

Consolidated Financial Results
for the Six Months Ended September 30, 2023
[Japanese GAAP]



November 13, 2023

Company name: Toshiba Tec Corporation

Stock exchange listing: Tokyo

Code number: 6588

URL: <https://www.toshibatec.co.jp/>

Representative: Hironobu Nishikori

President and CEO

Contact: Akira Abe

General Manager of Corporate Communications Division

Phone: 03-6830-9151

Scheduled date of filing quarterly securities report: November 13, 2023

Scheduled date of commencing dividend payments: December 1, 2023

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2023	263,646	8.1	5,910	(0.8)	3,663	31.6	2,163	—
September 30, 2022	243,869	12.4	5,955	37.5	2,783	(9.6)	(6,370)	—

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 6,581 million [— %]

Six months ended September 30, 2022: ¥ (1,395) million [— %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	39.11	39.10
September 30, 2022	(115.12)	—

(Note) Diluted earnings per share for the six months ended September 30, 2022 is not presented even though the Company has issued potential shares, because basic earnings per share was net loss.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2023	326,754	98,978	28.2
March 31, 2023	310,692	102,206	31.0

(Reference) Equity: As of September 30, 2023: ¥ 92,274 million

As of March 31, 2023: ¥ 96,195 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	20.00	–	20.00	40.00
Fiscal year ending March 31, 2024	–	20.00			
Fiscal year ending March 31, 2024 (Forecast)			–	25.00	45.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	540,000	5.7	18,000	11.9	15,000	14.1	7,000	–	129.33

(Note) Revision to the financial results forecast announced most recently: Yes

Basic earnings per share in the financial results forecast is calculated taking into account the effect of the purchase of treasury shares during the six months ended September 30, 2023.

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New – (Company name:)

Exclusion: – (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(Note) For details, please refer to “2. Quarterly Consolidated Financial Statements and Notes (4) Notes to the quarterly consolidated financial statements (Accounting policies adopted specially for the preparation of quarterly consolidated financial statements)” on page 11 of this report.

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2023: 57,629,140 shares

March 31, 2023: 57,629,140 shares

2) Total number of treasury shares at the end of the period:

September 30, 2023: 4,699,129 shares

March 31, 2023: 2,281,668 shares

3) Average number of shares during the period:

Six months ended September 30, 2023: 55,305,451 shares

Six months ended September 30, 2022: 55,335,806 shares

• Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

• Proper use of earnings forecasts, and other special matters

(Explanation for the proper use of earnings forecasts)

Financial results forecasts are based on information currently available to the Company and certain assumptions deemed reasonable and are not intended to be the Company’s guarantee that they will be achieved. Actual results may significantly vary due to a variety of factors. For the assumptions used as the basis for the earnings forecasts and precautions regarding the use of the earnings forecasts, please refer to “1. Qualitative information on the financial results for the period under review (3) Consolidated financial results forecast and other forward-looking information” on page 5 of this report.

Table of Contents of Attachments

1. Qualitative information on the financial results for the period under review	2
(1) Operating results	2
(2) Financial condition	3
(3) Consolidated financial results forecast and other forward-looking information	5
2. Quarterly Consolidated Financial Statements and Notes	6
(1) Quarterly Consolidated Balance Sheet	6
(2) Quarterly Consolidated Statement of Income and Comprehensive Income	8
Quarterly Consolidated Statement of Income (For the six months)	8
Quarterly Consolidated Statement of Comprehensive Income (For the six months)	9
(3) Quarterly Consolidated Statement of Cash Flows	10
(4) Notes to the quarterly consolidated financial statements	11
Notes on going concern assumption	11
Notes in the event of significant amount changes in shareholders' equity	11
Accounting policies adopted specially for the preparation of quarterly consolidated financial statements	11
Segment information	12
3. Supplementary information	13
(1) Changes in information about financial results	13
(2) Changes in reportable segment information	14
(3) Changes in net sales by destination market	14
(4) Changes in proportion of overseas production by value	15
(5) Changes in resource inputs	15

1. Qualitative information on the financial results for the period under review

(1) Operating results

The world economy during the six months ended September 30, 2023 picked up moderately overall, as the normalization of economic activities progressed after the COVID-19 pandemic receded. However, the outlook still remained uncertain due mainly to price rises, ongoing monetary tightening overseas, China's economic slowdown, and the prolonged Russian-Ukrainian problem.

