

IR Briefing for the Fiscal Year Ended March 2025

Progress in the First Year of “New Challenge 2026”,
Our Medium-Term Management Plan

June 5, 2025

Inabata & Co., Ltd.

Katsutaro Inabata, Director, President

Inabata & Co., Ltd. held the financial results briefing for the fiscal year ended March 2025 via live broadcast on June 5, 2025.

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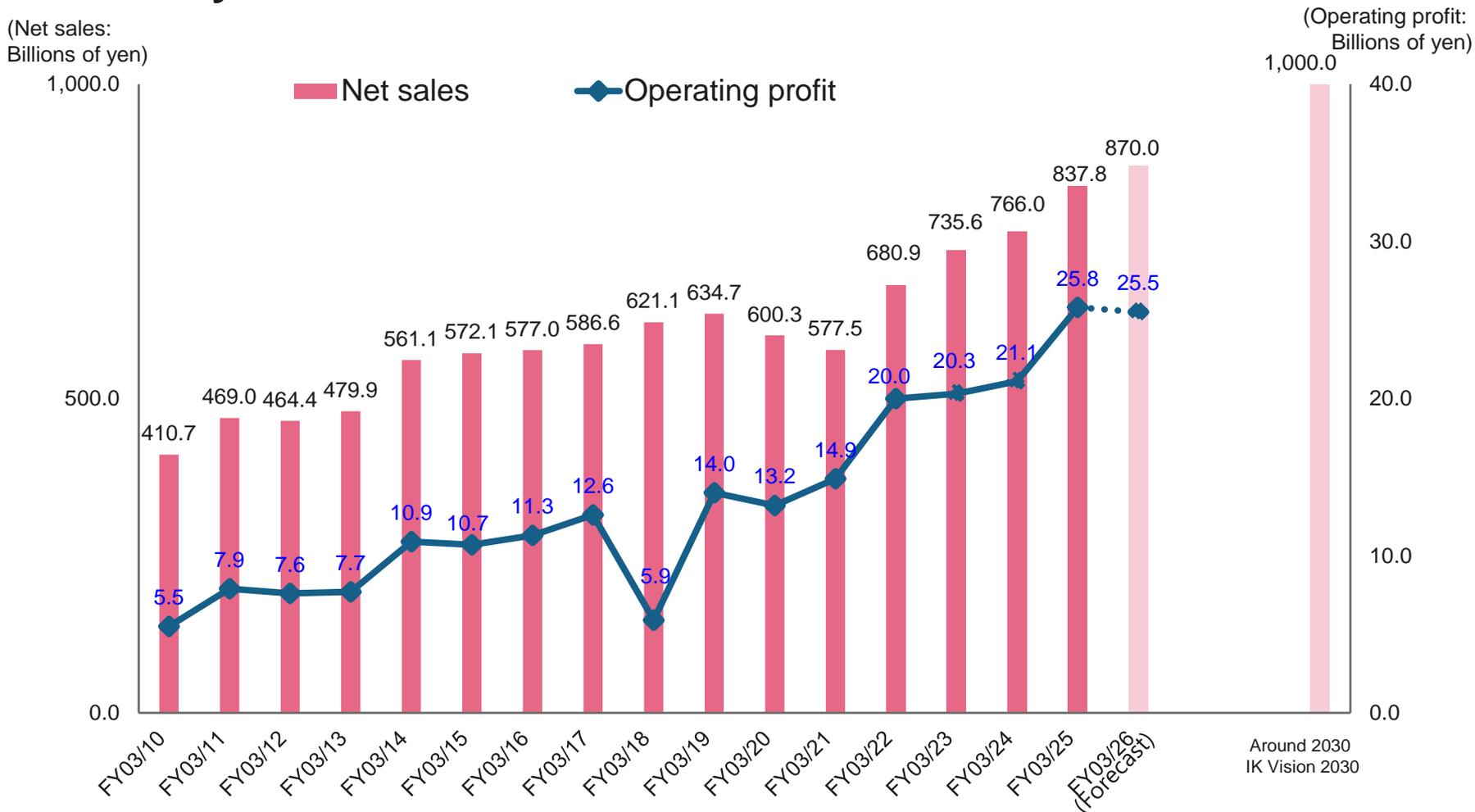
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* Hereinafter, NC2026

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 four 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.

*Vendor Managed Inventory

- **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.

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 (59 bases in 12 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

Around 1980

3 bases
in 2 countries



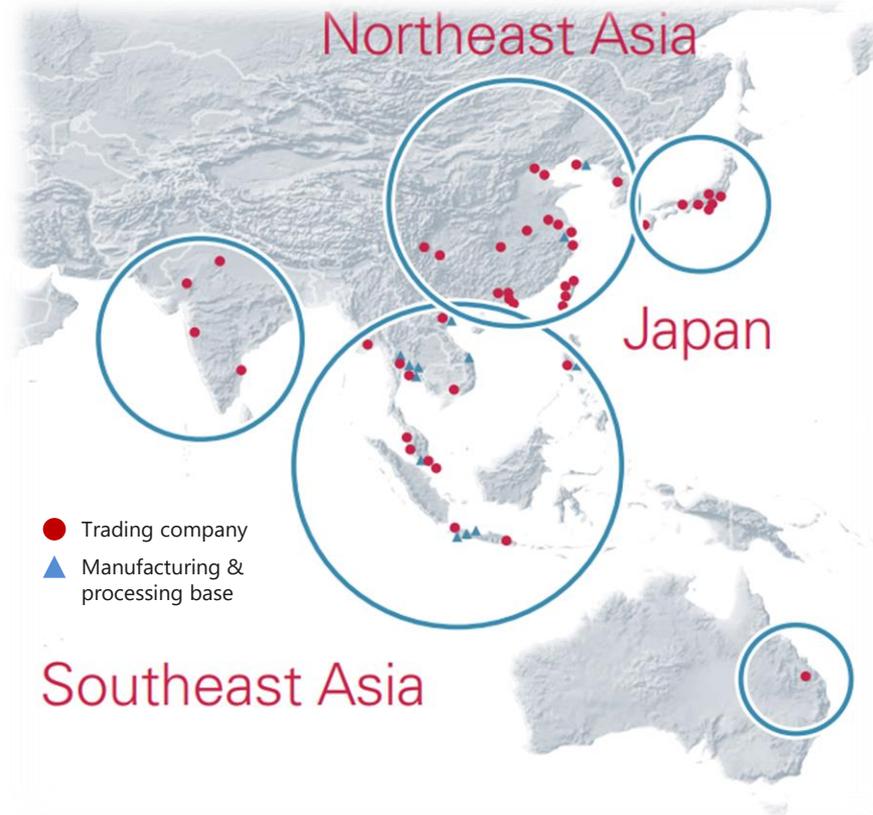
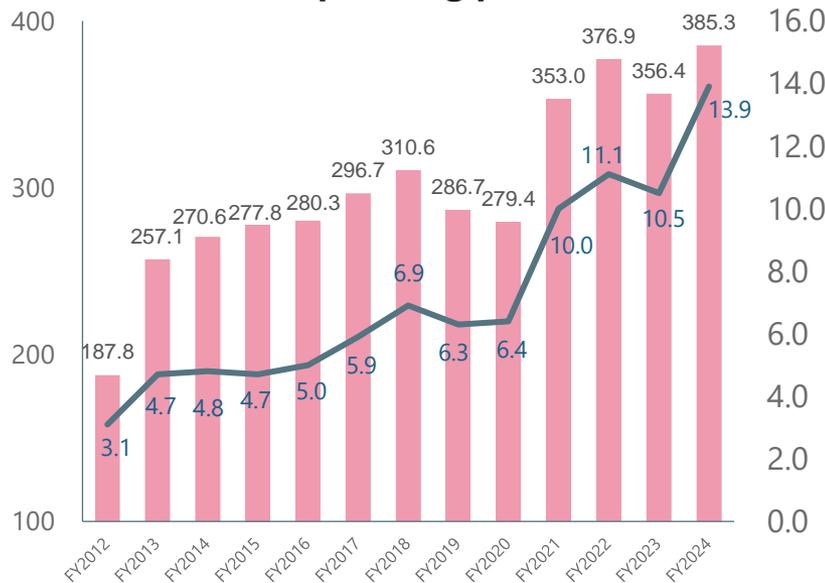
Apr. 2025

59 bases in
12 countries

- Number of Personnel in Asia : 2,916
(Percentage of total consolidated basis 62%) *As of March 31, 2025

(Billions of yen)

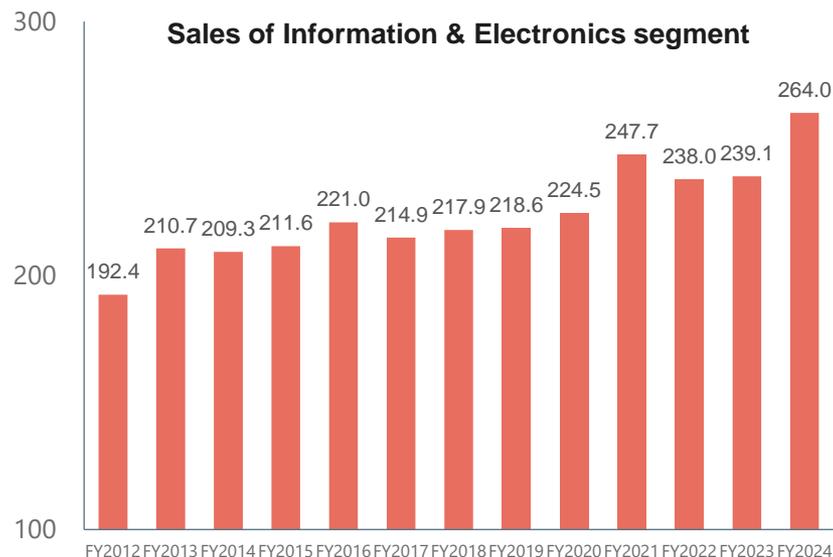
Sales and Operating profit in Asia



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 · South Korea -> China) 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)



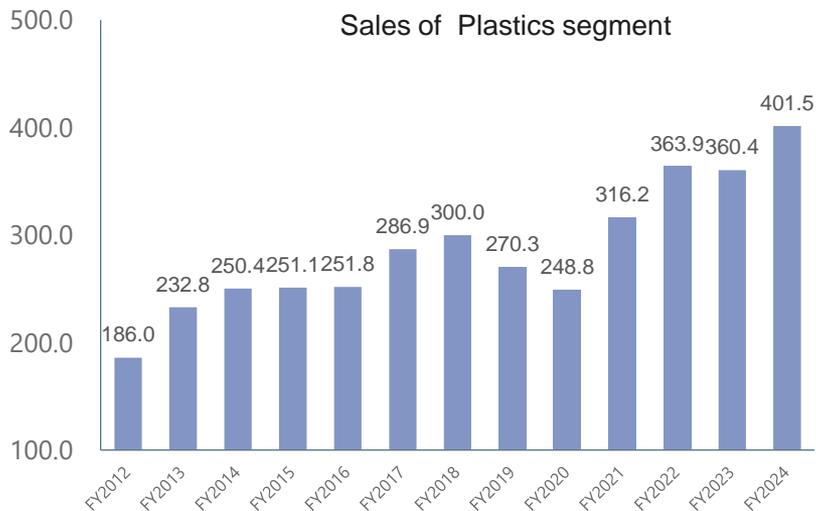
Business Development Transition

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

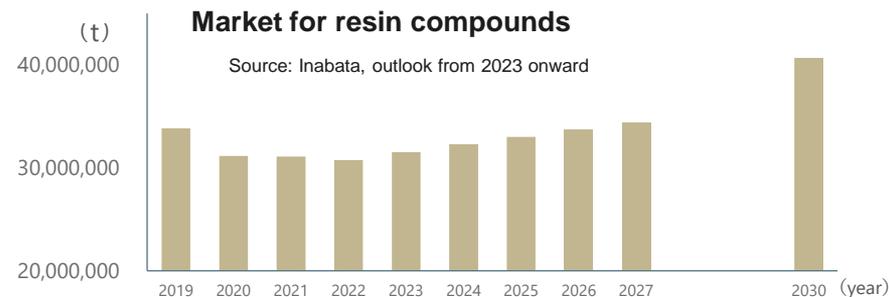
- Expanded overseas in line with Japanese consumer electronics manufacturers transition to overseas production. Subsequently expanded into a global network of bases while cultivating customers in the office automation and automobile industries (overseas sales ratio exceeded 62% in FY2024).
- Producing 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

(Billions of yen)

