
IR Briefing for 1H Fiscal Year Ending March 2025 (Overview)

December 2, 2024

Inabata & Co., Ltd.

Kenichi Yokota

Director and Senior Managing Executive Officer

- Net sales, Op. profit and ordinary profit reached record highs.

Net sales: **¥421.6 billion** **+12.4% YoY**

Net sales increased, owing to the weak yen and favorable performance in Japan and Southeast Asia.

Operating profit: **¥13.8 billion** **+32.5% YoY**

Operating profit expanded due to growth in net sales and an increase in our operating profit margin.

Ordinary profit: **¥13.9 billion** **+31.2% YoY**

Ordinary profit increased, largely backed by the growth in operating profit.

Profit attributable to owners of parent: **¥11.5 billion** **-7.7% YoY**

Profit declined despite higher ordinary profit, due to the absence of gain on negative goodwill recorded in FY03/24.

Consolidated Results Review – 1H FY03/25



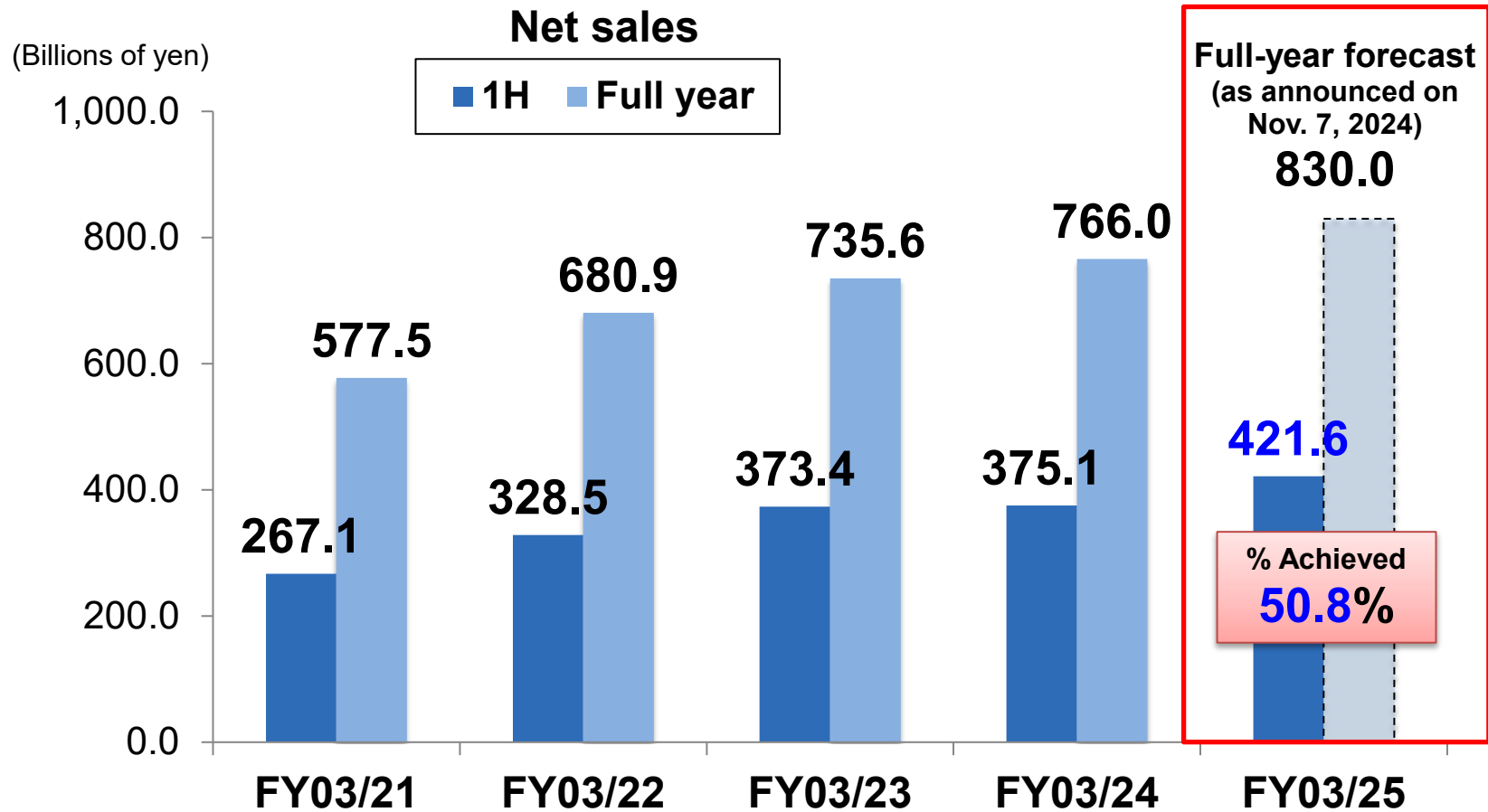
- Lifted FY03/25 forecasts
- Expect net sales, operating profit, and ordinary profit to hit record-highs

(Billions of yen)

	1H FY03/24	1H FY03/25 (A)	YoY change	
			Amount	%
Net sales	375.1	421.6	+46.4	+12.4%
Operating profit	10.4	13.8	+3.3	+32.5%
Ordinary profit	10.6	13.9	+3.3	+31.2%
Profit attributable to owners of parent	12.5	11.5	-0.9	-7.7%
Exchange rate (USD/JPY)	141.06	152.78	+11.72	

Forecast announced May 9, 2024	Revised forecast announced November 7, 2024 (B)	Achievement rate (A)/(B)
830.0	830.0	50.8%
22.5	24.0	57.8%
21.5	24.0	58.2%
17.0	20.0	57.9%
145.00	145.00	

