

**Translation**

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 7, 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: November 13, 2023  
 Scheduled date to commence dividend payments: December 1, 2023  
 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, 2023 (from April 1, 2023 to September 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	%
Six months ended September 30, 2023	375,196	0.5	10,465	(0.8)	10,656	3.4	12,542	30.4
Six months ended September 30, 2022	373,415	13.6	10,546	(4.8)	10,310	(14.4)	9,616	(28.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	227.17		-	
Six months ended September 30, 2022	168.58		-	

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	418,709	200,738	46.5
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	-	55.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	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
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 six months ended September 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 September 30, 2023	55,914,127 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 September 30, 2023	679,933 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)

Six months ended September 30, 2023	55,212,529 shares	Six months ended September 30, 2022	57,043,321 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	36,353	48,313
Notes receivable - trade	23,247	28,662
Accounts receivable - trade	153,640	170,970
Merchandise and finished goods	83,097	85,237
Work in process	802	1,849
Raw materials and supplies	4,990	4,613
Other	13,623	10,279
Allowance for doubtful accounts	(382)	(417)
Total current assets	315,373	349,509
Non-current assets		
Property, plant and equipment	16,606	18,642
Intangible assets	2,403	2,800
Investments and other assets		
Investment securities	32,840	33,245
Retirement benefit asset	8,215	8,408
Other	10,305	12,230
Allowance for doubtful accounts	(5,300)	(6,128)
Total investments and other assets	46,060	47,756
Total non-current assets	65,070	69,200
Total assets	380,443	418,709
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	105,730	128,303
Short-term borrowings	49,474	42,208
Income taxes payable	3,589	4,485
Provision for bonuses	1,606	2,169
Other	13,133	12,306
Total current liabilities	173,534	189,473
Non-current liabilities		
Bonds payable	7,500	7,500
Long-term borrowings	7,795	10,307
Provision for retirement benefits for directors (and other officers)	37	39
Provision for Management Board Incentive Plan Trust	206	234
Retirement benefit liability	1,713	2,124
Other	8,149	8,293
Total non-current liabilities	25,402	28,498
Total liabilities	198,936	217,971

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	9,364	9,364
Capital surplus	6,718	7,177
Retained earnings	134,684	140,276
Treasury shares	(2,220)	(904)
Total shareholders' equity	148,546	155,914
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,805	10,861
Deferred gains or losses on hedges	395	672
Foreign currency translation adjustment	17,187	26,697
Remeasurements of defined benefit plans	526	503
Total accumulated other comprehensive income	30,914	38,733
Non-controlling interests	2,046	6,090
Total net assets	181,507	200,738
Total liabilities and net assets	380,443	418,709

**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, 2022	Six months ended September 30, 2023
Net sales	373,415	375,196
Cost of sales	341,850	340,955
Gross profit	31,564	34,240
Selling, general and administrative expenses	21,017	23,774
Operating profit	10,546	10,465
Non-operating income		
Interest income	120	184
Dividend income	1,469	590
Foreign exchange gains	–	39
Share of profit of entities accounted for using equity method	–	138
Miscellaneous income	423	623
Total non-operating income	2,013	1,576
Non-operating expenses		
Interest expenses	704	1,059
Foreign exchange losses	219	–
Share of loss of entities accounted for using equity method	1,158	–
Miscellaneous losses	167	326
Total non-operating expenses	2,250	1,385
Ordinary profit	10,310	10,656
Extraordinary income		
Gain on sale of non-current assets	–	264
Gain on sale of investment securities	3,459	3,571
Gain on bargain purchase	–	3,419
Total extraordinary income	3,459	7,255
Extraordinary losses		
Loss on step acquisitions	–	225
Total extraordinary losses	–	225
Profit before income taxes	13,770	17,686
Income taxes - current	4,253	4,773
Income taxes - deferred	(29)	(53)
Total income taxes	4,224	4,719
Profit	9,546	12,967
Profit (loss) attributable to non-controlling interests	(70)	424
Profit attributable to owners of parent	9,616	12,542

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

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	9,546	12,967
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,952)	(1,806)
Deferred gains or losses on hedges	313	275
Foreign currency translation adjustment	9,953	9,476
Remeasurements of defined benefit plans, net of tax	(44)	(23)
Share of other comprehensive income of entities accounted for using equity method	103	71
Total other comprehensive income	5,374	7,992
Comprehensive income	14,920	20,959
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,919	20,361
Comprehensive income attributable to non-controlling interests	0	598

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	13,770	17,686
Depreciation	1,858	1,812
Increase (decrease) in allowance for doubtful accounts	529	(34)
Increase (decrease) in retirement benefit liability	56	150
Decrease (increase) in retirement benefit asset	(150)	(217)
Interest and dividend income	(1,590)	(774)
Interest expenses	704	1,059
Share of loss (profit) of entities accounted for using equity method	1,158	(138)
Increase (decrease) in provision for loss on guarantees	(18)	–
Gain on sale of non-current assets	–	(264)
Loss (gain) on sale of investment securities	(3,459)	(3,571)
Gain on bargain purchase	–	(3,419)
Loss (gain) on step acquisitions	–	225
Decrease (increase) in trade receivables	11,469	1,149
Decrease (increase) in inventories	(6,437)	6,301
Decrease (increase) in other current assets	(160)	1,720
Decrease (increase) in other non-current assets	(528)	44
Increase (decrease) in trade payables	(20,251)	5,818
Increase (decrease) in other current liabilities	(949)	(439)
Other, net	6	68
Subtotal	(3,992)	27,178
Interest and dividends received	1,601	877
Interest paid	(668)	(1,077)
Income taxes paid	(4,335)	(4,501)
Net cash provided by (used in) operating activities	(7,394)	22,476
Cash flows from investing activities		
Payments into time deposits	(2,493)	(3,754)
Proceeds from withdrawal of time deposits	4,148	6,780
Purchase of property, plant and equipment	(1,018)	(1,237)
Proceeds from sale of property, plant and equipment	16	276
Purchase of intangible assets	(124)	(441)
Purchase of investment securities	(257)	(1,422)
Proceeds from sale of investment securities	5,665	3,885
Purchase of shares of subsidiaries	(248)	(226)
Net decrease (increase) in short-term loans receivable	127	21
Long-term loan advances	(85)	(477)
Proceeds from collection of long-term loans receivable	38	442
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(852)
Other, net	(28)	(41)
Net cash provided by (used in) investing activities	5,741	2,952

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,104	(14,720)
Proceeds from long-term borrowings	105	4,000
Repayments of long-term borrowings	(626)	(1,291)
Proceeds from share issuance to non-controlling shareholders	–	1,000
Purchase of treasury shares	(1,451)	(2,245)
Proceeds from disposal of treasury shares	419	–
Increase/decrease in money held in trust for acquisition of treasury stock	–	2,837
Proceeds from sale of shares of parent held by subsidiaries	–	1,453
Dividends paid	(4,592)	(3,613)
Dividends paid to non-controlling interests	(35)	(19)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(326)	(124)
Other, net	(365)	(390)
Net cash provided by (used in) financing activities	(3,766)	(13,114)
Effect of exchange rate change on cash and cash equivalents	1,888	2,325
Net increase (decrease) in cash and cash equivalents	(3,532)	14,640
Cash and cash equivalents at beginning of period	28,251	29,790
Cash and cash equivalents at end of period	24,719	44,430