Translation

Notice: This document is an excerpt 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.

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

August 6, 2020

Company name: Inabata&Co.,Ltd.
Stock exchange listing: Tokyo
Stock code: 8098 URL https://www.inabata.co.jp
Representative: Director,President Katsutaro Inabata
Inquiries: General Manager, Financial Management Office Koichi Noda TEL 03-3639-6421

Scheduled date to file Quarterly Securities Report: August 13, 2020
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 three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

(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	%
Three months ended June 30, 2020	128,701	(16.1)	2,227	(36.5)	3,072	(29.8)	2,020	(33.9)
Three months ended June 30, 2019	153,461	(3.0)	3,507	0.6	4,377	15.3	3,054	(17.5)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2020	33.56	–
Three months ended June 30, 2019	50.48	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	311,012	152,578	48.5
As of March 31, 2020	322,848	147,726	45.2

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, 2020	–	20.00	–	33.00	53.00
Year ending March 31, 2021	–				
Year ending March 31, 2021 (Forecast)		20.00	–	33.00	53.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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
Six months ending September 30, 2020	260,000	(15.5)	4,000	(43.9)	4,400	(44.6)	3,800	(43.6)	63.13
Full year	550,000	(8.4)	9,500	(28.2)	10,000	(29.6)	8,500	(25.5)	141.20

4. Notes

(1) Changes in significant subsidiaries during the three months ended June 30, 2020 (changes in specified subsidiaries resulting in the change in scope of consolidation): No

(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 June 30, 2020	63,499,227 shares	As of March 31, 2020	63,499,227 shares

Number of treasury shares at the end of the period

As of June 30, 2020	3,302,640 shares	As of March 31, 2020	3,302,640 shares

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

Three months ended June 30, 2020	60,196,587 shares	Three months ended June 30, 2019	60,496,725 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	29,440	22,892
Notes and accounts receivable - trade	152,457	138,182
Merchandise and finished goods	52,052	54,285
Work in process	766	640
Raw materials and supplies	3,084	3,250
Other	8,022	7,498
Allowance for doubtful accounts	(686)	(674)
Total current assets	245,136	226,073
Non-current assets		
Property, plant and equipment	13,964	13,975
Intangible assets	3,006	2,840
Investments and other assets		
Investment securities	54,236	61,760
Retirement benefit asset	2,007	2,028
Other	12,312	12,123
Allowance for doubtful accounts	(7,815)	(7,790)
Total investments and other assets	60,740	68,122
Total non-current assets	77,711	84,938
Total assets	322,848	311,012
Liabilities		
Current liabilities		
Notes and accounts payable - trade	96,761	84,593
Short-term borrowings	43,073	37,712
Income taxes payable	1,631	1,063
Provision for bonuses	1,217	778
Provision for loss on business liquidation	240	144
Other	7,852	7,264
Total current liabilities	150,776	131,557
Non-current liabilities		
Long-term borrowings	9,775	9,767
Provision for retirement benefits for directors (and other officers)	30	27
Provision for share-based remuneration for directors (and other officers)	85	94
Provision for loss on guarantees	18	18
Retirement benefit liability	2,369	2,492
Other	12,065	14,476
Total non-current liabilities	24,344	26,877
Total liabilities	175,121	158,434

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Net assets		
Shareholders' equity		
Share capital	9,364	9,364
Capital surplus	7,752	7,184
Retained earnings	106,197	106,227
Treasury shares	(4,155)	(4,155)
Total shareholders' equity	119,159	118,621
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	26,196	31,493
Deferred gains or losses on hedges	148	177
Foreign currency translation adjustment	1,436	1,606
Remeasurements of defined benefit plans	(1,016)	(950)
Total accumulated other comprehensive income	26,764	32,327
Non-controlling interests	1,802	1,629
Total net assets	147,726	152,578
Total liabilities and net assets	322,848	311,012

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales	153,461	128,701
Cost of sales	141,802	118,938
Gross profit	11,658	9,763
Selling, general and administrative expenses	8,151	7,535
Operating profit	3,507	2,227
Non-operating income		
Interest income	49	49
Dividend income	1,086	724
Share of profit of entities accounted for using equity method	102	93
Miscellaneous income	214	353
Total non-operating income	1,452	1,221
Non-operating expenses		
Interest expenses	385	215
Foreign exchange losses	116	64
Miscellaneous loss	80	96
Total non-operating expenses	582	376
Ordinary profit	4,377	3,072
Profit before income taxes	4,377	3,072
Income taxes - current	1,032	817
Income taxes - deferred	177	134
Total income taxes	1,209	951
Profit	3,167	2,121
Profit attributable to non-controlling interests	113	100
Profit attributable to owners of parent	3,054	2,020

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	3,167	2,121
Other comprehensive income		
Valuation difference on available-for-sale securities	(11,098)	5,315
Deferred gains or losses on hedges	(14)	28
Foreign currency translation adjustment	(1,458)	241
Remeasurements of defined benefit plans, net of tax	52	66
Share of other comprehensive income of entities accounted for using equity method	16	(65)
Total other comprehensive income	(12,501)	5,587
Comprehensive income	(9,333)	7,708
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(9,414)	7,582
Comprehensive income attributable to non-controlling interests	81	126