
IR Briefing for the Fiscal Year Ended March 31, 2019 (FY03/19) (Overview)

June 4, 2019

Inabata & Co., Ltd.

Kenichi Yokota

Representative Director and Senior Managing Executive Officer

Net sales and profits reached record highs.

Net sales: **¥634.7 billion** **+2.2% YoY**

Increase due to favorable performance in mainstay businesses, led by the plastics business

Operating profit: **¥14.0 billion** **+135.3% YoY**

Major expansion due to robust performance of mainstay businesses and the absence of allowance for doubtful accounts from the solar cell-related business of a European subsidiary booked in FY03/18

Ordinary profit: **¥14.3 billion** **+124.5% YoY**

Up due to higher operating profit

Profit attributable to owners of parent: **¥12.8 billion** **+91.2% YoY**

Rise due to higher ordinary profit, despite decrease in gain on sales of investment securities

(Billions of yen)

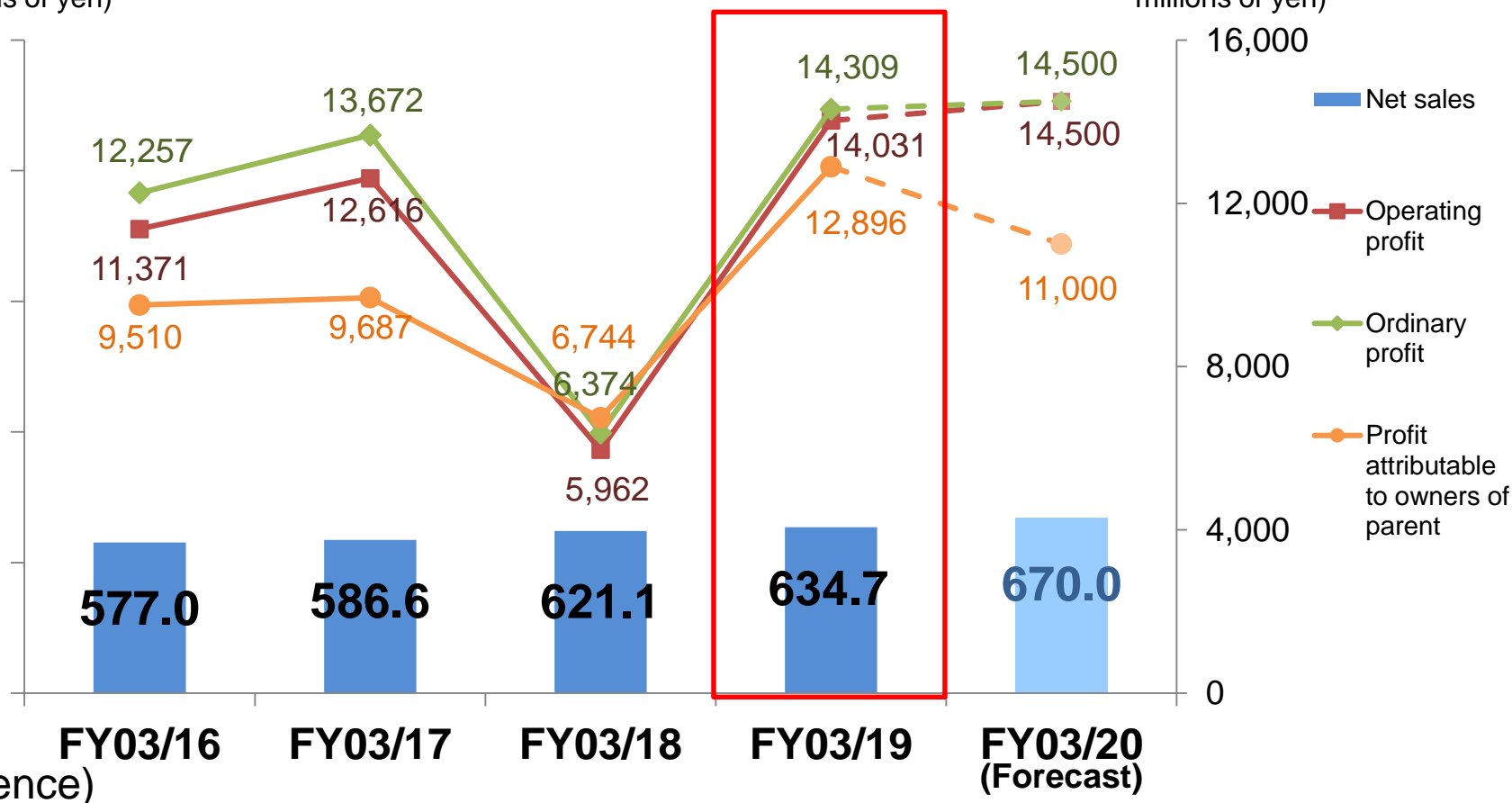
	FY03/18	FY03/19 (A)	YoY change		Forecast announced May 10, 2018 (B)	Achievement rate (A)/(B)
			Amount	%		
Net sales	621.1	634.7	+13.6	+2.2%	660.0	96.2%
Operating profit	5.9	14.0	+8.0	+135.3%	13.5	103.9%
Ordinary profit	6.3	14.3	+7.9	+124.5%	14.0	102.2%
Profit attributable to owners of parent	6.7	12.8	+6.1	+91.2%	10.5	122.8%
Exchange rate (USD/JPY)	110.85	110.92	+0.07		110.00	

Operating Performance



(Net sales:
billions of yen)

(Profits:
millions of yen)



	FY03/16	FY03/17	FY03/18	FY03/19	FY03/20
Exchange rate (USD/JPY)	120.15	108.34	110.85	110.92	110.00

Notes: FY03/18 operating profit reflects the recording of allowance for doubtful accounts (¥6.65 billion) at a European subsidiary. Gains on sales investment securities were ¥0.83 billion in FY03/16, ¥4.45 billion in FY03/17, ¥8.38 billion in FY03/18, and ¥5.11 billion in FY03/19.

