

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended June 30, 2019 (Based on Japanese GAAP)

August 9, 2019

Company name: PCI Holdings, Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 3918 URL <https://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, 2019  
 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, 2019 (from October 1, 2018 to June 30, 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 June 30, 2019	11,885	10.6	475	(15.4)	485	(18.6)	251	(22.9)
Nine months ended June 30, 2018	10,746	31.0	561	(4.6)	596	0.7	326	(15.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended June 30, 2019	60.46		–	
Nine months ended June 30, 2018	79.43		79.10	

(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, 2019	10,896	4,756	42.3	1,121.91
As of September 30, 2018	9,249	5,162	54.8	1,204.60

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended September 30, 2018	–	0.00	–	55.00	55.00
Year ending September 30, 2019	–	30.00	–		
Year ending September 30, 2019 (Forecast)				30.00	60.00

3. Forecast of consolidated financial results for the year ending September 30, 2019 (from October 1, 2018 to September 30, 2019)

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	16,000	10.4	800	9.8	816	5.8	540	15.0	130.27

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended June 30, 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 June 30, 2019	4,261,200 shares	As of September 30, 2018	4,256,600 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	148,576 shares	As of September 30, 2018	47,876 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, 2019	4,156,070 shares	Nine months ended June 30, 2018	4,104,866 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of September 30, 2018	As of June 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	2,023,991	3,023,676
Notes and accounts receivable - trade	3,127,588	3,176,747
Electronically recorded monetary claims - operating	251,007	392,045
Inventories	127,782	311,179
Other	317,948	425,354
Total current assets	5,848,318	7,329,004
Non-current assets		
Property, plant and equipment	317,073	314,320
Intangible assets		
Goodwill	1,189,633	1,110,437
Other	247,020	359,556
Total intangible assets	1,436,653	1,469,994
Investments and other assets	1,645,229	1,782,147
Total non-current assets	3,398,956	3,566,461
Deferred assets	1,861	993
Total assets	9,249,136	10,896,459
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	859,115	895,215
Current portion of bonds	237,500	237,500
Current portion of long-term loans payable	95,436	575,436
Accounts payable - other	837,024	411,746
Income taxes payable	26,501	36,100
Provision for bonuses	179,980	274,129
Provision for directors' bonuses	3,000	11,566
Provision for loss on order received	289	4,519
Asset retirement obligations	1,610	934
Other	677,328	798,179
Total current liabilities	2,917,785	3,245,327
Non-current liabilities		
Bonds payable	343,750	156,250
Long-term loans payable	214,380	2,046,893
Provision for directors' retirement benefits	362,495	46,698
Net defined benefit liability	140,100	181,522
Asset retirement obligations	76,420	81,657
Other	31,297	381,158
Total non-current liabilities	1,168,442	2,894,179
Total liabilities	4,086,228	6,139,507

(Thousands of yen)

	As of September 30, 2018	As of June 30, 2019
Net assets		
Shareholders' equity		
Capital stock	1,045,165	1,046,232
Capital surplus	2,650,685	2,650,082
Retained earnings	1,487,264	1,383,672
Treasury shares	(150,930)	(386,410)
Total shareholders' equity	5,032,185	4,693,578
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	37,636	(79,579)
Total accumulated other comprehensive income	37,636	(79,579)
Non-controlling interests	93,086	142,954
Total net assets	5,162,908	4,756,952
Total liabilities and net assets	9,249,136	10,896,459

## 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, 2018	Nine months ended June 30, 2019
Net sales	10,746,975	11,885,426
Cost of sales	7,810,686	8,844,873
Gross profit	2,936,289	3,040,552
Selling, general and administrative expenses	2,374,489	2,565,445
Operating profit	561,799	475,107
Non-operating income		
Interest and dividend income	12,227	12,687
Subsidy income	29,748	8,343
Other	5,918	5,149
Total non-operating income	47,894	26,179
Non-operating expenses		
Interest expenses	9,555	8,965
Commission fee	2,111	1,991
Loss on investments in partnership	–	3,785
Other	1,291	872
Total non-operating expenses	12,959	15,614
Ordinary profit	596,734	485,672
Extraordinary income		
Gain on sales of non-current assets	0	6,519
Gain on donation of non-current assets	–	1,000
Gain on bargain purchase	–	24,228
Gain on sales of shares of subsidiaries and associates	99,835	–
Total extraordinary income	99,835	31,748
Extraordinary losses		
Loss on retirement of non-current assets	1,572	1,233
Loss on valuation of investment securities	136,647	63,352
Head office transfer cost	16,561	–
Other	1,540	–
Total extraordinary losses	156,320	64,586
Profit before income taxes	540,249	452,833
Income taxes - current	232,162	203,057
Income taxes - deferred	(17,311)	(13,782)
Total income taxes	214,851	189,274
Profit	325,398	263,559
Profit (loss) attributable to non-controlling interests	(666)	12,291
Profit attributable to owners of parent	326,064	251,267

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

(Thousands of yen)

	Nine months ended June 30, 2018	Nine months ended June 30, 2019
Profit	325,398	263,559
Other comprehensive income		
Valuation difference on available-for-sale securities	(509)	(117,216)
Total other comprehensive income	(509)	(117,216)
Comprehensive income	324,889	146,343
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	325,555	134,051
Comprehensive income attributable to non-controlling interests	(666)	12,291