Trend in Net Sales

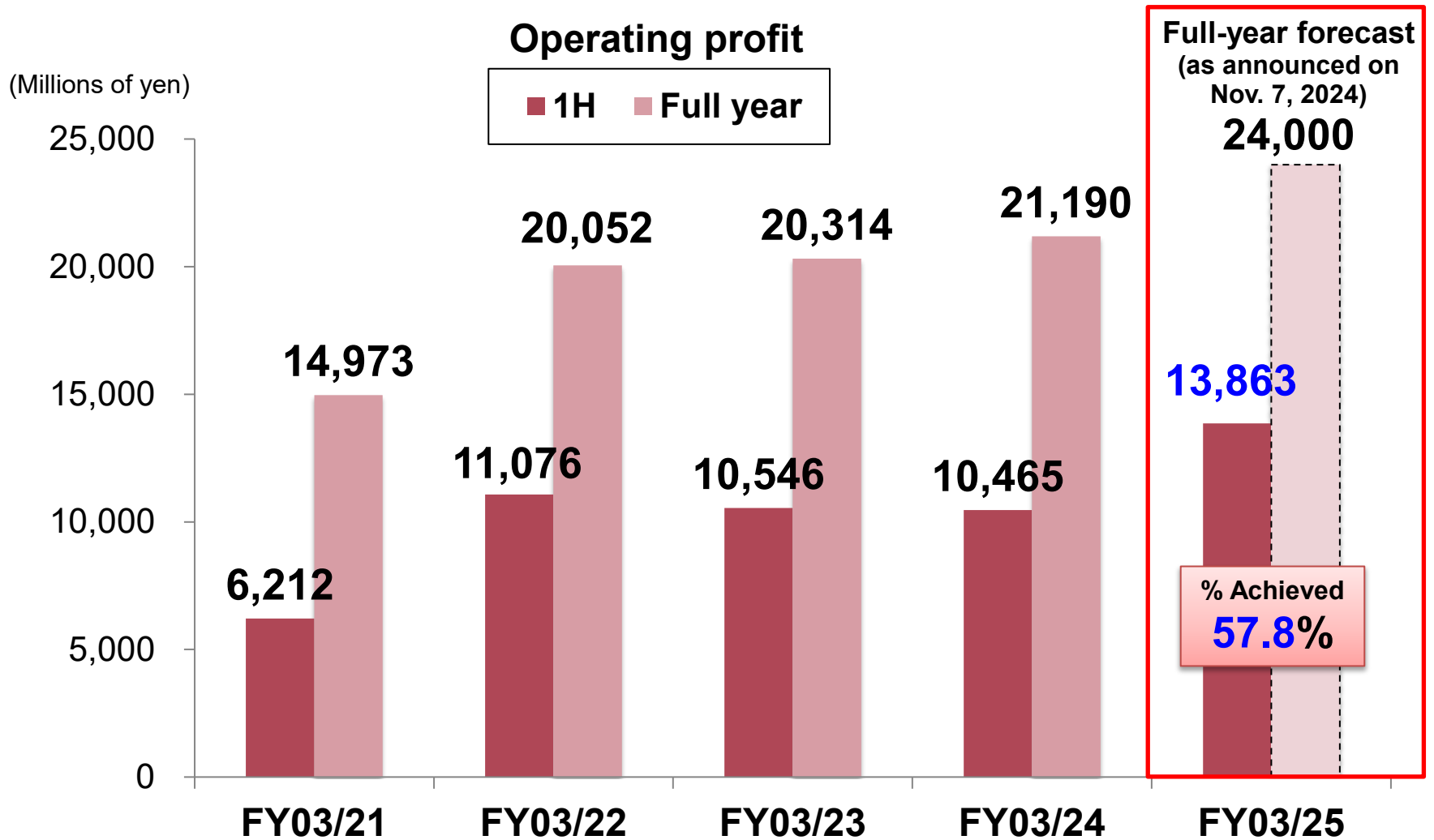


(Reference)		FY03/21	FY03/22	FY03/23	FY03/24	FY03/25
Exchange rate: USD/JPY	1H	106.93	109.81	134.03	141.06	152.78
	Full year	106.10	112.39	135.50	144.59	145.00*

