

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2013 (Based on Japanese GAAP)

August 9, 2013

Company name	Inabata & Co., Ltd.		
Stock exchange listing	Tokyo		
Stock Code	8098	URL	http://www.inabata.co.jp
Representative	Director, President	Katsutaro Inabata	
Inquiries	Director, Executive Officer	Kenichi Yokota	TEL 03-3639-6421
Scheduled date to file Quarterly Securities Report	August 13, 2013		
Scheduled date to commence dividend payments	-		
Preparation of supplementary material on quarterly earnings	no		
Holding of quarterly earnings performance review	no -		

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2013 (from April 1, 2013 to June 30, 2013)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2013	134,830	12.1	2,750	45.8	3,489	42.3	2,465	28.4
Three months ended June 30, 2012	120,295	2.9	1,886	5.7	2,452	22.0	1,919	50.6

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended June 30, 2013	38.96		-	
Three months ended June 30, 2012	29.96		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2013	283,681	100,054	35.0
As of March 31, 2013	276,932	98,712	35.4

2. Cash dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2013	-	10.00	-	13.00	23.00
Year ending March 31, 2014	-	-	-	-	-
Year ending March 31, 2014 (Forecast)	-	11.00	-	12.00	23.00

3. Forecast for the year ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2013	270,000	14.7	5,000	35.1	5,500	25.3	3,500	10.7	55.32
Full year	510,000	1.8	9,000	10.3	10,000	(0.3)	6,000	(14.1)	94.83

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2013
(changes in specified subsidiaries resulting in the change in scope of consolidation): no
- (2) Application of special accounting for preparing quarterly consolidated financial statements: no
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
- Changes in accounting policies due to revisions to accounting standards and other regulations: no
- Changes in accounting policies due to other reasons: yes
- Changes in accounting estimates: yes
- Restatement of prior period financial statements after error corrections: no

(4) Number of issued shares

Total number of issued shares at the end of the period (including treasury stock)

As of June 30, 2013	65,159,227 shares	As of March 31, 2013	65,159,227 shares
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Number of shares of treasury stock at the end of the period

As of June 30, 2013	1,887,600 shares	As of March 31, 2013	1,887,522 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2013	63,271,664 shares	Three months ended June 30, 2012	64,068,553 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2013	As of June 30, 2013
Assets		
Current assets		
Cash and deposits	19,258	17,412
Notes and accounts receivable-trade	137,571	145,746
Merchandise and finished goods	31,418	35,291
Work in process	705	492
Raw materials and supplies	2,616	3,703
Other	6,405	6,235
Allowance for doubtful accounts	(671)	(751)
Total current assets	197,303	208,129
Noncurrent assets		
Property, plant and equipment	9,690	11,074
Intangible assets	4,220	4,192
Investments and other assets		
Investment securities	60,278	54,297
Other	6,477	6,909
Allowance for doubtful accounts	(1,036)	(921)
Total investments and other assets	65,718	60,285
Total noncurrent assets	79,629	75,552
Total assets	276,932	283,681
Liabilities		
Current liabilities		
Notes and accounts payable-trade	85,789	92,419
Short-term loans payable	57,341	58,217
Income taxes payable	1,429	710
Provision for bonuses	908	562
Provision for loss on business liquidation	252	164
Other	4,688	4,933
Total current liabilities	150,410	157,008
Noncurrent liabilities		
Long-term loans payable	10,730	11,822
Provision for retirement benefits	638	740
Provision for directors' retirement benefits	22	23
Provision for loss on business liquidation	34	37
Provision for loss on guarantees	18	18
Other	16,364	13,975
Total noncurrent liabilities	27,808	26,619
Total liabilities	178,219	183,627

(Millions of yen)

	As of March 31, 2013	As of June 30, 2013
Net assets		
Shareholders' equity		
Capital stock	9,364	9,364
Capital surplus	7,708	7,708
Retained earnings	56,489	59,056
Treasury stock	(934)	(934)
Total shareholders' equity	<u>72,627</u>	<u>75,194</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28,692	24,128
Deferred gains or losses on hedges	30	(14)
Foreign currency translation adjustment	(3,424)	(36)
Total accumulated other comprehensive income	<u>25,297</u>	<u>24,077</u>
Minority interests	<u>787</u>	<u>781</u>
Total net assets	<u>98,712</u>	<u>100,054</u>
Total liabilities and net assets	<u>276,932</u>	<u>283,681</u>

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013
Net sales	120,295	134,830
Cost of sales	112,058	125,509
Gross profit	8,236	9,320
Selling, general and administrative expenses	6,350	6,570
Operating income	1,886	2,750
Non-operating income		
Interest income	64	77
Dividends income	398	452
Foreign exchange gains	30	133
Equity in earnings of affiliates	227	176
Miscellaneous income	147	153
Total non-operating income	868	992
Non-operating expenses		
Interest expenses	256	228
Miscellaneous loss	45	25
Total non-operating expenses	302	253
Ordinary income	2,452	3,489
Extraordinary income		
Insurance income	-	107
Gain on sales of noncurrent assets	118	-
Total extraordinary income	118	107
Income before income taxes and minority interests	2,571	3,596
Income taxes-current	342	782
Income taxes-deferred	274	316
Total income taxes	617	1,099
Income before minority interests	1,953	2,497
Minority interests in income	34	32
Net income	1,919	2,465

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013
Income before minority interests	1,953	2,497
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,611)	(4,603)
Deferred gains or losses on hedges	(49)	(39)
Foreign currency translation adjustment	1,498	909
Share of other comprehensive income of associates accounted for using equity method	100	286
Total other comprehensive income	(1,062)	(3,447)
Comprehensive income	891	(949)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	831	(992)
Comprehensive income attributable to minority interests	59	42