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# IR Briefing for Q3 Fiscal Year ending March 2024

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February 2024  
Inabata & Co., Ltd.

**Net sales:**                    **¥572.9 billion**            **+2.1% YoY**

Net sales rose thanks to contributions from newly consolidated subsidiaries (through M&A) and a weak yen.

**Operating profit:**        **¥16.3 billion**            **+1.2% YoY**

Operating profit expanded due to growth in net sales and an increase in our gross profit margin.

**Ordinary profit:**         **¥16.4 billion**            **+6.5% YoY**

Despite a decrease in dividend income, ordinary profit grew thanks to the expansion in an improvement in equity-method income.

**Profit attributable to  
owners of parent:**       **¥16.6 billion**            **+8.7% YoY**

Profit attributable to owners of parent rose, overcoming a decrease in gains on sales of investment securities through gains on negative goodwill recorded in association with newly consolidated subsidiaries.

# Consolidated Results Review—Q3 FY03/2024

(Billions of yen)

	Q3 FY03/23	Q3 FY03/24 (A)	YoY change		FY03/24 Forecast (B)	Achievement rate (A)/(B)
			Amount	%		
Net sales	561.1	572.9	+11.8	+2.1%	800.0	71.6%
Operating profit	16.1	16.3	+0.1	+1.2%	21.0	77.7%
Ordinary profit	15.3	16.4	+1.0	+6.5%	20.0	82.0%
Profit attributable to owners of parent	15.3	16.6	+1.3	+8.7%	21.0	79.5%
Exchange rate (USD/JPY)	136.49	143.33	+6.84		140.00	

# Trend in Net Sales



(Billions of yen)

