INABATA

IR Briefing For Q1
Fiscal Year Ending March 2026

October 2025

Inabata & Co., Ltd.

Topics

- **Sales and operating profit reached record highs for the 4th consecutive fiscal year**

- **The first year of NC2026 got off to a strong start.**
  Accelerate business growth by proactively pursuing investment under the mid-term management plan NC2026
  (Established Novacel Co., Ltd. to expand and advance our plastic compounding capabilities)

- **In the second year of NC2026, amid an uncertain business environment, we aim to maintain performance at the previous year's level and increase the likelihood of achieving the plan's final-year targets.**

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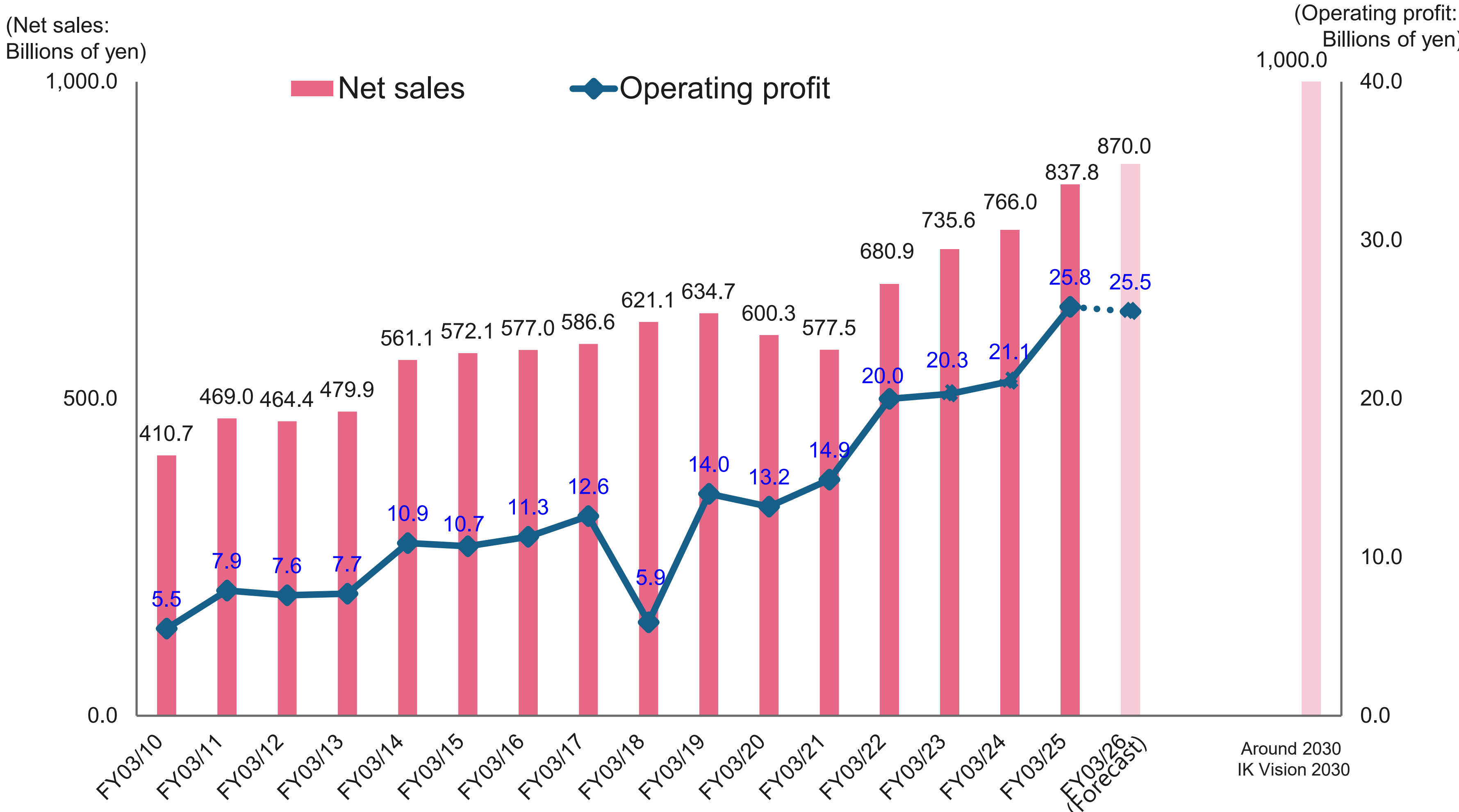
* In this document, Net income = Net income attributable to owners of parent

*1 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

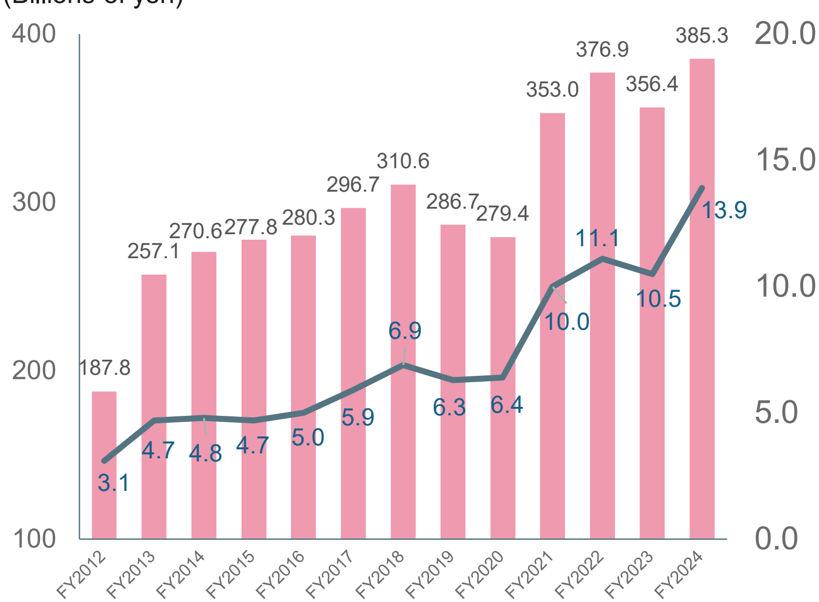
- **Human resources embodying "business management with respect for people"**
  - Employees are the most important form of capital for trading companies, and Inabata provides high value by building relationships of trust with suppliers and customers based on the spirit of "love (*ai*)" and "respect (*kei*),"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

Sales and Operating profit in Asia

(Billions of yen)



Number of Locations and Personnel

Around 1980

3 bases in 2 countries

Apr. 2025

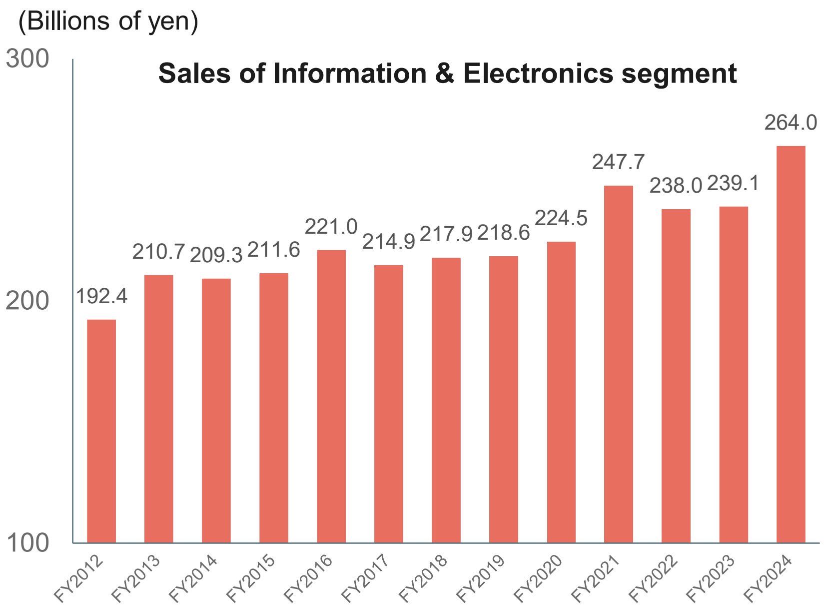
59 bases in 12 countries

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

Developments in Asia (1) ～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.**

