

Translation

Notice: This document is a 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 Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 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: November 7, 2022  
 Scheduled date to commence dividend payments: December 2, 2022  
 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, 2022 (from April 1, 2022 to September 30, 2022)

(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, 2022	87,536	15.9	5,016	(8.3)	5,704	5.3	3,930	18.9
Six months ended September 30, 2021	75,521	—	5,471	—	5,415	—	3,306	—

Note: Comprehensive income For the six months ended September 30, 2022: ¥8,859 million [50.8%]  
 For the six months ended September 30, 2021: ¥5,875 million [—%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	37.76	—
Six months ended September 30, 2021	30.50	—

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter of the previous fiscal year, each figure for the six months ended September 30, 2021, is the figure after applying the accounting standard, etc., and the percentage of year-on-year change is not shown.

(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, 2022	177,396	108,808	56.1	965.59
As of March 31, 2022	172,617	103,219	54.9	899.34

Reference: Equity  
 As of September 30, 2022: ¥99,568 million  
 As of March 31, 2022: ¥94,794 million

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, 2022	—	9.50	—	10.50	20.00
Year ending March 31, 2023	—	10.50	—	—	—
Year ending March 31, 2023 (Forecast)	—	—	—	10.50	21.00

Note: Revisions to the forecast of cash dividends most recently announced: No

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	185,600	16.0	12,100	(2.6)	12,900	1.8	7,600	6.9	73.33

Note: Revisions to the forecast of financial results most recently announced: Yes

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022  
(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, 2022	108,594,270 shares	As of March 31, 2022	111,015,070 shares
--------------------------	--------------------	----------------------	--------------------

Number of treasury shares at the end of the period

As of September 30, 2022	5,477,445 shares	As of March 31, 2022	5,610,620 shares
--------------------------	------------------	----------------------	------------------

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

Six months ended September 30, 2022	104,088,283 shares	Six months ended September 30, 2021	108,399,888 shares
-------------------------------------	--------------------	-------------------------------------	--------------------

\* Quarterly financial summary is not subject to the quarterly review procedures by certified public accountants or auditing firms.

\* Explanation regarding appropriate use of business forecasts and other special instructions

The projections contained in this document are based on information currently available to the Company and certain assumptions that are deemed to be reasonable, and the Company does not intend to guarantee their achievement. Actual results may differ significantly as a consequence of various factors. Please refer to "1. Qualitative information on financial results for the six months ended September 30, 2022,

(1) Explanation of operating results" on page 2 of the attached materials for the conditions that form the assumptions for the business forecasts.

## Attached Material

1. Qualitative information on financial results for the six months ended September 30, 2022 .....	2
(1) Explanation of operating results.....	2
(2) Explanation of financial position .....	3
(3) Explanation of consolidated financial results forecast and other forward-looking statements .....	3
2. Quarterly consolidated financial statements .....	4
(1) Consolidated balance sheets.....	4
(2) Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative) .....	6
Consolidated statements of income (cumulative) .....	6
Consolidated statements of comprehensive income (cumulative) .....	7
(3) Consolidated statements of cash flows .....	8
(4) Notes to quarterly consolidated financial statements.....	9
(Notes on premise of going concern).....	9
(Notes on significant changes in the amount of shareholders' equity) .....	9
(Segment information).....	9

# 1. Qualitative information on financial results for the six months ended September 30, 2022

## (1) Explanation of operating results

In the six months ended September 30, 2022, the outlook for the truck and construction machinery business environment in Japan and overseas was uncertain as a result of Chinese lockdowns, the shortage of semiconductors, ongoing restrictions on parts supply due notably to logistical disruptions, as well as factors such as soaring energy costs and resource prices due to the situation in Europe.

As its manufacturing activities were also greatly affected at all bases, the Group promoted a re-evaluation of the production system as well as rationalization activities, and strived to secure revenues.

