

Highlights of Consolidated Results for the Nine Months and the Third Quarter of Fiscal Year ending March 31, 2023

	Millions of yen (except for per share amounts)				Change
	Nine months ended Dec. 31, 2021		Nine months ended Dec. 31, 2022		
	Y		Y		
Revenue		534,974		613,474	14.7 %
Business segment profit		72,921		51,970	-28.7 %
Operating profit		76,020		59,011	-22.4 %
Profit before income taxes		76,775		60,130	-21.7 %
Profit for the period		54,732		42,971	-21.5 %
Profit for the period attributable to owners of the parent company		54,252		42,976	-20.8 %
Comprehensive income for the period		66,022		53,221	-19.4 %
Basic earnings per share for the period (yen)		208.70		167.79	
Diluted earnings per share for the period (yen)		208.07		167.29	
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 Dec. 31, 2022		
	Y		Y		
Total assets		811,149		843,201	
Total equity		561,211		589,911	
Equity attributable to owners of the parent company		561,146		589,857	
Equity attributable to owners of the parent company ratio		69.2 %		70.0 %	
Equity attributable to owners of the parent company per share (yen)		2,170.46		2,308.30	

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		710,938		825,000	16.0 %
Business segment profit		84,552		65,000	-23.1 %
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		199.12	
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 nine months ended Dec. 31, 2022 are based on the following currency exchange rates:
Actual average rates for the nine months ended Dec. 31, 2022: US\$=135.40 yen, EURO=140.42 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\$=135.13 yen, EURO=139.67 yen
- Number of shares outstanding (including treasury stock): 262,220 thousands as of Mar. 31, 2022, 257,755 thousands as of Dec. 31, 2022
Number of treasury stock outstanding: 3,683 thousands as of Mar. 31, 2022, 2,218 thousands as of Dec. 31, 2022
Number of weighted average shares:
259,955 thousands during the three months ended Dec. 31, 2021, 256,131 thousands during the three months ended Dec. 31, 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 third 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 Dec. 31, 2022
Assets		
Current assets		
Cash and cash equivalents	Y 167,915	Y 107,731
Trade and other receivables	102,685	124,683
Other financial assets	11,419	12,930
Inventories	169,583	222,829
Other current assets	24,843	34,529
Subtotal	476,447	502,703
Non-current assets classified as held for sale	297	-
Total current assets	476,745	502,703
Non-current assets		
Property, plant and equipment	117,127	122,209
Right-of-use assets	21,136	24,437
Investment property	7,858	6,129
Goodwill and intangible assets	121,689	121,126
Investments accounted for using the equity method	1,862	1,976
Other financial assets	33,389	29,445
Deferred tax assets	21,261	23,350
Other non-current assets	10,078	11,823
Total non-current assets	334,404	340,498
Total assets	Y 811,149	Y 843,201
Equity and liabilities		
Liabilities		
Current liabilities		
Trade and other payables	Y 71,247	Y 75,153
Bonds and borrowings	20,121	42,563
Other financial liabilities	9,517	9,190
Income taxes payable	14,084	8,847
Provisions	3,211	4,138
Contract liabilities	7,807	6,807
Other current liabilities	53,516	53,078
Total current liabilities	179,506	199,779
Non-current liabilities		
Bonds and borrowings	20,705	600
Other financial liabilities	20,379	22,941
Retirement benefits liabilities	16,366	17,143
Provisions	2,972	3,029
Deferred tax liabilities	7,207	6,739
Contract liabilities	1,600	1,905
Other non-current liabilities	1,197	1,150
Total non-current liabilities	70,431	53,509
Total liabilities	249,937	253,289
Equity		
Capital stock	19,209	19,209
Capital surplus	17,866	17,805
Retained earnings	554,910	570,279
Treasury stock	(5,428)	(3,624)
Other components of equity	(25,411)	(13,811)
Equity attributable to owners of the parent company	561,146	589,857
Non-controlling interests	65	53
Total equity	561,211	589,911
Total equity and liabilities	Y 811,149	Y 843,201

