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# IR Briefing for 1H Fiscal Year Ending March 2022 (Overview)

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December 2, 2021

Inabata & Co., Ltd.

Kenichi Yokota

Representative Director and Senior Managing Executive Officer

## Net sales and profits reached record highs in 1H

**Net sales: ¥328.5 billion** ¥267.1 billion in 1H FY03/21

Net sales increased owed to recovery from a substantial slump a year ago in the wake of the COVID-19 pandemic.

**Operating profit: ¥11.0 billion** +78.3% YoY

Operating profit rose on increases in net sales and gross profit margin.

**Ordinary profit: ¥12.0 billion** +73.3% YoY

Ordinary profit increased on operating profit growth.

**Profit attributable to owners of parent: ¥13.5 billion** +131.0% YoY

Bottom-line profit grew due to an increase in ordinary profit and gain on sales of investment securities.

# Consolidated Results Review—1H FY03/22

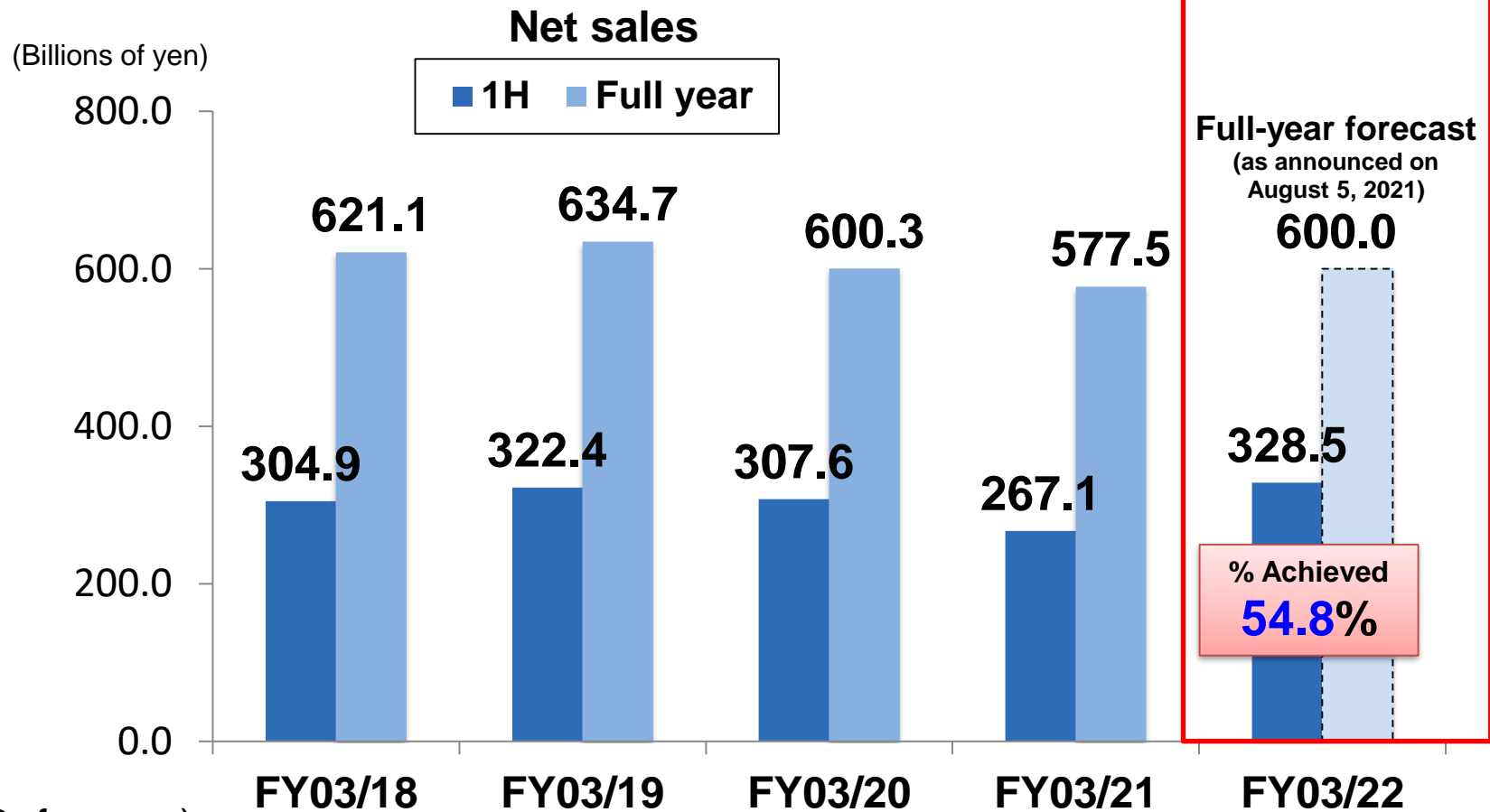


(Billions of yen)

	1H FY03/21	1H FY03/22 (A)	YoY change		Forecast announced August 5, 2021 (B)	Achievement rate (A)/(B)
			Amount	%		
Net sales	267.1	328.5	+61.3	-	600.0	54.8%
Operating profit	6.2	11.0	+4.8	+78.3%	16.0	69.2%
Ordinary profit	6.9	12.0	+5.0	+73.3%	17.0	70.8%
Profit attributable to owners of parent	5.8	13.5	+7.6	+131.0%	16.0	84.5%
Exchange rate (USD/JPY)	106.93	109.81	+2.88		110.00	

\* Inabata has adopted Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) effective from Q1 FY03/22, which had a negative impact on net sales of ¥11.9 billion. 3

