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IR Briefing For Q1  
Fiscal Year Ending March 2023

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October 2022  
Inabata & Co., Ltd.

# Topics

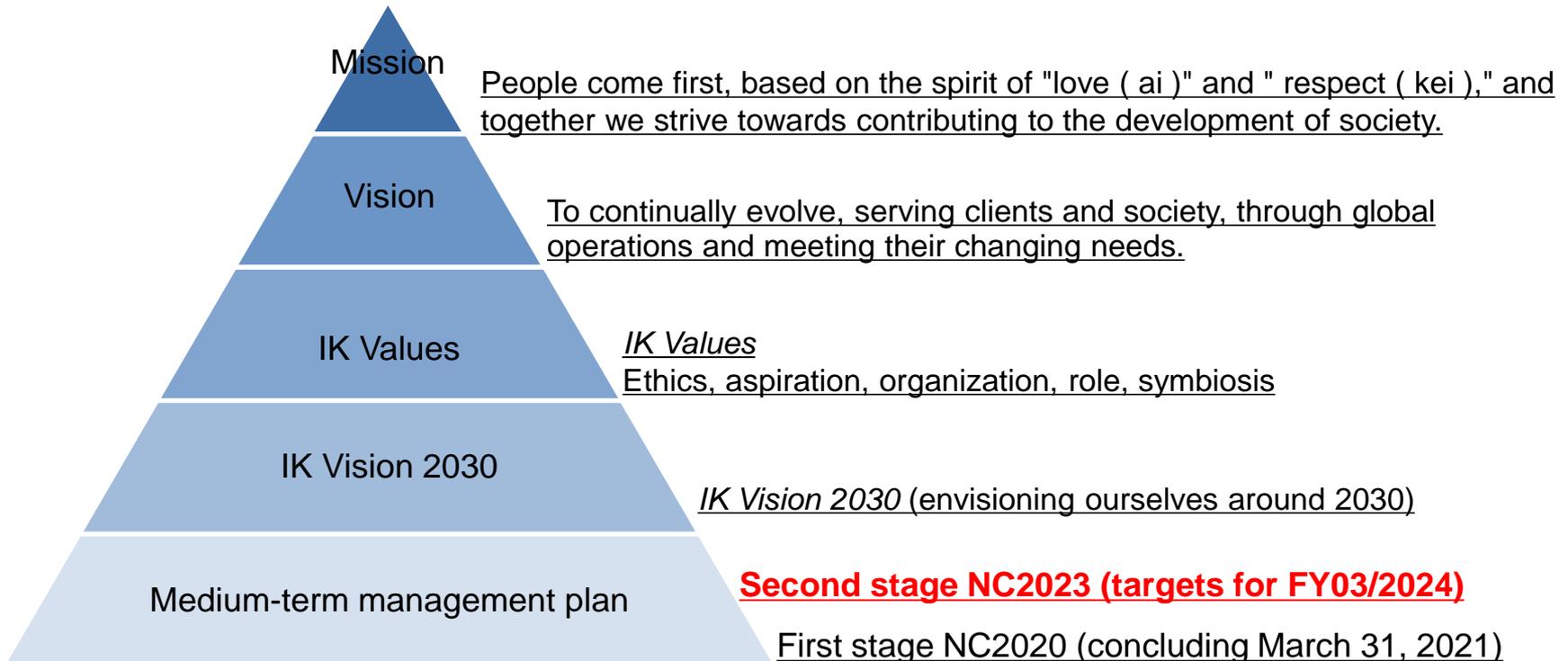
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- Progress of Medium-Term Management Plan NC2023  
Upward adjustment in target figures for the final year
- Revision of Shareholder Return Basic Policy  
Aside from progressive dividends, add about 50% as a total return ratio.
- Additional Policy on Reduction of Strategic Shareholdings  
Aim for a reduction of about 80% over the next five years (versus end of March 2021)

- P.4- Progress of Medium-Term Management Plan *NC2023*
- P.17- Revision of Shareholder Return Basic Policy
- P.22- Additional Policy on Reduction of Strategic Shareholdings
- P.24- Regarding ESG
- P.34- Summary of Financial Results for Q1 FY03/2023 and Full-Year Outlook
- P.38- Reference

■ Progress of Medium-Term Management Plan  
NC2023

- Second-stage medium-term management plan on the way to our long-term vision, *IK Vision 2030*
- Continues along the same basic trajectory as *NC2020*, the first-stage plan
- Some adjustments have been made based on the degree of achievement associated with targets in *NC2020* and changes in the current business environment.



◆ Inabata's aspirations for itself in around 2030

Function: Further enhancing multifaceted capabilities (such as manufacturing, logistics, and finance) in addition to trading

Scale: Reach consolidated net sales of ¥1 trillion at an early stage

Overseas business: 70% or more

Portfolio: At least one-third of business from segments other than Information & Electronics and Plastics

[ Formulated May 2017 ]

# Progress in the First Year (FY03/2022) of NC2023



- Sales and profits exceeded both the first year targets and final year goals of NC2023, owing to recovery from the sharp drop in earnings caused by the pandemic in FY03/2021 and contributions from increased selling prices of raw materials and a weak yen.

	NC2023 FY03/2022 First year actual	NC2023 FY03/2022 First year targets	NC2023 FY03/2024 Final year goals
Net sales	¥680.9 billion	¥600.0 billion	(*1) ¥670.0 billion
Operating profit	¥20.0 billion	¥14.5 billion	¥16.5 billion
Ordinary profit	¥21.6 billion	¥15.0 billion	¥17.0 billion
Profit attributable to owners of parent	¥22.3 billion	¥14.0 billion	¥16.0 billion
ROE	12.8%	8% or more	8% or more
Net debt/equity ratio	0.17x	0.3x or less	0.3x or less
Equity ratio	45.0%	50% or more	50% or more
Exchange rate	USD1=¥112.39	USD1=¥105.00	USD1=¥105.00

(\*1) Sales target based on accounting standards prior to the adoption of the revised revenue recognition methods: 700.0 billion JPY (Inabata has adopted Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) effective from FY03/2022)

(\*2) Net D/E ratio = (interest-bearing debt – cash and deposits) / equity capital

# NC2023: Revision of Final Year (FY03/2024) Goals

Results in the first year of the plan exceeded goals for the final year in terms of both sales and profit, so goals and indexes for the final year were **adjusted upward** based on the business environment and future outlook.

Numerical goals and performance indicators	NC2023 FY03/2024 Initial goals		NC2023 FY03/2024 Revised goals
Net sales	(*1) ¥670.0 billion		(*2) ¥800.0 billion
Operating profit	¥16.5 billion		¥20.5 billion
Ordinary profit	¥17.0 billion		¥21.5 billion
Profit attributable to owners of parent	¥16.0 billion		¥22.5 billion
ROE	8% or more		10% or more
Net debt/equity ratio	0.3x or less		0.5x or less
Equity ratio	50% or more		Approximately 40–50%
Exchange rate	USD1=¥105.00		USD1=¥120.00

(\*1) Sales target based on accounting standards prior to the adoption of the revised revenue recognition methods: 700.0 billion JPY

(\*2) Sales target based on accounting standards prior to the adoption of the revised revenue recognition methods: 830.0 billion JPY

# NC2023: Revision of Final Year Goals

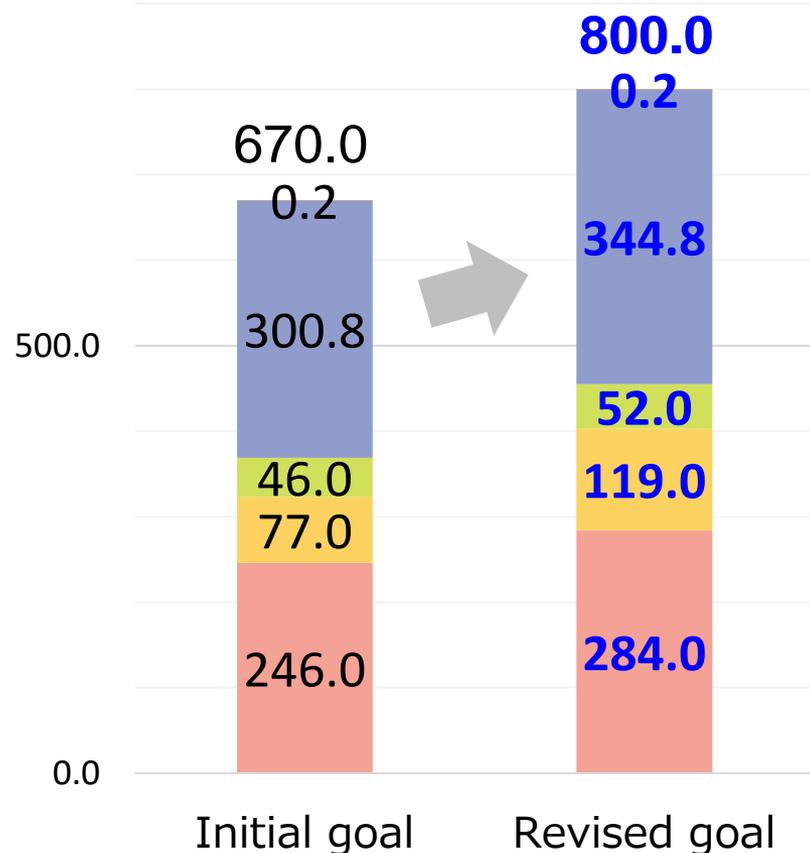


## Final year (FY03/2024) goals for sales and operating profit by segment

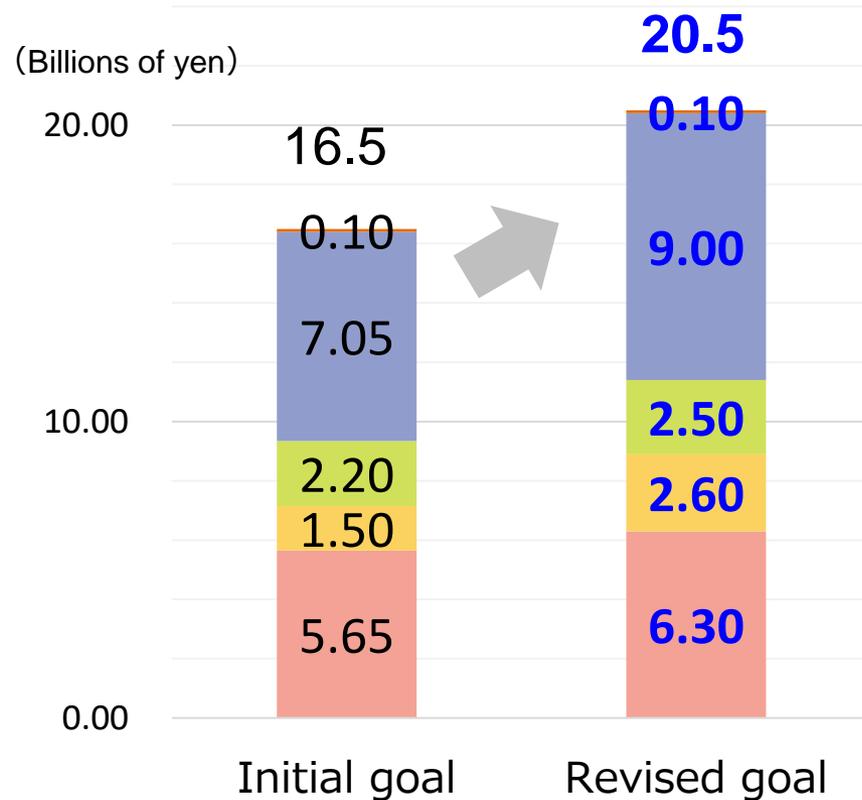
(Billions of yen)  
1,000.0

Information & Electronics  
Life Industry  
Other  
Chemicals  
Plastics

[Sales]



[Operating Profit]



No change was made to the six Key Initiatives; Inabata will continue working on them.

