

**(REVISED) Summary of Consolidated Business Results for April 1– September 30, 2007**

12/26/08

**1) Consolidated Operating Results**

Note: Amounts have been rounded off to the nearest million yen.

	Net Sales		Operating Income		Current Profit	
	¥ Millions	%	¥ Millions	%	¥ Millions	%
April – September 2007	243,397	8.9	4,236	6.9	4,333	7.2
April – September 2006	223,517	11.9	3,961	17.4	4,041	1.5
Reference: Fiscal year ended March 31, 2007	466,096	10.1	7,605	20.0	7,325	–3.3

	Net Income		EPS	Fully Diluted EPS
	¥ Millions	%	¥	¥
April – September 2007	1,364	–60.5	21.04	20.86
April – September 2006	3,452	4.9	55.20	54.97
Reference: Fiscal year ended March 31, 2007	4,570	–1.5	72.76	72.19

Note: Figures shown in percentage of sales, operating income, and other items show the ratios of sequential changes compared with the interim results of FY2006.

**2) Consolidated Financial Position**

	Total Assets	Net Assets	Net worth Equity Ratio	Net worth Equity Per Share
	¥ Millions	¥ Millions	%	¥
As of September 30, 2007	290,149	83,607	28.4	1,265.89
As of September 30, 2006	282,453	82,466	28.8	1,301.75
Reference: As of March 31, 2007	287,808	83,891	28.7	1,276.44

**3) Consolidated Cash Flows**

	Net Cash from Operating Activities	Net Cash from Investment Activities	Net Cash from Financial Activities	Balance of Cash and Cash Equivalents at Term End
	¥ Millions	¥ Millions	¥ Millions	¥ Millions
April – September 2007	2,492	–493	–1,320	7,256
April – September 2006	6,671	–1,024	–2,640	8,829
Reference: Fiscal year ended March 31, 2007	–1,150	–3,132	4,377	6,311

**4) Dividend Status**

(Record Date)	Dividends Per Share				
	End of 1 <sup>st</sup> Quarter	End of 1 <sup>st</sup> Half	End of 3 <sup>rd</sup> Quarter	End of year	Full year
	¥	¥	¥	¥	¥
Fiscal year ended March 31, 2007	-	6.00	-	6.00	12.00
Fiscal year ended March 31, 2008	-	5.00	-	-	10.00
Forecast: Fiscal year ending March 31, 2008	-	-	-	5.00	

**5) Consolidated Forecasts for Fiscal 2007 (April 1, 2007 – March 31, 2008)**

	Net Sales		Operating Income		Current Profit		Net Income		EPS
	¥ Millions	%	¥ Millions	%	¥ Millions	%	¥ Millions	%	¥
Whole year	490,000	5.1	8,400	10.4	7,800	6.5	2,900	–36.6	44.72

\* The above forecasts were prepared on the basis of information available on the date of release. Actual results may differ from these forecasts due to various factors.

## 6) Business Results

During the six months ended September 30, 2007, the Japanese economy continued to expand, sustained by improved corporate profitability, while conditions in Asian and European countries remained generally robust. In the United States, meanwhile, the economy showed moderate growth, but new uncertainties emerged in several industry sectors following the drop in housing starts and disruptions in financial and capital markets.

In this environment, Inabata Group achieved substantial growth in its IT & electronics and plastics businesses, driven primarily by LCD-related products in the case of the former, and materials for AV, OA, home appliances, and automotive applications in the case of the latter. As a result, consolidated net sales increased 8.9% from a year earlier to 243,397 million yen and operating income increased 6.9% to 4,236 million yen. Current profit increased 7.2% from a year earlier to 4,333 million yen, while interim net income decreased 60.5% from a year earlier to 1,364 million yen. This was mainly because the company, after examining the collectibility of receivables from the business partner involved in the improper transactions, set aside an allowance for doubtful receivables equal to the estimated amount uncollectible from the business partner. In addition to this, profits made by its consolidated subsidiary from the sales of fixed assets, which contributed to boosting the fiscal 2006 interim figure, were much smaller in the first half of 2007.

## 7) Business Segment

Segment	Net sales	% gain/loss
IT & Electronics	877	16.6
Housing Materials	125	3.3
Chemicals	379	1.7
Plastics	909	13.1
Food	121	-16.8
Others	20	-45.7
Total	2,433	8.9

Note: Figures shown in percentage show the ratios of sequential changes compared with the interim results of FY2006.

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**Reference:**

### Notice Concerning Partial Revision of “Interim Financial Results for Fiscal Year ending March 2008

Inabata & Co., Ltd. has revised its “Interim Financial Results for Fiscal Year ending March 2008” announced by the company on November 14, 2007.

#### 1. Reasons for the revision

Inabata & Co., Ltd. has revised its Interim Financial Results for Fiscal Year ending March 2008 due to the fact the company has made a retroactive adjustment to correct improper accounting related to the improper transactions during the interim period --fictional purchases to provide funds to a business partner, excessive inventories due to the unauthorized disposal of inventories and fictional sales to reduce the inventories—and the fact that the company set aside an allowance for doubtful receivables from the business partner concerned.

#### 2. Details of Revision

Inabata & Co., Ltd. has revised its Interim Financial Results for Fiscal Year ending March 2008 as set out below.

##### (i) Interim Consolidated Statement of Income

Since net sales and cost of sales decreased by 252 million yen and 243 million yen, respectively, gross profit on net sales decrease by 8 million yen, as did operating income and current profit by the same amount. In addition, the company, after examining the collectibility of receivables from the business partner involved in the improper transactions, set aside an allowance for doubtful receivables equal to the estimated uncollectible amount. As a result, special loss increased by 1,080 million yen and interim net income decreased by 648 million yen.

(ii) Forecast of Consolidated Financial Results for Fiscal Year Ending March 2008

Net income for the current fiscal year is estimated to be 2,900 million yen due to a special loss from provision of an allowance for doubtful receivables from the business partner involved in the improper transactions and a special profit from sales of stockholdings.

Along with the revision of its interim consolidated statement of income and balance sheet, the company also revised its consolidated statement of changes in net assets, statement of cash flows, notes to financial statements, etc. for the interim period.

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