
IR Briefing for Q1 Fiscal Year ending March 2024

August 2023

Inabata & Co., Ltd.

Net sales: **¥184.5 billion** **+0.3% YoY**

Despite contributions from newly consolidated subsidiaries (through M&A) and a weak yen, net sales were flat YoY due to sales declines in Plastics and Information & Electronics in Asia.

Operating profit: **¥5.0 billion** **-4.9% YoY**

Operating profit declined due to higher personnel and other expenses.

Ordinary profit: **¥5.3 billion** **-0.9% YoY**

Ordinary profit was down slightly, despite the absence of equity in losses of affiliates booked in Q1 FY03/23, as a result of decreases in operating profit and dividend income, and higher interest expenses.

Profit attributable to owners of parent: **¥7.7 billion** **+69.3% YoY**

Bottom-line profit expanded, owing to gains on negative goodwill (gain on bargain purchase) in connection with newly consolidated subsidiaries through M&A.

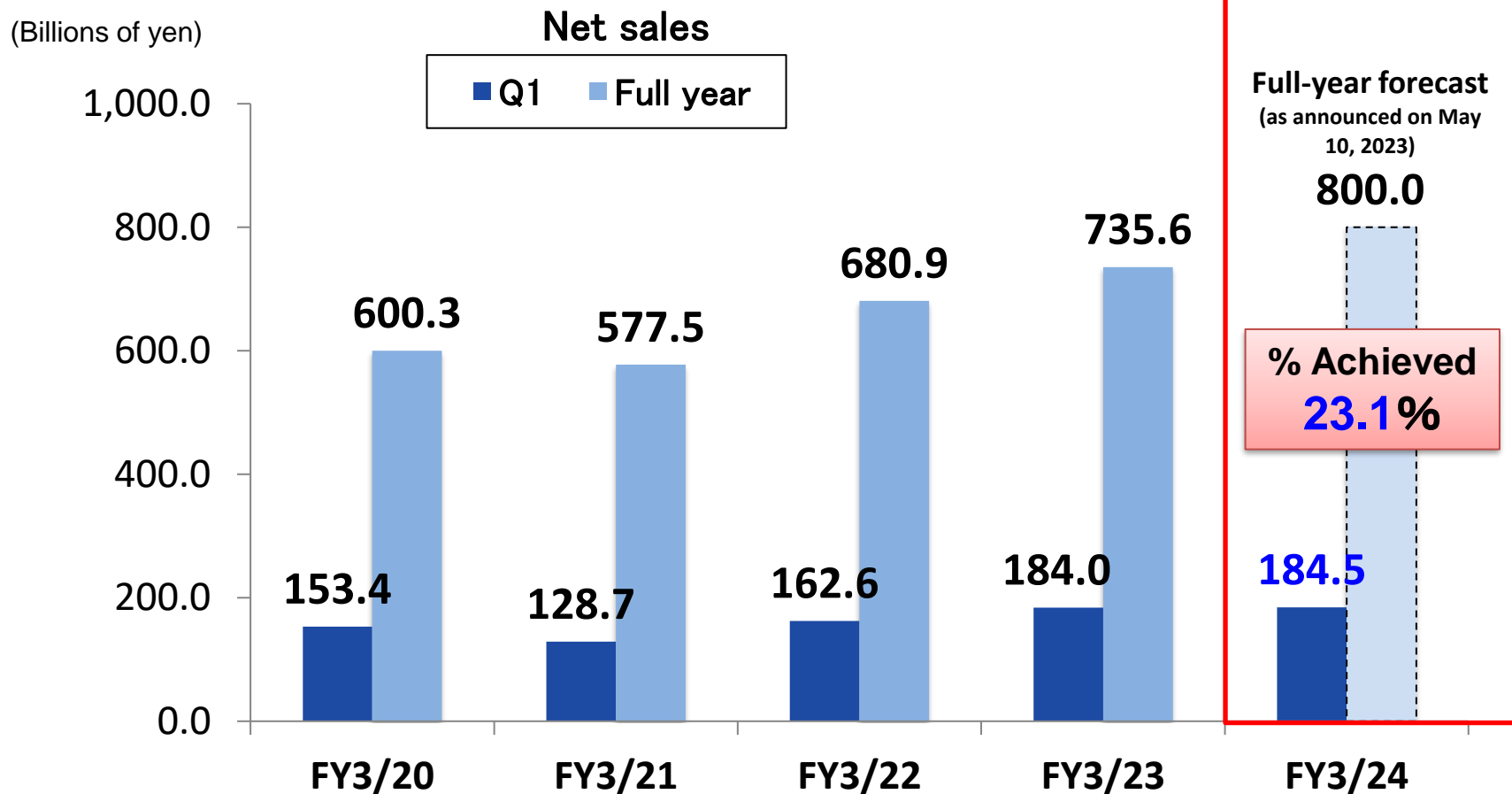
Consolidated Results Review – Q1 FY03/24



(Billions of yen)

	Q1 FY03/23	Q1 FY03/24 (A)	YoY change		Forecast announced May 10, 2023 (B)	Achievement rate (A)/(B)
			Amount	%		
Net sales	184.0	184.5	+0.4	+0.3%	800.0	23.1%
Operating profit	5.3	5.0	-0.2	-4.9%	21.0	24.2%
Ordinary profit	5.3	5.3	-0.0	-0.9%	20.0	26.7%
Profit attributable to owners of parent	4.5	7.7	+3.1	+69.3%	21.0	36.8%
Exchange rate (USD/JPY)	129.73	137.49	+7.76		130.00	

