Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2013 (Based on Japanese GAAP)

November 8, 2013

Company name	Inabata & Co., Ltd.		
Stock exchange listing	Tokyo		
Stock Code	8098 URL URL http://www.inabata.co.jp		
Representative	Director, President	Katsutaro Inabata	
Inquiries	Director, Executive Officer	Kenichi Yokota	TEL 03-3639-6421
Scheduled date to file Quarterly Securities Report		November 13, 2013	
Scheduled date to commence dividend payments		December 2, 2013	
Preparation of supplementary material on quarterly earnings		no	
Holding of quarterly earnings performance review		yes	(for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2013 (from April 1, 2013 to September 30, 2013)

(1) Consolidated operating results (cumulative) Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2013	275,829	17.2	5,678	53.4	6,534	48.9	4,534	43.4
Six months ended September 30, 2012	235,369	1.5	3,702	1.6	4,387	5.2	3,162	17.2

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2013	71.67	-
Six months ended September 30, 2012	49.54	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2013	286,302	103,069	35.7
As of March 31, 2013	276,932	98,712	35.4

2. Cash dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2013	-	10.00	-	13.00	23.00
Year ending March 31, 2014	-	11.00			
Year ending March 31, 2014 (Forecast)			-	19.00	30.00

3. Forecast for the year ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	550,000	9.8	10,500	28.7	11,500	14.6	8,500	21.7	134.34

4. Notes

(1) Changes in significant subsidiaries during the six months ended September 30, 2013 (changes in specified subsidiaries resulting in the change in scope of consolidation): yes

(2) Application of special accounting for preparing quarterly consolidated financial statements: no

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

Changes in accounting policies due to revisions to accounting standards and other regulations:	no
Changes in accounting policies due to other reasons:	yes
Changes in accounting estimates:	yes
Restatement of prior period financial statements after error corrections:	no

(4) Number of issued shares

Total number of issued shares at the end of the period (including treasury stock)

As of September 30, 2013	65,159,227 shares	As of March 31, 2013	65,159,227 shares

Number of shares of treasury stock at the end of the period

As of September 30, 2013	1,887,633 shares	As of March 31, 2013	1,887,522 shares

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

Six months ended September 30, 2013	63,271,639 shares	Six months ended September 30, 2012	63,839,978 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2013	As of September 30, 2013
Assets		
Current assets		
Cash and deposits	19,258	17,248
Notes and accounts receivable-trade	137,571	144,558
Merchandise and finished goods	31,418	36,487
Work in process	705	640
Raw materials and supplies	2,616	3,750
Other	6,405	7,692
Allowance for doubtful accounts	(671)	(750)
Total current assets	197,303	209,627
Noncurrent assets		
Property, plant and equipment	9,690	11,212
Intangible assets	4,220	4,101
Investments and other assets		
Investment securities	60,278	55,681
Other	6,477	6,627
Allowance for doubtful accounts	(1,036)	(949)
Total investments and other assets	65,718	61,359
Total noncurrent assets	79,629	76,674
Total assets	276,932	286,302

(Millions of yen)

	As of March 31, 2013	As of September 30, 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	85,789	86,389
Short-term loans payable	57,341	63,611
Income taxes payable	1,429	1,477
Provision for bonuses	908	1,089
Provision for loss on business liquidation	252	156
Other	4,688	4,862
Total current liabilities	150,410	157,586
Noncurrent liabilities		
Long-term loans payable	10,730	9,864
Provision for retirement benefits	638	768
Provision for directors' retirement benefits	22	25
Provision for loss on business liquidation	34	39
Provision for loss on guarantees	18	18
Other	16,364	14,930
Total noncurrent liabilities	27,808	25,646
Total liabilities	178,219	183,233
Net assets		
Shareholders' equity		
Capital stock	9,364	9,364
Capital surplus	7,708	7,708
Retained earnings	56,489	61,126
Treasury stock	(934)	(934)
Total shareholders' equity	72,627	77,264
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28,692	25,058
Deferred gains or losses on hedges	30	18
Foreign currency translation adjustment	(3,424)	(86)
Total accumulated other comprehensive income	25,297	24,990
Minority interests	787	814
Total net assets	98,712	103,069
Total liabilities and net assets	276,932	286,302

