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# IR Briefing for Q1 Fiscal Year ending March 2022

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August, 2021

Inabata & Co., Ltd.

**Net sales: ¥162.6 billion**    ¥128.7 billion in Q1 FY03/21

Net sales increased owed to recovery from a substantial slump a year ago in the wake of the COVID-19 pandemic.

**Operating profit: ¥5.5 billion**    +151.2% YoY

Operating profit rose on increases in net sales and operating profit margin.

**Ordinary profit: ¥6.4 billion**    +110.0% YoY

Ordinary profit increased on operating profit growth.

**Profit attributable to owners of parent: ¥7.9 billion**    +294.4% YoY

Bottom-line profit grew due to an increase in ordinary profit and gain on sales of investment securities.

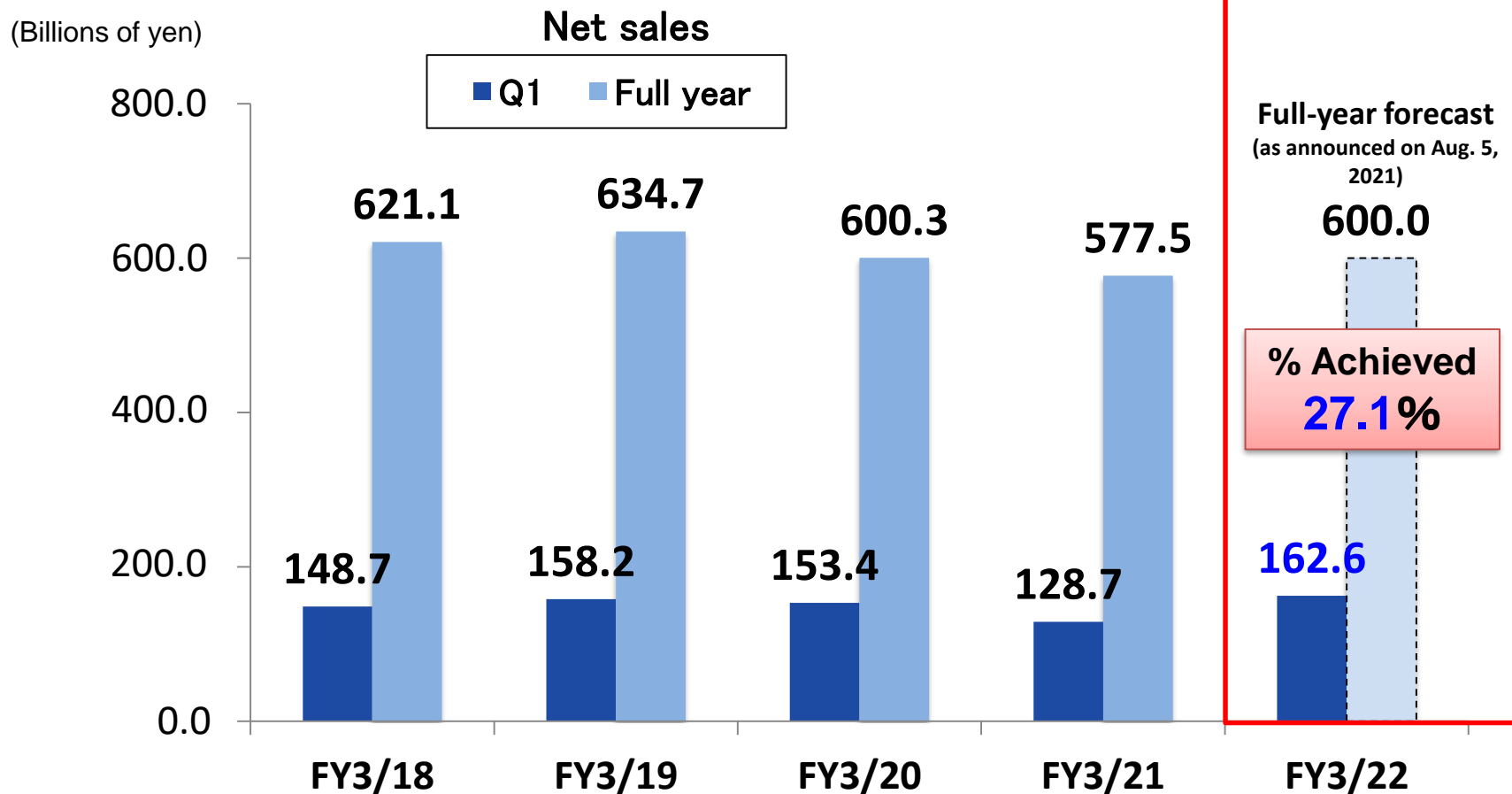
## Upward revisions to full-year profit forecasts

(Billions of yen)

	Q1 FY3/21	Q1 FY3/22 (A)	YoY change		Forecast announced May. 11, 2021	Revised forecast announced Aug. 5, 2021 (B)	Achievement rate (A)/(B)
			Amount	%			
Net sales	128.7	162.6	+33.9	-	600.0	600.0	27.1%
Operating profit	2.2	5.5	+3.3	+151.2%	14.5	16.0	35.0%
Ordinary profit	3.0	6.4	+3.3	+110.0%	15.0	17.0	38.0%
Profit attributable to owners of parent	2.0	7.9	+5.9	+294.4%	14.0	16.0	49.8%
Exchange rate (USD/JPY)	107.63	109.52	+1.89		105.00	110.00	

\* Inabata has adopted Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) effective from Q1 FY03/22, which had a negative impact on net sales of ¥5.1 billion.

