
IR Briefing for Q1 Fiscal Year ending March 2023

August 2022

Inabata & Co., Ltd.

Net sales: ¥184.0 billion +13.2% YoY

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

Operating profit: ¥5.3 billion -4.7% YoY

Operating profit fell due to higher logistics and other SG&A expenses

Ordinary profit: ¥5.3 billion -16.4% YoY

Ordinary profit fell as a result of lower operating profit and higher non-operating expenses

Profit attributable to owners of parent: ¥4.5 billion -42.8% YoY

Profit attributable to owners of parent declined due to decreases in ordinary profit and gain on sales of investment securities

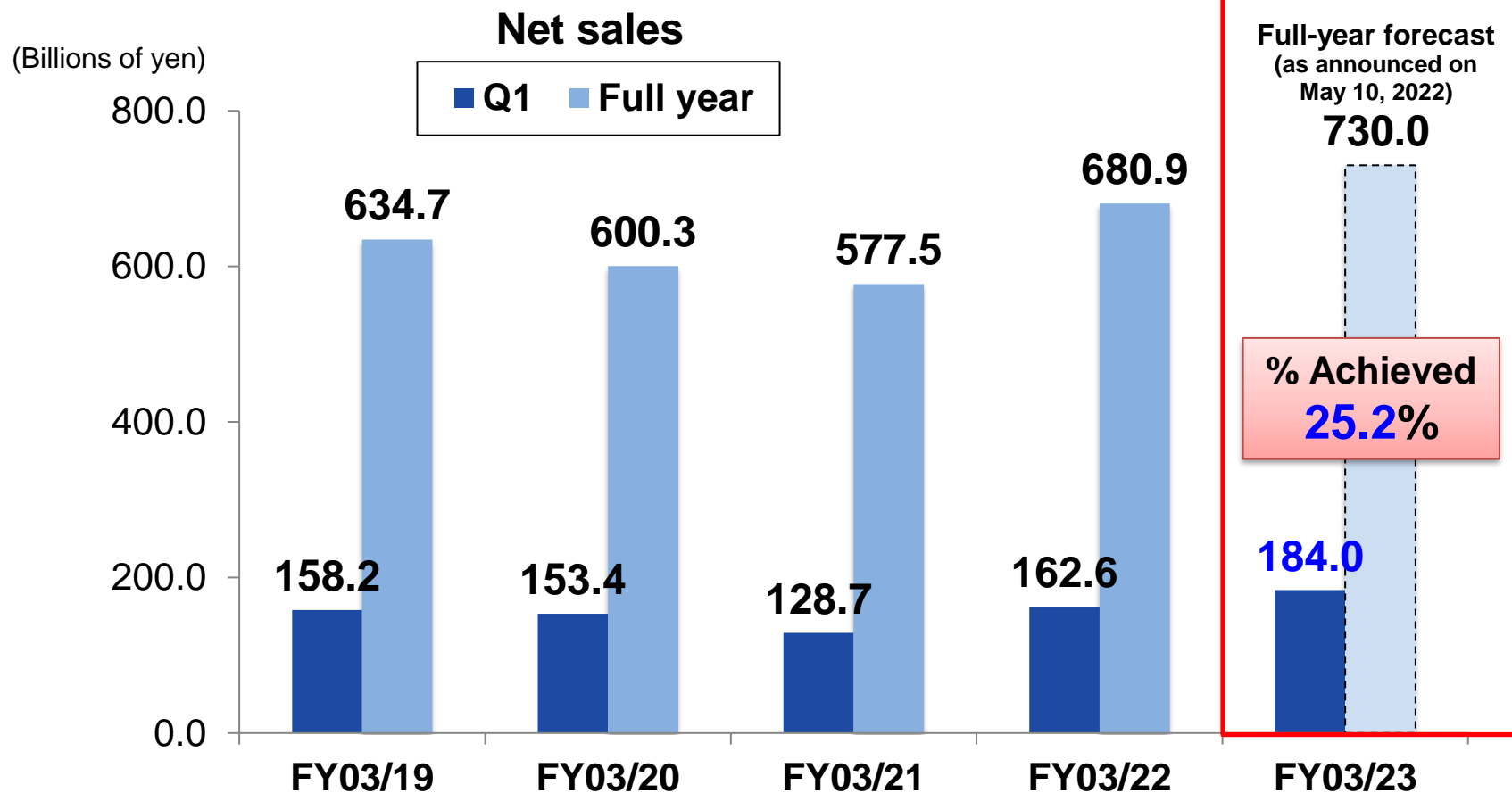
Consolidated Results Review – Q1 FY03/23



(Billions of yen)

	Q1 FY03/22	Q1 FY03/23 (A)	YoY change		Forecast announced May 10, 2022 (B)	Achievement rate (A)/(B)
			Amount	%		
Net sales	162.6	184.0	+21.4	+13.2%	730.0	25.2%
Operating profit	5.5	5.3	-0.2	-4.7%	19.5	27.4%
Ordinary profit	6.4	5.3	-1.0	-16.4%	20.5	26.3%
Profit attributable to owners of parent	7.9	4.5	-3.4	-42.8%	20.5	22.2%
Exchange rate (USD/JPY)	109.52	129.73	+20.21		120.00	

