

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2013 (Based on Japanese GAAP)

February 7, 2014

Company name	Inabata & Co., Ltd.		
Stock exchange listing	Tokyo		
Stock Code	8098	URL	URL http://www.inabata.co.jp
Representative	Director, President	Katsutaro Inabata	
Inquiries	Director, Executive Officer	Kenichi Yokota	TEL 03-3639-6421
Scheduled date to file Quarterly Securities Report	February 13, 2014		
Scheduled date to commence dividend payments	-		
Preparation of supplementary material on quarterly earnings	no		
Holding of quarterly earnings performance review	no -		

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2013 (from April 1, 2013 to December 31, 2013)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2013	435,350	22.0	8,523	47.7	10,216	48.8	7,211	36.5
Nine months ended December 31, 2012	356,828	4.1	5,769	(4.2)	6,867	(1.8)	5,283	(3.1)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine months ended December 31, 2013	113.98		-	
Nine months ended December 31, 2012	82.99		-	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of December 31, 2013	318,191		111,530		34.8	
As of March 31, 2013	276,932		98,712		35.4	

2. Cash dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2013	-	10.00	-	13.00	23.00
Year ending March 31, 2014	-	11.00	-		
Year ending March 31, 2014 (Forecast)				19.00	30.00

3. Forecast for the year ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	550,000	9.8	10,500	28.7	11,500	14.6	8,500	21.7	134.34

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2013
(changes in specified subsidiaries resulting in the change in scope of consolidation): yes
- (2) Application of special accounting for preparing quarterly consolidated financial statements: no
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
- Changes in accounting policies due to revisions to accounting standards and other regulations: no
 - Changes in accounting policies due to other reasons: yes
 - Changes in accounting estimates: yes
 - Restatement of prior period financial statements after error corrections: no

(4) Number of issued shares

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

As of December 31, 2013	65,159,227 shares	As of March 31, 2013	65,159,227 shares
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Number of shares of treasury stock at the end of the period

As of December 31, 2013	1,887,725 shares	As of March 31, 2013	1,887,522 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, 2013	63,271,616 shares	Nine months ended December 31, 2012	63,668,529 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2013	As of December 31, 2013
Assets		
Current assets		
Cash and deposits	19,258	24,807
Notes and accounts receivable-trade	137,571	160,032
Merchandise and finished goods	31,418	37,915
Work in process	705	645
Raw materials and supplies	2,616	3,460
Other	6,405	7,226
Allowance for doubtful accounts	(671)	(1,014)
Total current assets	197,303	233,073
Noncurrent assets		
Property, plant and equipment	9,690	12,409
Intangible assets	4,220	3,833
Investments and other assets		
Investment securities	60,278	63,105
Other	6,477	6,998
Allowance for doubtful accounts	(1,036)	(1,228)
Total investments and other assets	65,718	68,874
Total noncurrent assets	79,629	85,117
Total assets	276,932	318,191

(Millions of yen)

	As of March 31, 2013	As of December 31, 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	85,789	97,696
Short-term loans payable	57,341	69,194
Income taxes payable	1,429	1,323
Provision for bonuses	908	624
Provision for loss on business liquidation	252	11
Other	4,688	6,106
Total current liabilities	150,410	174,957
Noncurrent liabilities		
Long-term loans payable	10,730	13,354
Provision for retirement benefits	638	785
Provision for directors' retirement benefits	22	25
Provision for loss on business liquidation	34	43
Provision for loss on guarantees	18	18
Other	16,364	17,473
Total noncurrent liabilities	27,808	31,702
Total liabilities	178,219	206,660
Net assets		
Shareholders' equity		
Capital stock	9,364	9,364
Capital surplus	7,708	7,708
Retained earnings	56,489	63,063
Treasury stock	(934)	(934)
Total shareholders' equity	72,627	79,201
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28,692	29,650
Deferred gains or losses on hedges	30	(105)
Foreign currency translation adjustment	(3,424)	1,887
Total accumulated other comprehensive income	25,297	31,432
Minority interests	787	896
Total net assets	98,712	111,530
Total liabilities and net assets	276,932	318,191

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, 2012	Nine months ended December 31, 2013
Net sales	356,828	435,350
Cost of sales	332,262	405,779
Gross profit	24,565	29,571
Selling, general and administrative expenses	18,796	21,048
Operating income	5,769	8,523
Non-operating income		
Interest income	184	237
Dividends income	778	825
Foreign exchange gains	1	443
Equity in earnings of affiliates	529	398
Miscellaneous income	490	704
Total non-operating income	1,984	2,609
Non-operating expenses		
Interest expenses	729	721
Miscellaneous loss	156	194
Total non-operating expenses	886	916
Ordinary income	6,867	10,216
Extraordinary income		
Gain on sales of noncurrent assets	126	218
Gain on reversal of loss on valuation of stocks of subsidiaries and affiliates	-	132
Insurance income	-	109
Gain on sale of goodwill	298	-
Gain on sales of investment securities	239	-
Total extraordinary income	664	460
Extraordinary loss		
Loss on valuation of investment securities	217	-
Total extraordinary losses	217	-
Income before income taxes and minority interests	7,315	10,676
Income taxes-current	1,452	2,748
Income taxes-deferred	471	542
Total income taxes	1,923	3,290
Income before minority interests	5,391	7,385
Minority interests in income	107	173
Net income	5,283	7,211

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Income before minority interests	5,391	7,385
Other comprehensive income		
Valuation difference on available-for-sale securities	2,067	879
Deferred gains or losses on hedges	(36)	(130)
Foreign currency translation adjustment	307	2,933
Share of other comprehensive income of associates accounted for using equity method	40	251
Total other comprehensive income	2,380	3,932
Comprehensive income	7,771	11,318
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	7,702	11,108
Comprehensive income attributable to minority interests	68	209