Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 11, 2021

Company name: Inabata&Co.,Ltd.
Stock exchange listing: Tokyo
Stock code: 8098 URL https://www.inabata.co.jp
Representative: Director,President Katsutaro Inabata
Inquiries: General Manager, Financial Management Office Koichi Noda TEL 03-3639-6421
Scheduled date of ordinary general meeting of shareholders: June 23, 2021
Scheduled date to file Securities Report: June 24, 2021
Scheduled date to commence dividend payments: June 2, 2021
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, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	577,583	(3.8)	14,973	13.2	16,514	16.2	13,792	20.8
Year ended March 31, 2020	600,312	(5.4)	13,229	(5.7)	14,211	(0.7)	11,415	(11.5)

	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, 2021	229.13	–	8.6	4.9	2.6
Year ended March 31, 2020	188.82	–	7.4	4.1	2.2

(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, 2021	353,228	175,803	49.2	2,887.29
As of March 31, 2020	322,848	147,726	45.2	2,424.13

(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, 2021	17,613	(423)	(17,582)	25,983
Year ended March 31, 2020	10,690	(525)	(7,273)	25,480

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, 2020	–	20.00	–	33.00	53.00	3,211	28.1	2.1
Year ended March 31, 2021	–	20.00	–	43.00	63.00	3,810	27.5	2.4
Year ending March 31, 2022 (Forecast)	–	30.00	–	40.00	70.00		30.1	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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, 2021	290,000	–	6,800	–	7,200	–	6,800	–	112.96
Full year	600,000	–	14,500	–	15,000	–	14,000	–	232.57

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021 (changes in specified subsidiaries resulting in the change in scope of consolidation): No

(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:	No
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, 2021	63,499,227 shares	As of March 31, 2020	63,499,227 shares

Number of treasury shares at the end of the period

As of March 31, 2021	3,302,651 shares	As of March 31, 2020	3,302,640 shares

Average number of shares during the period

Year ended March 31, 2021	60,196,584 shares	Year ended March 31, 2020	60,453,611 shares

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	29,440	31,462
Notes and accounts receivable - trade	152,457	162,736
Merchandise and finished goods	52,052	49,210
Work in process	766	597
Raw materials and supplies	3,084	4,322
Other	8,022	9,266
Allowance for doubtful accounts	(686)	(613)
Total current assets	245,136	256,983
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,509	16,039
Accumulated depreciation	(10,054)	(10,636)
Buildings and structures, net	5,454	5,403
Machinery, equipment and vehicles	16,240	16,871
Accumulated depreciation	(12,743)	(13,158)
Machinery, equipment and vehicles, net	3,497	3,712
Land	2,870	2,911
Construction in progress	112	294
Other	4,781	5,224
Accumulated depreciation	(2,752)	(3,151)
Other, net	2,029	2,073
Total property, plant and equipment	13,964	14,395
Intangible assets	3,006	2,918
Investments and other assets		
Investment securities	54,236	71,592
Long-term loans receivable	1,392	1,212
Retirement benefit asset	2,007	3,472
Deferred tax assets	1,024	990
Other	9,896	6,209
Allowance for doubtful accounts	(7,815)	(4,545)
Total investments and other assets	60,740	78,930
Total non-current assets	77,711	96,244
Total assets	322,848	353,228
Liabilities		
Current liabilities		
Notes and accounts payable - trade	96,761	104,113
Short-term borrowings	43,073	33,731
Income taxes payable	1,631	3,155
Accrued expenses	1,021	1,080
Provision for bonuses	1,217	1,279
Provision for loss on business liquidation	240	–
Other	6,831	7,229
Total current liabilities	150,776	150,591

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Non-current liabilities		
Long-term borrowings	9,775	7,475
Deferred tax liabilities	9,933	14,842
Provision for retirement benefits for directors (and other officers)	30	29
Provision for share awards for directors (and other officers)	85	131
Provision for loss on guarantees	18	18
Retirement benefit liability	2,369	2,144
Other	2,132	2,190
Total non-current liabilities	24,344	26,833
Total liabilities	175,121	177,424

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Net assets		
Shareholders' equity		
Share capital	9,364	9,364
Capital surplus	7,752	7,184
Retained earnings	106,197	116,794
Treasury shares	(4,155)	(4,155)
Total shareholders' equity	119,159	129,188
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	26,196	39,316
Deferred gains or losses on hedges	148	187
Foreign currency translation adjustment	1,436	4,536
Remeasurements of defined benefit plans	(1,016)	576
Total accumulated other comprehensive income	26,764	44,616
Non-controlling interests	1,802	1,999
Total net assets	147,726	175,803
Total liabilities and net assets	322,848	353,228