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

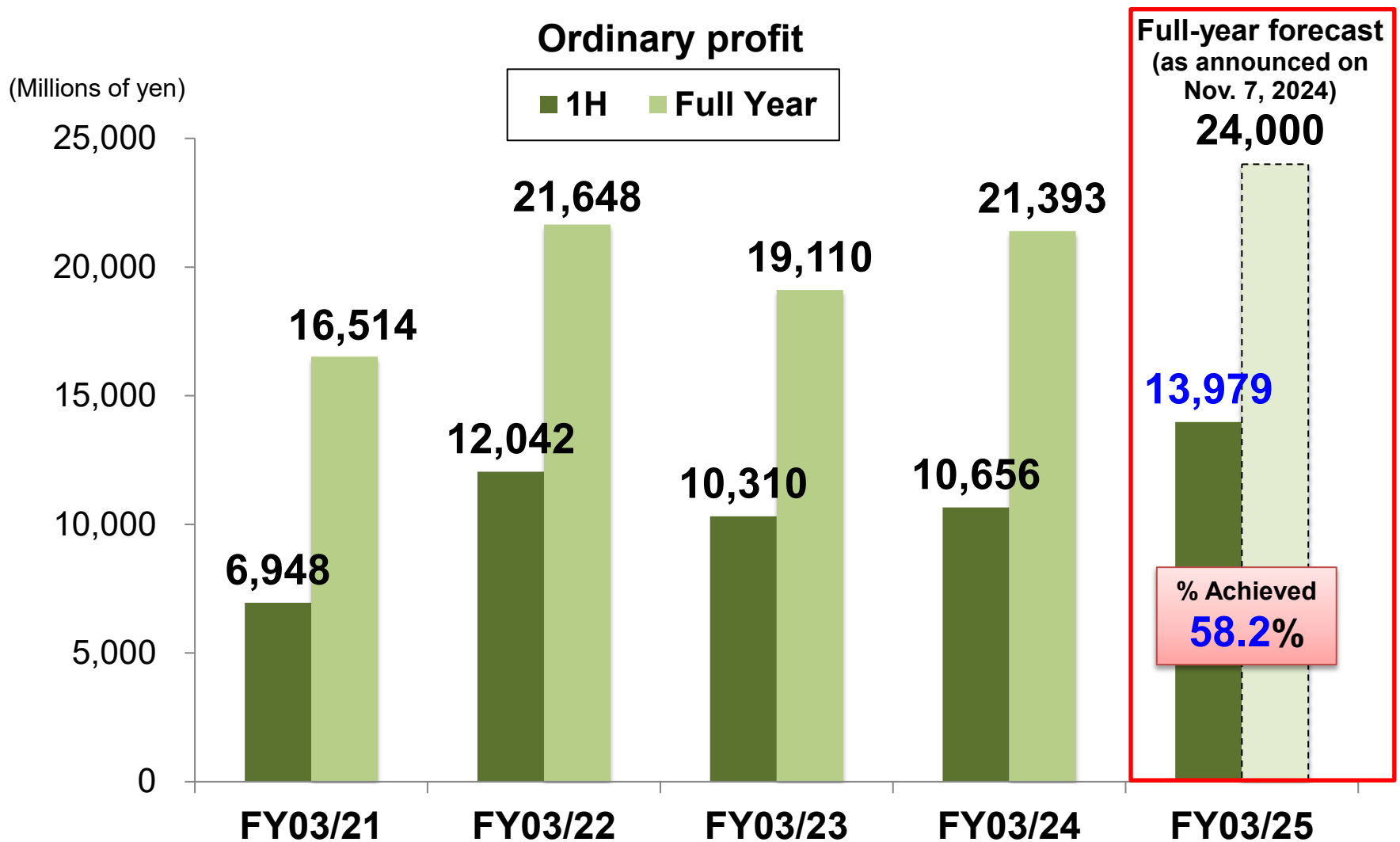
* Estimate at time of release

Trend in Operating Profit

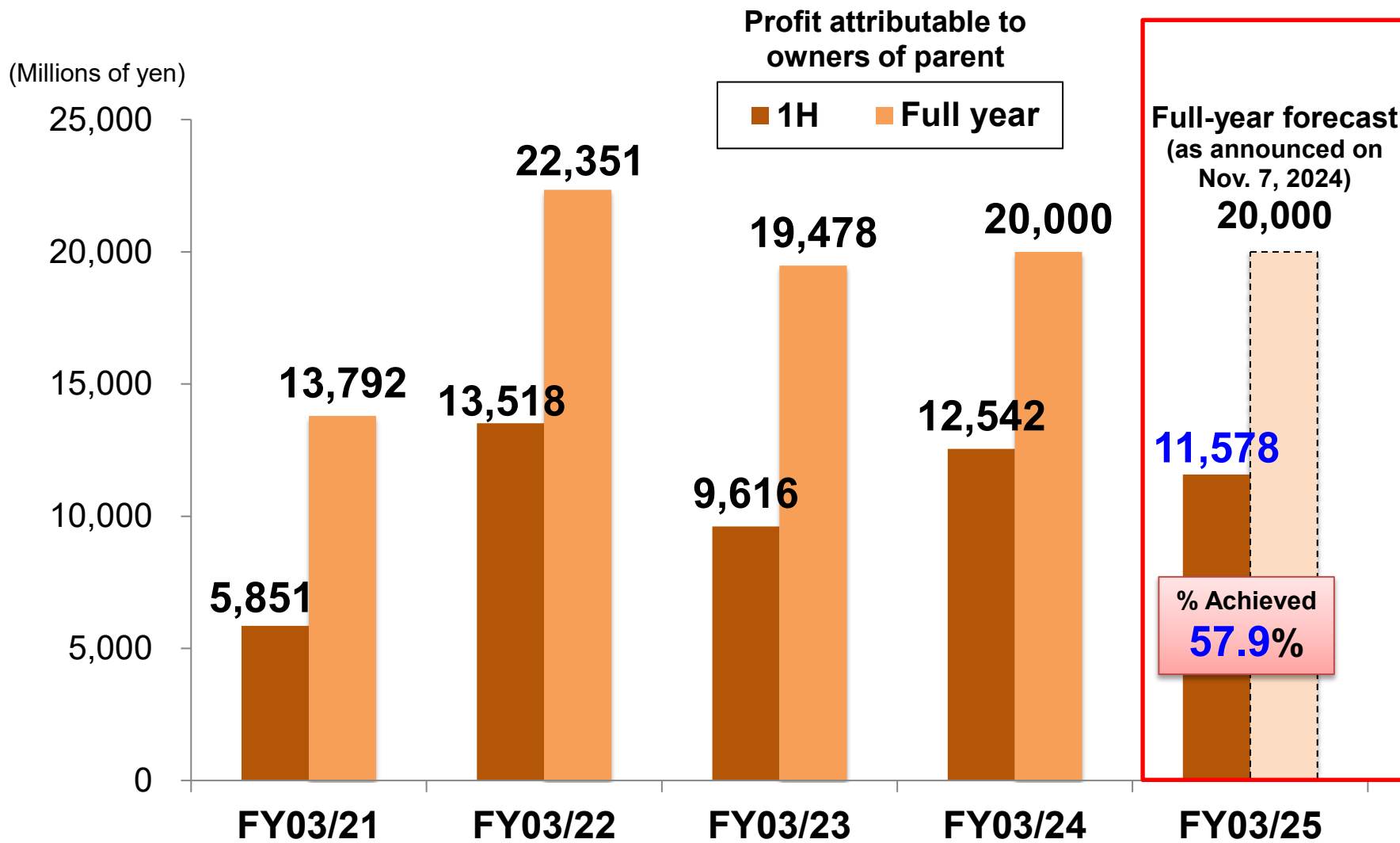


Notes: Recorded ¥0.75 billion in reversal of allowance for doubtful accounts at a European subsidiary in FY03/21

Trend in Ordinary Profit



Trend in Profit Attributable to Owners of Parent



Notes: 1. Recording of gain on sales of investment securities: ¥2.98 billion in FY03/21, ¥8.97 billion in FY03/22, ¥8.66 billion in FY03/23, ¥3.76 billion in FY03/24
¥1.41 billion in 1H FY03/21, ¥6.54 billion in 1H FY03/22, and ¥3.45 billion in 1H FY03/23, ¥3.57 billion in 1H FY03/24, ¥2.61 billion in 1H FY03/25
2. Recording of gain on negative goodwill: ¥3.41 billion in Q1 FY03/24 (and full-year FY03/24)

Balance Sheet



■ Issued the second and third series of unsecured straight bonds.

(Billions of yen)

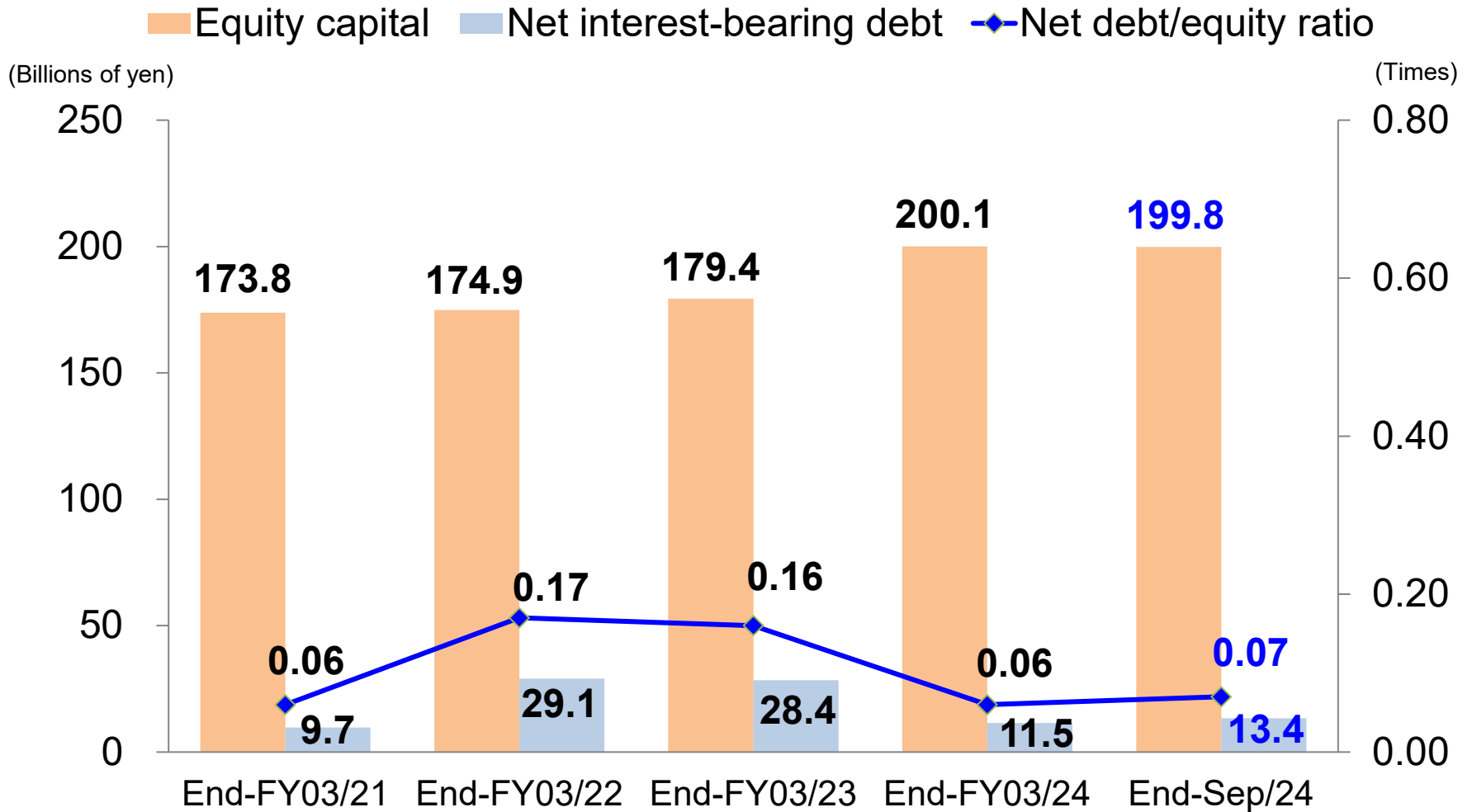
Assets	End-FY03/24	End-Sep 2024	Change
Cash and deposits	51.3	56.5	+5.2
Notes receivable - trade	31.1	27.3	-3.8
Accounts receivable-trade	175.2	172.8	-2.4
Inventories	85.0	84.5	-0.5
Other current assets	11.1	9.1	-2.0
Property, plant and equipment	18.6	19.5	+0.9
Intangible assets	3.8	7.9	+4.1
Investment securities	34.8	35.5	+0.6
Other fixed assets	15.9	16.0	+0.0
Total assets	427.3	429.5	+2.2