# Net Sales Trends

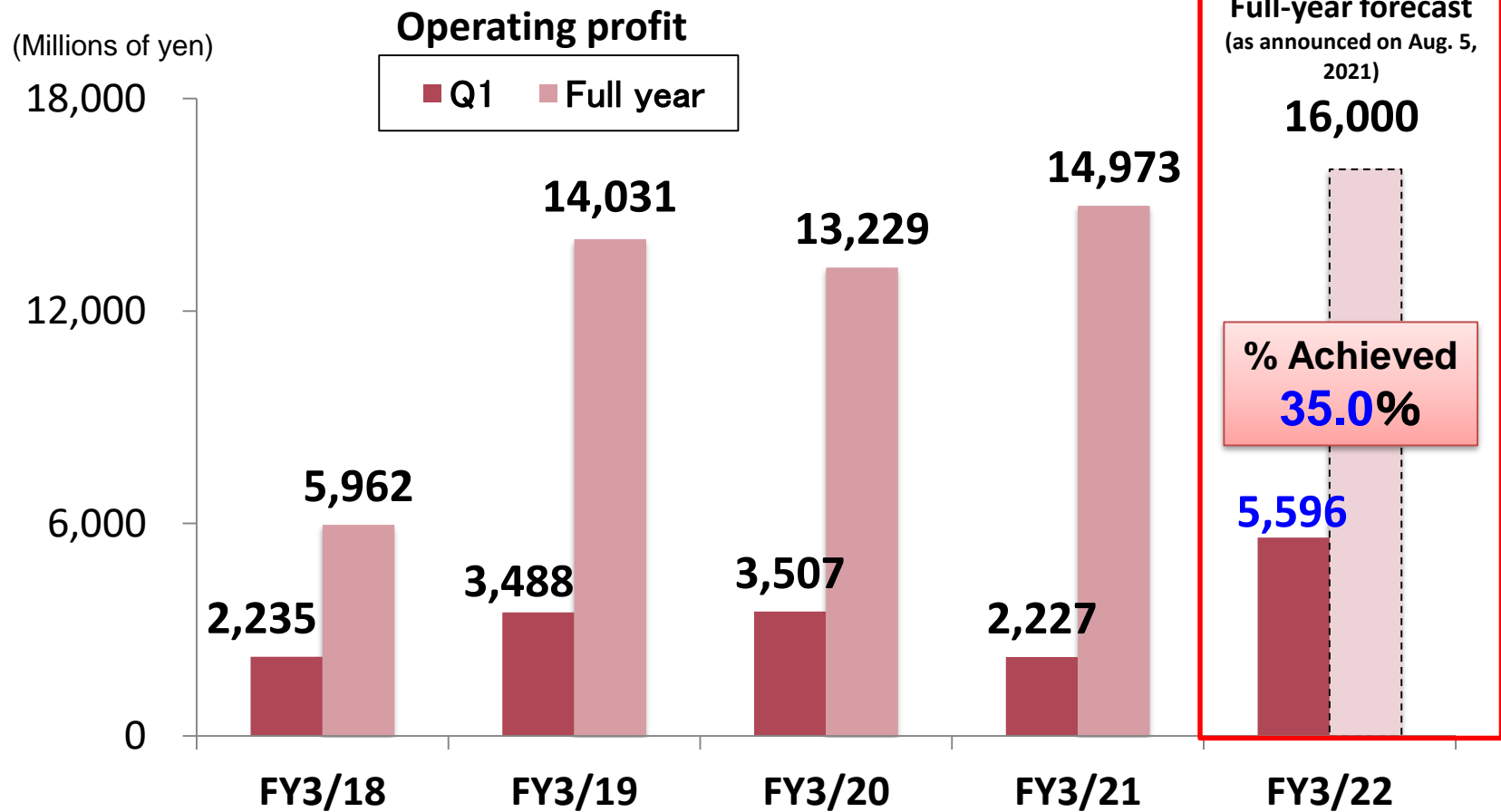


(Reference)

		FY3/18	FY3/19	FY3/20	FY3/21	FY3/22
Exchange rate: USD/JPY	Q1	111.09	109.10	109.90	107.63	109.52
	Full year	110.85	110.92	108.70	106.10	(*Note) 110.00

\* Inabata has adopted Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) effective from Q1 FY03/22, which had a negative impact on net sales of ¥5.1 billion.

