

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 5, 2021

Company name: Inabata&Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 8098 URL <https://www.inabata.co.jp>
 Representative: Director,President Katsutaro Inabata
 General Manager,
 Inquiries: Financial Management Office Koichi Noda TEL 03-3639-6421
 Scheduled date to file Quarterly Securities Report: February 10, 2021
 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, 2020 (from April 1, 2020 to December 31, 2020)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2020	420,368	(8.3)	10,610	1.7	11,996	3.5	9,486	4.1
Nine months ended December 31, 2019	458,573	(6.0)	10,435	(7.5)	11,587	1.2	9,113	(19.6)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2020	157.60	–
Nine months ended December 31, 2019	150.64	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	330,527	161,343	48.2
As of March 31, 2020	322,848	147,726	45.2

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, 2020	–	20.00	–	33.00	53.00
Year ending March 31, 2021	–	20.00	–		
Year ending March 31, 2021 (Forecast)				33.00	53.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	550,000	(8.4)	12,000	(9.3)	12,700	(10.6)	10,500	(8.0)	174.43

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020
(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, 2020	63,499,227 shares	As of March 31, 2020	63,499,227 shares
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Number of treasury shares at the end of the period

As of December 31, 2020	3,302,640 shares	As of March 31, 2020	3,302,640 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, 2020	60,196,587 shares	Nine months ended December 31, 2019	60,496,716 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	29,440	30,303
Notes and accounts receivable - trade	152,457	158,220
Merchandise and finished goods	52,052	42,561
Work in process	766	607
Raw materials and supplies	3,084	2,826
Other	8,022	9,326
Allowance for doubtful accounts	(686)	(652)
Total current assets	245,136	243,193
Non-current assets		
Property, plant and equipment	13,964	13,792
Intangible assets	3,006	2,885
Investments and other assets		
Investment securities	54,236	64,750
Retirement benefit asset	2,007	2,072
Other	12,312	8,425
Allowance for doubtful accounts	(7,815)	(4,592)
Total investments and other assets	60,740	70,655
Total non-current assets	77,711	87,333
Total assets	322,848	330,527
Liabilities		
Current liabilities		
Notes and accounts payable - trade	96,761	104,121
Short-term borrowings	43,073	28,997
Income taxes payable	1,631	1,737
Provision for bonuses	1,217	674
Provision for loss on business liquidation	240	20
Other	7,852	8,528
Total current liabilities	150,776	144,080
Non-current liabilities		
Long-term borrowings	9,775	7,751
Provision for retirement benefits for directors (and other officers)	30	28
Provision for share-based remuneration for directors (and other officers)	85	119
Provision for loss on guarantees	18	18
Retirement benefit liability	2,369	2,614
Other	12,065	14,571
Total non-current liabilities	24,344	25,103
Total liabilities	175,121	169,183

	(Millions of yen)	
	As of March 31, 2020	As of December 31, 2020
Net assets		
Shareholders' equity		
Share capital	9,364	9,364
Capital surplus	7,752	7,184
Retained earnings	106,197	112,488
Treasury shares	(4,155)	(4,155)
Total shareholders' equity	119,159	124,882
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	26,196	34,400
Deferred gains or losses on hedges	148	49
Foreign currency translation adjustment	1,436	927
Remeasurements of defined benefit plans	(1,016)	(816)
Total accumulated other comprehensive income	26,764	34,560
Non-controlling interests	1,802	1,900
Total net assets	147,726	161,343
Total liabilities and net assets	322,848	330,527

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, 2019	Nine months ended December 31, 2020
Net sales	458,573	420,368
Cost of sales	423,242	387,068
Gross profit	35,330	33,300
Selling, general and administrative expenses	24,895	22,690
Operating profit	10,435	10,610
Non-operating income		
Interest income	134	147
Dividend income	1,601	1,173
Share of profit of entities accounted for using equity method	263	200
Miscellaneous income	556	726
Total non-operating income	2,555	2,248
Non-operating expenses		
Interest expenses	1,050	539
Foreign exchange losses	87	92
Miscellaneous loss	266	231
Total non-operating expenses	1,403	863
Ordinary profit	11,587	11,996
Extraordinary income		
Gain on sales of investment securities	1,793	1,493
Total extraordinary income	1,793	1,493
Extraordinary losses		
Provision for loss on business liquidation	233	—
Total extraordinary losses	233	—
Profit before income taxes	13,147	13,489
Income taxes - current	3,424	3,456
Income taxes - deferred	264	212
Total income taxes	3,689	3,668
Profit	9,457	9,820
Profit attributable to non-controlling interests	344	333
Profit attributable to owners of parent	9,113	9,486

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	9,457	9,820
Other comprehensive income		
Valuation difference on available-for-sale securities	(9,187)	8,158
Deferred gains or losses on hedges	132	(99)
Foreign currency translation adjustment	(190)	(443)
Remeasurements of defined benefit plans, net of tax	158	199
Share of other comprehensive income of entities accounted for using equity method	23	44
Total other comprehensive income	(9,064)	7,859
Comprehensive income	393	17,680
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	43	17,282
Comprehensive income attributable to non-controlling interests	350	397