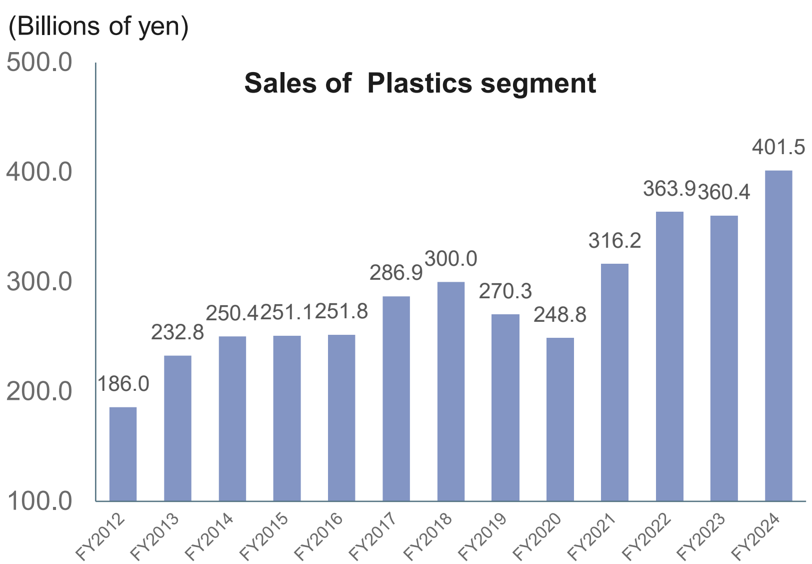


Business Development Transition

1990 s	• Started in 1990 from sales of polarizer materials (PVA films) • In 1993, launched sales of polarizer films to Japanese panel makers
2000 s	• 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	• Developed a wide range of commercial products in response to trends toward OLEDs and next-generation FPDs

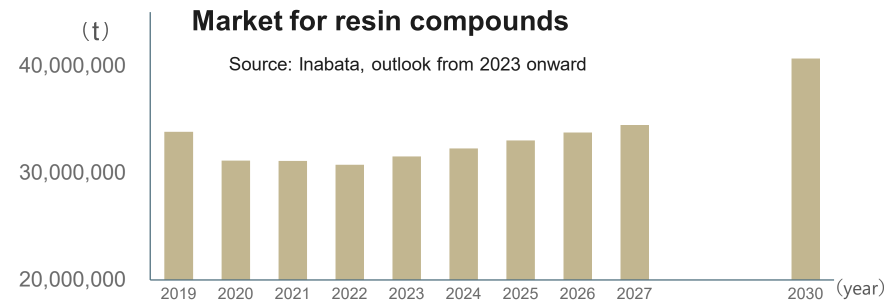
Developments in Asia (2) ～Plastics Segment

- 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



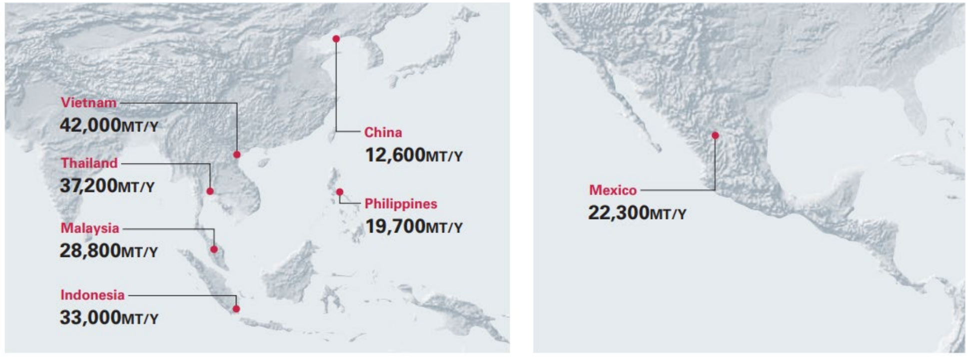
Resin Market Environment

- 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

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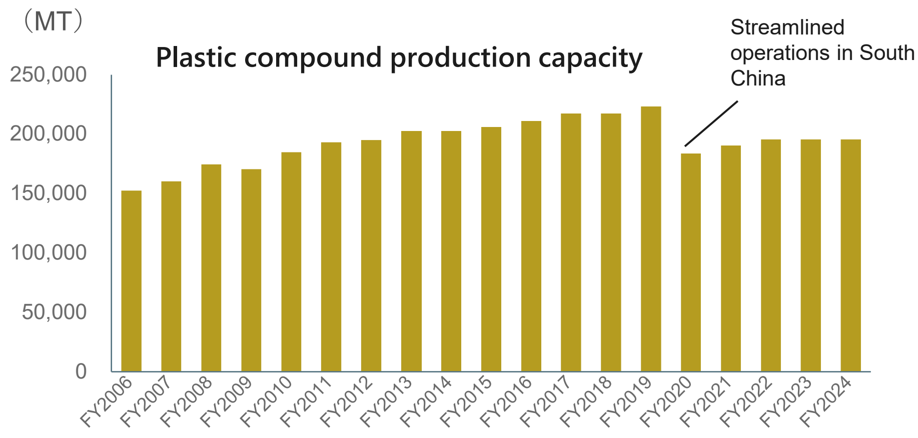
Developments in Asia (3) ～Plastic compound

■ 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.

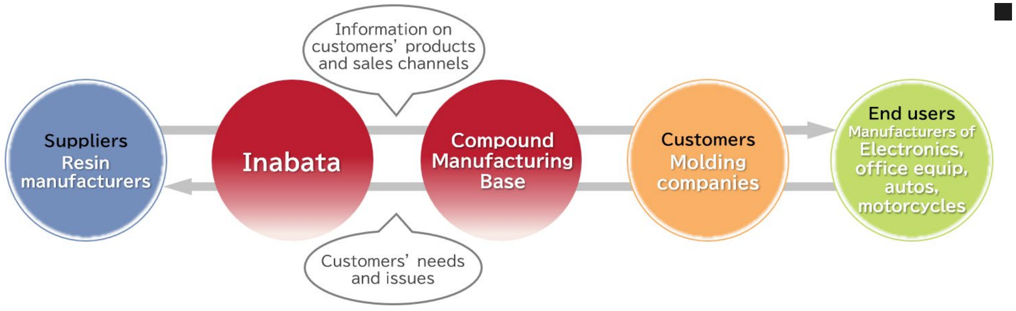
■ Global customer support structure

- 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 Novacel Co., Ltd. in FY2024 to advance our plastic compounding capabilities and drive further growth in the Plastics business.
- ■ Novacel contributed significantly to improving Plastics segment earnings from its first year of consolidation. (In FY2024, the Plastics business posted record sales and operating profit.)
- ■ Aim to further increase profitability through synergies with Novacel.

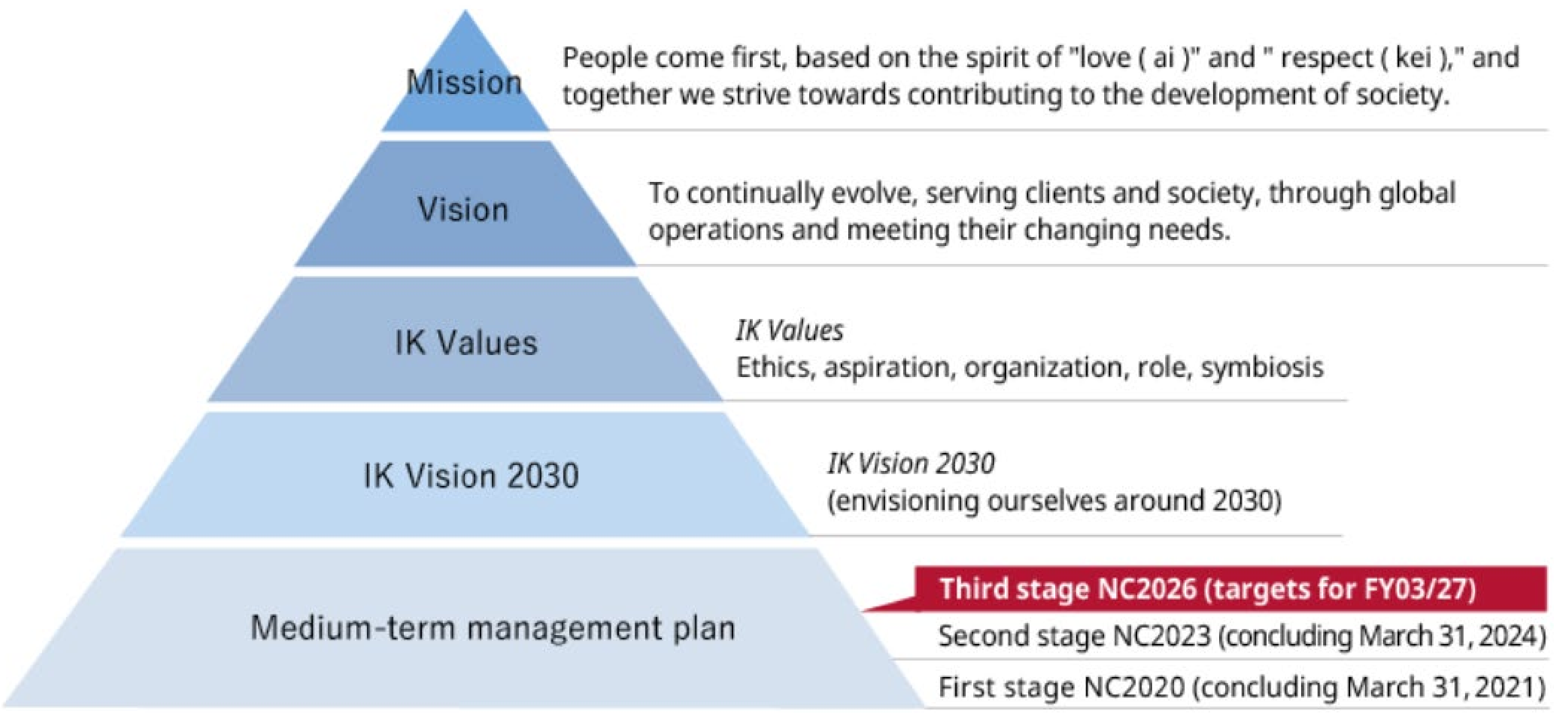
Aims of joint venture

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

2. Progress in the First year of “New Challenge 2026”

Mid-term Management Plan NC2026 Toward Achieving Long-term IK Vision 2030

Inabata Group is promoting the "New Challenge 2026" mid-term management plan for the next three years, which is the third stage towards achieving our long-term vision "IK Vision 2030" by around 2030.