Balance Sheet



- A rise in the market value of our holdings of investment securities led to increases in investment securities and accumulated other comprehensive income.

(Billions of yen)

Assets	End-FY03/18	End-FY03/19	Change
Cash and deposits	32.5	26.9	-5.5
Notes and accounts receivable - trade	173.4	163.9	-9.4
Inventories	53.1	57.4	+4.2
Other current assets	2.6	8.2	+5.5
Property, plant and equipment	12.5	13.4	+0.9
Intangible assets	3.1	3.2	+0.0
Investment securities	69.1	86.3	+17.2
Other fixed assets	6.1	6.8	+0.7
Total assets	352.7	366.5	+13.7

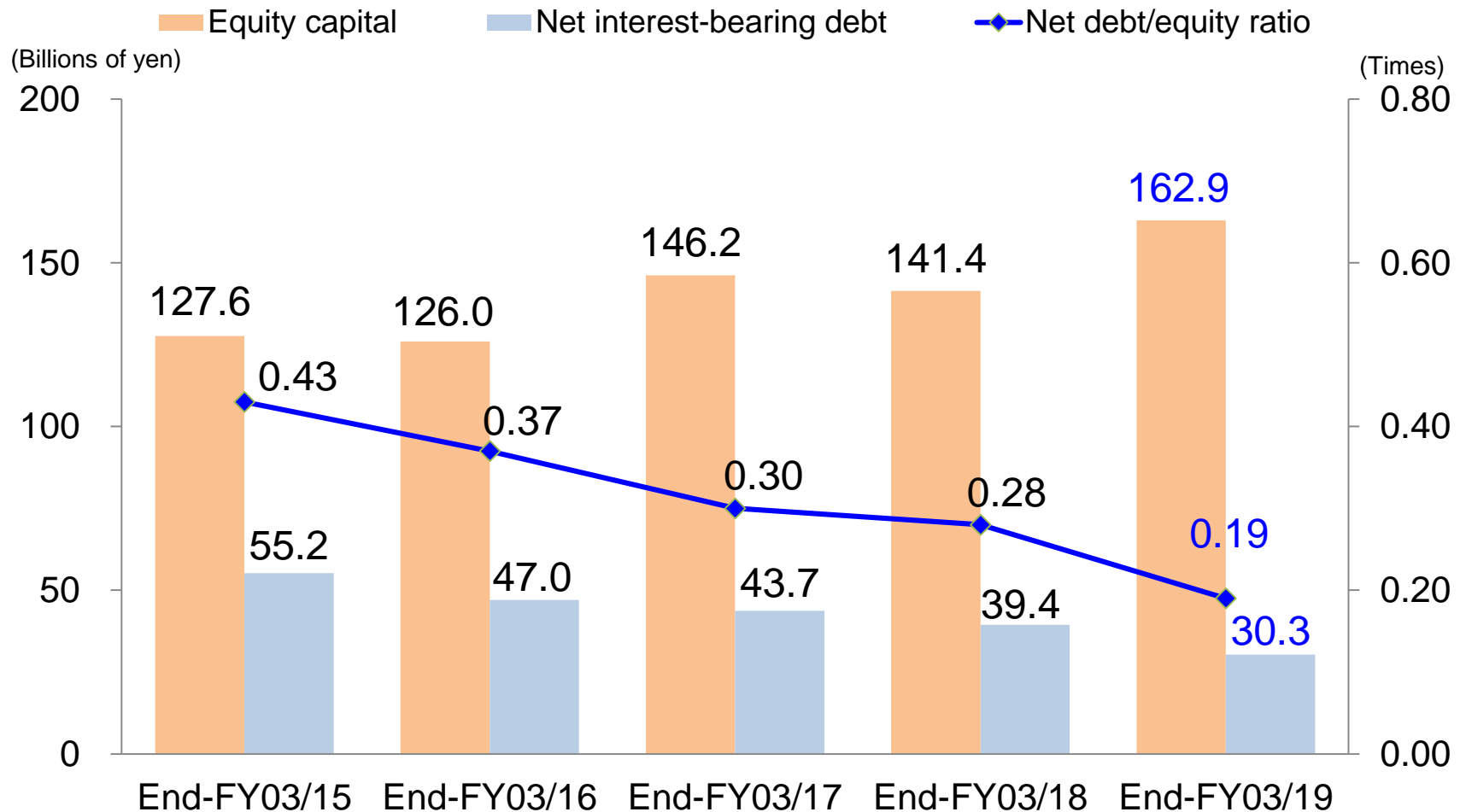
Liabilities and net assets	End-FY03/18	End-FY03/19	Change
Notes and accounts payable - trade	107.8	109.7	+1.9
Short-term loans payable	55.1	43.6	-11.5
Other current liabilities	12.6	11.2	-1.4
Long-term loans payable	16.8	13.6	-3.1
Other non-current liabilities	17.3	23.5	+6.2
Shareholders' equity	101.5	111.2	+9.7
Accumulated other comprehensive income	39.8	51.7	+11.8
Non-controlling interests	1.5	1.7	+0.1
Total liabilities and net assets	352.7	366.5	+13.7

Current ratio	149.0%	155.9%
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Equity ratio	40.1%	44.5%
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Note: In FY03/19, the Company adopted the "Partial Amendments to Accounting Standard for Tax Effect Accounting, etc." Balance sheet figures for FY03/18 have been restated according to the revised method of presentation.

