
IR Briefing for 2Q Fiscal Year Ending March 2020 (Overview)

December 3, 2019

Inabata & Co., Ltd.

Kenichi Yokota

Representative Director and Senior Managing Executive Officer

Profits reached record highs in 1H

Net sales: ¥307.6 billion -4.6% YoY

Net sales fell due to factors such as impacts from a drop in plastic prices in the Plastics segment.

Operating profit: ¥7.1 billion +0.3% YoY

Operating profit increased slightly thanks to strong sales in the Information & Electronics segment.

Ordinary profit: ¥7.9 billion +11.0% YoY

Ordinary profit rose due to lower interest expenses and higher dividend income.

**Profit attributable to
owners of parent: ¥6.7 billion +7.9% YoY**

Profit attributable to owners of parent grew as a result of the rise in ordinary profit.

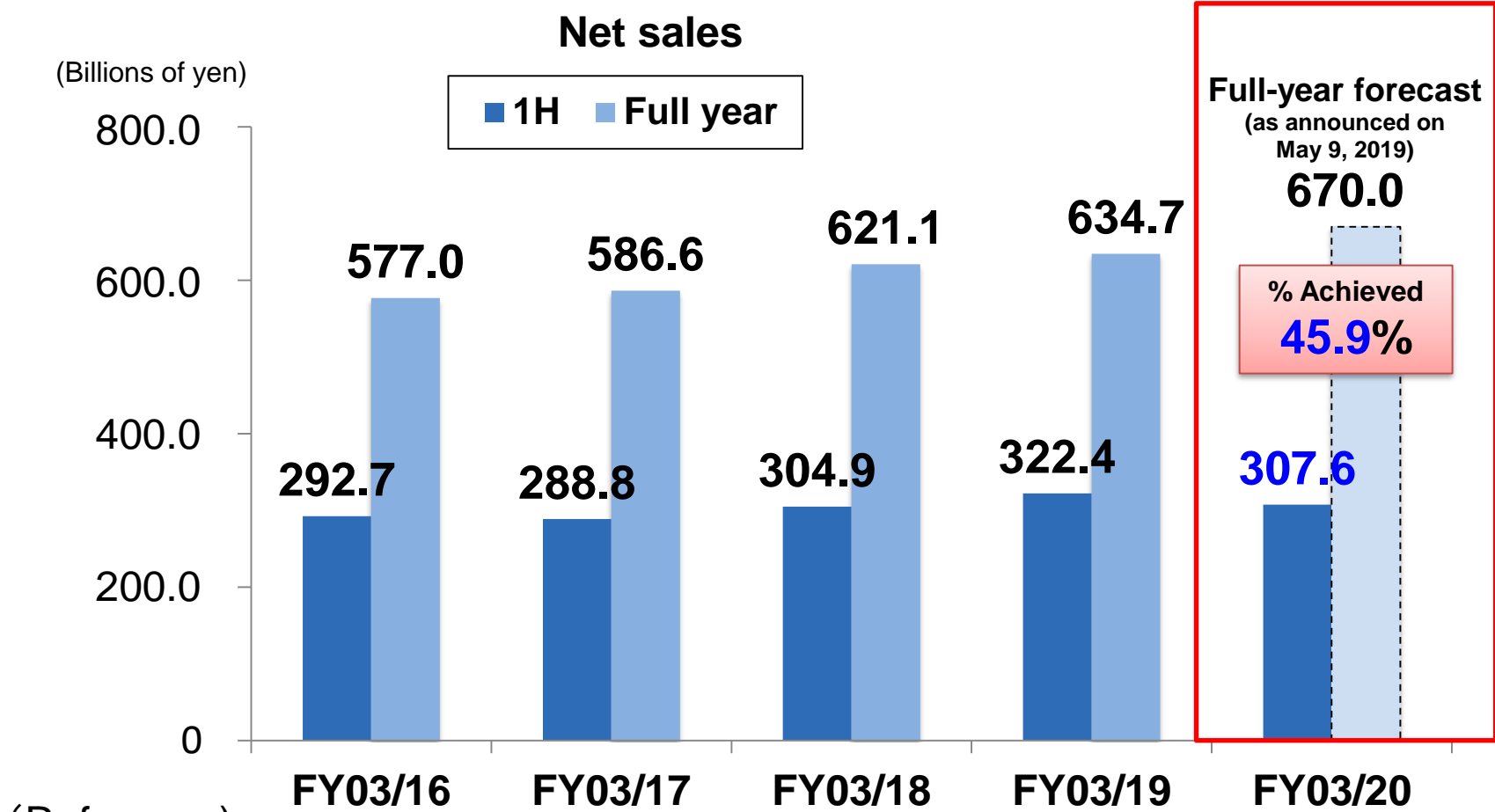
Consolidated Results Review—2Q FY03/20



(Billions of yen)

	2Q FY3/19	2Q FY3/20 (A)	YoY change		Forecast announced May 9, 2019 (B)	Achievement rate (A)/(B)
			Amount	%		
Net sales	322.4	307.6	-14.8	-4.6%	670.0	45.9%
Operating profit	7.1	7.1	+0.0	+0.3%	14.5	49.1%
Ordinary profit	7.1	7.9	+0.7	+11.0%	14.5	54.8%
Profit attributable to owners of parent	6.2	6.7	+0.4	+7.9%	11.0	61.3%
Exchange rate (USD/JPY)	110.26	108.60	-1.66		110.00	