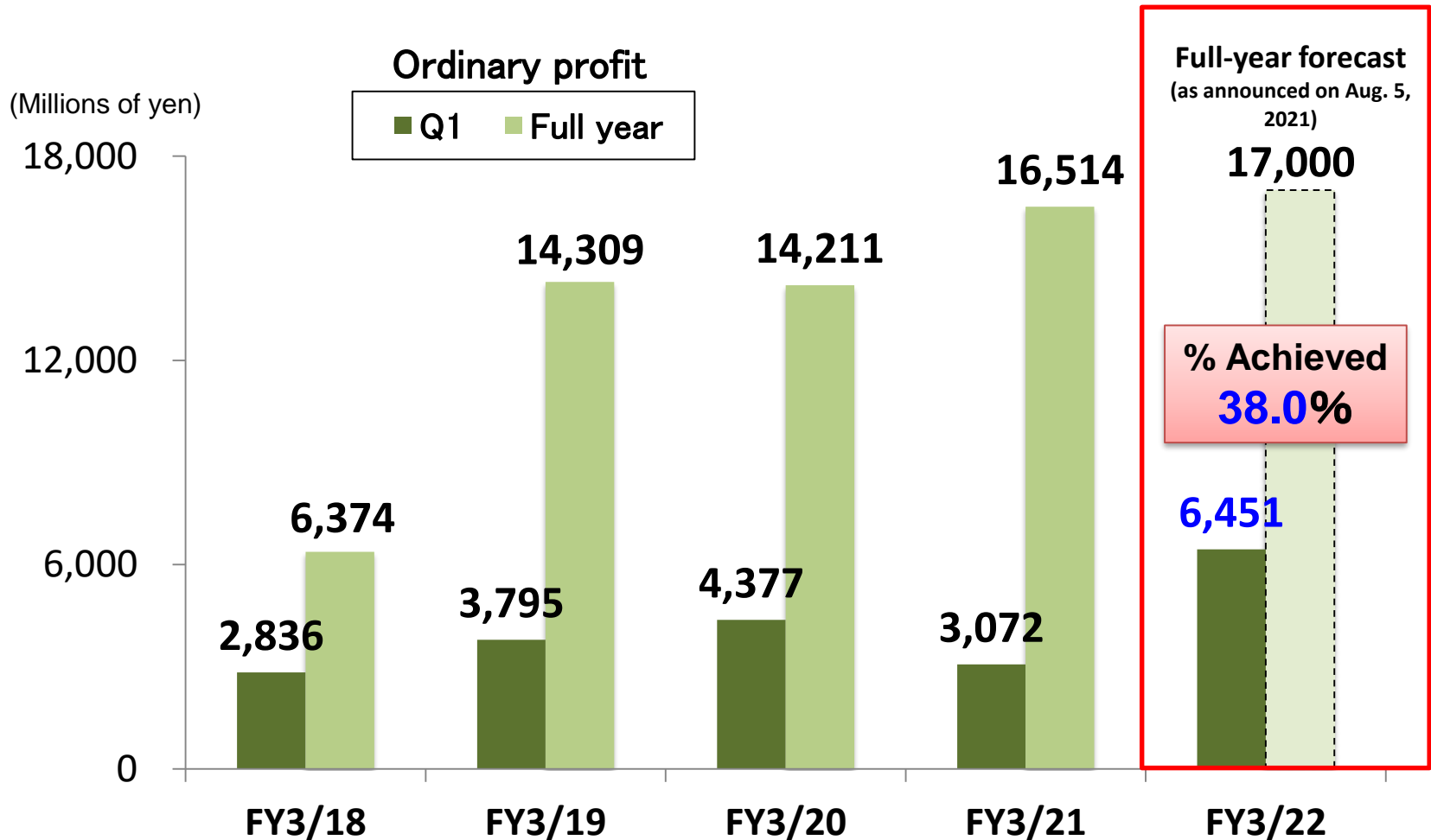
# Operating Profit Trends



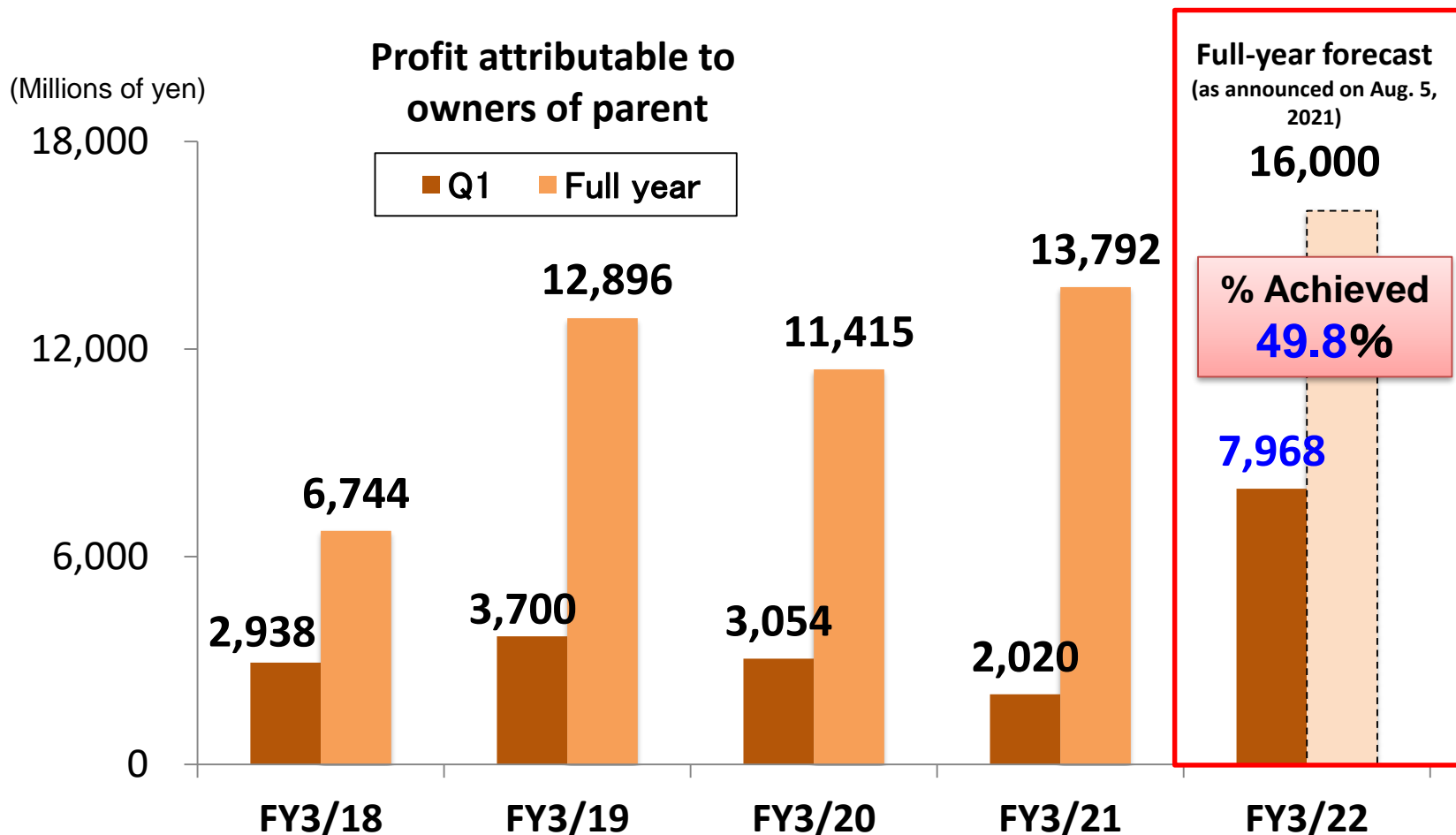
\*Recorded allowance for doubtful accounts at a European subsidiary in FY3/18 Q1: ¥0.9 billion; Full year: ¥6.65 billion

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

# Ordinary Profit Trends



# Profit Attributable to Owners of Parent Trends



\* Q1 FY3/22: Recorded gain on sales of investment securities ¥4.66 billion

# Balance Sheet



- Notes and accounts receivable - trade, inventories, and short-term loans payable increased due to sales growth prompted by business recovery.
- Shareholders' equity rose on an increase in retained earnings due in part to gain on sales of investment securities.

