

IR Briefing for the Fiscal Year Ended March 2024

Achievement of Targets in NC2023, Our Previous Medium-Term Management Plan,
And Summary of NC2026, Our New Medium-Term Management Plan

June 3, 2024

Inabata & Co., Ltd.

Katsutaro Inabata, Director, President

Inabata & Co., Ltd. held the financial results briefing for the fiscal year ended March 2024 via live broadcast on June 3, 2024.

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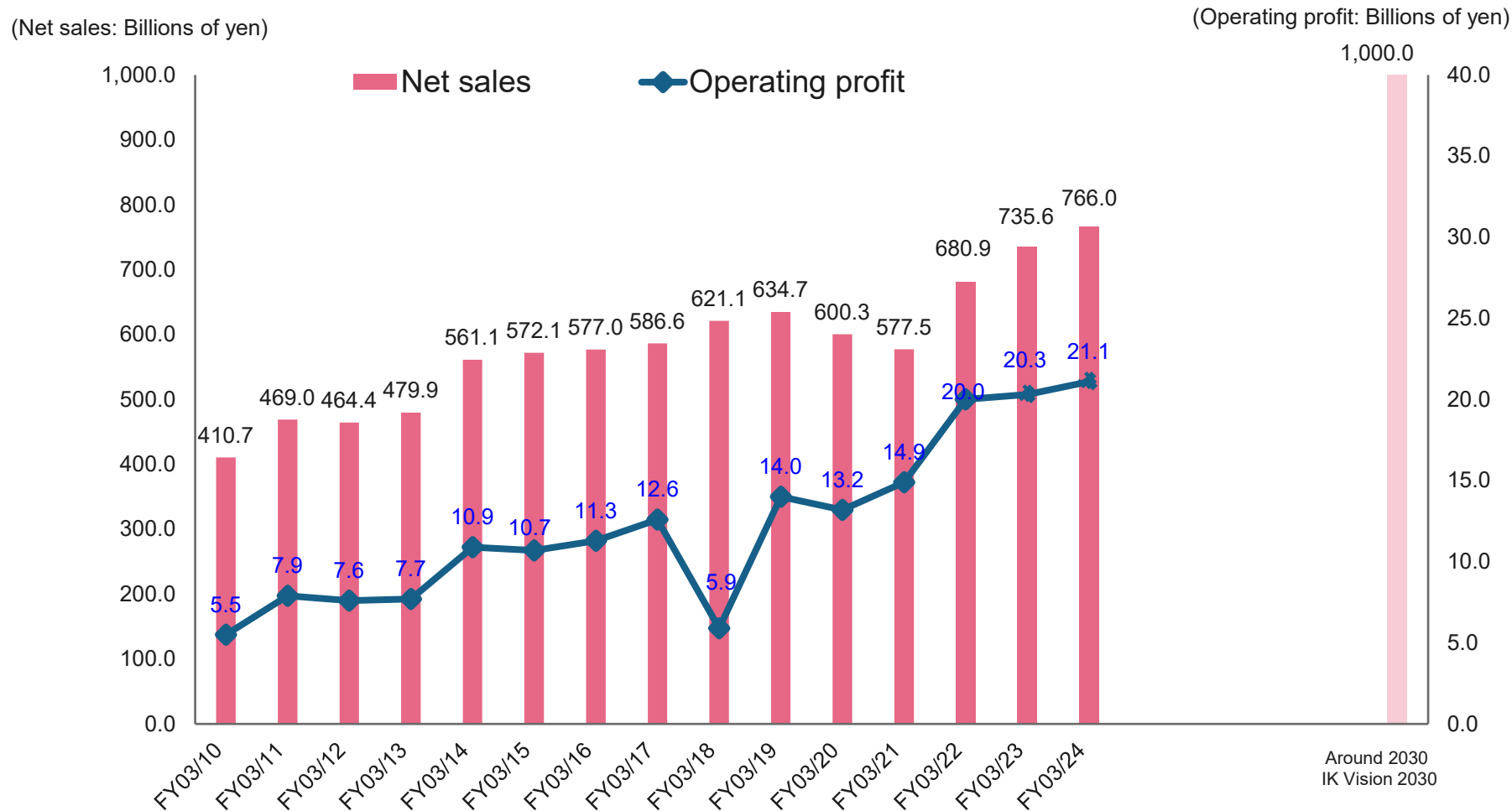
*1 Hereinafter, NC2023

*2 Hereinafter, NC2026

Inabata's Strengths

Inabata's Strengths ~ (1) Performance Growth

- Business performance is growing steadily, with record-high net sales and operating profit in the last three consecutive fiscal years.



Inabata's Strengths ~ (2) History, Client Base, and Human Capital

- **Founded in 1890, built up a client base (suppliers and customers) of about 10,000 companies during a history spanning more than 130 years**
 - Founded in 1890 as Inabata Senryoten in Kyoto. Since then, Inabata has expanded business, focused on the chemicals field, in response to modern customer needs. In addition to chemicals, our business spans a variety of categories, including electronics, precision equipment, automobiles, daily necessities, and housing-related products, enabling Inabata to secure stable earnings and explore innovative new products and applications.

- **A trading company specializing in chemicals with a global information network**
 - Inabata is a trading company specializing in chemicals with nearly 70 overseas bases in 19 countries. We have established a global information network and customer support system covering everything from product markets to raw material supply and demand, enabling us to respond in a timely manner to customer local production and overseas expansion needs.

- **Providing high-mix, low-volume production, VMI* functionality, and other added value**
 - Inabata provides added value by responding to customer needs for procurement and small lot production outsourcing. For example, we reduce procurement and logistics costs by establishing manufacturing and processing bases close to customers and consumers for customer procurement activities requiring a wide range of raw materials.

- **Human resources embodying “business management with respect for people”**
 - Employees are the most important form of capital for trading companies, and Inabata provides high value by building relationships of trust with suppliers and customers based on the spirit of “love (*ai*)” and “respect (*kei*),” and a high level of expertise.

*Vendor Managed Inventory

Inabata's Strengths ~ (3) Solid Business Base in Asia

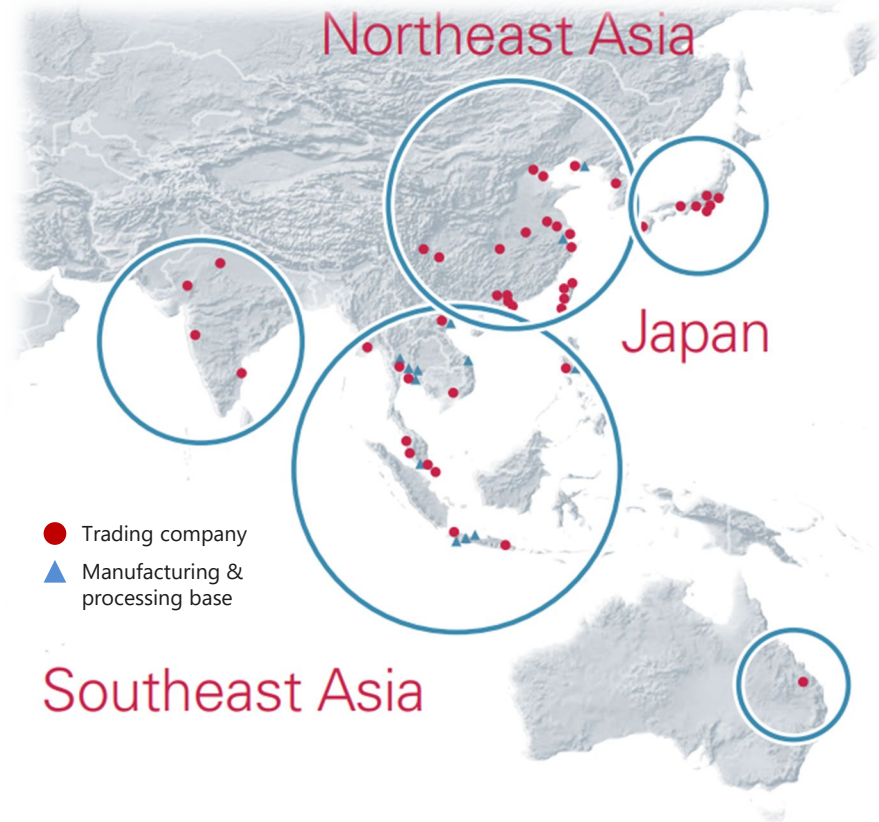
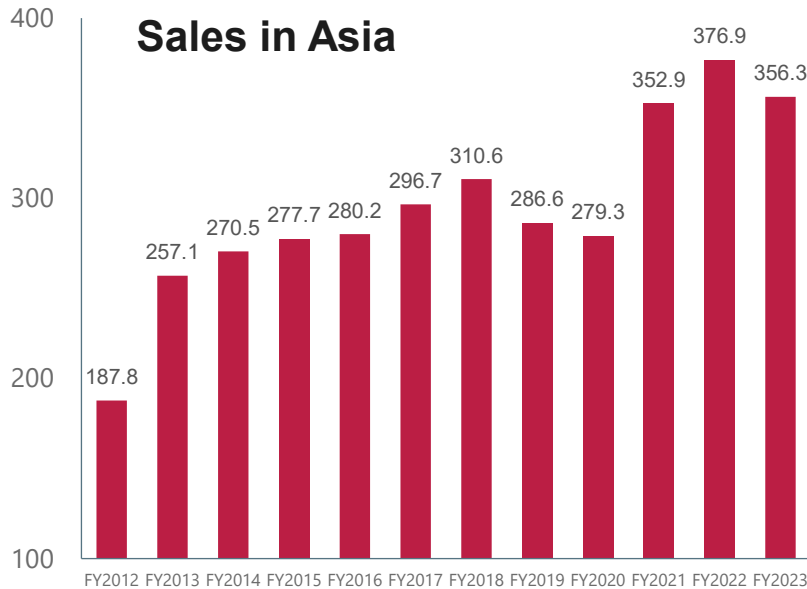
- Established sales base in Singapore in 1976. We then expanded our network of bases to build a solid business foundation in Northeast and Southeast Asia (56 bases in 11 countries outside Japan).
- Our main focus in Northeast Asia is FPD materials. In Southeast Asia, we are expanding the plastics business by differentiating us from competitors through the compound business.

Number of Locations and Personnel



- Number of Personnel in Asia : 2,956
(Percentage of total consolidated basis 64%) *As of March 31, 2024

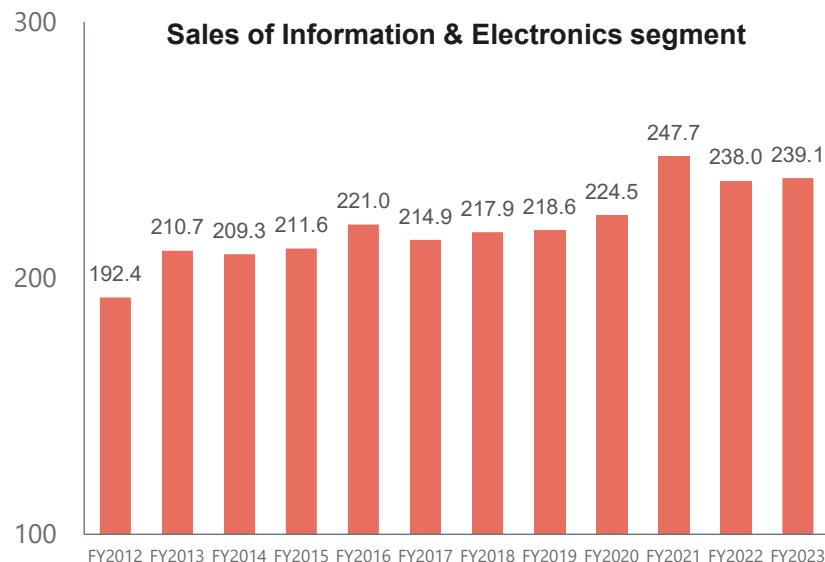
(Billions of yen)



Developments in Asia ~ FPD-related business

- **Expanding customer base and scope of business in response to changes in the FPD market environment, growing into a core business**
 - Rapidly responded to changes in the main panel manufacturing countries (Japan -> Taiwan -> China · South Korea) by developing personnel at local bases, initiating transactions with local manufacturers.
 - Launched business with polarizer raw materials, expanded product lineup to include polarizer, protective films, and alignment layer films, as well as OLED materials.
 - Developed business based on information from a wide range of customers, from raw material and component manufacturers, to panel manufacturers.
 - Leveraging our accumulated expertise and information, we were also able to establish supply chains and develop proposal-based business.