Net Sales Trends

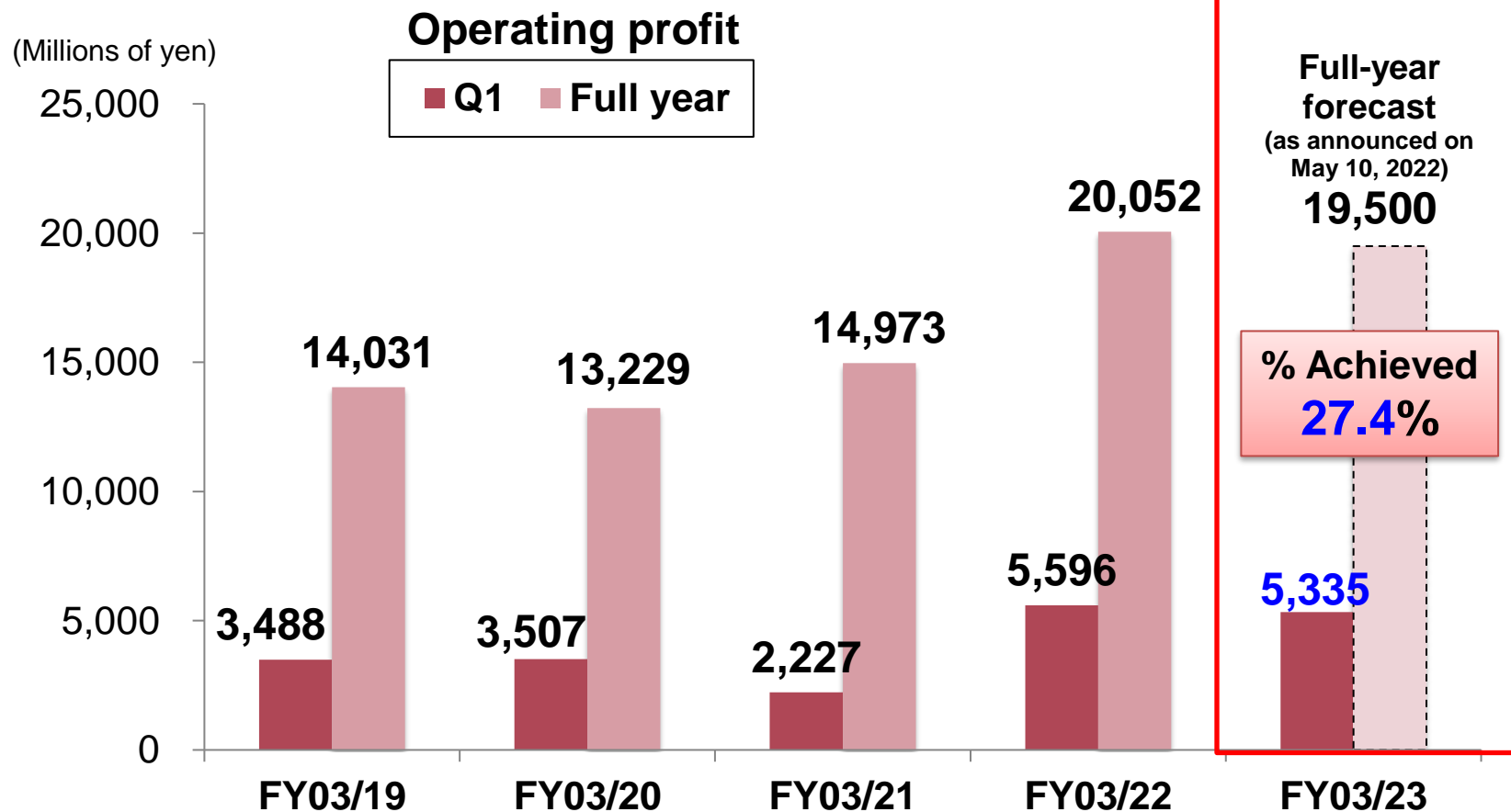


(Reference)

		FY03/19	FY03/20	FY03/21	FY03/22	FY03/23
Exchange rate: USD/JPY	Q1	109.10	109.90	107.63	109.52	129.73
	Full year	110.92	108.70	106.10	112.39	(*Note) 120.00

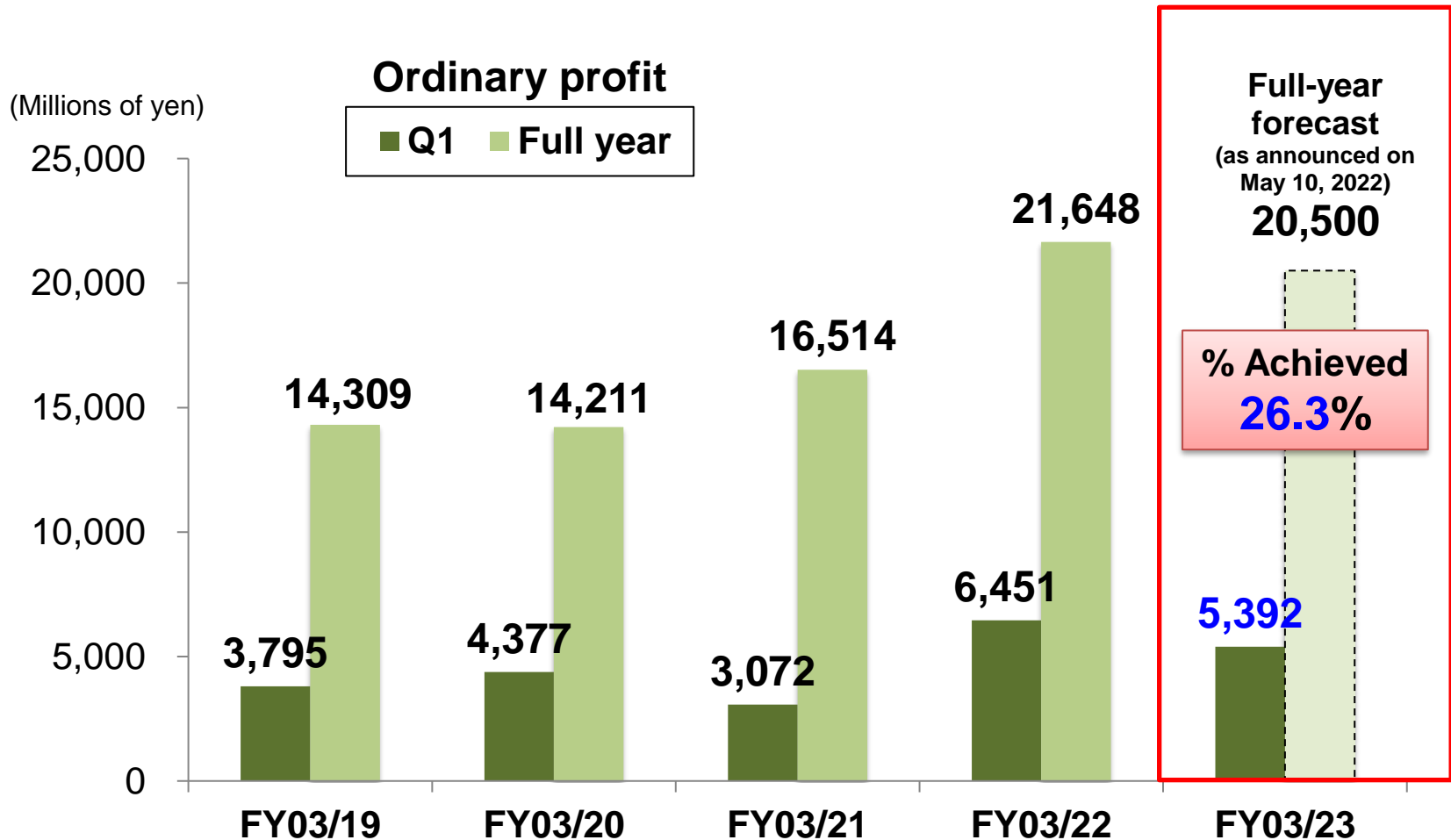
* Inabata has adopted Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) effective from Q1 FY03/22.

