

# Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

February 7, 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: Executive Officer Nobukazu Kuboi TEL 03-3639-6421  
 Scheduled date to file Quarterly Securities Report: February 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 nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)

#### (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, 2019	458,573	(6.0)	10,435	(7.5)	11,587	1.2	9,113	(19.6)
Nine months ended December 31, 2018	488,080	4.9	11,284	87.5	11,444	72.6	11,331	48.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2019	150.64	–
Nine months ended December 31, 2018	185.47	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	347,910	161,886	46.0
As of March 31, 2019	366,514	164,697	44.5

### 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, 2019	–	20.00	–	28.00	48.00
Year ending March 31, 2020	–	20.00	–		
Year ending March 31, 2020 (Forecast)				33.00	53.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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	670,000	5.6	14,500	3.3	14,500	1.3	11,000	(14.7)	181.83

#### 4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2019  
(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, 2019	63,499,227 shares	As of March 31, 2019	63,499,227 shares
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Number of treasury shares at the end of the period

As of December 31, 2019	3,002,565 shares	As of March 31, 2019	3,002,502 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, 2019	60,496,716 shares	Nine months ended December 31, 2018	61,096,802 shares
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## Quarterly consolidated financial statements

### Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	26,909	23,300
Notes and accounts receivable - trade	163,963	164,372
Merchandise and finished goods	52,842	50,450
Work in process	735	709
Raw materials and supplies	3,906	3,221
Other	9,087	8,313
Allowance for doubtful accounts	(877)	(552)
Total current assets	256,567	249,814
Non-current assets		
Property, plant and equipment	13,473	14,044
Intangible assets	3,223	3,240
Investments and other assets		
Investment securities	86,393	73,381
Retirement benefit asset	2,893	2,973
Other	11,632	12,045
Allowance for doubtful accounts	(7,669)	(7,588)
Total investments and other assets	93,250	80,811
Total non-current assets	109,947	98,096
Total assets	366,514	347,910
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	109,778	105,849
Short-term borrowings	43,619	38,278
Income taxes payable	2,271	926
Provision for bonuses	1,245	673
Provision for loss on business liquidation	—	235
Other	7,704	8,074
Total current liabilities	164,618	154,037
Non-current liabilities		
Long-term borrowings	13,658	11,578
Provision for retirement benefits for directors (and other officers)	30	29
Provision for share-based remuneration for directors (and other officers)	37	73
Provision for loss on guarantees	18	18
Retirement benefit liability	1,794	2,015
Other	21,658	18,270
Total non-current liabilities	37,198	31,986
Total liabilities	201,817	186,023

	(Millions of yen)	
	As of March 31, 2019	As of December 31, 2019
Net assets		
Shareholders' equity		
Share capital	9,364	9,364
Capital surplus	7,752	7,752
Retained earnings	97,882	103,895
Treasury shares	(3,729)	(3,729)
Total shareholders' equity	111,269	117,283
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	48,827	39,761
Deferred gains or losses on hedges	(93)	39
Foreign currency translation adjustment	3,247	3,083
Remeasurements of defined benefit plans	(277)	(118)
Total accumulated other comprehensive income	51,703	42,766
Non-controlling interests	1,723	1,837
Total net assets	164,697	161,886
Total liabilities and net assets	366,514	347,910

**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, 2018	Nine months ended December 31, 2019
Net sales	488,080	458,573
Cost of sales	452,054	423,242
Gross profit	36,025	35,330
Selling, general and administrative expenses	24,740	24,895
Operating profit	11,284	10,435
Non-operating income		
Interest income	168	134
Dividend income	1,348	1,601
Share of profit of entities accounted for using equity method	157	263
Miscellaneous income	661	556
Total non-operating income	2,334	2,555
Non-operating expenses		
Interest expenses	1,432	1,050
Foreign exchange losses	350	87
Miscellaneous loss	392	266
Total non-operating expenses	2,175	1,403
Ordinary profit	11,444	11,587
Extraordinary income		
Gain on sales of investment securities	5,098	1,793
Total extraordinary income	5,098	1,793
Extraordinary losses		
Provision for loss on business liquidation	—	233
Impairment loss	293	—
Total extraordinary losses	293	233
Profit before income taxes	16,249	13,147
Income taxes - current	4,381	3,424
Income taxes - deferred	242	264
Total income taxes	4,623	3,689
Profit	11,626	9,457
Profit attributable to non-controlling interests	294	344
Profit attributable to owners of parent	11,331	9,113

# Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	11,626	9,457
Other comprehensive income		
Valuation difference on available-for-sale securities	23,212	(9,187)
Deferred gains or losses on hedges	(182)	132
Foreign currency translation adjustment	195	(190)
Remeasurements of defined benefit plans, net of tax	52	158
Share of other comprehensive income of entities accounted for using equity method	(50)	23
Total other comprehensive income	23,227	(9,064)
Comprehensive income	34,853	393
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	34,513	43
Comprehensive income attributable to non-controlling interests	340	350