(Billions of yen)

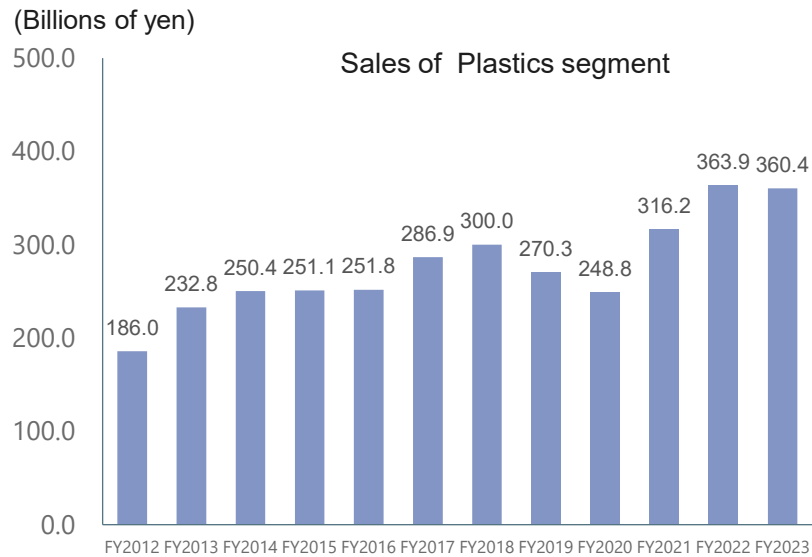


Business Development Transition

1990 s	<ul style="list-style-type: none"> • Started in 1990 from sales of polarizer materials (PVA films) • In 1993, launched sales of polarizer films to Japanese panel makers
2000 s	<ul style="list-style-type: none"> • Established polarizer film processing base in Taiwan in response to emergence of local leading panel makers. In 2001, took over a joint venture with Sumitomo Chemical Co., Ltd., assumed responsibility for sales, etc. • Among the first to start business with leading Chinese panel makers and capture market expansion (spread of notebook PCs, shift to FPD for TVs, and rapid growth of smartphones)
2010 s	<ul style="list-style-type: none"> • Developed a wide range of commercial products in response to trends toward OLEDs and next-generation FPDs

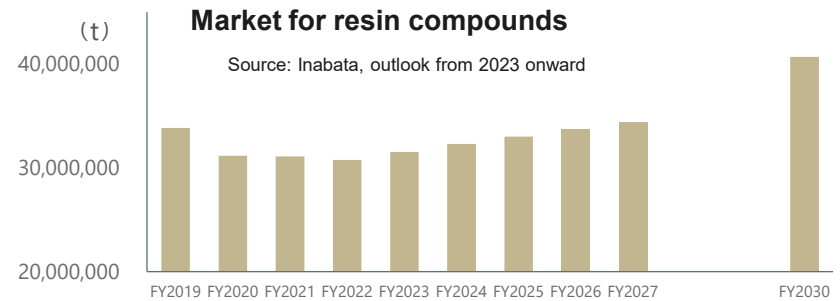
Developments in Asia ~Plastics Segment

- Expanded overseas in line with Japanese consumer electronics manufacturers transition to overseas production. Subsequently expanded into a global network of bases while cultivating customers in the office automation and automobile industries (overseas sales ratio exceeded 62% in FY2023).
- Producing resin compounds at seven bases in seven countries mainly in Asia. In addition to providing products meeting customer needs, we also made new proposals for resin materials.
- Points of differentiation from other companies
 - Versus major trading companies: Meticulous response to needs for a wide variety of products in small quantities
 - Versus small- to medium-sized trading companies: Support for customer overseas expansion

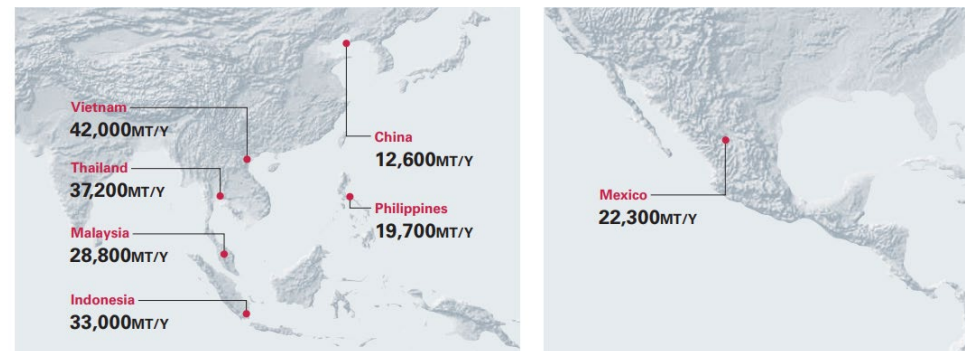


Resin Market Environment

- Overall market growth of 2–3% per year is expected to remain stable.
- Declining trend in general-purpose applications such as plastic bags, tableware, and containers/packaging
- Automotive and other applications are expected to grow in line with demands for weight reductions and metal substitutions.
- Recycled materials are expected to increase amid expanding environmental regulations and decarbonization trends .



Annual production capacity of resin compounds (MT/Y) As of March 31, 2024



7 locations in 7 countries Total annual production capacity: 195,600MT/Y

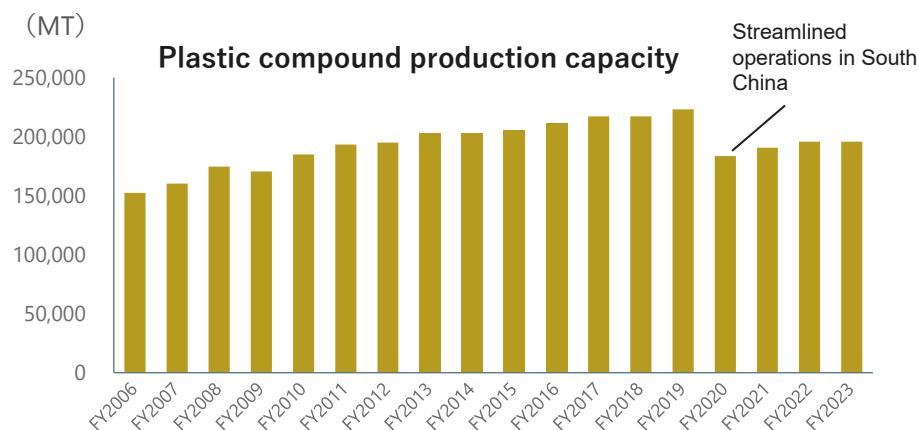
Developments in Asia ~Plastic compound

■ Highest productivity in the industry

- With seven production bases in seven countries including China, Vietnam, and Indonesia (195,600 MT/year in total as of March 31, 2024), Inabata is among the largest production scales in the industry as a trading company-affiliated resin compounder.

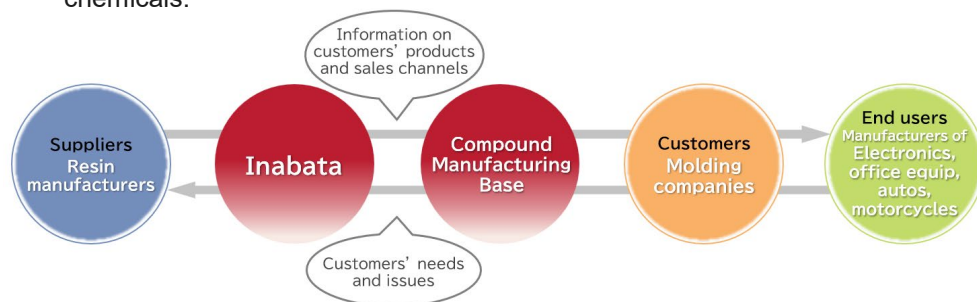
■ Global customer support structure

- Integrated domestic and overseas customer support system, including overseas offices, provides prompt and useful information, one-stop price negotiation capabilities in Japan and overseas, and assurance of stable supply.



Business model for the plastic compound

- Differentiation by meeting customer needs for rapid delivery and high-mix low-volume production in close proximity to customer manufacturing bases
- Involvement in customer manufacturing processes enables Inabata to obtain up-to-the-minute product-related information starting from the development phase, leading to new proposals for plastic materials and chemicals.



Joint venture with Daicel

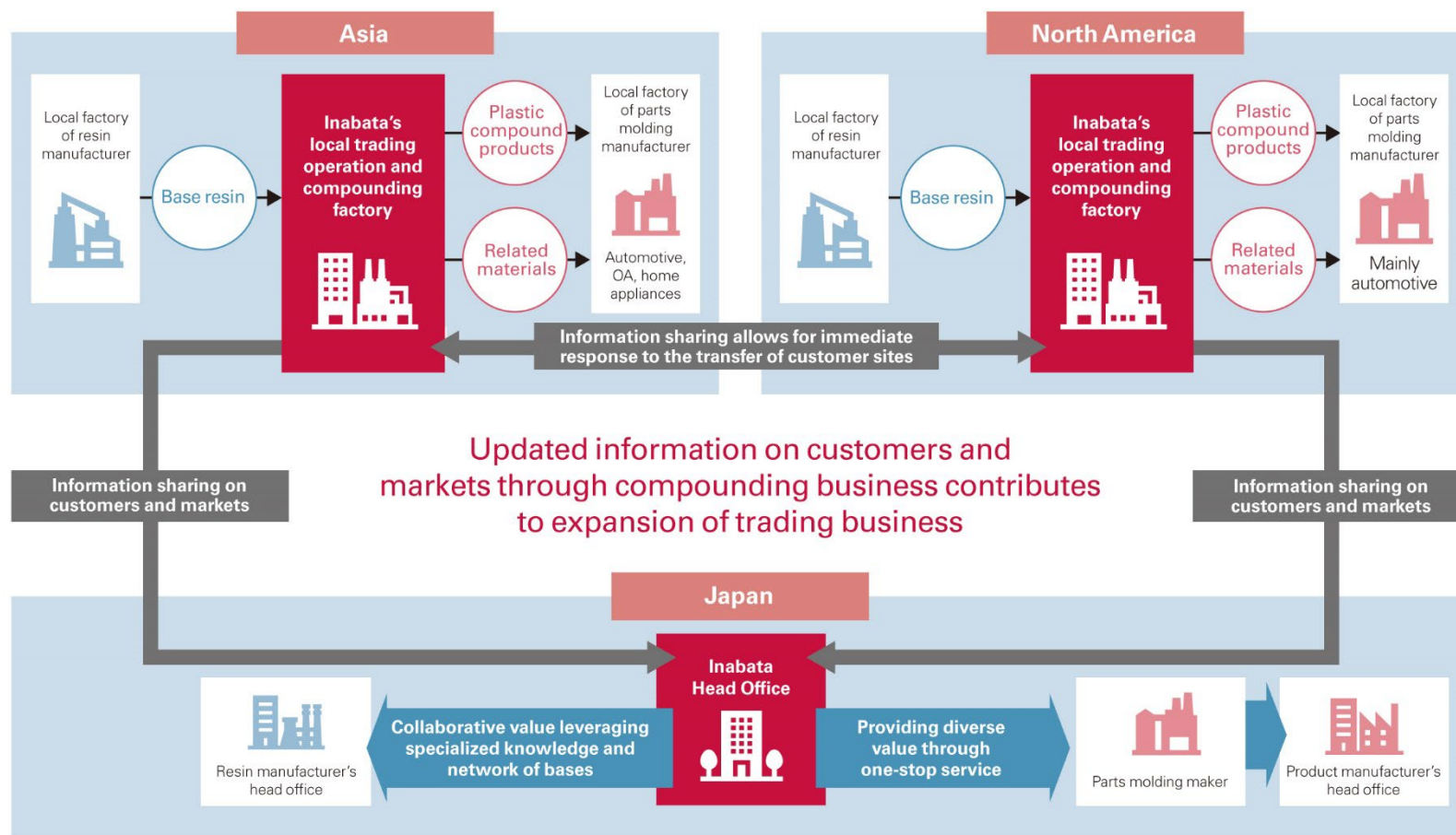
- Established joint venture with Daicel Corporation (scheduled to begin operations in July 2024) to further enhance compounding functions and expand the plastics business