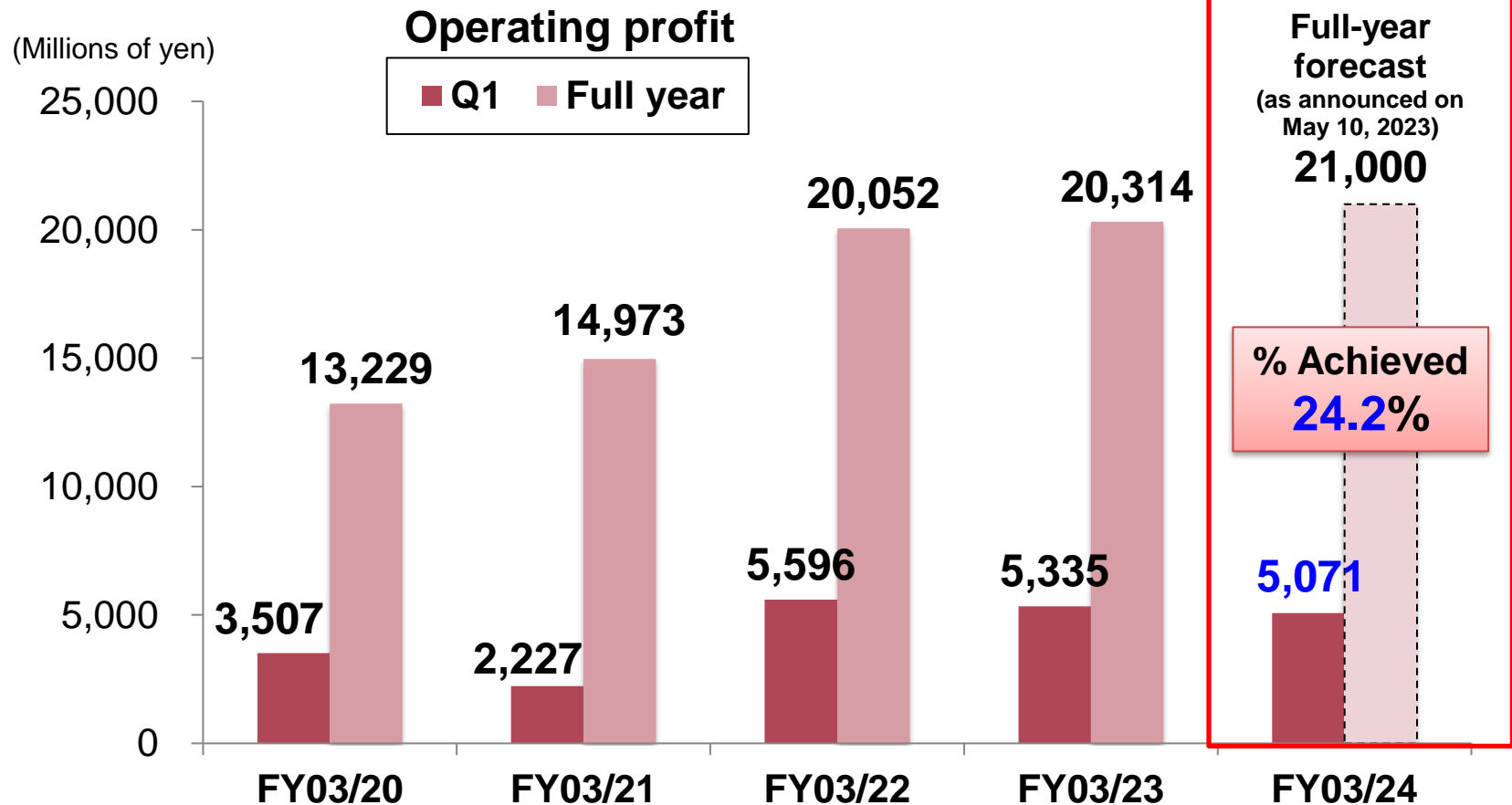
Net Sales Trends



		FY03/20	FY03/21	FY03/22	FY03/23	FY03/24
Exchange rate: USD/JPY	Q1	109.90	107.63	109.52	129.73	137.49
	Full year	108.70	106.10	112.39	135.50	(*Note) 130.00

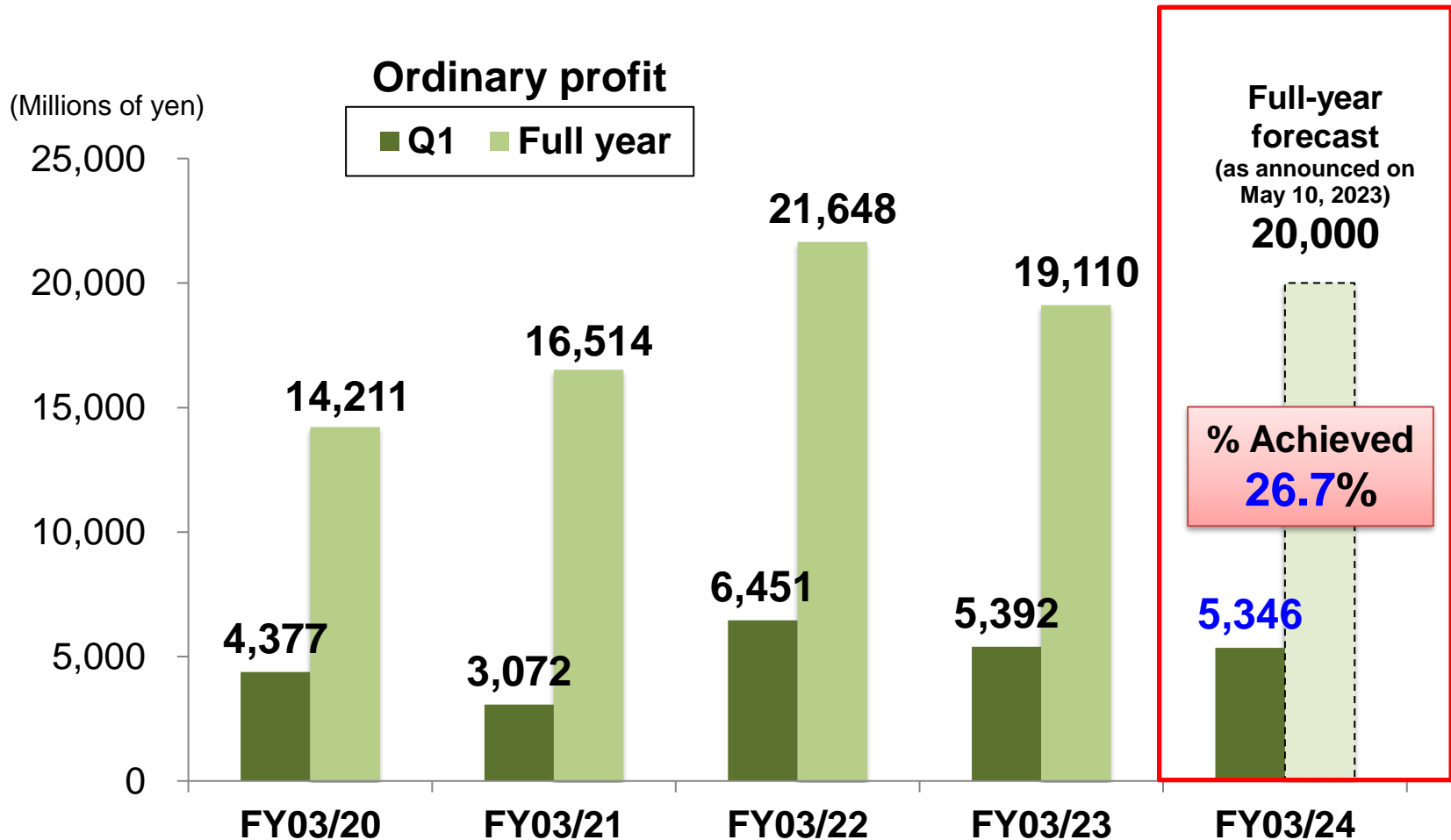
* Inabata has adopted Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) effective from Q1 FY03/22.

