

IR Briefing for the Fiscal Year Ended March 2021

Achievement of Targets in NC2020, Our Previous Medium-Term Management Plan,
and Summary of NC2023, Our New Medium-Term Management Plan

Inabata & Co., Ltd.

Katsutaro Inabata, Director, President

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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.



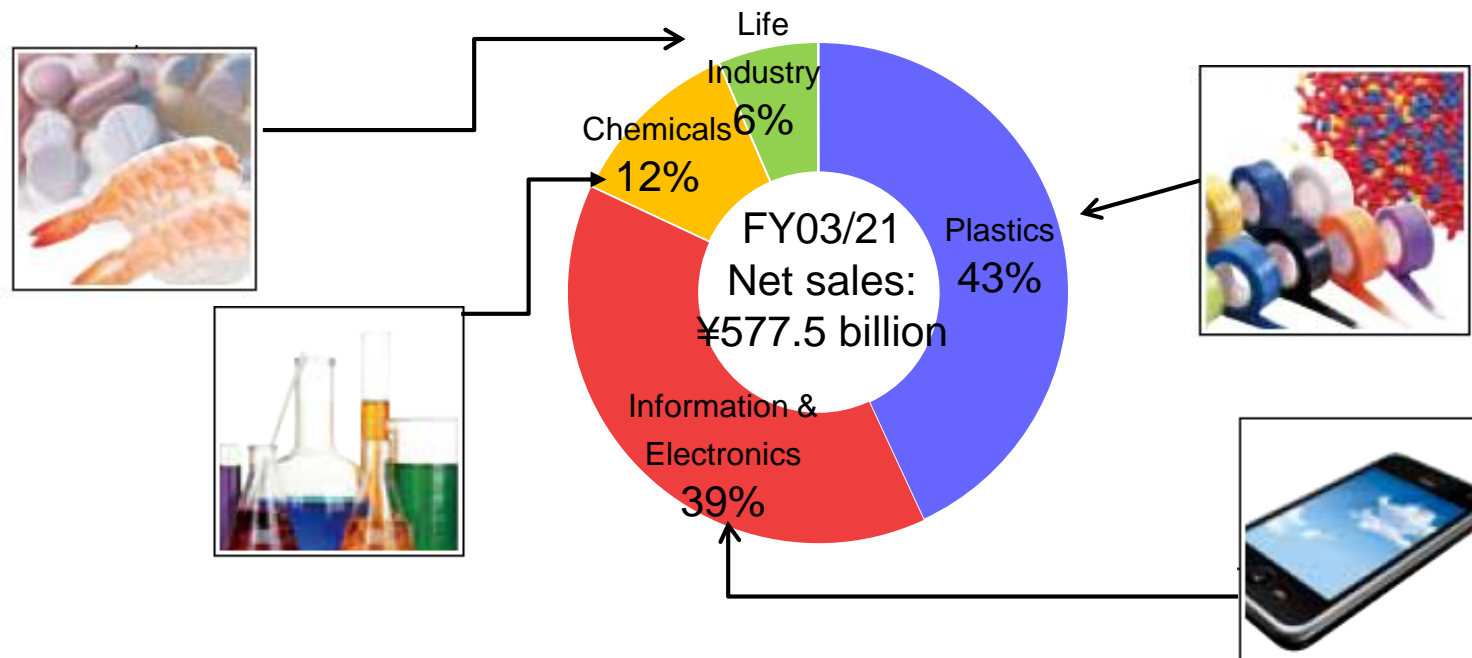
2. **A globally expanding, multifaceted trading company**

The company operates at 60 locations across 17 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.



■ Achievement of Targets
in Medium-Term Management Plan
New Challenge 2020 (NC2020)

Operating Environments in FY03/21: Information & Electronics (FPD Market)

- TV set shipments in FY03/21: **234** million units (+6% YoY)
 - Demand increased, driven by growth in demand associated with the consumer tendency to remain indoors during the COVID-19 pandemic.

- LCD panel shipments in FY03/21: **270** million units (-5% YoY)
 - Recovery in capacity rates associated with the back-end processes of panel manufacturing was delayed due to the COVID-19 pandemic.
 - Semiconductor procurement was complicated by trade friction between the US and China.

- **Supply was tight and LCD panel prices rose on an annual basis amid strong demand.**

- Sales of organic electroluminescent panels for smartphones continued to grow, but this growth was limited when measured in terms of area.

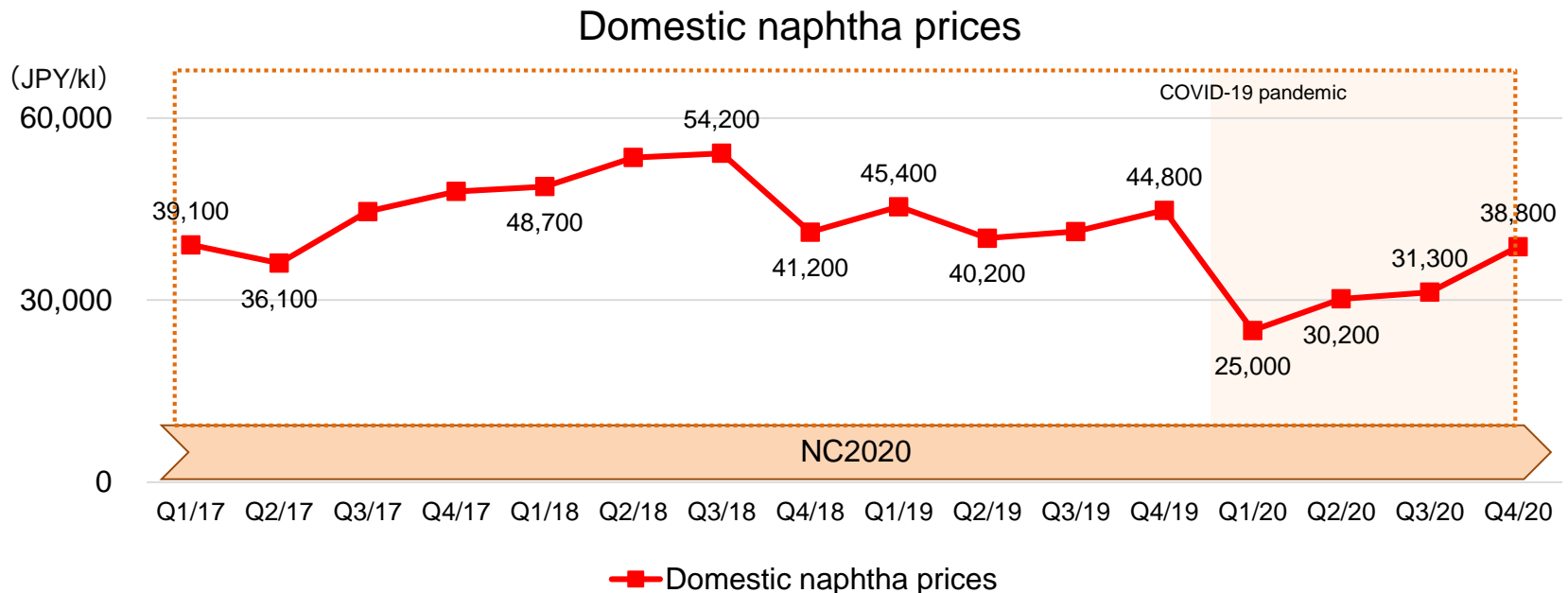
Projected Breakdown of Total Flat Panel Display Area (LCDs and OLEDs)

% of total panel area	2017	2018	2019	2020	2021	2022
LCDs	97%	97%	96%	96%	95%	94%
OLEDs	3%	3%	4%	4%	5%	6%

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

Operating Environments in FY03/21: Plastics

- Q1 FY03/21 began with a sharp plunge in naphtha prices due to the global spread of the COVID-19 pandemic. Prices for commodity resins and other products fell due in part to a decline in demand.
- End-user demand in Southeast Asia and elsewhere plummeted in 1H due to lockdown-related impact.
- The Chinese market recovered rapidly at an early stage, and demand in Southeast Asia and Japan also grew sharply through 2H, primarily in the automotive sector.

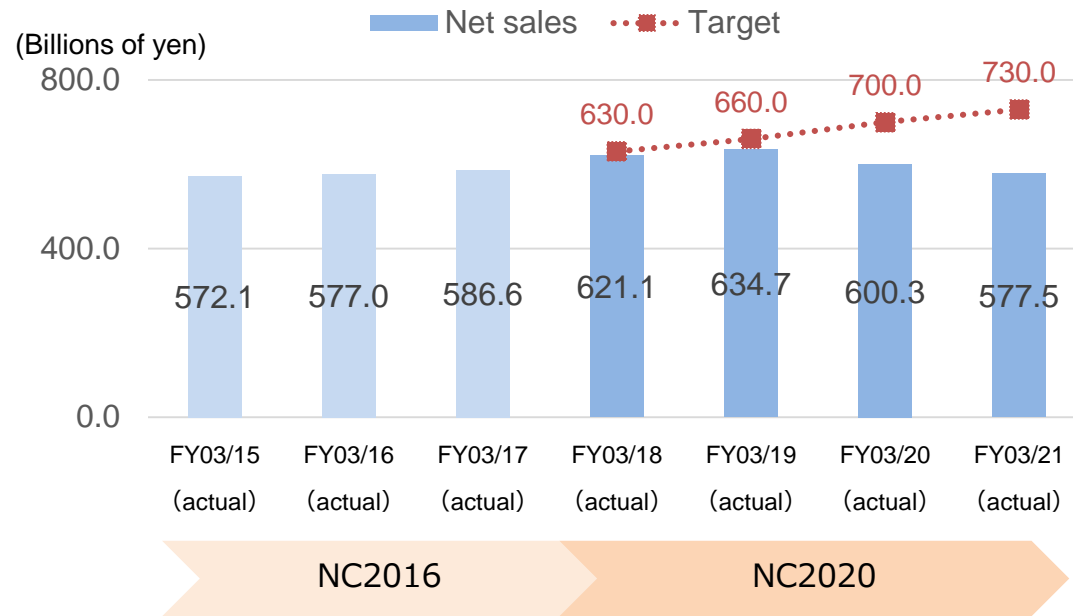


Achievement of *NC2020* Targets

- Net sales fell short of the target by a wide margin, causing a shortfall in operating profit.
- Ordinary profit and profit attributable to owners of parent exceeded targets.
- The net debt/equity ratio was lower than projected as the Company made progress in terms of securing financial soundness.

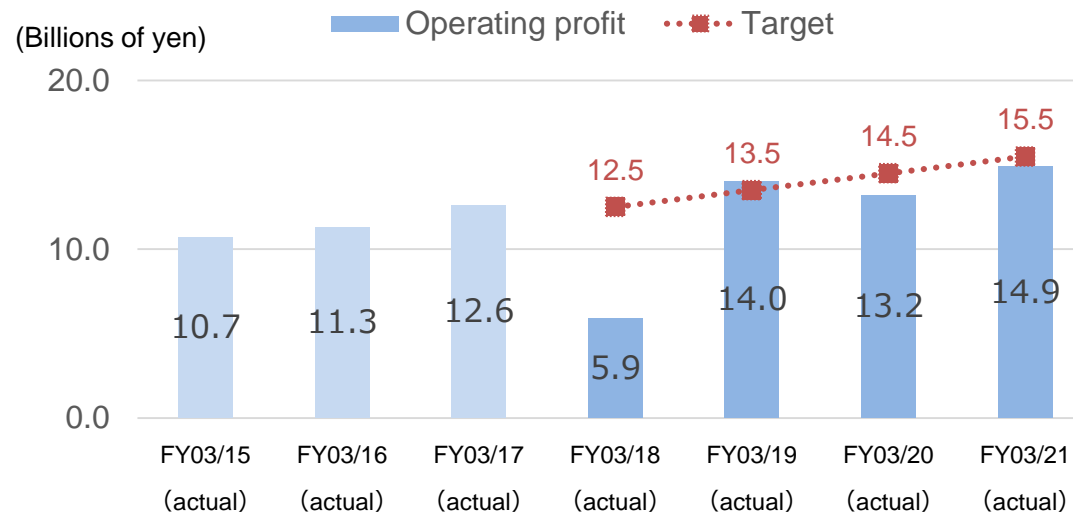
(Billions of yen)	<i>NC2020</i> target for FY03/21 (A)	FY03/21 actual (B)	Difference	Achievement rate (B)/(A)%
Net sales	730.0	577.5	-152.4	79%
Operating profit	15.5	14.9	-0.5	97%
Operating profit margin	2.1%	2.6%	+0.5%	
Ordinary profit	16.0	16.5	+0.5	103%
Profit attributable to owners of parent	12.0	13.7	+1.7	115%
Net debt/equity ratio	0.4x or less	0.06		Achieved
Equity ratio	—	49.2%	—	—
Exchange rate	USD1=¥110.00	USD1=¥106.10		

NC2020 Net Sales and Operating Profit



✓ Net sales continuously fell short of targets due in part to delayed new product development and COVID-19 impact incurred toward the end of the plan.