Amid such conditions, Toshiba Tec Corporation (the "Company") and its subsidiaries (collectively, the "Group") have been pursuing the Basic Policy of the FY23-25 Mid-term Business Plan, "To become a global top solutions partner by generating new value through co-creation with the aim of contributing to the resolution of social issues." Under the basic policy, the Group has focused its energy on carrying out various measures toward sustainable growth. At the same time, the Group has strived to contribute to the resolution of social issues by executing business transformation and corporate transformation.

In the six months ended September 30, 2023, net sales were ¥263,646 million (up 8% year on year) due mainly to increased sales of POS systems for the domestic market and multifunction peripherals (MFPs), and the impact of foreign exchange rates. On the profit front, despite a deterioration in profit and loss of POS systems for the overseas markets, profitability of MFPs improved significantly, while profitability of POS systems for the domestic market improved to a lesser extent, resulting in operating profit of ¥5,910 million (down 1% year on year) and ordinary profit of ¥3,663 million (up 32% year on year). Profit attributable to owners of parent was ¥2,163 million (compared with loss attributable to owners of parent of ¥6,370 million in the same period of the previous fiscal year) due to the elimination of a temporary negative impact on profit from the provision for loss on litigation recorded under extraordinary losses in the same period of the previous fiscal year.

As for the interim dividend, as a result of comprehensive consideration of the above-mentioned financial results, business environment, and other factors, the Company will pay an interim dividend of ¥20 per share, as forecasted at the time of the announcement of financial results for the fiscal year ended March 31, 2023 on May 11, 2023.

Results of reportable segments for the six months ended September 30, 2023 were as follows.

Retail Solutions Business Group

The Retail Solutions Business Group handles POS systems for domestic and overseas markets, auto ID systems for domestic market, and related products. Amid a severe business environment in which intensifying competition with peers continues, the business group has worked on expanding its solution business through the global retail platform "ELERA" and strategic partnership, boosting recurring revenue business, and investing in retail innovation to expand new businesses (strengthening digital human resources, ELERA Evolution, enhancing co-creation opportunities, and strengthening partner collaboration).

Sales of POS systems for the domestic market increased due to efforts to expand sales mainly of self-checkout systems, payment terminals, and smart receipts, as well as efforts to revise selling prices, despite continued harsh conditions reflecting soaring raw material prices, rising prices, and other factors.

Sales of POS systems for overseas markets declined due mainly to a decrease in sales of hardware and software in the United States, primarily to major customers, and a decrease in sales of hardware in Europe, and other factors.

Sales of auto ID systems for the domestic market fell primarily due to a decline in the number of units sold of barcode printers.

As a result, net sales of the Retail Solutions Business Group were ¥149,637 million (up 3% year on year). Operating profit of the business group was ¥899 million (down 82% year on year), reflecting the deterioration in profit and loss in overseas markets due to a decrease in sales of POS systems and an increase in research expenses, etc. for future growth despite the improved profitability of POS systems for the domestic market.

Workplace Solutions Business Group

The Workplace Solutions Business Group handles multifunction peripherals (MFPs) for domestic and overseas markets, auto ID systems for overseas markets, inkjet heads for domestic and overseas markets, and related products. Amid a severe business environment in which the declining printing volume due to post-COVID-19 work style reforms and office DX promotion and intensifying competition with peers continue, the business group focused on increasing basic earnings power of core business. At the same time, the business group worked on developing the auto ID business, document and data solutions, and customer support business in order to expand business in growth areas.

Sales of MFPs increased due to the impact of foreign exchange rates in addition to strong sales in the Americas, Europe, and other regions, reflecting a recovery from product supply disruptions and increased selling prices.

Sales of auto ID systems for overseas markets declined as a result of decreased sales in the Americas, Europe, Asia, and other overseas regions.

