

Summary of Consolidated Business Results for April 1– September 30, 2005

11/15/05

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 – Sept. 2005	199,700	9.1	3,375	7.4	3,980	△24.1
April – Sept. 2004	183,088	17.4	3,143	71.9	5,244	61.1
(Reference) Fiscal year ended Mar.31, 2005	369,761	-	5,745	-	9,170	-

	Net Income		EPS (Quarterly)	Fully Diluted EPS (quarterly)
	¥ Millions	%	¥	¥
April – Sept. 2005	3,291	△2.9	54.45	52.84
April – Sept. 2004	3,388	110.8	60.09	56.02
(Reference) Fiscal year ended Mar.31, 2005	5,968	-	104.34	96.68

(Notes: Figures Shown in percentage of sales, operating income, and other items show the ratios of sequential changes are year-on-year comparisons.

2) Consolidated Financial Position

	Total Assets	Shareholder's Equity	Shareholder's Equity Ratio	Shareholder's Equity Per Share
	¥ Millions	¥ Millions	%	¥
April – Sept. 2005	205,048	49,648	24.2	793.63
April – Sept. 2004	206,741	55,302	26.8	973.29
(Reference) Fiscal year ended March 31, 2005	210,478	59,581	28.3	1,012.71

3) Consolidated Cash Flows

	Net Cash from Operating Activities	Net Cash Used for Investment Activities	Net Cash Used for Financial Activities	Balance of Cash and Cash Equivalents at Term End
	¥ Millions	¥ Millions	¥ Millions	¥ Millions
April – Sept. 2005	△12,816	18,042	△4,627	5,729
April – Sept. 2004	△175	△3,734	2,277	3,967
(Reference) Fiscal year ended March 31, 2005	△1,675	△7,227	8,312	5,014

4) Consolidated Forecasts for Fiscal 2005 (April 1, 2005 – March 31, 2006)

	Net Sales	Current Profit	Net Income
	¥ Millions	¥ Millions	¥ Millions
Whole Year	400,000	7,400	5,700

(Reference) Expected EPS (Whole Year) ¥91.11

* 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.

5) Business results

Indicators were favorable in Japan's economy during the interim, with corporate earnings improving, capital investment expanding, and personal consumption increasing. The economy expanded in Asia and the USA as well, while the European economy also showed signs of a mild recovery. The economic environment for Inabata was thus generally a favorable one.

Under these conditions, as a result of aggressively developing business in Japan and abroad centered on the priority sectors of IT and electronics, housing materials, chemicals, plastics, and foods, sales during the term reached ¥199.7 billion, a 9.1-percent increase from the same term one year ago. Due to favorable overseas business, operating profit increased to ¥3.375 billion, 7.4 percent above the same term last year. Current profit, however, fell to ¥3.98 billion, down 24.1 percent from the same term a year ago, due to the effects of factors such as the removal of Sumitomo Pharmaceuticals Co. (now Dainippon Sumitomo Pharma Co.) from its former status as an affiliated company accounted for by the equity-method. Although gains from sales of shares of Sumitomo Pharmaceuticals and Troon Investments Ltd. contributed, interim net profits declined to ¥3.291 billion, down 2.9 percent from the same term last year, due to an increased allowance for bad debt.

6)

(100 millions of yen)

Sales by segment	Net sales	% gain/loss
IT&electronics	607	13.6
Housing Materials	127	△1.7
Chemicals	358	3.2
Plastics	736	12.2
Food	121	△5.4
Misc.	45	33.3
Total	1,997	9.1