

IR Briefing for the Fiscal Year Ended March 2023

Progress in the Second Year of Medium-Term Management Plan *NC2023*

Inabata & Co., Ltd.

Katsutaro Inabata, Director, President

Inabata & Co., Ltd. held the financial results briefing for the fiscal year ended March 2023 via live broadcast on June 5, 2023.

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Company Overview

About Inabata:



Inabata Dye Shop (Nishijin, Kyoto)

1. **Founded in 1890**

The Company was founded in Kyoto in 1890 as an importer of dyestuffs. The business was later expanded with a focus on chemicals.



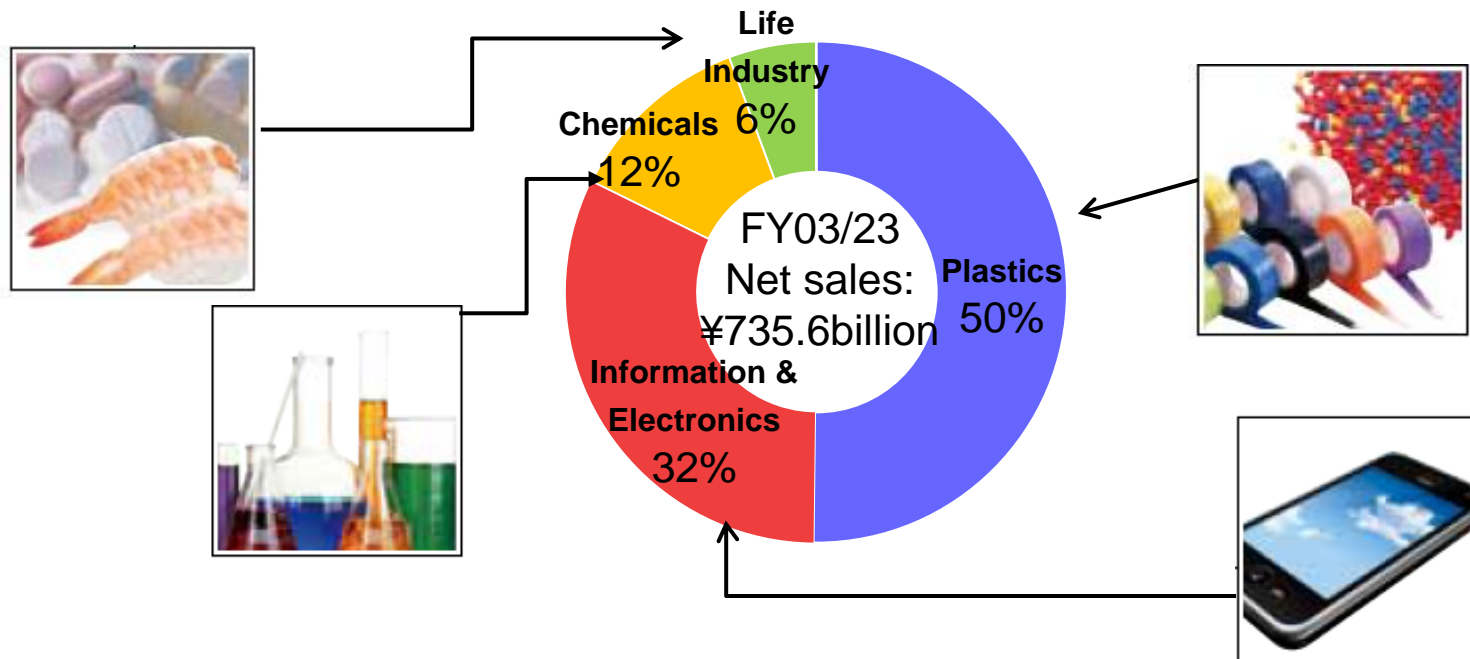
2. **A globally expanding, multifaceted trading company**

The company operates at 60 locations across 18 countries. Business functions include market development, manufacturing and processing, logistics, and finance. Our plans and proposals are based on specialized expertise and knowledge of products and markets.

Company Overview

3. Four business segments

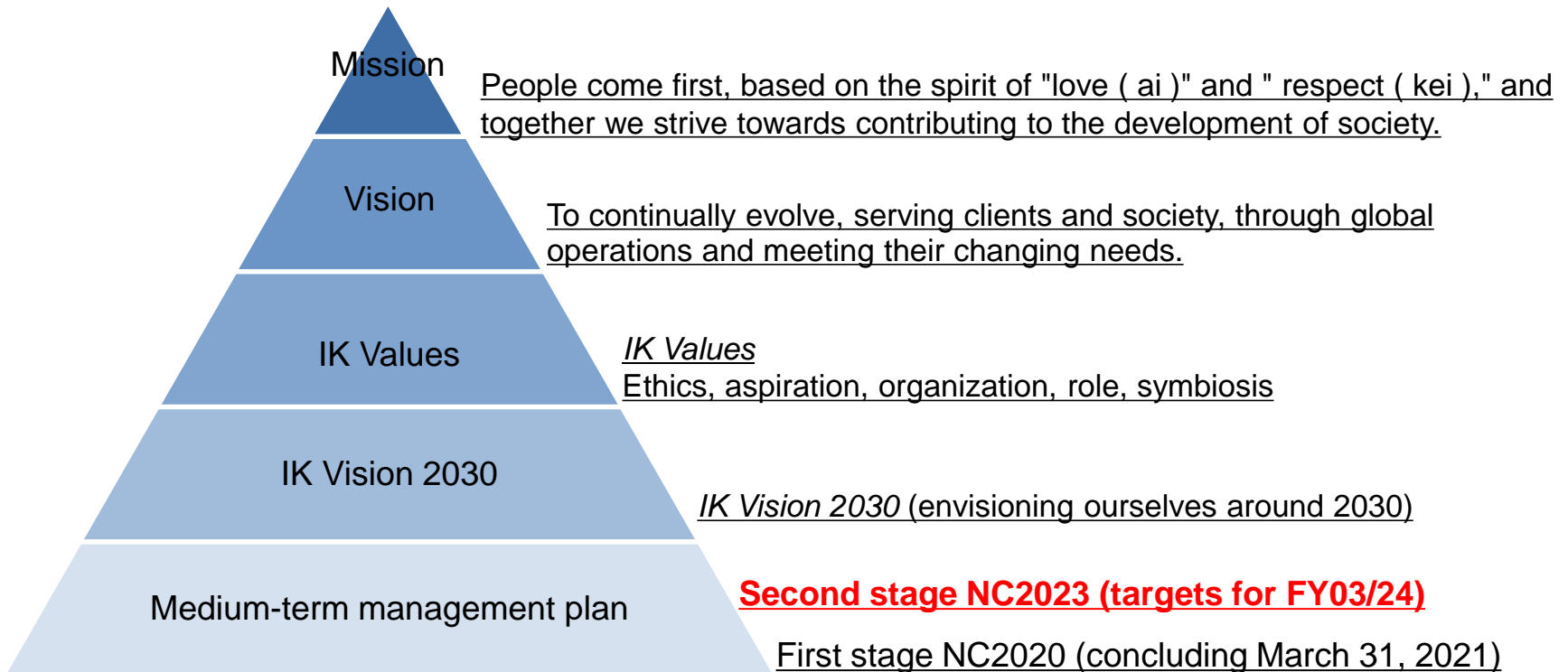
We operate in four segments: Information & Electronics, Chemicals, Life Industry, and Plastics.



- Summary of Medium-Term Management Plan New Challenge 2023 (*NC2023*)

NC2023: Basic Policies

- Second-stage medium-term management plan on the way to our long-term vision, *IK Vision 2030*



Long-term Vision *IK Vision 2030*

- Inabata's aspirations for itself in around 2030

Reach consolidated net sales of **¥1 trillion**

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

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

Overseas business
70% or more

[Formulated May 2017]

NC2023: Key Initiatives

- Six key initiatives are as follows

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 improvement of global management information infrastructure
5.	Continuous review of assets and further improvement of capital and asset efficiency
6.	Enhancement of human capital utilization efforts

- Progress in the Second Year of Medium-Term Management Plan *NC2023*

Operating Environments in FY03/23: Information & Electronics (FPD)

■ FPD Market

- Performance was affected by excess inventory caused by sluggish end-customer demand and major production adjustments due to a drop in panel prices.
- Despite production adjustments, capacity utilization rate of FPD-related materials for TV applications improved in 2H. Sales of FPD-related materials for smartphone applications slumped due to sluggish end-customer demand and an extended replacement cycle. Demand for FPD-related materials for PCs, monitors, and tablets fell sharply due to the drop-off of extraordinary, stay-at-home demand spurred by the pandemic.
- Sales of OLED for smartphones grew, but the use of OLED was still limited in terms of panel area. In the overall FPD market, LCD panels are expected to maintain a dominant share in terms of panel area for some time to come.
- Our sales of raw materials for polarizing films and other FPD materials fell sharply. Demand for some materials, including alignment films, somewhat recovered in Q4.