Equity Capital, Net Interest-Bearing Debt, Net Debt/Equity Ratio



Notes: Equity capital = Net assets – stock acquisition rights – non-controlling interests
 Net debt/equity ratio = (Interest-bearing debt – cash and deposits) / equity capital

Note: Valuation difference on other available-for-sale securities: ¥37.2 billion at end-FY03/18 → ¥48.8 billion at end-FY03/19

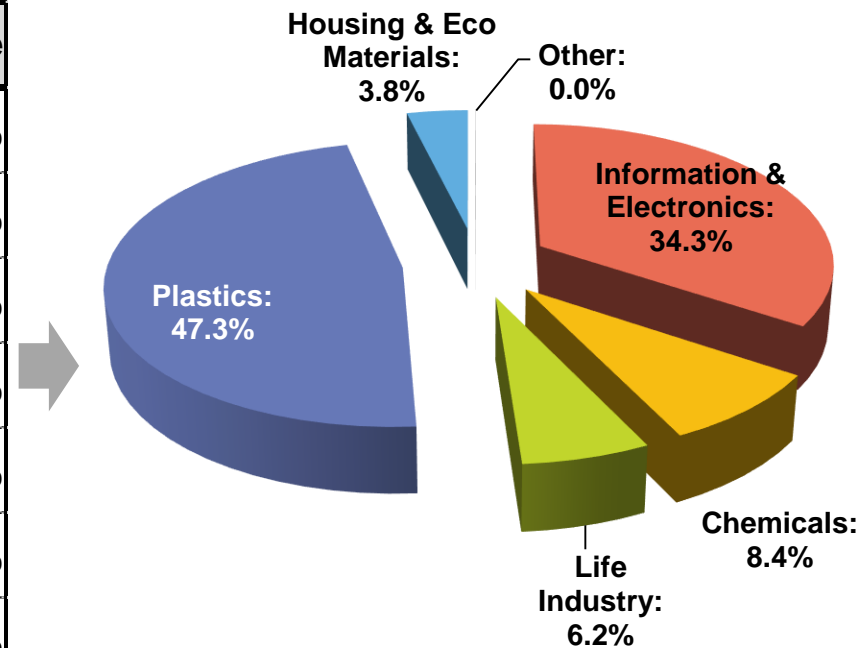
Sales by Business Segment

- ✓ Sales rose in the Information & Electronics business due to increased sales of polarizing films in China, as well as higher sales related to office automation (OA).
- ✓ Higher sales of paints, ink, and paper pushed up sales in the Chemicals business.
- ✓ Sales were robust overall in the Plastics business, including automotive products.

Sales

(Billions of yen)

	FY03/18	FY03/19	YoY change
Information & Electronics	214.9	217.9	+1.4%
Chemicals	51.5	53.4	+3.6%
Life Industry	42.3	39.0	-7.9%
Plastics	286.9	300.0	+4.6%
Housing & Eco Materials	25.1	24.1	-4.1%
Other	0.1	0.1	+6.6%
Total	621.1	634.7	+2.2%



Gross Profit and Operating Profit by Business Segment



- ✓ Profit was up significantly in the Information & Electronics business, due to the absence of allowance for doubtful accounts from the solar cell-related business of a European subsidiary booked in FY03/18.
- ✓ Profit increased in the Chemicals business due to favorable performance and the absence of an allowance for doubtful accounts booked in FY03/18.
- ✓ In the Plastics business, automotive and OA-related performance was solid. These factors, plus improved profits at a facility in Mexico, led to higher profit.

Gross profit

(Millions of yen)

	FY03/18	FY03/19	YoY change
Information & Electronics	13,183	14,280	+8.3%
Chemicals	4,180	4,528	+8.3%
Life Industry	5,327	5,193	-2.5%
Plastics	20,712	21,971	+6.1%
Housing & Eco Materials	1,320	1,147	-13.1%
Other	129	136	+5.0%
Total	44,854	47,257	+5.4%

Operating profit

(Millions of yen)

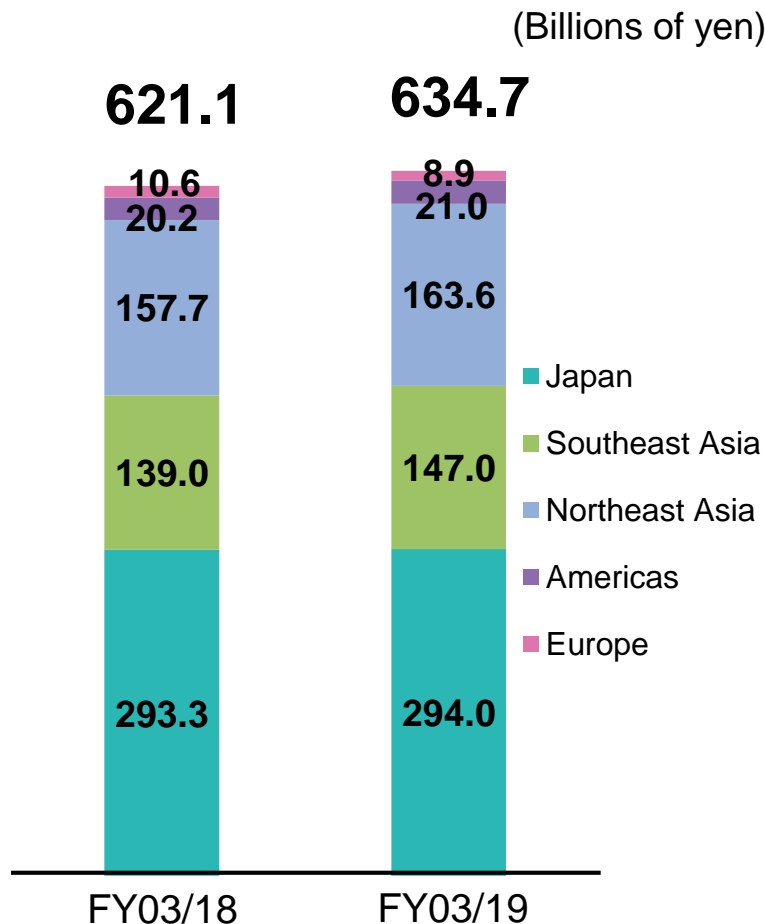
	FY03/18	FY03/19	YoY change
Information & Electronics	(2,045)	4,819	-
Chemicals	259	1,379	+430.8%
Life Industry	1,920	1,310	-31.8%
Plastics	5,541	6,341	+14.4%
Housing & Eco Materials	157	44	-71.7%
Other	129	136	+5.0%
Total	5,962	14,031	+135.3%

Note: The posting of an allowance for doubtful accounts related to a European subsidiary in FY03/18 had a ¥5.90 billion impact on operating profit in the Information & Electronics business and a ¥0.75 billion impact on operating profit in the Chemicals business.

