
IR Briefing for Q3 Fiscal Year ending March 2023

February 2023
Inabata & Co., Ltd.

Net sales: **¥561.1 billion** **+11.1% YoY**

Net sales grew backed by rising selling prices of raw materials and a weaker yen

Operating profit: **¥16.1 billion** **-1.3% YoY**

Operating profit declined due to higher SG&A expenses and sluggish performance in the Information & Electronics and Life Industry segments

Ordinary profit: **¥15.3 billion** **-13.7% YoY**

Ordinary profit fell, largely due to increases in non-operating expenses

Profit attributable to owners of parent: **¥15.3 billion** **-16.0% YoY**

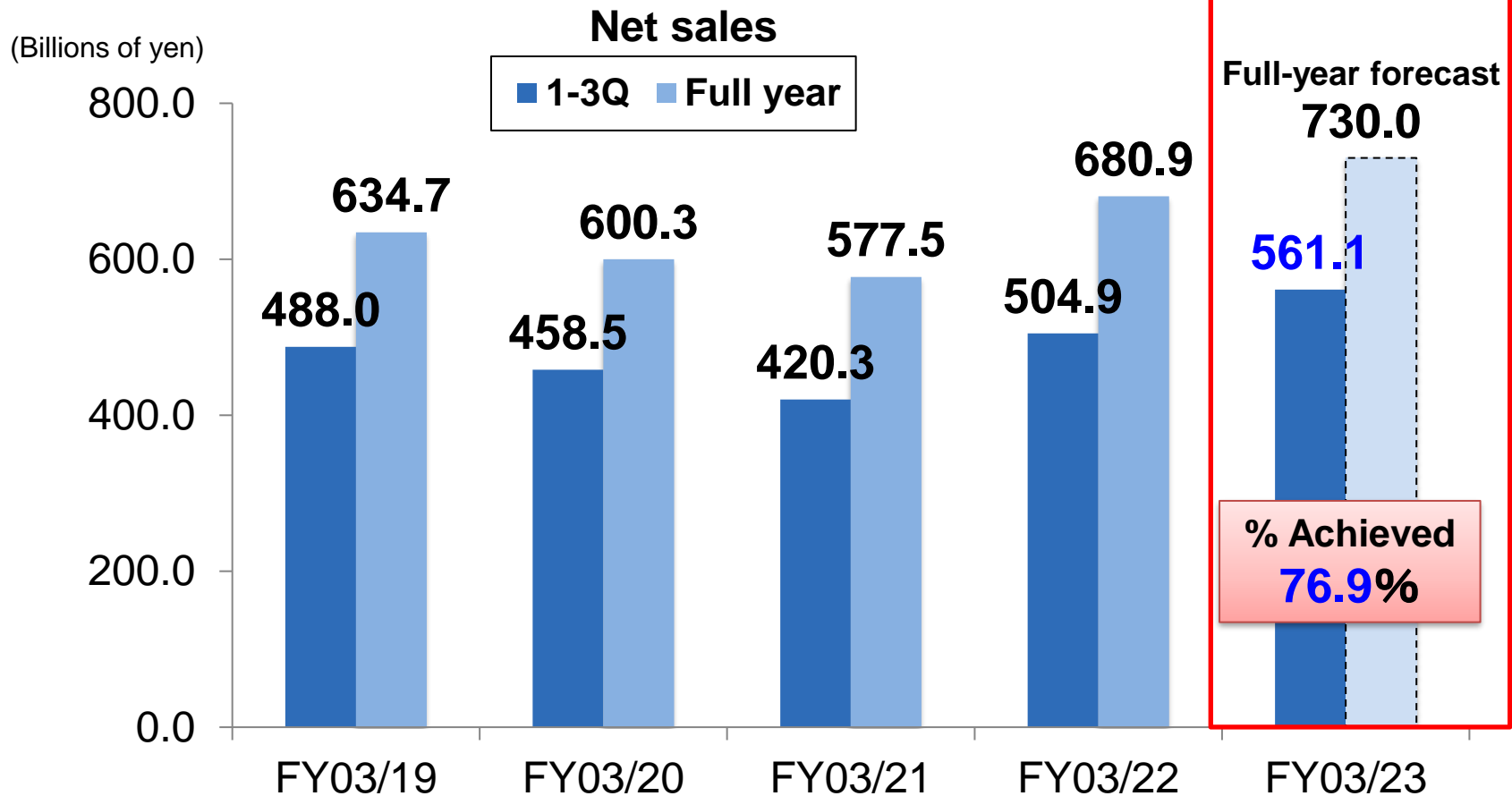
Profit attributable to owners of parent declined due to decreases in ordinary profit and gain on sales of investment securities

Consolidated Results Review—Q3 FY03/2023

(Billions of yen)

	Q3 FY03/22	Q3 FY03/23 (A)	YoY change		FY03/23 Forecast (B)	Achievement rate (A)/(B)
			Amount	%		
Net sales	504.9	561.1	+56.1	+11.1%	730.0	76.9%
Operating profit	16.3	16.1	-0.2	-1.3%	19.5	82.7%
Ordinary profit	17.8	15.3	-2.4	-13.7%	20.5	75.1%
Profit attributable to owners of parent	18.2	15.3	-2.9	-16.0%	20.5	74.9%
Exchange rate (USD/JPY)	111.14	136.49	+25.35		140.00	

