

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 10, 2022

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,
 Inquiries: Financial Management Office Koichi Noda TEL 03-3639-6421
 Scheduled date of ordinary general meeting of shareholders: June 22, 2022
 Scheduled date to file Securities Report: June 23, 2022
 Scheduled date to commence dividend payments: June 1, 2022
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

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	%
Year ended March 31, 2022	680,962	–	20,052	33.9	21,648	31.1	22,351	62.0
Year ended March 31, 2021	577,583	(3.8)	14,973	13.2	16,514	16.2	13,792	20.8

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	374.23	–	12.8	5.8	2.9
Year ended March 31, 2021	229.13	–	8.6	4.9	2.6

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	389,059	176,914	45.0	3,062.46
As of March 31, 2021	353,228	175,803	49.2	2,887.29

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	(11,448)	5,446	5,999	28,251
Year ended March 31, 2021	17,613	(423)	(17,582)	25,983

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	–	20.00	–	43.00	63.00	3,810	27.5	2.4
Year ended March 31, 2022	–	30.00	–	80.00	110.00	6,406	29.4	3.7
Year ending March 31, 2023 (Forecast)	–	50.00	–	65.00	115.00		32.0	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 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
Six months ending September 30, 2022	360,000	9.6	9,500	(14.2)	10,000	(17.0)	10,000	(26.0)	175.08
Full year	730,000	7.2	19,500	(2.8)	20,500	(5.3)	20,500	(8.3)	358.91

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2022	60,799,227 shares	As of March 31, 2021	63,499,227 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	3,682,139 shares	As of March 31, 2021	3,302,651 shares
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Average number of shares during the period

Year ended March 31, 2022	59,725,855 shares	Year ended March 31, 2021	60,196,584 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	31,462	35,403
Notes and accounts receivable - trade	162,736	–
Notes receivable - trade	–	22,548
Accounts receivable - trade	–	162,149
Merchandise and finished goods	49,210	72,145
Work in process	597	860
Raw materials and supplies	4,322	6,059
Other	9,266	12,728
Allowance for doubtful accounts	(613)	(389)
Total current assets	256,983	311,505
Non-current assets		
Property, plant and equipment		
Buildings and structures	16,039	17,184
Accumulated depreciation	(10,636)	(11,765)
Buildings and structures, net	5,403	5,419
Machinery, equipment and vehicles	16,871	18,648
Accumulated depreciation	(13,158)	(14,551)
Machinery, equipment and vehicles, net	3,712	4,097
Land	2,911	3,043
Construction in progress	294	205
Other	5,224	6,382
Accumulated depreciation	(3,151)	(3,834)
Other, net	2,073	2,547
Total property, plant and equipment	14,395	15,312
Intangible assets	2,918	2,647
Investments and other assets		
Investment securities	71,592	48,303
Long-term loans receivable	1,212	1,448
Retirement benefit asset	3,472	6,390
Deferred tax assets	990	1,105
Other	6,209	7,380
Allowance for doubtful accounts	(4,545)	(5,035)
Total investments and other assets	78,930	59,593
Total non-current assets	96,244	77,553
Total assets	353,228	389,059

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	104,113	115,959
Short-term borrowings	33,731	58,657
Income taxes payable	3,155	4,093
Accrued expenses	1,080	1,367
Provision for bonuses	1,279	1,608
Other	7,229	11,498
Total current liabilities	150,591	193,185
Non-current liabilities		
Long-term borrowings	7,475	5,880
Deferred tax liabilities	14,842	8,761
Provision for retirement benefits for directors (and other officers)	29	33
Provision for share awards for directors (and other officers)	131	159
Provision for loss on guarantees	18	18
Retirement benefit liability	2,144	1,624
Other	2,190	2,481
Total non-current liabilities	26,833	18,959
Total liabilities	177,424	212,144
Net assets		
Shareholders' equity		
Share capital	9,364	9,364
Capital surplus	7,184	7,044
Retained earnings	116,794	130,540
Treasury shares	(4,155)	(7,398)
Total shareholders' equity	129,188	139,550
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	39,316	22,667
Deferred gains or losses on hedges	187	398
Foreign currency translation adjustment	4,536	11,793
Remeasurements of defined benefit plans	576	508
Total accumulated other comprehensive income	44,616	35,367
Non-controlling interests	1,999	1,996
Total net assets	175,803	176,914
Total liabilities and net assets	353,228	389,059