Operating Profit Trends

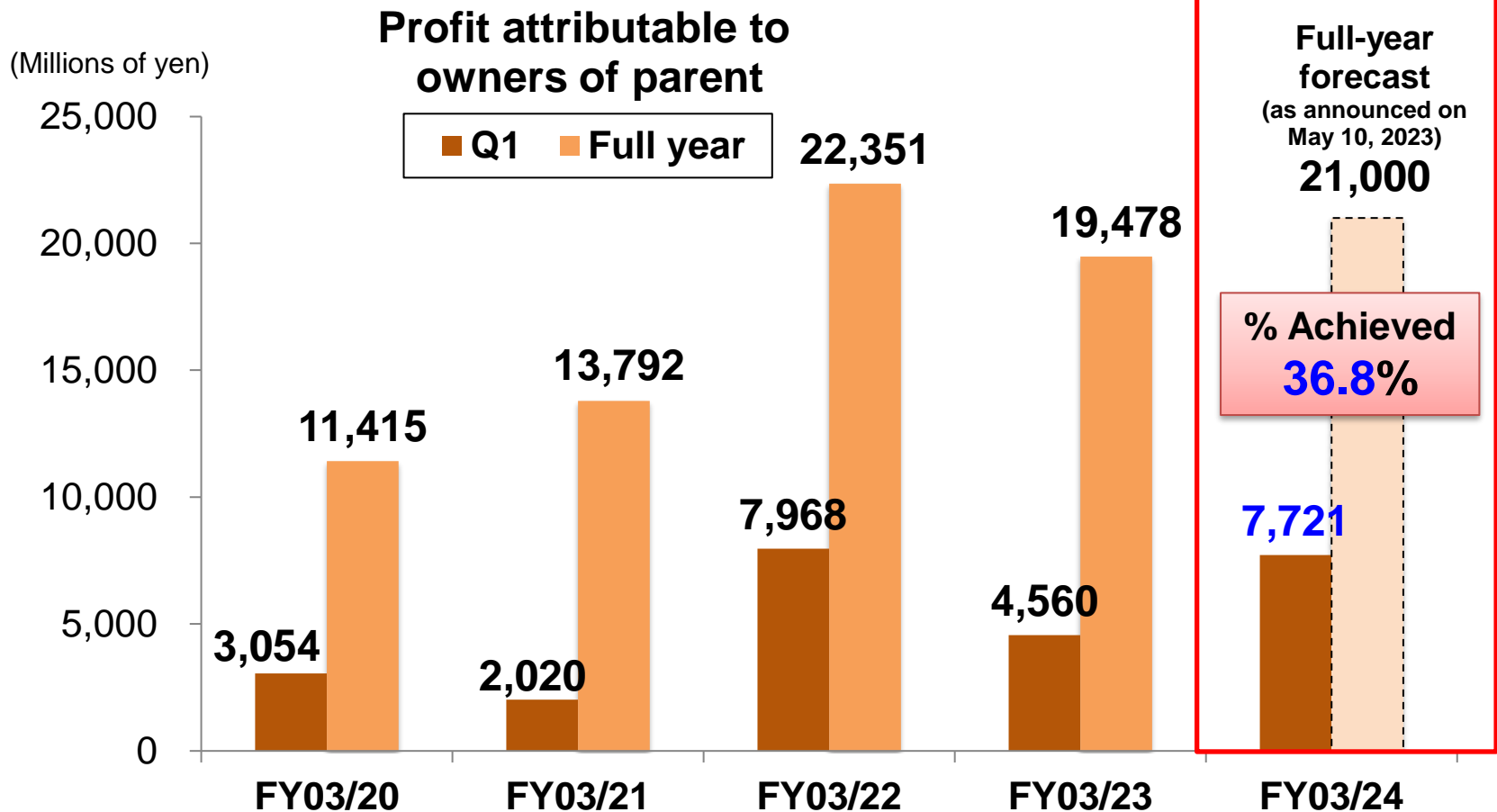


* Recorded ¥0.75 billion in reversal of allowance for doubtful accounts at a European subsidiary in FY03/21.