## 【Key Initiatives for NC2023】

1. Further development of core businesses and horizontal expansion into growth sectors
2. Multi-faceted approach to markets with potential for future growth and steady monetization efforts
3. Intensification of investment targeting future growth
4. Further upgrades to global management information infrastructure
5. Continuous review of assets and further improvement of capital and asset efficiency
6. Enhancement of human capital utilization efforts

## 1. Further development of core businesses and horizontal expansion into growth sectors

Segment	Key Initiatives
Information & Electronics	<ul style="list-style-type: none"><li>• Enrich LCD and OLED businesses within the Chinese market</li><li>• Focus on FPDs for the new generation and peripheral components</li><li>• Concentrate on the currently expanding business related to industrial inkjet printers</li></ul>
Plastics	<ul style="list-style-type: none"><li>• Take advantage of global expansion in the plastic compounds business and other operations and achieve business expansion, particularly in the automotive sector</li></ul>

## 2. Multi-faceted approach to markets with potential for future growth and steady monetization efforts

Segment	Key Initiatives
Information & Electronics Plastics Chemicals	<ul style="list-style-type: none"><li>• Expand our lineup of environmental impact-reducing products</li><li>• Conduct multifaceted rollout of initiatives supporting business in the new energy sector, 5G-related business, and business associated with automotive applications and mobility</li></ul>
Life industry (Food and agriculture)	<ul style="list-style-type: none"><li>• Accelerate upstream and downstream expansion through wide-ranging investment and other initiatives</li></ul>
Life industry (Life science)	<ul style="list-style-type: none"><li>• Strengthen focus on the regenerative medicine sector and other markets with growth potential</li></ul>

## 3. Intensification of investment targeting future growth

- We will consider investing in the following sectors and fields to achieve expansion in the trading business.

Segment	Key Initiatives
Information & Electronics	<ul style="list-style-type: none"> <li>• Batteries and other elements of renewable energy</li> </ul>
Life industry	<ul style="list-style-type: none"> <li>• Upstream and downstream domains associated with food products and agriculture (especially processing functions)</li> <li>• Regenerative medicine and other growth areas (venture investment, etc.)</li> </ul>
Plastics	<ul style="list-style-type: none"> <li>• Pursue manufacturing functions with the aim of achieving enrichment in the automotive sector</li> <li>• Automation and labor saving in manufacturing divisions for compounds, etc.</li> </ul>
Chemicals	<ul style="list-style-type: none"> <li>• Mobility sector</li> </ul>

## 4. Further upgrades to global management information infrastructure

### Key Initiatives

- Embrace new technological trends and promote further digitalization (digital transformation initiatives)
- Establish a global management information infrastructure that will support security enhancement, business continuity planning, and new workstyles

## 5. Continuous review of assets and further improvement of capital and asset efficiency

### Key Initiatives

- Reduce the balance of strategic shareholdings by 50% over three years (initial policy)
- Further reduce strategic shareholdings in the medium to long term, cutting the balance of strategic shareholdings at the end of March 2021 by about 80% in the next five years (by the end of March 2027) (addition of new policy)
- The policy is to allocate the funds obtained from the sale of shares held as strategic shareholdings not to internal reserves but to shareholder returns and investment for future growth.

## 6. Enhancement of human capital utilization efforts

### Key Initiatives

- Further implement systemic enhancements aimed at supporting global human resource development and increasing diversity
- Strengthen initiatives targeting employee engagement and new workstyle reforms

## ■ Revision of Shareholder Return Basic Policy

## Revised the total return ratio in the basic policy for shareholder returns

During NC2023

### ■ Adoption of progressive dividends

We will ensure that dividend per share does not decline year on year by continually increasing our dividends

### ■ Target total return ratio of around 50%

However, in fiscal years when the Company has recorded a considerable amount of cash inflows from the sale of strategically held shares, instead of being strictly bounded by the target total return ratio, the Company will return profits to shareholders after comprehensive consideration of various factors including future funding needs, financial position, stock price, and market conditions.

**Utilizing funds raised from the sale of strategically held shares, the Company plans to acquire and subsequently retire treasury shares to increase capital efficiency**

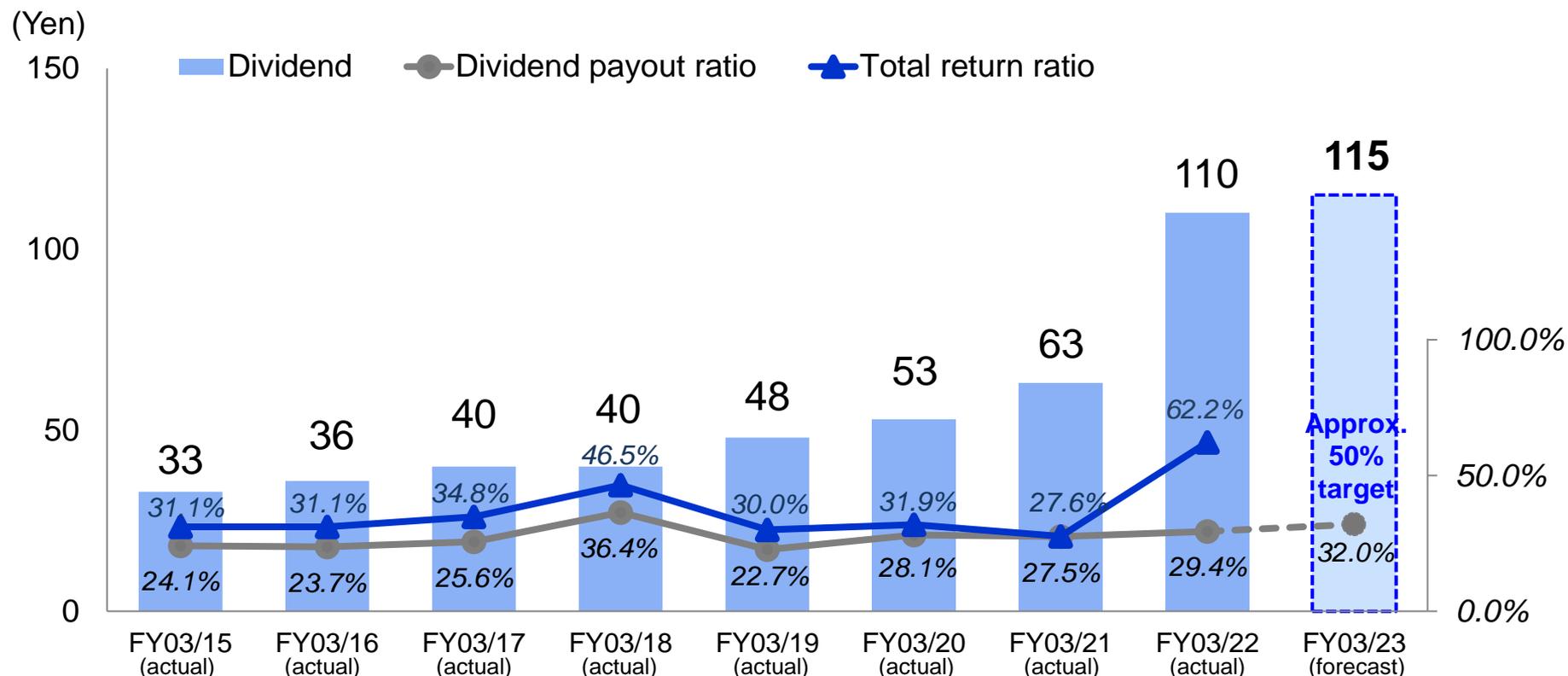
## 【Acquisition of Treasury Shares】 (Disclosed on August 5,2022)

Class of shares to be acquired : Common shares  
Number of shares to be acquired : 600,000 shares (upper limit)  
Value of shares to be acquired : ¥2 billion (upper limit)  
Acquisition period : From August 24, 2022 to October 31, 2022

## 【Retirement of Treasury Shares】

Retirement of Treasury Shares	Total number of shares retired (shares)
August 22,2014	1,660,000
February 16,2022	2,700,000
April 5,2022	3,085,100

## Annual dividends per share and indicators of shareholder return

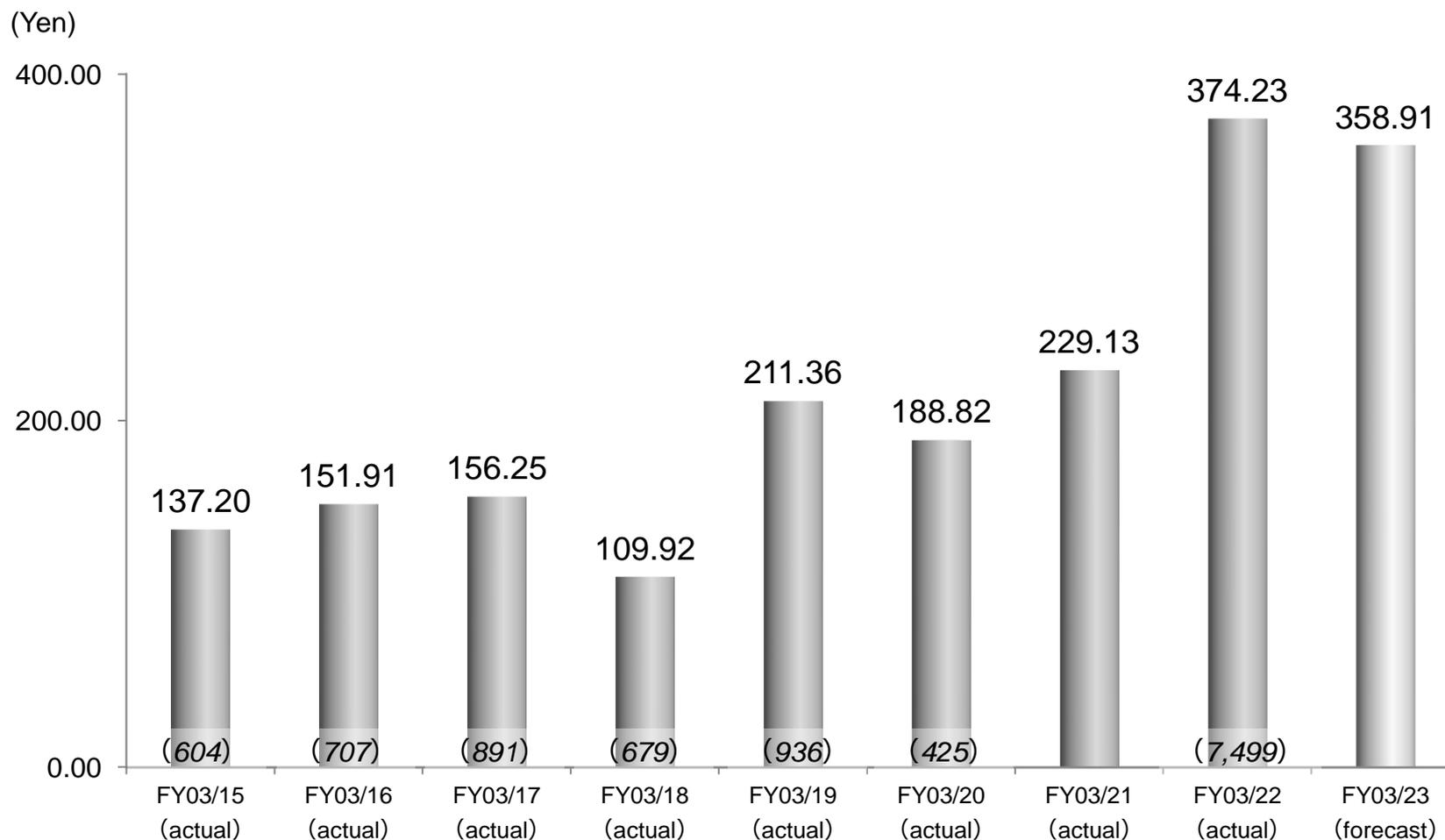


	FY03/15	FY03/16	FY03/17	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22
Amount of treasury shares acquired (Millions of yen)	604	707	891	679	936	425	-	7,499

Note: August 5, 2022 disclosure

Acquisition of treasury shares up to 600,000 shares for maximum purchase price of ¥2 billion, between August 24–October 31, 2022

# Earnings per Share



Note: Figures in parentheses at the bottom of the bar graph indicate own-share purchases conducted during the year (in millions of yen).