Consolidated Statement of Income

	Millions of yen			
	Nine months ended		Nine months ended	
	Dec. 31,		Dec. 31,	
	2021		2022	
Revenue	Y	534,974	Y	613,474
Cost of sales		(300,388)		(373,351)
Gross profit		234,586		240,123
Selling, general and administrative expenses		(161,664)		(188,153)
Other income		5,328		9,238
Other expenses		(2,229)		(2,197)
Operating profit		76,020		59,011
Finance income		2,231		5,369
Finance expenses		(1,667)		(4,459)
Share of profit/(loss) of investments accounted for using the equity method		190		209
Profit before income taxes		76,775		60,130
Income tax expenses		(22,043)		(17,159)
Profit for the period		<u>54,732</u>		<u>42,971</u>
Profit for the period attributable to:				
Owners of the parent company		54,252		42,976
Non-controlling interests		480		(5)
Profit for the period	Y	<u>54,732</u>	Y	<u>42,971</u>
Earnings per share:		Yen		Yen
Basic earnings per share	Y	208.70	Y	167.79
Diluted earnings per share		208.07		167.29

Consolidated Statement of Income

	Millions of yen			
	Three months ended		Three months ended	
	Dec. 31,		Dec. 31,	
	2021		2022	
Revenue	Y	184,457	Y	216,807
Cost of sales		(105,208)		(135,296)
Gross profit		79,249		81,511
Selling, general and administrative expenses		(55,728)		(65,462)
Other income		2,038		7,029
Other expenses		(716)		(1,534)
Operating profit		24,842		21,543
Finance income		1,103		1,900
Finance expenses		(832)		(1,614)
Share of profit/(loss) of investments accounted for using the equity method		86		93
Profit before income taxes		25,199		21,922
Income tax expenses		(7,581)		(9,210)
Profit for the period		17,617		12,711
Profit for the period attributable to:				
Owners of the parent company		17,440		12,718
Non-controlling interests		177		(6)
Profit for the period	Y	17,617	Y	12,711
Earnings per share:		Yen		Yen
Basic earnings per share	Y	67.09	Y	49.77
Diluted earnings per share		66.88		49.63

Consolidated Statement of Comprehensive Income

	Millions of yen	
	Nine months ended Dec. 31, 2021	Nine months ended Dec. 31, 2022
Profit for the period	Y 54,732	42,971
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	(1,160)	(1,349)
Total of items that will not be reclassified subsequently to profit or loss	(1,160)	(1,349)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	12,450	11,600
Total of items that may be reclassified subsequently to profit or loss	12,450	11,600
Other comprehensive income for the period, net of income tax	11,290	10,250
Comprehensive income for the period	66,022	53,221
Comprehensive income for the period attributable to:		
Owners of the parent company	65,524	53,226
Non-controlling interests	498	(5)
Comprehensive income for the period	Y 66,022	53,221

Consolidated Statement of Comprehensive Income

	Millions of yen	
	Three months ended Dec. 31, 2021	Three months ended Dec. 31, 2022
Profit for the period	Y 17,617	Y 12,711
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	(559)	(364)
Total of items that will not be reclassified subsequently to profit or loss	(559)	(364)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	11,227	(25,346)
Total of items that may be reclassified subsequently to profit or loss	11,227	(25,346)
Other comprehensive income for the period, net of income tax	10,668	(25,710)
Comprehensive income for the period	28,286	(12,998)
Comprehensive income for the period attributable to:		
Owners of the parent company	28,153	(12,991)
Non-controlling interests	132	(6)
Comprehensive income for the period	Y 28,286	Y (12,998)

Consolidated Statement of Changes in Equity

Nine months ended Dec. 31, 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	-	-	54,252	-	-
Other comprehensive income	-	-	-	-	12,417
Total comprehensive income for the period	-	-	54,252	-	12,417
Acquisition of treasury stock	-	-	-	(7)	-
Disposal of treasury stock	-	(31)	-	31	-
Dividends paid	-	-	(16,397)	-	-
Share-based payment transaction	-	117	-	-	-
Changes in ownership interest in subsidiaries	-	39	-	-	-
Reclassification to retained earnings	-	-	(1,145)	-	-
Total transactions with owners	-	126	(17,543)	24	-
Balance as of Dec. 31, 2021	19,209	17,779	546,371	(2,452)	(48,580)

	Equity attributable to owners of the parent company				Total equity
	Other components of equity		Total	Non-controlling interests	
	Gains/(Losses) on investments in equity instruments designated as FVTOCI	Total			Total
Balance as of Apr. 1, 2021	-	(60,998)	483,050	16,657	499,707
Profit for the period	-	-	54,252	480	54,732
Other comprehensive income	(1,145)	11,272	11,272	18	11,290
Total comprehensive income for the period	(1,145)	11,272	65,524	498	66,022
Acquisition of treasury stock	-	-	(7)	-	(7)
Disposal of treasury stock	-	-	0	-	0
Dividends paid	-	-	(16,397)	(247)	(16,645)
Share-based payment transaction	-	-	117	-	117
Changes in ownership interest in subsidiaries	-	-	39	(15,353)	(15,313)
Reclassification to retained earnings	1,145	1,145	-	-	-
Total transactions with owners	1,145	1,145	(16,246)	(15,601)	(31,848)
Balance as of Dec. 31, 2021	-	(48,580)	532,327	1,554	533,881