Trend in Net Sales



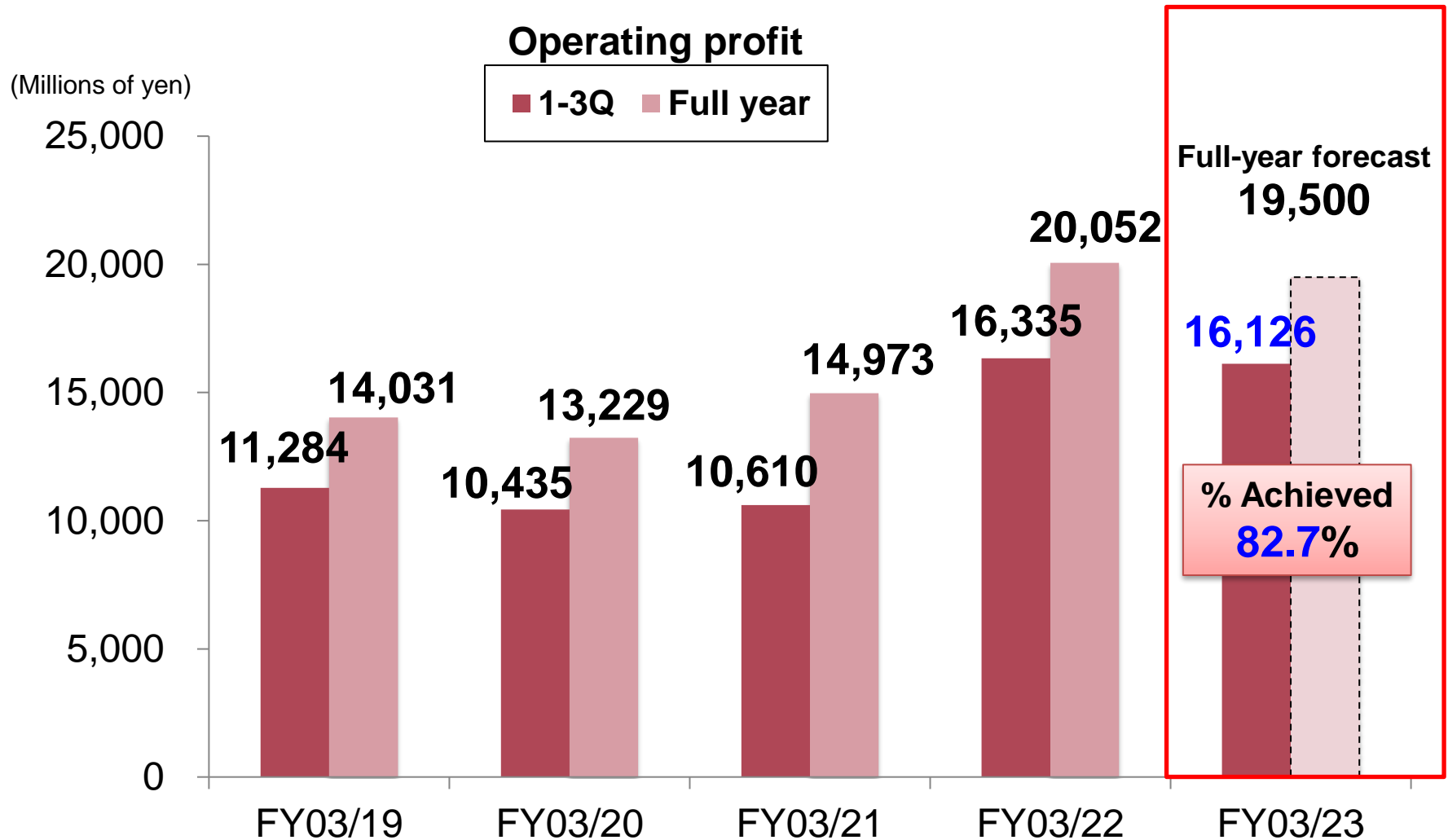
(Reference)

		FY03/19	FY03/20	FY03/21	FY03/22	FY03/23
Exchange rate: USD/JPY	1-3Q	111.14	108.65	106.11	111.14	136.49
	Full year	110.92	108.70	106.10	112.39	*Note 140.00

* Inabata has adopted Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) effective from Q1 FY03/22