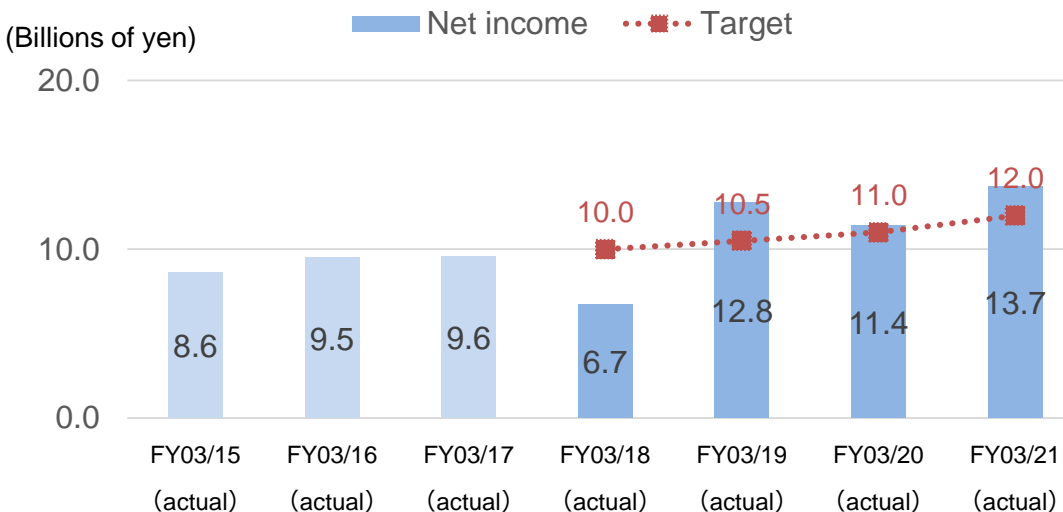
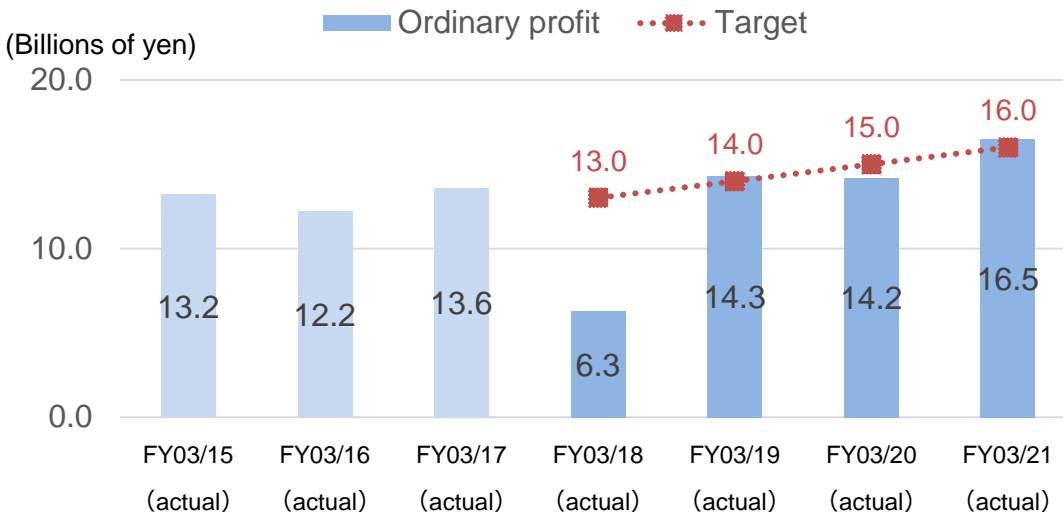
✓ Operating profit dropped sharply YoY in FY03/18 and fell widely short of the target as the Company recorded ¥6.65 billion in allowance for doubtful accounts following issues related to a European subsidiary. In FY03/19, the second year of the plan, operating profit recovered and met its projected target.



✓ In FY03/20, both net sales and operating profit declined, falling short of their respective targets.

✓ In FY03/21, despite falling short of its projected target, operating profit recovered due in part to rapid 2H business recovery, reversal of allowance for doubtful accounts, and a decline in SG&A expenses caused by the COVID-19 pandemic.

NC2020 Ordinary Profit and Net Income



- ✓ Along with operating profit, ordinary profit and net income declined sharply in FY03/18, falling short of targets.
- ✓ Ordinary profit achieved its projected target in FY03/19. It also met projections in FY03/21 as interest expenses declined due to interest rates that were lower than expected and a decrease in borrowings.
- ✓ Net income achieved its projected targets in FY03/19 through FY03/21 as the Company progressively sold strategically held shares and reported gains on the sale that were higher than expected.

Differences between Targets and Actual Results for Net Sales and Operating Profit by Segment

- Sales fell short of targets in all segments while operating profit achieved its projected target in the Information & Electronics segment.

(Billions of yen)	NC2020 target for FY03/21 (A)	FY03/21 actual (B)	Difference (B)-(A)	Segment	Difference
Net sales	730.0	577.5	-152.4	Information & Electronics	-36.4
				Chemicals	-29.0
				Life industry	-27.6
				Plastics	-59.1
				Other	-0.1
Operating profit	15.5	14.9	-0.5	Information & Electronics	+1.9
				Chemicals	-0.8
				Life industry	-1.2
				Plastics	-0.2
				Other	-0.1

Notes: In the Information & Electronics segment, recorded ¥0.75 billion in reversal of allowance for doubtful accounts at a European subsidiary in FY03/21.

Detailed comparisons between results and targets by segment can be found on page 31 through 38 in the Reference Materials section.

Achievement of Key *NC2020* Initiatives

	Key Initiatives	Assessment
1.	Further expansion and deeper involvement in overseas businesses	△
2.	Focus on markets with growth potential and sectors that have yet to be developed	See next page
3.	Further enhancement of information infrastructure essential for global management	◎
4.	More proactive investment to expand the trading business	△
5.	Continual review of assets and enhancement of financial standing	◎
6.	Establishment of global human resource management	△

Note: Page 39 through 43 in the Reference Materials section

Achievement of Key *NC2020* Initiatives

2. Focus on markets with growth potential and sectors that have yet to be developed

Key Initiatives	Assessment	
<p>2. Focus on markets with growth potential and sectors that have yet to be developed</p> <ul style="list-style-type: none"> ● Automotive ● Life science and medical ● Environment and energy ● Food, including agriculture (Agricultural field) 	<p>◎</p> <p>×</p> <p>△</p> <p>△</p>	<p>Despite heavy impact from the COVID-19 pandemic in the final year of the plan, sales of resins and other products to global customers expanded more than expected, business in Japan grew, and sales of heat-dissipating materials increased.</p> <p>Sales of pharmaceutical ingredients failed to grow and fell short of their projected target due in part to the COVID-19 pandemic. In the field of regenerative medicine, the Company reported sales of growth media and devices but did not achieve expansion in sales of new products. In the home products category, sales of insect repellent and pesticide materials grew but inbound tourist demand virtually disappeared.</p> <p>The Company revised its forecast for solar cell sales due suspensions of related transactions in Europe. The Company focused on system-related projects in Japan. Despite slight delays to lithium-ion cell-related sales, the Company experienced growth in terms of associated material sales to Chinese and South Korean manufacturers.</p> <p>Cultivation of blueberries and garlic in Hokkaido took more time than expected, but crop growth was strong nevertheless. New business development encountered delays. Sales of imported grass and other types of animal feed were robust. The Company also reported growth in sales of processed marine products for conveyor-belt sushi restaurants.</p>

We will continue to address unresolved issues under *NC2023*.



Returning Profits to Shareholders

Policy on returning profits to shareholders

We target a total return ratio of approx. 30–35%.

Dividends per share:

■ FY03/21 results

Annual dividend ¥63 (interim ¥20 year-end ¥43)

Total return ratio: 27.6% (dividend payout ratio: 27.5%)

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

We have formulated a new shareholder return policy under *NC2023*.



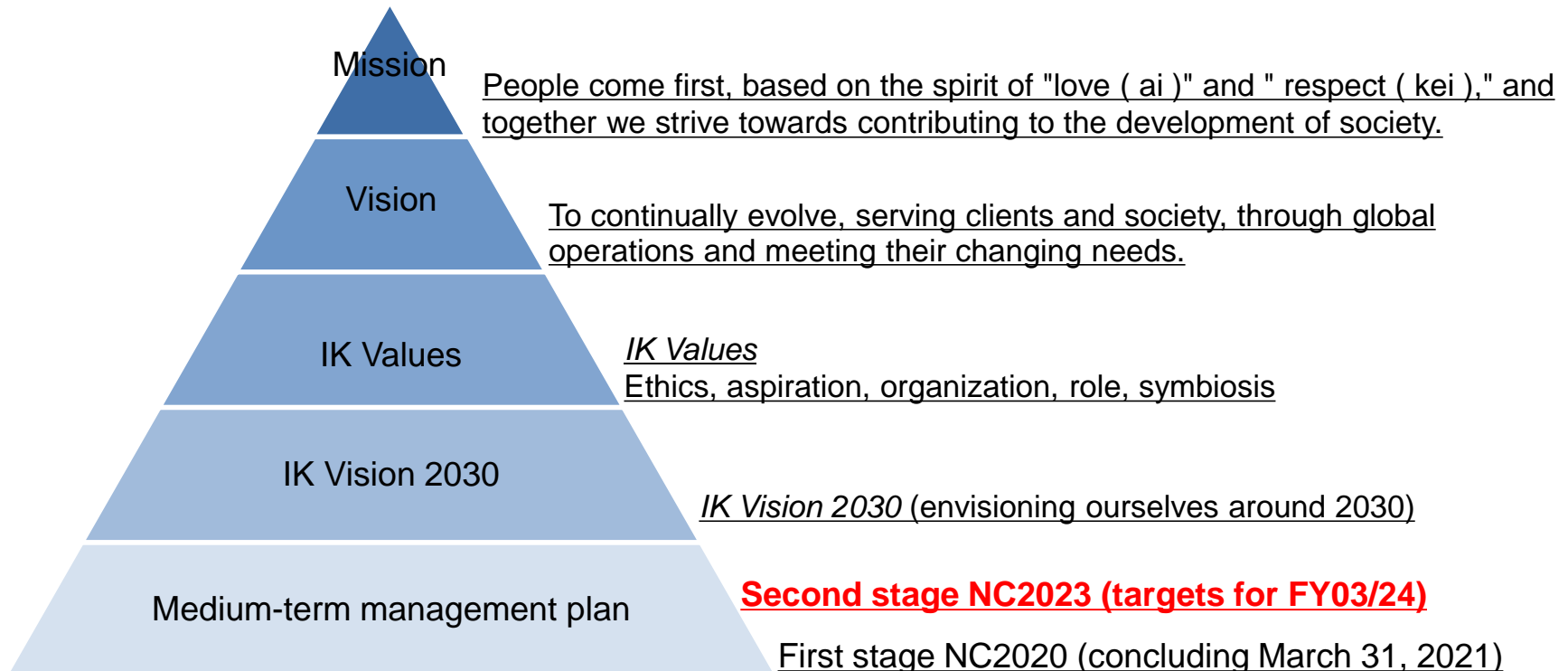
■ FY03/22 (forecast)

Annual dividend ¥70 (interim ¥30 year-end ¥40)

■ Summary
of New 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*
- 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.