Ordinary Profit Trends



Profit Attributable to Owners of Parent Trends



* Recording of gain on sales of investment securities:

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

¥4.66 billion in Q1 FY03/22, and ¥1.49 billion in Q1 FY03/23, ¥1.59 billion in Q1 FY03/24

Balance Sheet



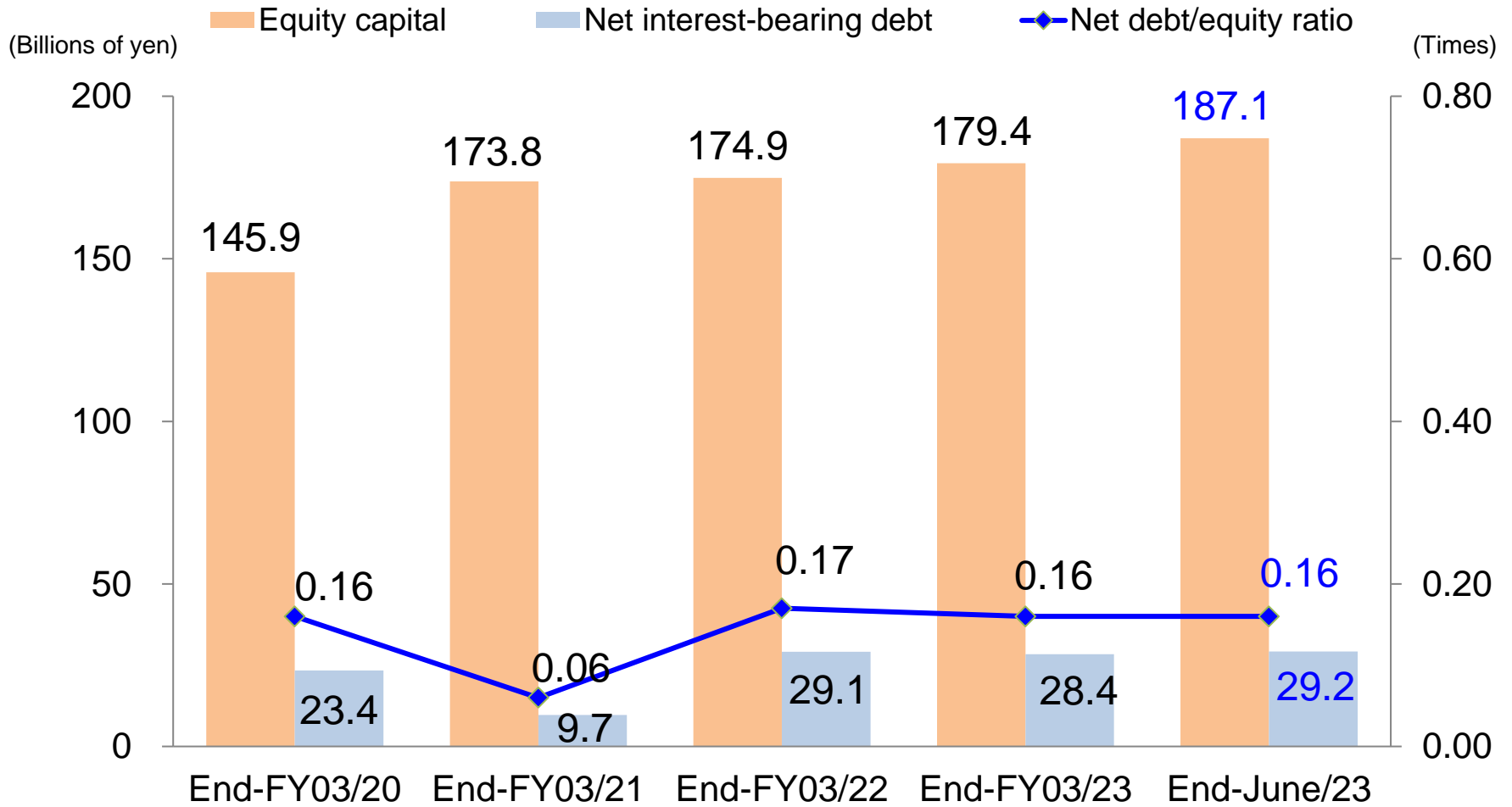
- Notes and accounts receivable–trade, inventories, and notes and accounts payable–trade increased due to the impact of newly consolidated subsidiaries and a weak yen.

(Billions of yen)

Assets	End-FY03/23	End-June 2023	Change	Liabilities and net assets	End-FY03/23	End-June 2023	Change
Cash and deposits	36.3	41.0	+4.7	Notes and accounts payable - trade	105.7	112.1	+6.3
Notes receivable - trade	23.2	26.0	+2.7	Short-term loans payable	49.4	55.0	+5.5
Accounts receivable-trade	153.6	164.9	+11.2	Other current liabilities	18.3	16.5	-1.7
Inventories	88.8	91.6	+2.7	Bonds payable	7.5	7.5	-
Other current assets	13.2	10.1	-3.0	Long-term loans payable	7.7	7.8	0.0
Property, plant and equipment	16.6	18.6	+2.0	Other non-current liabilities	10.1	11.6	+1.5
Intangible assets	2.4	2.7	+0.3	Shareholders' equity	148.5	150.2	+1.6
Investment securities	32.8	34.0	+1.1	Accumulated other comprehensive income	30.9	36.8	+5.9
Other fixed assets	13.2	14.0	+0.8	Non-controlling interests	2.0	5.6	+3.5
Total assets	380.4	403.3	+22.9	Total liabilities and net assets	380.4	403.3	+22.9

Current ratio	181.7%	181.8%	Equity ratio	47.2%	46.4%
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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

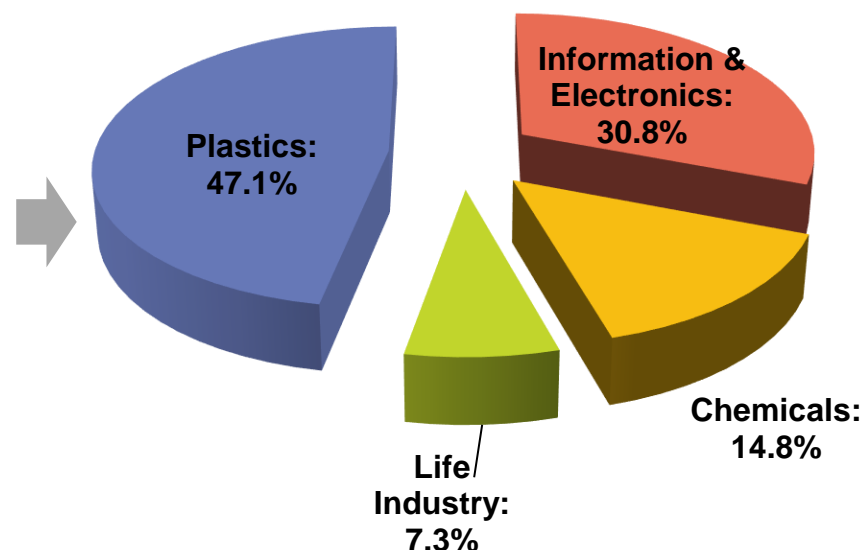
Net Sales by Business Segment

- Net sales declined in Information & Electronics due to sluggish sales of FPD-related products.
- Net sales grew in Chemicals and Life Industry, owing in part to contributions from newly consolidated subsidiaries.

