INABA DENKI SANGYO CO.,LTD.

Financial Results for the FY2026 2Q

November 16, 2026

Inaba Denki Sangyo Co., Ltd.
Tokyo Stock Exchange Prime: 9934

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I'm Tamagaki, the President and Representative Director.

Thank you very much for taking time out of your busy schedules to attend our financial results briefing today. I would also like to take this opportunity to thank you for your continued understanding and support of our business activities.

I would like to explain Inaba Denki Sangyo Co., Ltd.'s "Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2027".

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- Financial Results for the FY2026 2Q
- Revisions to Financial Results Forecasts for the FY2026
- Medium-Term Management Plan - Priority Measures (Making Fujikura Shoji a Subsidiary)
- Shareholder Returns

*Forward-looking statements such as forecasts, plans, and targets are based on information currently available to the Group and on certain assumptions that the Group deems reasonable. Actual results may differ significantly from these forecasts due to various factors.

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Today, I will explain in the order shown on the slide.

First, I would like to give you an overview of the financial results for the second quarter of the fiscal year ending March 31, 2027 and then explain the revision to the earnings forecast. After that, I will explain making Fujikura Shoji Co., Ltd. a subsidiary announced on August 31, and finally, I will explain shareholder returns.

Consolidated Statements of Income

(Millions of yen)

	FY25 2Q	% of Net sales	FY26 2Q	% of Net sales	YoY change amount	YoY change %
Net sales	**192,246**	**100%**	**229,433**	**100%**	**37,187**	**19.3%**
Gross profit	34,638	18.0%	**46,211**	20.1%	11,572	33.4%
SG&A	20,585		**26,174**		5,588	27.1%
Operating profit	**14,053**	**7.3%**	**20,036**	**8.7%**	**5,983**	**42.6%**
Net non-operating income and expenses	1,148		**984**		(164)	(14.3%)
Ordinary profit	**15,201**	**7.9%**	**21,020**	**9.2%**	**5,819**	**38.3%**
Net extraordinary income and losses	1		**(8)**		(9)	-
Profit before income taxes	15,202	7.9%	**21,012**	9.2%	5,809	38.2%
Profit attributable to owners of parent	**10,622**	**5.5%**	**14,341**	**6.3%**	**3,718**	**35.0%**

*As a general rule, figures in this document are rounded down to the nearest unit, and percentages and percentage changes are rounded off.
If the rate of change exceeds 1,000%, or if one or both of the comparison targets are negative, this is indicated with "-".

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The slide shows the consolidated statement of income.

In the interim period under review, demand increased in all segments against the backdrop of concerns about material supply due to the situation in the Middle East and other factors, and efforts to maintain a stable supply significantly boosted our earnings.

Net sales increased by 19.3% year on year to ¥ 229.433 billion.

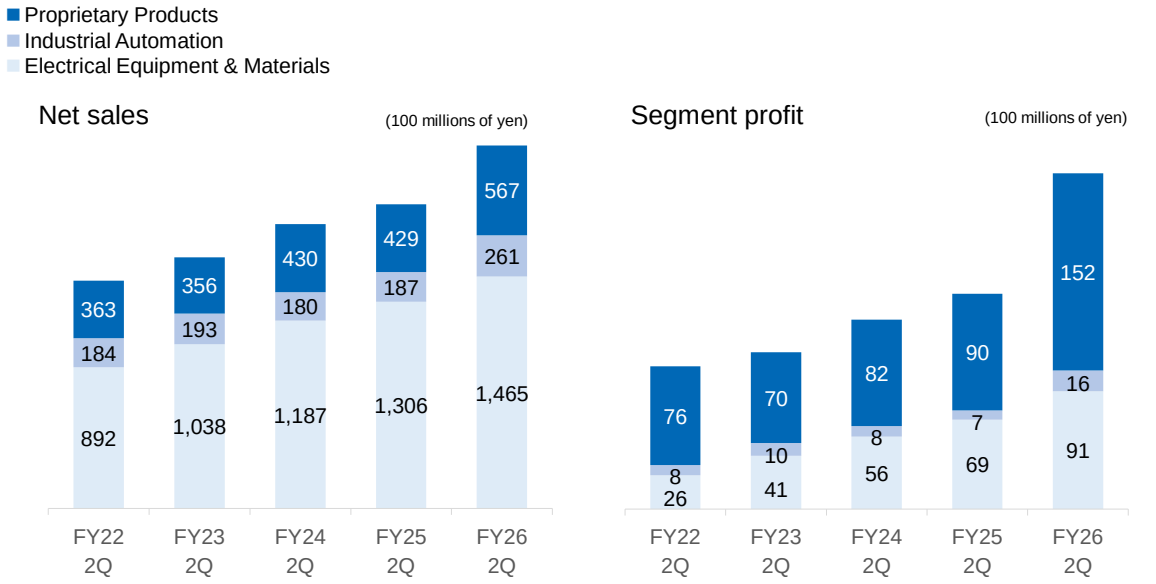
Gross profit increased by 33.4% to ¥ 46.211 billion, and the gross profit rate rose by 2.1 percentage points to 20.1%.