Quantitative Targets of NC2023

	FY03/24
Net sales	¥670.0 billion
Operating profit	¥16.5 billion
Ordinary profit	¥17.0 billion
Profit attributable to owners of parent	¥16.0 billion
ROE	8% or more
Net D/E ratio	0.3x or less
Equity ratio	50% or more
Assumed exchange rate	USD1 = JPY105

Note: Sales target based on accounting standards prior to the adoption of the revised revenue recognition methods: 700.0 billion JPY

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**

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 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

Key Initiatives for NC2023

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

Key Initiatives

- Further review strategically held shares and reduce them by 50% in three years
- Allocate cash earned evenly toward the following three areas:
 - 1) Investment for future growth
 - 2) Returns to shareholders
 - 3) Strengthening of financial base

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

- Returning Profits to Shareholders

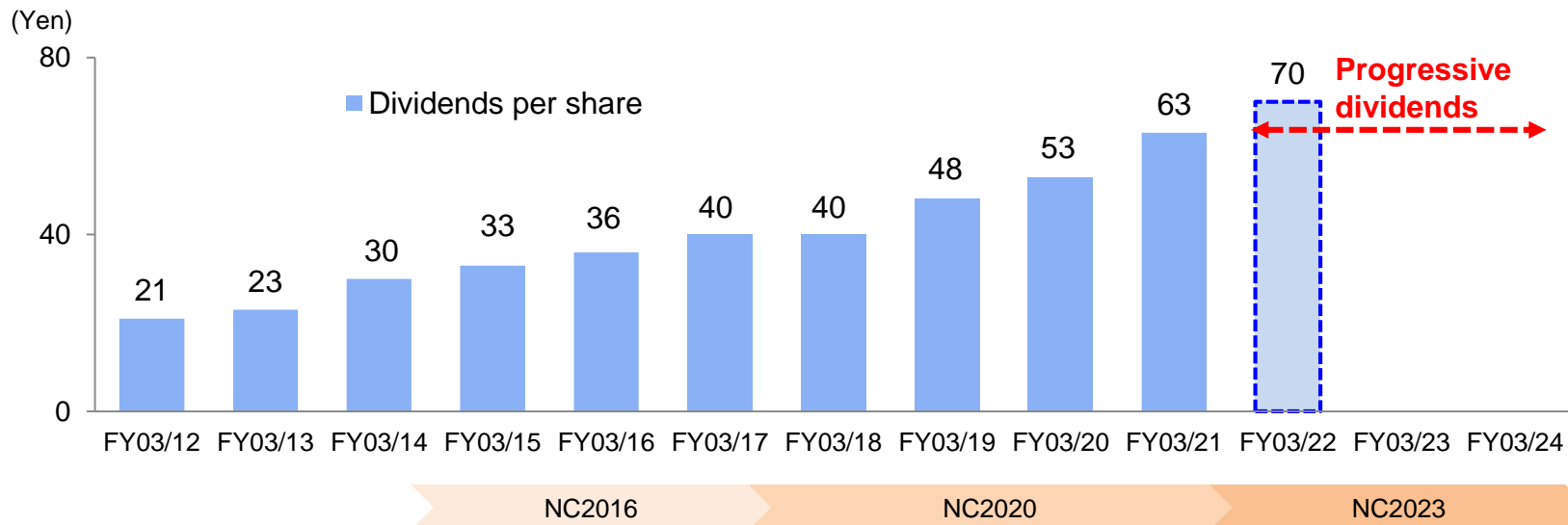
NC2023 Returning Profits to Shareholders

- As we launch *NC2023*, we have formulated a new shareholder return policy that we will implement during the plan.

Adoption of progressive dividends

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

- We will continue to target a total return ratio of about 30–35%.
- We will swiftly and flexibly conduct treasury stock acquisition.



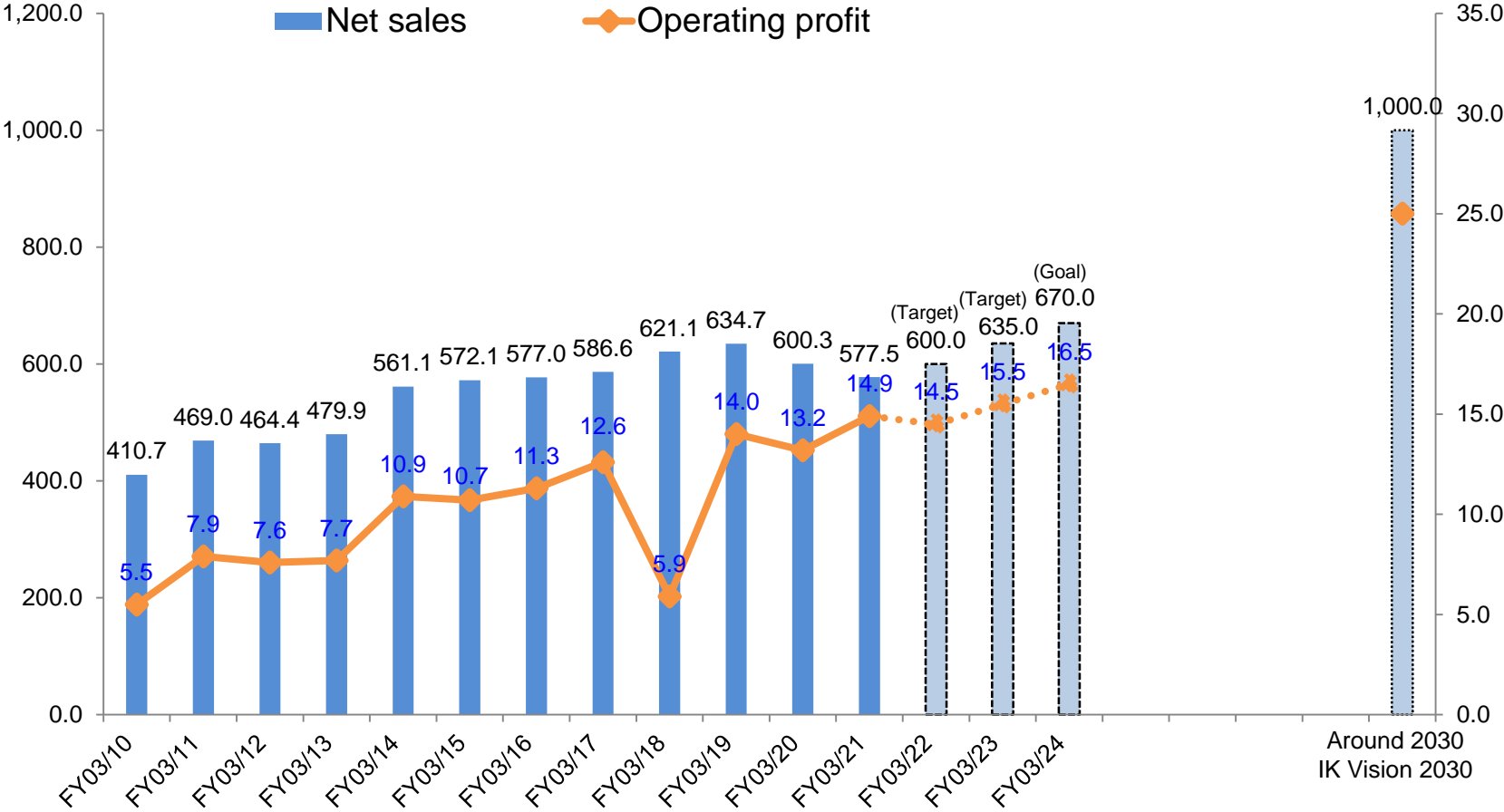
■ Reference Materials

Net Sales and Operating Profit



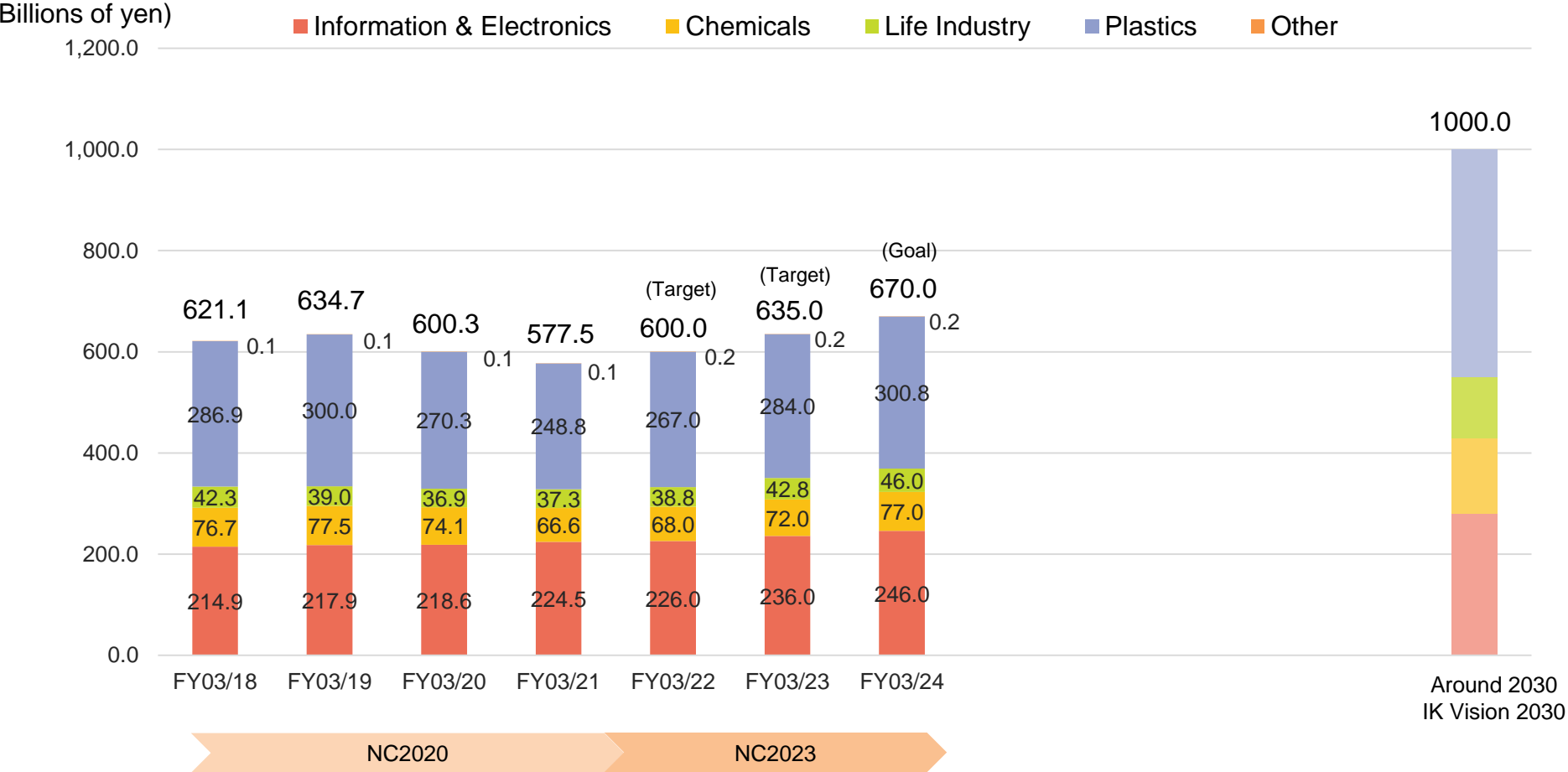
(Net sales: Billions of yen)

(Operating profit: Billions of yen)

