

Translation

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**Summary of Consolidated Financial Results
for the Six Months Ended September 30, 2015
(Based on Japanese GAAP)**

November 9, 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: November 13, 2015
 Scheduled date to commence dividend payments: December 1, 2015
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2015 (from April 1, 2015 to September 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	%
Six months ended September 30, 2015	292,740	5.4	5,932	15.8	6,739	(2.4)	4,785	(5.9)
Six months ended September 30, 2014	277,707	0.1	5,124	(10.3)	6,907	5.1	5,086	11.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2015	76.32	-
Six months ended September 30, 2014	80.60	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2015	313,689	126,025	39.9
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	-	16.00			
Year ending March 31, 2016 (Forecast)			-	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
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 six months ended September 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 September 30, 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 September 30, 2015	802,170 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)

Six months ended September 30, 2015	62,697,138 shares	Six months ended September 30, 2014	63,101,543 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	23,572	19,071
Notes and accounts receivable - trade	155,960	151,364
Merchandise and finished goods	44,477	45,688
Work in process	452	478
Raw materials and supplies	3,213	2,956
Other	8,705	9,631
Allowance for doubtful accounts	(1,406)	(1,377)
Total current assets	234,975	227,813
Non-current assets		
Property, plant and equipment	12,649	13,469
Intangible assets	3,624	3,577
Investments and other assets		
Investment securities	68,255	62,120
Net defined benefit asset	3,795	3,783
Other	4,376	3,630
Allowance for doubtful accounts	(814)	(705)
Total investments and other assets	75,612	68,828
Total non-current assets	91,886	85,875
Total assets	326,862	313,689
Liabilities		
Current liabilities		
Notes and accounts payable - trade	91,158	86,584
Short-term loans payable	54,460	52,307
Income taxes payable	1,650	1,471
Provision for bonuses	1,150	1,272
Other	6,294	5,122
Total current liabilities	154,713	146,758
Non-current liabilities		
Long-term loans payable	24,354	24,057
Provision for directors' retirement benefits	33	29
Provision for loss on guarantees	18	18
Net defined benefit liability	909	914
Other	18,305	15,884
Total non-current liabilities	43,622	40,904
Total liabilities	198,335	187,663

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Net assets		
Shareholders' equity		
Capital stock	9,364	9,364
Capital surplus	7,708	7,708
Retained earnings	68,837	72,172
Treasury shares	(469)	(469)
Total shareholders' equity	85,440	88,775
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	34,934	30,515
Deferred gains or losses on hedges	(78)	(8)
Foreign currency translation adjustment	6,911	5,368
Remeasurements of defined benefit plans	463	456
Total accumulated other comprehensive income	42,230	36,331
Non-controlling interests	855	918
Total net assets	128,526	126,025
Total liabilities and net assets	326,862	313,689

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Net sales	277,707	292,740
Cost of sales	258,854	272,089
Gross profit	18,853	20,651
Selling, general and administrative expenses	13,729	14,718
Operating income	5,124	5,932
Non-operating income		
Interest income	136	152
Dividend income	1,325	1,140
Foreign exchange gains	26	–
Share of profit of entities accounted for using equity method	257	299
Miscellaneous income	598	483
Total non-operating income	2,343	2,076
Non-operating expenses		
Interest expenses	450	533
Foreign exchange losses	–	589
Miscellaneous loss	110	147
Total non-operating expenses	560	1,269
Ordinary income	6,907	6,739
Extraordinary income		
Gain on sales of investment securities	247	–
Total extraordinary income	247	–
Income before income taxes and minority interests	7,155	6,739
Income taxes - current	2,060	2,365
Income taxes - deferred	(57)	(504)
Total income taxes	2,003	1,860
Profit	5,151	4,878
Profit attributable to non-controlling interests	65	93
Profit attributable to owners of parent	5,086	4,785

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Profit	5,151	4,878
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,680)	(4,315)
Deferred gains or losses on hedges	(57)	69
Foreign currency translation adjustment	2,302	(1,553)
Remeasurements of defined benefit plans, net of tax	56	(7)
Share of other comprehensive income of entities accounted for using equity method	75	(87)
Total other comprehensive income	(2,304)	(5,894)
Comprehensive income	2,847	(1,015)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,761	(1,113)
Comprehensive income attributable to non-controlling interests	85	97

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	7,155	6,739
Depreciation	1,049	1,129
Increase (decrease) in allowance for doubtful accounts	(108)	(90)
Interest and dividend income	(1,461)	(1,293)
Interest expenses	450	533
Share of (profit) loss of entities accounted for using equity method	(257)	(299)
Increase (decrease) in provision for loss on business liquidation	(83)	–
Loss (gain) on sales of investment securities	(247)	–
Decrease (increase) in notes and accounts receivable - trade	1,352	1,756
Decrease (increase) in inventories	(65)	(1,867)
Decrease (increase) in other current assets	(2,784)	(133)
Decrease (increase) in other non-current assets	(184)	218
Increase (decrease) in notes and accounts payable - trade	525	(2,806)
Increase (decrease) in other current liabilities	327	(988)
Other, net	125	549
Subtotal	5,791	3,446
Interest and dividend income received	1,658	1,529
Interest expenses paid	(440)	(527)
Income taxes paid	(2,402)	(2,535)
Net cash provided by (used in) operating activities	4,607	1,913
Cash flows from investing activities		
Payments into time deposits	(582)	(239)
Proceeds from withdrawal of time deposits	561	2,005
Purchase of property, plant and equipment	(929)	(1,690)
Proceeds from sales of property, plant and equipment	43	764
Purchase of intangible assets	(80)	(290)
Purchase of investment securities	(30)	(314)
Proceeds from sales of investment securities	607	46
Purchase of shares of subsidiaries	(342)	(373)
Net decrease (increase) in short-term loans receivable	(38)	(116)
Payments of long-term loans receivable	(9)	(0)
Collection of long-term loans receivable	107	115
Other, net	(31)	12
Net cash provided by (used in) investing activities	(724)	(80)

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(7,498)	(2,996)
Proceeds from long-term loans payable	4,015	1,792
Repayments of long-term loans payable	(2,976)	(1,754)
Purchase of treasury shares	(604)	(0)
Cash dividends paid	(1,206)	(1,132)
Dividends paid to non-controlling interests	(196)	(34)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(20)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	20
Other, net	(54)	(41)
Net cash provided by (used in) financing activities	(8,521)	(4,167)
Effect of exchange rate change on cash and cash equivalents	518	(243)
Net increase (decrease) in cash and cash equivalents	(4,120)	(2,576)
Cash and cash equivalents at beginning of period	18,402	17,394
Increase in cash and cash equivalents from newly consolidated subsidiary	210	49
Cash and cash equivalents at end of period	14,492	14,867