Sales by Region

- ✓ Southeast Asia Sales of plastics for automotive and OA equipment increased.
- ✓ Northeast Asia Sales of polarizing films grew.
- ✓ Europe Sales fell due to our withdrawal from and review of businesses in the region.

Sales		(Billions of yen)	
	FY03/18	FY03/19	YoY change
Southeast Asia	139.0	147.0	+5.8%
Northeast Asia	157.7	163.6	+3.7%
Americas	20.2	21.0	+3.7%
Europe	10.6	8.9	-15.9%
Japan	293.3	294.0	+0.2%
Total	621.1	634.7	+2.2%
(Overseas ratio)	(52.8%)	(53.7%)	(+0.9%)



Note: Sales in the Japan segment include exports (¥52.4 billion in FY03/19). Including this amount, the percentage of overseas sales was 61.3% in FY03/18 and 61.6% in FY03/19.

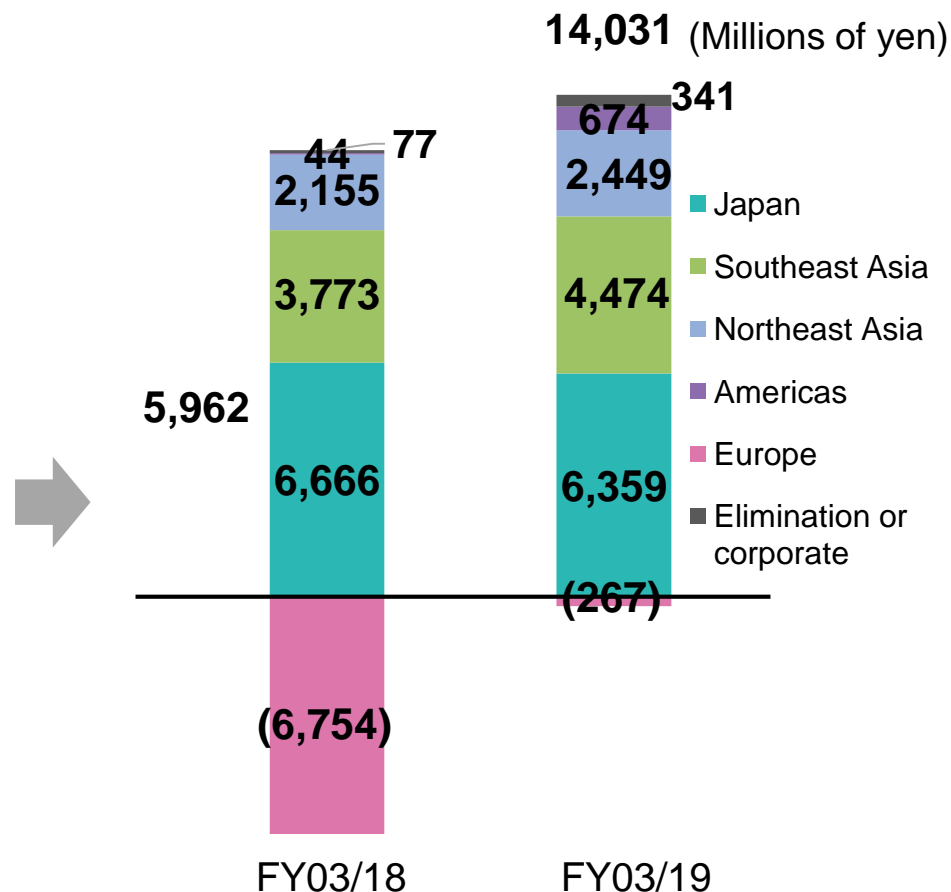
Operating Profit by Region

- ✓ Southeast Asia Operating profit was up due to a newly consolidated subsidiary in India and positive sales of automotive and OA plastics.
- ✓ Americas Operating profit rose thanks to improved profits from business in Mexico and higher sales of shrimp and salmon in the United States.
- ✓ Europe An allowance for doubtful accounts in the solar cell-related business posted in FY03/18 was absent in FY03/19.