- Additional Policy on Reduction of Strategic Shareholdings

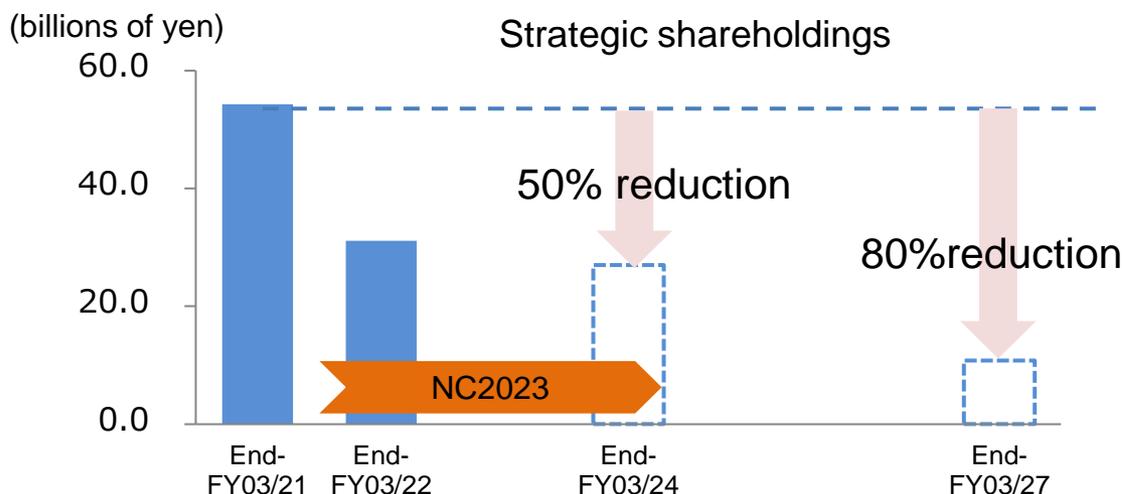
In addition to the policy covering the three years of *NC2023*, added a longer-term policy covering years after that

■ **Maintain the existing policy**

Reduce the balance of strategic shareholdings at the end of March 2021 by half during the three years of *NC2023*

■ **Addition of a new policy**

Further reduce strategic shareholdings in the medium to long term, cutting the balance of strategic shareholdings at the end of March 2021 by about 80% in the next five years (by the end of March 2027) ⇒ Funds procured from the sale of strategic shareholdings are in principle allocated to shareholder returns and growth investment



	Sales of strategically held shares
FY03/18	¥9,017 million
FY03/19	¥5,298 million
FY03/20	¥3,026 million
FY03/21	¥2,944 million
FY03/22	¥9,367 million

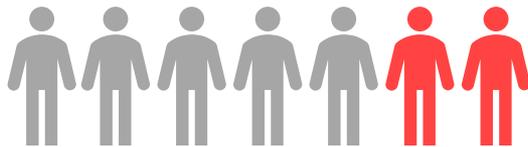
## ■ Regarding ESG

## June 2022

Transition to Company with Audit and Supervisory Committee  
Transition to monitoring-type Board of Directors where independent outside directors account for more than half

Directors (excluding audit and supervisory committee members)

7 persons



Outside

Directors (audit and supervisory committee members)

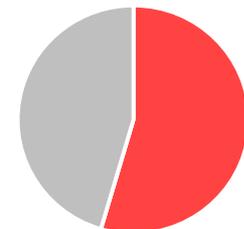
4 persons



Outside

Ratio of independent outside directors

55% (6 out of 11)



## Experience and expected roles of directors

Inabata, a global business operator, has in place a corporate governance structure that supports the Board of Directors' decision making and enables the Company to fulfill supervisory functions over executive officers' business execution.

	Name	Global management	Business strategy			Finance and accounting	Legal/risk management	HR/labor	IT/digital	Internal control/audit	ESG
			Information & Electronics	Plastics	Chemicals/ Life Industry						
Director	Katsutaro Inabata	●		●	●			●	●	●	●
	Toyohiro Akao		●		●						
	Kenichi Yokota					●	●	●	●	●	●
	Masahiro Sugiyama		●	●	●						
	Kenji Ohno						●			●	●
	Kiyoshi Sato*	●									
	Takako Hagiwara*							●			●
Director (Audit and Supervisory Committee Member)	Kenji Hamashima*	●				●					
	Satoshi Tamai*					●				●	
	Minoru Sanari*						●				
	Tomokazu Fujisawa*									●	

(Note) \* denotes an independent outside director.

The following initiatives were implemented to enhance governance

### **1. Established the Nominating and Remuneration Committee (voluntary) (FY03/2016)**

Ensures objectivity, fairness and transparency with respect to the appointment and dismissal of senior management, nomination of candidates for directors and executive officers, and determination of director remuneration

- Chairperson : Lead independent outside director
- Current membership: 1 internal director and 3 independent outside directors
- Held 12 times during FY 03/2022

### **2. Evaluating the board of directors (Since FY03/2016)**

Objective - To enhance corporate value by increasing the effectiveness and transparency of the board of directors

## 3. Officer Remuneration

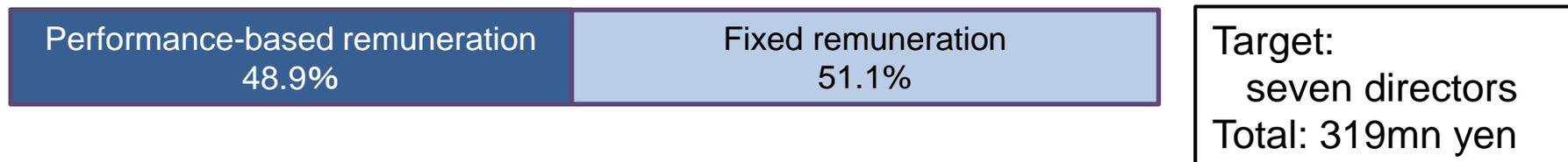
### ■ Remuneration for directors who are not Audit and Supervisory Committee members\*

- 1) Fixed remuneration
- 2) Performance-based remuneration:
  - Profit before taxes (excluding gains on the sale of a portion of strategically held shares)
  - Return on invested capital (ROIC)
  - ESG scores from several outside evaluation agencies (FTSE Russell and MSCI)Performance-based compensation is calculated by multiplying each of the above coefficients.
- 3) Board Benefit Trust (BBT)  
Introduced in June 2018 to enhance motivation to contribute to medium- to long-term expansion in corporate value

### ■ Remuneration for directors who are Audit and Supervisory Committee members

- 1) Fixed remuneration only

Ratio of performance-based remuneration to fixed remuneration in FY03/2022



\* Remuneration for directors who are not executive directors is fixed remuneration only.

- October 2021 Established Sustainability Committee  
Chaired by the Company president; all directors, including those from outside the Company, participate in the Committee as a member or observer
- November 2021 Formulated the Inabata Group Sustainability Basic Policy and the Code of Conduct
- April 2022 Signed UN Global Compact (UNGC)
- June 2022 Announced “2050 Carbon Neutrality Declaration”  
Defined materiality issues  
Began disclosures in accordance with TCFD recommendations

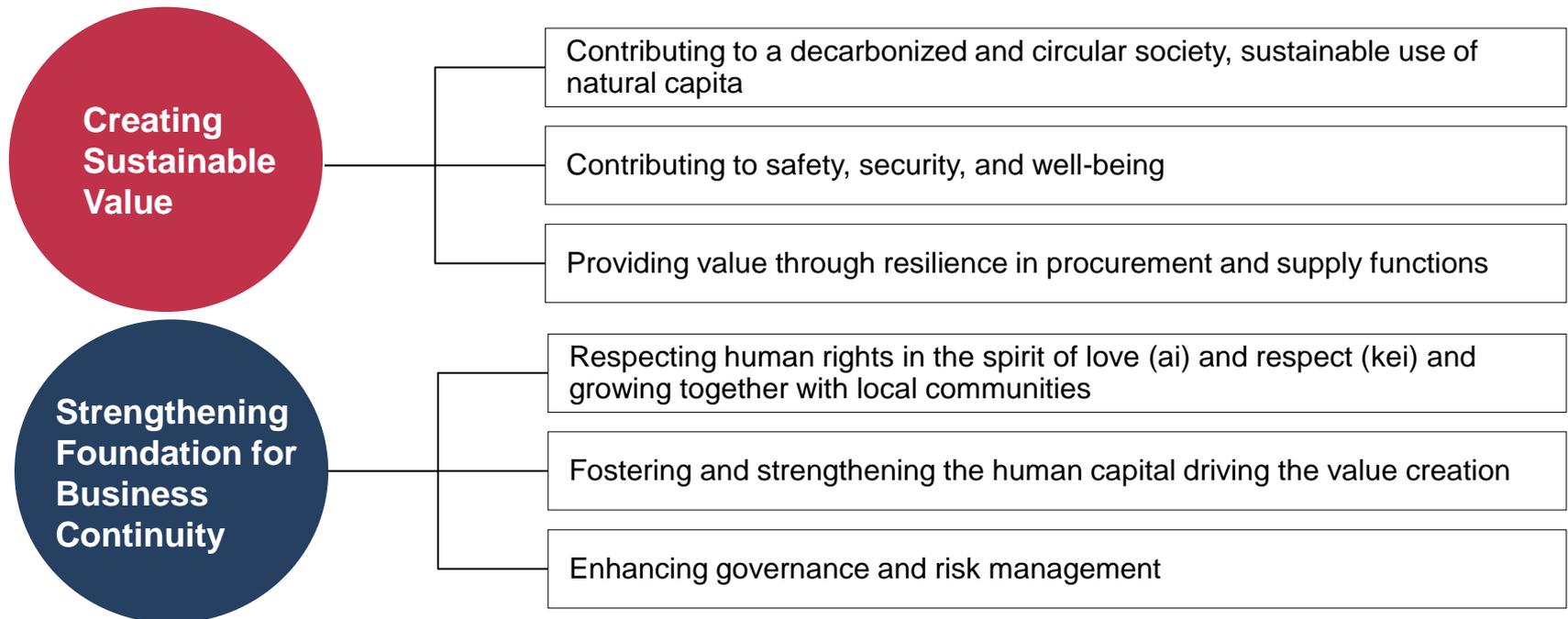
Under *NC2023*, Inabata will strengthen initiatives in the environment and energy sectors, including in the areas of photovoltaic power generation and lithium-ion batteries, and focus on expanding sales of products that reduce environmental burden such as environmentally-friendly and recycled resins.



