

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2016 (Based on Japanese GAAP)

August 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: August 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 three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

(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, 2016	141,482	(3.8)	3,109	(6.6)	3,789	(18.3)	2,515	(25.2)
Three months ended June 30, 2015	147,051	6.9	3,329	24.3	4,637	10.7	3,363	16.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2016	40.51		–	
Three months ended June 30, 2015	53.65		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2016	310,797	131,059	41.9
As of March 31, 2016	305,436	127,025	41.3

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, 2016	–	16.00	–	20.00	36.00
Year ending March 31, 2017	–	–	–	–	–
Year ending March 31, 2017 (Forecast)	–	18.00	–	18.00	36.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

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, 2016	294,000	0.4	5,700	(3.9)	6,100	(9.5)	4,400	(8.1)	70.86
Full year	590,000	2.2	11,500	1.1	12,500	2.0	9,000	(5.4)	144.93

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2016
 (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: No
 - 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, 2016	63,499,227 shares	As of March 31, 2016	63,499,227 shares
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Number of treasury shares at the end of the period

As of June 30, 2016	1,402,268 shares	As of March 31, 2016	1,402,268 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, 2016	62,096,959 shares	Three months ended June 30, 2015	62,697,165 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	21,315	20,707
Notes and accounts receivable - trade	145,565	147,611
Merchandise and finished goods	41,472	39,177
Work in process	526	499
Raw materials and supplies	2,824	2,879
Other	11,930	8,765
Allowance for doubtful accounts	(1,188)	(1,055)
Total current assets	222,446	218,585
Non-current assets		
Property, plant and equipment	11,266	10,617
Intangible assets	3,585	3,508
Investments and other assets		
Investment securities	62,715	72,836
Net defined benefit asset	2,502	2,493
Other	3,599	3,723
Allowance for doubtful accounts	(679)	(968)
Total investments and other assets	68,137	78,085
Total non-current assets	82,989	92,211
Total assets	305,436	310,797
Liabilities		
Current liabilities		
Notes and accounts payable - trade	83,264	83,930
Short-term loans payable	44,384	42,998
Income taxes payable	2,046	894
Provision for bonuses	1,123	666
Other	7,328	6,754
Total current liabilities	138,147	135,243
Non-current liabilities		
Long-term loans payable	23,993	25,172
Provision for directors' retirement benefits	32	31
Provision for loss on guarantees	18	18
Net defined benefit liability	1,291	1,285
Other	14,927	17,986
Total non-current liabilities	40,263	44,494
Total liabilities	178,410	179,737

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Net assets		
Shareholders' equity		
Capital stock	9,364	9,364
Capital surplus	7,708	7,708
Retained earnings	75,909	77,183
Treasury shares	(1,177)	(1,177)
Total shareholders' equity	91,804	93,078
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	31,858	38,583
Deferred gains or losses on hedges	(68)	(165)
Foreign currency translation adjustment	3,055	(822)
Remeasurements of defined benefit plans	(612)	(600)
Total accumulated other comprehensive income	34,233	36,994
Non-controlling interests	987	986
Total net assets	127,025	131,059
Total liabilities and net assets	305,436	310,797

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, 2015	Three months ended June 30, 2016
Net sales	147,051	141,482
Cost of sales	136,420	131,067
Gross profit	10,631	10,415
Selling, general and administrative expenses	7,301	7,305
Operating income	3,329	3,109
Non-operating income		
Interest income	82	61
Dividend income	1,074	723
Share of profit of entities accounted for using equity method	158	134
Miscellaneous income	293	389
Total non-operating income	1,609	1,309
Non-operating expenses		
Interest expenses	254	292
Foreign exchange losses	22	193
Miscellaneous loss	23	143
Total non-operating expenses	300	628
Ordinary income	4,637	3,789
Profit before income taxes	4,637	3,789
Income taxes - current	1,465	951
Income taxes - deferred	(237)	206
Total income taxes	1,228	1,157
Profit	3,409	2,632
Profit attributable to non-controlling interests	46	116
Profit attributable to owners of parent	3,363	2,515

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Profit	3,409	2,632
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,418)	6,723
Deferred gains or losses on hedges	15	(97)
Foreign currency translation adjustment	763	(3,862)
Remeasurements of defined benefit plans, net of tax	(8)	12
Share of other comprehensive income of entities accounted for using equity method	9	(52)
Total other comprehensive income	(639)	2,723
Comprehensive income	2,770	5,355
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,702	5,276
Comprehensive income attributable to non-controlling interests	67	78