# Trend in Net Sales



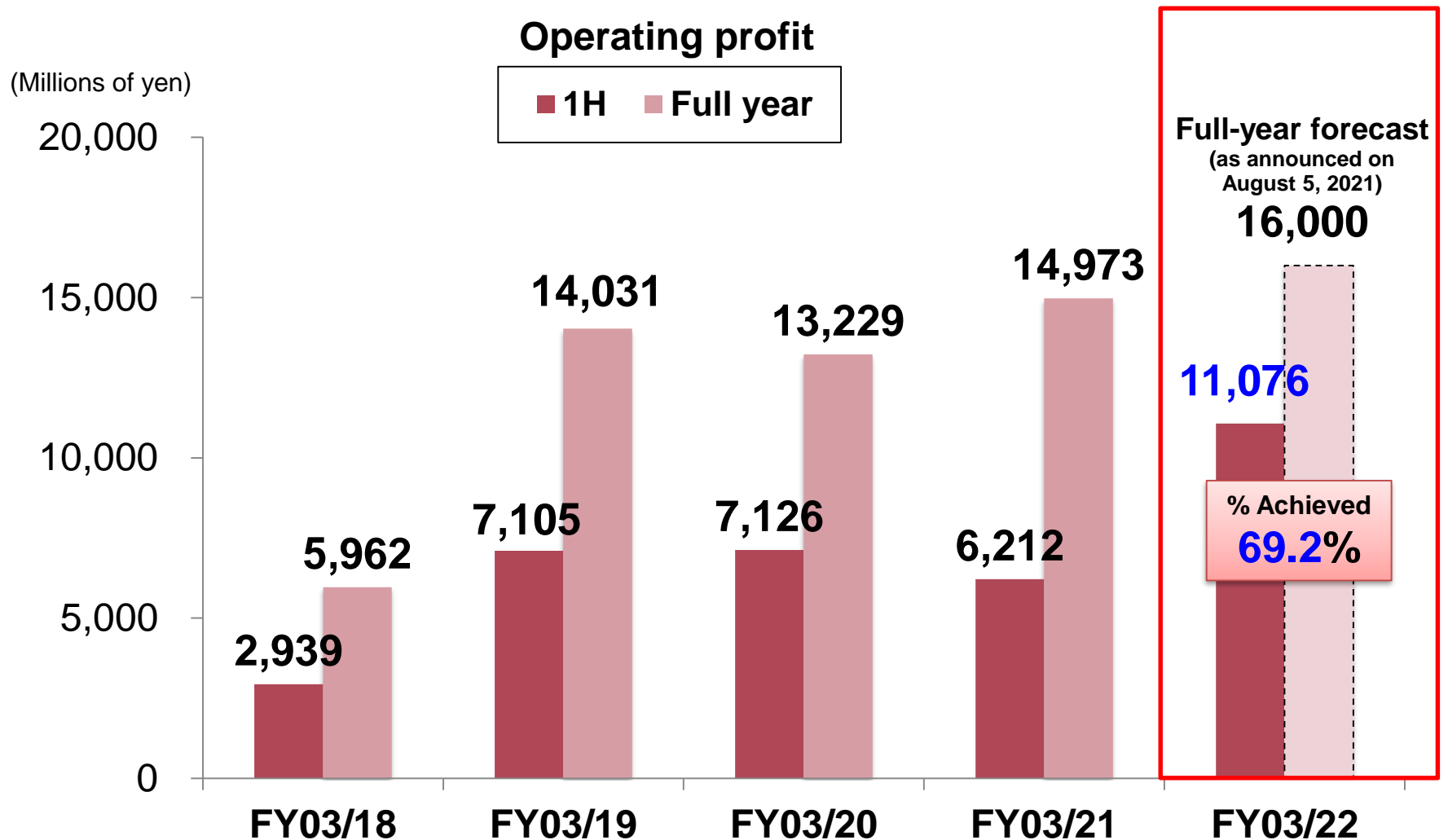
(Reference)

		FY03/18	FY03/19	FY03/20	FY03/21	FY03/22
<b>Exchange rate: USD/JPY</b>	<b>1H</b>	111.04	110.26	108.60	106.93	109.81
	<b>Full year</b>	110.85	110.92	108.70	106.10	(Note) 110.00

\* Inabata has adopted Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) effective from Q1 FY03/22, which had a negative impact on net sales of ¥11.9 billion.