1,000.0

800.0

600.0

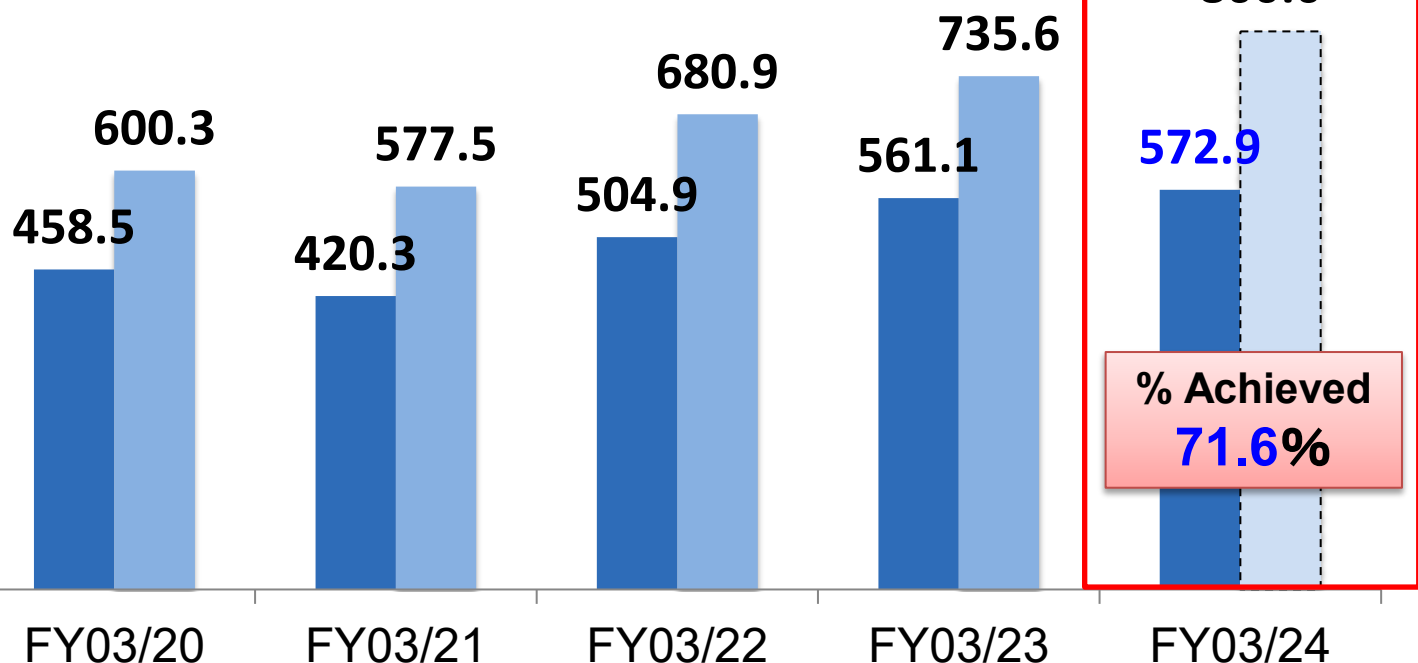
400.0

200.0

0.0

## Net sales

■ 1-3Q ■ Full year



Full-year forecast

800.0

% Achieved

71.6%

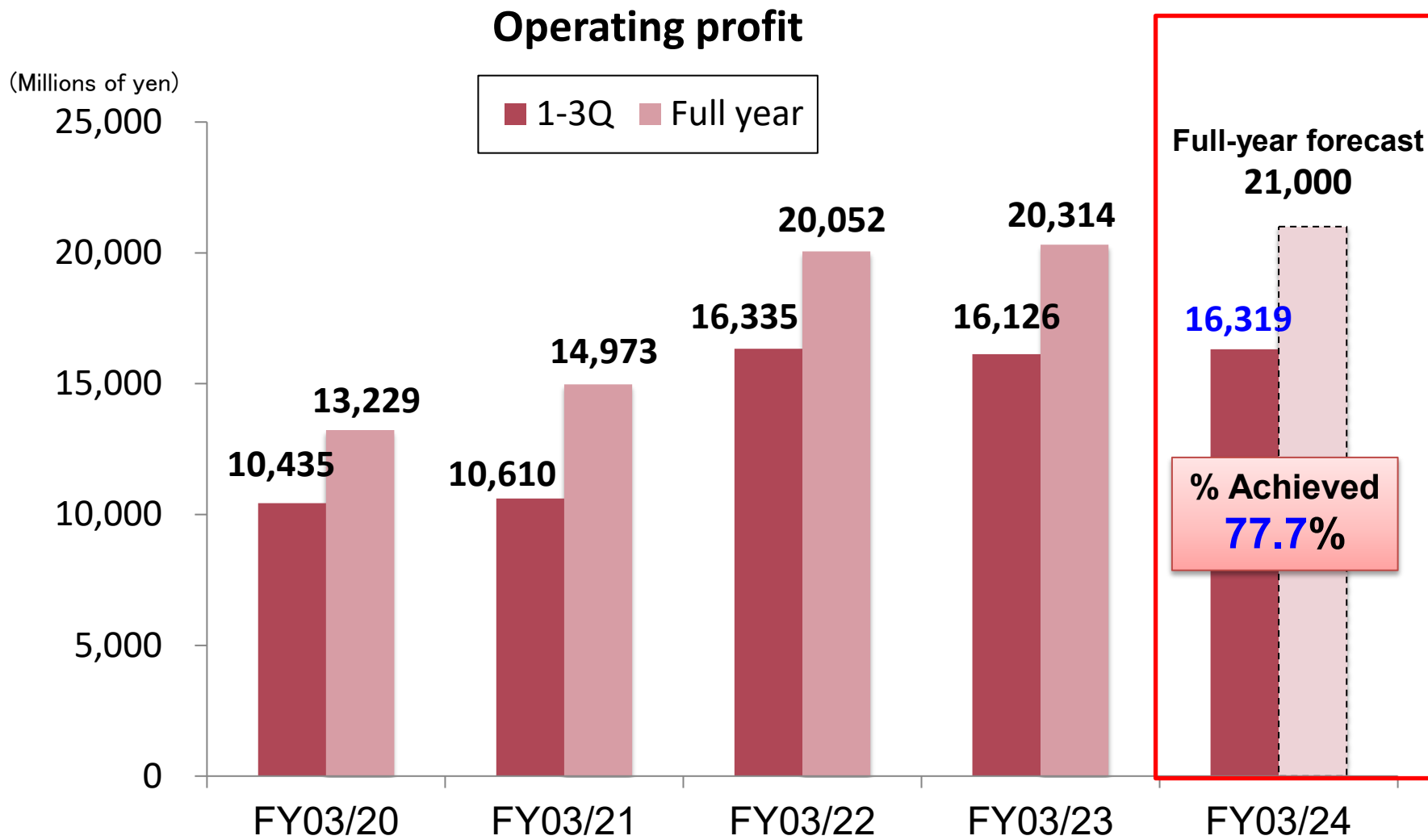
(Reference)

		FY03/20	FY03/21	FY03/22	FY03/23	FY03/24
Exchange rate: USD/JPY	1-3Q	108.65	106.11	111.14	136.49	143.33
	Full year	108.70	106.10	112.39	135.50	*Note140.00