Although SG&A expenses increased due to an increase in personnel expenses and packing costs, operating profit increased by 42.6% to ¥20.036 billion.

Ordinary profit increased by 38.3% to ¥21.02 billion,
and Profit attributable to owners of parent increased by 35.0% to ¥14.341 billion.

As a result, we set a record for second quarter financial results.

Business Results by Segment



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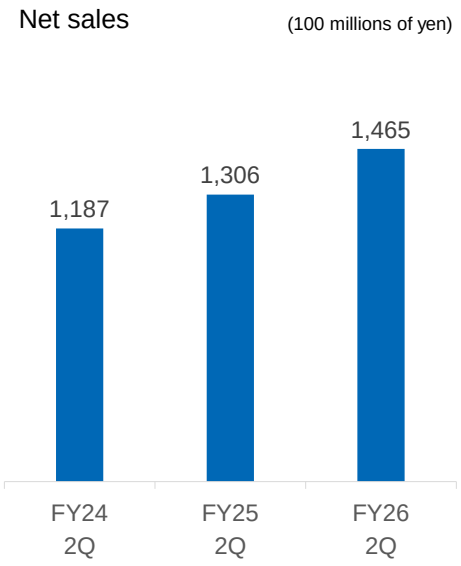
This slide shows the performance trends of each segment.

We broadly classify our business into three segments: Electrical Equipment & Materials and Industrial Automation in the Trading & Distribution division, and Proprietary Products in the Manufacturing division.

As you can see, our Trading & Distribution division accounts for a large portion of our sales while our manufacturing division “Proprietary Products” segment is the main pillar of our profit structure.

Next, I will explain the performance of each segment.

Electrical Equipment & Materials



Net sales +12.2% YoY

As sales prices for electrical materials in general continue to rise due to soaring distribution costs and raw material prices, sales increased as deliveries for large-scale projects such as redevelopment projects in metropolitan areas, data centers, and factories progressed well.
By product category, sales of air conditioning equipment and lighting increased.
Amid rising copper prices, sales of electric wire cables increased, reflecting an increase in demand in 1Q against the backdrop of concerns about further price hikes.

Reference index

	YoY	
	FY25 2Q	FY26 2Q
Floor area of non-residential private buildings	**(4.1%)**	**(15.7%)**
Number of new housing starts	**(17.4%)**	**+11.3%**

Source: Ministry of Land, Infrastructure, Transport and Tourism

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First, I would like to explain the performance of Electrical Equipment & Materials.

Electrical Equipment & Materials supplies electrical equipment-related products, such as electric wire cables, lighting, air conditioning systems, distribution panels, and wiring devices, to various facilities and buildings including homes, office buildings, and public facilities. It consists of two businesses, the “Electrical Wholesale Company” and the “Electrical Construction Materials Company,” which have approximately the same level of sales (*).

In the Electrical Wholesale Company, we deliver merchandise mainly to electrical construction materials stores using our nationwide distribution networks. In the Electrical Construction Materials Company, we receive orders on a property-by-property basis mainly from subcontractors and deliver equipment and facilities based on the property.