(Billions of yen)

Assets	End-FY03/21	End-June 2021	Change
Cash and deposits	31.4	30.3	-1.1
Notes and accounts receivable - trade	162.7	167.4	+4.7
Inventories	54.1	63.0	+8.8
Other current assets	8.6	10.0	+1.4
Property, plant and equipment	14.3	14.4	+0.0
Intangible assets	2.9	2.8	-0.1
Investment securities	71.5	71.7	+0.1
Other fixed assets	7.3	7.3	+0.0
<b>Total assets</b>	<b>353.2</b>	<b>367.2</b>	<b>+14.0</b>

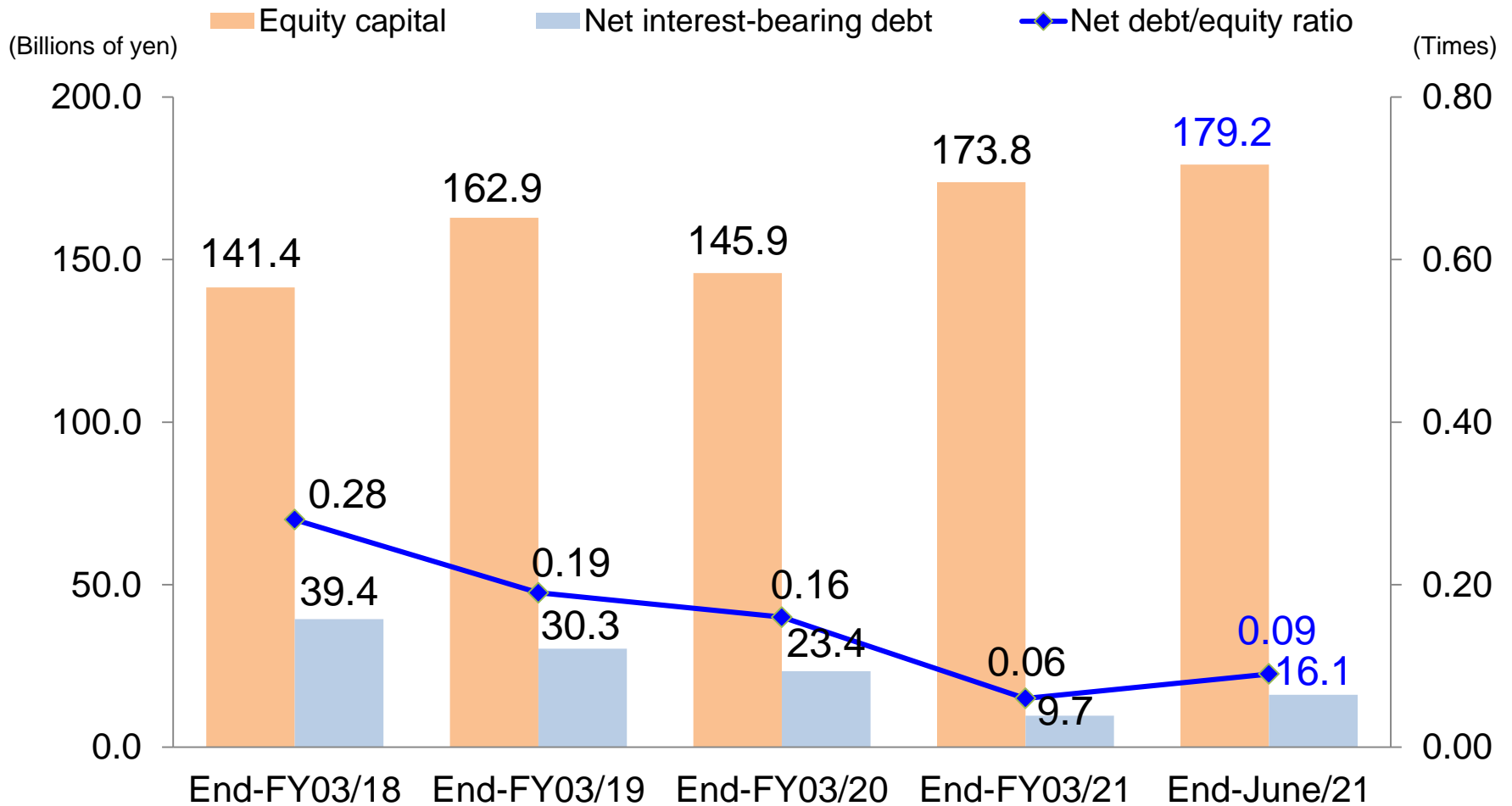
Liabilities and net assets	End-FY03/21	End-June 2021	Change
Notes and accounts payable - trade	104.1	105.9	+1.8
Short-term loans payable	33.7	38.9	+5.2
Other current liabilities	12.7	13.8	+1.1
Long-term loans payable	7.4	7.5	+0.0
Other non-current liabilities	19.3	19.6	+0.2
Shareholders' equity	129.1	134.4	+5.2
Accumulated other comprehensive income	44.6	44.8	+0.2
Non-controlling interests	1.9	1.9	-0.0
<b>Total liabilities and net assets</b>	<b>353.2</b>	<b>367.2</b>	<b>+14.0</b>

Current ratio	170.6%	170.6%
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Equity ratio	49.2%	48.8%
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# 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

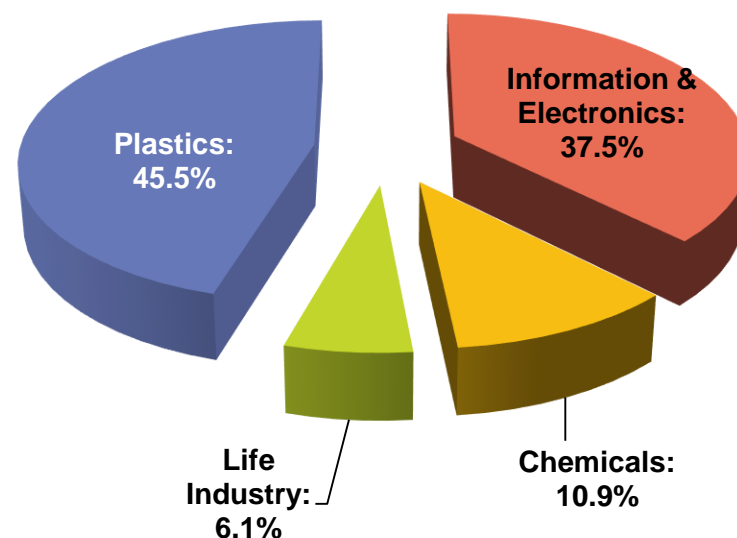
# Net Sales by Business Segment

- ✓ In Plastics, net sales were up thanks to recovery from the impact of global lockdowns in Q1 FY03/21.
- ✓ In Chemicals, performance recovered from the downturn caused by the pandemic, and sales of raw materials for automotive use increased.

## Net Sales

(Billions of yen)

	Q1 FY3/21	Q1 FY3/22
Information & Electronics	52.9	61.0 (63.4)
Chemicals	15.3	17.7 (19.2)
Life Industry	8.0	9.8 (10.5)
Plastics	52.2	73.9 (74.5)
Other	0.0	0.0
<b>Total</b>	<b>128.7</b>	<b>162.6</b> (167.8)



\* Effective from Q1 FY03/22, Inabata has adopted Accounting Standard for Revenue Recognition (ASBJ Statement No. 29). Figures in parenthesis are sales under the previous accounting standard, and are provided for reference.

