

# INABA DENKI SANGYO CO.,LTD.

Financial Results for the FY2025



**\* This document is a 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.**

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

**June 16, 2026**

This document is a 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.

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 Fiscal Year Ended March 31, 2026".

- Financial Results for the FY2025
- Medium-Term Management Plan
- Earnings Forecast for the FY2026
- Priority Measures
- Capital Policy  
(Growth Investment / Shareholder Return Policy)

\*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.

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

First, I would like to give you an overview of financial results for the fiscal year ended March 31, 2026, followed by Medium-Term Management Plan and earnings forecasts for the fiscal year ending March 31, 2027.

Next, I will outline our initiatives for priority measures by business segment, and finally, I will introduce our capital policy.

## Consolidated Statements of Income



(Millions of yen)

	FY24	% of Net sales	FY25	% of Net sales	YoY change amount	YoY change %
<b>Net sales</b>	384,012	100%	417,023	100%	33,010	8.6%
Gross profit	65,086	16.9%	72,610	17.4%	7,524	11.6%
SG&A	39,529		42,898		3,369	8.5%
<b>Operating profit</b>	25,556	6.7%	29,711	7.1%	4,155	16.3%
Net non-operating income and expenses	1,141		2,044		902	79.1%
<b>Ordinary profit</b>	26,698	7.0%	31,756	7.6%	5,057	18.9%
Net extraordinary income and losses	(43)		1,131		1,175	-
Profit before income taxes	26,654	6.9%	32,887	7.9%	6,233	23.4%
<b>Profit attributable to owners of parent</b>	18,783	4.9%	23,420	5.6%	4,637	24.7%

\*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 "-".

Copyright(C)Inaba Denki Sangyo Co., Ltd. All rights reserved.

3

The slide shows the consolidated statements of income.

Net sales increased 8.6% year on year to ¥417.023 billion.

Gross profit increased 11.6% to ¥72.61 billion, and the gross profit rate rose 0.5 percentage points to 17.4%.

Despite increases in personnel expenses and IT expenses, operating profit increased by 16.3% to ¥29.711 billion.

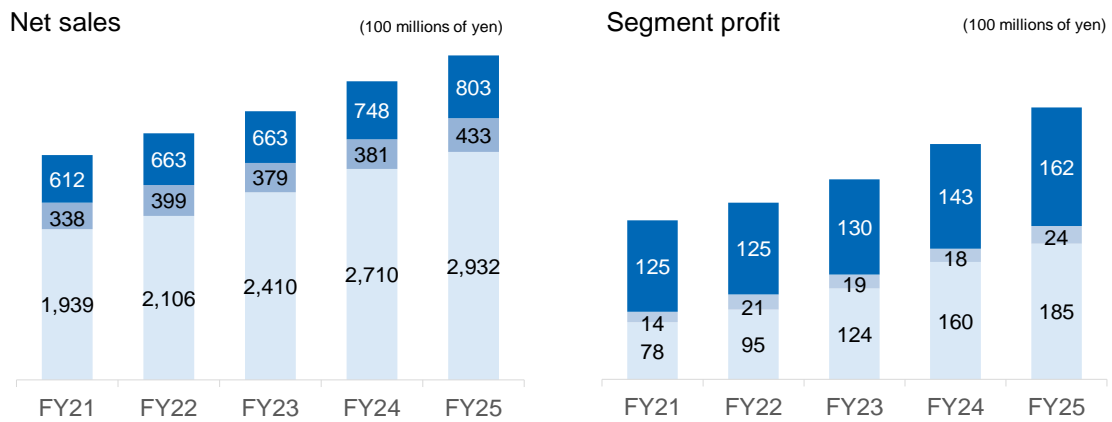
Ordinary profit increased by 18.9% to ¥31.756 billion, and Profit attributable to owners of parent increased by 24.7% to ¥23.42 billion, due in part to the application of a tax system to promote wage increases.

As a result, we achieved record results for the fifth consecutive year (excluding the impact of changes in accounting standards).

## Business Results by Segment



- Proprietary Products
- Industrial Automation
- Electrical Equipment & Materials



Copyright(C)Inaba Denki Sangyo Co., Ltd. All rights reserved.

4

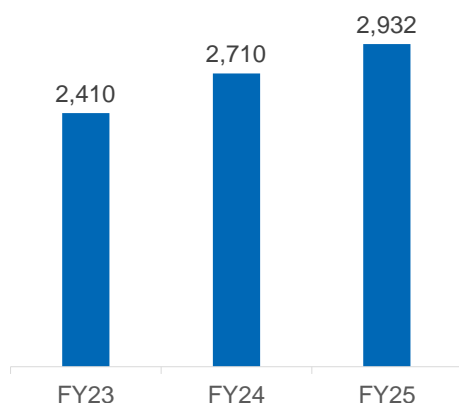
This slide shows the performance trends of each segment.

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.

Net sales (100 millions of yen)



## Net sales +8.2% 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, factories, and data centers progressed well. By product category, sales of power distribution equipment and air conditioning equipment increased, and soaring copper prices contributed to sales of electric wire cables.

## Reference index

	YoY	
	FY24	FY25
Floor area of non-residential private buildings	(10.5%)	(6.6%)
Number of new housing starts	+2.0%	(12.9%)

Source: Ministry of Land, Infrastructure, Transport and Tourism

Copyright(C)Inaba Denki Sangyo Co., Ltd. All rights reserved.

5

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 each account for approximately one quarter of sales in Electrical Equipment & Materials (\*).

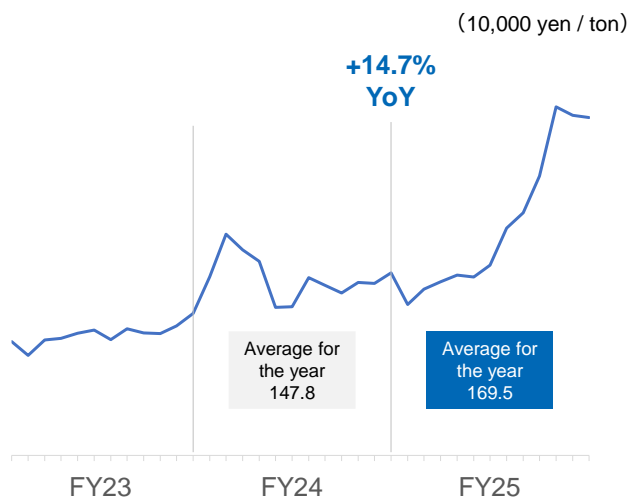
Net sales increased by 8.2% year on year to ¥293.2 billion.