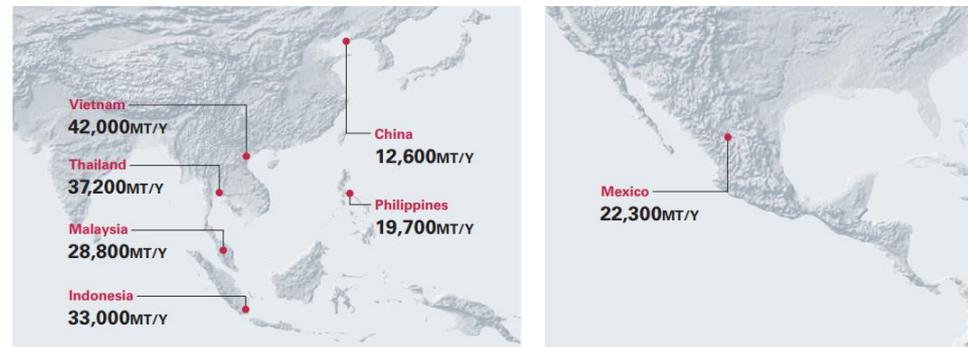


Resin Market Environment

- 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, 2025



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

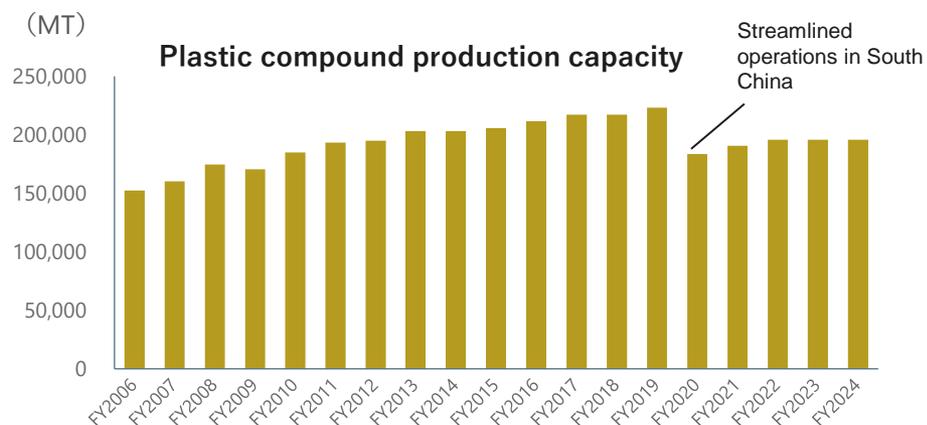
Developments in Asia ~Plastic compound

■ 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, 2025), Inabata is among the largest production scales in the industry as a trading company-affiliated resin compounder.

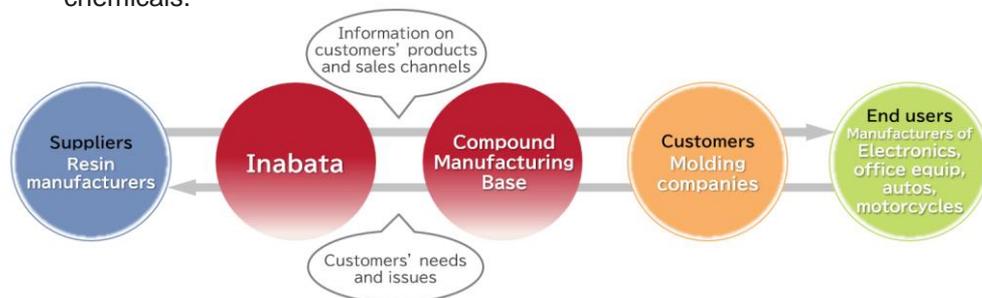
■ Global customer support structure

- 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.



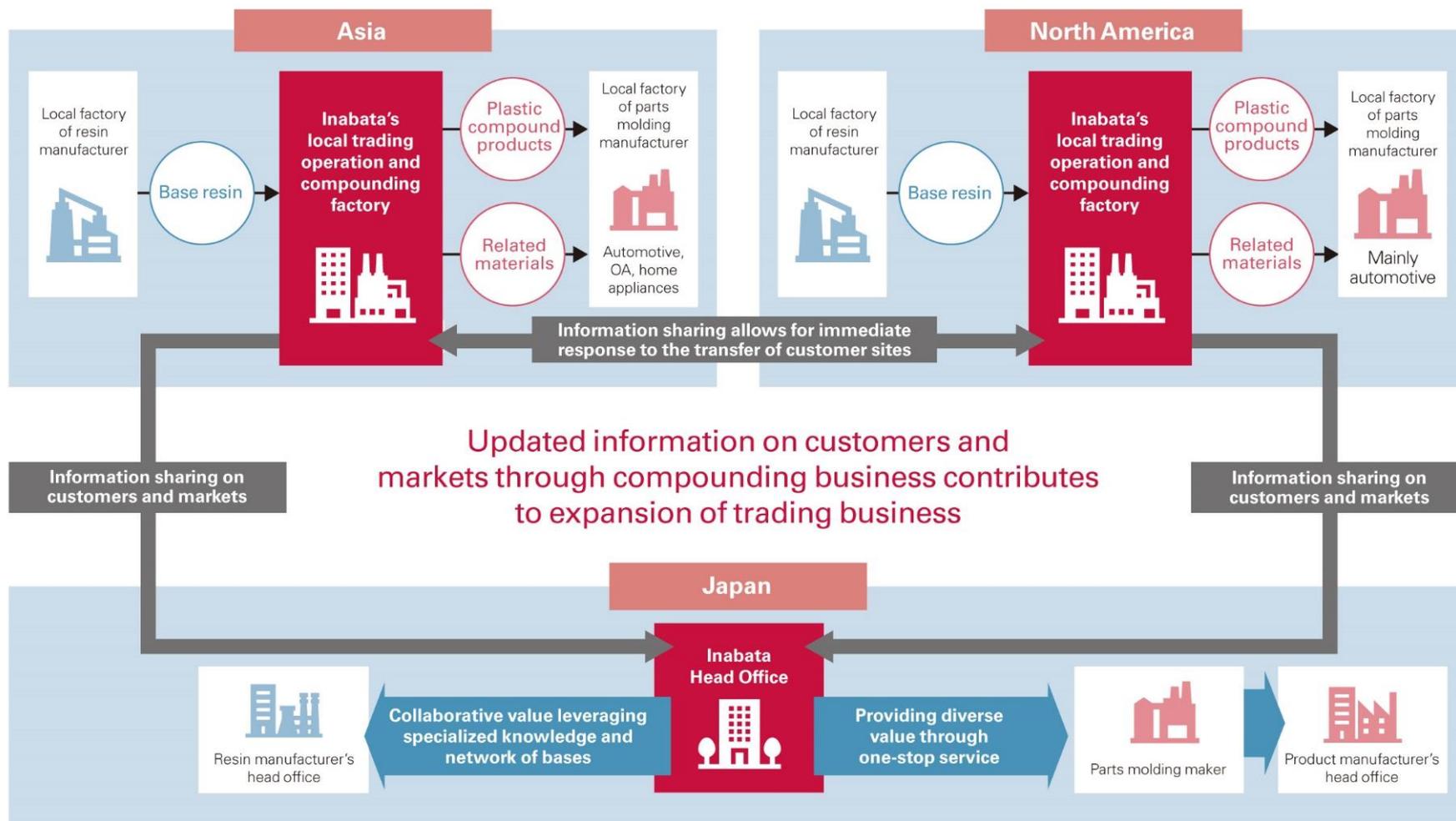
Joint venture with Daicel

- Established joint venture Novacel Co., LTD. 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

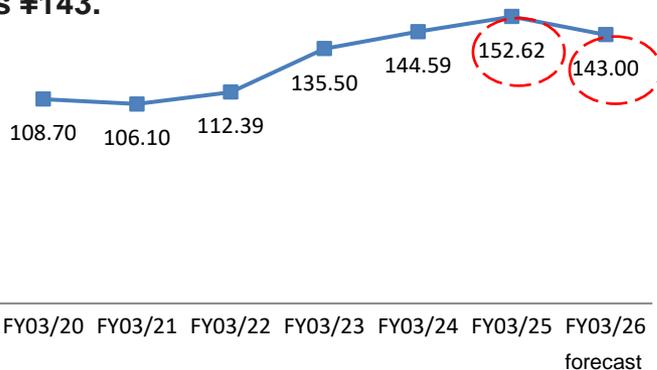
【Reference】 Business model for the plastic compound business



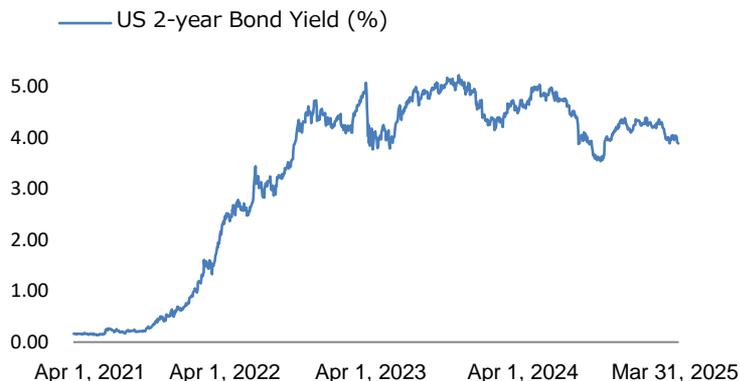
Our Medium-Term Management Plan
Progress in the First year of “New Challenge 2026”

Business Environment

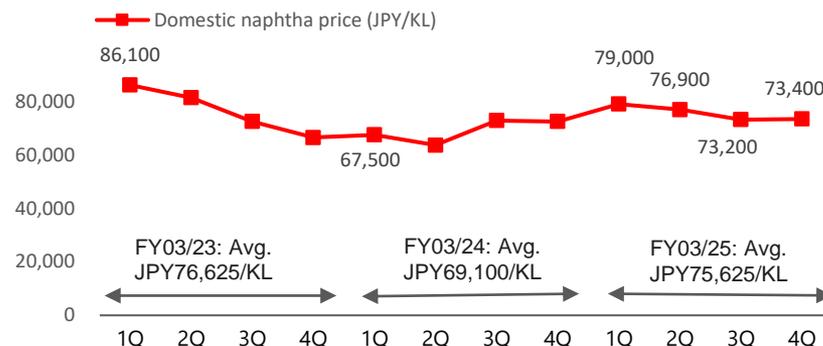
- In FY03/25, the Japanese yen depreciated against the US dollar, reflecting differences in fiscal policy direction between the two countries. The assumed JPY/USD exchange rate for FY03/26 is **¥143**.



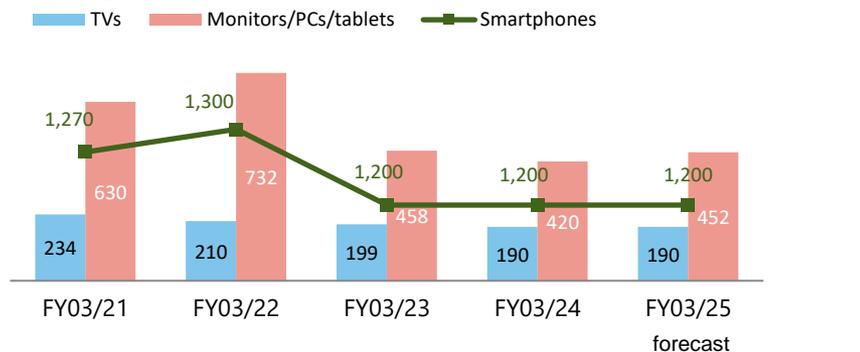
- Global interest rates remained high.



- While the domestic naphtha price remains high, it has recently been on a slight downtrend .



- In the FPD-related business, despite sluggish demand for TV applications, utilization has recently begun to recover, supported by China's economic stimulus measures. The shift to OLED continues to progress.



Progress toward Quantitative Targets

- The first year of NC2026 got off to a strong start, with the OPM improving and all profit categories significantly surpassing targets. Ordinary profit and profit attributable to owners of parent have already reached their final-year targets.