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Net sales	235,369	275,829
Cost of sales	219,041	256,982
Gross profit	16,328	18,847
Selling, general and administrative expenses	12,626	13,169
Operating income	3,702	5,678
Non-operating income		
Interest income	125	145
Dividends income	451	458
Foreign exchange gains	-	147
Equity in earnings of affiliates	365	273
Miscellaneous income	354	346
Total non-operating income	1,296	1,371
Non-operating expenses		
Interest expenses	495	454
Foreign exchange losses	13	-
Miscellaneous loss	101	60
Total non-operating expenses	610	515
Ordinary income	4,387	6,534
Extraordinary income		
Gain on reversal of loss on valuation of stocks of subsidiaries and affiliates	-	128
Insurance income	-	106
Gain on sales of noncurrent assets	127	-
Total extraordinary income	127	234
Extraordinary loss		
Loss on valuation of investment securities	236	-
Total extraordinary losses	236	-
Income before income taxes and minority interests	4,278	6,769
Income taxes-current	836	1,831
Income taxes-deferred	198	323
Total income taxes	1,034	2,154
Income before minority interests	3,243	4,614
Minority interests in income	80	79
Net income	3,162	4,534

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Income before minority interests	3,243	4,614
Other comprehensive income		
Valuation difference on available-for-sale securities	(989)	(3,716)
Deferred gains or losses on hedges	(37)	(7)
Foreign currency translation adjustment	385	900
Share of other comprehensive income of associates accounted for using equity method	(1)	291
Total other comprehensive income	(644)	(2,531)
Comprehensive income	2,599	2,082
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,550	1,989
Comprehensive income attributable to minority interests	49	93

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	4,278	6,769
Depreciation and amortization	1,482	1,062
Increase (decrease) in allowance for doubtful accounts	(0)	(65)
Interest and dividends income	(576)	(603)
Interest expenses	495	454
Equity in (earnings) losses of affiliates	(365)	(273)
Increase (decrease) in provision for loss on business liquidation	(23)	(44)
Loss (gain) on sales of noncurrent assets	(127)	(11)
Loss (gain) on valuation of investment securities	236	-
Insurance income	-	(106)
Gain on reversal of loss on valuation of stocks of subsidiaries and affiliates	-	(128)
Decrease (increase) in notes and accounts receivable-trade	4,490	(4,647)
Decrease (increase) in inventories	(1,896)	(3,537)
Decrease (increase) in other current assets	(764)	(732)
Decrease (increase) in other noncurrent assets	38	20
Increase (decrease) in notes and accounts payable-trade	6,216	(1,286)
Increase (decrease) in other current liabilities	(319)	(933)
Other, net	171	18
Subtotal	13,336	(4,044)
Interest and dividends income received	602	626
Interest expenses paid	(573)	(467)
Proceeds from compensation	79	-
Proceeds from insurance income	-	106
Income taxes paid	(799)	(1,685)
Income taxes refund	681	-
Net cash provided by (used in) operating activities	13,327	(5,464)
Net cash provided by (used in) investing activities		
Payments into time deposits	(143)	(2,004)
Proceeds from withdrawal of time deposits	423	143
Purchase of property, plant and equipment	(765)	(1,724)
Proceeds from sales of property, plant and equipment	342	54
Purchase of intangible assets	(176)	(218)
Purchase of investment securities	(12)	(11)
Proceeds from sales of investment securities	43	3
Purchase of investments in subsidiaries	(48)	(293)
Proceeds from liquidation of subsidiaries	-	590
Net decrease (increase) in short-term loans receivable	(64)	(29)
Payments of long-term loans receivable	-	(2)
Collection of long-term loans receivable	473	308
Other, net	(15)	2
Net cash provided by (used in) investing activities	56	(3,179)

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(9,054)	2,188
Proceeds from long-term loans payable	-	2,000
Repayment of long-term loans payable	(1,262)	(45)
Purchase of treasury stock	(439)	(0)
Cash dividends paid	(771)	(825)
Cash dividends paid to minority shareholders	(110)	(66)
Other, net	(49)	(55)
Net cash provided by (used in) financing activities	(11,688)	3,195
Effect of exchange rate change on cash and cash equivalents	171	419
Net increase (decrease) in cash and cash equivalents	1,866	(5,028)
Cash and cash equivalents at beginning of period	10,756	18,985
Increase in cash and cash equivalents from newly consolidated subsidiary	197	-
Increase (decrease) in cash and cash equivalents resulting from change in fiscal year-end of certain subsidiaries	-	1,143
Cash and cash equivalents at end of period	12,820	15,100