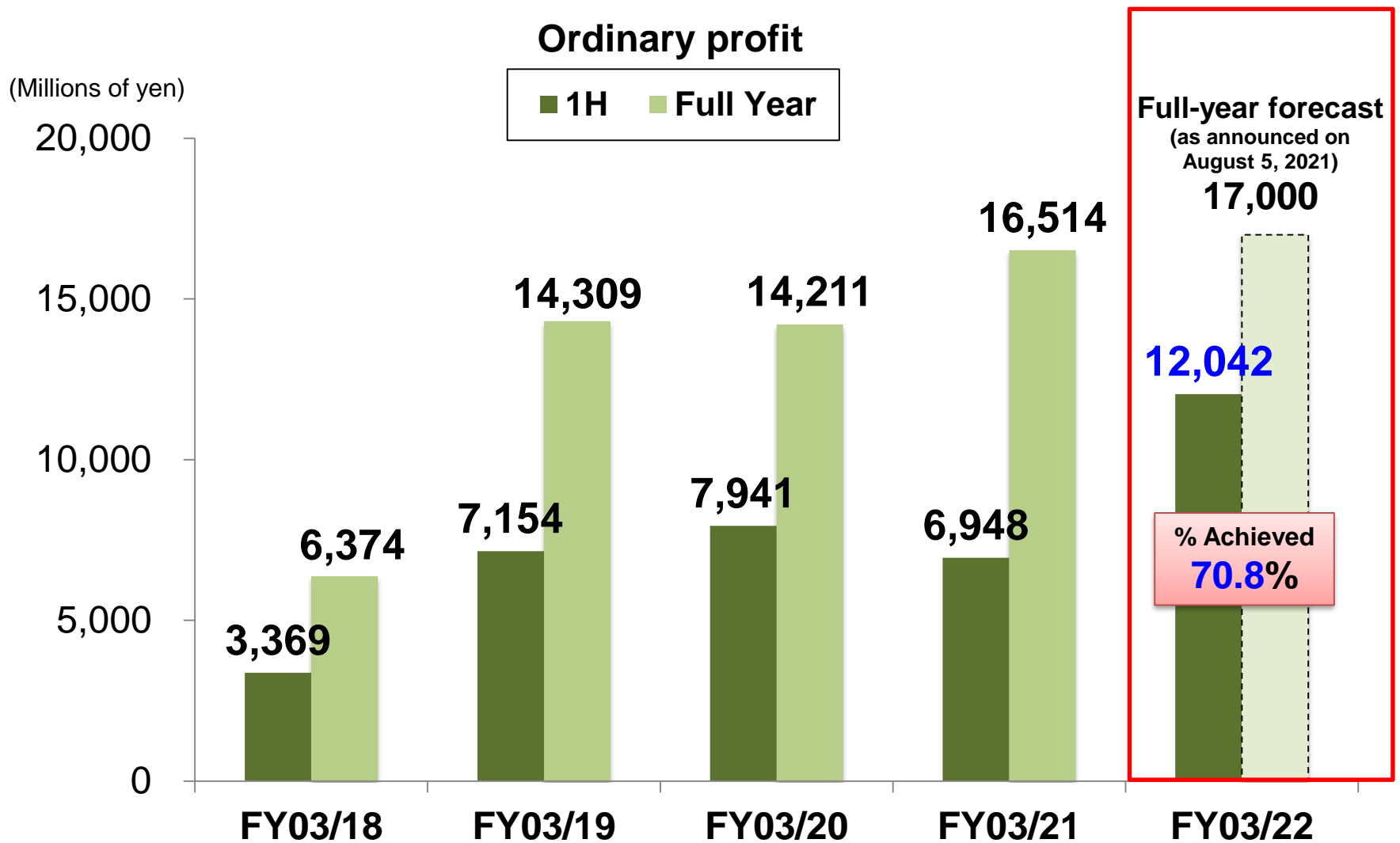
Note: Estimate at time of release

# Trend in Operating Profit

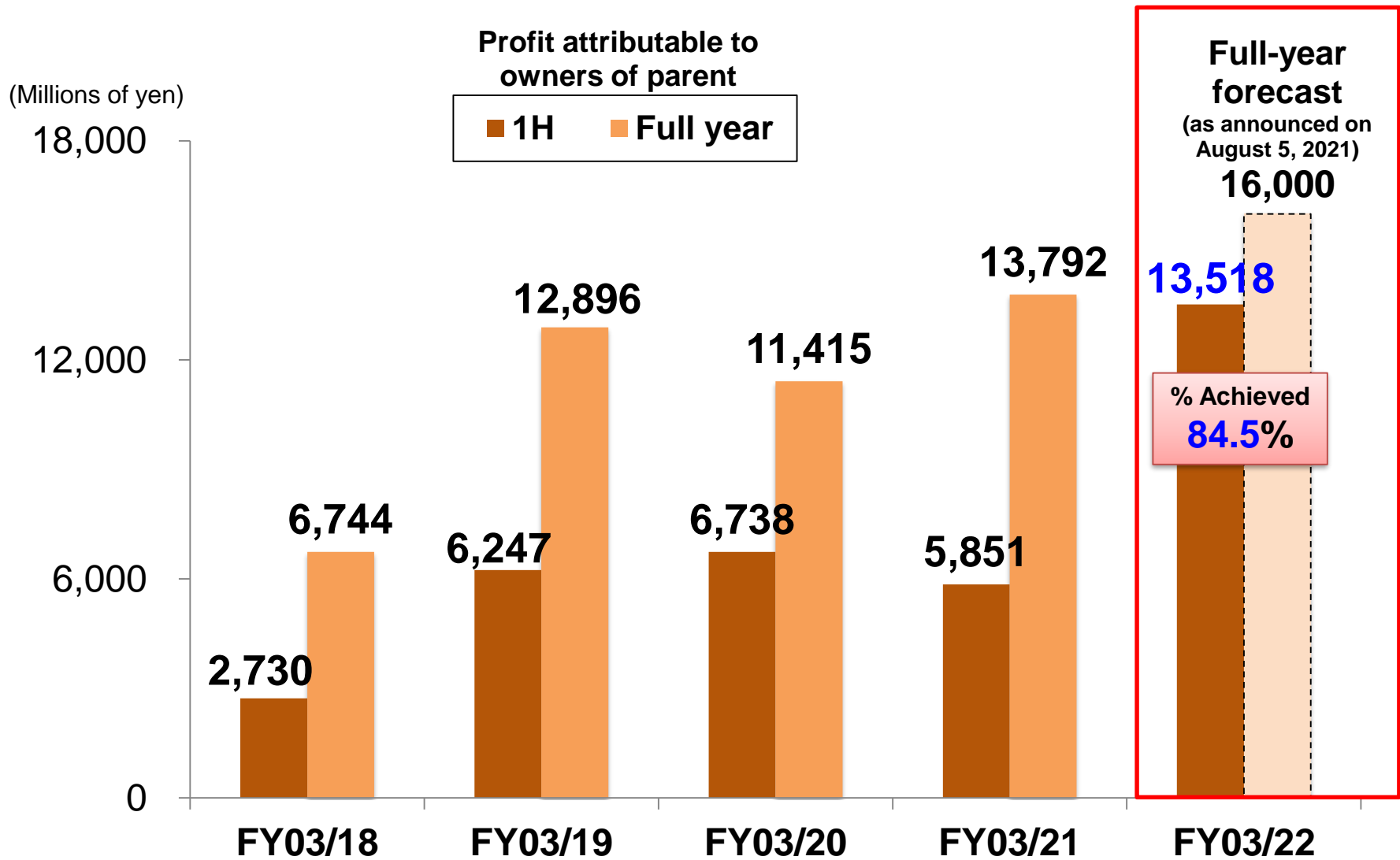


Notes: Recorded allowance for doubtful accounts at a European subsidiary in FY03/18: 1H: ¥3.38 billion; Full Year: ¥6.65 billion  
Recorded ¥0.75 billion in reversal of allowance for doubtful accounts at a European subsidiary in FY03/21

# Trend in Ordinary Profit



# Trend in Profit Attributable to Owners of Parent



# Balance Sheet



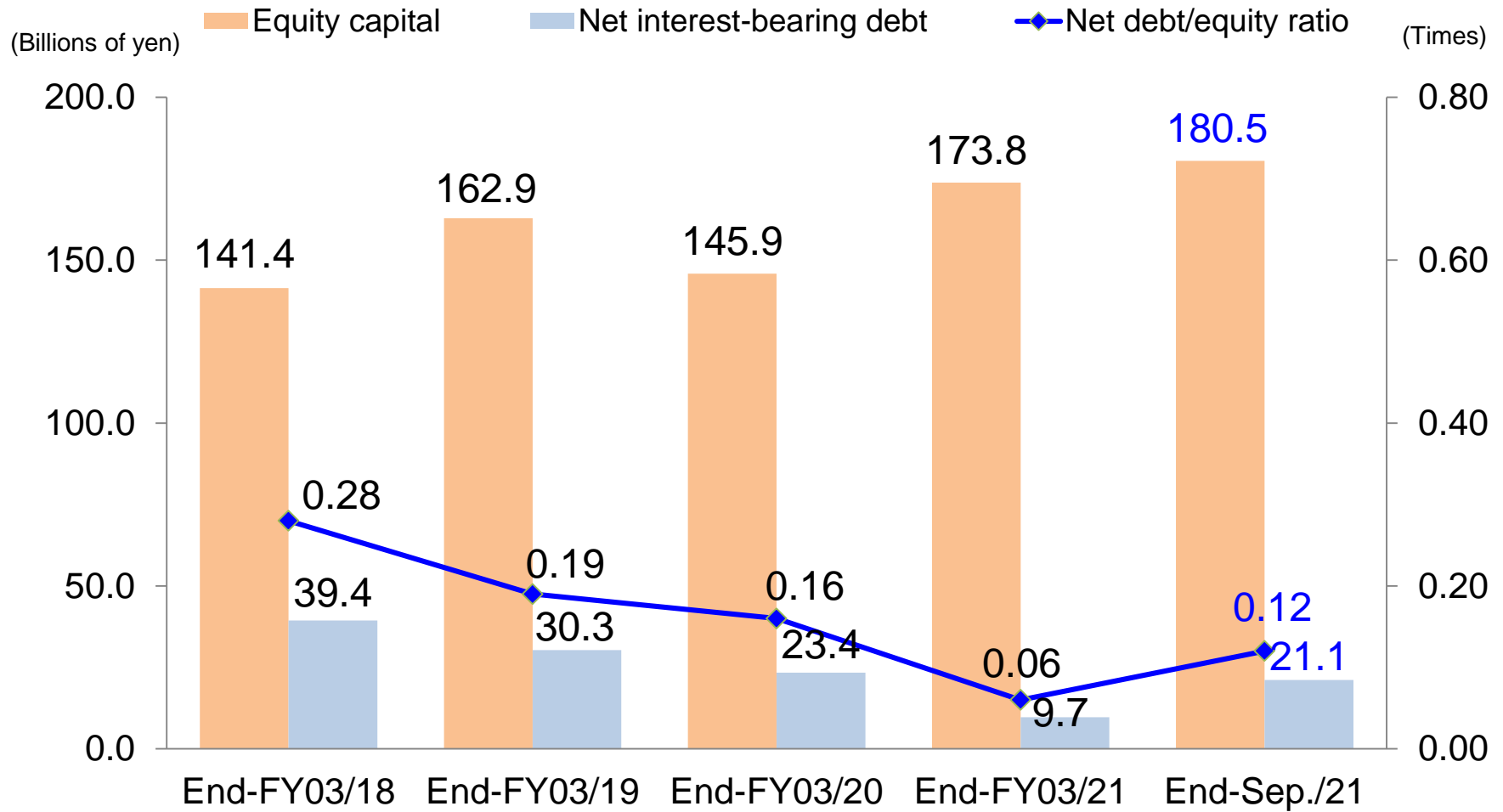
- Notes and accounts receivable - trade and inventories increased on business recovery
- Shareholders' equity grew on an increase in retained earnings driven by business recovery