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, factories, and data centers progressed well.

By product category, sales of power distribution equipment and air conditioning equipment increased, and soaring copper prices contributed to sales of electric wire cables.

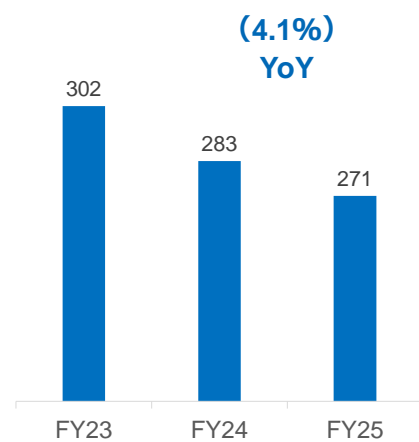
(\*Net sales for management accounting purposes)

■ Copper prices



■ Copper wire shipment volume

(construction and wire sales) (1,000 tons)



Source: JX Advanced Metals Corporation

Source: The Japanese Electric Wire & Cable Makers' Association

Copyright(C)Inaba Denki Sangyo Co., Ltd. All rights reserved.

6

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.

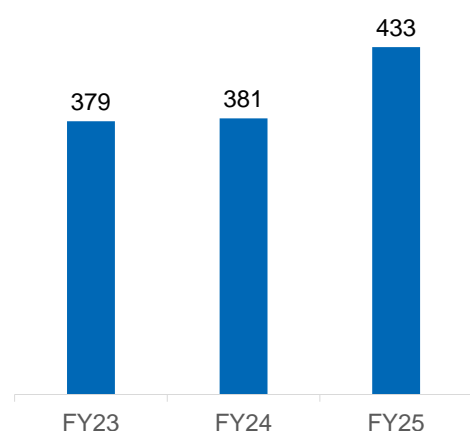
Copper prices continued to rise, up 14.7% year on year, leading to higher sales prices.

Shipments of wire for the construction and wire sales industry decreased by 4.1% year on year, however, our copper sales volume increased by 2% year on year due to inventory measures and sales efforts.

As a result, sales of electric wire cables increased by 12% year on year (\*).

(\*Net sales for management accounting purposes)

Net sales (100 millions of yen)



**Net sales +13.7% YoY**

Sales of control equipment and electronic components increased as the impact of inventory adjustments related to semiconductors has become smaller and there were signs of a recovery in capital investments in the manufacturing industry against the backdrop of increased demand for labor-saving and automation due to labor shortages.

### Reference index

	YoY	
	FY24	FY25
Electrical control equipment domestic shipment value	<b>(13.2%)</b>	<b>+4.8%</b>
Electronic components and devices production value	<b>+8.3%</b>	<b>+9.7%</b>

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

Copyright(C)Inaba Denki Sangyo Co., Ltd. All rights reserved.

7

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 13.7% year on year to ¥43.3 billion.

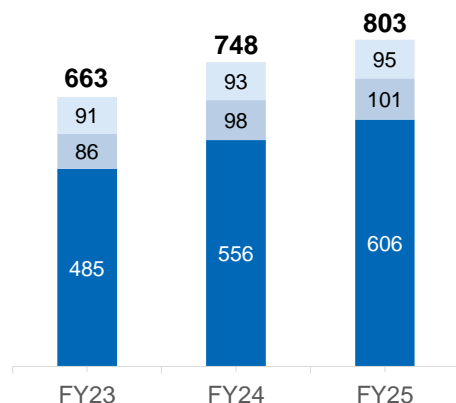
Sales of control equipment and electronic components increased as the impact of inventory adjustments related to semiconductors has become smaller and there were signs of a recovery in capital investments in the manufacturing industry against the backdrop of increased demand for labor-saving and automation due to labor shortages.

## Proprietary Products



Net sales **+7.4% YoY**

■ Housing Sector  
■ Industrial Sector  
■ Air Conditioning Sector



Copyright(C)Inaba Denki Sangyo Co., Ltd. All rights reserved.

### Air Conditioning Sector **INABA DENKO**

Net sales **+9.0% YoY**

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

#### Reference index

	YoY	
	FY24	FY25
Room air conditioning systems domestic shipments	<b>+7.3%</b>	<b>+6.5%</b>

Source: The Japan Refrigeration and Air Conditioning Industry Association

### Industrial Sector **PATLITE®**

Net sales **+3.1% YoY**

Overseas sales increased on the back of a recovery in the semiconductor industry.

### Housing Sector **Abaniact**

Net sales **+2.5% YoY**

Increased sales of information wiring systems and other proprietary products.

8

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 7.4% year on year to ¥80.3 billion.

By sector, sales in the air conditioning sector increased by 9.0% year on year to ¥60.6 billion. In the previous fiscal year, there was a surge in demand ahead of price revisions, and sales in northern Japan were higher than expected. In the fiscal year under review, there was a reactionary decline in sales due to these factors. However, sales of mainstay products such as insulated copper tube/pipe and decorative covers for air conditioning piping the “SLIMDUCT Series” were strong due to an increase in the number of room air conditioning systems shipped.

Net sales in the industrial sector increased by 3.1% to ¥10.1 billion due to an increase in overseas sales on the back of a recovery in the semiconductor industry.

Net sales in the housing sector increased by 2.5% year on year to ¥9.5 billion due to an increase in sales of information wiring systems and other proprietary products.

We are working to further strengthen our development functions and develop new products that will become a new pillar of earnings to change our sales currently focused on the air conditioning sector.

## Non-operating Income and Expenses



(Millions of yen)

	FY24	FY25	YoY change amount	YoY change %
Dividend income	694	1,155	460	66.3%
Foreign exchange income	35	350	314	896.9%
Interest income	161	373	212	131.4%
Other	356	345	(11)	(3.2%)
<b>Non-operating income (A)</b>	<b>1,248</b>	<b>2,224</b>	<b>976</b>	<b>78.2%</b>
Interest expenses	19	23	4	22.0%
Other	87	157	69	79.1%
<b>Non-operating expenses (B)</b>	<b>106</b>	<b>180</b>	<b>73</b>	<b>68.9%</b>
<b>Net non-operating income and expenses (A - B)</b>	<b>1,141</b>	<b>2,044</b>	<b>902</b>	<b>79.1%</b>

Copyright(C)Inaba Denki Sangyo Co., Ltd. All rights reserved.