NC2026 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

Company-wide Growth Strategy P15

Segment Growth Strategy

Management Base Strategy

- Financial Strategy P51
- Sustainability Strategy (including HR strategy) P53
- Digital Strategy P58

(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)

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	Target
Net sales	766.0	837.8	830.0	950.0
Operating profit	21.1	25.8	22.5	27.0
Operating profit margin	2.8%	3.1%	2.7%	2.8%
Ordinary profit	21.3	26.1	21.5	26.0
Profit attributable to owners of parent	20.0	19.8	17.0	19.0
ROE	10.5%	9.7%	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
Equity ratio	46.8%	47.1%	Approximately 50%	Approximately 50%
Exchange rate (USD/JPY)	¥144.59	¥152.62	¥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		Target	
	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	312.0	8.45
Chemicals	112.6	2.78	118.2	2.94	124.8	2.85	139.0	3.25
Life Industry	53.5	1.48	53.7	1.17	61.0	2.20	72.8	3.10
Plastics	360.4	9.87	401.5	13.08	388.0	10.80	426.0	12.10
Other	0.1	0.13	0.1	0.13	0.2	0.10	0.2	0.10
Total	**766.0**	**21.19**	**837.8**	**25.82**	**830.0**	**22.50**	**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.**

NC2026
Three-year plan

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

NC2026
First year actual

Cash flows from operating activities
¥22.8 billion

NC2026
Three-year plan

Investments, etc.
About
50~60%

Shareholder returns
About
40~50%

NC2026
First year actual

Fixed investment
¥5.3 billion

Growth investment
¥13.7 billion

Dividends, share buybacks
¥10.9 billion

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	・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	・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.

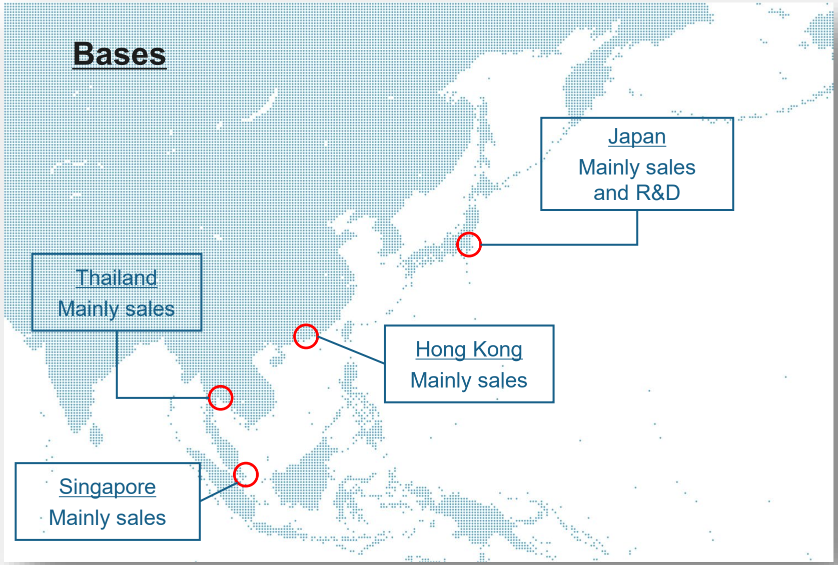
Overview of Novacel Co., Ltd.

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

3. 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).
- We will continue making proactive growth investments and work to ensure steady earnings contributions from past investments.

（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

- **While the business environment for Information & Electronics is expected to deteriorate, earnings in Plastics are projected to grow across all categories.**

(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**

4. Shareholder returns

Basic Policy on Shareholder Return

During NC2026

■ Progressive dividends

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

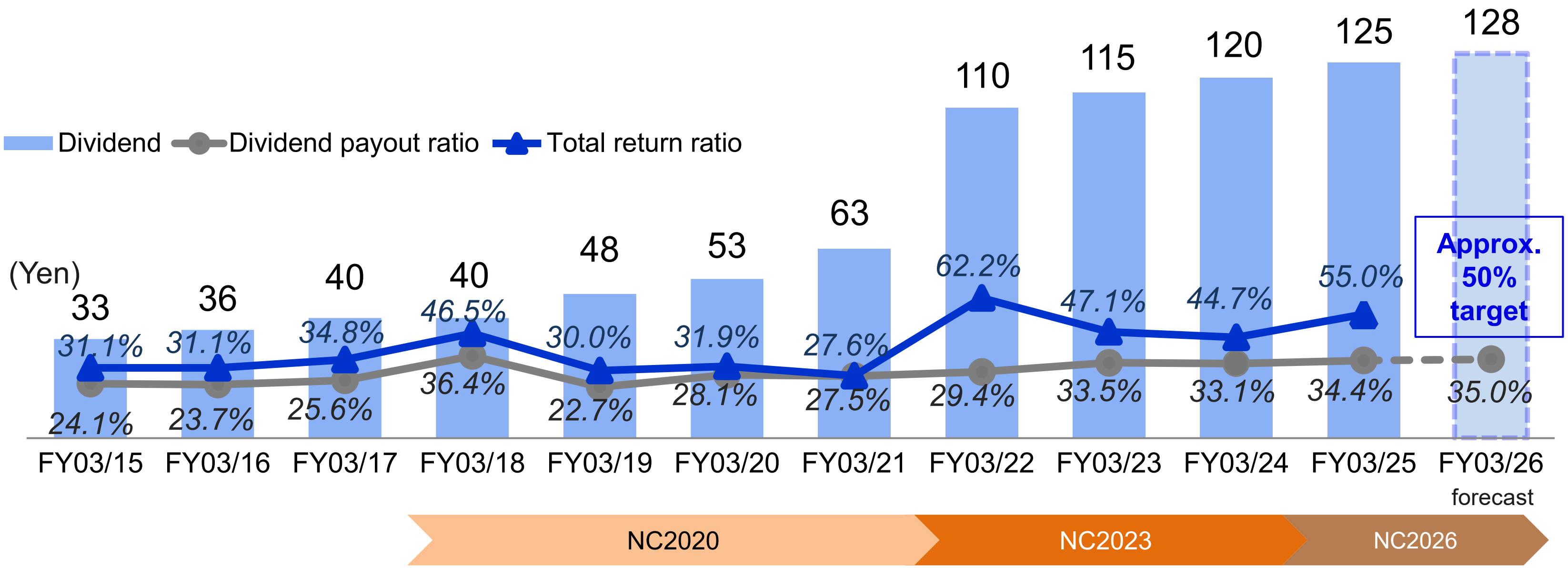
■ Target total return ratio of around 50%

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

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 bought back 1,000,000 shares (July 31, 2025 canceled).

Annual dividends per share and indicators of shareholder return



Treasury shares	FY03/15	FY03/16	FY03/17	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24	FY03/25	FY03/26*	
Acquisition amount	604	707	891	679	936	425	-	7,499	2,635	2,229	4,079	3,208	(Millions of yen)
No. of shares Acquired	600	600	600	400	600	300	-	3,085	1,035	765	1,200	1,000	(Thousands of shares)
No. of shares cancelled	1,660	-	-	-	-	-	-	2,700	3,685	1,200	1,200	1,000	(Thousands of shares)

* Amounts current as of July 31, 2025.

5. Corporate Governance

Corporate Governance Structure

■ June 2022
Transition to Company with Audit and Supervisory Committee
Transition to monitoring-type Board of Directors where independent directors account for more than half

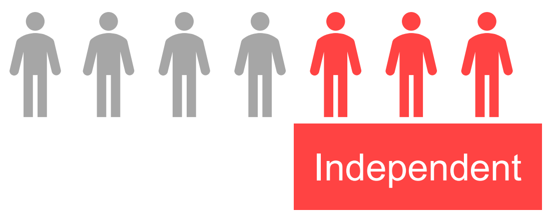
=> To oversee the central theme of NC2026, “proactive investment,” the Board comprises independent directors with expertise and experience in global management, relevant businesses and industries, and risk management.

