

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2015 (Based on Japanese GAAP)

February 9, 2016

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 12, 2016  
 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, 2015 (from April 1, 2015 to December 31, 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	%
Nine months ended December 31, 2015	442,895	4.0	8,993	11.1	10,080	(7.4)	7,688	(0.5)
Nine months ended December 31, 2014	425,924	0.5	8,095	(2.0)	10,882	9.4	7,730	10.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2015	122.63		–	
Nine months ended December 31, 2014	122.75		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2015	333,470	132,364	39.4
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				
Year ended March 31, 2015	–	15.00	–	18.00	33.00
Year ending March 31, 2016	–	16.00	–		
Year ending March 31, 2016 (Forecast)				20.00	36.00

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
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 nine months ended December 31, 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 December 31, 2015	63,499,227 shares	As of March 31, 2015	63,499,227 shares
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Number of treasury shares at the end of the period

As of December 31, 2015	802,268 shares	As of March 31, 2015	801,996 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, 2015	62,697,104 shares	Nine months ended December 31, 2014	62,972,958 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	23,572	24,470
Notes and accounts receivable - trade	155,960	161,000
Merchandise and finished goods	44,477	44,877
Work in process	452	385
Raw materials and supplies	3,213	3,050
Other	8,705	8,977
Allowance for doubtful accounts	(1,406)	(1,325)
Total current assets	234,975	241,437
Non-current assets		
Property, plant and equipment	12,649	13,382
Intangible assets	3,624	3,735
Investments and other assets		
Investment securities	68,255	68,143
Net defined benefit asset	3,795	3,777
Other	4,376	3,697
Allowance for doubtful accounts	(814)	(703)
Total investments and other assets	75,612	74,915
Total non-current assets	91,886	92,033
Total assets	326,862	333,470
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	91,158	98,333
Short-term loans payable	54,460	53,286
Income taxes payable	1,650	1,314
Provision for bonuses	1,150	638
Other	6,294	5,616
Total current liabilities	154,713	159,189
Non-current liabilities		
Long-term loans payable	24,354	23,020
Provision for directors' retirement benefits	33	31
Provision for loss on guarantees	18	18
Net defined benefit liability	909	985
Other	18,305	17,860
Total non-current liabilities	43,622	41,916
Total liabilities	198,335	201,105

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Net assets		
Shareholders' equity		
Capital stock	9,364	9,364
Capital surplus	7,708	7,708
Retained earnings	68,837	74,072
Treasury shares	(469)	(470)
Total shareholders' equity	85,440	90,676
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	34,934	34,892
Deferred gains or losses on hedges	(78)	(0)
Foreign currency translation adjustment	6,911	5,347
Remeasurements of defined benefit plans	463	452
Total accumulated other comprehensive income	42,230	40,692
Non-controlling interests	855	995
Total net assets	128,526	132,364
Total liabilities and net assets	326,862	333,470

**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, 2014	Nine months ended December 31, 2015
Net sales	425,924	442,895
Cost of sales	396,833	411,666
Gross profit	29,091	31,228
Selling, general and administrative expenses	20,995	22,234
Operating income	8,095	8,993
Non-operating income		
Interest income	201	225
Dividend income	1,956	1,509
Foreign exchange gains	155	-
Share of profit of entities accounted for using equity method	371	458
Miscellaneous income	921	718
Total non-operating income	3,606	2,912
Non-operating expenses		
Interest expenses	691	848
Foreign exchange losses	-	707
Miscellaneous loss	127	269
Total non-operating expenses	819	1,826
Ordinary income	10,882	10,080
Extraordinary income		
Gain on sales of investment securities	254	823
Total extraordinary income	254	823
Income before income taxes and minority interests	11,136	10,903
Income taxes - current	2,451	3,367
Income taxes - deferred	837	(322)
Total income taxes	3,288	3,045
Profit	7,848	7,858
Profit attributable to non-controlling interests	117	169
Profit attributable to owners of parent	7,730	7,688

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

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Profit	7,848	7,858
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,773)	64
Deferred gains or losses on hedges	(231)	78
Foreign currency translation adjustment	5,659	(1,518)
Remeasurements of defined benefit plans, net of tax	85	(11)
Share of other comprehensive income of entities accounted for using equity method	136	(138)
Total other comprehensive income	(1,124)	(1,525)
Comprehensive income	6,723	6,333
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,537	6,150
Comprehensive income attributable to non-controlling interests	186	182