9

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

Non-operating income increased by ¥976 million year on year due to an increase in dividend income and foreign exchange income, and non-operating expenses only increased by ¥73 million year on year.

As a result, we recorded net non-operating income of ¥2,044 million, an increase of ¥902 million from the same period of the previous fiscal year.

## Extraordinary Income and Losses



(Millions of yen)

	FY24	FY25	YoY change amount	YoY change %
Gain on sale of investment securities	188	1,140	951	504.3%
Gain on sale of non-current assets	3	6	3	104.1%
<b>Extraordinary income (A)</b>	<b>192</b>	<b>1,147</b>	<b>955</b>	<b>497.2%</b>
Loss on retirement of non-current assets	27	6	(20)	(74.6%)
Loss on sale of non-current assets	-	8	8	-
Other	208	-	(208)	(100.0%)
<b>Extraordinary losses (B)</b>	<b>235</b>	<b>15</b>	<b>(220)</b>	<b>(93.3%)</b>
<b>Net extraordinary income and losses (A - B)</b>	<b>(43)</b>	<b>1,131</b>	<b>1,175</b>	<b>-</b>

Copyright(C)Inaba Denki Sangyo Co., Ltd. All rights reserved.

10

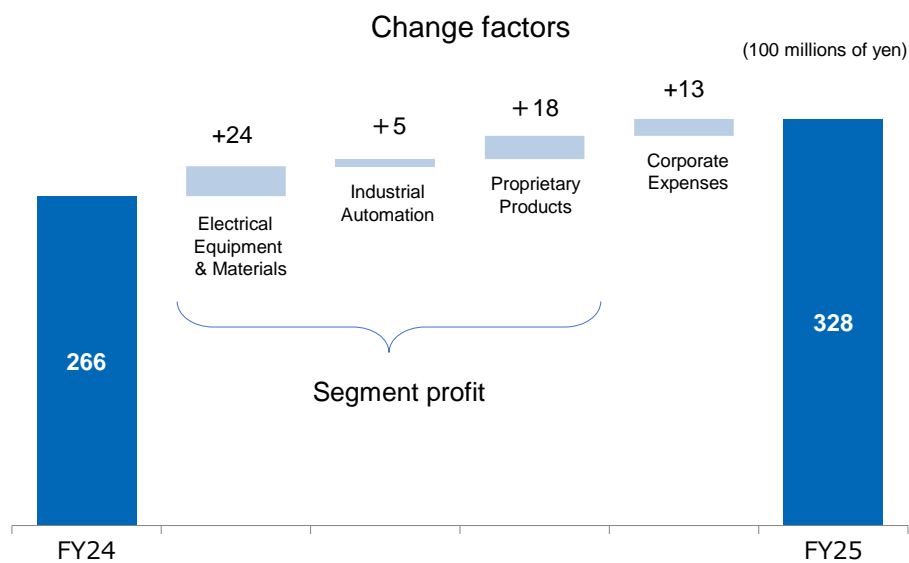
Next, I would like to explain our extraordinary income and losses.

Extraordinary income increased by ¥955 million year on year due to an increase in gain on sale of investment securities.

In addition, extraordinary losses decreased by ¥220 million due to an impairment loss on assets scheduled for sale in Proprietary Products in the previous fiscal year.

As a result, we recorded net extraordinary income of ¥1,131 million.

## Profit Before Income Taxes



Copyright(C)Inaba Denki Sangyo Co., Ltd. All rights reserved.

11

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

There was an increase in profit of ¥6.233 billion and the factors behind this change are shown in a graph.

Profit increased across all segments in the current fiscal year.

Regarding profit and loss for corporate expenses, etc., which do not belong to any segment, an increase in gain on sale of investment securities and other factors supported an increase in profit.

## Consolidated Balance Sheet



(Millions of yen)

	FY24	Composition ratio	FY25	Composition ratio	YoY change amount	YoY change %
Current assets	215,720	77%	227,604	73%	11,884	5.5%
Non-current assets	63,262	23%	85,720	27%	22,457	35.5%
<b>Total assets</b>	<b>278,983</b>		<b>313,325</b>		<b>34,341</b>	<b>12.3%</b>
Current liabilities	100,190	36%	105,471	34%	5,281	5.3%
Non-current liabilities	5,769	2%	10,469	3%	4,699	81.4%
<b>Total liabilities</b>	<b>105,959</b>	<b>38%</b>	<b>115,940</b>	<b>37%</b>	<b>9,981</b>	<b>9.4%</b>
<b>Total net assets</b>	<b>173,023</b>	<b>62%</b>	<b>197,384</b>	<b>63%</b>	<b>24,360</b>	<b>14.1%</b>

Copyright(C)Inaba Denki Sangyo Co., Ltd. All rights reserved.

12

Next, this slide shows the consolidated balance sheet.

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

In addition, the equity ratio rose by 1.1 percentage points to 62.9%.

## Consolidated Statement of Cash Flows



	(Millions of yen)		
	FY24	FY25	YoY change amount
Cash flows from operating activities	23,279	26,909	3,630
Cash flows from investing activities	(10,455)	(6,601)	3,854
Cash flows from financing activities	(8,371)	(10,266)	(1,895)
Effect of exchange rate changes on cash and cash equivalents	113	98	(14)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,566</b>	<b>10,140</b>	<b>5,574</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>66,062</b>	<b>76,202</b>	<b>10,140</b>

Copyright(C)Inaba Denki Sangyo Co., Ltd. All rights reserved.

13

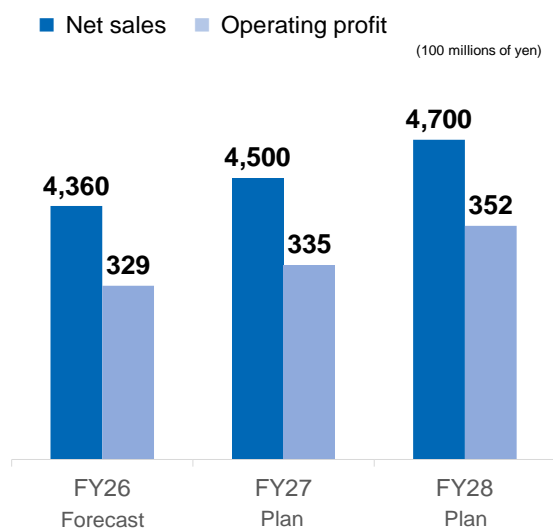
Next, I would like to explain our “Consolidated Statement of Cash Flows.”