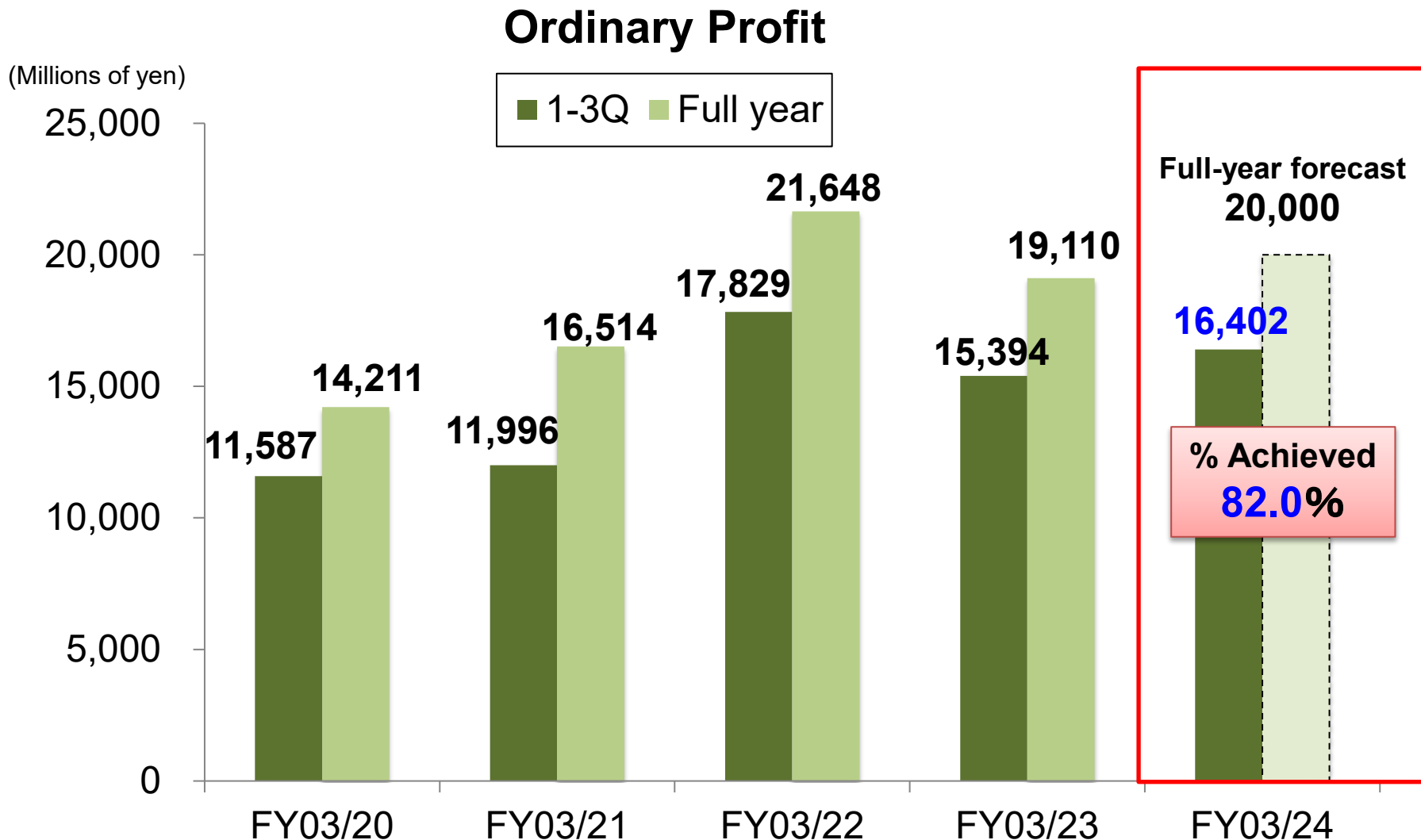
Note: Estimation at time of release

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

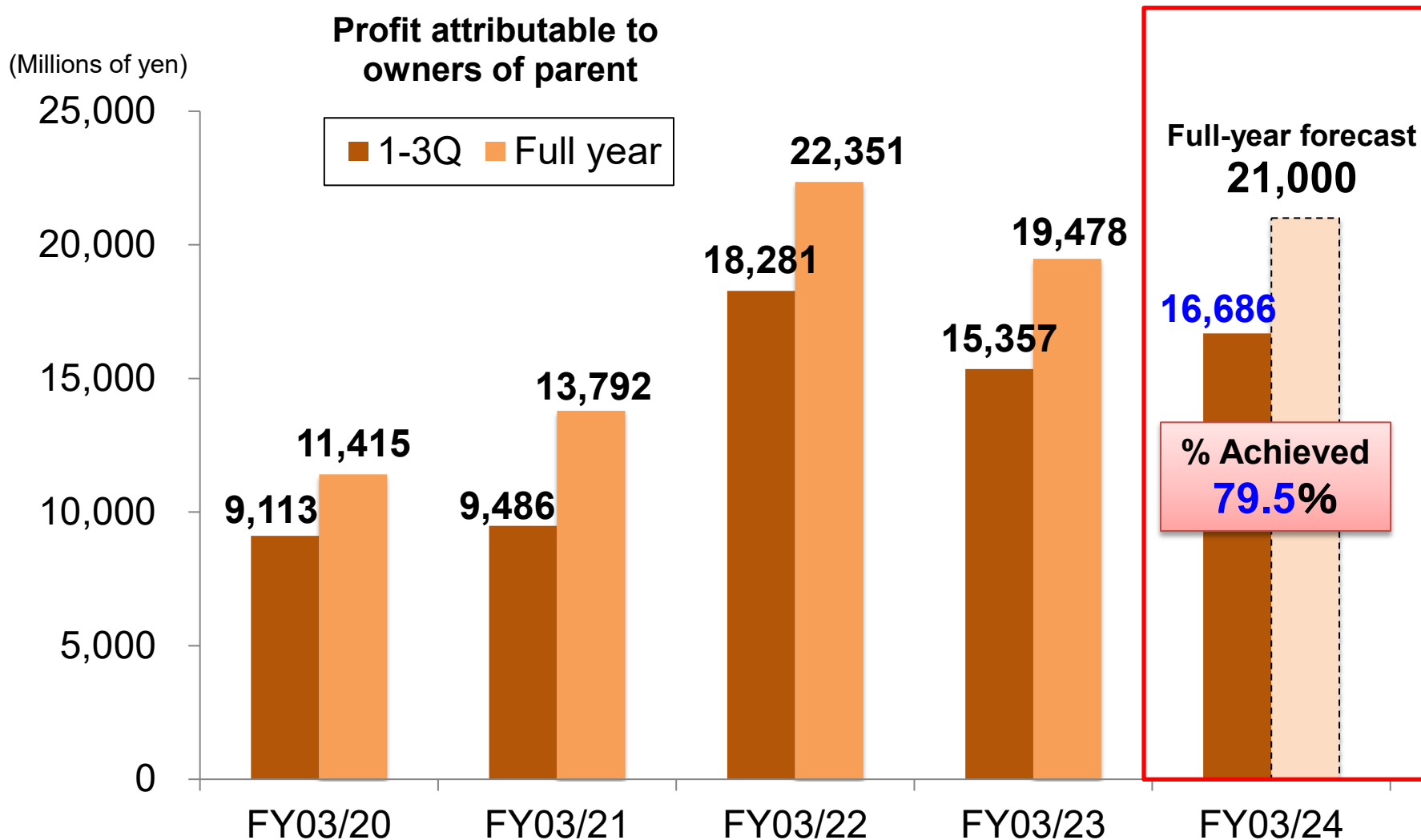
# Trend in Operating Profit



# Trend in Ordinary Profit



# Trend in Profit Attributable to Owners of Parent



Note: Recording of gain on sales of investment securities:

¥3.03 billion in FY03/20, ¥2.98 billion in FY03/21, ¥8.97 billion in FY03/22, ¥8.66 billion in FY03/23

