

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2015
(Based on Japanese GAAP)**

May 8, 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 of ordinary general meeting of shareholders: June 24, 2015
 Scheduled date to file Securities Report: June 25, 2015
 Scheduled date to commence dividend payments: June 3, 2015
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Consolidated financial results

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	%
Year ended March 31, 2015	572,114	1.9	10,774	(1.5)	13,217	6.1	8,630	(0.4)
Year ended March 31, 2014	561,173	16.9	10,936	40.8	12,454	29.7	8,669	30.7

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2015	137.20	–	7.1	4.2	1.9
Year ended March 31, 2014	137.01	–	8.1	4.3	1.9

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2015	326,862	128,526	39.1	2,036.31
As of March 31, 2014	305,037	115,881	37.7	1,817.68

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2015	8,354	(3,044)	(8,193)	17,394
Year ended March 31, 2014	(764)	(5,467)	3,638	18,402

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2014	–	11.00	–	19.00	30.00	1,904	21.9	1.8
Year ended March 31, 2015	–	15.00	–	18.00	33.00	2,075	24.1	1.7
Year ending March 31, 2016 (Forecast)	–	16.00	–	17.00	33.00		24.3	

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2015	300,000	8.0	5,600	9.3	6,300	(8.8)	4,200	(17.4)	66.99
Full year	610,000	6.6	11,500	6.7	12,800	(3.2)	8,500	(1.5)	135.57

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2015

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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 after error corrections: No

(3) Number of issued shares (common shares)

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

As of March 31, 2015	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 March 31, 2015	801,996 shares	As of March 31, 2014	1,886,225 shares
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Average number of shares during the period

Year ended March 31, 2015	62,905,588 shares	Year ended March 31, 2014	63,271,936 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	23,262	23,572
Notes and accounts receivable - trade	144,006	155,960
Merchandise and finished goods	38,125	44,477
Work in process	332	452
Raw materials and supplies	3,310	3,213
Deferred tax assets	1,058	456
Other	5,764	8,248
Allowance for doubtful accounts	(1,202)	(1,406)
Total current assets	214,659	234,975
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,551	12,854
Accumulated depreciation	(8,670)	(8,930)
Buildings and structures, net	3,881	3,924
Machinery, equipment and vehicles	15,546	17,244
Accumulated depreciation	(10,845)	(12,650)
Machinery, equipment and vehicles, net	4,700	4,594
Land	2,087	2,129
Construction in progress	134	1,127
Other	2,775	2,995
Accumulated depreciation	(1,922)	(2,121)
Other, net	852	873
Total property, plant and equipment	11,656	12,649
Intangible assets	3,690	3,624
Investments and other assets		
Investment securities	69,785	68,255
Long-term loans receivable	1,574	1,531
Net defined benefit asset	2,023	3,795
Deferred tax assets	420	576
Other	2,700	2,267
Allowance for doubtful accounts	(1,471)	(814)
Total investments and other assets	75,031	75,612
Total non-current assets	90,378	91,886
Total assets	305,037	326,862

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	84,008	91,158
Short-term loans payable	63,134	54,460
Income taxes payable	1,890	1,650
Accrued expenses	1,083	1,297
Provision for bonuses	1,171	1,150
Provision for loss on business liquidation	40	–
Other	3,747	4,997
Total current liabilities	155,076	154,713
Non-current liabilities		
Long-term loans payable	13,448	24,354
Deferred tax liabilities	17,608	16,630
Provision for directors' retirement benefits	28	33
Provision for loss on business liquidation	42	–
Provision for loss on guarantees	18	18
Net defined benefit liability	1,277	909
Other	1,654	1,675
Total non-current liabilities	34,080	43,622
Total liabilities	189,156	198,335
Net assets		
Shareholders' equity		
Capital stock	9,364	9,364
Capital surplus	7,708	7,708
Retained earnings	64,272	68,837
Treasury shares	(932)	(469)
Total shareholders' equity	80,413	85,440
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	33,862	34,934
Deferred gains or losses on hedges	(20)	(78)
Foreign currency translation adjustment	1,609	6,911
Remeasurements of defined benefit plans	(854)	463
Total accumulated other comprehensive income	34,596	42,230
Minority interests	871	855
Total net assets	115,881	128,526
Total liabilities and net assets	305,037	326,862