(Billions of yen)

	Information & Electronics	Chemicals	Life Industry	Plastics	Other	Total
Japan	24.5	12.5	6.7	23.8	-	67.7
Southeast Asia	4.3	2.6	0.0	31.0	-	38.1
Northeast Asia	28.3	1.6	0.2	15.7	-	46.0
Americas	2.0	0.3	2.5	2.7	-	7.6
Europe	1.7	0.5	0.3	0.3	-	3.0
Revenue arising from contracts with customers	61.0	17.7	9.8	73.9	-	162.6
Other revenue	-	-	-	-	0.0	0.0
Sales to external customers	61.0	17.7	9.8	73.9	0.0	162.6

\* Revenue arising from contracts with customers are recorded based on the location of corresponding sales offices, categorized by country or region.

# Operating Profit by Business Segment

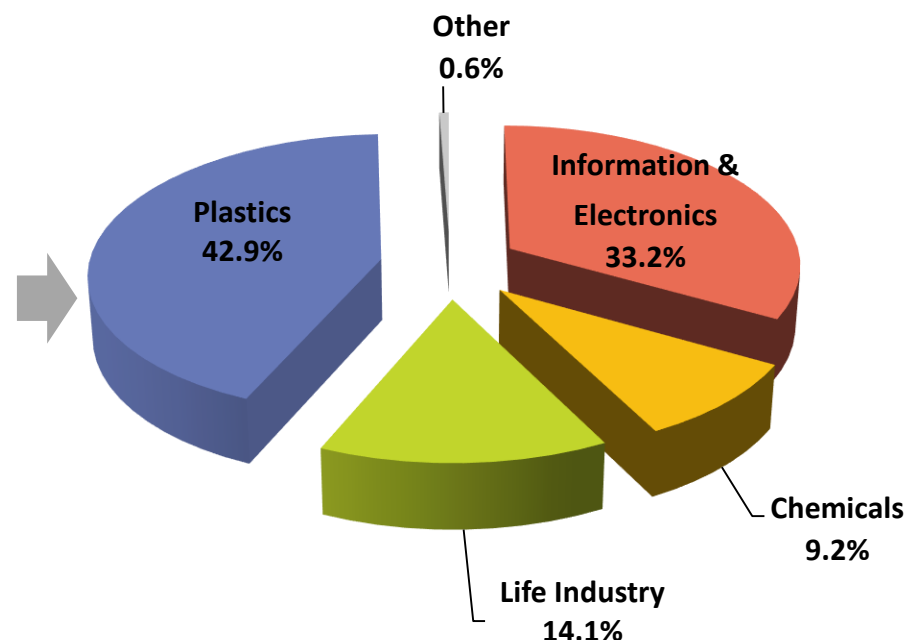
Operating profit margin increased owed to sales recovery from the impact of lockdowns in Q1 FY03/21.

- ✓ In Plastics, sales to the automotive sector sharply rebounded primarily in Southeast Asia.
- ✓ In Life Industry, sales of processed food products to conveyor-belt sushi restaurants and seafood products in the US were strong.

## Operating profit

(Millions of yen)

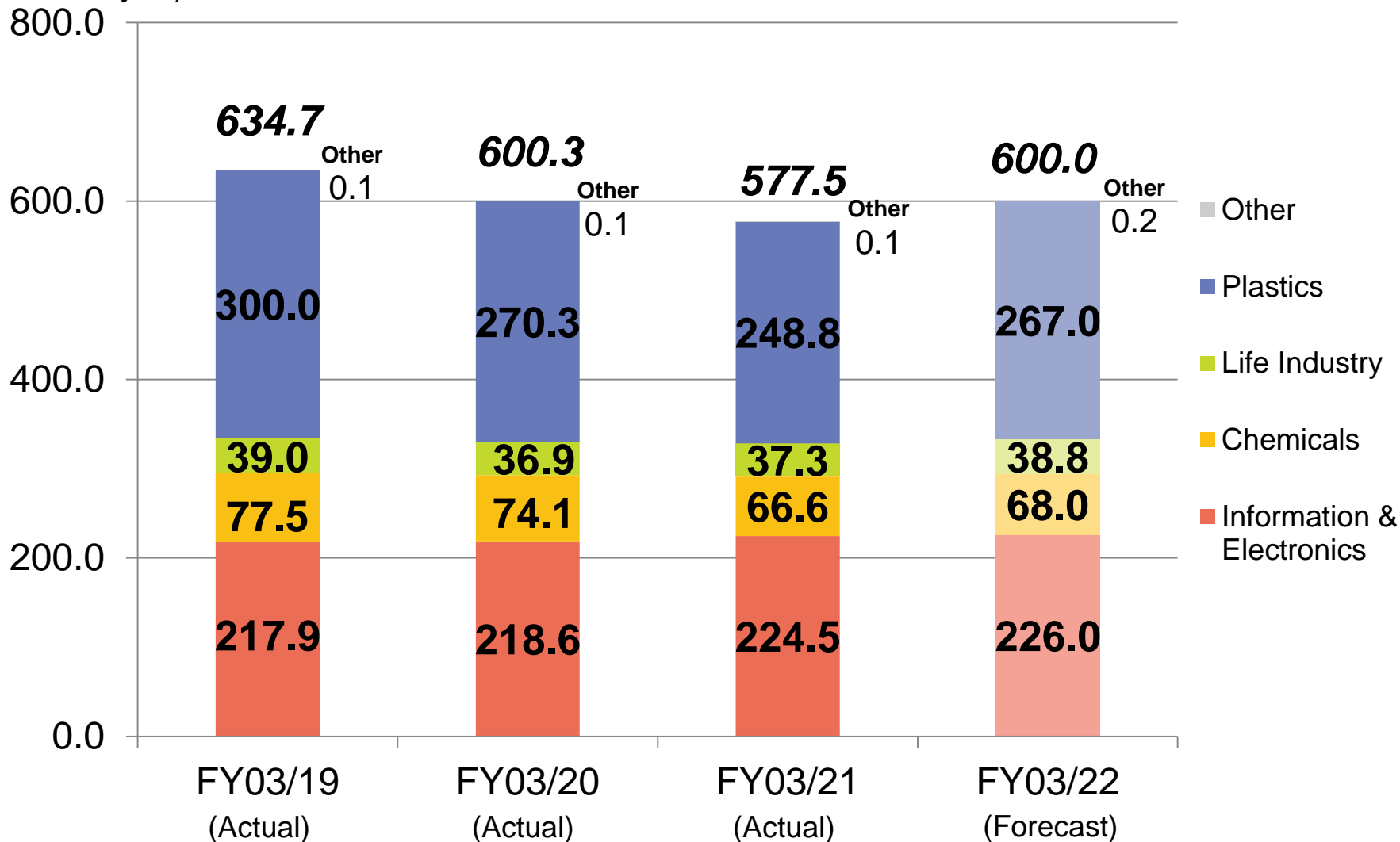
	Q1 FY3/21	Q1 FY3/22	YoY change
Information & Electronics	1,188	1,857	+56.2%
Chemicals	226	518	+129.4%
Life Industry	309	788	+154.9%
Plastics	470	2,399	+409.8%
Other	32	32	+0.6%
<b>Total</b>	<b>2,227</b>	<b>5,596</b>	<b>+151.2%</b>