¥1.79 billion in Q3 FY03/20, ¥1.49 billion in Q3 FY03/21, ¥7.13 billion in Q3 FY03/22, ¥6.42 billion in Q3 FY03/23, ¥3.71 billion in Q3 FY03/24

# Balance Sheet



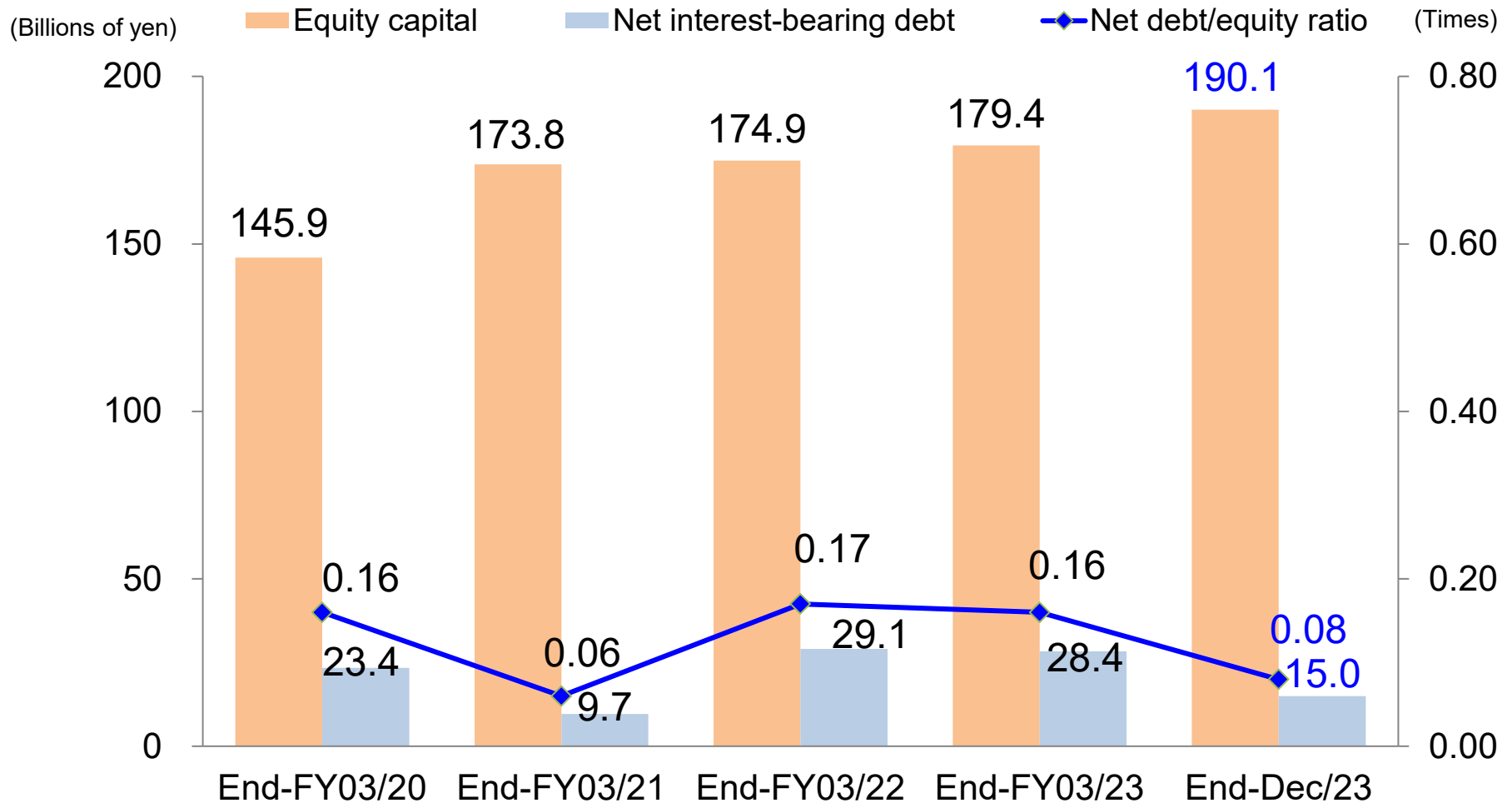
- ✓ Cash and deposits, notes and accounts receivable–trade, and note and accounts payable–trade increased due to newly consolidated subsidiaries and a weak yen.
- ✓ Shareholder's equity increases as a result of a rise in retained earnings.

