

Summary of Consolidated Business Results for April 1, 2008 – June 30, 2008

August 7, 2008

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 – June 2008 (1Q '08)	123,488	—	1,796	—	2,410	—
April – June 2007 (1Q '07)	117,050	4.4	2,329	11.8	2,646	16.0

	Net Income		EPS	Fully Diluted EPS
	¥ Millions	%	¥	¥
April – June 2008 (1Q '08)	1,184	—	18.19	—
April – June 2007 (1Q '07)	1,369	–29.1	21.13	21.04

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 June 30, 2008	272,477	75,703	27.4	1,147.95
As of March 31, 2008	284,637	78,163	27.1	1,184.90

3) Dividend Status

(Record Date)	Dividends Per Share				
	End of 1 st Quarter	End of 1 st Half	End of 3 rd Quarter	End of year	Full year
	¥	¥	¥	¥	¥
Year ended March 31, 2008	—	5.00	—	5.00	10.00
Year ending March 31, 2009	—	—	—	—	—
Forecast: Year ending March 31, 2009	—	6.00	—	6.00	12.00

4) Consolidated Forecasts for Fiscal 2008 (April 1, 2008 – March 31, 2009)

	Net Sales		Operating Income		Current Profit		Net Income		EPS
	¥ Millions	%	¥ Millions	%	¥ Millions	%	¥ Millions	%	¥
April – September 2008	250,000	—	3,700	—	3,600	—	1,700	—	26.12
Year ending March 31, 2009	500,000	0.0	8,200	7.1	7,800	0.1	3,400	16.4	52.24

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.

*Please note that the above forecasts were prepared on the basis of information available on the date of release of this document. Actual results may differ from these forecasts due to various factors.

*The percentage figures for April – June 2008 are left blank, as the new accounting standards have been applied from the fiscal year ending March 31, 2009.

5) Business Results

During the first three months of the year ending March 31, 2009, the Japanese economy showed signs of slowing capital investment and a decline in corporate earnings as the prices of crude oil and other resources continued to surge. The global economy faced growing uncertainties regarding its future, due to waning growth in the US and elsewhere, stemming from the subprime mortgage crisis, globally weak stock prices, and concerns over a further rise in prices.

Against this backdrop, the Inabata Group recorded net sales of ¥123,488 million. This increase derived from steady business growth in the IT & Electronics, Chemicals, and Plastics segments, which more than offset a decrease in the Housing Materials and other segments. We posted gross profit of ¥7,528 million and operating income of ¥1,796 million, while current profit came to ¥2,410 million, primarily due to an increase in dividend income and recording of currency gains. For extraordinary items, we continued to sell our investment securities with a view to improving our financial structure. At the same time we recorded provisions for allowance for doubtful accounts for some customers.

As a result, we recorded a net income of ¥1,184 million.

6) Business Segment

Segment	(Millions of yen)			
	Net sales (¥ Millions)	% gain/loss	Operating income (¥ Millions)	% gain/loss
IT & Electronics	47,485	—	806	—
Housing Materials	5,161	—	—7	—
Chemicals	19,458	—	253	—
Plastics	44,431	—	718	—
Food	6,064	—	—25	—
Others	886	—	51	—
Total	123,488	—	1,796	—

Note: The percentage figures are left blank, as the new accounting standards have been applied from the fiscal year ending March 31, 2009.

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