

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 8, 2021

Company name: Inabata&Co.,Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 8098 URL <https://www.inabata.co.jp>  
 Representative: Director,President Katsutaro Inabata  
 General Manager, Koichi Noda  
 Inquiries: Financial Management Office TEL 03-3639-6421  
 Scheduled date to file Quarterly Securities Report: November 11, 2021  
 Scheduled date to commence dividend payments: December 1, 2021  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(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	%
Six months ended September 30, 2021	328,586	–	11,076	78.3	12,042	73.3	13,518	131.0
Six months ended September 30, 2020	267,188	(13.1)	6,212	(12.8)	6,948	(12.5)	5,851	(13.2)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2021	224.56	–
Six months ended September 30, 2020	97.20	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	375,872	182,570	48.0
As of March 31, 2021	353,228	175,803	49.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	–	20.00	–	43.00	63.00
Year ending March 31, 2022	–	30.00			
Year ending March 31, 2022 (Forecast)			–	40.00	70.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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
Full year	600,000	–	16,000	6.9	17,000	2.9	16,000	16.0	265.80

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2021	63,499,227 shares	As of March 31, 2021	63,499,227 shares
--------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2021	3,296,984 shares	As of March 31, 2021	3,302,651 shares
--------------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	60,199,000 shares	Six months ended September 30, 2020	60,196,587 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	31,462	33,747
Notes and accounts receivable - trade	162,736	170,275
Merchandise and finished goods	49,210	65,750
Work in process	597	840
Raw materials and supplies	4,322	5,125
Other	9,266	11,014
Allowance for doubtful accounts	(613)	(592)
Total current assets	256,983	286,162
Non-current assets		
Property, plant and equipment	14,395	14,509
Intangible assets	2,918	2,675
Investments and other assets		
Investment securities	71,592	65,068
Retirement benefit asset	3,472	3,532
Other	8,411	8,629
Allowance for doubtful accounts	(4,545)	(4,705)
Total investments and other assets	78,930	72,525
Total non-current assets	96,244	89,710
Total assets	353,228	375,872
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	104,113	103,888
Short-term borrowings	33,731	47,642
Income taxes payable	3,155	4,850
Provision for bonuses	1,279	1,531
Other	8,310	11,390
Total current liabilities	150,591	169,302
Non-current liabilities		
Long-term borrowings	7,475	7,298
Provision for retirement benefits for directors (and other officers)	29	31
Provision for Management Board Incentive Plan Trust	131	136
Provision for loss on guarantees	18	18
Retirement benefit liability	2,144	1,539
Other	17,033	14,975
Total non-current liabilities	26,833	23,999
Total liabilities	177,424	193,302

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Net assets		
Shareholders' equity		
Share capital	9,364	9,364
Capital surplus	7,184	7,088
Retained earnings	116,794	127,719
Treasury shares	(4,155)	(4,145)
Total shareholders' equity	129,188	140,027
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	39,316	35,131
Deferred gains or losses on hedges	187	208
Foreign currency translation adjustment	4,536	4,633
Remeasurements of defined benefit plans	576	594
Total accumulated other comprehensive income	44,616	40,568
Non-controlling interests	1,999	1,974
Total net assets	175,803	182,570
Total liabilities and net assets	353,228	375,872

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	267,188	328,586
Cost of sales	246,453	300,195
Gross profit	20,735	28,390
Selling, general and administrative expenses	14,522	17,313
Operating profit	6,212	11,076
Non-operating income		
Interest income	96	132
Dividend income	795	918
Share of profit of entities accounted for using equity method	127	142
Miscellaneous income	421	289
Total non-operating income	1,442	1,482
Non-operating expenses		
Interest expenses	382	309
Foreign exchange losses	144	98
Miscellaneous losses	179	107
Total non-operating expenses	705	516
Ordinary profit	6,948	12,042
Extraordinary income		
Gain on sale of investment securities	1,419	6,546
Total extraordinary income	1,419	6,546
Profit before income taxes	8,368	18,588
Income taxes - current	2,312	5,094
Income taxes - deferred	(8)	(131)
Total income taxes	2,303	4,963
Profit	6,064	13,624
Profit attributable to non-controlling interests	213	106
Profit attributable to owners of parent	5,851	13,518

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	6,064	13,624
Other comprehensive income		
Valuation difference on available-for-sale securities	5,845	(4,189)
Deferred gains or losses on hedges	(30)	21
Foreign currency translation adjustment	(507)	86
Remeasurements of defined benefit plans, net of tax	133	18
Share of other comprehensive income of entities accounted for using equity method	78	(8)
Total other comprehensive income	5,518	(4,071)
Comprehensive income	11,583	9,553
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,332	9,470
Comprehensive income attributable to non-controlling interests	250	83

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	8,368	18,588
Depreciation	1,464	1,365
Increase (decrease) in allowance for doubtful accounts	(1,095)	144
Increase (decrease) in retirement benefit liability	214	(587)
Interest and dividend income	(892)	(1,050)
Interest expenses	382	309
Share of loss (profit) of entities accounted for using equity method	(127)	(142)
Loss (gain) on sale of investment securities	(1,419)	(6,546)
Decrease (increase) in trade receivables	11,676	(6,770)
Decrease (increase) in inventories	6,034	(17,352)
Decrease (increase) in other current assets	(135)	(1,785)
Decrease (increase) in other non-current assets	447	(97)
Increase (decrease) in trade payables	(11,007)	(712)
Increase (decrease) in other current liabilities	647	3,039
Other, net	270	341
Subtotal	14,826	(11,255)
Interest and dividends received	1,078	1,167
Interest paid	(386)	(305)
Income taxes paid	(1,696)	(3,479)
Net cash provided by (used in) operating activities	13,822	(13,872)
Cash flows from investing activities		
Payments into time deposits	(2,425)	(2,974)
Proceeds from withdrawal of time deposits	1,631	2,827
Purchase of property, plant and equipment	(939)	(791)
Proceeds from sale of property, plant and equipment	29	6
Purchase of intangible assets	(167)	(111)
Purchase of investment securities	(18)	(33)
Proceeds from sale of investment securities	1,485	6,917
Purchase of shares of subsidiaries	–	(85)
Net decrease (increase) in short-term loans receivable	121	(90)
Long-term loan advances	(90)	(74)
Proceeds from collection of long-term loans receivable	24	212
Other, net	(0)	(35)
Net cash provided by (used in) investing activities	(351)	5,767

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(12,355)	14,599
Proceeds from long-term borrowings	–	438
Repayments of long-term borrowings	(129)	(2,020)
Dividends paid	(1,996)	(2,601)
Dividends paid to non-controlling interests	(312)	(107)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(557)	(96)
Other, net	(267)	(283)
Net cash provided by (used in) financing activities	(15,618)	9,930
Effect of exchange rate change on cash and cash equivalents	(24)	140
Net increase (decrease) in cash and cash equivalents	(2,172)	1,965
Cash and cash equivalents at beginning of period	25,480	25,983
Cash and cash equivalents at end of period	23,308	27,948