Aims of joint venture

- Acquire new production technologies and enhance quality controls
- Develop technical talent
- Augment development capabilities
- Increase manufacturing capability through introduction of production system

【Reference】 Business model for the plastic compound business

Business model for the plastic compound business



Our Previous Medium-Term Management Plan Achievement of Targets in “New Challenge 2023”

Company-wide

- Net sales fell short of the target due to deteriorating FPD market conditions and other factors.
- Operating profit achieved the target, partly due to a tailwind from yen depreciation.
- Ordinary profit was roughly in line with the target, absorbing interest rate hikes.
- Profit attributable to owners of parent fell short of the target due to a decrease in gains on the sale of investment securities.
- ROE was in line with the projection, with the target level maintained through financial soundness.

(Billions of yen)

	FY03/24 Actual	Target for FY03/24	Difference	Achievement rate
Net sales	766.0	800.0	-33.9	96%
Operating profit	21.1	20.5	+0.6	103%
Operating profit margin	2.8%	2.6%	+0.2%	-
Ordinary profit	21.3	21.5	-0.1	100%
Profit attributable to owners of parent	20.0	22.5	-2.4	89%
ROE	10.5%	10% or more	-	Achieved
Net debt/equity ratio	0.06x	0.5x or less	-	Achieved
Equity ratio	46.8%	Approximately 40~50%	-	Achieved
Exchange rate (USD/JPY)	¥144.59	¥120.00	-	-

By Segment

- Mainly Sales in Information & Electronics fell short of targets.
- With the exception of Life Industry, all other segments achieved operating profit targets.

(Billions of yen)

Segment	FY03/24 Actual		Target for FY03/24		Difference	
	Sales	Operating profit	Sales	Operating profit	Sales	Operating profit
Information & Electronics	239.1	6.90	284.0	6.30	-44.8	+0.60
Chemicals	112.6	2.78	119.0	2.60	-6.3	+0.18
Life Industry	53.5	1.48	52.0	2.50	+1.5	-1.01
Plastics	360.4	9.87	344.8	9.00	+15.6	+0.87
Other	0.1	0.13	0.2	0.10	-0.0	+0.03
Total	766.0	21.19	800.0	20.50	-33.9	+0.69

Sustainability

■ We accelerated sustainability initiatives during NC2023.

Note: Text in red indicates recent developments.

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
August 2023	Selected as a component of the FTSE Blossom Japan Index
September 2023	Forged a business alliance with Asuene Inc. to support decarbonization of corporations
March 2024	Certified as a Health & Productivity Management Outstanding Organization 2024
May 2024	Formulated "Sustainability Mid-term Plan 2026" *

*https://www.inabata.co.jp/archives/002/202406/20240605_SustainabilityMedium-termPlan2026.pdf

Our New Medium-Term Management Plan Summary of “New Challenge 2026”

Company-wide Quantitative Targets

(Billions of yen)

	FY03/24 Actual	NC2026		
		FY03/25 Plan	FY03/26 Plan	FY03/27 Targets
Net sales	766.0	830.0	890.0	950.0
Operating profit	21.1	22.5	24.5	27.0
Ordinary profit	21.3	21.5	23.5	26.0
Profit attributable to owners of parent	20.0	17.0	17.5	19.0
ROE	10.5%	10% or more	10% or more	10% or more
Net debt/equity ratio	0.06 times	0.5 times or less	0.5 times or less	0.5 times or less
Equity ratio	46.8%	Approximately 50%	Approximately 50%	Approximately 50%
Exchange rate (USD/JPY)	¥144.59	¥145.00	¥145.00	¥145.00

Segment Quantitative Targets

(Billions of yen)

Segment	FY03/24 Actual		NC2026					
			FY03/25 Plan		FY03/26 Plan		FY03/27 Targets	
	Sales	Operating profit	Sales	Operating profit	Sales	Operating profit	Sales	Operating profit
Information & Electronics	239.1	6.90	256.0	6.55	283.0	7.20	312.0	8.45
Chemicals	112.6	2.78	124.8	2.85	132.0	3.05	139.0	3.25
Life Industry	53.5	1.48	61.0	2.20	66.8	2.60	72.8	3.10
Plastics	360.4	9.87	388.0	10.80	408.0	11.55	426.0	12.10
Other	0.1	0.13	0.2	0.10	0.2	0.10	0.2	0.10
Total	766.0	21.19	830.0	22.50	890.0	24.50	950.0	27.00

Capital Allocation

[Three-year period from FY03/25 to FY03/27]

Cash flows from
operating
activities, etc.
Approximately
¥65 billion



Investments, etc.
About **50~60%**

Shareholder returns
About **40~50%**

Overview

Long-term Vision “IK Vision 2030”

Medium-term Management Plan NC2026

Key themes:

- Accelerate growth through proactive investment
- Newly formulate a medium-term sustainability plan to address key management priorities (materiality)

Company-wide Growth Strategy

Segment Growth Strategy

Management Base Strategy

Financial Strategy

Sustainability Strategy
(including HR strategy)

Digital Strategy

Company-wide Growth Strategy Summary

Consolidated sales Over ¥1 trillion

- » Approach: Expand earnings through proactive investment
- » Business domains: Expand environment-related business and life industry business such as food products

Enhance multifaceted capabilities

- » Differentiate and boost earnings by enhancing multifaceted capabilities (especially in manufacturing and logistics)

Business portfolio

- » Further develop key segments (Plastics, Information & Electronics)
- » Establish earnings pillar on par with key segments

Overseas ratio 70% or more

- » Further develop growth areas (especially in India, Mexico, and the Americas, in addition to the existing Asia sites)
- » Move into untapped areas (e.g., Eastern Europe)

Company-wide Growth Strategy

Consolidated sales of ¥1 trillion or more

Expand earnings through proactive investment
Expand environment-related business and life industry business
such as food products

- Expand earnings and boost profitability through proactive M&A deals and other investments
- Focus management resources particularly on environment-related areas (renewable energy, recycling), automobile-related areas (for NEVs* and batteries), and semiconductors and electronic components-related areas
- Expand the food business (especially processing functions) and the pharmaceutical business

*New Energy Vehicle

Company-wide Growth Strategy

Enhance multifaceted capabilities

Differentiate and boost earnings by enhancing multifaceted capabilities (especially in manufacturing and logistics)

- Further reinforce the Plastics business by expanding and enhancing compounding capabilities through the establishment of a joint venture company
- Differentiate by providing logistics functions (mainly overseas)

Company-wide Growth Strategy

Business portfolio

Further develop key segments (Plastics, Information & Electronics)

- Accelerate expansion of environment/energy and semiconductor-related businesses (Information & Electronics)
 - ~ Environmental and energy field sales: ¥100 billion (target around 2030)
- Accelerate expansion in the automotive field (Plastics)
 - ~ Automotive resin sales: ¥200 billion (target around 2030)
- Further develop display peripheral business (Information & Electronics)
- Expand and enhance compounding capabilities (Plastics)

Establish earnings pillars on par with key segments

- Expand our business domain and contribute to earnings quickly through M&A, etc.
- Expand sales in food and other life industry fields
- Expand Chemicals business overseas

Company-wide Growth Strategy

Overseas ratio of 70% or more

Further develop growth areas

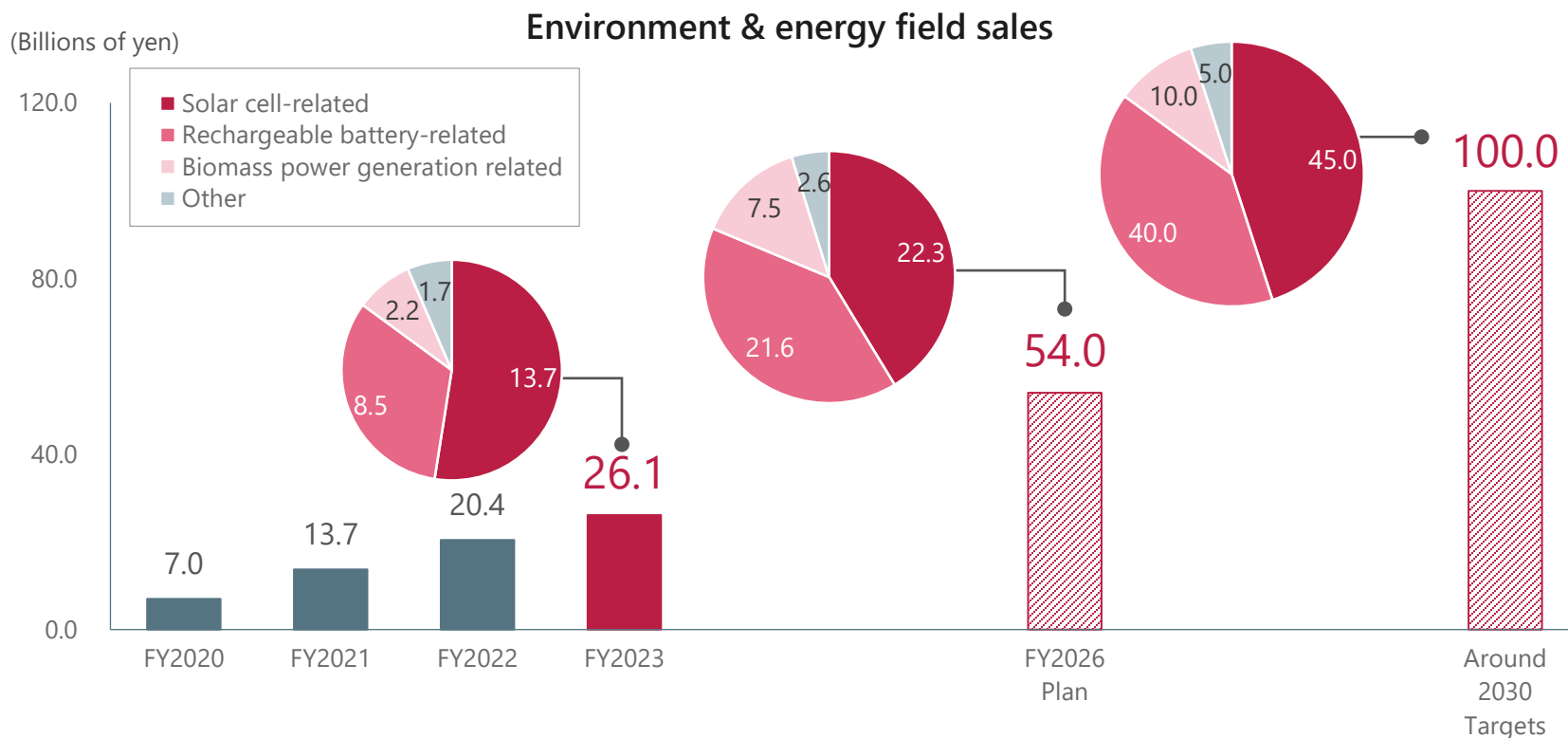
- Strong focus on India and Mexico
- Further develop the Asia region
- Expand business opportunities by responding to supply chain reevaluations by global customers

Move into untapped areas (e.g., Eastern Europe)

- Expand business in Eastern Europe
- Explore expansion into untapped Global South countries (South Asia, Cambodia, African countries, etc.)