Sales of inkjet heads decreased due mainly to decreased sales to overseas customers.

As a result, net sales in the Workplace Solutions Business Group were ¥116,365 million (up 16% year on year). Operating profit for the business group soared to ¥5,010 million (up 361% year on year) due to the increase in net sales resulting from recovery from product supply disruptions, the increased selling prices and other factors and effects of structural reform and structural transformation implemented so far, etc.

(Note) An auto ID system is a system that uses hardware and software devices to recognize and manage data content by automatically scanning barcode and RFID tag data.

(2) Financial condition

1) Analysis of financial condition

Assets at the end of the second quarter of the fiscal year ending March 31, 2024 increased by ¥16,062 million from the end of the previous fiscal year to ¥326,754 million. This was mainly because notes and accounts receivable – trade, and contract assets, merchandise and finished goods, raw materials and supplies, and “Other” in current assets increased by ¥1,265 million, ¥3,229 million, ¥1,294 million, and ¥4,512 million respectively, and property, plant and equipment in non-current assets and “Other” in investments and other assets increased by ¥1,390 million and ¥4,651 million, respectively, although work in process declined by ¥1,059 million.

Liabilities increased by ¥19,289 million from the end of the previous fiscal year to ¥227,775 million. This was mainly because notes and accounts payable – trade, current portion of long-term borrowings, and “Other” in current liabilities increased by ¥5,305 million, ¥2,900 million, and ¥4,116 million, respectively, and long-term borrowings in non-current liabilities increased by ¥6,172 million.

Net assets decreased by ¥3,227 million from the end of the previous fiscal year to ¥98,978 million. This was primarily due to a decrease in retained earnings owing to the payment of dividends of ¥1,106 million and a decrease due to additional purchase of treasury shares of ¥8,684 million, although retained earnings increased owing to the recording of profit attributable to owners of parent of ¥2,163 million, and foreign currency translation adjustment increased by ¥4,154 million.

2) Status of cash flows

An overview of cash flows for the six months ended September 30, 2023 is as follows.

Net cash provided by operating activities was ¥6,774 million (compared with an outflow of ¥8,112 million in the same period of the previous fiscal year), reflecting profit before income taxes of ¥3,304 million, depreciation and amortization of ¥8,352 million, and a decrease in trade receivables of ¥6,690 million, partly offset by a decrease in trade payables of ¥2,589 million, payments for loss on litigation of ¥3,400 million, and income taxes paid of ¥3,534 million.

Net cash used in investing activities was ¥6,364 million (compared with an outflow of ¥5,682 million in the same period of the previous fiscal year), reflecting outlays for purchase of property, plant and equipment and

intangible assets, purchase of investment securities, and other outflows.

As a result of the above, free cash flow amounted to an inflow of ¥410 million (compared with an outflow of ¥13,795 million in the same period of the previous fiscal year).

Net cash used in financing activities was ¥3,885 million (compared with an outflow of ¥4,114 million in the same period of the previous fiscal year), reflecting purchase of treasury shares of ¥8,742 million, repayments of finance lease liabilities of ¥2,287 million, and dividends paid of ¥1,106 million, partly offset by proceeds from long-term borrowings of ¥9,584 million.

As a result of the above, the balance of Group funding at the end of the second quarter of the fiscal year ending March 31, 2024 (cash and cash equivalents in the quarterly consolidated statement of cash flows) increased by ¥776 million from the end of the previous fiscal year to ¥44,591 million.

(3) Consolidated financial results forecast and other forward-looking information

The Company revised its consolidated financial results forecast for the fiscal year ending March 31, 2024 announced on August 7, 2023 as follows.