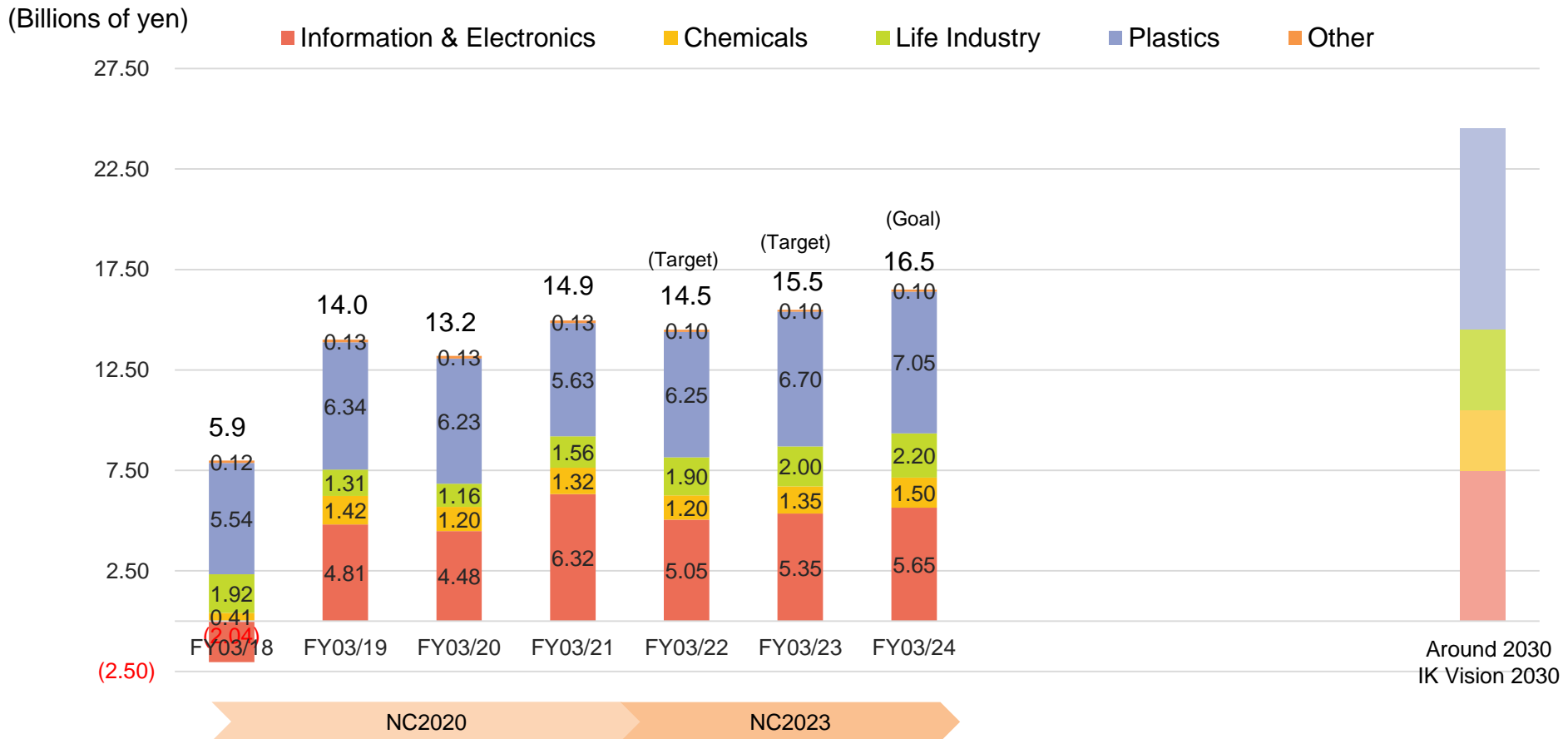


NC2016 NC2020 NC2023

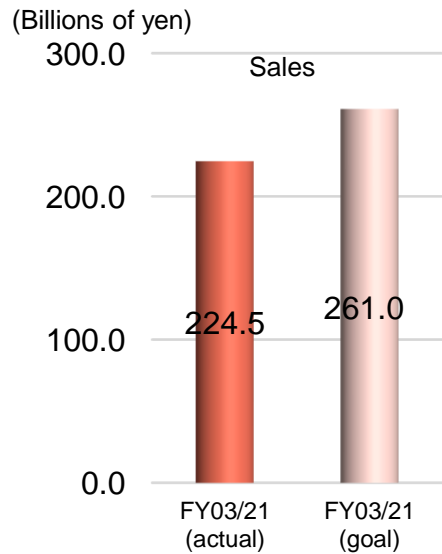
Sales by Segment



Operating Profit by Segment

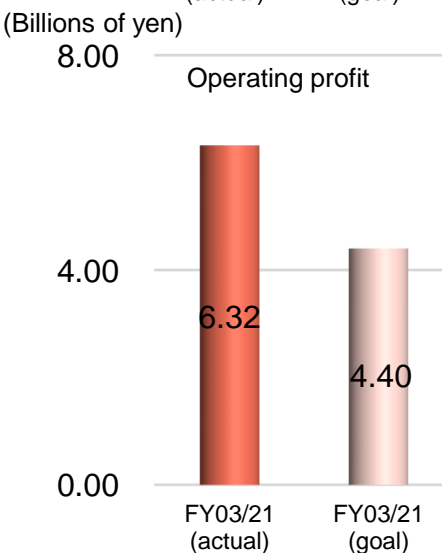


NC2020 Target Achievement by Segment 【Information & Electronics】



(Billions of yen)	FY03/20 actual	FY03/21 actual (A)	NC2020 target for FY03/21 (B)	Achievement rate (A)/(B)
Sales	218.6	224.5	261.0	86%
Operating profit	4.48	6.32	4.40	144%
Operating profit margin	2.0%	2.8%	1.7%	—

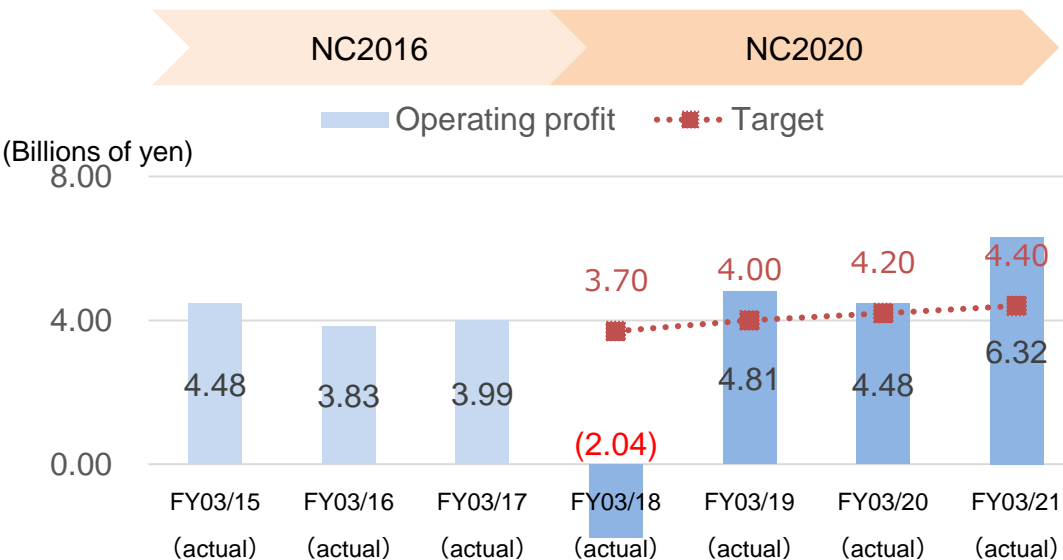
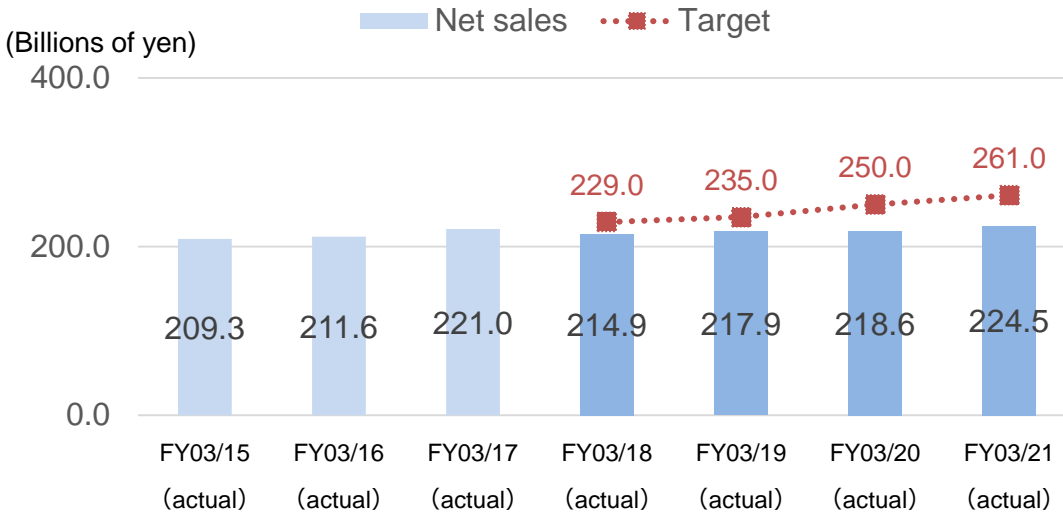
■ **NC2020 operating profit target ⇒ Achieved**



Main reasons for differences between actual and target figures	COVID-19	Operating profit	Sales
• Increase in FPD material sales		+	
• Reversal of allowance for doubtful accounts at a European subsidiary		+	
• Lower SG&A expenses	+	+	
• Discontinuation of solar cell transactions at a European subsidiary			-
• Decision to forgo low-margin VMI transactions			-
• Increase in remote work (home-use inkjet printers)	+	+	+
• Same as above (office multifunction printers)	-	-	-

Notes: In the Information & Electronics segment, recorded ¥0.75 billion in reversal of allowance for doubtful accounts at a European subsidiary in FY03/21. When excluding the impact of ¥750 million from this reversal of allowance for doubtful accounts, the OPM in the Information & Electronics segment in FY03/21 was 2.5%.

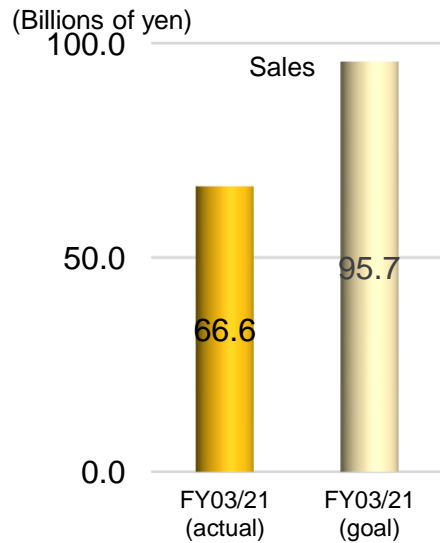
NC2020 Net Sales and Operating Profit 【Information & Electronics】



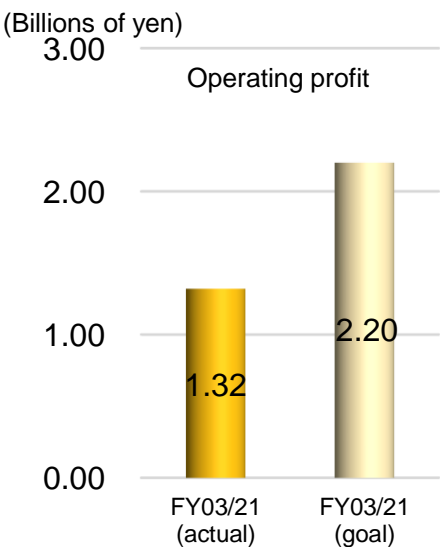
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- ✓ Sales continuously fell short of targets due to a decline in business related to European subsidiaries, and the decision to shelve low-margin VMI transactions in the OA-related business.
- ✓ The Company reported a segment operating loss in FY03/18 due to the posting of ¥5.9 billion in allowance for doubtful accounts associated with a European subsidiary.
- ✓ Segment operating profit exceeded targets in FY03/19 and FY03/20 as performance related to FPDs, an important source of earnings, grew in China and results associated with solar cells and semiconductors came up strong in Japan.
- ✓ Segment operating profit came in above forecast in FY03/21 due to strong business, a decline in SG&A expenses caused by the COVID-19 pandemic, and a reversal of allowance for doubtful accounts.

NC2020 Target Achievement by Segment 【Chemicals】



(Billions of yen)	FY03/20 actual	FY03/21 actual (A)	NC2020 target for FY03/21 (B)	Achievement rate (A)/(B)
Sales	74.1	66.6	95.7	70%
Operating profit	1.20	1.32	2.20	60%
Operating profit margin	1.6%	2.0%	2.3%	—



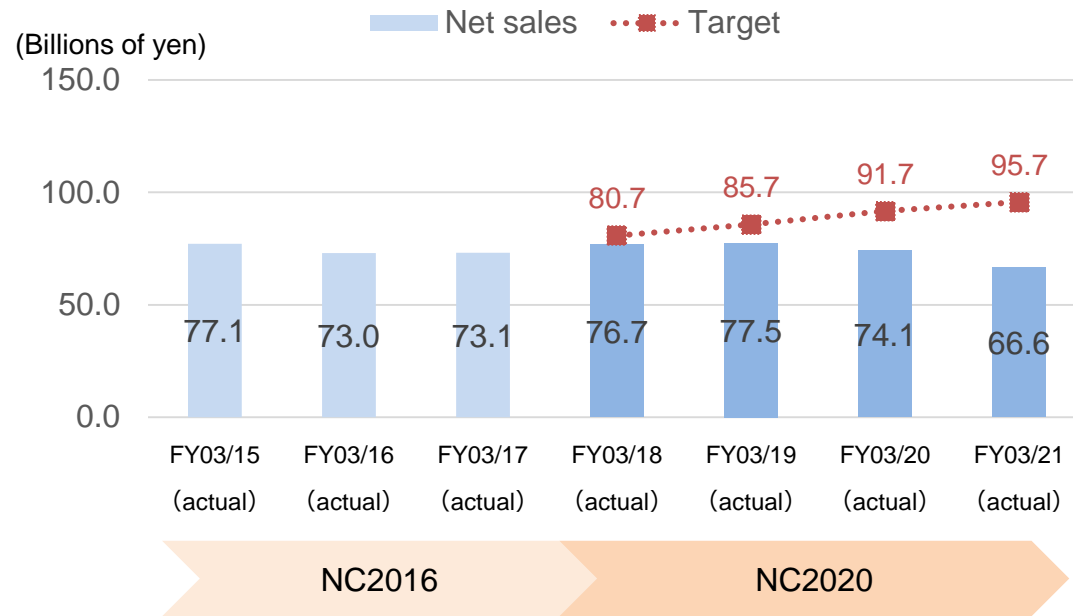
■ **NC2020 operating profit target ⇒ Not achieved**