(Billions of yen)

Assets	End-FY03/23	End-DEC 2023	Change	Liabilities and net assets	End-FY03/23	End-DEC 2023	Change
Cash and deposits	36.3	48.0	+11.6	Notes and accounts payable - trade	105.7	123.3	+17.6
Notes receivable - trade	23.2	29.8	+6.5	Short-term loans payable	49.4	42.2	-7.2
Accounts receivable-trade	153.6	171.2	+17.6	Other current liabilities	18.3	16.0	-2.3
Inventories	88.8	82.7	-6.1	Bonds payable	7.5	7.5	-
Other current assets	13.2	9.5	-3.6	Long-term loans payable	7.7	13.3	+5.5
Property, plant and equipment	16.6	18.1	+1.5	Other non-current liabilities	10.1	10.9	+0.8
Intangible assets	2.4	3.4	+1.0	Shareholders' equity	148.5	157.0	+8.4
Investment securities	32.8	32.4	-0.3	Accumulated other comprehensive income	30.9	33.1	+2.2
Other fixed assets	13.2	14.5	+1.3	Non-controlling interests	2.0	6.3	+4.2
<b>Total assets</b>	<b>380.4</b>	<b>409.9</b>	<b>+29.5</b>	<b>Total liabilities and net assets</b>	<b>380.4</b>	<b>409.9</b>	<b>+29.5</b>
<b>Current ratio</b>	<b>181.7%</b>	<b>187.9%</b>		<b>Equity ratio</b>	<b>47.2%</b>	<b>46.4%</b>	



# 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

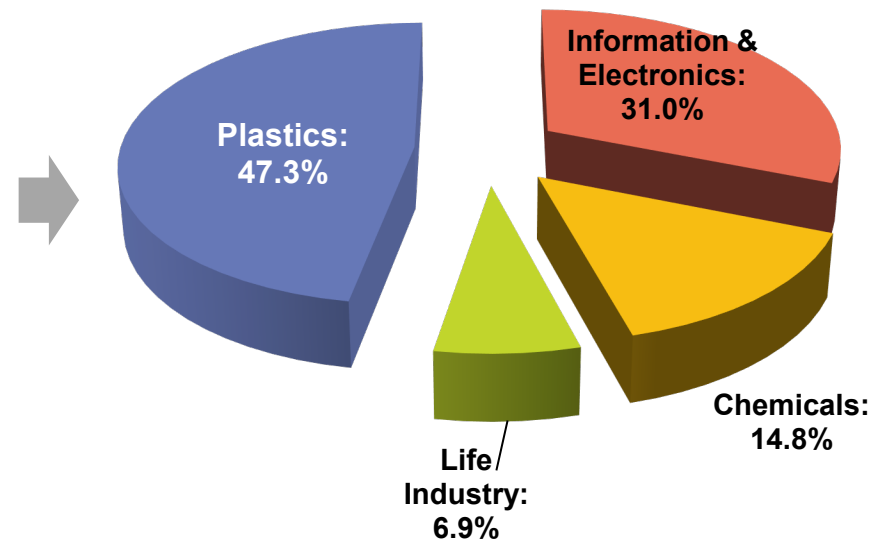
# Sales by Business Segment

- ✓ Net sales grew in Chemicals and Life Industry, owing in part to contributions from newly consolidated subsidiaries.

## Sales

(Billions of yen)

	1-3Q FY03/23	1-3Q FY03/24	YoY change
Information & Electronics	178.9	177.8	-0.6%
Chemicals	68.6	84.5	+23.2%
Life Industry	32.5	39.6	+21.6%
Plastics	280.8	270.8	-3.6%
Other	0.1	0.1	+2.8%
Total	561.1	572.9	+2.1%



\*Contributions from newly consolidated subsidiaries in Q3 FY03/24 (simple sum):  
Chemicals: +¥21.8 billion, Plastics: +¥9.8 billion, Life Industry: +¥7.1 billion

(Billions of yen)

	Information & Electronics	Chemicals	Life Industry	Plastics	Other	Total
Japan	61.1	64.9	30.8	101.8	-	258.7
Southeast Asia	14.3	10.2	0.1	110.0	-	134.7
Northeast Asia	81.3	3.9	1.4	44.5	-	131.2
Americas	10.8	3.9	5.5	12.8	-	33.1
Europe	10.1	1.4	1.5	1.6	-	14.8
Revenue arising from contracts with customers	177.8	84.5	39.6	270.8	-	572.8
Other revenue	-	-	-	-	0.1	0.1
Sales to external customers	177.8	84.5	39.6	270.8	0.1	572.9

