

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 8, 2023

Company name: Inabata&Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 8098 URL <https://www.inabata.co.jp>
 Representative: Director,President Katsutaro Inabata
 Executive Officer,
 Inquiries: General Manager, Financial Management Koichi Noda TEL 050-3684-4011
 Office
 Scheduled date to file Quarterly Securities Report: February 13, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(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	%
Nine months ended December 31, 2022	561,154	11.1	16,126	(1.3)	15,394	(13.7)	15,357	(16.0)
Nine months ended December 31, 2021	504,971	–	16,335	54.0	17,829	48.6	18,281	92.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	269.96		–	
Nine months ended December 31, 2021	303.68		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	389,658	179,707	45.6
As of March 31, 2022	389,059	176,914	45.0

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, 2022	–	30.00	–	80.00	110.00
Year ending March 31, 2023	–	50.00	–		
Year ending March 31, 2023 (Forecast)				65.00	115.00

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
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 nine months ended December 31, 2022
(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: No
- 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 December 31, 2022	57,114,127 shares	As of March 31, 2022	60,799,227 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	589,173 shares	As of March 31, 2022	3,682,139 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	56,887,811 shares	Nine months ended December 31, 2021	60,199,973 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	35,403	35,978
Notes receivable - trade	22,548	27,253
Accounts receivable - trade	162,149	159,565
Merchandise and finished goods	72,145	82,015
Work in process	860	768
Raw materials and supplies	6,059	4,792
Other	12,728	15,151
Allowance for doubtful accounts	(389)	(398)
Total current assets	311,505	325,127
Non-current assets		
Property, plant and equipment	15,312	15,920
Intangible assets	2,647	2,382
Investments and other assets		
Investment securities	48,303	34,617
Retirement benefit asset	6,390	6,675
Other	9,934	10,248
Allowance for doubtful accounts	(5,035)	(5,312)
Total investments and other assets	59,593	46,228
Total non-current assets	77,553	64,531
Total assets	389,059	389,658
Liabilities		
Current liabilities		
Notes and accounts payable - trade	115,959	109,842
Short-term borrowings	58,657	66,450
Income taxes payable	4,093	3,099
Provision for bonuses	1,608	921
Other	12,865	14,566
Total current liabilities	193,185	194,881
Non-current liabilities		
Long-term borrowings	5,880	4,499
Provision for retirement benefits for directors (and other officers)	33	36
Provision for share awards for directors (and other officers)	159	192
Provision for loss on guarantees	18	–
Retirement benefit liability	1,624	1,725
Other	11,243	8,616
Total non-current liabilities	18,959	15,070
Total liabilities	212,144	209,951

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Net assets		
Shareholders' equity		
Share capital	9,364	9,364
Capital surplus	7,044	6,718
Retained earnings	130,540	130,563
Treasury shares	(7,398)	(955)
Total shareholders' equity	139,550	145,690
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22,667	15,396
Deferred gains or losses on hedges	398	349
Foreign currency translation adjustment	11,793	15,748
Remeasurements of defined benefit plans	508	582
Total accumulated other comprehensive income	35,367	32,076
Non-controlling interests	1,996	1,939
Total net assets	176,914	179,707
Total liabilities and net assets	389,059	389,658

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	504,971	561,154
Cost of sales	461,770	513,086
Gross profit	43,201	48,067
Selling, general and administrative expenses	26,865	31,941
Operating profit	16,335	16,126
Non-operating income		
Interest income	192	181
Dividend income	1,264	1,782
Share of profit of entities accounted for using equity method	245	–
Miscellaneous income	511	617
Total non-operating income	2,214	2,581
Non-operating expenses		
Interest expenses	483	1,259
Foreign exchange losses	50	750
Share of loss of entities accounted for using equity method	–	1,076
Miscellaneous losses	187	227
Total non-operating expenses	720	3,313
Ordinary profit	17,829	15,394
Extraordinary income		
Gain on sale of investment securities	7,138	6,420
Total extraordinary income	7,138	6,420
Profit before income taxes	24,968	21,814
Income taxes - current	6,579	6,207
Income taxes - deferred	(38)	239
Total income taxes	6,540	6,446
Profit	18,427	15,367
Profit attributable to non-controlling interests	145	10
Profit attributable to owners of parent	18,281	15,357

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	18,427	15,367
Other comprehensive income		
Valuation difference on available-for-sale securities	(12,222)	(7,264)
Deferred gains or losses on hedges	104	(107)
Foreign currency translation adjustment	2,491	3,882
Remeasurements of defined benefit plans, net of tax	27	74
Share of other comprehensive income of entities accounted for using equity method	(39)	92
Total other comprehensive income	(9,638)	(3,321)
Comprehensive income	8,788	12,045
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,669	12,066
Comprehensive income attributable to non-controlling interests	119	(20)