

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

October 27, 2023

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 10, 2023  
 Scheduled date to commence dividend payments: December 1, 2023  
 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, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	28,366	13.3	4,488	20.0	4,689	20.1	3,114	20.7
Six months ended September 30, 2022	25,035	6.8	3,740	16.1	3,904	16.2	2,579	15.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	146.07		-	
Six months ended September 30, 2022	120.80		120.80	

(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, 2023	67,125	48,325	68.7	2,162.42
As of March 31, 2023	65,502	43,941	63.8	1,961.49

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, 2023	-	33.00	-	40.00	73.00
Year ending March 31, 2024	-	40.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	40.00	80.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	55,200	3.5	7,870	1.2	8,280	1.0	5,520	1.8	258.72

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023  
(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, 2023	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 September 30, 2023	1,030,299 shares	As of March 31, 2023	1,035,061 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, 2023	21,321,583 shares	Six months ended September 30, 2022	21,354,137 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	26,887,318	31,975,675
Notes and accounts receivable - trade, and contract assets	17,352,307	12,027,495
Electronically recorded monetary claims - operating	1,014,978	990,178
Investments in leases	44,883	24,121
Securities	1,200,000	–
Merchandise	1,954,789	1,560,430
Work in process	63,169	145,178
Raw materials and supplies	1,968	1,729
Other	1,883,504	1,673,406
Total current assets	50,402,919	48,398,215
Non-current assets		
Property, plant and equipment	396,053	416,656
Intangible assets		
Goodwill	448,841	520,993
Other	44,948	44,750
Total intangible assets	493,790	565,743
Investments and other assets		
Investment securities	13,261,760	16,772,274
Other	947,730	972,595
Total investments and other assets	14,209,491	17,744,870
Total non-current assets	15,099,335	18,727,270
Total assets	65,502,254	67,125,485
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	10,995,113	7,387,672
Income taxes payable	1,379,401	1,240,098
Provision for bonuses	656,554	667,535
Provision for bonuses for directors (and other officers)	140,000	45,000
Other	4,310,222	4,309,041
Total current liabilities	17,481,292	13,649,347
Non-current liabilities		
Retirement benefit liability	3,006,958	3,075,849
Provision for share awards	320,377	358,314
Provision for share awards for directors (and other officers)	98,895	127,824
Other	652,887	1,588,548
Total non-current liabilities	4,079,118	5,150,536
Total liabilities	21,560,410	18,799,884

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	1,873,136	1,873,136
Capital surplus	2,136,715	2,136,715
Retained earnings	34,203,323	36,447,547
Treasury shares	(925,501)	(918,569)
Total shareholders' equity	37,287,673	39,538,828
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,322,108	6,254,220
Remeasurements of defined benefit plans	139,335	126,676
Foreign currency translation adjustment	67,760	190,968
Total accumulated other comprehensive income	4,529,204	6,571,865
Non-controlling interests	2,124,965	2,214,907
Total net assets	43,941,843	48,325,601
Total liabilities and net assets	65,502,254	67,125,485

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

**Quarterly consolidated statement of income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	25,035,788	28,366,439
Cost of sales	18,302,772	20,726,988
Gross profit	6,733,016	7,639,451
Selling, general and administrative expenses	2,992,997	3,150,620
Operating profit	3,740,018	4,488,830
Non-operating income		
Interest income	16,495	26,173
Dividend income	110,250	124,919
Foreign exchange gains	30,226	24,282
Gain on investments in investment partnerships	–	5,972
Other	22,322	27,344
Total non-operating income	179,294	208,693
Non-operating expenses		
Share of loss of entities accounted for using equity method	14,516	7,138
Loss on investments in investment partnerships	452	–
Other	2	1,099
Total non-operating expenses	14,971	8,237
Ordinary profit	3,904,341	4,689,286
Profit before income taxes	3,904,341	4,689,286
Income taxes - current	1,132,442	1,384,303
Income taxes - deferred	71,519	82,169
Total income taxes	1,203,962	1,466,473
Profit	2,700,378	3,222,812
Profit attributable to non-controlling interests	120,717	108,391
Profit attributable to owners of parent	2,579,661	3,114,421

**Quarterly consolidated statement of comprehensive income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	2,700,378	3,222,812
Other comprehensive income		
Valuation difference on available-for-sale securities	521,709	1,932,112
Remeasurements of defined benefit plans, net of tax	(3,790)	(12,659)
Foreign currency translation adjustment	255,329	142,761
Share of other comprehensive income of entities accounted for using equity method	27,155	11,624
Total other comprehensive income	800,404	2,073,838
Comprehensive income	3,500,782	5,296,651
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,317,967	5,154,243
Comprehensive income attributable to non-controlling interests	182,815	142,407

## Quarterly consolidated statement of income (non-cumulative)

(Thousands of yen)

	2nd quarter ended September 30, 2022	2nd quarter ended September 30, 2023
Net sales	10,978,888	13,905,087
Cost of sales	7,781,269	10,014,793
Gross profit	3,197,618	3,890,293
Selling, general and administrative expenses	1,523,139	1,628,801
Operating profit	1,674,478	2,261,492
Non-operating income		
Interest income	9,446	15,287
Dividend income	18,912	21,615
Share of profit of entities accounted for using equity method	10,441	–
Gain on investments in investment partnerships	–	6,961
Foreign exchange gains	10,692	4,046
Other	13,378	10,692
Total non-operating income	62,871	58,602
Non-operating expenses		
Share of loss of entities accounted for using equity method	–	1,527
Loss on investments in investment partnerships	153	–
Other	–	572
Total non-operating expenses	153	2,100
Ordinary profit	1,737,196	2,317,995
Profit before income taxes	1,737,196	2,317,995
Income taxes - current	522,542	741,550
Income taxes - deferred	2,983	(9,708)
Total income taxes	525,525	731,842
Profit	1,211,670	1,586,153
Profit attributable to non-controlling interests	55,553	49,867
Profit attributable to owners of parent	1,156,116	1,536,285

**Quarterly consolidated statement of comprehensive income (non-cumulative)**

(Thousands of yen)

	2nd quarter endedSeptember 30, 2022	2nd quarter endedSeptember 30, 2023
Profit	1,211,670	1,586,153
Other comprehensive income		
Valuation difference on available-for-sale securities	(58,509)	882,871
Remeasurements of defined benefit plans, net of tax	(1,895)	(6,329)
Foreign currency translation adjustment	144,293	94,344
Share of other comprehensive income of entities accounted for using equity method	13,569	6,447
Total other comprehensive income	97,458	977,333
Comprehensive income	1,309,129	2,563,486
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,217,700	2,492,738
Comprehensive income attributable to non-controlling interests	91,428	70,748