(Billions of yen)

	FY03/24	First Year of NC2026 FY03/25			Final Year of NC2026 FY03/27
	Full-year Actual	Full-year Actual	Full-year Initial Plan	First year revised forecast*	Target
Net sales	766.0	837.8	830.0	830.0	950.0
Operating profit	21.1	25.8	22.5	24.0	27.0
Operating profit margin	2.8%	3.1%	2.7%	2.9%	2.8%
Ordinary profit	21.3	26.1	21.5	24.0	26.0
Profit attributable to owners of parent	20.0	19.8	17.0	20.0	19.0
ROE	10.5%	9.7%	10% or more	10% or more	10% or more
Net debt/equity ratio	0.06 times	0.07 times	0.5 times or less	0.5 times or less	0.5 times or less
Equity ratio	46.8%	47.1%	Approximately 50%	Approximately 50%	Approximately 50%
Exchange rate (USD/JPY)	¥144.59	¥152.62	¥145.00	¥145.00	¥145.00

Progress toward Quantitative Targets: By segment

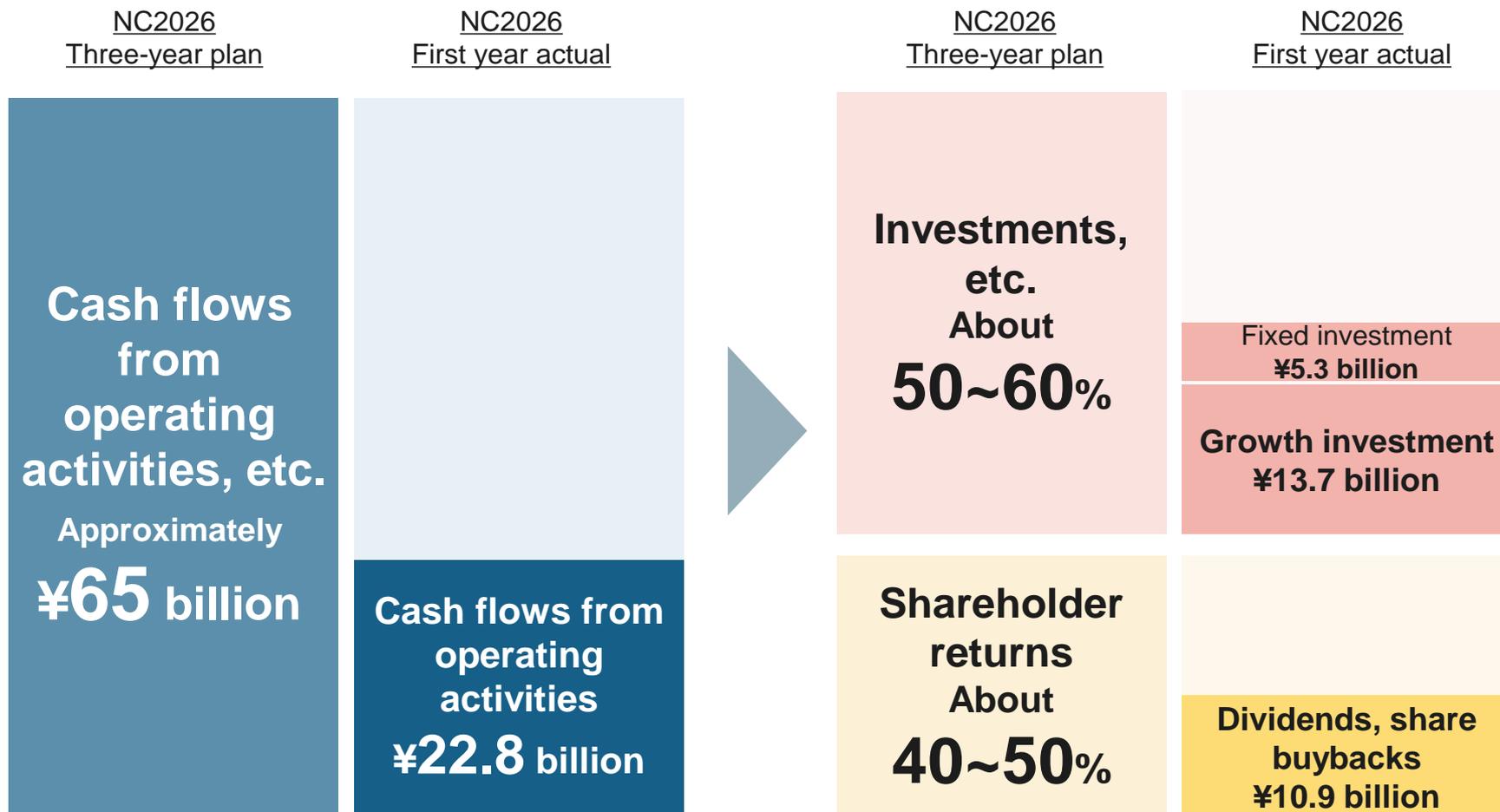
- Operating profit in Information & Electronics and Plastics significantly exceeded initial plan, reaching final-year targets ahead of schedule. Life Industry got off to a slow start.

(Billions of yen)

Segment	FY03/24		First Year of NC2026 FY03/25						Final Year of NC2026 FY03/27	
	Full-year Actual		Full-year Actual		Full-year Initial plan		First year revised forecast*		Target	
	Sales	Operating profit	Sales	Operating profit	Sales	Operating profit	Sales	Operating profit	Sales	Operating profit
Information & Electronics	239.1	6.90	264.0	8.47	256.0	6.55	256.0	7.50	312.0	8.45
Chemicals	112.6	2.78	118.2	2.94	124.8	2.85	124.8	2.70	139.0	3.25
Life Industry	53.5	1.48	53.7	1.17	61.0	2.20	61.0	1.60	72.8	3.10
Plastics	360.4	9.87	401.5	13.08	388.0	10.80	388.0	12.00	426.0	12.10
Other	0.1	0.13	0.1	0.13	0.2	0.10	0.2	0.20	0.2	0.10
Total	766.0	21.19	837.8	25.82	830.0	22.50	830.0	24.00	950.0	27.00

Progress of Capital Allocation

- In the first year of NC2026, we allocated funds to growth investments and shareholder returns largely in line with the plan.



Progress in the Company-wide Growth Strategy : Investment Status

- Based on the policy outlined in NC2026, we actively pursued growth-oriented investments, with a focus on M&A.

(Billions of yen)

	FY03/22 Actual	FY03/23 Actual	FY03/24 Actual	NC2023 cumulative results FY03/22- FY03/24	FY03/25 Actual	Major investments In FY03/25
Growth investment	1.20	2.86	8.81	12.88	13.78	<ul style="list-style-type: none"> • M&A (Novacel, Satoen) • Major business investments (Resin additives-related, Lithium-ion battery-related, Biomass power generation-related)
Fixed investment	2.01	2.78	3.91	8.70	5.34	<ul style="list-style-type: none"> • Investment for facilities (Related to compounds, Related to sheets and inflation films) • Digital promotion • Reconstruction of Tokyo Head Office
Total	3.21	5.64	12.73	21.58	19.12	

*Aggregated on a cash-out basis

*Digitalization-related investments are included in Fixed investment.

【Reference】 Major investments from FY03/24 onward

Segment	Specific measures	Our objectives
Information & Electronics	Participation in biomass power generation projects (Shiwa District, Iwate Pref.)	To expand environment and energy-related businesses
	Investment in semiconductor-related companies	To expand semiconductor-related businesses
Chemicals	Acquisition of Maruishi Chemical Trading Co., Ltd. as a subsidiary	To reinforce the chemicals business
Life Industry	Acquisition of Daigo Tsusho Co., Ltd. as a subsidiary	To strengthen food processing and sales functions
	Acquisition of Satoen Co., Ltd. as a subsidiary	To strengthen food processing and sales functions
	Investment in a French company engaged in the development, extraction, and sales of plant extract components	To use naturally-derived raw materials (for cosmetics, pesticides, etc.)
Plastics	Established joint venture Novacel Co., LTD.	To enhance compounding capabilities in the Plastics business
	Invested in REFINVERSE Group, Inc., a recycled resin manufacturer	To promote green business
Information & Electronics / Plastics	Invested in a resin additive (high-performance filler) production company	To achieve the lightweighting and recycling of plastic products

【Reference】 Novacel

■ Established Novacel as the most important growth strategy in NC2026.

Overview of Novacel Co., Ltd.

Company name: Novacel Co., Ltd.

Established: April 1, 2024

Business: Research, development, and sales associated with resin coloring and resin compounding

Investment ratio: Inabata & Co., Ltd. 66.7%, Daicel Corporation 33.3%

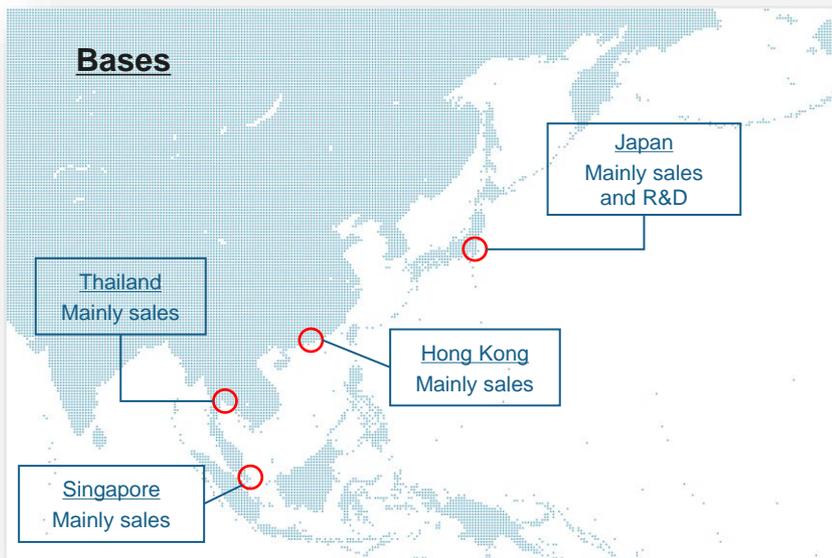


Background

- Expanding demand for plastics, driven by economic growth in Asia and emerging markets, and increasing needs for lightweight automobiles
- Sophistication of quality requirements from clients such as automotive manufacturers and OA/electronics companies
- Intensifying global competition in the plastic compounding business

Aims of joint venture

- To further enhance compounding functions
 - Acquire new production technologies and enhance quality controls
 - Develop technical talent
 - Augment development capabilities
 - Increase manufacturing capability through introduction of production system
- To expand the plastics business
 - Establish a strong global position in the plastic compounding industry
 - Differentiate the plastics business and strengthen order acquisition capabilities



Shareholder Return

- For FY03/26, we plan to pay an annual dividend of ¥128.0 per share, up for the eighth consecutive fiscal year (interim dividend of ¥63.0 and year-end dividend of ¥65.0).
- We will repurchase up to 1,000,000 shares for ¥4.0 billion.*

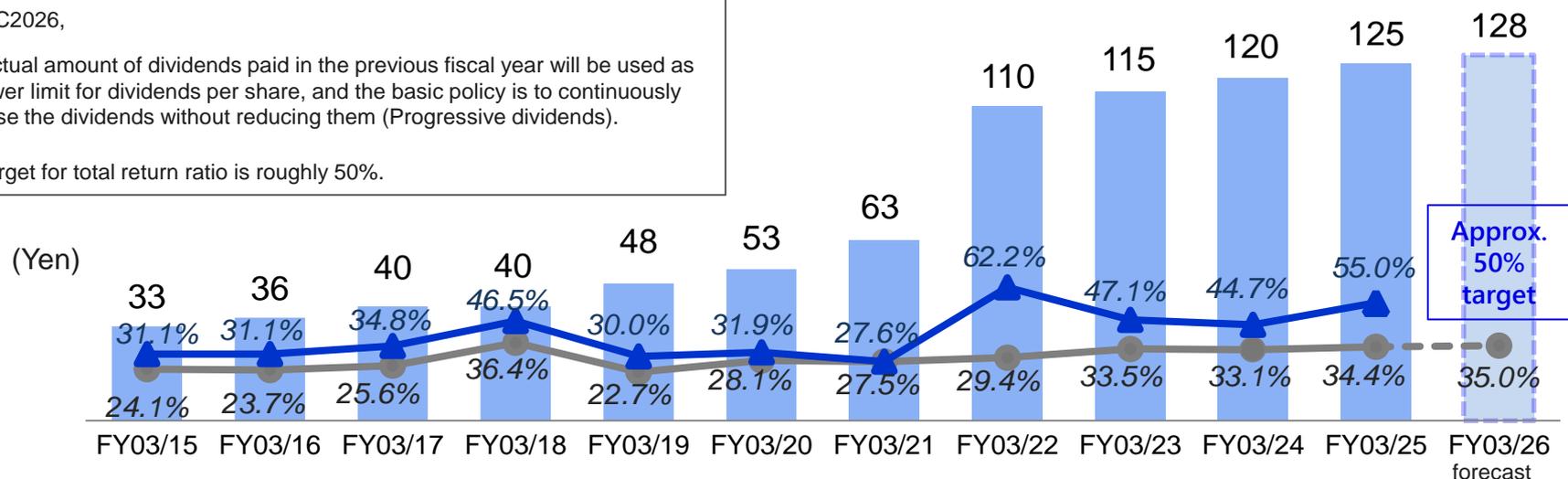
Annual dividends per share and indicators of shareholder return

【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%.

■ Dividend ● Dividend payout ratio ▲ Total return ratio



NC2020

NC2023

NC2026

Treasury shares	FY03/15	FY03/16	FY03/17	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24	FY03/25	
Acquisition amount	604	707	891	679	936	425	-	7,499	2,635	2,229	4,079	(Millions of yen)
No. of shares Acquired	600	600	600	400	600	300	-	3,085	1,035	765	1,200	(Thousands of shares)
No. of shares cancelled	1,660	-	-	-	-	-	-	2,700	3,685	1,200	1,200	(Thousands of shares)

Our Medium-Term Management Plan
The Plan for the Second Year of “New Challenge 2026”

Quantitative Outlook

- In the second year of NC2026, despite an uncertain business environment, we aim to deliver results on par with the previous fiscal year and enhance the likelihood of achieving our final-year targets (secure profit growth on an EPS basis).

