Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

July 29, 2022

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
Inquiries: Executive Officer and General Manager of Business Planning Department Masayuki Tamagaki TEL 06-4391-1781
Scheduled date to file Quarterly Securities Report: August 10, 2022
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, 2022 (from April 1, 2022 to June 30, 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	%
Three months ended June 30, 2022	67,841	8.2	4,424	24.8	5,537	43.7	3,842	42.6
Three months ended June 30, 2021	62,693	9.3	3,544	18.6	3,854	22.0	2,695	8.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	69.23	68.87
Three months ended June 30, 2021	48.43	48.11

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	228,369	142,140	61.9
As of March 31, 2022	235,420	141,253	59.7

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	–	50.00	–	60.00	110.00
Year ending March 31, 2023	–				
Year ending March 31, 2023 (Forecast)		50.00	–	60.00	110.00

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	300,000	3.8	17,600	8.2	18,200	3.7	13,000	6.0	234.28

4. Notes

(1) Changes in significant subsidiaries during the three months ended June 30, 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:	Yes
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, 2022	56,419,000 shares	As of March 31, 2022	56,419,000 shares

Number of treasury shares at the end of the period

As of June 30, 2022	869,315 shares	As of March 31, 2022	928,881 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	55,503,738 shares	Three months ended June 30, 2021	55,653,217 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	77,568	75,535
Notes and accounts receivable - trade, and contract assets	72,626	56,389
Electronically recorded monetary claims - operating	23,133	29,200
Merchandise and finished goods	14,610	18,902
Work in process	298	358
Raw materials and supplies	2,370	3,083
Other	1,754	1,198
Total current assets	192,363	184,669
Non-current assets		
Property, plant and equipment		
Land	14,105	14,110
Other, net	7,463	7,734
Total property, plant and equipment	21,569	21,845
Intangible assets	1,462	1,476
Investments and other assets		
Investment securities	16,993	17,164
Other	3,033	3,220
Allowance for doubtful accounts	(0)	(7)
Total investments and other assets	20,025	20,378
Total non-current assets	43,056	43,699
Total assets	235,420	228,369
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	5,603	6,265
Accounts payable - trade	68,705	60,811
Short-term borrowings	343	368
Income taxes payable	4,271	2,157
Provision for bonuses	5,623	7,038
Provision for bonuses for directors (and other officers)	94	–
Provision for product warranties	93	93
Other	4,009	3,978
Total current liabilities	88,744	80,713
Non-current liabilities		
Retirement benefit liability	54	57
Other	5,368	5,457
Total non-current liabilities	5,423	5,514
Total liabilities	94,167	86,228

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Net assets		
Shareholders' equity		
Share capital	13,962	13,962
Capital surplus	14,171	14,171
Retained earnings	109,361	109,851
Treasury shares	(2,413)	(2,258)
Total shareholders' equity	135,082	135,727
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,105	5,134
Foreign currency translation adjustment	297	483
Total accumulated other comprehensive income	5,403	5,618
Share acquisition rights	766	794
Total net assets	141,253	142,140
Total liabilities and net assets	235,420	228,369

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, 2021	Three months ended June 30, 2022
Net sales	62,693	67,841
Cost of sales	51,537	55,072
Gross profit	11,156	12,769
Selling, general and administrative expenses	7,611	8,345
Operating profit	3,544	4,424
Non-operating income		
Interest income	11	12
Dividend income	251	416
Foreign exchange gains	16	361
Other	55	340
Total non-operating income	335	1,130
Non-operating expenses		
Interest expenses	4	2
Other	21	14
Total non-operating expenses	25	17
Ordinary profit	3,854	5,537
Extraordinary income		
Gain on sale of non-current assets	0	2
Total extraordinary income	0	2
Extraordinary losses		
Loss on retirement of non-current assets	0	3
Loss on sale of non-current assets	0	0
Total extraordinary losses	0	3
Profit before income taxes	3,854	5,536
Income taxes - current	1,429	1,945
Income taxes - deferred	(270)	(251)
Total income taxes	1,158	1,694
Profit	2,695	3,842
Profit attributable to owners of parent	2,695	3,842

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	2,695	3,842
Other comprehensive income		
Valuation difference on available-for-sale securities	(295)	28
Foreign currency translation adjustment	18	186
Total other comprehensive income	(276)	214
Comprehensive income	2,418	4,057