

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2015 (Based on Japanese GAAP)

August 7, 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: August 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 three months ended June 30, 2015 (from April 1, 2015 to June 30, 2015)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2015	147,051	6.9	3,329	24.3	4,637	10.7	3,363	16.1
Three months ended June 30, 2014	137,541	1.5	2,677	(3.2)	4,190	19.5	2,898	17.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2015	53.65	–
Three months ended June 30, 2014	45.80	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2015	323,049	130,139	40.0
As of March 31, 2015	326,862	128,526	39.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2015	–	15.00	–	18.00	33.00
Year ending March 31, 2016	–				
Year ending March 31, 2016 (Forecast)		16.00	–	17.00	33.00

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		Earnings 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 three months ended June 30, 2015  
 (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, 2015	63,499,227 shares	As of March 31, 2015	63,499,227 shares
---------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2015	802,084 shares	As of March 31, 2015	801,996 shares
---------------------	----------------	----------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2015	62,697,165 shares	Three months ended June 30, 2014	63,272,989 shares
----------------------------------	-------------------	----------------------------------	-------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	23,572	21,192
Notes and accounts receivable - trade	155,960	154,066
Merchandise and finished goods	44,477	45,585
Work in process	452	472
Raw materials and supplies	3,213	3,407
Other	8,705	8,904
Allowance for doubtful accounts	(1,406)	(1,418)
Total current assets	234,975	232,210
Non-current assets		
Property, plant and equipment	12,649	13,440
Intangible assets	3,624	3,614
Investments and other assets		
Investment securities	68,255	66,434
Net defined benefit asset	3,795	3,789
Other	4,376	4,265
Allowance for doubtful accounts	(814)	(705)
Total investments and other assets	75,612	73,784
Total non-current assets	91,886	90,839
Total assets	326,862	323,049
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	91,158	89,237
Short-term loans payable	54,460	53,029
Income taxes payable	1,650	1,167
Provision for bonuses	1,150	727
Other	6,294	6,433
Total current liabilities	154,713	150,594
Non-current liabilities		
Long-term loans payable	24,354	24,013
Provision for directors' retirement benefits	33	28
Provision for loss on guarantees	18	18
Net defined benefit liability	909	941
Other	18,305	17,313
Total non-current liabilities	43,622	42,315
Total liabilities	198,335	192,910

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
Net assets		
Shareholders' equity		
Capital stock	9,364	9,364
Capital surplus	7,708	7,708
Retained earnings	68,837	71,072
Treasury shares	(469)	(469)
Total shareholders' equity	85,440	87,675
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	34,934	33,494
Deferred gains or losses on hedges	(78)	(63)
Foreign currency translation adjustment	6,911	7,683
Remeasurements of defined benefit plans	463	454
Total accumulated other comprehensive income	42,230	41,569
Non-controlling interests	855	893
Total net assets	128,526	130,139
Total liabilities and net assets	326,862	323,049

**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, 2014	Three months ended June 30, 2015
Net sales	137,541	147,051
Cost of sales	128,103	136,420
Gross profit	9,438	10,631
Selling, general and administrative expenses	6,761	7,301
Operating income	2,677	3,329
Non-operating income		
Interest income	78	82
Dividend income	1,296	1,074
Share of profit of entities accounted for using equity method	142	158
Miscellaneous income	374	293
Total non-operating income	1,892	1,609
Non-operating expenses		
Interest expenses	222	254
Foreign exchange losses	119	22
Miscellaneous loss	37	23
Total non-operating expenses	379	300
Ordinary income	4,190	4,637
Income before income taxes and minority interests	4,190	4,637
Income taxes - current	954	1,465
Income taxes - deferred	304	(237)
Total income taxes	1,258	1,228
Profit	2,931	3,409
Profit attributable to non-controlling interests	32	46
Profit attributable to owners of parent	2,898	3,363

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Profit	2,931	3,409
Other comprehensive income		
Valuation difference on available-for-sale securities	(9,712)	(1,418)
Deferred gains or losses on hedges	27	15
Foreign currency translation adjustment	(297)	763
Remeasurements of defined benefit plans, net of tax	27	(8)
Share of other comprehensive income of entities accounted for using equity method	(9)	9
Total other comprehensive income	(9,965)	(639)
Comprehensive income	(7,034)	2,770
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(7,066)	2,702
Comprehensive income attributable to non-controlling interests	32	67