

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended June 30, 2018 (Based on Japanese GAAP)

August 10, 2018

Company name: PCI Holdings, Inc.
 Stock exchange listing: Tokyo
 Stock code: 3918 URL <http://www.pci-h.co.jp/>
 Representative: President Naomichi Haraguchi
 Director and General Manager of Corporate Planning Headquarters Naohiro Iguchi TEL 03-6858-0530
 Inquiries: Naohiro Iguchi
 Scheduled date to file Quarterly Securities Report: August 14, 2018
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 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 June 30, 2018 (from October 1, 2017 to June 30, 2018)

(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 June 30, 2018	10,746	31.0	561	(4.6)	596	0.7	326	(15.2)
Nine months ended June 30, 2017	8,201	30.9	589	21.4	592	19.3	384	14.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended June 30, 2018	79.43		79.10	
Nine months ended June 30, 2017	102.39		101.36	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2018	8,724	4,888	56.0	1,163.17
As of September 30, 2017	6,530	3,433	52.6	908.42

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 September 30, 2017	–	0.00	–	50.00	50.00
Year ending September 30, 2018	–	0.00	–		
Year ending September 30, 2018 (Forecast)				50.00	50.00

3. Forecast of consolidated financial results for the year ending September 30, 2018 (from October 1, 2017 to September 30, 2018)

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	14,300	25.5	730	1.8	762	4.9	455	0.9	110.18

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended June 30, 2018
 (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 June 30, 2018	4,250,200 shares	As of September 30, 2017	3,781,600 shares
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Number of treasury shares at the end of the period

As of June 30, 2018	47,876 shares	As of September 30, 2017	1,450 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended June 30, 2018	4,104,866 shares	Nine months ended June 30, 2017	3,754,670 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of September 30, 2017	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	1,935,375	2,162,101
Notes and accounts receivable - trade	2,673,405	2,913,344
Electronically recorded monetary claims - operating	189,143	212,476
Inventories	91,828	141,412
Other	505,474	391,598
Total current assets	5,395,226	5,820,932
Non-current assets		
Property, plant and equipment	118,181	315,175
Intangible assets		
Goodwill	100,422	1,221,718
Other	74,966	244,023
Total intangible assets	175,388	1,465,741
Investments and other assets	841,023	1,120,092
Total non-current assets	1,134,593	2,901,008
Deferred assets	223	2,231
Total assets	6,530,044	8,724,172
Liabilities		
Current liabilities		
Accounts payable - trade	695,217	765,906
Short-term loans payable	65,000	–
Current portion of bonds	120,000	237,500
Current portion of long-term loans payable	69,833	95,436
Accounts payable - other	647,991	378,147
Income taxes payable	225,658	39,524
Provision for bonuses	94,005	309,056
Provision for directors' bonuses	10,600	13,872
Provision for loss on order received	–	123
Asset retirement obligations	33,488	1,670
Other	601,893	771,480
Total current liabilities	2,563,688	2,612,719
Non-current liabilities		
Bonds payable	290,000	393,750
Long-term loans payable	–	237,987
Provision for directors' retirement benefits	92,193	351,814
Net defined benefit liability	126,089	135,399
Asset retirement obligations	14,834	76,319
Other	9,265	27,541
Total non-current liabilities	532,382	1,222,812
Total liabilities	3,096,071	3,835,531

(Thousands of yen)

	As of September 30, 2017	As of June 30, 2018
Net assets		
Shareholders' equity		
Capital stock	1,043,541	1,043,680
Deposit for subscriptions to shares	–	278
Capital surplus	1,181,881	2,649,201
Retained earnings	1,206,521	1,343,578
Treasury shares	(980)	(150,930)
Total shareholders' equity	3,430,963	4,885,807
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,008	2,499
Total accumulated other comprehensive income	3,008	2,499
Non-controlling interests	–	333
Total net assets	3,433,972	4,888,640
Total liabilities and net assets	6,530,044	8,724,172

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended June 30, 2017	Nine months ended June 30, 2018
Net sales	8,201,903	10,746,975
Cost of sales	6,234,800	7,810,686
Gross profit	1,967,102	2,936,289
Selling, general and administrative expenses	1,378,011	2,374,489
Operating profit	589,091	561,799
Non-operating income		
Interest and dividend income	193	12,227
Subsidy income	1,900	29,748
Other	3,916	5,918
Total non-operating income	6,009	47,894
Non-operating expenses		
Interest expenses	1,216	9,555
Commission fee	1,234	2,111
Other	52	1,291
Total non-operating expenses	2,502	12,959
Ordinary profit	592,598	596,734
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	–	99,835
Other	–	0
Total extraordinary income	–	99,835
Extraordinary losses		
Loss on retirement of non-current assets	310	1,572
Loss on valuation of investment securities	–	136,647
Head office transfer cost	–	16,561
Other	–	1,540
Total extraordinary losses	310	156,320
Profit before income taxes	592,287	540,249
Income taxes - current	226,417	232,162
Income taxes - deferred	(18,552)	(17,311)
Total income taxes	207,864	214,851
Profit	384,422	325,398
Loss attributable to non-controlling interests	–	(666)
Profit attributable to owners of parent	384,422	326,064

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended June 30, 2017	Nine months ended June 30, 2018
Profit	384,422	325,398
Other comprehensive income		
Valuation difference on available-for-sale securities	—	(509)
Total other comprehensive income	—	(509)
Comprehensive income	384,422	324,889
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	384,422	325,555
Comprehensive income attributable to non-controlling interests	—	(666)