
IR Briefing for 3Q Fiscal Year ending March 2020

February, 2020

Inabata & Co., Ltd.

Net sales: ¥458.5 billion -6.0% YoY

Net sales decreased due in part to decline in Plastics segment sales caused by falling plastic prices.

Operating profit: ¥10.4 billion -7.5% YoY

Operating profit fell due to sluggish sales in core businesses during Q3 (October–December).

Ordinary profit: ¥11.5 billion +1.2% YoY

Ordinary profit increased due to declines in interest expenses and foreign exchange losses and higher dividend income.

Profit attributable to owners of parent: ¥9.1 billion -19.6% YoY

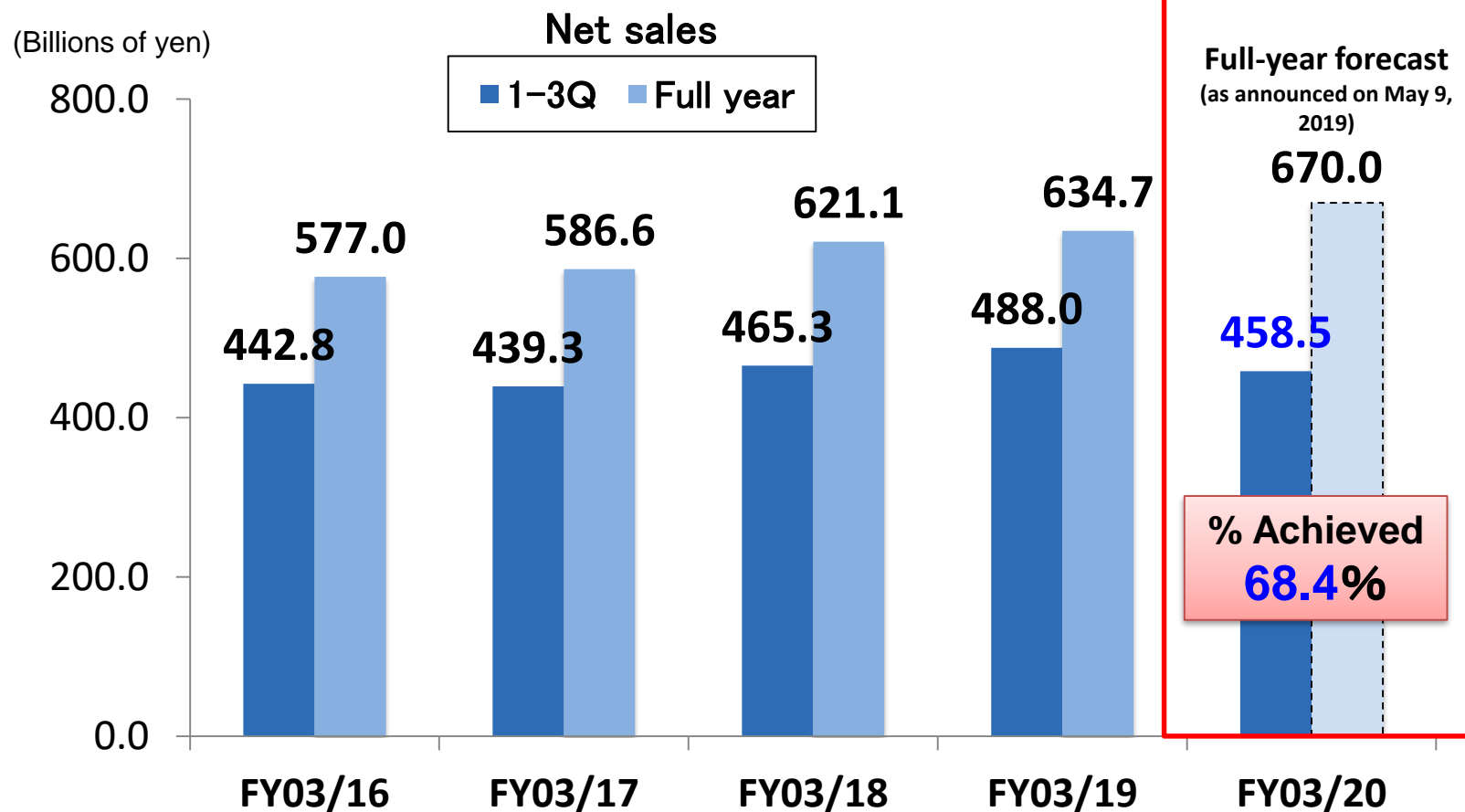
Profit dropped due to lower gain on sales of investment securities despite a climb in ordinary profit.

Consolidated Results Review – 3Q FY03/2020

(Billions of yen)

	Q3 FY03/19	Q3 FY03/20 (A)	YoY change		Forecast announced May 9, 2019 (B)	Achievement rate (A)/(B)
			Amount	%		
Net sales	488.0	458.5	-29.5	-6.0%	670.0	68.4%
Operating profit	11.2	10.4	-0.8	-7.5%	14.5	72.0%
Ordinary profit	11.4	11.5	+0.1	+1.2%	14.5	79.9%
Profit attributable to owners of parent	11.3	9.1	-2.2	-19.6%	11.0	82.8%
Exchange rate (USD/JPY)	111.14	108.65	-2.49		110.00	