(Billions of yen)

	First Year of NC2026 FY03/25	Second Year of NC2026 FY03/26		Final Year of NC2026 FY03/27
	Full-year Actual	Full-year Forecast	Full-year Initial plan	Target
Net sales	837.8	870.0	8,900	950.0
Operating profit	25.8	25.5	24.5	27.0
Operating profit margin	3.1%	2.9%	2.8%	2.8%
Ordinary profit	26.1	25.5	23.5	26.0
Profit attributable to owners of parent	19.8	19.5	17.5	19.0
EPS (JPY)	363.90	365.86	-	-
ROE	9.7%	10% or more	10% or more	10% or more
Net debt/equity ratio	0.07 times	0.5 times or less	0.5 times or less	0.5 times or less
Equity ratio	47.1%	Approximately 50%	Approximately 50%	Approximately 50%
Exchange rate (USD/JPY)	¥152.62	¥143.00	¥145.00	¥145.00

Quantitative Outlook by Segment

- We anticipate lower profit for Information & Electronics due to a deteriorating business environment. We aim to offset this with strong performance in other segments and maintain operating profit at the previous year's level.

(Billions of yen)

Segment	First Year of NC2026 FY03/25		Second Year of NC2026 FY03/26				Final Year of NC2026 FY03/27	
	Full-year Actual		Full-year Forecast		Full-year Initial plan		Target	
	Sales	Operating profit	Sales	Operating profit	Sales	Operating profit	Sales	Operating profit
Information & Electronics	264.0	8.47	264.0	6.60	283.0	7.20	312.0	8.45
Chemicals	118.2	2.94	132.5	3.20	132.0	3.05	139.0	3.25
Life Industry	53.7	1.17	64.5	2.80	66.8	2.60	72.8	3.10
Plastics	401.5	13.08	408.8	12.80	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	837.8	25.82	870.0	25.50	890.0	24.50	950.0	27.00

Sustainability, Digital Strategy

Sustainability

- In FY03/25, we began procuring funds through sustainable financing.

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
April 2023	Endorsed the recommendations of TCFD
August 2023	Selected as a component of the FTSE Blossom Japan Index
May 2024	Formulated "Sustainability Mid-term Plan 2026"
July 2024	Signed the company's first green loan
November 2024	Decided to issue the company's first green bond

Progress “Sustainability Mid-term Plan 2026”

- Sales in the environment-related business are slightly lagging expectations, while other initiatives are progressing steadily.

Materiality : Creating sustainable value

KPI	FY2026 Target	FY2024 Actual *FY2023 results shown in angled brackets.
»  GHG emission (Scopes 1 and 2)	Reduce by 25% compared to FY2022 levels	To be disclosed in early September after obtaining third-party assurance <3% reduction compared to FY2022>
»  Net sales of environment-related business	100 billion yen	43.5 billion < 38.6 billion >
»  The compliance management framework for chemical substances regulations in Japan and overseas	Understand and share trends in chemical substances regulations in Japan and overseas in a timely manner, and strengthen the compliance management framework	<ul style="list-style-type: none"> • Regularly shared information on global chemical product regulations across the Group, including with overseas subsidiaries • Established a framework for managing global chemical product regulations (promoted the use of the chemical product regulation search system)
»  The Company’s position on responsible procurement	Clarify the Company’s position and communicate it internally and externally	Established the Inabata Group Sustainable Supply Chain Policy and disseminated it throughout the Group and to external stakeholders
»  Human Rights DD	Establish the human rights DD cycle for selected operations as a model case	Conducted a local survey for the shrimp farming and processing business in Vietnam, and established it as a model case for human rights due diligence (DD) cycle recommended by OECD

Progress "Sustainability Mid-term Plan 2026"

- Expanded the scope of employee engagement surveys, and made steady progress in D&I related items

Materiality :
Strengthening the foundation for business continuity

KPI		FY2026 Target	FY2024 Actual *FY2023 results are shown in angled brackets.
<div style="background-color: #0056b3; color: white; padding: 2px; font-weight: bold;">Consolidated</div> >> Employee engagement surveys (2024)	Response rate	at least 90%	82% < 72% >
	Positive response rate ① "I am satisfied to work at the Company" ② "I can identify with the Company's mission, vision, and managerial policy, and I want to work to achieve them,"	at least 80%	① 69% < 76% > ② 67% < 73% >
	Positive response rate across all items	at least 70%	63% < 70% >
<div style="background-color: #0056b3; color: white; padding: 2px; font-weight: bold;">Consolidated</div> >> The implementation boundary for the human rights DD digital survey		Expand to the Group	Proposed a plan for implementation in 2025
<div style="background-color: #0056b3; color: white; padding: 2px; font-weight: bold;">Non Consolidated</div> >> Ratio of women in managerial positions		to at least 8% by March 2028, and to 10% by 2030	6.0% < 4.8% >
<div style="background-color: #0056b3; color: white; padding: 2px; font-weight: bold;">Non Consolidated</div> >> Ratio of mid-career hires		Maintain at around 50%	60% < 52% >
<div style="background-color: #0056b3; color: white; padding: 2px; font-weight: bold;">Non Consolidated</div> >> Ratio of male employees taking paternity leave		100% *1	92.9%*2 (13/14 persons) <n.a.> The remaining employee is scheduled to take the leave in FY2025, bringing the expected uptake rate to 100% for the fiscal year.
<div style="background-color: #0056b3; color: white; padding: 2px; font-weight: bold;">Non Consolidated</div> >> Rate of employment for persons with disabilities		Continue to exceed the legal rate (2.5%)	To be calculated at end-June
<div style="background-color: #0056b3; color: white; padding: 2px; font-weight: bold;">Consolidated</div> >> Managerial appointments for local employees at overseas subsidiaries		Active implementation	Established a framework to promote the appointment of local staff to executive positions (such as president and director) at overseas subsidiaries

*1 Based on the Company's policy allowing employees to take childcare leave until the child turns three years old, a 100% uptake rate indicates that all male employees whose spouses gave birth took childcare leave within three fiscal years, including the fiscal year in which the child was born.

*2 As childcare leave was made mandatory under a new system introduced in FY2023, the uptake rate for FY2024 is calculated based on the two years following the system's implementation (FY2023–FY2024). The calculation formula is as follows:

Number of male employees who took childcare leave in FY2023–FY2024 (13 people) / Number of male employees whose spouses gave birth in FY2023 (14 people)

Progress “Sustainability Mid-term Plan 2026”

■ Made steady progress in health management and human capital investment-related items

Materiality :
Strengthening the foundation for business continuity

	KPI	FY2026 Target	FY2024 Actual * FY2023 results are shown in angled brackets.
» Non Consolidated	Rate of complete checkup	100%	85.3% < 73.5% >
» Non Consolidated	Comprehensive health risk found by stress checks*	Maintain at current levels	76 < 79 >
» Non Consolidated	Education and training costs per employee	Surpass the previous year’s results each year	¥82,763 < ¥67,496 >
» Non Consolidated	Ratio of employees with overseas posting experience	Maintain at around 40%	38.6% < 39.4% >

* This indicator, calculated from stress checks, provides a comprehensive evaluation of how the work environment affects employee health. The national average is set to 100; a lower score indicates lower risk, meaning the lower the value, the more favorable the evaluation.

■ Certified as a Health and Productivity Management Outstanding Organization for three consecutive years (2023–2025)

- We were certified as a Health and Productivity Management Outstanding Organization for three consecutive years, in recognition of our management-level commitment and a range of initiatives, including walking events.

Progress “Digital Strategy”

- Made steady progress in enhancing management information infrastructure and reinforcing security for the Group

Strategy	Progress
<p>Revamp core systems and strategically leverage Group-wide sales information</p>	<ul style="list-style-type: none"> ■ New core system overhaul project progressed as planned (full-scale operation scheduled for FY2026) ■ Launched the master data management (MDM^{*1}) and the consolidated performance data management (CDAM^{*2}) systems ■ Approx. 90% of the Group’s management data is centrally integrated in real time, supporting faster management decision-making
<p>Establish a scheme to strengthen security and deploy it across the Group</p>	<ul style="list-style-type: none"> ■ Established a platform for the Group’s subsidiaries and completed the relocation of all business sites ■ Conducted security questionnaires, audits, guidance, and on-site inspections at domestic and overseas subsidiaries, based on the Information Security Guidelines established in January 2024 ■ Obtained cyber insurance covering all consolidated subsidiaries
<p>Improve productivity by leveraging in-house generative AI services, etc.</p>	<ul style="list-style-type: none"> ■ Tested the application of Microsoft Copilot to improve operational efficiency ■ Tested the application of a system that analyzes daily sales reports using OpenAI; verification was completed in FY2024, with full-scale implementation scheduled for FY2025

* 1...MDM : Master Data Management / * 2..CDAM : Consolidated Performance Data Management

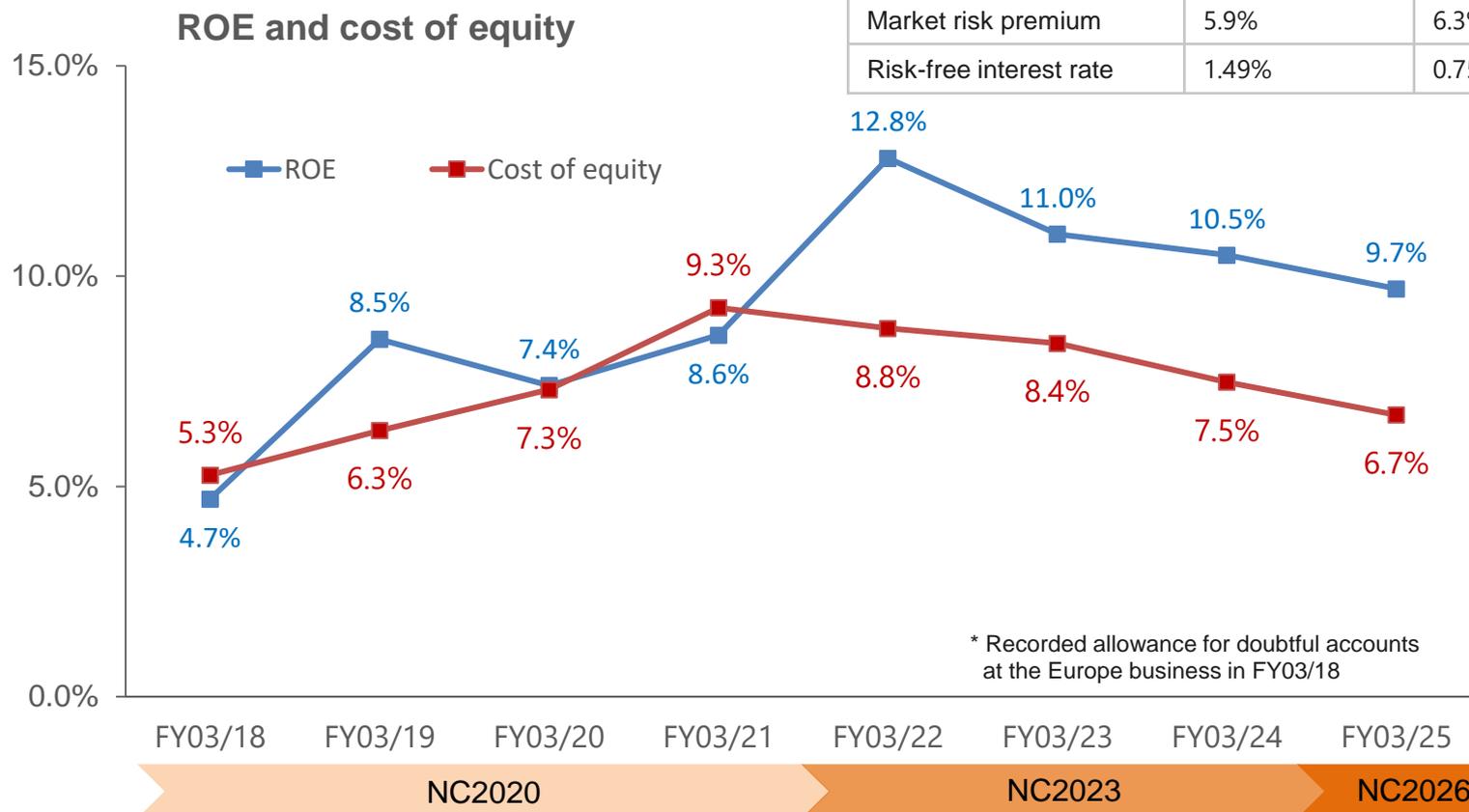
Measures to Realize Management Conscious of Cost of Capital and Share Prices

Cost of Capital vs. Return on Capital

- In FY03/25, the cost of capital declined, due to an expanded shareholder base amid improved market liquidity.
- We will continue to manage shareholders' equity while maintaining an appropriate spread, taking into account factors such as small-cap premium and liquidity premium.