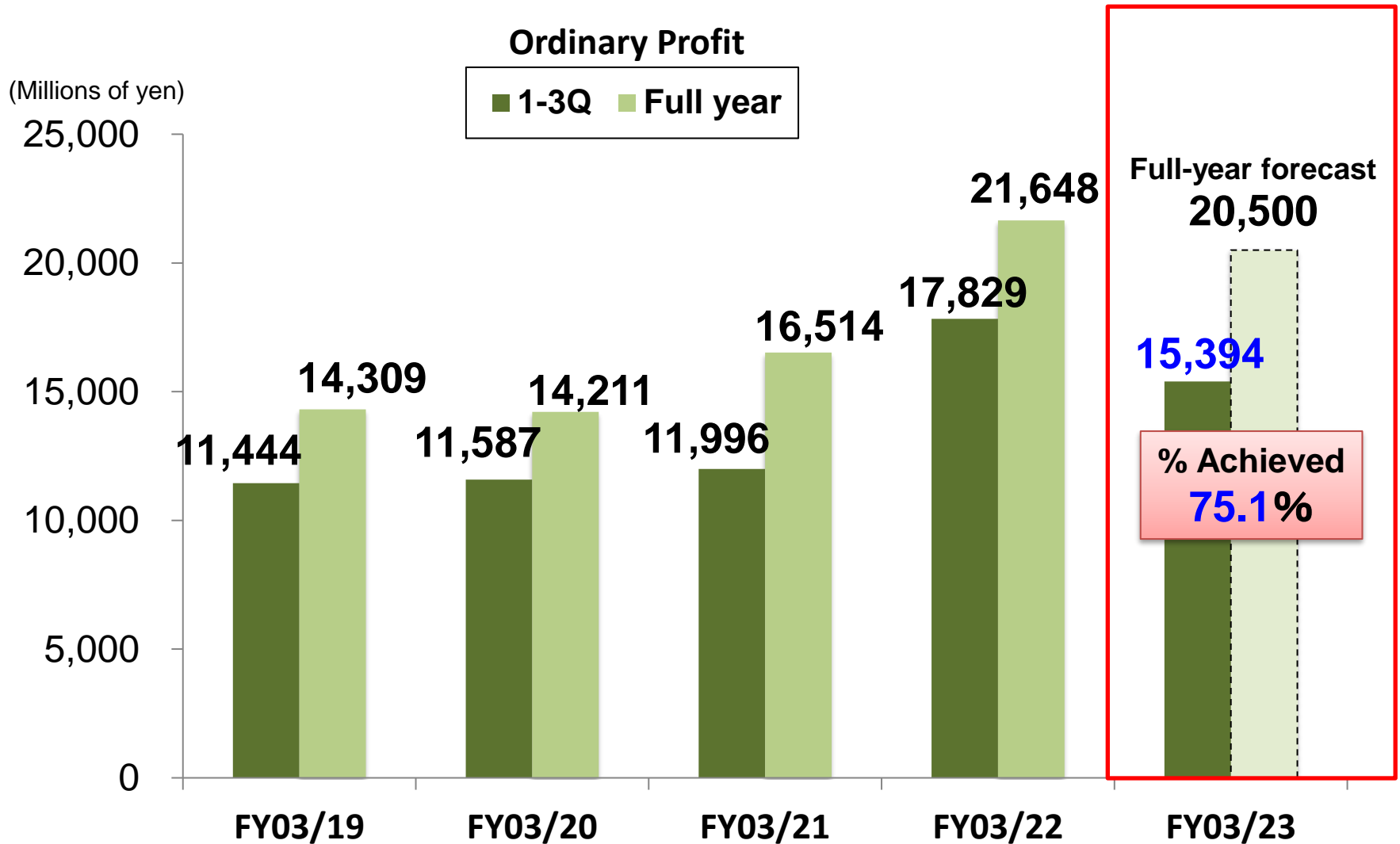
Note: Estimation at time of release

Trend in Operating Profit

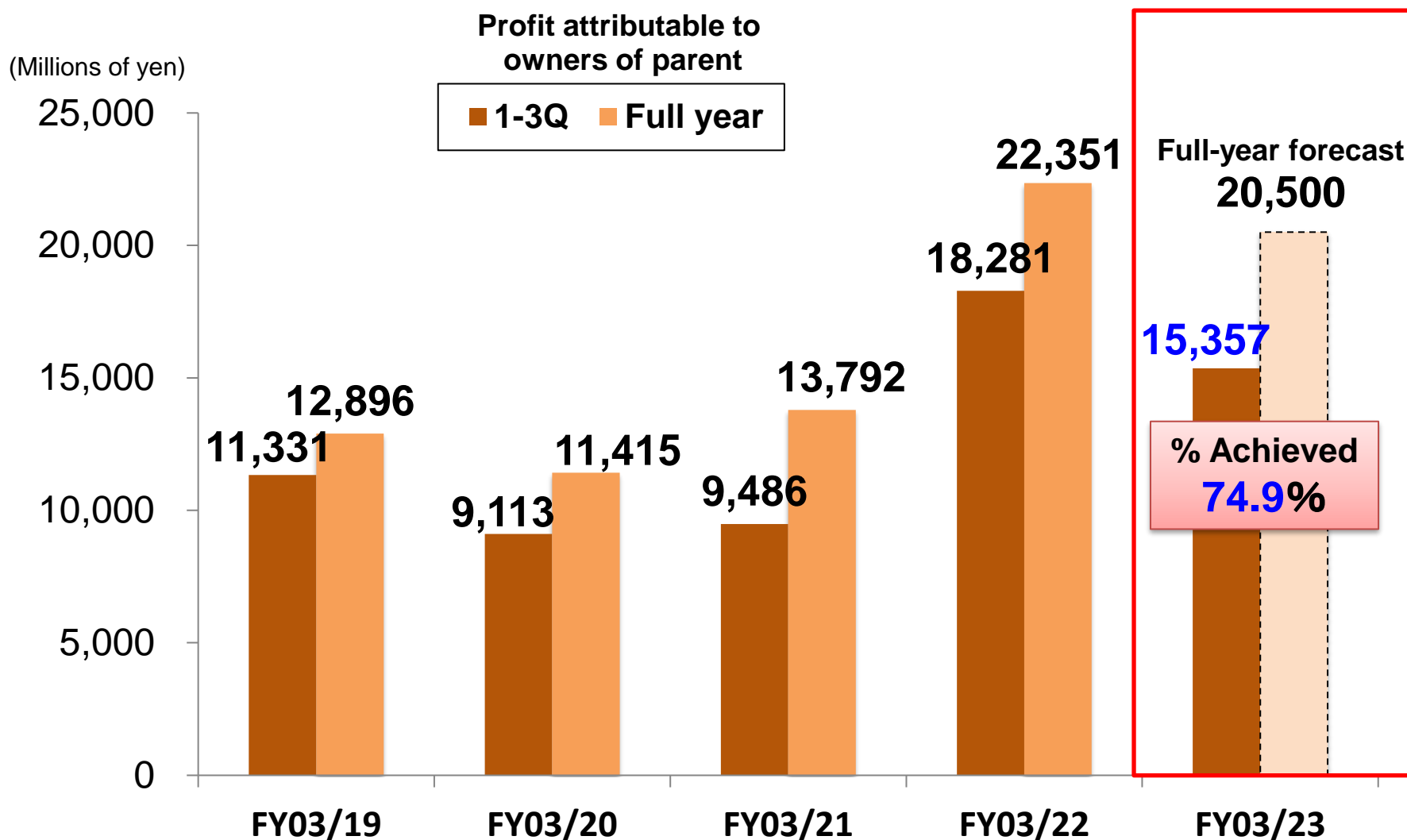


Notes: Recorded ¥0.75 billion in reversal of allowance for doubtful accounts at a European subsidiary in FY03/21

Trend in Ordinary Profit



Trend in Profit Attributable to Owners of Parent



Note: Recording of gain on sales of investment securities:

¥5.11 billion in FY03/19, ¥3.03 billion in FY03/20, ¥2.98 billion in FY03/21, ¥8.97 billion in FY03/22

¥5.09 billion in Q3 FY03/19, ¥1.79 billion in Q3 FY03/20, ¥1.49 billion in Q3 FY03/21, ¥7.13 billion in Q3 FY03/22, and ¥6.42 billion in Q3 FY03/23