Environment and Energy Field Expansion (Information & Electronics Segment)

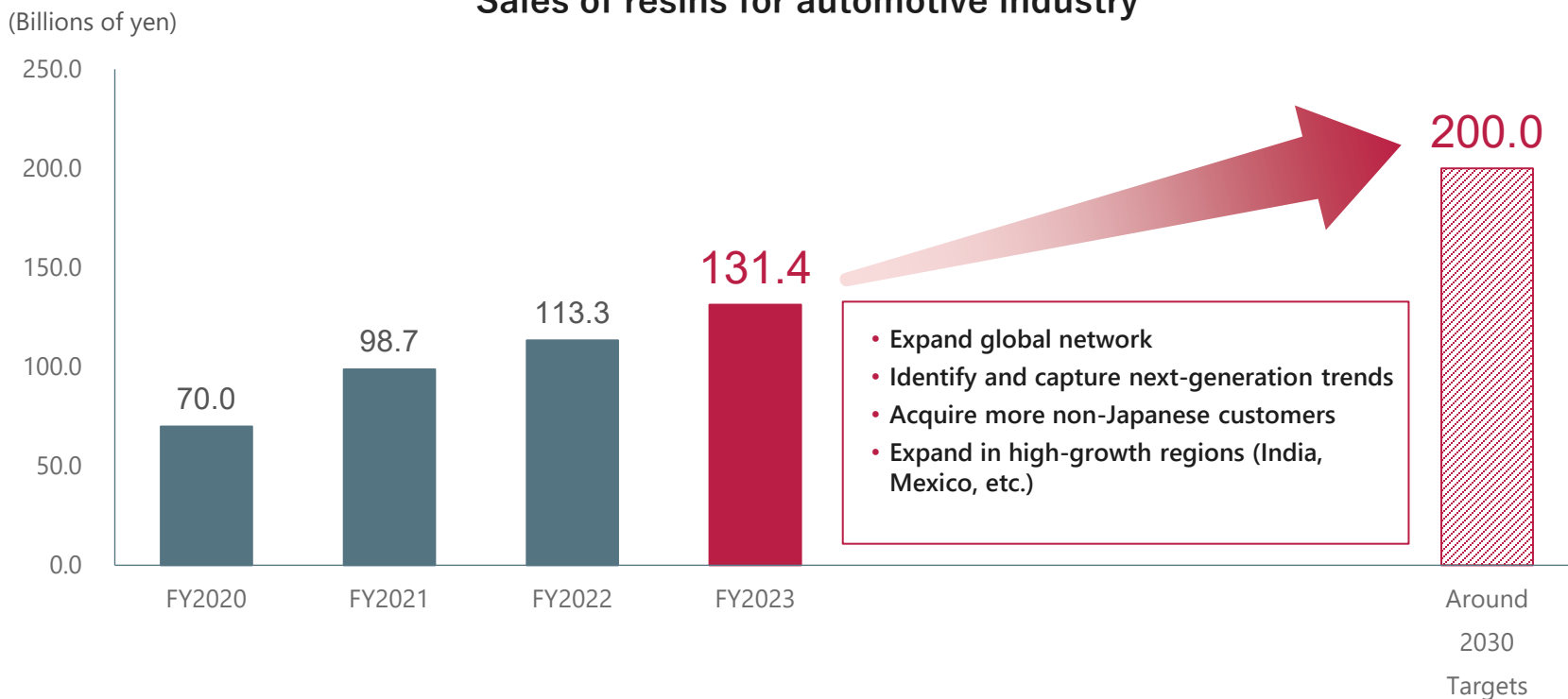
Accelerate expansion of environment and energy field
— Aiming for sales of ¥100 billion around 2030



Automotive Resin Sales Expansion (Plastics Segment)

Accelerate global expansion in the automotive field
 — Aiming for sales of ¥200 billion around 2030

Sales of resins for automotive industry



Financial

Further improve capital efficiency

- Maintain ROE of 10% or more by boosting business profitability and keeping shareholders' equity under control
- Steadily implement policy of reducing strategic shareholdings and utilize proceeds from sales (for investment and shareholder return)

Focus on shareholder returns, including paying progressive dividends

- Maintain total shareholder return ratio of approximately 50%
- Continue paying progressive dividends
- Continue flexible share repurchases and cancellations

Implement measures to realize management conscious of cost of capital and share prices (achieve a share price level that regularly exceeds 1x P/B ratio as soon as possible)

- Maintain ROE above shareholders' cost of equity (10% or more)
- Enhance business value through steady implementation of growth strategies
- Reduce cost of shareholders' equity and foster growth expectations through enhanced information disclosure and dialogue (boosting P/E ratio)

Sustainability Strategy Details

Long-term Vision

Long-term Targets

GHG emissions (Scopes 1 and 2): **Reduce emissions by 42% by FY2030**, compared to FY2022 levels; and achieve carbon neutrality by FY2050.

Long-term Aims

- » A decarbonized and circular society, and rich natural capital for society and the planet
- » A society in which human rights are respected, people feel safe and secure, and their well-being is maintained
- » A state of sustainable growth where the value provided by the Company, co-created with its business partners, is seen as indispensable to society
- » A situation where all employees in Japan and overseas, who are critical for sustainable growth, are physically and mentally healthy, work with enthusiasm in a style that fits the individual and in appropriate roles, and enjoy a high level of well-being

Relevant United Nations Sustainable Development Goals



Sustainability Strategy Details

Materiality: Long-term Vision, Strategy, KPIs, and Targets(1)

Creating sustainable value

Contributing to a decarbonized and circular society; sustainable use of natural capital
 Contributing to safety, security, and well-being
 Providing value through resilience in procurement and supply functions

Strategy	KPIs and Targets (April 2024 to March 2027)	Boundary
– Achieve carbon neutrality in business activities	» Reduce GHG emission (Scopes 1 and 2) by 25% compared to FY2022 levels	Consolidated
– Contribute to the global environment through the business	» Achieve net sales of 100 billion yen*1 for environment-related business	Consolidated
– Ensure safe and secure quality through stronger management of compliance with chemical substances regulations	» Understand and share trends in chemical substances regulations in Japan and overseas in a timely manner, and strengthen the compliance management framework	Consolidated
– Enhance resilience in procurement and supply functions by strengthening supply chain management	» Clarify the Company’s position on responsible procurement, and communicate it internally and externally	Non Consolidated
– Establish supply chains that respect human rights	» Establish the human rights DD cycle*2 for selected operations as a model case	Non Consolidated

*1. The expected ratio of environment-related business by field in the final fiscal year of the Sustainability Medium-term Plan 2026 is outlined below.



*2. The human rights DD cycle refers to the following due diligence processes and supporting measures set out in OECD Due Diligence Guidance for Responsible Business Conduct:

- | | |
|---|---|
| 1. Embed responsible business conduct into policies and management systems | 4. Track implementation and results |
| 2. Identify and assess actual and potential adverse impacts associated with the enterprise's operations, products or services | 5. Communicate how impacts are addressed |
| 3. Cease, prevent and mitigate adverse impacts | 6. Provide for or cooperate in remediation when appropriate |

Sustainability Strategy Details

Materiality: Long-term Vision, Strategy, KPIs, and Targets(2)

Strengthening the foundation for business continuity

Respecting human rights in the spirit of love (ai) and respect (kei) and growing together with local communities

Fostering and strengthening the human capital driving the value creation

Enhancing governance and risk management

Strategy	KPIs and Targets (April 2024 to March 2027)	Boundary
<ul style="list-style-type: none"> – Improve the well-being (state of being physically, mentally, and socially satisfied) of employees who support sustainable growth 	<ol style="list-style-type: none"> 1. In employee engagement surveys, achieve an overall response rate of at least 90%, a positive response rate of at least 80% to the statements “I am satisfied to work at the Company” and “I can identify with the Company’s mission, vision, and managerial policy, and I want to work to achieve them,” and a positive response rate of at least 70% across all items*3 2. Expand the implementation boundary for the human rights DD digital survey to the Group 	Consolidated
<ul style="list-style-type: none"> – Foster diversity and inclusion that makes the most of diverse individuals 	<ol style="list-style-type: none"> 1. Increase the ratio of women in managerial positions to at least 8% by March 2028, and to 10% by 2030 2. Maintain the ratio of mid-career hires at around 50% 3. Increase the ratio of male employees taking paternity leave to 100% 4. Continue to exceed the legal rate of employment for persons with disabilities 5. Encourage managerial appointments for local employees at overseas subsidiaries 	1-4 Non Consolidated 5 Consolidated
<ul style="list-style-type: none"> – Further advance health and productivity management 	<ol style="list-style-type: none"> 1. Achieve a 100% rate of complete checkup*4 2. Maintain comprehensive health risk found by stress checks at current levels*4 	Non Consolidated
<ul style="list-style-type: none"> – Focus on investment in human capital 	<ol style="list-style-type: none"> 1. Every year, spend more on education and training costs*5 per employee than in the previous year 2. Maintain the ratio of employees with overseas posting experience at around 40% 	Non Consolidated

*3. The positive response rate in employee engagement surveys refers to—of employee responses on the five-point scale (5. Fully agree; 4. Agree; 3. Neither agree nor disagree; 2. Disagree; 1. Fully disagree)—the proportion of responses 4 and 5, which are the positive responses.

*4. The rate of complete checkup refers to the proportion of employees who were advised to undergo a complete checkup after the initial health check and actually followed the advice. Comprehensive health risk is an indicator for stress evaluation provided by the Ministry of Health, Labour and Welfare to comprehensively assess to what degree the workplace environment impacts on employee health. The risk is calculated by using four criteria obtained from stress checks: psychological burden of work (volume), degree of discretion at work, degree of support from managers, and degree of support from colleagues. The national average is calculated as 100: workplace health risk is high if the value exceeds 100, and low if the value falls below 100. The value at the Company is currently below 100.

*5. Education and training costs refer to the expenses spent on group training, external training, video learning, and so on at Inabata on a nonconsolidated basis. For FY2022, the costs were 50,776 yen per person. (FY2023 results will be disclosed in the summer of 2024.)

