
IR Briefing for 1H Fiscal Year Ending March 2021 (Overview)

December 2, 2020

Inabata & Co., Ltd.

Kenichi Yokota

Representative Director and Senior Managing Executive Officer

Net sales: ¥267.1 billion -13.1% YoY

Net sales were down due mainly to the impact of the COVID-19 pandemic.

Operating profit: ¥6.2 billion -12.8% YoY

Operating profit declined on lower net sales.

Ordinary profit: ¥6.9 billion -12.5% YoY

Ordinary profit fell due to the decline in operating profit.

**Profit attributable to
owners of parent: ¥5.8 billion -13.2% YoY**

Profit attributable to owners of parent fell on lower ordinary profit.

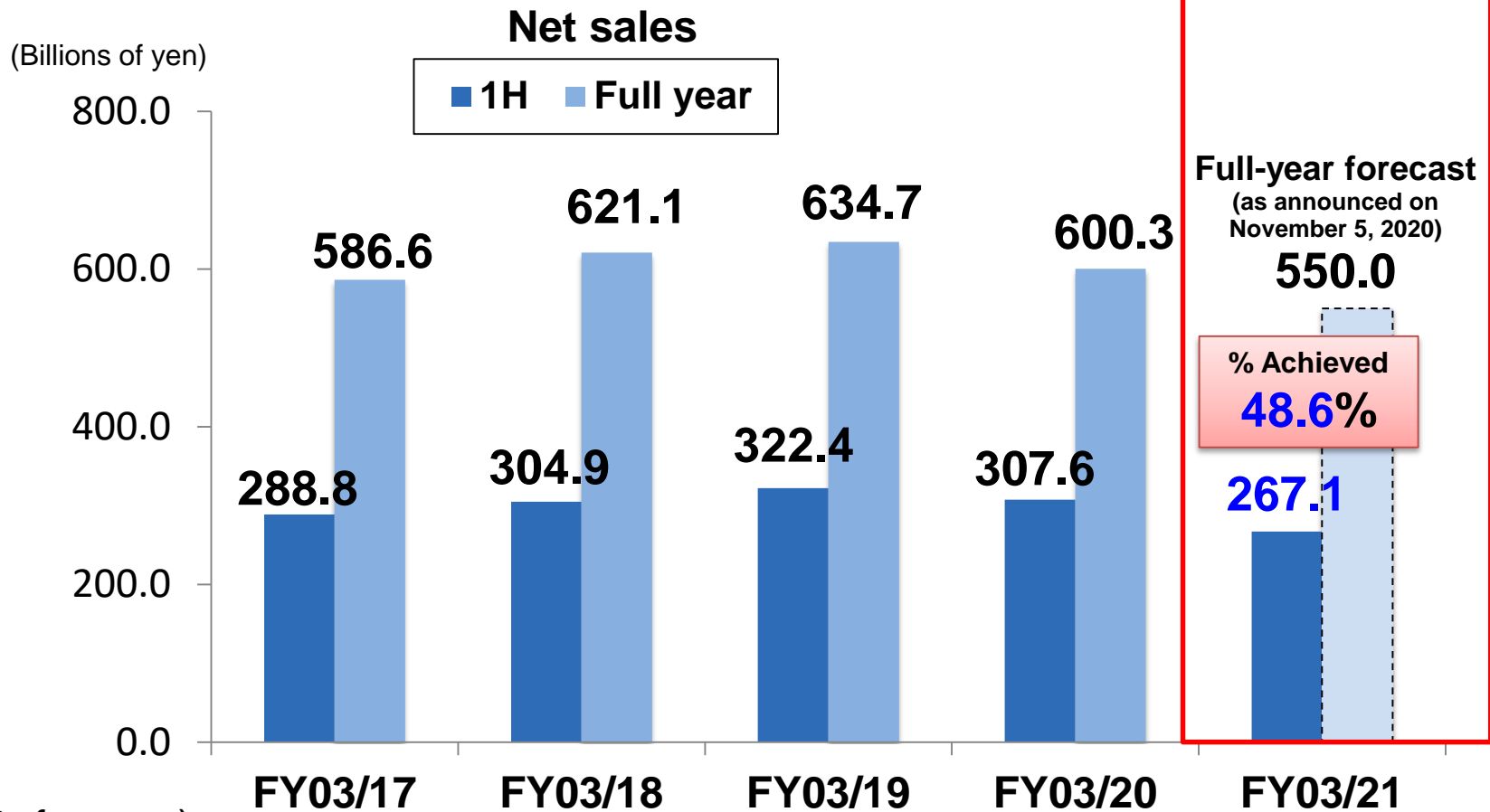
Consolidated Results Review—1H FY03/21



(Billions of yen)

	1H FY03/20	1H FY03/21 (A)	YoY change		Forecast announced November 5, 2020 (B)	Achievement rate (A)/(B)
			Amount	%		
Net sales	307.6	267.1	-40.4	-13.1%	550.0	48.6%
Operating profit	7.1	6.2	-0.9	-12.8%	12.0	51.8%
Ordinary profit	7.9	6.9	-0.9	-12.5%	12.7	54.7%
Profit attributable to owners of parent	6.7	5.8	-0.8	-13.2%	10.5	55.7%
Exchange rate (USD/JPY)	108.60	106.93	-1.67		107.00	

