



August 7, 2023

Consolidated Financial Results
for the First Six Months of the Year Ending December 31, 2023
<Under Japanese GAAP>

Company name: **ITOKI CORPORATION**
 Listing: Tokyo Stock Exchange
 Stock code: 7972
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Scheduled date to file Quarterly Report: August 7, 2023
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results presentation meeting: Yes (for institutional investors and security analysts)

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the first six months of the fiscal year ending
December 31, 2023 (from January 1, 2023 to June 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	%
First six months of the fiscal year ending								
December 31, 2023	68,190	7.0	7,002	60.2	7,095	60.7	4,707	28.1
December 31, 2022	63,756	3.4	4,371	47.0	4,416	56.0	3,676	60.5

Note: Comprehensive income

First six months of the fiscal year ending December 31, 2023 5,134 million of yen (40.1%)

First six months of the fiscal year ending December 31, 2022 3,664 million of yen (47.0%)

	Earnings per share	Diluted earnings per share
First six months of the fiscal year ending	Yen	Yen
December 31, 2023	103.90	91.23
December 31, 2022	81.27	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
First six months of the fiscal year ending December 31, 2023	111,693	53,418	47.7	1,176.10
Fiscal year ended December 31, 2022	115,288	49,910	43.2	1,100.33

Reference: Equity

First six months of the fiscal year ending December 31, 2023: 53,334 million of yen

Fiscal year ended December 31, 2022: 49,825 million of yen

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended December 31, 2022	Yen —	Yen 0.00	Yen —	Yen 37.00	Yen 37.00
Fiscal year ending December 31, 2023	—	0.00			
Fiscal year ending December 31, 2023 (Forecast)			—	32.00	32.00

Note: Revision to the forecasts of cash dividends most recently announced: Yes

Note: Breakdown of fiscal year-end dividends for the fiscal year ended December 31, 2022

Ordinary dividend: 17.00 yen

Special dividend: 20.00 yen

3. Consolidated earnings forecasts for the fiscal year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

(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
Fiscal year ending December 31, 2023	130,000	5.4	7,500	63.7	7,500	79.5	4,800	(9.3)	105.84

Note: Revision to the consolidated earnings forecast most recently announced: Yes

* Notes

- (1) Changes in significant subsidiaries during the first six months of the fiscal year ending December 31, 2023: None
(changes in specified subsidiaries accompanying changes in scope of consolidation)
New: —companies (Company names) / Exception: —companies (Company names)
- (2) Application of specific accounting for preparing the consolidated quarterly financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
- a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatement of prior period financial statements after error corrections: None
- (Note) For details, please refer to “2. Consolidated Quarterly Financial Statements and Main Notes” - “(4) Notes on Consolidated Quarterly Financial Statements (Changes in Accounting Policies)” on page 12 of the appendix.
- (4) Number of issued shares (common shares)
- a. Total number of issued shares at the end of the period (including treasury shares)
 - As of June 30, 2023 45,664,437 shares
 - Fiscal year ended December 31, 2022 45,664,437 shares
 - b. Number of treasury shares at the end of the period
 - As of June 30, 2023 316,086 shares
 - Fiscal year ended December 31, 2022 381,659 shares
 - c. Average number of shares during the period (cumulative from the beginning of the fiscal year)
 - As of June 30, 2023 45,304,566 shares
 - As of June 30, 2022 45,231,921 shares

* Quarterly financial results reports are not required to be subjected to quarterly reviews conducted by certified public accountants or an audit corporation.

* Explanation concerning proper use of earnings forecasts and other specific matters

All forward-looking statements (earnings forecasts, etc.) in this document are prepared based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual results may differ significantly from the forecast figures due to various factors. For notes on assumptions for the earnings forecasts and notes on usage of the earnings forecasts, please refer to “1. Qualitative Information on Quarterly Financial Results” - “(3) Explanation of Forward Looking Information for Earnings Forecasts, Etc.” on page 4 of the appendix.