Projected Breakdown of Total Flat Panel Display Area (LCDs and OLEDs)

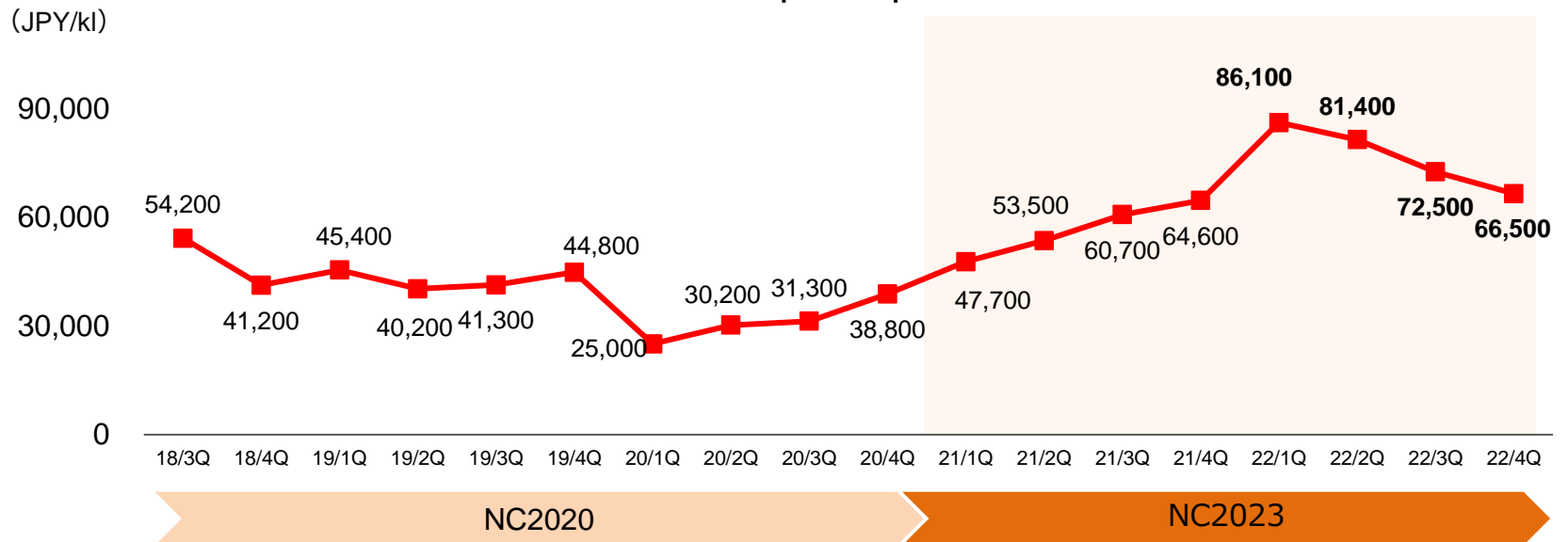
% of total panel area	2019	2020	2021	2022	2023	2024	2025
LCDs	96%	96%	95%	94%	94%	93%	93%
OLEDs	4%	4%	5%	6%	6%	7%	7%

Note: Projected figures are provided for reference and represent company predictions based on various data

Operating Environments in FY03/23: Plastics

- Although the surge in domestic naphtha prices came to a halt, the prices still remained elevated. As a result, per-unit selling prices of commodity resins remained at a high level.
- Sales of commodity resins, including food packaging materials, were robust overall, owing in part to higher prices.
- Sales of high-performance resins for OA equipment/home appliance applications were flat, while sales for automotive applications struggled to grow due to electronic component shortages.

Domestic naphtha prices



Progress in the Second Year of *NC2023*

- Sales reached the target (record high), supported in part by higher selling prices and a weak yen.
- Operating profit reached the target (record high), with the increase in SG&A expenses offset by sales growth.
- Ordinary profit and profit attributable to owners of parent fell short of the targets, due in part to a sharp increase in interest rates.
- ROE reached the target level, and net D/E ratio remained at the target level.

(Billions of yen)

	FY03/23 Actual (A)	FY03/23 (2nd year of <i>NC2023</i>) Targets (B)	Difference	Achieve- ment rate (A)/(B)	FY03/24 Targets*
Net sales	735.6	730.0	+5.6	101%	800.0
Operating profit	20.3	19.5	+0.8	104%	20.5
Operating profit margin	2.8%	2.7%	+0.1%	—	2.6%
Ordinary profit	19.1	20.5	-1.4	93%	21.5
Profit attributable to owners of parent	19.4	20.5	-1.1	95%	22.5
ROE	11.0%	10% or above		Achieved	10% or above
Net debt/equity ratio	0.16x	0.5x or less	—	Achieved	0.5x or less
Equity ratio	47.2%	Approximately 40-50%	—	Achieved	Approximately 40-50%
Exchange rate (USD/JPY)	¥135.50	¥120.00	—	—	¥120.00

Note: Net D/E ratio = (interest-bearing debt – cash and deposits) / equity capital

*Released May 2022 11

Progress in the Second Year of *NC2023*: By Segment

- Sales and operating profit in Information & Electronics and Life Industry fell short of targets due to deterioration of the business environment.
- Sales and Operating Profit in Chemicals and Plastics surpassed the targets.

(Billions of yen)

Segment	FY03/23 Actual (A)		FY03/23 Targets (B)		Difference (A)-(B)	
	Sales	Operating profit	Sales	Operating profit	Sales	Operating profit
Information & Electronics	238.0	5.2	273.0	6.2	-35.0	-1.0
Chemicals	89.8	2.7	83.0	2.0	+6.8	+0.7
Life Industry	43.6	1.9	47.0	2.3	-3.4	-0.4
Plastics	363.9	10.2	326.8	8.9	+37.1	+1.3
Other	0.1	0.1	0.2	0.1	-0.1	0
Total	735.6	20.3	730.0	19.5	+5.6	+0.8

Outlook for the Final Year of *NC2023*

- Operating profit is projected to exceed the target, but ordinary profit and profit attributable to owners of the parent are expected to fall short of the targets due to higher interest expenses on a sharp rise in interest rates.
- We expect ROE to reach the target, and net D/E ratio to remain at the target level.

(Billions of yen)

	FY03/23 Actual	FY03/24 Forecast (A)	Difference	FY03/24 Targets (B)*	Difference (A) - (B)
Net sales	735.6	800.0	+64.4	800.0	-
Operating profit	20.3	21.0	+0.7	20.5	+0.5
Operating profit margin	2.8%	2.6%	-0.2%	2.6%	-
Ordinary profit	19.1	20.0	+0.9	21.5	-1.5
Profit attributable to owners of parent	19.4	21.0	+1.6	22.5	-1.5
ROE	11.0%	10% or above	-	10% or above	-
Net debt/equity ratio	0.16x	0.5x or less	-	0.5x or less	-
Equity ratio	47.2%	Approximately 40-50%	-	Approximately 40-50%	-
Exchange rate (USD/JPY)	¥135.50	¥130.00	¥-5.50	¥120.00	¥+10.00

Note: Net D/E ratio = (interest-bearing debt – cash and deposits) / equity capital

*Released May 2022

Outlook for the Final Year of *NC2023*: By segment

- Information & Electronics is expected to miss the targets due to deterioration of the business environment, while Plastics is projected to exceed the targets owing to yen depreciation and a rise in resin prices.

(Billions of yen)

Segment	FY03/23 Actual		FY03/24 Forecast (A)		Difference	
	Sales	Operating profit	Sales	Operating profit	Sales	Operating profit
Information & Electronics	238.0	5.26	246.0	5.20	+8.0	-0.06
Chemicals	89.8	2.77	119.0	3.05	+29.2	+0.28
Life Industry	43.6	1.93	52.0	2.65	+8.4	+0.72
Plastics	363.9	10.20	382.8	10.00	+18.9	-0.20
Other	0.1	0.13	0.2	0.10	+0.1	-0.03
Total	735.6	20.31	800.0	21.00	+64.4	+0.69

FY03/24 Target (B) *		Difference (A)-(B)	
Sales	Operating profit	Sales	Operating profit
284.0	6.30	-38.0	-1.10
119.0	2.60	-	+0.45
52.0	2.50	-	+0.15
344.8	9.00	+38.0	+1.00
0.2	0.10	-	-
800.0	20.50	-	+0.50

*Released May 2022

NC2023 Investment Status

- From FY03/24 onward, we plan to accelerate investment in renewable energy-related fields in Information & Electronics and compound-related fields in Plastics with an eye to future growth.

(Billions of yen)	FY03/22 Actual	FY03/23 Actual	Major investments in FY03/23	NC2023 cumulative results
Growth investment	1.20	2.86	Information & Electronics: ¥0.34 billion for biomass power generation ¥0.43 billion for investments in electronic components companies Chemicals: ¥0.91 billion for acquisition of Maruishi Chemical Trading (made a subsidiary) Plastics: ¥0.25 billion for facilities (related to compound) ¥0.27 billion for facilities (related to inflation molding)	4.07
Fixed investment	2.01	2.78	Plastics segment: ¥0.36 billion for facilities (related to compound) ¥0.41 billion for facilities (related to inflation molding)	4.78
Total	3.21	5.64		8.85

* Digitalization-related investments are included in Fixed investment.

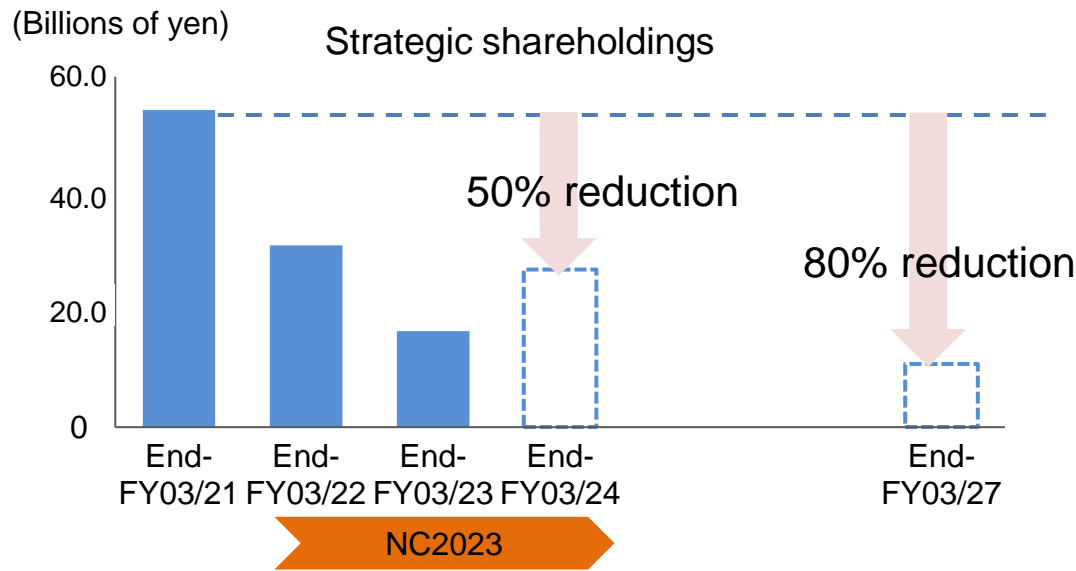
NC2023: Continuous Review of Assets and Further Improvement of Capital and Asset Efficiency

- We made greater-than-expected progress in reducing strategic shareholdings, owing in part to a drop in market prices.