Trend in Net Sales

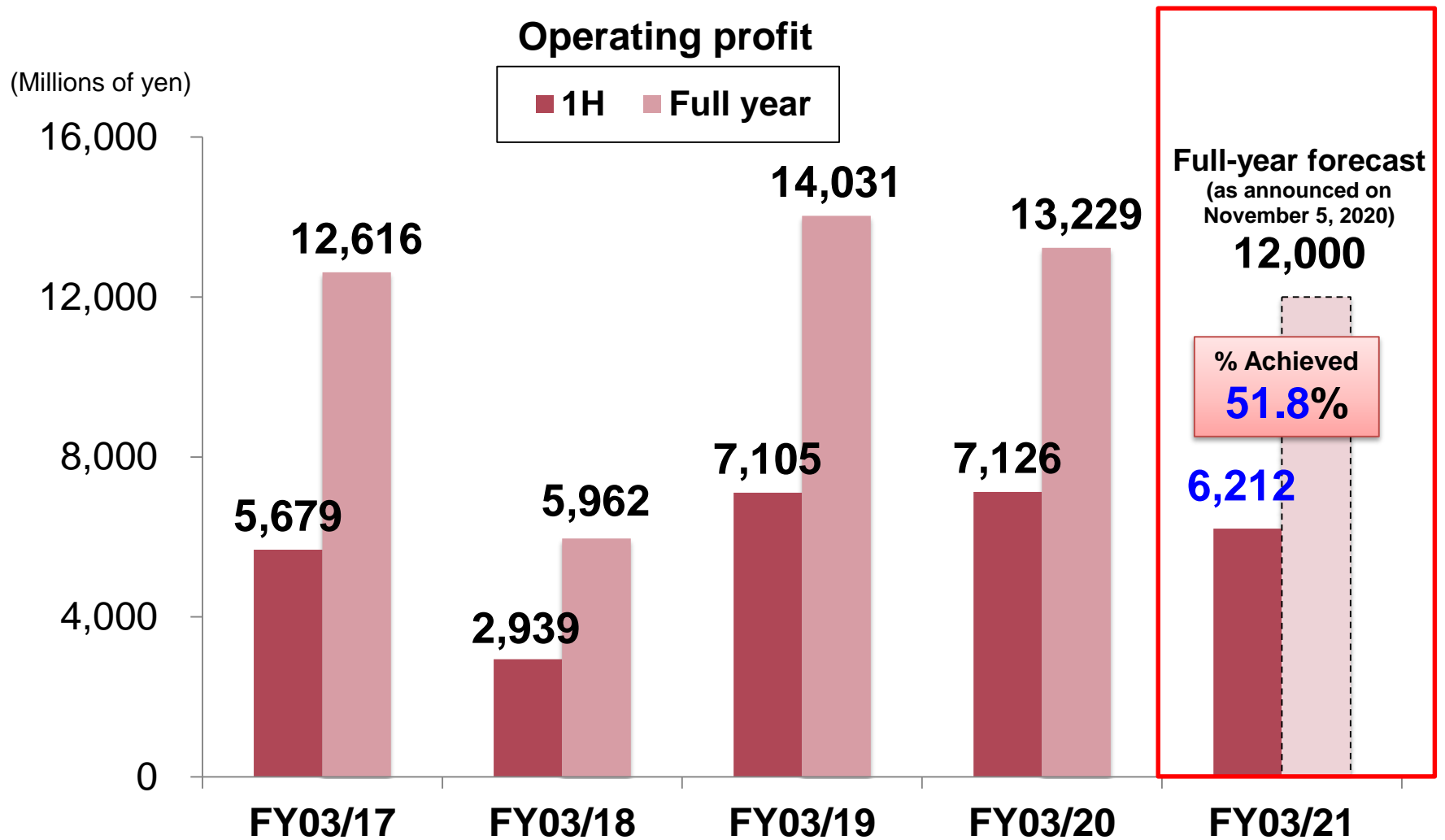


(Reference)

		FY03/17	FY03/18	FY03/19	FY03/20	FY03/21
Exchange rate: USD/JPY	1H	105.20	111.04	110.26	108.60	106.93
	Full year	108.34	110.85	110.92	108.70	(Note)107.00

Note: Estimate at time of release

Trend in Operating Profit

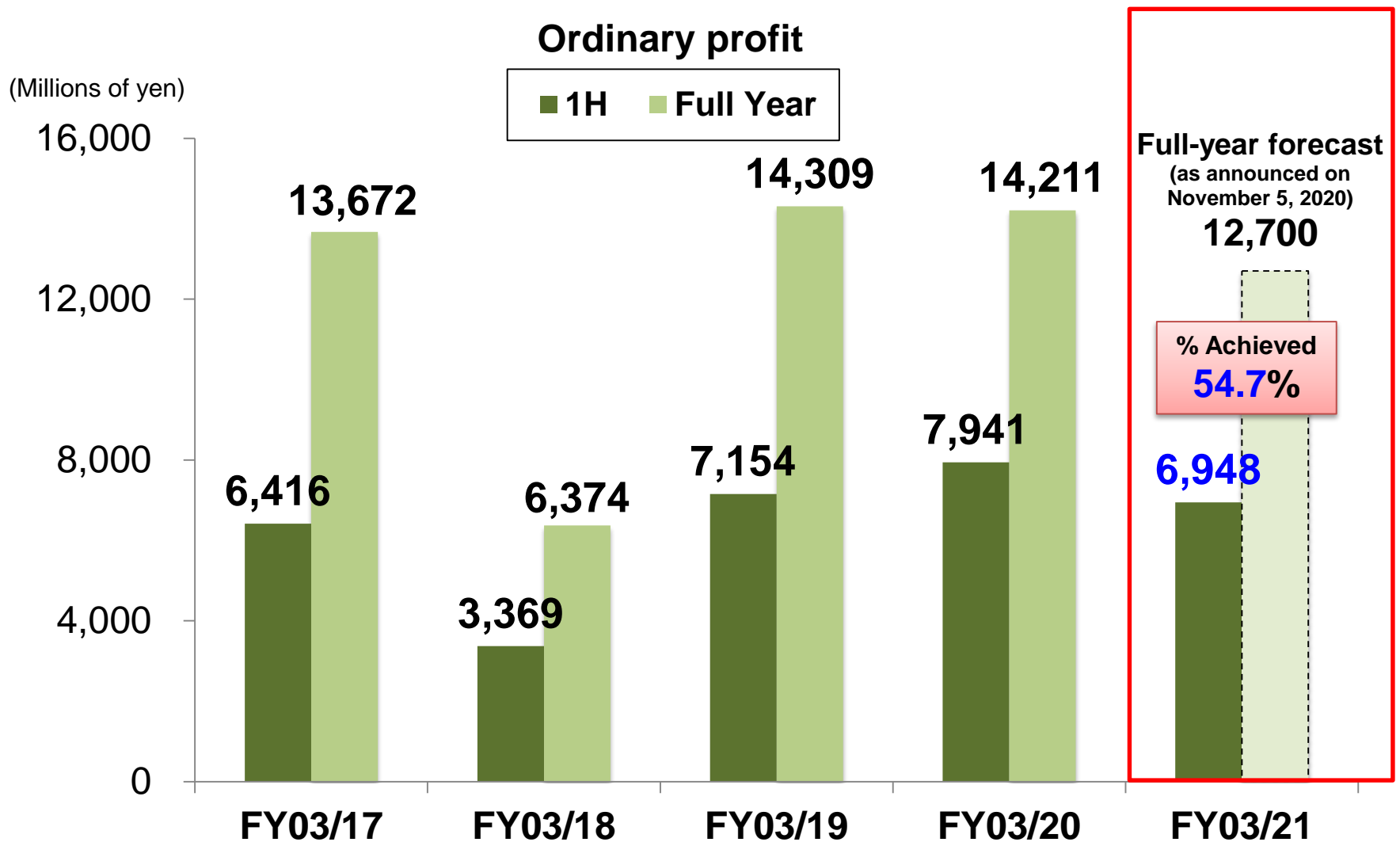


Notes: Recorded ¥0.74 billion in reversal of allowance for doubtful accounts at a European subsidiary in Q2 FY03/21