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

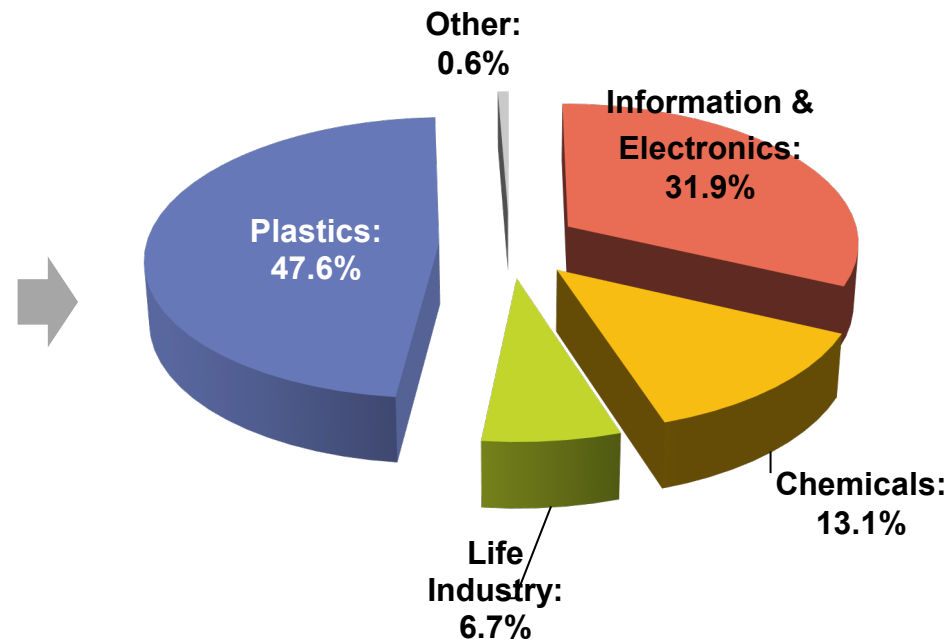
# Operating Profit by Business Segment

- ✓ Profit grew in Information & Electronics, as sales of FPD-related products recovered slightly and sales of environment and energy-related products increased.
- ✓ Profit was down in Chemicals, due in part to an unfavorable comparison with the relatively strong performance observed in Q3 FY03/23.
- ✓ Profit fell sharply in Life Industry, as a result of lower sales and diminished profitability of seafood products in the US and one-time M&A expenses.
- ✓ Profit was down in Plastics, due to inventory adjustments of products for office automation and home electronics applications.

## Operating profit

(Millions of yen)

	1-3Q FY03/23	1-3Q FY03/24	YoY change
Information & Electronics	4,227	5,213	+23.3%
Chemicals	2,215	2,130	-3.8%
Life Industry	1,462	1,098	-24.9%
Plastics	8,123	7,773	-4.3%
Other	97	103	+6.2%
<b>Total</b>	<b>16,126</b>	<b>16,319</b>	<b>+1.2%</b>



## 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.

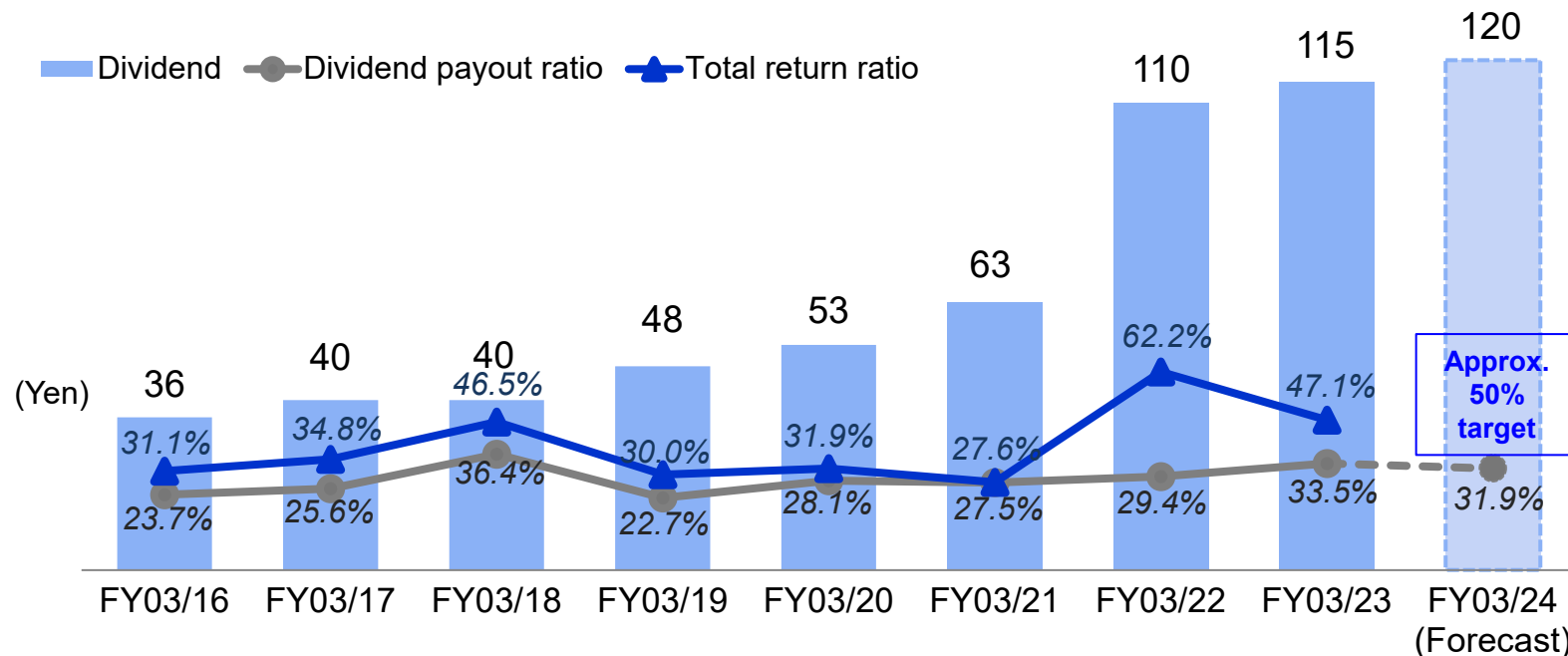
### ■ Target total return ratio of around 50%