Net Sales

(Billions of yen)

	Q1 FY03/23	Q1 FY03/24	YoY change
Information & Electronics	60.4	56.9	-5.8%
Chemicals	22.5	27.2	+21.0%
Life Industry	11.3	13.4	+18.1%
Plastics	89.6	86.8	-3.1%
Other	0.0	0.0	+2.7%
Total	184.0	184.5	+0.3%



*Contributions from newly consolidated subsidiaries in Q1 FY03/24 (simple sum):
Chemicals: +¥7.4 billion, Plastics: +¥3.1 billion, Life Industry: +¥2.5 billion

(Billions of yen)

	Information & Electronics	Chemicals	Life Industry	Plastics	Other	Total
Japan	18.9	21.4	10.5	32.9	-	83.8
Southeast Asia	4.7	2.7	0.0	35.3	-	42.8
Northeast Asia	26.3	1.1	0.5	14.0	-	42.0
Americas	3.2	1.4	1.8	4.0	-	10.5
Europe	3.5	0.5	0.4	0.5	-	5.1
Revenue arising from contracts with customers	56.9	27.2	13.4	86.8	-	184.5
Other revenue	-	-	-	-	0.0	0.0
Sales to external customers	56.9	27.2	13.4	86.8	0.0	184.5

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

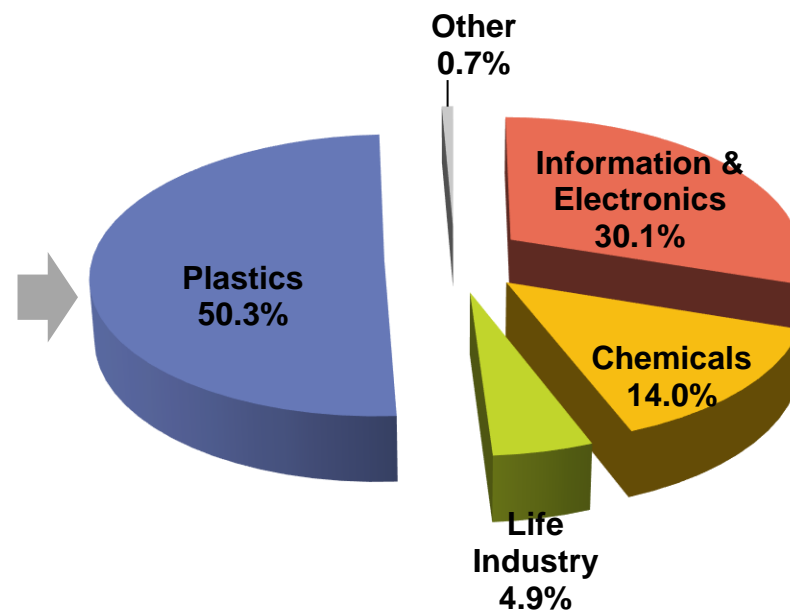
Operating Profit by Business Segment

- Profit declined in Information & Electronics, due to higher SG&A expenses and slow sales of FPD-related products.
- Profit was down in Chemicals, due to difficult comparison with strong performance a year ago.
- 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 improved in Plastics, as domestic group companies made progress in revising the selling prices of plastic bags.

Operating profit

(Millions of yen)

	Q1 FY03/23	Q1 FY03/24	YoY change
Information & Electronics	1,592	1,525	-4.2%
Chemicals	731	709	-3.1%
Life Industry	776	249	-67.8%
Plastics	2,203	2,552	+15.9%
Other	31	34	+7.8%
Total	5,335	5,071	-4.9%