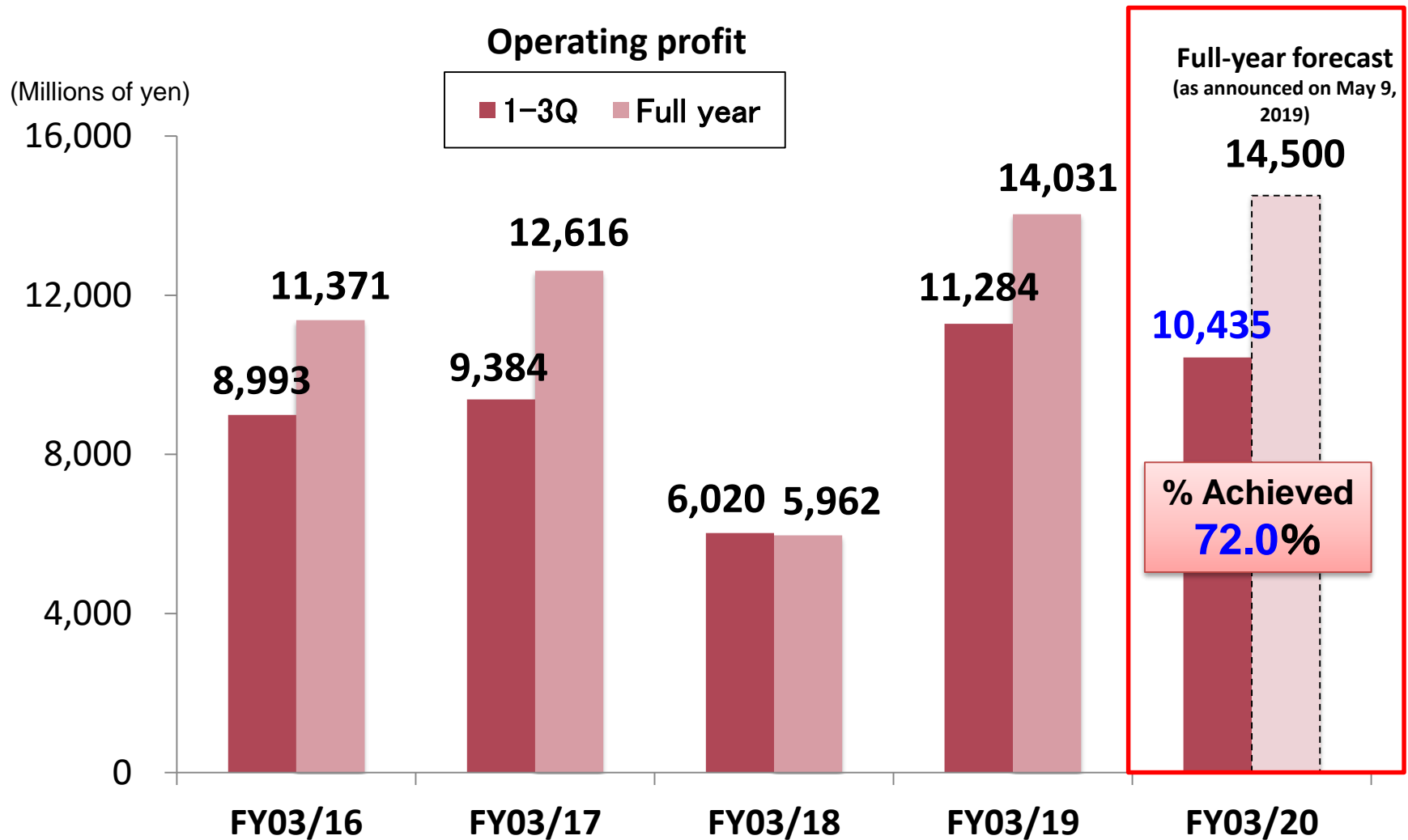
Sales Trends



(Reference)

		FY03/16	FY03/17	FY03/18	FY03/19	FY03/20
Exchange rate: USD/JPY	1-3Q	121.74	106.60	111.69	111.14	108.65
	Full year	120.15	108.34	110.85	110.92	*Note 110.00