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	577,583	680,962
Cost of sales	531,543	623,591
Gross profit	46,040	57,370
Selling, general and administrative expenses	31,066	37,317
Operating profit	14,973	20,052
Non-operating income		
Interest income	206	244
Dividend income	1,334	1,429
Foreign exchange gains	–	53
Share of profit of entities accounted for using equity method	270	370
Miscellaneous income	967	780
Total non-operating income	2,779	2,877
Non-operating expenses		
Interest expenses	698	674
Foreign exchange losses	151	–
Provision of allowance for doubtful accounts	7	151
Commission for purchase of treasury shares	–	129
Miscellaneous losses	380	326
Total non-operating expenses	1,238	1,281
Ordinary profit	16,514	21,648
Extraordinary income		
Gain on sale of investment securities	2,984	8,975
Total extraordinary income	2,984	8,975
Extraordinary losses		
Impairment losses	–	168
Total extraordinary losses	–	168
Profit before income taxes	19,499	30,455
Income taxes - current	5,337	7,294
Income taxes - deferred	(43)	685
Total income taxes	5,294	7,980
Profit	14,204	22,475
Profit attributable to non-controlling interests	411	124
Profit attributable to owners of parent	13,792	22,351

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	14,204	22,475
Other comprehensive income		
Valuation difference on available-for-sale securities	12,968	(16,560)
Deferred gains or losses on hedges	55	206
Foreign currency translation adjustment	3,155	7,276
Remeasurements of defined benefit plans, net of tax	1,593	(68)
Share of other comprehensive income of entities accounted for using equity method	164	(127)
Total other comprehensive income	17,935	(9,273)
Comprehensive income	32,140	13,202
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	31,644	13,102
Comprehensive income attributable to non-controlling interests	496	99

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,364	7,752	106,197	(4,155)	119,159
Cumulative effects of changes in accounting policies	–	–	–	–	–
Restated balance	9,364	7,752	106,197	(4,155)	119,159
Changes during period					
Dividends of surplus			(3,195)		(3,195)
Profit attributable to owners of parent			13,792		13,792
Purchase of treasury shares				(0)	(0)
Cancellation of treasury shares					–
Treasury stock transfer of stock ownership trust					–
Purchase of shares of consolidated subsidiaries		(567)			(567)
Net changes in items other than shareholders' equity					–
Total changes during period	–	(567)	10,596	(0)	10,029
Balance at end of period	9,364	7,184	116,794	(4,155)	129,188

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	26,196	148	1,436	(1,016)	26,764	1,802	147,726
Cumulative effects of changes in accounting policies	–	–	–	–	–	–	–
Restated balance	26,196	148	1,436	(1,016)	26,764	1,802	147,726
Changes during period							
Dividends of surplus							(3,195)
Profit attributable to owners of parent							13,792
Purchase of treasury shares							(0)
Cancellation of treasury shares							–
Treasury stock transfer of stock ownership trust							–
Purchase of shares of consolidated subsidiaries							(567)
Net changes in items other than shareholders' equity	13,119	38	3,100	1,593	17,851	196	18,048
Total changes during period	13,119	38	3,100	1,593	17,851	196	28,077
Balance at end of period	39,316	187	4,536	576	44,616	1,999	175,803

