
IR Briefing for the Fiscal Year Ended March 31, 2021 (FY03/21) (Overview)

June 3, 2021

Inabata & Co., Ltd.

Kenichi Yokota

Director and Senior Managing Executive Officer

Profits reached record highs.

Net sales: **¥577.5 billion** **-3.8% YoY**

Net sales declined due to the spread of the novel coronavirus pandemic.

Operating profit: **¥14.9 billion** **+13.2% YoY**

Operating profit increased owing to lower SG&A expenses.

Ordinary profit: **¥16.5 billion** **+16.2% YoY**

Ordinary profit increased on operating profit growth and a decline in interest expenses.

Profit attributable to owners of parent: **¥13.7 billion** **+20.8% YoY**

Profit attributable to owners of parent increased on higher ordinary profit.

(Billions of yen)

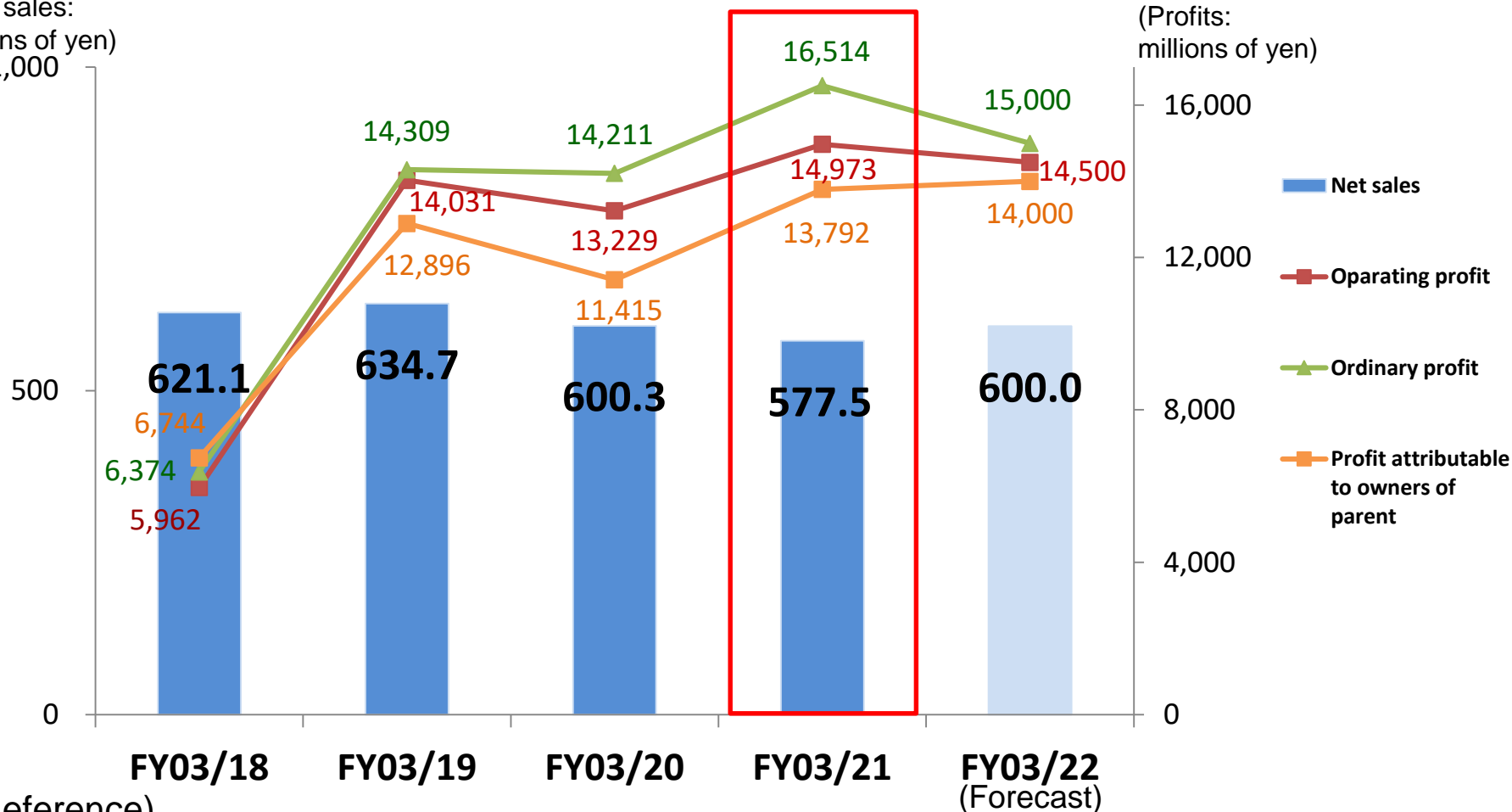
	FY03/20	FY03/21 (A)	YoY change		Forecast announced November 5, 2020 (B)	Achievement rate (A)/(B)
			Amount	%		
Net sales	600.3	577.5	-22.7	-3.8%	550.0	105.0%
Operating profit	13.2	14.9	+1.7	+13.2%	12.0	124.8%
Ordinary profit	14.2	16.5	+2.3	+16.2%	12.7	130.0%
Profit attributable to owners of parent	11.4	13.7	+2.3	+20.8%	10.5	131.4%
Exchange rate (USD/JPY)	108.70	106.10	-2.60		106.00	

Operating Performance



(Net sales:
billions of yen)
1,000

(Profits:
millions of yen)



(Reference)

	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22
Exchange rate (USD/JPY)	110.85	110.92	108.70	106.10	105.00

Notes: Recorded allowance for doubtful accounts (¥6.65 billion) at a European subsidiary in FY03/18

Recorded ¥0.75 billion in reversal of allowance for doubtful accounts at a European subsidiary in FY03/21.