Ratio of independent directors

58% **(7 out of 12)**

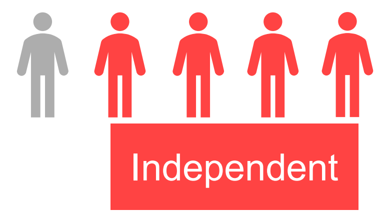
Directors (excluding audit and supervisory committee members)

7 persons



Directors (audit and supervisory committee members)

5 persons



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

- Chairperson: Lead independent director
- Current membership: 1 internal director and 4 independent directors
- Held 8 times during FY03/2025

The Effectiveness Evaluation of the Board of Directors

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

- FY2023
  Had a third-party evaluation, which takes place every three years
  Conducted the evaluation for all directors using surveys and individual interviews
- FY2024
  Performed a self-evaluation using a survey format
  → Disclosed a summary of the evaluation and future measures in April 2025

Evaluation results (self-evaluation) for FY2024

- ✓ The Board’s operations received high marks overall
- ✓ Open and active discussions were confirmed
- ✓ Contributions from independent directors were recognized
- ✓ Support systems for independent directors are adequate
- ✓ The Nominating and Remuneration Committee and the Audit and Supervisory Committee are functioning appropriately
- ✓ Reporting on dialogue with investors and shareholders is sufficient

Key challenges going forward

- ✓ Further discussion on issues regarding succession plans
- ✓ Risk tolerance
- ✓ Adequate communication of the Company’s long-term competitive strengths to the capital market

Reference

6. Summary of Financial Results for Q1 FY03/2026 and Full-Year Outlook

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Consolidated Results Review－Q1 FY03/26

■ Ordinary profit reached record high.

Net sales:	¥204.1 billion	-4.4% YoY

Net sales were down due to the impact of strong yen.

Operating profit:	¥6.6 billion	-3.0% YoY

Operating profit declined on lower net sales.

Ordinary profit:	¥7.3 billion	+1.8% YoY

Ordinary profit grew due to an increase in dividends income and share of profit of entities accounted using equity method.

Profit attributable to owners of parent:	¥6.0 billion	-5.1% YoY

Despite higher ordinary profit, profit attributable to owners of parent declined due in part to decreases in gain on sales of investment securities.

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Consolidated Results Review－Q1 FY03/26

(Billions of yen)

	Q1 FY03/25	Q1 FY03/26 (A)	YoY change		Forecast announced May 9, 2025 (B)	Achievement rate (A)/(B)
			Amount	%		
Net sales	213.5	204.1	-9.4	-4.4%	870.0	23.5%
Operating profit	6.8	6.6	-0.2	-3.0%	25.5	26.0%
Ordinary profit	7.2	7.3	+0.1	+1.8%	25.5	28.9%
Profit attributable to owners of parent	6.3	6.0	-0.3	-5.1%	19.5	31.0%
Exchange rate (USD/JPY)	155.85	144.59	-11.26		143.00	

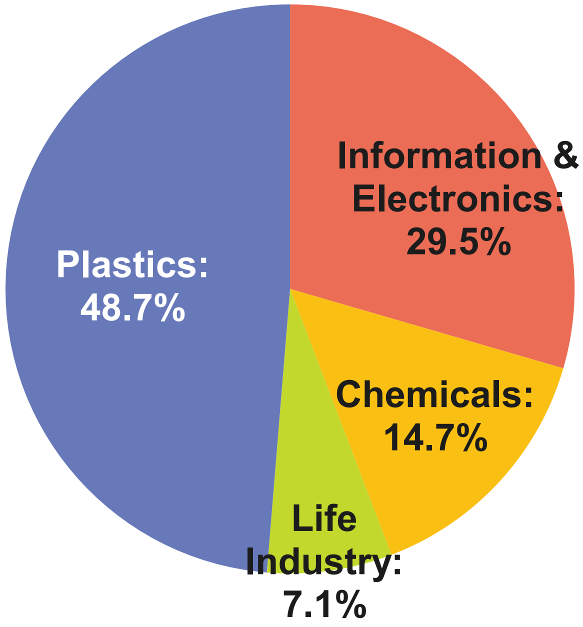
Net Sales by Business Segment

- In Information & Electronics, net sales declined partly due to the absence of large equipment sales recorded in the same period of the previous fiscal year.
- In Plastics, net sales increased despite the impact of stronger yen, supported by solid office automation (OA)-related demand.

Net Sales

(Billions of yen)

	Q1 FY03/25	Q1 FY03/26	YoY change
Information & Electronics	74.0	60.2	-18.7%
Chemicals	28.8	30.0	+4.1%
Life Industry	14.6	14.4	-1.5%
Plastics	96.0	99.4	+3.5%
Other	0.0	0.0	-0.2%
Total	213.5	204.1	-4.4%



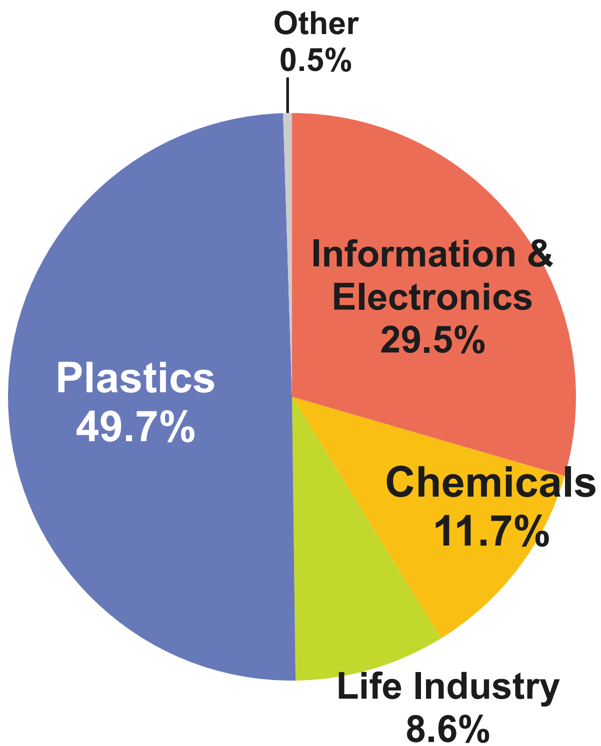
Operating Profit by Business Segment

- In Information & Electronics, profit declined due to lower sales of inkjet-related and solar power generation-related products.
- In Life Industry, profit grew, driven by a recovery in sales of processed seafoods and increased sales of dessert products in the US, as well as contributions from newly consolidated subsidiaries in Japan.

Operating profit

(Millions of yen)

	Q1 FY03/25	Q1 FY03/26	YoY change
Information & Electronics	238.6	195.5	-18.1%
Chemicals	71.7	77.6	+8.2%
Life Industry	39.0	56.6	+45.0%
Plastics	329.5	328.7	-0.2%
Other	3.4	3.4	-0.2%
Total	682.5	662.0	-3.0%



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Balance Sheet

■ No significant change from end-FY03/25

(Billions of yen)