Balance Sheet



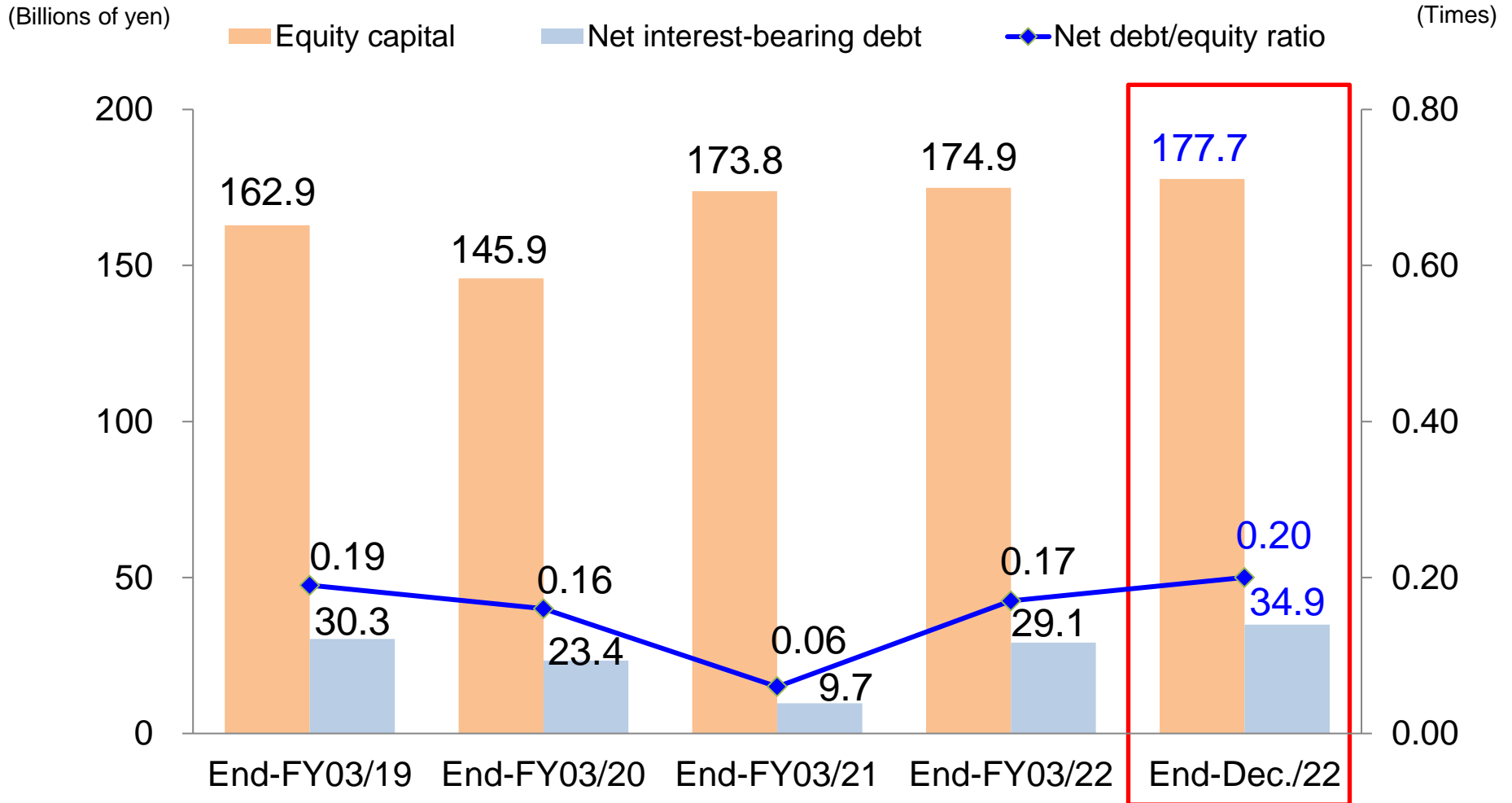
- Borrowings rose due in part to an increase in inventories
- Investment securities declined due to a drop in market value and sales of shareholdings

(Billions of yen)

Assets				Liabilities and net assets			
	End-FY03/22	End-Dec. 2022	Change		End-FY03/22	End-Dec. 2022	Change
Cash and deposits	35.4	35.9	+0.5	Notes and accounts payable - trade	115.9	109.8	-6.1
Notes and accounts receivable - trade	184.6	186.8	+2.1	Short-term loans payable	58.6	66.4	+7.7
Inventories	79.0	87.5	+8.5	Other current liabilities	18.5	18.5	+0.0
Other current assets	12.3	14.7	+2.4	Long-term loans payable	5.8	4.4	-1.3
Property, plant and equipment	15.3	15.9	+0.6	Other non-current liabilities	13.0	10.5	-2.5
Intangible assets	2.6	2.3	-0.2	Shareholders' equity	139.5	145.6	+6.1
Investment securities	48.3	34.6	-13.6	Accumulated other comprehensive income	35.3	32.0	-3.2
Other fixed assets	11.2	11.6	+0.3	Non-controlling interests	1.9	1.9	-0.0
Total assets	389.0	389.6	+0.5	Total liabilities and net assets	389.0	389.6	+0.5
Current ratio	161.2%	166.8%		Equity ratio	45.0%	45.6%	

*Notes and accounts receivable–trade: ¥22.5 billion in notes receivable and ¥162.1 billion in accounts receivable at end-March 2022
 ¥27.2 billion in notes receivable and ¥159.5 billion in accounts receivable at end-December 2022

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

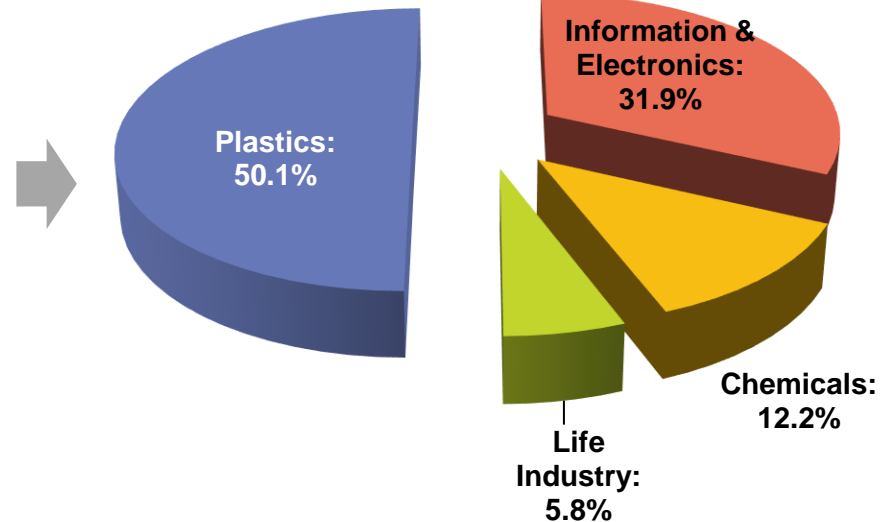
Sales by Business Segment

- ✓ Sales grew in the Plastics and Chemicals segments, owing to brisk sales, a weak yen, and a surge in raw material prices