○ Appendix Table of Contents

1. Qualitative Information on Quarterly Financial Results	2
(1) Explanation of Operating Results	2
(2) Explanation of Financial Position	3
(3) Explanation of Forward Looking Information for Earnings Forecasts, Etc.	4
2. Consolidated Quarterly Financial Statements and Main Notes	6
(1) Consolidated Quarterly Balance Sheets	6
(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income ...	8
(3) Consolidated Quarterly Statements of Cash Flows.....	10
(4) Notes on the Consolidated Quarterly Financial Statements	12
(Notes on Assumption of Going Concern).....	12
(Notes in the Event of Significant Fluctuations in the Amount of Shareholders' Equity).....	12
(Changes in Accounting Policies).....	12
(Additional Information).....	12
(Segment Information, Etc.).....	13

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

In the current fiscal year, which is the final year of the medium-term management plan RISE ITOKI 2023, the Group will continue to promote various measures based on the structural reform project. In the first six months of the current consolidated cumulative period, the Group aimed to become a highly profitable corporation with a robust structure. We strove to increase sales and profit through measures such as proposing new work styles and workplaces in order to fulfill a leading role in creating a post-COVID working environment, and conducting sales activities that focus on increasing value.

(Millions of yen)

	Second quarter-end 2022 Consolidated cumulative period	Second quarter-end 2023 Consolidated cumulative period	Increase/decrease (amount)	Increase/decrease (%)
Net sales	63,756	68,190	4,434	7.0%
Gross profit	24,243	27,019	2,776	11.5%
Selling, general and administrative expenses	19,871	20,017	145	0.7%
Operating profit	4,371	7,002	2,630	60.2%
Non-operating income	289	239	(49)	(17.2%)
Non-operating expenses	245	147	(98)	(40.0%)
Ordinary profit	4,416	7,095	2,679	60.7%
Extraordinary income	925	16	(908)	(98.2%)
Extraordinary losses	108	31	(76)	(70.7%)
Profit before income taxes	5,232	7,079	1,847	35.3%
Total income taxes	1,628	2,371	743	45.6%
Profit per share	3,604	4,708	1,104	30.6%
Profit attributable to owners of parent	3,676	4,707	1,031	28.1%

(i) Net sales

Net sales were 68,190 million yen, an increase of 4,434 million yen (7.0%) year-on-year.

- The workplace business performed well mainly due to renovation projects, office relocations, etc., to fit new hybrid work styles.
- In the equipment and public works-related business, demand remained strong for public facility equipment such as display cases for museums and art galleries and digital signage remained firm.
- In the IT and sharing business, there was strong performance by the system development business and the system verification business, which has been promoted as the second pillar. The sharing business for office space also performed well.

(ii) Gross profit

Gross profit was 27,019 million yen, an increase of 2,776 million yen (11.5%) year-on-year.

- In the workplace business, while predicting the impact of soaring raw material prices, profit increased significantly due to an improved profit margin as the effect of increased revenue and an improvement in value provided.
- In the equipment and public works-related business, while predicting the impact of soaring raw material prices, profit increased due to the effect of increased revenue caused by increased demand and strong sales of equipment for public facilities, and due to an improved profit margin.
- In the IT and sharing business, the system development business, system verification business, and office sharing business performed well.

(iii) Selling, general and administrative expenses

Selling, general and administrative expenses were 20,017 million yen, a slight increase of 145 million yen (0.7%) year-on-year. This increase was the result of factors such as the planned implementation of strategic expenditures, etc., for future leaps in performance such as strengthening IT infrastructure to promote DX, and hiring of mid-career human resources. It was also the result of SG&A expenses reductions such as continuing to cut logistics costs through the structural reform project.

(iv) Operating profit

As a result of the above, operating profit was 7,002 million yen, an increase of 2,630 million yen (60.2%) year-on-year. This means that we were able to secure operating profit that exceeded expectations.

- In the workplace business, profit increased significantly due to an improved profit margin as the effect of increased revenue and an improvement in value provided.

- In the equipment and public works-related business, profit increased due to an improved profit margin as the effect of increased revenue for equipment in public facilities and an improvement in value provided.
- In the IT and sharing business, profit increased due to the effect of increased revenue.

(v) Non-operating income

Non-operating income was 239 million yen, a decrease of 49 million yen (17.2%) year-on-year. The decrease was due to factors such as a decrease in subsidy income for preventing the spread of COVID-19.

(vi) Non-operating expenses

Non-operating expenses were 147 million yen, a decrease of 98 million yen (40.0%) year-on-year. The decrease was due to factors such as foreign exchange losses year-on-year.

(vii) Ordinary profit

As a result of the above, ordinary profit was 7,095 million yen, an increase of 2,679 million yen (60.7%) year-on-year.