Cash flows from operating activities recorded a cash inflow of ¥26.9 billion. This represents an increase of ¥3.6 billion year on year, primarily due to an increase in profit before income taxes.

Cash flows from investing activities recorded a cash outflow of ¥6.6 billion. This was mainly due to construction costs of the new R&D facility “Innovation Center” announced in May 2025 and system-related investments.

Cash flows from financing activities recorded a cash outflow of ¥10.2 billion. This was mainly due to the payment of dividends, and the acquisition of own shares.

As a result, cash and cash equivalents at the end of the period increased by ¥10.1 billion year on year to ¥76.2 billion.



### Priority measures

- (1) Development and expansion of proprietary products
- (2) Promotion of energy and labor-saving solutions
- (3) Expanding market share in the Tokyo metropolitan area
- (4) Accelerating global expansion
- (5) Expansion of business domains
- (6) Promotion of sustainability management

Copyright(C)Inaba Denki Sangyo Co., Ltd. All rights reserved.

14

I will now explain our plans for the future.

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.

The specific targets for the fiscal year ending March 31, 2029, which marks the final year of the plan, are ¥470 billion in net sales and ¥35.2 billion in operating profit.

In order to achieve the goals of the Medium-Term Management Plan, we will steadily implement six priority measures below.

- “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”

## Earnings Forecast for the FY2026



(Millions of yen)

	FY25	% of Net sales	FY26	% of Net sales	YoY change amount	YoY change %
Net sales	417,023	100%	436,000	100%	18,976	4.6%
Operating profit	29,711	7.1%	32,900	7.5%	3,188	10.7%
Ordinary profit	31,756	7.6%	34,400	7.9%	2,643	8.3%
Profit attributable to owners of parent	23,420	5.6%	23,700	5.4%	279	1.2%
(Net sales by segment)						
Electrical Equipment & Materials	293,289	70%	303,000	69%	9,710	3.3%
Industrial Automation	43,365	10%	46,000	11%	2,634	6.1%
Proprietary Products	80,368	19%	87,000	20%	6,631	8.3%

Copyright(C)Inaba Denki Sangyo Co., Ltd. All rights reserved.

15

For the fiscal year ending March 31, 2027, we forecast earnings as follows.

¥436 billion in net sales, ¥32.9 billion in operating profit, ¥34.4 billion in ordinary profit, and ¥23.7 billion in profit attributable to owners of parent.

By segment, the net sales forecast is ¥303 billion in Electrical Equipment & Materials, ¥46 billion in Industrial Automation, and ¥87 billion in Proprietary Products.

We expect the business environment surrounding the Company to remain firm on the back of redevelopment in metropolitan areas and continued corporate demand for capital investments, although the outlook remains uncertain due to trends in raw materials prices and exchange rates, and the impact of the U.S. tariff policy and the situation in the Middle East.

In addition, from the fiscal year ending March 31, 2027, overseas subsidiaries belonging to Proprietary Products, which were previously unconsolidated, have been included in the scope of consolidation because their significance is expected to increase due to accelerating global expansion, although the financial impact is minor.

I will explain the impact of the situation in the Middle East on the next slide, but as it is difficult to quantify the amount of impact at this time, in principle it has not been included in the forecast.

### Impact of the Escalating Situation in the Middle East

- In Proprietary Products, the procurement of raw materials for certain products is restricted, making it difficult to confirm the quantity and timing of supply.

### Response Policy

- The continued supply of products is our top priority.
- Depending on the situation, implement measures, including restricting shipments, adjusting production and revising prices.

### Current Situation and Responses

#### ■ SLIMDUCT

No significant impact on production. Supply is expected to be available even during peak seasons.



#### ■ Insulated Copper Tube/Pipe

While material procurement risk is a concern, materials for current production have been secured. Procurement costs for insulation and secondary materials are skyrocketing.



#### ■ Other resin products, etc.

Some shipments are restricted. Strive to ensure stable supply of products by managing shipments at the same level as the previous year while effectively using the inventory.

Next, I will explain the impact of the escalating situation in the Middle East and our current response.

While the procurement of oil and naphtha has been unstable worldwide, the Company has also faced restrictions on procuring raw materials for certain products, making it difficult to make firm commitments on the quantity and timing of supply of our products.

In response to this situation, we will give top priority to the continued supply of products and implement measures including shipment restrictions, production adjustments and price revisions depending on the situation.

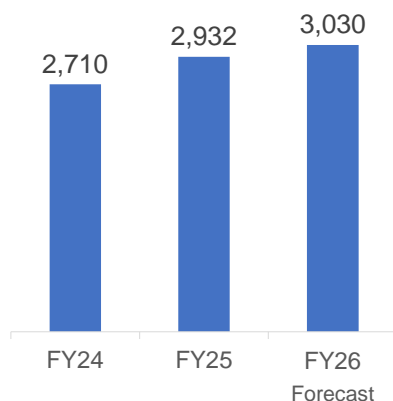
Looking at the situation by product, production and sales for “SLIMDUCT” are not restricted, and we expect to be able to supply as usual.

For insulated copper tube/pipe, there are procurement risks for materials such as insulation, but we have secured production materials for the peak summer season. Procurement costs are rising, mainly for insulation and secondary materials.

For other products, although there are some products, mainly resin products, which are difficult to supply as before, we are working to ensure a stable supply by managing shipments while utilizing our inventory.

We will continue to monitor market trends closely and take appropriate measures in order to both reduce risks and secure profit opportunities.

## Net sales (100 millions of yen)



Despite concerns about the impact of soaring raw materials prices and supply risks, the business environment is expected to remain strong on the back of continued demand for redevelopment in metropolitan areas.

Copyright(C)Inaba Denki Sangyo Co., Ltd. All rights reserved.