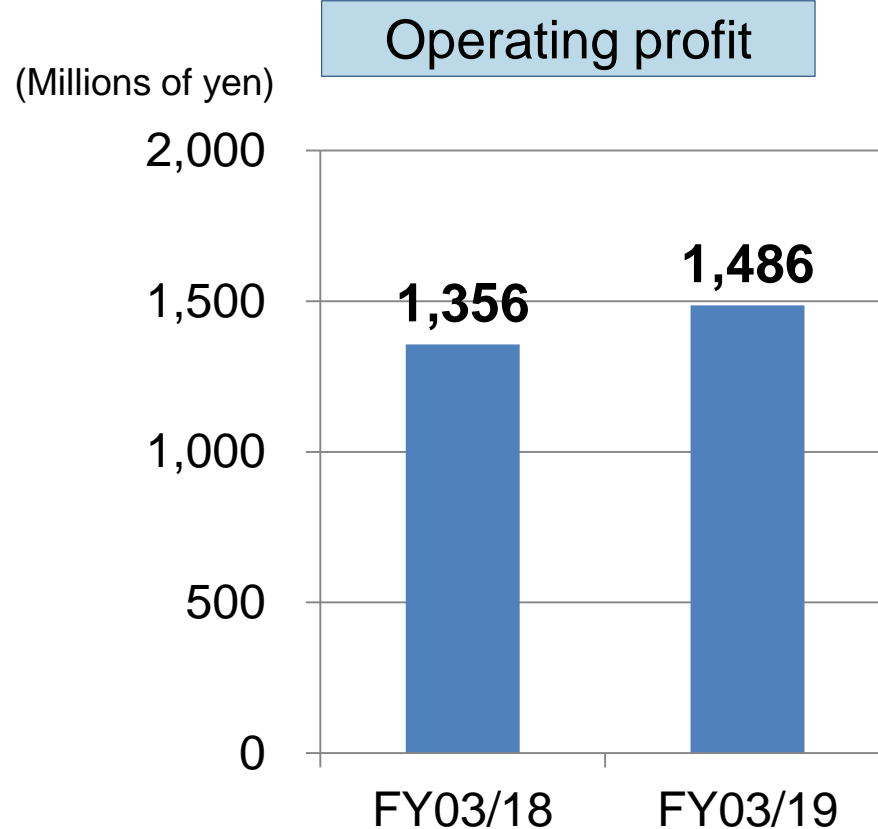
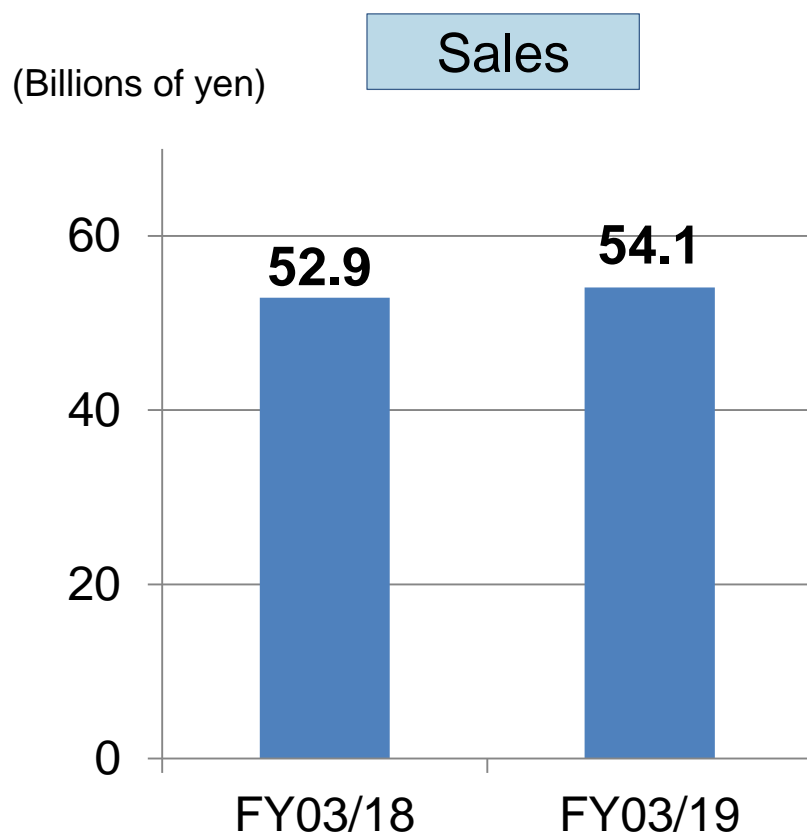
Operating profit

(Millions of yen)

	FY03/18	FY03/19	YoY change
Southeast Asia	3,773	4,474	+18.6%
Northeast Asia	2,155	2,449	+13.6%
Americas	44	674	+1,412.2%
Europe	(6,754)	(267)	-
Japan	6,666	6,359	-4.6%
Elimination or corporate	77	341	
Total	5,962	14,031	+135.3%
(Overseas ratio)	-	(53.5%)	-



Profits improved at our compounds plant in Mexico.