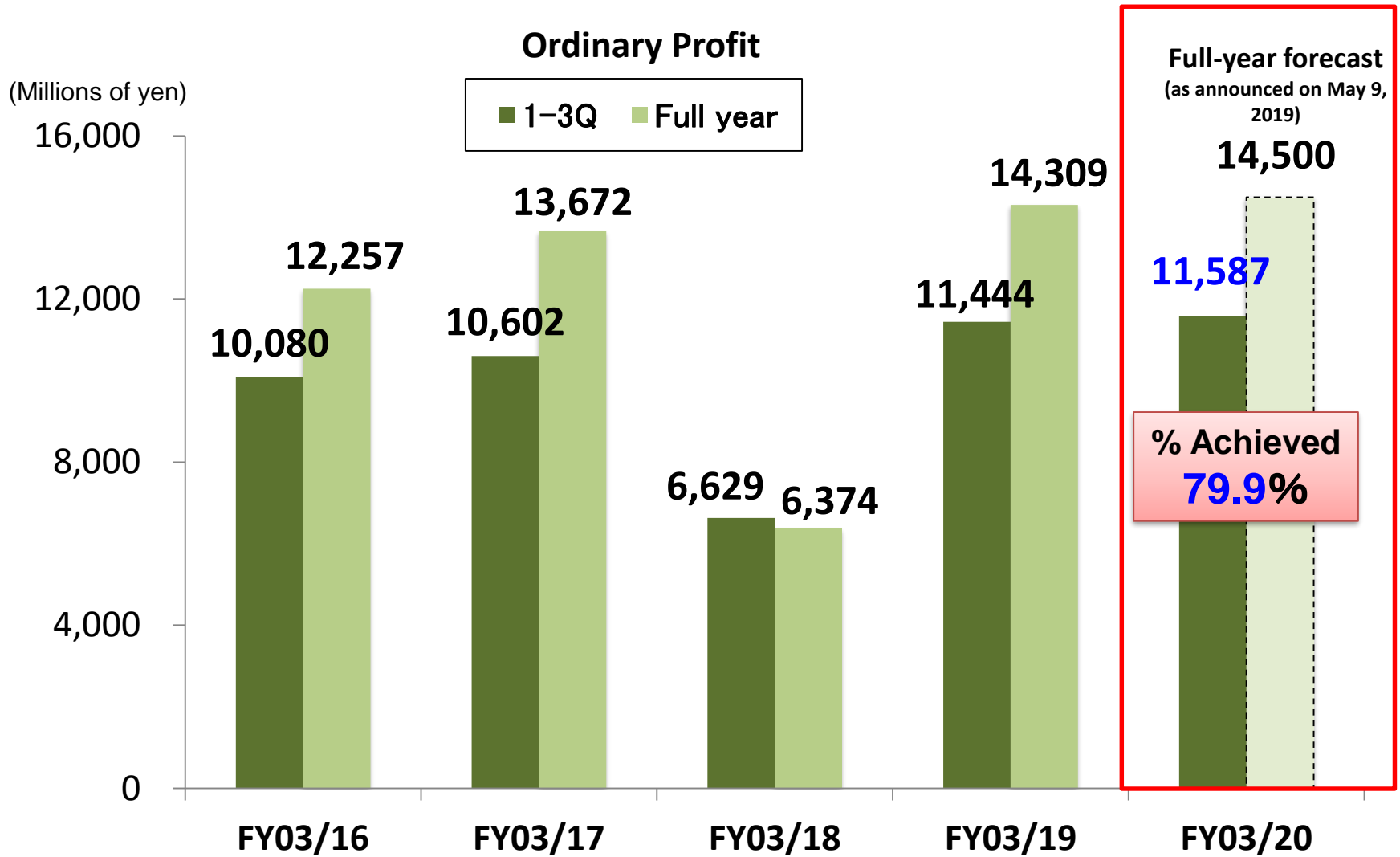
Operating Profit Trends



*Recorded allowance for doubtful accounts at a European subsidiary in FY03/18

1-3Q: ¥3.69 billion; Full year: ¥6.65 billion

Ordinary Profit Trends

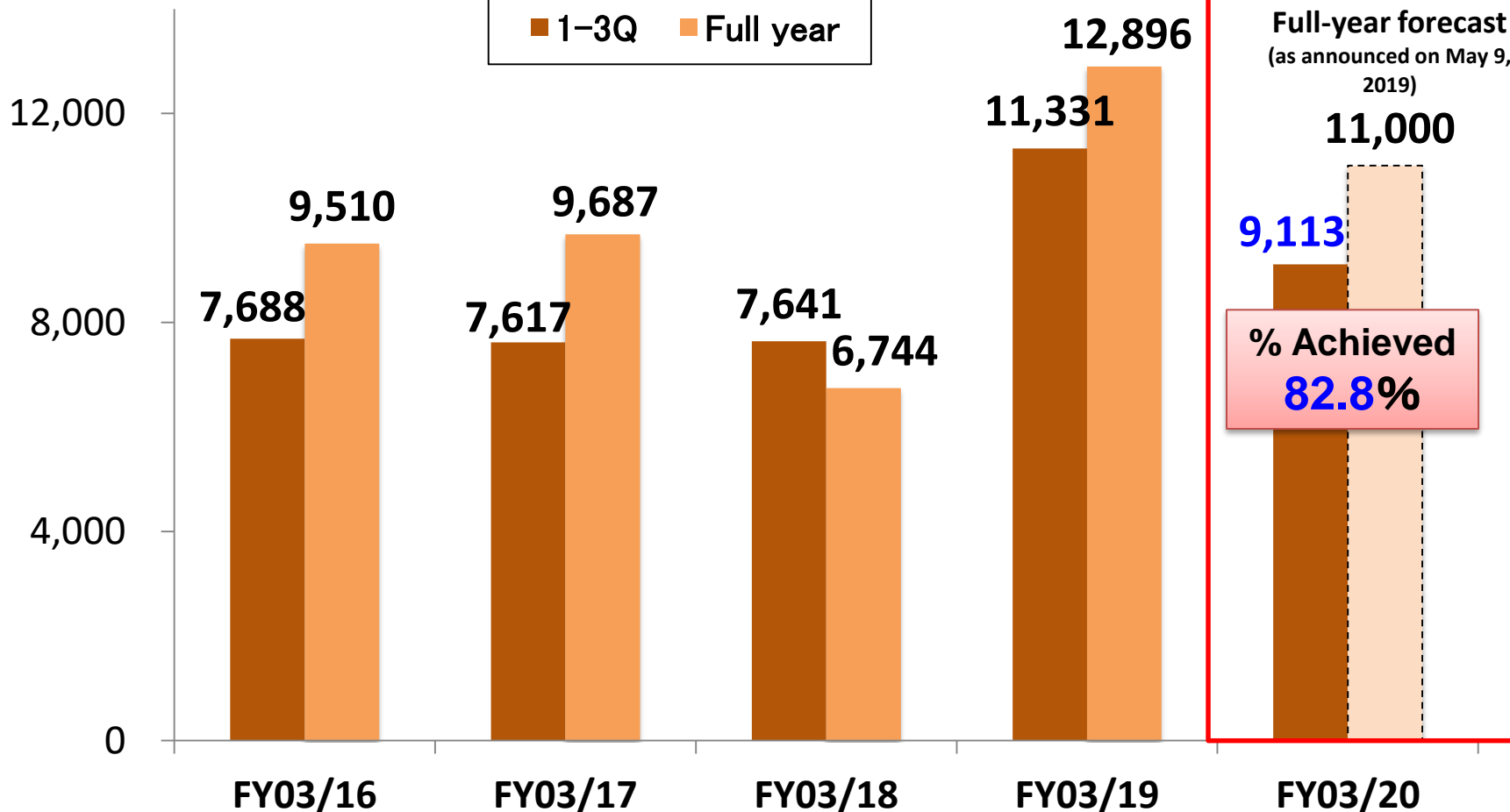


Profit Attributable to Owners of Parent Trends

(Millions of yen)

