
IR Briefing for the Fiscal Year Ended March 31, 2023 (FY03/23) (Overview)

June 5, 2023

Inabata & Co., Ltd.

Kenichi Yokota

Director and Senior Managing Executive Officer

■ Net sales and Op. profit reached record highs.

Net sales: ¥735.6 billion +8.0% YoY

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

Operating profit: ¥20.3 billion +1.3% YoY

Operating profit growth was secured despite higher SG&A expenses and a sales decline in the Information & Electronics segment.

Ordinary profit: ¥19.1 billion -11.7% YoY

Ordinary profit decreased due to higher non-operating expenses (interest payments and other expenses).

**Profit attributable to
owners of parent: ¥19.4 billion -12.9% YoY**

Profit attributable to owners of parent declined mainly due to decreases in ordinary profit.

(Billions of yen)

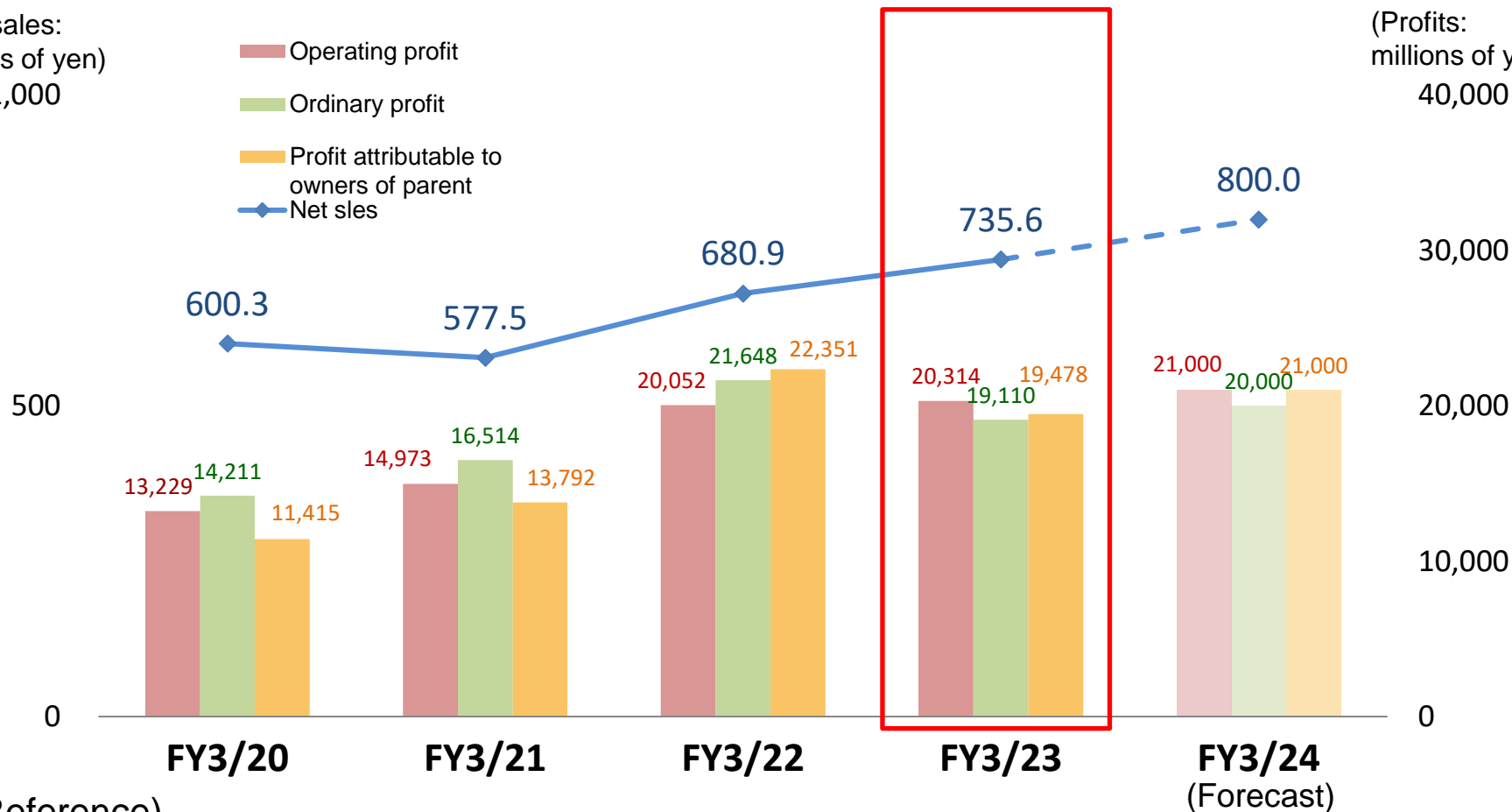
	FY03/22	FY03/23 (A)	YoY change		FY03/23 Forecast (B)	Achievement rate (A)/(B)
			Amount	%		
Net sales	680.9	735.6	+54.6	+8.0%	730.0	100.8%
Operating profit	20.0	20.3	+0.2	+1.3%	19.5	104.2%
Ordinary profit	21.6	19.1	-2.5	-11.7%	20.5	93.2%
Profit attributable to owners of parent	22.3	19.4	-2.8	-12.9%	20.5	95.0%
Exchange rate (USD/JPY)	112.39	135.50	23.11		140.00	

Operating Performance



(Net sales:
billions of yen)
1,000

(Profits:
millions of yen)
40,000



(Reference)

	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24
Exchange rate (USD/JPY)	108.70	106.10	112.39	135.50	130.00

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

Gain on sales investment securities were ¥3.03 billion in FY03/20, ¥2.98 billion in FY03/21, ¥8.97 billion in FY03/22 and ¥8.66 billion in FY03/23.