Main reasons for differences between actual and target figures	COVID-19	Operating profit	Sales
<ul style="list-style-type: none"> • Sluggish performance in the former Housing & Eco Materials segment • Sluggish export sales in the former Housing & Eco Materials segment • Slow sales of heat-dissipating products • Weak sales of raw materials used in substances such as paints, inks, and adhesives • Review of transactions at a European subsidiary • Lower SG&A expenses 	—	—	—
	+	+	—

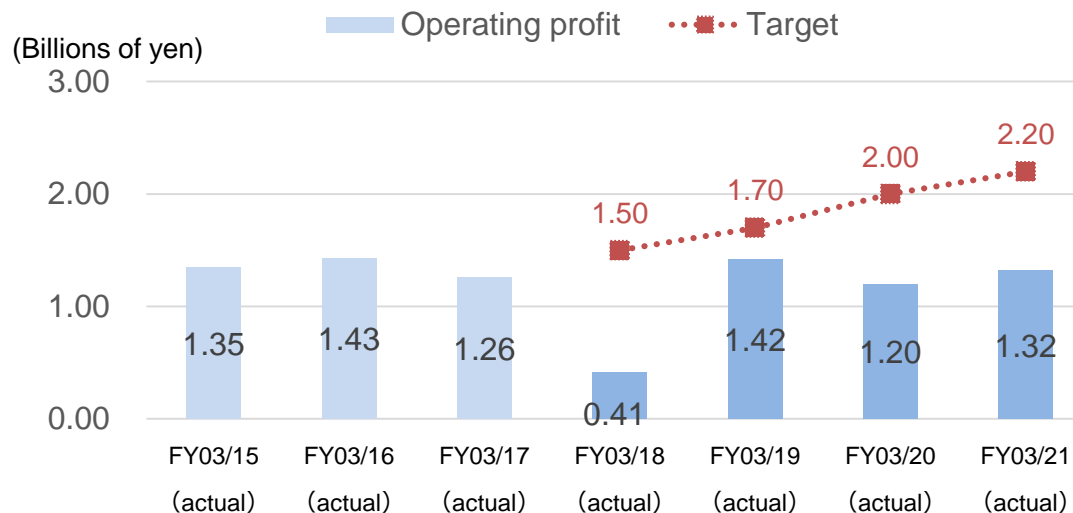
Notes: In FY03/21, the Company targeted segment operating profit of ¥2.2 billion and aimed to acquire ¥600 million of this total from the former Housing & Eco Materials segment.

Segment operating profit fell short of its target by ¥880 million and ¥450 million of this shortfall occurred in the former Housing & Eco Materials segment.

NC2020 Net Sales and Operating Profit 【Chemicals】



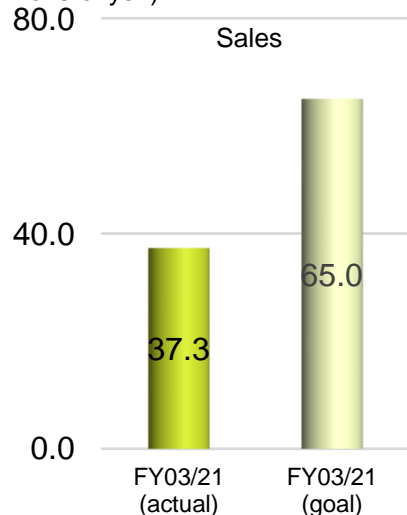
- ✓ Sales continuously fell short of targets due primarily to sluggish performance in the former Housing & Eco Materials segment.
- ✓ Segment operating profit fell sharply YoY in FY03/18 due to the posting of ¥750 million in allowance for doubtful accounts associated with a European subsidiary.
- ✓ Segment operating profit improved in FY03/19 but continued to fall short of its targets through FY03/21 as sales fell short of expectations amid impact from factors such as a lack of progress associated with planned export business in the former Housing & Eco Materials segment.



Note: The Housing & Eco Materials segment was combined with the Chemicals segment in FY03/20. FY03/19 results have been calculated according to the new alignment.

NC2020 Target Achievement by Segment 【Life Industry】

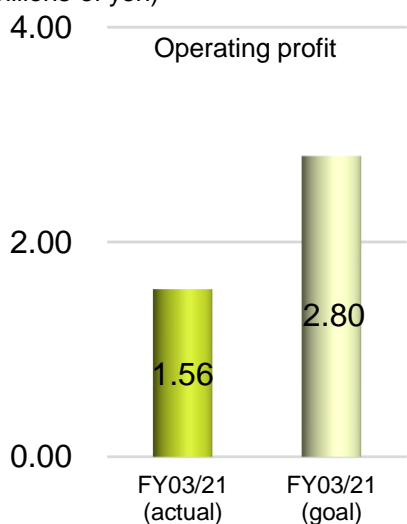
(Billions of yen)



(Billions of yen)	FY03/20 actual	FY03/21 actual (A)	NC2020 target for FY03/21 (B)	Achievement rate (A)/(B)
Sales	36.9	37.3	65.0	57%
Operating profit	1.16	1.56	2.80	56%
Operating profit margin	3.2%	4.2%	4.3%	—

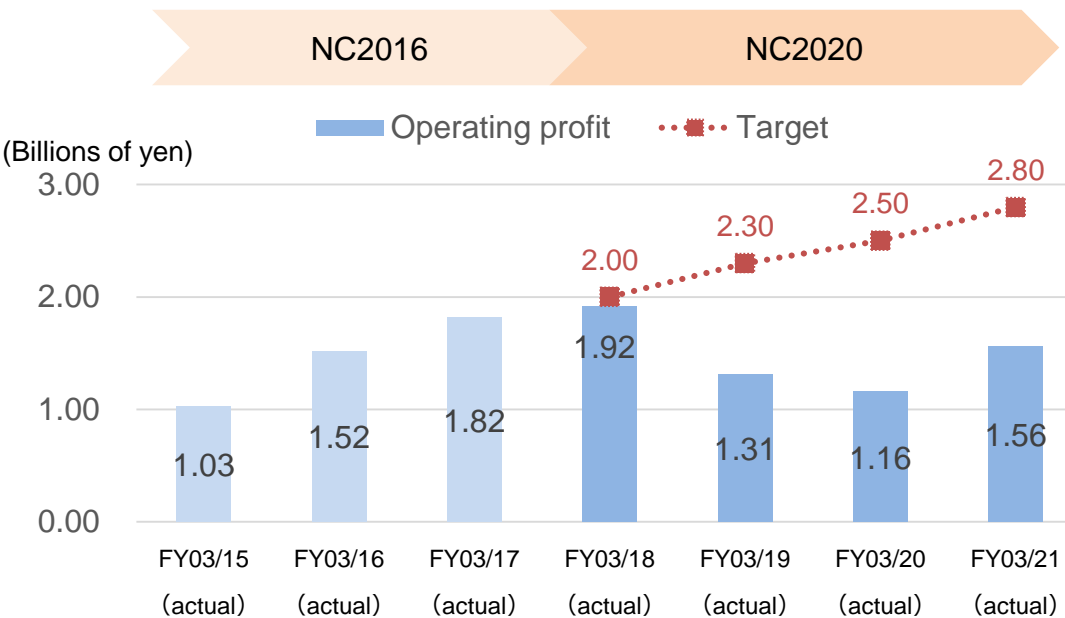
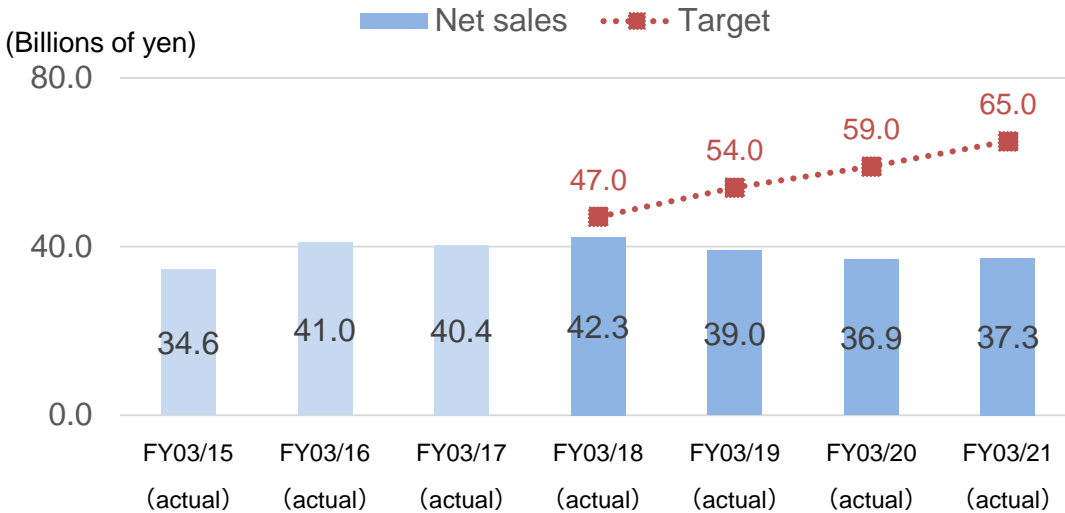
■ NC2020 operating profit target ⇒ Not achieved

(Billions of yen)



Main reasons for differences between actual and target figures	COVID-19	Operating profit	Sales
<ul style="list-style-type: none"> • Pharmaceutical ingredients (supply resumption delays at suppliers) • Same as above (decline in the use of influenza drugs) • Food-related (plans suspended at a European subsidiary) • Same as above (delays in the launch of new businesses) • Same as above (sluggish sales to restaurants and food service facilities) • Same as above (growth in fishery product sales to conveyor-bent sushi restaurants) • Lower SG&A expenses 	—	—	—
	—	—	—
	—	—	—
	—	—	—
	—	+	+
	+	+	

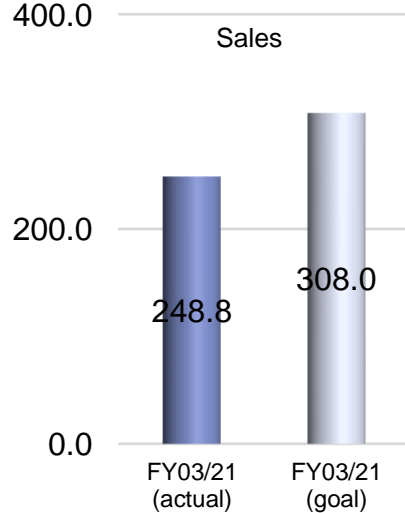
NC2020 Net Sales and Operating Profit 【Life Industry】



- ✓ Sales continuously fell short of targets. The Company noted a particular shortfall in terms of progress associated with new food-related business planned through a European subsidiary.
- ✓ Segment operating profit came close to achieving its target in FY03/18 thanks to solid performance from pharmaceutical ingredients and steady home product-related results but began to fall off in FY03/19. Food-related profit was also stagnant as the Company incurred upfront expenses. Consequently, segment operating profit continuously fell substantially short of targets.