(Billions of yen)

Assets	End-FY03/21	End-Sep. 2021	Change	Liabilities and net assets	End-FY03/21	End-Sep. 2021	Change
Cash and deposits	31.4	33.7	+2.2	Notes and accounts payable - trade	104.1	103.8	-0.2
Notes and accounts receivable - trade	162.7	170.2	+7.5	Short-term loans payable	33.7	47.6	+13.9
Inventories	54.1	71.7	+17.5	Other current liabilities	12.7	17.7	+5.0
Other current assets	8.6	10.4	+1.7	Long-term loans payable	7.4	7.2	-0.1
Property, plant and equipment	14.3	14.5	+0.1	Other non-current liabilities	19.3	16.7	-2.6
Intangible assets	2.9	2.6	-0.2	Shareholders' equity	129.1	140.0	+10.8
Investment securities	71.5	65.0	-6.5	Accumulated other comprehensive income	44.6	40.5	-4.0
Other fixed assets	7.3	7.4	+0.1	Non-controlling interests	1.9	1.9	-0.0
<b>Total assets</b>	<b>353.2</b>	<b>375.8</b>	<b>+22.6</b>	<b>Total liabilities and net assets</b>	<b>353.2</b>	<b>375.8</b>	<b>+22.6</b>
<b>Current ratio</b>	<b>170.6%</b>	<b>169.0%</b>		<b>Equity ratio</b>	<b>49.2%</b>	<b>48.0%</b>	



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

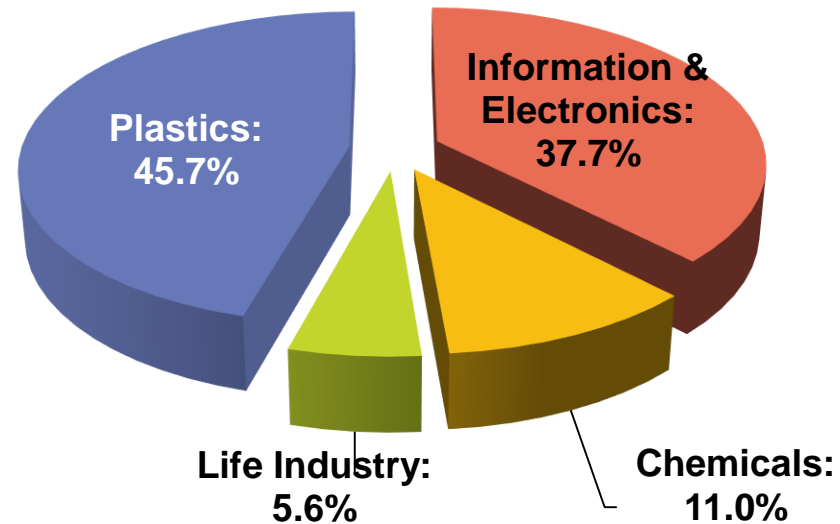


Notes: Equity capital = Net assets – stock acquisition rights – non-controlling interests  
 Net debt/equity ratio = (Interest-bearing debt – cash and deposits) / equity capital

# Sales by Business Segment

- ✓ In Information & Electronics, sales of key materials rose
- ✓ In Plastics, sales grew on higher resin prices and recovery from the setback caused by the COVID-19 pandemic

Sales		(Billions of yen)	
	1H FY03/21	1H FY03/22	
Information & Electronics	106.3	123.8	(130.3)
Chemicals	30.7	36.0	(38.8)
Life Industry	16.7	18.3	(19.7)
Plastics	113.2	150.2	(151.5)
Other	0.0	0.0	
<b>Total</b>	<b>267.1</b>	<b>328.5</b>	<b>(340.5)</b>



\* Effective from Q1 FY03/22, Inabata has adopted Accounting Standard for Revenue Recognition (ASBJ Statement No. 29). Figures in **10** parenthesis are sales under the previous accounting standard, and are provided for reference.

Net Sales Breakdown by Segment and Region 

(Billions of yen)

	Information & Electronics	Chemicals	Life Industry	Plastics	Other	Total
Japan	49.1	25.5	12.3	48.7	-	135.8
Southeast Asia	8.5	5.0	0.0	63.0	-	76.6
Northeast Asia	59.1	3.2	0.3	31.9	-	94.6
Americas	3.9	1.0	4.7	5.8	-	15.5
Europe	3.0	1.2	0.8	0.7	-	5.8
Revenue arising from contracts with customers	123.8	36.0	18.3	150.2	-	328.4
Other revenue	-	-	-	-	0.0	0.0
Sales to external customers	123.8	36.0	18.3	150.2	0.0	328.5

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

# Gross Profit and Operating Profit by Business Segment



Sales recovered from the year-ago slump caused by the pandemic, driving up GPM

- ✓ In Plastics and Chemicals, profits rose on higher raw materials sales to the auto industry
- ✓ In Life Industry, sales of processed food products to conveyor-belt sushi restaurants and seafood products in the US were strong

## Gross profit

(Millions of yen)

	1H FY03/21	1H FY03/22	YoY change
Information & Electronics	6,875	8,780	+27.7%
Chemicals	2,404	3,257	+35.5%
Life Industry	2,213	3,321	+50.1%
Plastics	9,177	12,963	+41.3%
Other	64	66	+1.7%
<b>Total</b>	<b>20,735</b>	<b>28,390</b>	<b>+36.9%</b>

## Operating profit

(Millions of yen)

