

Translation

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

November 1, 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 file Semi-annual Securities Report: November 8, 2024
 Scheduled date to commence dividend payments: December 6, 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 six months ended September 30, 2024 (from April 1, 2024 to September 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	%
Six months ended September 30, 2024	33,615	18.5	4,924	9.7	5,182	10.5	3,469	11.4
Six months ended September 30, 2023	28,366	13.3	4,488	20.0	4,689	20.1	3,114	20.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	162.88		-	
Six months ended September 30, 2023	146.07		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	81,103	55,972	66.1
As of March 31, 2024	75,053	52,441	66.8

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, 2024	-	40.00	-	50.00	90.00
Year ending March 31, 2025	-	50.00			
Year ending March 31, 2025 (Forecast)			-	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 six months ended September 30, 2024: No

(2) Application of special accounting methods for preparing semi-annual 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, 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 September 30, 2024	1,048,877 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)

Six months ended September 30, 2024	21,302,722 shares	Six months ended September 30, 2023	21,321,583 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	34,356,804	36,648,272
Notes and accounts receivable - trade, and contract assets	13,087,932	14,560,182
Electronically recorded monetary claims - operating	2,345,124	1,459,165
Investments in leases	8,591	–
Securities	500,000	500,000
Merchandise	1,861,825	2,866,784
Work in process	302,205	192,979
Raw materials and supplies	5,542	5,095
Other	1,414,582	1,676,807
Total current assets	53,882,608	57,909,286
Non-current assets		
Property, plant and equipment	430,331	540,785
Intangible assets		
Goodwill	486,797	394,418
Other	37,847	51,104
Total intangible assets	524,645	445,522
Investments and other assets		
Investment securities	19,090,259	21,032,122
Retirement benefit asset	8,807	21,015
Other	1,117,097	1,155,054
Total investments and other assets	20,216,164	22,208,192
Total non-current assets	21,171,140	23,194,500
Total assets	75,053,749	81,103,787
Liabilities		
Current liabilities		
Accounts payable - trade	9,514,446	12,027,054
Income taxes payable	1,715,723	1,517,029
Provision for bonuses	763,781	723,354
Provision for bonuses for directors (and other officers)	150,000	45,000
Other	4,742,908	4,337,159
Total current liabilities	16,886,860	18,649,597
Non-current liabilities		
Retirement benefit liability	3,044,411	3,143,428
Provision for share awards	394,291	435,528
Provision for share awards for directors (and other officers)	145,388	172,710
Other	2,140,939	2,729,744
Total non-current liabilities	5,725,031	6,481,413
Total liabilities	22,611,892	25,131,010

(Thousands of yen)

	As of March 31, 2024	As of September 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	41,365,192
Treasury shares	(1,010,423)	(1,002,415)
Total shareholders' equity	41,982,527	44,372,628
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,794,198	8,804,805
Remeasurements of defined benefit plans	146,019	126,910
Foreign currency translation adjustment	197,917	318,724
Total accumulated other comprehensive income	8,138,135	9,250,439
Non-controlling interests	2,321,194	2,349,709
Total net assets	52,441,857	55,972,776
Total liabilities and net assets	75,053,749	81,103,787

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, 2023	Six months ended September 30, 2024
Net sales	28,366,439	33,615,301
Cost of sales	20,726,988	25,081,440
Gross profit	7,639,451	8,533,861
Selling, general and administrative expenses	3,150,620	3,609,072
Operating profit	4,488,830	4,924,788
Non-operating income		
Interest income	26,173	49,150
Dividend income	124,919	162,536
Foreign exchange gains	24,282	9,402
Gain on investments in investment partnerships	5,972	–
Other	27,344	44,138
Total non-operating income	208,693	265,228
Non-operating expenses		
Share of loss of entities accounted for using equity method	7,138	5,537
Loss on investments in investment partnerships	–	1,073
Other	1,099	749
Total non-operating expenses	8,237	7,361
Ordinary profit	4,689,286	5,182,655
Profit before income taxes	4,689,286	5,182,655
Income taxes - current	1,384,303	1,484,358
Income taxes - deferred	82,169	144,347
Total income taxes	1,466,473	1,628,705
Profit	3,222,812	3,553,949
Profit attributable to non-controlling interests	108,391	84,114
Profit attributable to owners of parent	3,114,421	3,469,835

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	3,222,812	3,553,949
Other comprehensive income		
Valuation difference on available-for-sale securities	1,932,112	1,010,606
Remeasurements of defined benefit plans, net of tax	(12,659)	(19,109)
Foreign currency translation adjustment	142,761	117,035
Share of other comprehensive income of entities accounted for using equity method	11,624	26,530
Total other comprehensive income	2,073,838	1,135,062
Comprehensive income	5,296,651	4,689,012
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,154,243	4,582,139
Comprehensive income attributable to non-controlling interests	142,407	106,872