Operating Profit Trends

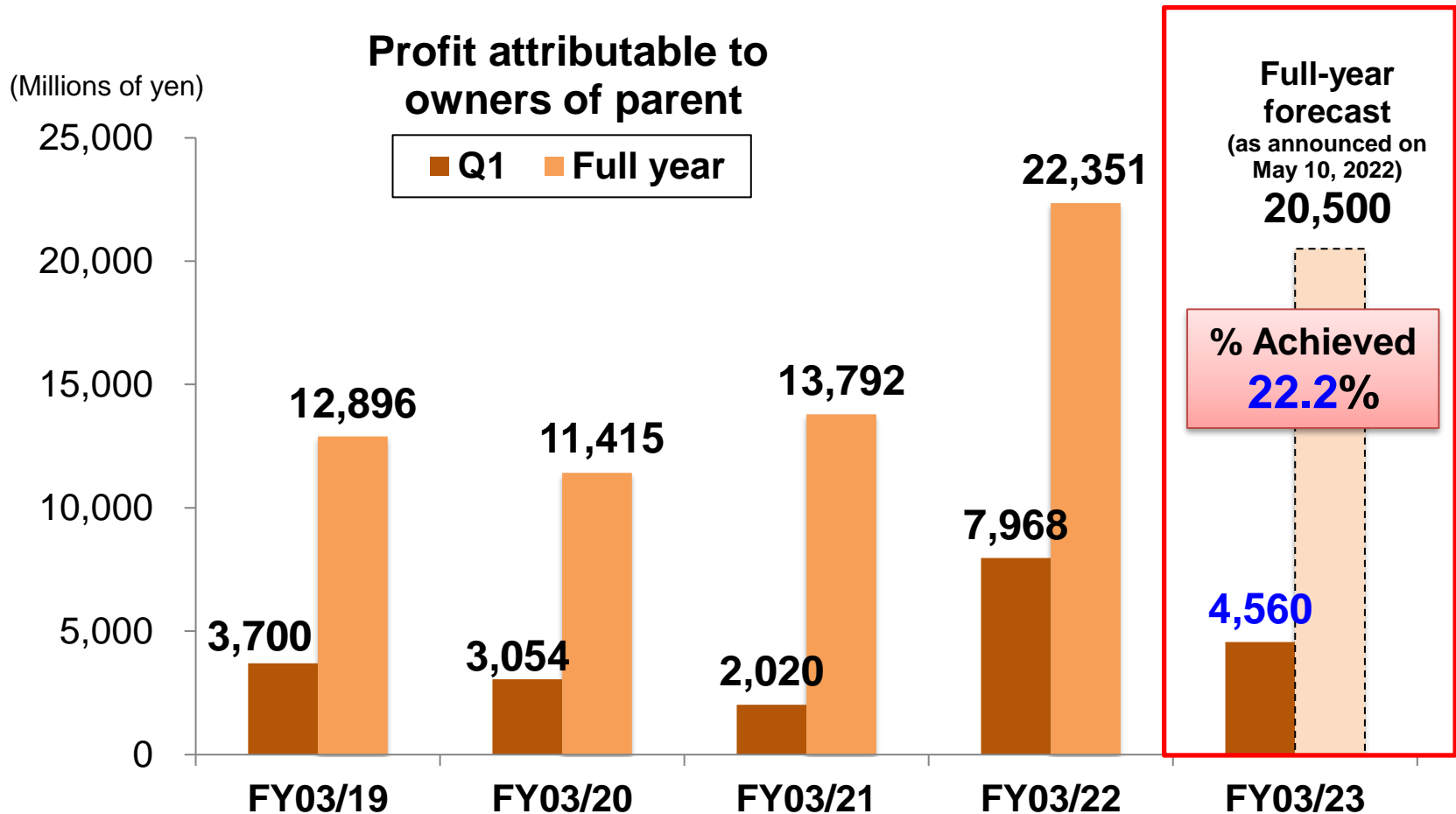


* Recorded ¥0.75 billion in reversal of allowance for doubtful accounts at a European subsidiary in FY03/21.

Ordinary Profit Trends



Profit Attributable to Owners of Parent Trends



* Recording of gain on sales of investment securities:

¥5.11 billion in FY03/19, ¥3.03 billion in FY03/20, ¥2.98 billion in FY03/21, ¥8.97 billion in FY03/22

¥1.66 billion in Q1 FY03/19, ¥4.66 billion in Q1 FY03/22, and ¥1.49 billion in Q1 FY03/23

Balance Sheet



- Accounts receivable, inventories, and loans of overseas subsidiaries increased due primarily to yen depreciation
- Investment securities declined due to a drop in market value and sales of shareholdings

(Billions of yen)

Assets	End-FY03/22	End-June 2022	Change
Cash and deposits	35.4	28.5	-6.8
Notes and accounts receivable - trade	184.6	190.4	+5.7
Inventories	79.0	92.8	+13.8
Other current assets	12.3	12.7	+0.3
Property, plant and equipment	15.3	16.4	+1.1
Intangible assets	2.6	2.5	-0.0
Investment securities	48.3	41.2	-7.0
Other fixed assets	11.2	11.7	+0.4
Total assets	389.0	396.6	+7.5