Digital strategy

Enhance management information infrastructure and reinforce Group-wide security

- Revamp core systems and strategically leverage Group-wide sales information
 - ~ Fully support front-line sales activities with digital technology to generate new business and maintain and expand existing business
- Establish a scheme to strengthen security and deploy it across the Group
 - ~ Complete transfer of IT infrastructure to cloud environment and further enhance security for all Group companies
- Improve productivity by leveraging in-house generative AI services, etc.
 - ~ Enhance digital marketing and productivity by leveraging unstructured data using OpenAI

Core system renewal project

Facilitate smooth project execution and go-live of new core system

- Build next-generation core systems for further DX promotion
- Further support for new work styles (paperless, telecommuting, mobile phone access)
- Support visualization of development assets (SBOM*¹) for new core system

*1 SBOM : Acronym for software bill of materials

Strategic use of Group-wide sales information

Initiatives to promote data-driven management that leverages management base data

- Launch operations of CDAM*², a data management platform
- Transform into a data-driven company that makes decisions based on Group-wide data platform
- Create new business by enhancing digital marketing that leverages the Group-wide data

*2 CDAM : Acronym for Consolidated Performance Data Management; a global management base

Digital Strategy Details

Laterally deploy IT infrastructure that supports the entire Group

Laterally deploy infrastructure base construction for Group-wide optimization

- Provide centralized management of cloud environment construction and operation for small Group sites.
- Complete migration of all Group site systems to cloud environment (consolidated Group companies)*³

*³ Completed cloud migration at about 83% of consolidated subsidiaries. Implemented overall management of system maintenance, backup, and BCP response under the leadership of the headquarters.

Further enhance security measures for the entire Group

Further enhance and promote security measures across the entire Group

- Conduct periodic security audits, guidance, and support for all Group companies
- Conduct third-party security assessments (e.g., vulnerability assessments) on an ongoing basis
- Laterally deploy CSIRT operation (EDR/SOC)*⁴ to small Group sites

*⁴ CSIRT : Acronym for Computer Security Incident Response Team

EDR : Acronym for Endpoint Detection and Response / SOC : Acronym for Security Operation Center

Improve productivity by leveraging generative AI services, etc.

Verify suitability of using generative AI for business applications and implement it

- Improve work efficiency by using M365 Copilot
- Enhance marketing activities by extracting customer insights from unstructured data (e.g., business inquiries, e-mails, daily business reports, etc.) using OpenAI

Shareholder returns

Basic Policy on Shareholder Return

Basic Policy on Shareholder Return

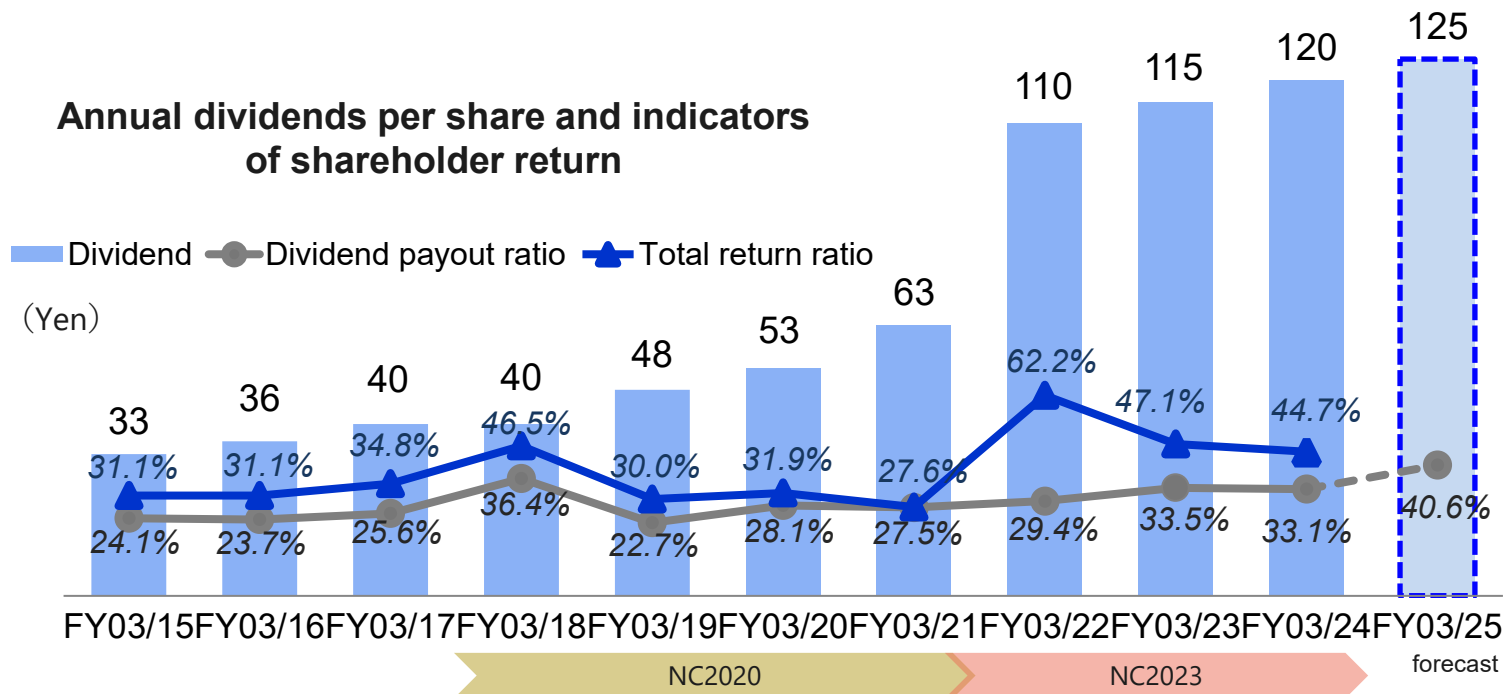
During NC2026,

- The actual amount of dividends paid in the previous fiscal year will be used as the lower limit for dividends per share, and the basic policy is to continuously increase the dividends without reducing them (Progressive dividends).
- The target for total return ratio is roughly 50%.

Shareholder returns

- For FY03/25, we plan to pay an annual dividend of ¥125 per share, with an increase of ¥5 (interim: ¥60 per share; year-end: ¥65 per share).
- We will repurchase up to 1,200,000 shares for ¥5.0 billion (between May 13 and July 31, 2024).*

*All shares are to be cancelled after acquisition.



Treasury shares	FY03/15	FY03/16	FY03/17	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24	
Acquisition amount	604	707	891	679	936	425	-	7,499	2,635	2,229	(Millions of yen)
No. of shares Acquired	600	600	600	400	600	300	-	3,085	1,035	765	(Thousands of shares)
No. of shares cancelled	1,660	-	-	-	-	-	-	2,700	3,685	1,200	(Thousands of shares)

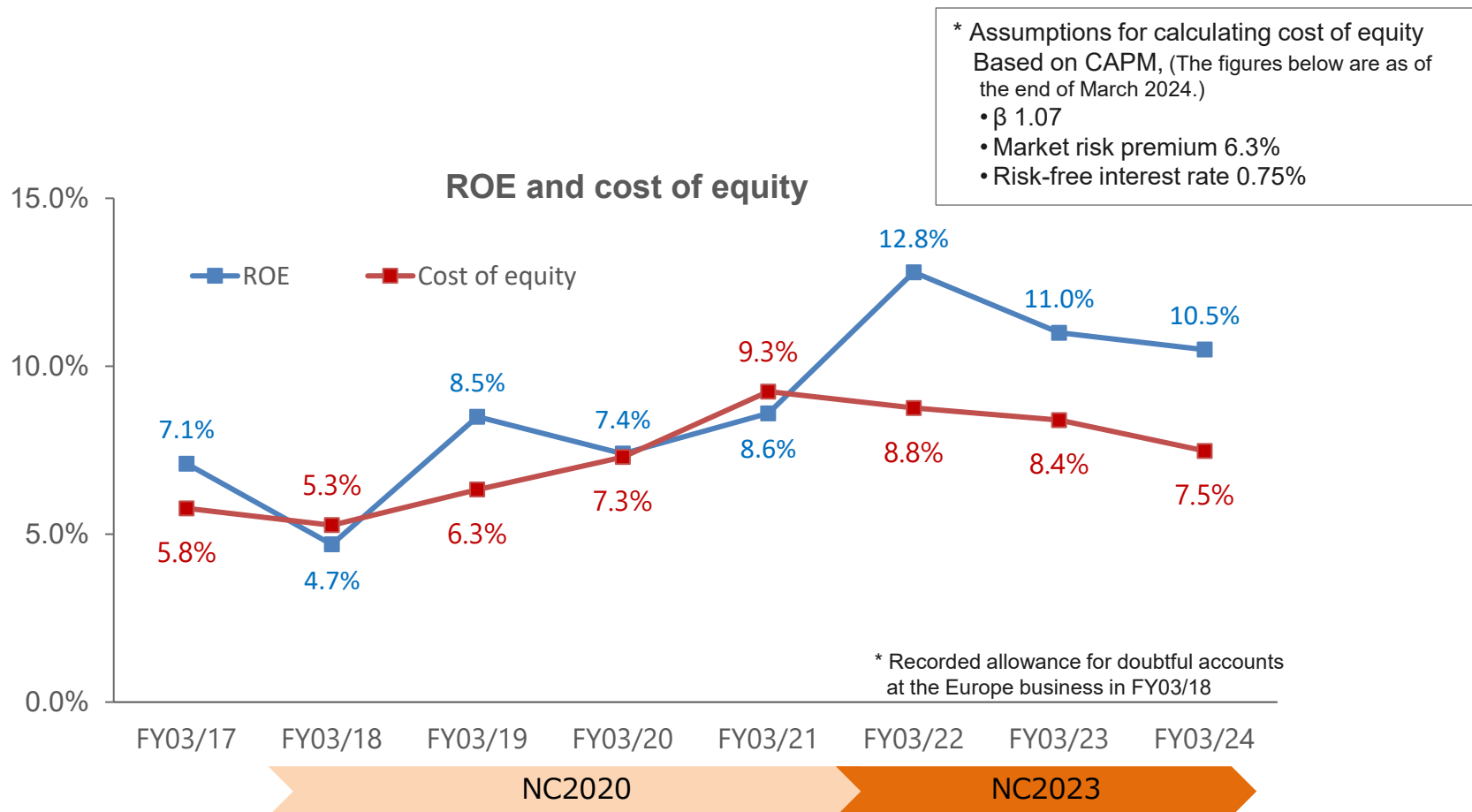
Measures to Realize Management Conscious of Cost of Capital and Share Prices

Current Status: Summary (June 2023 disclosure)

- 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.

Cost of Capital vs. Return on Capital

- Under *NC2023*, ROE has continuously risen to a level exceeding the cost of shareholders' equity.
- In FY03/24, beta (β) declined on an expanded shareholder base due to improved market liquidity.