Contribute to realizing a sustainable society while aiming for solid profitability

**June 2022**

## Established materiality for sustainable growth



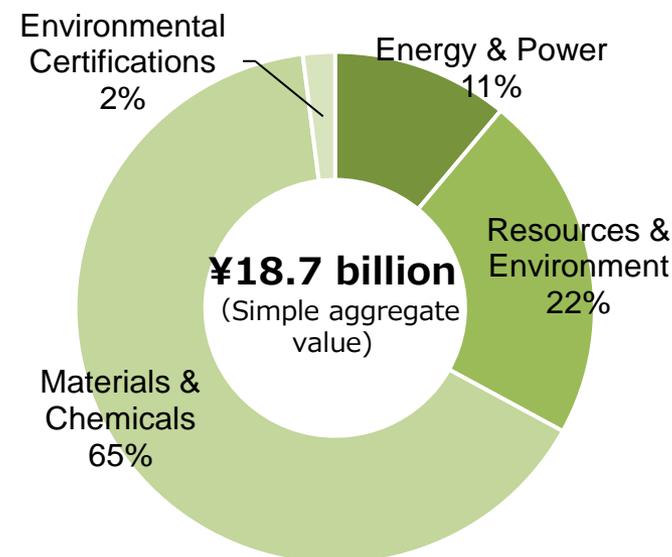
# Products that Reduce Environmental Impact

Expand sales of products that reduce environmental impact, as part of “Multi-faceted approach to markets with potential for future growth and steady monetization efforts,” a key initiative in NC2023

## Environmental impact reduction product fields

Field	Main contents
Energy & Power	Renewable energy, Alternative fuels, etc.
Resources & Environment	Sustainable raw materials, Recycling, etc.
Materials & Chemicals	Low-carbon products, EV-batteries, etc.
Agriculture & Food	Food waste reduction, Soil health, etc.
Transportation & Logistics	EV charging, Green logistics, etc.
Environmental certifications	FSC, MSC, ASC, etc.

## FY2021: Sales for environmental impact reduction products



Scope: Inabata Group (worldwide consolidated)  
 \*FY2021: No results for “Agriculture & Food” and “Transportation & Logistics”

Forest Stewardship Council: FSC certification ensures that products come from responsibly managed forests and recycled resources.  
 Marine Stewardship Council: MSC certification ensures that marine products obtained through sustainable fishing.  
 Aquaculture Stewardship Council: ASC certification ensures that marine products produced through sustainable farming.

# Fostering and Strengthening Human Capital



Our strengths are “human resources” and “information”

Identifying issues through engagement surveys to increase HR capabilities, the source of value creation

- ✓ In HR systems and training, which were issues in FY2021, further enhanced internal recruitment, career development support system, training for managers, and also introduced a video learning support system

		April 2021	May 2022	Trend
Number of employees surveyed	Total (Inabata & Co., Ltd. / Main overseas trading companies)	1,400 (587/813)	1,697 (708/989)	↗
Response rate	Total	49%	73%	↗
Main items*	【Engagement】 I am satisfied with the work I am doing at Inabata now	70%	73%	↗
	【Relationship with superiors】 I have the necessary collaboration with my supervisor at work	75%	80%	↗
	【Organizational culture】 When a problem occurs in the course of my duties, my supervisor and the people around me provide appropriate support	83%	85%	↗
	【Corporate philosophy】 I can relate to Inabata’s philosophy, vision and management policies, and I want to participate in achieving them	70%	73%	↗
	【Human resources system and benefits】 Inabata’s salary standards are satisfactory, compared to other companies in the same industry	59%	55%	↘
	【Human resources system and training】 Inabata supports employee training to improve their skills	41%	48%	↗
	【WLB (work-life balance)】 Overtime is kept to a level that is acceptable for me	64%	69%	↗

\*Note: The percentage of respondents who chose either (5) Strongly agree or (4) Agree on a five-point Likert scale.

## Diverse workstyles

- ✓ Established remote work and work-from-home systems to accommodate flexible workstyles (for all employees)

## Promoting participation by women

- ✓ Messages from top management communicated through internal website and newsletters
- ✓ Conducted briefing meetings on changes of positions and interviews with female employees
- ✓ Expanded work-from-home systems and support in balancing work with caring for children and seniors, or with treatments for personal injuries or illnesses



Video message from the President, posted on the internal website

## Supporting participation by seniors

- ✓ Extended retirement age to 65, established a senior employment contract system and a reemployment contract system for employees over 65, and conducted career training and skills development for employees in their 40s and 50s.

# Summary of Financial Results for Q1 FY03/2023 and Full-Year Outlook

**Net sales:                    ¥184.0 billion                    +13.2% YoY**

Net sales grew backed by rising selling prices of raw materials and a weaker yen

**Operating profit:            ¥5.3 billion                    -4.7% YoY**

Operating profit fell due to higher logistics and other SG&A expenses

**Ordinary profit:            ¥5.3 billion                    -16.4% YoY**

Ordinary profit fell as a result of lower operating profit and higher non-operating expenses

**Profit attributable to owners of parent:            ¥4.5 billion                    -42.8% YoY**

Profit attributable to owners of parent declined due to decreases in ordinary profit and gain on sales of investment securities

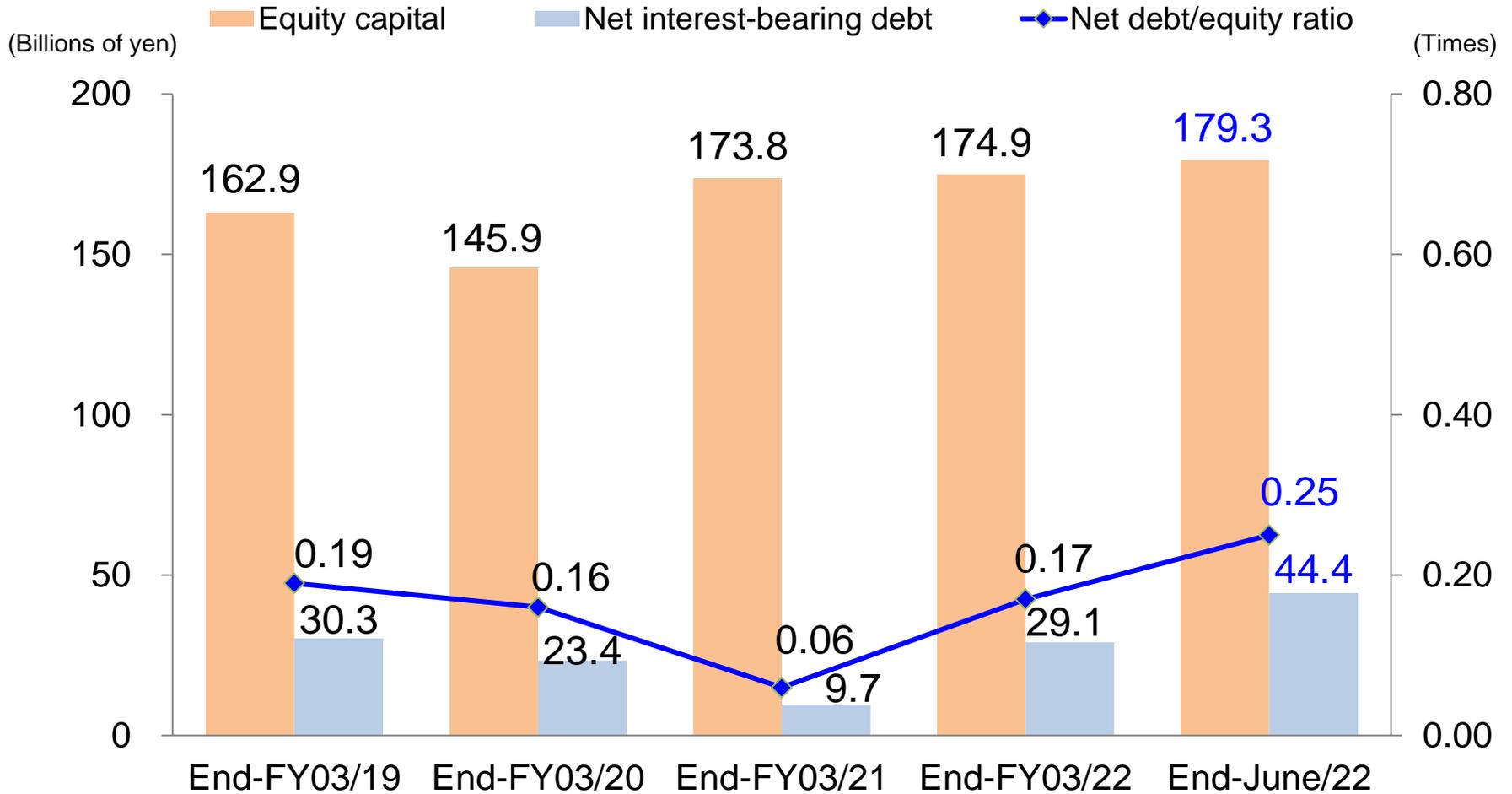
# Consolidated Results Review – Q1 FY03/2023



(Billions of yen)

	Q1 FY03/2022	Q1 FY03/2023 (A)	YoY change		Forecast announced May 10, 2022 (B)	Achievement rate (A)/(B)
			Amount	%		
Net sales	162.6	184.0	+21.4	+13.2%	730.0	25.2%
Operating profit	5.5	5.3	-0.2	-4.7%	19.5	27.4%
Ordinary profit	6.4	5.3	-1.0	-16.4%	20.5	26.3%
Profit attributable to owners of parent	7.9	4.5	-3.4	-42.8%	20.5	22.2%
Exchange rate (USD/JPY)	109.52	129.73	+20.21		120.00	

# Equity Capital, Net Interest-Bearing Debt, Net Debt/Equity Ratio



Notes: Equity capital = Net assets – stock acquisition rights – non-controlling interests  
 Net debt/equity ratio = (Interest-bearing debt – cash and deposits) / equity capital

# Reference

## About Inabata:

### 1. Founded in 1890

Founded in Kyoto in 1890 as *Inabata Senryoten* – an importer of dyestuffs

The business was later expanded, with the focus on chemicals



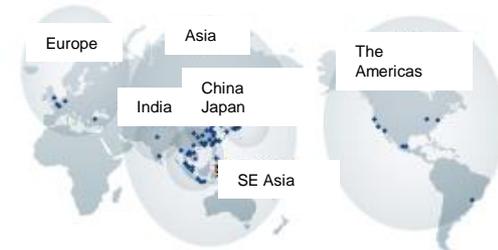
Inabata Dye Shop  
(Nishijin, Kyoto)

### 2. A globally expanding, multi-faceted trading company

Around 60 locations in across 18 countries

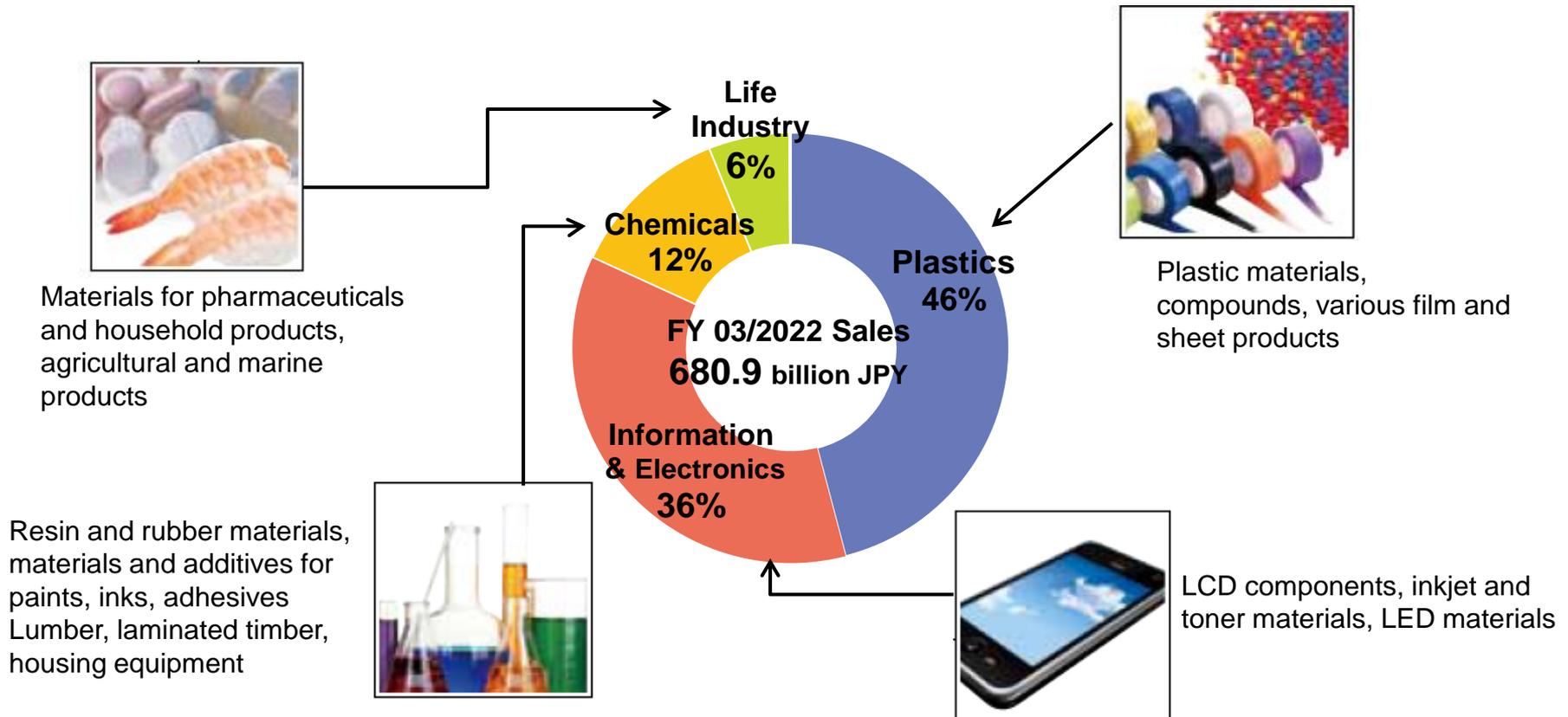
Business functions include market development, manufacturing & processing, logistics, finance, etc.

