Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 13, 2024

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, Business Planning Department Masayuki Tamagaki TEL 06-4391-1781

Scheduled date of ordinary general meeting of shareholders: June 21, 2024
Scheduled date to file Securities Report: June 25, 2024
Scheduled date to commence dividend payments: June 24, 2024
Preparation of supplementary material on financial results: Yes
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, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	345,369	9.0	21,322	14.4	22,589	11.4	15,623	1.3
Year ended March 31, 2023	316,947	9.6	18,641	14.6	20,272	15.5	15,427	25.8

	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, 2024	279.35	276.42	10.0	8.9	6.2
Year ended March 31, 2023	277.50	275.77	10.6	8.4	5.9

(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, 2024	262,756	162,166	61.5	2,884.78
As of March 31, 2023	245,646	151,228	61.3	2,703.15

(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, 2024	15,097	(577)	(7,043)	61,495
Year ended March 31, 2023	2,700	(15,452)	(6,044)	53,882

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, 2023	–	50.00	–	70.00	120.00	6,686	43.2	4.6
Year ended March 31, 2024	–	60.00	–	70.00	130.00	7,283	46.5	4.7
Year ending March 31, 2025 (Forecast)	–	60.00	–	70.00	130.00		44.4	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	362,000	4.8	23,500	10.2	23,800	5.4	16,400	5.0	292.97

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024 (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, 2024	56,419,000 shares	As of March 31, 2023	56,419,000 shares

Number of treasury shares at the end of the period

As of March 31, 2024	441,211 shares	As of March 31, 2023	744,179 shares

Average number of shares during the period

Year ended March 31, 2024	55,927,320 shares	Year ended March 31, 2023	55,595,521 shares

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	57,882	57,495
Notes receivable - trade	8,639	7,125
Electronically recorded monetary claims - operating	25,380	35,881
Accounts receivable - trade	70,468	66,870
Contract assets	–	0
Securities	10,000	12,000
Merchandise and finished goods	18,406	20,711
Work in process	382	420
Raw materials and supplies	3,324	3,257
Other	1,845	1,800
Allowance for doubtful accounts	(2)	(2)
Total current assets	196,328	205,561
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,836	17,987
Accumulated depreciation	(11,986)	(12,282)
Buildings and structures, net	5,850	5,704
Machinery, equipment and vehicles	3,699	3,863
Accumulated depreciation	(3,138)	(3,247)
Machinery, equipment and vehicles, net	560	615
Tools, furniture and fixtures	7,875	8,201
Accumulated depreciation	(6,898)	(7,483)
Tools, furniture and fixtures, net	977	717
Land	14,098	14,090
Construction in progress	92	142
Other	47	404
Total property, plant and equipment	21,626	21,674
Intangible assets	1,356	1,446
Investments and other assets		
Investment securities	16,933	19,645
Deferred tax assets	213	18
Other	9,190	14,411
Allowance for doubtful accounts	(2)	(1)
Total investments and other assets	26,335	34,074
Total non-current assets	49,317	57,195
Total assets	245,646	262,756

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	5,921	6,383
Accounts payable - trade	69,827	70,846
Short-term borrowings	382	413
Income taxes payable	2,689	5,192
Advances received	578	693
Provision for bonuses	5,526	6,151
Provision for bonuses for directors (and other officers)	138	134
Other	3,704	4,701
Total current liabilities	88,768	94,515
Non-current liabilities		
Deferred tax liabilities	69	438
Retirement benefit liability	51	51
Other	5,528	5,584
Total non-current liabilities	5,649	6,074
Total liabilities	94,417	100,589
Net assets		
Shareholders' equity		
Share capital	13,962	13,962
Capital surplus	14,171	14,171
Retained earnings	118,521	126,765
Treasury shares	(1,982)	(1,411)
Total shareholders' equity	144,672	153,487
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,335	7,260
Deferred gains or losses on hedges	(4)	(0)
Foreign currency translation adjustment	493	736
Total accumulated other comprehensive income	5,824	7,996
Share acquisition rights	731	683
Total net assets	151,228	162,166
Total liabilities and net assets	245,646	262,756

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	316,947	345,369
Cost of sales	264,624	288,316
Gross profit	52,323	57,053
Selling, general and administrative expenses	33,682	35,730
Operating profit	18,641	21,322
Non-operating income		
Interest income	46	72
Dividend income	624	581
Foreign exchange gains	284	394
Settlement received	225	1
Other	522	323
Total non-operating income	1,703	1,372
Non-operating expenses		
Interest expenses	12	18
Loss on cancellation of insurance policies	11	51
Other	47	36
Total non-operating expenses	72	106
Ordinary profit	20,272	22,589
Extraordinary income		
Gain on sale of investment securities	852	339
Gain on sale of non-current assets	17	7
Gain on sale of shares of subsidiaries and associates	13	–
Total extraordinary income	882	346
Extraordinary losses		
Loss on retirement of non-current assets	58	3
Loss on sale of non-current assets	12	0
Total extraordinary losses	71	3
Profit before income taxes	21,083	22,932
Income taxes - current	5,506	7,592
Income taxes - deferred	149	(283)
Total income taxes	5,656	7,309
Profit	15,427	15,623
Profit attributable to owners of parent	15,427	15,623