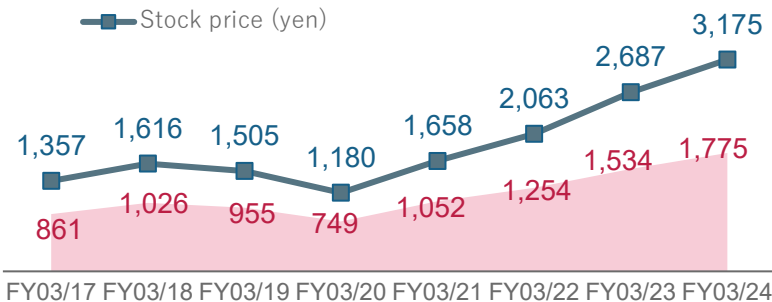


Share Price and the Market's Valuation of the Company

- Steady rise in market price (approx. 1.9x) and market cap (approx. 1.7x) over the three-years of NC2023.
- PBR is trending up, but not yet reached the target of 1.0x (0.91x* as of May 30, 2024).
- PER is also trending up, but remains at a low level. Need to raise higher for Inabata's future growth expectations.

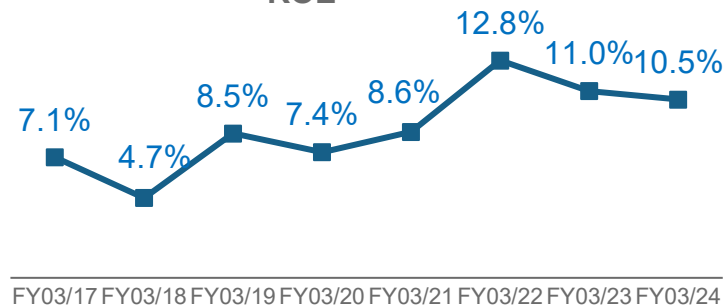
Stock price and market capitalization

■ Market cap (hundred millions of yen)
■ Stock price (yen)

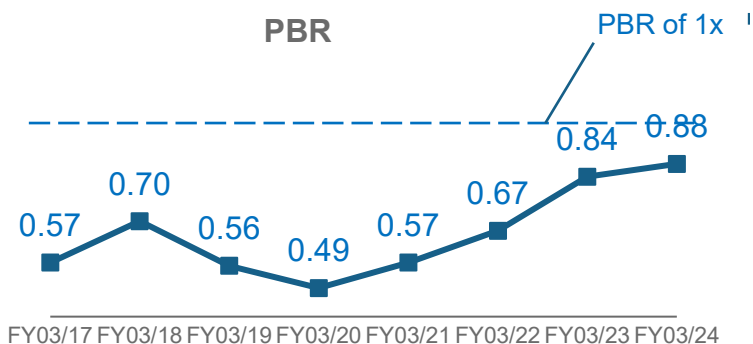


*Obtained by dividing the closing price on May 30, 2024 by BPS at the end of FY03/24

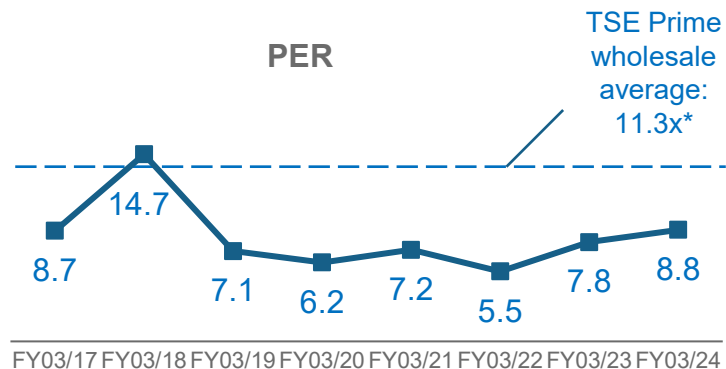
ROE



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, 2024 * Weighted average PER

Policies/Targets, and Timeline (June 2023 disclosure)

- 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 ① Increase Business Value and Foster Growth Expectations

- The following growth initiatives were implemented under *NC2023*. Under *NC2026*, we will pursue rapid contributions to earnings.

Note: Red text indicates recent major investments.

Key Initiatives for NC2023	Actual
1. Further development of core businesses and horizontal expansion into growth sectors	<ul style="list-style-type: none"> • Sales of plastics, FDP-related materials, and other products for automobiles increased • Acquisition of Maruishi Chemical Trading (made it a subsidiary) • Established joint venture with Daicel Corporation to strengthen the compound business functions
2. Multi-faceted approach to markets with potential for future growth and steady monetization efforts	<ul style="list-style-type: none"> • Expansion of sales of products that reduce environmental load • Participation in biomass power generation business • Investment in semiconductor-related companies • Invested in a high-performance filler production company
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 joint venture that manufactures lithium-ion battery-related materials • Investment in a French company engaged in the development, extraction, and sales of plant extract components • 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 (diversifying fundraising methods)
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 • Revision of HR systems to promote diversity • Enhancement of training systems to nurture global talent

Specific Measures ② 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	Actual
Grow mainstay businesses	<ul style="list-style-type: none"> • Driven by core businesses, we achieved record-high net sales and operating profit for the third consecutive fiscal year under <i>NC2023</i>.
Increase the share of earnings accounted for by highly profitable businesses	<ul style="list-style-type: none"> • Under <i>NC2023</i>, the operating profit margin steadily improved from 2.6% in FY03/21 to 2.8% in FY03/24.
Make aggressive investments, including in M&A, and generate revenue at an early stage	<ul style="list-style-type: none"> • During <i>NC2023</i>, we invested about ¥21.5 billion over three fiscal years.
Steadily dispose of strategic shareholdings	<ul style="list-style-type: none"> • Progress in reduction of cross shareholdings exceeded the target.
Control of equity	Actual
Continue flexible share buybacks and cancellations	<ul style="list-style-type: none"> • During <i>NC2023</i>, 4,880,000 shares were repurchased for ¥12.3 billion, and 7,580,000 shares were canceled. • Repurchasing 1,200,000 shares for up to ¥5.0 billion (planned between May–July 2024)
Maintain a progressive dividend policy	<ul style="list-style-type: none"> • Substantially raised dividend in first year of <i>NC2023</i> (from ¥63 per share in FY03/21, to ¥110 per share in FY03/22). Since then, dividends have been increased by ¥5 per share every fiscal year (¥115 per share in FY03/23, ¥120 per share in FY03/24). • Dividends amounting to ¥19.6 billion were paid out during the three years of <i>NC2023</i>*

Specific Measures ③ 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	Actual
Utilize debt (diversify funding methods, including the issue of corporate bonds)	<ul style="list-style-type: none"> • Issued the company's first straight corporate bonds in March 2023. • Plan to issue second series and third series of straight corporate bonds In June 2024.
Buyback and cancel own shares	<ul style="list-style-type: none"> • During the three years of <i>NC2023</i>, 4,880,000 shares were repurchased for ¥12.3 billion, and 7.58 million shares were canceled. • Repurchasing 1,200,000 shares for up to ¥5.0 billion (planned between May–July 2024).
Indirect measures	Actual
Enhance information disclosure	<ul style="list-style-type: none"> • Rapidly responded to Measures to Realize Management Conscious of Cost of Capital and Share Prices and Implementation Status of Dialogue with Shareholders. • Disclosed details of growth strategy and other aspects of new medium-term business plan <i>NC2026</i>.
Actively engage in dialogues with investors (step up efforts to provide explanation)	<ul style="list-style-type: none"> • Increased the number of one-on-one meetings with institutional investors and analysts (from 54 meetings in FY03/22 to 62 meetings in FY03/23). • Initiated one-on-one meetings between outside directors and institutional investors.
Strengthen the Board's monitoring function to continuously monitor performance	<ul style="list-style-type: none"> • Continued to evaluate the effectiveness of the Board of Directors, and identified and addressed issues for the next fiscal year and beyond.
Be selected as a constituent of many ESG indexes by increasing ESG scores	<ul style="list-style-type: none"> • First selected as a constituent stock for the JPX-Nikkei Index 400. • First selected as a constituent stock for the FTSE Blossom Japan Index.
Improve market liquidity	<ul style="list-style-type: none"> • Market liquidity improved and shareholder base expanded in line with stock offering.

Disclosure Methods and Dialogue Policies

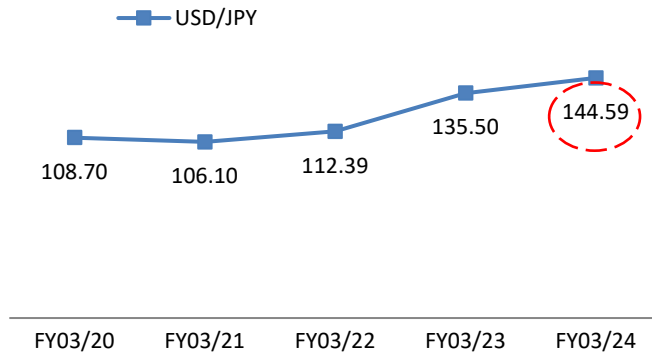
- New themes added to the medium-term management plan
 - Added the achievement of a share price level higher than 1x PBR as quickly as possible as a strategic theme under the new medium-term management plan *NC2026*. Inabata will pursue this goal with even greater commitment.
- Disclosure methods
 - From FY03/25 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.

(Disclosed “Implementation Status of Dialogue with Shareholders in FY2023” on May 9, 2024)
 - We will update our measures to reflect the content of the dialogues.

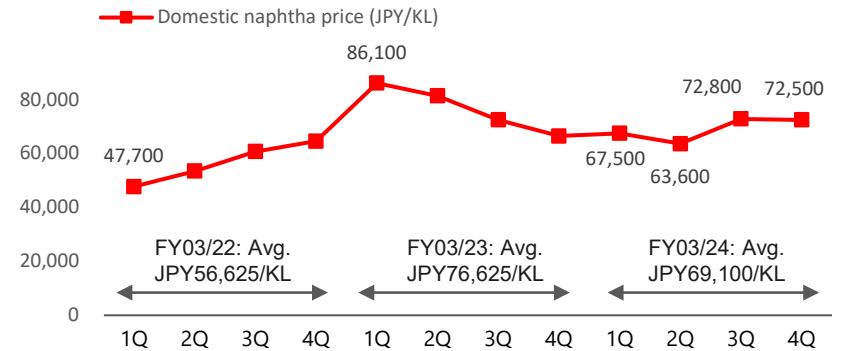
Reference Materials

Business Environment

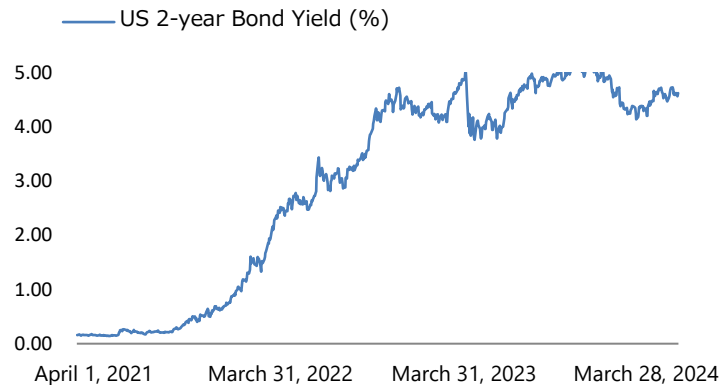
● Yen depreciation amid Japan-U.S. interest rate differentials



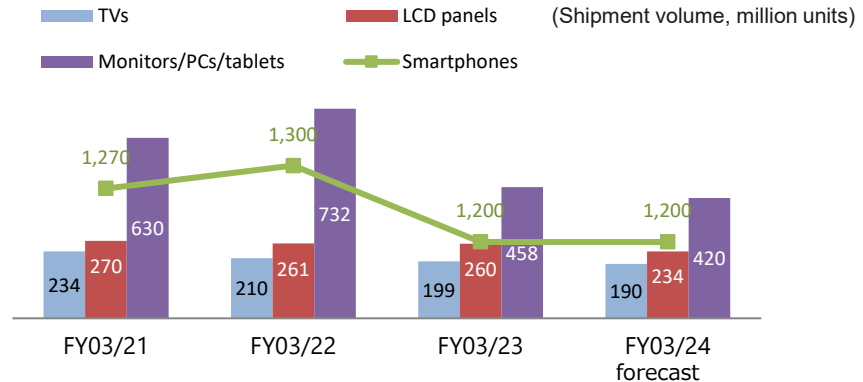
● Domestic naphtha prices remain high



● Overseas interest rates plateau, but remain high



● FPD-related businesses not expected to fully recover



Investment Status

- Aggressive investment in second half of *NC2023* aimed at accelerating growth in *NC2026*

(Billions of yen)

	FY03/22 Actual	FY03/23 Actual	FY03/24 Actual	Major investments in FY03/24	NC2023 cumulative results *FY03/22~ FY03/24
Growth investment	1.20	2.86	8.81	¥3.59 billion for M&A (Maruishi Chemical Trading, Daigo Tsusho) ¥1.21 billion for rechargeable battery-related ¥0.72 billion for biomass power generation-related ¥0.50 billion for semiconductor-related	12.88
Fixed investment	2.01	2.78	3.91	¥0.40 billion for facilities (related to sheets and inflation films) ¥0.36 billion for facilities (related to compounds) ¥1.54 billion for Digital Strategy	8.70
Total	3.21	5.64	12.73		21.58

* Digitalization-related investments are included in Fixed investment.