Trend in Net Sales

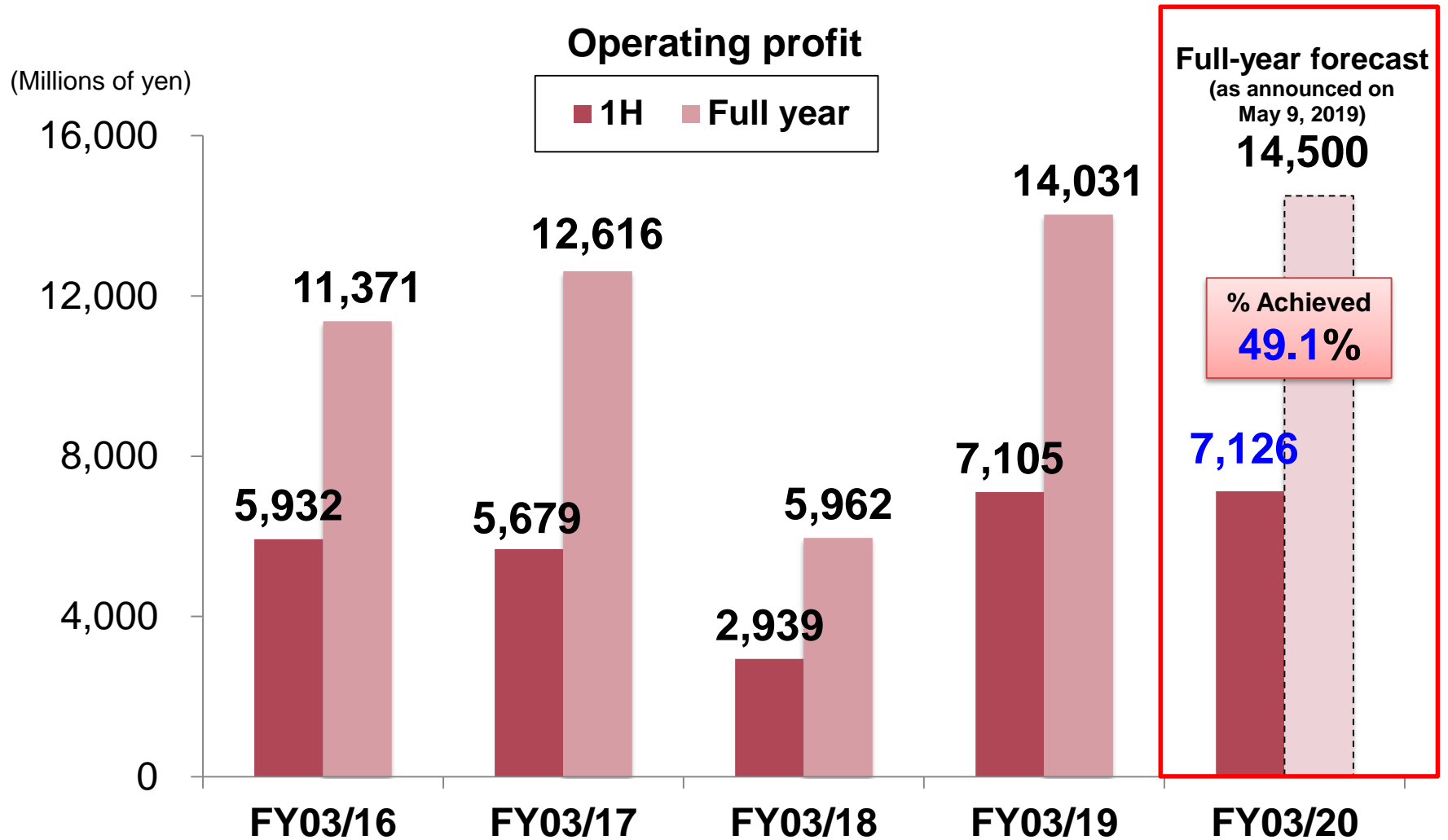


(Reference)

		FY03/16	FY03/17	FY03/18	FY03/19	FY03/20
Exchange rate: USD/JPY	1H	121.87	105.20	111.04	110.26	108.60
	Full year	120.15	108.34	110.85	110.92	(Note) 110.00