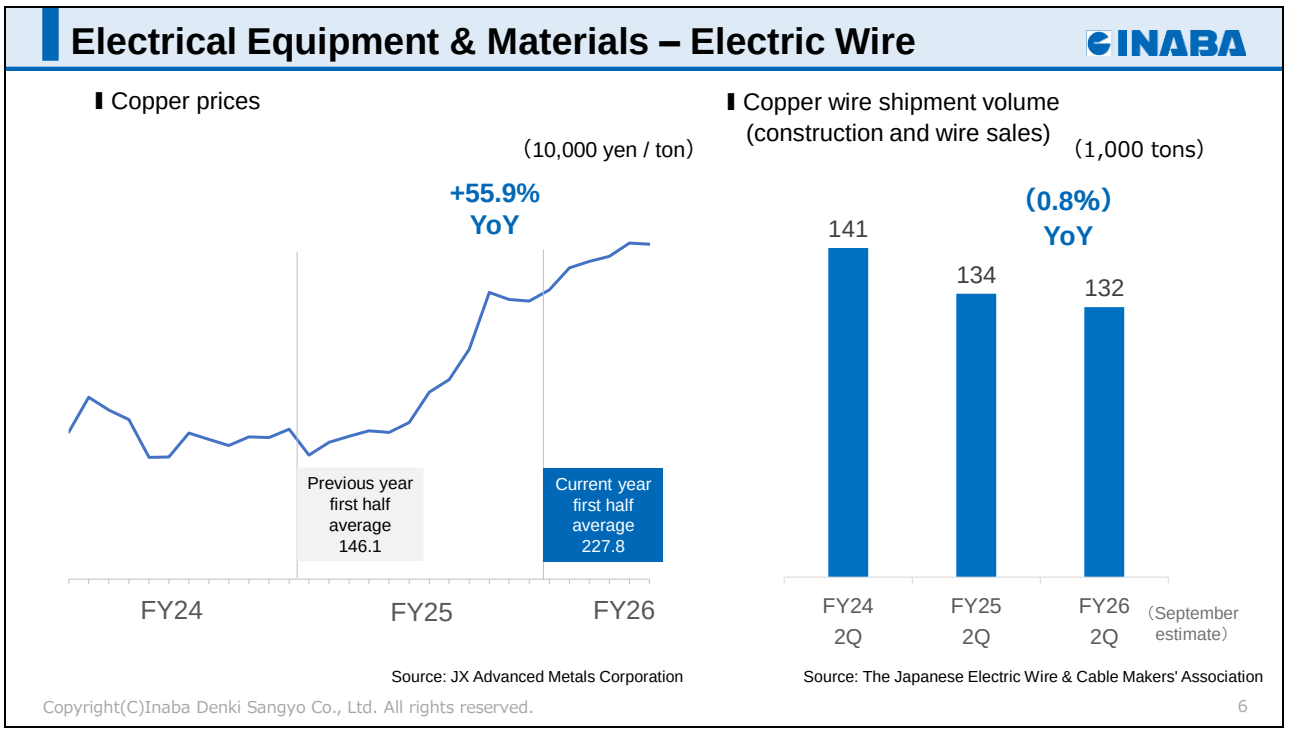
Electric wire cables and power distribution equipment account for approximately half of sales in Electrical Equipment & Materials (*).

Net sales increased by 12.2 % year on year to ¥146.5 billion.

As sales prices for electrical materials in general continue to rise due to soaring distribution costs and raw material prices, sales increased as deliveries for large-scale projects such as redevelopment projects in metropolitan areas, data centers, and factories progressed well.
By product category, sales of air conditioning equipment and lighting increased.

Amid rising copper prices, sales of electric wire cables increased, reflecting an increase in demand in 1Q against the backdrop of concerns about further price hikes.

(*Net sales for management accounting purposes)



This slide shows the copper market situation for wire.

The line graph on the left shows the domestic price of copper.
The bar graph on the right shows the trend of copper wire shipment volume in the construction and wire sales industry.

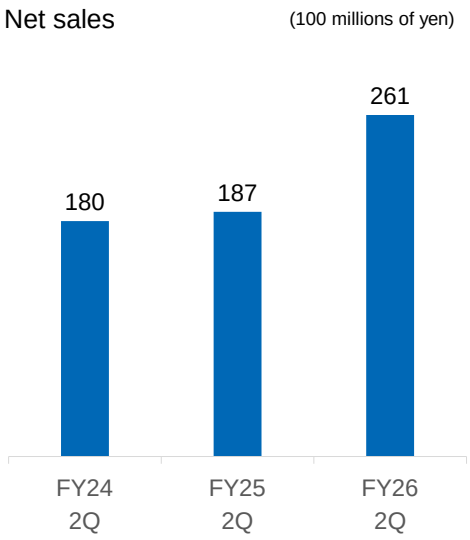
Copper prices rose, up 55.9% year on year, leading to higher sales prices.

Shipments of wire for the construction and wire sales industry decreased by 0.8 % year on year, however, our copper sales volume increased by 1% year on year due to inventory measures and sales efforts.

As a result, sales of electric wire cables increased by 46% year on year (*).

(*Net sales for management accounting purposes)

Industrial Automation



Net sales +39.4% YoY

Sales of control equipment and electronic components increased as capital investments in the manufacturing industry expanded on the back of strong corporate earnings and increased demand for labor-saving and automation due to labor shortages.
In addition, sales to semiconductor production equipment manufacturers and other related industries grew as the semiconductor market became more active due to increased demand for AI -related products.