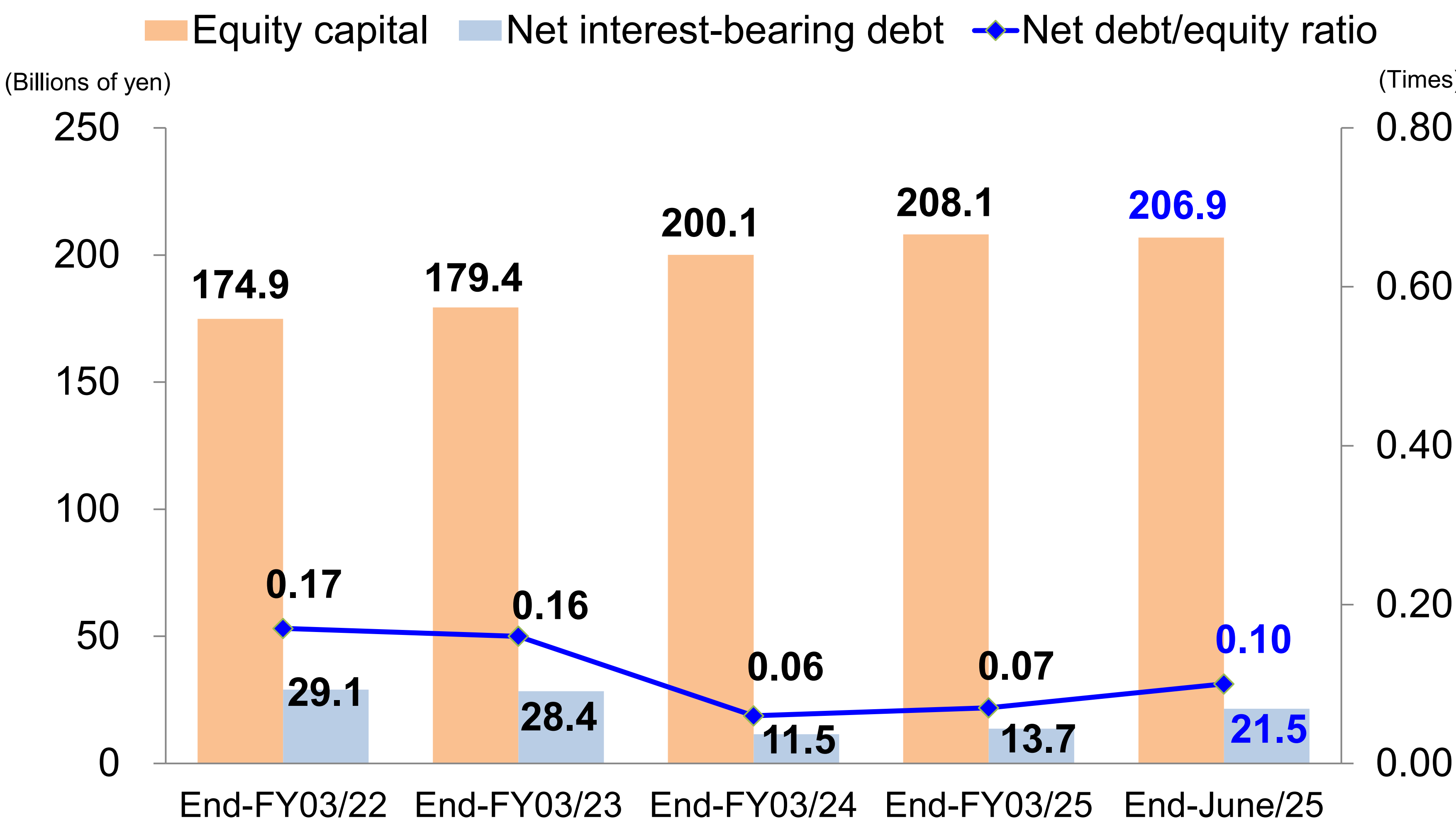
Assets	End-FY03/25	End-June 2025	Change
Cash and deposits	59.8	59.5	-0.2
Notes receivable - trade	29.6	28.5	-1.1
Accounts receivable- trade	173.8	174.9	+1.1
Inventories	86.7	87.6	+0.9
Other current assets	9.9	11.9	+2.0
Property, plant and equipment	19.7	23.1	+3.4
Intangible assets	9.3	9.2	-0.0
Investment securities	36.2	36.2	+0.0
Other fixed assets	16.7	16.9	+0.1
Total assets	441.9	448.4	+6.4

Current ratio	213.7%	206.8%	

Liabilities and net assets	End-FY03/25	End-June 2025	Change
Notes and accounts payable - trade	121.1	121.2	+0.0
Short-term loans payable	28.3	35.8	+7.5
Other current liabilities	18.9	18.3	-0.6
Bonds payable	25.0	25.0	-
Long-term loans payable	20.2	20.2	-0.0
Other non-current liabilities	11.6	11.9	+0.2
Shareholders' equity	169.4	169.8	+0.4
Accumulated other comprehensive income	38.7	37.1	-1.6
Non-controlling interests	8.4	8.7	+0.3
Total liabilities and net assets	441.9	448.4	+6.4

Equity ratio	47.1%	46.2%	

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



Notes: Equity capital = Net assets – stock acquisition rights – non-controlling interests
Net debt/equity ratio = (Short-term loans payable + Long-term loans payable + Bonds payable – cash and deposits) / equity capital

7. About Inabata

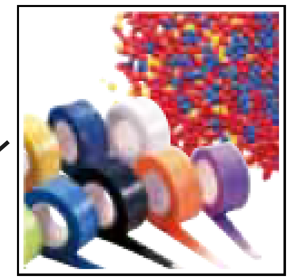
1) Summary of the Company

Summary of the Company

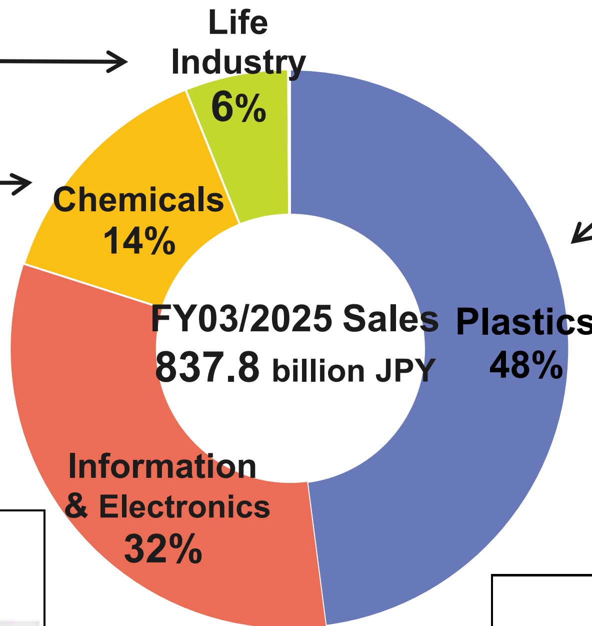
4 Business Segments

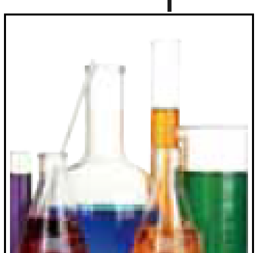
Operating in 4 segments:Information & Electronics, Chemicals, Life Industry and Plastics

Materials for pharmaceuticals and household products, agricultural and marine products



Plastic materials, compounds, various film and sheet products





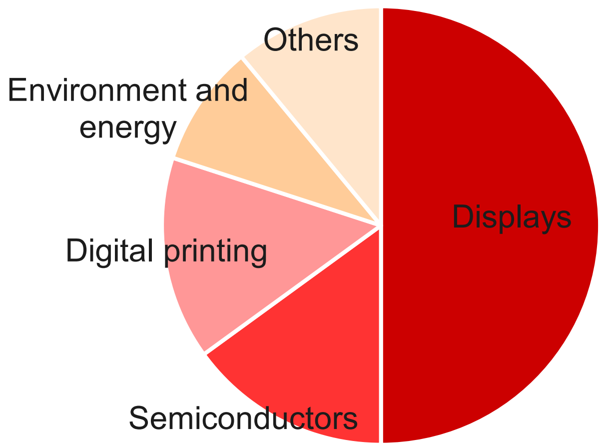
Resin and rubber materials, materials and additives for paints, inks, adhesives
Lumber, laminated timber, housing equipment

LCD and OLED components, inkjet and toner materials, solar cell and rechargeable battery-related,semiconductor-related

Composition of Products and Materials (FY03/2025)