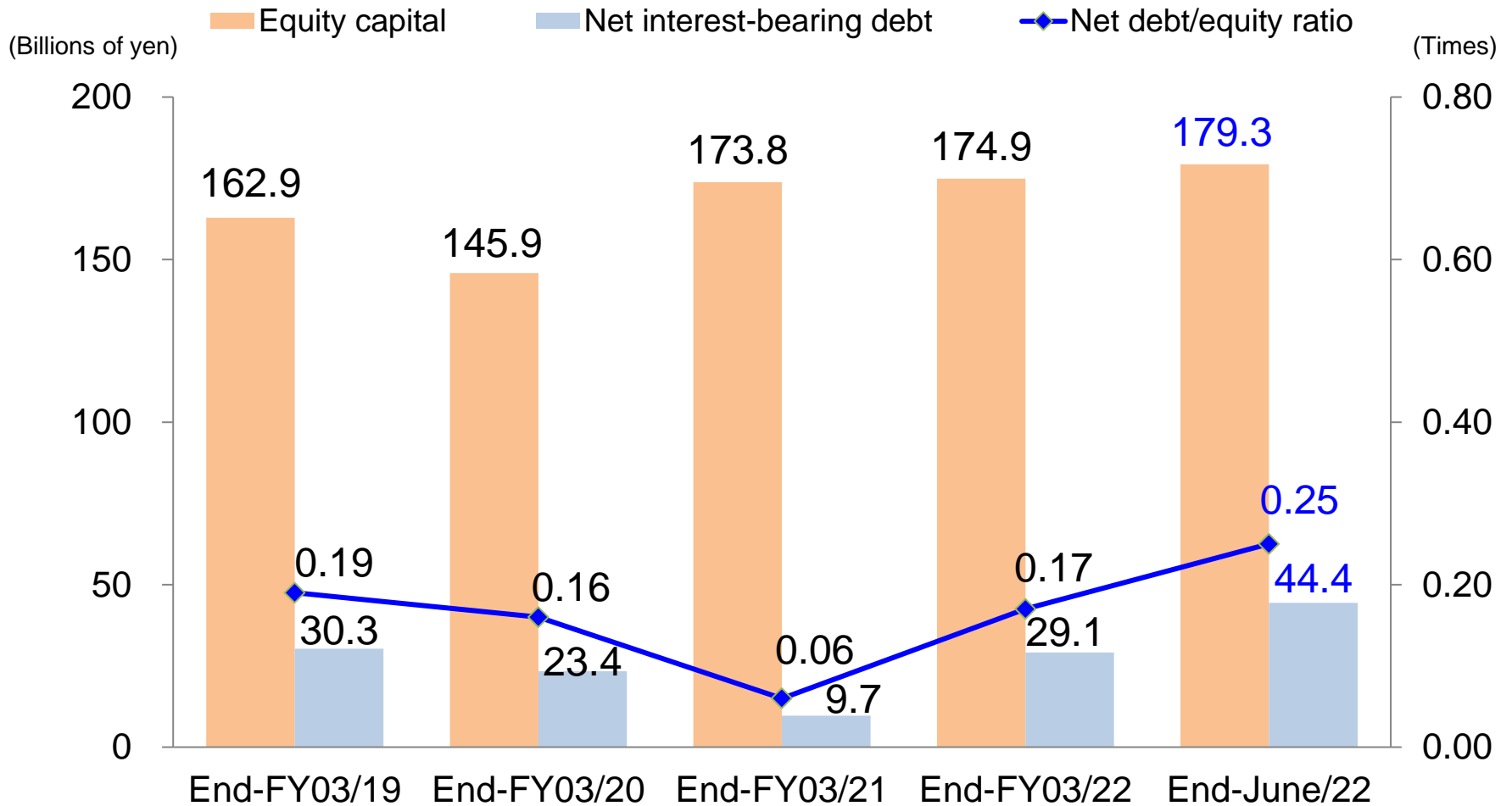
Liabilities and net assets	End-FY03/22	End-June 2022	Change
Notes and accounts payable - trade	115.9	112.7	-3.1
Short-term loans payable	58.6	66.9	+8.2
Other current liabilities	18.5	16.9	-1.6
Long-term loans payable	5.8	6.0	+0.1
Other non-current liabilities	13.0	12.5	-0.5
Shareholders' equity	139.5	139.2	-0.3
Accumulated other comprehensive income	35.3	40.1	+4.8
Non-controlling interests	1.9	1.9	-0.0
Total liabilities and net assets	389.0	396.6	+7.5

Current ratio	161.2%	165.1%
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Equity ratio	45.0%	45.2%
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* Notes and accounts receivable–trade: ¥22.5 billion in notes receivable and ¥162.1 billion in accounts receivable at end-March 2022
 ¥23.5 billion in notes receivable and ¥166.8 billion in accounts receivable at end-June 2022

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

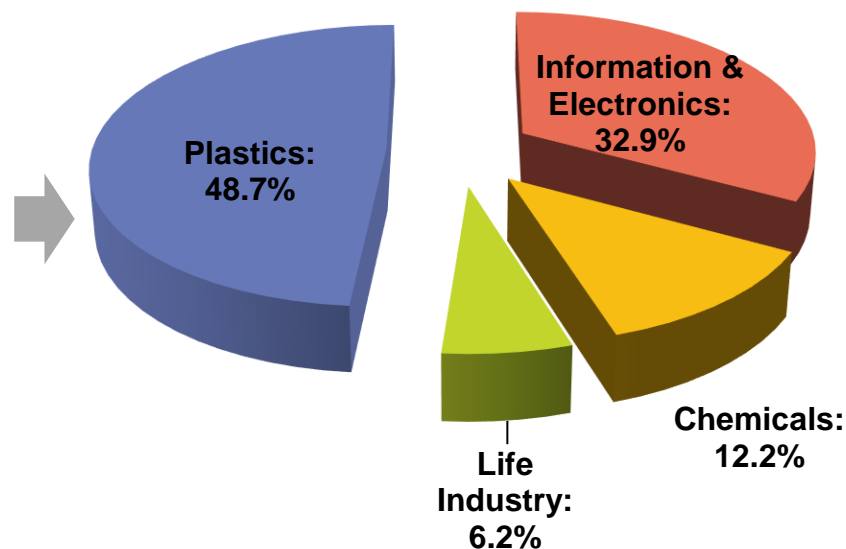
Net Sales by Business Segment

✓ Net sales grew in Plastics and Chemicals owing to a weaker yen and rising raw material prices

Net Sales

(Billions of yen)