# Net Sales by Business Segment



(Billions of yen)



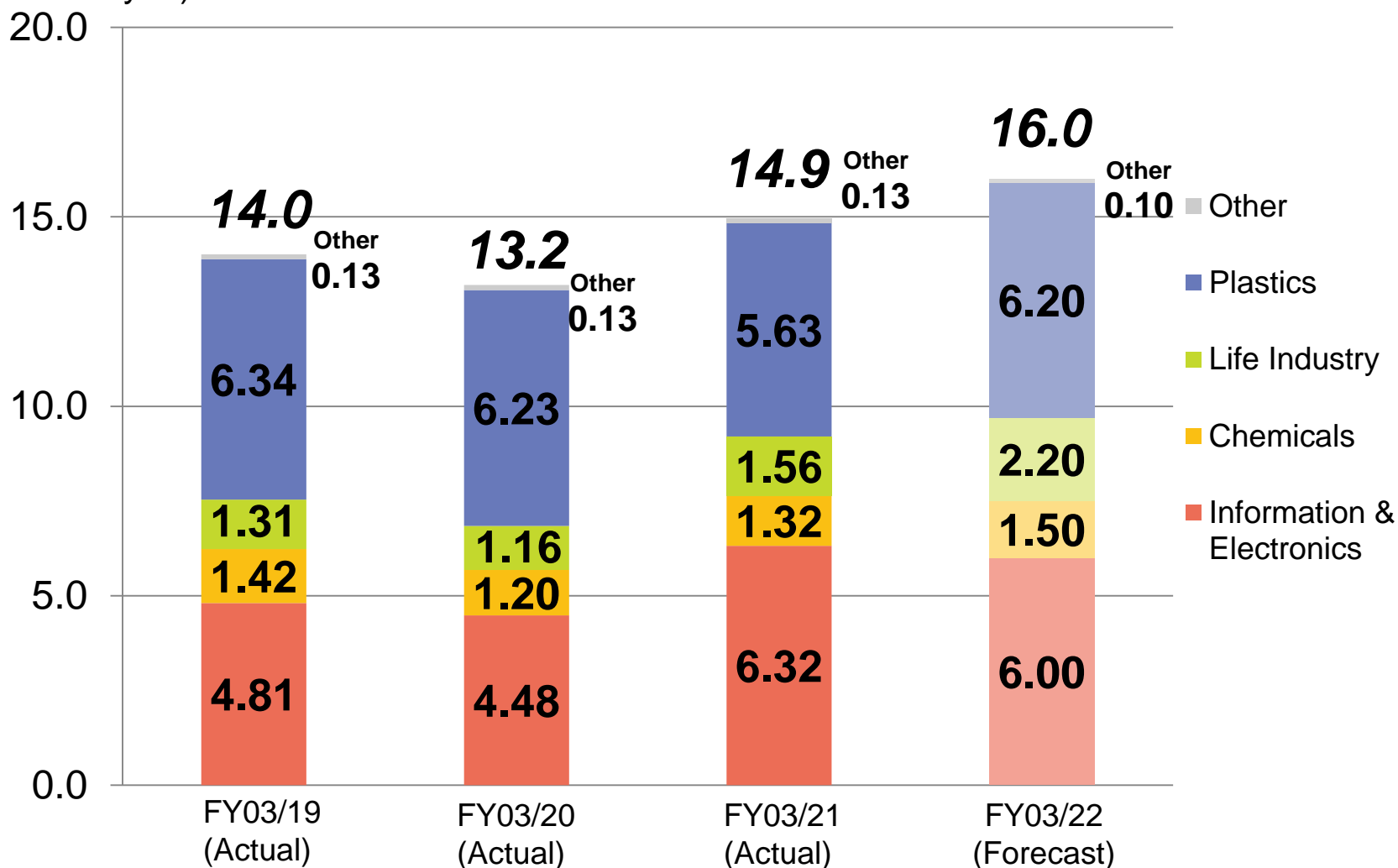
Notes: The Housing & Eco Materials segment was combined with the Chemicals segment in FY03/20. FY03/19 results have been calculated according to the new alignment.

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

# 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.

Upward revision to the full-year FY03/22 forecast from ¥14.5 billion (as announced on May 11, 2021) to ¥16.0 billion (revised on August 5, 2021)

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.

## Policy on returning profits to shareholders

### Adoption of progressive dividends

We will ensure that dividend per share does not decline year on year by continually increasing our dividends

- We will continue to target a total return ratio of about 30–35%.
- We will swiftly and flexibly conduct treasury stock acquisition.