Revision to consolidated financial results forecasts for the fiscal year ending March 31, 2024

(Million yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share (Yen)
Previously announced forecast (A)	530,000	18,000	15,000	7,000	126.48
Revised forecast (B)	540,000	18,000	15,000	7,000	129.33
Change (B)-(A)	10,000	–	–	–	2.85
Change (%)	1.9	–	–	–	2.3
Reference: results of the previous fiscal year (ended March 31, 2023)	510,767	16,078	13,149	(13,745)	(248.37)

Revision to consolidated sales forecasts by segment for the fiscal year ending March 31, 2024

(Million yen)

	Previously announced forecast (A)	Revised forecast (B)	Change (B) – (A)	Change (%)	Reference: results of the previous fiscal year (ended March 31, 2023)
Retail Solutions	310,000	310,000	–	–	296,951
Workplace Solutions	226,000	235,000	9,000	4.0	217,672
Eliminations	(6,000)	(5,000)	1,000	(16.7)	(3,857)
Net sales	530,000	540,000	10,000	1.9	510,767

Revision to consolidated operating profit forecasts by segment for the fiscal year ending March 31, 2024

(Million yen)

	Previously announced forecast (A)	Revised forecast (B)	Change (B) – (A)	Change (%)	Reference: results of the previous fiscal year (ended March 31, 2023)
Retail Solutions	11,000	9,000	(2,000)	(18.2)	9,196
Workplace Solutions	7,000	9,000	2,000	28.6	6,882
Operating profit	18,000	18,000	–	–	16,078

Net sales of the Retail Solutions Business Group remain unchanged, while those of the Workplace Solutions Business Group have been revised upward due mainly to the impact of exchange rates. Operating profit, ordinary profit, and profit attributable to owners of parent of the Group remain unchanged from the previously announced forecast. Meanwhile, consolidated operating profit of the Retail Solutions Business Group has been revised downward mainly due to uncertain overseas market conditions, whereas that of the Workplace Solutions Business Group has been revised upward in line with increased net sales. Based on these factors, we have revised our consolidated financial results forecasts for the fiscal year ending March 31, 2024 as stated above.

The reference exchange rates used in the consolidated financial results forecast for the fiscal year ending March 31, 2024 are ¥140.78 to the US dollar and ¥151.24 to the euro. Basic earnings per share have been calculated taking into account the effect of the purchase of treasury shares during the six months ended September 30, 2023.

*Financial results forecasts are based on information currently available to the Company and certain assumptions deemed reasonable, and are not intended to be the Company's guarantee that they will be achieved. Actual results may significantly vary due to a variety of factors.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	42,687	43,375
Group deposits paid	1,137	1,227
Notes and accounts receivable - trade, and contract assets	74,293	75,558
Merchandise and finished goods	37,616	40,845
Work in process	5,967	4,908
Raw materials and supplies	11,884	13,178
Other	28,173	32,685
Allowance for doubtful accounts	(1,185)	(1,224)
Total current assets	200,575	210,554
Non-current assets		
Property, plant and equipment	45,173	46,563
Intangible assets		
Goodwill	557	501
Other	10,528	10,625
Total intangible assets	11,086	11,126
Investments and other assets		
Other	54,266	58,917
Allowance for doubtful accounts	(408)	(407)
Total investments and other assets	53,857	58,509
Total non-current assets	110,117	116,200
Total assets	310,692	326,754

(Million yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	54,167	59,472
Short-term borrowings	1,779	2,249
Current portion of long-term borrowings	–	2,900
Income taxes payable	5,177	5,506
Other	89,421	93,537
Total current liabilities	150,546	163,665
Non-current liabilities		
Long-term borrowings	2,581	8,753
Retirement benefit liability	28,722	28,770
Other	26,636	26,585
Total non-current liabilities	57,940	64,109
Total liabilities	208,486	227,775
Net assets		
Shareholders' equity		
Share capital	39,970	39,970
Capital surplus	902	950
Retained earnings	40,017	41,074
Treasury shares	(4,695)	(13,380)
Total shareholders' equity	76,195	68,615
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,525	1,214
Deferred gains or losses on hedges	(40)	(56)
Foreign currency translation adjustment	18,131	22,286
Minimum pension liability adjustments	(212)	(163)
Remeasurements of defined benefit plans	595	377
Total accumulated other comprehensive income	19,999	23,658
Share acquisition rights	43	19
Non-controlling interests	5,966	6,684
Total net assets	102,206	98,978
Total liabilities and net assets	310,692	326,754