Products that reduce environmental load

- Sales of eco-friendly (i.e., environmental load-reducing) products steadily expanded mainly in the Energy & Power and Resources & Environment fields.
- From FY03/25 onward, we will focus on expanding sales of recycled resins.

(Billions of yen)

Field	Main contents	Sales		
		FY03/22 (Actual)	FY03/23 (Actual)	FY03/24 (Actual)
Energy & Power	Renewable energy-related, battery-related, etc.	13.4	17.5	24.4
Resources & Environment	Sustainable raw materials, recycling, water-related	4.2	7.5	10.7
Materials & Chemicals	Low carbon materials, reduction of environmental pollutants, etc.	0.7	1.5	3.1
Environmental certifications	Certified products of FSC, PEFC, MSC, ASC, etc.	0.3	0.3	0.1
Total*		18.7	26.9	38.6

* 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.

Reducing strategic shareholdings

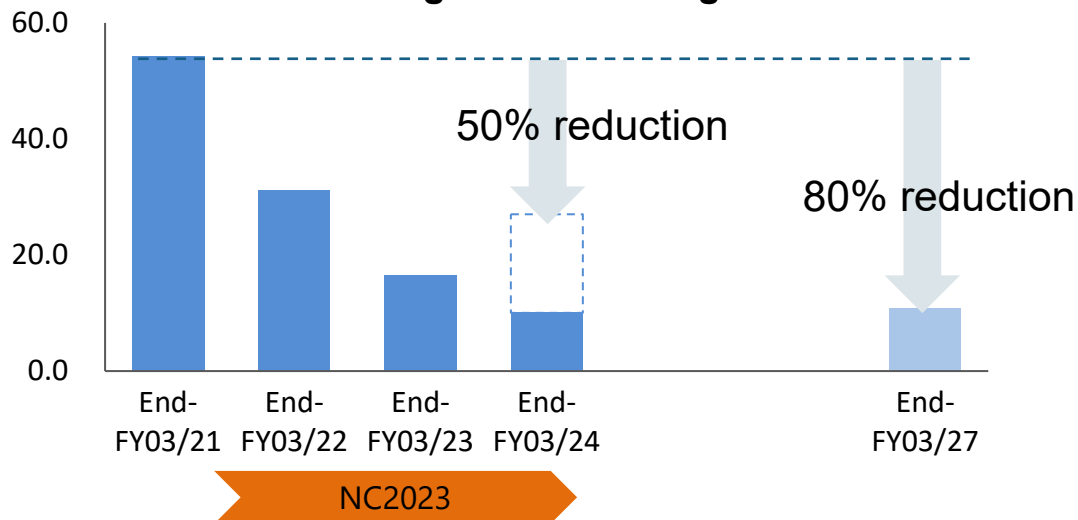
- We made greater-than-expected progress in reducing strategic shareholdings, owing in part to a drop in market prices, and achieved the *NC2023* reduction target.

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*. Achieved
- 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.

(Billions of yen)

Strategic shareholdings



Sales value of strategic shareholdings

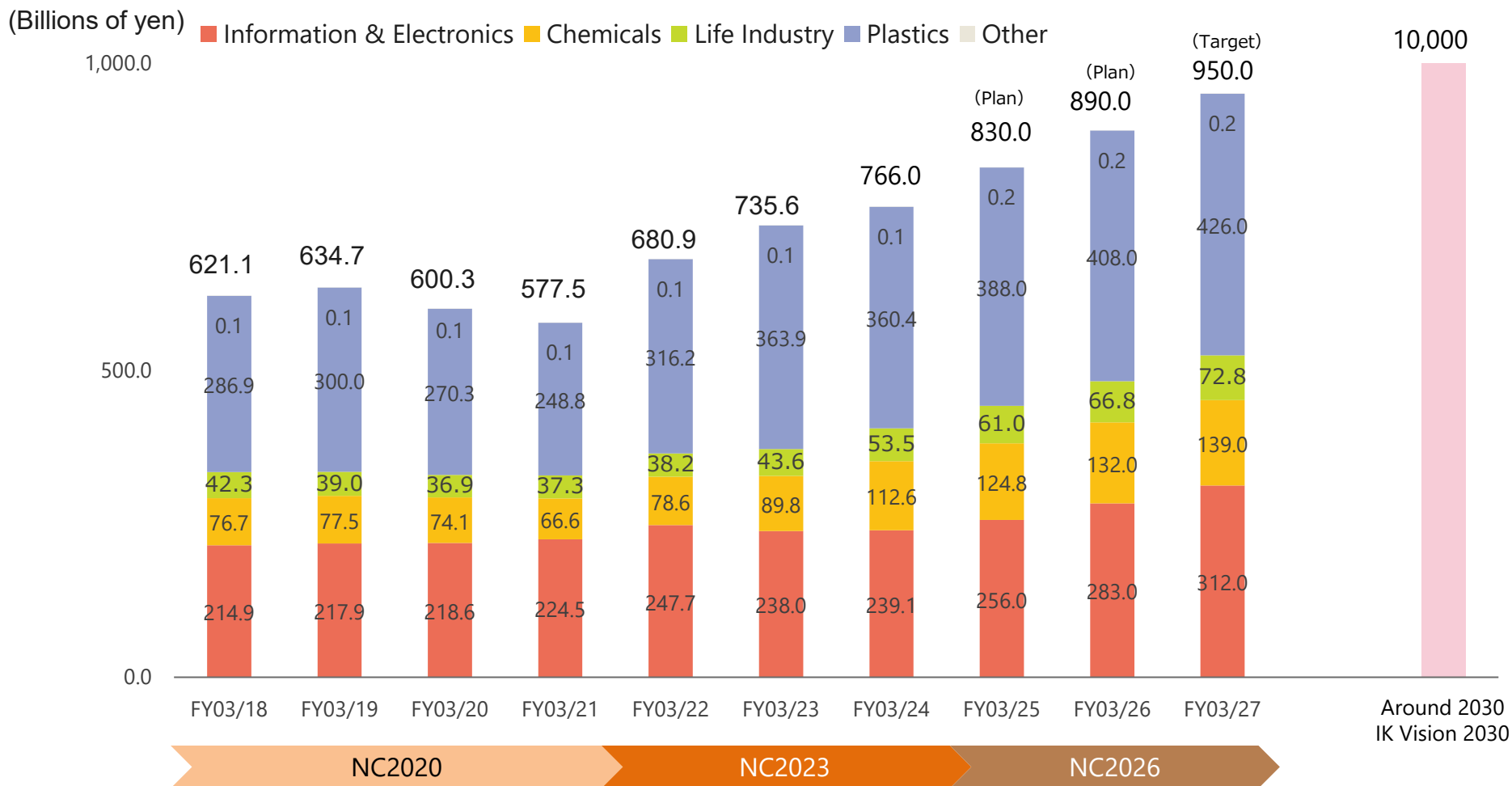
FY03/18	¥9,017 million
FY03/19	¥5,298 million
FY03/20	¥3,026 million
FY03/21	¥2,944 million
FY03/22	¥9,367 million
FY03/23	¥10,076 million
FY03/24	¥4,159 million

*Only includes listed stocks in Japan

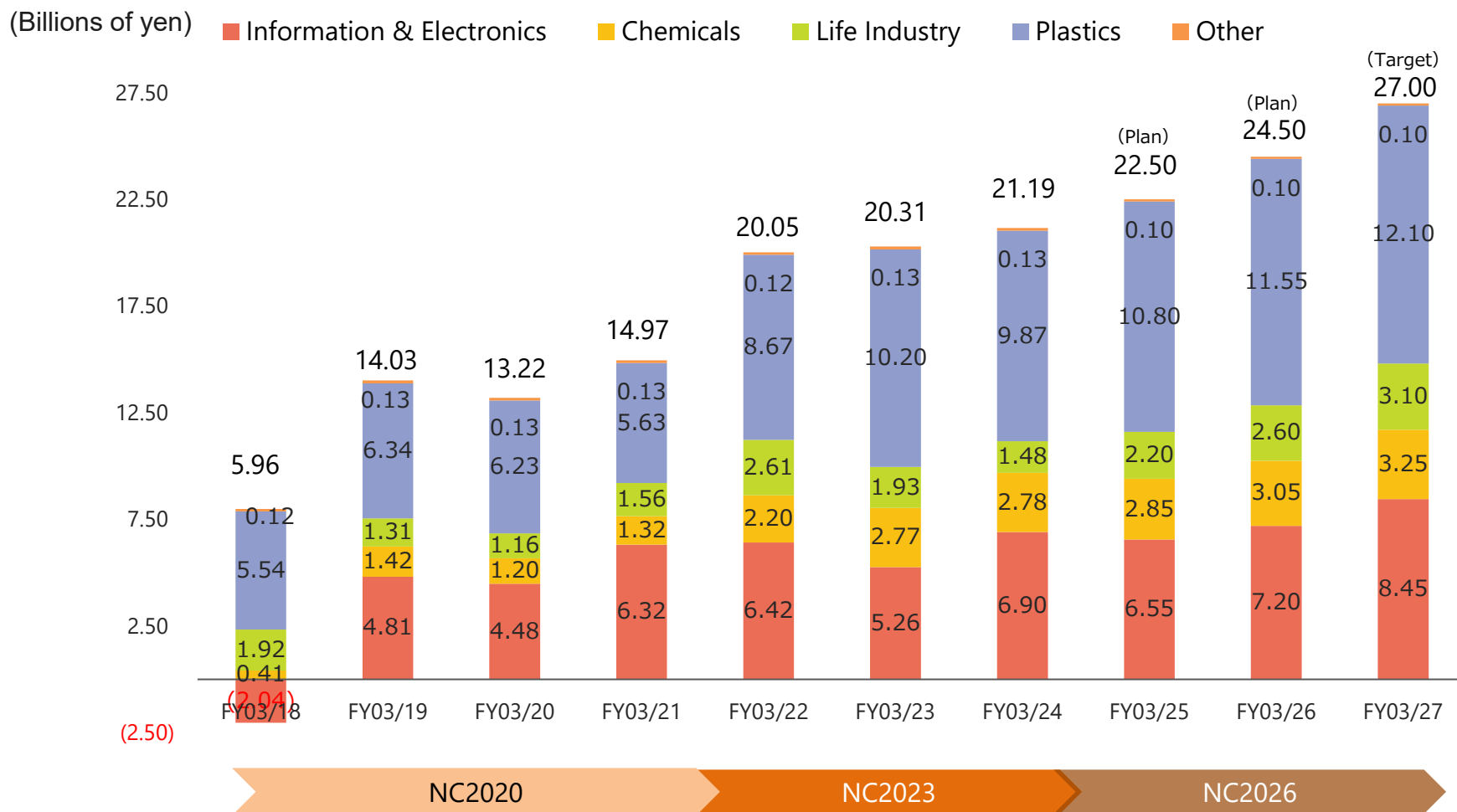
*The balance of strategic shareholdings in the graph only includes listed stocks in Japan.