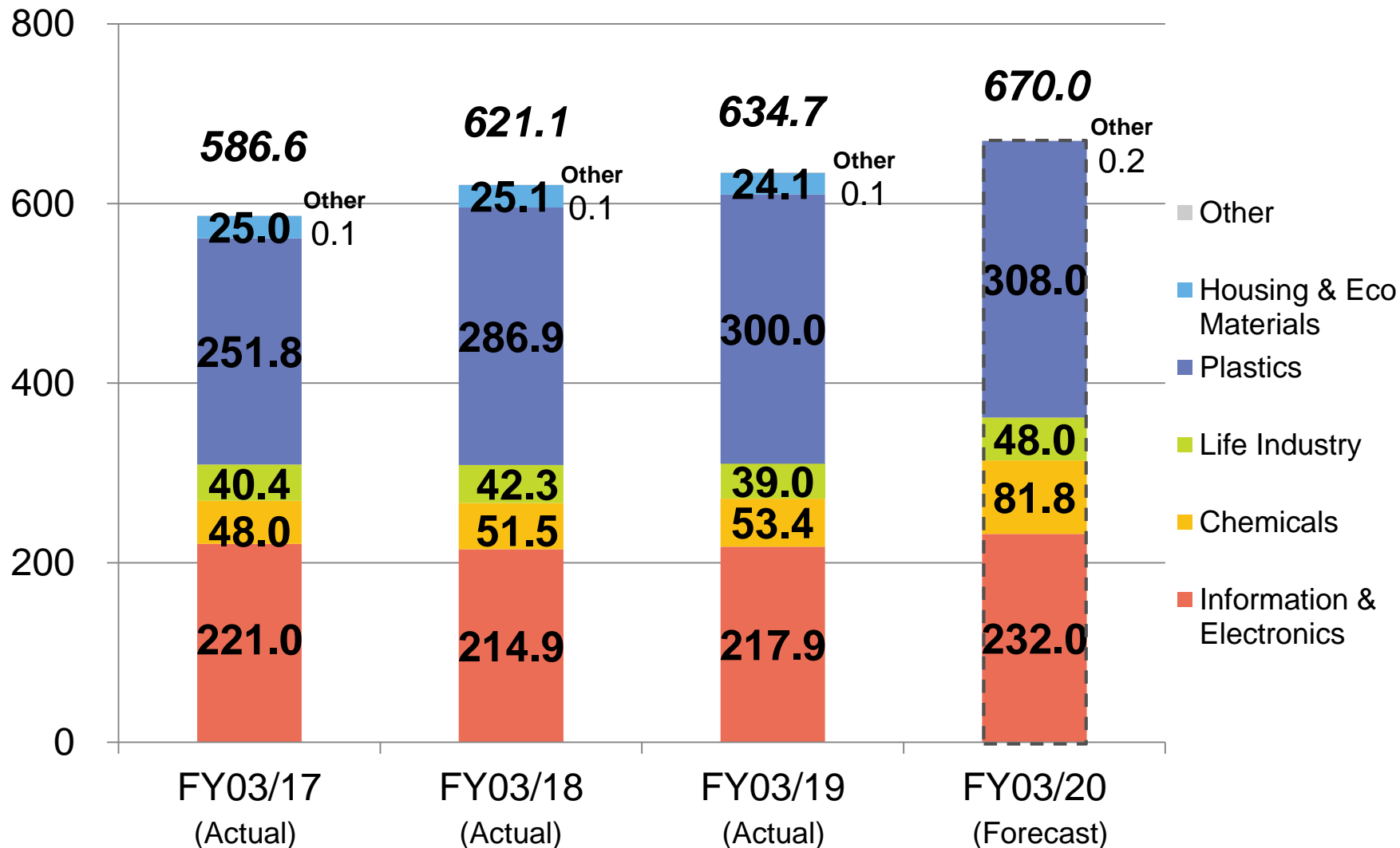


Note: Results for FY03/18 have been converted at the exchange rate for FY03/19 (USD1=JPY110.92).

Sales Forecast by Business Segment



(Billions of yen)

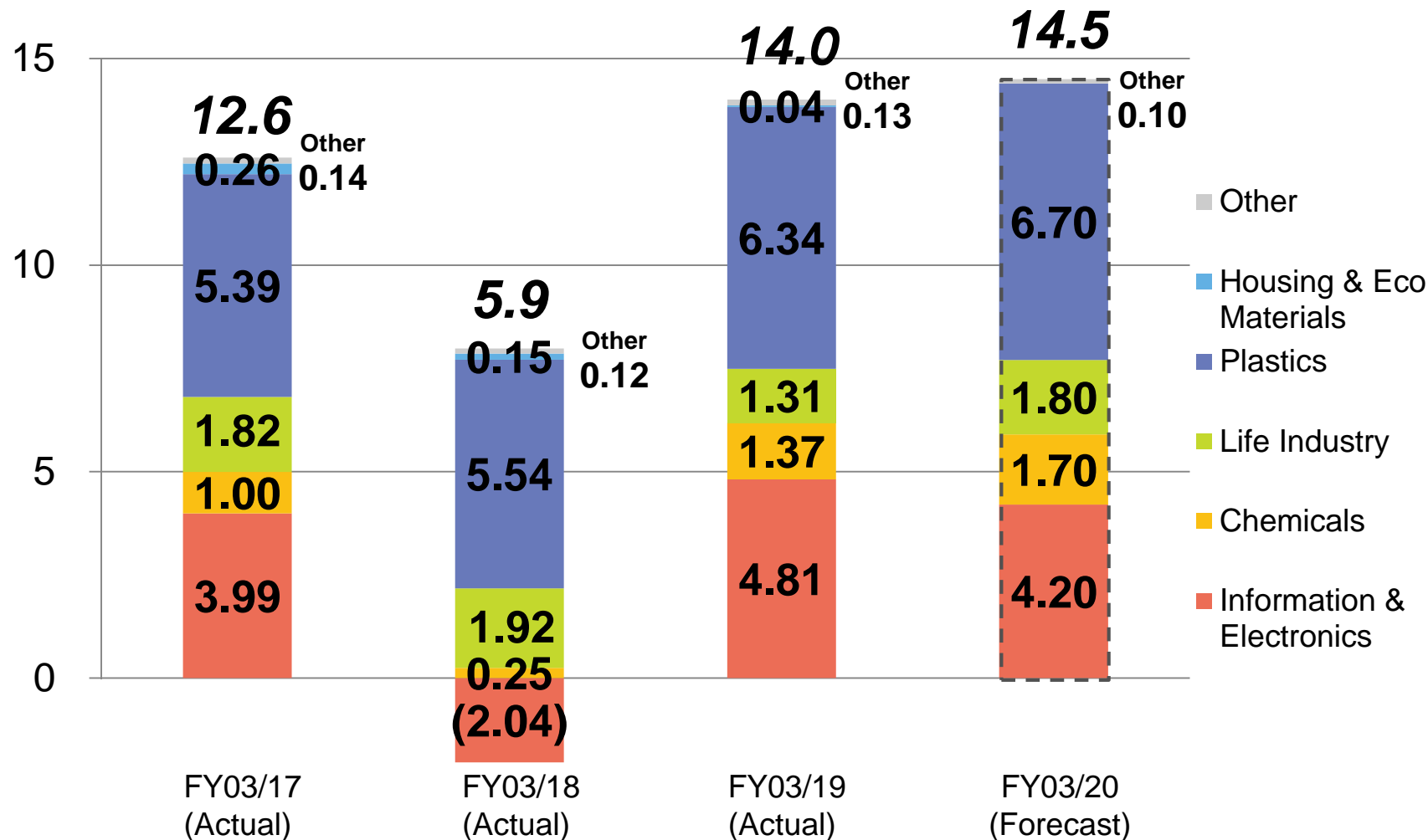


Note: The Housing & Eco Materials segment was combined with the Chemicals segment in FY03/20.

Operating Profit Forecast by Business Segment



(Billions of yen)



Notes: In FY03/18, we posted an allowance for doubtful accounts in relation to a European subsidiary, of ¥5.90 billion in the Information & Electronics segment and ¥0.75 billion in the Chemicals segment. The Housing & Eco Materials segment was combined with the Chemicals segment in FY03/20.