Planning and proposals based on expertise and know-how of products and markets



## 3. 4 Business Segments

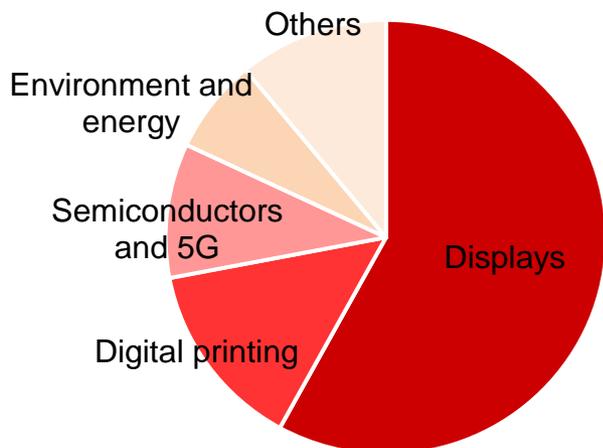
Operating in 4 segments: Information & Electronics, Chemicals, Life Industry and Plastics



# Composition of Products and Materials (FY03/2022)

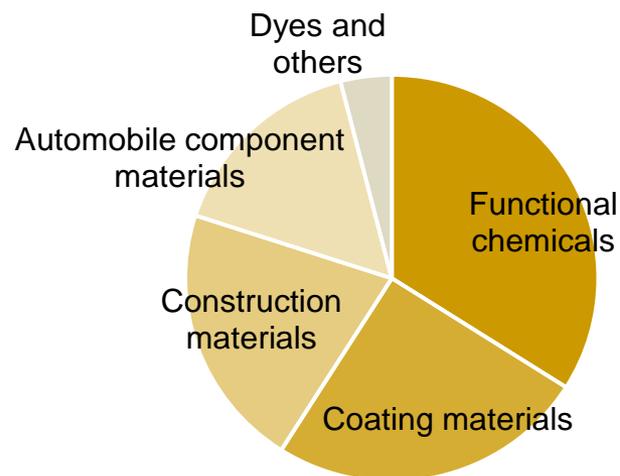
## Information & Electronics

Sales ¥261.5 billion



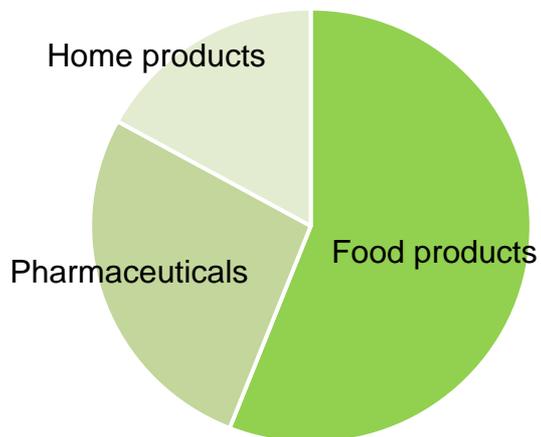
## Chemicals

Sales ¥84.3 billion



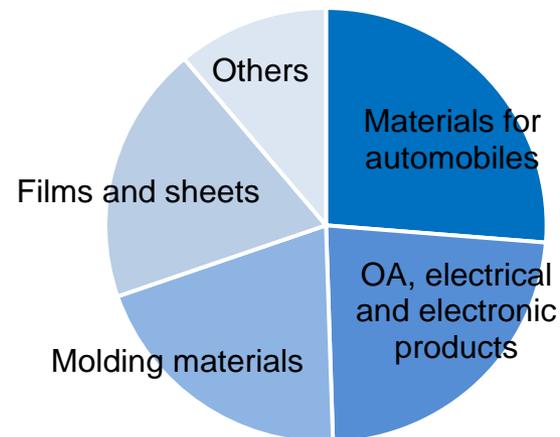
## Life Industry

Sales ¥41.4 billion



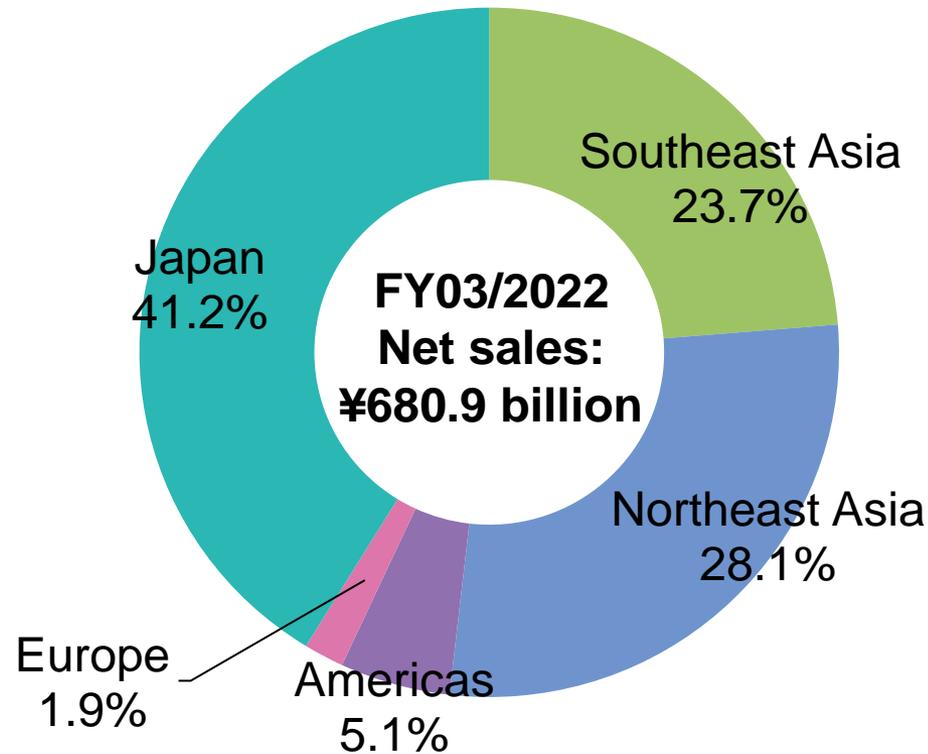
## Plastics

Sales ¥318.7 billion



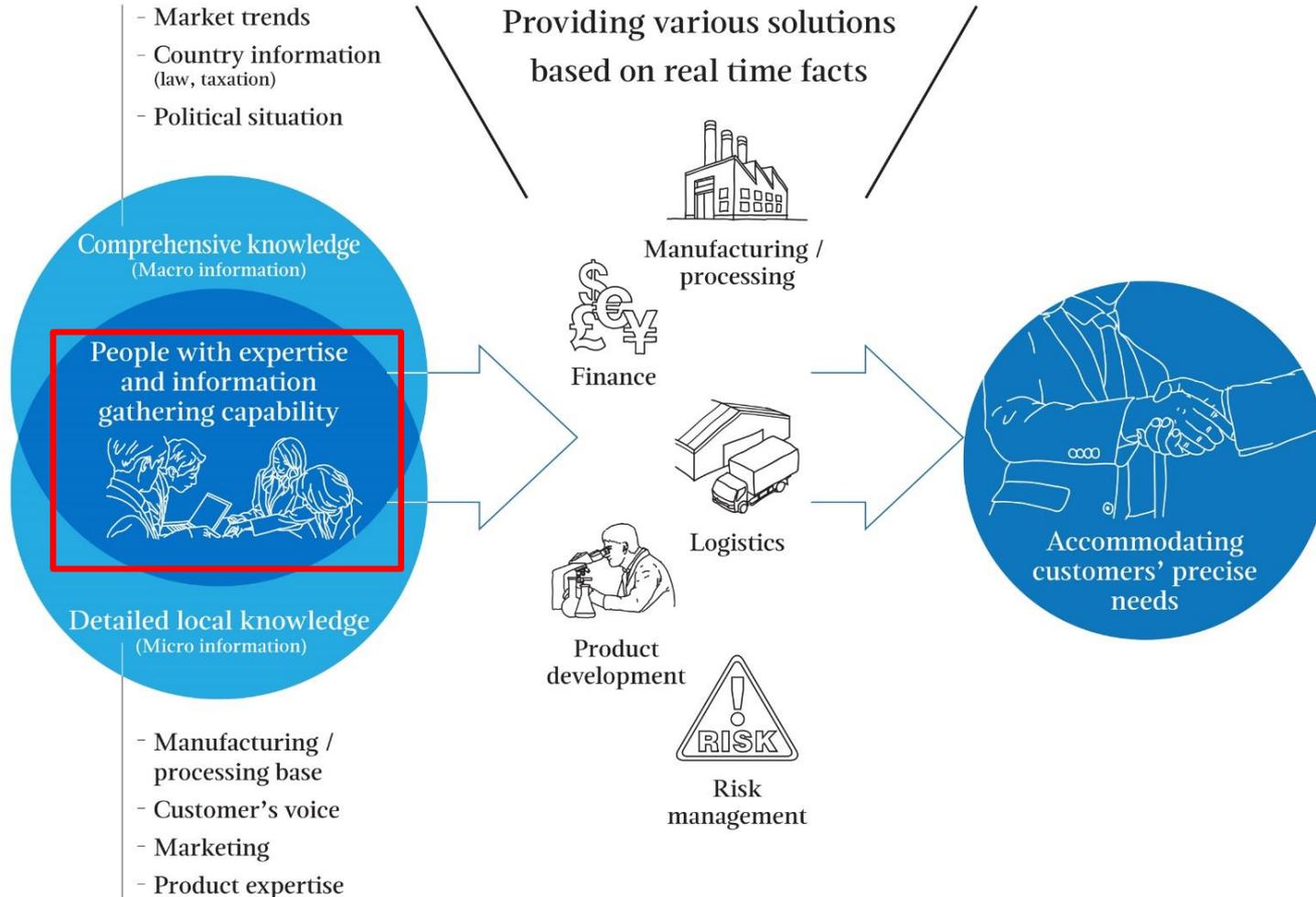
Conducting business globally at about 60 locations in 18 countries