NC2020 Target Achievement by Segment 【Plastics】

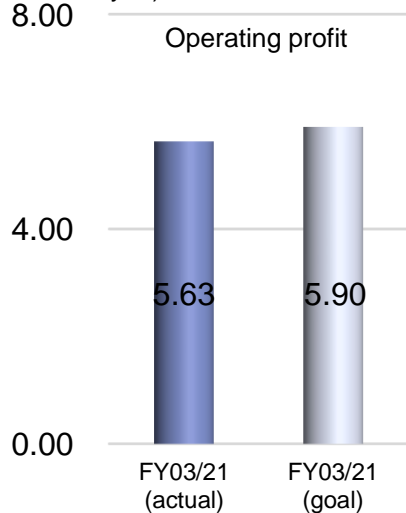
(Billions of yen)



(Billions of yen)	FY03/20 actual	FY03/21 actual (A)	NC2020 target for FY03/21 (B)	Achievement rate (A)/(B)
Sales	270.3	248.8	308.0	81%
Operating profit	6.23	5.63	5.90	95%
Operating profit margin	2.3%	2.3%	1.9%	—

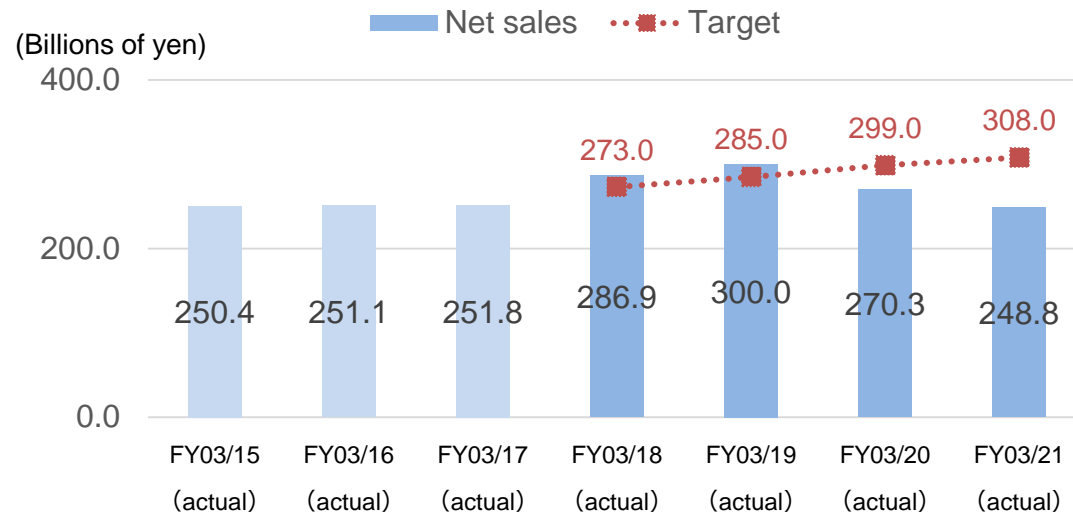
■ NC2020 operating profit target ⇒ Not achieved

(Billions of yen)

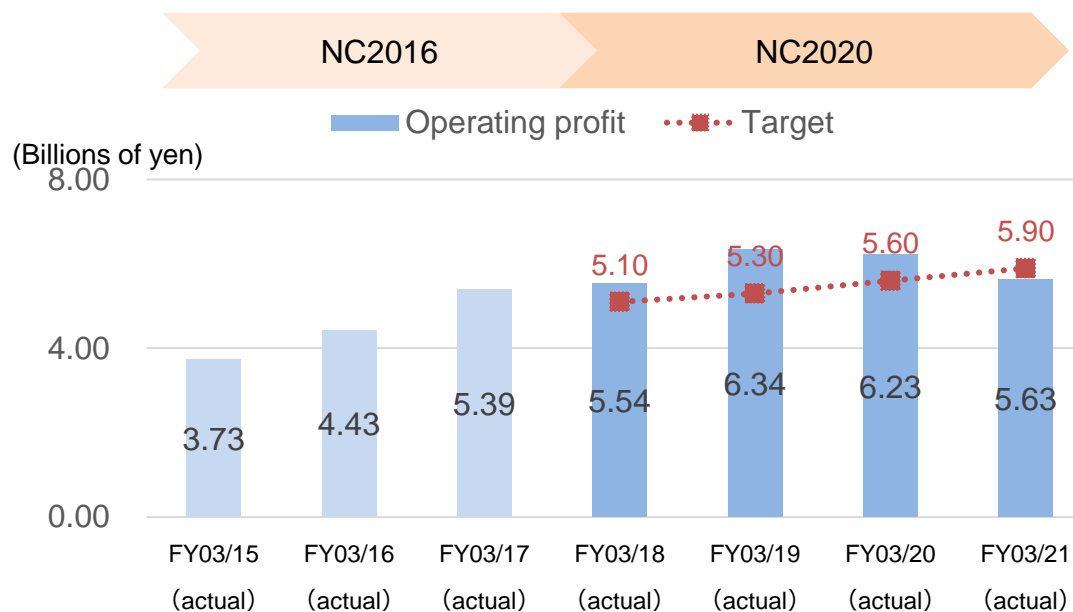


Main reasons for differences between actual and target figures	COVID-19	Operating profit	Sales
• Decrease in commodity resin sales	—	—	—
• Decrease in high-performance resin sales	—	—	—
• Drop in plastics prices			—
• Increase in the share of sales from high-performance resins		+	
• Struggling at our compounds plant	—	—	—
• Favorable film-related performance (Group companies)		+	+
• Decrease in sporting goods-related sales	—	—	—

NC2020 Net Sales and Operating Profit 【Plastics】



✓ Sales reached targets in FY03/18 and FY03/19 but fell short in FY03/20 due to a decline in plastics prices and came up short again in FY03/21 due to substantial impact from global lockdowns imposed in response to the COVID-19 pandemic during 1H.

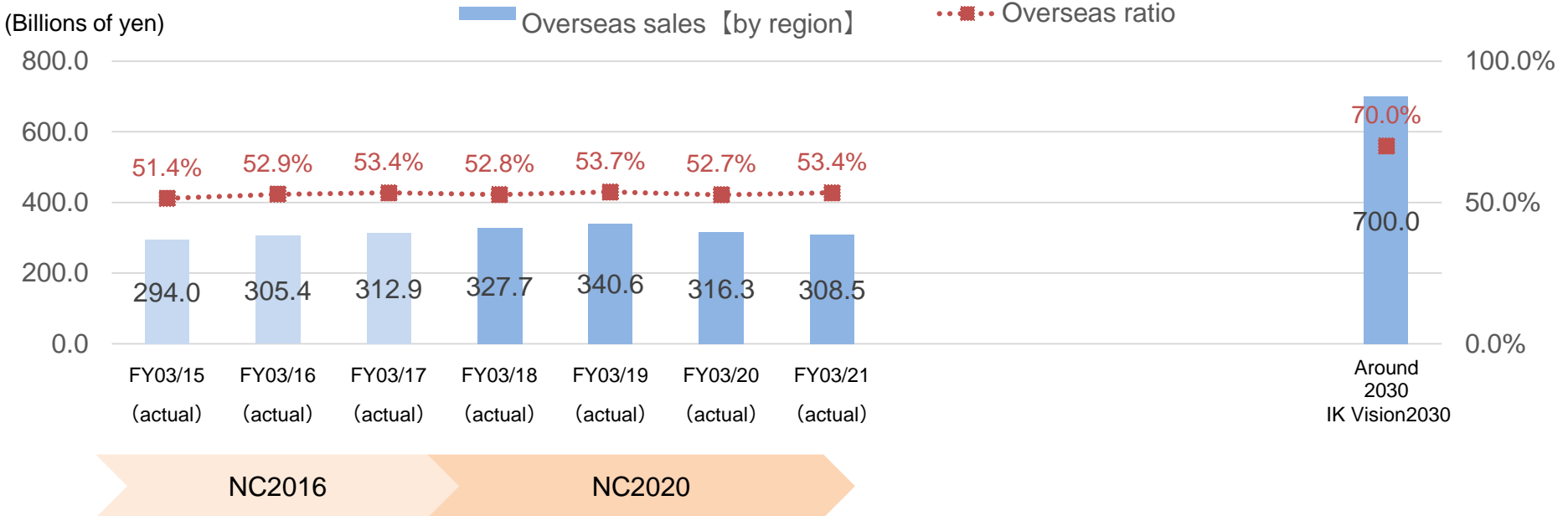


✓ Segment operating profit met its targets from FY03/18 through FY03/20 as the Company reported steady growth in results from the automotive and other businesses. In both FY03/19 and FY03/20, segment operating profit exceeded the target for the final year of the plan, but in FY03/21, the plan's actual final year, segment operating profit declined due to substantial impact from the COVID-19 pandemic and came in short of its target.

Achievement of Key *NC2020* Initiatives

1. Further expansion and deeper involvement in overseas businesses

Key Initiatives	Assessment	
1. Further expansion and deeper involvement in overseas businesses	△	Overseas sales ratio was generally flat due in part to COVID-19-related impact incurred in FY03/21, trending between 52 and 53%.



Achievement of Key *NC2020* Initiatives

3. Further enhancement of information infrastructure essential for global management

Key Initiatives	Assessment	
<p>3. Further enhancement of information infrastructure essential for global management</p> <ul style="list-style-type: none"> • Prioritize infrastructure that is best for the entire Group • Enhance and standardize overseas business management 	<p>◎</p>	<p>We managed a project focused on standardizing core systems (SAP) overseas. Internal Group information is becoming more transparent as comprehension at the head office has improved and internal controls at overseas bases have strengthened.</p> <p>We achieved improvement in IT infrastructure by implementing cloud technology at overseas bases.</p>

Achievement of Key *NC2020* Initiatives

4. More proactive investment to expand the trading business

Key Initiatives	Assessment	
4. More proactive investment to expand the trading business <ul style="list-style-type: none"> • Make minority investments, primarily to expand the trading business • Consider majority investments, but with limited risk and scale 	△	We did not achieve key initiatives as planned due in part to impact from the COVID-19 pandemic. Although we will continue to focus primarily on expanding the trading business, under <i>NC2023</i> , we will additionally concentrate on conducting more active investment in endeavors such as M&A.

(Billions of yen)	FY03/18 actual	FY03/19 actual	FY03/20 actual	FY03/21 actual	NC2020 Actual cumulative results
Growth investment	3.86	2.31	1.85	0.86	8.90
Fixed investment	1.59	2.03	2.01	2.40	8.03
Total	5.45	4.34	3.86	3.26	16.93

Achievement of Key *NC2020* Initiatives

5. Continual review of assets and enhancement of financial standing

Key Initiatives	Assessment	
5. Continual review of assets and enhancement of financial standing	◎	<p>We strengthened our financial standing by a greater extent than anticipated.</p> <p>We improved our net debt/equity ratio to 0.1, outperforming our projected target of 0.4 or lower. Our equity ratio also improved to nearly 50%.</p> <p>We continued to review, and progressively sold, our strategically held shares.</p>

	End-FY03/18	End-FY03/19	End-FY03/20	End-FY03/21	Goal
Net D/E ratio	0.28	0.19	0.16	0.06	0.40 or less
Equity ratio	40.1%	44.5%	45.2%	49.2%	—

Achievement of Key *NC2020* Initiatives

6. Establishment of global human resource management

Key Initiatives	Assessment	
6. Establishment of global human resource management	△	<p>In 2018 and 2019, we held Global Staff Meetings in Japan to facilitate communication between members of local staff. Since 2020, we have cancelled these meetings due to the COVID-19 pandemic.</p> <p>We conducted workshops at 36 locations in 14 countries to promote “IK Values,” and more than 700 local staff members participated.</p> <p>We also put items of consideration such as temporary assignments in Japan for members of overseas management on hold due to the pandemic. We will address these items under <i>NC2023</i>.</p>

NC2020 Focus on Markets with Growth Potential and Sectors That Have Yet to Be Developed

Principal initiatives in the automotive field

Progress slowed down in FY03/21 due to lockdown-related impact incurred in 1H, but business associated with Plastics and Chemicals recovered rapidly in 2H.

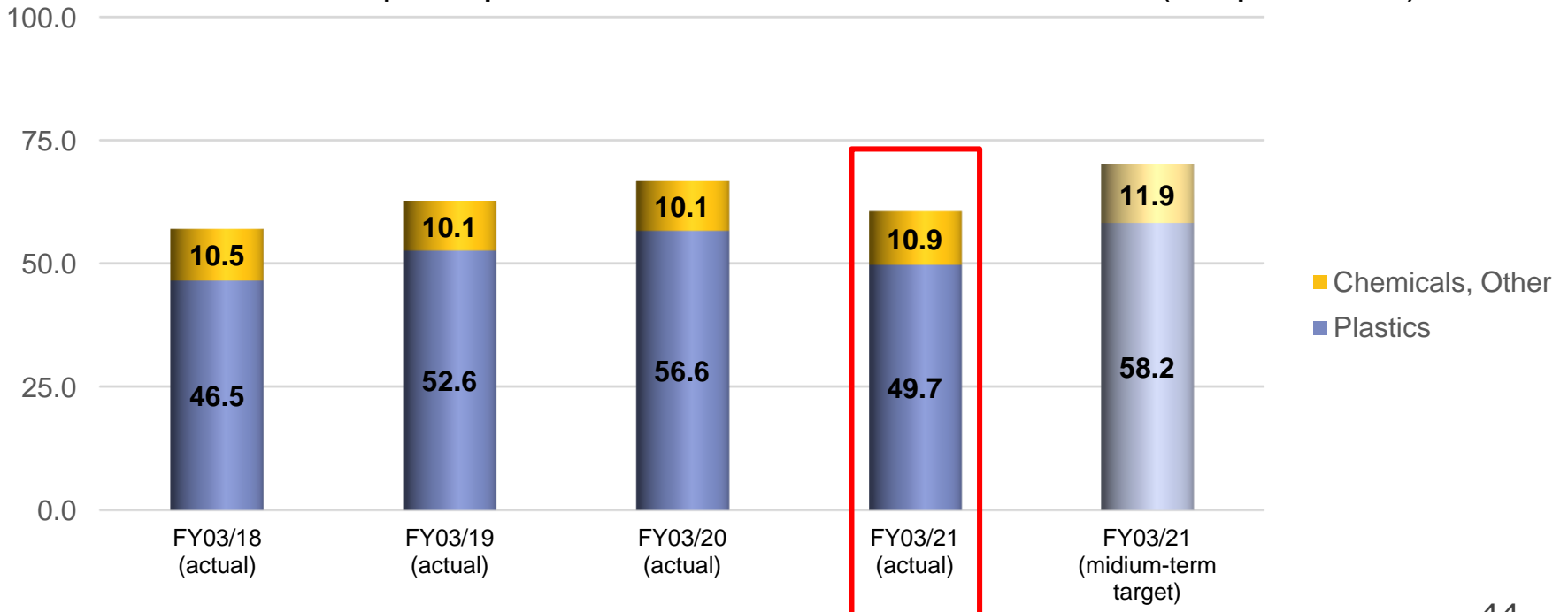
Plastics: We are working to increase sales of plastics to global customers, and are also expanding in-country sales.