As a result of the above, in the six months ended September 30, 2022, affected by factors such as the rapidly weakening yen, rising raw material prices, and soaring energy costs, the Company recorded net sales of 87,536 million yen (up 15.9% year on year) operating profit of 5,016 million yen (down 8.3% year on year), ordinary profit of 5,704 million yen (up 5.3% year on year) and profit attributable to owners of parent of 3,930 million yen (up 18.9% year on year).

Business performance by segment is as follows.

### (Automotive-Related Business)

The business environment and business performance in Japan and overseas in this segment was as follows.

[Japan]

Domestic demand for heavy- and medium-duty trucks decreased by 15,300 vehicles year on year, to 25,300 vehicles, and domestic demand for light-duty trucks decreased by 8,700 vehicles year on year, to 32,500 vehicles. Domestic production decreased year on year although exports of both heavy- and medium-duty trucks and light-duty trucks increased year on year.

[Thailand]

Due to increased domestic demand and exports of 1-ton pick-up trucks, production increased year on year at the TSPK-Group.

[U.S.A.]

Production at PK U.S.A., INC. increased year on year due to new start-ups and so forth, despite a decrease in domestic demand.

[Indonesia]

Owing to increased domestic demand and exports of commercial vehicles, production increased significantly year on year at PT. PK Manufacturing Indonesia.

[Sweden]

While demand within Europe for commercial vehicles was on the same level as the same period of the previous fiscal year, ordered products performed well. As a result, the production increased year on year at PRESS KOGYO SWEDEN AB.

As a result of the above, net sales in this segment amounted to 71,675 million yen (up 22.4% year on year) and segment profit amounted to 6,593 million yen (up 10.2% year on year).

### (Construction Machinery-Related Business)

The business environment and business performance in Japan and overseas in this segment was as follows.

[Japan]

Production at KYOWA MFG. CO. LTD. increased year on year with strong performance in mining machinery but fell at the Company's Onomichi Plant.

[China]

Production at PRESS KOGYO MINI CABIN (SUZHOU) CO., LTD. decreased year on year due to sluggish domestic demand. PM CABIN MANUFACTURING CO., LTD. was dissolved on September 28, 2021, and is currently in liquidation.

As a result of the above, net sales in this segment amounted to 15,832 million yen (down 7.0% year on year) and segment profit amounted to 96 million yen (down 90.5% year on year).

**(2) Explanation of financial position**

Total assets at the end of the first six months ended September 30, 2022 were 177,396 million yen, an increase of 4,778 million yen from the end of the previous fiscal year. The main factor was an increase in machinery, equipment and vehicles, net.

Total liabilities were 68,587 million yen, a decrease of 810 million yen from the end of the previous fiscal year. The main factor was a decrease in short-term borrowings.

Net assets were 108,808 million yen, an increase of 5,588 million yen from the end of the previous fiscal year. The main factor was an increase in foreign currency translation adjustment.

As a result, the equity ratio was 56.1%.

**(3) Explanation of consolidated financial results forecast and other forward-looking statements**

For details on the consolidated forecasts for the fiscal year ending March 31, 2023, please refer to the “Notice Concerning Revisions to the Full-Year Consolidated Financial Results Forecast for Fiscal Year Ending March 31, 2023 (in Japanese only)” announced today (November 7, 2022).

## 2. Quarterly consolidated financial statements

### (1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	21,569	21,650
Notes and accounts receivable - trade	44,252	39,023
Merchandise and finished goods	1,384	1,973
Work in process	11,228	14,277
Raw materials and supplies	1,664	1,914
Income taxes refund receivable	31	6
Other	4,240	5,134
Allowance for doubtful accounts	(12)	(2)
Total current assets	84,359	83,977
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,011	13,040
Machinery, equipment and vehicles, net	15,815	19,149
Land	32,263	32,487
Other, net	14,269	14,740
Total property, plant and equipment	74,359	79,418
Intangible assets		
Other	588	574
Total intangible assets	588	574
Investments and other assets		
Deferred tax assets	1,294	1,402
Retirement benefit asset	3,745	3,809
Investments and other assets	8,350	8,292
Allowance for doubtful accounts	(79)	(76)
Total investments and other assets	13,311	13,427
Total non-current assets	88,258	93,419
<b>Total assets</b>	<b>172,617</b>	<b>177,396</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	28,959	29,934
Short-term borrowings	11,865	10,405
Income taxes payable	2,184	962
Provision for bonuses	3,285	2,605
Provisions	163	61
Other	8,277	9,456
Total current liabilities	54,736	53,426
Non-current liabilities		
Long-term borrowings	1,804	1,950
Deferred tax liabilities	2,075	2,072
Deferred tax liabilities for land revaluation	7,601	7,601
Provisions	171	169
Retirement benefit liability	2,147	2,370
Asset retirement obligations	405	405
Other	455	591
Total non-current liabilities	14,661	15,161
<b>Total liabilities</b>	<b>69,398</b>	<b>68,587</b>

