

Highlights of Consolidated Results for the First Half and the Second Quarter of Fiscal Year ending March 31, 2023

	Millions of yen (except for per share amounts)				Change
	Six months ended Sept. 30, 2021		Six months ended Sept. 30, 2022		
Revenue	Y	350,517	Y	396,666	13.2 %
Business segment profit		49,401		35,921	-27.3 %
Operating profit		51,178		37,467	-26.8 %
Profit before income taxes		51,576		38,208	-25.9 %
Profit for the period		37,114		30,259	-18.5 %
Profit for the period attributable to owners of the parent company		36,812		30,258	-17.8 %
Comprehensive income for the period		37,736		66,219	75.5 %
Basic earnings per share for the period (yen)		141.61		118.00	
Diluted earnings per share for the period (yen)		141.19		117.64	
Dividends per common share (yen)		30.00		34.00	

(Note) Business segment profit is calculated by subtracting cost of sales and selling, general and administrative expenses from revenue.

	As of Mar. 31, 2022		As of Sept. 30, 2022		
	Y		Y		
Total assets	Y	811,149	Y	877,610	
Total equity		561,211		611,621	
Equity attributable to owners of the parent company		561,146		611,559	
Equity attributable to owners of the parent company ratio		69.2 %		69.7 %	
Equity attributable to owners of the parent company per share (yen)		2,170.46		2,393.28	

Highlights of Consolidated Forecast for Fiscal Year ending March 31, 2023

	Millions of yen (except for per share amounts)				Change
	Year ended Mar. 31, 2022		[Forecast] Year ended Mar. 31, 2023		
	Y		Y		
Revenue	Y	710,938	Y	840,000	18.2 %
Business segment profit		84,552		70,000	-17.2 %
Operating profit		85,501		73,000	-14.6 %
Profit before income taxes		86,429		73,000	-15.5 %
Profit for the period		61,515		51,000	-17.1 %
Profit for the period attributable to owners of the parent company		61,030		51,000	-16.4 %
Basic earnings per share for the period (yen)		234.89		198.88	
Dividends per common share (yen)		64.00		68.00	

(Note) Business segment profit is calculated by subtracting cost of sales and selling, general and administrative expenses from revenue.

Notes:

- The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).
- Amounts less than 1 million yen have been rounded down.
- Operating results for the six months ended Sept. 30, 2022 are based on the following currency exchange rates:
Actual average rates for the six months ended Sept. 30, 2022: US\$=133.46 yen, EURO=138.79 yen
Forecasts for the year ending Mar. 31, 2023 are based on the following currency exchange rates:
Assumed average rates for the year ending Mar. 31, 2023: US\$=134.92 yen, EURO=137.61 yen
- Number of shares outstanding (including treasury stock): 262,220 thousands as of Mar. 31, 2022, 257,755 thousands as of Sept. 30, 2022
Number of treasury stock outstanding: 3,683 thousands as of Mar. 31, 2022, 2,224 thousands as of Sept. 30, 2022
Number of weighted average shares:
259,954 thousands during the three months ended Sept. 30, 2021, 256,431 thousands during the three months ended Sept. 30, 2022
(Note) The Company has introduced a Performance Share using a BIP trust for directors, and the Company's shares held by the trust (258,000 shares for the second quarter of the year ended Mar. 31, 2023) are included in treasury stock.
- Impact of COVID-19
Regarding the impact of COVID-19, it is difficult to predict when it will end and how it will affect future cash-flow, but economic activity is on a recovery trend due to measures such as vaccination. On the other hand, we do not know when the global semiconductor shortage will be resolved and the supply shortage is likely to continue. And also, there is a high possibility that sea freight will continue to rise due to port congestion and imbalance between supply and demand. Due to these reasons, the uncertainty over the Group's future business activities continues.
The Group has made estimates and judgements involving estimations that the current situation will affect its consolidated financial performance for the year ending Mar. 31, 2023. The Group's consolidated financial statements for the year ending Mar. 31, 2023 and onwards may be significantly affected depending on the actual outcome.

