

Summary of Consolidated Business Results for April 1, 2006 – March 31, 2007

05/10/07

1) Consolidated Operating Results

Note: The yen amounts are rounded down to the nearest million.

	Net Sales		Operating Income		Current Profit		Net Income	
	¥ Millions	%	¥ Millions	%	¥ Millions	%	¥ Millions	%
Year ended March 31, 2007	466,096	10.1	7,605	20.0	7,325	-3.3	4,570	-1.5
Year ended March 31, 2006	423,374	14.5	6,339	10.3	7,572	-17.4	4,638	-22.3

	EPS	Fully Diluted EPS	Ratio of Net Income to Net worth Equity	Ratio of Current Profit to Total Assets	Operating Income Ratio
	¥	¥	%	%	%
Year ended March 31, 2007	72.76	72.19	5.7	2.6	1.6
Year ended March 31, 2006	75.04	75.03	6.7	3.2	1.5

Note: The percentage figures of net sales, operating income, current profit and net income are changes from the same period of the previous fiscal year.

2) Consolidated Financial Position

	Total Assets	Net Assets	Net worth Equity Ratio	Net worth Equity per Share
	¥ Millions	¥ Millions	%	¥
As of March 31, 2007	287,808	83,891	28.7	1,276.44
As of March 31, 2006	269,590	78,457	29.1	1,253.77

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
Year ended March 31, 2007	-1,150	-3,132	4,377	6,311
Year ended March 31, 2006	-16,071	10,966	5,275	5,729

4) Dividend Status

(Record Date)	Dividends Per Share					Total Dividends (Full-year)	Payout Ratio (Consolidated)	Dividends on Equity (Consolidated)
	End of 1 st Quarter	End of 1 st Half	End of 3 rd Quarter	End of year	Full year			
	¥	¥	¥	¥	¥			
Year ended March 31, 2006	0.00	20.00	0.00	3.00	23.00	1,438	30.7	2.0
Year ended March 31, 2007	0.00	6.00	0.00	6.00	12.00	764	16.5	0.9
Forecast: Year ending March 31, 2008	0.00	5.00	0.00	5.00	10.00	—	21.6	—

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	%	¥
April 2007 – September 2007	227,000	1.6	3,600	-9.1	3,100	-23.3	1,200	-65.2	18.51
Year ending March 31, 2008	470,000	0.8	8,200	7.8	7,200	-1.7	3,000	-34.4	46.29

Note: The percentage figures of net sales, operating income, current profit and net income are changes from the same period of the previous fiscal year.

* The above projections were prepared based on the information available to Inabata & Co., Ltd. as of the date of release of this document. Actual results could differ materially from those projected due to various factors.

6) Business Results

During the fiscal year ended March 31, 2007, the Inabata group enjoyed a generally favorable condition in each of its geographic markets: in Japan, improved corporate profitability helped sustain economic expansion; in Asia, the Chinese economy maintained a high growth rate while much of Southeast Asia also remained vibrant; in the US, the overall trend was one of slow but steady growth; and in Europe, the economy was on solid footing.

In this environment, the Inabata group worked aggressively to expand its global presence, and achieved ¥466,096 million in consolidated net sales, an increase of 10.1% over the previous year's result. In addition, the operating income increased by 20.0% to ¥7,605 million. The key drivers behind this growth in net sales and operating income were the IT & electronics business, led by LCD-related products, and the plastics business, boosted by resins for AV/OA applications. The current profit, however, was 3.3% lower at ¥7,325 million, the result of such factors as a decrease in dividend income and the investment losses recognized using the equity method. Net income also dropped by 1.5% to ¥4,570 million.

Meanwhile, Inabata & Co.'s non-consolidated results were ¥309,657 million in net sales, up 6.6% year-on-year; ¥3,704 million in operating income, up 39.6%; ¥4,135 million in current profit, up 12.9%; and ¥814 million in net income, down 92.3%, which includes the impact of the additional allowance for losses on investments in affiliates.

7) Business Segment

Segment	(100 millions of yen)	
	Net sales	% Year-on-year gain/loss
IT & electronics	1,631	24.2
Housing Materials	250	-0.2
Chemicals	725	-1.4
Plastics	1,719	7.1
Food	285	17.8
Others	48	-43.9
Total	4,660	10.1