Profit attributable to owners of parent

■ 1-3Q ■ Full year



Balance Sheet

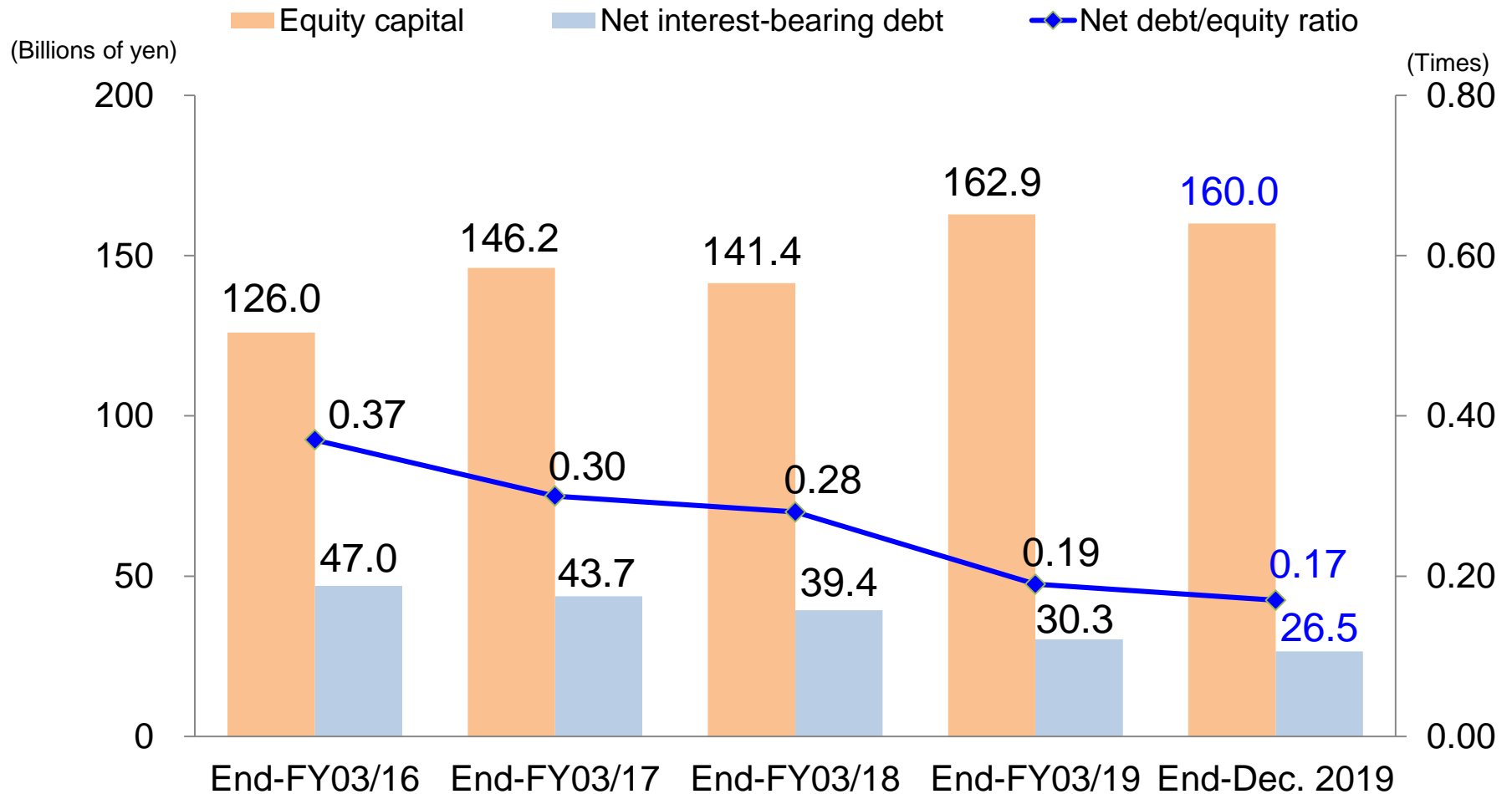


- Both investment securities and accumulated other comprehensive income fell due to a drop in the market value of investment securities held

(Billions of yen)

Assets	End-FY03/19	End-December 2019	Change	Liabilities and net assets	End-FY03/19	End-December 2019	Change
Cash and deposits	26.9	23.3	-3.6	Notes and accounts payable - trade	109.7	105.8	-3.9
Notes and accounts receivable - trade	163.9	164.3	+0.4	Short-term loans payable	43.6	38.2	-5.3
Inventories	57.4	54.3	-3.1	Other current liabilities	11.2	9.9	-1.3
Other current assets	8.2	7.7	-0.4	Long-term loans payable	13.6	11.5	-2.0
Property, plant and equipment	13.4	14.0	+0.5	Other non-current liabilities	23.5	20.4	-3.1
Intangible assets	3.2	3.2	+0.0	Shareholders' equity	111.2	117.2	+6.0
Investment securities	86.3	73.3	-13.0	Accumulated other comprehensive income	51.7	42.7	-8.9
Other fixed assets	6.8	7.4	+0.5	Non-controlling interests	1.7	1.8	+0.1
Total assets	366.5	347.9	-18.6	Total liabilities and net assets	366.5	347.9	-18.6
Current ratio	155.9%	162.2%		Equity ratio	44.5%	46.0%	

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

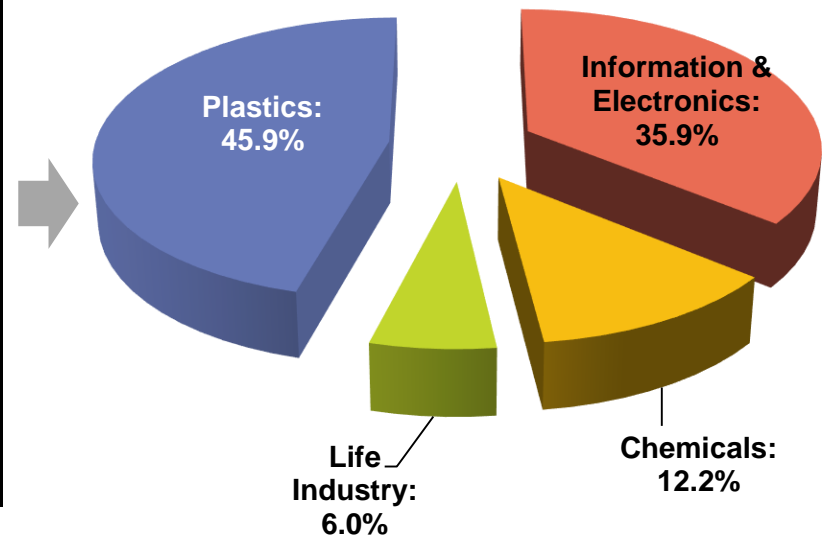
Sales by Business Segment

✓ In the Plastics segment, sales of materials for the automobile industry increased slightly, but a drop in plastic prices had a negative impact.