Sales

(Billions of yen)

	1-3Q FY03/22	1-3Q FY03/23	YoY change
Information & Electronics	188.0	178.9	-4.8%
Chemicals	57.1	68.6	+20.0%
Life Industry	27.7	32.5	+17.4%
Plastics	231.8	280.8	+21.1%
Other	0.1	0.1	+1.7%
Total	504.9	561.1	+11.1%



(Billions of yen)

	Information & Electronics	Chemicals	Life Industry	Plastics	Other	Total
Japan	63.9	46.7	22.3	89.8	-	222.8
Southeast Asia	14.5	8.9	0.2	126.9	-	150.6
Northeast Asia	84.5	4.9	0.7	50.5	-	140.7
Americas	9.1	4.5	7.6	10.9	-	32.2
Europe	6.8	3.4	1.6	2.5	-	14.5
Revenue arising from contracts with customers	178.9	68.6	32.5	280.8	-	561.0
Other revenue	-	-	-	-	0.1	0.1
Sales to external customers	178.9	68.6	32.5	280.8	0.1	561.1

* Revenue arising from contracts with customers are recorded based on the location of corresponding sales offices, categorized by country or region.

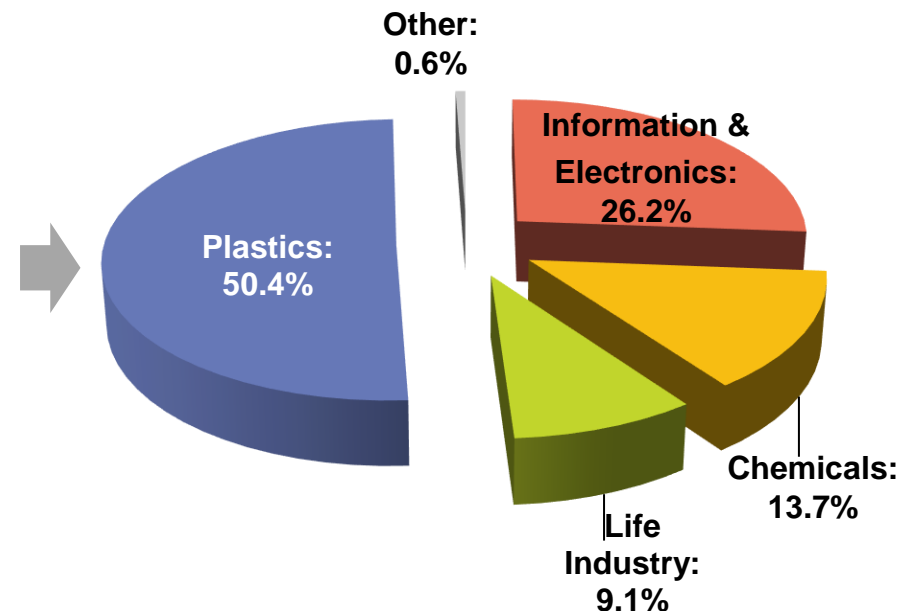
Operating Profit by Business Segment

- ✓ Profit generated through the Information & Electronics segment declined due to a decrease in sales of flat panel display-related materials and growth in SG&A expenses.
- ✓ Profit rose in the Chemicals and Plastics segments driven by sales growth
- ✓ Profit declined in the Life Industry segment, due to decreases in sales and profit margin of seafood products in the US in addition to higher SG&A expenses.

Operating profit

(Millions of yen)

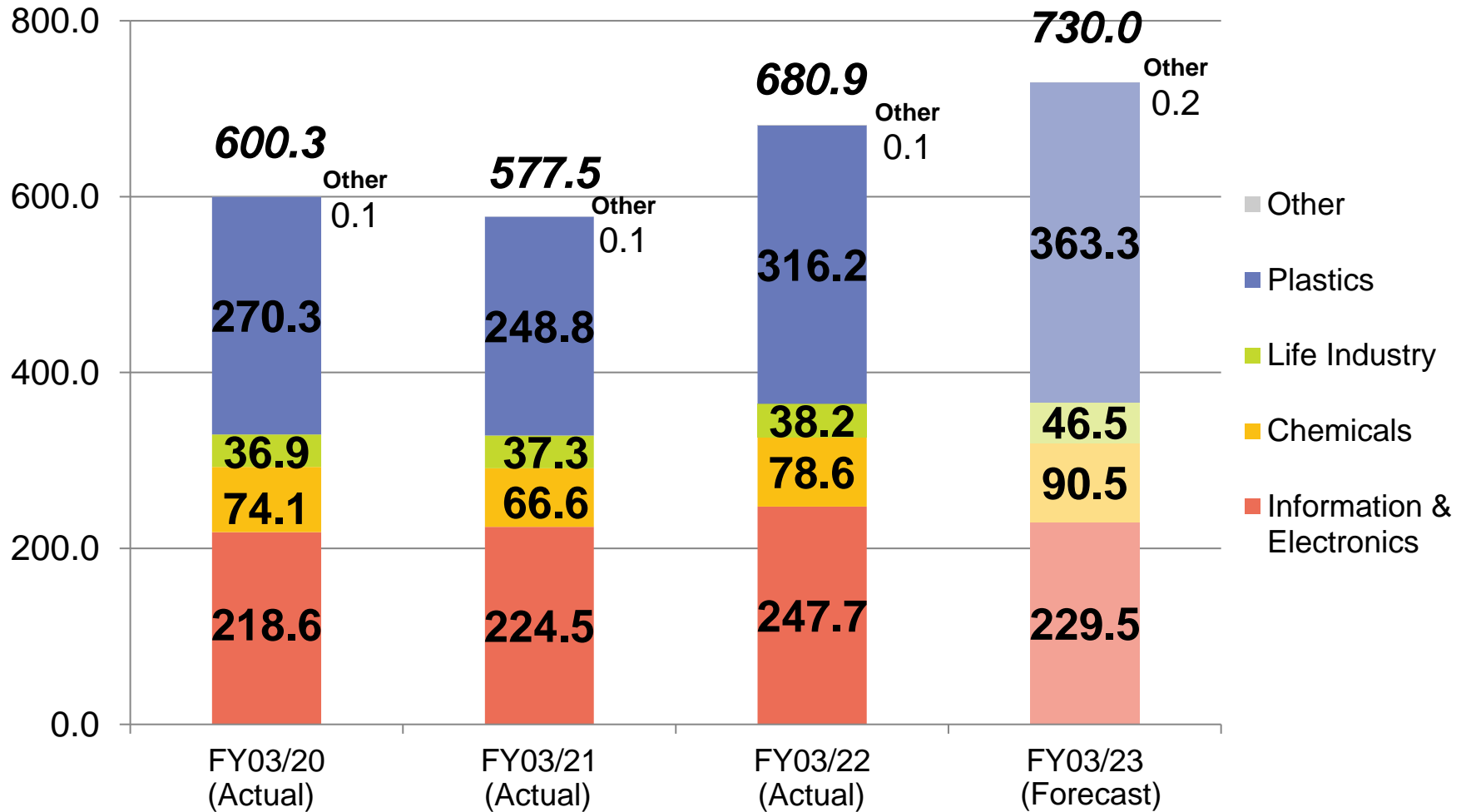
	1-3Q FY03/22	1-3Q FY03/23	YoY change
Information & Electronics	5,465	4,227	-22.7%
Chemicals	1,637	2,215	+35.3%
Life Industry	2,121	1,462	-31.1%
Plastics	7,014	8,123	+15.8%
Other	96	97	+0.8%
Total	16,335	16,126	-1.3%