Current ratio	187.1%	202.9%
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Liabilities and net assets	End-FY03/24	End-Sep 2024	Change
Notes and accounts payable - trade	127.7	120.0	-7.6
Short-term loans payable	42.9	32.1	-10.7
Other current liabilities	18.5	20.5	+1.9
Bonds payable	7.5	17.5	+10.0
Long-term loans payable	12.3	20.3	+7.9
Other non-current liabilities	11.4	11.4	-0.0
Shareholders' equity	160.3	164.4	+4.0
Accumulated other comprehensive income	39.8	35.4	-4.3
Non-controlling interests	6.5	7.6	+1.1
Total liabilities and net assets	427.3	429.5	+2.2

Equity ratio	46.8%	46.5%
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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 9

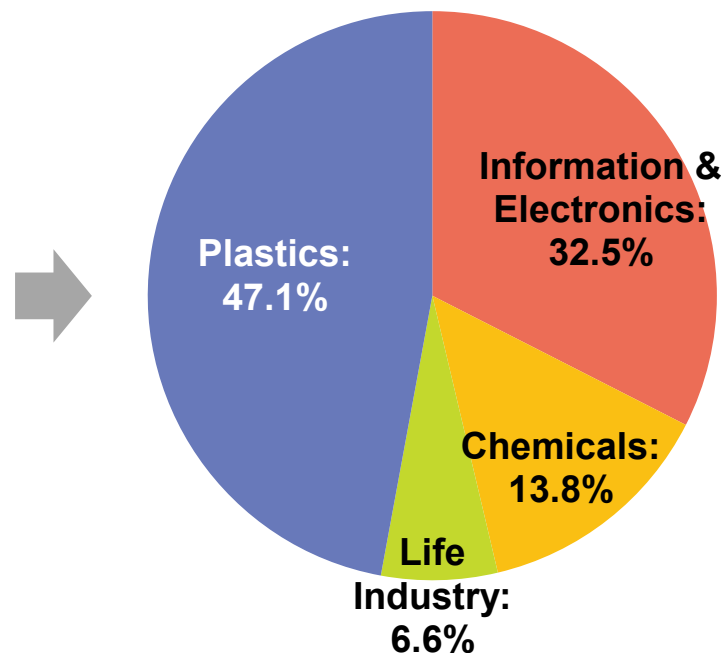
Net Sales by Business Segment

- In Information & Electronics, net sales increased backed by a recovery in sales of FPD-related and printer-related products.
- In Plastics, net sales held firm, backed by a recovery in office automation-related demand and demand for all other applications. The weak yen and newly consolidated subsidiaries in the compounding business also contributed to sales growth.

Net Sales

(Billions of yen)

	1H FY03/24	1H FY03/25	YoY change
Information & Electronics	116.2	137.1	+17.9%
Chemicals	54.5	58.0	+6.5%
Life Industry	25.4	27.6	+8.7%
Plastics	178.8	198.7	+11.1%
Other	0.0	0.0	+0.1%
Total	375.1	421.6	+12.4%



Net Sales Breakdown by Segment and Region



(Billions of yen)

	Information & Electronics	Chemicals	Life Industry	Plastics	Other	Total
Japan	53.7	42.6	20.8	73.6	-	190.8
Southeast Asia	9.8	7.1	0.1	84.8	-	101.8
Northeast Asia	56.4	2.6	1.5	30.3	-	90.9
Americas	11.3	3.3	3.9	9.1	-	27.7
Europe	5.8	2.3	1.1	0.7	-	10.0
Revenue arising from contracts with customers	137.1	58.0	27.6	198.7	-	421.5
Other revenue	-	-	-	-	0.0	0.0
Sales to external customers	137.1	58.0	27.6	198.7	0.0	421.6

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

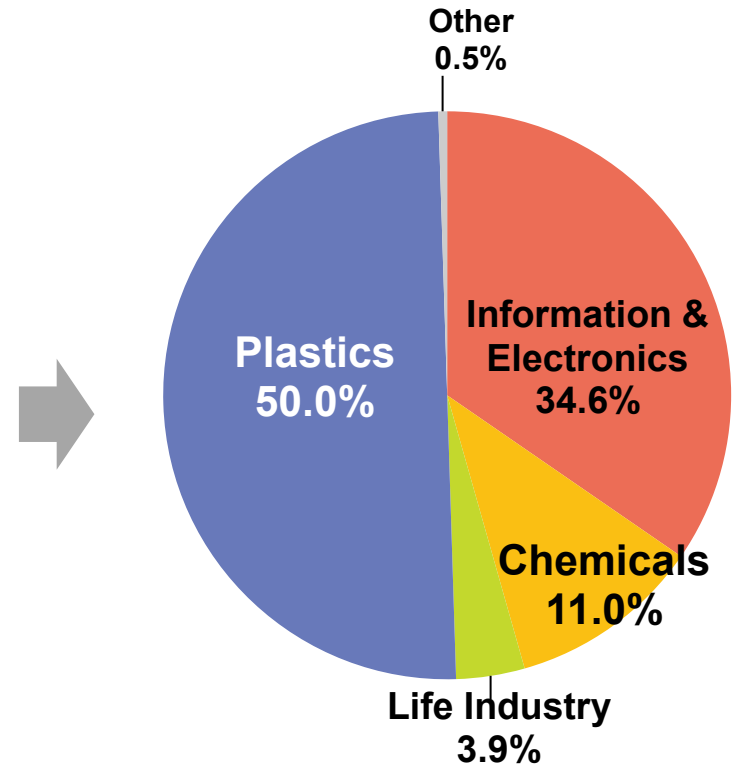
Operating Profit by Business Segment

- In Information & Electronics, profit increased due to a recovery in sales of FPD-related and printer-related products and strong sales of high-margin products.
- In Plastics, operating profit grew owing to a recovery in office automation-related demand, robust sales of automobile-related products globally, and contributions from newly consolidated subsidiaries in the compounding business.