Dividends per share:

#### ■ FY03/21 results

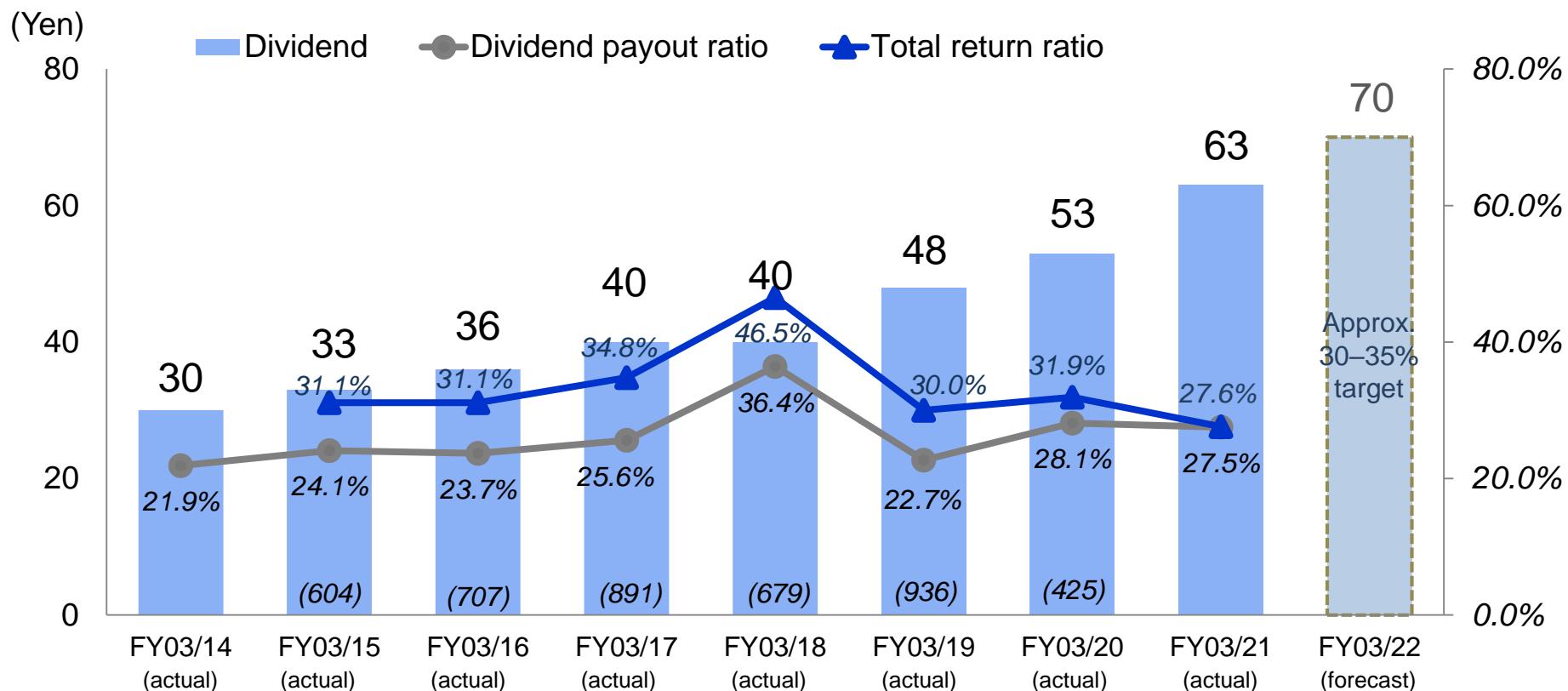
Annual dividend: ¥63 (interim: ¥20, year-end: ¥43)

Total return ratio: 27.6% (dividend payout ratio: 27.5%)

#### ■ FY03/22 (forecast)

Annual dividend: ¥70 (interim: ¥30, year-end: ¥40)

## Annual dividends per share and indicators of shareholder return



Note: The figures in parentheses at the bottom of the bar chart show the amount of treasury stock acquired (in millions of yen) during the period. 15



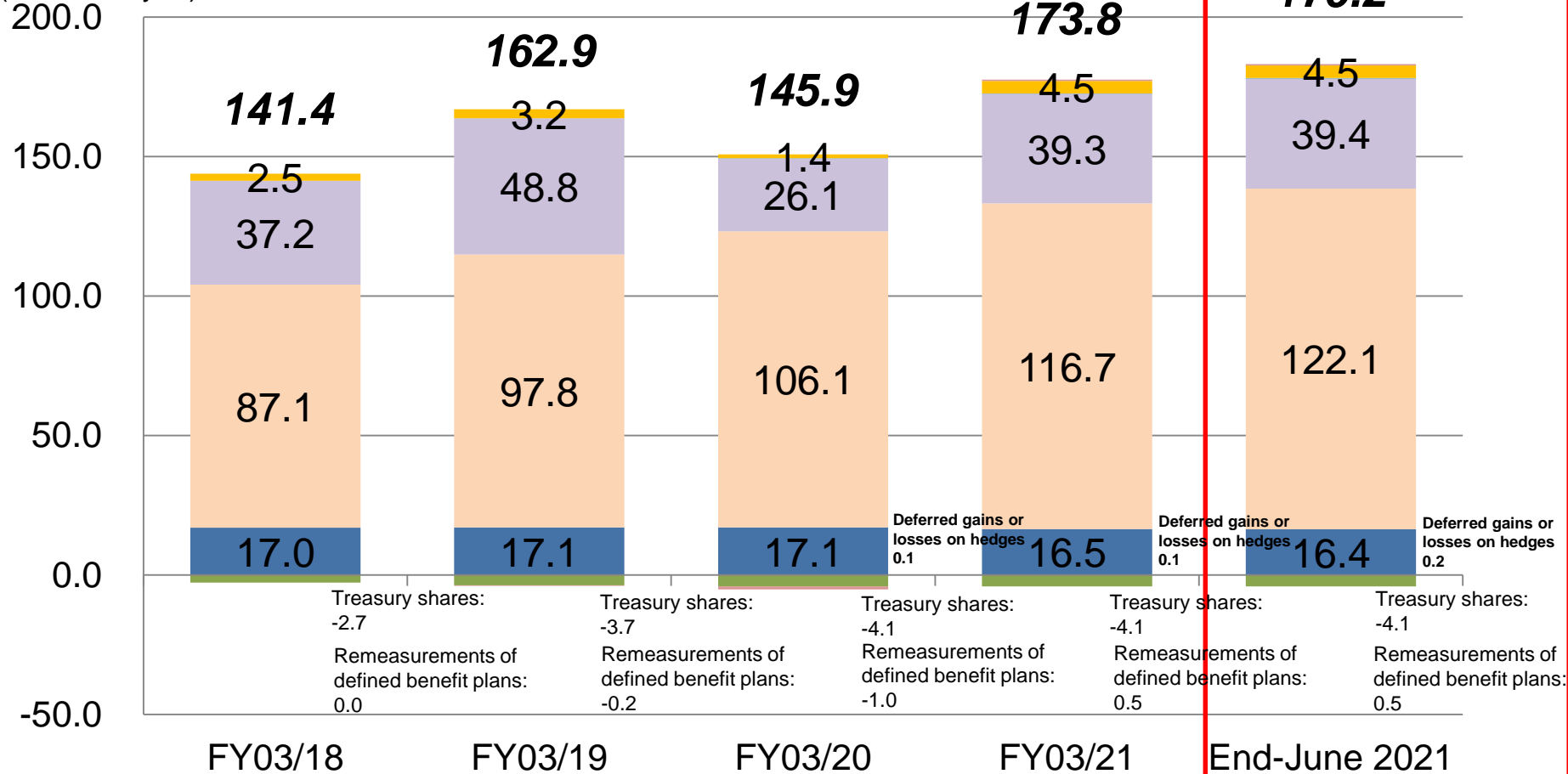
	Japan	Overseas	Total
Consolidated subsidiaries	7	37	44
(Of which, manufactures and processing companies )	(5)	(17)	(22)
Equity-method affiliates	4	1	5
(Of which, manufactures and processing companies )	(2)	(1)	(3)
Total	11	38	49
(Of which, manufactures and processing companies )	(7)	(18)	(25)