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

Balance Sheet

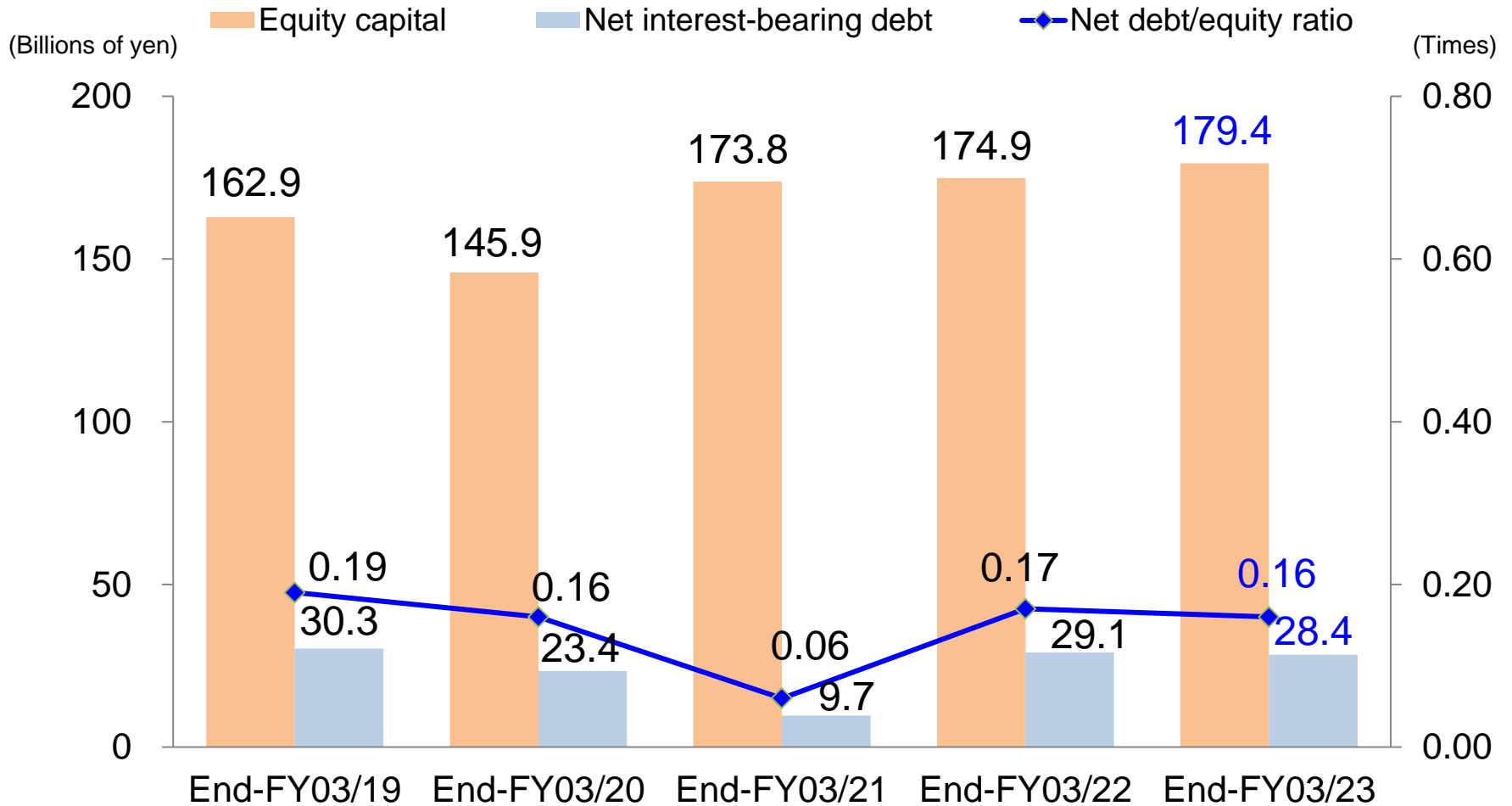


- Investment securities declined due to a drop in market value and sales of shareholdings.
- Issued unsecured straight corporate bonds (JPY7.5bn).

(Billions of yen)

Assets	End-FY03/22	End-FY03/23	Change	Liabilities and net assets	End-FY03/22	End-FY03/23	Change
Cash and deposits	35.4	36.3	+0.9	Notes and accounts payable - trade	115.9	105.7	-10.2
Notes receivable - trade	22.5	23.2	+0.6	Short-term loans payable	58.6	49.4	-9.1
Accounts receivable-trade	162.1	153.6	-8.5	Other current liabilities	18.5	18.3	-0.2
Inventories	79.0	88.8	+9.8	Bonds payable	-	7.5	+7.5
Other current assets	12.3	13.2	+0.9	Long-term loans payable	5.8	7.7	+1.9
Property, plant and equipment	15.3	16.6	+1.2	Other non-current liabilities	13.0	10.1	-2.9
Intangible assets	2.6	2.4	-0.2	Shareholders' equity	139.5	148.5	+8.9
Investment securities	48.3	32.8	-15.4	Accumulated other comprehensive income	35.3	30.9	-4.4
Other fixed assets	11.2	13.2	+1.9	Non-controlling interests	1.9	2.0	0.0
Total assets	389.0	380.4	-8.6	Total liabilities and net assets	389.0	380.4	-8.6
Current ratio	161.2%	181.7%		Equity ratio	45.0%	47.2%	