Note: Estimate at time of release

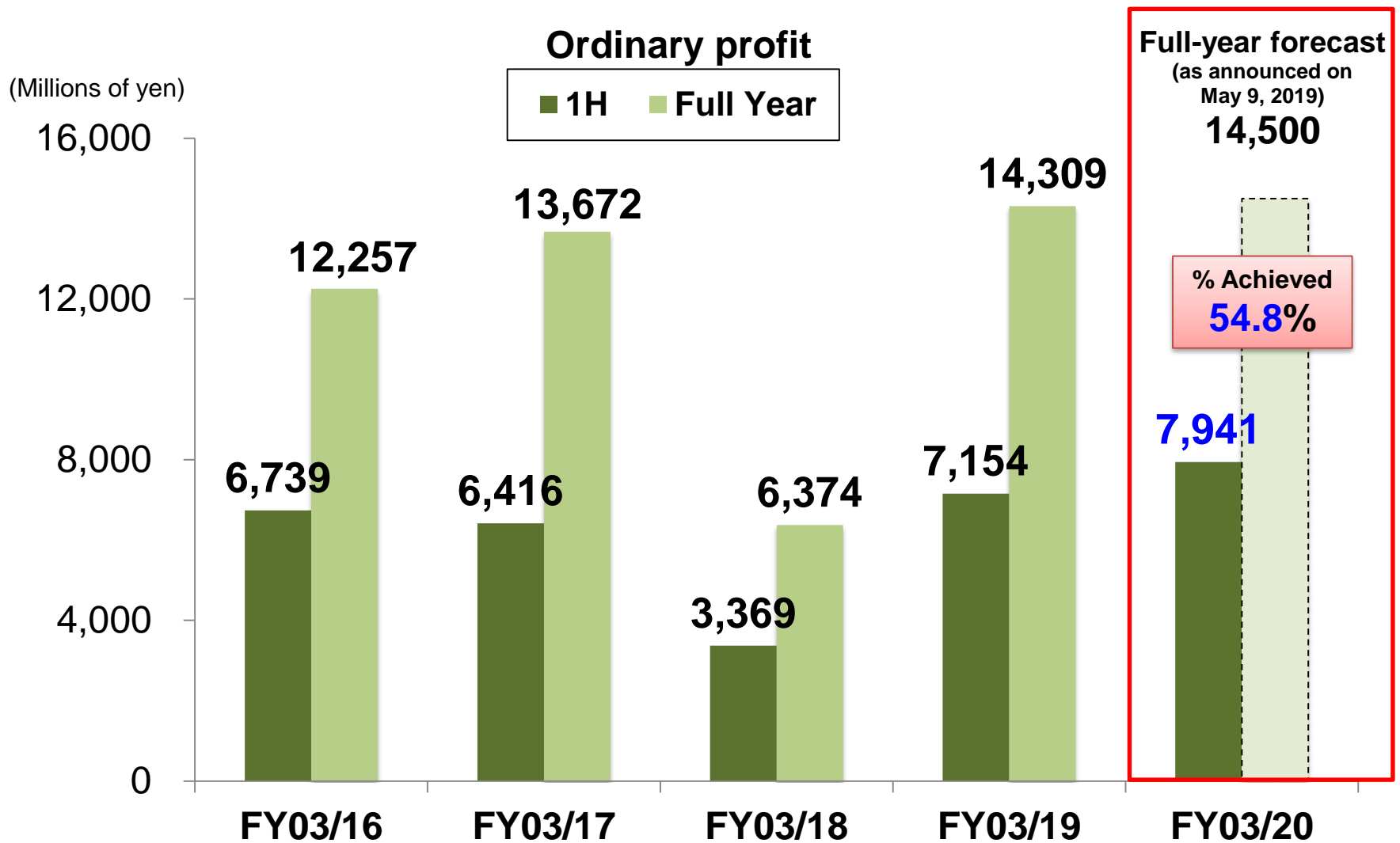
Trend in Operating Profit



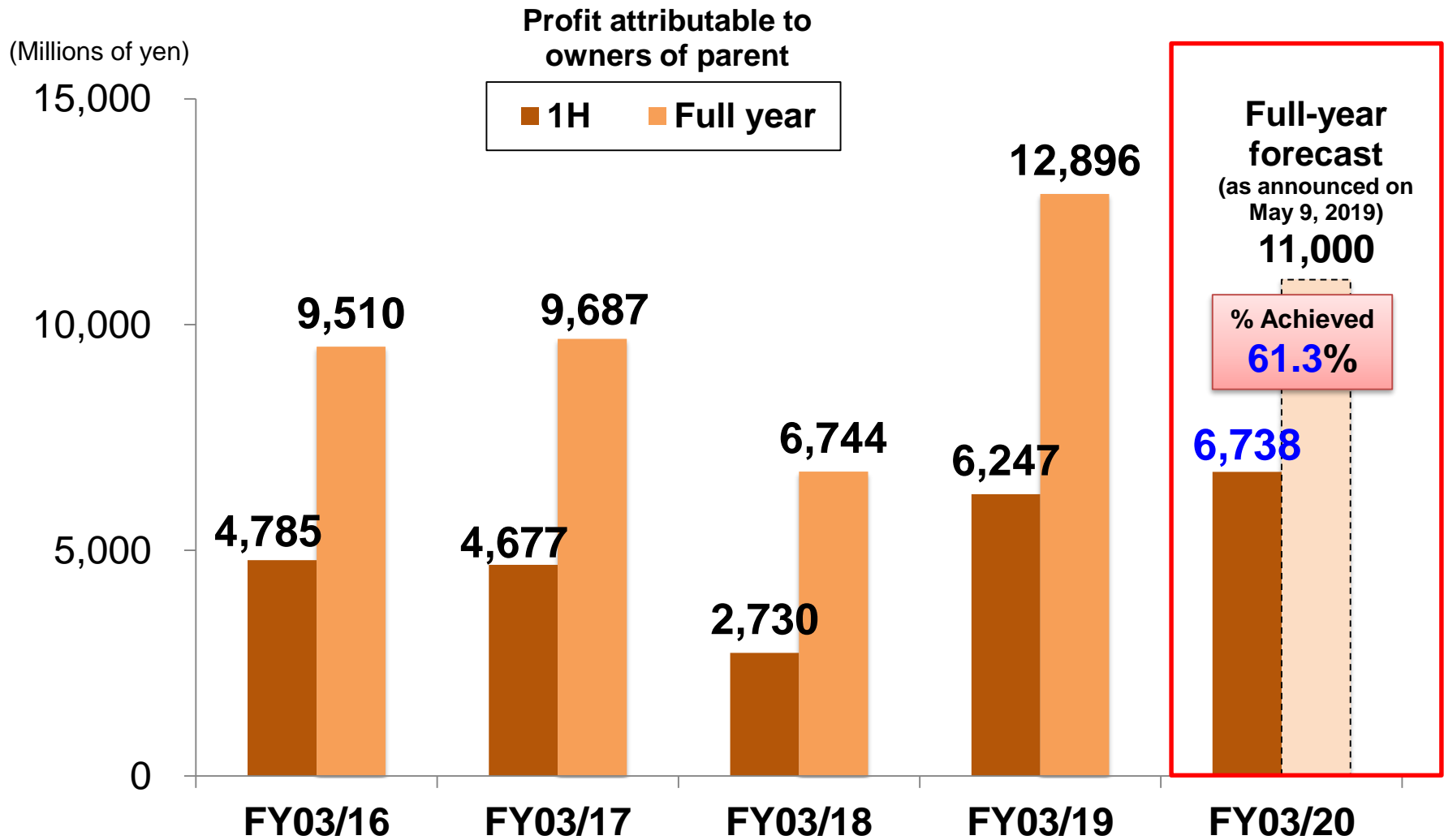
Note: Recorded allowance for doubtful accounts at a European subsidiary in FY03/18:

1H: ¥3.38 billion; Full Year: ¥6.65 billion

Trend in Ordinary Profit



Trend in Profit Attributable to Owners of Parent



Balance Sheet

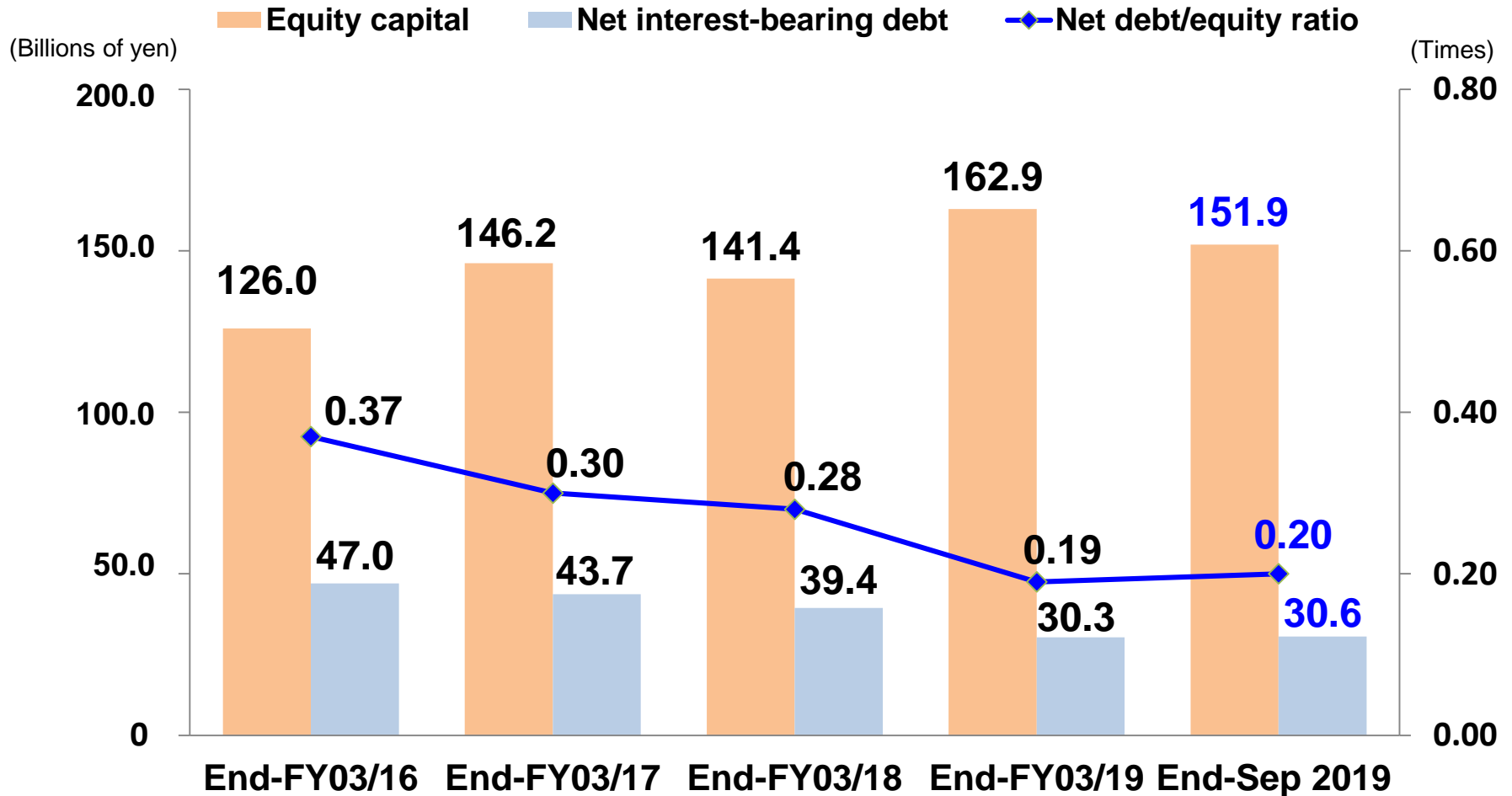


- Both investment securities and accumulated other comprehensive income fell due to a drop in the market value of investment securities held

(Billions of yen)

Assets	End-FY03/19	End-Sep 2019	Change	Liabilities and net assets	End-FY03/19	End-Sep 2019	Change
Cash and deposits	26.9	22.1	-4.7	Notes and accounts payable - trade	109.7	95.0	-14.7
Notes and accounts receivable - trade	163.9	158.0	-5.9	Short-term loans payable	43.6	38.7	-4.8
Inventories	57.4	54.1	-3.3	Other current liabilities	11.2	11.5	+0.3
Other current assets	8.2	6.8	-1.4	Long-term loans payable	13.6	14.0	+0.3
Property, plant and equipment	13.4	14.1	+0.6	Other non-current liabilities	23.5	17.8	-5.7
Intangible assets	3.2	3.4	+0.1	Shareholders' equity	111.2	116.1	+4.8
Investment securities	86.3	65.3	-21.0	Accumulated other comprehensive income	51.7	35.7	-15.9
Other fixed assets	6.8	6.6	-0.1	Non-controlling interests	1.7	1.7	-0.0
Total assets	366.5	330.8	-35.7	Total liabilities and net assets	366.5	330.8	-35.7
Current ratio	155.9%	166.0%		Equity ratio	44.5%	45.9%	

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

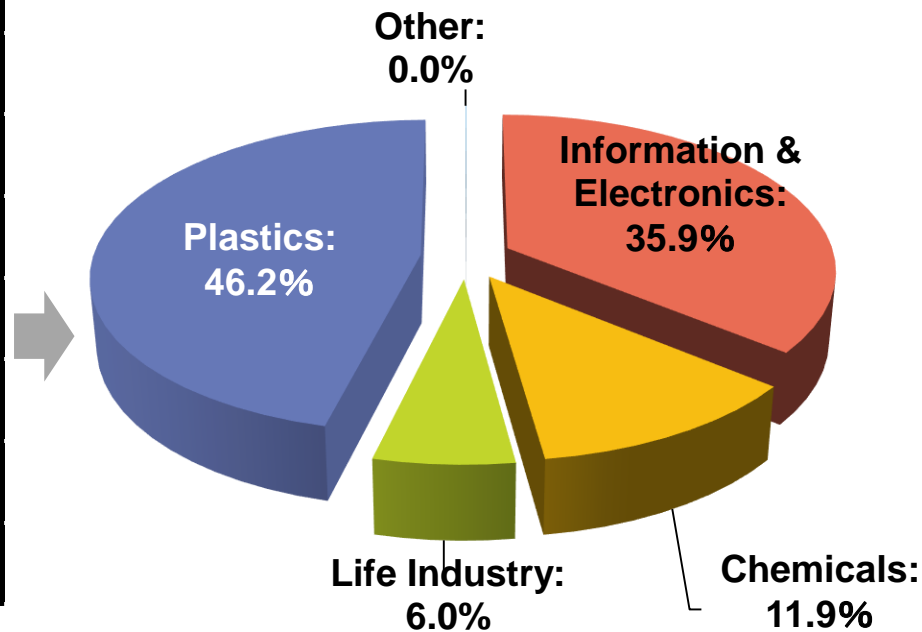


Notes: Equity capital = Net assets – stock acquisition rights – non-controlling interests
 Net debt/equity ratio = (Interest-bearing debt – cash and deposits) / equity capital

Sales by Business Segment

- ✓ In the Information & Electronics segment, sales of polarizing films grew in China.
- ✓ 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)		
	1H FY03/19	1H FY03/20	YoY change	
Information & Electronics	107.8	110.4	+2.4%	
Chemicals	39.2	36.7	-6.4%	
Life Industry	19.3	18.3	-5.3%	
Plastics	155.9	142.0	-8.9%	
Other	0.0	0.0	+3.2%	
Total	322.4	307.6	-4.6%	



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

Gross Profit and Operating Profit by Business Segment



- ✓ Profit rose in the Information & Electronics segment thanks to strong sales of polarizing films and polarizing film materials.
- ✓ Profit fell in the Chemicals segment due to a drop in sales of materials for data recording paper in Europe.

Gross profit

(Millions of yen)

Operating profit

(Millions of yen)

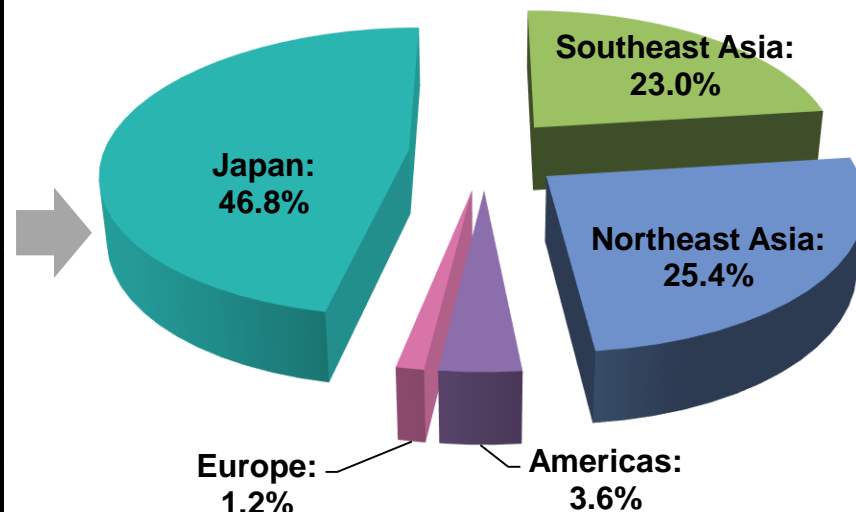
	1H FY03/19	1H FY03/20	YoY change		1H FY03/19	1H FY03/20	YoY change
Information & Electronics	6,972	7,104	+1.9%	Information & Electronics	2,261	2,415	+6.8%
Chemicals	2,947	2,814	-4.5%	Chemicals	843	675	-20.0%
Life Industry	2,550	2,429	-4.7%	Life Industry	587	602	+2.5%
Plastics	11,099	11,125	+0.2%	Plastics	3,344	3,364	+0.6%
Other	67	68	+1.2%	Other	67	68	+1.2%
Total	23,637	23,541	-0.4%	Total	7,105	7,126	+0.3%