Policy for reducing strategic shareholdings

- Reduce the balance of strategic shareholdings at the end of March 2021 by half during the three years of *NC2023*
- Further reduce strategic shareholdings in the medium to long term, curtailing the balance of strategic shareholdings at the end of March 2021 by about 80% by the end of March 2027.

⇒ Funds raised from the sale are in principle allocated to shareholder returns and growth investments.



Sales value of strategic shareholdings

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
FY03/23	¥10,076 million

*Only includes listed stocks in Japan

*The balance of strategic shareholdings in the graph only includes listed stocks in Japan.

*The balance of strategic shareholdings was calculated using share prices at the end of each term.

- Returning Profits to Shareholders

Basic Policy on Shareholder Return

During NC2023

■ Progressive dividends

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

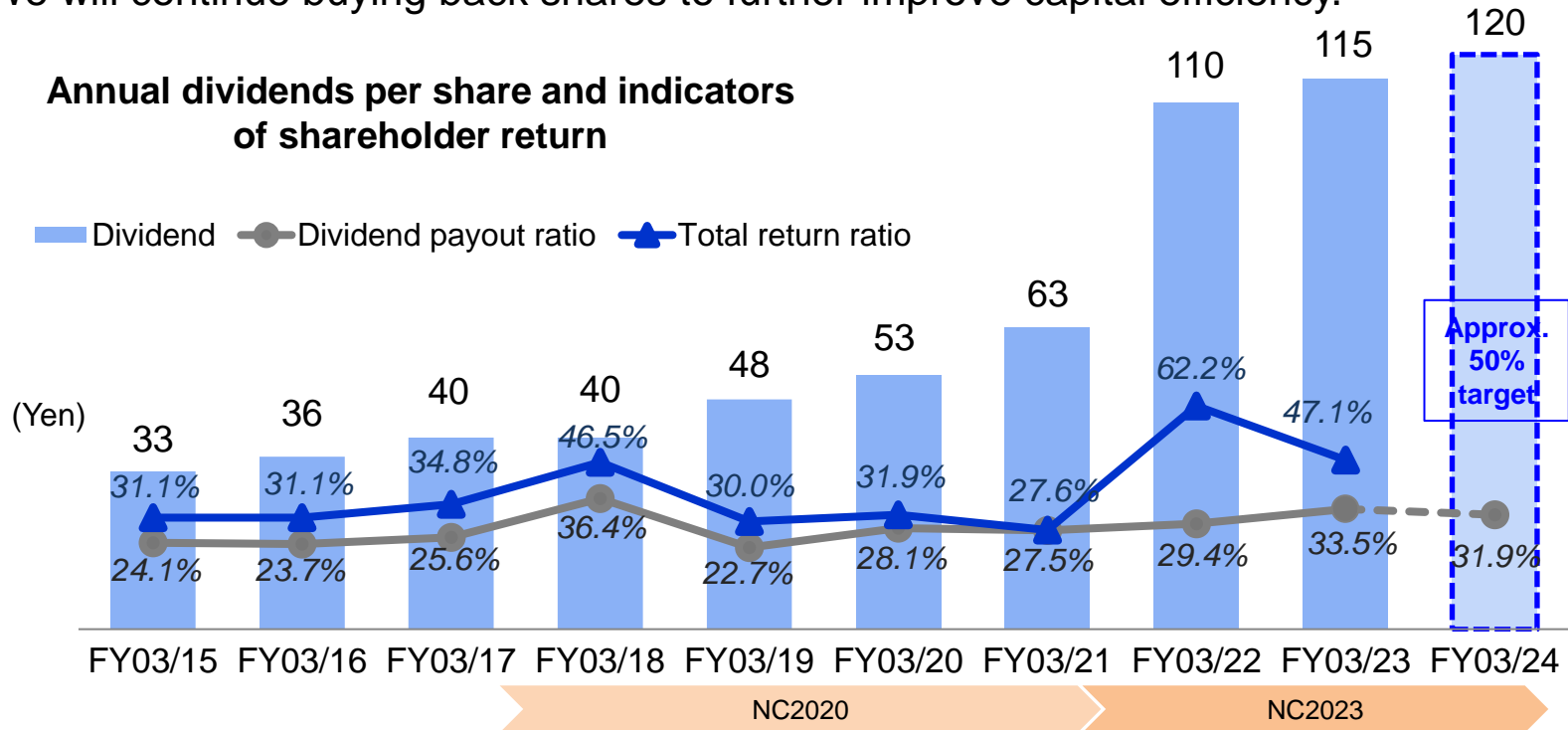
■ Target total return ratio of around 50%

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.

Note: Total return ratio (%) = (dividend amount + amount of treasury shares acquired) / consolidated net income x 100

NC2023 Returning Profits to Shareholders

- In FY03/24, we plan to pay a dividend per share of ¥120 (interim ¥55, year-end ¥65).
- We will continue buying back shares to further improve capital efficiency.



Treasury shares	FY03/15	FY03/16	FY03/17	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23	
Acquisition amount	604	707	891	679	936	425	-	7,499	2,635	(Millions of yen)
No. of shares Acquired	600	600	600	400	600	300	-	3,085	1,035	(Thousands of shares)
No. of shares cancelled	1,660	-	-	-	-	-	-	2,700	3,685	(Thousands of shares)

*Overview of a share buyback program underway (disclosed February 8, 2023)

- Buyback period: February 10–July 31, 2023
- Upper limits: Up to 1,200,000 shares for up to ¥4,000 million
- All shares are to be cancelled after acquisition.

■ ESG

Corporate Governance Structure

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)

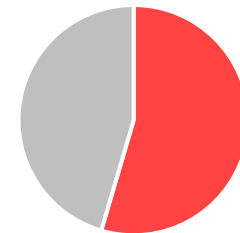
4 persons



Outside

Ratio of independent outside directors

55% (6 out of 11)



Sustainability Initiatives

■ We accelerated sustainability initiatives in FY03/23.

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
March 2022	Formulated Inabata Group Human Rights Policy
April 2022	Signed UN Global Compact (UNGC)
June 2022	Announced “2050 Carbon Neutrality Declaration” Defined materiality issues Began disclosures in accordance with TCFD recommendations
August 2022	Selected as a component of the FTSE Blossom Japan Sector Relative Index
March 2023	Certified as a Health & Productivity Management Outstanding Organization 2023
April 2023	Endorsed the recommendations of TCFD

Products that reduce environmental load: Sales by field

- Sales of eco-friendly (i.e., environmental load-reducing) products steadily expanded as we strengthened measures targeting the Energy & Power and Resources & Environment fields.
- From FY03/24 onward, we will focus on expanding sales of eco-friendly and recycled resins.

(Billions of yen)

Field	Main contents	Sales		
		FY03/22 (actual)	FY03/23 (actual)	FY03/24 (forecast)
Energy & Power	Renewable energy-related, battery-related, etc.	13.4	17.5	27.4
Resources & Environment	Sustainable raw materials, recycling, water-related	4.2	7.5	9.9
Materials & Chemicals	Low carbon materials, reduction of environmental pollutants, etc.	0.7	1.5	4.2
Environmental certifications	Certified products of FSC, PEFC, MSC, ASC, etc.	0.3	0.3	0.9
Total*		18.7	26.9	42.6

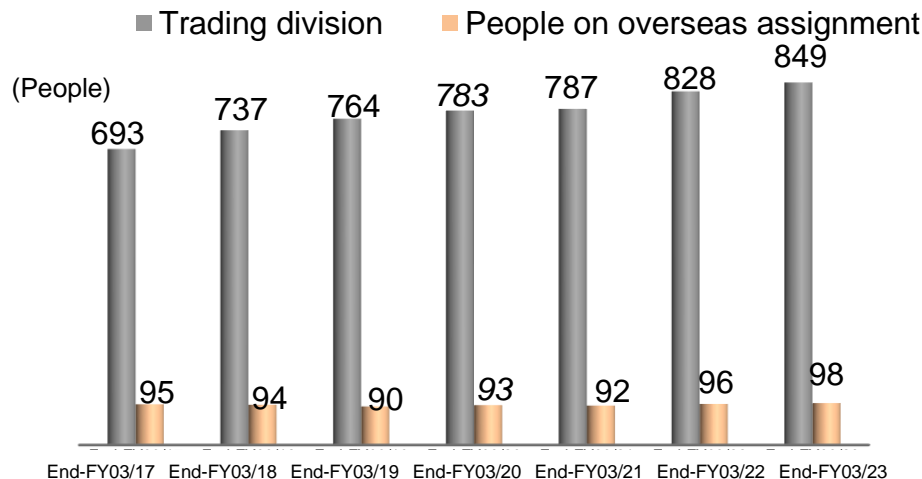
* Simple aggregate value

* From FY03/23, some product categories have been reclassified (solar cell and EV battery materials were moved from Materials & Chemicals to Energy & Power). FY03/22 sales figures have been retroactively adjusted to reflect this change.

NC2023 Enhancement of Human Capital Utilization Efforts

- Established Global HR Management Department and further focused on centralized management and training of global personnel
- Made progress in revising HR system to increase diversity (empowerment of women and seniors)
- Continued to conduct employee engagement surveys. Response ratio and key scores improved
- Certified as a Health & Productivity Management Outstanding Organization 2023
- Introduced a restricted stock incentive plan for the employee shareholder association

Number of overseas personnel in the trading division and people on overseas assignment



President of Inabata and Inabata Vietnam employees

Note: The number of people on overseas assignment is as of the first day of the following month.