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	561,173	572,114
Cost of sales	522,662	533,073
Gross profit	38,511	39,040
Selling, general and administrative expenses	27,574	28,266
Operating income	10,936	10,774
Non-operating income		
Interest income	323	273
Dividend income	866	2,017
Foreign exchange gains	180	81
Share of profit of entities accounted for using equity method	505	515
Miscellaneous income	835	985
Total non-operating income	2,710	3,873
Non-operating expenses		
Interest expenses	938	945
Miscellaneous loss	254	484
Total non-operating expenses	1,192	1,430
Ordinary income	12,454	13,217
Extraordinary income		
Gain on sales of investment securities	–	293
Gain on sales of shares of subsidiaries and associates	1,116	–
Gain on sales of non-current assets	220	–
Gain on reversal of loss on valuation of stocks of subsidiaries and affiliates	131	–
Insurance income	109	–
Total extraordinary income	1,577	293
Extraordinary losses		
Impairment loss	377	371
Loss on liquidation of subsidiaries and associates	553	–
Loss on valuation of investment securities	221	–
Loss on sales of shares of subsidiaries and associates	136	–
Total extraordinary losses	1,289	371
Income before income taxes and minority interests	12,742	13,139
Income taxes - current	3,354	3,429
Income taxes for prior periods	174	–
Income taxes - deferred	341	945
Total income taxes	3,871	4,375
Income before minority interests	8,871	8,764
Minority interests in income	202	133
Net income	8,669	8,630

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before minority interests	8,871	8,764
Other comprehensive income		
Valuation difference on available-for-sale securities	5,054	946
Deferred gains or losses on hedges	(45)	(58)
Foreign currency translation adjustment	2,211	5,260
Remeasurements of defined benefit plans, net of tax	–	1,318
Share of other comprehensive income of entities accounted for using equity method	133	310
Total other comprehensive income	7,354	7,778
Comprehensive income	16,225	16,542
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,002	16,326
Comprehensive income attributable to minority interests	222	216

Consolidated statements of changes in net assets

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	9,364	7,708	55,876	(934)	72,015
Changes of items during period					
Dividends of surplus			(1,518)		(1,518)
Net income			8,669		8,669
Purchase of treasury shares				(0)	(0)
Retirement of treasury shares					-
Disposal of treasury shares		0		1	1
Change in treasury shares arising from change in equity in entities accounted for using equity method				0	0
Change of scope of consolidation					-
Change of scope of equity method			333		333
Effect of changes in accounting period			912		912
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	8,396	2	8,398
Balance at end of current period	9,364	7,708	64,272	(932)	80,413

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	28,692	30	(2,850)	-	25,871	778	98,665
Changes of items during period							
Dividends of surplus							(1,518)
Net income							8,669
Purchase of treasury shares							(0)
Retirement of treasury shares							-
Disposal of treasury shares							1
Change in treasury shares arising from change in equity in entities accounted for using equity method							0
Change of scope of consolidation							-
Change of scope of equity method							333
Effect of changes in accounting period							912
Net changes of items other than shareholders' equity	5,169	(50)	4,459	(854)	8,724	92	8,817
Total changes of items during period	5,169	(50)	4,459	(854)	8,724	92	17,215
Balance at end of current period	33,862	(20)	1,609	(854)	34,596	871	115,881

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	9,364	7,708	64,272	(932)	80,413
Changes of items during period					
Dividends of surplus			(2,142)		(2,142)
Net income			8,630		8,630
Purchase of treasury shares				(604)	(604)
Retirement of treasury shares		(0)	(1,060)	1,060	–
Disposal of treasury shares		0		0	0
Change in treasury shares arising from change in equity in entities accounted for using equity method				6	6
Change of scope of consolidation			58		58
Change of scope of equity method			(921)		(921)
Effect of changes in accounting period					–
Net changes of items other than shareholders' equity					–
Total changes of items during period	–	(0)	4,564	462	5,026
Balance at end of current period	9,364	7,708	68,837	(469)	85,440