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	15,427	15,623
Other comprehensive income		
Valuation difference on available-for-sale securities	229	1,925
Deferred gains or losses on hedges	(4)	3
Foreign currency translation adjustment	196	242
Total other comprehensive income	421	2,171
Comprehensive income	15,848	17,794
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,848	17,794

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,962	14,171	109,361	(2,413)	135,082
Changes during period					
Dividends of surplus			(6,119)		(6,119)
Profit attributable to owners of parent			15,427		15,427
Purchase of treasury shares				(1,500)	(1,500)
Disposal of treasury shares			(149)	1,931	1,781
Net changes in items other than shareholders' equity					
Total changes during period	–	–	9,159	430	9,590
Balance at end of period	13,962	14,171	118,521	(1,982)	144,672

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	5,105	–	297	5,403	766	141,253
Changes during period						
Dividends of surplus						(6,119)
Profit attributable to owners of parent						15,427
Purchase of treasury shares						(1,500)
Disposal of treasury shares						1,781
Net changes in items other than shareholders' equity	229	(4)	196	421	(35)	385
Total changes during period	229	(4)	196	421	(35)	9,975
Balance at end of period	5,335	(4)	493	5,824	731	151,228

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,962	14,171	118,521	(1,982)	144,672
Changes during period					
Dividends of surplus			(7,261)		(7,261)
Profit attributable to owners of parent			15,623		15,623
Purchase of treasury shares				(1,580)	(1,580)
Disposal of treasury shares			(117)	2,151	2,034
Net changes in items other than shareholders' equity					
Total changes during period	–	–	8,243	570	8,814
Balance at end of period	13,962	14,171	126,765	(1,411)	153,487

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	5,335	(4)	493	5,824	731	151,228
Changes during period						
Dividends of surplus						(7,261)
Profit attributable to owners of parent						15,623
Purchase of treasury shares						(1,580)
Disposal of treasury shares						2,034
Net changes in items other than shareholders' equity	1,925	3	242	2,171	(48)	2,123
Total changes during period	1,925	3	242	2,171	(48)	10,938
Balance at end of period	7,260	(0)	736	7,996	683	162,166

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	21,083	22,932
Depreciation	1,830	1,975
Increase (decrease) in provision for bonuses	(96)	624
Increase (decrease) in provision for bonuses for directors (and other officers)	44	(4)
Interest and dividend income	(671)	(653)
Interest expenses	12	18
Loss (gain) on sale of investment securities	(852)	(339)
Loss (gain) on sale of shares of subsidiaries and associates	(13)	–
Decrease (increase) in trade receivables	(8,668)	(5,357)
Decrease (increase) in inventories	(4,727)	(2,112)
Increase (decrease) in trade payables	1,394	1,467
Increase (decrease) in accrued consumption taxes	184	765
Increase (decrease) in guarantee deposits received	221	73
Increase/decrease in other assets/liabilities	(635)	189
Other, net	36	49
Subtotal	9,143	19,628
Interest and dividends received	665	652
Interest paid	(12)	(19)
Income taxes paid	(7,095)	(5,165)
Net cash provided by (used in) operating activities	2,700	15,097
Cash flows from investing activities		
Payments into time deposits	(25,000)	(18,000)
Proceeds from withdrawal of time deposits	10,000	19,000
Purchase of property, plant and equipment	(1,391)	(1,419)
Proceeds from sale of property, plant and equipment	40	9
Purchase of intangible assets	(402)	(539)
Proceeds from sale of intangible assets	0	–
Purchase of investment securities	(9)	(33)
Proceeds from sale of investment securities	1,359	426
Purchase of shares of subsidiaries and associates	(129)	–
Proceeds from sale of shares of subsidiaries and associates	27	–
Other, net	52	(20)
Net cash provided by (used in) investing activities	(15,452)	(577)
Cash flows from financing activities		
Purchase of treasury shares	(1,500)	(1,580)
Proceeds from exercise of employee share options	1,596	1,821
Dividends paid	(6,120)	(7,259)
Other, net	(20)	(25)
Net cash provided by (used in) financing activities	(6,044)	(7,043)
Effect of exchange rate change on cash and cash equivalents	109	138
Net increase (decrease) in cash and cash equivalents	(18,686)	7,613
Cash and cash equivalents at beginning of period	72,568	53,882
Cash and cash equivalents at end of period	53,882	61,495