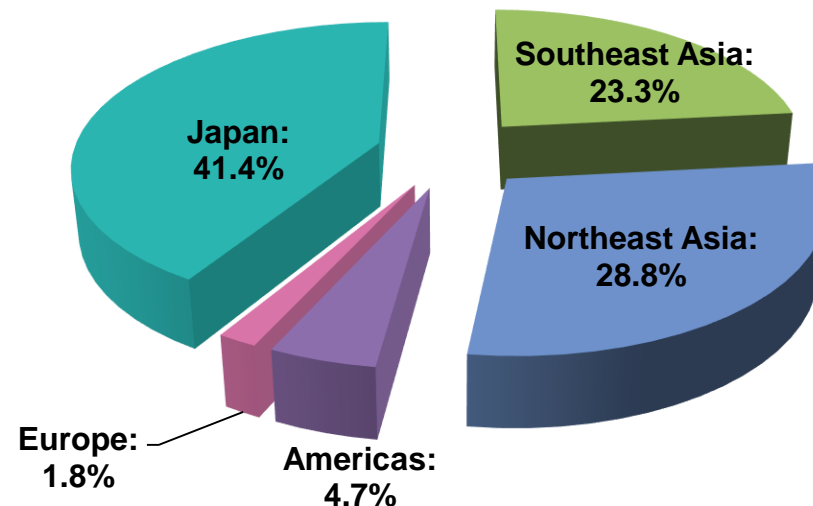
	1H FY03/21	1H FY03/22	YoY change
Information & Electronics	3,331	3,738	+12.2%
Chemicals	416	1,042	+150.2%
Life Industry	537	1,367	+154.2%
Plastics	1,861	4,860	+161.2%
Other	64	66	+1.7%
<b>Total</b>	<b>6,212</b>	<b>11,076</b>	<b>+78.3%</b>

# Sales by Region

## Sales

(Billions of yen)

	1H FY03/21	1H FY03/22
Southeast Asia	52.9	76.6
Northeast Asia	75.9	94.6
Americas	8.6	15.5
Europe	4.0	5.8
Japan	125.5	135.8 (147.8)
Total	267.1	328.5 (340.5)
(Overseas ratio)	(53.0%)	(58.6%)



Note: Sales in the Japan segment include exports (¥26.7 billion in 1H FY03/22). Including this amount, the percentage of overseas sales was 61.3% in 1H FY03/21 and 64.2% in 1H FY03/22.

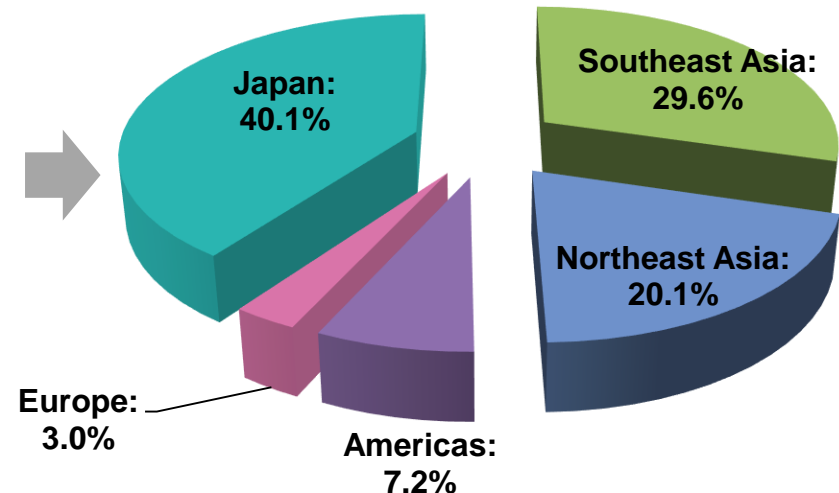
# Operating Profit by Region

- ✓ Southeast Asia: Recovered from the downturn a year ago caused by lockdowns
- ✓ Americas: Sales of seafood products were robust on a sharp recovery in demand

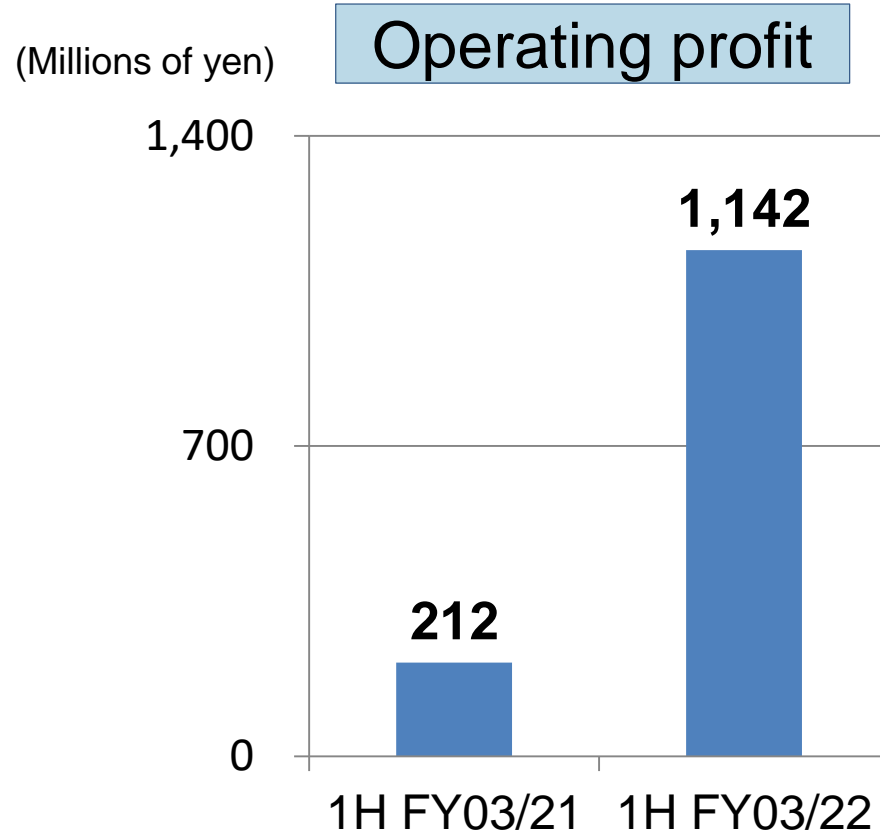
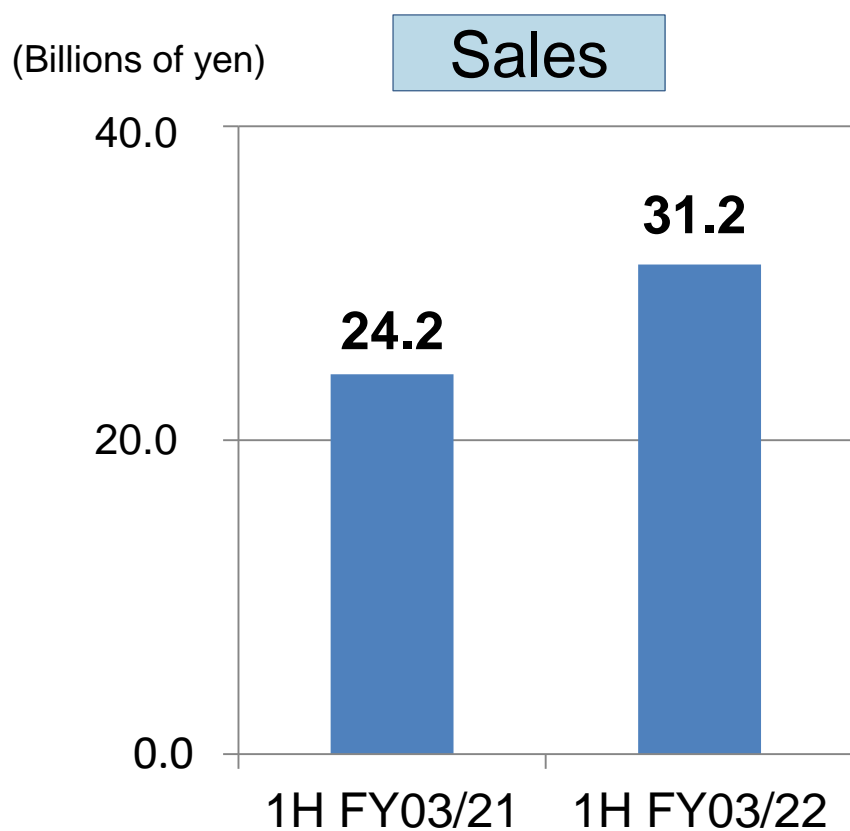
## Operating profit