Consolidated Statement of Financial Position

	Millions of yen	
	As of Mar. 31, 2022	As of Sept. 30, 2022
Assets		
Current assets		
Cash and cash equivalents	Y 167,915	Y 129,754
Trade and other receivables	102,685	126,897
Other financial assets	11,419	14,756
Inventories	169,583	230,204
Other current assets	24,843	27,825
Subtotal	476,447	529,437
Non-current assets classified as held for sale	297	-
Total current assets	476,745	529,437
Non-current assets		
Property, plant and equipment	117,127	124,019
Right-of-use assets	21,136	21,677
Investment property	7,858	7,471
Goodwill and intangible assets	121,689	123,451
Investments accounted for using the equity method	1,862	1,888
Other financial assets	33,389	31,054
Deferred tax assets	21,261	27,217
Other non-current assets	10,078	11,392
Total non-current assets	334,404	348,172
Total assets	Y 811,149	Y 877,610
Equity and liabilities		
Liabilities		
Current liabilities		
Trade and other payables	Y 71,247	Y 90,719
Bonds and borrowings	20,121	40,944
Other financial liabilities	9,517	9,392
Income taxes payable	14,084	6,630
Provisions	3,211	4,029
Contract liabilities	7,807	7,905
Other current liabilities	53,516	54,372
Total current liabilities	179,506	213,994
Non-current liabilities		
Bonds and borrowings	20,705	600
Other financial liabilities	20,379	20,906
Retirement benefits liabilities	16,366	17,304
Provisions	2,972	3,076
Deferred tax liabilities	7,207	6,942
Contract liabilities	1,600	1,966
Other non-current liabilities	1,197	1,196
Total non-current liabilities	70,431	51,993
Total liabilities	249,937	265,988
Equity		
Capital stock	19,209	19,209
Capital surplus	17,866	17,811
Retained earnings	554,910	566,640
Treasury stock	(5,428)	(3,637)
Other components of equity	(25,411)	11,534
Equity attributable to owners of the parent company	561,146	611,559
Non-controlling interests	65	62
Total equity	561,211	611,621
Total equity and liabilities	Y 811,149	Y 877,610

Consolidated Statement of Income

	Millions of yen			
	Six months ended		Six months ended	
	Sept. 30,		Sept. 30,	
	2021		2022	
Revenue	Y	350,517	Y	396,666
Cost of sales		(195,179)		(238,054)
Gross profit		155,337		158,612
Selling, general and administrative expenses		(105,936)		(122,691)
Other income		3,294		2,423
Other expenses		(1,517)		(877)
Operating profit		51,178		37,467
Finance income		1,127		5,732
Finance expenses		(834)		(5,108)
Share of profit/(loss) of investments accounted for using the equity method		104		116
Profit before income taxes		51,576		38,208
Income tax expenses		(14,461)		(7,948)
Profit for the period		<u>37,114</u>		<u>30,259</u>
Profit for the period attributable to:				
Owners of the parent company		36,812		30,258
Non-controlling interests		302		1
Profit for the period	Y	<u>37,114</u>	Y	<u>30,259</u>
Earnings per share:		Yen		Yen
Basic earnings per share	Y	141.61	Y	118.00
Diluted earnings per share		141.19		117.64

Consolidated Statement of Income

	Millions of yen			
	Three months ended		Three months ended	
	Sept. 30,		Sept. 30,	
	2021		2022	
Revenue	Y	176,504	Y	196,931
Cost of sales		(98,923)		(122,428)
Gross profit		77,580		74,503
Selling, general and administrative expenses		(54,348)		(63,371)
Other income		2,601		1,507
Other expenses		(1,116)		(190)
Operating profit		24,717		12,449
Finance income		706		2,331
Finance expenses		(624)		(1,933)
Share of profit/(loss) of investments accounted for using the equity method		42		62
Profit before income taxes		24,841		12,910
Income tax expenses		(6,497)		(44)
Profit for the period		<u>18,343</u>		<u>12,866</u>
Profit for the period attributable to:				
Owners of the parent company		18,193		12,869
Non-controlling interests		149		(2)
Profit for the period	Y	<u>18,343</u>	Y	<u>12,866</u>
Earnings per share:		Yen		Yen
Basic earnings per share	Y	69.99	Y	50.34
Diluted earnings per share		69.77		50.19