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	33,862	(20)	1,609	(854)	34,596	871	115,881
Changes of items during period							
Dividends of surplus							(2,142)
Net income							8,630
Purchase of treasury shares							(604)
Retirement of treasury shares							–
Disposal of treasury shares							0
Change in treasury shares arising from change in equity in entities accounted for using equity method							6
Change of scope of consolidation							58
Change of scope of equity method							(921)
Effect of changes in accounting period							–
Net changes of items other than shareholders' equity	1,072	(58)	5,301	1,318	7,634	(15)	7,618
Total changes of items during period	1,072	(58)	5,301	1,318	7,634	(15)	12,645
Balance at end of current period	34,934	(78)	6,911	463	42,230	855	128,526

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	12,742	13,139
Depreciation	2,179	2,150
Impairment loss	377	371
Increase (decrease) in allowance for doubtful accounts	630	(614)
Interest and dividend income	(1,189)	(2,291)
Interest expenses	938	945
Share of (profit) loss of entities accounted for using equity method	(505)	(515)
Increase (decrease) in provision for loss on business liquidation	(214)	(84)
Loss (gain) on sales of non-current assets	(220)	–
Loss (gain) on sales of investment securities	–	(293)
Loss (gain) on valuation of investment securities	221	–
Loss (gain) on sales of shares of subsidiaries and associates	(980)	–
Gain on reversal of loss on valuation of stocks of subsidiaries and affiliates	(131)	–
Loss on liquidation of subsidiaries and associates	553	–
Insurance income	(109)	–
Decrease (increase) in notes and accounts receivable - trade	(1,671)	(1,050)
Decrease (increase) in inventories	(3,792)	(2,036)
Decrease (increase) in other current assets	(464)	(1,536)
Decrease (increase) in other non-current assets	(615)	387
Increase (decrease) in notes and accounts payable - trade	(4,977)	1,129
Increase (decrease) in other current liabilities	(1,036)	917
Other, net	99	(4)
Subtotal	1,835	10,614
Interest and dividend income received	1,237	2,487
Interest expenses paid	(953)	(929)
Proceeds from insurance income	109	–
Income taxes paid	(2,993)	(3,818)
Net cash provided by (used in) operating activities	(764)	8,354
Cash flows from investing activities		
Payments into time deposits	(4,788)	(5,821)
Proceeds from withdrawal of time deposits	271	5,185
Purchase of property, plant and equipment	(3,162)	(2,151)
Proceeds from sales of property, plant and equipment	272	61
Purchase of intangible assets	(272)	(514)
Proceeds from sales of intangible assets	142	–
Purchase of investment securities	(249)	(45)
Proceeds from sales of investment securities	1,466	754
Purchase of shares of subsidiaries	(774)	(400)
Proceeds from liquidation of subsidiaries	616	–
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(56)	–
Decrease (increase) in short-term loans receivable	616	(68)
Payments of long-term loans receivable	(4)	(248)
Collection of long-term loans receivable	437	222
Other, net	17	(16)
Net cash provided by (used in) investing activities	(5,467)	(3,044)

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	3,775	(13,118)
Proceeds from long-term loans payable	6,500	12,001
Repayments of long-term loans payable	(4,884)	(3,982)
Purchase of treasury shares	(0)	(604)
Cash dividends paid	(1,523)	(2,149)
Cash dividends paid to minority shareholders	(127)	(231)
Other, net	(101)	(108)
Net cash provided by (used in) financing activities	3,638	(8,193)
Effect of exchange rate change on cash and cash equivalents	867	1,664
Net increase (decrease) in cash and cash equivalents	(1,726)	(1,218)
Cash and cash equivalents at beginning of period	18,985	18,402
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	–	210
Increase (decrease) in cash and cash equivalents resulting from change in fiscal year-end of certain subsidiaries	1,143	–
Cash and cash equivalents at end of period	18,402	17,394