(2) Quarterly Consolidated Statement of Income and Comprehensive Income
Quarterly Consolidated Statement of Income (For the six months)

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	243,869	263,646
Cost of sales	149,687	157,719
Gross profit	94,181	105,927
Selling, general and administrative expenses	88,226	100,016
Operating profit	5,955	5,910
Non-operating income		
Interest income	104	207
Dividend income	56	60
Other	203	132
Total non-operating income	364	401
Non-operating expenses		
Interest expenses	233	275
Loss on valuation of derivatives	774	697
Foreign exchange losses	326	475
Foreign withholding tax	1,249	–
Other	952	1,198
Total non-operating expenses	3,536	2,647
Ordinary profit	2,783	3,663
Extraordinary income		
Gain on sale of investment securities	–	10
Total extraordinary income	–	10
Extraordinary losses		
Loss on sale of investment securities	–	9
Loss on valuation of investment securities	–	80
Restructuring cost	114	280
Loss on reversal of foreign currency translation adjustment due to liquidation of overseas subsidiaries	33	–
Provision for loss on litigation	6,900	–
Total extraordinary losses	7,047	369
Profit (loss) before income taxes	(4,264)	3,304
Income taxes	2,663	919
Profit (loss)	(6,927)	2,385
Profit (loss) attributable to non-controlling interests	(557)	221
Profit (loss) attributable to owners of parent	(6,370)	2,163

Quarterly Consolidated Statement of Comprehensive Income (For the six months)

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit (loss)	(6,927)	2,385
Other comprehensive income		
Valuation difference on available-for-sale securities	(554)	(311)
Deferred gains or losses on hedges	(32)	(16)
Foreign currency translation adjustment	6,555	4,691
Minimum pension liability adjustment	(26)	49
Remeasurements of defined benefit plans, net of tax	(410)	(217)
Total other comprehensive income	5,532	4,196
Comprehensive income	(1,395)	6,581
Comprehensive income attributable to		
Owners of parent	(1,523)	5,822
Non-controlling interests	128	759

(3) Quarterly Consolidated Statement of Cash Flows

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from operating activities		
Profit (loss) before income taxes	(4,264)	3,304
Depreciation and amortization	8,158	8,352
Loss (gain) on sale of investment securities	–	(1)
Loss (gain) on valuation of investment securities	–	80
Restructuring cost	114	280
Loss on reversal of foreign currency translation adjustment due to liquidation of overseas subsidiaries	33	–
Provision for loss on litigation	6,900	–
Interest and dividend income	(160)	(268)
Interest expenses	233	275
Increase (decrease) in allowance for doubtful accounts	(13)	(76)
Increase (decrease) in retirement benefit liability	(1,668)	(1,261)
Decrease (increase) in trade receivables	(3,398)	6,690
Decrease (increase) in inventories	(2,366)	1,002
Increase (decrease) in trade payables	(6,664)	(2,589)
Other, net	(2,450)	(2,107)
Subtotal	(5,547)	13,682
Interest and dividends received	162	262
Interest paid	(217)	(324)
Payment for extra retirement payments	(512)	(257)
Payments for loss on litigation	–	(3,400)
Income taxes paid	(2,397)	(3,534)
Income taxes refund	398	346
Net cash provided by (used in) operating activities	(8,112)	6,774
Cash flows from investing activities		
Payments into time deposits	(0)	(0)
Purchase of property, plant and equipment	(3,834)	(4,849)
Proceeds from sale of property, plant and equipment	38	219
Purchase of intangible assets	(1,176)	(1,437)
Purchase of investment securities	(719)	(412)
Proceeds from sale of investment securities	–	87
Net decrease (increase) in short-term loans receivable	2	(3)
Long-term loan advances	(0)	(0)
Proceeds from collection of long-term loans receivable	2	0
Other, net	3	31
Net cash provided by (used in) investing activities	(5,682)	(6,364)
Cash flows from financing activities		
Repayments of finance lease liabilities	(2,393)	(2,287)
Proceeds from long-term borrowings	461	9,584
Repayments of long-term borrowings	(498)	(1,200)
Purchase of treasury shares	(3)	(8,742)
Dividends paid	(1,106)	(1,106)
Dividends paid to non-controlling interests	(574)	(132)
Net cash provided by (used in) financing activities	(4,114)	(3,885)
Effect of exchange rate change on cash and cash equivalents	4,034	4,251
Net increase (decrease) in cash and cash equivalents	(13,875)	776
Cash and cash equivalents at beginning of period	46,709	43,815
Cash and cash equivalents at end of period	32,834	44,591