Operating profit

(Millions of yen)

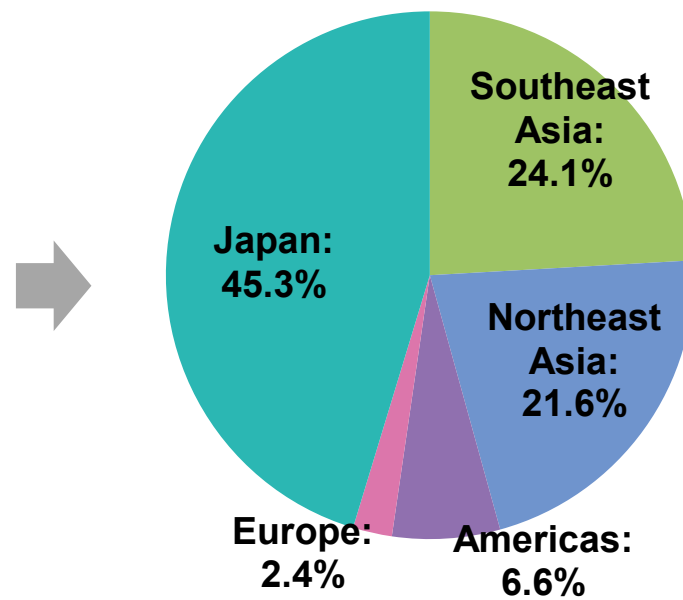
	1H FY03/24	1H FY03/25	YoY change
Information & Electronics	3,344	4,796	+43.4%
Chemicals	1,362	1,528	+12.2%
Life Industry	651	540	-17.0%
Plastics	5,037	6,929	+37.6%
Other	68	68	-0.8%
Total	10,465	13,863	+32.5%



Sales by Region

- Southeast Asia: In Plastics, sales grew owing to a recovery in office automation-related demand.
- Northeast Asia: Sales increased backed by a recovery in sales of FPD-related products.
- Japan: Net sales grew due to solid performance in Information & Electronics and Plastics.

Sales		(Billions of yen)	
	1H FY03/24	1H FY03/25	YoY change
Southeast Asia	89.6	101.8	+13.6%
Northeast Asia	84.8	90.9	+7.2%
Americas	21.9	27.7	+26.8%
Europe	10.3	10.0	-3.0%
Japan	168.4	190.9	+13.4%
Total	375.1	421.6	+12.4%
(Overseas ratio)	55.1%	54.7%	(-0.4%)



Note: Sales in the Japan segment include exports (¥26.1 billion in 1H FY03/25). Including this amount, the percentage of overseas sales was 60.0% in 1H FY03/24 and 59.3% in 1H FY03/25.

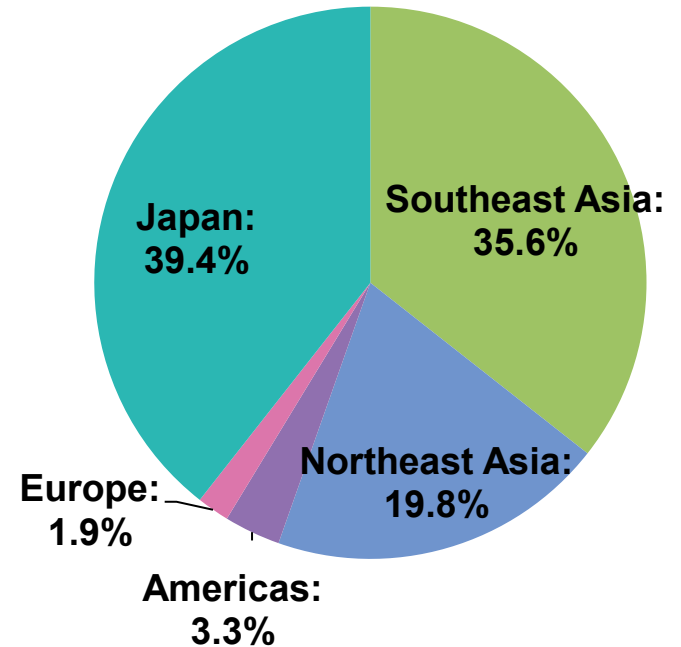
Operating Profit by Region

- Southeast Asia: In Plastics, profit grew owing to a recovery in office automation-related demand, and contributions from newly consolidated subsidiaries in the compounding business.
- Northeast Asia: Profit increased backed by a recovery in sales of FPD - related products, and contributions from newly consolidated subsidiary in the compounding business.
- Americas: Profit decreased due to sluggish sales of processed marine products and other ingredients for Japanese cuisine in the US market.
- Japan: In Information & Electronics, profit increased due strong sales of high-margin products.

