

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

August 2, 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 to commence dividend payments: –
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(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	%
Three months ended June 30, 2024	18,007	24.5	2,846	27.8	3,007	26.8	2,003	26.9
Three months ended June 30, 2023	14,461	2.9	2,227	7.8	2,371	9.4	1,578	10.9

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	94.04	–
Three months ended June 30, 2023	74.02	–

(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, 2024	77,246	54,815	67.9	2,465.23
As of March 31, 2024	75,053	52,441	66.8	2,353.14

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 March 31, 2024	–	40.00	–	50.00	90.00
Year ending March 31, 2025	–				
Year ending March 31, 2025 (Forecast)		50.00	–	50.00	100.00

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) Significant changes in the scope of consolidation during the three months ended June 30, 2024: 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, 2024	22,354,000 shares	As of March 31, 2024	22,354,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	1,053,254 shares	As of March 31, 2024	1,054,554 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	21,300,313 shares	Three months ended June 30, 2023	21,320,706 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	34,356,804	35,454,732
Notes and accounts receivable - trade, and contract assets	13,087,932	12,493,045
Electronically recorded monetary claims - operating	2,345,124	2,357,050
Investments in leases	8,591	–
Securities	500,000	500,000
Merchandise	1,861,825	1,287,111
Work in process	302,205	128,756
Raw materials and supplies	5,542	5,060
Other	1,414,582	1,814,914
Total current assets	53,882,608	54,040,671
Non-current assets		
Property, plant and equipment	430,331	465,117
Intangible assets		
Goodwill	486,797	437,787
Other	37,847	52,202
Total intangible assets	524,645	489,989
Investments and other assets		
Investment securities	19,090,259	21,175,233
Retirement benefit asset	8,807	1,827
Other	1,117,097	1,073,207
Total investments and other assets	20,216,164	22,250,268
Total non-current assets	21,171,140	23,205,375
Total assets	75,053,749	77,246,047
Liabilities		
Current liabilities		
Accounts payable - trade	9,514,446	8,701,204
Income taxes payable	1,715,723	855,622
Provision for bonuses	763,781	461,310
Provision for bonuses for directors (and other officers)	150,000	22,500
Other	4,742,908	5,891,304
Total current liabilities	16,886,860	15,931,941
Non-current liabilities		
Retirement benefit liability	3,044,411	3,085,262
Provision for share awards	394,291	416,311
Provision for share awards for directors (and other officers)	145,388	160,388
Other	2,140,939	2,836,903
Total non-current liabilities	5,725,031	6,498,866
Total liabilities	22,611,892	22,430,808

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Net assets		
Shareholders' equity		
Share capital	1,873,136	1,873,136
Capital surplus	2,136,715	2,136,715
Retained earnings	38,983,099	39,899,276
Treasury shares	(1,010,423)	(1,008,510)
Total shareholders' equity	41,982,527	42,900,617
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,794,198	9,237,674
Remeasurements of defined benefit plans	146,019	136,464
Foreign currency translation adjustment	197,917	236,545
Total accumulated other comprehensive income	8,138,135	9,610,684
Non-controlling interests	2,321,194	2,303,937
Total net assets	52,441,857	54,815,239
Total liabilities and net assets	75,053,749	77,246,047

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	14,461,352	18,007,149
Cost of sales	10,712,195	13,397,648
Gross profit	3,749,157	4,609,501
Selling, general and administrative expenses	1,521,819	1,762,825
Operating profit	2,227,338	2,846,676
Non-operating income		
Interest income	10,886	18,258
Dividend income	103,304	124,666
Foreign exchange gains	20,236	6,190
Other	16,651	20,494
Total non-operating income	151,079	169,610
Non-operating expenses		
Share of loss of entities accounted for using equity method	5,611	7,816
Loss on investments in investment partnerships	989	734
Other	526	349
Total non-operating expenses	7,126	8,900
Ordinary profit	2,371,290	3,007,385
Profit before income taxes	2,371,290	3,007,385
Income taxes - current	642,753	828,890
Income taxes - deferred	91,878	121,007
Total income taxes	734,631	949,897
Profit	1,636,659	2,057,488
Profit attributable to non-controlling interests	58,523	54,377
Profit attributable to owners of parent	1,578,136	2,003,110

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	1,636,659	2,057,488
Other comprehensive income		
Valuation difference on available-for-sale securities	1,049,241	1,443,475
Remeasurements of defined benefit plans, net of tax	(6,329)	(9,554)
Foreign currency translation adjustment	48,416	33,501
Share of other comprehensive income of entities accounted for using equity method	5,176	11,223
Total other comprehensive income	1,096,505	1,478,645
Comprehensive income	2,733,164	3,536,133
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,661,505	3,475,032
Comprehensive income attributable to non-controlling interests	71,659	61,100