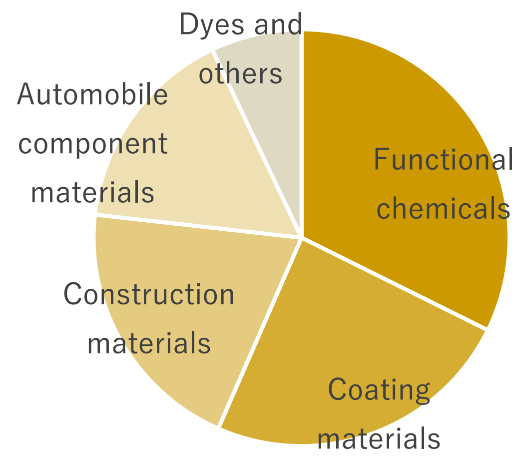
Information & Electronics

Sales ¥264.0 billion



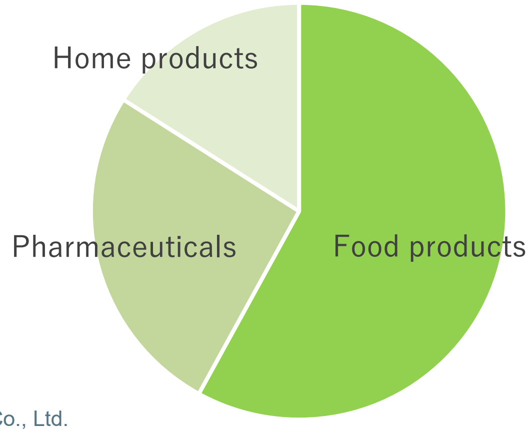
Chemicals

Sales ¥118.2 billion



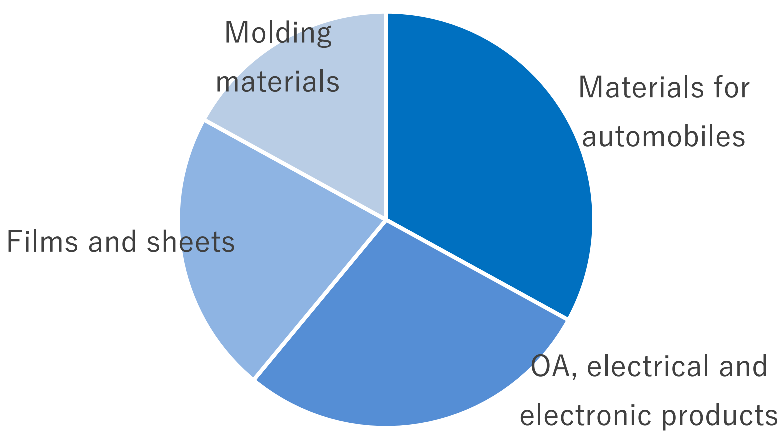
Life Industry

Sales ¥53.7 billion



Plastics

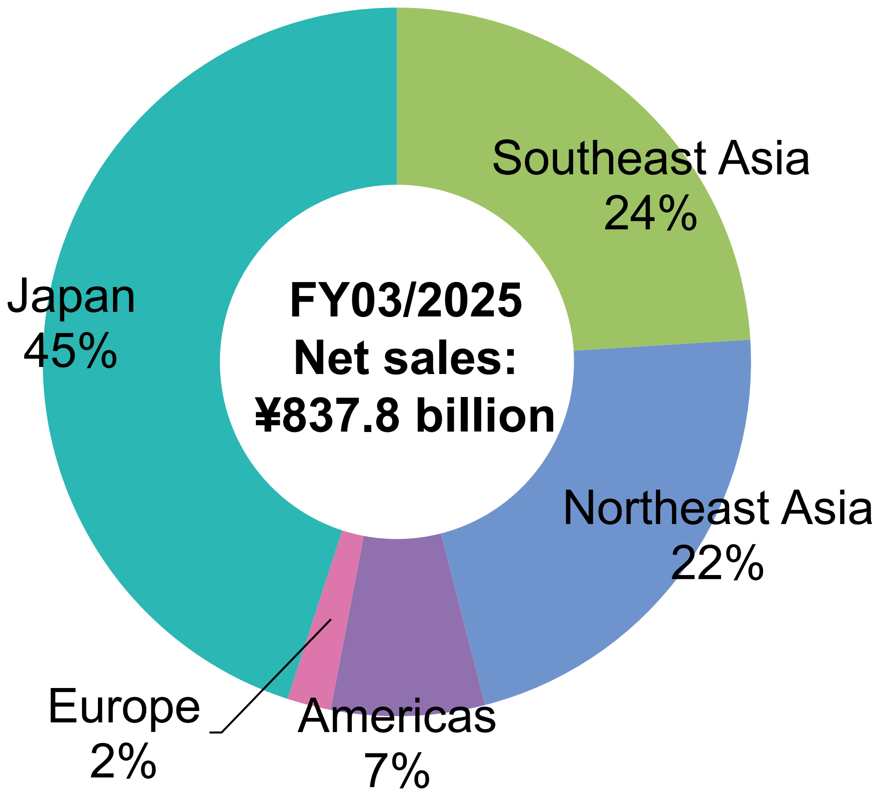
Sales ¥401.5 billion



Regional Development

Conducting business globally at about 70 locations in across 19 countries

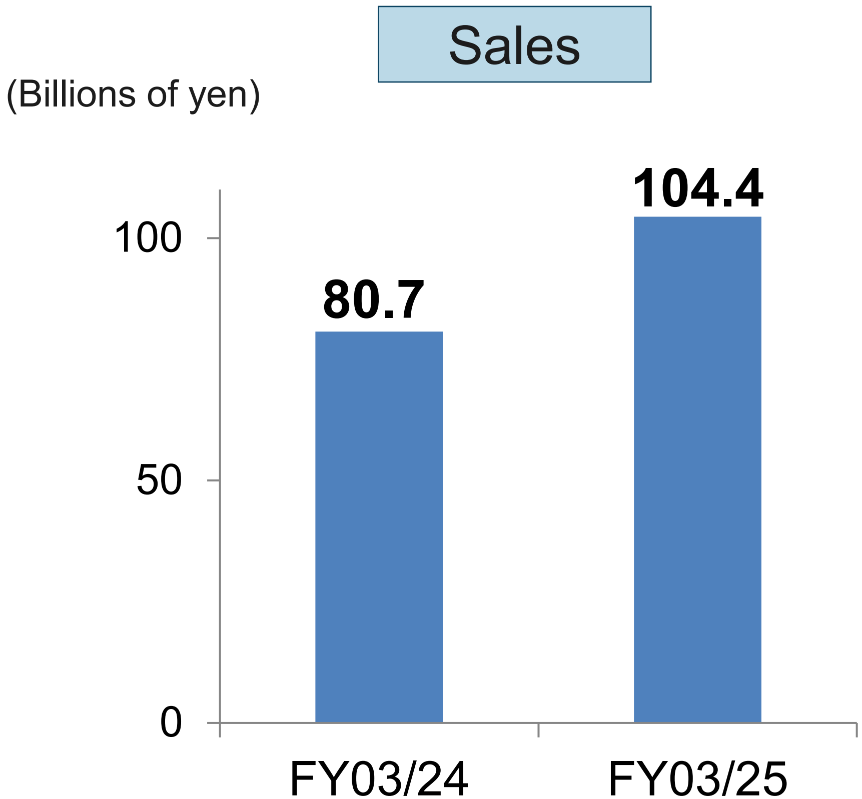
IK Group's sales by region

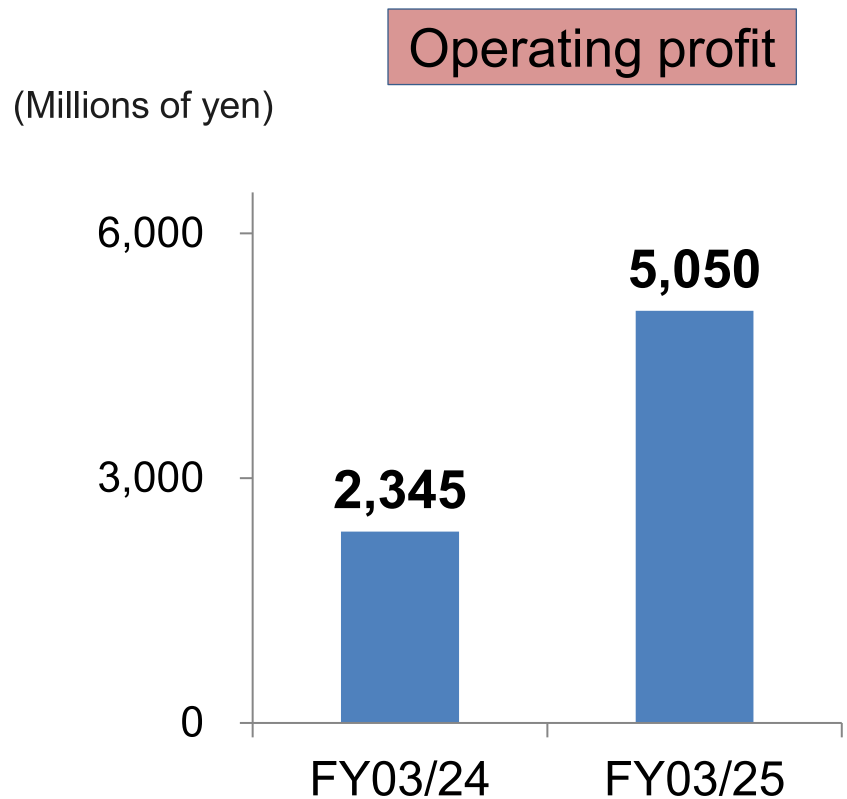


Sales and Operating Profit in the Manufacturing Sector

Manufacturing and processing businesses account for 10-20% of consolidated sales and operating profit. Positioned as a means of expanding trading functions

Profit increased due to the effects of the new consolidation of subsidiaries and recovered operations of the compounding business and other manufacturing functions in Southeast Asia and Mexico.





Note: Results for FY03/24 have been converted at the exchange rate for FY03/25 (USD1=JPY152.62).

