

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

February 7, 2019

Company name: Inabata&Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 8098 URL <https://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, 2019
 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, 2018 (from April 1, 2018 to December 31, 2018)

(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, 2018	488,080	4.9	11,284	87.5	11,444	72.6	11,331	48.3
Nine months ended December 31, 2017	465,301	5.9	6,020	(35.9)	6,629	(37.5)	7,641	0.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2018	185.47	–
Nine months ended December 31, 2017	124.38	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	388,572	175,363	44.7
As of March 31, 2018	352,741	142,936	40.1

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, 2018	–	20.00	–	20.00	40.00
Year ending March 31, 2019	–	20.00	–		
Year ending March 31, 2019 (Forecast)				28.00	48.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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	660,000	6.3	14,000	134.8	14,000	119.6	12,500	85.3	204.59

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2018
(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 December 31, 2018	63,499,227 shares	As of March 31, 2018	63,499,227 shares
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Number of treasury shares at the end of the period

As of December 31, 2018	2,402,433 shares	As of March 31, 2018	2,402,417 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2018	61,096,802 shares	Nine months ended December 31, 2017	61,434,894 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	32,508	26,262
Notes and accounts receivable - trade	173,401	179,856
Merchandise and finished goods	48,742	50,283
Work in process	623	669
Raw materials and supplies	3,826	4,544
Other	10,525	9,807
Allowance for doubtful accounts	(7,842)	(7,992)
Total current assets	261,785	263,431
Non-current assets		
Property, plant and equipment	12,507	12,943
Intangible assets	3,147	3,082
Investments and other assets		
Investment securities	69,185	102,990
Net defined benefit asset	3,136	3,216
Other	3,674	3,587
Allowance for doubtful accounts	(695)	(679)
Total investments and other assets	75,300	109,114
Total non-current assets	90,955	125,141
Total assets	352,741	388,572
Liabilities		
Current liabilities		
Notes and accounts payable - trade	107,853	110,210
Short-term loans payable	55,187	49,453
Income taxes payable	3,852	1,221
Provision for bonuses	1,187	678
Other	7,604	8,164
Total current liabilities	175,685	169,729
Non-current liabilities		
Long-term loans payable	16,806	14,523
Provision for directors' retirement benefits	36	30
Provision for loss on guarantees	209	99
Provision for Management Board Incentive Plan Trust	—	24
Net defined benefit liability	1,403	1,549
Other	15,663	27,252
Total non-current liabilities	34,119	43,480
Total liabilities	209,805	213,209

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Net assets		
Shareholders' equity		
Capital stock	9,364	9,364
Capital surplus	7,708	7,752
Retained earnings	87,196	96,317
Treasury shares	(2,749)	(2,793)
Total shareholders' equity	101,519	110,640
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	37,252	60,400
Deferred gains or losses on hedges	20	(187)
Foreign currency translation adjustment	2,591	2,775
Remeasurements of defined benefit plans	19	71
Total accumulated other comprehensive income	39,883	63,060
Non-controlling interests	1,532	1,661
Total net assets	142,936	175,363
Total liabilities and net assets	352,741	388,572

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, 2017	Nine months ended December 31, 2018
Net sales	465,301	488,080
Cost of sales	431,596	452,054
Gross profit	33,705	36,025
Selling, general and administrative expenses	27,685	24,740
Operating profit	6,020	11,284
Non-operating income		
Interest income	168	168
Dividend income	1,094	1,348
Foreign exchange gains	474	—
Share of profit of entities accounted for using equity method	256	157
Miscellaneous income	485	661
Total non-operating income	2,479	2,334
Non-operating expenses		
Interest expenses	1,254	1,432
Foreign exchange losses	—	350
Miscellaneous loss	615	392
Total non-operating expenses	1,870	2,175
Ordinary profit	6,629	11,444
Extraordinary income		
Gain on sales of investment securities	6,671	5,098
Total extraordinary income	6,671	5,098
Extraordinary losses		
Impairment loss	—	293
Loss on valuation of investment securities	335	—
Total extraordinary losses	335	293
Profit before income taxes	12,964	16,249
Income taxes - current	4,927	4,381
Income taxes - deferred	55	242
Total income taxes	4,983	4,623
Profit	7,981	11,626
Profit attributable to non-controlling interests	340	294
Profit attributable to owners of parent	7,641	11,331

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	7,981	11,626
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,445)	23,212
Deferred gains or losses on hedges	58	(182)
Foreign currency translation adjustment	1,229	195
Remeasurements of defined benefit plans, net of tax	44	52
Share of other comprehensive income of entities accounted for using equity method	128	(50)
Total other comprehensive income	(4,984)	23,227
Comprehensive income	2,997	34,853
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,619	34,513
Comprehensive income attributable to non-controlling interests	377	340