Chemicals: We are expanding sales of parts and paint materials, and are focusing on sales of heat-dissipating materials and parts.

Information & Electronics: Potential exists to sell decorative films.

Sales from principal business in the automotive field (simple totals)

(Billions of yen)



Note: Sales figures for plastics primarily reflect sales made to global account users.

NC2020 Focus on Markets with Growth Potential and Sectors That Have Yet to Be Developed

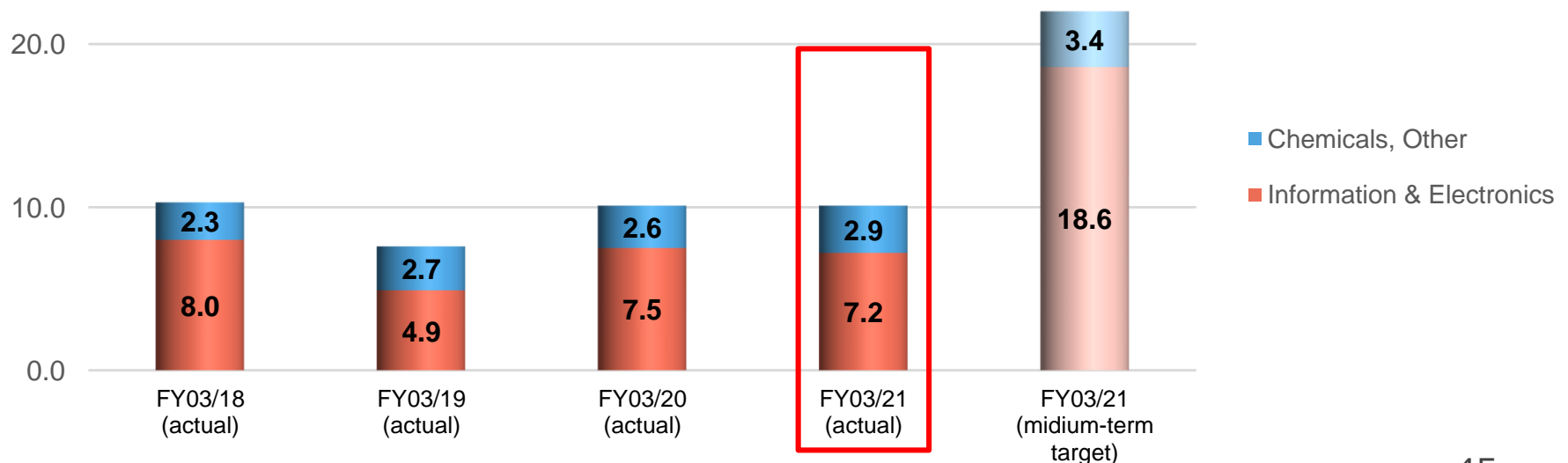
Principal initiatives in the environment and energy field

Information & Electronics: Sales of solar cells were down sharply due to discontinuation of transactions at a European subsidiary, but we intend to focus on the sale of high value-added materials and systems.
Sales of lithium-ion battery materials to manufacturers in China and South Korea are increasing.

Chemicals: We will focus on sales of wood chips and particle board.

(Billions of yen)

Sales from principal business in the environment and energy fields (simple totals)



Note: Results for past fiscal years include certain amounts that have been updated.

NC2020 Focus on Markets with Growth Potential and Sectors That Have Yet to Be Developed

Principal initiatives in the life science and medical fields

Sales of pharmaceutical ingredients in FY03/21 were sluggish due in part to impact from the COVID-19 pandemic.

Life Industry: With pharmaceutical ingredients (active ingredients and intermediates) sales as a stepping stone, we will focus on advanced medicine.

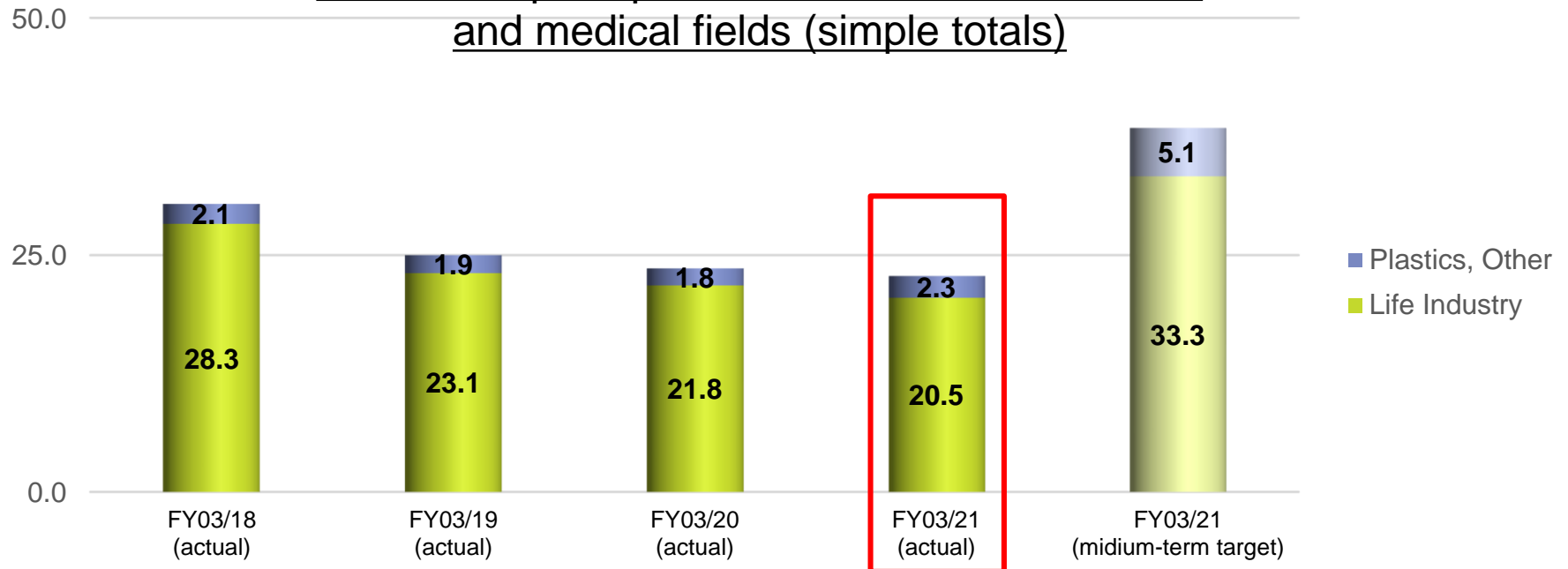
We will sell Japan-made household products overseas.

Plastics: We will sell plastics to medical device manufacturers (e.g., for syringes).

Information & Electronics: Sales of materials used in protective masks grew.

Sales from principal business in the life science and medical fields (simple totals)

(Billions of yen)



Note: Results for past fiscal years include certain amounts that have been updated.

NC2020 Focus on Markets with Growth Potential and Sectors That Have Yet to Be Developed

Principal initiatives in the agricultural field

Life Industry: We are developing the cultivation business, centered on the production of blueberries and garlic in Hokkaido.

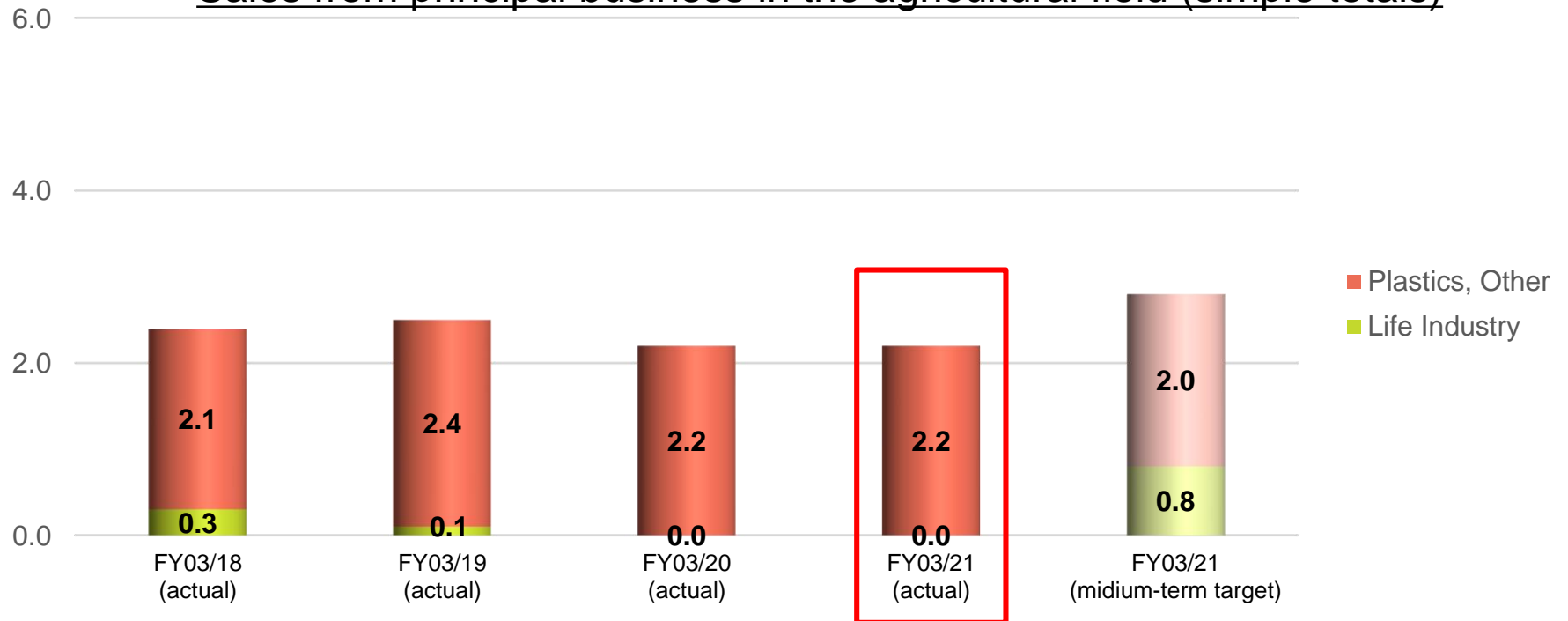
Full-scale shipment of blueberries and garlic will start in FY03/22 or later.

Plastics: We are concentrating on sales of films for agricultural use (for anti-fogging, for example).

Information & Electronics: Sales of animal feed (imported grass) are increasing.

(Billions of yen)

Sales from principal business in the agricultural field (simple totals)



Notes: Results for past fiscal years include certain amounts that have been updated.
The figures above do not include sales of frozen goods.

NC2020 Further Expansion and Deeper Involvement in Overseas Businesses

Progress at our compounds plant (sales to automakers in Mexico)

■ Status in FY03/21

In accordance with government guidance, operations at all plants in Mexico were suspended during April and May 2020 in response to the COVID-19 pandemic. Consequently, demand fell and sales declined. Plants resumed operations in June, but recovery in demand was slow. Operations related to new items were delayed by one year.

	Sales volume
FY03/18 (actual)	6,100 MT
FY03/19 (actual)	6,700 MT
FY03/20 (actual)	9,000 MT
FY03/21 (actual)	6,900 MT
FY03/22 (forecast)	10,600 MT



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

Production capacity: 15,000 MT/year

Location: Silao, Guanajuato, central Mexico

Commenced operations in November 2013, with mass production starting in September 2014

NC2020 Further Expansion and Deeper Involvement in Overseas Businesses

Progress at our compounds plant

(sales to manufacturers of OA equipment in the Philippines)



■ Status in FY03/21

Plant operations were suspended during April and May 2020 in response to the COVID-19 pandemic. Operations resumed in June and reached normal capacity in August. However, production declined in Q4 due to impact from COVID-19 variants and ongoing delays stemming from raw material and container shortages.

