

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 10, 2024

Company name: ARGO GRAPHICS Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 7595 URL <https://corp.argo-graph.co.jp>  
 Representative: Chairman and CEO Yoshimaro Fujisawa  
 Inquiries: Senior Managing Director Kunio Hasebe TEL 03-5641-2018  
 Scheduled date of ordinary general meeting of shareholders: June 20, 2024  
 Scheduled date to file Securities Report: June 21, 2024  
 Scheduled date to commence dividend payments: June 21, 2024  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

#### (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, 2024	59,511	11.6	9,173	18.0	9,686	18.1	6,520	20.3
Year ended March 31, 2023	53,347	15.5	7,774	17.8	8,200	18.1	5,420	20.0

	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, 2024	305.93	–	14.2	13.8	15.4
Year ended March 31, 2023	254.08	254.07	13.6	13.2	14.6

#### (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, 2024	75,053	52,441	66.8	2,353.14
As of March 31, 2023	65,502	43,941	63.8	1,961.49

#### (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, 2024	9,676	(935)	(1,871)	31,833
Year ended March 31, 2023	3,365	(1,949)	(1,846)	24,905

### 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, 2023	–	33.00	–	40.00	73.00	1,588	28.7	3.7
Year ended March 31, 2024	–	40.00	–	50.00	90.00	1,957	29.4	3.8
Year ending March 31, 2025 (Forecast)	–	50.00	–	50.00	100.00		32.1	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	62,600	5.2	9,540	4.0	10,000	3.2	6,630	1.7	311.08

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(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, 2024	22,354,000 shares	As of March 31, 2023	22,354,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	1,054,554 shares	As of March 31, 2023	1,035,061 shares
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Average number of shares during the period

Year ended March 31, 2024	21,312,520 shares	Year ended March 31, 2023	21,335,155 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	26,887,318	34,356,804
Notes and accounts receivable - trade, and contract assets	17,352,307	13,087,932
Electronically recorded monetary claims - operating	1,014,978	2,345,124
Investments in leases	44,883	8,591
Securities	1,200,000	500,000
Merchandise	1,954,789	1,861,825
Work in process	63,169	302,205
Raw materials and supplies	1,968	5,542
Other	1,883,504	1,414,582
<b>Total current assets</b>	<b>50,402,919</b>	<b>53,882,608</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	148,303	180,669
Accumulated depreciation	(54,197)	(56,912)
Buildings, net	94,105	123,756
Land	126,081	126,081
Other	602,820	641,739
Accumulated depreciation	(426,954)	(461,246)
Other, net	175,865	180,492
<b>Total property, plant and equipment</b>	<b>396,053</b>	<b>430,331</b>
<b>Intangible assets</b>		
Goodwill	448,841	486,797
Other	44,948	37,847
<b>Total intangible assets</b>	<b>493,790</b>	<b>524,645</b>
<b>Investments and other assets</b>		
Investment securities	13,261,760	19,090,259
Retirement benefit asset	–	8,807
Deferred tax assets	318,789	358,869
Other	628,940	758,228
<b>Total investments and other assets</b>	<b>14,209,491</b>	<b>20,216,164</b>
<b>Total non-current assets</b>	<b>15,099,335</b>	<b>21,171,140</b>
<b>Total assets</b>	<b>65,502,254</b>	<b>75,053,749</b>