2) Quantitative Targets of “New Challenge 2026”

NC2026 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

NC2026 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**

2-1)

Growth Drivers under NC2026

Environment and Energy Field Expansion (Information & Electronics Segment)

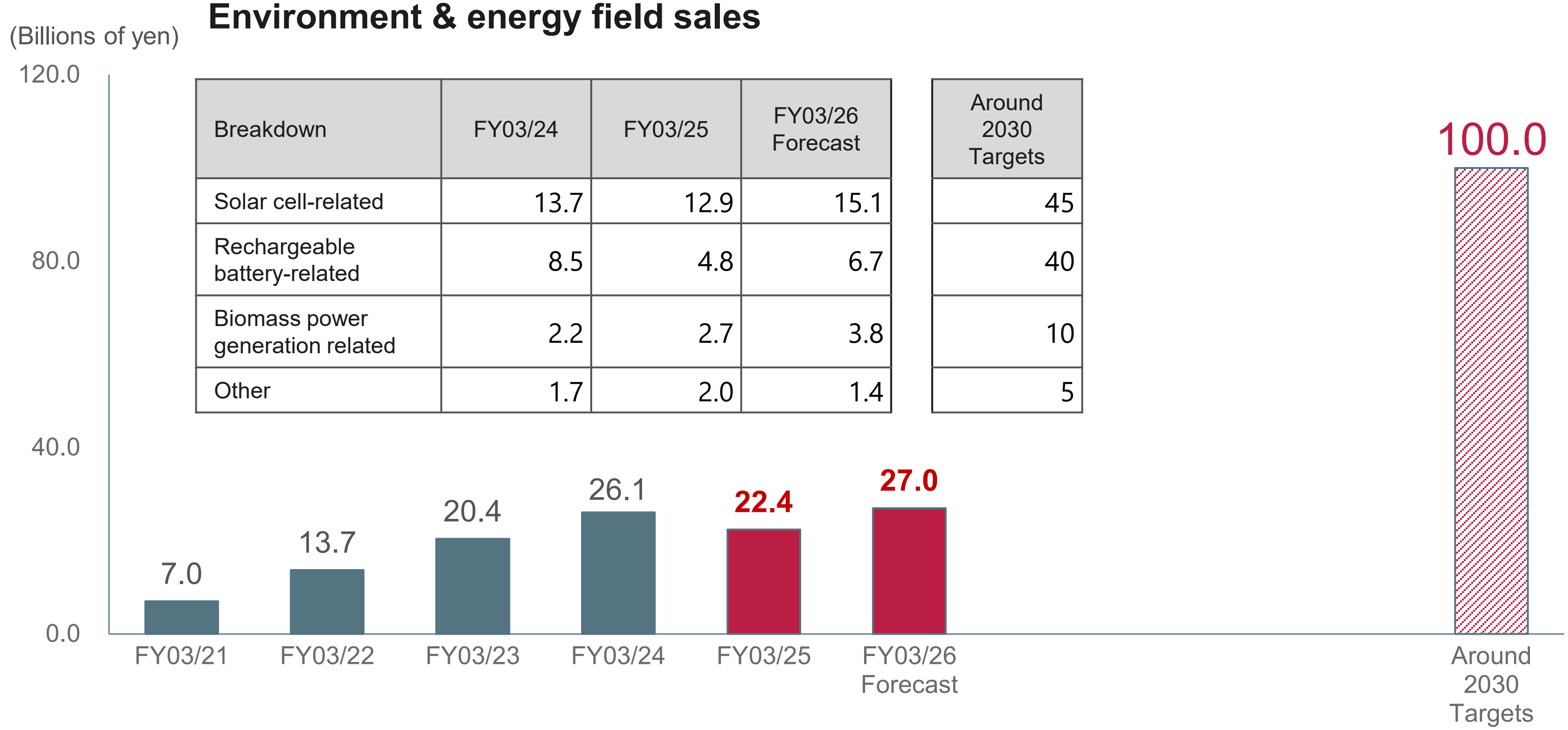
- **In FY03/25, amid a global slowdown in EV sales, sales of rechargeable battery-related materials sharply declined. A recovery in demand is expected to take time.**
- **There has been no change in the medium- to long-term trend of demand growth. Aiming for growth by expanding the product lineup and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

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

Environment & energy field sales

(Billions of yen)

Breakdown	FY03/24	FY03/25	FY03/26 Forecast	Around 2030 Targets
Solar cell-related	13.7	12.9	15.1	45
Rechargeable battery-related	8.5	4.8	6.7	40
Biomass power generation related	2.2	2.7	3.8	10
Other	1.7	2.0	1.4	5

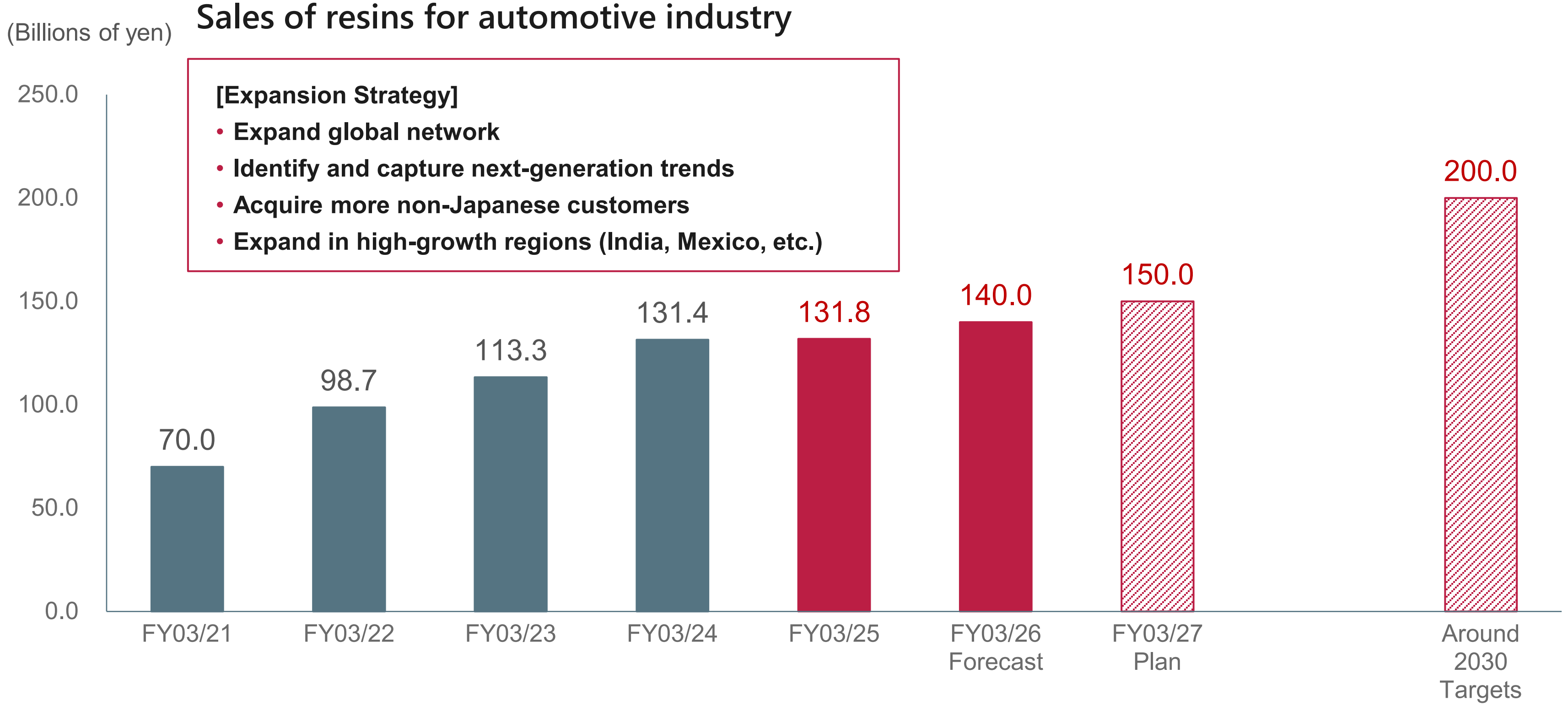


Automotive Resin Sales Expansion (Plastics Segment)

- 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

Sales of resins for automotive industry



2-2)

Management Base Strategy

Financial Strategy

Financial Strategy

Financial

Further improve capital efficiency

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

Focus on shareholder returns, including paying progressive dividends

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

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

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

2-3)

Management Base Strategy

Sustainability Strategy
Digital Strategy

Sustainability Strategy

May 2024: Formulated a new “Sustainability Mid-term Plan 2026”

Establish a long-term vision, strategies, KPIs and targets related to materiality

Long-term Vision

Long-term Targets

GHG emissions (Scopes 1 and 2):

Reduce emissions by 42% by FY2030, compared to FY2022 levels;

and achieve carbon neutrality by FY2050.

“Sustainability Mid-term Plan 2026” Main KPIs, and Targets

By FY2026,

Reduce GHG emission (Scopes 1 and 2) by 25% compared to FY2022 levels

Achieve net sales of 100 billion yen for environment-related business etc.