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 = (Short-term loans payable + Long-term loans payable + Bonds payable – cash and deposits) / equity capital

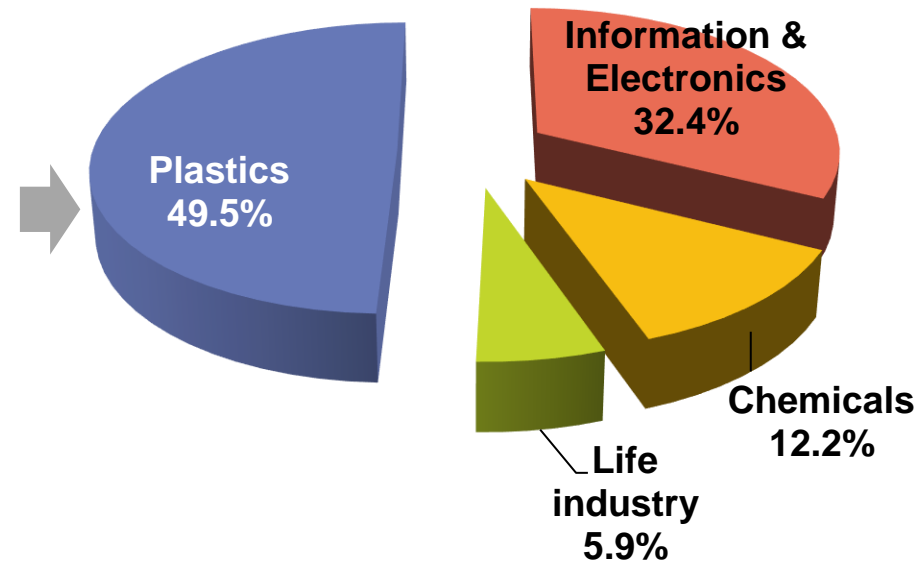
Sales by Business Segment

- Information & Electronics sales declined due to lower demand for flat panel display (FPD)-related products.
- Sales grew in the Plastics and Chemicals segments, owing partly to a weak yen and a surge in raw material prices.

Sales

(Billions of yen)

	FY03/22	FY03/23	YoY change
Information & Electronics	247.7	238.0	-3.9%
Chemicals	78.6	89.8	+14.2%
Life Industry	38.2	43.6	+14.3%
Plastics	316.2	363.9	+15.1%
Other	0.1	0.1	+2.2%
Total	680.9	735.6	+8.0%



(Billions of yen)

	Information & Electronics	Chemicals	Life Industry	Plastics	Other	Total
Japan	86.1	61.4	29.8	119.3	-	296.7
Southeast Asia	19.1	11.9	0.3	164.5	-	195.9
Northeast Asia	111.6	5.8	1.1	62.3	-	181.0
Americas	11.4	5.8	10.0	14.3	-	41.7
Europe	9.6	4.7	2.2	3.3	-	19.9
Revenue arising from contracts with customers	238.0	89.8	43.6	363.9	-	735.4
Other revenue	-	-	-	-	0.1	0.1
Sales to external customers	238.0	89.8	43.6	363.9	0.1	735.6

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

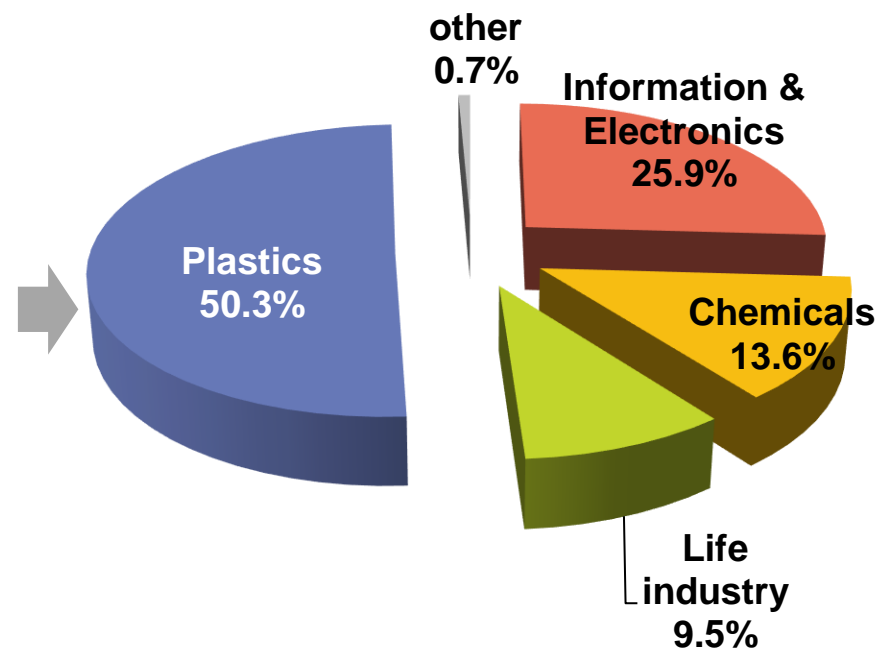
Operating Profit by Business Segment

- Profit generated through the Information & Electronics segment declined due to a decrease in sales of flat panel display-related materials and an increase in SG&A expenses.
- Profit generated through the Chemicals segment increased due to firm business performance and higher sales prices.
- Profit declined in the Life Industry segment due to an increase in SG&A expenses in addition to a decline in the profit margin of seafood products in the US.
- Profit in the Plastics segment increased mainly due to a weak yen and higher selling prices.

