------------------|--------------------|----------------------------|
| | Yen | Yen |
| Nine months ended December 31, 2021 | 37.45 | – |
| Nine months ended December 31, 2020 | (15.69) | – |

Note: From the beginning of the 1st quarter of the current fiscal year ending March 31, 2022, the Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29). The figures for the 1st quarter of the current fiscal year above include the effects of the said standards. Accordingly, percentages of changes from the same period of the previous fiscal year are not indicated.

(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, 2021 | 159,790 | 98,558 | 57.0 | 859.69 |
| As of March 31, 2021 | 152,609 | 95,604 | 58.3 | 820.51 |

Note: From the beginning of the 1st quarter of the current fiscal year ending March 31, 2022, the Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29). The figures for the 1st quarter of the current fiscal year above include the effects of the said standards.

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, 2021 | – | 0.00 | – | 7.50 | 7.50 |
| Year ending March 31, 2022 | – | 9.50 | – | | |
| Year ending March 31, 2022 (Forecast) | | | | 9.50 | 19.00 |

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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 | 157,400 | – | 12,000 | – | 11,700 | – | 6,600 | – | 61.45 |

Note: From the beginning of the year ending March 31, 2022, the Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29). Forecast of consolidated financial results above include the effects of the said standards. Accordingly, percentages of changes from the same period of the previous fiscal year are not indicated.

The Company resolved acquisition and cancellation of treasury stock at the Board of Directors held on November 5, 2021. As a result, the Company completed the acquisition of 2,994,700 shares by January 13, 2022. In the “Earnings per share” of the forecast, the impact of the acquisition and cancellation of treasury stock is taken into account.

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2021
(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: | Yes |
| 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, 2021 | 114,009,770 shares | As of March 31, 2021 | 114,009,770 shares |
|-------------------------|--------------------|----------------------|--------------------|

Number of treasury shares at the end of the period

| | | | |
|-------------------------|------------------|----------------------|------------------|
| As of December 31, 2021 | 7,998,801 shares | As of March 31, 2021 | 5,609,495 shares |
|-------------------------|------------------|----------------------|------------------|

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

| | | | |
|-------------------------------------|--------------------|-------------------------------------|--------------------|
| Nine months ended December 31, 2021 | 108,011,354 shares | Nine months ended December 31, 2020 | 108,400,902 shares |
|-------------------------------------|--------------------|-------------------------------------|--------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2021 | As of December 31, 2021 |
|---|----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 17,151 | 18,540 |
| Notes and accounts receivable - trade | 34,360 | 31,871 |
| Merchandise and finished goods | 1,381 | 1,410 |
| Work in process | 12,644 | 14,917 |
| Raw materials and supplies | 1,748 | 1,587 |
| Income taxes receivable | 10 | 5 |
| Other | 1,653 | 4,711 |
| Allowance for doubtful accounts | – | (13) |
| Total current assets | 68,950 | 73,030 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 11,499 | 11,805 |
| Machinery, equipment and vehicles, net | 17,127 | 16,485 |
| Land | 32,223 | 32,209 |
| Other, net | 10,949 | 13,560 |
| Total property, plant and equipment | 71,800 | 74,060 |
| Intangible assets | | |
| Other | 637 | 609 |
| Total intangible assets | 637 | 609 |
| Investments and other assets | | |
| Deferred tax assets | 636 | 847 |
| Retirement benefit asset | 3,571 | 3,680 |
| Investment and other assets | 7,089 | 7,637 |
| Allowance for doubtful accounts | (76) | (76) |
| Total investments and other assets | 11,221 | 12,089 |
| Total non-current assets | 83,658 | 86,759 |
| Total assets | 152,609 | 159,790 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 24,176 | 25,023 |
| Short-term borrowings | 7,213 | 7,753 |
| Income taxes payable | 366 | 1,003 |
| Provision for bonuses | 2,637 | 1,665 |
| Provisions | 77 | 80 |
| Other | 7,238 | 10,463 |
| Total current liabilities | 41,709 | 45,990 |
| Non-current liabilities | | |
| Long-term borrowings | 2,571 | 2,225 |
| Deferred tax liabilities | 1,870 | 2,131 |
| Deferred tax liabilities for land revaluation | 7,601 | 7,601 |
| Provisions | 205 | 181 |
| Retirement benefit liability | 2,115 | 2,174 |
| Asset retirement obligations | 404 | 405 |
| Other | 526 | 521 |
| Total non-current liabilities | 15,295 | 15,241 |
| Total liabilities | 57,005 | 61,231 |

(Millions of yen)

| | As of March 31, 2021 | As of December 31, 2021 |
|---|----------------------|-------------------------|
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 8,070 | 8,070 |
| Capital surplus | 2,074 | 2,074 |
| Retained earnings | 59,941 | 62,143 |
| Treasury shares | (1,619) | (2,562) |
| Total shareholders' equity | 68,466 | 69,725 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,561 | 1,938 |
| Revaluation reserve for land | 17,255 | 17,255 |
| Foreign currency translation adjustment | 629 | 1,183 |
| Remeasurements of defined benefit plans | 1,031 | 1,032 |
| Total accumulated other comprehensive income | 20,477 | 21,410 |
| Non-controlling interests | 6,660 | 7,422 |
| Total net assets | 95,604 | 98,558 |
| Total liabilities and net assets | 152,609 | 159,790 |

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, 2020 | Nine months ended December 31, 2021 |
|---|--|--|
| Net sales | 105,398 | 110,808 |
| Cost of sales | 95,998 | 93,213 |
| Gross profit | 9,400 | 17,594 |
| Selling, general and administrative expenses | 9,103 | 9,596 |
| Operating profit | 296 | 7,997 |
| Non-operating income | | |
| Interest income | 18 | 17 |
| Dividend income | 126 | 186 |
| Rental income from non-current assets | 53 | 49 |
| Other | 149 | 35 |
| Total non-operating income | 348 | 289 |
| Non-operating expenses | | |
| Interest expenses | 162 | 109 |
| Foreign exchange losses | 64 | 249 |
| Other | 27 | 28 |
| Total non-operating expenses | 255 | 387 |
| Ordinary profit | 389 | 7,900 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 11 | 13 |
| Gain on sale of investment securities | – | 41 |
| Gain on insurance claims | 1 | – |
| Total extraordinary income | 13 | 55 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | 3 | 0 |
| Loss on retirement of non-current assets | 51 | 185 |
| Impairment losses | 73 | – |
| Loss on valuation of investment securities | 161 | – |
| Provision for environmental measures | 179 | – |
| Loss on liquidation of subsidiaries | – | 605 |
| Loss on COVID19 | 1,612 | – |
| Total extraordinary losses | 2,082 | 791 |
| Profit (loss) before income taxes | (1,679) | 7,163 |
| Income taxes - current | 670 | 1,713 |
| Income taxes - deferred | (320) | (144) |
| Total income taxes | 349 | 1,568 |
| Profit (loss) | (2,028) | 5,594 |
| Profit (loss) attributable to non-controlling interests | (327) | 1,549 |
| Profit (loss) attributable to owners of parent | (1,701) | 4,045 |

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Nine months ended December 31, 2020 | Nine months ended December 31, 2021 |
|--|--|--|
| Profit (loss) | (2,028) | 5,594 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 817 | 377 |
| Foreign currency translation adjustment | (1,430) | 329 |
| Remeasurements of defined benefit plans, net of tax | 74 | 1 |
| Total other comprehensive income | (538) | 707 |
| Comprehensive income | (2,566) | 6,302 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | (1,627) | 4,978 |
| Comprehensive income attributable to non-controlling interests | (939) | 1,323 |