Gain on sales investment securities were ¥8.38 billion in FY03/18, ¥5.11 billion in FY03/19, ¥3.03 billion in FY03/20, ¥ 2.98 billion in FY03/21.

Revised Accounting Standard for Revenue Recognition is applied to sales figures for FY03/22 (forecast) and later.

Balance Sheet



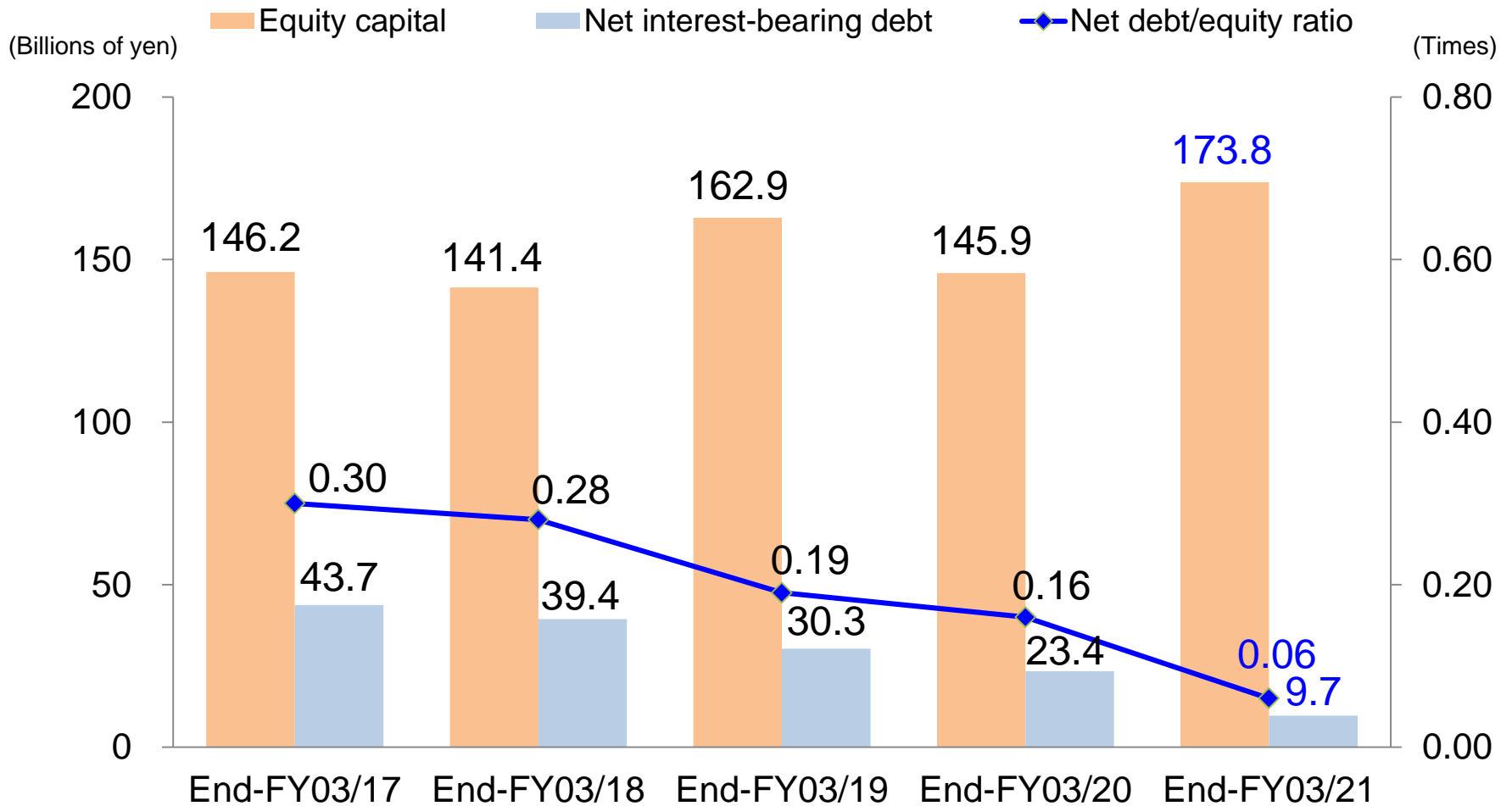
✓ Thanks to an increase in the market value of securities held, investment securities and accumulated other comprehensive income grew.

✓ Accounts receivable and accounts payable increased on sharp recovery in business in the second half of FY03/21.

