

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

July 31, 2023

Company name: Inaba Denki Sangyo Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9934 URL <https://www.inaba.co.jp>
 Representative: President and Representative Director Seiichi Kita
 Executive Officer and General Manager, Masayuki Tamagaki
 Inquiries: Business Planning Department TEL 06-4391-1781
 Scheduled date to file Quarterly Securities Report: August 9, 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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	%
Three months ended June 30, 2023	74,299	9.5	4,450	0.6	5,101	(7.9)	3,616	(5.9)
Three months ended June 30, 2022	67,841	8.2	4,424	24.8	5,537	43.7	3,842	42.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	64.89		64.25	
Three months ended June 30, 2022	69.23		68.87	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	240,781	153,237	63.3
As of March 31, 2023	245,646	151,228	61.3

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2023	–	50.00	–	70.00	120.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		60.00	–	60.00	120.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	328,000	3.5	19,900	6.8	20,800	2.6	14,300	(7.3)	256.85

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
(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 June 30, 2023	56,419,000 shares	As of March 31, 2023	56,419,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	542,079 shares	As of March 31, 2023	744,179 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	55,736,529 shares	Three months ended June 30, 2022	55,503,738 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	57,882	58,203
Notes and accounts receivable - trade, and contract assets	79,107	59,565
Electronically recorded monetary claims - operating	25,380	33,202
Securities	10,000	10,000
Merchandise and finished goods	18,406	23,025
Work in process	382	421
Raw materials and supplies	3,324	3,528
Other	1,845	1,231
Allowance for doubtful accounts	(2)	(2)
Total current assets	196,328	189,175
Non-current assets		
Property, plant and equipment		
Land	14,098	14,100
Other, net	7,527	7,582
Total property, plant and equipment	21,626	21,682
Intangible assets	1,356	1,354
Investments and other assets		
Investment securities	16,933	19,283
Other	9,403	9,286
Allowance for doubtful accounts	(2)	(1)
Total investments and other assets	26,335	28,568
Total non-current assets	49,317	51,605
Total assets	245,646	240,781

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	5,921	6,191
Accounts payable - trade	69,827	61,420
Short-term borrowings	382	391
Income taxes payable	2,689	2,056
Provision for bonuses	5,526	6,910
Provision for bonuses for directors (and other officers)	138	–
Other	4,283	4,722
Total current liabilities	88,768	81,693
Non-current liabilities		
Retirement benefit liability	51	56
Other	5,598	5,794
Total non-current liabilities	5,649	5,851
Total liabilities	94,417	87,544
Net assets		
Shareholders' equity		
Share capital	13,962	13,962
Capital surplus	14,171	14,171
Retained earnings	118,521	118,225
Treasury shares	(1,982)	(1,444)
Total shareholders' equity	144,672	144,915
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,335	6,982
Deferred gains or losses on hedges	(4)	3
Foreign currency translation adjustment	493	619
Total accumulated other comprehensive income	5,824	7,605
Share acquisition rights	731	715
Total net assets	151,228	153,237
Total liabilities and net assets	245,646	240,781

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	67,841	74,299
Cost of sales	55,072	61,200
Gross profit	12,769	13,099
Selling, general and administrative expenses	8,345	8,648
Operating profit	4,424	4,450
Non-operating income		
Interest income	12	16
Dividend income	416	375
Foreign exchange gains	361	205
Other	340	63
Total non-operating income	1,130	661
Non-operating expenses		
Interest expenses	2	3
Other	14	6
Total non-operating expenses	17	9
Ordinary profit	5,537	5,101
Extraordinary income		
Gain on sale of investment securities	–	89
Gain on sale of non-current assets	2	4
Total extraordinary income	2	93
Extraordinary losses		
Loss on retirement of non-current assets	3	0
Loss on sale of non-current assets	0	0
Total extraordinary losses	3	0
Profit before income taxes	5,536	5,194
Income taxes - current	1,945	1,921
Income taxes - deferred	(251)	(343)
Total income taxes	1,694	1,578
Profit	3,842	3,616
Profit attributable to owners of parent	3,842	3,616

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	3,842	3,616
Other comprehensive income		
Valuation difference on available-for-sale securities	28	1,647
Deferred gains or losses on hedges	–	8
Foreign currency translation adjustment	186	125
Total other comprehensive income	214	1,780
Comprehensive income	4,057	5,397