Operating profit

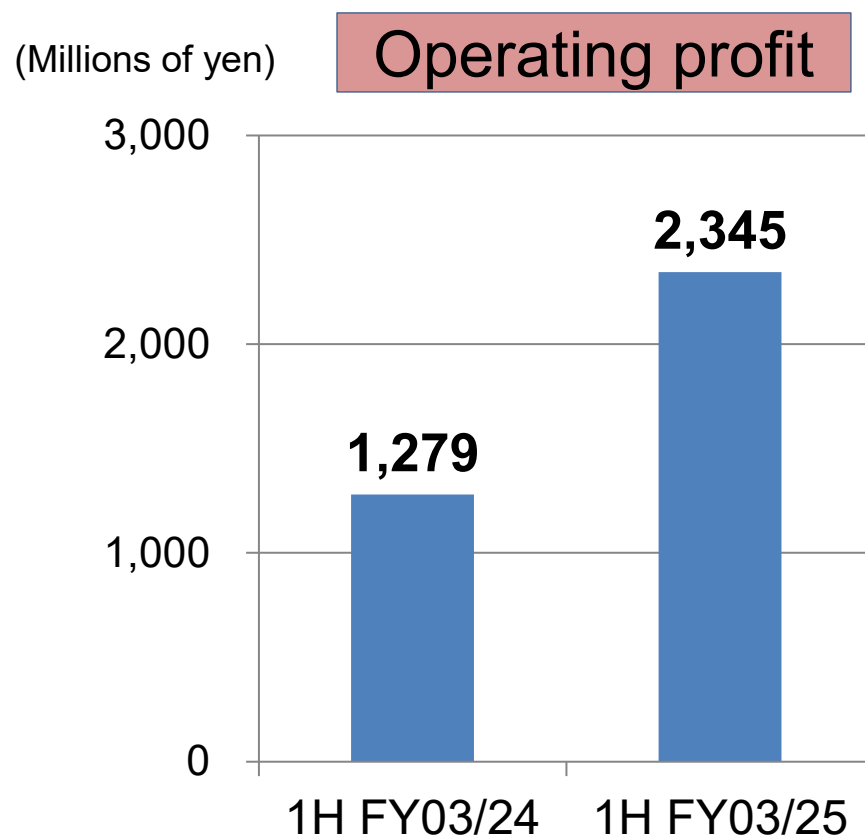
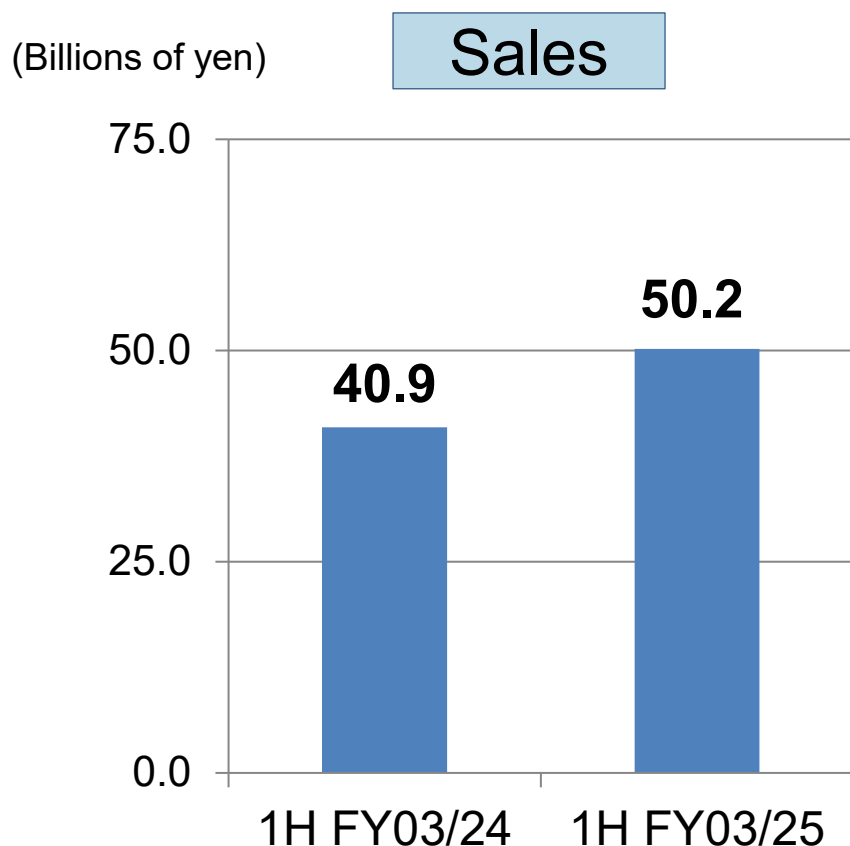
(Millions of Yen)

	1H FY03/24	1H FY03/25	YoY change
Southeast Asia	3,450	4,808	+39.4%
Northeast Asia	1,772	2,669	+50.6%
Americas	630	444	-29.4%
Europe	350	261	-25.5%
Japan	4,193	5,326	+27.0%
Subtotal	10,397	13,509	+29.9%
Elimination or corporate	68	354	
Total	10,465	13,863	+32.5%
(Overseas ratio)	(59.7%)	(60.6%)	(+0.9%)



Sales and Operating Profit in the Manufacturing Sector

Profit increased due to the effects of the new consolidation of subsidiaries and recovered sales in the plastic compounding business in Southeast Asia and Mexico.



Note: Results for 1H FY03/24 have been converted at the exchange rate for 1H FY03/25 (USD1=JPY152.78).

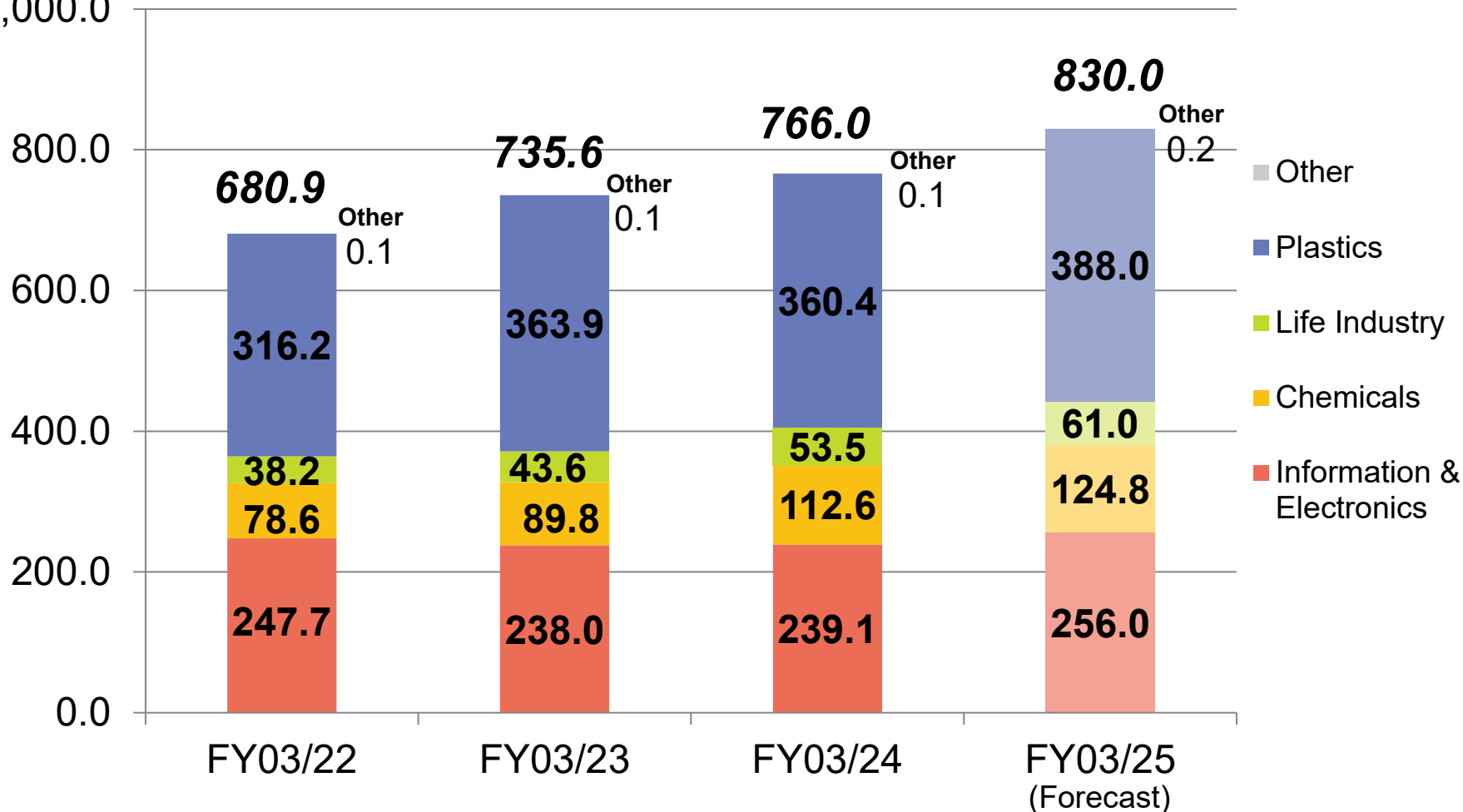
Net Sales by Business Segment (Full Year)



✓ No change has been made to the initial FY03/25 forecast by segment.

