

Translation

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**Summary of Consolidated Financial Results
for the Three Months Ended June 30, 2014
(Based on Japanese GAAP)**

August 6, 2014

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, 2014
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2014 (from April 1, 2014 to June 30, 2014)

(1) Consolidated financial 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, 2014	137,541	1.5	2,677	(3.2)	4,190	19.5	2,898	17.2
Three months ended June 30, 2013	135,442	–	2,765	–	3,505	–	2,472	–

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended June 30, 2014	45.80		–	
Three months ended June 30, 2013	39.08		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2014	286,428		107,618		37.3	
As of March 31, 2014	305,037		115,881		37.7	

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2014	–	11.00	–	19.00	30.00
Year ending March 31, 2015	–	–	–	–	–
Year ending March 31, 2015 (Forecast)	–	15.00	–	15.00	30.00

3. Forecast of consolidated financial results for the year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

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, 2014	280,000	1.5	5,200	(8.4)	6,200	(5.1)	3,700	(18.4)	58.48
Full year	570,000	1.6	11,000	0.6	12,500	0.4	7,500	(13.5)	118.54

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2014
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of June 30, 2014	65,159,227 shares	As of March 31, 2014	65,159,227 shares
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Number of treasury shares at the end of the period

As of June 30, 2014	1,886,278 shares	As of March 31, 2014	1,886,225 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, 2014	63,272,989 shares	Three months ended June 30, 2013	63,271,664 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Assets		
Current assets		
Cash and deposits	23,262	17,935
Notes and accounts receivable - trade	144,006	143,404
Merchandise and finished goods	38,125	37,870
Work in process	332	253
Raw materials and supplies	3,310	3,283
Other	6,823	9,374
Allowance for doubtful accounts	(1,202)	(1,069)
Total current assets	214,659	211,052
Non-current assets		
Property, plant and equipment	11,656	11,624
Intangible assets	3,690	3,615
Investments and other assets		
Investment securities	69,785	54,898
Net defined benefit asset	2,023	2,120
Other	4,694	4,586
Allowance for doubtful accounts	(1,471)	(1,470)
Total investments and other assets	75,031	60,135
Total non-current assets	90,378	75,375
Total assets	305,037	286,428
Liabilities		
Current liabilities		
Notes and accounts payable - trade	84,008	82,333
Short-term loans payable	63,134	59,870
Income taxes payable	1,890	957
Provision for bonuses	1,171	683
Provision for loss on business liquidation	40	43
Other	4,831	5,212
Total current liabilities	155,076	149,101
Non-current liabilities		
Long-term loans payable	13,448	14,454
Provision for directors' retirement benefits	28	30
Provision for loss on business liquidation	42	-
Provision for loss on guarantees	18	18
Net defined benefit liability	1,277	1,264
Other	19,263	13,940
Total non-current liabilities	34,080	29,708
Total liabilities	189,156	178,809

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Net assets		
Shareholders' equity		
Capital stock	9,364	9,364
Capital surplus	7,708	7,708
Retained earnings	64,272	65,968
Treasury shares	(932)	(932)
Total shareholders' equity	80,413	82,109
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	33,862	24,140
Deferred gains or losses on hedges	(20)	6
Foreign currency translation adjustment	1,609	1,311
Remeasurements of defined benefit plans	(854)	(827)
Total accumulated other comprehensive income	34,596	24,631
Minority interests	871	877
Total net assets	115,881	107,618
Total liabilities and net assets	305,037	286,428

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, 2013	Three months ended June 30, 2014
Net sales	135,442	137,541
Cost of sales	126,079	128,103
Gross profit	9,362	9,438
Selling, general and administrative expenses	6,597	6,761
Operating income	2,765	2,677
Non-operating income		
Interest income	77	78
Dividend income	453	1,296
Foreign exchange gains	133	-
Share of profit of entities accounted for using equity method	175	142
Miscellaneous income	154	374
Total non-operating income	995	1,892
Non-operating expenses		
Interest expenses	230	222
Foreign exchange losses	-	119
Miscellaneous loss	25	37
Total non-operating expenses	255	379
Ordinary income	3,505	4,190
Extraordinary income		
Insurance income	112	-
Total extraordinary income	112	-
Income before income taxes and minority interests	3,618	4,190
Income taxes - current	786	954
Income taxes - deferred	317	304
Total income taxes	1,103	1,258
Income before minority interests	2,514	2,931
Minority interests in income	41	32
Net income	2,472	2,898

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Income before minority interests	2,514	2,931
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,603)	(9,712)
Deferred gains or losses on hedges	(39)	27
Foreign currency translation adjustment	891	(297)
Remeasurements of defined benefit plans, net of tax	-	27
Share of other comprehensive income of entities accounted for using equity method	279	(9)
Total other comprehensive income	(3,471)	(9,965)
Comprehensive income	(957)	(7,034)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,009)	(7,066)
Comprehensive income attributable to minority interests	51	32