Operating profit

(Millions of yen)

	FY03/22	FY03/23	YoY change
Information & Electronics	6,422	5,269	△18.0%
Chemicals	2,207	2,770	+25.5%
Life Industry	2,618	1,936	△26.0%
Plastics	8,677	10,205	+17.6%
Other	127	131	+3.6%
Total	20,052	20,314	+1.3%



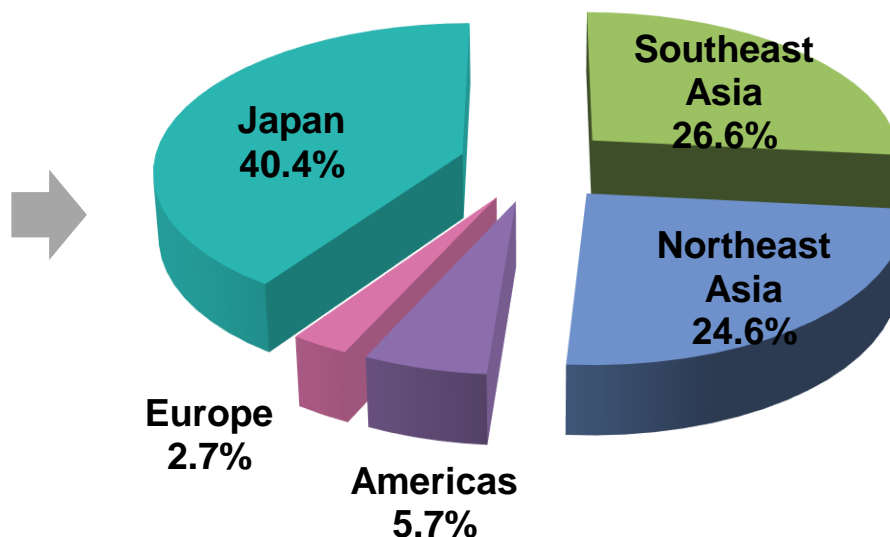
Sales by Region

- Sales in Southeast Asia and the Americas rose mainly on the weak yen, while sales in Europe increased due to strong business in energy-related businesses and sales of ingredients for pharmaceuticals.
- In Northeast Asia, sales decreased due to a decline in the Information & Electronics segment.

Sales

(Billions of yen)

	FY03/22	FY03/23	YoY change
Southeast Asia	161.7	195.9	+21.1%
Northeast Asia	191.2	181.0	-5.4%
Americas	34.7	41.7	+20.3%
Europe	12.6	19.9	+57.6%
Japan	280.5	296.9	+5.8%
Total	680.9	735.6	+8.0%
(Overseas ratio)	(58.8%)	(59.6%)	(+0.8%)



Note: Sales in the Japan segment include exports (¥46.2 billion in FY03/23).

Including this amount, the percentage of overseas sales was 64.6% in FY03/22 and 64.3% in FY03/23.

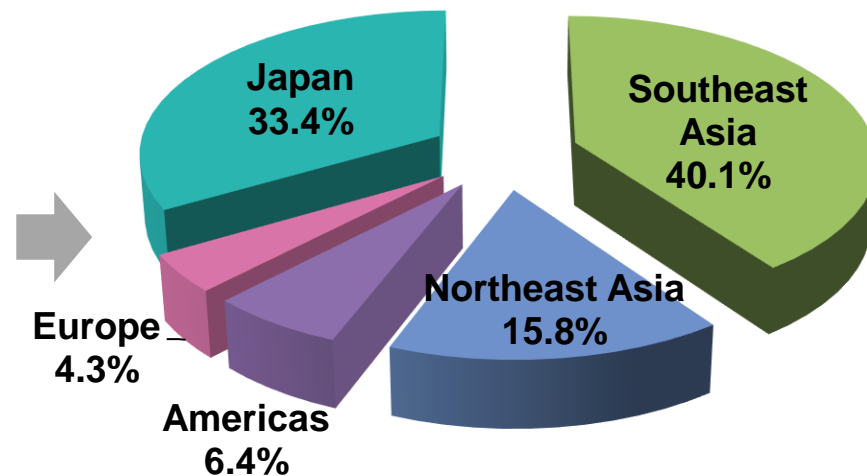
Operating Profit by Region

- Southeast Asia Operating profit increased mainly due to the weak yen and higher sales prices.
- Northeast Asia Profit declined due to a decrease in sales of flat panel display-related materials.
- Japan Operating profit declined due to an increase in SG&A expenses and lower sales of FPD-related products.