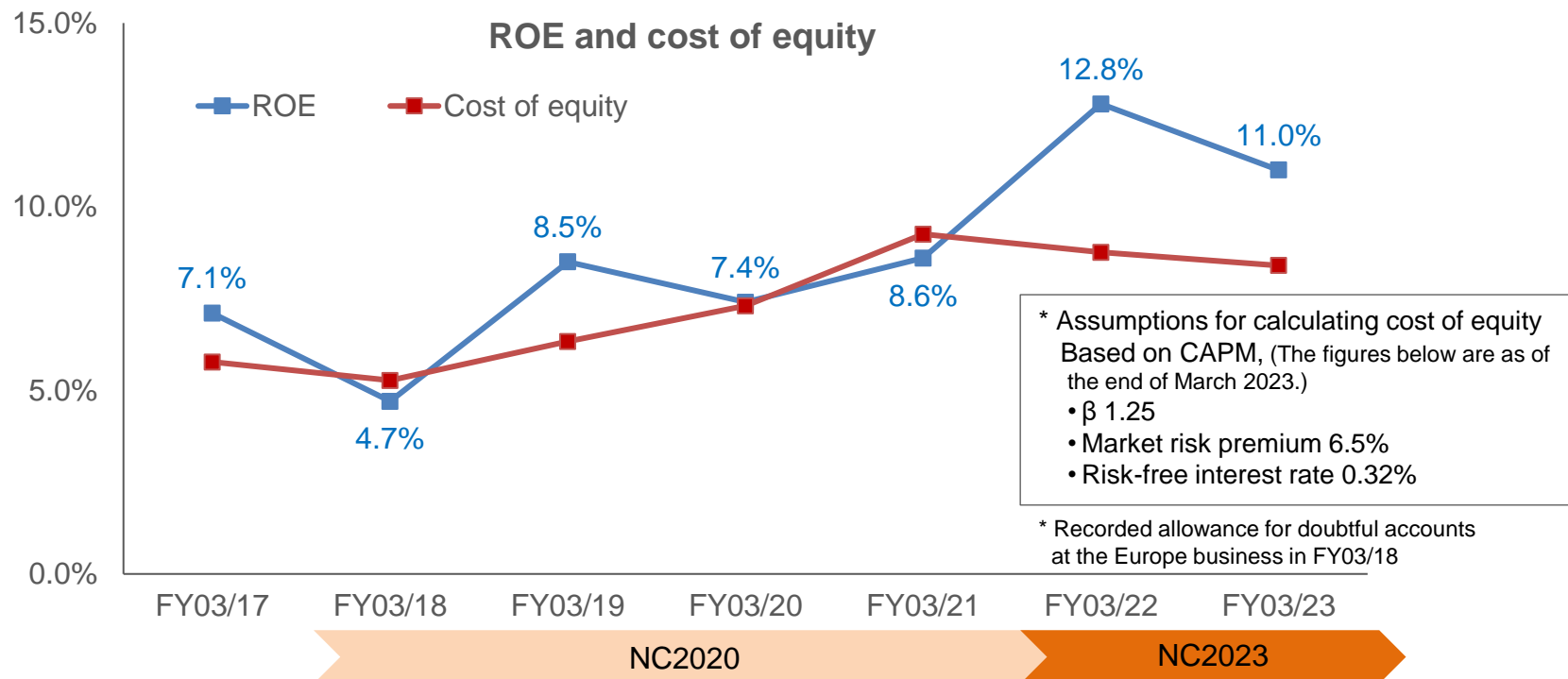
- Measures to Realize Management
Conscious of Cost of Capital and Share Prices

Looking Back on Results: Initiatives

Results in the First Two Years of <i>NC2023</i>	
Earnings expansion	<ul style="list-style-type: none"> • In FY03/22, sales and profits improved substantially, reaching record levels. • In FY03/23 as well, sales and operating profit reached record-highs.
Controlling of capital (assets)	<ul style="list-style-type: none"> • Significantly enhanced shareholder returns from FY03/23. • Repurchased own shares (repurchased 4,120,000 shares for ¥10.1 billion, and cancelled 6,380,000 shares in the two years). • Reduced strategic shareholdings as planned. • Issued straight bonds.
Investment	<ul style="list-style-type: none"> • Invested about ¥9.0 billion in the first two years of <i>NC2023</i>. • Intend to accelerate investment for future growth.

Current Status: Cost of Capital vs. Return on Capital

- Since the start of *NC2023*, ROE rose to the level exceeding the cost of equity.
- If we can maintain ROE at 10% or higher, the target set forth in *NC2023*, we can keep ROE above the cost of equity.

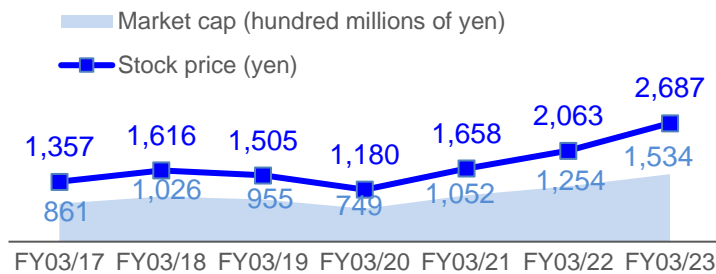


Current Status: Share Price and the Market's Valuation of the Company

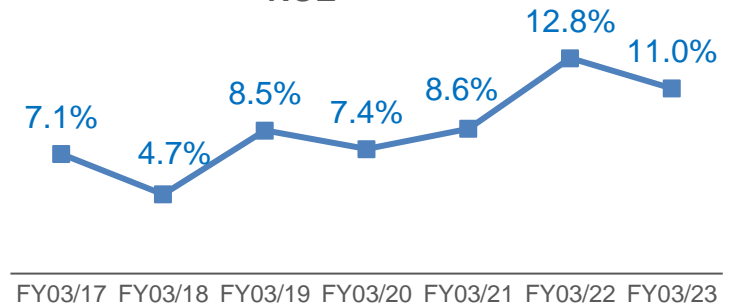
- Share prices steadily increased, reflecting earnings growth and a substantial improvement in shareholder returns.
- PBR was below 1x, but rose mainly on the back of an increase in ROE (0.90x as of May 31, 2023*).
- PER largely remained unchanged at a low level, suggesting that investors have low expectations for our future profit growth.

*Obtained by dividing the closing price on May 31, 2023 by BPS at the end of FY03/23

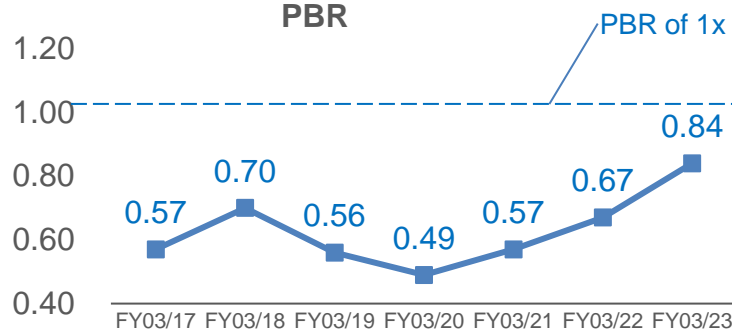
Stock price and market capitalization



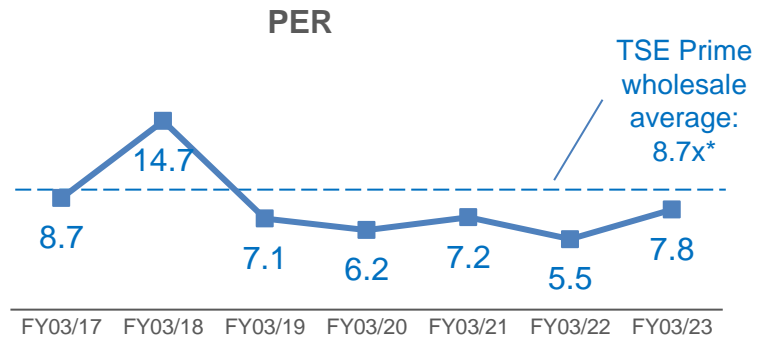
ROE



PBR



PER



*Recorded allowance for doubtful accounts at the Europe business in FY03/18

*All figures are as of the end of the fiscal year

*As of March 31, 2023

Current Status: Summary

- We have reached profitability levels that exceeded the cost of capital during *NC2023*.
- While the market's valuation of the Company is improving, PBR, which is below 1x, still needs improvement. We believe it is necessary to accelerate growth investments and increase the market's valuation of our growth potential.
- While maintaining the current level of return on capital, it is crucial that we accelerate growth initiatives, increase our business value, and strengthen our appeal to investors.

Policies/Targets, and Timeline

- At a Board of Directors meeting held in May 2023, we have resolved on the following policies.

□ Policies

Increase the share price so that PBR stays above 1x at all times, as soon as possible, through the following four measures:

- ① Firmly implement growth strategies to drive sustainable growth in business value, and foster expectations for future profit growth
- ② Maintain ROE of 10% or above
- ③ Control and/or curtail the cost of capital, including by utilizing financial leverages
- ④ Continue buying back shares

Specific Measures: Increase Business Value and Foster Growth Expectations

- In line with key initiatives for *NC2023*, we have implemented the following measures. We will strive to generate earnings at an early stage.