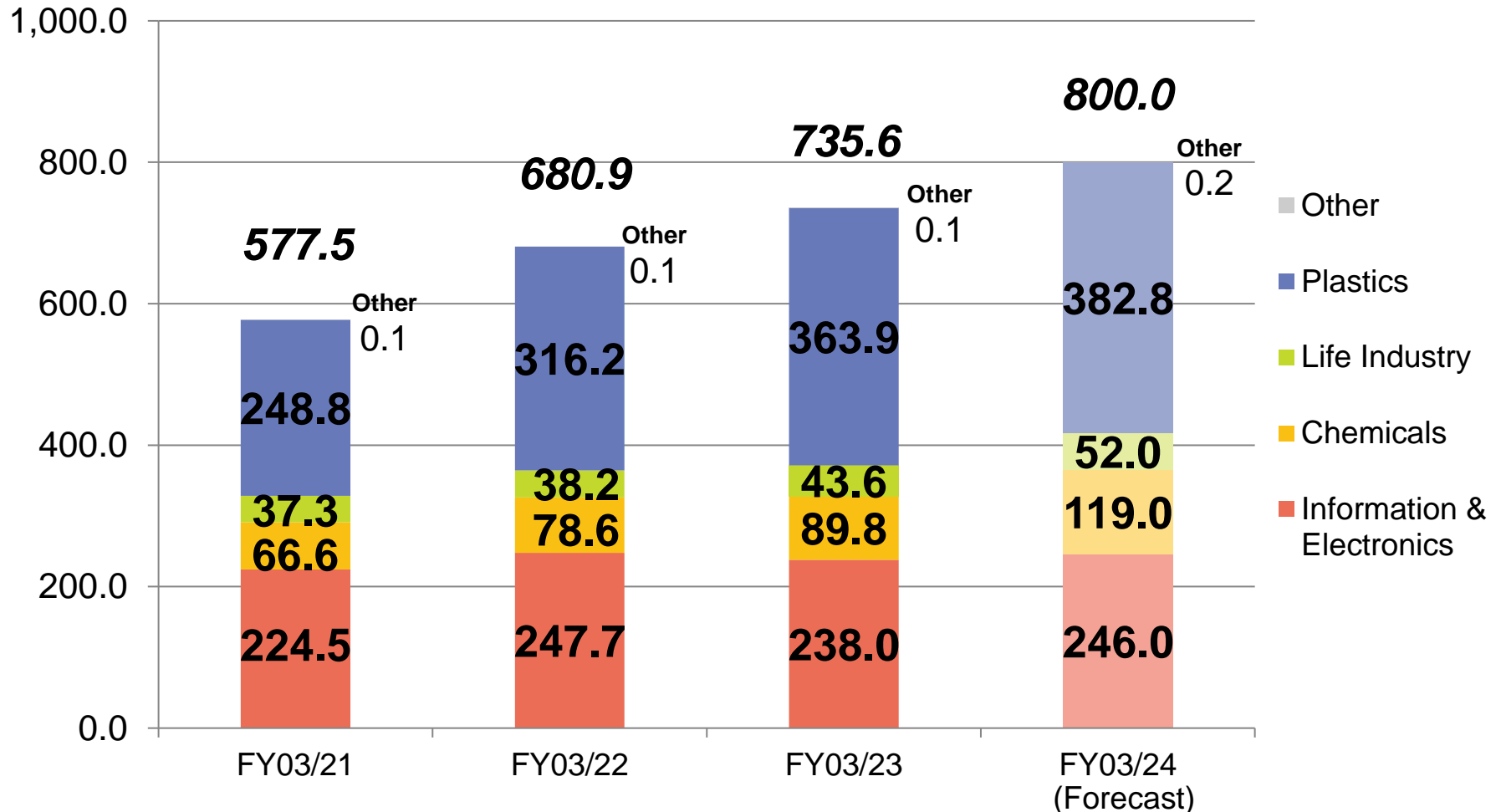


Net Sales by Business Segment (Full Year)



✓ No change has been made to the initial FY03/24 forecast by segment.

(Billions of yen)



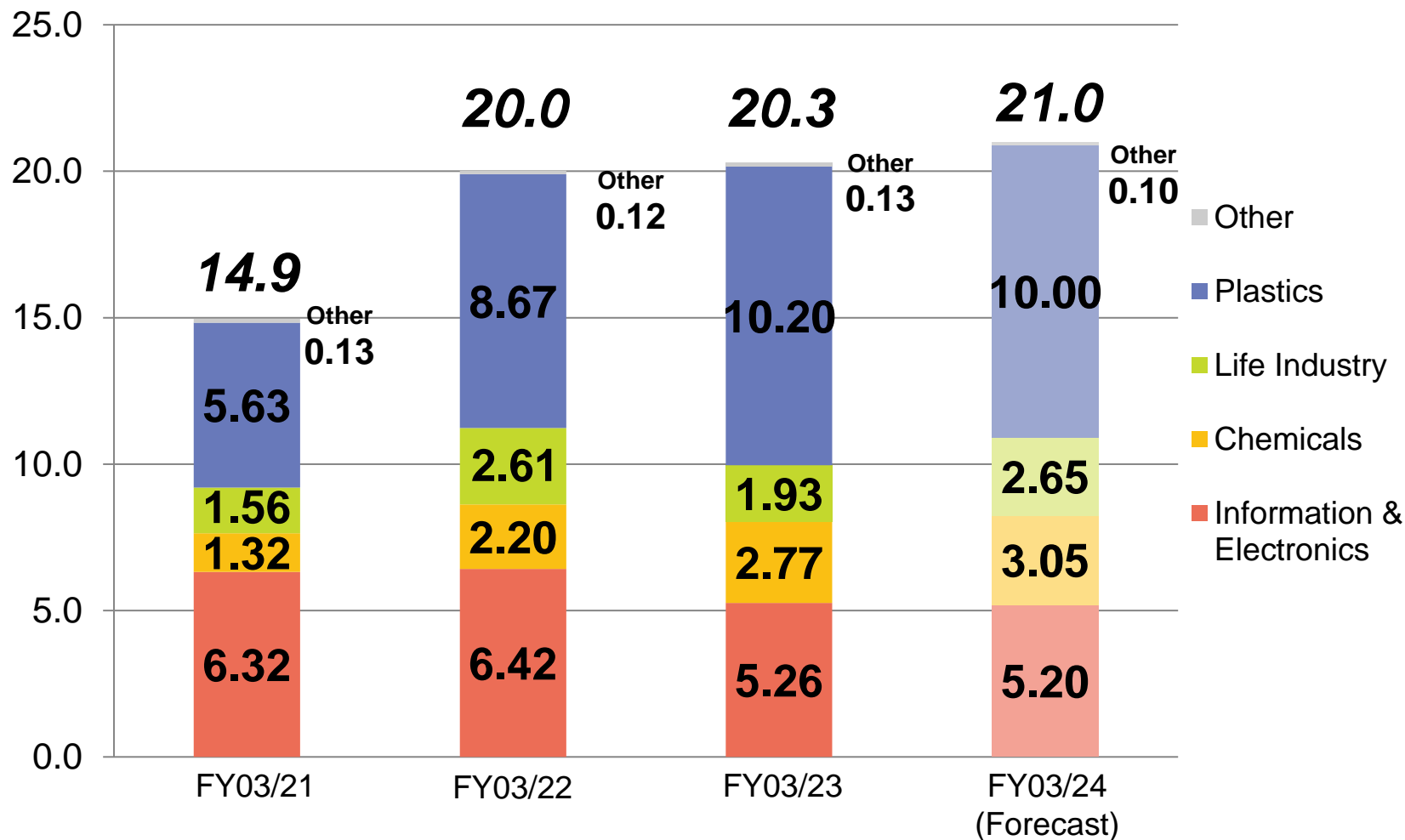
*Net sales for FY03/22 and later are based on the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29).