# (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)

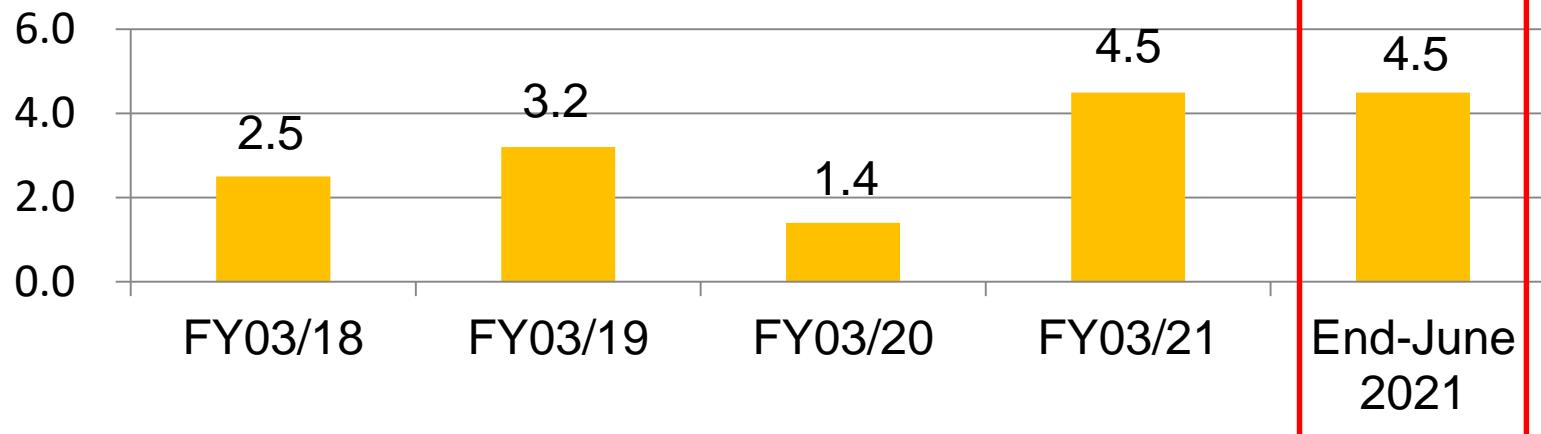


# (Reference) Impact of Exchange Rate Fluctuations on the Foreign Currency Translation Adjustment



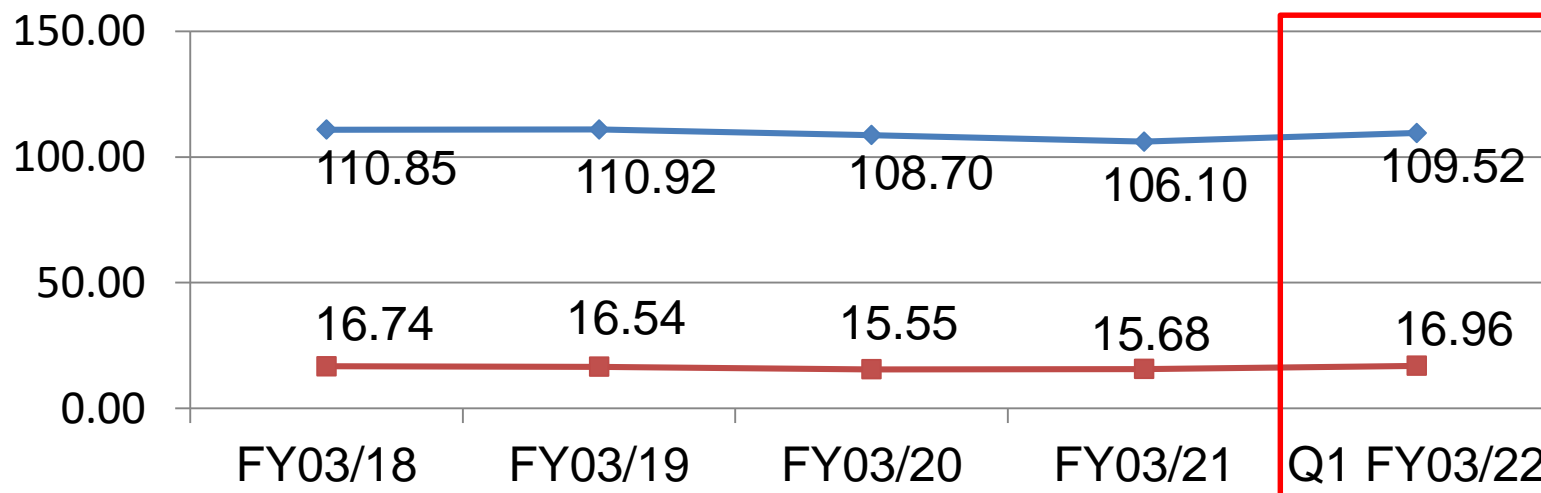
(Billions of yen)

■ Foreign currency translation adjustment



(Yen)

◆ USD/JPY ■ CNY/JPY



## □ IR Inquiries

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### ◆Cautionary note regarding future estimates

The data and future predictions contained in this document are based on information available and judgments applicable at the time of the document's release. The data and future forecasts contained herein may include elements that are subject to change, and this document and its contents are no guarantee of future performance.

### ◆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.