Nine months ended Dec. 31, 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	-	-	42,976	-	-
Other comprehensive income	-	-	-	-	11,600
Total comprehensive income for the period	-	-	42,976	-	11,600
Acquisition of treasury stock	-	-	-	(7,005)	-
Disposal of treasury stock	-	(48)	(7)	55	-
Cancellation of treasury stock	-	(149)	(8,740)	8,889	-
Dividends paid	-	-	(17,510)	-	-
Share-based payment transaction	-	136	-	(136)	-
Reclassification to retained earnings	-	-	(1,349)	-	-
Total transactions with owners	-	(61)	(27,607)	1,803	-
Balance as of Dec. 31, 2022	19,209	17,805	570,279	(3,624)	(13,811)

	Equity attributable to owners of the parent company				Total equity
	Other components of equity		Total	Non-controlling interests	
	Gains/(Losses) on investments in equity instruments designated as FVTOCI	Total			Total
Balance as of Apr. 1, 2022	-	(25,411)	561,146	65	561,211
Profit for the period	-	-	42,976	(5)	42,971
Other comprehensive income	(1,349)	10,250	10,250	0	10,250
Total comprehensive income for the period	(1,349)	10,250	53,226	(5)	53,221
Acquisition of treasury stock	-	-	(7,005)	-	(7,005)
Disposal of treasury stock	-	-	0	-	0
Cancellation of treasury stock	-	-	-	-	-
Dividends paid	-	-	(17,510)	(6)	(17,516)
Share-based payment transaction	-	-	-	-	-
Reclassification to retained earnings	1,349	1,349	-	-	-
Total transactions with owners	1,349	1,349	(24,515)	(6)	(24,521)
Balance as of Dec. 31, 2022	-	(13,811)	589,857	53	589,911

Consolidated Statement of Cash Flows

	Millions of yen			
	Nine months ended		Nine months ended	
	Dec. 31, 2021		Dec. 31, 2022	
Cash flows from operating activities				
Profit before income taxes	Y	76,775	Y	60,130
Depreciation and amortization		28,778		31,454
Finance expenses/(income)		(563)		(910)
Share of loss/(profit) of investments accounted for using the equity method		(190)		(209)
Losses/(gains) on sale and disposal of fixed assets		505		(4,892)
Decrease/(increase) in trade and other receivables		(6,927)		(19,395)
Decrease/(increase) in inventories		(28,654)		(48,045)
Increase/(decrease) in trade and other payables		8,483		1,214
Decrease/(increase) in retirement benefit assets		96		(1,724)
Increase/(decrease) in retirement benefit liabilities		(570)		307
Other		(5,635)		(1,793)
Subtotal		<u>72,097</u>		<u>16,138</u>
Interest received		919		1,546
Dividends received		319		395
Interest paid		(566)		(731)
Income taxes paid		(19,620)		(31,535)
Net cash provided by (used in) operating activities	Y	<u>53,149</u>	Y	<u>(14,187)</u>
Cash flows from investing activities				
Purchases of property, plant and equipment		(19,009)		(20,505)
Proceeds from sales of property, plant and equipment		938		1,467
Purchases of intangible assets		(5,976)		(7,985)
Proceeds from sales of investment properties		-		6,500
Purchases of equity instruments		(919)		(934)
Proceeds from sales of equity instruments		-		10
Payments for acquisition of debt instruments		(6,649)		(1,794)
Proceeds from sales or redemption of investments in debt instruments		4,108		3,737
Other		(688)		(1,013)
Net cash provided by (used in) investing activities	Y	<u>(28,194)</u>	Y	<u>(20,517)</u>
Cash flows from financing activities				
Proceeds from short-term borrowings		-		21,514
Proceeds from long-term borrowings		200		-
Repayment of long-term borrowings		(20,197)		(19,997)
Repayment of lease obligations		(6,596)		(6,458)
Payments for acquisition of interests in subsidiaries from non-controlling interests		(15,335)		-
Dividends paid		(16,397)		(17,510)
Purchase of treasury stock		(3)		(7,003)
Dividends paid to non-controlling interests		(247)		(6)
Other		(0)		0
Net cash provided by (used in) financing activities	Y	<u>(58,579)</u>		<u>(29,461)</u>
Effect of exchange rate changes on cash and cash equivalents		2,824		3,983
Net increase/(decrease) in cash and cash equivalents		<u>(30,800)</u>		<u>(60,183)</u>
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	<u><u>160,202</u></u>		<u><u>107,731</u></u>