	Companies		
	Japan	Overseas	Total
Consolidated subsidiaries	7	37	44
(Of which, manufacturers)	(4)	(17)	(21)
Equity-method affiliates	4	1	5
(Of which, manufacturers)	(2)	(1)	(3)
Total	11	38	49
(Of which, manufacturers)	(6)	(18)	(24)

Principal Consolidated Subsidiaries



(Millions of yen)

Company	Location	FY03/18			FY03/19			YoY change		
		Net sales	Operating profit	Net income	Net sales	Operating profit	Net income	Net sales	Operating profit	Net income
Taiwan Inabata Sangyo Co., Ltd.	Taiwan	46,291	407	322	49,606	692	529	+7.2%	+70.2%	+64.4%
Inabata Sangyo (H.K.) Ltd.	Hong Kong	53,772	456	479	60,226	597	20	+12.0%	+30.9%	-95.8%
Inabata Singapore (Pte.) Ltd.	Singapore	50,419	432	670	55,315	579	774	+9.7%	+33.9%	+15.6%
Inabata Thai Co., Ltd.	Thailand	40,637	635	713	39,694	615	741	-2.3%	-3.2%	3.9%
Shanghai Inabata Trading Co., Ltd.	Shanghai	58,909	855	487	64,839	881	480	+10.1%	+3.0%	-1.3%
PT. Inabata Indonesia	Indonesia	28,061	973	549	30,500	1,070	583	+8.7%	+9.9%	+6.2%
Inabata Fine Tech & Co., Ltd.	Japan	15,119	268	179	18,853	348	231	+24.7%	+29.6%	+29.1%

Notes: Results for FY03/18 have been converted at the exchange rate for FY03/19 (USD1=JPY110.92).

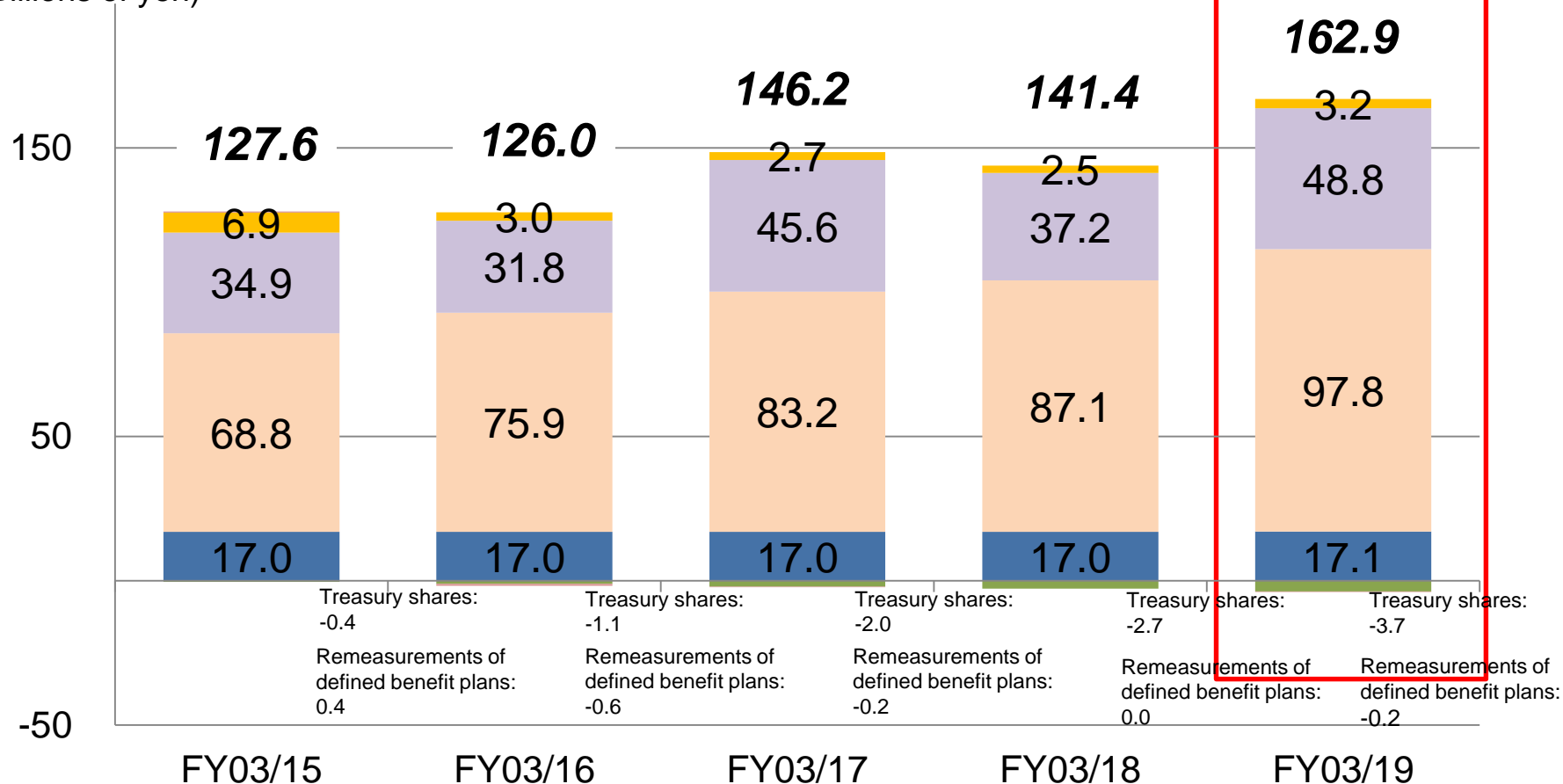
Results for Inabata Fine Tech include commercial rights (food-related) transferred from Inabata & Co., Ltd. Copyright © INABATA & CO., LTD. 2019

