

Summary of Consolidated Business Results for April 1– September 30, 2006

11/15/06

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 2006	223,517	11.9	3,961	17.4	4,041	1.5
April – September 2005	199,700	9.1	3,375	7.4	3,980	–24.1
Reference: Fiscal year ended March 31, 2006	423,374		6,339		7,572	

	Net Income		EPS	Fully Diluted EPS
	¥ Millions	%	¥	¥
April – September 2006	3,452	4.9	55.20	54.97
April – September 2005	3,291	–2.9	54.45	52.84
Reference: Fiscal year ended March 31, 2006	4,638		75.04	75.03

Note: Figures shown in percentage of sales, operating income, and other items show the ratios of sequential changes compared with the interim results of FY2005.

2) Consolidated Financial Position

	Total Assets	Net Assets	Net worth Equity Ratio	Net worth Equity Per Share
	¥ Millions	¥ Millions	%	¥
As of September 30, 2006	282,453	82,466	28.8	1,301.75
As of September 30, 2005	205,048	49,648	24.2	793.63
Reference: 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
April – September 2006	6,671	–1,024	–2,640	8,829
April – September 2005	–12,816	18,042	–4,627	5,729
Reference: Fiscal year ended March 31, 2006	–16,071	10,966	5,275	5,729

4) Consolidated Forecasts for Fiscal 2006 (April 1, 2006 – March 31, 2007)

	Net Sales	Current Profit	Net Income
	¥ Millions	¥ Millions	¥ Millions
Whole Year	440,000	7,400	4,600

Reference: Expected EPS (Whole Year) ¥73.54

* 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

During the first six months of the year ending March 31, 2007, the Japanese economy continued to expand as corporate earnings improved. The economy remained firm in the USA and Asia as well, while the euro-zone economy registered a recovery. The economic environment for the Inabata group was thus a generally favorable one, with the exception of some concerns over the possible impact of rising oil prices.

Under these conditions, the IT & electronics business and the plastics business showed brisk performance, led by LCD (Liquid Crystal Display)-related products and resins for AV/OA applications, respectively. As a result, net sales grew by 11.9% year-on-year to ¥223.5 billion and operating income increased by 17.4% to ¥3.961 billion. Current profit edged up by 1.5% to ¥4.041 billion, as dividend income decreased and the interest rate increased primarily in countries overseas. Net income increased by 4.9% year-on-year to ¥3.452 billion.

6) Business Segment

(¥ 100 millions)

Segment	Net sales	% gain/loss
IT & Electronics	752	123.8
Housing Materials	121	95.4
Chemicals	372	104.1
Plastics	803	109.1
Food	146	120.5
Others	38	83.4
Total	2,235	111.9

Note: Figures shown in percentage show the ratios of sequential changes compared with the interim results of FY2005.