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

Sales by Region

✓ Northeast Asia Sales decreased across the board due in part to the impact of US-China trade friction.

Sales		(Billions of yen)		
	1H FY03/19	1H FY03/20	YoY change	
Southeast Asia	76.0	70.9	-6.8%	
Northeast Asia	85.6	78.0	-8.9%	
Americas	10.3	11.0	+5.8%	
Europe	4.9	3.7	-23.8%	
Japan	145.3	143.9	-1.0%	
Total	322.4	307.6	-4.6%	
(Overseas ratio)	(54.9%)	(53.2%)	(-1.7%)	



Note: Sales in the Japan segment include exports (¥24.6 billion in 1H FY03/20). Including this amount, the percentage of overseas sales was 62.8% in 1H FY03/19 and 60.9% in 1H FY03/20.

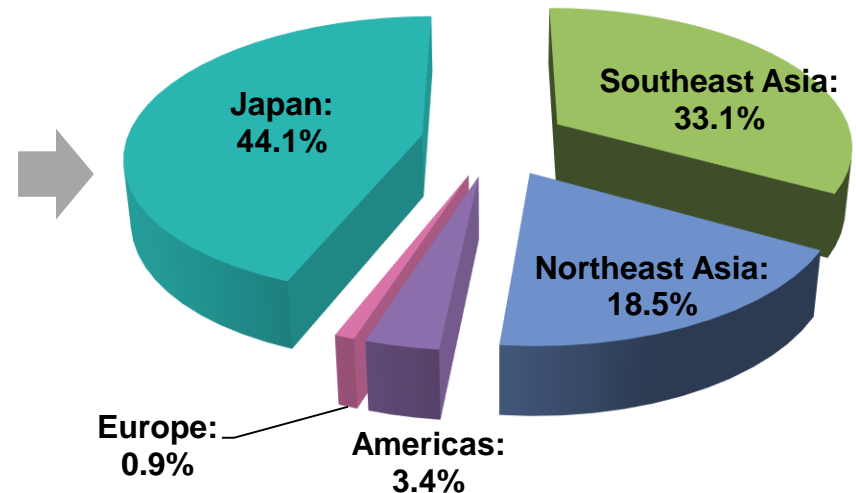
Operating Profit by Region

- ✓ Southeast Asia Operating profit increased on strong performance in countries such as Indonesia, Vietnam, and India.
- ✓ Northeast Asia Operating profit decreased due to sluggish performance in the Plastics business in China.

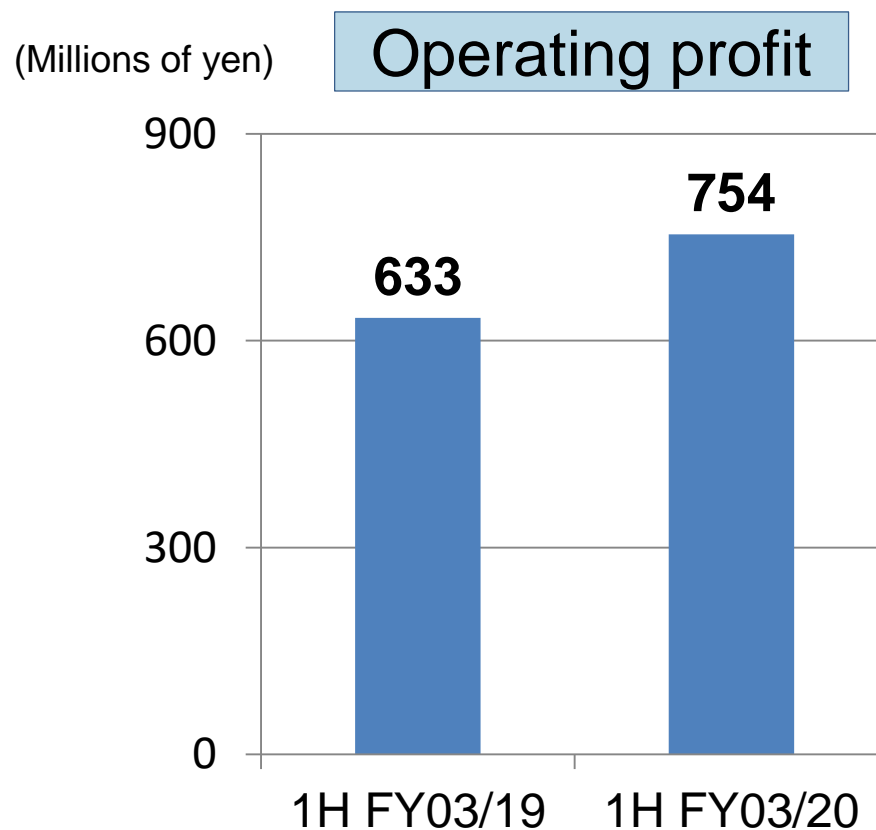
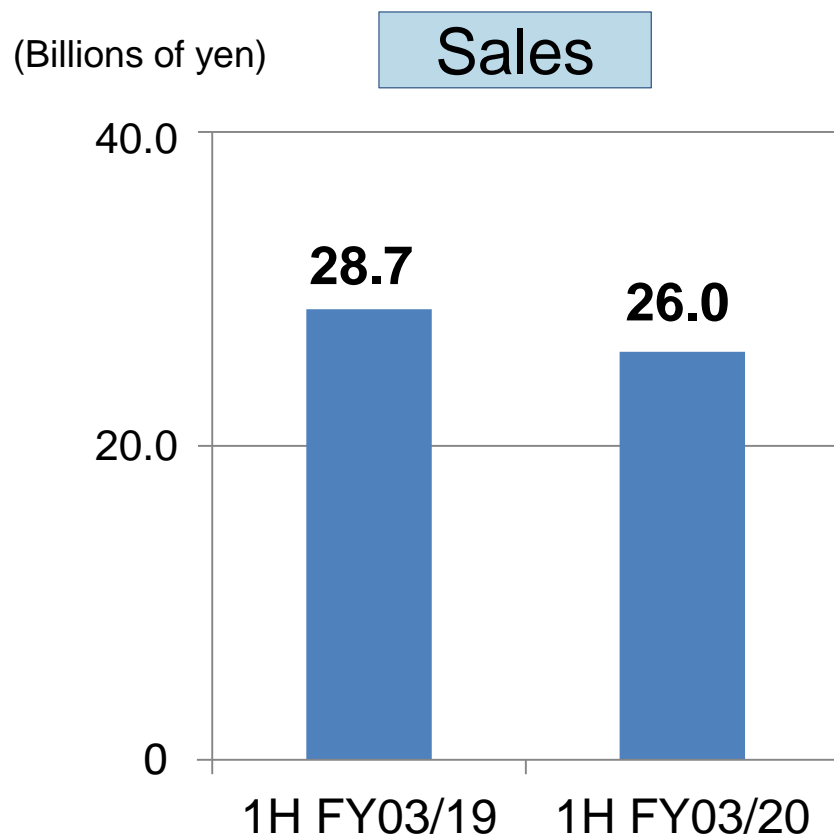
Operating profit

