



## 2. Dividends

	Annual dividend per share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
Fiscal year ended June 30, 2023	Yen —	Yen 35.00	Yen —	Yen 45.00	Yen 80.00
Fiscal year ended June 30, 2024	—				
Fiscal year ending June 30, 2024(forecast)		45.00	—	45.00	90.00

(Note) Revisions to the most recently announced dividend forecast during the period: None

## 3. Consolidated Earnings Forecast for the Fiscal Year Ending June 30, 2024 (July 1, 2023 to June 30, 2024)

(Percentages indicate YoY change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	53,000	14.2	10,700	13.4	11,300	7.4	8,300	0.7	175.25

(Note) Revisions to the most recently announced financial forecast during the period: None

### \*Notes

- (1) Changes in significant subsidiaries during the period under review: None  
(Transfers of specified subsidiaries associated with changes in the Company's scope of consolidation)
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies and accounting estimates and retrospective restatements
1. Accounting policy changes due to accounting standard revisions, etc.: None
  2. Other accounting policy changes: None
  3. Changes in accounting estimates: None
  4. Retrospective restatements: None

### (4) Number of shares outstanding (common stock)

1. Shares outstanding (including treasury shares) at the end of the period	As of September 30, 2023	56,590,410	As of June 30, 2023	56,590,410
2. Treasury shares outstanding at the end of the period	As of September 30, 2023	9,230,531	As of June 30, 2023	9,230,386
3. Average number of shares outstanding during the period	Three months ended September 30, 2023	47,359,930	Three months ended September 30, 2022	47,360,390

\*Summaries of quarterly financial statements are not subject to audit through certified public accountants or auditing corporations.

### \*Appropriate use of earnings forecast and other special notes

(Notes on forward-looking statements, etc.)

The forward-looking statements including the forecasts for the financial results contained in this document are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable, and actual results may differ from such statements due to a variety of factors. For the conditions assumed for the results forecasts and notes on the use of such forecasts, please refer to "1. Qualitative Analysis of Quarterly Financial Results, (3) Consolidated Financial Forecasts and Other Forward-Looking Statements on page 3 of the Accompanying Materials

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# 1. Qualitative Analysis of Quarterly Financial Results

## (1) Explanation of Operating Results

During the first three months of the fiscal year ending June 30, 2024, the Japanese economy showed signs of gradual recovery as consumer spending and capital investment continued to rally and corporate earnings generally improved, reflecting normalization of the social environment, including the easing of restrictions on entry to Japan. Meanwhile, many uncertainties remain in the face of economic risks such as rising prices of raw materials, energy, and other commodities, heightened geopolitical risks, and a stagnant Chinese economy.

In this economic environment, the Group reacted quickly and flexibly to changes in the business environment, strengthened and improved its internal systems with an eye toward efficiency and profitability, and promoted profit-oriented management.

As a result, in the first three months of the fiscal year ending June 30, 2024, net sales were 11,973 million yen (+10.9% YoY), operating profit was 2,353 million yen (+4.2% YoY), ordinary profit was 2,695 million yen (+2.0% YoY, and profit attributable to owners of parent was 1,799 million yen (-11.4% YoY).

Segment results were as follows.

### 1. Security Equipment

In the Security Equipment business, contract renewals and new orders for condominium security systems continued to be strong, and there was progress on acquiring large projects from public agencies and financial institutions. As a result, net sales were 3,614 million yen (+4.9% YoY) and segment profit was 1,479 million yen (+3.1% YoY).

### 2. Card Equipment and Other Office Equipment

In the Card Equipment and Other Office Equipment business, sales activities to hospitals, which are major customers of card equipment, remained strong. As a result, net sales were 745 million yen (+7.5% YoY) and segment profit was 170 million yen (+9.4% YoY).

### 3. Peripheral Computer Equipment

In the Peripheral Computer Equipment business, sales recovered slightly due to a rally in capital investment at companies that purchase commercial cutting machines and elimination of the impact of the semiconductor shortage, but sales of personal cutting machines were affected by the timing of the changeover between old and new products. As a result, net sales were 3,953 million yen (+1.9% YoY) and segment profit was 337 million yen (-30.4% YoY).

### 4. Design

In the Design business, there were stable orders for specialized structural design from general contractors. As a result, net sales were 1,141 million yen (+8.1% YoY) and segment profit was 50 million yen (+157.3% YoY).

## (2) Explanation of Financial Position

Total assets as of September 30, 2023, were 81,972 million yen, an increase of 1,447 million yen from the end of the previous consolidated fiscal year. The main changes under current assets were a 2,654 million yen decrease in cash and deposits, a 1,233 million yen increase in notes and accounts receivable - trade, and contract assets, a 1,115 million yen increase in merchandise and finished goods, and a 588 million yen increase in income taxes refund receivable (included in other). Under non-current assets, there was an 828 million yen increase in tools, furniture and fixtures (included in other property, plant and equipment). The underlying reasons for these changes were an increase in inventory in the Peripheral Computer Equipment business and an increase in non-current assets due to the manufacture of new products.