## IK Group's sales by region



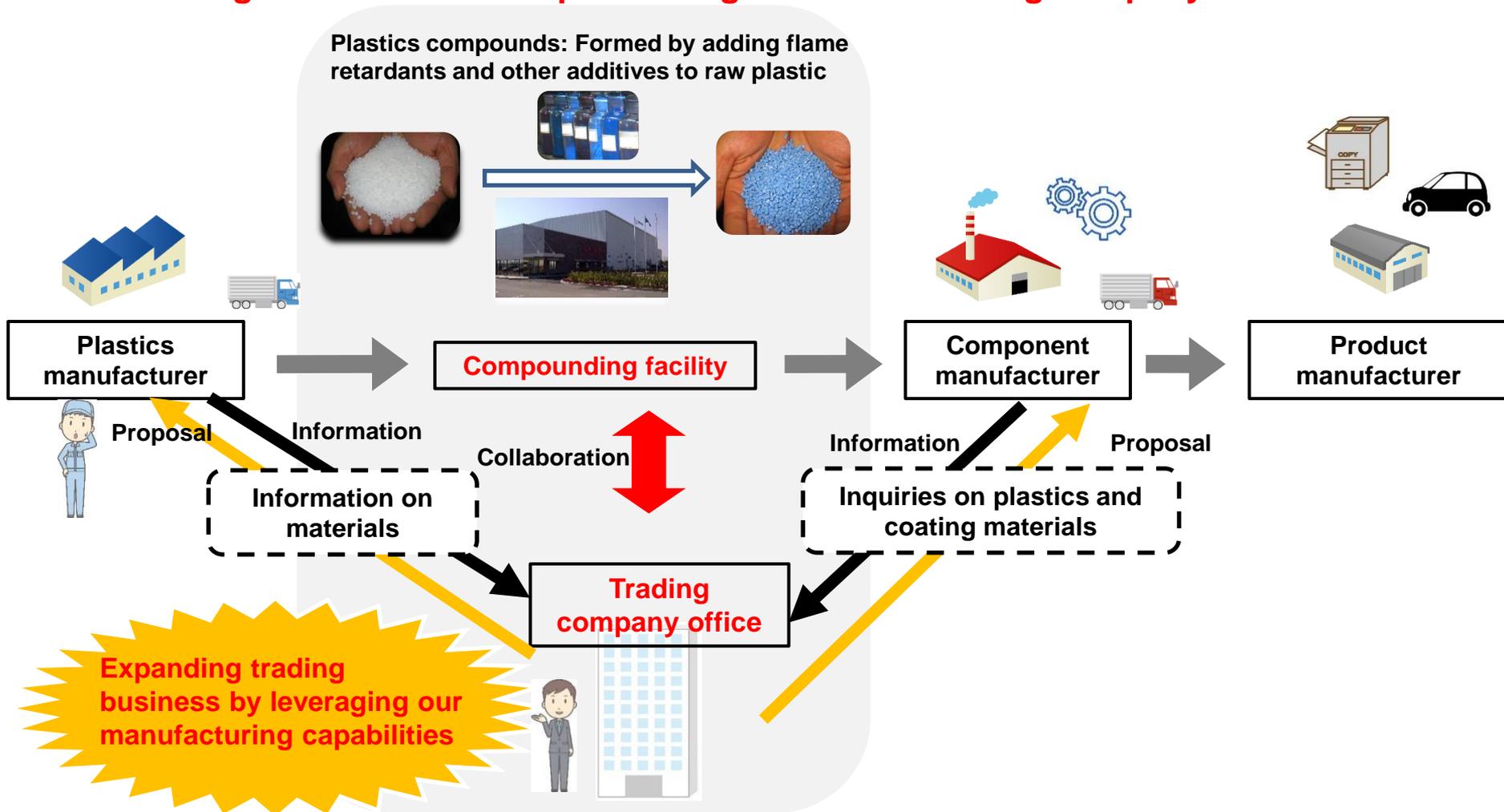
# Inabata's Wide Range of Capabilities

Highly specialized people  
empowered with cutting-edge information

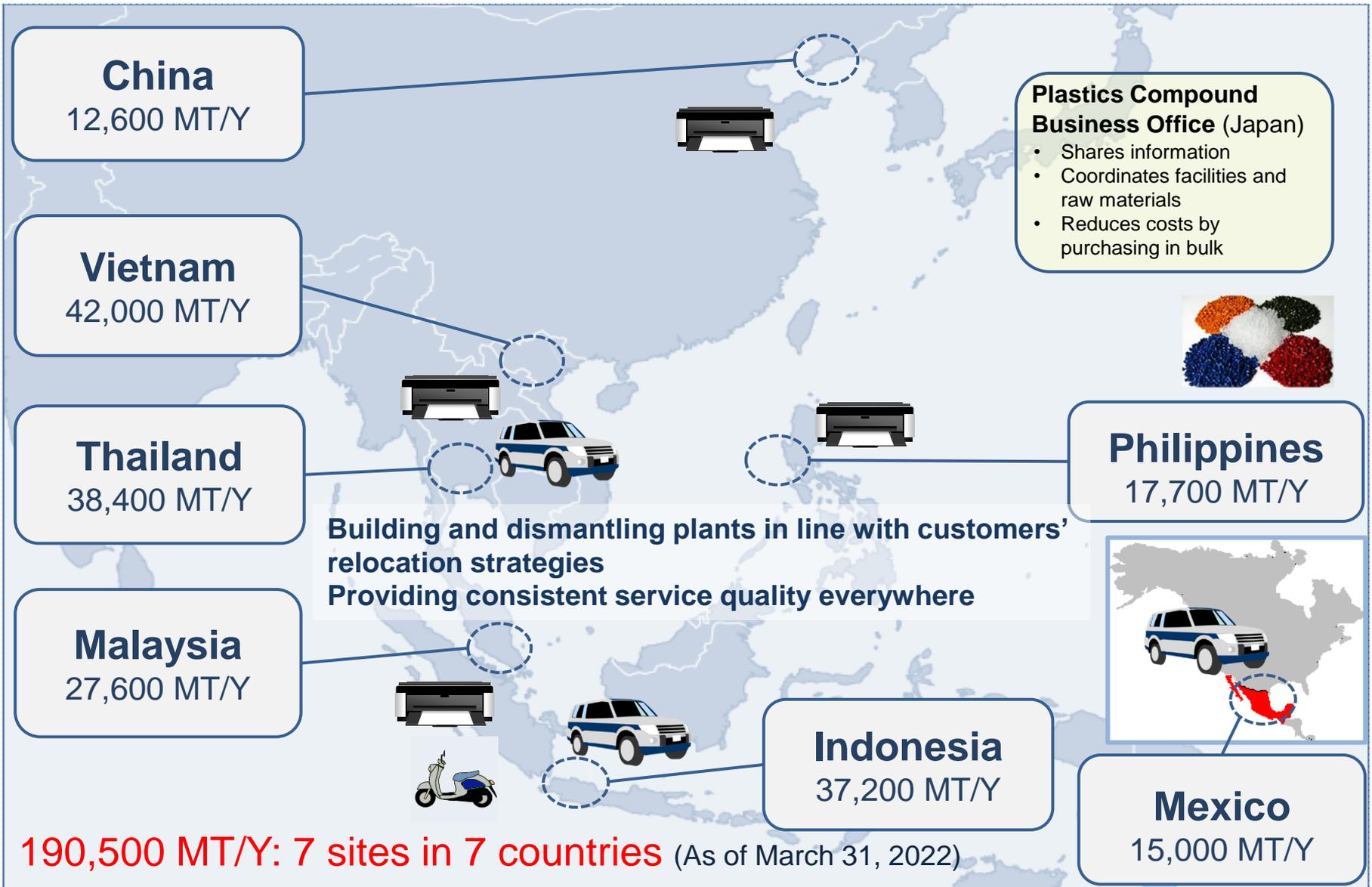


# Inabata's Strengths [Manufacturing and Processing]

**Our strategy involves expanding our trading business by swiftly grasping with information regarding the development of new products and market trends by drawing on our worldwide processing bases and trading company offices.**



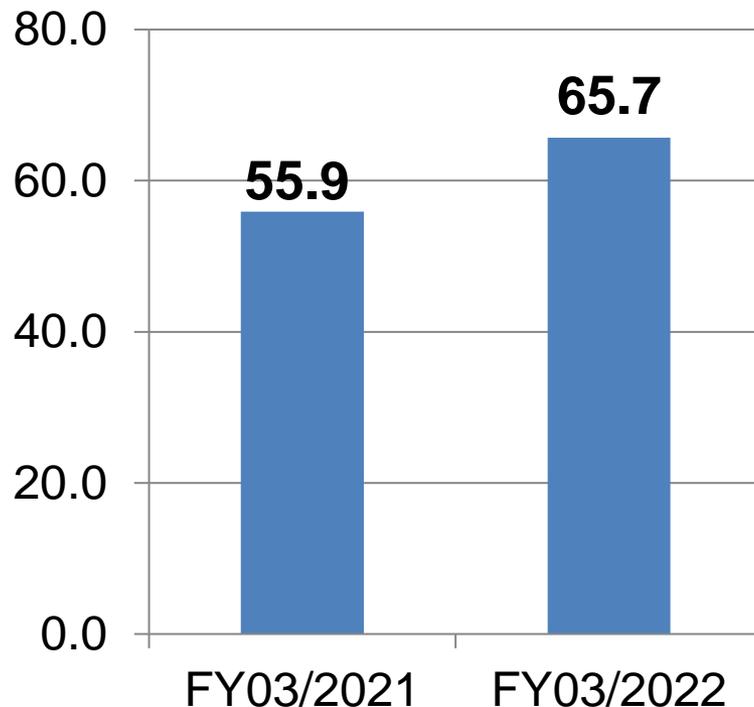
# Inabata's Strengths [Plastic Compounding Facilities]



Manufacturing and processing businesses account for 10–15% of consolidated sales and operating profit  
Positioned as a means of expanding trading functions

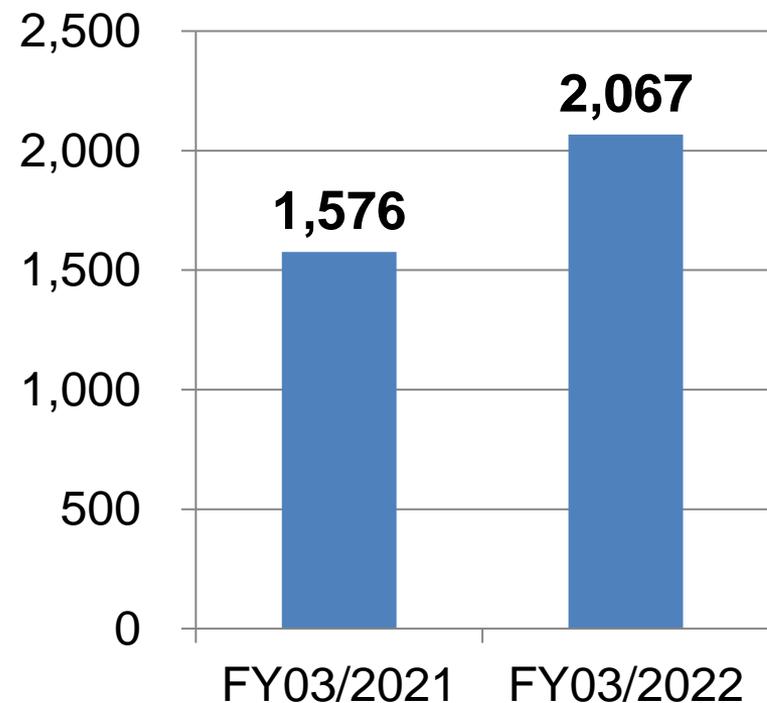
### Sales

(Billions of yen)



### Operating profit

(Millions of yen)