(viii) Extraordinary income

Extraordinary income was 16 million yen, a decrease of 908 million yen (98.2%) year-on-year. The decrease was due to factors such as recording gain on forgiveness of debts caused by the waiver of claims by some creditors of our consolidated subsidiary GlobalTreehouse Inc. in conjunction with the dissolution of GlobalTreehouse Inc. in the same period of the previous fiscal year.

(ix) Extraordinary losses

Extraordinary losses were 31 million yen, a decrease of 76 million yen (70.7%) year-on-year. The decrease was due to factors such as loss on sale of non-current assets, etc., year-on-year.

(x) Profit attributable to owners of parent

As a result of the above, profit attributable to owners of parent was 4,707 million yen, an increase of 1,031 million yen (28.1%) year-on-year.

Segment results were as follows.

(Millions of yen)

Name of segment		Second quarter-end 2022 Consolidated cumulative period	Second quarter-end 2023 Consolidated cumulative period	Increase/decrease (amount)	Increase/decrease (%)
Workplace business	Net sales	44,778	49,012	4,233	9.5%
	Operating profit	2,671	5,217	2,546	95.3%
Equipment, device, and public works business	Net sales	18,176	18,267	90	0.5%
	Operating profit	1,467	1,515	48	3.3%
IT & sharing business	Net sales	764	840	75	9.8%
	Operating profit	207	213	6	3.4%
Reportable segment total	Net sales	63,719	68,119	4,399	6.9%
	Operating profit	4,345	6,947	2,601	59.9%
Other	Net sales	36	71	35	96.8%
	Operating profit	26	55	29	112.1%
Total	Net sales	63,756	68,190	4,434	7.0%
	Operating profit	4,371	7,002	2,630	60.2%

(2) Explanation of Financial Position

a. Assets, liabilities, and net assets

(Millions of yen)

	As of December 31, 2022	As of June 30, 2023	Increase/decrease (amount)	Increase/decrease (%)
Assets	115,288	111,693	(3,594)	(3.1%)
Liabilities	65,377	58,275	(7,102)	(10.9%)
Net assets	49,910	53,418	3,508	7.0%

(Assets)

Total assets were 111,693 million yen, a decrease of 3,594 million yen compared to the end of the previous consolidated fiscal year ended December 31, 2022. The decrease was due to factors such as a decrease in cash and deposits of 2,188 million yen due to strategic expenditures such as strengthening IT infrastructure to promote DX and payment of bonuses.

(Liabilities)

Total liabilities were 58,275 million yen, a decrease of 7,102 million yen compared to the end of the fiscal year ended December 31, 2022. The decrease was due to factors such as a decrease in payment of income taxes payable and a decrease in provision for bonuses due to issuance of bonuses.

(Net assets)

Net assets were 53,418 million yen, an increase of 3,508 million yen compared to the end of the fiscal year ended December 31, 2022. The increase was due to factors such as an increase of 3,032 million yen in retained earnings due to increased profit. The equity ratio was 47.7%, an increase of 4.5% from the end of the fiscal year ended December 31, 2022.

b. Consolidated cash flows

The balance of cash and cash equivalents (hereinafter, "Funds") at the end of the first six months of the current consolidated accounting period was 22,953 million yen, a decrease in Funds of 2,466 million yen compared to the end of the fiscal year ended December 31, 2022.

The status of each type of cash flow and related factors in the first six months of the current consolidated cumulative period were as follows.

(i) Net cash provided by (used in) operating activities

Funds provided by operating activities increased by 4,078 million yen (compared to an increase of 4,581 million yen year-on-year) due to factors such as profit before income taxes of 7,079 million yen due to increased revenue and profit.

(ii) Net cash provided by (used in) investing activities

Funds provided by investing activities decreased by 3,265 million yen (compared to a decrease of 1,410 million yen year-on-year) due to factors such as expenditures of 2,703 million yen for purchase of property, plant and equipment associated with strategic expenditures including the renewal of Itoki Tokyo Xork.

(iii) Net cash provided by (used in) financing activities

Funds provided by financing activities decreased by 3,266 million yen (compared to a decrease of 661 million yen year-on-year) due to factors such as dividends paid of 1,675 million yen due to increased payment of dividends.

(3) Explanation of Forward Looking Information for Earnings Forecasts, Etc.

Net sales are generally in line with our initial plan.