(Billions of yen)

Assets	End-FY03/20	End-FY03/21	Change	Liabilities and net assets	End-FY03/20	End-FY03/21	Change
Cash and deposits	29.4	31.4	+2.0	Notes and accounts payable - trade	96.7	104.1	+7.3
Notes and accounts receivable - trade	152.4	162.7	+10.2	Short-term loans payable	43.0	33.7	-9.3
Inventories	55.9	54.1	-1.7	Other current liabilities	10.9	12.7	+1.8
Other current assets	7.3	8.6	+1.3	Long-term loans payable	9.7	7.4	-2.2
Property, plant and equipment	13.9	14.3	+0.4	Other non-current liabilities	14.5	19.3	+4.7
Intangible assets	3.0	2.9	-0.0	Shareholders' equity	119.1	129.1	+10.0
Investment securities	54.2	71.5	+17.3	Accumulated other comprehensive income	26.7	44.6	+17.8
Other fixed assets	6.5	7.3	+0.8	Non-controlling interests	1.8	1.9	+0.1
Total assets	322.8	353.2	+30.3	Total liabilities and net assets	322.8	353.2	+30.3
Current ratio	162.6%	170.6%		Equity ratio	45.2%	49.2%	

Equity Capital, Net Interest-Bearing Debt, Net Debt/Equity Ratio



Notes: Equity capital = Net assets – stock acquisition rights – non-controlling interests
 Net debt/equity ratio = (Interest-bearing debt – cash and deposits) / equity capital

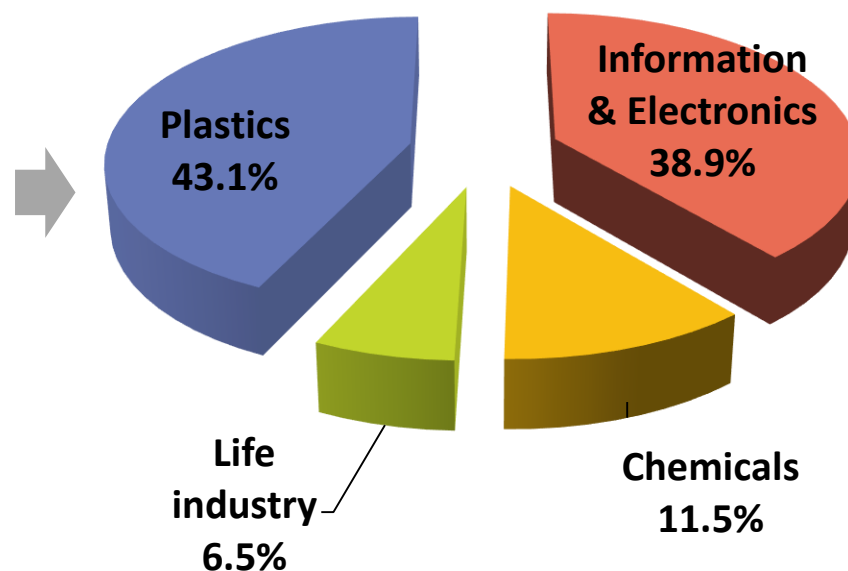
Sales by Business Segment

- ✓ In Information & Electronics, sales increased on higher FPD-related sales.
- ✓ In Plastics and Chemicals, sales were down due to the impact of the COVID-19 pandemic.

Sales

(Billions of yen)

	FY03/20	FY03/21	YoY change
Information & Electronics	218.6	224.5	+2.7%
Chemicals	74.1	66.6	-10.2%
Life Industry	36.9	37.3	+1.2%
Plastics	270.3	248.8	-7.9%
Other	0.1	0.1	-2.0%
Total	600.3	577.5	-3.8%



Gross Profit and Operating Profit by Business Segment



- ✓ In Information & Electronics, profit rose due to robust sales of mainstay products and lower SG&A expenses, including the reversal of allowance for doubtful accounts.
- ✓ In Life Industry, sales of processed marine products for conveyor belt sushi restaurants and frozen vegetables and fruits grew.

Gross profit

(Millions of yen)

	FY03/20	FY03/21	YoY change
Information & Electronics	14,055	14,511	+3.2%
Chemicals	5,506	5,417	-1.6%
Life Industry	4,890	5,074	+3.8%
Plastics	21,671	20,906	-3.5%
Other	135	130	-4.0%
Total	46,259	46,040	-0.5%

Operating profit

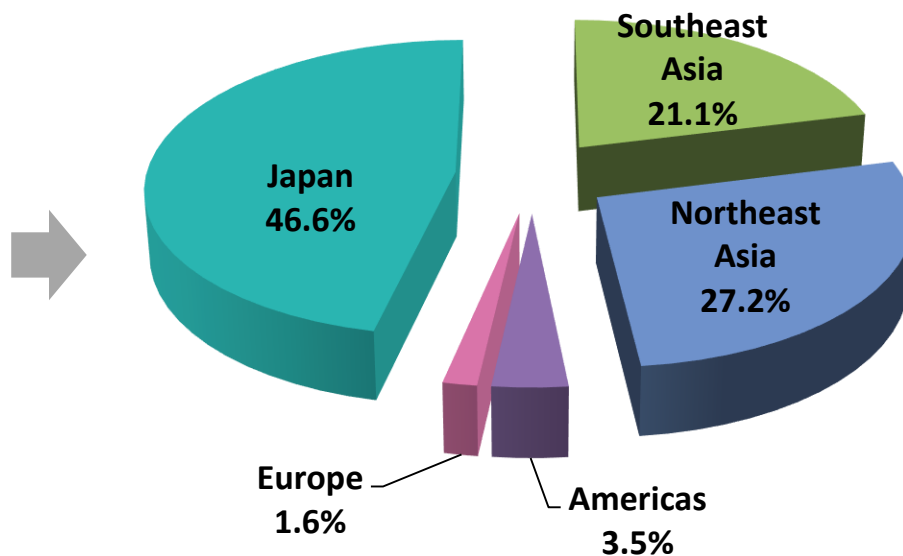
(Millions of yen)

	FY03/20	FY03/21	YoY change
Information & Electronics	4,482	6,327	+41.2%
Chemicals	1,208	1,320	+9.2%
Life Industry	1,166	1,563	+34.0%
Plastics	6,235	5,631	-9.7%
Other	135	130	-4.0%
Total	13,229	14,973	+13.2%

Note: In the Information & Electronics segment, recorded ¥0.75 billion in reversal of allowance for doubtful accounts at a European subsidiary in FY03/21.