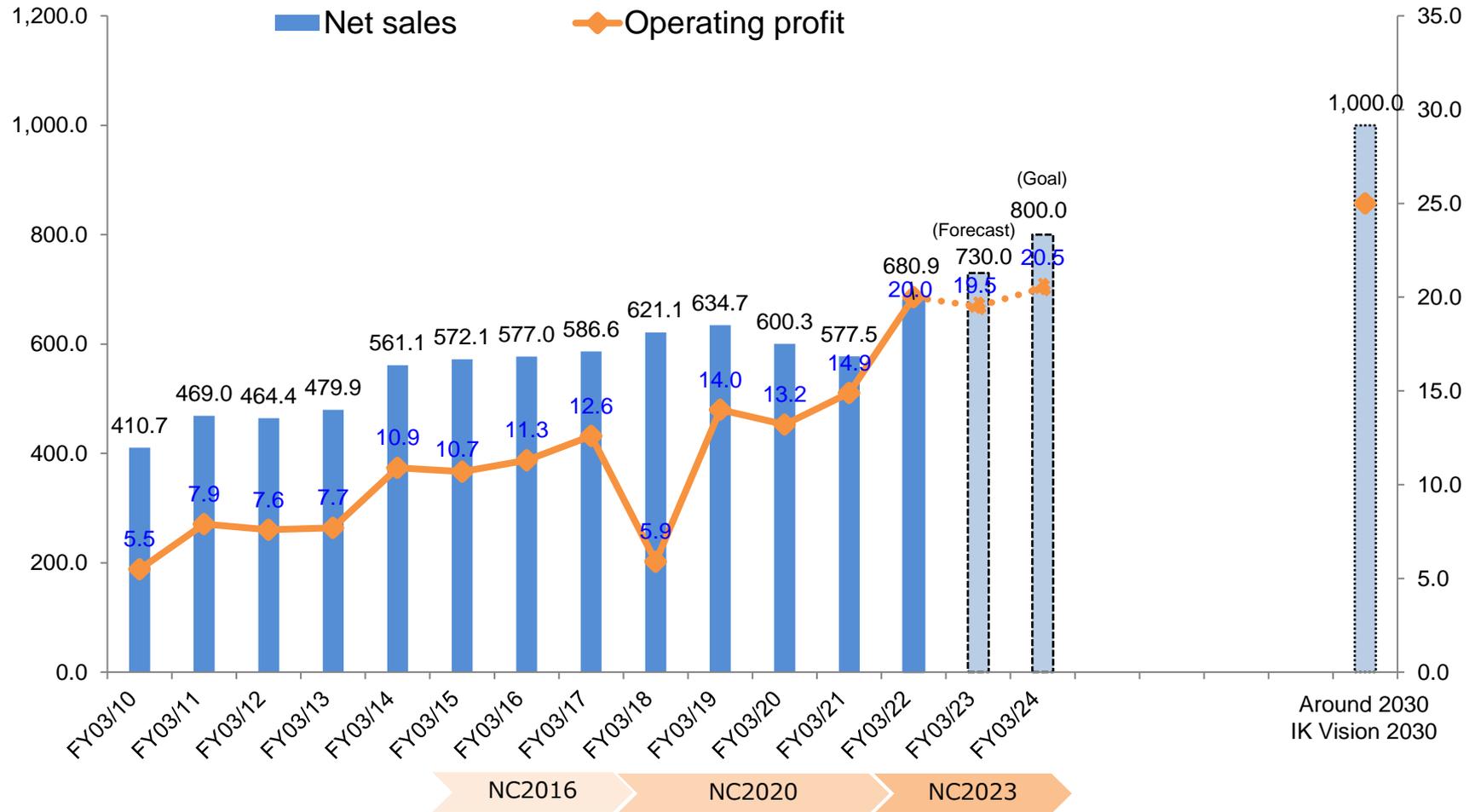
Note: Results for FY03/21 have been converted at the exchange rate for FY03/22.

# Net Sales and Operating Profit



(Net sales: Billions of yen)

(Operating profit: Billions of yen)

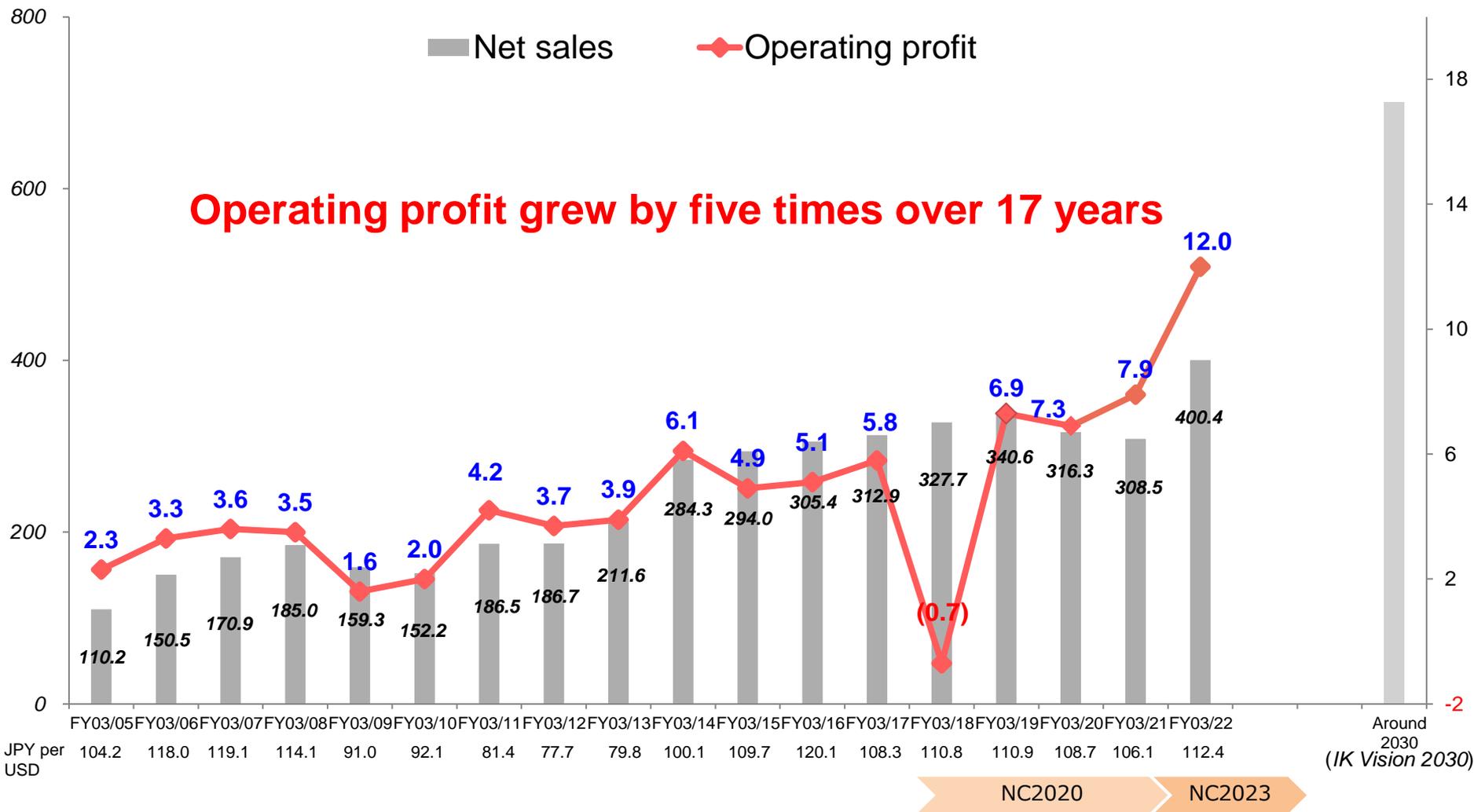


# Overseas Sales and Operating Profit

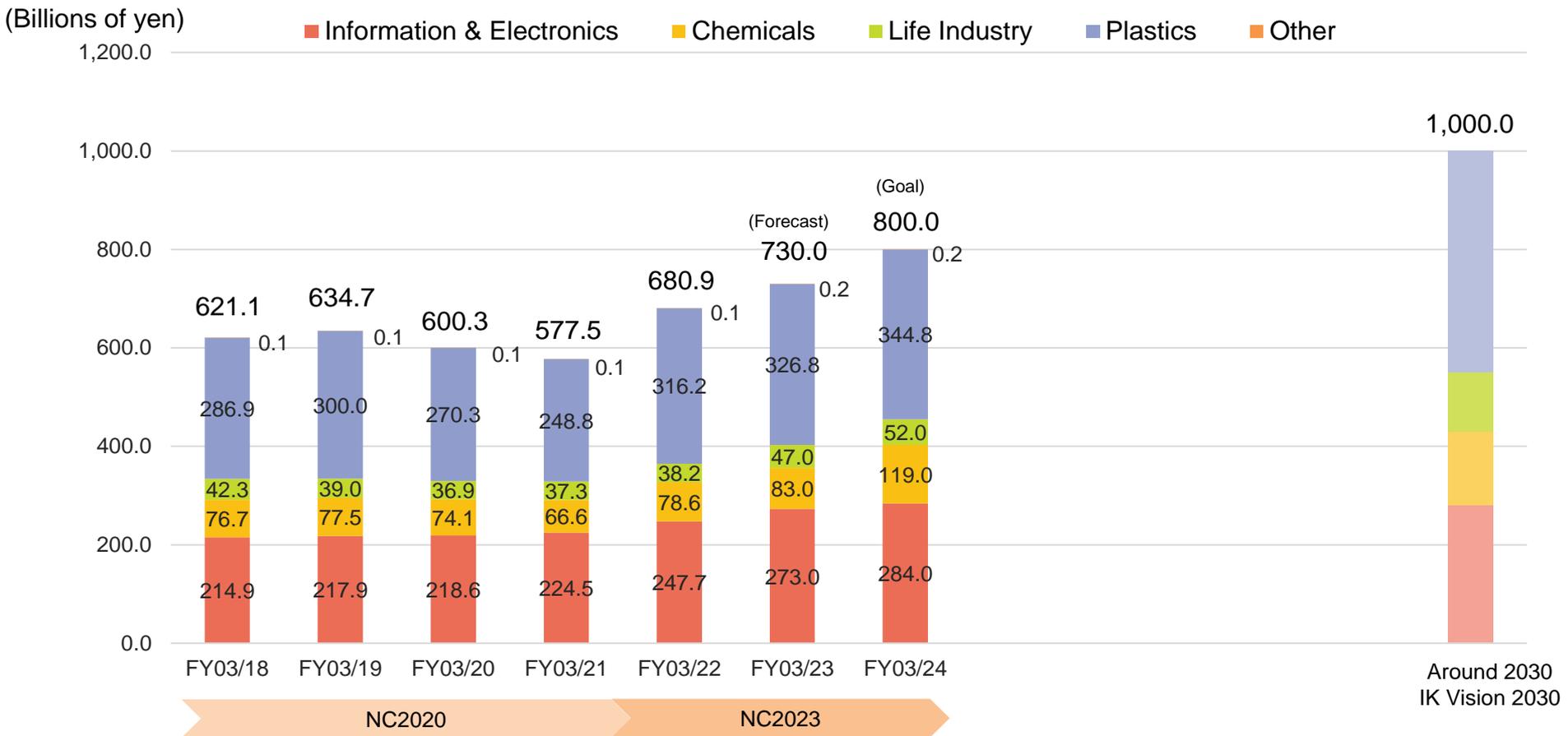


(Net sales: Billions of yen)

(Operating profit: Billions of yen)