## Major Initiatives to Promote Priority Measures

### ■ Strengthening our private brands

(① Development and expansion of proprietary products)



In addition to discovering excellent products, take on the challenge of developing original products based on in-house planning

### ■ Expanding sales of environmental products

(② Promotion of energy and labor-saving solutions)



In addition to expanding sales of LED lighting and other products, collecting and organizing information on environmentally friendly products to enhance our ability to make proposals

### ■ Strengthen collaboration between businesses

(③ Expanding market share in the Tokyo metropolitan area)



Appointed Representative of Tokyo Head Office to strengthen collaboration between businesses

Aim to expand our market share by allocating human resources and enhancing our functions

### ■ Entry into information and communication fields

(⑤ Expansion of business domains)



Promote proposals for integrated networks, etc. and enhancement of our construction capabilities

17

Next, I would like to explain our strategies for each business segment.

In the market environment surrounding Electrical Equipment & Materials, in addition to public investments for national resilience, data-center-related investments are expected to expand, and capital investments to strengthen supply chains are expected to increase. Despite concerns about the impact of soaring raw material prices and supply risks, the business environment is expected to remain strong, and we expect net sales in fiscal 2026 of ¥303 billion, up 3.3% from fiscal 2025.

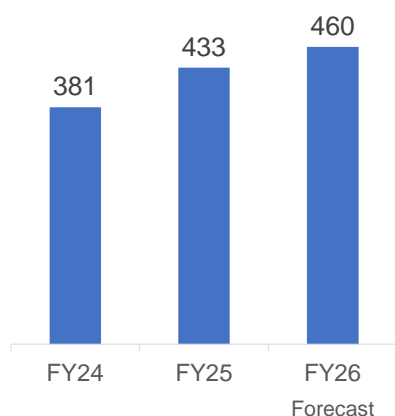
Based on the philosophy of “Making Japanese electrical construction work HAPPY,” our private brand of electrical construction materials, “JAPPY”, develops energy-saving electrical construction materials and construction-saving tools. In the future, in addition to discovering other excellent products, we would like to take on the challenge of developing original products based on in-house initiatives.

To promote energy-saving and labor-saving solutions, in addition to expanding sales of LED lighting and other products that we have been working on, we are collecting and organizing information on environmentally friendly products. By expanding the use of this information going forward, we will work to strengthen our proposal of environmental solutions that encompass the entire supply chain.

In addition, as our sales ratio is high in western Japan, the Tokyo metropolitan area has room for growth in terms of market size, and demand for redevelopment in the Tokyo metropolitan area is expected to continue. We aim to capture demand in the Tokyo metropolitan area market by actively investing in human capital and strengthening distribution functions. In fiscal 2026, a representative was appointed at the Tokyo Head Office to enhance collaboration between businesses.

Furthermore, in recent years, we have been focusing on advancing into the information and communications field. We are working on proposals for integrated networks that create efficient and comfortable environments by linking air conditioning and lighting in buildings through telecommunications. In addition, to respond to the increasing demand for engineering in recent years, we are strengthening our construction capabilities by systematically developing and recruiting talent.

## Net sales (100 millions of yen)



Although there is a risk that profit pressures caused by persistently high crude oil prices and other factors could suppress demand for capital investment, labor-saving and digital investments, as well as semiconductor-related demand, are expected to expand.

Copyright(C)Inaba Denki Sangyo Co., Ltd. All rights reserved.

## Major Initiatives to Promote Priority Measures

### Proposals for improving productivity through combining control equipment / mechatronics and IoT (②Promotion of energy and labor-saving solutions)

Support business efficiency in manufacturing sites, where labor shortages are becoming serious  
Propose optimization of the entire manufacturing process, such as focusing on materials handling, including in-plant distribution



### Expand the electronics businesses (⑤Expansion of business domains)

Strengthen cooperation with suppliers.  
Leverage our expertise in software and circuit design to promote proposals across a wide range of stages, from planning and design through to implementation



### Strengthen engineering capabilities and proposals to other industries (⑤Expansion of business domains)

Strengthening engineering capabilities, including construction expertise  
Developing a new customer base



Next, I will explain about Industrial Automation.

Although there are concerns about the risk that rising energy costs and other costs will put downward pressure on both corporate earnings and demand for capital investments, we expect an increase in investment in labor-saving and digital-related fields and an expansion of related demands against the backdrop of a recovery in the market for semiconductors.

We expect net sales of ¥46 billion in fiscal 2026, an increase of 6.1% compared to fiscal 2025.

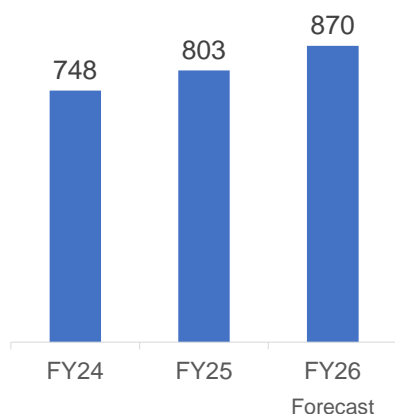
As a labor-saving solution, we are supporting the improvement of operational efficiency in the manufacturing and logistics industries, where labor shortages are worsening, through the development of consulting sales that combine mechatronic equipment and IoT, and the strengthening of system proposals for the material handling field.

In addition, we are promoting proposals that cover a wide range of stages, from the planning and design stages through to implementation. We are accelerating development support by utilizing our knowledge of software and circuit design and further strengthening our collaboration system with suppliers.

We will work to strengthen our business by enhancing our engineering skills, including our construction capabilities, and working on proposals and promotion activities to other industries to develop our customer base.

We recognize that social trends such as AI, IoT, digital transformation, and responses to sustainability, including decarbonization, are significant business opportunities, as well as important responsibilities that we must actively address. We will continue to work on providing solutions that contribute to solving social issues.

## Net sales (100 millions of yen)



In the air conditioning market, although attention must be paid to the impact of rising prices, demand is expected to remain high due to the impact of the planned revision to energy-saving standards for air conditioners in 2027 and the continued warming trend.

Copyright(C)Inaba Denki Sangyo Co., Ltd. All rights reserved.