Key Initiatives for <i>NC2023</i>	Specific measures underway
1. Further development of core businesses and horizontal expansion into growth sectors	<ul style="list-style-type: none"> • Focus on the automobile, especially EV, field • Acquisition of Maruishi Chemical Trading (made it a subsidiary)
2. Multi-faceted approach to markets with potential for future growth and steady monetization efforts	<ul style="list-style-type: none"> • Participation in biomass power generation business (Fukuyama, Sakaiminato) • Expansion of sales of products that reduce environmental load • Investment in semiconductor-related companies
3. Intensification of investment targeting future growth	<ul style="list-style-type: none"> • Acquisition of Daigo Tsusho (made it a subsidiary) • Establishment of a US subsidiary that manufactures lithium ion battery-related materials • Reinforcement of Business Planning Office functions
5. Continuous review of assets and further improvement of capital and asset efficiency	<ul style="list-style-type: none"> • Fundraising for growth investment through the sale of strategic shareholdings • Issue of straight bonds
6. Enhancement of human capital utilization efforts	<ul style="list-style-type: none"> • Introduction of a restricted stock incentive plan for the employee shareholding association • Utilization of employee engagement surveys • Revision of HR systems to promote diversity • Enhancement of training systems to nurture global talent

Specific Measures: Maintain ROE of 10% or above

- Maintain ROE of 10% or above, largely by expanding profits, enhancing profitability, and continuing to control the cost of equity

 - Expand profits and increase GPM
 - Grow mainstay businesses
 - Increase the share of earnings accounted for by highly profitable businesses
 - Make aggressive investments, including in M&A, and generate revenue at an early stage
 - Steadily dispose of strategic shareholdings

 - Control of equity
 - Continue flexible share buybacks and cancellations
 - Maintain a progressive dividend policy
- } Maintain a total return ratio of around 50%

Specific Measures: Control and Curtail Cost of Capital

- By promoting indirect measures in addition to direct measures, reduce risks and information gaps with the market and control and/or curb the cost of capital

□ Direct measures

- Utilize debt (diversify funding methods, including the issue of corporate bonds)
- Buyback and cancel own shares

□ Indirect measures

- Enhance information disclosure
- Actively engage in dialogues with investors (step up efforts to provide explanation)
- Strengthen the Board's monitoring function to continuously monitor performance
- Be selected as a constituent of many ESG indexes by increasing ESG scores

Disclosure Methods and Dialogue Policies

■ Disclosure methods

- From FY03/24 as well, we will continue providing an explanation of our progress on this issue at earnings briefing sessions held at the end of each term.

■ Dialogue policies

- Based on disclosed information, mainly our executive officer in charge will proactively engage in dialogues with investors, within a reasonable scope, through one-on-one IR meeting.
- The content of the dialogues will be disclosed on our website or corporate government reports.
- We will update our measures to reflect the content of the dialogues.

■ Reference Materials

Key Initiatives for NC2023

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

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

Key Initiatives for NC2023

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

Key Initiatives for NC2023

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

Key Initiatives for NC2023

4. Further improvement of 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

Key Initiatives for NC2023

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

Key Initiatives

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

Key Initiatives for NC2023

6. Enhancement of human capital utilization efforts

Key Initiatives
<ul style="list-style-type: none">• Further implement systemic enhancements aimed at supporting global human resource development and increasing diversity• Strengthen initiatives targeting employee engagement and new workstyle reforms

NC2023 Further Development of Core Businesses (Key Initiative 1)

Progress at our compounds plant (sales in the automotive sector in Mexico) 

■ As of FY03/23

- Demand continued to recover from a slump caused by the COVID-19 pandemic.

■ Outlook for FY03/24

- We expect an increase in sales volume driven by a recovery in automobile production volume.

Company: IK Plastic Compound Mexico, S.A. de C.V.

Production capacity: 22,300MT/year

Location: Silao, Guanajuato, Central Mexico

Operations commenced in Nov. 2013


Mass production began in Sep. 2014



【Sales volume】

FY03/21 (actual)	6,900MT
FY03/22 (actual)	8,700MT
FY03/23 (actual)	10,800MT
FY03/24 (forecast)	13,000MT

NC2023 Further Development of Core Businesses (Key Initiative 1)

Progress at our compounds plant
(sales to manufacturers of OA equipment in the Philippines) 

■ As of FY03/23

- Sales volume fell due to a production decline at OA equipment manufacturers, main customers, prompted by electronic parts shortages.

■ Outlook for FY03/24

- We expect sales volume to be flat YoY due to continued production adjustments at customers.

Company: IK PLASTIC COMPOUND PHILS. INC.

Production capacity: 19,700 MT/year

Location: Laguna Province, Philippines

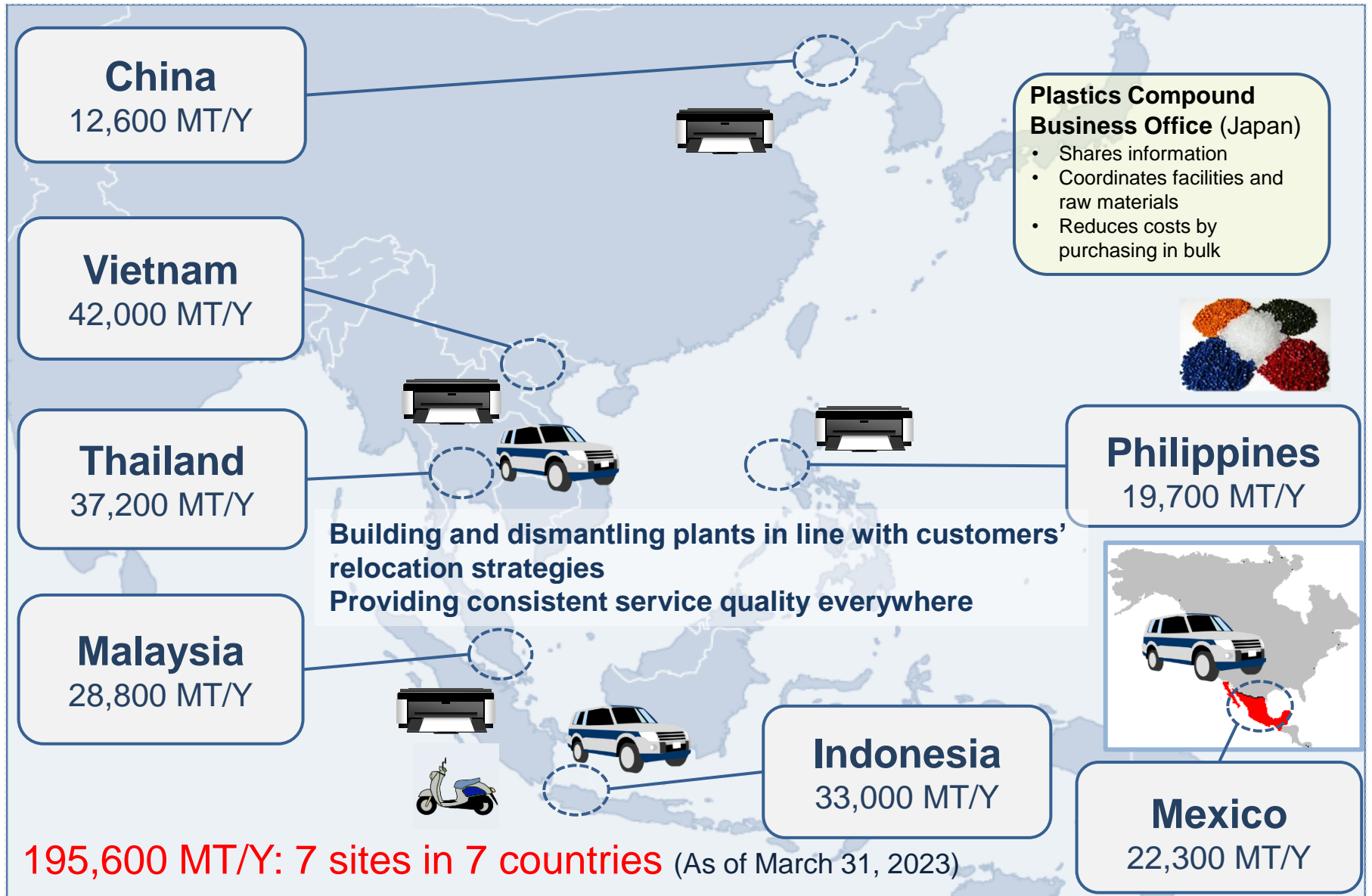
Commenced business and production in July 2014



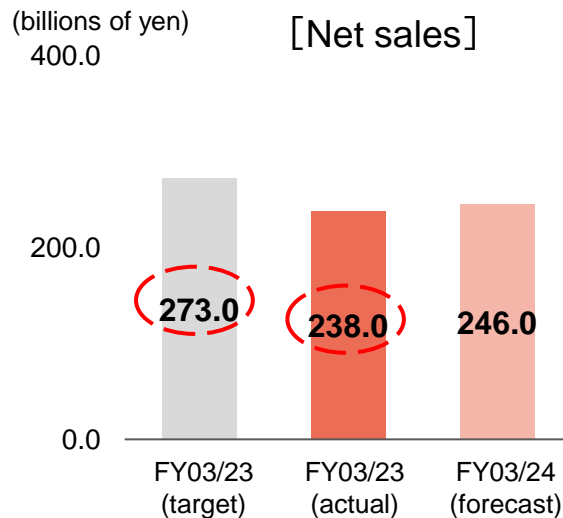
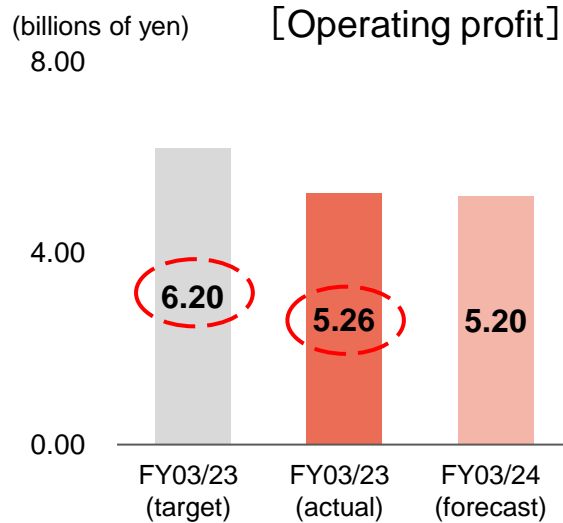
【Sales volume】

FY03/21 (actual)	9,500MT
FY03/22 (actual)	17,000MT
FY03/23 (actual)	15,700MT
FY03/24 (forecast)	15,000MT