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.

# Returning Profits to Shareholders ②



## Annual dividends per share and indicators of shareholder return



Treasury Shares*1	NC2020					NC2023			
	FY03/16	FY03/17	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24*2
Acquisition amount	707	891	679	936	425	-	7,499	2,635	2,229
No. of shares Acquired	600	600	400	600	300	-	3,085	1,035	765
No. of shares cancelled	-	-	-	-	-	-	2,700	3,685	1,200

(Millions of yen)

(Thousands of shares)

(Thousands of shares)

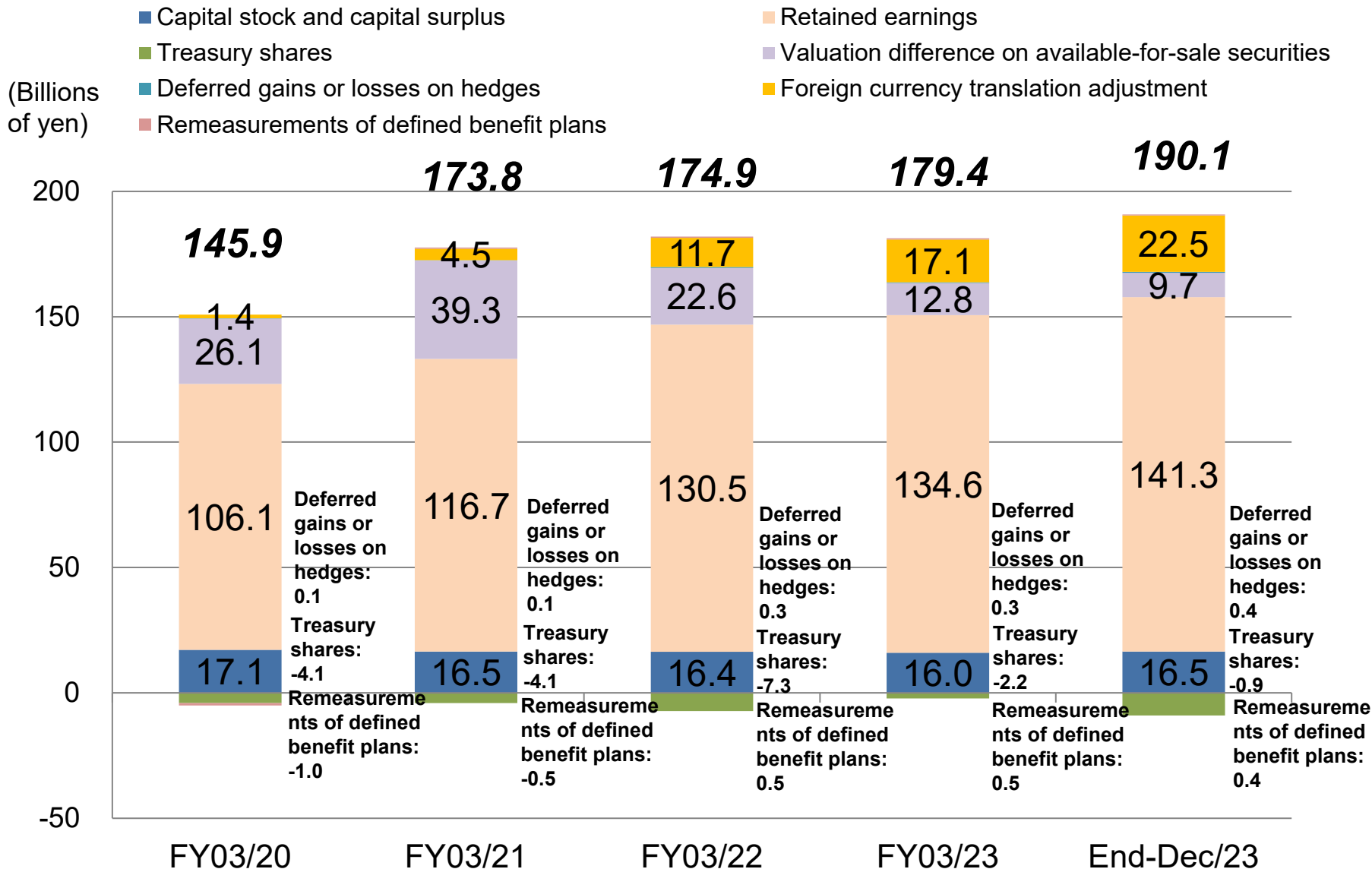
\*1 Share buyback based on Board resolution