(Millions of Yen)

	1H FY03/19	1H FY03/20	YoY change
Southeast Asia	2,119	2,307	+8.8%
Northeast Asia	1,490	1,287	-13.6%
Americas	269	234	-13.0%
Europe	-32	64	-
Japan	3,118	3,065	-1.7%
Subtotal	6,965	6,958	-0.0%
Elimination or corporate	139	167	
Total	7,105	7,126	+0.3%
(Overseas ratio)	(55.2%)	(55.9%)	(+0.7%)



Earnings improved at our crane manufacturing plant in Mexico.

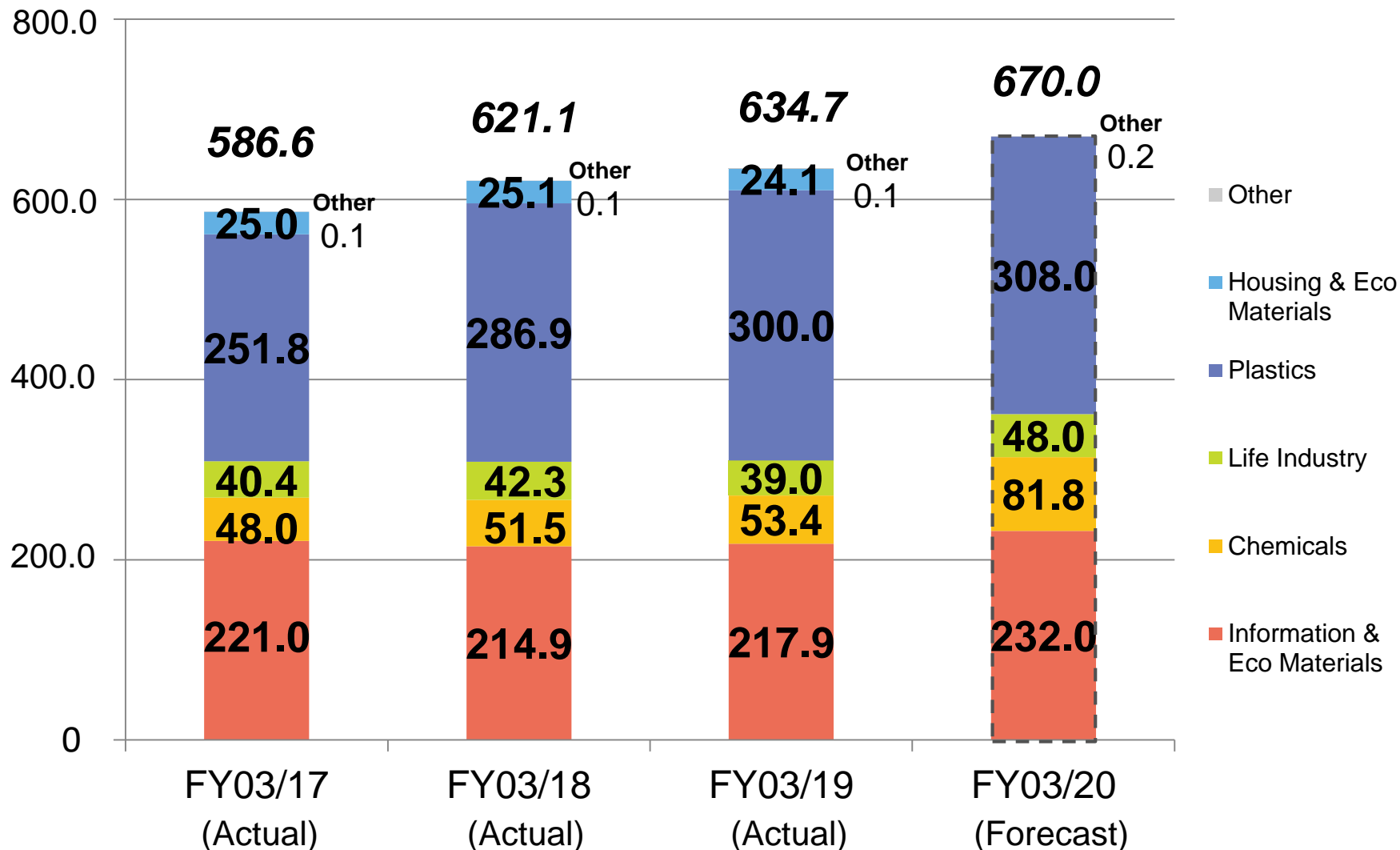


Note: Results for 1H FY03/19 have been converted at the exchange rate for 1H FY03/20 (USD1=JPY108.60).