[Reference] Annual Production Capacity for Plastic Compounds



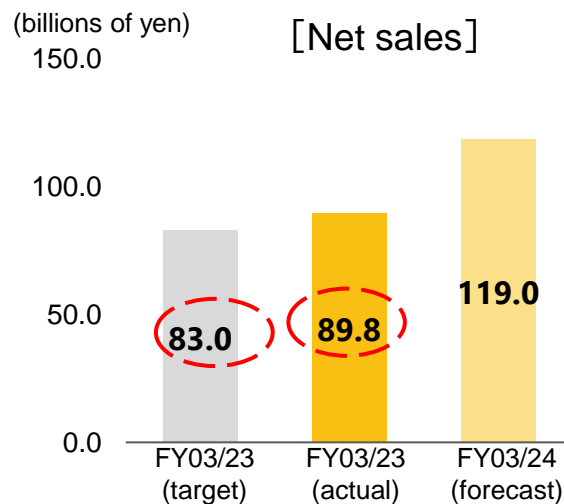
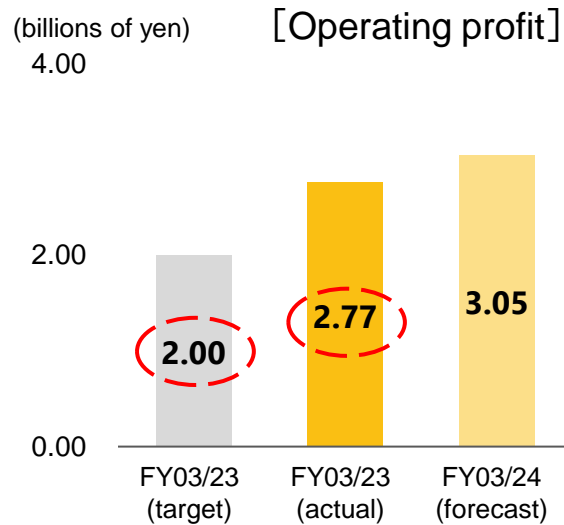
Progress in the Second Year of NC2022: (1) Information & Electronics



(billions of yen)	FY03/23 actual(A)	FY03/23 targets(B)	Difference (A)-(B)	Achievement rate (A)/(B)
Operating profit	5.26	6.20	-0.94	85%
Operating profit margin	2.2%	2.3%	-0.1%	—
Sales	238.0	273.0	-35.0	87%

- Sales and operating profit undershot the targets.
- Sales of FPD-related materials were sluggish due to major production and inventory adjustments. OA-related, energy-related, and other sales were solid.
- We decided to invest in the biomass power generation project (Sakaiminato, Tottori Prefecture) and a new company manufacturing lithium ion battery-related materials (US), with the aim of expanding energy-related businesses.

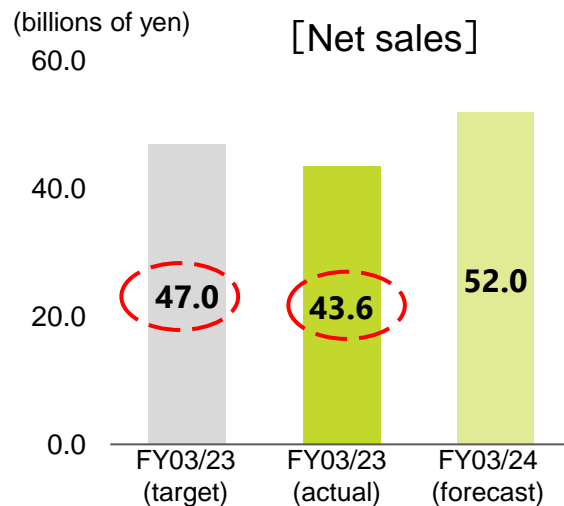
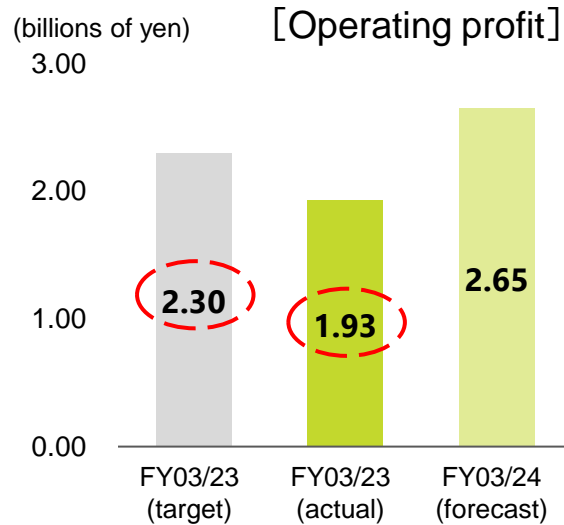
Progress in the Second Year of NC2022: (2) Chemicals



(billions of yen)	FY03/23 actual(A)	FY03/23 targets(B)	Difference (A)-(B)	Achievement rate (A)/(B)
Operating profit	2.77	2.00	+0.77	139%
Operating profit margin	3.1%	2.4%	+0.7%	—
Sales	89.8	83.0	+6.8	108%

- Sales and operating profit reached the targets.
- We observed strong performance stemming primarily from resin materials, additives, raw materials for automotive components, and housing construction materials.
- We decided to make Maruishi Chemical Trading a subsidiary, and increased management resources in the chemicals field.

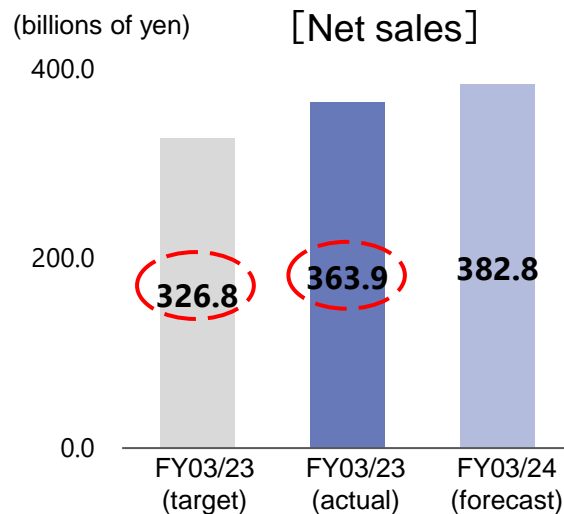
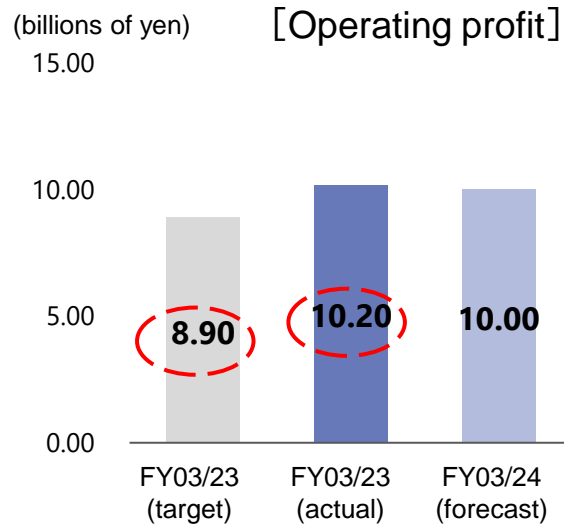
Progress in the Second Year of NC2023: (3) Life Industry



(billions of yen)	FY03/23 actual(A)	FY03/23 targets(B)	Difference (A)-(B)	Achievement rate (A)/(B)
Operating profit	1.93	2.30	-0.37	84%
Operating profit margin	4.4%	4.9%	-0.5%	—
Sales	43.6	47.0	-3.4	93%

- Sales and operating profit missed the targets.
- Life science-related and agricultural product sales held firm.
- Sales of marine products were sluggish due to stagnant demand for processed products for conveyor belt sushi restaurants in Japan and seafood products in the US, with profitability also down.
- We decided to make Daigo Tsusho a subsidiary, and bolstered operations in the downstream areas of the food products field.

Progress in the Second Year of NC2023: (4) Plastics



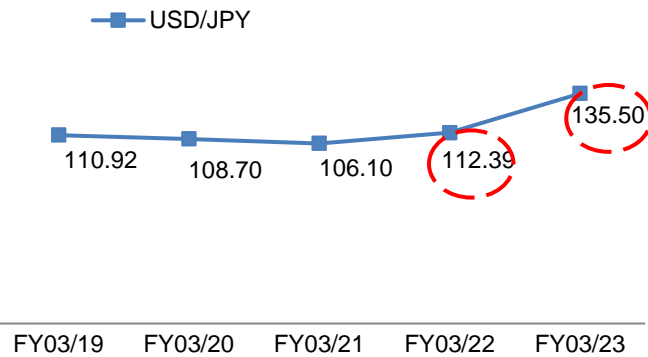
(billions of yen)	FY03/23 actual(A)	FY03/23 targets(B)	Difference (A)-(B)	Achievement rate (A)/(B)
Operating profit	10.20	8.90	+1.30	115%
Operating profit margin	2.8%	2.7%	+0.1%	—
Sales	363.9	326.8	+37.1	111%

- Sales and operating profit reached the targets.
- Sales in the OA equipment/home appliance category were flat YoY, while sales in the automotive category were lackluster due to electronic component shortages.
- Films and sheet-related product sales were robust overall, thanks in part to higher resin prices.
- We plan to expand production capacity for resin compounds, in anticipation of growth in demand in the OA equipment/home appliance and automotive categories in the medium to long term.

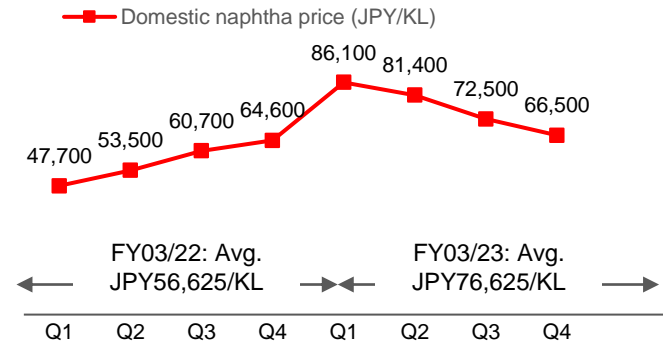
Business Environment

- While the weak yen and soaring commodities prices provided a tailwind to our performance, higher interest rates and FPD production adjustments substantially dampened our results.