## Major Initiatives to Promote Priority Measures

### INABA DENKO

#### ■ Acceleration of product development in the piping material field

- ① Development and expansion of proprietary products
- ② Promotion of energy and labor-saving solutions
- ⑤ Expansion of business domains

Promote product development under the theme of "construction-saving" to contribute to solving labor shortages at construction sites

ホールドワン  
("HoldOne")

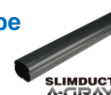


#### ■ Expand our business in the U.S. and Europe

- ① Development and expansion of proprietary products
- ④ Accelerating global expansion

Refine our overseas logistics strategy  
Expand localized products

[U.S.] Strengthen sales structure tailored to regional characteristics  
[Europe] Strengthen sales structure



19

Thirdly, I will explain about Proprietary Products.

In the air conditioning market related to Proprietary Products, attention must be paid to the impact of high commodity prices. However, demand is expected to remain at the same level as the previous fiscal year, when the number of room air conditioning systems shipments reached a record high, against the backdrop of increased demand in anticipation of the revision of energy-saving standards scheduled for 2027, the continuing upward trend in temperatures, and the progress in improving the performance of buildings.

Net sales in fiscal 2026 are expected to be ¥87 billion, an increase of 8.3% compared to fiscal 2025.

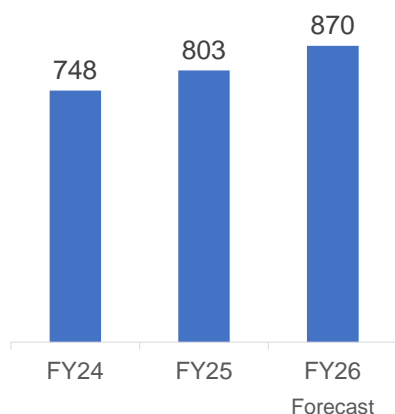
For INABA DENKO in the air conditioning sector, we are currently expanding our lineup and developing products, focusing on construction-saving products, with the aim of capturing market share and establishing the brand in the piping materials market. Recently, our hanging band for use in construction "HoldOne", a new type of product for pipes, has received high praise, including awards (\*) such as the "GOOD DESIGN AWARD."

In the United States, the Group is focusing on expanding sales of the INABA DENKO brand in the North American market, centering on Inaba Denko America Inc., a local subsidiary that commenced operations in 2023. The start of operations at a local warehouse in 2024 has improved our competitiveness, and in addition to sales of "SLIMDUCT", our main product, we have also started sales of insulated copper tube, which conform to technical standards "ASTM" in the United States, and are steadily building a track record. To achieve further growth, we are currently working to strengthen our sales system according to regional characteristics.

In Europe, we have been working to increase brand penetration mainly in northern regions such as the UK and Northern Europe. We will continue to strengthen our sales structure and aim to expand our scale.

(\* GOOD DESIGN AWARD 2025, organized by the Japan Institute of Design Promotion Excellence Award at the "Outstanding Products and Technologies Awards 2025", organized by Japan Building Materials Association  
HVAC&R AWARD 2026, organized by HVAC&R JAPAN)

## Net sales (100 millions of yen)



In the air conditioning market, although attention must be paid to the impact of rising prices, demand is expected to remain high due to the impact of the planned revision to energy-saving standards for air conditioners in 2027 and the continued warming trend.

Copyright(C)Inaba Denki Sangyo Co., Ltd. All rights reserved.

## Major Initiatives to Promote Priority Measures



### Expand our product lineup to meet modern housing needs

(1)Development and expansion of proprietary products)

Propose information wiring systems that enable high-speed, high-capacity communications and EV outlet poles that are highly versatile and easy to install



### Challenge for business diversification

(1)Development and expansion of proprietary products)

(4)Accelerating global expansion)

(5)Expansion of business domains)

Expand wire-saving and network products  
Launch second brand to meet overseas needs

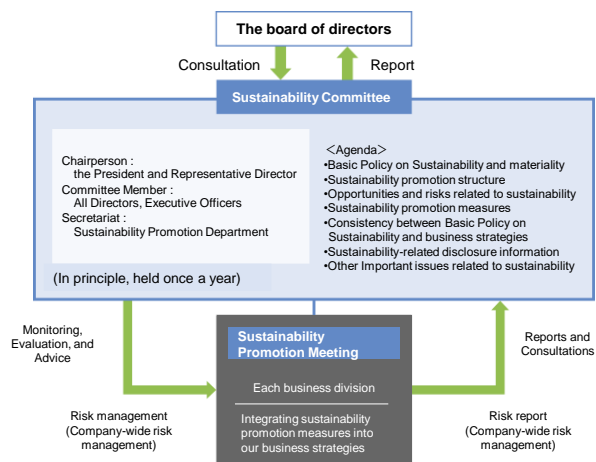


In Abaniact in the housing sector, we are offering comfortable living environments that respond to changes in society by developing information wiring systems for high-speed, high-capacity communications in homes and electric vehicle outlet poles that are versatile and easy to install.

PATLITE, one of the subsidiaries in Proprietary Products, holds the top share of the global market for signal beacon and signal tower. At present, we are working on market development to diversify our business, such as expanding our network products, which reduce setup workload, and developing a second brand with mid-range products.

In Proprietary Products, we will strive to achieve further growth and strengthen our earnings base through the above initiatives.

## Promotion Structure



## Key Initiatives for the Current Fiscal Year

- **Discuss how to respond to external evaluation organizations, etc.**  
Review external evaluations and other assessments that help expand business opportunities. Discuss how to respond to requests from business clients.
- **Promote human capital management**  
After identifying challenges in human capital in each division, determine priority issues and explore specific measures
- **Realize sustainability management**  
Establish key performance indicators to incorporate redefined materiality into our strategies and action plans

Next, I will explain the promotion of sustainability management, which is a company-wide measure.

The Company has established the “Sustainability Committee” as an advisory body to the Board of Directors and the “Sustainability Promotion Meeting” consisting mainly of business leaders and both parties are working together to promote sustainable management. In fiscal 2025, discussions were held on the main themes of “discussing how to respond to external evaluation organizations, etc.” “promoting human capital management,” and “realizing sustainability management.”