*Assumptions for calculating cost of equity Based on CAPM

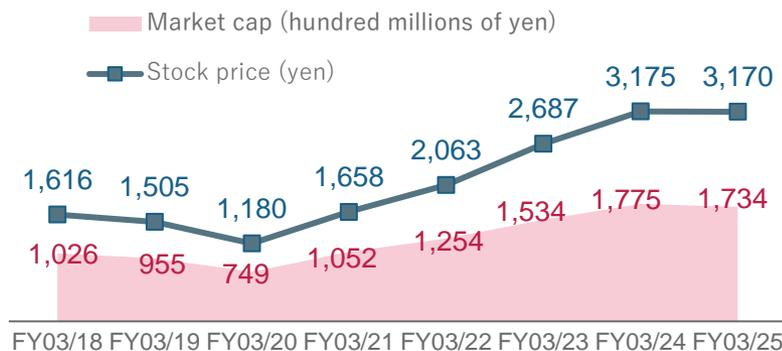
	End of Mar 2025	End of Mar 2024
β	0.89	1.07
Market risk premium	5.9%	6.3%
Risk-free interest rate	1.49%	0.75%



Share Price and the Market's Valuation of the Company

- The share price, PBR, and PER largely remained flat YoY.
- We will continue to manage shareholders' equity and aim to maintain our current ROE level.
- PER remains low, highlighting the need to further enhance growth expectations by delivering tangible results from our growth investments.

Stock price and market capitalization



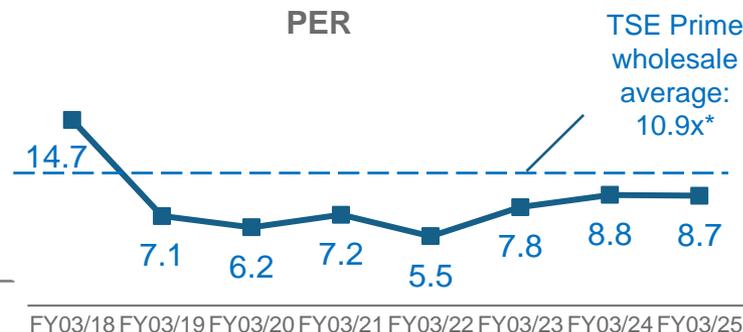
ROE



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, 2025 * Weighted average PER

Policies/Targets, and Timeline

- At a Board of Directors meeting, 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 (Growth)
- ② Maintain ROE of 10% or above (Capital efficiency)
- ③ Control and/or curtail the cost of capital, including by utilizing financial leverages (Curtail the cost of capital)
- ④ Continue buying back shares (Capital efficiency)

Initiative Progress and Reinforcement Direction

- We had already bolstered our efforts prior to the request from the Tokyo Stock Exchange and have achieved certain results. We will further strengthen these initiatives with the goal of reaching and consistently maintaining a PBR above 1.0 as soon as possible.

		~FY2022	FY2023~2024	FY2025~
		Significantly enhance shareholder returns	Track record of management conscious of cost of capital	Strengthen management conscious of cost of capital
Growth	Increase Business Value and Foster Growth Expectations	<ul style="list-style-type: none"> Expanded the earnings foundation with a focus on mainstay businesses 	<ul style="list-style-type: none"> Based on the proactive investment policy, actively pursued M&A and business investments 	<ul style="list-style-type: none"> Steadily generate returns from completed investment projects while continuing proactive investments
Capital efficiency	Maintain ROE of 10% or above	<ul style="list-style-type: none"> ROE exceeded the cost of capital, backed by improved earnings performance and enhanced shareholder returns 	<ul style="list-style-type: none"> Maintained ROE through share buybacks and cancellations 	<ul style="list-style-type: none"> Continue share buybacks and cancellations to thoroughly manage shareholders' equity
Curtail the cost of capital	Control and/or curtail the cost of capital	<ul style="list-style-type: none"> Strengthened corporate governance (transitioned to a structure in which independent outside directors make up half of the Board) Reduced strategic shareholdings 	<ul style="list-style-type: none"> Reduced the cost of capital through improved earnings performance and enhanced market liquidity 	<ul style="list-style-type: none"> Aim to further reduce cost of capital by enhancing information disclosure and expanding dialogue with stakeholders

Specific Measures ① Increase Business Value and Foster Growth Expectations

- By steadily implementing growth strategies, continuously enhance business value and foster expectations for future profit growth

“NC2026” Strategy	Key Achievements FY03/25
<p>Expand earnings through proactive investment</p> <p>Differentiate and boost earnings by enhancing multifaceted capabilities</p>	<ul style="list-style-type: none"> • Actively pursued M&A and business investments • Established a framework to expand and advance our plastic compounding capabilities
<p>Further develop key segments (Plastics, Information & Electronics)</p>	<ul style="list-style-type: none"> • Expanded earnings in Plastics and Information & Electronics, with sales and operating profit reaching record highs. OPM also improved (Plastics: 2.7% in FY03/24 to 3.3% in FY03/25, Information & Electronics: 2.9% to 3.2%)
<p>Further develop growth areas</p>	<ul style="list-style-type: none"> • Sales and operating profit hit record highs, driven by earnings growth in Asia • Sales grew steadily in India and Mexico, our focus areas
<p>Reducing strategic shareholdings</p> <p>Diversify funding methods</p>	<ul style="list-style-type: none"> • Secured funds for growth investment through the sale of strategic shareholdings • Began raising funds through sustainable financing
<p>Diversity & Inclusion</p> <p>Investment in human capital</p>	<ul style="list-style-type: none"> • Made progress in building a framework for appointing local staff to executive positions at overseas subsidiaries

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	Key Achievements FY03/25
Grow mainstay businesses	<ul style="list-style-type: none"> • Driven by core businesses, we achieved record-high net sales and operating profit for the fourth consecutive fiscal year
Increase the share of earnings accounted for by highly profitable businesses	<ul style="list-style-type: none"> • The operating profit margin steadily improved from 2.8% in FY03/24 to 3.1% in FY03/25.
Make aggressive investments, including in M&A, and generate revenue at an early stage	<ul style="list-style-type: none"> • Invested ¥13.7 billion in growth-oriented areas, with a focus on M&A • Investment projects carried out under the previous medium-term management plan NC2023 steadily contributed to earnings
Steadily dispose of strategic shareholdings	<ul style="list-style-type: none"> • Steadily reduced strategic shareholdings

Control of equity	Key Achievements FY03/25
Continue flexible share buybacks and cancellations	<ul style="list-style-type: none"> • 1,200,000 shares were repurchased and canceled for ¥4.0 billion. • Repurchasing 1,000,000 shares for up to ¥4.0 billion (planned between May–August 2025)
Maintain a progressive dividend policy	<ul style="list-style-type: none"> • Paid a dividend per share of ¥125, up ¥5 YoY. Total dividend payout amounted to approx. ¥6.8 billion (based on resolutions) • Plan to pay a dividend per share of ¥128, up ¥3 YoY, in FY03/26

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	Key Achievements FY03/25
Utilize debt (diversify funding methods, including the issue of corporate bonds)	<ul style="list-style-type: none"> • Executed the Group's first green loan contract in July 2024 • Issued our first green bonds in December 2024
Buyback and cancel own shares	<ul style="list-style-type: none"> • 1,200,000 shares were repurchased and canceled for ¥4.0 billion. • Repurchasing 1,000,000 shares for up to ¥4.0 billion (planned between May–August 2025)
Indirect measures	Key Achievements FY03/25
Enhance information disclosure	<ul style="list-style-type: none"> • Regularly disclosed “Measures to Realize Management Conscious of Cost of Capital and Share Prices” and “Implementation Status of Dialogue with Shareholders”. (Continuously listed in the TSE disclosure casebook) • Disclosed details of growth strategy of 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 62 meetings in FY03/24 to 66 meetings in FY03/25). • Began communicating the Inabata Group's strengths during earnings briefings and other similar events
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"> • Selected as a constituent stock for the JPX-Nikkei Index 400 for the second consecutive year. • Selected as a constituent stock for the FTSE Blossom Japan Index for the second consecutive year.
Improve market liquidity	<ul style="list-style-type: none"> • Market liquidity improved, and the shareholder base expanded in line with the stock offering in January 2024.

Disclosure Methods and Dialogue Policies

- 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 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, our executive officer in charge and IR Department will proactively engage in dialogues with investors 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 FY2024” on May 9, 2025)
 - We will update our measures to reflect the content of the dialogues.

Reference Materials 1

Our Medium-Term Management Plan **Summary of “NC2026”**

Company-wide Quantitative Targets (Announced May 9, 2024)

(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 (Announced May 9, 2024)

(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

Overview

Long-term Vision “IK Vision 2030”

Medium-term Management Plan NC2026

Key themes:

- Accelerate growth through proactive investment
- Address key management priorities (materiality) under the Sustainability Medium-term Plan 2026

Company-wide Growth Strategy

Segment Growth Strategy

Management Base Strategy

Financial Strategy	Sustainability Strategy (including HR strategy)	Digital Strategy
--------------------	--	------------------

Positioning of NC2026

- NC2026 is the third stage of the medium-term management plan on the way to our long-term vision.



(Reference) Long-term Vision “IK Vision 2030”

Reach consolidated net sales of

¥1 trillion

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

IK Vision 2030

At least **1/3** of business from segments other than Information & Electronics and Plastics

Overseas business

70% or more

[Formulated in May 2017]

NC2026 Company-wide Growth Strategy Summary

- Formulated a company-wide growth strategy in line with the long-term vision.

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)

Reference Materials 2

Our Medium-Term Management Plan
**Progress “NC2026” of Company-wide Growth
Strategy**

Progress “NC2026” of Company-wide Growth Strategy

Long-term vision: Consolidated sales Over ¥1 trillion

Strategy	Progress
Expand earnings through proactive investment	<ul style="list-style-type: none"> ■ Pursued proactive investments, centered on the establishment of Novacel Co., Ltd. ■ Made Satoen a subsidiary. Pursued synergies with Daigo Tsusho Co., Ltd., which became a subsidiary in FY03/24. ■ Planted seeds for future growth by investing in companies engaged in recycled resin manufacturing and high-performance filler production.
Expand environment-related business and life industry business such as food products	<ul style="list-style-type: none"> ■ Growth in the environment-related business (solar cells and secondary battery-related) stagnated due to market deterioration. ■ In the life industry business (food), domestic performance remained solid, while the overseas business struggled due to market deterioration in the US.

Progress “NC2026” of Company-wide Growth Strategy

Long-term vision: Enhance multifaceted capabilities

Strategy	Progress
<p>Differentiate and boost earnings by enhancing multifaceted capabilities (especially in manufacturing and logistics)</p>	<ul style="list-style-type: none"> ■ With the establishment of Novacel Co., Ltd., advanced efforts to establish a framework to expand and enhance our plastic compounding capabilities. ■ Strengthened in-house warehouse operations in Thailand and Indonesia. ■ Expanded contracted global logistics operations, mainly in Chemicals.

Progress “NC2026” of Company-wide Growth Strategy

**Long-term vision: Business portfolio
(Increase the share of businesses other than Information & Electronics and Plastics to over one-third of the total)**

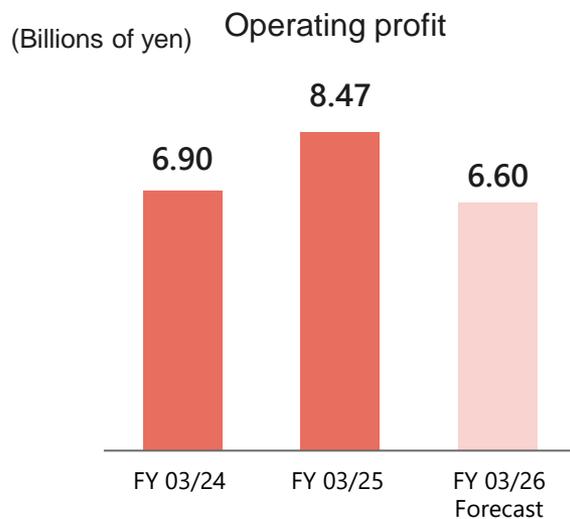
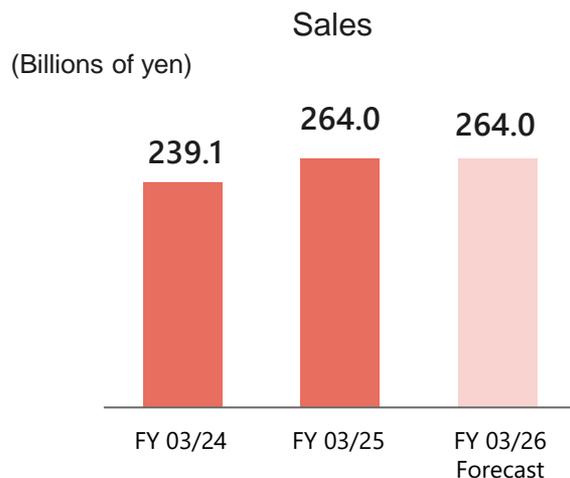
Strategy	Progress
<p>Further develop key segments (Plastics, Information & Electronics)</p>	<ul style="list-style-type: none"> ■ In Plastics, all categories performed well. Utilization recovered in the compounding business and other manufacturing functions, contributing to improved profitability. <ul style="list-style-type: none"> • Sales of plastics for automobile application increased despite market stagnation, driven by higher sales to non-Japanese automakers. ■ In Information & Electronics, sales of display-related materials and printer/copier-related materials recovered. Overall profitability also improved. <ul style="list-style-type: none"> • For display-related, while sales for large-screen TVs remained sluggish, sales of materials for automotive applications and OLED-related products expanded. • Sales of and profit from semiconductor-related materials steadily increased. The product lineup expanded.
<p>Establish earnings pillar on par with key segments</p>	<ul style="list-style-type: none"> ■ In Chemicals, overseas operations steadily expanded. ■ In Life Industry, food products struggled due to market stagnation in the US.