Sales Forecast by Business Segment



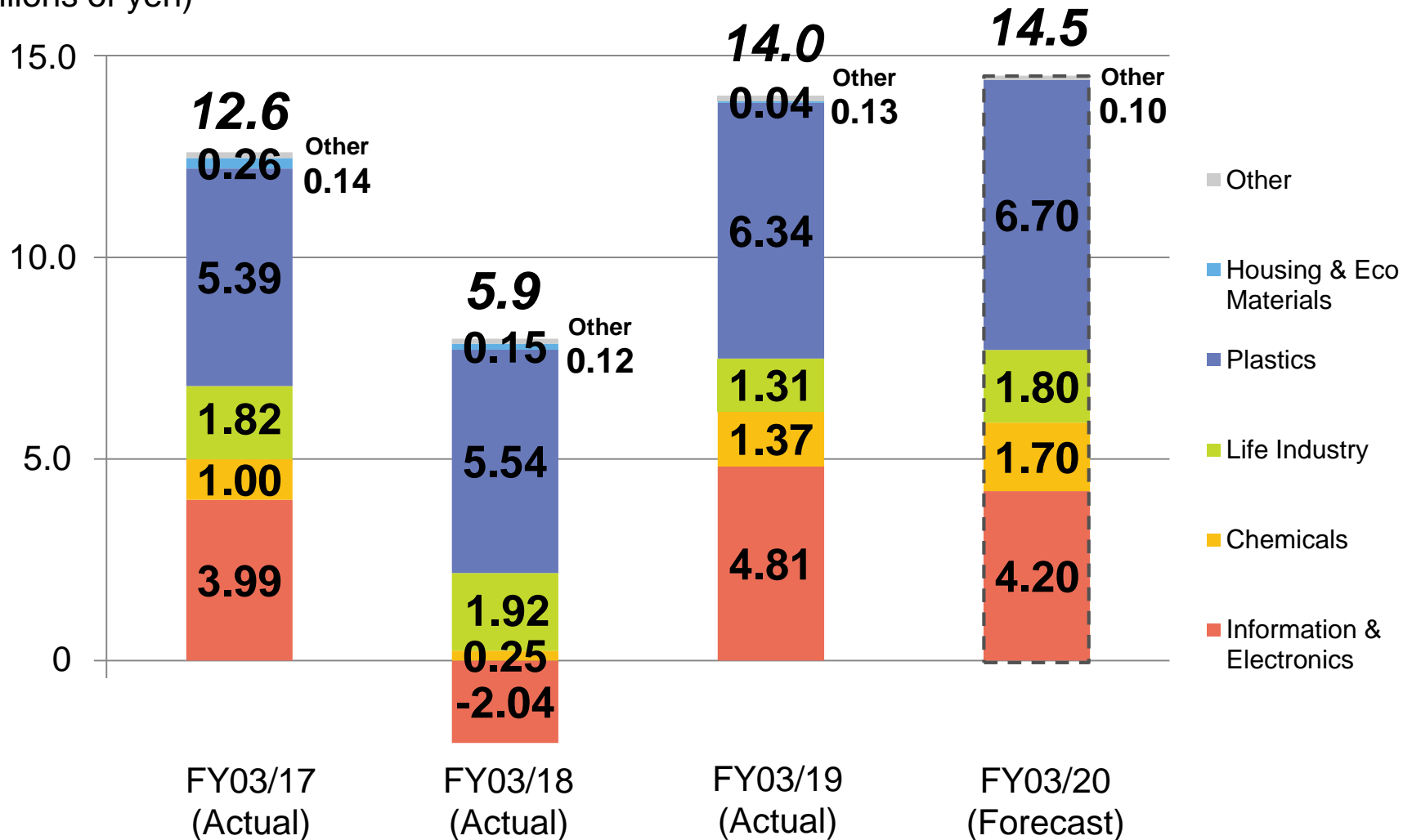
(Billions of yen)



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)

Principle Consolidated Subsidiaries



(Millions of yen)

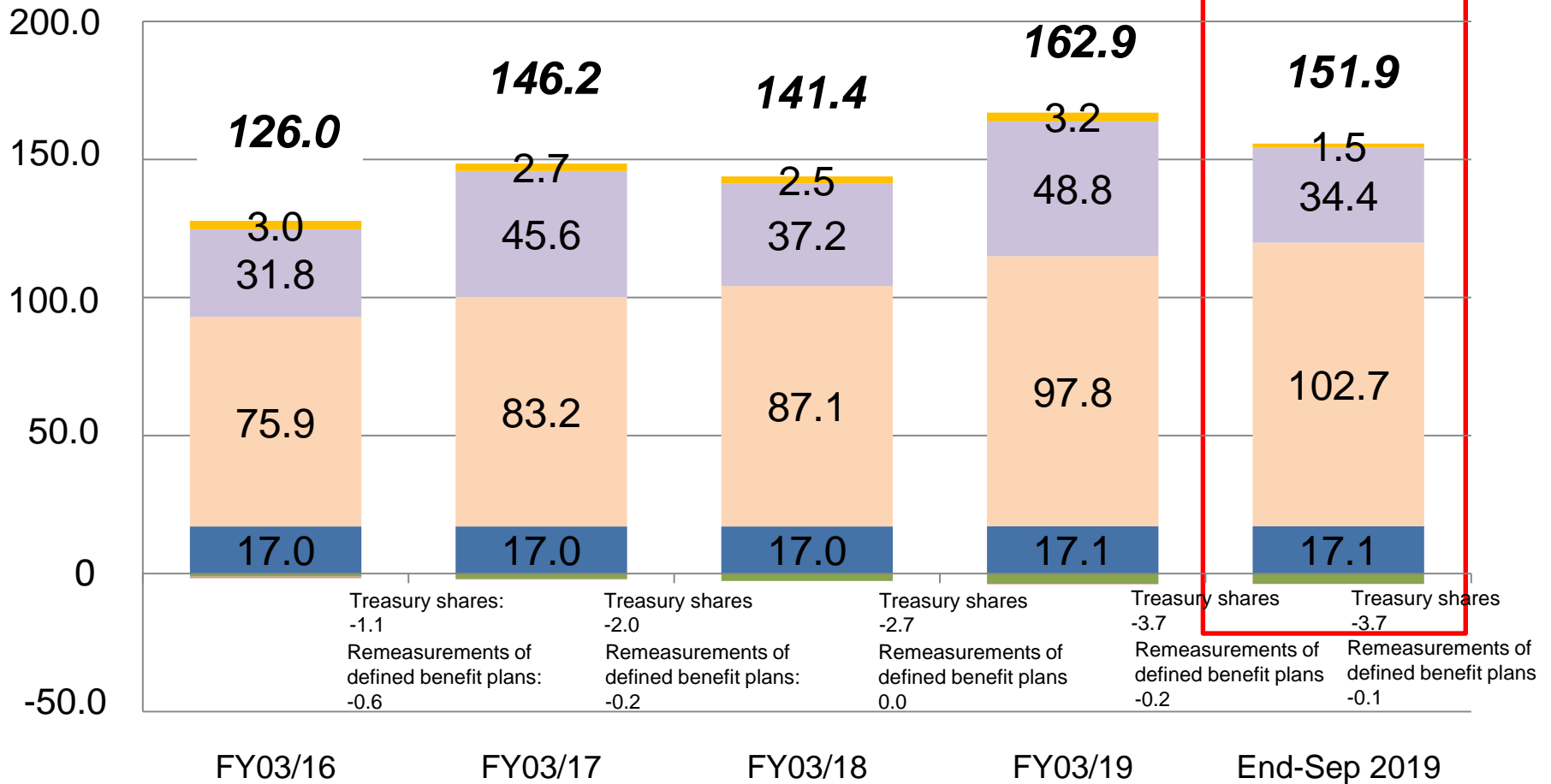
Company	Location	1H FY03/19			1H FY03/20			YoY change		
		Net sales	Operating profit	Net income	Net sales	Operating profit	Net income	Net sales	Operating profit	Net income
Taiwan Inabata Sangyo Co., Ltd.	Taiwan	25,353	325	283	24,618	296	217	-2.9%	-9.1%	-23.3%
Inabata Sangyo (H.K.) Ltd.	Hong Kong	29,743	288	346	32,234	366	412	+8.4%	+27.2%	+19.1%
Inabata Singapore (Pte.) Ltd.	Singapore	28,839	341	532	25,060	331	494	-13.1%	-2.9%	-7.1%
Inabata Thai Co., Ltd.	Thailand	20,206	294	441	19,278	239	317	-4.6%	-18.8%	-28.2%
Shanghai Inabata Trading Co., Ltd.	Shanghai	30,446	597	335	29,360	403	247	-3.6%	-32.5%	-26.3%
PT. Inabata Indonesia	Indonesia	14,485	393	216	14,111	587	371	-2.6%	+49.1%	+72.1%
Inabata Fine Tech & Co., Ltd.	Japan	9,410	211	144	8,904	179	114	-5.4%	-15.2%	-20.3%