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Net assets		
Shareholders' equity		
Share capital	8,070	8,070
Capital surplus	2,074	2,074
Retained earnings	64,224	66,200
Treasury shares	(1,838)	(1,936)
Total shareholders' equity	72,530	74,409
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,192	2,298
Revaluation reserve for land	17,255	17,255
Foreign currency translation adjustment	1,760	4,617
Remeasurements of defined benefit plans	1,055	987
Total accumulated other comprehensive income	22,263	25,159
Non-controlling interests	8,425	9,240
Total net assets	103,219	108,808
Total liabilities and net assets	172,617	177,396

**(2) 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, 2021	Six months ended September 30, 2022
Net sales	75,521	87,536
Cost of sales	63,497	75,247
Gross profit	12,023	12,289
Selling, general and administrative expenses	6,552	7,272
Operating profit	5,471	5,016
Non-operating income		
Interest income	11	8
Dividend income	88	158
Rental income from non-current assets	33	28
Foreign exchange gains	–	590
Other	28	20
Total non-operating income	162	805
Non-operating expenses		
Interest expenses	72	99
Foreign exchange losses	125	–
Other	19	18
Total non-operating expenses	217	117
Ordinary profit	5,415	5,704
Extraordinary income		
Gain on sale of non-current assets	13	15
Gain on liquidation of subsidiaries and associates	–	885
Total extraordinary income	13	900
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	39	8
Loss on valuation of investment securities	–	151
Total extraordinary losses	39	160
Profit before income taxes	5,390	6,444
Income taxes - current	1,178	1,488
Income taxes - deferred	(288)	46
Total income taxes	890	1,534
Profit	4,499	4,910
Profit attributable to non-controlling interests	1,193	979
Profit attributable to owners of parent	3,306	3,930



**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	4,499	4,910
Other comprehensive income		
Valuation difference on available-for-sale securities	557	106
Foreign currency translation adjustment	811	3,911
Remeasurements of defined benefit plans, net of tax	6	(67)
Total other comprehensive income	1,375	3,949
Comprehensive income	5,875	8,859
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,634	6,825
Comprehensive income attributable to non-controlling interests	1,240	2,033

**(3) Consolidated statements of cash flows**

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	5,390	6,444
Depreciation	4,836	4,894
Increase (decrease) in provision for bonuses	(374)	(839)
Increase (decrease) in retirement benefit liability	77	51
Decrease (increase) in retirement benefit asset	(72)	(161)
Interest and dividend income	(100)	(166)
Interest expenses	72	99
Loss (gain) on sale of property, plant and equipment	(13)	(15)
Loss on retirement of property, plant and equipment	39	8
Loss (gain) on valuation of investment securities	–	151
Loss (gain) on liquidation of subsidiaries and associates	–	(885)
Decrease (increase) in trade receivables	3,047	7,957
Decrease (increase) in inventories	(320)	(2,603)
Increase (decrease) in trade payables	(364)	(661)
Other, net	(1,928)	(751)
Subtotal	10,288	13,523
Interest and dividends received	100	167
Interest paid	(74)	(92)
Income taxes refund	5	29
Income taxes paid	(652)	(2,721)
Net cash provided by (used in) operating activities	9,667	10,905
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4,463)	(5,266)
Proceeds from sale of property, plant and equipment	13	17
Purchase of investment securities	(18)	(30)
Proceeds from liquidation of subsidiaries and associates	–	949
Other, net	(76)	(69)
Net cash provided by (used in) investing activities	(4,544)	(4,398)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(253)	(2,894)
Proceeds from long-term borrowings	10	200
Repayments of long-term borrowings	(529)	(611)
Purchase of treasury shares	(0)	(1,000)
Dividends paid to non-controlling interests	(561)	(1,218)
Dividends paid	(813)	(1,106)
Other, net	(7)	(40)
Net cash provided by (used in) financing activities	(2,155)	(6,672)
Effect of exchange rate change on cash and cash equivalents	71	244
Net increase (decrease) in cash and cash equivalents	3,039	79
Cash and cash equivalents at beginning of period	17,132	21,555
Cash and cash equivalents at end of period	20,171	21,634