Sales

(Billions of yen)

	1-3Q FY03/19	1-3Q FY03/20	YoY change
Information & Electronics	167.1	164.5	-1.5%
Chemicals	58.8	55.9	-4.9%
Life Industry	29.2	27.4	-6.3%
Plastics	232.6	210.4	-9.5%
Other	0.1	0.1	+2.0%
Total	488.0	458.5	-6.0%



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

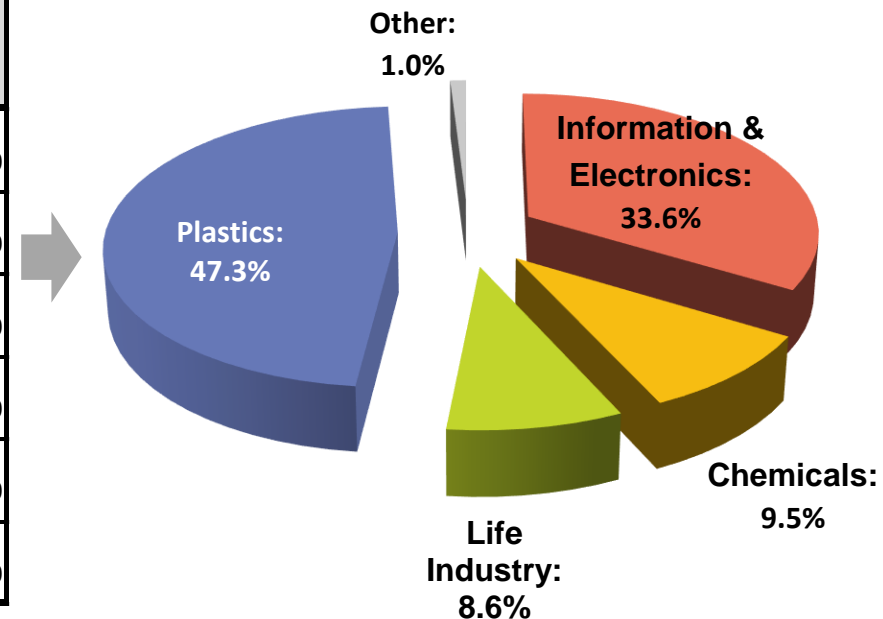
Operating Profit by Business Segment

- ✓ Operating profit fell in the Information & Electronics segment due to a decrease in encapsulant for LEDs and product mix degradation.
- ✓ Performance was generally sluggish in the Chemicals segment due in part to the impact of environmental regulations in China.

Operating profit

(Millions of yen)

	1-3Q FY03/19	1-3Q FY03/20	YoY change
Information & Electronics	3,911	3,505	-10.4%
Chemicals	1,244	988	-20.6%
Life Industry	887	898	+1.3%
Plastics	5,140	4,940	-3.9%
Other	101	102	+0.3%
Total	11,284	10,435	-7.5%

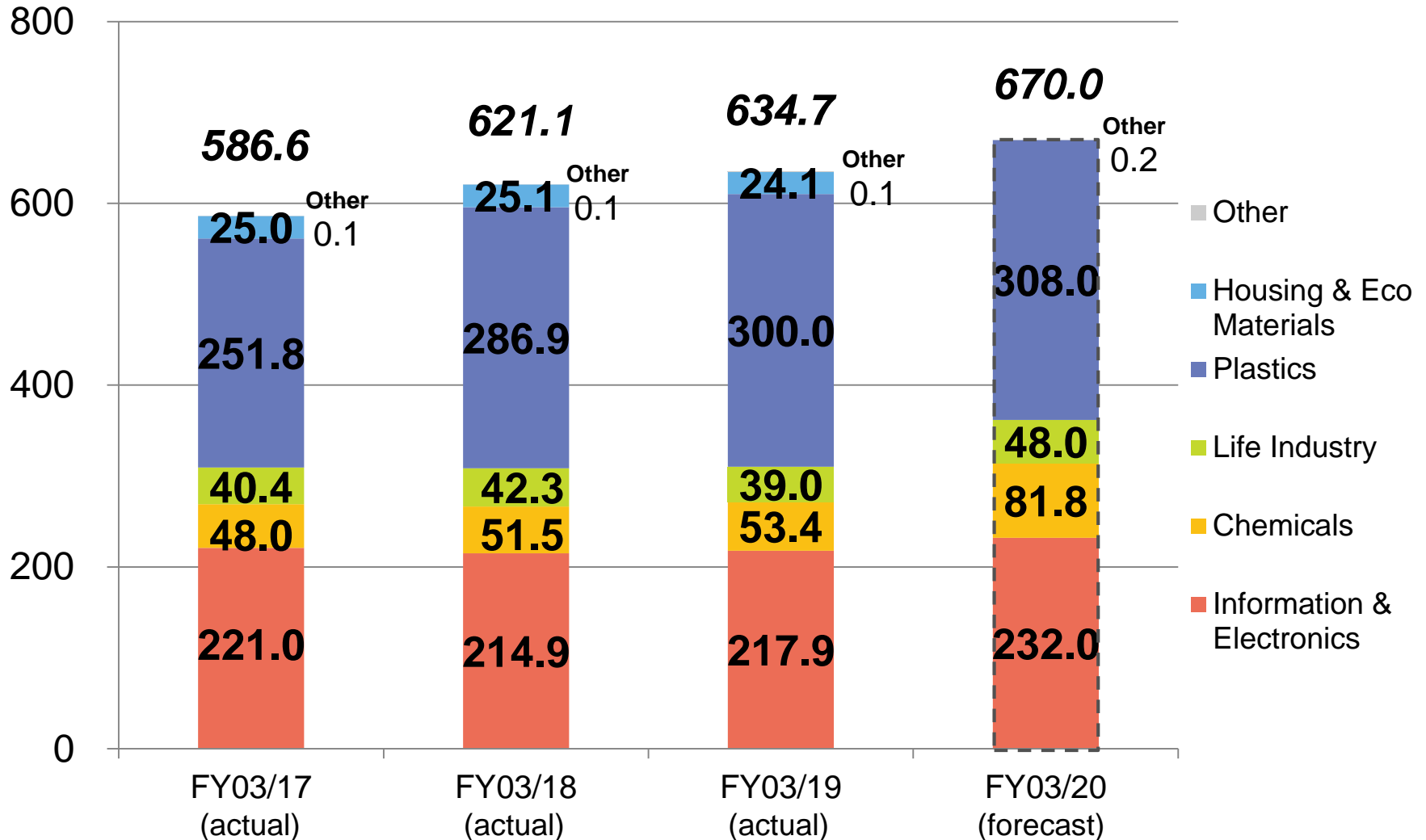


Note: The Housing & Eco Materials segment was combined with the Chemicals segment in FY03/20.