	Q1 FY03/22	Q1 FY03/23	YoY change
Information & Electronics	61.0	60.4	-1.0%
Chemicals	17.7	22.5	+26.9%
Life Industry	9.8	11.3	+15.0%
Plastics	73.9	89.6	+21.3%
Other	0.0	0.0	+1.6%
Total	162.6	184.0	+13.2%



(Billions of yen)

	Information & Electronics	Chemicals	Life Industry	Plastics	Other	Total
Japan	22.6	15.3	7.8	28.7	-	74.5
Southeast Asia	4.3	2.6	0.0	39.8	-	46.9
Northeast Asia	28.3	1.7	0.1	16.7	-	46.9
Americas	3.3	1.7	2.7	3.4	-	11.3
Europe	1.7	1.0	0.5	0.9	-	4.2
Revenue arising from contracts with customers	60.4	22.5	11.3	89.6	-	184.0
Other revenue	-	-	-	-	0.0	0.0
Sales to external customers	60.4	22.5	11.3	89.6	0.0	184.0

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

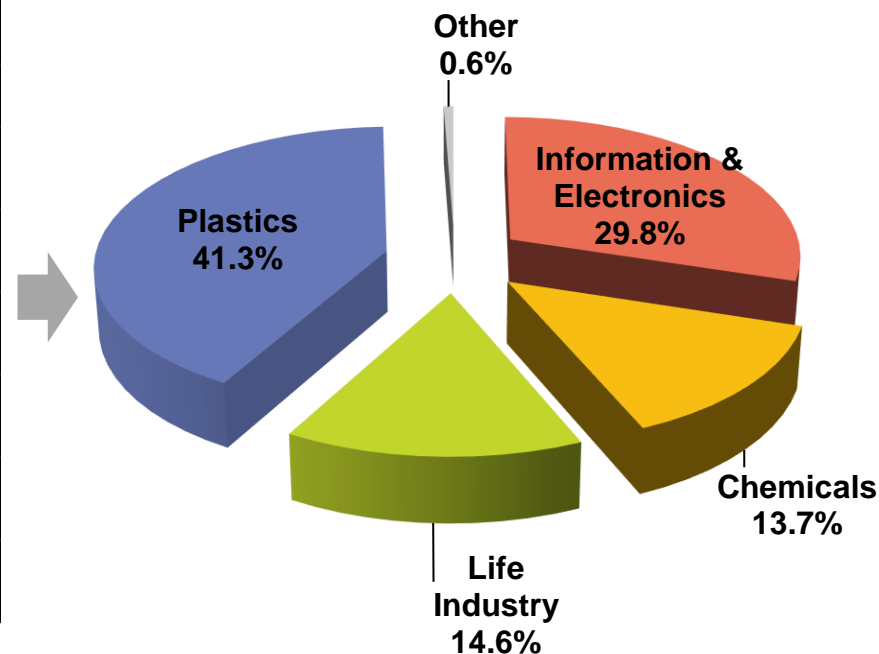
Operating Profit by Business Segment

- ✓ In Chemicals, profit grew backed by robust performance in addition to a weaker yen and rising sales prices
- ✓ In Information & Electronics, flat panel display-related sales fell
- ✓ In Plastics, profit declined due to a drop in auto production, restrained economic activity, and soaring logistics costs

Operating profit

(Millions of yen)

	Q1 FY03/22	Q1 FY03/23	YoY change
Information & Electronics	1,857	1,592	-14.3%
Chemicals	518	731	+41.1%
Life Industry	788	776	-1.5%
Plastics	2,399	2,203	-8.2%
Other	32	31	-3.5%
Total	5,596	5,335	-4.7%