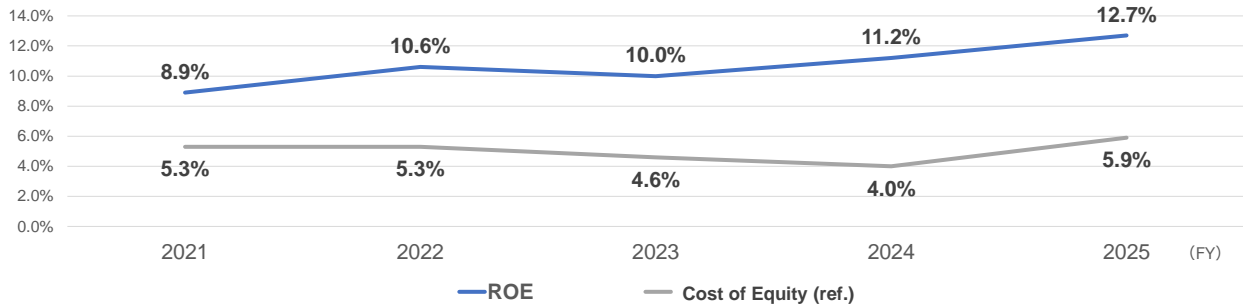
In how to respond to external evaluation organizations, we confirmed external evaluations that would particularly contribute to expanding business opportunities and discussed how to respond to requests from business partners.

In promoting human capital management, we identified challenges in human capital faced by each business division, identified issues that should be addressed as a priority by the entire company, and examined specific measures. The main themes discussed included the promotion of the active participation of women and the establishment of a system to accept mid-career employees.

In addition, to achieve sustainability management, we have been setting key performance indicators for each business division in response to our materiality, which was redefined last year. As a result, we are working to develop a system that reflects the materiality in the strategies and action plans of each business division and leads to sustainable value creation.

## Current Status of Capital Profitability

While recognizing that our profitability has remained above the cost of capital, we will strive to improve the accuracy of our cost of capital assessment not only through calculation model reference values but also through dialogue with shareholders and investors.



(\*) The following calculation model is used as an objective reference value for the cost of capital.

[A] Risk-free rate: 10-year JGB yield	Cost of Equity (reference value) = A + B x C
[B] Beta: Calculated based on TOPIX over 5 years (0.44 to 0.84)	
[C] Market Risk Premium: 5.5% to 6.4%	

Copyright(C)Inaba Denki Sangyo Co., Ltd. All rights reserved.

22

I will now explain our capital policy.

We are analyzing the current situation of the Company to realize management that is conscious of the cost of capital and the share price.

The graph shows our ROE and shareholders' equity costs, which are assumed to be reference values.

Over the five years from fiscal 2021 to fiscal 2025, ROE has remained in the 8-12% range. While recognizing that our profitability has remained above the cost of capital, we will strive to improve the accuracy of our cost of capital assessment not only through reference values derived from calculation models but also through dialogue with shareholders and investors.

## Capital policy-2

### Cash Allocation (FY26 to FY28)

#### Revised based on the rolling of Medium-Term Management Plan

While maintaining a certain level of on-hand liquidity from the perspective of business credibility and BCP, we aim to maximize our corporate value by strategically distributing acquired funds in accordance with our policies on "shareholder returns" and "business investment."

- **Return to shareholders** Total return ratio: around 60%
- **Business investment** Up to approximately ¥35 billion

#### Actual result for FY25

##### Business investment

approximately ¥7.5 billion  
Construction of the "Innovation Center", core IT systems upgrades, R&D, etc.

##### Return to shareholders

¥13.231 billion (Total return ratio: 61.9%)

Total dividends (based on resolution)  
¥9.569 billion (¥85 per share)  
→Dividend increase for the fifth consecutive year  
Acquisition of treasury shares  
¥3.662 billion

##### Liquidity on hand

An increase of ¥9.3 billion (compared to the end of FY24)

Record results for the fifth consecutive year  
Reduction of cross-shareholdings, etc.

#### FY26 ~ FY28

##### Operating Cash Flow\*

##### Liquidity on hand

Cash and deposits:

¥71.3 billion

Marketable securities:

¥15 billion

(as of the end of FY25)

##### Borrowing capacity

##### Distribution

##### M&A, capital tie-ups, etc.

Consider based on the premise of strengthening priority measures and leveraging synergies with existing businesses

##### Business investment

(continue existing business + growth investment in key functions)

Logistics / Development / DX / Engineering

[investment limit]

Approximately ¥35 billion in total over the three fiscal years

· Major Investment Plans

Construction of the "Innovation Center":

approximately ¥10 billion (including amounts already paid)

Renewal of production facilities, reinforcement of system infrastructure, etc.

##### Return to shareholders

(Dividends + Acquisition of treasury shares)

[Shareholder return policy]

The medium-term total return ratio: approximately 60%

(combining dividends and acquisitions of own shares)

FY27 Annual dividend forecast: ¥85 per share

##### Liquidity on hand

From the perspective of maintaining transaction creditworthiness and BCP, maintain Working capital and liquidity on hand at around 10 to 20 billion yen

→ In addition to working capital of approx. 40 to 50 billion yen, we anticipate additional funds resulting from the shortening of payment terms to ensure fair trade practices across the entire supply chain.

(\*) Excluding changes in working capital. Before deduction R&D and other expenses including in SG&A.

By using the cash flows from operating activities and liquid assets acquired through our operations to invest in growth and return profits to shareholders, we aim to further improve our capital efficiency.

In the fiscal year ended March 31, 2026, to strengthen corporate competitiveness and achieve medium- to long-term growth, we invested approximately ¥7.5 billion in businesses, including in the construction of the R&D facility "Innovation Center", core IT systems upgrades, and R&D activities. Shareholder returns were ¥13.2 billion.

In addition, the cash allocation formulated last year has been updated based on the rolling of medium-term management plan.

Specifically, while securing the necessary working capital from the perspectives of creditworthiness and BCP, we are expanding our investment in the logistics, development, DX, and engineering fields, which are our "key functions" for implementing the six priority measures. In addition, we will continue our shareholder return total return ratio of approximately 60% and secure funds for investments in M&As and capital alliances.

Based on this policy, we will steadily make various growth investments.

## Active investment in key functions to implement priority measures

	 Strengthening distribution functions	 Enhancement of development functions	 Enhancement of engineering functions	 DX promotion
 Direction of growth investment	<ul style="list-style-type: none"> <li>Expansion of logistics bases</li> <li>Improve delivery efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of innovation</li> <li>Talent development</li> </ul>	<ul style="list-style-type: none"> <li>Talent development</li> <li>Utilize mid-career talent</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen IT infrastructure</li> <li>Raise the level of digital skills</li> </ul>
 (1) Development and expansion of proprietary products		○		○
 (2) Promotion of energy and labor-saving solutions			○	○
 (3) Expanding market share in the Tokyo metropolitan area	○		○	○
 (4) Accelerating global expansion	○	○		○
 (5) Expansion of business domains		○	○	○
 (6) Promotion of sustainability management	○	○	○	○

Copyright(C)Inaba Denki Sangyo Co., Ltd. All rights reserved.