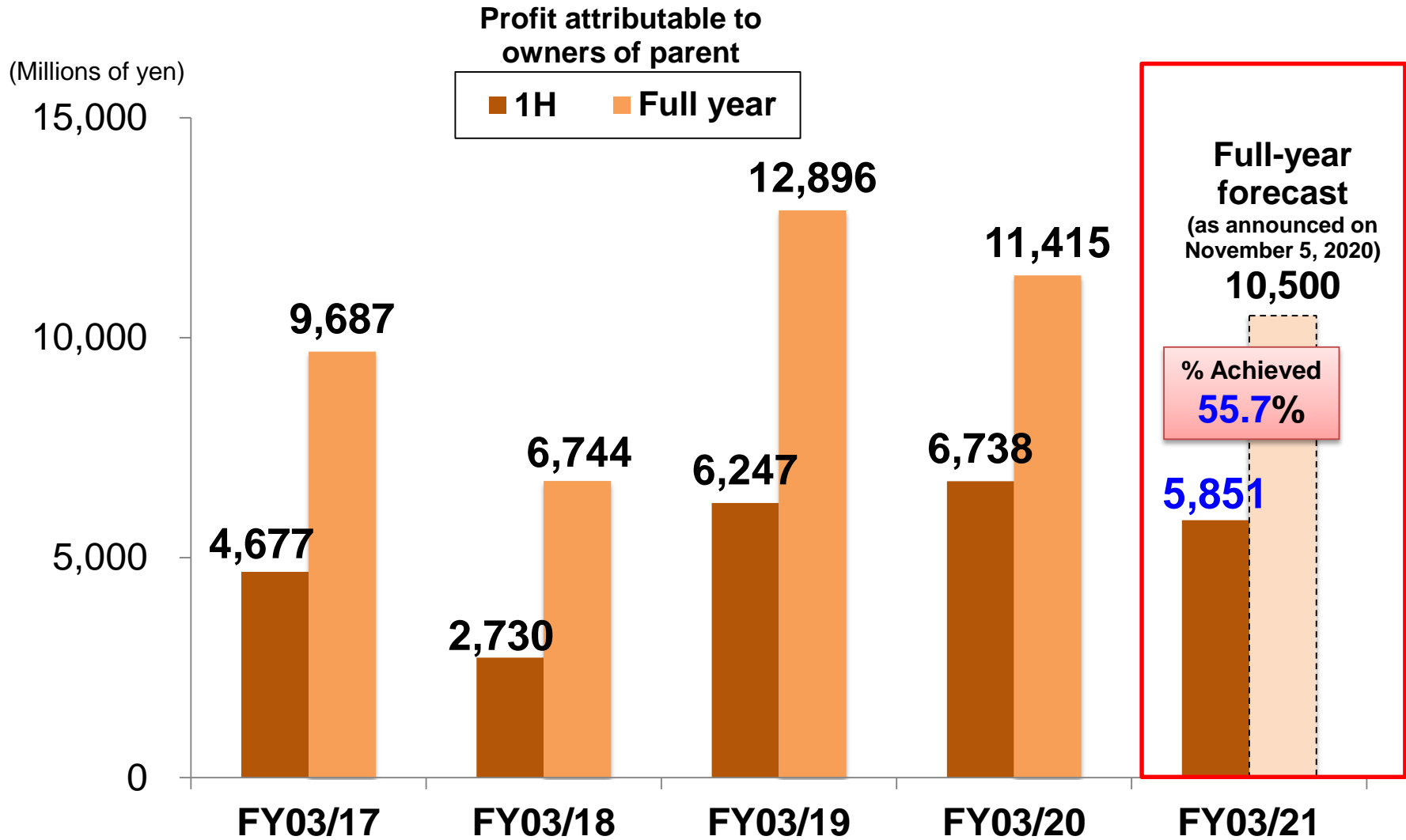
Recorded allowance for doubtful accounts at a European subsidiary in FY03/18:

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

Trend in Ordinary Profit



Trend in Profit Attributable to Owners of Parent



Balance Sheet

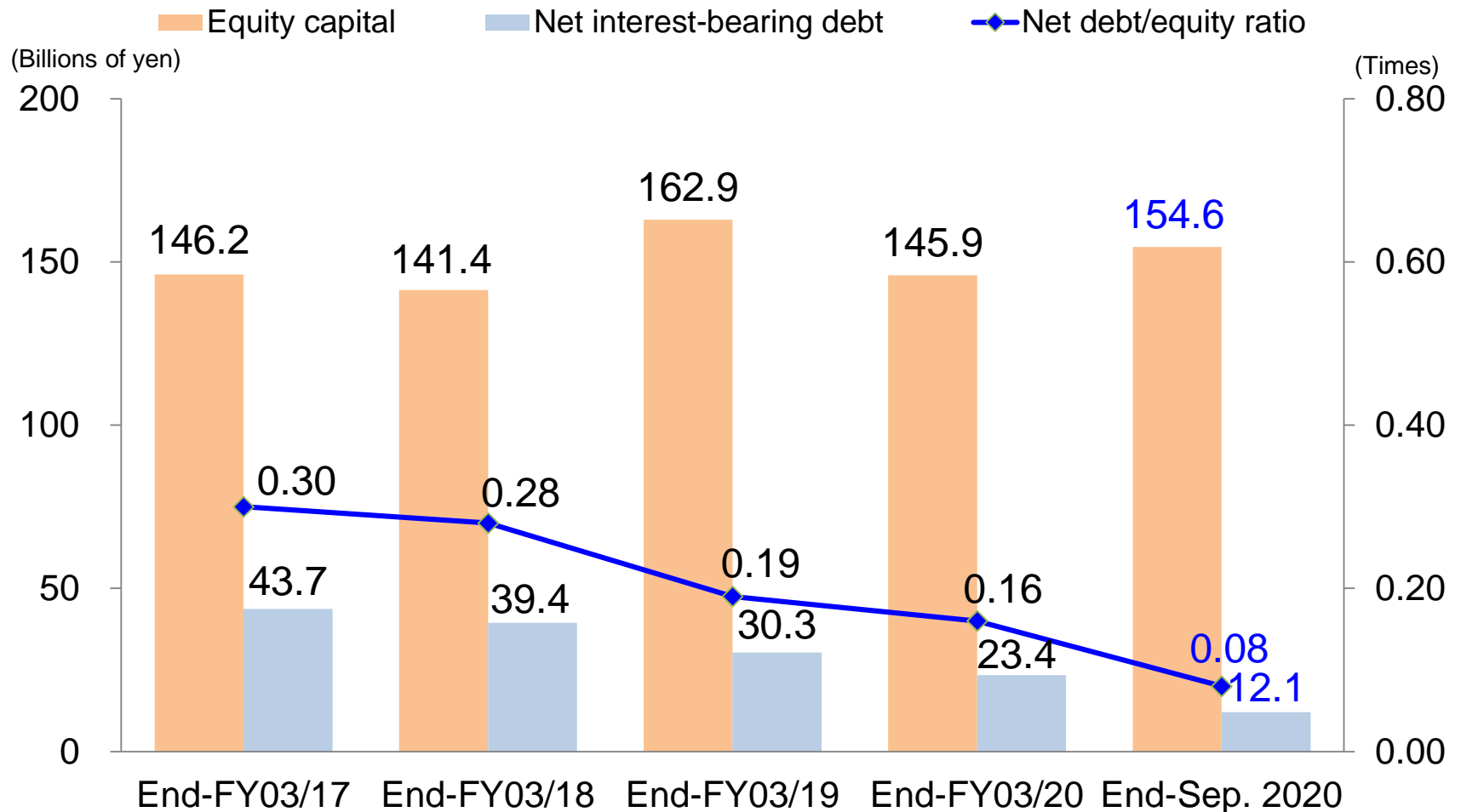


- ✓ Notes and accounts receivable - trade, notes and accounts payable - trade, and loans payable decreased on lower net sales.

