

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

February 9, 2017

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, Managing Executive Officer Kenichi Yokota TEL 03-3639-6421
 Scheduled date to file Quarterly Securities Report: February 13, 2017
 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, 2016 (from April 1, 2016 to December 31, 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	%
Nine months ended December 31, 2016	439,358	(0.8)	9,384	4.3	10,602	5.2	7,617	(0.9)
Nine months ended December 31, 2015	442,895	4.0	8,993	11.1	10,080	(7.4)	7,688	(0.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2016	122.67		–	
Nine months ended December 31, 2015	122.63		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2016	355,794	146,177	40.7
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	–	18.00	–		
Year ending March 31, 2017 (Forecast)				22.00	40.00

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
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 nine months ended December 31, 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 December 31, 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 December 31, 2016	1,402,271 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)

Nine months ended December 31, 2016	62,096,957 shares	Nine months ended December 31, 2015	62,697,104 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	21,315	30,531
Notes and accounts receivable - trade	145,565	169,206
Merchandise and finished goods	41,472	41,296
Work in process	526	638
Raw materials and supplies	2,824	2,872
Other	11,930	9,429
Allowance for doubtful accounts	(1,188)	(1,202)
Total current assets	222,446	252,771
Non-current assets		
Property, plant and equipment	11,266	11,610
Intangible assets	3,585	3,527
Investments and other assets		
Investment securities	62,715	82,443
Net defined benefit asset	2,502	2,510
Other	3,599	3,999
Allowance for doubtful accounts	(679)	(1,068)
Total investments and other assets	68,137	87,885
Total non-current assets	82,989	103,023
Total assets	305,436	355,794
Liabilities		
Current liabilities		
Notes and accounts payable - trade	83,264	100,565
Short-term loans payable	44,384	54,870
Income taxes payable	2,046	1,208
Provision for bonuses	1,123	620
Other	7,328	6,495
Total current liabilities	138,147	163,761
Non-current liabilities		
Long-term loans payable	23,993	23,690
Provision for directors' retirement benefits	32	32
Provision for loss on guarantees	18	18
Net defined benefit liability	1,291	1,426
Other	14,927	20,685
Total non-current liabilities	40,263	45,854
Total liabilities	178,410	209,616

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Net assets		
Shareholders' equity		
Capital stock	9,364	9,364
Capital surplus	7,708	7,708
Retained earnings	75,909	81,167
Treasury shares	(1,177)	(1,177)
Total shareholders' equity	91,804	97,062
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	31,858	44,828
Deferred gains or losses on hedges	(68)	86
Foreign currency translation adjustment	3,055	3,454
Remeasurements of defined benefit plans	(612)	(578)
Total accumulated other comprehensive income	34,233	47,789
Non-controlling interests	987	1,325
Total net assets	127,025	146,177
Total liabilities and net assets	305,436	355,794

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, 2015	Nine months ended December 31, 2016
Net sales	442,895	439,358
Cost of sales	411,666	407,816
Gross profit	31,228	31,542
Selling, general and administrative expenses	22,234	22,157
Operating income	8,993	9,384
Non-operating income		
Interest income	225	178
Dividend income	1,509	1,236
Foreign exchange gains	–	160
Share of profit of entities accounted for using equity method	458	363
Miscellaneous income	718	555
Total non-operating income	2,912	2,495
Non-operating expenses		
Interest expenses	848	933
Foreign exchange losses	707	–
Miscellaneous loss	269	343
Total non-operating expenses	1,826	1,276
Ordinary income	10,080	10,602
Extraordinary income		
Gain on sales of investment securities	823	682
Total extraordinary income	823	682
Profit before income taxes	10,903	11,285
Income taxes - current	3,367	3,115
Income taxes - deferred	(322)	208
Total income taxes	3,045	3,324
Profit	7,858	7,961
Profit attributable to non-controlling interests	169	344
Profit attributable to owners of parent	7,688	7,617

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	7,858	7,961
Other comprehensive income		
Valuation difference on available-for-sale securities	64	12,950
Deferred gains or losses on hedges	78	214
Foreign currency translation adjustment	(1,518)	477
Remeasurements of defined benefit plans, net of tax	(11)	33
Share of other comprehensive income of entities accounted for using equity method	(138)	(30)
Total other comprehensive income	(1,525)	13,645
Comprehensive income	6,333	21,607
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,150	21,173
Comprehensive income attributable to non-controlling interests	182	433