Net Sales by Business Segment (Full Year)



(Billions of yen)

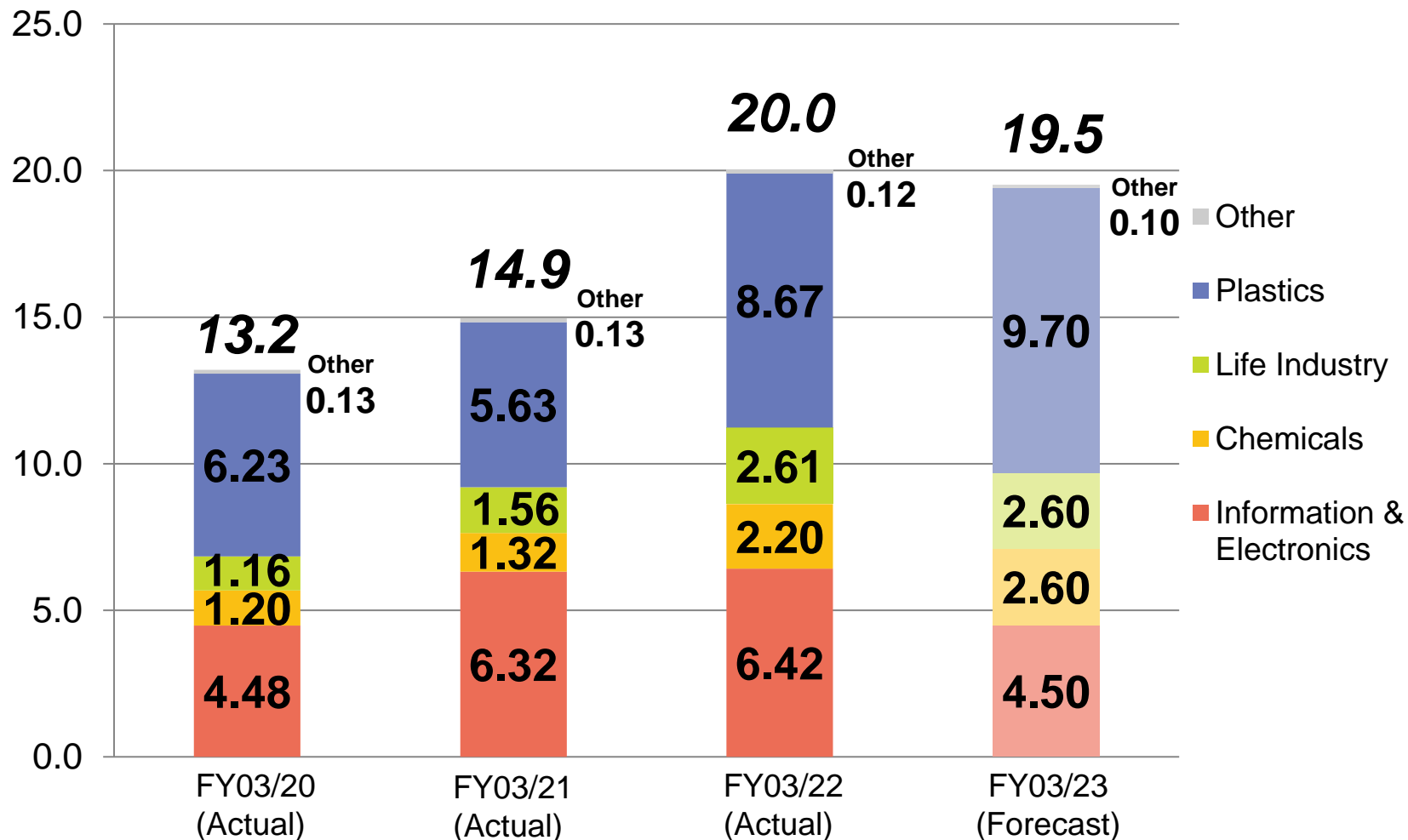


Note: Inabata has adopted Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) effective from FY03/22.

Operating Profit by Business Segment (Full Year)



(Billions of yen)



Notes: Recorded ¥0.75 billion in reversal of allowance for doubtful accounts in the Information & Electronics segment in FY03/21.