(Billions of yen)

Assets	End-FY03/20	End-Sep. 2020	Change	Liabilities and net assets	End-FY03/20	End-Sep. 2020	Change
Cash and deposits	29.4	28.1	-1.3	Notes and accounts payable - trade	96.7	85.2	-11.4
Notes and accounts receivable - trade	152.4	140.0	-12.4	Short-term loans payable	43.0	32.4	-10.6
Inventories	55.9	49.3	-6.5	Other current liabilities	10.9	12.1	+1.2
Other current assets	7.3	7.5	+0.2	Long-term loans payable	9.7	7.7	-2.0
Property, plant and equipment	13.9	13.7	-0.2	Other non-current liabilities	14.5	16.3	+1.7
Intangible assets	3.0	2.9	-0.0	Shareholders' equity	119.1	122.4	+3.2
Investment securities	54.2	61.5	+7.3	Accumulated other comprehensive income	26.7	32.2	+5.4
Other fixed assets	6.5	7.1	+0.6	Non-controlling interests	1.8	1.7	-0.0
Total assets	322.8	310.4	-12.3	Total liabilities and net assets	322.8	310.4	-12.3
Current ratio	162.6%	173.2%		Equity ratio	45.2%	49.8%	

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

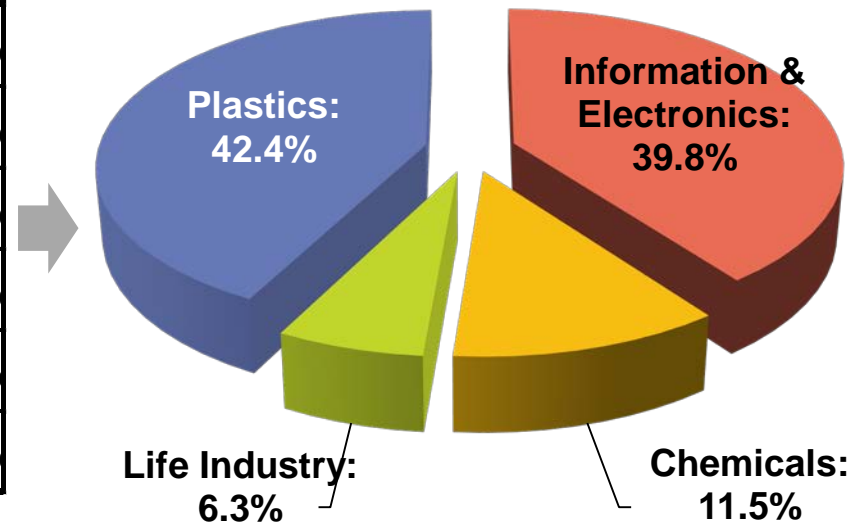
Sales by Business Segment

- ✓ In Information & Electronics, sales of materials for polarizing film were robust.
- ✓ In Plastics, sales were down due to the impact of the COVID-19 pandemic and lower plastics prices.

Sales

(Billions of yen)

	1H FY03/20	1H FY03/21	YoY change
Information & Electronics	110.4	106.3	-3.7%
Chemicals	36.7	30.7	-16.3%
Life Industry	18.3	16.7	-9.0%
Plastics	142.0	113.2	-20.2%
Other	0.0	0.0	-2.8%
Total	307.6	267.1	-13.1%



Gross Profit and Operating Profit by Business Segment



- ✓ In Information & Electronics, profit increased on lower SG&A expenses, resulting in part from the reversal of allowance for doubtful accounts.
- ✓ In Plastics, profit fell on lower sales.

Gross profit

(Millions of yen)

	1H FY03/20	1H FY03/21	YoY change
Information & Electronics	7,104	6,875	-3.2%
Chemicals	2,814	2,404	-14.6%
Life Industry	2,429	2,213	-8.9%
Plastics	11,125	9,177	-17.5%
Other	68	64	-4.7%
Total	23,541	20,735	-11.9%

Operating profit

(Millions of yen)

	1H FY03/20	1H FY03/21	YoY change
Information & Electronics	2,415	3,331	+37.9%
Chemicals	675	416	-38.3%
Life Industry	602	537	-10.7%
Plastics	3,364	1,861	-44.7%
Other	68	64	-4.7%
Total	7,126	6,212	-12.8%

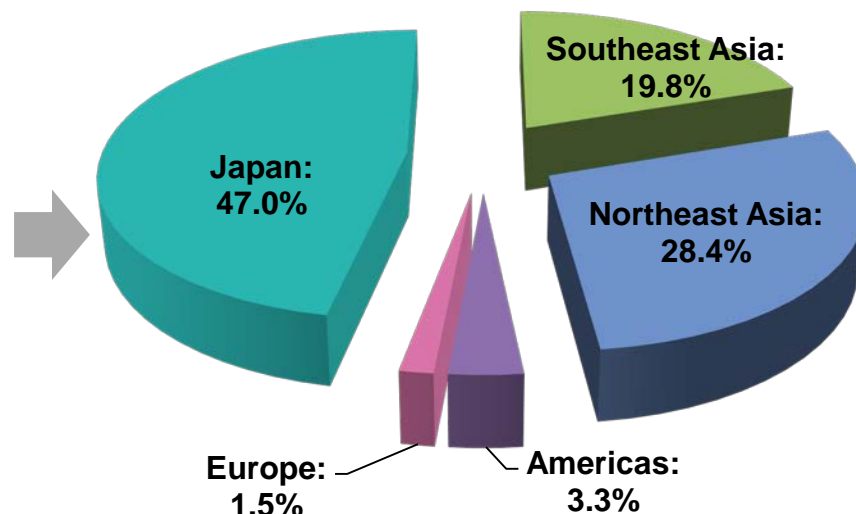
Sales by Region

✓ Southeast Asia Hit hard by lockdowns in Q1

Sales

(Billions of yen)

	1H FY03/20	1H FY03/21	YoY change
Southeast Asia	70.9	52.9	-25.3%
Northeast Asia	78.0	75.9	-2.6%
Americas	11.0	8.6	-21.0%
Europe	3.7	4.0	+6.2%
Japan	143.9	125.5	-12.8%
Total	307.6	267.1	-13.1%
(Overseas ratio)	(53.2%)	(53.0%)	(-0.2%)



Note: Sales in the Japan segment include exports (¥22.8 billion in 1H FY03/21). Including this amount, the percentage of overseas sales was 60.9% in 1H FY03/20 and 61.3% in 1H FY03/21.