✓ **Southeast Asia: Despite recovery in the second half of FY03/21, sales fell due to the impact of lockdowns implemented in the first half of the year.**

Sales		(Billions of yen)	
	FY03/20	FY03/21	YoY change
Southeast Asia	134.6	122.1	-9.3%
Northeast Asia	152.0	157.2	+3.4%
Americas	21.9	20.0	-8.6%
Europe	7.6	9.0	+18.7%
Japan	283.9	269.0	-5.3%
Total	600.3	577.5	-3.8%
(Overseas ratio)	(52.7%)	(53.4%)	(+0.7%)



Note: Sales in the Japan segment include exports (¥48.9 billion in FY03/21).

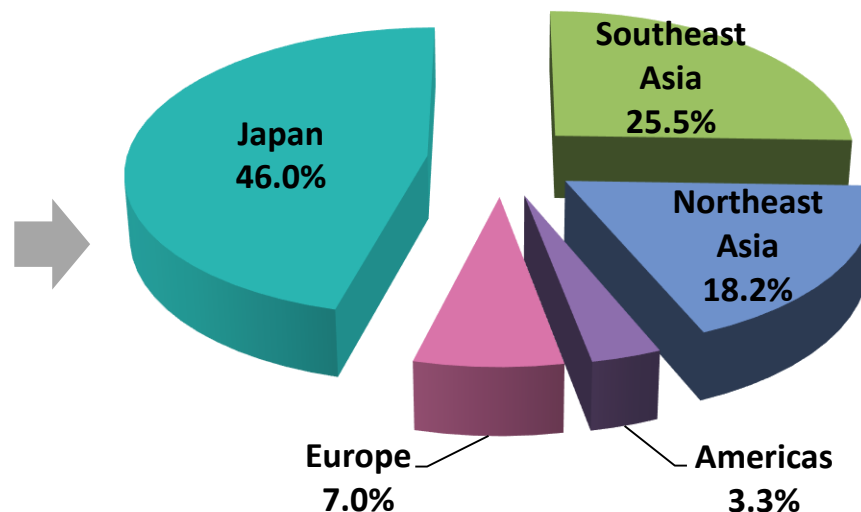
Including this amount, the percentage of overseas sales was 60.4% in FY03/20 and 61.6% in FY03/21.

Operating Profit by Region

- ✓ **Northeast Asia** Profit increased on robust FPD-related sales.
- ✓ **Europe** Profit rose due to the reversal of allowance for doubtful accounts.

Operating profit (Millions of yen)

	FY03/20	FY03/21	YoY change
Southeast Asia	4,355	3,741	-14.1%
Northeast Asia	2,032	2,671	+31.5%
Americas	559	483	-13.6%
Europe	-34	1,035	-
Japan	5,980	6,759	+13.0%
Subtotal	12,892	14,691	+14.0%
Elimination or corporate	336	281	
Total	13,229	14,973	+13.2%
(Overseas ratio)	(53.6%)	(54.0%)	(+0.4%)

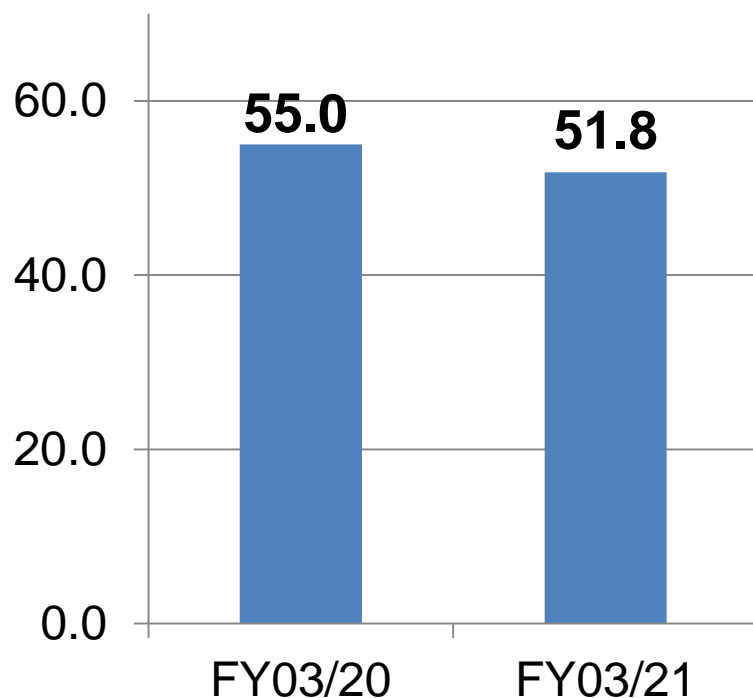


Sales and Operating Profit in the Manufacturing Sector

Film-related sales were strong both in Japan and overseas, but sales and profit fell due to the impact of lockdowns on compound factories in the first half of FY03/21.