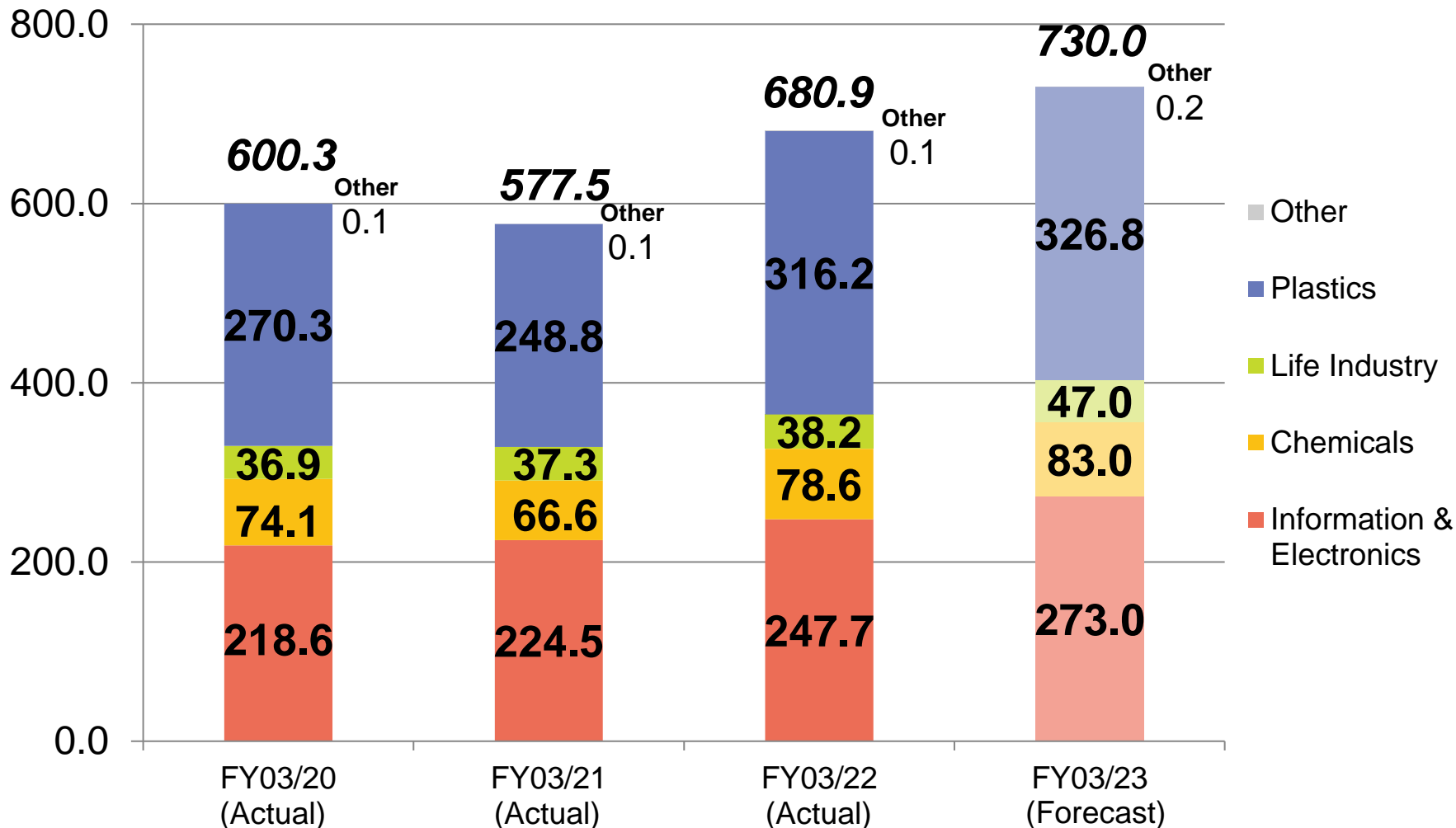


Net Sales by Business Segment (Full Year)



✓ No change has been made to the initial FY03/23 forecast by segment

(Billions of yen)



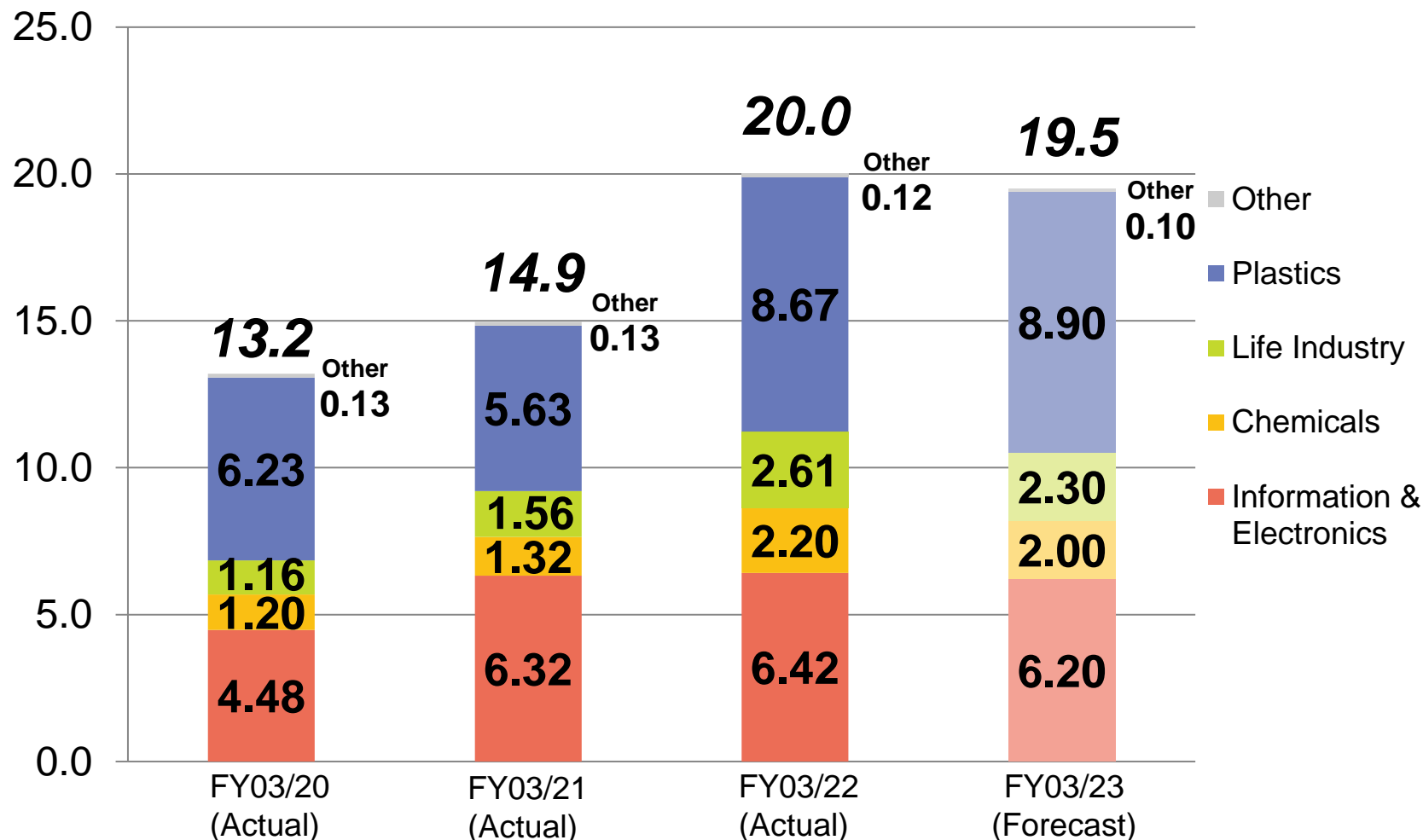
Note: Inabata has adopted Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) effective from FY03/22.

Operating Profit by Business Segment (Full Year)



✓ No change has been made to the initial FY03/23 forecast by segment

(Billions of yen)



Note: Recorded ¥0.75 billion in reversal of allowance for doubtful accounts in the Information & Electronics segment in FY03/21.

Policy on returning profits to shareholders

During NC2023

■ Adoption of 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.