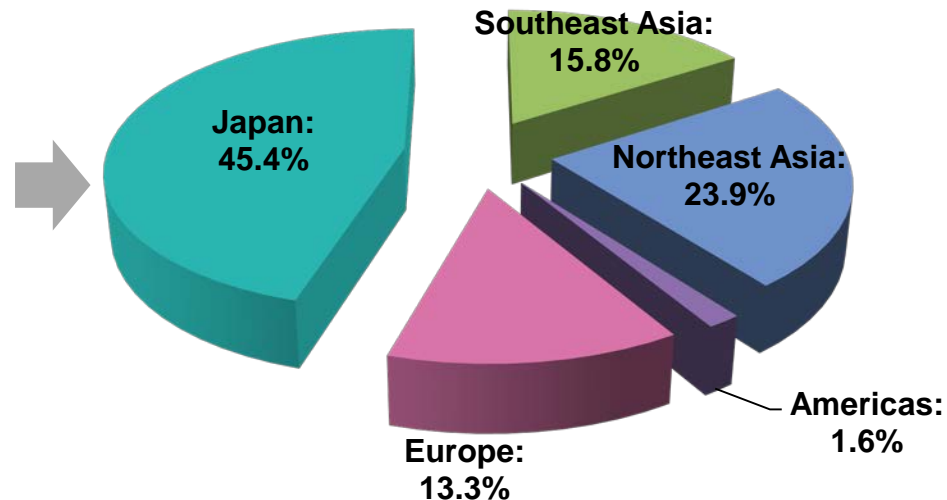
Operating Profit by Region

- ✓ Northeast Asia Profit increased on robust sales of display materials
- ✓ Europe Profit rose due to reversal of allowance for doubtful accounts

Operating profit

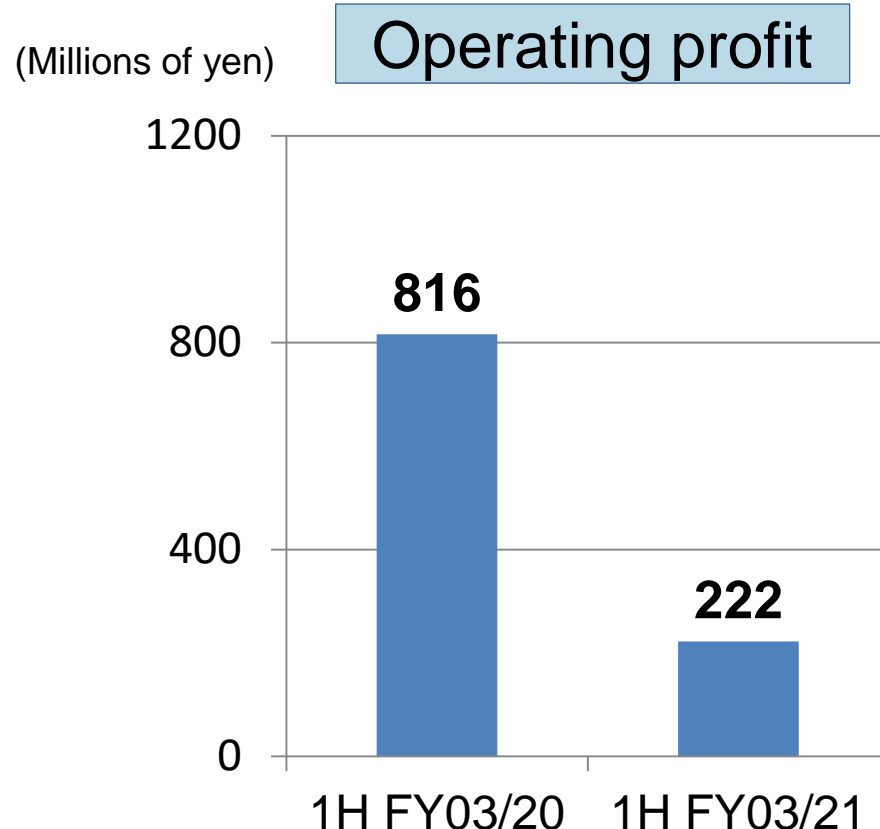
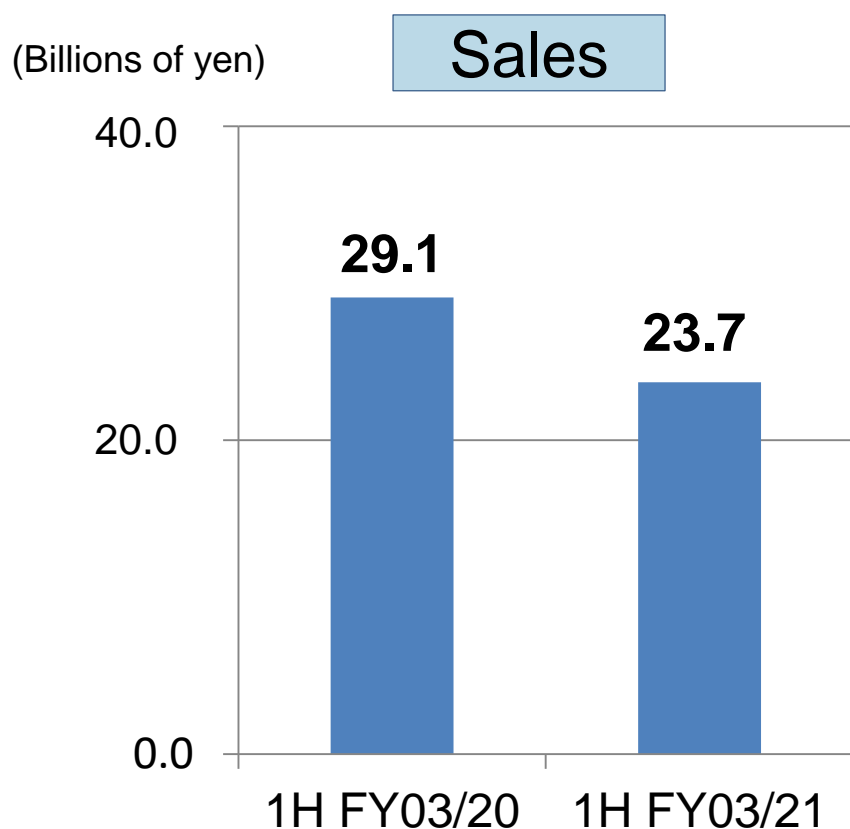
(Millions of Yen)

	1H FY03/20	1H FY03/21	YoY change
Southeast Asia	2,307	950	-58.8%
Northeast Asia	1,287	1,434	+11.4%
Americas	234	95	-59.3%
Europe	64	798	+1,139.7%
Japan	3,065	2,728	-11.0%
Subtotal	6,958	6,006	-13.7%
Elimination or corporate	167	205	
Total	7,126	6,212	-12.8%
(Overseas ratio)	(55.9%)	(54.6%)	(-1.4%)



Sales and Operating Profit in the Manufacturing Sector **IK**

Compound plants primarily in Southeast Asia were hurt by lockdowns.