Total liabilities amounted to 14,676 million yen, an increase of 1,423 million yen from the end of the previous consolidated fiscal year. The main changes under current liabilities were an 826 million yen decrease in income taxes payable, a 988 million yen increase in notes and accounts payable - trade, a 421 million yen increase in provision for bonuses, and a 582 million yen increase in advances received (included in other). These changes primarily reflected income tax payments and an increase in accounts payable due to higher inventory.

Net assets were 67,295 million yen, an increase of 24 million yen from the end of the previous consolidated fiscal year. This was chiefly due to the recording of 1,799 million yen in profit attributable to owners of parent, 2,131 million yen in dividends paid, and a 370 million yen increase in foreign currency translation adjustment. As a result, the equity ratio was 81.7%, down slightly from 83.2% at the end of the previous consolidated fiscal year.

### (3) Consolidated Financial Forecasts and Other Forward-Looking Statements

The Company has made no change to its consolidated earnings forecast announced in Consolidated Financial Results for the Fiscal Year Ended June 30, 2023, dated August 18, 2023. Should any revisions be made to the earnings forecast, the Company will promptly disclose such revisions.

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	Fiscal year ended June 30, 2023 (as of June 30, 2023)	Three months ended September 30, 2023 (as of September 30, 2023)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	37,594	34,940
Notes and accounts receivable - trade, and contract assets	6,783	8,016
Investments in leases	866	826
Merchandise and finished goods	7,813	8,928
Work in process	103	110
Costs on uncompleted construction contracts	50	49
Raw materials and supplies	1,126	1,129
Other	2,220	2,742
Allowance for doubtful accounts	(13)	(14)
<b>Total current assets</b>	<b>56,544</b>	<b>56,727</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	1,728	1,712
Land	6,052	6,052
Other, net	2,439	3,398
<b>Total property, plant and equipment</b>	<b>10,221</b>	<b>11,163</b>
<b>Intangible assets</b>		
Goodwill	1,622	1,740
Other	237	366
<b>Total intangible assets</b>	<b>1,859</b>	<b>2,107</b>
<b>Investments and other assets</b>		
Investment securities	3,490	3,761
Shares of subsidiaries and associates	5,522	5,318
Other	2,973	2,980
Allowance for doubtful accounts	(87)	(87)
<b>Total investments and other assets</b>	<b>11,899</b>	<b>11,973</b>
<b>Total non-current assets</b>	<b>23,980</b>	<b>25,244</b>
<b>Total assets</b>	<b>80,524</b>	<b>81,972</b>

(Millions of yen)

	Fiscal year ended June 30, 2023 (as of June 30, 2023)	Three months ended September 30, 2023 (as of September 30, 2023)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,855	4,844
Lease liabilities	440	454
Income taxes payable	826	—
Provision for bonuses	187	609
Provision for product warranties	11	10
Provision for loss on orders received	5	12
Liabilities related to paid supply transactions	295	218
Other	3,860	4,653
Total current liabilities	9,482	10,802
Non-current liabilities		
Lease liabilities	944	983
Net defined benefit liability	1,350	1,376
Other	1,475	1,513
Total non-current liabilities	3,770	3,873
Total liabilities	13,253	14,676
<b>Net assets</b>		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	9,065	8,971
Retained earnings	54,673	54,282
Treasury shares	(4,705)	(4,706)
Total shareholders' equity	64,033	63,547
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	297	364
Foreign currency translation adjustment	2,649	3,020
Remeasurements of defined benefit plans	37	37
Total accumulated other comprehensive income	2,984	3,421
Non-controlling interests	253	326
Total net assets	67,271	67,295
Total liabilities and net assets	80,524	81,972

## (2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement Comprehensive income

Quarterly Consolidated Statement of Income

(First Quarter of Fiscal Year Ending June 30, 2024)

(Millions of yen)

	Three months ended September 30, 2022 (from July 1, 2022 to September 30, 2022)	Three months ended September 30, 2023 (from July 1, 2023 to September 30, 2023)
Net sales	10,796	11,973
Cost of sales	5,290	5,867
Gross profit	5,505	6,105
Selling, general and administrative expenses		
Director's compensations	101	104
Payroll and allowance	1,074	1,151
Bonuses	0	7
Provision for bonuses	273	328
Defined benefit expenses	37	60
Other	1,759	2,099
Total selling, general and administrative expenses	3,246	3,752
Operating profit	2,259	2,353
Non-operating income		
Interest income	6	33
Dividend income	8	8
Share of profit of entities accounted for using equity method	98	116
Foreign exchange gains	271	117
Other	9	77
Total non-operating income	395	353
Non-operating expenses		
Interest expenses	1	5
Commission expenses	9	6
Other	1	0
Total non-operating expenses	12	11
Ordinary profit	2,641	2,695
Extraordinary income		
Gain on sale of non-current assets	1	—
Gain on sale of shares of subsidiaries	4	—
Gain on bad debts recovered	99	—
Total extraordinary income	105	—
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on disaster	2	—
Other	—	3
Total extraordinary losses	2	3
Profit before income taxes	2,744	2,691
Income taxes – current	842	858
Income taxes – deferred	(132)	(2)
Total income taxes	709	856
Profit	2,034	1,835
Profit attributable to non-controlling interests	3	36
Profit attributable to owners of parent	2,031	1,799