[Reference] Acquisition of Treasury shares

(Disclosed on Aug. 5, 2022)

Class of shares to be acquired : Common shares

No. of shares to be acquired : 600,000 shares (upper limit)

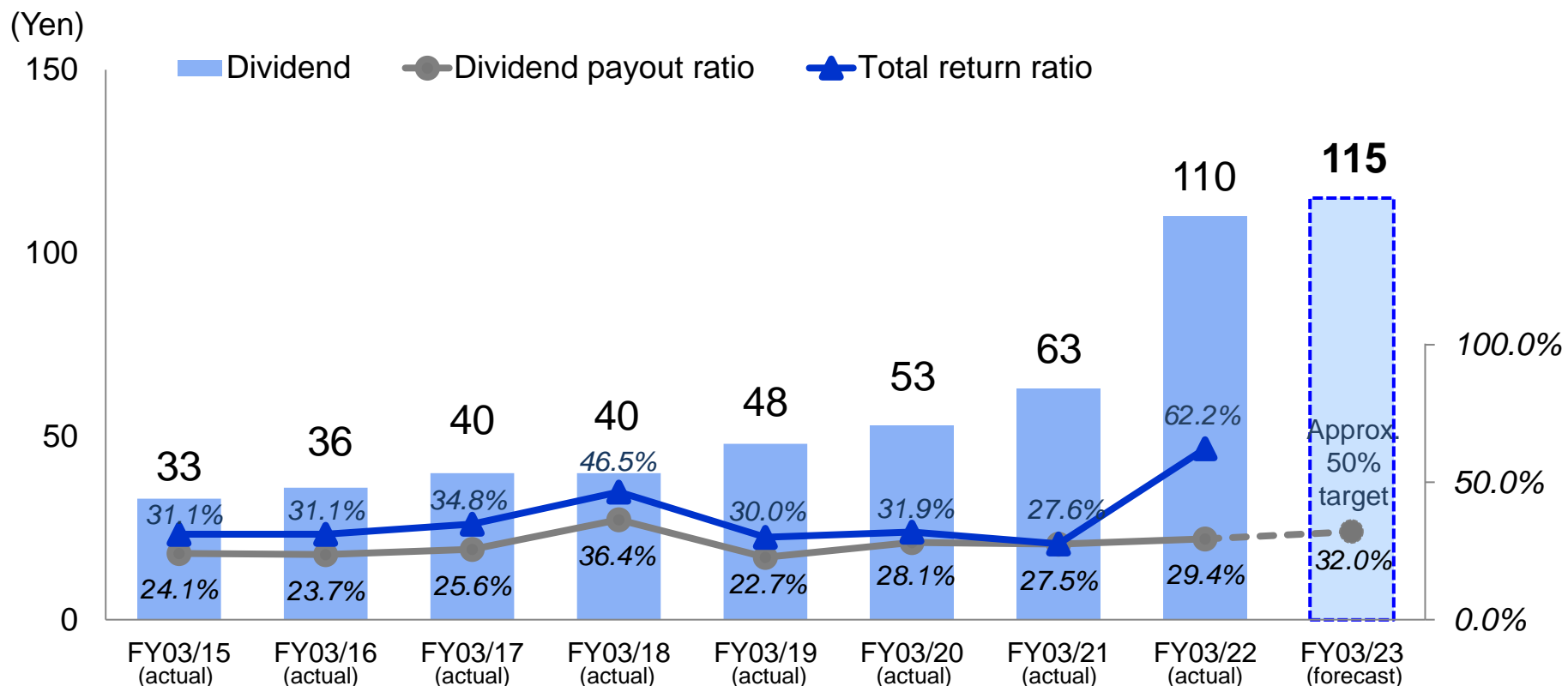
Value of shares to be acquired : ¥2,000 million (upper limit)

Acquisition Period : 24th Aug. - 31st Oct. 2022

Returning Profits to Shareholders ②



Annual dividends per share and indicators of shareholder return



	FY03/15	FY03/16	FY03/17	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22
Amount of treasury shares acquired (Millions of yen)	604	707	891	679	936	425	-	7,499

Note: August 5, 2022 disclosure

Acquisition of treasury shares up to 600,000 shares for maximum purchase price of ¥2 billion, between August 24–October 31, 2022

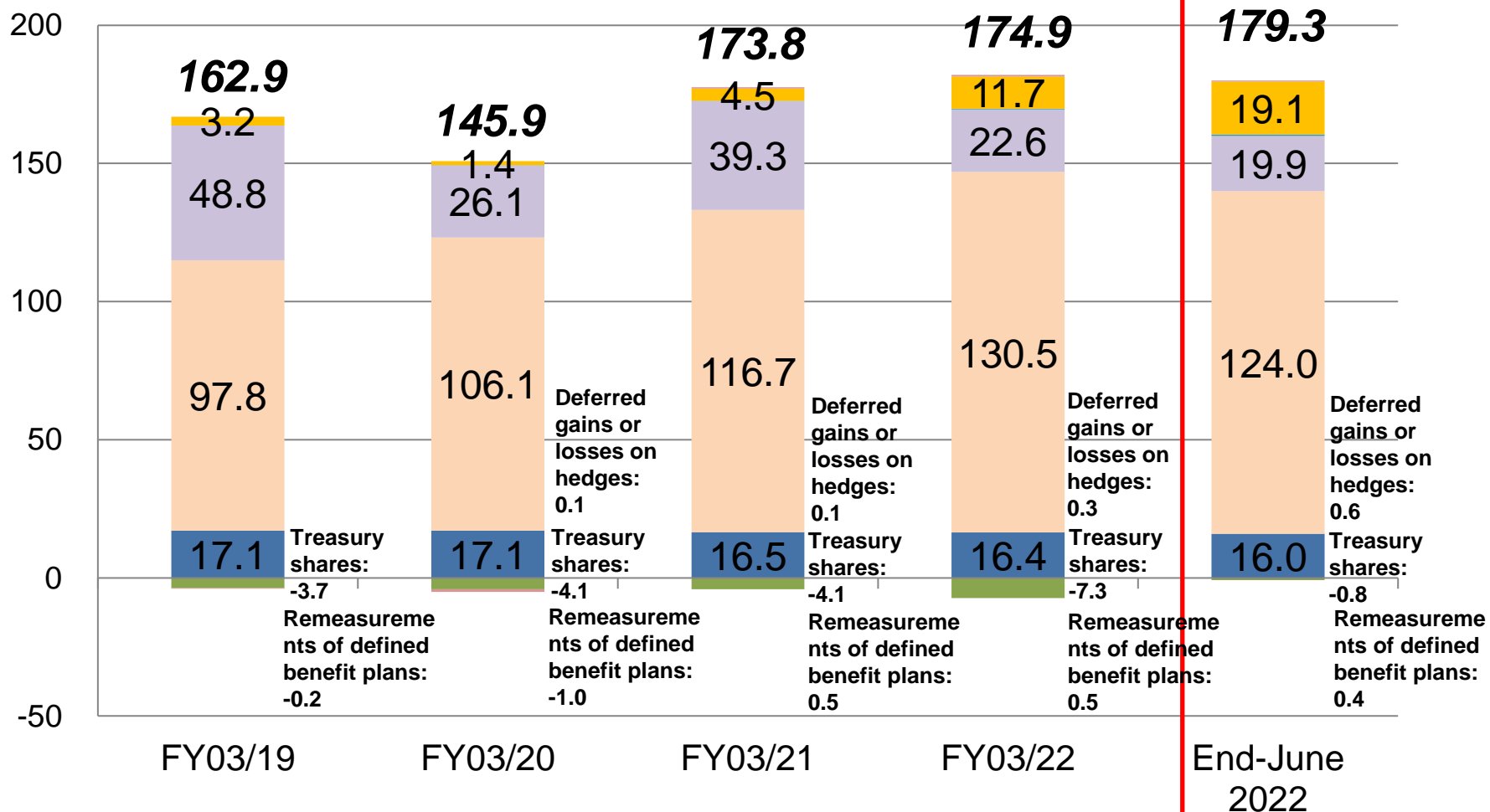
	Number of companies		
	Japan	Overseas	Total
Consolidated subsidiaries	7	36	43
(Of which, manufacturers and processing companies)	(5)	(16)	(21)
Equity-method affiliates	4	1	5
(Of which, manufacturers and processing companies)	(2)	(1)	(3)
Total	11	37	48
(Of which, manufacturers and processing companies)	(7)	(17)	(24)