Note: Results for 1H FY03/20 have been converted at the exchange rate for 1H FY03/21 (USD1=JPY106.93).

Assumptions underlying the business outlook

■ As of Q1 FY03/21 results announcement

The impact of the novel coronavirus outbreak varies by the country where the Company operates. While the outbreak is expected to have a lingering impact throughout the rest of the fiscal year, the Company assumes that global and Japanese economic environments will gradually recover through the end of FY03/21, rather than experiencing another sharp drop in economic activity as in Q1.

✓ Business segments and areas significantly affected by the outbreak

Business segment: Plastics, Chemicals

Area: Automobile, among others

Region: Southeast Asia

■ As of 1H FY03/21 results announcement

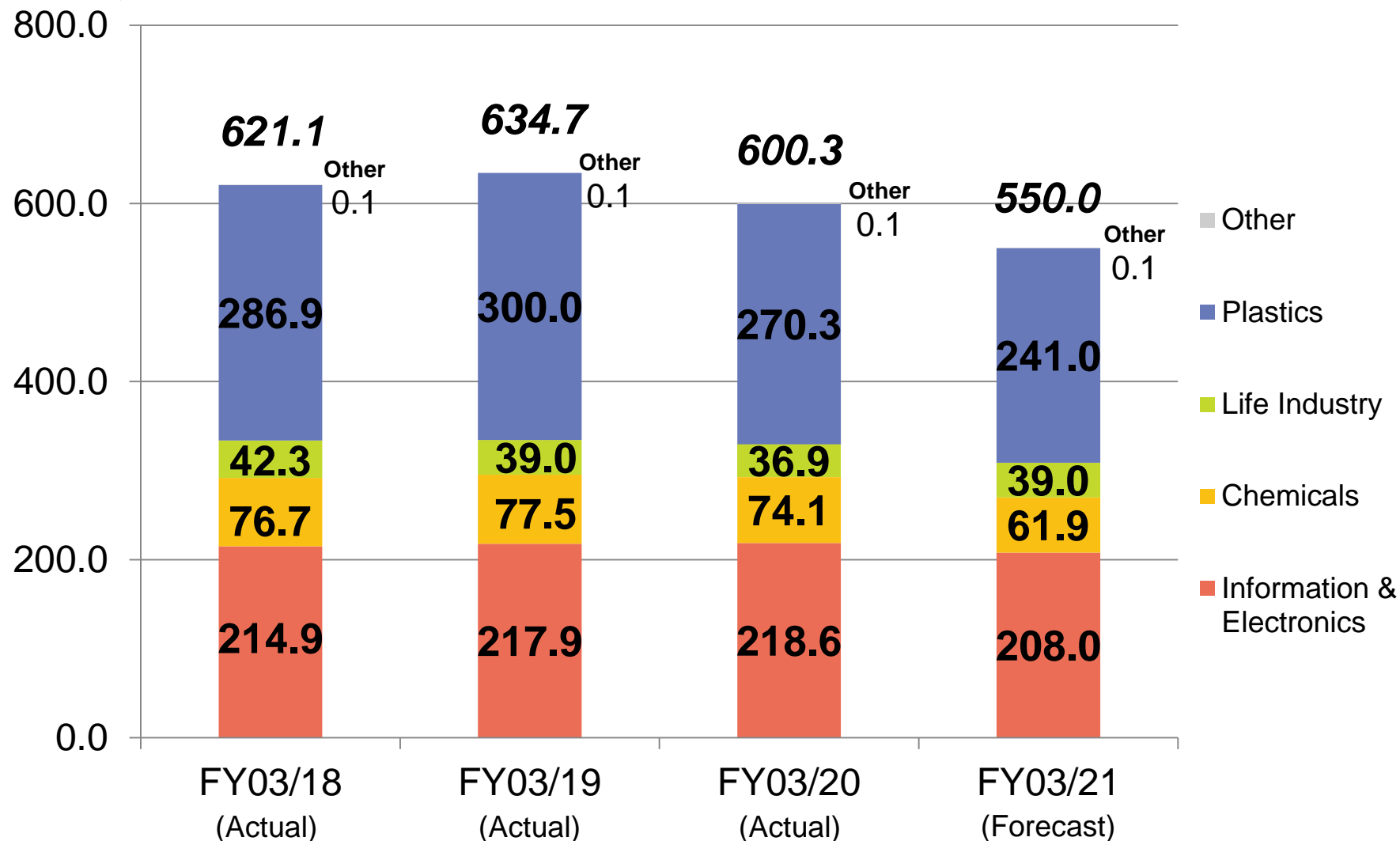
1H FY03/21 Faster recovery than expected (due in part to reversal of allowance for doubtful accounts)

2H FY03/21 The Company maintains assumptions as of Q1 results announcement

Sales Forecast by Business Segment



(Billions of yen)