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,364	7,184	116,794	(4,155)	129,188
Cumulative effects of changes in accounting policies	–	–	–	–	–
Restated balance	9,364	7,184	116,794	(4,155)	129,188
Changes during period					
Dividends of surplus			(4,401)		(4,401)
Profit attributable to owners of parent			22,351		22,351
Purchase of treasury shares				(7,500)	(7,500)
Cancellation of treasury shares		(43)	(4,203)	4,247	–
Treasury stock transfer of stock ownership trust				9	9
Purchase of shares of consolidated subsidiaries		(96)			(96)
Net changes in items other than shareholders' equity					
Total changes during period	–	(140)	13,745	(3,243)	10,362
Balance at end of period	9,364	7,044	130,540	(7,398)	139,550

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	39,316	187	4,536	576	44,616	1,999	175,803
Cumulative effects of changes in accounting policies	–	–	–	–	–	–	–
Restated balance	39,316	187	4,536	576	44,616	1,999	175,803
Changes during period							
Dividends of surplus							(4,401)
Profit attributable to owners of parent							22,351
Purchase of treasury shares							(7,500)
Cancellation of treasury shares							–
Treasury stock transfer of stock ownership trust							9
Purchase of shares of consolidated subsidiaries							(96)
Net changes in items other than shareholders' equity	(16,649)	211	7,257	(68)	(9,248)	(3)	(9,251)
Total changes during period	(16,649)	211	7,257	(68)	(9,248)	(3)	1,110
Balance at end of period	22,667	398	11,793	508	35,367	1,996	176,914

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	19,499	30,455
Depreciation	2,874	3,160
Impairment losses	–	168
Increase (decrease) in allowance for doubtful accounts	(3,646)	22
Interest and dividend income	(1,541)	(1,673)
Increase (decrease) in retirement benefit liability	360	(601)
Decrease (increase) in retirement benefit asset	196	(3,035)
Interest expenses	698	674
Share of loss (profit) of entities accounted for using equity method	(270)	(370)
Increase (decrease) in provision for loss on business liquidation	(246)	–
Loss (gain) on sale of investment securities	(2,984)	(8,975)
Decrease (increase) in trade receivables	(5,924)	(11,227)
Decrease (increase) in inventories	3,127	(20,037)
Decrease (increase) in other current assets	(884)	(3,188)
Decrease (increase) in other non-current assets	4,071	(60)
Increase (decrease) in trade payables	4,261	4,363
Increase (decrease) in other current liabilities	491	3,864
Other, net	393	407
Subtotal	20,476	(6,053)
Interest and dividends received	1,733	1,793
Interest paid	(705)	(666)
Income taxes paid	(3,891)	(6,521)
Net cash provided by (used in) operating activities	17,613	(11,448)
Cash flows from investing activities		
Payments into time deposits	(5,162)	(6,780)
Proceeds from withdrawal of time deposits	3,992	5,742
Purchase of property, plant and equipment	(1,864)	(1,669)
Proceeds from sale of property, plant and equipment	149	15
Purchase of intangible assets	(648)	(317)
Purchase of investment securities	(95)	(197)
Proceeds from sale of investment securities	3,128	9,645
Purchase of shares of subsidiaries	–	(554)
Decrease (increase) in short-term loans receivable	101	(35)
Long-term loan advances	(219)	(151)
Proceeds from collection of long-term loans receivable	91	347
Other, net	104	(597)
Net cash provided by (used in) investing activities	(423)	5,446

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(9,276)	21,488
Proceeds from long-term borrowings	729	438
Repayments of long-term borrowings	(4,357)	(3,041)
Purchase of treasury shares	(0)	(7,629)
Dividends paid	(3,205)	(4,415)
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	(602)	(636)
Net cash provided by (used in) financing activities	(17,582)	5,999
Effect of exchange rate change on cash and cash equivalents	894	2,270
Net increase (decrease) in cash and cash equivalents	502	2,268
Cash and cash equivalents at beginning of period	25,480	25,983
Cash and cash equivalents at end of period	25,983	28,251