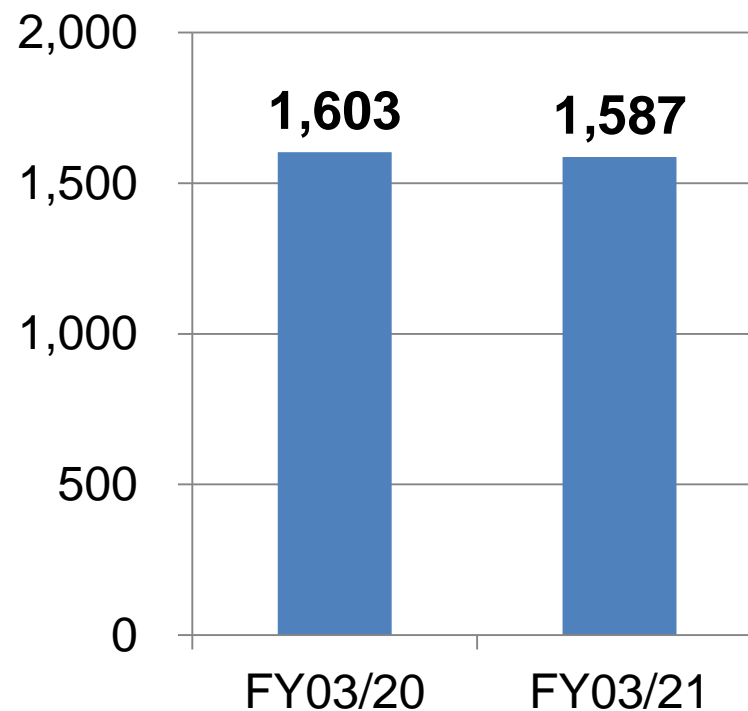
Sales

(Billions of yen)



Operating profit

(Millions of yen)



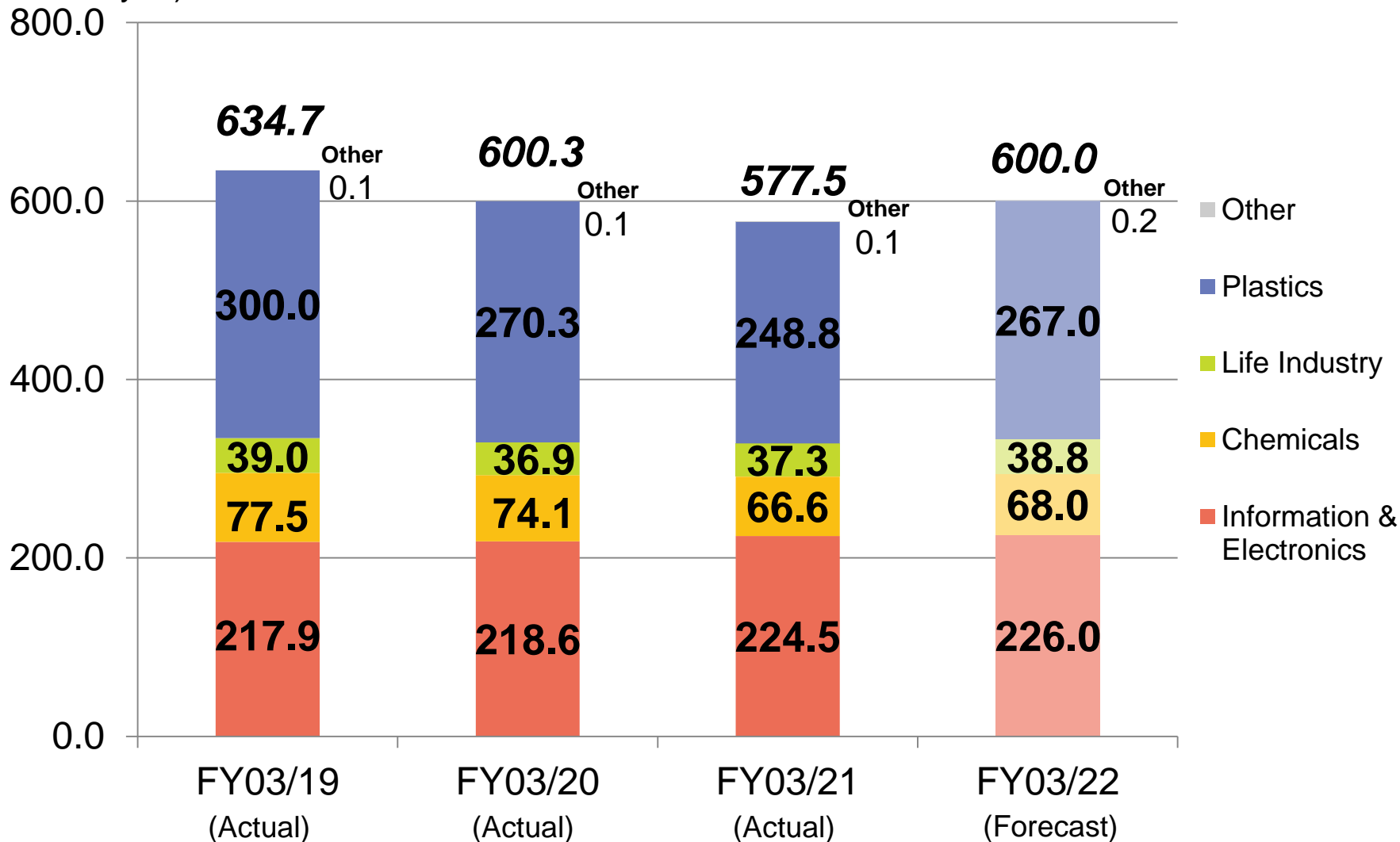
Notes: Results for FY03/20 have been converted at the exchange rate for FY03/21.