Reference index

	YoY	
	FY25 2Q	FY26 2Q
Electrical control equipment domestic shipment value	**+5.7%**	**+10.1%**
	FY25 August cumulative total	FY26 August cumulative total
Electronic components and devices production results	**+1.4%**	**+35.0%**

Source: Nippon Electric Control Equipment Industries Association
Japan Electronics and Information Technology Industries Association

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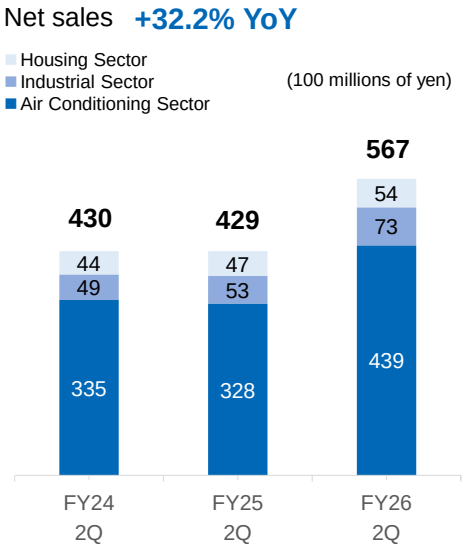
Next, I would like to explain the performance of Industrial Automation.

Industrial Automation, which handles control equipment and electronic components, is affected by factors such as domestic and international trends in capital investments and the semiconductor market.

Net sales increased by 39.4% year on year to ¥26.1 billion.

Sales of control equipment and electronic components increased as capital investments in the manufacturing industry expanded on the back of strong corporate earnings and increased demand for labor-saving and automation due to labor shortages.
In addition, sales to semiconductor production equipment manufacturers and other related industries grew as the semiconductor market became more active due to increased demand for AI-related products.

Proprietary Products



Air Conditioning Sector INABA DENKO

Net sales +34.0% YoY

The primary source of revenue that accounted for more than 70% in Proprietary Products

Reference index	YoY	
	FY25 2Q	FY26 2Q
Room air conditioning systems domestic shipments	+4.0%	+25.5%

Source: The Japan Refrigeration and Air Conditioning Industry Association

Industrial Sector PATLITE

Net sales +36.8% YoY

Significant increase in net sales due to the tailwind of the recovery in the overseas semiconductor industry market, as well as the expanded consolidation of overseas sales subsidiaries.

Housing Sector Abaniact

Net sales +14.9% YoY

Increased sales of information wiring systems and other proprietary products.

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Next, I would like to explain the performance of Proprietary Products.

Proprietary Products consists of three brands.
“INABA DENKO” in the air conditioning sector,
“Abaniact” in the housing sector,
and “PATLITE” in the industrial sector.

Net sales increased by 32.2% year on year to ¥56.7 billion.

By sector, sales in the air conditioning sector increased by 34.0% year on year to ¥43.9 billion. The seasonal nature of the air conditioning sector of Proprietary Products means that earnings are concentrated in the first half of the fiscal year when room air conditioning systems shipments increase.
In the current fiscal year, in addition to a significant increase in the number of room air conditioning systems shipped due to last-minute demand ahead of the revision of energy-saving standards, sales of insulated copper tube/pipe and decorative covers for air conditioning piping the “SLIMDUCT Series”, increased as a result of our efforts to maintain a stable supply of products in response to moves to secure inventory in the market due to supply concerns caused by the situation in the Middle East.

Net sales in the industrial sector increased by 36.8% to ¥7.3 billion due to the tailwind of the recovery in the overseas semiconductor industry market, as well as the expanded consolidation of overseas sales subsidiaries.

Net sales in the housing sector increased by 14.9% year on year to ¥5.4 billion due to an increase in sales of information wiring systems and other proprietary products.

In addition to maintaining and expanding our market share in the air conditioning sector, we are working to further strengthen our development capabilities and focus on developing new products that will become new pillars of earnings.

Non-operating Income and Expenses

(Millions of yen)

	FY25 2Q	FY26 2Q	YoY change amount	YoY change %
Dividend income	919	771	(147)	(16.1%)
Interest income	170	326	155	91.6%
Other	151	155	3	2.6%
Non-operating income (A)	**1,241**	**1,253**	**12**	**1.0%**
Interest expenses	11	14	3	28.2%
Foreign exchange losses	5	202	196	—
Other	76	53	(23)	(30.7%)
Non-operating expenses (B)	**93**	**269**	**176**	**189.0%**
Net non-operating income and expenses (A - B)	**1,148**	**984**	**(164)**	**(14.3%)**

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Next, I would like to explain our non-operating income and expenses.

