



To whom it may concern:

May 10, 2018

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 (Stock code: 8098, First Section of the Tokyo Stock Exchange)
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Notice Concerning Differences Between Full-year Consolidated Earnings Forecasts and Actual Results and Full-year Non-consolidated Earnings and Previous Fiscal Year Results, and the Recording of Extraordinary Losses in the Non-consolidated Financial Results

Inabata & Co., Ltd. (the “Company”) hereby provides notice that there are differences between its full-year consolidated earnings forecasts for the fiscal year ended March 31, 2018, which were announced on November 14, 2017, and its actual results for the said period. The Company also provides notice that there are differences between its full-year non-consolidated earnings for the fiscal year ended March 31, 2018, which were announced on November 14, 2017, and the actual results of the previous fiscal year ended March 31, 2017.

In addition, the Company announces that it has recorded extraordinary losses in the non-consolidated financial results for the fiscal year ended March 31, 2018.

1. Differences between full-year consolidated earnings forecasts and actual results (from April 1, 2017 to March 31, 2018)

	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
Previous forecasts (A)	620,000	9,000	9,500	10,000	162.61
Actual results (B)	621,137	5,962	6,374	6,744	109.92
Difference (B-A)	1,137	(3,037)	(3,125)	(3,255)	—
Difference (%)	0.2	(33.8)	(32.9)	(32.6)	—
(Reference) Results of the fiscal year ended March 31, 2017	586,630	12,616	13,672	9,687	156.25

2. Differences between full-year non-consolidated earnings and previous fiscal year results (from April 1, 2017 to March 31, 2018)

	Net sales	Operating profit	Ordinary profit	Profit	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Actual results of the previous fiscal year ended March 31, 2017 (A)	280,485	5,182	7,472	7,884	126.76
Actual results of the fiscal year ended March 31, 2018 (B)	302,583	5,400	7,629	3,662	59.50
Difference (B-A)	22,098	218	156	(4,221)	—
Difference (%)	7.9	4.2	2.1	(53.6)	—

3. Reasons for differences

(1) Consolidated earnings

Net sales exceeded initial forecasts following strong performance, etc. in the plastics segment. On the other hand, operating profit, ordinary profit, and profit attributable to owners of parent fell significantly short of previously announced forecasts because the Company recorded an allowance for doubtful accounts for the business related to solar cells in its European subsidiary by the six months ended September 30, 2017. The Company also recorded an allowance for doubtful accounts on receivables in the fourth quarter of the fiscal year ended March 31, 2018 as recovery of infrastructure-related sales to the Middle East in the European subsidiary were prolonged.

(2) Non-consolidated earnings

Net sales, operating profit, and ordinary profit all grew year-on-year following strong results in the business overall. On the other hand, profit fell significantly short of the results of the previous fiscal year ended March 31, 2017. This is because the Company recorded extraordinary losses for loss on valuation of shares of subsidiaries and associates, a provision of allowance for doubtful accounts, and a provision for loss on guarantees in the European subsidiary due to the factors noted in (1) above for consolidated earnings.

4. Recording of extraordinary losses in non-consolidated financial results

Due to the above circumstances, the Company recorded extraordinary losses of 827 million yen for loss on valuation of shares of subsidiaries and associates as the real value of the Company's share holdings of the European subsidiary declined substantially. In addition, the Company recorded extraordinary losses of 2,170 million yen for a provision of allowance for doubtful accounts and 4,462 million yen for a provision for loss on guarantees, sums equivalent to insolvency for the subsidiary.