Note: Results for 1H FY03/19 have been converted at the exchange rate for 1H FY03/20 (USD1=JPY108.60).

(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)

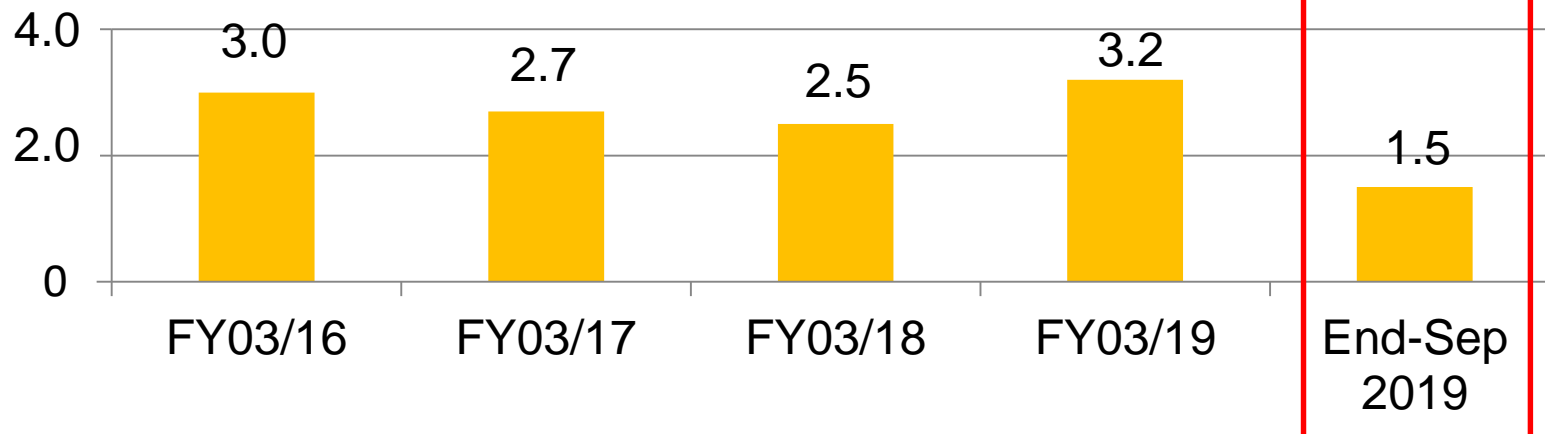


(Reference) Impact of Exchange Rate Fluctuations on the Foreign Currency Translation Adjustment



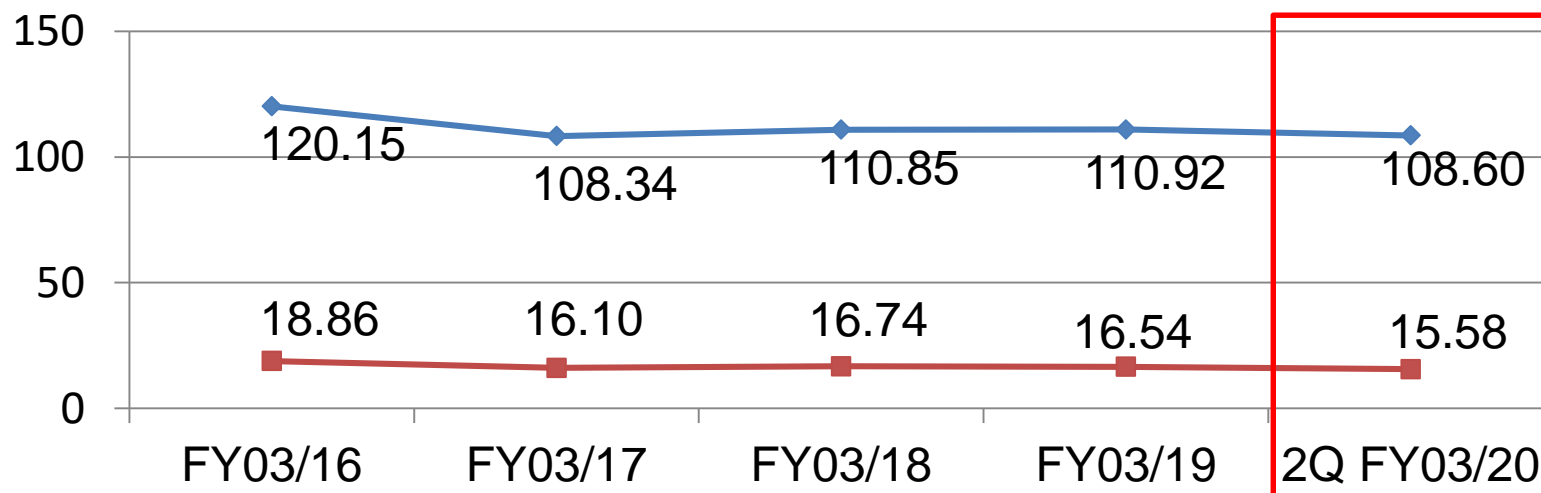
(Billions of yen)

■ Foreign currency translation adjustment



(Yen)

◆ USD/JPY ■ CNY/JPY



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◆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.