Non-operating income increased by ¥12 million year on year due to an increase in interest income, and non-operating expenses increased by ¥176 million year on year due to an increase in foreign exchange losses.

As a result, we recorded net non-operating income of ¥984 million, a decrease of ¥164 million year on year.

Extraordinary Income and Losses

(Millions of yen)

	FY25 2Q	FY26 2Q	YoY change amount	YoY change %
Gain on sale of non-current assets	3	1	(2)	(55.5%)
Extraordinary income (A)	**3**	**1**	**(2)**	**(55.5%)**
Loss on retirement of non-current assets	2	0	(2)	(99.5%)
Loss on sale of non-current assets	0	9	9	-
Extraordinary losses (B)	**2**	**9**	**7**	**300.2%**
Net extraordinary income and losses (A - B)	**1**	**(8)**	**(9)**	**-**

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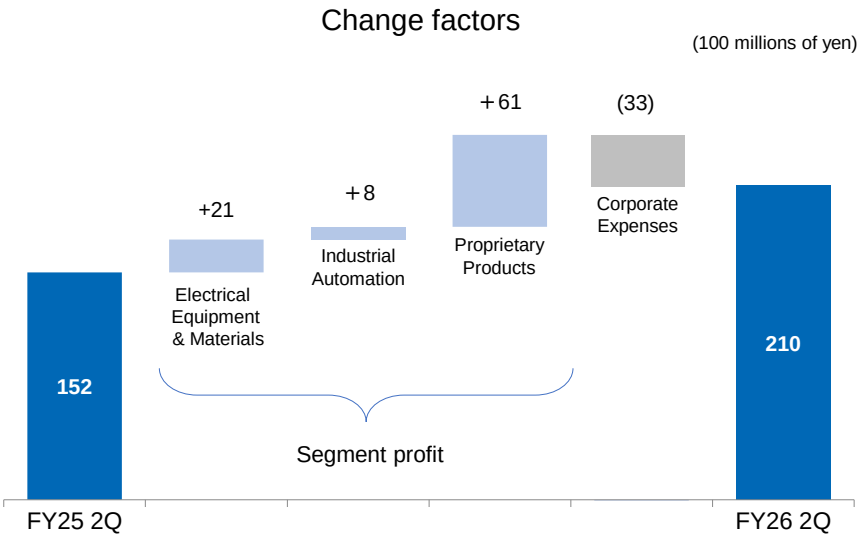
Next, I would like to explain our extraordinary income and losses.

We recorded a loss of ¥8 million in net extraordinary income and losses due to the recording of ¥9 million in loss on sale of non-current assets.

Profit Before Income Taxes



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We use “profit before income taxes” as a profit indicator for management accounting purposes.

There was an increase in profit of ¥5.809 billion and the factors behind this change are shown in a graph.

Profit increased across all segments in the current fiscal year.
Corporate expenses, etc., which do not belong to any segment, increased due to a rise in provisions for performance-based bonuses and an increase in foreign exchange losses.

Consolidated Balance Sheet

(Millions of yen)

	FY25	Composition ratio	FY26 2Q	Composition ratio	Change amount	Change %
Current assets	227,604	73%	226,675	72%	(929)	(0.4%)
Non-current assets	85,720	27%	89,781	28%	4,060	4.7%
Total assets	**313,325**		**316,457**		**3,131**	**1.0%**
Current liabilities	105,471	34%	92,856	29%	(12,615)	(12.0%)
Non-current liabilities	10,469	3%	12,311	4%	1,842	17.6%
Total liabilities	**115,940**	**37%**	**105,168**	**33%**	**(10,772)**	**(9.3%)**
Total net assets	**197,384**	**63%**	**211,288**	**67%**	**13,904**	**7.0%**

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Next, this slide shows the consolidated balance sheet.

The increase in assets was mainly due to an increase in investment securities in line with a rise in the market value of cross-shareholdings.
The decrease in liabilities was mainly due to a decrease in accounts payable.

In addition, the equity ratio rose by 3.8 percentage points to 66.7%.

Consolidated Statement of Cash Flows

(Millions of yen)

	FY25 2Q	FY26 2Q	YoY change amount
Cash flows from operating activities	9,076	8,848	(228)
Cash flows from investing activities	(3,320)	(2,590)	729
Cash flows from financing activities	(3,614)	(5,098)	(1,484)
Effect of exchange rate changes on cash and cash equivalents	(35)	34	70
Net increase (decrease) in cash and cash equivalents	2,107	1,194	(912)
Cash and cash equivalents at the end of the quarter	68,169	81,063	12,893

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Next, I would like to explain our “Consolidated Statement of Cash Flows.”