Progress “NC2026” of Company-wide Growth Strategy

Long-term vision: Overseas ratio 70% or more

Strategy	Progress															
Further develop growth areas	<ul style="list-style-type: none"> ■ Earnings in Asia (excluding Japan) grew steadily, with both sales and profit reaching record highs. ■ In India, sales expanded in line with expectations, driven by strong performance of resins for automotive applications, our mainstay product. We also focused on expanding the semiconductor-related business. ■ In Mexico, sales continued to grow steadily, centered on the mainstay resins for automobile applications. <p>*Performance in Asia (excluding Japan) (billions of yen)</p> <table border="1" data-bbox="813 868 1841 1039"> <thead> <tr> <th></th> <th>FY03/22</th> <th>FY03/23</th> <th>FY03/24</th> <th>FY03/25</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>353.0</td> <td>376.9</td> <td>356.4</td> <td>385.3</td> </tr> <tr> <td>Operating profit</td> <td>10.0</td> <td>11.1</td> <td>10.5</td> <td>13.9</td> </tr> </tbody> </table>		FY03/22	FY03/23	FY03/24	FY03/25	Sales	353.0	376.9	356.4	385.3	Operating profit	10.0	11.1	10.5	13.9
	FY03/22	FY03/23	FY03/24	FY03/25												
Sales	353.0	376.9	356.4	385.3												
Operating profit	10.0	11.1	10.5	13.9												
Move into untapped areas	<ul style="list-style-type: none"> ■ Opened a branch office in Cambodia. ■ Opened new offices in India (Bangalore) and Mexico (Silao). 															

Progress in Growth Strategy: (1) Information & Electronics



(Billions of yen)	FY03/24 actual	FY03/25 actual	FY03/26 forecast	NC2026 Final year goals (FY03/27)
Sales	239.1	264.0	264.0	312.0
Operating profit	6.90	8.47	6.60	8.45
Operating profit margin	2.9%	3.2%	2.5%	2.7%

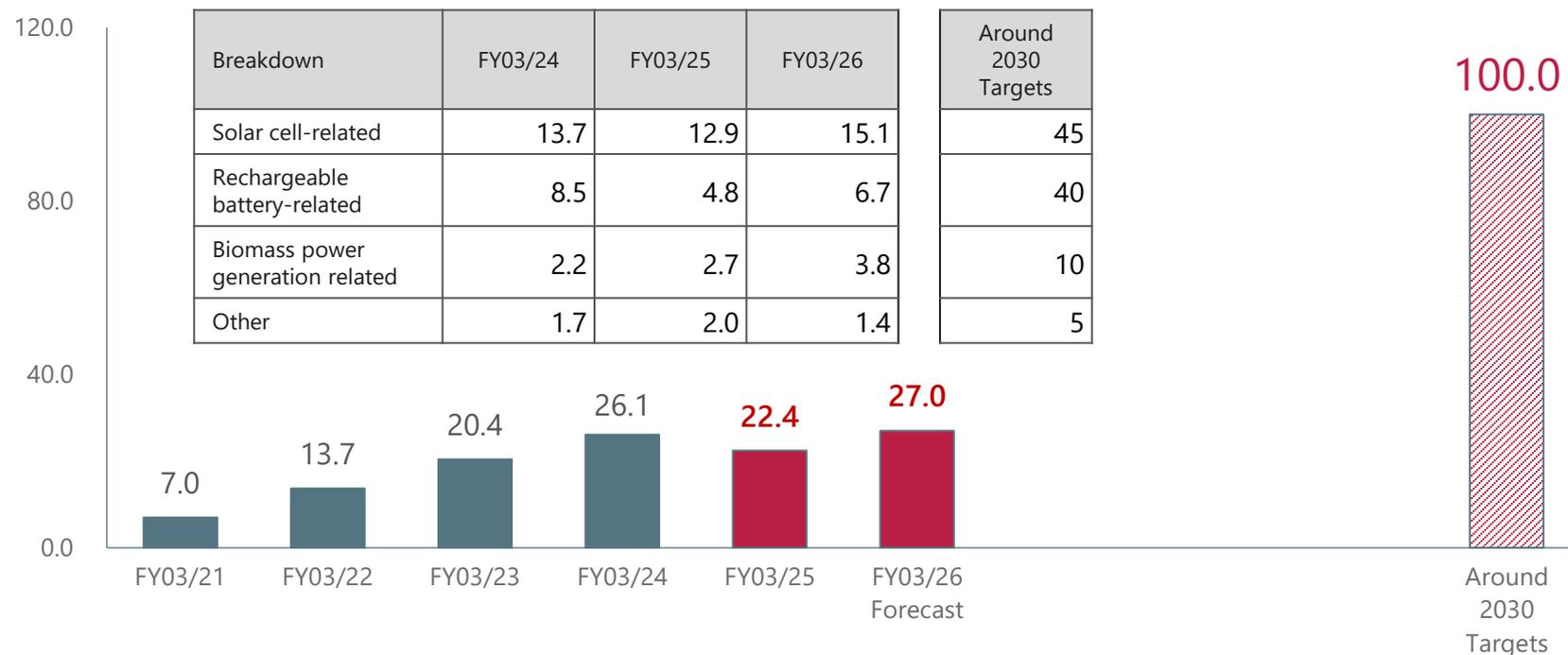
- In FY03/25, sales and profit grew substantially, driven by improved profitability in FPD-related materials and a recovery in demand for printer and photocopier-related materials.
- For FPD-related materials, while sales for large-screen TV applications were sluggish, demand for automotive applications and OLED-related materials remained firm.
- In the environment and energy field (solar cells and rechargeable battery-related), sales declined due to a deterioration in market conditions.
- The semiconductor-related business continued to expand steadily. Growth in the product lineup and geographic coverage, as well as progress in business investments, accelerated.
- For FY03/26, we expect a decline in sales of FPD-related materials (especially those for large-screen TVs).

Environment and Energy Field Expansion (Information & Electronics Segment)

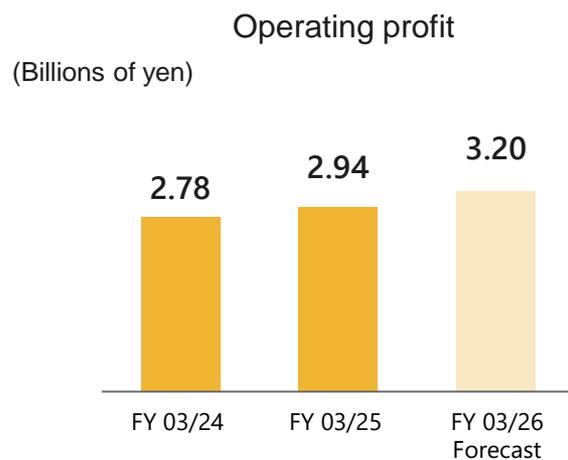
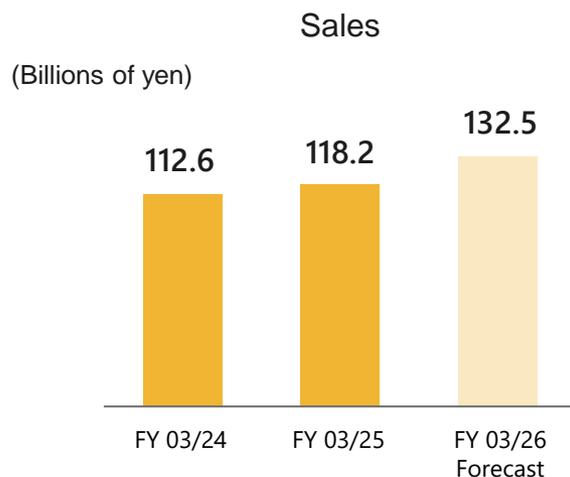
- In FY03/25, amid a global slowdown in EV sales, sales of rechargeable battery-related materials sharply declined. A recovery in demand is expected to take time.
- There has been no change in the medium- to long-term trend of demand growth. Aiming for growth by expanding the product lineup and developing new areas.

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

(Billions of yen) Environment & energy field sales



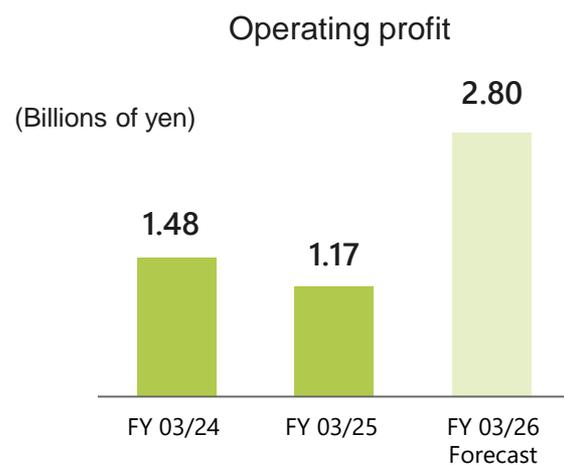
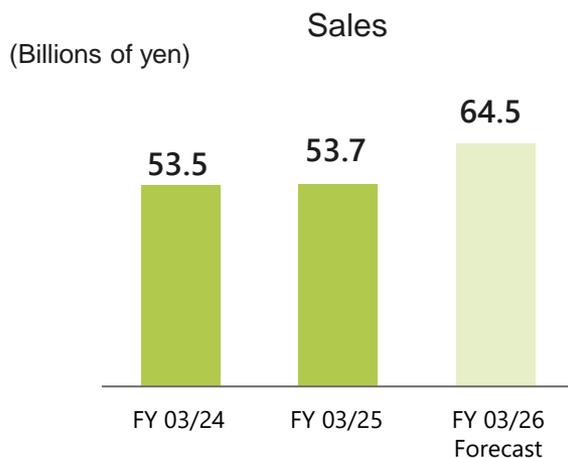
Progress in Growth Strategy: (2) Chemicals



(Billions of yen)	FY03/24 actual	FY03/25 actual	FY03/26 forecast	NC2026 Final year goals (FY03/27)
Sales	112.6	118.2	132.5	139.0
Operating profit	2.78	2.94	3.20	3.25
Operating profit margin	2.5%	2.5%	2.4%	2.3%

- In FY03/25, the segment performed well overall, with both sales and profit increasing YoY.
- Sales of resin raw materials and additives, chemicals for papermaking, and construction material-related products were strong, and progress was made in overseas expansion.
- Sales of raw materials for automotive parts (materials for EVs) were sluggish due to weak EV demand.
- Maruishi Chemical Trading, consolidated in FY03/24, made a solid contribution to earnings.
- For FY03/26, we project higher sales and profit, driven by growth in resin raw materials and additives, paints, inks, and adhesives, and construction material-related products.

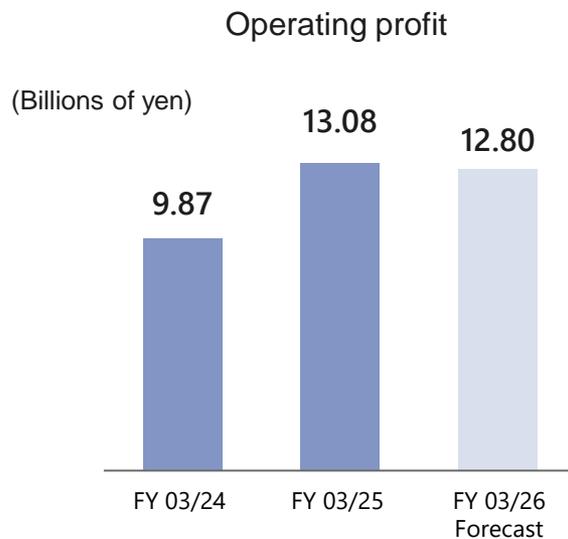
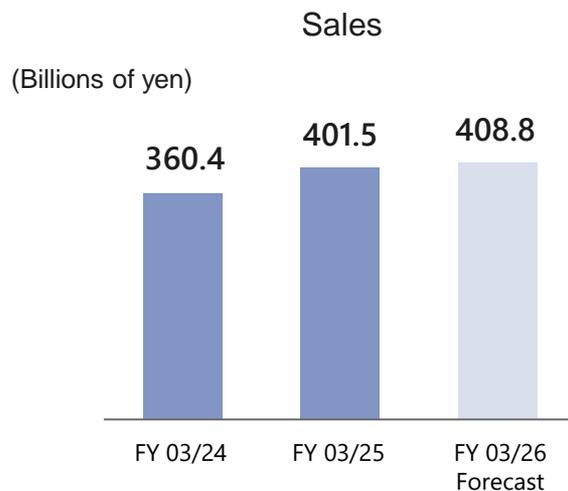
Progress in Growth Strategy: (3) Life Industry



(Billions of yen)	FY03/24 actual	FY03/25 actual	FY03/26 forecast	NC2026 Final year goals (FY03/27)
Sales	53.5	53.7	64.5	72.8
Operating profit	1.48	1.17	2.80	3.10
Operating profit margin	2.8%	2.2%	4.3%	4.3%

- In FY03/25, profit declined due to sluggish performance in the food-related business in the US.
- Profitability declined in the food-related business, due to sluggish sales of products for Japanese cuisine, such as processed seafood, in the US market. We are working to recover sales by expanding the product lineup.
- In the life science business, sales of materials for pharmaceuticals were weak, due to inventory adjustments and other factors.
- Daigo Tsusho made steady contributions to earnings from FY03/24.
- In FY03/26, we consolidated Satoen, whose core business is the cultivation, production, and sales of tea, further strengthening the downstream segment of the food-related business.