(4) Notes to the quarterly consolidated financial statements

Notes on going concern assumption

Not applicable.

Notes in the event of significant amount changes in shareholders' equity

Purchase of treasury shares

Pursuant to a resolution at the board of directors' meeting held on August 7, 2023, the Company purchased 2,444,293 treasury shares for ¥8,738 million during the six months ended September 30, 2023.

Accounting policies adopted specially for the preparation of quarterly consolidated financial statements

Calculation of tax expenses

Tax expenses are calculated by reasonably estimating the effective tax rate after the application of tax effect accounting for profit before income taxes for the consolidated fiscal year ending March 31, 2024 including the second quarter under review and multiplying profit before income taxes by the estimated effective tax rate.

Provided, however, that if calculation using the estimated effective tax rate turns out to be significantly unreasonable, calculations are made pursuant to Paragraph 15 (Method of using the statutory effective tax rate) of the Implementation Guidance on Tax Effect Accounting for Interim Financial Statements (Accounting Standards Board of Japan (ASBJ) Guidance No. 29, February 16, 2018), according to the provisions of Paragraph 19 of the Implementation Guidance on Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14, March 31, 2020).

Income taxes - deferred are included in income taxes.

Segment information

I Six months ended September 30, 2022

Amounts of net sales, profit or loss by reportable segment

(Million yen)

	Reportable segments			Adjustment	Consolidated amount (Note)
	Retail Solutions	Workplace Solutions	Total		
Net sales					
Sales to external customers	145,433	98,435	243,869	–	243,869
Intersegment sales and transfers	29	1,717	1,746	(1,746)	–
Total	145,462	100,152	245,615	(1,746)	243,869
Segment profit	4,867	1,087	5,955	–	5,955

(Note) Segment profit corresponds with operating profit in the quarterly consolidated statement of income.

II Six months ended September 30, 2023

Amounts of net sales, profit or loss by reportable segment

(Million yen)

	Reportable segments			Adjustment	Consolidated amount (Note)
	Retail Solutions	Workplace Solutions	Total		
Net sales					
Sales to external customers	149,555	114,090	263,646	–	263,646
Intersegment sales and transfers	81	2,274	2,355	(2,355)	–
Total	149,637	116,365	266,002	(2,355)	263,646
Segment profit	899	5,010	5,910	–	5,910

(Note) Segment profit corresponds with operating profit in the quarterly consolidated statement of income.

3. Supplementary information

(1) Changes in information about financial results

[Consolidated]

(Million yen)

Description	For the six months ended September 30, 2021	For the six months ended September 30, 2022	For the six months ended September 30, 2023	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023	For the fiscal year ending March 31, 2024 (Forecast)
Net sales	216,977	243,869	263,646	445,317	510,767	540,000
Year-on-year change	113%	112%	108%	110%	115%	106%
Operating profit	4,332	5,955	5,910	11,566	16,078	18,000
Year-on-year change	–	138%	99%	140%	139%	112%
Ordinary profit	3,079	2,783	3,663	10,197	13,149	15,000
Year-on-year change	–	90%	132%	142%	129%	114%
Profit (loss) attributable to owners of parent	2,464	(6,370)	2,163	5,381	(13,745)	7,000
Year-on-year change	–	–	–	75%	–	–
Basic earnings (losses) per share (Yen)	44.79	(115.12)	39.11	97.68	(248.37)	129.33
Number of consolidated subsidiaries	70	67	66	69	67	Undecided
Average exchange rate (Yen to the US dollar)	109.89	131.59	139.93	112.05	135.11	140.78
Average exchange rate (Yen to the euro)	131.15	138.21	152.78	130.54	140.86	151.24