Consolidated Statement of Comprehensive Income

	Millions of yen	
	Six months ended Sept. 30, 2021	Six months ended Sept. 30, 2022
Profit for the period	Y 37,114	30,259
Other comprehensive income, net of income tax		
Items that will not be reclassified subsequently to profit or loss		
Gains/(Losses) on investments in equity instruments designated as FVTOCI	(600)	(985)
Total of items that will not be reclassified subsequently to profit or loss	(600)	(985)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	1,223	36,946
Total of items that may be reclassified subsequently to profit or loss	1,223	36,946
Other comprehensive income for the period, net of income tax	622	35,960
Comprehensive income for the period	<u>37,736</u>	<u>66,219</u>
Comprehensive income for the period attributable to:		
Owners of the parent company	37,370	66,218
Non-controlling interests	366	1
Comprehensive income for the period	<u>Y 37,736</u>	<u>66,219</u>

Consolidated Statement of Comprehensive Income

	Millions of yen	
	Three months ended Sept. 30, 2021	Three months ended Sept. 30, 2022
Profit for the period	Y 18,343	Y 12,866
Other comprehensive income, net of income tax		
Items that will not be reclassified subsequently to profit or loss		
Gains/(Losses) on investments in equity instruments designated as FVTOCI	144	(441)
Total of items that will not be reclassified subsequently to profit or loss	144	(441)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	(1,857)	5,239
Total of items that may be reclassified subsequently to profit or loss	(1,857)	5,239
Other comprehensive income for the period, net of income tax	(1,712)	4,797
Comprehensive income for the period	<u>16,630</u>	<u>17,663</u>
Comprehensive income for the period attributable to:		
Owners of the parent company	16,422	17,666
Non-controlling interests	208	(2)
Comprehensive income for the period	<u>Y 16,630</u>	<u>Y 17,663</u>

Consolidated Statement of Changes in Equity

Six months ended Sept. 30, 2021

	Equity attributable to owners of the parent company				Other components of equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Exchange differences on translating foreign operations
Balance as of Apr. 1, 2021	19,209	17,652	509,662	(2,477)	(60,998)
Profit for the period	-	-	36,812	-	-
Other comprehensive income	-	-	-	-	1,211
Total comprehensive income for the period	-	-	36,812	-	1,211
Acquisition of treasury stock	-	-	-	(3)	-
Disposal of treasury stock	-	(32)	0	47	-
Dividends paid	-	-	(8,589)	-	-
Share-based payment transaction	-	117	-	-	-
Reclassification to retained earnings	-	-	(652)	-	-
Total transactions with owners	-	85	(9,240)	43	-
Balance as of Sept. 30, 2021	19,209	17,738	537,234	(2,433)	(59,787)

	Equity attributable to owners of the parent company				Other components of equity
	Gains/(Losses) on investments in equity instruments designated as FVTOCI	Total	Total	Non-controlling interests	Total equity
Balance as of Apr. 1, 2021	-	(60,998)	483,050	16,657	499,707
Profit for the period	-	-	36,812	302	37,114
Other comprehensive income	(652)	558	558	63	622
Total comprehensive income for the period	(652)	558	37,370	366	37,736
Acquisition of treasury stock	-	-	(3)	-	(3)
Disposal of treasury stock	-	-	15	-	15
Dividends paid	-	-	(8,589)	(113)	(8,702)
Share-based payment transaction	-	-	117	-	117
Reclassification to retained earnings	652	652	-	-	-
Total transactions with owners	652	652	(8,459)	(113)	(8,572)
Balance as of Sept. 30, 2021	-	(59,787)	511,961	16,909	528,871

Six months ended Sept. 30, 2022

	Equity attributable to owners of the parent company				Other components of equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Exchange differences on translating foreign operations
Balance as of Apr. 1, 2022	19,209	17,866	554,910	(5,428)	(25,411)
Profit for the period	-	-	30,258	-	-
Other comprehensive income	-	-	-	-	36,946
Total comprehensive income for the period	-	-	30,258	-	36,946
Acquisition of treasury stock	-	-	-	(7,003)	-
Disposal of treasury stock	-	(41)	-	41	-
Cancellation of treasury stock	-	(149)	(8,740)	8,889	-
Dividends paid	-	-	(8,801)	-	-
Share-based payment transaction	-	136	-	(136)	-
Reclassification to retained earnings	-	-	(985)	-	-
Total transactions with owners	-	(54)	(18,527)	1,791	-
Balance as of Sept. 30, 2022	19,209	17,811	566,640	(3,637)	11,534