Cash flows from operating activities recorded a cash inflow of ¥8.848billion.
This was mainly due to recognition of profit before income taxes.

Cash flows from investing activities recorded a cash outflow of ¥2.59 billion.
This was mainly due to construction costs of the new R&D facility “Innovation Center”, scheduled for completion around summer 2027, and system-related investment.

Cash flows from financing activities recorded a cash outflow of ¥5.098 billion. This was mainly due to the payment of dividends.

As a result, cash and cash equivalents at the end of the quarter increased by ¥12.8 billion year on year to ¥81.063 billion.

Revision to Earnings Forecast for the FY2026

(Millions of yen)

	FY25	FY26 Initial Forecasts	FY26 Revised Forecasts	YoY change amount	YoY change %
Net sales	417,023	436,000	470,000	52,976	12.7%
Operating profit	29,711	32,900	37,000	7,288	24.5%
Ordinary profit	31,756	34,400	39,000	7,243	22.8%
Profit attributable to owners of parent	23,420	23,700	27,000	3,579	15.3%
(Net sales by segment)					
Electrical Equipment & Materials	293,289	303,000	324,000	30,710	10.5%
Industrial Automation	43,365	46,000	51,000	7,634	17.6%
Proprietary Products	80,368	87,000	95,000	14,631	18.2%

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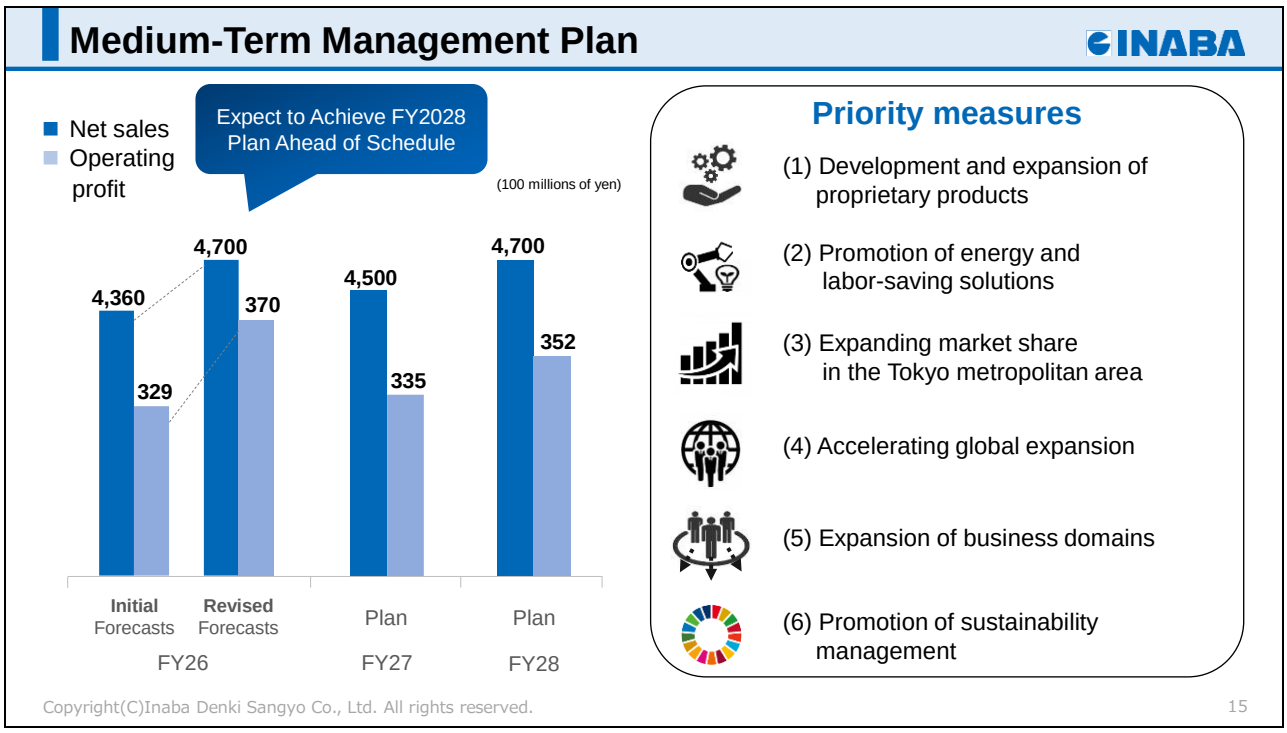
Next, I will explain the revision to our earnings forecast.