(Millions of Yen)

	1H FY03/21	1H FY03/22	YoY change
Southeast Asia	950	3,288	+245.9%
Northeast Asia	1,434	2,229	+55.4%
Americas	95	802	+742.3%
Europe	798	334	-58.1%
Japan	2,728	4,445	+62.9%
Subtotal	6,006	11,100	+84.8%
Elimination or corporate	205	-23	
Total	6,212	11,076	+78.3%
(Overseas ratio)	(54.6%)	(60.0%)	(+5.4%)



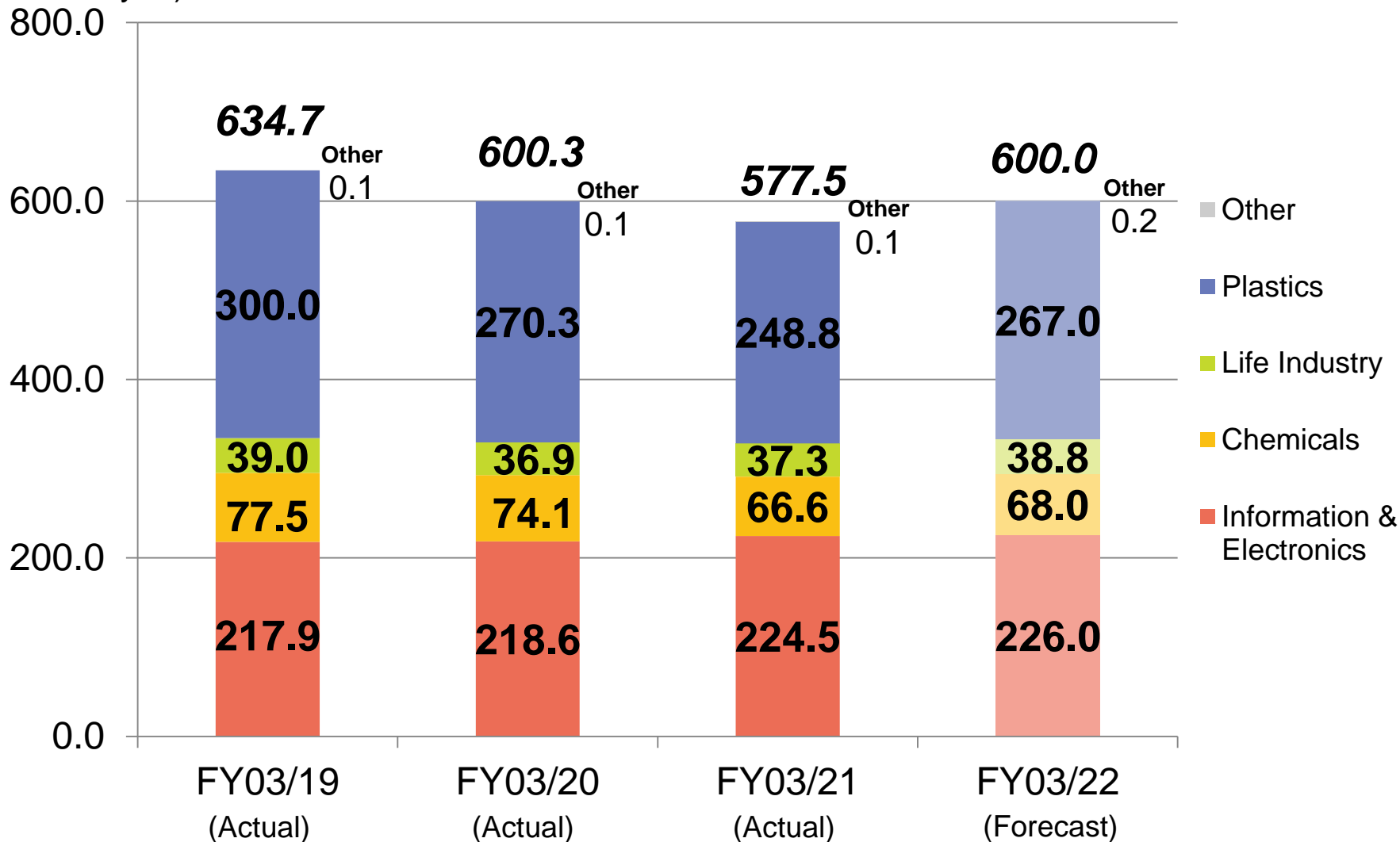
Compound manufacturing facilities in Southeast Asia in particular recovered from the impact of year-ago lockdowns



# Net Sales by Business Segment



(Billions of yen)



Notes: The Housing & Eco Materials segment was combined with the Chemicals segment in FY03/20. FY03/19 results have been calculated according to the new alignment.