(Reference) Equity Capital

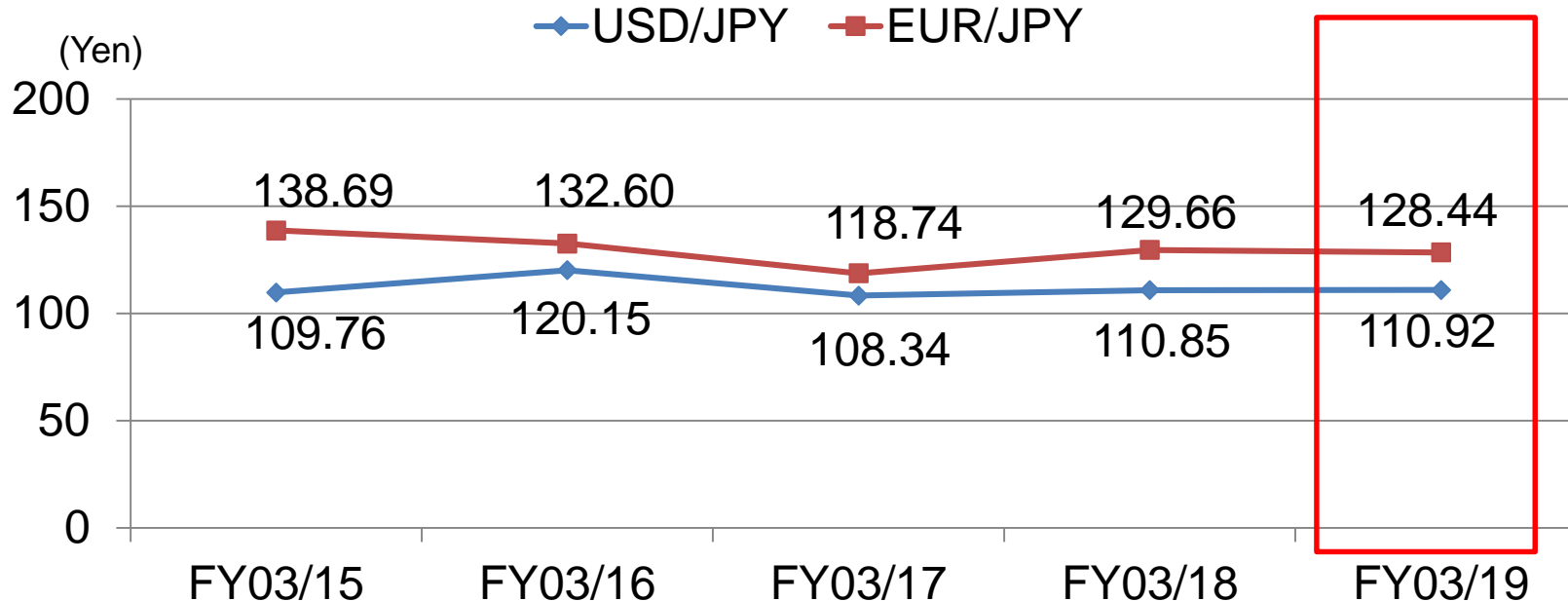
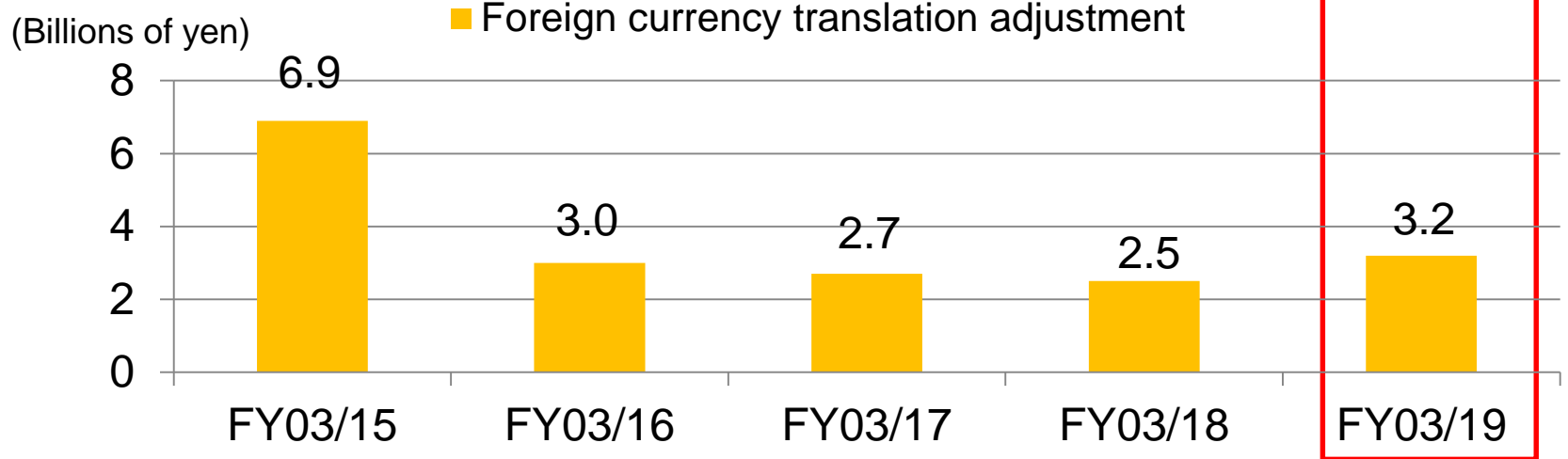


- Capital stock and capital surplus
- Retained earnings
- Treasury shares
- Valuation difference on available-for-sale securities
- Deferred gains or losses on hedges
- Foreign currency translation adjustment
- Remeasurements of defined benefit plans

(Billions of yen)



(Reference) Impact of Exchange Rate Fluctuations on the Foreign Currency Translation Adjustment



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The data and future predictions contained in this document are based on information available and judgments applicable at the time of the document's release. The data and future forecasts contained herein may include elements that are subject to change, and this document and its contents are no guarantee of future performance.

◆Presentation of numbers

Yen figures presented in these materials have been rounded off below the unit indicated. Consequently, individual figures may not sum to the total amounts indicated.