(2) Changes in reportable segment information

[Consolidated net sales]

(Million yen)

Description	For the six months ended September 30, 2022	For the six months ended September 30, 2023	For the fiscal year ended March 31, 2023	For the fiscal year ending March 31, 2024 (Forecast)
Retail Solutions Business Group	145,462	149,637	296,951	310,000
Year-on-year change	111%	103%	111%	104%
Workplace Solutions Business Group	100,152	116,365	217,672	235,000
Year-on-year change	114%	116%	120%	108%
Subtotal	245,615	266,002	514,624	545,000
Elimination	(1,746)	(2,355)	(3,857)	(5,000)
Total	243,869	263,646	510,767	540,000
Year-on-year change	112%	108%	115%	106%

(Note) Net sales for each business include “Intersegment sales and transfers.”

[Consolidated operating profit]

(Million yen)

Description	For the six months ended September 30, 2022	For the six months ended September 30, 2023	For the fiscal year ended March 31, 2023	For the fiscal year ending March 31, 2024 (Forecast)
Retail Solutions Business Group	4,867	899	9,196	9,000
Operating profit margin	3.3%	0.6%	3.1%	2.9%
Workplace Solutions Business Group	1,087	5,010	6,882	9,000
Operating profit margin	1.1%	4.3%	3.2%	3.8%
Total	5,955	5,910	16,078	18,000
Operating profit margin	2.4%	2.2%	3.1%	3.3%

(3) Changes in net sales by destination market

[Changes in net sales by destination market / Consolidated]

(Million yen)

Description	For the six months ended September 30, 2021	For the six months ended September 30, 2022	For the six months ended September 30, 2023	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Japan	88,767	85,066	93,173	178,906	174,524
Percentage of consolidated net sales	41%	35%	35%	40%	34%
Americas	65,537	85,914	94,538	137,114	183,988
Percentage of consolidated net sales	30%	35%	36%	31%	36%
Europe	40,586	44,971	47,359	84,539	94,948
Percentage of consolidated net sales	19%	18%	18%	19%	19%
Other	22,086	27,915	28,574	44,757	57,304
Percentage of consolidated net sales	10%	12%	11%	10%	11%
Total	216,977	243,869	263,646	445,317	510,767
Percentage of consolidated net sales	100%	100%	100%	100%	100%

(4) Changes in proportion of overseas production by value

[Changes in proportion of overseas production by value / Consolidated]

Description	For the six months ended September 30, 2021	For the six months ended September 30, 2022	For the six months ended September 30, 2023	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Overseas ratio	74%	81%	74%	77%	73%

(5) Changes in resource inputs

[Increase in property, plant and equipment and intangible assets / Consolidated]

(Million yen)

Description	For the six months ended September 30, 2021	For the six months ended September 30, 2022	For the six months ended September 30, 2023	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023	For the fiscal year ending March 31, 2024 (Forecast)
Consolidated	6,677	7,694	8,707	14,879	17,550	19,000
Year-on-year change	87%	115%	113%	100%	118%	108%

[Research and development expenses / Consolidated]

(Million yen)

Description	For the six months ended September 30, 2021	For the six months ended September 30, 2022	For the six months ended September 30, 2023	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023	For the fiscal year ending March 31, 2024 (Forecast)
Consolidated	11,334	11,885	14,665	21,949	24,531	30,000
Net sales ratio	5.2%	4.9%	5.6%	4.9%	4.8%	5.6%
Year-on-year change	99%	105%	123%	101%	112%	122%

[Number of employees at the end of the fiscal year / Consolidated]

(Persons)

Description	For the six months ended September 30, 2021	For the six months ended September 30, 2022	For the six months ended September 30, 2023	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023	For the fiscal year ending March 31, 2024 (Forecast)
Consolidated	18,699	18,557	18,973	18,539	18,906	19,200
Year-on-year change	(573)	(142)	416	28	367	294