Profit significantly exceeded the initial forecast for the first half of the current consolidated cumulative period. This was due to unexpectedly smooth improvement of our gross profit margin based on reform/improvement activities as part of the structural reform project. In the second half of the current consolidated cumulative period, we expect to record expenditures related to human capital investment (education expenses, office environment improvement, etc.) and strategic expenses such as DX promotion in anticipation of future growth strategies. Even so, we expect profits to exceed the previous consolidated fiscal period due to continued results of structural improvements until the first half of the current consolidated cumulative period.

Based on these trends, we expect operating profit, ordinary profit, and profit attributable to owners of parent to increase compared to the initial plan.

Due to the above, we have revised the forecasted figures for the consolidated performance for the full year ending December 31, 2023.

Furthermore, the Company recognizes that profit distribution as one of our important managerial issues. Our basic policy is to continuously and stably pay dividends to our shareholders based on comprehensive and long-term consideration of factors such as income, enhancement of internal reserves, and future business growth. Under this basic policy, after comprehensively considering

factors such as earnings trends and payout ratio, the Company revised the year-end dividend for the fiscal year ending December 31, 2023 upward from the previous forecast of 25 yen per share to 32 yen per share, an increase of 7 yen.

The year-end dividend for the previous fiscal year (the fiscal year ended December 31, 2022) included an ordinary dividend of 17 yen and a special dividend of 20 yen.

2. Consolidated Quarterly Financial Statements and Main Notes

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	Fiscal year ended December 31, 2022 (December 31, 2022)	First six months of the current consolidated accounting period (June 30, 2023)
Assets		
Current assets		
Cash and deposits	26,876	24,688
Notes and accounts receivable - trade, and contract assets	29,316	28,377
Electronically recorded monetary claims - operating	3,008	3,544
Securities	100	100
Merchandise and finished goods	4,998	5,019
Work in process	2,010	2,034
Raw materials and supplies	2,920	3,038
Other	1,991	2,176
Allowance for doubtful accounts	(194)	(202)
Total current assets	71,027	68,775
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,377	12,063
Land	8,436	8,436
Other (net)	5,165	4,452
Total property, plant and equipment	24,978	24,952
Intangible assets		
Goodwill	517	391
Other	1,302	1,492
Total intangible assets	1,819	1,884
Investments and other assets		
Investment securities	5,057	5,434
Deferred tax assets	3,084	1,477
Retirement benefit asset	1,490	1,532
Other	8,296	8,103
Allowance for doubtful accounts	(466)	(467)
Total investments and other assets	17,462	16,080
Total non-current assets	44,260	42,918
Total assets	115,288	111,693

(Millions of yen)

	Fiscal year ended December 31, 2022 (December 31, 2022)	First six months of the current consolidated accounting period (June 30, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,674	11,496
Electronically recorded obligations - operating	7,482	8,451
Notes payable - facilities	1,334	108
Current portion of bonds payable	60	-
Short-term borrowings	9,463	8,597
Current portion of long-term borrowings	1,716	1,702
Income taxes payable	3,095	974
Accrued consumption taxes	804	901
Provision for bonuses	2,712	1,157
Provision for bonuses for directors (and other officers)	157	27
Provision for loss on orders received	1	0
Provision for product warranties	19	20
Provision for loss on business of subsidiaries and associates	355	326
Other	9,221	8,782
Total current liabilities	49,099	42,547
Non-current liabilities		
Long-term borrowings	6,731	6,454
Lease obligations	799	608
Deferred tax liabilities	349	352
Provision for retirement benefits for directors (and other officers)	85	84
Provision for loss on voluntary recall of products	83	83
Retirement benefit liability	4,062	3,990
Asset retirement obligations	1,315	1,323
Other	2,851	2,829
Total non-current liabilities	16,278	15,727
Total liabilities	65,377	58,275
Net assets		
Shareholders' equity		
Share capital	5,294	5,294
Capital surplus	9,638	9,665
Retained earnings	34,387	37,419
Treasury shares	(134)	(111)
Total shareholders' equity	49,185	52,267
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	294	536
Foreign currency translation adjustment	480	592
Remeasurements of defined benefit plans	(133)	(62)
Total accumulated other comprehensive income	640	1,066
Share acquisition rights	45	45
Non-controlling interests	39	39
Total net assets	49,910	53,418
Total liabilities and net assets	115,288	111,693

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income

Consolidated Quarterly Statements of Income

First six months of the consolidated cumulative period

(Millions of yen)