Sales Forecast by Business Segment



(Billions of yen)

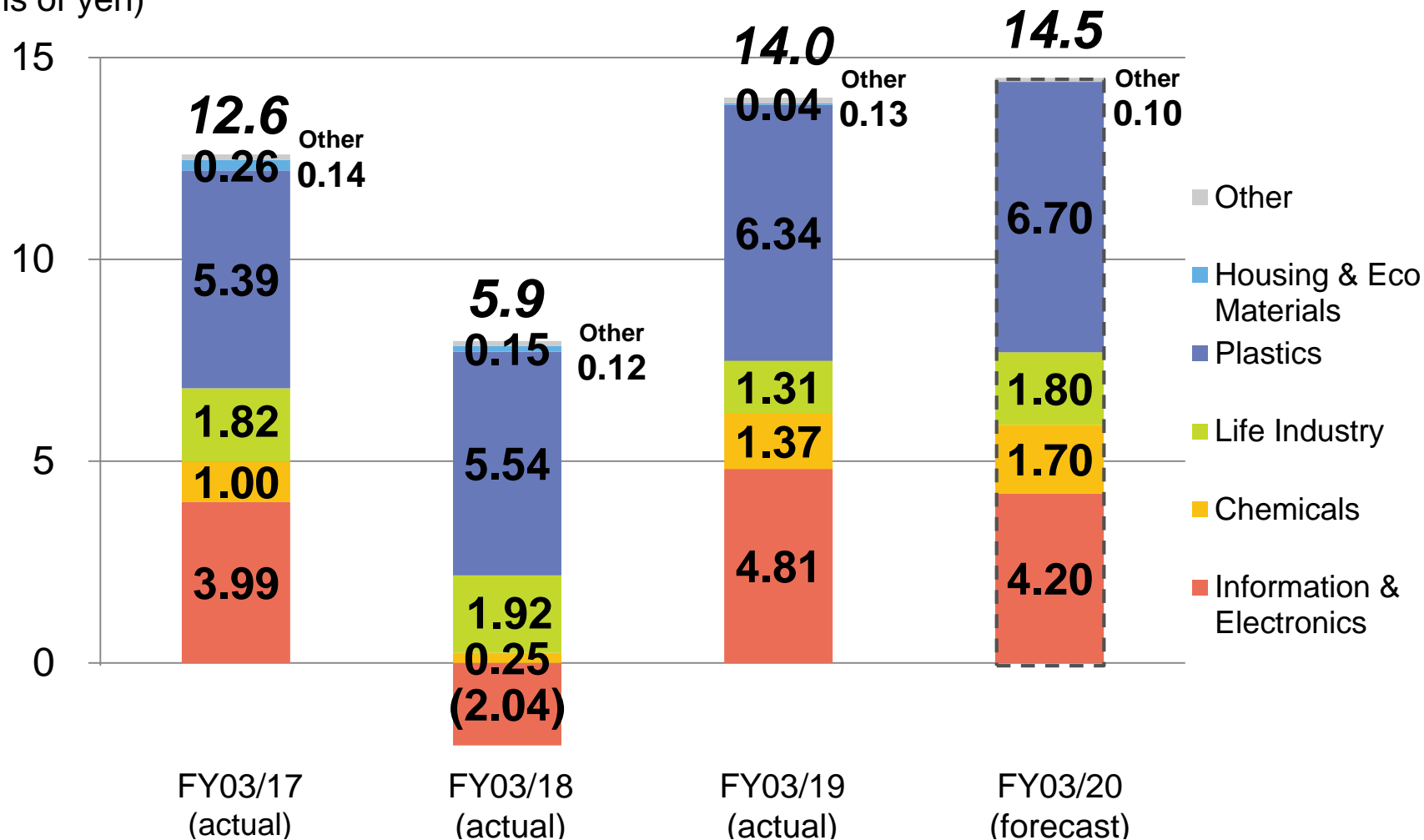


Note: The Housing & Eco Materials segment was combined with the Chemicals segment in FY03/20.

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.

Policy on returning profits to shareholders

We target a total return ratio* of approx. 30–35%.

Dividends per share:

■ FY03/20

interim ¥20

year-end ¥33 (forecast)

[Reference] Acquisition of Treasury shares

Class of shares to be acquired : Common shares

No. of shares to be acquired : 300,000 shares (upper limit)

Value of shares to be acquired : ¥600 million (upper limit)

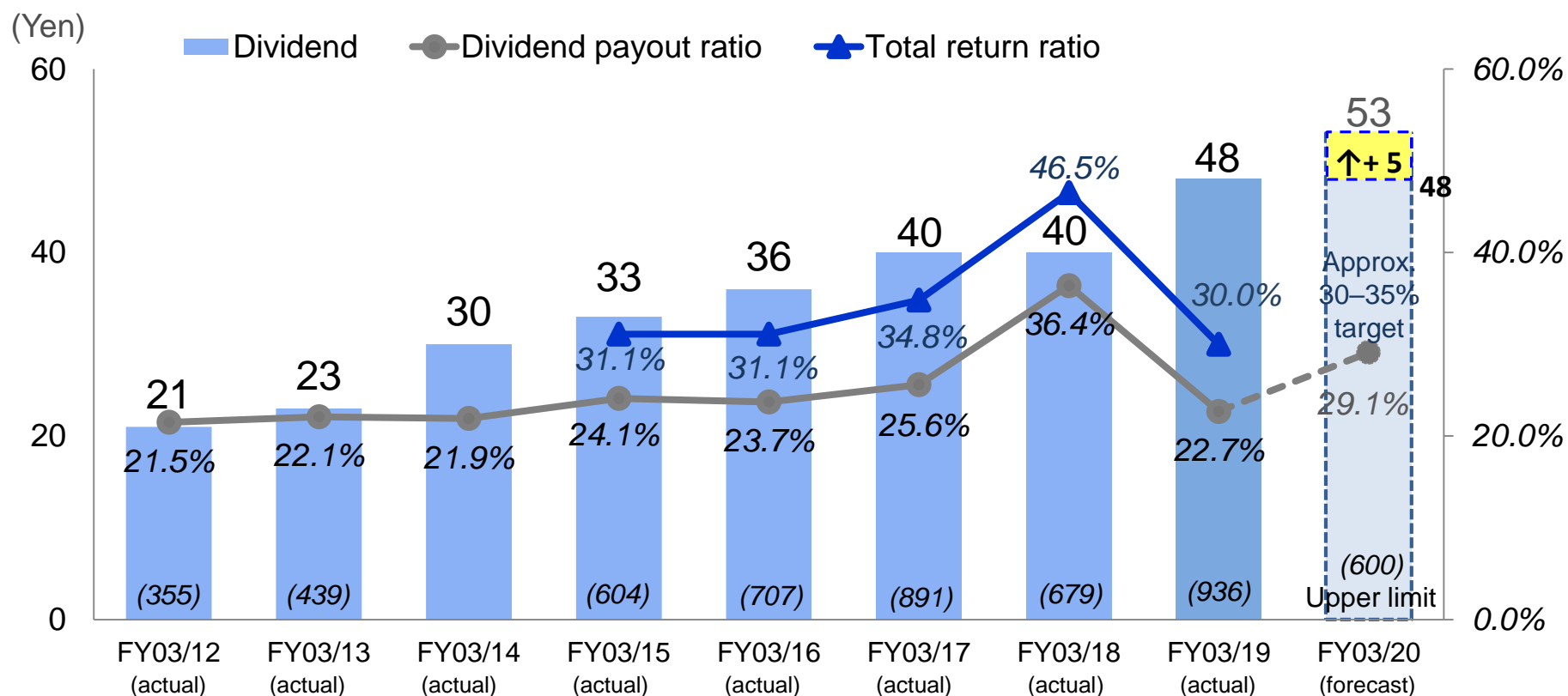
Acquisition Period : 10th Feb.–19th Mar. 2020