	Equity attributable to owners of the parent company				Other components of equity
	Gains/(Losses) on investments in equity instruments designated as FVTOCI	Total	Total	Non-controlling interests	Total equity
Balance as of Apr. 1, 2022	-	(25,411)	561,146	65	561,211
Profit for the period	-	-	30,258	1	30,259
Other comprehensive income	(985)	35,960	35,960	(0)	35,960
Total comprehensive income for the period	(985)	35,960	66,218	1	66,219
Acquisition of treasury stock	-	-	(7,003)	-	(7,003)
Disposal of treasury stock	-	-	0	-	0
Cancellation of treasury stock	-	-	-	-	-
Dividends paid	-	-	(8,801)	(4)	(8,806)
Share-based payment transaction	-	-	-	-	-
Reclassification to retained earnings	985	985	-	-	-
Total transactions with owners	985	985	(15,805)	(4)	(15,810)
Balance as of Sept. 30, 2022	-	11,534	611,559	62	611,621

Consolidated Statement of Cash Flows

	Millions of yen			
	Six months ended Sept. 30, 2021		Six months ended Sept. 30, 2022	
Cash flows from operating activities				
Profit before income taxes	Y	51,576	Y	38,208
Depreciation and amortization		19,028		20,458
Finance expenses/(income)		(292)		(624)
Share of loss/(profit) of investments accounted for using the equity method		(104)		(116)
Losses/(gains) on sale and disposal of fixed assets		388		132
Decrease/(increase) in trade and other receivables		(7,716)		(16,087)
Decrease/(increase) in inventories		(19,613)		(44,042)
Increase/(decrease) in trade and other payables		7,807		11,731
Decrease/(increase) in retirement benefit assets		(0)		(1,238)
Increase/(decrease) in retirement benefit liabilities		52		206
Other		(5,939)		(18)
Subtotal		45,182		8,608
Interest received		552		993
Dividends received		213		248
Interest paid		(383)		(402)
Income taxes paid		(13,198)		(21,073)
Net cash provided by (used in) operating activities	Y	32,366	Y	(11,625)
Cash flows from investing activities				
Purchases of property, plant and equipment		(11,940)		(12,099)
Proceeds from sales of property, plant and equipment		486		173
Purchases of intangible assets		(3,658)		(5,936)
Purchases of investments in equity instruments		(841)		(759)
Purchase of investments in debt instruments		(4,482)		(1,024)
Proceeds from sales or redemption of investments in debt instruments		2,983		1,893
Other		(356)		(464)
Net cash provided by (used in) investing activities	Y	(17,808)	Y	(18,217)
Cash flows from financing activities				
Proceeds from short-term borrowings		-		18,777
Proceeds from long-term borrowings		200		-
Repayment of long-term borrowings		(20,197)		(19,997)
Repayment of lease obligations		(4,058)		(3,708)
Dividends paid		(8,589)		(8,801)
Purchase of treasury stock		(1)		(7,002)
Dividends paid to non-controlling interests		(113)		(5)
Other		0		0
Net cash provided by (used in) financing activities	Y	(32,760)		(20,737)
Effect of exchange rate changes on cash and cash equivalents		560		12,419
Net increase/(decrease) in cash and cash equivalents		(17,642)		(38,160)
Cash and cash equivalents at the beginning of the period		191,002		167,915
Cash and cash equivalents at the end of the period	Y	173,360		129,754

Segment Information

Six months ended Sept. 30, 2021

	Millions of yen									
	Reportable segments							Total	Reconciliations	Consolidated
	Printing & Solutions	Machinery	Domino	Nissei	Personal & Home	Network & Contents	Others			
Revenue										
Customers	205,158	47,445	41,873	10,082	27,537	13,341	5,077	350,517	-	350,517
Intersegment	-	-	-	-	-	-	5,710	5,710	(5,710)	-
Total	205,158	47,445	41,873	10,082	27,537	13,341	10,788	356,227	(5,710)	350,517
Business segment profit/(loss)	32,296	7,806	4,329	995	5,752	(1,990)	241	49,431	(30)	49,401
Other income and expenses	423	(47)	(52)	40	78	1,126	209	1,777	-	1,777
Operating profit/(loss)	32,719	7,758	4,276	1,035	5,831	(863)	450	51,209	(30)	51,178
Finance income and expenses										292
Share of profit/(loss) of investments accounted for using the equity method										104
Profit before income taxes										51,576