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

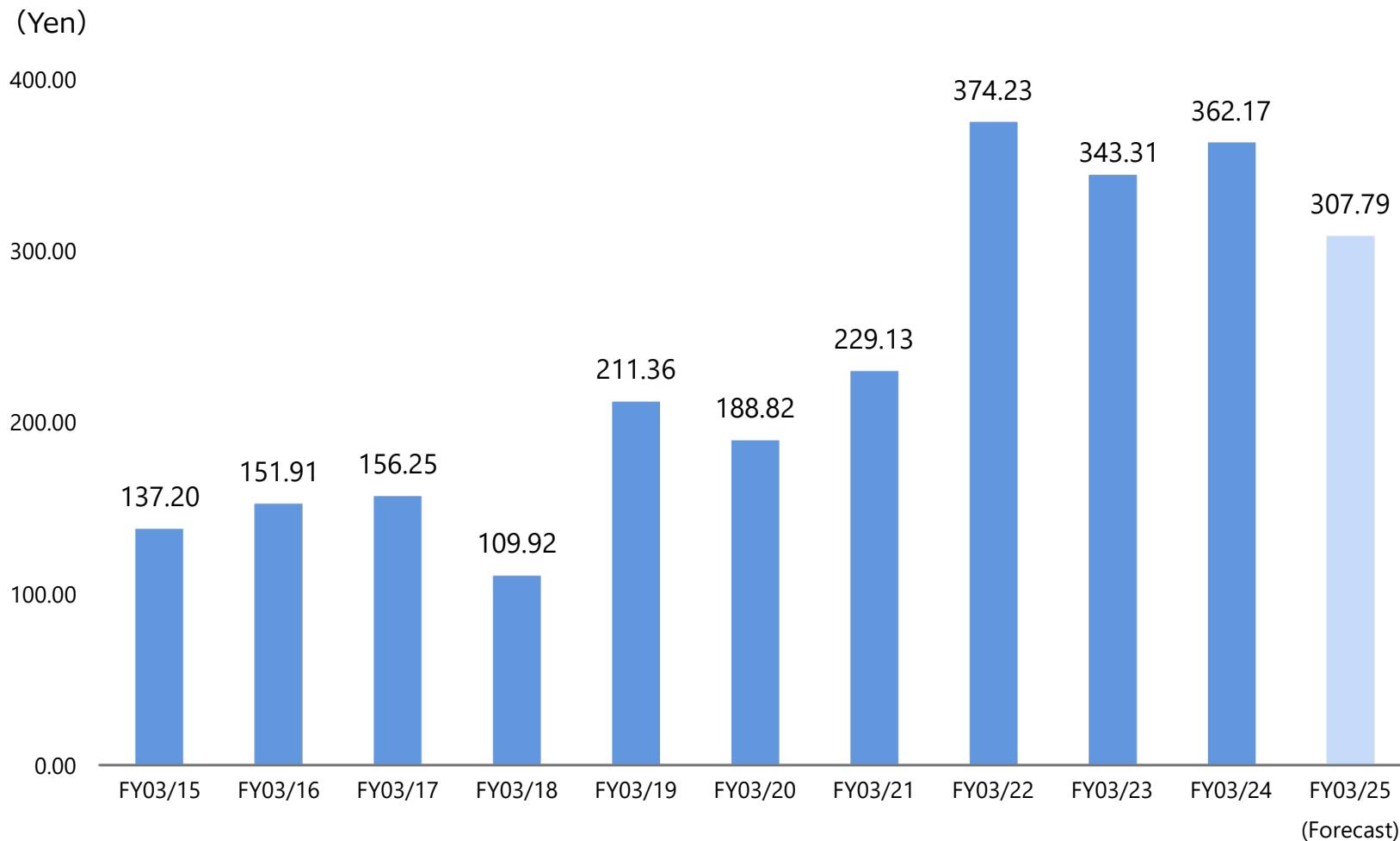
Sales by Segment



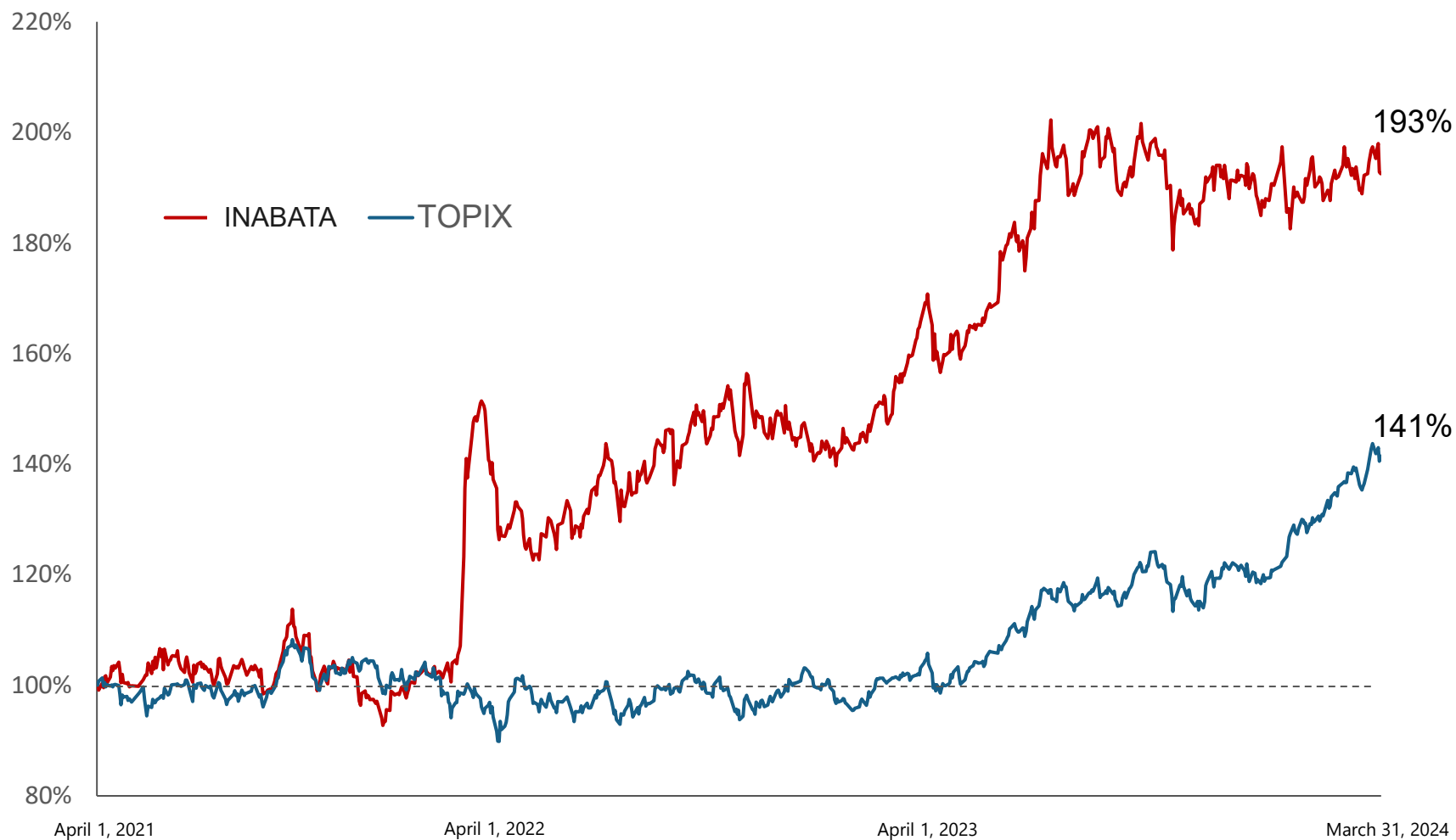
Operating Profit by Segment



EPS (Earnings per share)



Trends in Share Price

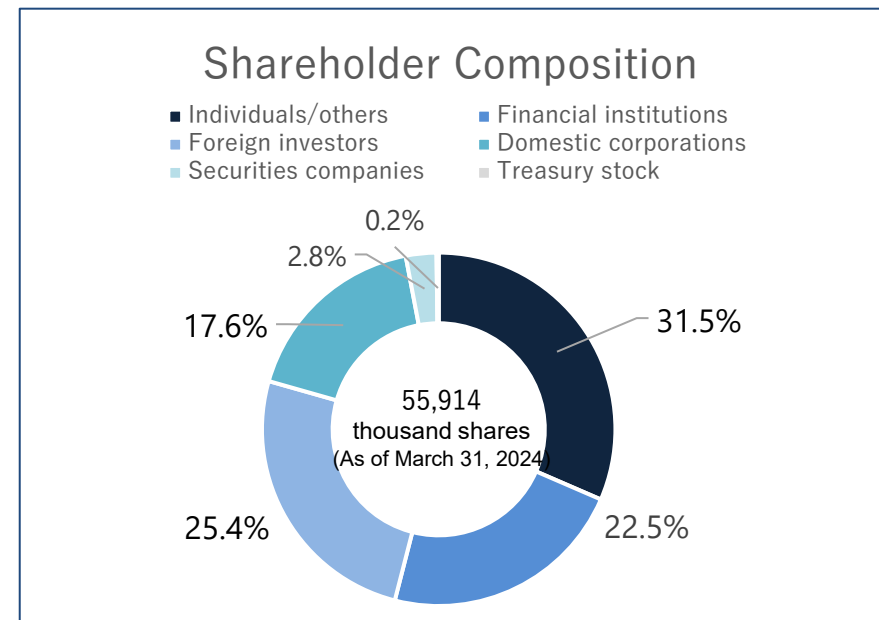


Note: Indexed with April 1, 2020 as 100%.

Company Overview (As of March 31, 2024)

Name	Inabata & Co., Ltd.
Founded	October 1, 1890
Incorporated	June 10, 1918
Capital stock	¥9,364 million
Representative	Katsutaro Inabata, Director, President
Head offices	Osaka Head Office (1-15-14 Minami-semba, Chuo-ku, Osaka) Tokyo Head Office (2-8-2 Nihonbashi-honcho, Chuo-ku, Tokyo)*
Employees	748 (4,631 on consolidated basis)
Issuable shares	200,000,000
Shares issued and outstanding	55,914,127

Fiscal year	April 1 to March 31
Exchange listing	Prime Market of the Tokyo Stock Exchange
Ticker	8098
Trading unit	100 shares
Shareholders	74,851



*Due to the rebuilding the Tokyo Head Office Building, from December 19, 2022 to early 2026 (planned), 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.