Basic Policy on Shareholder Return

During NC2023

■ Progressive dividends

We will ensure that dividend per share does not decline year on year by continually increasing our dividends

■ Target total return ratio of around 50%

However, in fiscal years when the Company has recorded a considerable amount of cash inflows from the sale of strategically held shares, instead of being strictly bounded by the target total return ratio, the Company will return profits to shareholders after comprehensive consideration of various factors including future funding needs, financial position, stock price, and market conditions.

[Reference] Acquisition of Treasury shares

(Disclosed on Feb. 8, 2023)

Class of shares to be acquired : Common shares

No. of shares to be acquired : 1,200,000 shares (upper limit)

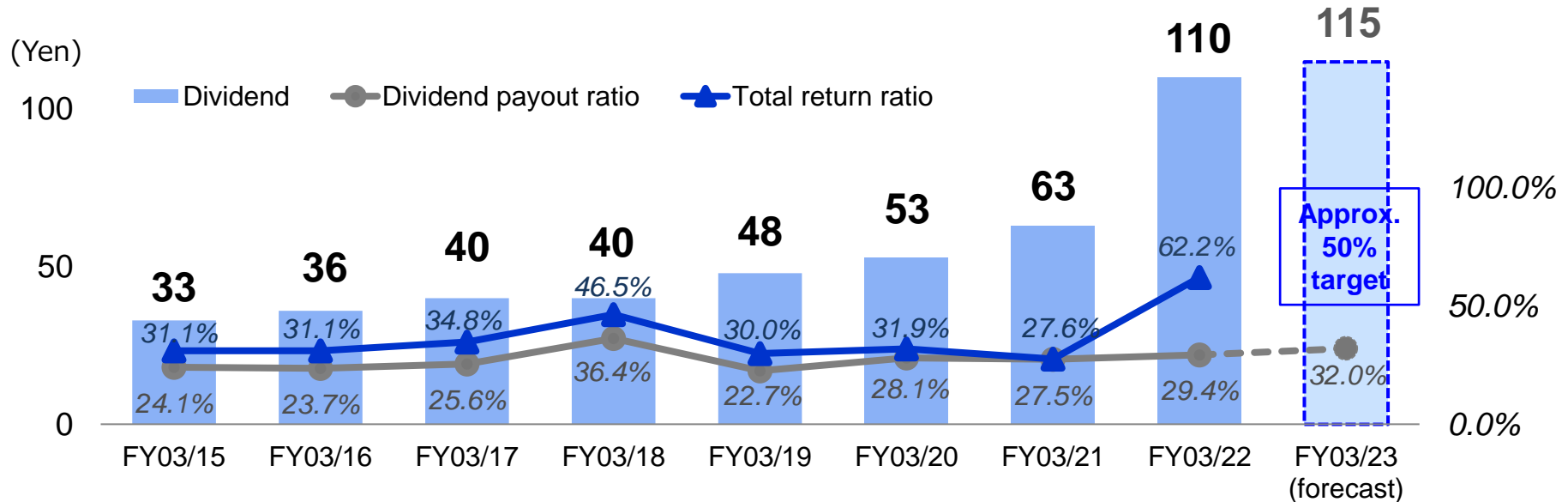
Value of shares to be acquired : ¥4,000 million (upper limit)

Acquisition Period : 10th Feb. - 31st Jul. 2023

Returning Profits to Shareholders ②



Annual dividends per share and indicators of shareholder return



Treasury shares	FY03/15	FY03/16	FY03/17	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23*	
Acquisition amount	604	707	891	679	936	425	-	7,499	1,478	(Millions of yen)
No. of shares acquired	600	600	600	400	600	300	-	3,085	600	(Thousands of shares)
No. of shares cancelled	1,660	-	-	-	-	-	-	2,700	3,685	(Thousands of shares)

* Amounts current as of December 31, 2022

Note: February 8, 2023 disclosure

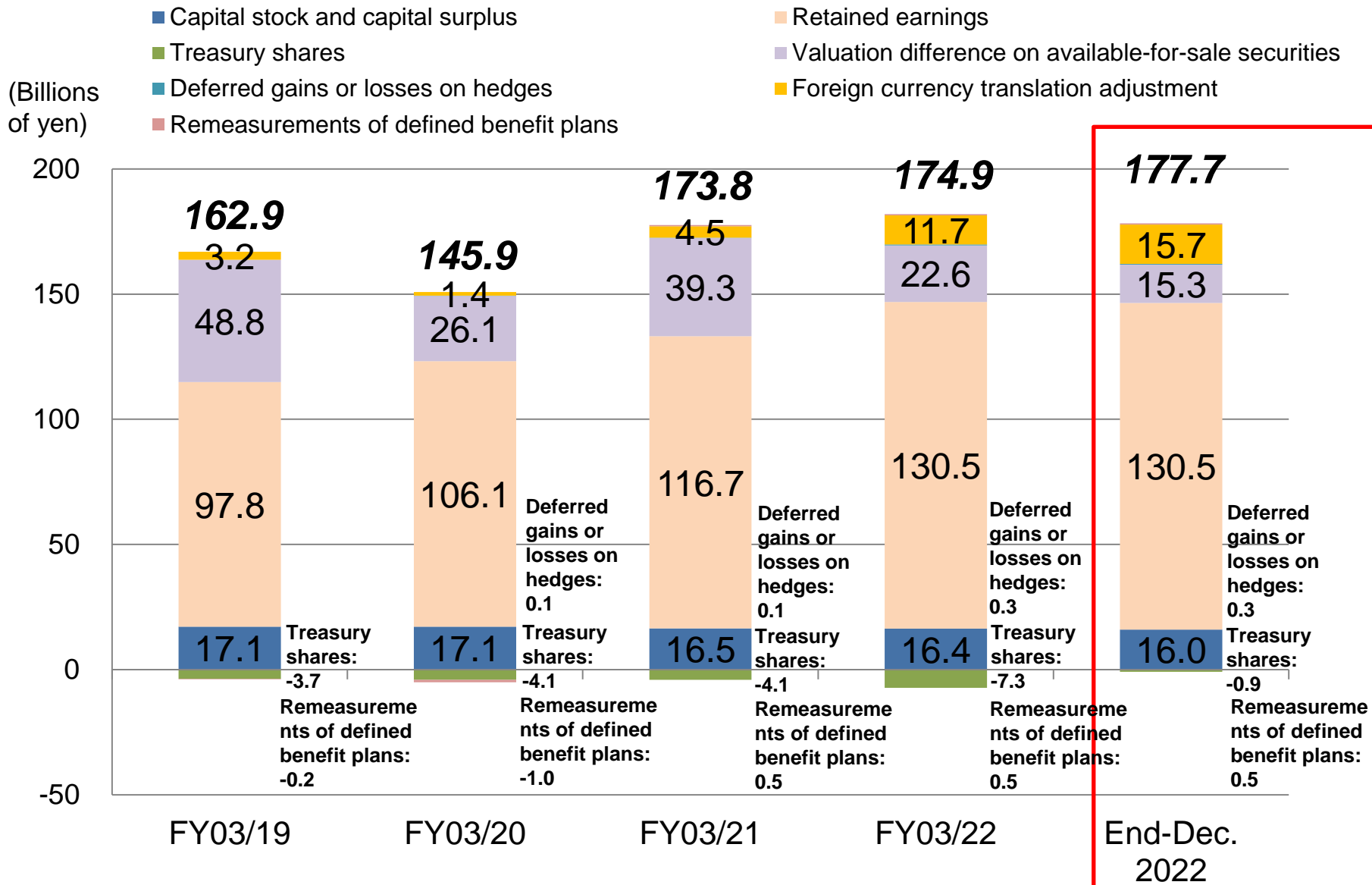
Acquisition of treasury shares up to 1,200,000 shares for maximum purchase price of ¥4 billion, between February 10–July 31, 2023

