Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

February 7, 2018

Company name: Inabata&Co.,Ltd.
Stock exchange listing: Tokyo
Stock code: 8098 URL http://www.inabata.co.jp
Representative: Director,President Katsutaro Inabata
Inquiries: Executive Officer Nobukazu Kuboi TEL 03-3639-6421
Scheduled date to file Quarterly Securities Report: February 13, 2018
Scheduled date to commence dividend payments: –
Preparation of supplementary material on quarterly financial results: No
Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2017 (from April 1, 2017 to December 31, 2017)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2017	465,301	5.9	6,020	(35.9)	6,629	(37.5)	7,641	0.3
Nine months ended December 31, 2016	439,358	(0.8)	9,384	4.3	10,602	5.2	7,617	(0.9)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2017	124.38	–
Nine months ended December 31, 2016	122.67	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	359,258	147,188	40.6
As of March 31, 2017	340,147	147,629	43.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2017	–	18.00	–	22.00	40.00
Year ending March 31, 2018	–	20.00	–		
Year ending March 31, 2018 (Forecast)				20.00	40.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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	620,000	5.7	9,000	(28.7)	9,500	(30.5)	10,000	3.2	162.61

4. Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 2017 (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

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

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

Changes in accounting policies due to revisions to accounting standards and other regulations:	No
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(4) Number of issued shares (common shares)

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

As of December 31, 2017	63,499,227 shares	As of March 31, 2017	63,499,227 shares

Number of treasury shares at the end of the period

As of December 31, 2017	2,402,367 shares	As of March 31, 2017	2,002,305 shares

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

Nine months ended December 31, 2017	61,434,894 shares	Nine months ended December 31, 2016	62,096,957 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	27,365	31,085
Notes and accounts receivable - trade	157,375	176,216
Merchandise and finished goods	43,293	46,038
Work in process	579	717
Raw materials and supplies	3,020	3,683
Other	8,078	12,712
Allowance for doubtful accounts	(1,271)	(4,972)
Total current assets	238,441	265,482
Non-current assets		
Property, plant and equipment	11,381	13,350
Intangible assets	3,473	3,217
Investments and other assets		
Investment securities	81,106	71,961
Net defined benefit asset	2,721	2,791
Other	4,014	3,399
Allowance for doubtful accounts	(991)	(944)
Total investments and other assets	86,850	77,208
Total non-current assets	101,705	93,775
Total assets	340,147	359,258
Liabilities		
Current liabilities		
Notes and accounts payable - trade	87,777	105,119
Short-term loans payable	51,800	57,116
Income taxes payable	3,251	2,639
Provision for bonuses	1,123	648
Other	6,564	8,871
Total current liabilities	150,517	174,395
Non-current liabilities		
Long-term loans payable	19,275	19,163
Provision for directors' retirement benefits	33	36
Allowance for investment loss	114	–
Provision for loss on guarantees	318	245
Net defined benefit liability	1,191	1,380
Other	21,065	16,848
Total non-current liabilities	41,999	37,674
Total liabilities	192,517	212,069

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Net assets		
Shareholders' equity		
Capital stock	9,364	9,364
Capital surplus	7,708	7,708
Retained earnings	83,205	88,204
Treasury shares	(2,069)	(2,749)
Total shareholders' equity	98,209	102,527
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	45,641	39,269
Deferred gains or losses on hedges	(18)	40
Foreign currency translation adjustment	2,701	4,085
Remeasurements of defined benefit plans	(275)	(231)
Total accumulated other comprehensive income	48,048	43,164
Non-controlling interests	1,371	1,496
Total net assets	147,629	147,188
Total liabilities and net assets	340,147	359,258

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net sales	439,358	465,301
Cost of sales	407,816	431,596
Gross profit	31,542	33,705
Selling, general and administrative expenses	22,157	27,685
Operating profit	9,384	6,020
Non-operating income		
Interest income	178	168
Dividend income	1,236	1,094
Foreign exchange gains	160	474
Share of profit of entities accounted for using equity method	363	256
Miscellaneous income	555	485
Total non-operating income	2,495	2,479
Non-operating expenses		
Interest expenses	933	1,254
Miscellaneous loss	343	615
Total non-operating expenses	1,276	1,870
Ordinary profit	10,602	6,629
Extraordinary income		
Gain on sales of investment securities	682	6,671
Total extraordinary income	682	6,671
Extraordinary losses		
Loss on valuation of investment securities	–	335
Total extraordinary losses	–	335
Profit before income taxes	11,285	12,964
Income taxes - current	3,115	4,927
Income taxes - deferred	208	55
Total income taxes	3,324	4,983
Profit	7,961	7,981
Profit attributable to non-controlling interests	344	340
Profit attributable to owners of parent	7,617	7,641

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	7,961	7,981
Other comprehensive income		
Valuation difference on available-for-sale securities	12,950	(6,445)
Deferred gains or losses on hedges	214	58
Foreign currency translation adjustment	477	1,229
Remeasurements of defined benefit plans, net of tax	33	44
Share of other comprehensive income of entities accounted for using equity method	(30)	128
Total other comprehensive income	13,645	(4,984)
Comprehensive income	21,607	2,997
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	21,173	2,619
Comprehensive income attributable to non-controlling interests	433	377