#### (4) Notes to quarterly consolidated financial statements

##### (Notes on premise of going concern)

Not applicable.

##### (Notes on significant changes in the amount of shareholders' equity)

###### 1) Acquisition of treasury shares

The Company acquired 2,420,800 treasury shares in accordance with a resolution at the Board of Directors meeting held on May 13, 2022. As a result, treasury shares increased by 1,000 million yen in the six months ended September 30, 2022, including acquisitions by purchase of shares less than one unit.

###### 2) Cancellation of treasury shares

The Company canceled 2,420,800 treasury shares on September 30, 2022 in accordance with a resolution at the Board of Directors meeting held on May 13, 2022. As a result, during the six months ended September 30, 2022, capital surplus, retained earnings and treasury shares decreased by 7 million yen, 847 million yen and 855 million yen, respectively.

As a result of the above, as of September 30, 2022, capital surplus, retained earnings and treasury shares were 2,074 million yen, 66,200 million yen and 1,936 million yen, respectively.

##### (Segment information)

[Segment information]

I Six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

###### 1. Information on the amounts of net sales, and profit or loss by reportable segment

(Millions of yen)

	Reportable segments			Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded on the quarterly consolidated statements of income (Note 3)
	Automotive- Related Business	Construc- tion Machinery- Related Business	Total				
Net sales							
Sales to external customers	58,070	16,117	74,188	1,333	75,521	–	75,521
Intersegment sales or transfers	492	902	1,395	–	1,395	(1,395)	–
Total	58,563	17,019	75,583	1,333	76,916	(1,395)	75,521
Segment profit	5,981	1,015	6,996	94	7,090	(1,619)	5,471

Notes: 1. "Other" segment is a business segment that is not included in the reportable segments and includes the automated parking system business, etc.

2. Adjustments to segment profit of (1,619) million yen include intersegment transaction eliminations of 0 million yen and corporate expenses not allocated to each reportable segment of (1,620) million yen. Corporate expenses mainly consist of general and administrative expenses of holding companies not attributable to the reportable segments.

3. Segment profit is adjusted to the operating profit recorded on the quarterly consolidated statements of income.

II Six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

1. Information on the amounts of net sales, and profit or loss by reportable segment

(Millions of yen)

	Reportable segments			Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded on the quarterly consolidated statements of income (Note 3)
	Automotive- Related Business	Construc- tion Machinery- Related Business	Total				
Net sales							
Sales to external customers	71,414	14,869	86,283	1,252	87,536	–	87,536
Intersegment sales or transfers	260	963	1,223	–	1,223	(1,223)	–
Total	71,675	15,832	87,507	1,252	88,760	(1,223)	87,536
Segment profit	6,593	96	6,690	50	6,741	(1,724)	5,016

Notes: 1. “Other” segment is a business segment that is not included in the reportable segments and includes the automated parking system business, etc.

2. Adjustments to segment profit of (1,724) million yen include intersegment transaction eliminations of 2 million yen and corporate expenses not allocated to each reportable segment of (1,727) million yen. Corporate expenses mainly consist of general and administrative expenses of holding companies not attributable to the reportable segments.

3. Segment profit is adjusted to the operating profit recorded on the quarterly consolidated statements of income.