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

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	600,312	577,583
Cost of sales	554,053	531,543
Gross profit	46,259	46,040
Selling, general and administrative expenses	33,029	31,066
Operating profit	13,229	14,973
Non-operating income		
Interest income	176	206
Dividend income	1,946	1,334
Share of profit of entities accounted for using equity method	339	270
Miscellaneous income	683	967
Total non-operating income	3,146	2,779
Non-operating expenses		
Interest expenses	1,317	698
Foreign exchange losses	294	151
Miscellaneous losses	552	388
Total non-operating expenses	2,164	1,238
Ordinary profit	14,211	16,514
Extraordinary income		
Gain on sale of investment securities	3,033	2,984
Total extraordinary income	3,033	2,984
Extraordinary losses		
Loss on valuation of investment securities	293	–
Provision for loss on business liquidation	244	–
Total extraordinary losses	537	–
Profit before income taxes	16,707	19,499
Income taxes - current	4,858	5,337
Income taxes - deferred	(35)	(43)
Total income taxes	4,822	5,294
Profit	11,884	14,204
Profit attributable to non-controlling interests	469	411
Profit attributable to owners of parent	11,415	13,792

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	11,884	14,204
Other comprehensive income		
Valuation difference on available-for-sale securities	(22,679)	12,968
Deferred gains or losses on hedges	242	55
Foreign currency translation adjustment	(1,875)	3,155
Remeasurements of defined benefit plans, net of tax	(739)	1,593
Share of other comprehensive income of entities accounted for using equity method	(39)	164
Total other comprehensive income	(25,091)	17,935
Comprehensive income	(13,207)	32,140
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(13,656)	31,644
Comprehensive income attributable to non-controlling interests	449	496

Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(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	97,882	(3,729)	111,269
Cumulative effects of changes in accounting policies	–	–	(191)	–	(191)
Restated balance	9,364	7,752	97,691	(3,729)	111,078
Changes during period					
Dividends of surplus			(2,908)		(2,908)
Profit attributable to owners of parent			11,415		11,415
Purchase of treasury shares				(425)	(425)
Purchase of shares of consolidated subsidiaries					–
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	8,506	(425)	8,080
Balance at end of period	9,364	7,752	106,197	(4,155)	119,159

	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	48,827	(93)	3,247	(277)	51,703	1,723	164,697
Cumulative effects of changes in accounting policies	129	–	–	–	129	–	(61)
Restated balance	48,957	(93)	3,247	(277)	51,833	1,723	164,635
Changes during period							
Dividends of surplus							(2,908)
Profit attributable to owners of parent							11,415
Purchase of treasury shares							(425)
Purchase of shares of consolidated subsidiaries							–
Net changes in items other than shareholders' equity	(22,760)	241	(1,811)	(739)	(25,068)	78	(24,990)
Total changes during period	(22,760)	241	(1,811)	(739)	(25,068)	78	(16,909)
Balance at end of period	26,196	148	1,436	(1,016)	26,764	1,802	147,726

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)
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)
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

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	16,707	19,499
Depreciation	2,976	2,874
Increase (decrease) in allowance for doubtful accounts	259	(3,646)
Interest and dividend income	(2,123)	(1,541)
Interest expenses	1,317	698
Share of loss (profit) of entities accounted for using equity method	(339)	(270)
Increase (decrease) in provision for loss on business liquidation	244	(246)
Loss (gain) on sale of investment securities	(3,033)	(2,984)
Loss (gain) on valuation of investment securities	293	–
Decrease (increase) in trade receivables	8,967	(5,924)
Decrease (increase) in inventories	371	3,127
Decrease (increase) in other current assets	854	(884)
Decrease (increase) in other non-current assets	277	4,267
Increase (decrease) in trade payables	(11,334)	4,261
Increase (decrease) in other current liabilities	(259)	491
Other, net	26	754
Subtotal	15,205	20,476
Interest and dividends received	2,254	1,733
Interest paid	(1,328)	(705)
Income taxes paid	(5,442)	(3,891)
Net cash provided by (used in) operating activities	10,690	17,613
Cash flows from investing activities		
Payments into time deposits	(3,907)	(5,162)
Proceeds from withdrawal of time deposits	3,827	3,992
Purchase of property, plant and equipment	(1,354)	(1,864)
Proceeds from sale of property, plant and equipment	31	149
Purchase of intangible assets	(844)	(648)
Purchase of investment securities	(371)	(95)
Proceeds from sale of investment securities	3,134	3,128
Purchase of shares of subsidiaries	(234)	–
Decrease (increase) in short-term loans receivable	294	101
Long-term loan advances	(1,033)	(219)
Proceeds from collection of long-term loans receivable	44	91
Other, net	(111)	104
Net cash provided by (used in) investing activities	(525)	(423)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,996	(9,276)
Proceeds from long-term borrowings	600	729
Repayments of long-term borrowings	(6,649)	(4,357)
Purchase of treasury shares	(425)	(0)
Dividends paid	(2,917)	(3,205)
Dividends paid to non-controlling interests	(370)	(312)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(557)
Other, net	(506)	(602)
Net cash provided by (used in) financing activities	(7,273)	(17,582)
Effect of exchange rate change on cash and cash equivalents	(421)	894
Net increase (decrease) in cash and cash equivalents	2,469	502
Cash and cash equivalents at beginning of period	23,011	25,480
Cash and cash equivalents at end of period	25,480	25,983