In FY03/21, the Company made a partial change to the classification of group companies and added a manufacture and processing company (based in Japan) to consolidated subsidiaries (marine products processing company Ikkoen Co., Ltd.)

Sales by Business Segment



(Billions of yen)

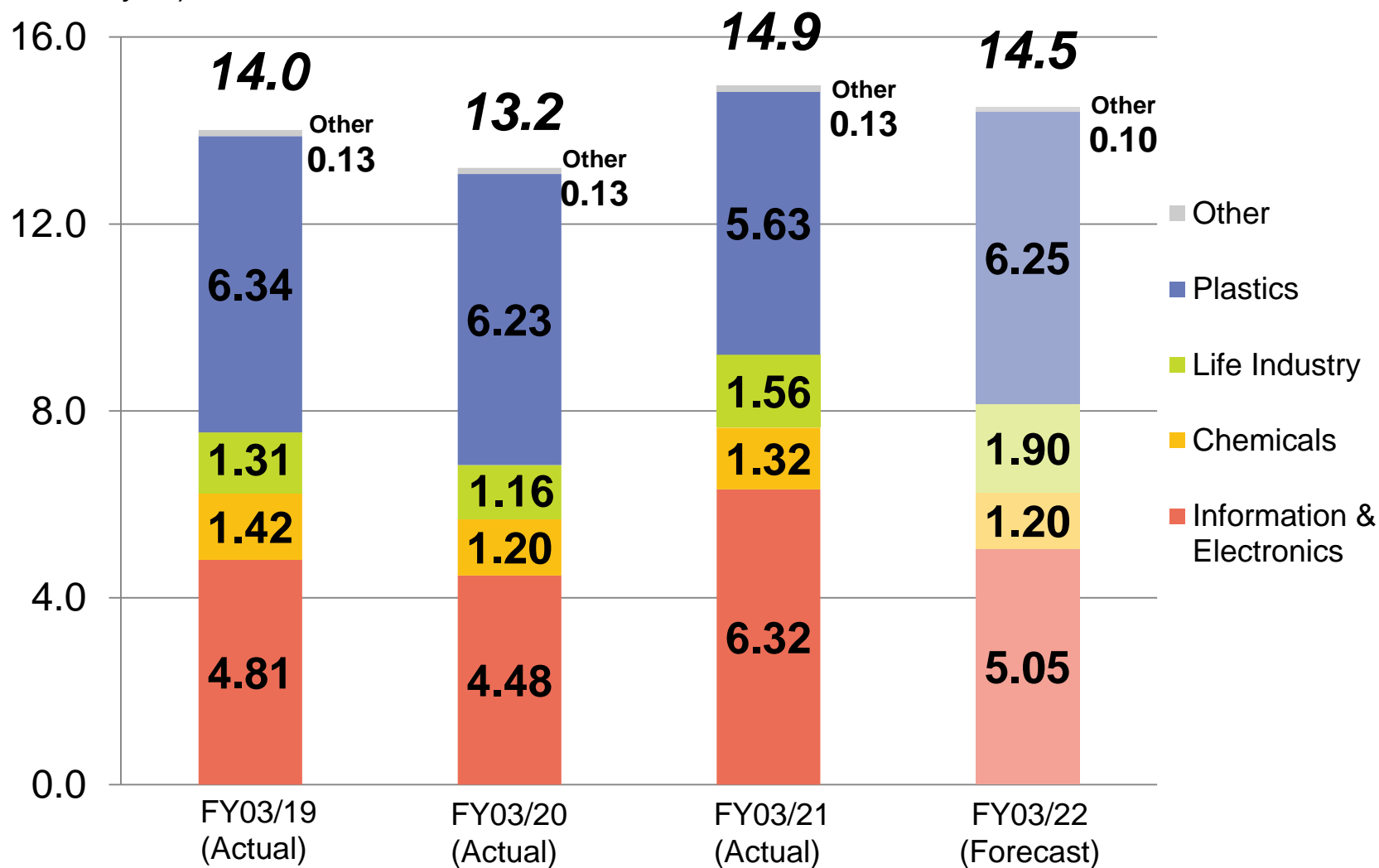


Notes: The Housing & Eco Materials segment was combined with the Chemicals segment in FY03/20. FY03/19 results have been calculated according to the new alignment.

Revised Accounting Standard for Revenue Recognition is applied to sales figures for FY03/22 (forecast) and later.

Operating Profit by Business Segment

(Billions of yen)



Notes: In FY03/18, we posted an allowance for doubtful accounts in relation to a European subsidiary, of ¥5.90 billion in the Information & Electronics segment and ¥0.75 billion in the Chemicals segment.
 Recorded ¥0.75 billion in reversal of allowance for doubtful accounts at a European subsidiary in FY03/21.
 The Housing & Eco Materials segment was combined with the Chemicals segment in FY03/20.
 FY03/19 results have been calculated according to the new alignment.

	Companies		
	Japan	Overseas	Total
Consolidated subsidiaries	7	37	44
(Of which, manufacturers and processing companies)	(5)	(17)	(22)
Equity-method affiliates	4	1	5
(Of which, manufacturers and processing companies)	(2)	(1)	(3)
Total	11	38	49
(Of which, manufacturers and processing companies)	(7)	(18)	(25)

Note: In FY03/21, the Company made a partial change to the classification of group companies and added a manufacture and processing company (based in Japan) to consolidated subsidiaries (marine products processing company Ikkoen Co., Ltd.)