Segment Information

Nine months ended Dec. 31, 2021

	Millions of yen									
	Reportable segments							Total	Reconciliations	Consolidated
	Printing & Solutions	Machinery	Domino	Nissei	Personal & Home	Network & Contents	Others			
Revenue										
Customers	320,063	68,291	62,561	15,433	38,887	21,835	7,902	534,974	-	534,974
Intersegment	-	-	-	-	-	-	10,280	10,280	(10,280)	-
Total	320,063	68,291	62,561	15,433	38,887	21,835	18,183	545,255	(10,280)	534,974
Business segment profit/(loss)	50,115	10,563	5,114	1,395	7,274	(1,948)	445	72,959	(37)	72,921
Other income and expenses	525	11	(82)	58	118	2,251	217	3,099	-	3,099
Operating profit	50,641	10,574	5,031	1,453	7,393	302	662	76,058	(37)	76,020
Finance income and expenses										563
Share of profit/(loss) of investments accounted for using the equity method										190
Profit before income taxes										76,775

Nine months ended Dec. 31, 2022

	Millions of yen									
	Reportable segments							Total	Reconciliations	Consolidated
	Printing & Solutions	Machinery	Domino	Nissei	Personal & Home	Network & Contents	Others			
Revenue										
Customers	374,235	73,103	74,305	17,972	39,544	26,017	8,295	613,474	-	613,474
Intersegment	-	-	-	-	-	-	8,624	8,624	(8,624)	-
Total	374,235	73,103	74,305	17,972	39,544	26,017	16,920	622,099	(8,624)	613,474
Business segment profit	32,041	8,041	4,060	1,864	4,763	519	708	51,998	(28)	51,970
Other income and expenses	575	409	(31)	77	138	462	5,409	7,041	-	7,041
Operating profit	32,616	8,450	4,029	1,941	4,901	982	6,117	59,039	(28)	59,011
Finance income and expenses										910
Share of profit/(loss) of investments accounted for using the equity method										209
Profit before income taxes										60,130

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 Dec. 31, 2021

	Millions of yen									
	Reportable segments							Total	Reconciliations	Consolidated
	Printing & Solutions	Machinery	Domino	Nissei	Personal & Home	Network & Contents	Others			
Revenue										
Customers	114,905	20,845	20,688	5,350	11,349	8,493	2,825	184,457	-	184,457
Intersegment	-	-	-	-	-	-	4,570	4,570	(4,570)	-
Total	114,905	20,845	20,688	5,350	11,349	8,493	7,395	189,027	(4,570)	184,457
Business segment profit	17,818	2,756	784	399	1,522	41	203	23,527	(7)	23,520
Other income and expenses	102	58	(29)	18	40	1,124	7	1,322	-	1,322
Operating profit	17,921	2,815	754	418	1,562	1,166	211	24,849	(7)	24,842
Finance income and expenses										271
Share of profit/(loss) of investments accounted for using the equity method										86
Profit before income taxes										25,199

Three months ended Dec. 31, 2022

	Millions of yen									
	Reportable segments							Total	Reconciliations	Consolidated
	Printing & Solutions	Machinery	Domino	Nissei	Personal & Home	Network & Contents	Others			
Revenue										
Customers	133,729	25,702	25,453	6,054	13,709	9,068	3,088	216,807	-	216,807
Intersegment	-	-	-	-	-	-	3,239	3,239	(3,239)	-
Total	133,729	25,702	25,453	6,054	13,709	9,068	6,327	220,046	(3,239)	216,807
Business segment profit	9,085	2,761	1,106	661	2,073	151	229	16,068	(19)	16,048
Other income and expenses	1,155	(141)	(815)	(8)	14	(48)	5,339	5,494	-	5,494
Operating profit	10,241	2,619	291	652	2,087	103	5,568	21,563	(19)	21,543
Finance income and expenses										285
Share of profit/(loss) of investments accounted for using the equity method										93
Profit before income taxes										21,922

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.