

Translation

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

August 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: August 10, 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	184,557	0.3	5,071	(4.9)	5,346	(0.9)	7,721	69.3
Three months ended June 30, 2022	184,062	13.2	5,335	(4.7)	5,392	(16.4)	4,560	(42.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	139.67		–	
Three months ended June 30, 2022	79.85		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2023	403,377		192,742		46.4	
As of March 31, 2023	380,443		181,507		47.2	

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	–	65.00	115.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	55.00	–	65.00	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
Six months ending September 30, 2023	390,000	4.4	10,000	(5.2)	9,500	(7.9)	11,000	14.4	197.02
Full year	800,000	8.8	21,000	3.4	20,000	4.7	21,000	7.8	376.14

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): Yes
- (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	57,114,127 shares	As of March 31, 2023	57,114,127 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	2,279,492 shares	As of March 31, 2023	1,284,045 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	55,281,520 shares	Three months ended June 30, 2022	57,117,088 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	36,353	41,091
Notes receivable - trade	23,247	26,002
Accounts receivable - trade	153,640	164,918
Merchandise and finished goods	83,097	85,314
Work in process	802	1,829
Raw materials and supplies	4,990	4,503
Other	13,623	10,611
Allowance for doubtful accounts	(382)	(427)
Total current assets	315,373	333,845
Non-current assets		
Property, plant and equipment	16,606	18,682
Intangible assets	2,403	2,796
Investments and other assets		
Investment securities	32,840	34,011
Retirement benefit asset	8,215	8,342
Other	10,305	11,846
Allowance for doubtful accounts	(5,300)	(6,147)
Total investments and other assets	46,060	48,052
Total non-current assets	65,070	69,532
Total assets	380,443	403,377
Liabilities		
Current liabilities		
Notes and accounts payable - trade	105,730	112,103
Short-term borrowings	49,474	55,014
Income taxes payable	3,589	2,515
Provision for bonuses	1,606	1,231
Other	13,133	12,817
Total current liabilities	173,534	183,682
Non-current liabilities		
Bonds payable	7,500	7,500
Long-term borrowings	7,795	7,824
Provision for retirement benefits for directors (and other officers)	37	38
Provision for share awards for directors (and other officers)	206	220
Retirement benefit liability	1,713	2,071
Other	8,149	9,297
Total non-current liabilities	25,402	26,952
Total liabilities	198,936	210,635

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Net assets		
Shareholders' equity		
Share capital	9,364	9,364
Capital surplus	6,718	6,593
Retained earnings	134,684	138,792
Treasury shares	(2,220)	(4,546)
Total shareholders' equity	148,546	150,203
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,805	11,826
Deferred gains or losses on hedges	395	622
Foreign currency translation adjustment	17,187	23,934
Remeasurements of defined benefit plans	526	514
Total accumulated other comprehensive income	30,914	36,898
Non-controlling interests	2,046	5,639
Total net assets	181,507	192,742
Total liabilities and net assets	380,443	403,377

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	184,062	184,557
Cost of sales	168,428	167,616
Gross profit	15,634	16,940
Selling, general and administrative expenses	10,298	11,868
Operating profit	5,335	5,071
Non-operating income		
Interest income	74	86
Dividend income	1,404	510
Foreign exchange gains	–	74
Share of profit of entities accounted for using equity method	–	66
Miscellaneous income	219	247
Total non-operating income	1,697	985
Non-operating expenses		
Interest expenses	259	584
Foreign exchange losses	41	–
Share of loss of entities accounted for using equity method	1,257	–
Miscellaneous losses	81	126
Total non-operating expenses	1,640	710
Ordinary profit	5,392	5,346
Extraordinary income		
Gain on sale of non-current assets	–	245
Gain on sale of investment securities	1,494	1,593
Gain on bargain purchase	–	3,419
Total extraordinary income	1,494	5,257
Extraordinary losses		
Loss on step acquisitions	–	225
Total extraordinary losses	–	225
Profit before income taxes	6,887	10,378
Income taxes - current	2,199	2,391
Income taxes - deferred	173	242
Total income taxes	2,373	2,633
Profit	4,513	7,744
Profit (loss) attributable to non-controlling interests	(46)	23
Profit attributable to owners of parent	4,560	7,721

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	4,513	7,744
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,766)	(857)
Deferred gains or losses on hedges	258	260
Foreign currency translation adjustment	7,318	6,738
Remeasurements of defined benefit plans, net of tax	(22)	(11)
Share of other comprehensive income of entities accounted for using equity method	61	36
Total other comprehensive income	4,849	6,165
Comprehensive income	9,363	13,910
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,376	13,705
Comprehensive income attributable to non-controlling interests	(12)	205