Principal Consolidated Subsidiaries



(Millions of yen)

Company	Location	FY03/20			FY03/21			YoY change		
		Net sales	Operating profit	Net income	Net sales	Operating profit	Net income	Net sales	Operating profit	Net income
Taiwan Inabata Sangyo Co., Ltd.	Taiwan	51,517	635	467	34,651	654	454	-32.7%	+3.0%	-2.8%
Inabata Sangyo (H.K.) Ltd.	Hong Kong	62,522	731	418	60,456	811	172	-3.3%	+11.1%	-58.9%
Inabata Singapore (Pte.) Ltd.	Singapore	47,719	578	754	48,414	745	941	+1.5%	+29.0%	+24.8%
Inabata Thai Co., Ltd.	Thailand	37,413	477	542	35,110	562	445	-6.2%	+17.8%	-18.0%
Shanghai Inabata Trading Co., Ltd.	Shanghai	56,156	339	187	60,682	942	768	+8.1%	+177.7%	+310.6%
PT. Inabata Indonesia	Indonesia	26,764	1,096	631	18,781	679	437	-29.8%	-38.0%	-30.8%
Inabata Fine Tech & Co., Ltd.	Japan	18,200	376	239	17,839	543	355	-2.0%	+44.4%	+48.5%

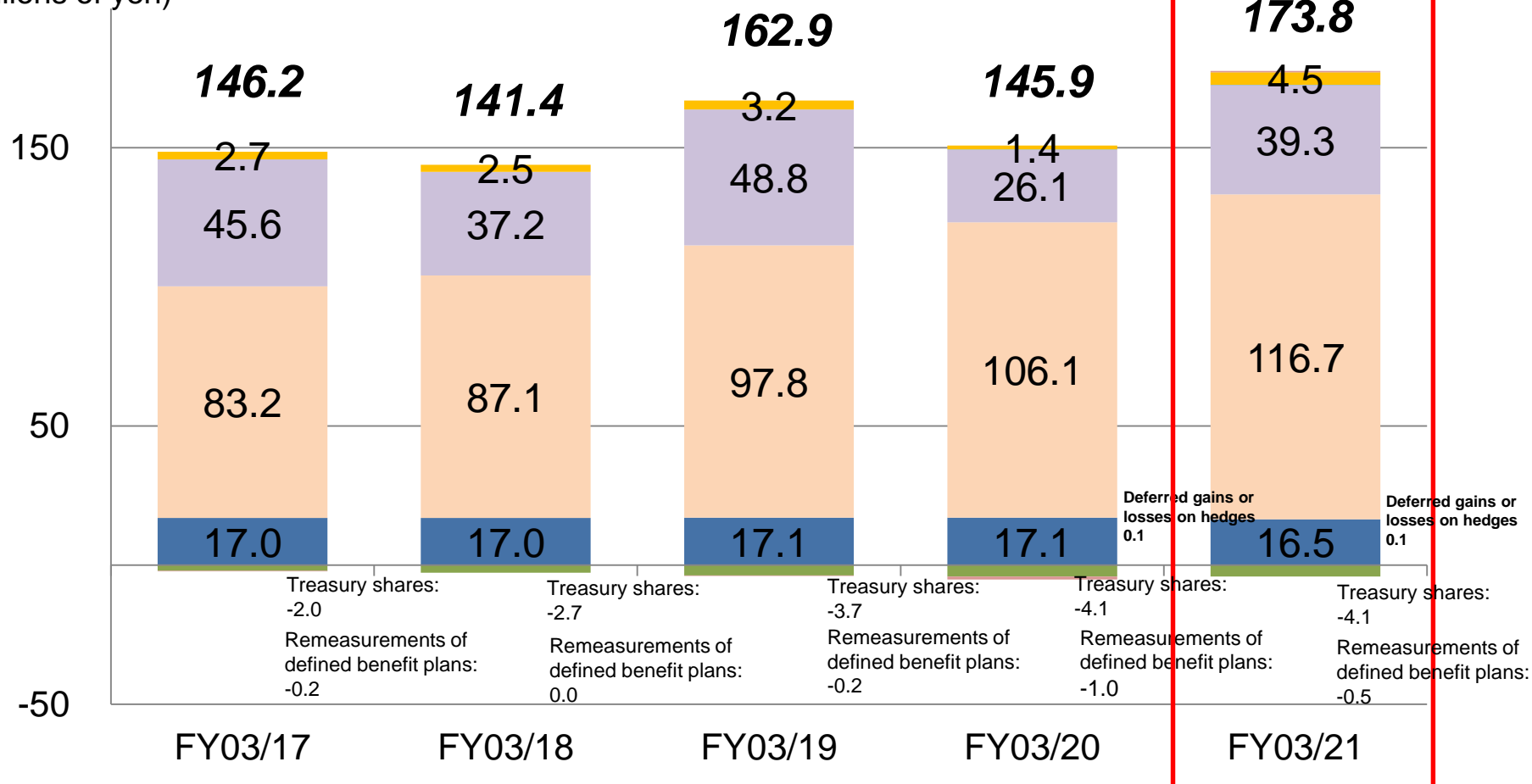
Note: Results for FY03/20 have been converted at the exchange rate for FY03/21.