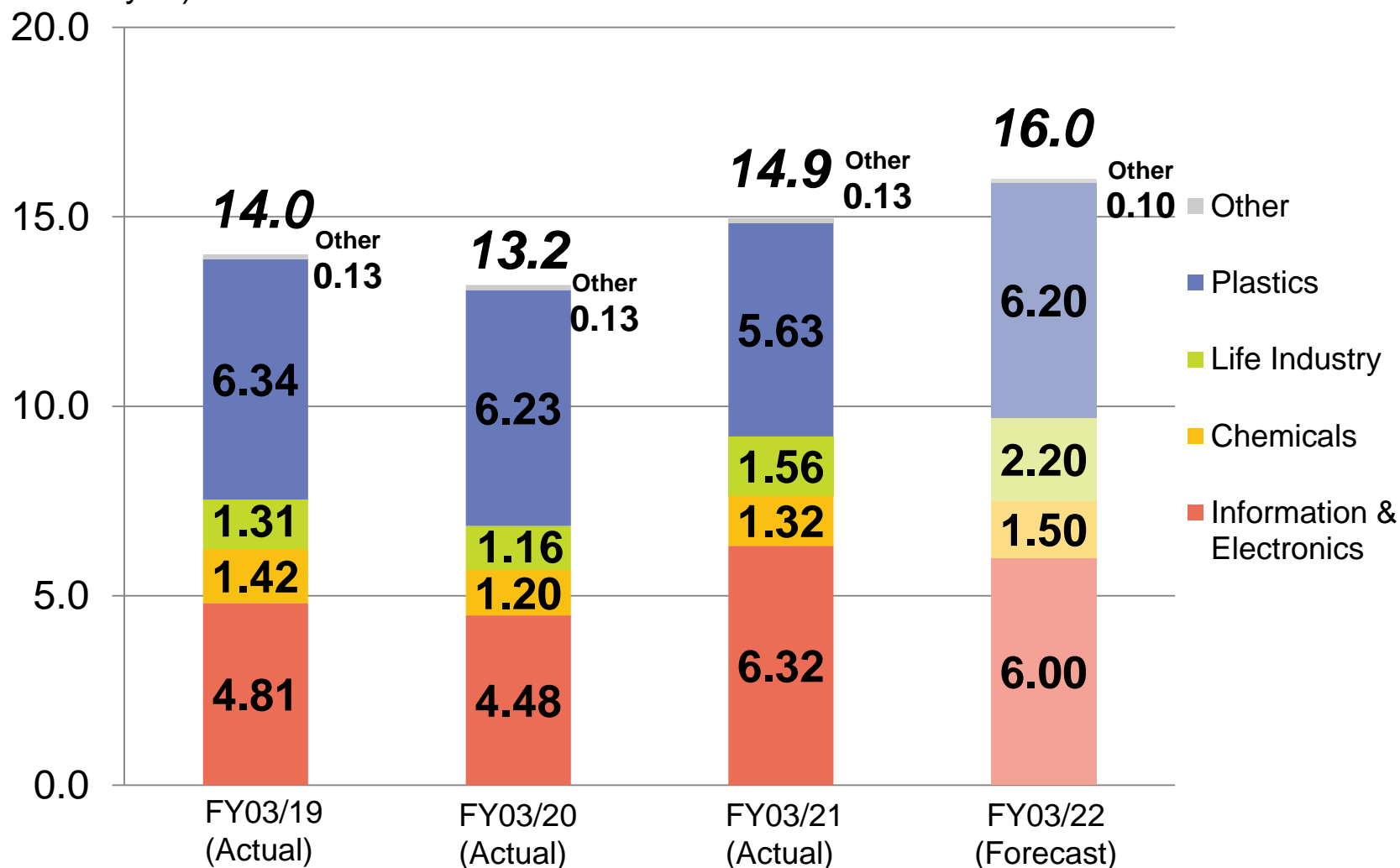
Revised Accounting Standard for Revenue Recognition is applied to sales figures for FY03/22 (forecast).



# Operating Profit by Business Segment



(Billions of yen)



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

Upward revision to the full-year FY03/22 forecast from ¥14.5 billion (as announced on May 11, 2021) to ¥16.0 billion (revised on August 5, 2021)

The Housing & Eco Materials segment was combined with the Chemicals segment in FY03/20. FY03/19 results have been calculated according to the new alignment.

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

# Principle Consolidated Subsidiaries



(Millions of yen)

Company	Location	1H FY03/21			1H FY03/22			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	19,257	416	296	18,234	454	345	-5.3%	+9.2%	+16.9%
Inabata Sangyo (H.K.) Ltd.	Hong Kong	30,271	461	469	39,327	709	903	+29.9%	+53.9%	+92.5%
Inabata Singapore (Pte.) Ltd.	Singapore	20,255	320	485	32,727	628	789	+61.6%	+96.1%	+62.6%
Inabata Thai Co., Ltd.	Thailand	14,496	91	112	23,064	537	471	+59.1%	+493.3%	+322.0%
Shanghai Inabata Trading Co., Ltd.	Shanghai	30,853	469	358	37,700	763	601	+22.2%	+62.7%	+68.1%
PT. Inabata Indonesia	Indonesia	7,313	154	95	13,492	560	443	+84.5%	+264.1%	+365.0%
Inabata Fine Tech & Co., Ltd.	Japan	8,551	235	155	9,790	328	221	+14.5%	+39.6%	+42.2%

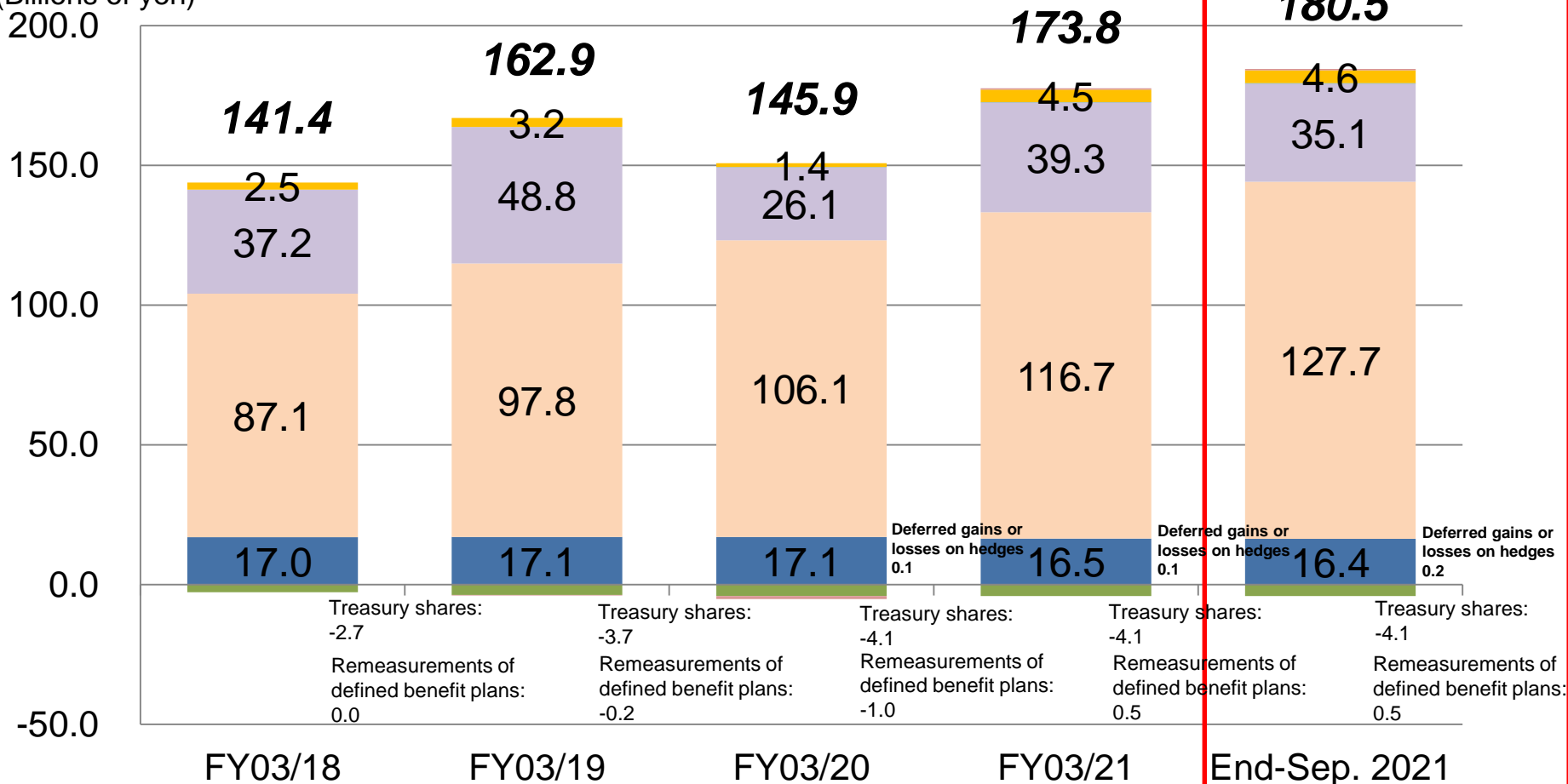
Note: Results for 1H FY03/21 have been converted at the exchange rate for 1H FY03/22 (USD1=JPY109.81).