Quarterly Consolidated Statement of Comprehensive Income  
(First Quarter of Fiscal Year Ending June 30, 2024)

	(Millions of yen)	
	Three months ended September 30, 2022 (from July 1, 2022 to September 30, 2022)	Three months ended September 30, 2023 (from July 1, 2023 to September 30, 2023)
Profit	2,034	1,835
Other comprehensive income		
Valuation difference on available-for-sale securities	(133)	51
Foreign currency translation adjustment	331	358
Remeasurements of defined benefit plans, net of tax	0	(0)
Share of other comprehensive income of entities accounted for using equity method	38	27
Total other comprehensive income	236	437
Comprehensive income	2,271	2,272
(Breakdown)		
Comprehensive income attributable to owners of parent	2,268	2,236
Comprehensive income attributable to non-controlling interests	3	36

### (3) Primary Notes to Quarterly Consolidated Financial Statements

(Notes to going concern assumptions)

None to be reported.

(Changes in scope of consolidation and application of the equity method)

(1) Significant changes in scope of consolidation

Effective from the first three months of the current fiscal year, Innovation Farm, Inc. is included in the scope of consolidation due to its increased significance.

(2) Significant changes in scope of application of the equity method

None to be reported.

(Significant changes in the amount of shareholders' equity)

None to be reported.

(Application of special accounting methods for preparation of quarterly consolidated financial statements)

None to be reported.

(Changes in accounting estimates)

None to be reported.

(Segment Information, etc.)

[Segment Information]

I First quarter of the fiscal year ending June 30, 2023 (from July 1 to September 30, 2022)

1. Sales, profit or loss for each reportable segment

(Millions of yen)

	Reportable segments					Other*1	Adjustments*2	Amount recorded in consolidated financial statements*3
	Security Equipment	Card Equipment and Other Office Equipment	Peripheral Computer Equipment	Design	Total			
Sales								
Sales generated through external customers	3,445	692	3,881	1,056	9,075	1,720	—	10,796
Intersegment sales and transfers	16	9	5	0	31	21	(52)	—
Total	3,461	701	3,886	1,056	9,106	1,741	(52)	10,796
Segment profit	1,435	155	484	19	2,095	137	26	2,259

Notes: 1. "Other" is a business segment not included in the reportable segments and includes the development, manufacture, and sale of power and energy saving systems; manufacture and sale of card readers and automatic wet hand towel dispensers; development and sale of software; maintenance services for security equipment, card equipment, etc.; lease and installment sales business; development, manufacture, and sale of measuring equipment; and others.

2. Segment profit adjustments include 3 million yen in intersegment eliminations, 203 million yen in corporate income not allocated to individual reportable segments, and -181 million yen in corporate expenses. Corporate income was mainly management guidance fees from group companies, while corporate expenses were mainly general and administrative expenses not belonging to any reportable segment.

3. Segment profit is adjusted based on operating profit in the quarterly consolidated statement of income.

2. Information regarding impairment loss on non-current assets and goodwill by reportable segment

(Significant impairment loss associated with non-current assets)

None to be reported.

(Significant changes in amount of goodwill)

None to be reported.

(Significant gains on negative goodwill)

None to be reported.

II First quarter of the fiscal year ending June 30, 2024 (from July 1 to September 30, 2023)

1. Sales, profit or loss for each reportable segment

	Reportable segments					Other*1	Adjustments *2	Amount recorded in consolidated financial statements * 3
	Security Equipment	Card Equipment and Other Office Equipment	Peripheral Computer Equipment	Design	Total			
Sales								
Sales generated through external customers	3,614	745	3,953	1,141	9,455	2,518	—	11,973
Intersegment sales and transfers	23	19	3	1	47	70	(117)	—
Total	3,638	764	3,957	1,142	9,502	2,588	(117)	11,973
Segment profit	1,479	170	337	50	2,037	372	(57)	2,353

Notes: 1. "Other" is a business segment not included in the reportable segments and includes the development, manufacture, and sale of power and energy saving systems; manufacture and sale of card readers and automatic wet hand towel dispensers; development and sale of software; maintenance services for security equipment, card equipment, etc.; lease and installment sales business; development, manufacture, and sale of measuring equipment; and others.

2. Segment profit adjustments include -30 million yen in intersegment eliminations, 179 million yen in corporate income not allocated to individual reportable segments, and -206 million yen in corporate expenses. Corporate income was mainly management guidance fees from group companies, while corporate expenses were mainly general and administrative expenses not belonging to any reportable segment.

3. Segment profit is adjusted based on operating profit in the quarterly consolidated statement of income.

2. Information regarding impairment loss on non-current assets and goodwill by reportable segment

(Significant impairment loss associated with non-current assets)

None to be reported.

(Significant changes in amount of goodwill)

None to be reported.

(Significant gains on negative goodwill)

None to be reported.