(Reference) Equity Capital



- Capital stock and capital surplus
- Treasury shares
- Deferred gains or losses on hedges
- Remeasurements of defined benefit plans
- Retained earnings
- Valuation difference on available-for-sale securities
- Foreign currency translation adjustment

(Billions of yen)

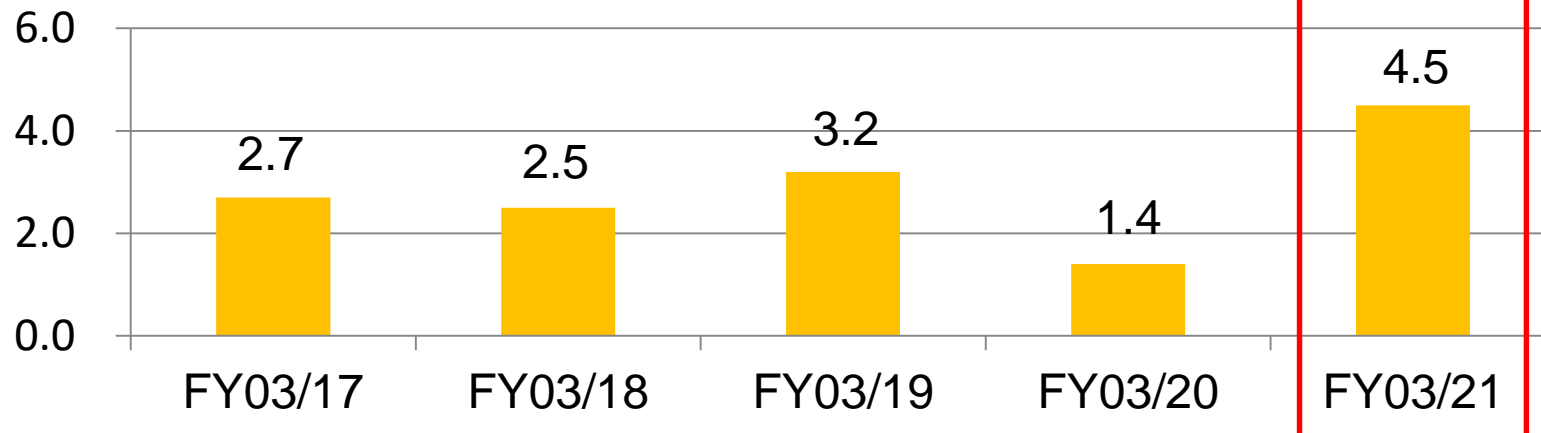


(Reference) Impact of Exchange Rate Fluctuations on the Foreign Currency Translation Adjustment



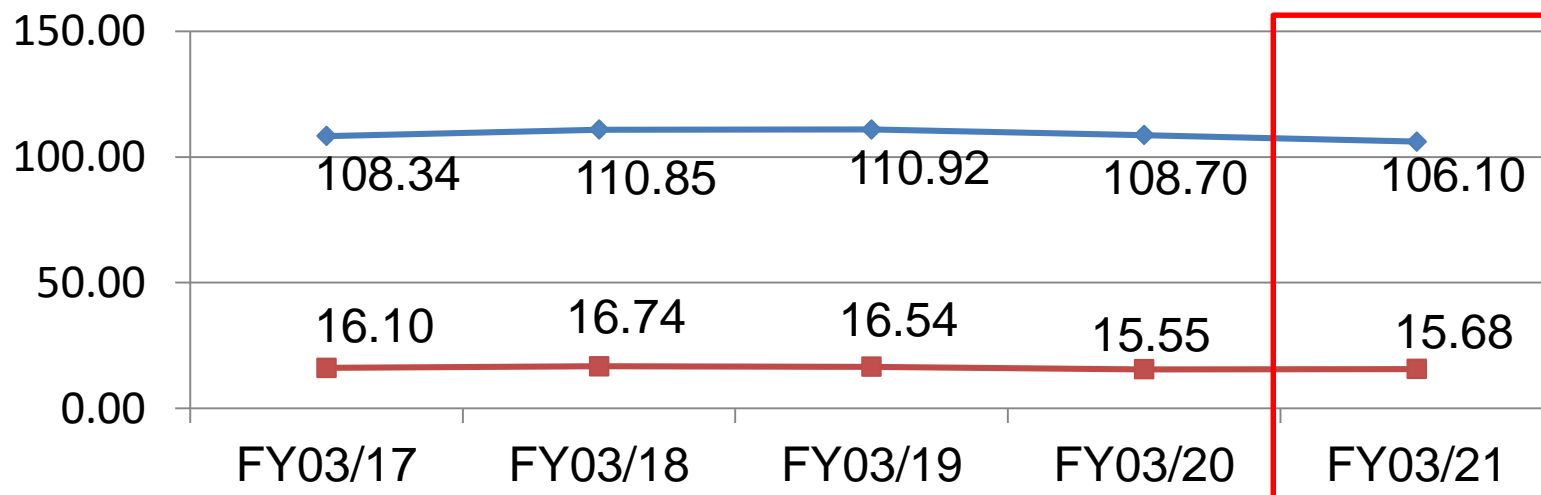
(Billions of yen)

■ Foreign currency translation adjustment



(Yen)

◆ USD/JPY ■ CNY/JPY



□ IR Inquiries

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◆Cautionary note regarding future estimates

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◆Presentation of numbers

Yen figures presented in these materials have been rounded off below the unit indicated. Consequently, individual figures may not sum to the total amounts indicated.