(Billions of yen)

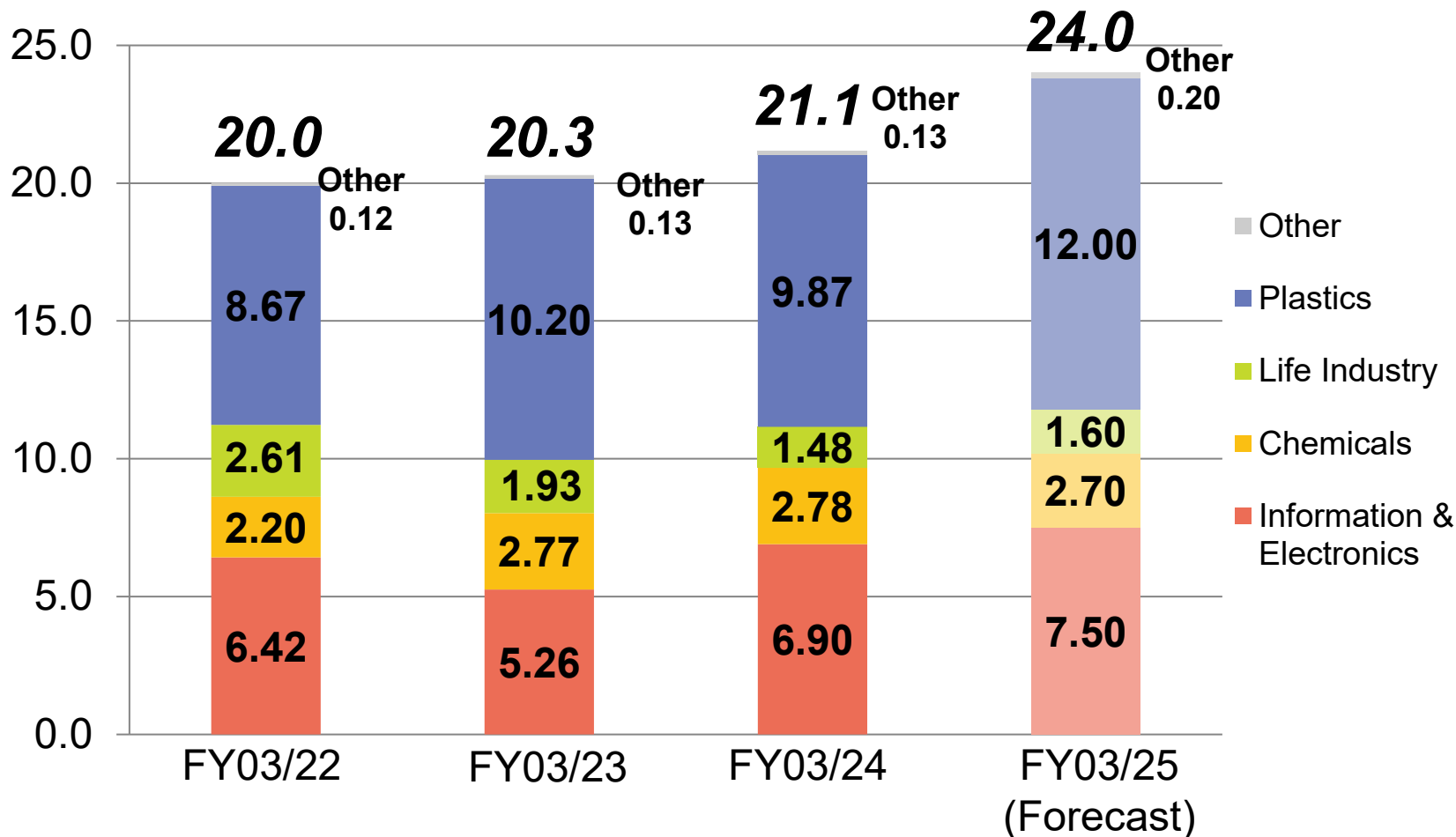
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Operating Profit by Business Segment (Full Year)

✓ Initial individual segment forecasts for FY03/25 have been revised.

(Billions of yen)



Note: On November 7, 2024, the company raised its FY03/25 operating profit forecast from ¥22.5 billion (announced May 9, 2024) to ¥24.0 billion. Previous forecasts: Information & Electronics ¥6.55 billion, Chemicals ¥2.85 billion, Life Industry ¥2.20 billion, Plastics ¥10.80 billion, Other ¥0.10 billion

Consolidated Subsidiaries

	Number of companies		
	Japan	Overseas	Total
Consolidated subsidiaries	12	38	50
(Of which, manufacturers and processing companies)	(7)	(18)	(25)
Equity-method affiliates	2	1	3
(Of which, manufacturers and processing companies)	(1)	(1)	(2)
Total	14	39	53
(Of which, manufacturers and processing companies)	(8)	(19)	(27)

Note: In Q1 FY03/25, Novacel Co., Ltd., Novacel Singapore (Pte.) Ltd., Novacel (Thailand) Co., Ltd. and Novacel (Hong Kong) Ltd. were made consolidated subsidiaries.

Principle Consolidated Subsidiaries



(Millions of yen)

Company	Location	1H FY03/24			1H FY03/25			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	18,311	430	275	15,660	412	264	-14.5%	-4.2%	-4.2%
Inabata Sangyo (H.K.) Ltd.	Hong Kong	37,104	611	851	37,400	823	1,770	0.8%	34.5%	107.8%
Inabata Singapore (Pte.) Ltd.	Singapore	31,931	510	846	36,272	659	917	13.6%	29.3%	8.5%
Inabata Thai Co., Ltd.	Thailand	25,072	438	399	25,257	482	449	0.7%	10.1%	12.6%
Shanghai Inabata Trading Co., Ltd.	Shanghai	37,014	600	612	38,143	783	474	3.1%	30.4%	-22.6%
PT. Inabata Indonesia	Indonesia	17,589	970	716	18,292	895	692	4.0%	-7.7%	-3.2%
Inabata Fine Tech & Co., Ltd.	Japan	9,929	331	226	9,773	350	242	-1.6%	5.8%	7.2%