# Sales by Segment

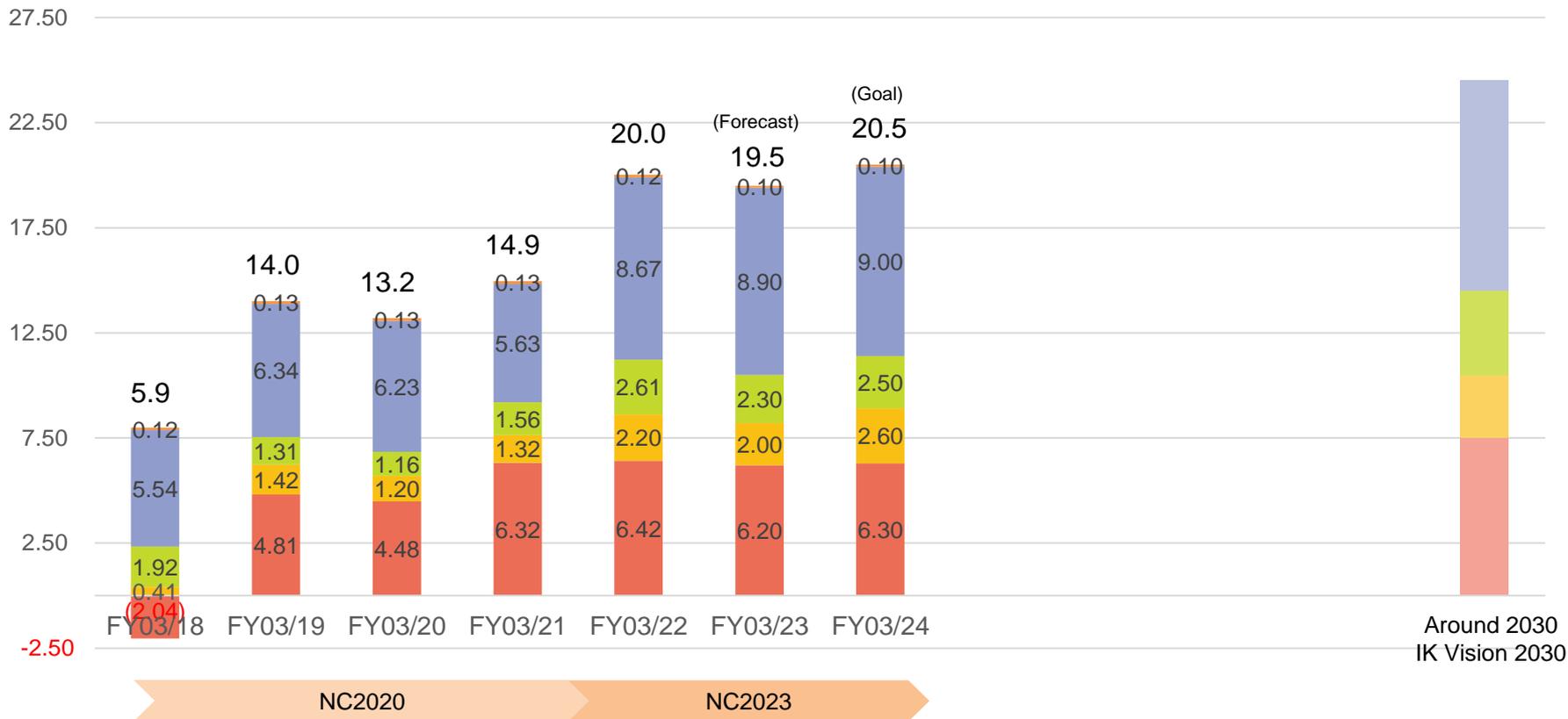


# Operating Profit by Segment



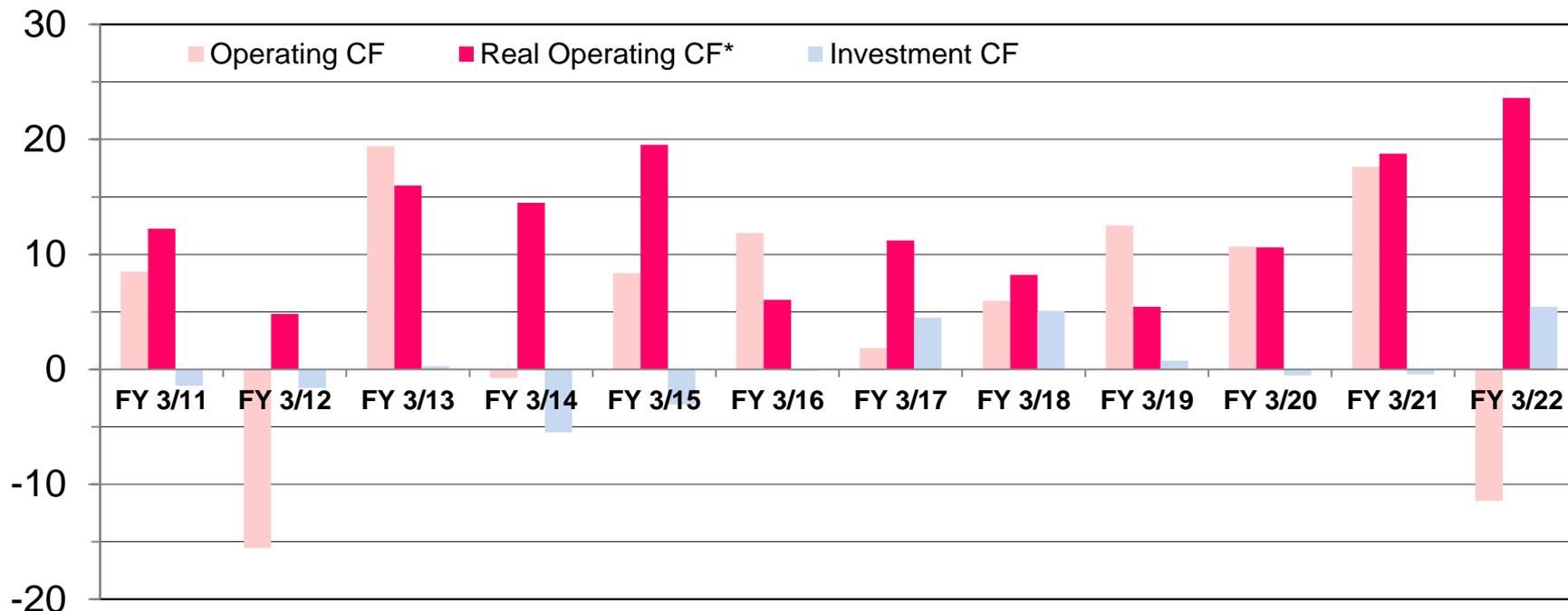
(Billions of yen)

Information & Electronics   Chemicals   Life Industry   Plastics   Other



# Trends in Cash Flow

(billions of yen)



(millions of yen)

	FY 3/11	FY 3/12	FY 3/13	FY 3/14	FY 3/15	FY 3/16	FY 3/17	FY 3/18	FY 3/19	FY 3/20	FY 3/21	FY 3/22
Operating CF	8,495	-15,534	19,400	-764	8,354	11,866	1,840	5,960	12,510	10,690	17,613	-11,448
Change in WC	-3,748	-20,357	3,414	-15,244	-11,179	5,821	-9,367	-2,249	7,071	70	-1,154	-35,050
Real Operating CF*	12,243	4,823	15,986	14,480	19,533	6,045	11,207	8,209	5,439	10,620	18,767	23,602
Investment CF	-1,436	-1,629	277	-5,467	-3,044	-161	4,504	5,086	743	-525	-423	5,446

\* Cash flows associated with operating activities – Cash flows associated with change in working capital  
 Working capital = Trade receivables + Inventory – Trade payables

Two outside directors who are not Audit and Supervisory Committee members  
We aim to enhance supervisory functions and increase corporate value by taking advantage of the outside directors' extensive experience and wide-ranging insight into company business.



**Kiyoshi Sato\***

Lead outside director/Chair of Nominating and Remuneration Committee

Background

Former President and CEO - Tokyo Electron Ltd.  
Current Director (Outside) – Shibaura Machine Co., Ltd. and Mazda Motor Corp.

Reasons for appointment

Mr. Sato has extensive experience in global business operations as top management of a leading producer of manufacturing equipment for semiconductors and flat panel displays.



**Takako Hagiwara\***

Nominating and Remuneration Committee member

Background

Current Representative Director, DDD Corp.  
Current Outside Director, Twinbird Corp.  
Current Outside Director, NEC Capital Solutions Ltd.

Reasons for appointment

Ms. Hagiwara has extensive experience as a member of top management in charge of HR at a major electronics manufacturer that operates multiples businesses globally.

(\*) Mr. Kiyoshi Sato and Ms. Takako Hagiwara are registered as independent outside officers with the TSE.

Four outside directors who are Audit and Supervisory Committee members



**Kenji Hamashima\***

[Head audit and supervisory committee / Nominating and Remuneration Committee member](#)

Background

Former President and Chief Executive Officer – Ushio Inc.

Reasons for appointment

Mr. Hamashima has extensive experience in global business operations as top management of a manufacturer handling applied optics products and industrial machinery.



**Satoshi Tamai\***

Background

Current Representative, Satoshi Tamai certified Public Accountant Office  
Current Outside Auditor, Toho Lamac Co., Ltd.  
Current Outside Auditor, PC Dept Corp.

Reasons for appointment

Mr. Tamai has extensive experience as a representative partner at a major Japanese auditing corporation, and as an outside auditor at multiple companies.



**Minoru Sanari\***

Background

Former Executive Officer, Tokyo Gas Co., Ltd.  
Current Senior Adviser, Tokyo Gas Co., Ltd.

Reasons for appointment

As an attorney at Japan's largest city gas company, Mr. Sanari has specialized knowledge and extensive experience in corporate legal affairs and governance.



**Tomokazu Fujisawa\***

Background

Former Director, Audit & Supervisory Committee Member, Astellas Parma Inc.

Reasons for appointment

Mr. Fujisawa has experience in auditing operations and at overseas subsidiaries for a global pharmaceutical company, as well as extensive experience as a director and member of the Audit & Supervisory Committee.

(\*) Mr. Kenji Hamashima, Mr. Satoshi Tamai, Mr. Minoru Sanari and Mr. Tomokazu Fujisawa are registered as independent outside officers with the TSE.

## 2. Evaluating the board of directors

Objective - To enhance corporate value by increasing the effectiveness and transparency of the board of directors

### ■ FY03/19, FY03/20

Performed a self-evaluation using a survey format

### ■ FY03/21

Conducted third-party evaluation of all directors and Audit & Supervisory Board members using surveys and individual interviews

### ■ FY03/22

Performed a self-evaluation using a survey format

⇒ In April 2022, disclosed summary of evaluation and measures going forward

## 2. Evaluating the board of directors

FY03/2022 (self-evaluation)

### Summary of evaluation

- The composition and operating status of the Board received high marks overall.
- Open and lively discussions were confirmed.
- Outside officers (directors and auditors) made contributions.
- There was sufficient reporting on the status of dialogues with investors and shareholders

### Improvements based on issues raised in third-party evaluations in FY2020

- Conducted free discussions outside of the Board of Directors, to promote debate on medium to long-term issues such as diversity and sustainability
- Established a new company-wide Business Planning Office to strengthen company-wide, cross-sectional functions
- As part of an ongoing review of the composition of the Board of Directors, decided on a transition to a company with Audit and Supervisory Committee

### Issues to be considered in the future

- Further discussions on succession planning and sustainability
- Provision of sufficient information by the Nominating and Remuneration Committee to the Board of Directors
- Improvement in communication among outside directors which had been inadequate due to the impact from the COVID-19 pandemic
- Further enrich communicating information to capital market

## Inabata's Share Price for the past 10 years

JPY/share



## Inabata's share price performance vs. TOPIX for the past 10 years

(09/2013=100)



□ IR queries should be directed to:

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Financial Management Office

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◆ **A Cautionary Note Regarding Future Estimates**

The data and future predictions contained in this document are based on information available and judgments applicable at the time of the document's release. Consequently, the data and future forecasts contained herein may include elements that are subject to change, and the reader should be aware that this document and its contents are no guarantee of future performance.

◆ **Re:Numerical Format**

Units of 'billion', 'hundred million' and 'million' JPY in this document use figures that have been rounded down. Consequently, there may be some discrepancy between individual values and total values, or values showing changes between sets of data.