Operating Profit by Business Segment (Full Year)



✓ No change has been made to the initial FY03/24 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.

Basic Policy on Shareholder Return

During NC2023

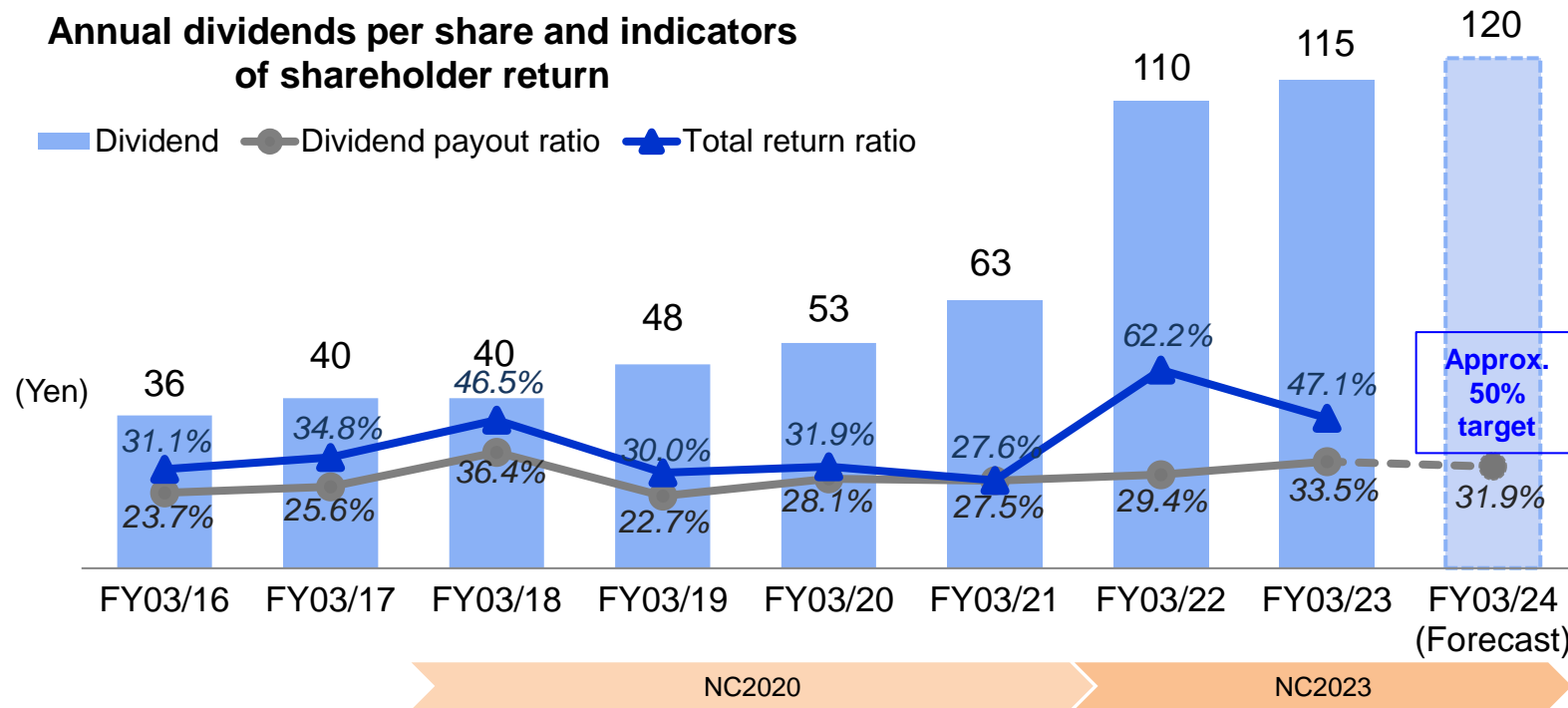
■ Progressive dividends

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.

Annual dividends per share and indicators of shareholder return



Treasury Shares ^{*1}	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)

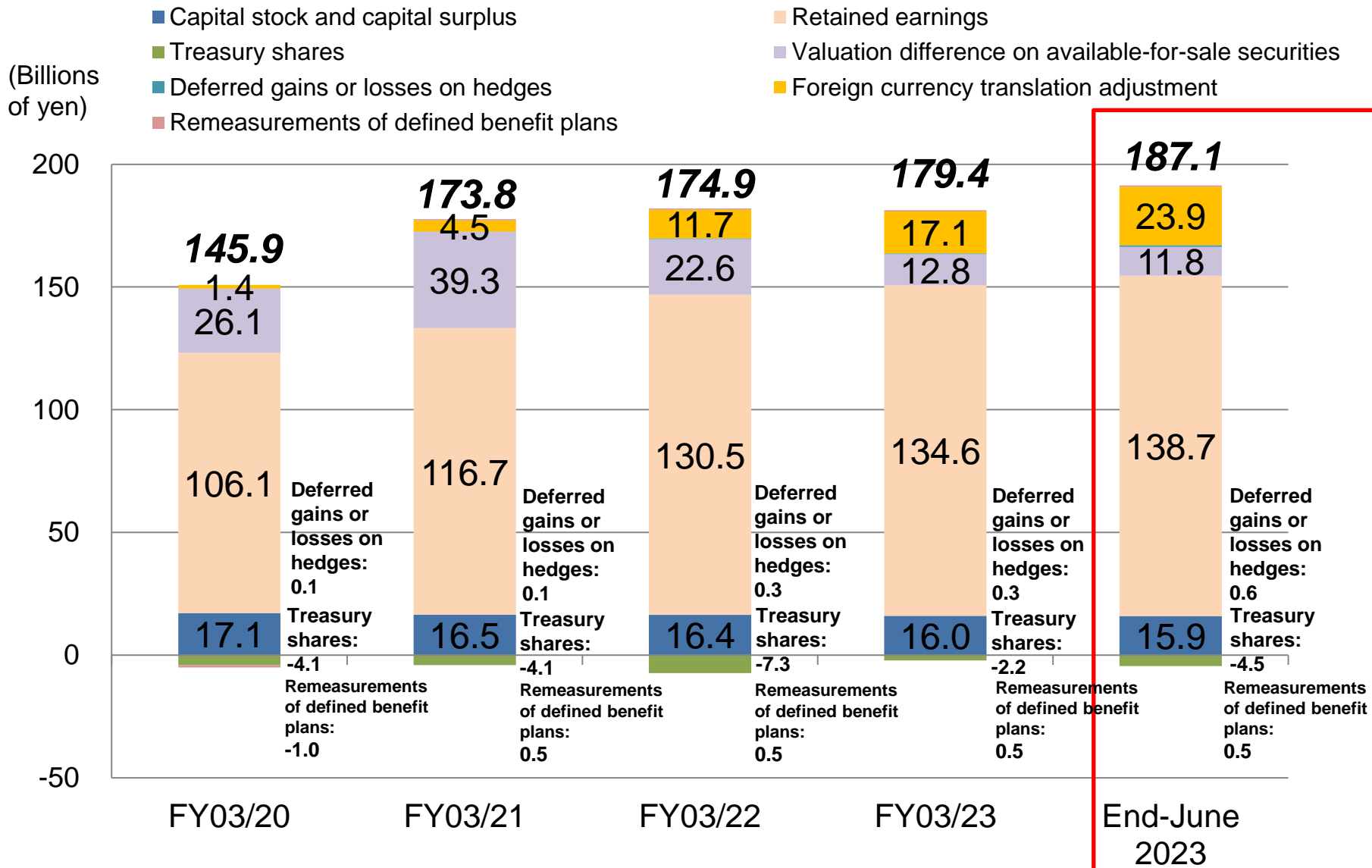
*1 Share buyback based on Board resolution