	Sales volume
FY03/18 (actual)	7,200 MT
FY03/19 (actual)	10,200 MT
FY03/20 (actual)	9,300 MT
FY03/21 (actual)	9,500 MT
FY03/22 (forecast)	11,500 MT



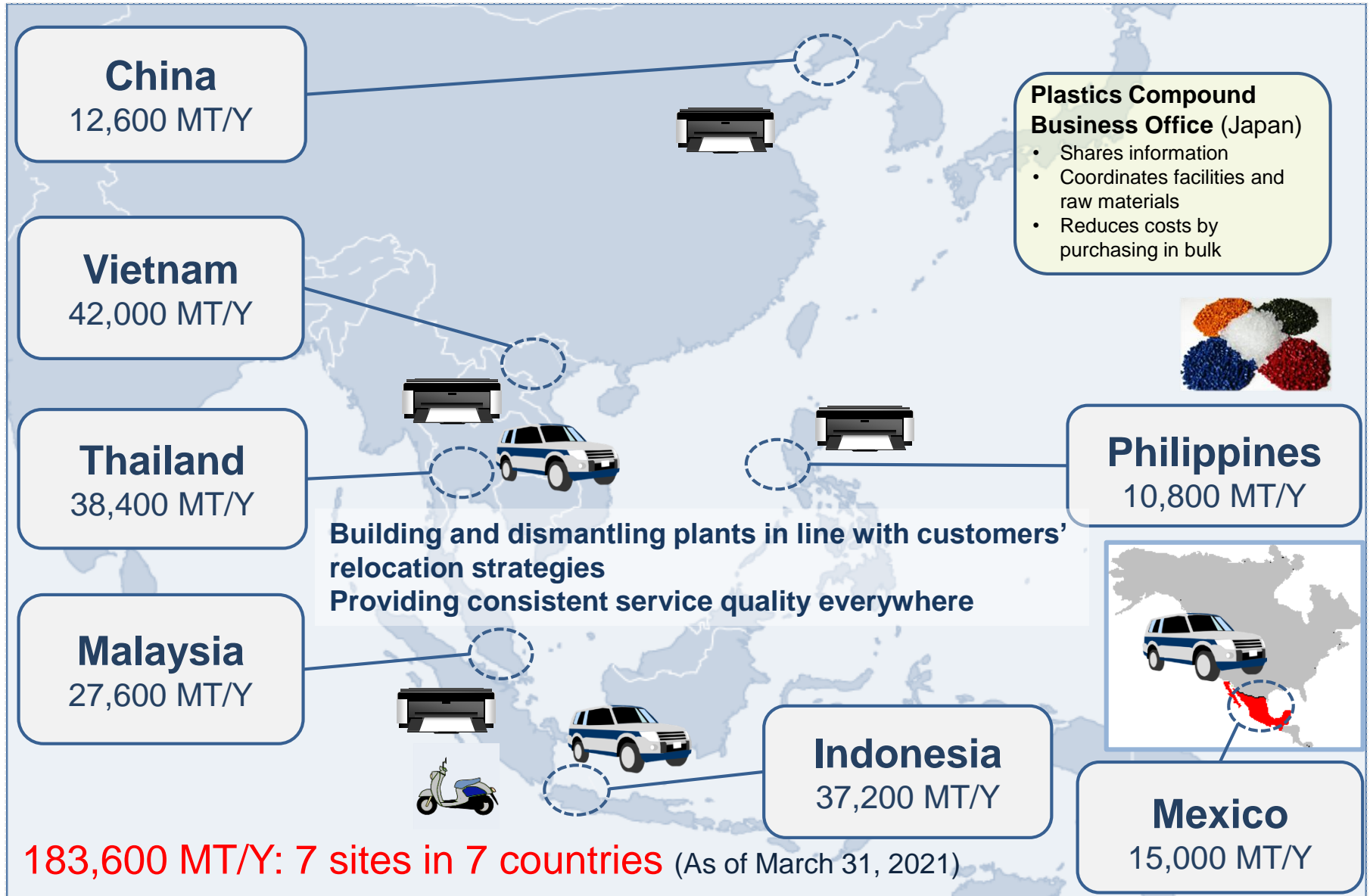
Company: IK PLASTIC COMPOUND PHILS. INC.

Production capacity: 10,800 MT/year

Location: Laguna Province, Philippines

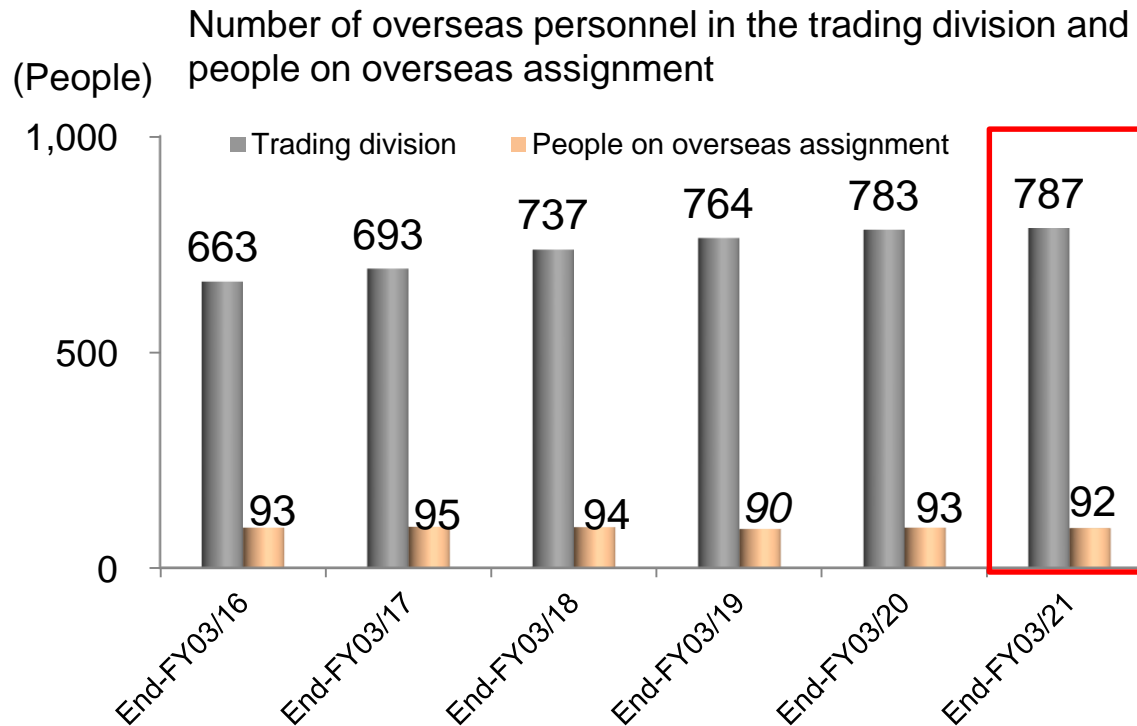
Commenced business and production in July 2014

Annual Production Capacity for Plastic Compounds



NC2020 Establishment of Global Human Resource Management

- ✓ We conducted workshops at 36 locations in 14 countries to promote “IK Values.” More than 700 local staff members participated.
- ✓ We continued to hold the Global Staff Meeting. However, we cancelled the meeting scheduled for May 2021 due to the spread of the novel coronavirus pandemic.



Management philosophy workshop at Inabata Europe GmbH

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

Board of Directors evaluation

Objective: To enhance corporate value by increasing the effectiveness and transparency of the Board of Directors

FY03/19

Performed a self-evaluation of all directors and Audit & Supervisory Board members using a survey format

⇒ In April 2019, disclosed summary of evaluation and measures going forward

FY03/20

Performed a self-evaluation of all directors and Audit & Supervisory Board members using a survey format

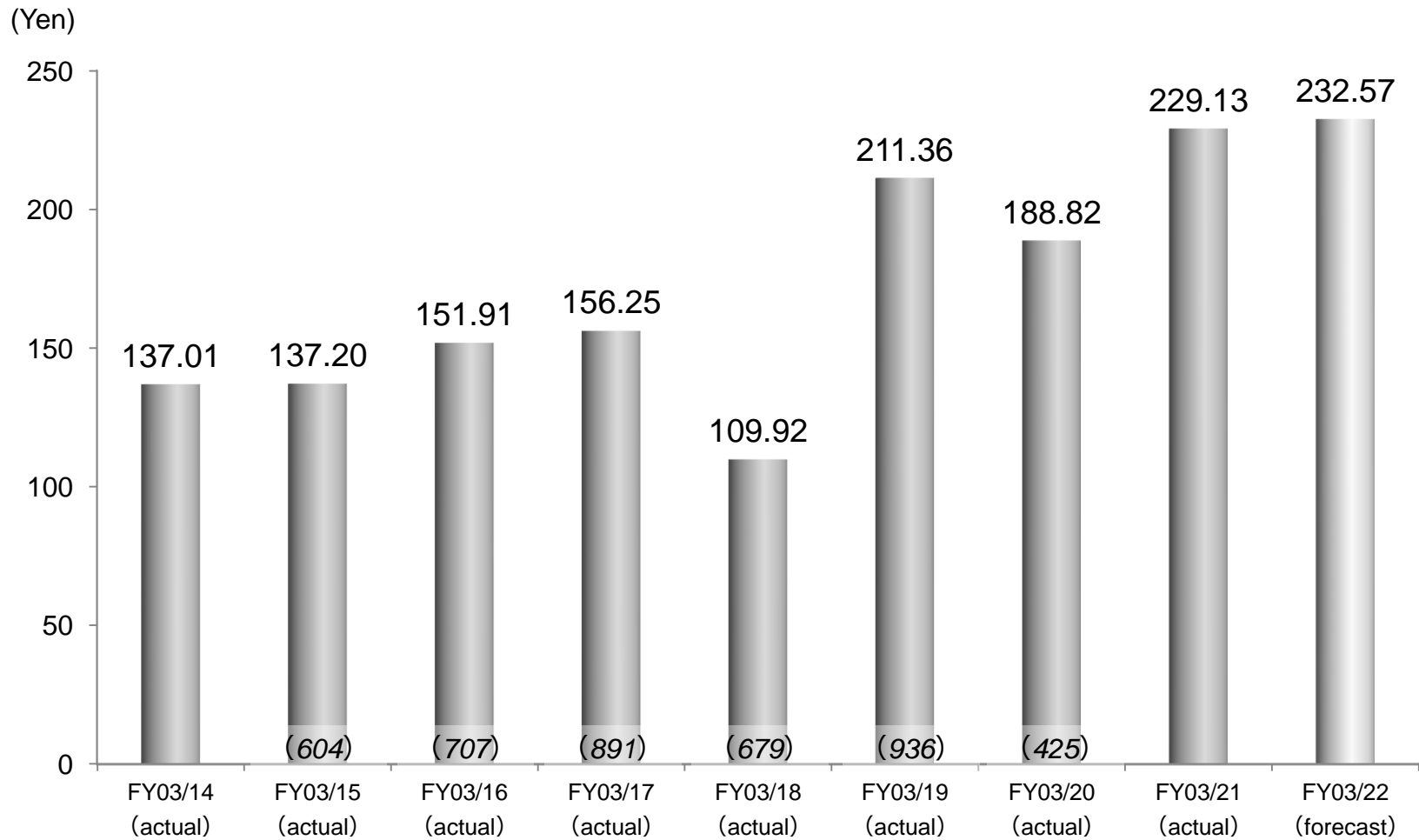
⇒ In April 2020, disclosed summary of evaluation and measures going forward

FY03/21

Conducted third-party evaluations of all directors and Audit & Supervisory Board members through questionnaires and interviews

⇒ In April 2021, disclosed summary of evaluation and measures going forward

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).

Company Overview

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	656 (4,203 on consolidated basis)
Issuable shares	200,000,000
Shares issued and outstanding	63,499,227

Fiscal year	April 1 to March 31
Exchange listing	Tokyo Stock Exchange
Ticker	8098
Trading unit	100 shares
Shareholders	15,674
Major shareholders (top three and percentage ownership)	Sumitomo Chemical Co., Ltd. (22.9%) The Master Trust Bank of Japan, Ltd. (Trust Account) (6.6%) Custody Bank of Japan, Ltd. (Trust Account) (4.5%)

The Company owns 3,010,331 shares of treasury shares. This shareholding is not shown in the table and has not been included in the calculation of the shareholding ratio. However, shares of the Company held by Custody Bank of Japan, Ltd. (Trust account E) as a trust property under the Board Benefit Trust (BBT) system is excluded from the number of the treasury shares, and hence, is included in the calculation of the ratio.

(As of March 31, 2021)

□ 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.