* Total return ratio (%) = (dividend amount + amount of treasury shares acquired) / consolidated net income x 100

Annual dividends per share and indicators of shareholder return

FY03/20 dividend forecast revised upward by ¥5 per share

(disclosed on February 7, 2020)



Note: The figures in parentheses at the bottom of the bar chart show the amount of treasury stock acquired (in millions of yen) during the period.

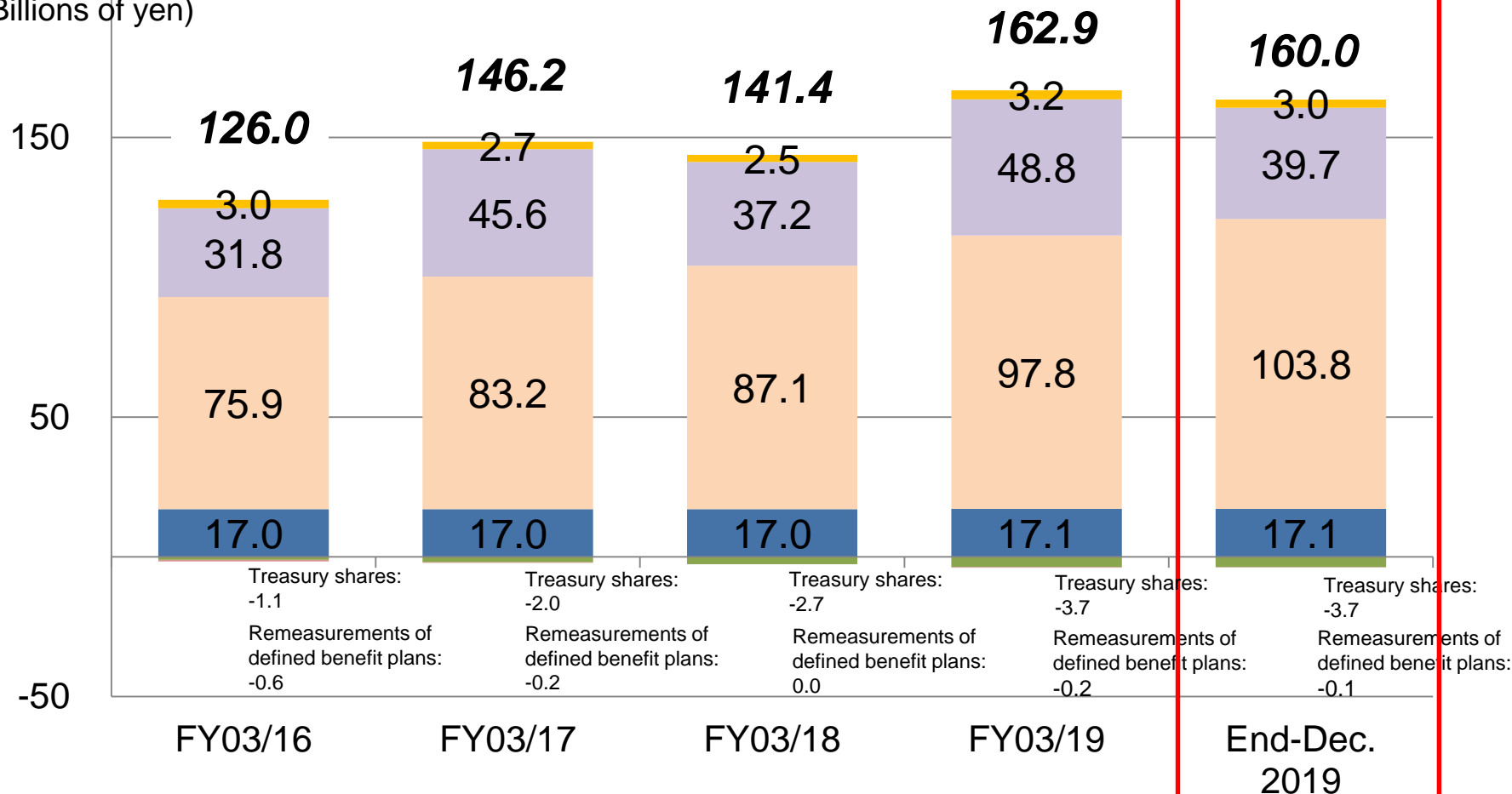
	Companies		
	Japan	Overseas	Total
Consolidated subsidiaries	7	37	44
(Of which, manufacturers)	(4)	(17)	(21)
Equity-method affiliates	4	1	5
(Of which, manufacturers)	(2)	(1)	(3)
Total	11	38	49
(Of which, manufacturers)	(6)	(18)	(24)