*2 Amounts current as of July 31, 2023

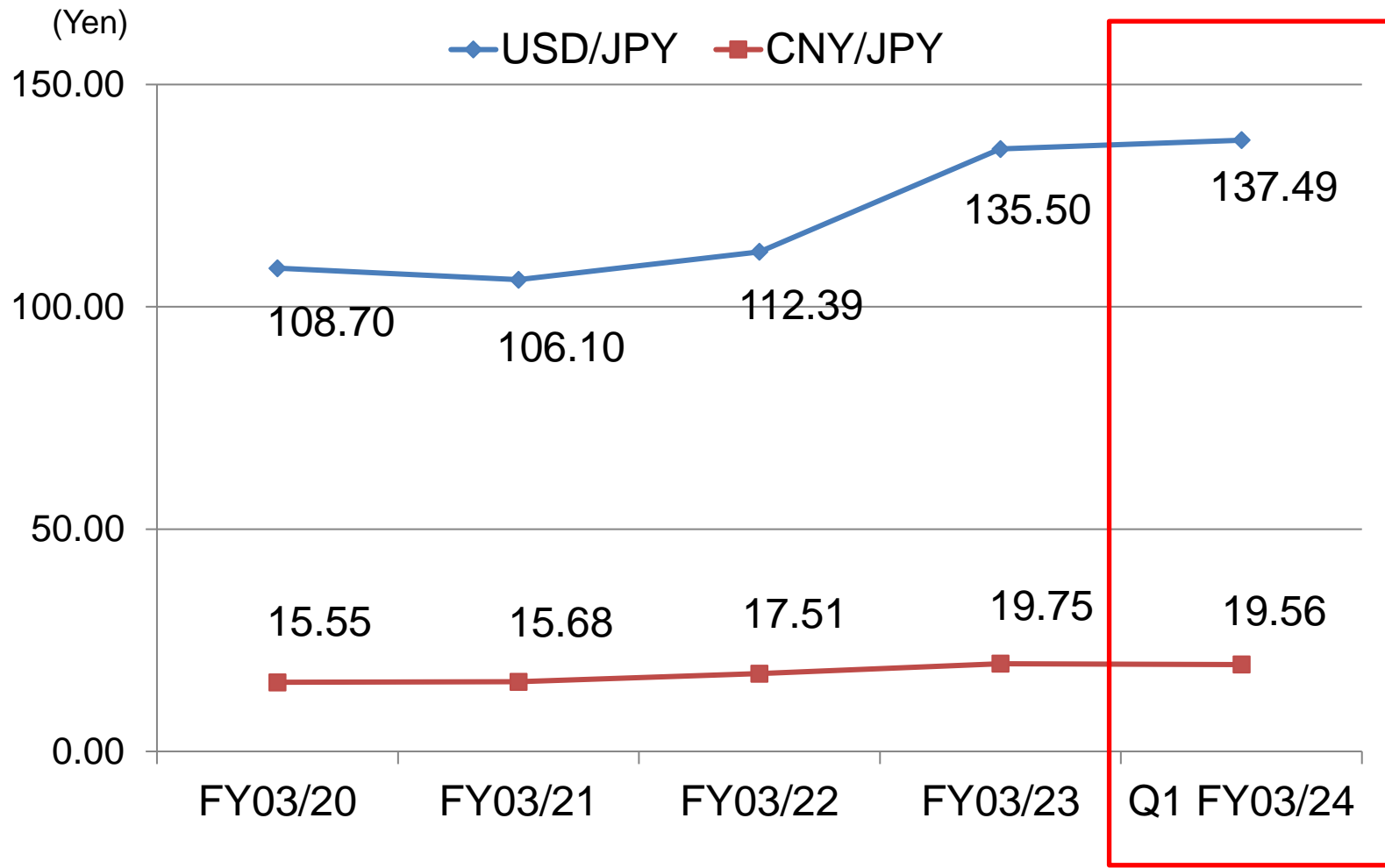
	Number of companies		
	Japan	Overseas	Total
Consolidated subsidiaries	11	35	46
(Of which, manufacturers and processing companies)	(6)	(15)	(21)
Equity-method affiliates	2	1	3
(Of which, manufacturers and processing companies)	(1)	(1)	(2)
Total	13	36	49
(Of which, manufacturers and processing companies)	(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



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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.