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	10,995,113	9,514,446
Income taxes payable	1,379,401	1,715,723
Provision for bonuses	656,554	763,781
Provision for bonuses for directors (and other officers)	140,000	150,000
Advances received	3,030,379	3,061,611
Other	1,279,842	1,681,296
Total current liabilities	17,481,292	16,886,860
Non-current liabilities		
Retirement benefit liability	3,006,958	3,044,411
Provision for share awards	320,377	394,291
Provision for share awards for directors (and other officers)	98,895	145,388
Deferred tax liabilities	533,211	2,021,263
Other	119,676	119,676
Total non-current liabilities	4,079,118	5,725,031
<b>Total liabilities</b>	<b>21,560,410</b>	<b>22,611,892</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,873,136	1,873,136
Capital surplus	2,136,715	2,136,715
Retained earnings	34,203,323	38,983,099
Treasury shares	(925,501)	(1,010,423)
Total shareholders' equity	37,287,673	41,982,527
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,322,108	7,794,198
Remeasurements of defined benefit plans	139,335	146,019
Foreign currency translation adjustment	67,760	197,917
Total accumulated other comprehensive income	4,529,204	8,138,135
Non-controlling interests	2,124,965	2,321,194
<b>Total net assets</b>	<b>43,941,843</b>	<b>52,441,857</b>
<b>Total liabilities and net assets</b>	<b>65,502,254</b>	<b>75,053,749</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	53,347,984	59,511,485
Cost of sales	39,182,880	43,494,929
Gross profit	14,165,104	16,016,556
Selling, general and administrative expenses	6,390,604	6,843,225
Operating profit	7,774,499	9,173,330
Non-operating income		
Interest income	46,392	68,295
Dividend income	252,336	299,028
Share of profit of entities accounted for using equity method	50,144	48,508
Foreign exchange gains	28,220	41,824
Other	49,163	59,607
Total non-operating income	426,258	517,264
Non-operating expenses		
Loss on investments in investment partnerships	–	2,321
Other	–	1,514
Total non-operating expenses	–	3,835
Ordinary profit	8,200,757	9,686,759
Extraordinary income		
Gain on sale of investment securities	26,950	–
Subsidy income	81,435	–
Total extraordinary income	108,385	–
Extraordinary losses		
Loss on valuation of investment securities	97,792	–
Loss on tax purpose reduction entry of non-current assets	81,435	–
Total extraordinary losses	179,227	–
Profit before income taxes	8,129,915	9,686,759
Income taxes - current	2,599,270	3,042,477
Income taxes - deferred	(67,399)	(87,340)
Total income taxes	2,531,870	2,955,137
Profit	5,598,045	6,731,622
Profit attributable to non-controlling interests	177,299	211,452
Profit attributable to owners of parent	5,420,745	6,520,169

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	5,598,045	6,731,622
Other comprehensive income		
Valuation difference on available-for-sale securities	1,693	3,472,090
Remeasurements of defined benefit plans, net of tax	70,724	6,683
Foreign currency translation adjustment	224,520	153,050
Share of other comprehensive income of entities accounted for using equity method	11,535	11,508
Total other comprehensive income	308,474	3,643,333
Comprehensive income	5,906,519	10,374,955
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,671,271	10,126,262
Comprehensive income attributable to non-controlling interests	235,248	248,693

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,873,136	2,132,078	30,218,406	(699,739)	33,523,882
Changes during period					
Dividends of surplus			(1,435,829)		(1,435,829)
Profit attributable to owners of parent			5,420,745		5,420,745
Purchase of treasury shares				(188)	(188)
Purchase of treasury shares by Employee Stock Ownership Plan				(239,459)	(239,459)
Transfer of treasury shares by Employee Stock Ownership Plan				13,886	13,886
Change in ownership interest of parent due to transactions with non-controlling interests		4,636			4,636
Net changes in items other than shareholders' equity	–	–	–	–	–
Total changes during period	–	4,636	3,984,916	(225,761)	3,763,791
Balance at end of period	1,873,136	2,136,715	34,203,323	(925,501)	37,287,673

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	4,320,414	68,610	(107,329)	4,281,695	111	2,053,571	39,859,260
Changes during period							
Dividends of surplus							(1,435,829)
Profit attributable to owners of parent							5,420,745
Purchase of treasury shares							(188)
Purchase of treasury shares by Employee Stock Ownership Plan							(239,459)
Transfer of treasury shares by Employee Stock Ownership Plan							13,886
Change in ownership interest of parent due to transactions with non-controlling interests							4,636
Net changes in items other than shareholders' equity	1,693	70,724	175,090	247,508	(111)	71,394	318,791
Total changes during period	1,693	70,724	175,090	247,508	(111)	71,394	4,082,583
Balance at end of period	4,322,108	139,335	67,760	4,529,204	–	2,124,965	43,941,843

Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,873,136	2,136,715	34,203,323	(925,501)	37,287,673
Changes during period					
Dividends of surplus			(1,740,393)		(1,740,393)
Profit attributable to owners of parent			6,520,169		6,520,169
Purchase of treasury shares				(338)	(338)
Purchase of treasury shares by Employee Stock Ownership Plan				(97,678)	(97,678)
Transfer of treasury shares by Employee Stock Ownership Plan				13,095	13,095
Net changes in items other than shareholders' equity	–	–	–	–	–
Total changes during period	–	–	4,779,776	(84,921)	4,694,854
Balance at end of period	1,873,136	2,136,715	38,983,099	(1,010,423)	41,982,527

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	4,322,108	139,335	67,760	4,529,204	–	2,124,965	43,941,843
Changes during period							
Dividends of surplus							(1,740,393)
Profit attributable to owners of parent							6,520,169
Purchase of treasury shares							(338)
Purchase of treasury shares by Employee Stock Ownership Plan							(97,678)
Transfer of treasury shares by Employee Stock Ownership Plan							13,095
Net changes in items other than shareholders' equity	3,472,090	6,683	130,156	3,608,930	–	196,228	3,805,159
Total changes during period	3,472,090	6,683	130,156	3,608,930	–	196,228	8,500,013
Balance at end of period	7,794,198	146,019	197,917	8,138,135	–	2,321,194	52,441,857



## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	8,129,915	9,686,759
Depreciation	58,926	68,774
Amortization of goodwill	149,326	170,168
Increase (decrease) in provision for bonuses	20,277	98,516
Increase (decrease) in provision for bonuses for directors (and other officers)	20,000	10,000
Increase (decrease) in retirement benefit liability	106,234	47,086
Increase (decrease) in provision for share awards	68,404	73,914
Increase (decrease) in provision for share awards for directors (and other officers)	11,642	46,493
Interest and dividend income	(298,729)	(384,464)
Share of loss (profit) of entities accounted for using equity method	(50,144)	(48,508)
Decrease (increase) in trade receivables	(4,828,416)	2,977,842
Decrease (increase) in investments in leases	117,843	36,292
Decrease (increase) in inventories	(731,258)	(136,926)
Decrease (increase) in advance payments to suppliers	310,412	489,774
Decrease (increase) in other current assets	(63,016)	18,841
Increase (decrease) in trade payables	2,041,368	(1,568,307)
Increase (decrease) in advances received	220,840	(19,023)
Increase (decrease) in accrued consumption taxes	76,088	192,767
Increase (decrease) in other current liabilities	106,521	193,379
Loss (gain) on valuation of investment securities	97,792	–
Loss (gain) on sale of investment securities	(26,950)	–
Loss on tax purpose reduction entry of non-current assets	81,435	–
Subsidy income	(81,435)	–
Other, net	24,365	51,311
Subtotal	5,561,444	12,004,693
Interest and dividends received	306,005	383,938
Subsidies received	81,435	–
Income taxes paid	(2,583,556)	(2,712,586)
Net cash provided by (used in) operating activities	3,365,328	9,676,045
Cash flows from investing activities		
Payments into time deposits	(1,940,032)	(4,475,235)
Proceeds from withdrawal of time deposits	1,024,140	3,936,735
Payments of guarantee deposits	(81,265)	(142,297)
Proceeds from refund of guarantee deposits	32,538	16,211
Purchase of property, plant and equipment	(315,650)	(99,757)
Purchase of intangible assets	(33,287)	(10,691)
Proceeds from redemption of securities	–	1,200,000
Purchase of investment securities	(1,589,017)	(1,253,503)
Proceeds from sale of investment securities	41,551	–
Proceeds from redemption of investment securities	1,000,000	–
Purchase of shares of subsidiaries	(88,472)	(106,675)
Net cash provided by (used in) investing activities	(1,949,496)	(935,213)

	(Thousands of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Dividends paid	(1,435,829)	(1,740,393)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(90,180)	–
Dividends paid to non-controlling interests	(74,682)	(50,194)
Purchase of treasury shares	(245,385)	(81,080)
Net cash provided by (used in) financing activities	(1,846,076)	(1,871,668)
Effect of exchange rate change on cash and cash equivalents	180,013	58,736
Net increase (decrease) in cash and cash equivalents	(250,230)	6,927,899
Cash and cash equivalents at beginning of period	25,155,346	24,905,115
Cash and cash equivalents at end of period	24,905,115	31,833,015