# (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)

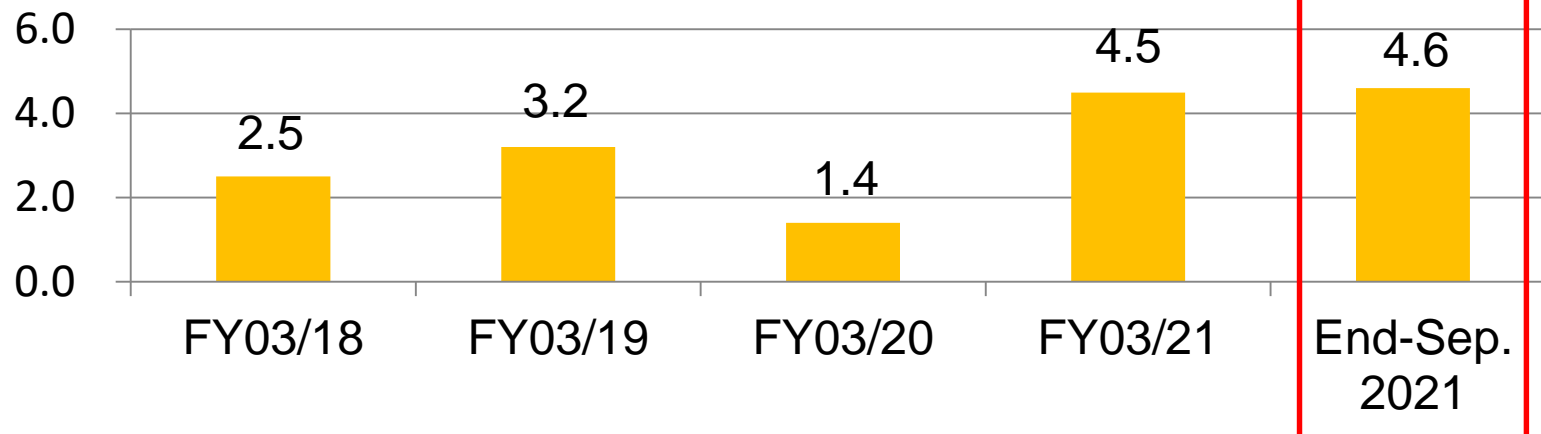


# (Reference) Impact of Exchange Rate Fluctuations on the Foreign Currency Translation Adjustment



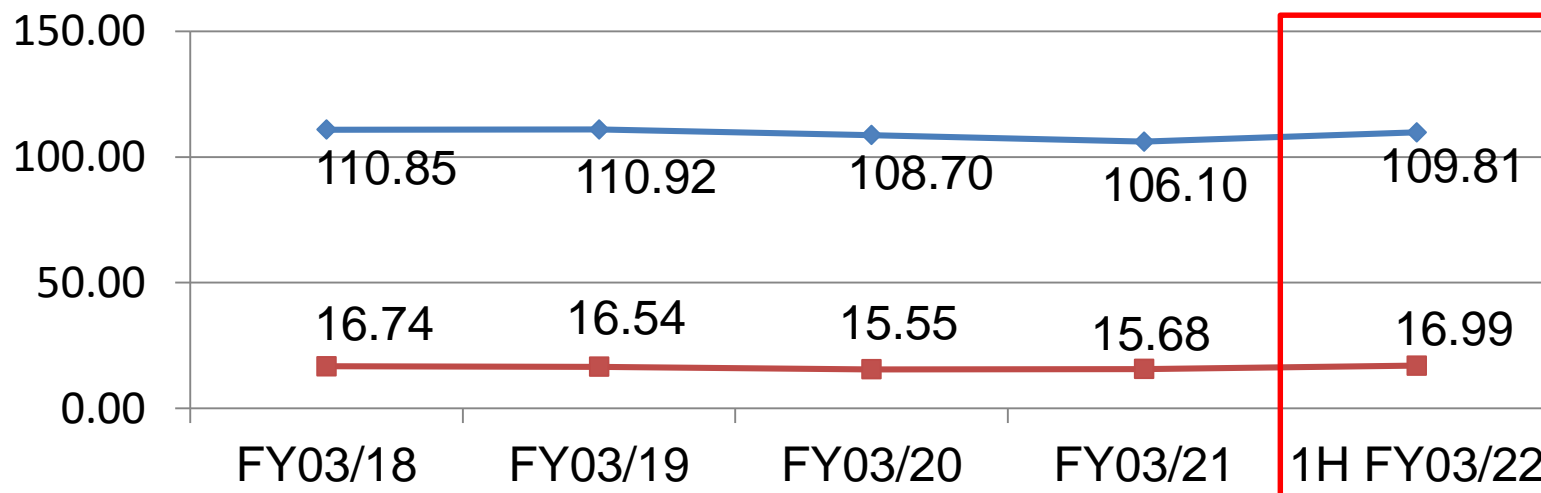
(Billions of yen)

■ 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](mailto: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.