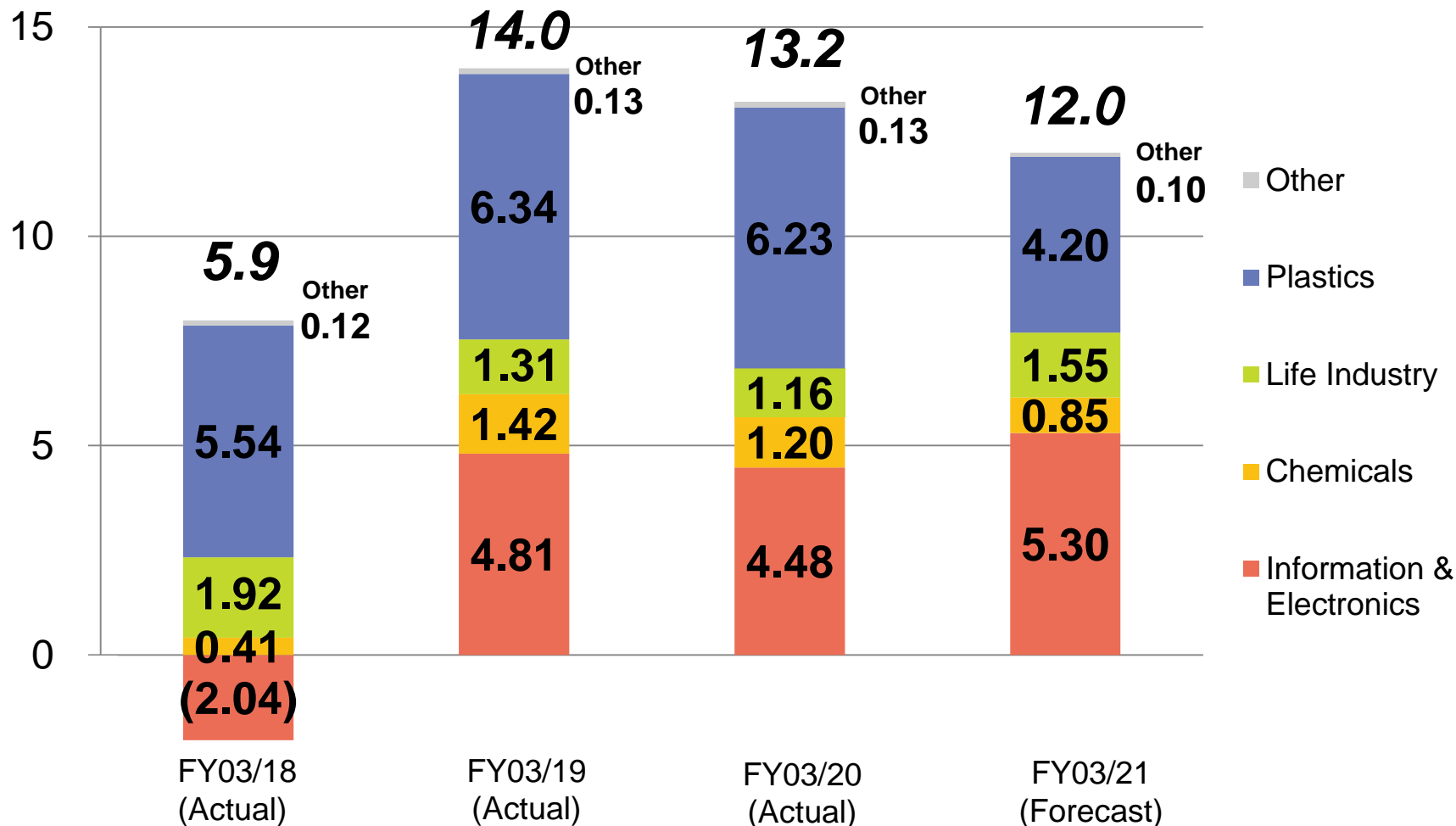
Note: Effective FY03/20, the Housing & Eco Materials segment was combined with the Chemicals segment.

Results for fiscal years up to and including FY03/19 have been retroactively adjusted to reflect this change. Copyright © INABATA & CO., LTD. 2020

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.

In Q2 FY03/21, we booked ¥0.74 billion in reversal of allowance for doubtful accounts at a European subsidiary in the Information & Electronics segment.

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

Results for fiscal years up to and including FY03/19 have been retroactively adjusted to reflect this change.

	Companies		
	Japan	Overseas	Total
Consolidated subsidiaries	7	37	44
(Of which, manufacturers)	(5)	(17)	(22)
Equity-method affiliates	4	1	5
(Of which, manufacturers)	(2)	(1)	(3)
Total	11	38	49
(Of which, manufacturers)	(7)	(18)	(25)

Principle Consolidated Subsidiaries



(Millions of yen)

Company	Location	1H FY03/20			1H FY03/21			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	25,464	306	225	17,599	380	270	-30.9%	+24.3%	+20.3%
Inabata Sangyo (H.K.) Ltd.	Hong Kong	32,095	365	411	29,564	450	458	-7.9%	+23.4%	+11.6%
Inabata Singapore (Pte.) Ltd.	Singapore	24,675	326	487	19,724	312	473	-20.1%	-4.4%	-2.9%
Inabata Thai Co., Ltd.	Thailand	18,671	231	307	14,326	90	110	-23.3%	-61.3%	-64.0%
Shanghai Inabata Trading Co., Ltd.	Shanghai	28,757	395	241	27,712	421	321	-3.6%	+6.8%	+33.0%
PT. Inabata Indonesia	Indonesia	13,894	578	365	7,121	150	93	-48.7%	-74.1%	-74.6%
Inabata Fine Tech & Co., Ltd.	Japan	8,904	179	114	8,551	235	155	-4.0%	+31.2%	+35.9%

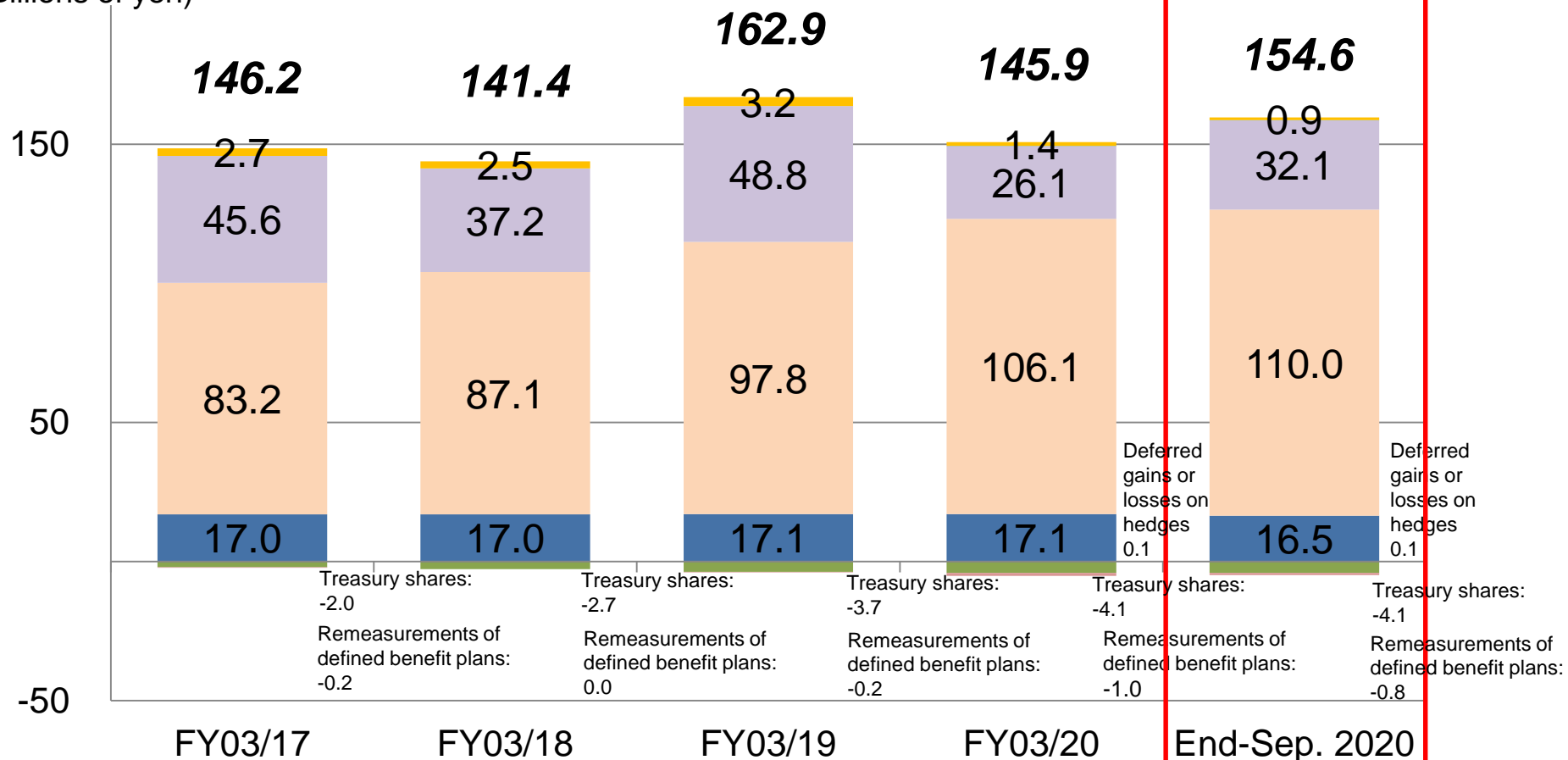
Note: Results for 1H FY03/20 have been converted at the exchange rate for 1H FY03/21 (USD1=JPY106.93).