Consolidated Subsidiaries

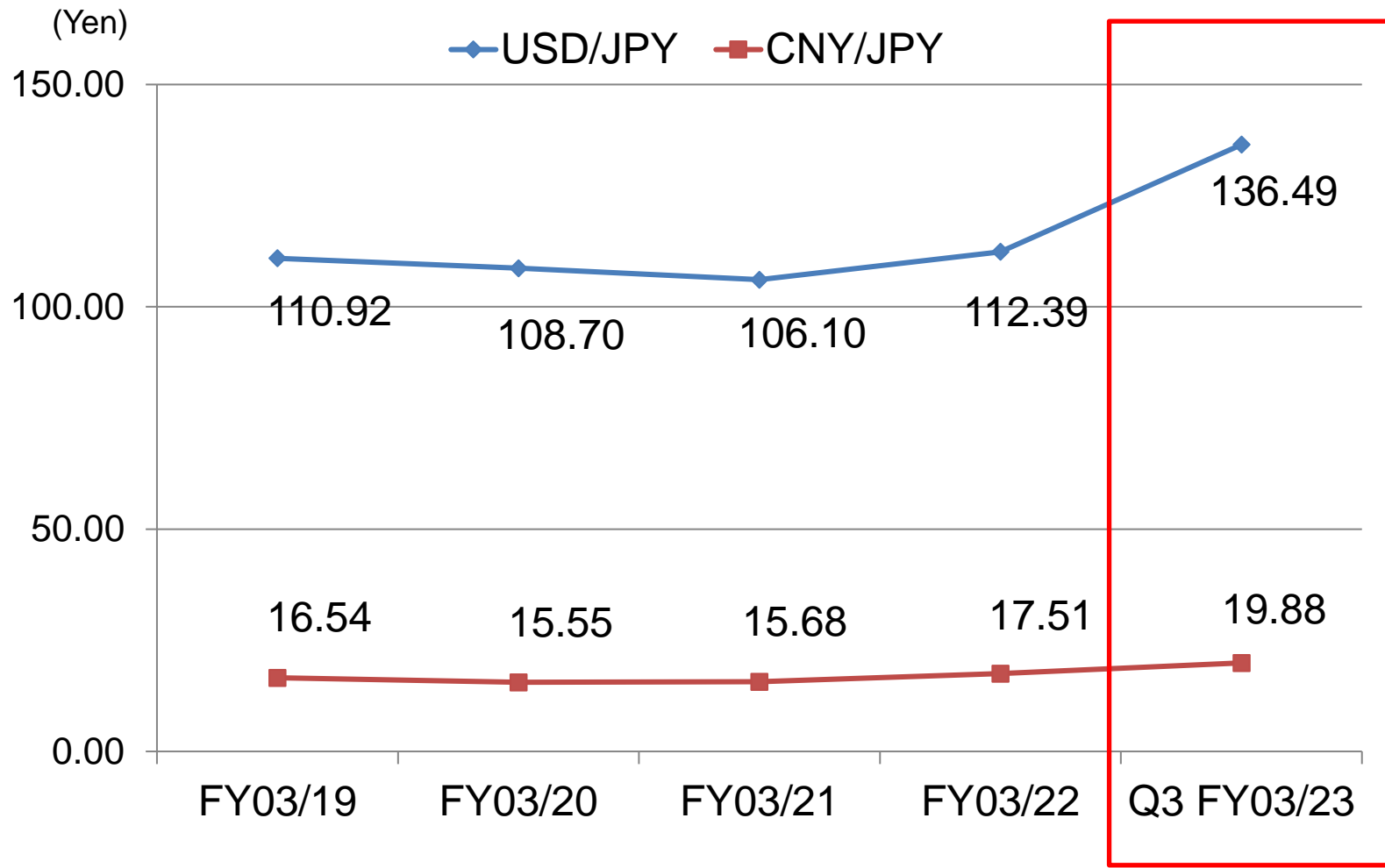


	Companies		
	Japan	Overseas	Total
Consolidated subsidiaries	7	36	43
(Of which, manufactures and processing companies)	(5)	(16)	(21)
Equity-method affiliates	3	1	4
(Of which, manufactures and processing companies)	(1)	(1)	(2)
Total	10	37	47
(Of which, manufactures and processing companies)	(6)	(17)	(23)

(Reference) Equity Capital



(Reference) Trends in average foreign exchange rates



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◆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.