	First six months of the previous consolidated cumulative period (January 1, 2022 to June 30, 2022)	First six months of the current consolidated cumulative period (January 1, 2023 to June 30, 2023)
Net sales	63,756	68,190
Cost of sales	39,512	41,171
Gross profit	24,243	27,019
Selling, general and administrative expenses	19,871	20,017
Operating profit	4,371	7,002
Non-operating income		
Interest income	5	7
Dividend income	60	66
Share of gain of entities accounted for using equity method	-	4
Other	223	161
Total non-operating income	289	239
Non-operating expenses		
Interest expenses	75	79
Share of loss of entities accounted for using equity method	3	-
Foreign exchange losses	69	-
Other	96	67
Total non-operating expenses	245	147
Ordinary profit	4,416	7,095
Extraordinary income		
Gain on sale of non-current assets	139	2
Gain on sale of investment securities	2	14
Gain on forgiveness of debts	779	-
Other	4	-
Total extraordinary income	925	16
Extraordinary losses		
Loss on sale of non-current assets	19	-
Loss on retirement of non-current assets	46	29
Other	42	2
Total extraordinary losses	108	31
Profit before income taxes	5,232	7,079
Income taxes - current	1,255	840
Income taxes - deferred	372	1,530
Total income taxes	1,628	2,371
per share	3,604	4,708
Loss attributable to non-controlling interests	(71)	1
Profit attributable to owners of parent	3,676	4,707

Consolidated Quarterly Statements of Comprehensive Income

First six months of the consolidated cumulative period

(Millions of yen)

	First six months of the previous consolidated cumulative period (January 1, 2022 to June 30, 2022)	First six months of the current consolidated cumulative period (January 1, 2023 to June 30, 2023)
Profit	3,604	4,708
Other comprehensive income		
Valuation difference on available-for-sale securities	(145)	242
Foreign currency translation adjustment	236	112
Remeasurements of defined benefit plans, net of tax	(31)	70
Total other comprehensive income	59	425
Quarterly comprehensive income	3,664	5,134
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,735	5,133
Comprehensive income attributable to non-controlling interests	(70)	1

(3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	First six months of the previous consolidated cumulative period (January 1, 2022 to June 30, 2022)	First six months of the current consolidated cumulative period (January 1, 2023 to June 30, 2023)
Net cash provided by (used in) operating activities		
Profit before income taxes	5,232	7,079
Depreciation	1,352	1,303
Amortization of goodwill	198	123
Increase (decrease) in allowance for doubtful accounts	(40)	16
Increase (decrease) in provision for bonuses	(575)	(1,550)
Increase (decrease) in provision for bonuses for directors (and other officers)	(107)	(130)
Increase (decrease) in provision for loss on orders received	2	(0)
Increase (decrease) in retirement benefit liability	32	4
Decrease (increase) in retirement benefit asset	(7)	(16)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(0)	(0)
Increase (decrease) in provision for product warranties	(37)	1
Increase (decrease) in provision for loss on business of subsidiaries and associates	-	(12)
Interest and dividend income	(66)	(74)
Interest expenses	75	79
Loss (gain) on sale of investment securities	8	(11)
Loss (gain) on sale of non-current assets	(120)	(2)
Loss on retirement of non-current assets	46	29
Share of loss (profit) of entities accounted for using equity method	3	(4)
Decrease (increase) in trade receivables	(2,177)	377
Decrease (increase) in inventories	(774)	(172)
Increase (decrease) in trade payables	2,362	(179)
Other	127	99
Subtotal	5,536	6,958
Interest and dividends received	66	69
Interest paid	(70)	(73)
Income taxes refunded (paid)	(951)	(2,876)
Net cash provided by (used in) operating activities	4,581	4,078

(Millions of yen)

	First six months of the previous consolidated cumulative period (January 1, 2022 to June 30, 2022)	First six months of the current consolidated cumulative period (January 1, 2023 to June 30, 2023)
Net cash provided by (used in) investing activities		
Payments into time deposits	(869)	(1,294)
Proceeds from withdrawal of time deposits	859	1,029
Purchase of property, plant and equipment	(1,199)	(2,703)
Proceeds from sale of property, plant and equipment	349	22
Purchase of investment securities	(51)	(119)
Proceeds from sale of investment securities	34	44
Net decrease (increase) in short-term loans receivable	(12)	-
Proceeds from collection of long-term loans receivable	0	0
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(36)	-
Net decrease (increase) in insurance funds	(113)	224
Other	(371)	(467)
Net cash provided by (used in) investing activities	(1,410)	(3,265)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	585	(832)
Proceeds from long-term borrowings	835	669
Repayments of long-term borrowings	(960)	(959)
Redemption of bonds	(20)	(60)
Dividends paid	(678)	(1,675)
Dividends paid to non-controlling interests	(0)	(0)
Net decrease (increase) in treasury shares	(0)	(0)
Other	(423)	(406)
Cash flows from financing activities	(661)	(3,266)
Effect of exchange rate change on cash and cash equivalents	120	(13)
Net increase (decrease) in cash and cash equivalents	2,630	(2,466)
Cash and cash equivalents at beginning of period	15,797	25,420
Increase (decrease) in cash and cash equivalents resulting from change in fiscal year end of consolidated subsidiaries	81	-
Cash and cash equivalents at end of quarter	18,509	22,953

