

## Summary of Consolidated Business Results for April 1, – December 31, 2006

02/08/07

### 1) Consolidated Operating Results

Note: Amounts less than one million yen have been omitted.

	Net Sales		Operating Income		Current Profit	
	¥ Millions	%	¥ Millions	%	¥ Millions	%
April – December 2006 (3Q '06)	347,606	12.8	6,115	13.4	6,041	–7.6
April – December 2005 (3Q '05)	308,247	10.0	5,393	10.9	6,534	–15.1
Reference: Fiscal year ended March 31, 2006	423,374	14.5	6,339	10.3	7,572	–17.4

	Net Income		EPS	Fully Diluted EPS
	¥ Millions	%	¥	¥
April – December 2006 (3Q '06)	4,402	0.5	70.38	69.99
April – December 2005 (3Q '05)	4,380	–15.0	71.71	-
Reference: Fiscal year ended March 31, 2006	4,638	–22.3	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 third quarter of 2005.

### 2) Consolidated Financial Position

	Total Assets	Net Assets	Net worth Equity Ratio	Net worth Equity Per Share
	¥ Millions	¥ Millions	%	¥
As of December 31, 2006	294,428	83,961	28.2	1,325.61
As of December 31, 2005	263,086	73,547	28.0	1,175.73
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 – December 2006 (3Q '06)	406	–1,112	1,087	6,356
April – December 2005 (3Q '05)	–12,787	16,623	–758	8,252
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)

Current Forecast is amended from the forecast published on November 9, 2006.

	Net Sales	Current Profit	Net Income
	¥ Millions	¥ Millions	¥ Millions
November Forecast (A)	440,000	7,400	4,600
Current Forecast (B)	460,000	7,100	4,300
Difference (B)-(A)	20,000	–300	–300
Change from November Forecast	4.5%	–4.1%	–6.5%

Reference: Expected EPS (Whole Year) ¥68.74

Note: In terms of the Inabata group's earnings forecasts for the current fiscal year, due to the effects of the exchange fluctuations of each country (the effects of the weak yen), net sales are expected to rise compared to the November 2006 forecast. However, because of a downturn in business in a portion of the overseas affiliates, we are expecting decreases in current profit and net income.

\* 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

Consolidated net sales for the nine months ended December 31, 2006 increased year on year by ¥39,359 million to ¥347,606 million. This was mainly because the IT & electronics business, led by LCD-related products, and the plastics business, boosted by resins for AV/OA applications, maintained strong performances. Operating income rose year on year by ¥721 million to ¥6,115 million. Meanwhile, current profit decreased year on year by ¥493 million to ¥6,041 million, as dividend income decreased and the interest rate increased primarily in countries overseas. Net income for the nine months ended December 31, 2006 showed a year-on-year increase of ¥22 million to ¥4,402 million, buoyed up by a gain from the sale of fixed assets at a consolidated subsidiary.

## 6) Business Segment

(¥ Millions)		
Segment	Net sales	% gain/loss
<b>IT &amp; Electronics</b>	119,719	27.0
<b>Housing Materials</b>	18,740	-2.6
<b>Chemicals</b>	55,230	4.5
<b>Plastics</b>	125,830	7.5
<b>Food</b>	21,942	22.9
<b>Others</b>	6,141	-12.3
<b>Total</b>	347,606	12.8

Note: Figures shown in percentage show the ratios of sequential changes compared with the nine months ended December 31, 2005.