As you can see, we have revised upward our full-year consolidated earnings forecast for the current fiscal year from the figures announced on May 15, 2026.

During this interim period, as explained earlier, demand increased across all segments against a backdrop of concerns regarding the material supply due to the situation in the Middle East and other factors. As a result of our efforts to maintain a stable supply, our financial performance exceeded initial expectations.

Although we need to carefully monitor future demand trends, we have revised our full-year earnings forecast upward, as we expect performance in the second half to exceed that of the previous fiscal year.

The revised forecasts are ¥470 billion in net sales, ¥37 billion in operating profit, ¥39 billion in ordinary profit, and ¥27 billion in profit attributable to owners of parent. As a result, we expect to achieve the targets for the fiscal year ending March 31, 2029 announced in the Medium-Term Management Plan in June 2026 of ¥470 billion in net sales and ¥35.2 billion in operating profit two years ahead of schedule.



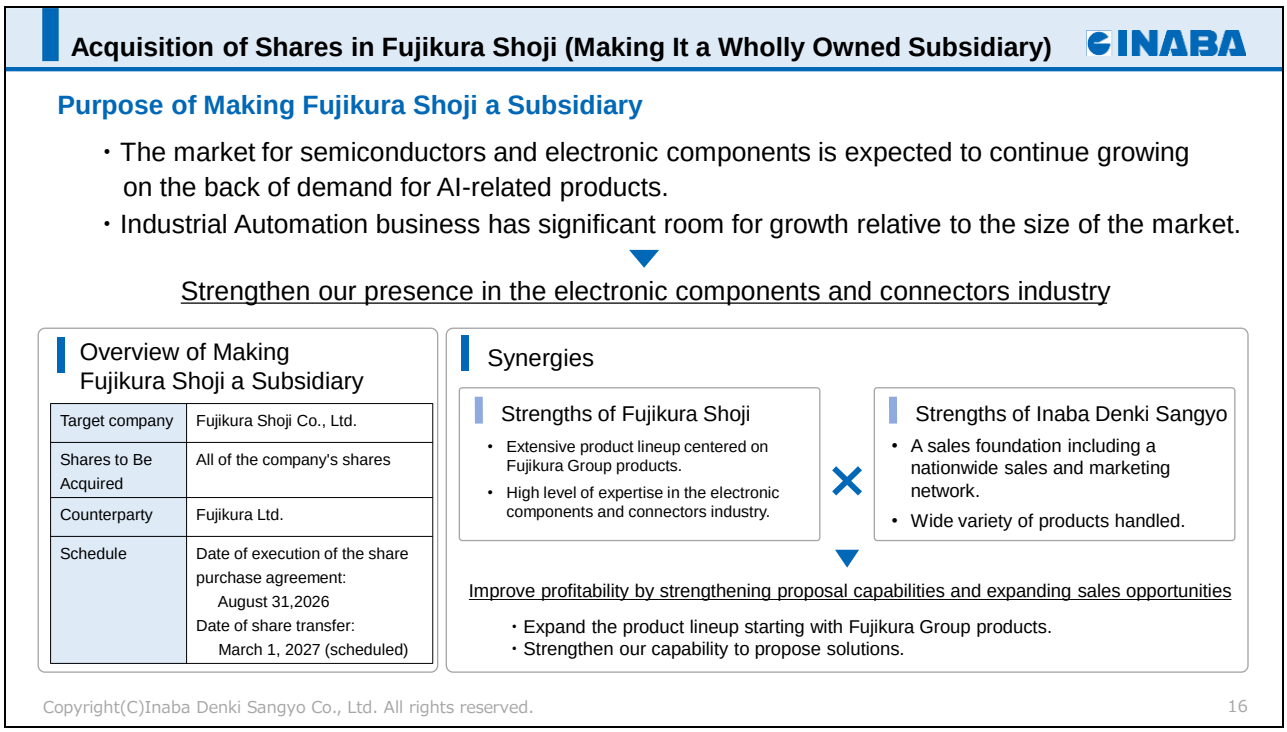
Next, I will explain our Medium-term Management Plan and Priority Measures.

We review the numerical targets for the next three years by rolling them each fiscal year according to changes in the business environment and the degree of achievement of the plan.

In this fiscal year, we expect to achieve the targets for the fiscal year ending March 31, 2029 announced in the Medium-Term Management Plan in June 2026, two years ahead of schedule. We plan to announce a new rolling medium-term plan with the fiscal year ending March 31, 2030 as the final year.