(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)

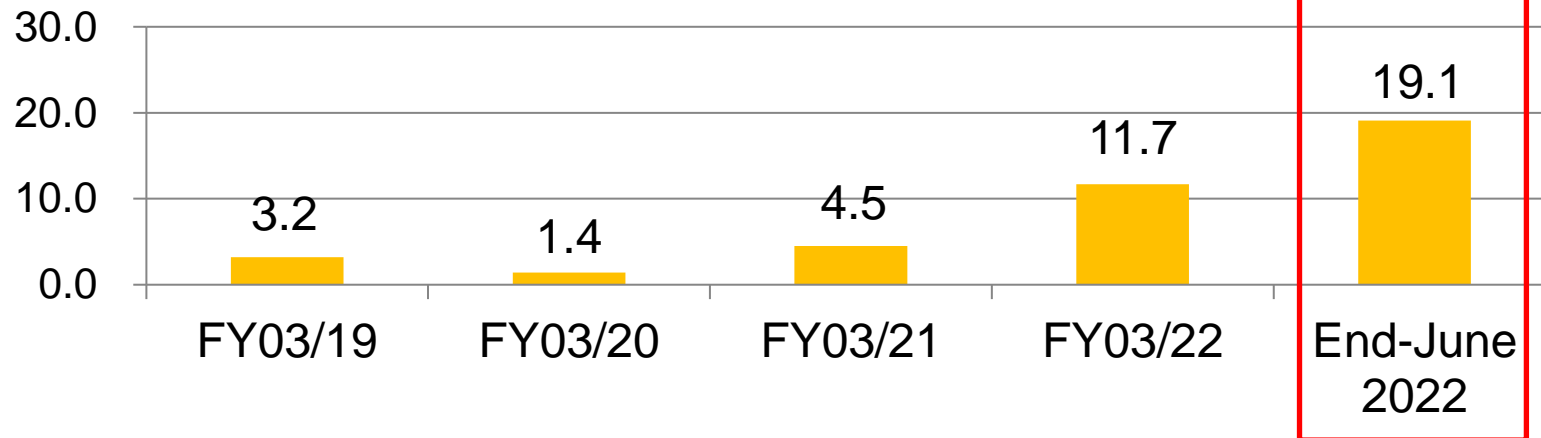


(Reference) Impact of Exchange Rate Fluctuations on the Foreign Currency Translation Adjustment



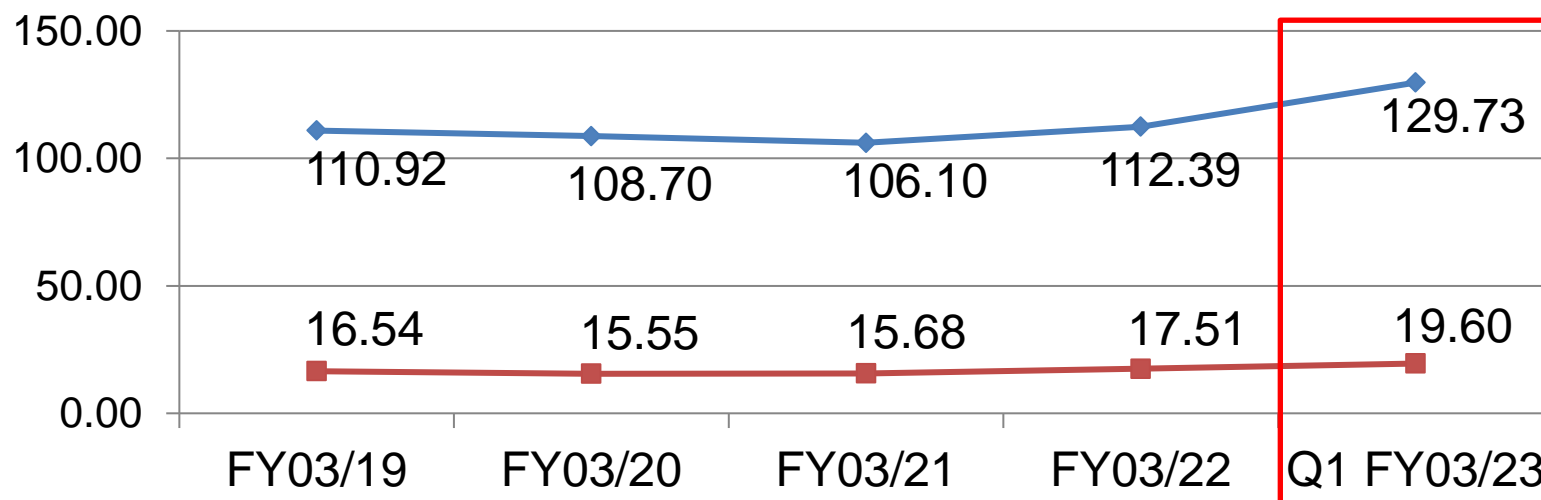
(Billions of yen)

■ Foreign currency translation adjustment



(Yen)

◆ USD/JPY ■ CNY/JPY



□ 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.