(4) Notes on the Consolidated Quarterly Financial Statements

(Notes on Assumption of Going Concern)

None.

(Notes in the Event of Significant Fluctuations in the Amount of Shareholders' Equity)

None.

(Changes in Accounting Policies)

(Adoption of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31; June 17, 2021; hereinafter, "Guidance for Fair Value Measurement") from the beginning of the first three months of the consolidated cumulative period. In accordance with the transitional treatment stipulated in Paragraph 27-2 of the Guidance for Fair Value Measurement, the new accounting policies stipulated by the Guidance for Fair Value Measurement will be applied prospectively. This change has no impact on the Consolidated Quarterly Financial Statements.

(Additional Information)

(Accounting Estimates on the Impact of COVID-19 Spread)

In regard to accounting estimates on the impact of COVID-19 spread, there are no significant changes to the assumptions stated in the "Additional Information" section of the Financial Results for the Fiscal year Ended December 31, 2022

(Consolidated Basis) that was issued on February 13, 2023.

(Segment Information, Etc.)

[Segment Information]

I First six months of the previous consolidated cumulative period (January 1, 2022 to June 30, 2022)

1. Information on the amount of sales and profit (loss) by reportable segment, and disaggregated information on earnings

(Millions of yen)

	Reportable Segment				Other (Note 1)	Total	Adjustments	Amount Recorded in Consolidated Quarterly Statements of Income (Note 2)
	Workplace Business	Equipment and Public Works- Related Business	IT and Sharing Business	Total				
Net sales								
Japan	40,259	18,105	764	59,129	—	59,129	—	59,129
Asia	4,420	25	—	4,446	—	4,446	—	4,446
Other	97	45	—	143	—	143	—	143
Earnings from contracts with customers	44,778	18,176	764	63,719	—	63,719	—	63,719
Other earnings	—	—	—	—	36	36	—	36
Sales to external customers	44,778	18,176	764	63,719	36	63,756	—	63,756
Intersegment sales or transfers	228	4	156	389	24	414	(414)	—
Total	45,007	18,181	920	64,109	60	64,170	(414)	63,756
Reportable profit	2,671	1,467	207	4,345	26	4,371	—	4,371

(Note) 1. “Other” is for business segments not included in reportable segments. It includes rental income, etc.

2. Total segment income is consistent with operating profit in the consolidated quarterly statements of income.

II First six months of the current consolidated cumulative period (January 1, 2023 to June 30, 2023)

1. Information on the amount of sales and profit (loss) by reportable segment, and disaggregated information on earnings

(Millions of yen)

	Reportable Segment				Other (Note 1)	Total	Adjustments	Amount Recorded in Consolidated Quarterly Statements of Income (Note 2)
	Workplace Business	Equipment and Public Works- Related Business	IT and Sharing Business	Total				
Net sales								
Japan	43,485	18,094	840	62,420	—	62,420	—	62,420
Asia	5,284	89	—	5,374	—	5,374	—	5,374
Other	241	83	—	324	—	324	—	324
Earnings from contracts with customers	49,012	18,267	840	68,119	—	68,119	—	68,119
Other earnings	—	—	—	—	71	71	—	71
Sales to external customers	49,012	18,267	840	68,119	71	68,190	—	68,190
Intersegment sales or transfers	159	17	198	375	24	400	(400)	—
Total	49,171	18,285	1,038	68,495	95	68,591	(400)	68,190
Reportable profit	5,217	1,515	213	6,947	55	7,002	—	7,002

(Note) 1. "Other" is for business segments not included in reportable segments. It includes rental income, etc.

2. Total segment income is consistent with operating profit in the consolidated quarterly statements of income.