We will continue to steadily implement the following six priority measures.
“Development and expansion of proprietary products”
“Promotion of energy and labor-saving solutions”
“Expanding market share in the Tokyo metropolitan area”
“Accelerating global expansion”
“Expansion of business domains”
“Promotion of sustainability management”

Today, I would like to explain making Fujikura Shoji Co., Ltd. a wholly owned subsidiary, which was announced on August 31, 2026, as a measure related to the “expansion of business domains.”



On August 31, 2026, we entered into a share purchase agreement to make Fujikura Shoji Co., Ltd., a consolidated subsidiary of Fujikura Ltd., our wholly-owned subsidiary.

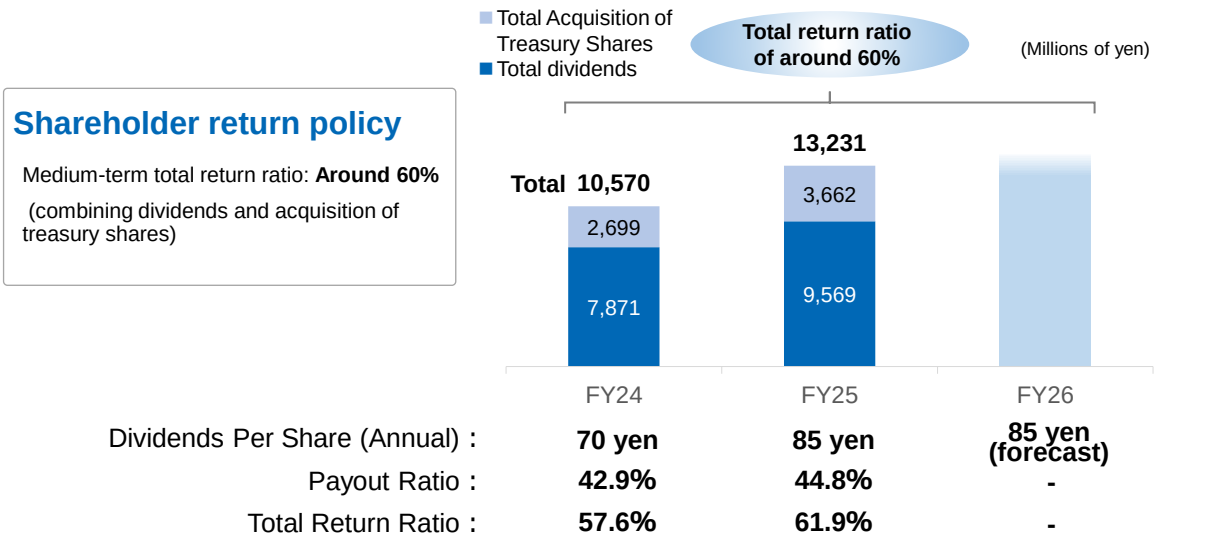
Our Industrial Automation business has identified the expansion of electronics businesses as one of our medium- to long-term key strategies. The market for semiconductors and electronic components, which is the target of Industrial Automation, is expected to continue to grow due to demand for AI and other factors. Furthermore, we believe that, relative to the size of the market, there is significant room for growth in our business.

By making Fujikura Shoji a subsidiary, we expect to improve profitability by expanding the product lineup of the Fujikura group and combining Fujikura Shoji's advanced expertise in fields such as electronic components and connectors with our sales infrastructure, centered on our sales network, thereby strengthening our proposal capabilities and expanding sales opportunities.

The share transfer is scheduled for March 1, 2027. This matter will have only a minor impact on our financial result for the fiscal year ending March 31,2027.

Furthermore, with regard to M&A, we will continue to evaluate opportunities based on our priority measures and potential synergies with our existing business.

Shareholder returns



・ Payout ratio and total return ratio are calculated by adjusting extraordinary income and losses to non-consolidated net profit.
・ Dividends per share has been retroactively adjusted to reflect the stock split in December 2025.

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Finally, I would like to explain shareholder returns.

Interim dividends for the fiscal year ending March 31, 2027 were ¥40 per share.

We consider the return of profits to shareholders to be one of the most important issues of management. As part of our efforts to realize management that is conscious of the cost of capital and the share price, we have set a medium-term total return ratio of approximately 60%, which includes dividends and the acquisition of treasury shares.

In accordance with this policy, we will continue to pay stable dividends twice a year and return profits to shareholders based on market trends and business performance.

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This concludes my explanation of Inaba Denki Sangyo Co., Ltd.'s financial results for the second quarter of the fiscal year ending March 31, 2027.

Thank you for your listening.