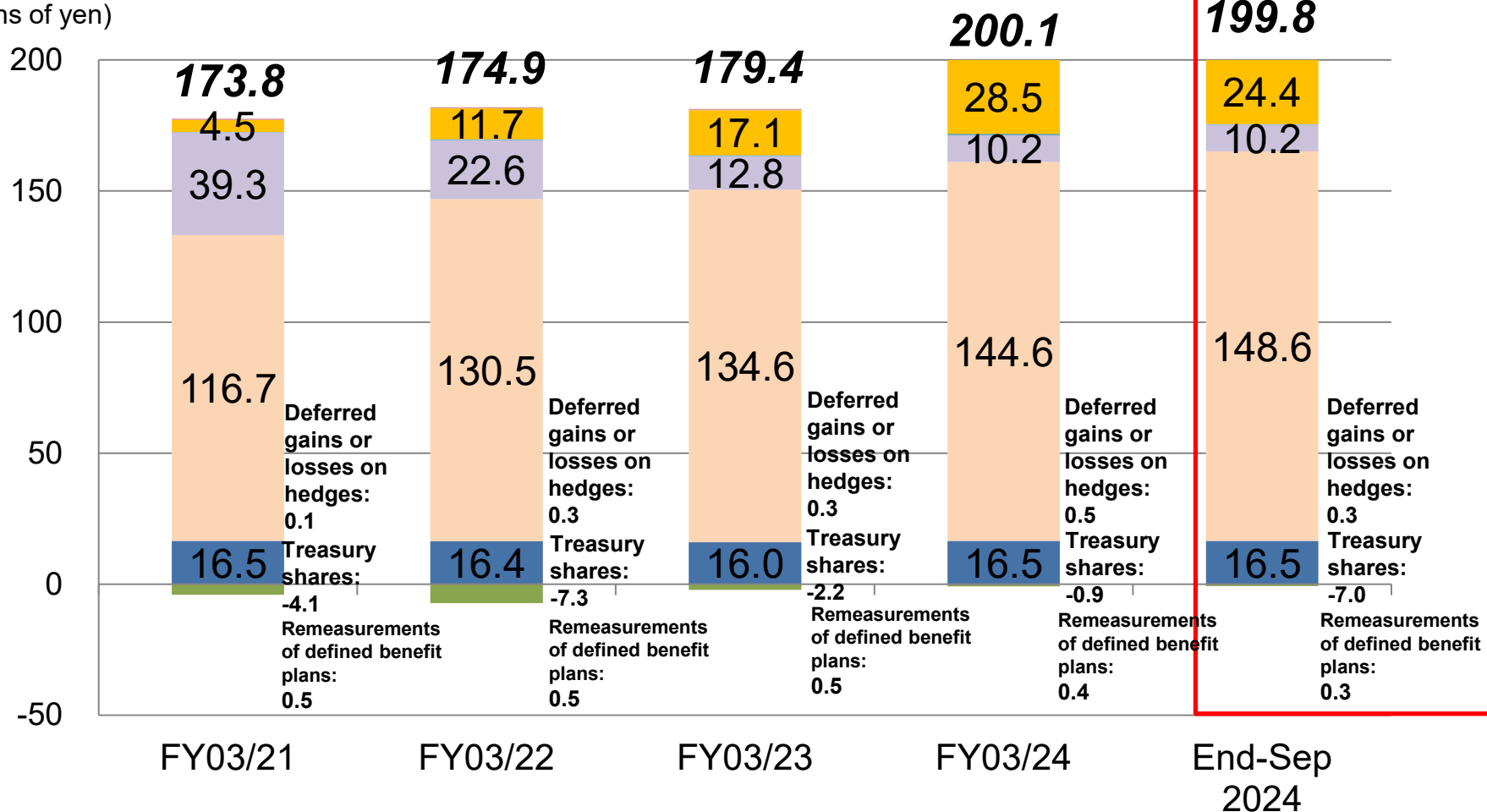
Note: Results for 1H FY03/24 have been converted at the exchange rate for 1H FY03/25 (USD1=JPY152.78).

(Reference) Equity Capital

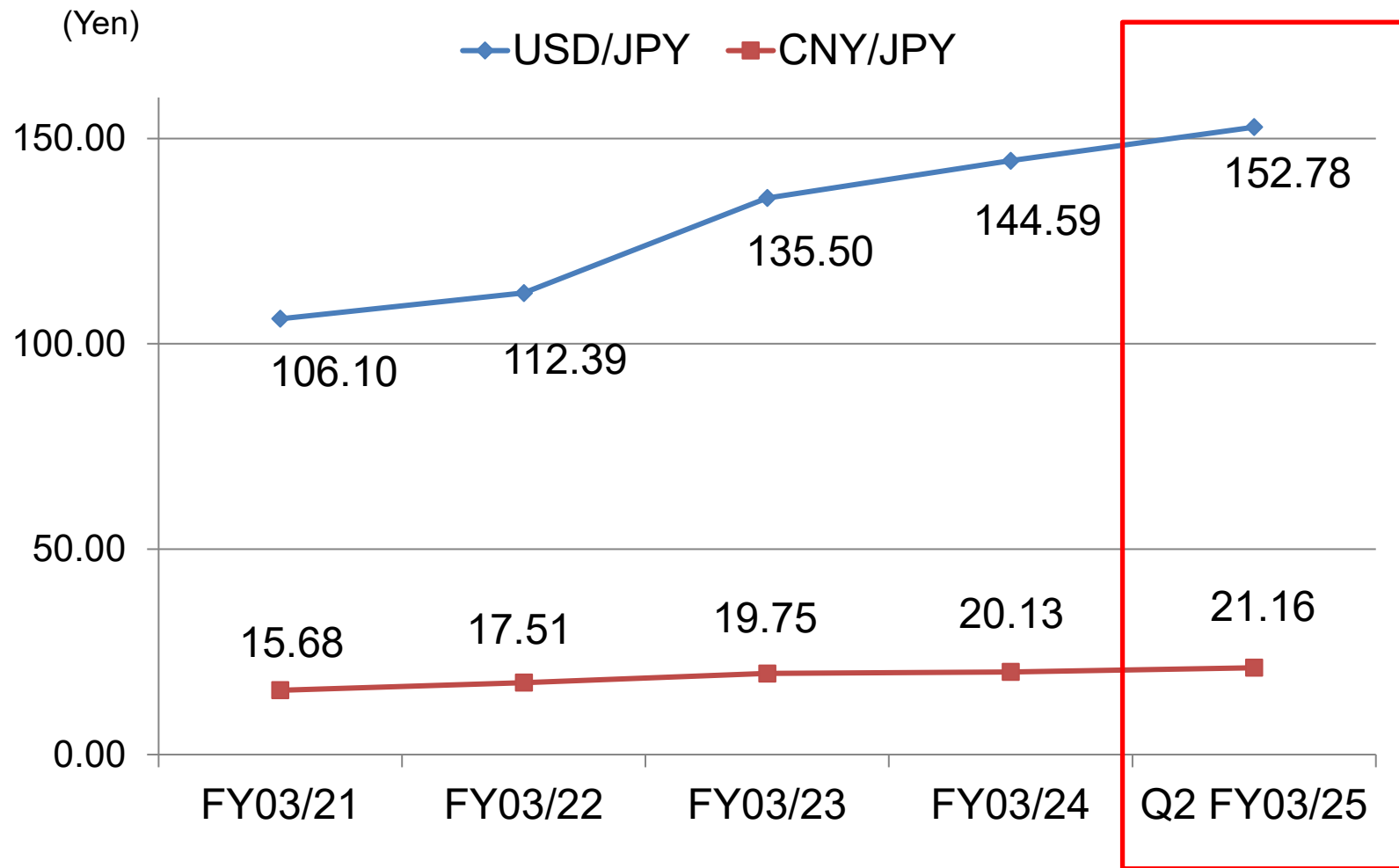


- Capital stock and capital surplus
- Treasury shares
- Deferred gains or losses on hedges
- Remeasurements of defined benefit plans
- Retained earnings
- Valuation difference on available-for-sale securities
- Foreign currency translation adjustment

(Billions of yen)



(Reference) 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.