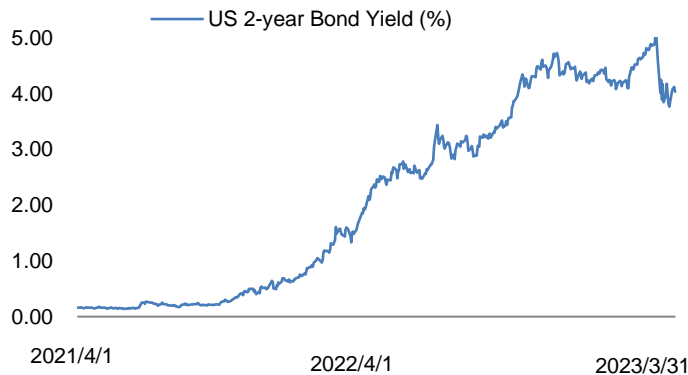
➤ The value of the yen fell sharply due to the difference between interest rates in Japan and the US.



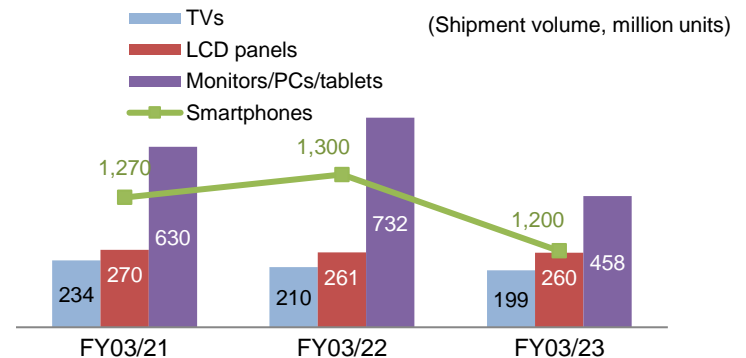
➤ Inflation rose, centered on commodities prices.



➤ Due to policy interest rate hikes overseas, our funding costs also increased.



➤ Our key business domain, the FPD market, was affected by major production adjustments.

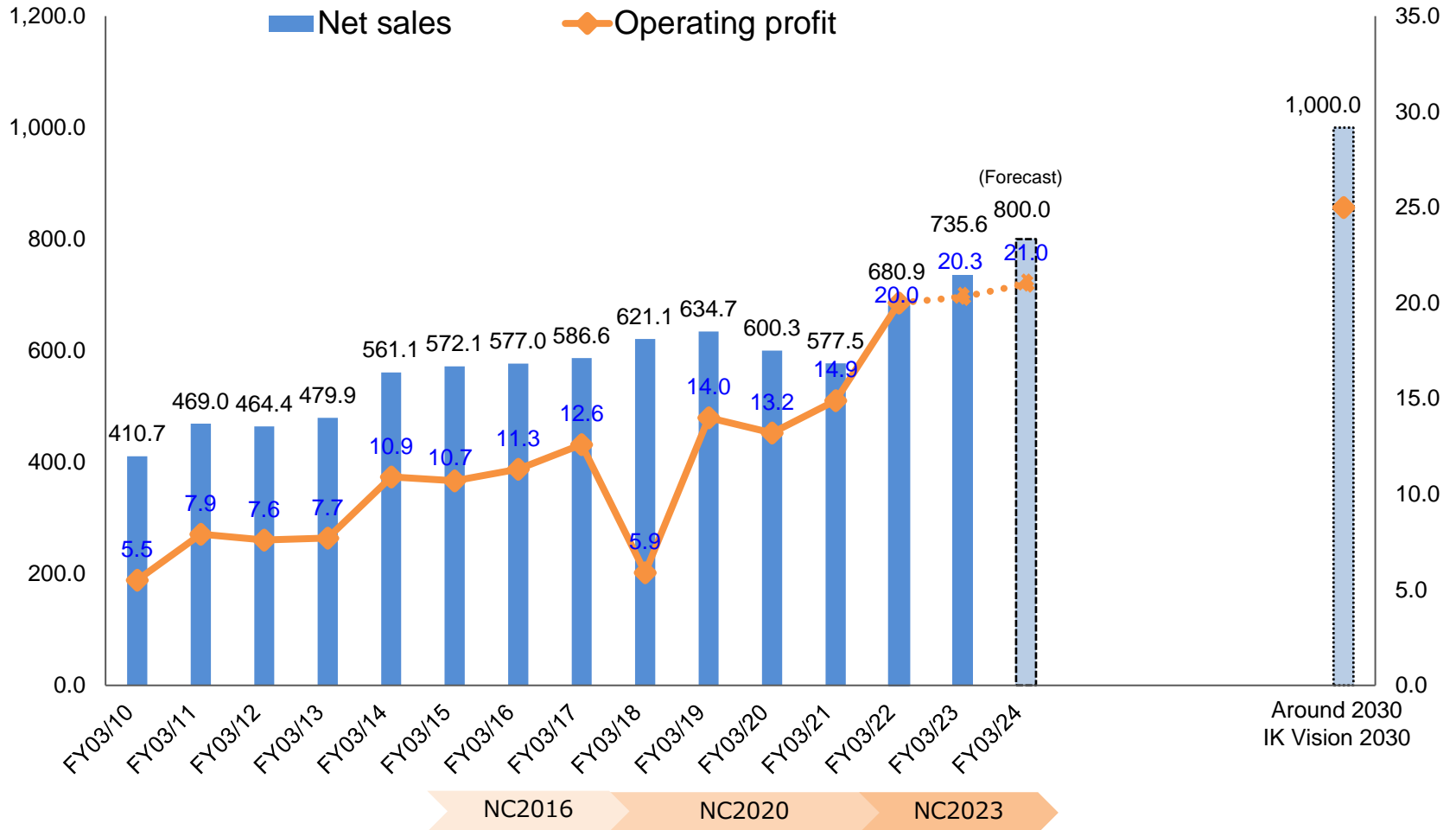


*Based on company research

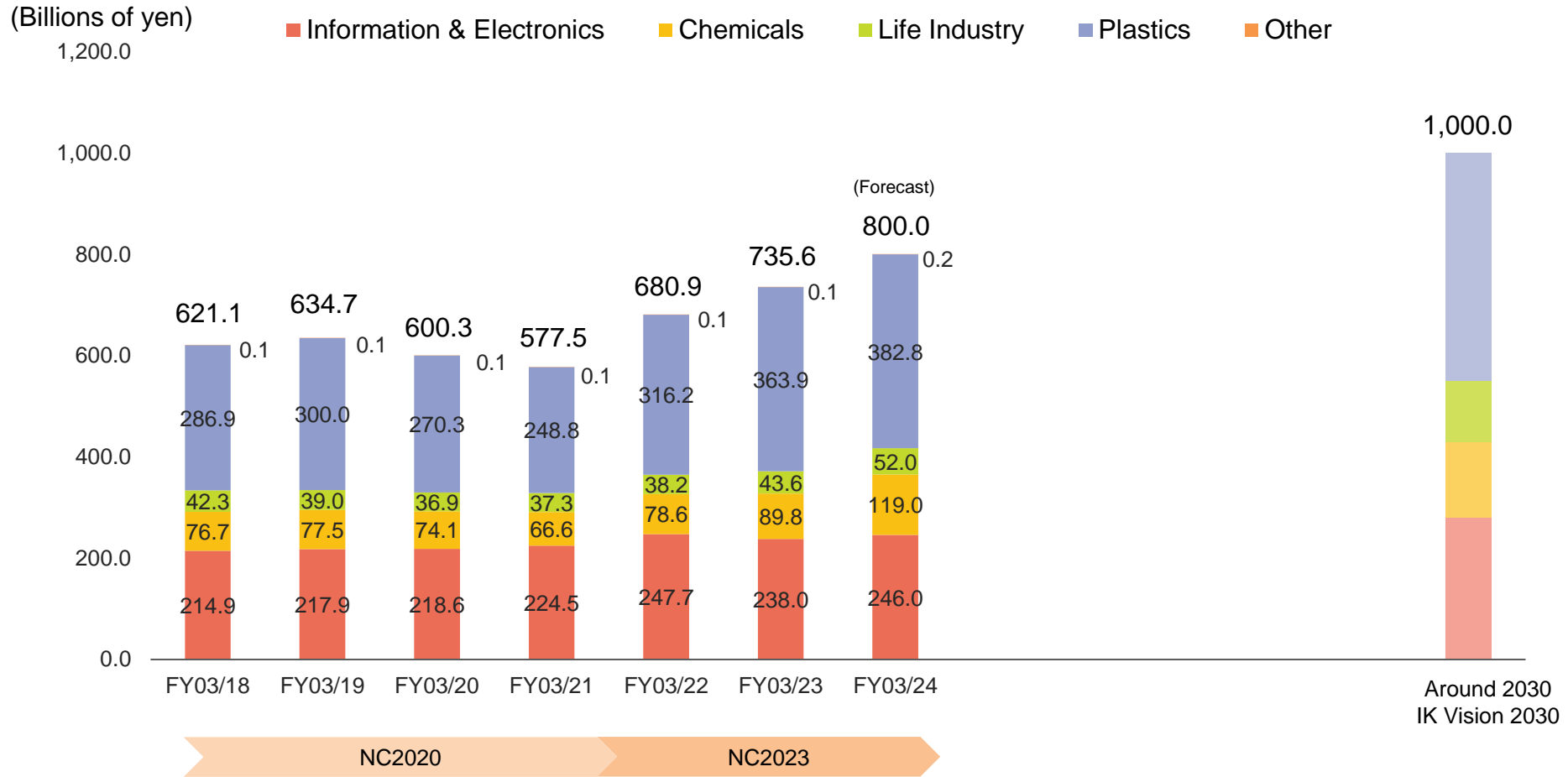
Net Sales and Operating Profit

(Net sales: Billions of yen)

(Operating profit: Billions of yen)