(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)

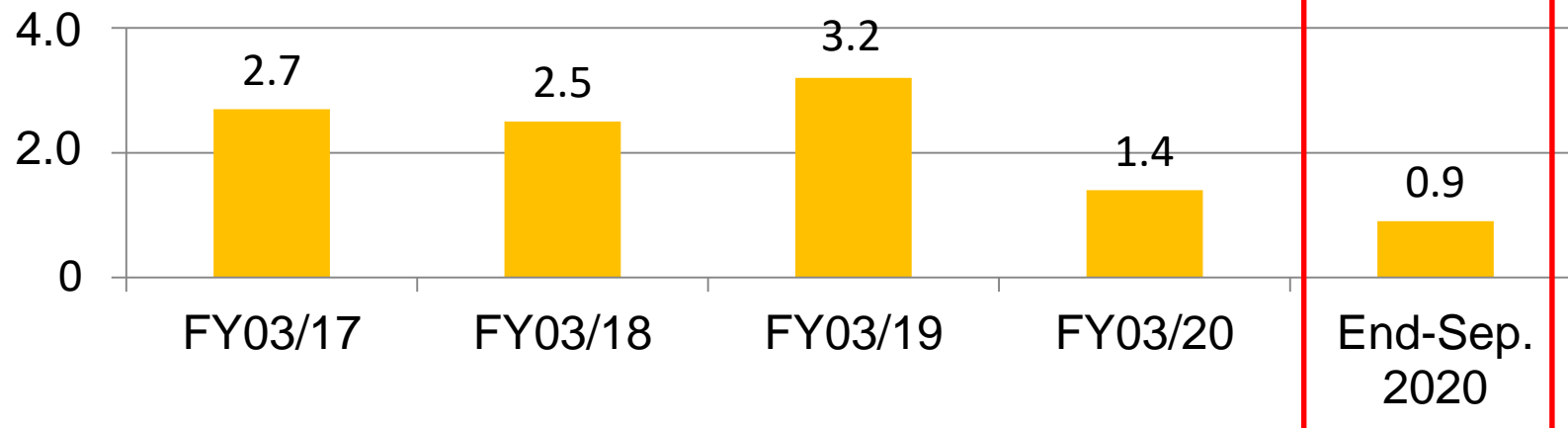


(Reference) Impact of Exchange Rate Fluctuations on the Foreign Currency Translation Adjustment



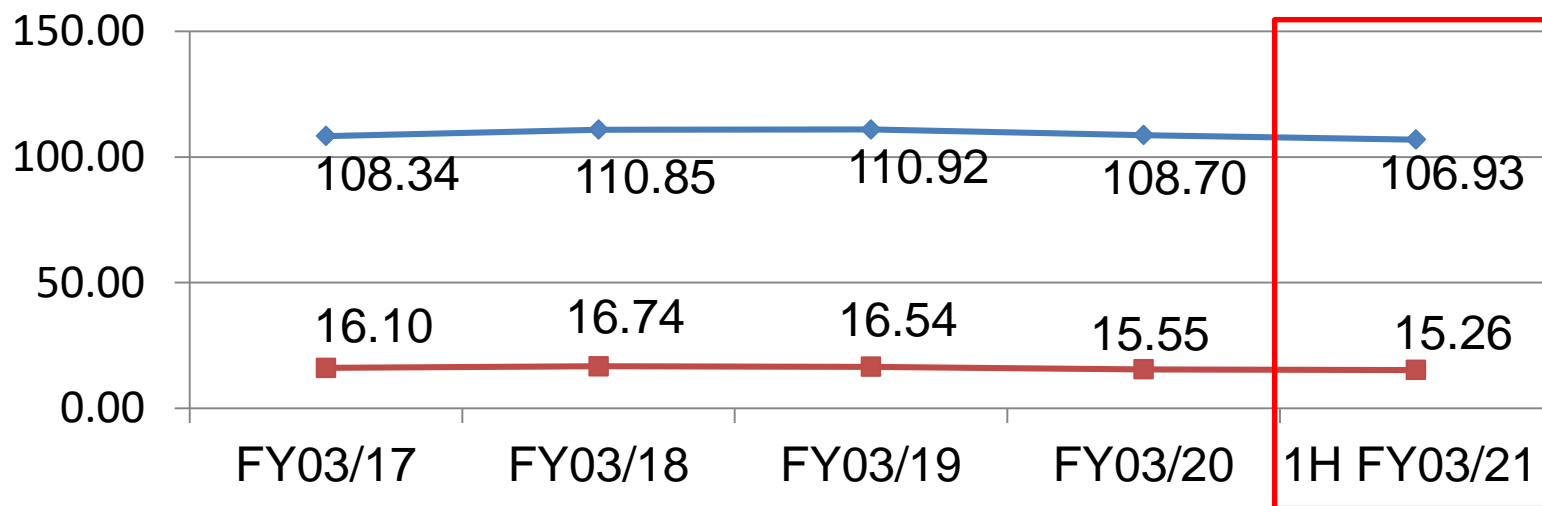
(Billions of yen)

■ Foreign currency translation adjustment



(Yen)

◆ USD/JPY ■ CNY/JPY



□ IR Inquiries

IR Department, Financial Management Office, Inabata & Co., Ltd.
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.