

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2014 (Based on Japanese GAAP)

February 6, 2015

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: February 13, 2015
 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 nine months ended December 31, 2014 (from April 1, 2014 to December 31, 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	%
Nine months ended December 31, 2014	425,924	0.5	8,095	(2.0)	10,882	9.4	7,730	10.3
Nine months ended December 31, 2013	423,671	–	8,261	–	9,950	–	7,010	–

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine months ended December 31, 2014	122.75		–	
Nine months ended December 31, 2013	110.80		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of December 31, 2014	324,275		119,582		36.6	
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	–	15.00	–		
Year ending March 31, 2015 (Forecast)				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
Full year	570,000	1.6	10,500	(4.0)	12,500	0.4	8,200	(5.4)	130.36

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2014	63,499,227 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 December 31, 2014	826,344 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)

Nine months ended December 31, 2014	62,972,958 shares	Nine months ended December 31, 2013	63,271,616 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Assets		
Current assets		
Cash and deposits	23,262	24,072
Notes and accounts receivable - trade	144,006	162,620
Merchandise and finished goods	38,125	43,757
Work in process	332	326
Raw materials and supplies	3,310	3,389
Other	6,823	9,380
Allowance for doubtful accounts	(1,202)	(1,206)
Total current assets	214,659	242,339
Non-current assets		
Property, plant and equipment	11,656	12,623
Intangible assets	3,690	3,498
Investments and other assets		
Investment securities	69,785	59,793
Net defined benefit asset	2,023	2,315
Other	4,694	4,518
Allowance for doubtful accounts	(1,471)	(815)
Total investments and other assets	75,031	65,812
Total non-current assets	90,378	81,935
Total assets	305,037	324,275
Liabilities		
Current liabilities		
Notes and accounts payable - trade	84,008	99,910
Short-term loans payable	63,134	62,174
Income taxes payable	1,890	845
Provision for bonuses	1,171	630
Provision for loss on business liquidation	40	–
Other	4,831	5,735
Total current liabilities	155,076	169,296
Non-current liabilities		
Long-term loans payable	13,448	17,962
Provision for directors' retirement benefits	28	32
Provision for loss on business liquidation	42	–
Provision for loss on guarantees	18	18
Net defined benefit liability	1,277	1,375
Other	19,263	16,007
Total non-current liabilities	34,080	35,396
Total liabilities	189,156	204,692

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Net assets		
Shareholders' equity		
Capital stock	9,364	9,364
Capital surplus	7,708	7,708
Retained earnings	64,272	68,741
Treasury shares	(932)	(475)
Total shareholders' equity	80,413	85,338
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	33,862	27,156
Deferred gains or losses on hedges	(20)	(252)
Foreign currency translation adjustment	1,609	7,267
Remeasurements of defined benefit plans	(854)	(769)
Total accumulated other comprehensive income	34,596	33,403
Minority interests	871	840
Total net assets	115,881	119,582
Total liabilities and net assets	305,037	324,275

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Net sales	423,671	425,924
Cost of sales	394,858	396,833
Gross profit	28,812	29,091
Selling, general and administrative expenses	20,551	20,995
Operating income	8,261	8,095
Non-operating income		
Interest income	230	201
Dividend income	823	1,956
Foreign exchange gains	425	155
Share of profit of entities accounted for using equity method	397	371
Miscellaneous income	746	921
Total non-operating income	2,624	3,606
Non-operating expenses		
Interest expenses	704	691
Miscellaneous loss	230	127
Total non-operating expenses	935	819
Ordinary income	9,950	10,882
Extraordinary income		
Gain on sales of investment securities	–	254
Gain on sales of non-current assets	208	–
Gain on reversal of loss on valuation of stocks of subsidiaries and affiliates	132	–
Insurance income	109	–
Total extraordinary income	450	254
Income before income taxes and minority interests	10,400	11,136
Income taxes - current	2,670	2,451
Income taxes - deferred	548	837
Total income taxes	3,218	3,288
Income before minority interests	7,182	7,848
Minority interests in income	171	117
Net income	7,010	7,730

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Income before minority interests	7,182	7,848
Other comprehensive income		
Valuation difference on available-for-sale securities	879	(6,773)
Deferred gains or losses on hedges	(130)	(231)
Foreign currency translation adjustment	3,163	5,659
Remeasurements of defined benefit plans, net of tax	–	85
Share of other comprehensive income of entities accounted for using equity method	248	136
Total other comprehensive income	4,160	(1,124)
Comprehensive income	11,342	6,723
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,130	6,537
Comprehensive income attributable to minority interests	212	186