\*2 Amounts current as of December 31, 2023

	Companies		
	Japan	Overseas	Total
Consolidated subsidiaries	11	35	46
(Of which, manufactures and processing companies )	(6)	(15)	(21)
Equity-method affiliates	2	1	3
(Of which, manufactures and processing companies )	(1)	(1)	(2)
Total	13	36	49
(Of which, manufactures and processing companies )	(7)	(16)	(23)

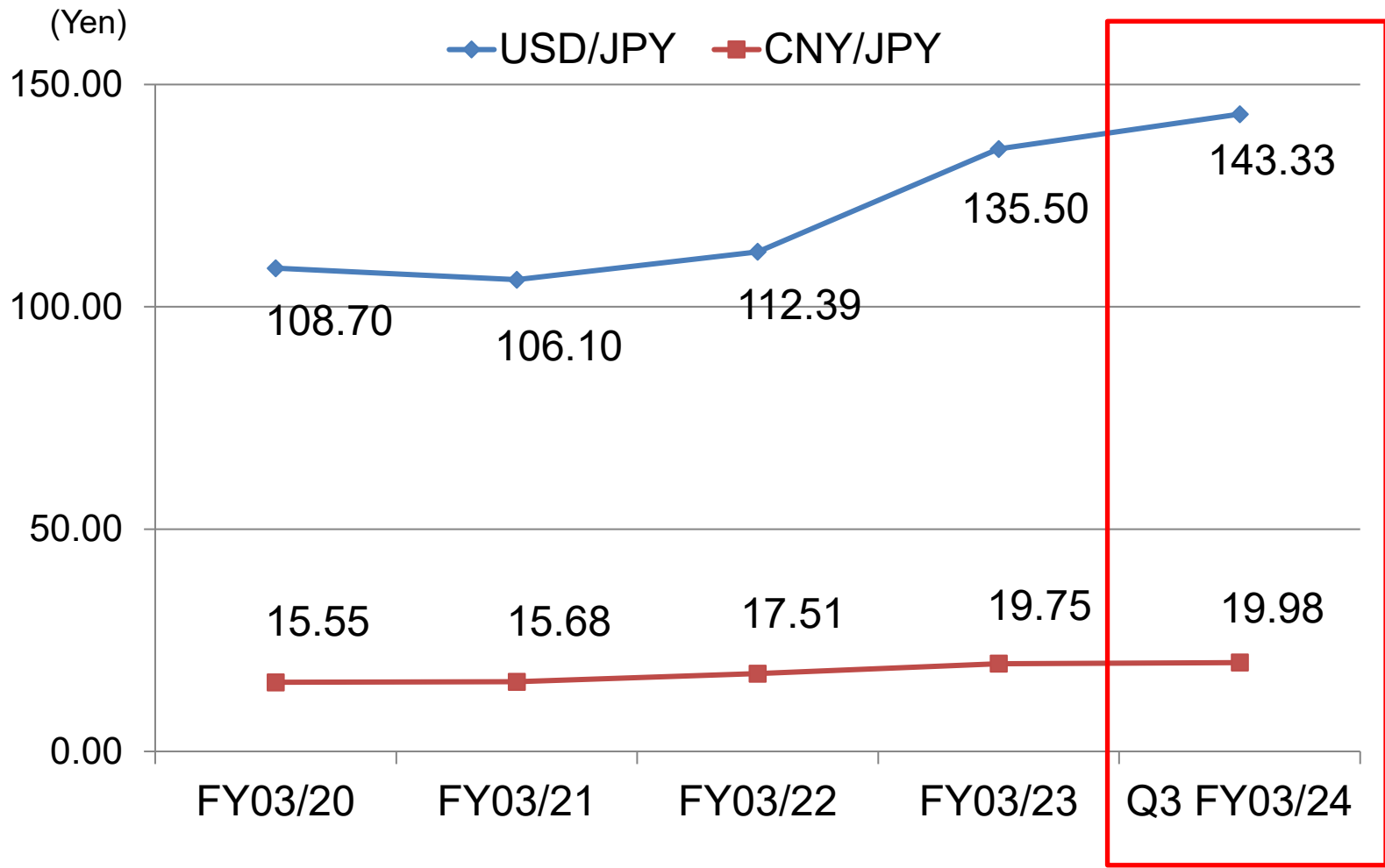
\* In Q1 FY03/24, Maruishi Chemical Trading, formerly an equity-method affiliate of the Company, was made a consolidated subsidiary. The Company also made Maruishi Techno, Daigo Tsusho, and IK Food Partners consolidated subsidiaries.

# (Reference) Equity Capital





# (Reference) Trends in average foreign exchange rates



## □ IR Inquiries

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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.