(Reference) Equity Capital

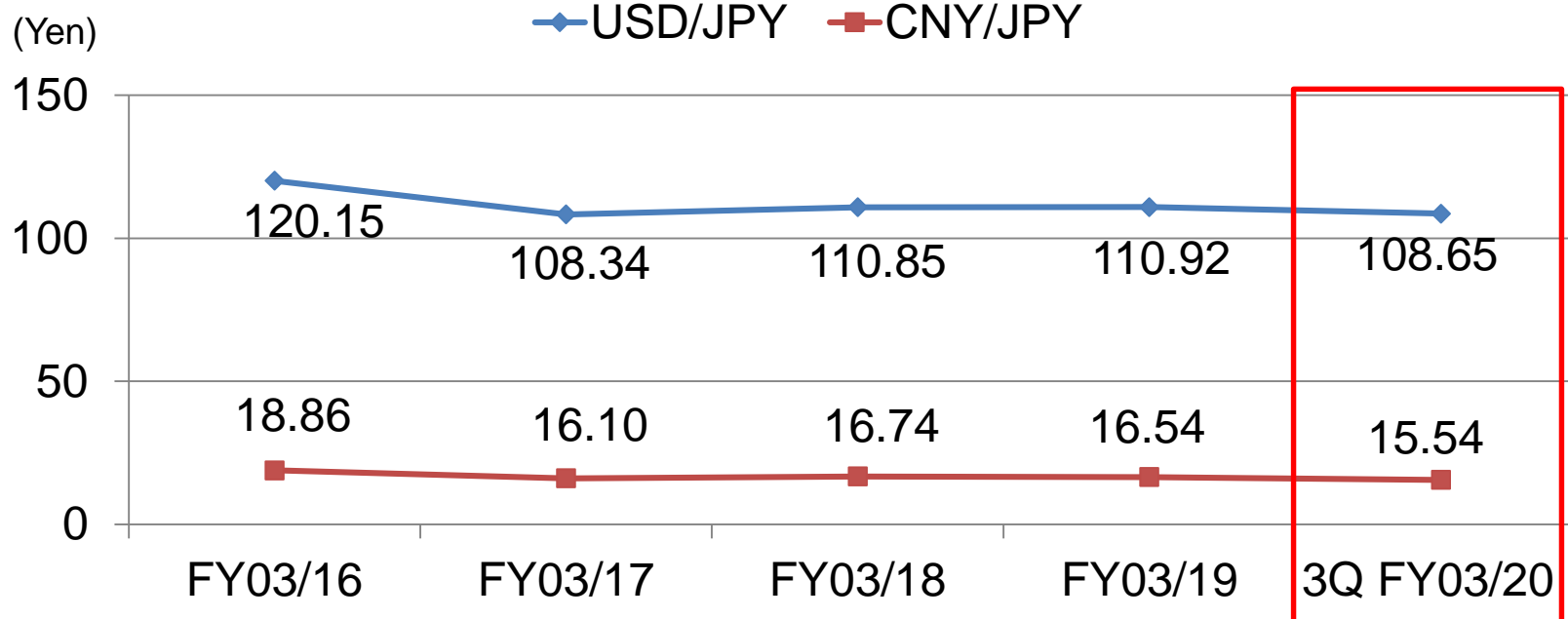
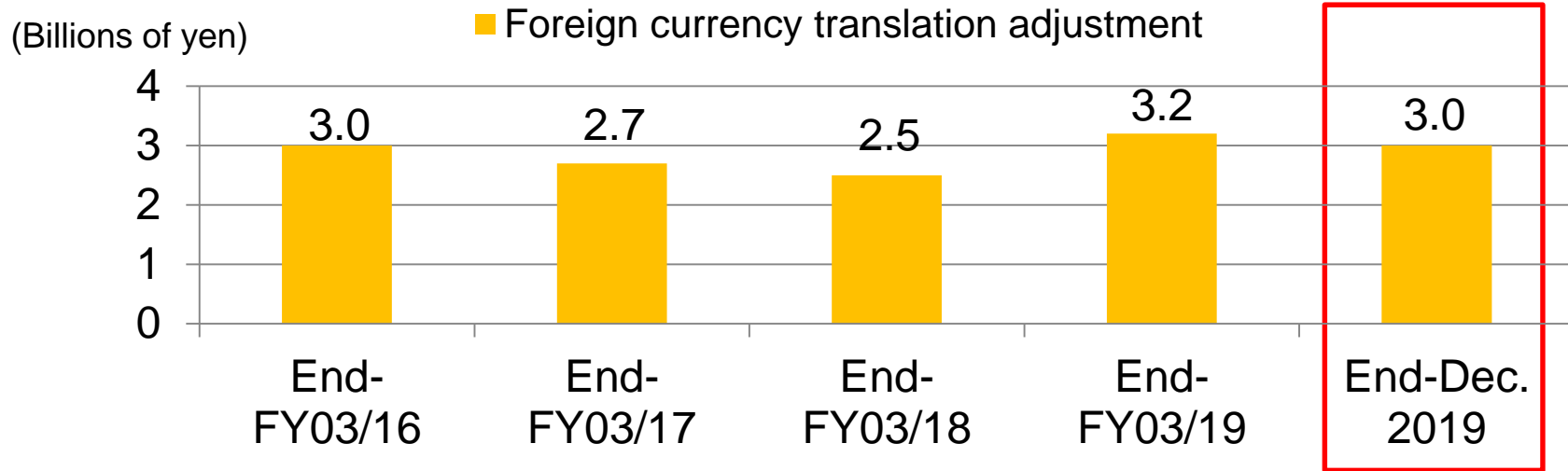


- Capital stock and capital surplus
- Treasury shares
- Deferred gains or losses on hedges
- Remeasurements of defined benefit plans
- Retained earnings
- Valuation difference on available-for-sale securities
- Foreign currency translation adjustment

(Billions of yen)



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



□ IR Inquiries

IR Department, Financial Management Office, Inabata & Co., Ltd.
Phone: +81-50-3684-4007 Fax: +81-3-3639-6410
E-mail: inabata-ir@inabata.com

◆Cautionary note regarding future estimates

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.