24

One of the key areas for investment is distribution capabilities.

Amid a labor shortage in the logistics industry, strengthening our distribution capabilities is an important theme for us. In addition to establishing a new distribution base in the Hokuriku area last year, we have started using dedicated overseas inventory in Proprietary Products to shorten export lead times. We will continue to expand our distribution bases and improve delivery efficiency.

Secondly, we need to strengthen our development capabilities. Proprietary Products is a pillar of our earnings and a target for active investment. Construction of the R&D facility “Innovation Center”, which is scheduled for completion around the summer of 2027, is also underway as part of this effort. In addition, we will accelerate the development of new products through Group-wide initiatives, such as collaboration with our subsidiary, PATLITE.

Thirdly, we will strengthen our engineering capabilities.

We are strengthening our construction capabilities to improve our ability to respond to expanding demand for renewal. In addition to talent development through the expansion of study sessions by internal experts and support for obtaining qualifications, we are also working to strengthen the recruitment of highly specialized talent. We will continue to contribute to the creation of an affluent and comfortable society by further enhancing our strengths as a “technology trading company” and strengthening our business foundation.

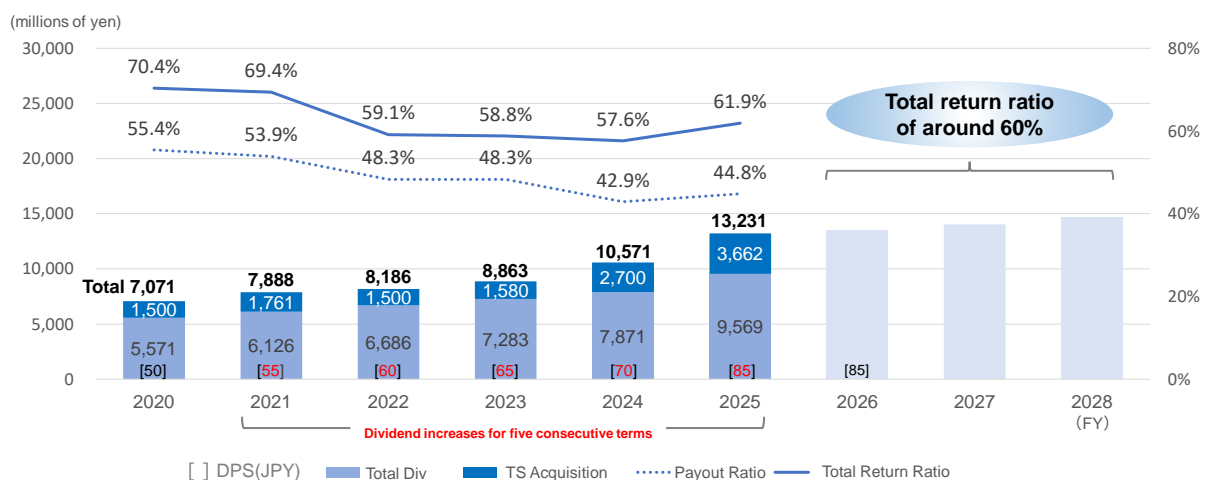
Fourthly, we will promote DX.

In addition to the launch of a new order placement system last year, we have been working to strengthen our IT infrastructure and enhance data utilization through the introduction of various BI tools to achieve business transformation and create added value using digital technology. In addition, we are working to raise the level of digital skills company-wide by regularly conducting practical training in which the sales division and the system division work together to solve issues using advanced technologies.

## Shareholder Return Policy



- Total return ratio over the medium-term: **around 60%**
- Dividend forecast for the FY2026: **Interim 40 yen + Year-end 45 yen = Annual 85 yen**



• 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.

Copyright(C)Inaba Denki Sangyo Co., Ltd. All rights reserved.

25

Finally, I would like to explain shareholder returns.

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 decided to set a medium-term total return ratio of approximately 60%, which includes dividends and the acquisition of treasury shares.

Based on this policy, in fiscal 2025, annual dividends were ¥85 per share (calculated after the stock split), including a year-end dividend of ¥35 per share and a special dividend of ¥15 per share. The total dividends paid amounted to ¥9.569 billion, which is an increase for the fifth consecutive year since fiscal 2021.

In addition to this, we acquired treasury shares totaling ¥3.662 billion and conducted a 2-for-1 share split on December 1, 2025, with the aim of improving liquidity and expanding the investor base.

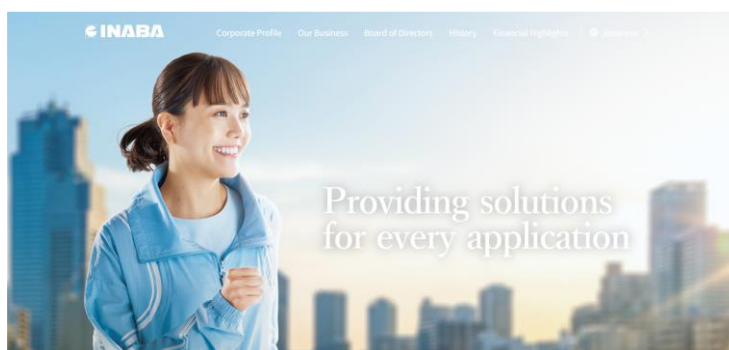
We plan to pay dividends of ¥85 per share in fiscal 2026, consisting of a ¥40 interim dividend and a ¥45 year-end dividend. Going forward, we will continue to pay stable dividends twice a year through interim dividends and year-end dividends and return profits to shareholders based on market trends and business performance.

### Business Planning Department

Tel 06-4391-1835

E-mail [keiki@inaba.co.jp](mailto:keiki@inaba.co.jp)

HP <https://www.inaba.co.jp/>



Copyright(C)Inaba Denki Sangyo Co., Ltd. All rights reserved.

26

This concludes my explanation of Inaba Denki Sangyo Co., Ltd.'s financial results for the fiscal year ended March 31, 2026.

Thank you for your listening.