Operating profit

(Millions of yen)

	FY03/22	FY03/23	YoY change
Southeast Asia	6,268	8,017	+27.9%
Northeast Asia	3,774	3,164	-16.1%
Americas	1,445	1,276	-11.7%
Europe	527	848	+60.8%
Japan	7,924	6,668	-15.8%
Subtotal	19,939	19,975	+0.2%
Elimination or corporate	112	338	
Total	20,052	20,314	+1.3%
(Overseas ratio)	(60.3%)	(66.6%)	(+6.4%)

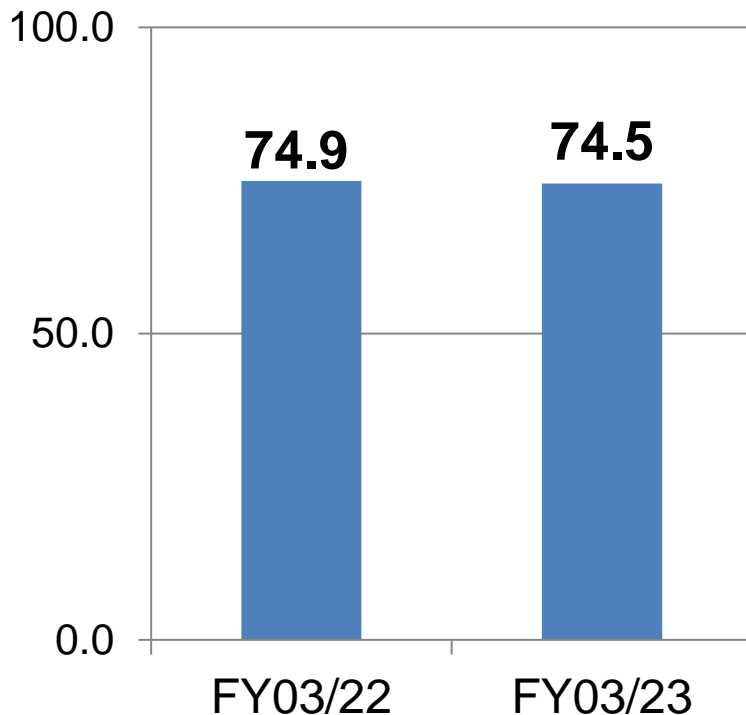


Sales and Operating Profit in the Manufacturing Sector

- Operating profit decreased mainly due to higher costs in the compound business and film-related domestic group companies.

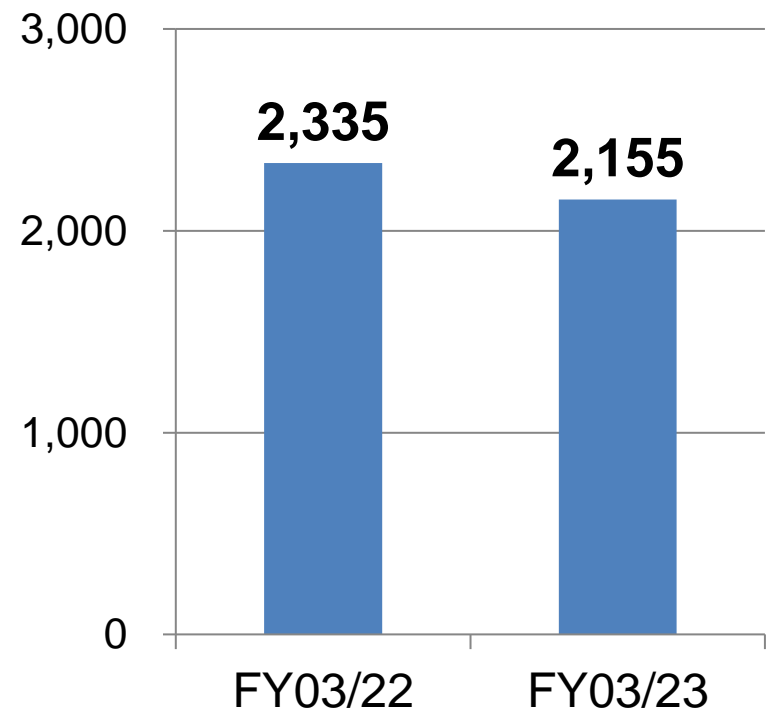
Sales

(Billions of yen)



Operating profit

(Millions of yen)

