

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

October 28, 2022

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 to file Quarterly Securities Report: November 11, 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 institutional investors and analysts)

(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	25,035	6.8	3,740	16.1	3,904	16.2	2,579	15.2
Six months ended September 30, 2021	23,434	11.0	3,220	10.4	3,358	9.5	2,238	14.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	120.80		-	
Six months ended September 30, 2021	104.76		104.76	

(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	60,893	42,309	66.0	1,886.60
As of March 31, 2022	58,830	39,859	64.3	1,769.01

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	-	30.00	-	33.00	63.00
Year ending March 31, 2023	-	33.00	-	-	-
Year ending March 31, 2023 (Forecast)	-	-	-	33.00	66.00

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	48,700	5.4	6,800	3.0	7,120	2.5	4,660	3.2	218.02

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	22,354,000 shares	As of March 31, 2022	22,354,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	1,042,713 shares	As of March 31, 2022	983,013 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	21,354,137 shares	Six months ended September 30, 2021	21,371,815 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	26,210,266	27,708,774
Notes and accounts receivable - trade, and contract assets	12,641,890	10,556,421
Electronically recorded monetary claims - operating	884,442	2,080,285
Investments in leases	162,726	88,406
Securities	–	1,000,000
Merchandise	1,141,106	1,390,165
Work in process	144,758	260,439
Raw materials and supplies	2,803	2,753
Other	2,076,605	1,755,479
Total current assets	43,264,598	44,842,726
Non-current assets		
Property, plant and equipment	212,672	259,653
Intangible assets		
Goodwill	468,291	530,653
Other	22,894	44,520
Total intangible assets	491,186	575,173
Investments and other assets		
Investment securities	13,915,100	14,254,467
Other	946,669	961,851
Total investments and other assets	14,861,769	15,216,318
Total non-current assets	15,565,628	16,051,146
Total assets	58,830,227	60,893,872
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	8,931,924	8,652,699
Income taxes payable	1,365,031	967,493
Provision for bonuses	633,777	629,181
Provision for bonuses for directors (and other officers)	120,000	45,000
Other	3,899,810	3,862,498
Total current liabilities	14,950,543	14,156,872
Non-current liabilities		
Retirement benefit liability	2,999,747	3,071,939
Provision for share awards	251,972	286,915
Provision for share awards for directors (and other officers)	87,252	95,326
Other	681,450	973,621
Total non-current liabilities	4,020,423	4,427,803
Total liabilities	18,970,966	18,584,675

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
Net assets		
Shareholders' equity		
Share capital	1,873,136	1,873,136
Capital surplus	2,132,078	2,173,108
Retained earnings	30,218,406	32,079,358
Treasury shares	(699,739)	(936,642)
Total shareholders' equity	33,523,882	35,188,960
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,320,414	4,842,124
Remeasurements of defined benefit plans	68,610	64,820
Foreign currency translation adjustment	(107,329)	110,040
Total accumulated other comprehensive income	4,281,695	5,016,985
Share acquisition rights	111	–
Non-controlling interests	2,053,571	2,103,250
Total net assets	39,859,260	42,309,197
Total liabilities and net assets	58,830,227	60,893,872

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

### Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	23,434,852	25,035,788
Cost of sales	17,307,256	18,302,772
Gross profit	6,127,595	6,733,016
Selling, general and administrative expenses	2,907,386	2,992,997
Operating profit	3,220,209	3,740,018
Non-operating income		
Interest income	13,976	16,495
Dividend income	96,650	110,250
Gain on valuation of derivatives	3,707	–
Share of profit of entities accounted for using equity method	2,125	–
Foreign exchange gains	14,253	30,226
Other	14,064	22,322
Total non-operating income	144,777	179,294
Non-operating expenses		
Share of loss of entities accounted for using equity method	–	14,516
Loss on investments in investment partnerships	5,981	452
Other	17	2
Total non-operating expenses	5,999	14,971
Ordinary profit	3,358,987	3,904,341
Profit before income taxes	3,358,987	3,904,341
Income taxes - current	1,097,709	1,132,442
Income taxes - deferred	(20,366)	71,519
Total income taxes	1,077,343	1,203,962
Profit	2,281,644	2,700,378
Profit attributable to non-controlling interests	42,729	120,717
Profit attributable to owners of parent	2,238,915	2,579,661

(Thousands of yen)

	2nd quarter ended September 30, 2021	2nd quarter ended September 30, 2022
Net sales	11,215,633	10,978,888
Cost of sales	8,339,925	7,781,269
Gross profit	2,875,708	3,197,618
Selling, general and administrative expenses	1,404,931	1,523,139
Operating profit	1,470,777	1,674,478
Non-operating income		
Interest income	6,959	9,446
Dividend income	7,185	18,912
Gain on valuation of derivatives	777	–
Share of profit of entities accounted for using equity method	9,019	10,441
Gain on investments in investment partnerships	332	–
Foreign exchange gains	7,923	10,692
Other	7,183	13,378
Total non-operating income	39,381	62,871
Non-operating expenses		
Loss on investments in investment partnerships	–	153
Other	15	–
Total non-operating expenses	15	153
Ordinary profit	1,510,143	1,737,196
Profit before income taxes	1,510,143	1,737,196
Income taxes - current	581,739	522,542
Income taxes - deferred	(70,731)	2,983
Total income taxes	511,008	525,525
Profit	999,135	1,211,670
Profit (loss) attributable to non-controlling interests	(6,915)	55,553
Profit attributable to owners of parent	1,006,050	1,156,116

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

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	2,281,644	2,700,378
Other comprehensive income		
Valuation difference on available-for-sale securities	509,179	521,709
Foreign currency translation adjustment	31,995	255,329
Remeasurements of defined benefit plans, net of tax	6,370	(3,790)
Share of other comprehensive income of entities accounted for using equity method	(6,684)	27,155
Total other comprehensive income	540,861	800,404
Comprehensive income	2,822,506	3,500,782
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,771,648	3,317,967
Comprehensive income attributable to non-controlling interests	50,857	182,815

(Thousands of yen)

	2nd quarter endedSeptember 30, 2021	2nd quarter endedSeptember 30, 2022
Profit	999,135	1,211,670
Other comprehensive income		
Valuation difference on available-for-sale securities	385,363	(58,509)
Foreign currency translation adjustment	(43,931)	144,293
Remeasurements of defined benefit plans, net of tax	3,184	(1,895)
Share of other comprehensive income of entities accounted for using equity method	3,252	13,569
Total other comprehensive income	347,868	97,458
Comprehensive income	1,347,003	1,309,129
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,365,519	1,217,700
Comprehensive income attributable to non-controlling interests	(18,515)	91,428