Progress in Growth Strategy: (4) Plastics



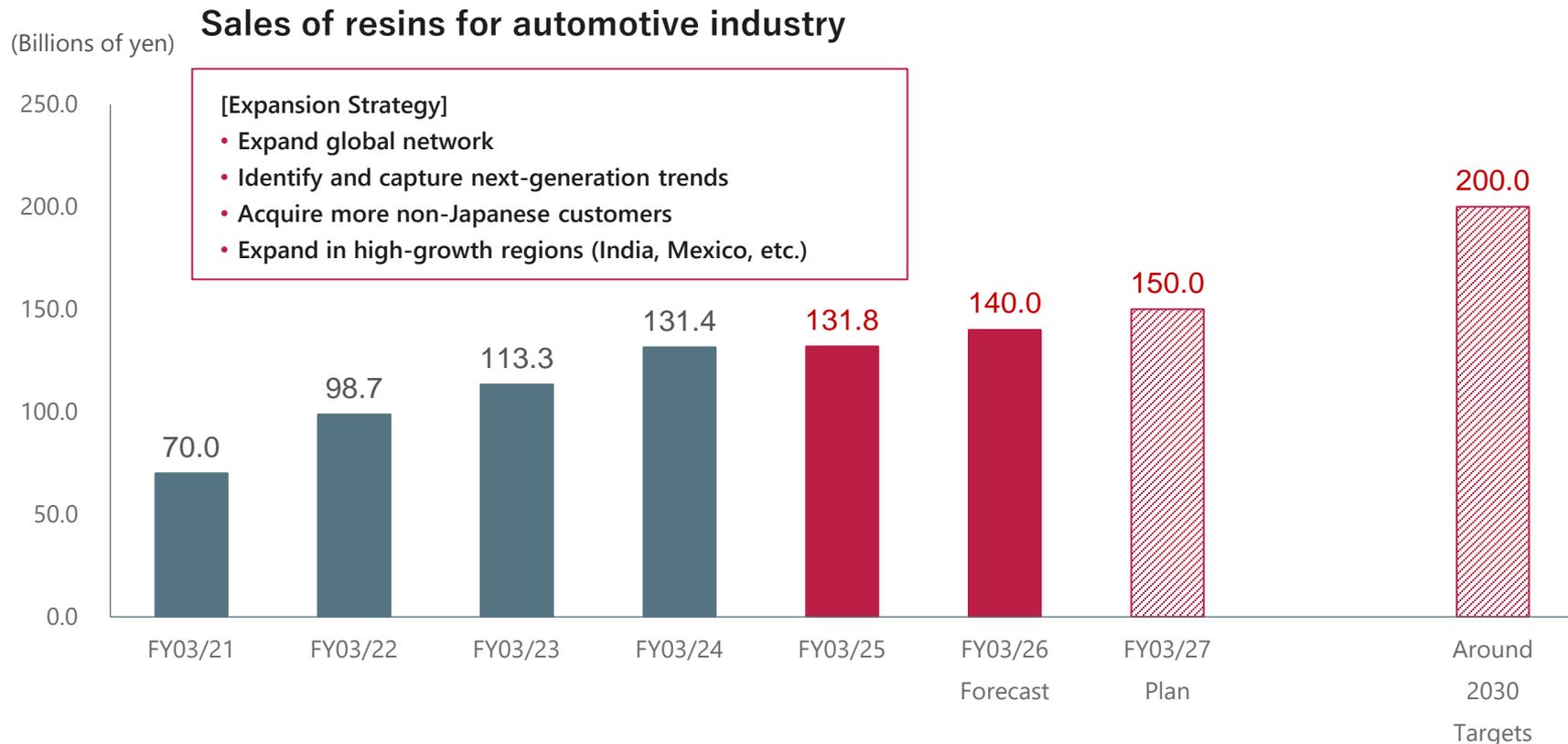
(Billions of yen)	FY03/24 actual	FY03/25 actual	FY03/26 forecast	NC2026 Final year goals (FY03/27)
Sales	360.4	401.5	408.8	426.0
Operating profit	9.87	13.08	12.80	12.10
Operating profit margin	2.7%	3.3%	3.1%	2.8%

- In FY03/25, the segment performed well across all categories. Sales and profit rose significantly, with profitability also improving due to a recovery in the utilization of manufacturing functions.
- Sales of office automation-related products were strong, supported by the end of inventory adjustments. In automobile applications, sales to non-Japanese automakers increased, driving growth despite a market stagnation.
- Newly consolidated Novacel Co., Ltd. contributed to earnings. We established a framework to expand and enhance our plastic compounding capabilities.
- In the recycling business, green operations steadily expanded.
- For FY03/26, we anticipate a sharp decline in resin prices.

Automotive Resin Sales Expansion (Plastics Segment)

- Despite a YoY decline in global auto production, increased sales to non-Japanese automakers contributed to higher overall sales.
- Sales in the key regions of India and Mexico are expanding steadily.

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



Reference Materials 3

Other reference Materials

Reducing strategic shareholdings

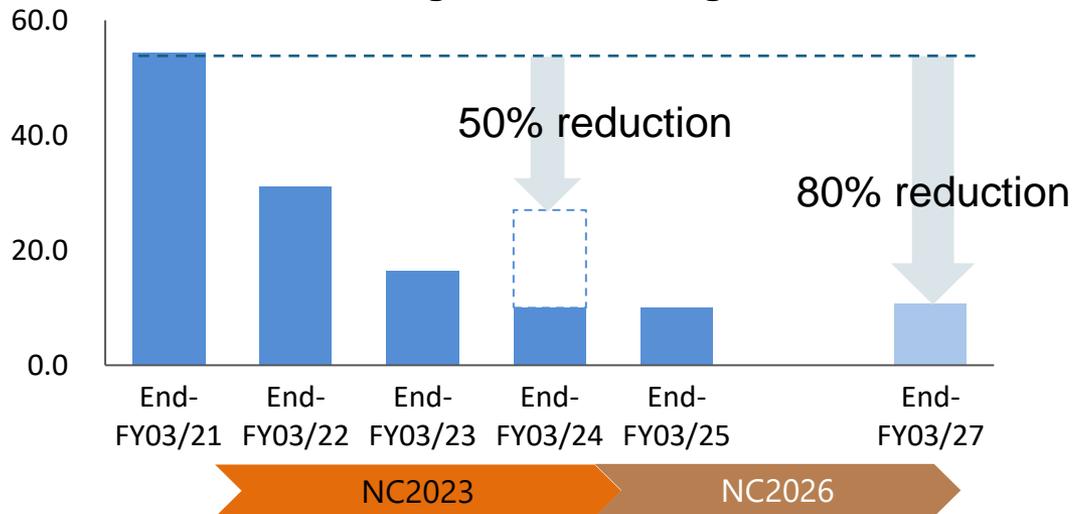
- **Steady progress in reducing strategic shareholdings (in FY03/2025, despite progress in reduction, the balance of holdings remained almost unchanged due to rising market prices)**

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. **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

*Only includes listed stocks in Japan

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
FY03/25	¥2,922 million

*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.

Breakdown of the Environment-Related Business (Products that reduce environmental load)

- In FY03/25, while sales in the energy and power field slumped due to a deteriorating market environment, sales in the resources and environment-related and the materials and chemicals fields steadily expanded.

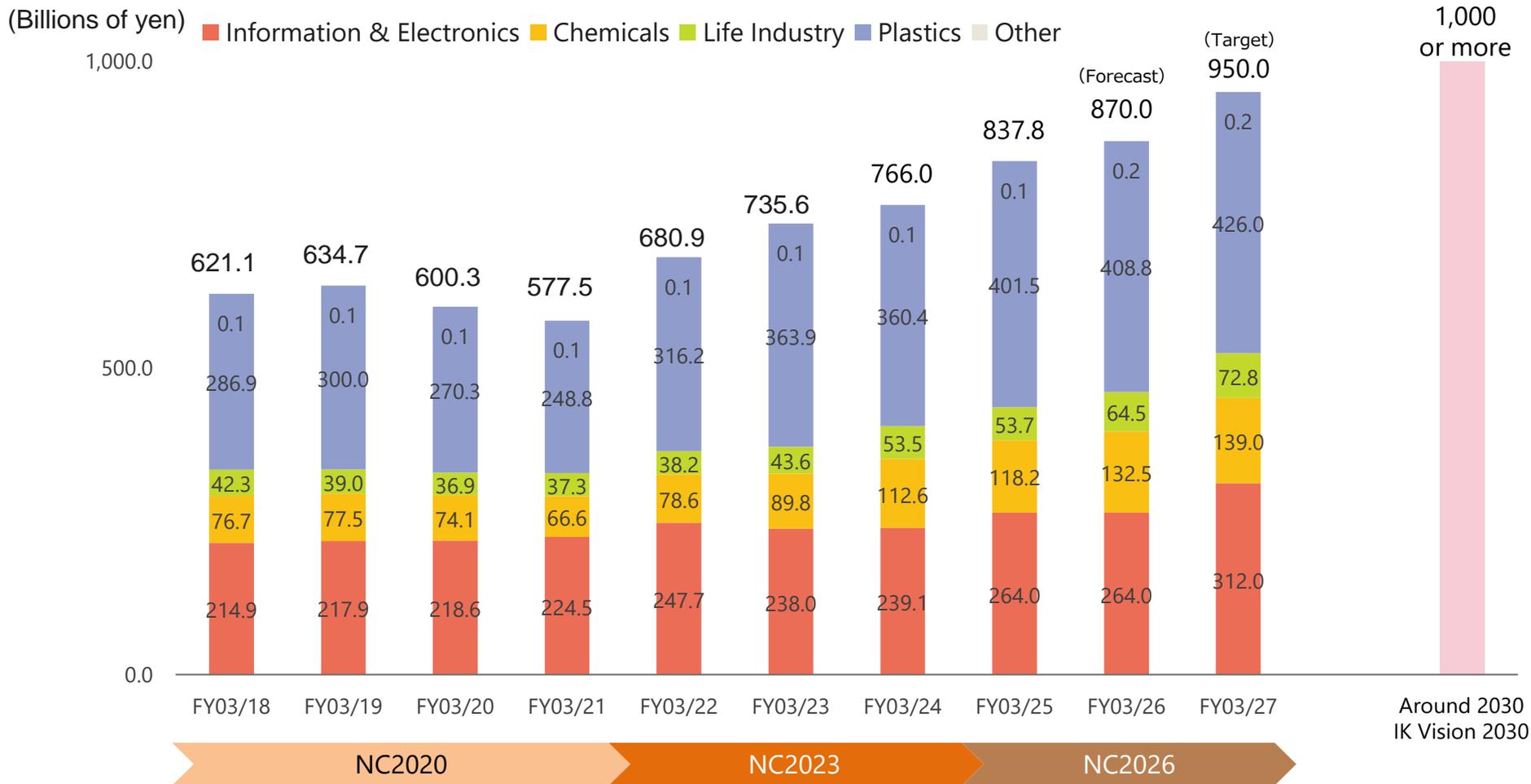
(Billions of yen)

Field	Main contents	Sales				
		FY03/22 (Actual)	FY03/23 (Actual)	FY03/24 (Actual)	FY03/25 (Actual)	FY03/26 (Forecast)
Energy & Power	Renewable energy-related, battery-related, etc.	13.4	17.5	24.4	22.5	27.7
Resources & Environment	Sustainable raw materials, recycling, water-related	4.2	7.5	10.7	13.8	16.0
Materials & Chemicals	Low carbon materials, reduction of environmental pollutants, etc.	0.7	1.5	3.1	6.7	7.8
Environmental certifications	Forest certification, marine certification, etc.	0.3	0.3	0.1	0.5	0.5
Total		18.7	26.9	38.6	43.5	52.0

* 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.