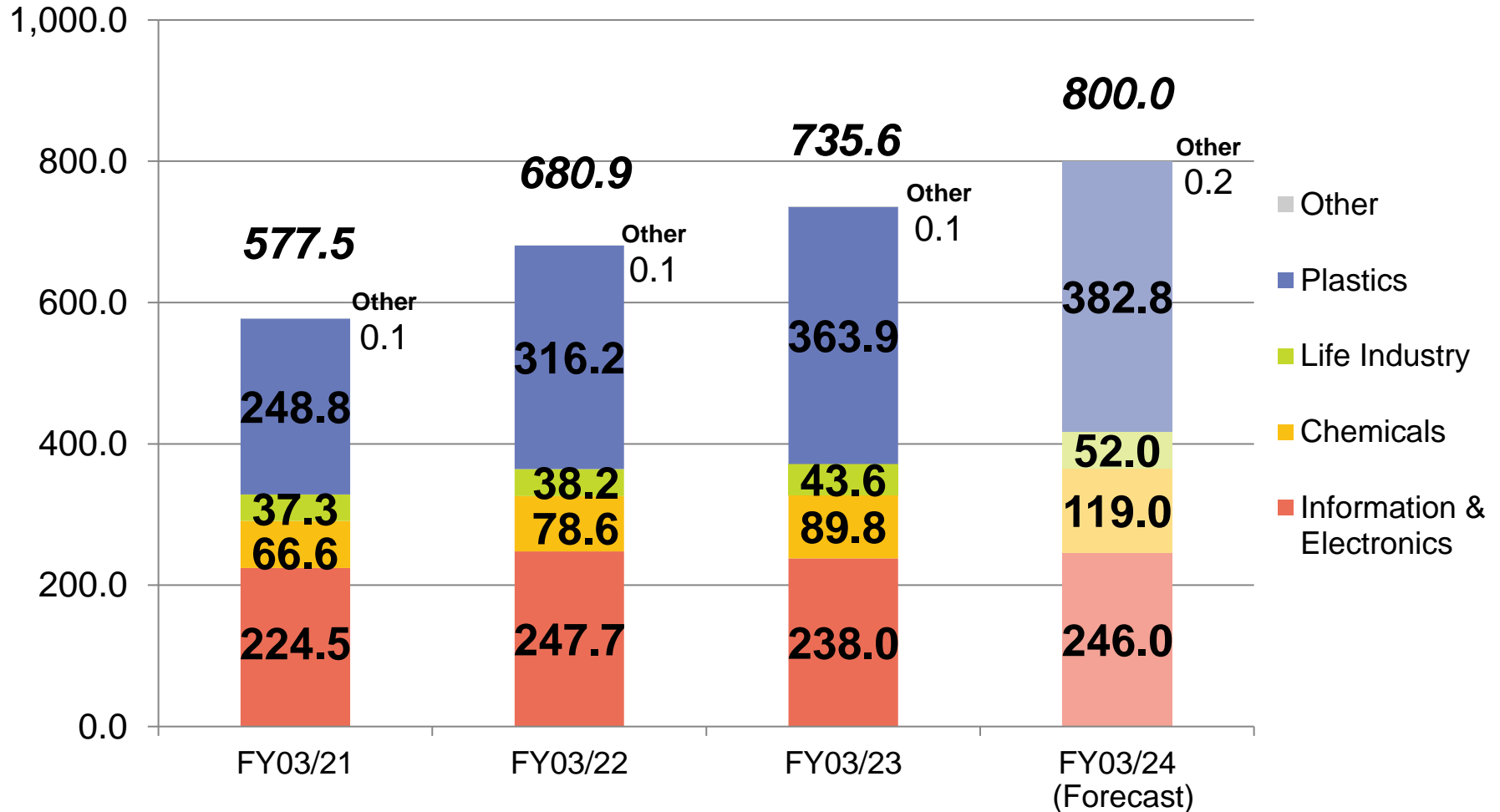


Note: Results for FY03/22 have been converted at the exchange rate for FY03/23 (USD1=JPY135.50).

Net Sales by Business Segment (Full Year)



(Billions of yen)