Sales by Segment

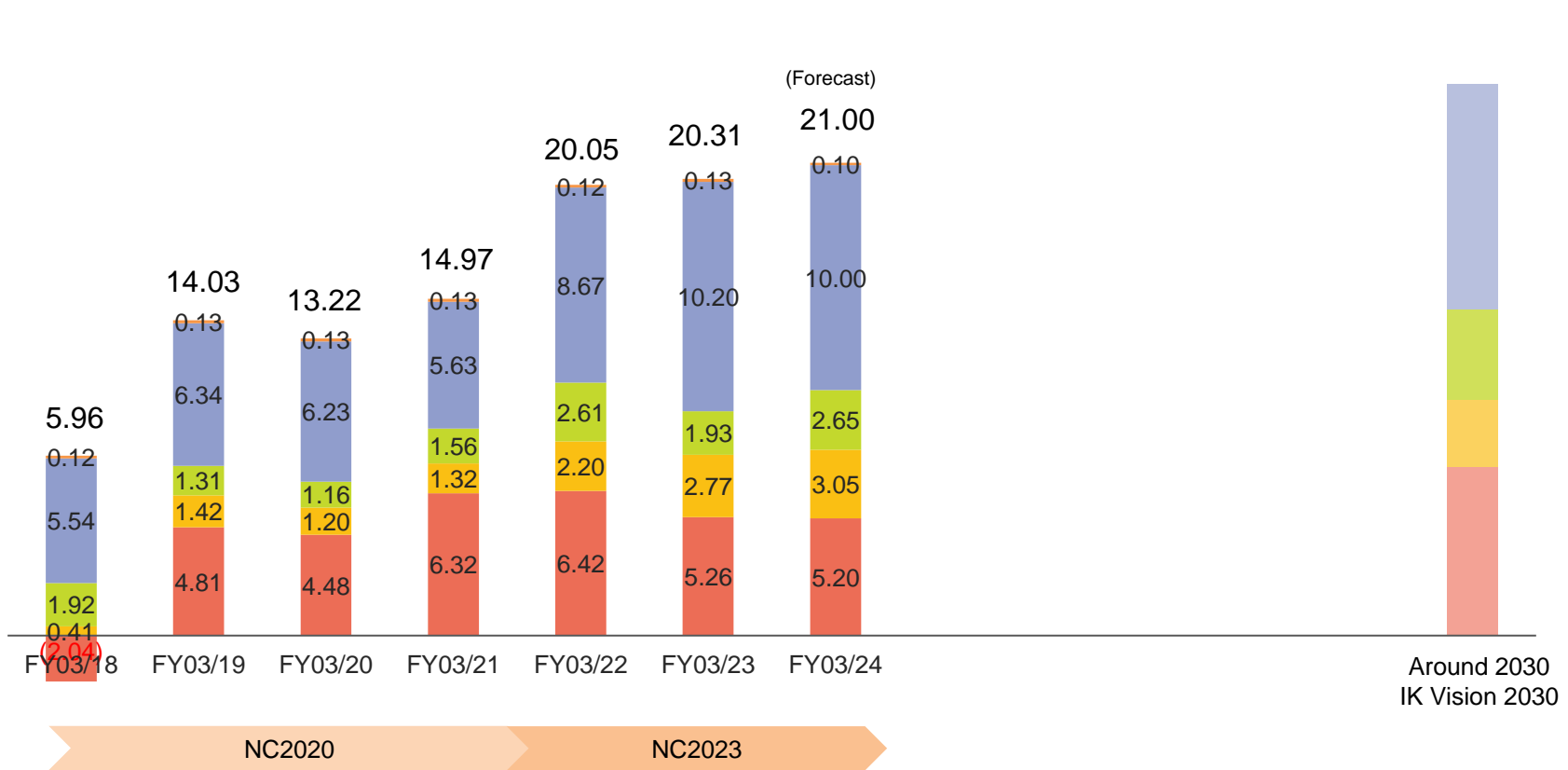


Operating Profit by Segment

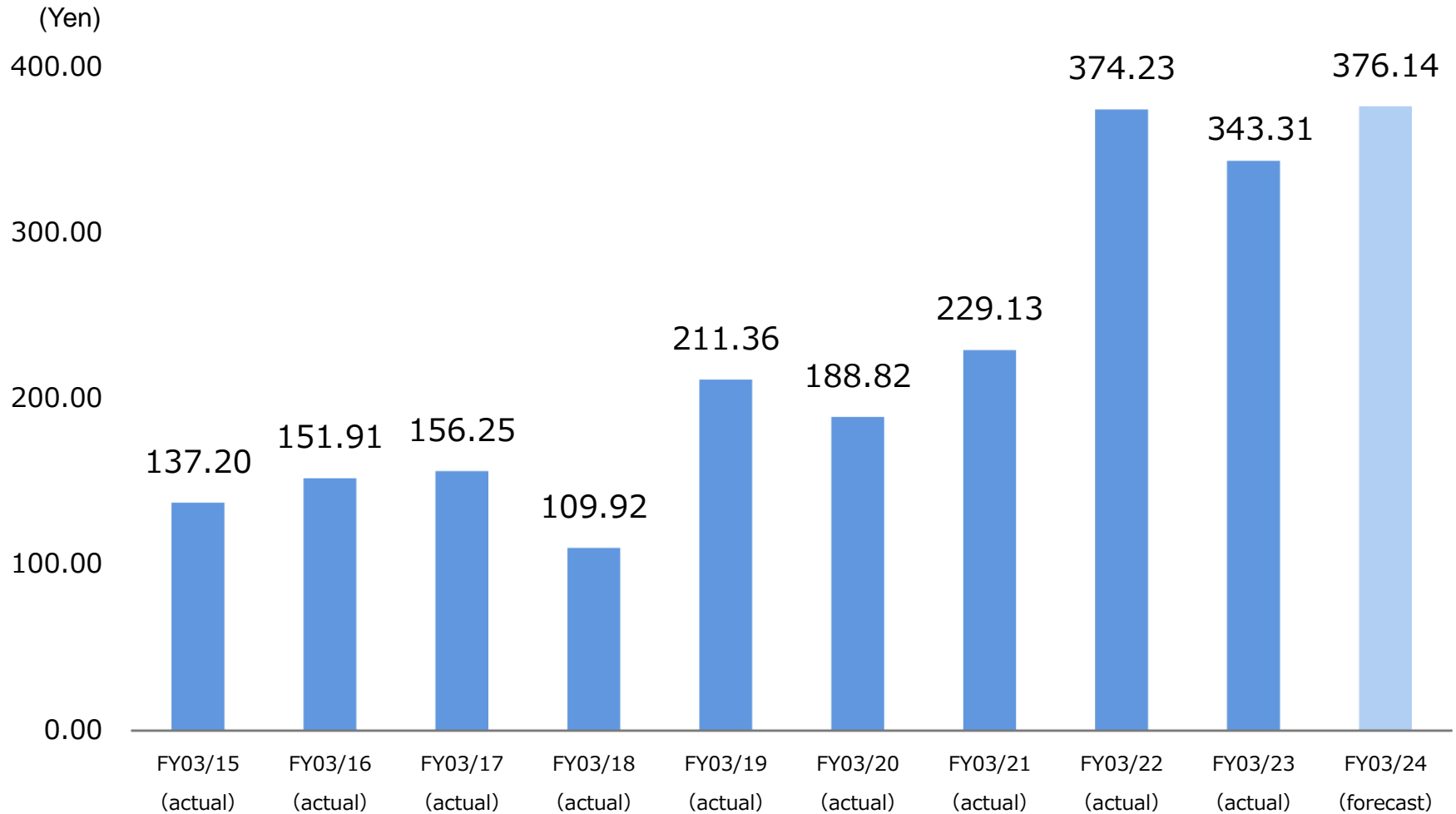
(Billions of yen)

Information & Electronics Chemicals Life Industry Plastics Other

27.50
22.50
17.50
12.50
7.50
2.50
-2.50



Earnings per Share



Stock Prices (April 2020–March 2023)



*Indexed to 100% on April 1, 2020

Company Overview (As of March 31, 2023)

Name	Inabata & Co., Ltd.	Fiscal year	April 1 to March 31
Founded	October 1, 1890	Exchange listing	Prime Market of the Tokyo Stock Exchange
Incorporated	June 10, 1918	Ticker	8098
Capital stock	¥9,364 million	Trading unit	100 shares
Representative	Katsutaro Inabata, Director, President	Shareholders	51,233
Head offices	Osaka Head Office (1-15-14 Minami-semba, Chuo-ku, Osaka) Tokyo Head Office (2-8-2 Nihonbashi-honcho, Chuo-ku, Tokyo)*	<div style="text-align: center;"> <h3>Shareholder Composition</h3> <p>Shareholders: 51,233 (As of March 31, 2023)</p> <ul style="list-style-type: none"> Individuals/others: 22.3% Financial institutions: 23.3% Foreign investors: 18.3% Domestic corporations: 33.6% Securities companies: 1.5% Treasury stock: 1.0% </div>	
Employees	709 (4,316 on consolidated basis)		
Issuable shares	200,000,000		
Shares issued and outstanding	57,114,127		

*Due to the rebuilding the Tokyo Head Office Building, from December 19, 2022 to around September 2025, we will temporarily relocate the Tokyo Head Office and conduct business at the Muromachi Furukawa Mitsui Building (COREDO Muromachi 2), 2-3-1 Nihonbashi Muromachi, Chuo-ku, Tokyo.

□ IR-related inquiries:

IR Department, Financial Management Office
Inabata & Co., Ltd.
E-mail: inabata-ir@inabata.com

◆Cautionary note regarding forward-looking statements

The data and future predictions contained in this document are forward-looking statements, based on information available and judgments applicable at the time of the document's release. The data and forecasts contained herein may include elements that are subject to change. This document and its contents are no guarantee of future performance.

◆Presentation of numerical figures

Figures in this document presented in millions and billions of yen have been rounded down. Consequently, certain discrepancies may exist between individual values and total values, or values showing changes between sets of data.