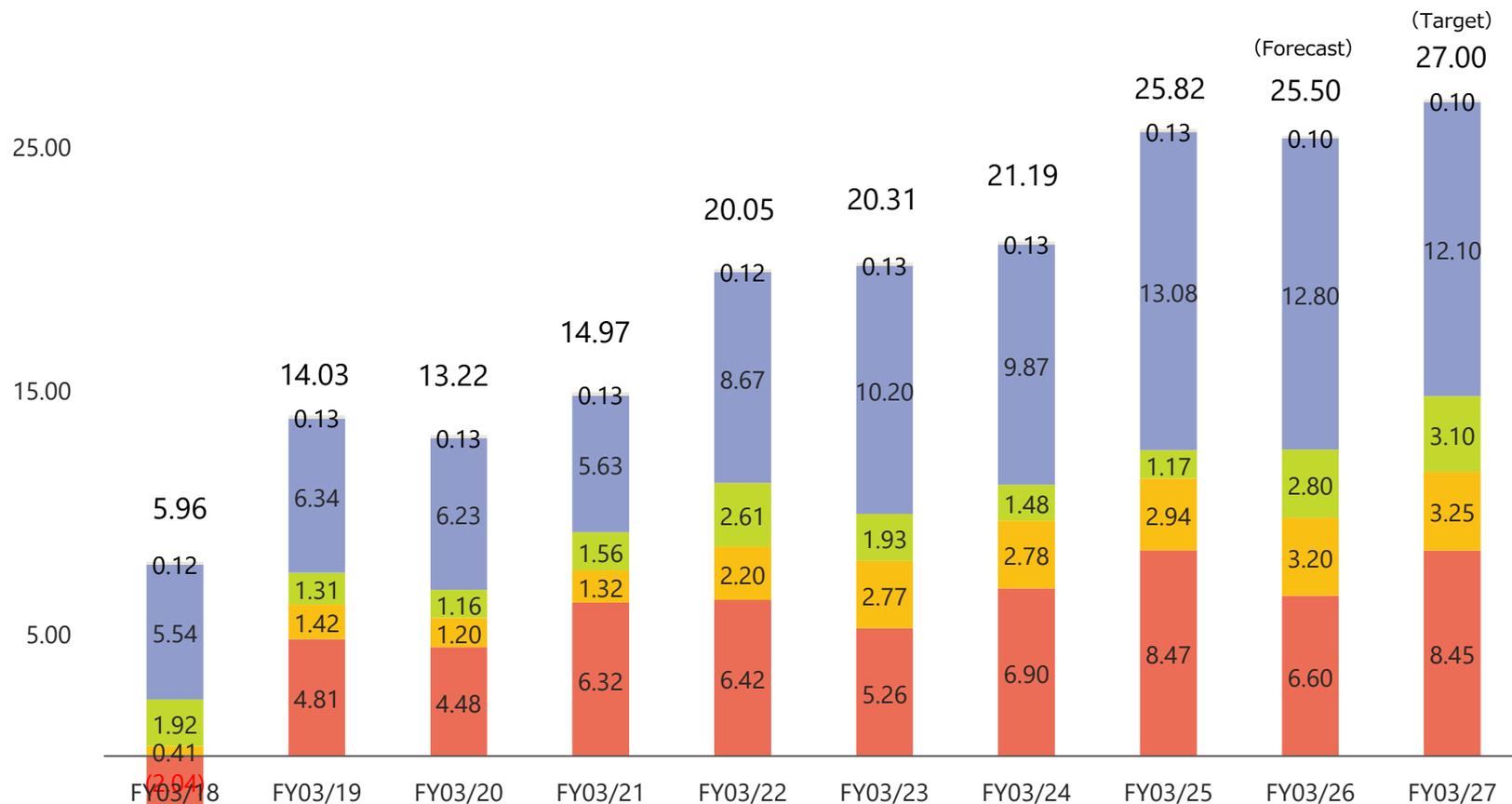
Sales by Segment



Operating Profit by Segment

(Billions of yen)

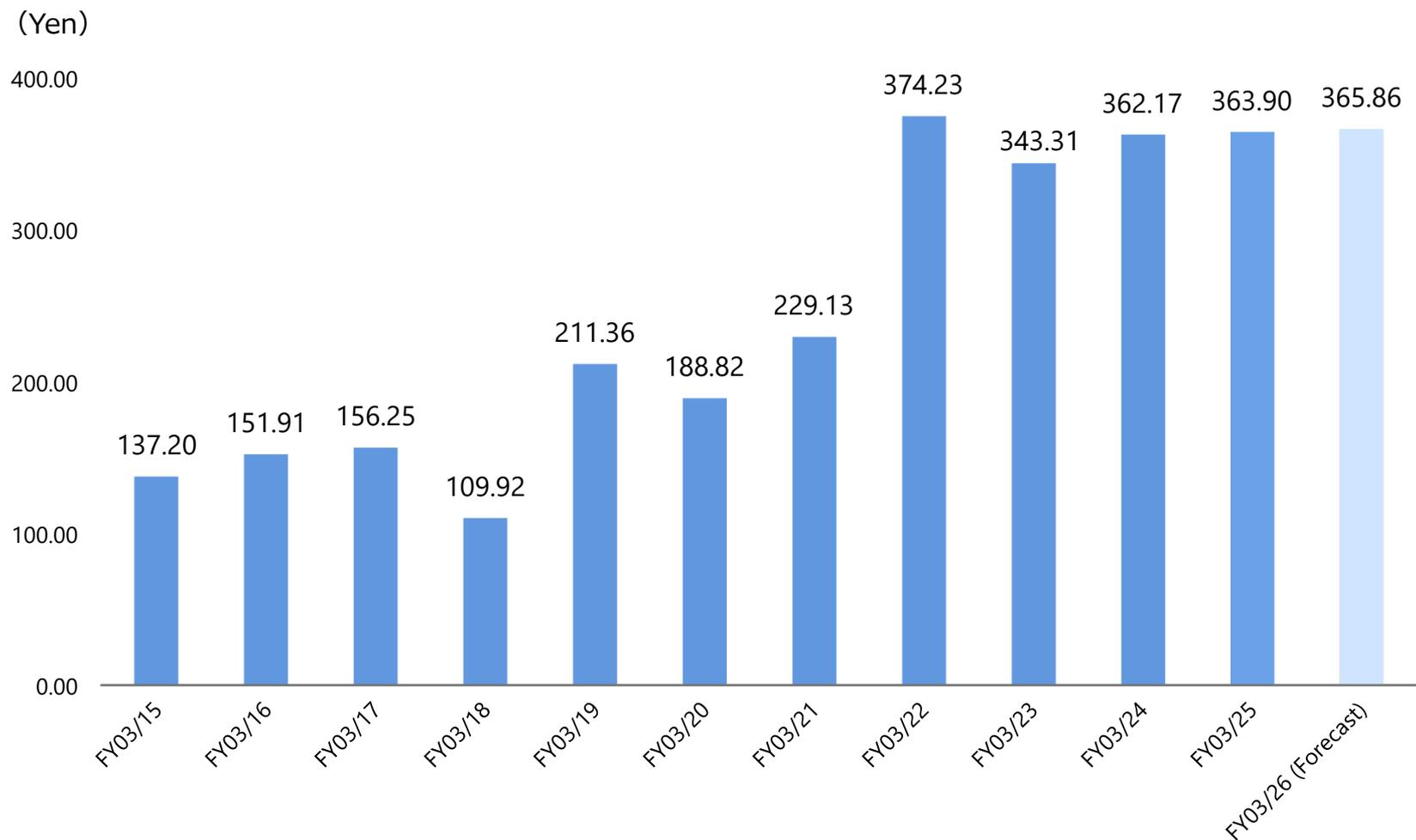
Information & Electronics Chemicals Life Industry Plastics Other



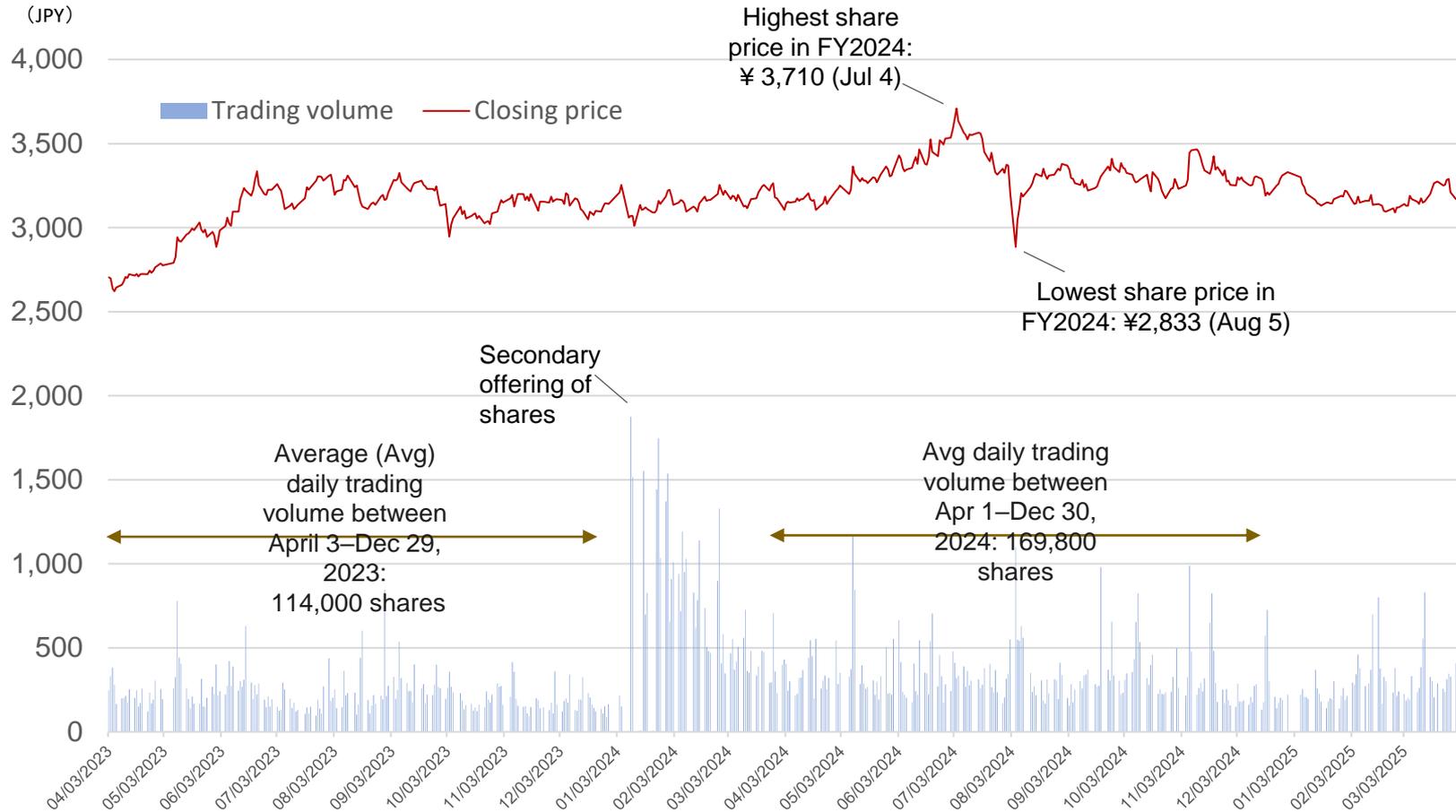
(5.00)



EPS (Earnings per share)



Trends in Share Price (April 2023-March 2025)



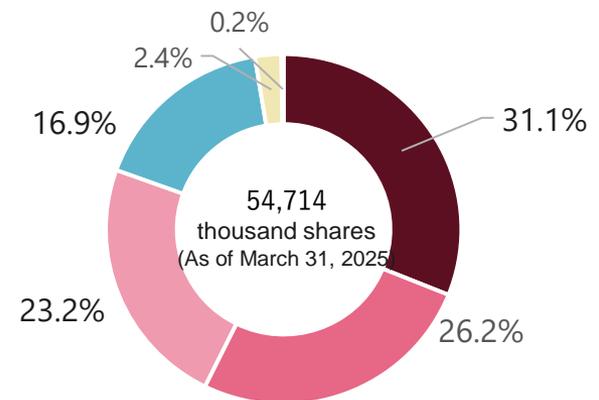
Company Overview (As of March 31, 2025)

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 (2-3-1 Nihonbashi Muromachi, Chuo-ku, Tokyo)*
Employees	780 (4,677 on consolidated basis)
Issuable shares	200,000,000
Shares issued and outstanding	54,714,127

Fiscal year	April 1 to March 31
Exchange listing	Prime Market of the Tokyo Stock Exchange
Ticker	8098
Trading unit	100 shares
Shareholders	79,902

Shareholder Composition

- Individuals/others
- Foreign investors
- Securities companies
- Financial institutions
- Domestic corporations
- Treasury stock



* Due to reconstruction work on the Tokyo Head Office building (2-8-2 Nihonbashi Honcho, Chuo-ku, Tokyo), we are operating at the temporary location stated above from December 2022 to early 2026.

□ 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.