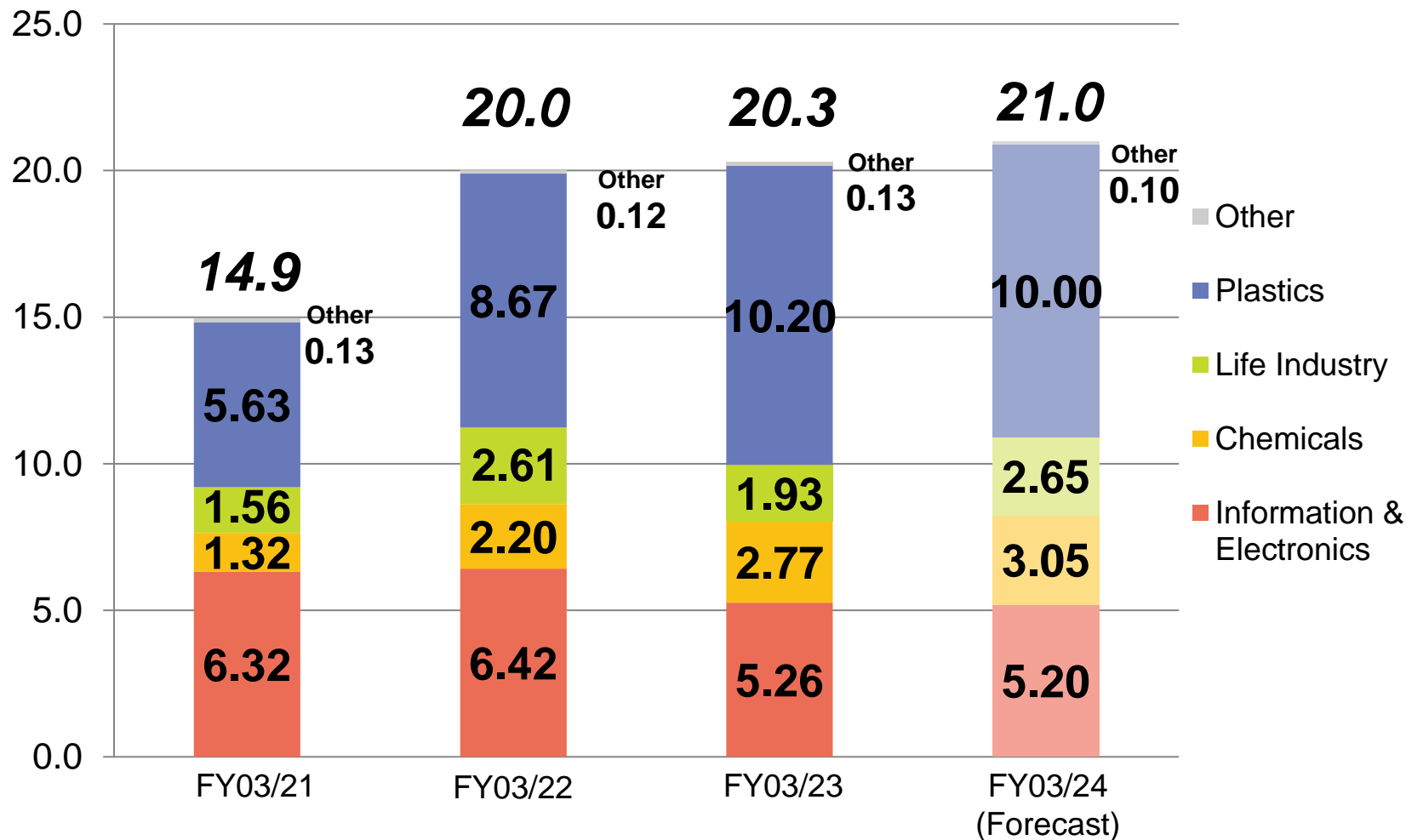


Note: Inabata has adopted Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) effective from FY03/22.

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.

	Companies		
	Japan	Overseas	Total
Consolidated subsidiaries	7	35	42
(Of which, manufactures and processing companies)	(5)	(15)	(20)
Equity-method affiliates	3	1	4
(Of which, manufactures and processing companies)	(1)	(1)	(2)
Total	10	36	46
(Of which, manufactures and processing companies)	(6)	(16)	(22)

Principal Consolidated Subsidiaries

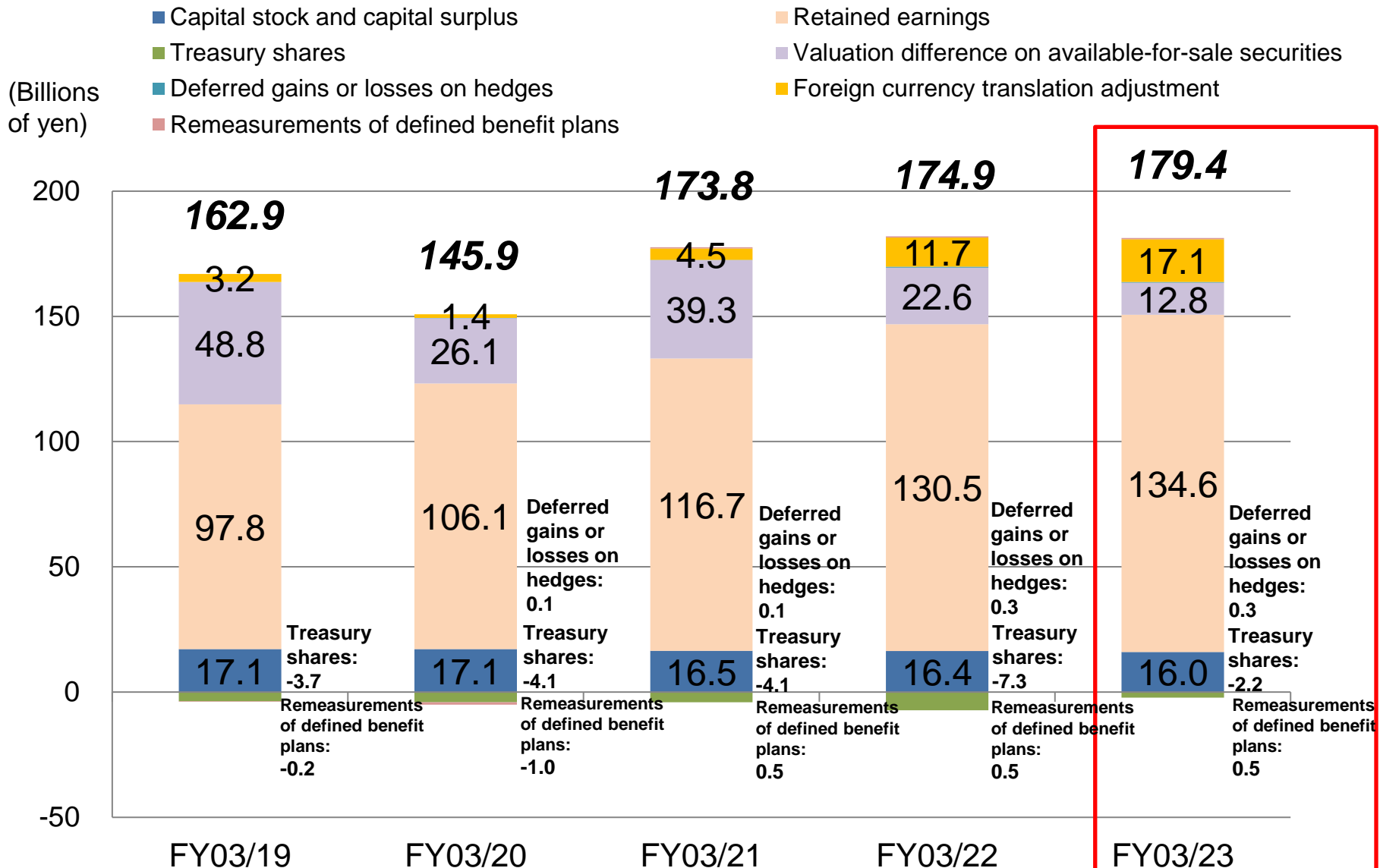


(Millions of yen)