Six months ended Sept. 30, 2022

	Millions of yen									
	Reportable segments							Total	Reconciliations	Consolidated
	Printing & Solutions	Machinery	Domino	Nissei	Personal & Home	Network & Contents	Others			
Revenue										
Customers	240,505	47,400	48,851	11,917	25,835	16,948	5,207	396,666	-	396,666
Intersegment	-	-	-	-	-	-	5,385	5,385	(5,385)	-
Total	240,505	47,400	48,851	11,917	25,835	16,948	10,592	402,052	(5,385)	396,666
Business segment profit	22,956	5,279	2,953	1,203	2,690	368	478	35,929	(8)	35,921
Other income and expenses	(580)	551	784	85	124	511	70	1,546	-	1,546
Operating profit	22,375	5,831	3,737	1,288	2,814	879	548	37,476	(8)	37,467
Finance income and expenses										624
Share of profit/(loss) of investments accounted for using the equity method										116
Profit before income taxes										38,208

Notes:

1) Main products in each business segment are as follows:

Printing & Solutions	Printers, All-in-Ones, Labeling Systems, Label Printers, Scanners, etc.
Machinery	Machine Tools, Industrial Sewing Machines, Garment Printers, etc.
Domino	Coding & Marking Equipment, Digital Printing Equipment, etc.
Nissei	Reducers, Gears, etc.
Personal & Home	Home Sewing Machines, Home Cutting Machines, etc.
Network & Contents	Online Karaoke Systems, Management of Karaoke Clubs, Content Services, etc.
Others	Real Estate, etc.

2) Business segment profit is calculated by subtracting cost of sales and selling, general and administrative expenses from revenue.

Segment Information

Three months ended Sept. 30, 2021

	Millions of yen							Total	Reconciliations
	Reportable segments								
	Printing & Solutions	Machinery	Domino	Nissei	Personal & Home	Network & Contents	Others		
Revenue									
Customers	106,094	22,085	21,151	5,041	13,425	6,389	2,316	176,504	-
Intersegment	-	-	-	-	-	-	3,398	3,398	(3,398)
Total	106,094	22,085	21,151	5,041	13,425	6,389	5,715	179,902	(3,398)
Business segment profit/(loss)	15,890	3,143	2,241	489	2,640	(1,219)	75	23,263	(31)
Other income and expenses	493	28	(61)	12	118	697	196	1,484	-
Operating profit/(loss)	16,384	3,172	2,180	502	2,758	(522)	272	24,748	(31)
Finance income and expenses									
Share of profit/(loss) of investments accounted for using the equity method									
Profit before income taxes									

Three months ended Sept. 30, 2022

	Millions of yen							Total	Reconciliations
	Reportable segments								
	Printing & Solutions	Machinery	Domino	Nissei	Personal & Home	Network & Contents	Others		
Revenue									
Customers	118,673	23,980	25,127	5,926	11,625	8,541	3,055	196,931	-
Intersegment	-	-	-	-	-	-	2,810	2,810	(2,810)
Total	118,673	23,980	25,127	5,926	11,625	8,541	5,866	199,742	(2,810)
Business segment profit	5,076	3,199	1,303	594	711	56	198	11,141	(8)
Other income and expenses	368	207	446	14	107	134	37	1,316	-
Operating profit	5,444	3,407	1,750	609	819	190	236	12,457	(8)
Finance income and expenses									
Share of profit/(loss) of investments accounted for using the equity method									
Profit before income taxes									

Notes:

1) Main products in each business segment are as follows:

Printing & Solutions	Printers, All-in-Ones, Labeling Systems, Label Printers, Scanners, etc.
Machinery	Machine Tools, Industrial Sewing Machines, Garment Printers, etc.
Domino	Coding & Marking Equipment, Digital Printing Equipment, etc.
Nissei	Reducers, Gears, etc.
Personal & Home	Home Sewing Machines, Home Cutting Machines, etc.
Network & Contents	Online Karaoke Systems, Management of Karaoke Clubs, Content Services, etc.
Others	Real Estate, etc.

2) Business segment profit is calculated by subtracting cost of sales and selling, general and administrative expenses from revenue.