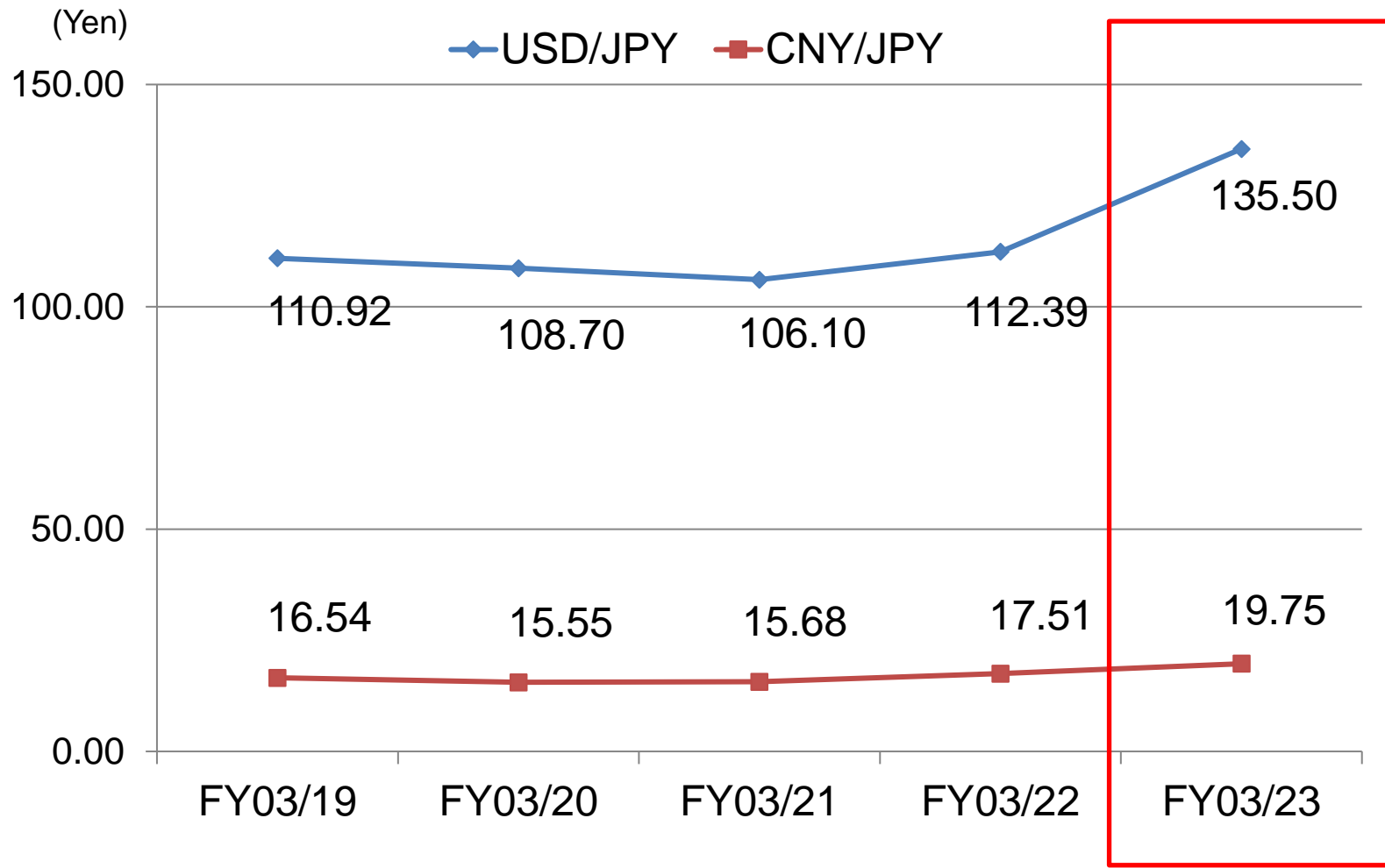
Company	Location	FY03/22			FY03/23			YoY change		
		Net sales	Operating profit	Net income	Net sales	Operating profit	Net income	Net sales	Operating profit	Net income
Taiwan Inabata Sangyo Co., Ltd.	Taiwan	39,389	789	592	29,528	490	306	-25.0%	-37.9%	-48.3%
Inabata Sangyo (H.K.) Ltd.	Hong Kong	94,800	1,377	1,851	76,819	901	1,125	-19.0%	-34.5%	-39.2%
Inabata Singapore (Pte.) Ltd.	Singapore	80,530	1,451	1,686	71,078	1,173	1,614	-11.7%	-19.1%	-4.3%
Inabata Thai Co., Ltd.	Thailand	52,048	1,098	926	48,562	904	676	-6.7%	-17.7%	-27.0%
Shanghai Inabata Trading Co., Ltd.	Shanghai	86,003	1,500	1,238	79,374	1,390	907	-7.7%	-7.3%	-26.7%
PT. Inabata Indonesia	Indonesia	34,240	1,534	1,164	38,310	1,713	1,229	+11.9%	+11.7%	+5.6%
Inabata Fine Tech & Co., Ltd.	Japan	20,268	589	417	20,979	588	419	+3.5%	-0.2%	+0.4%

Note: Results for FY03/22 have been converted at the exchange rate for FY03/23 (USD1=JPY135.50).

(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.