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.
» Consolidated — GHG emission (Scopes 1 and 2)	Reduce by 25% compared to FY2022 levels	12.9% reduction compared to FY2022 <3% reduction compared to FY2022>
» Consolidated — Net sales of environment-related business	100 billion yen	43.5 billion ＜38.6 billion＞
» Consolidated — 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	• 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)
» Non Consolidated — 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
» Non Consolidated — 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.
Consoli-dated » Employee engagement surveys（2024）	Response rate	at least 90%	82% ＜72%＞
	Positive response rate ❶“I am satisfied to work at the Company” ❷“I can identify with the Company’s mission, vision, and managerial policy, and I want to work to achieve them,”	at least 80%	❶69% ＜76%＞ ❷67% ＜73%＞
	Positive response rate across all items	at least 70%	63% ＜70%＞
» Consoli-dated The implementation boundary for the human rights DD digital survey		Expand to the Group	Proposed a plan for implementation in 2025
» Non Consoli-dated Ratio of women in managerial positions		to at least 8% by March 2028, and to 10% by 2030	6.0% ＜4.8%＞
» Non Consoli-dated Ratio of mid-career hires		Maintain at around 50%	60% ＜52%＞
» Non Consoli-dated 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.
» Non Consoli-dated Rate of employment for persons with disabilities		Continue to exceed the legal rate (2.5%)	3.20%
» Consoli-dated 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 employes 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 Consoli-dated	Rate of complete checkup	100%	85.3% ＜73.5%＞
» Non Consoli-dated	Comprehensive health risk found by stress checks*	Maintain at current levels	76 ＜79＞
» Non Consoli-dated	Education and training costs per employee	Surpass the previous year’s results each year	¥82,763 ＜¥67,496＞
» Non Consoli-dated	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
Revamp core systems and strategically leverage Group-wide sales information	■ 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
Establish a scheme to strengthen security and deploy it across the Group	■ 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
Improve productivity by leveraging in-house generative AI services, etc.	■ 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

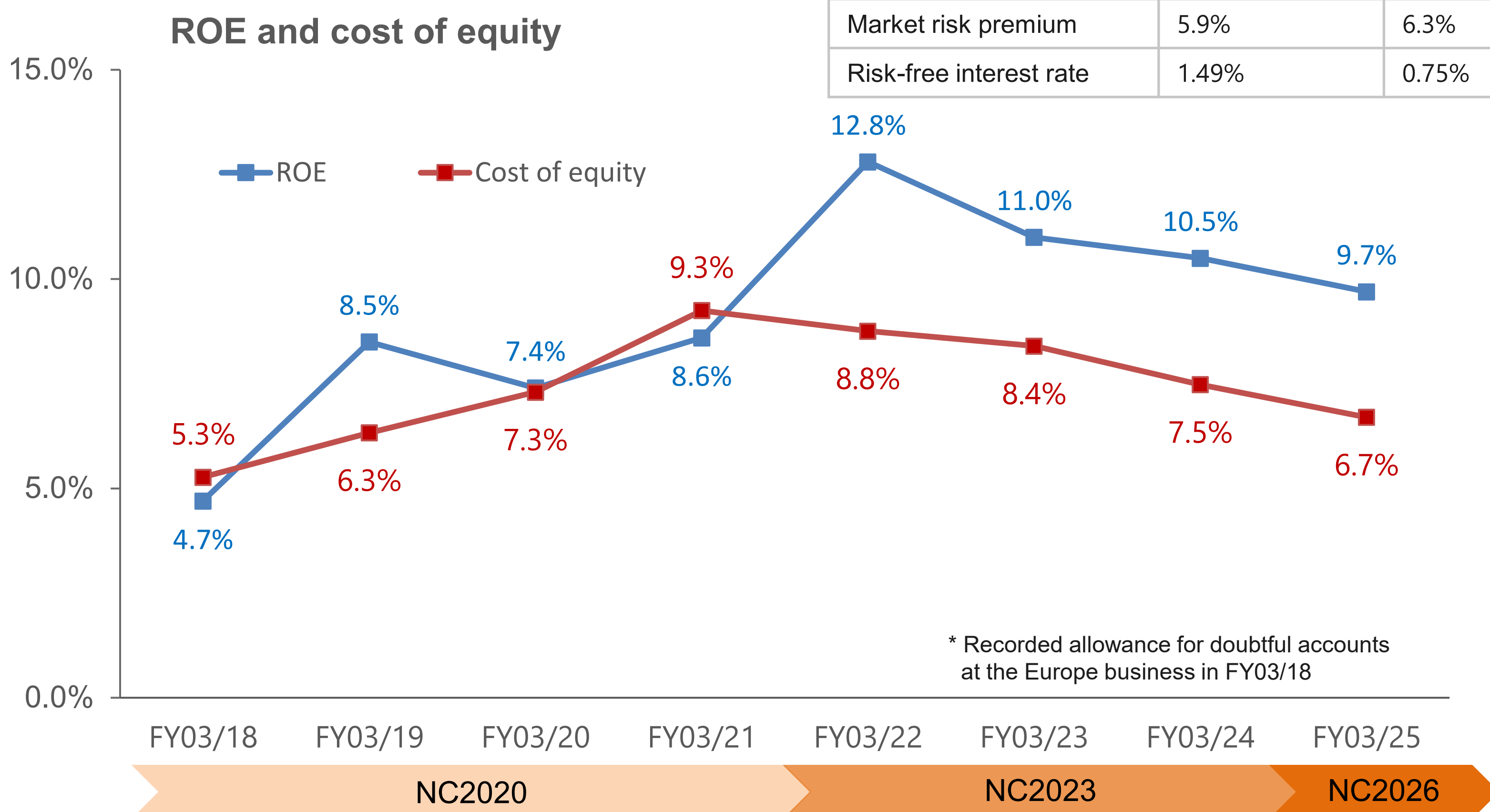
3) Measures to Realize Management Conscious of Cost of Capital and Share Prices

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

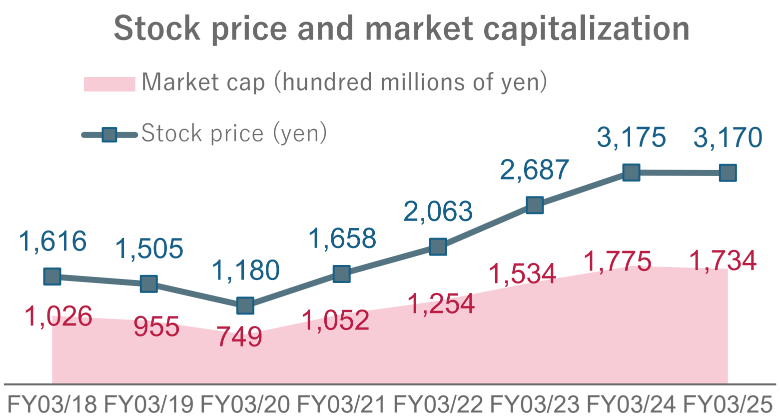
	End of Mar 2025	End of Mar 2024
β	0.89	1.07
Market risk premium	5.9%	6.3%
Risk-free interest rate	1.49%	0.75%

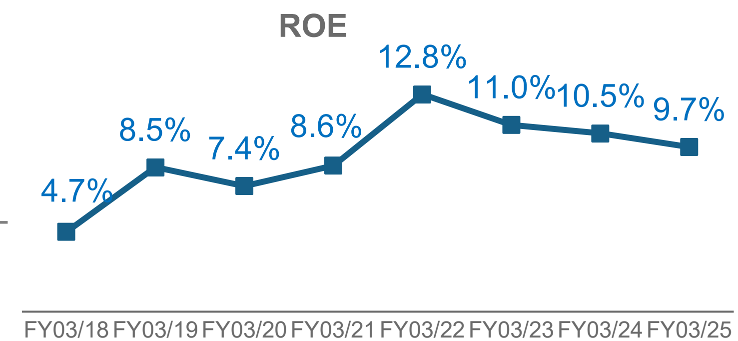


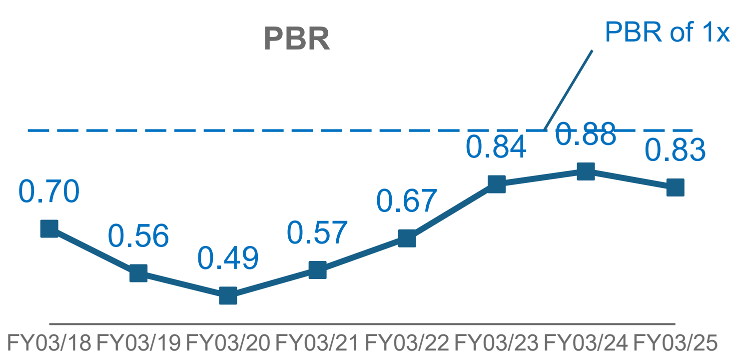
* Recorded allowance for doubtful accounts at the Europe business in FY03/18

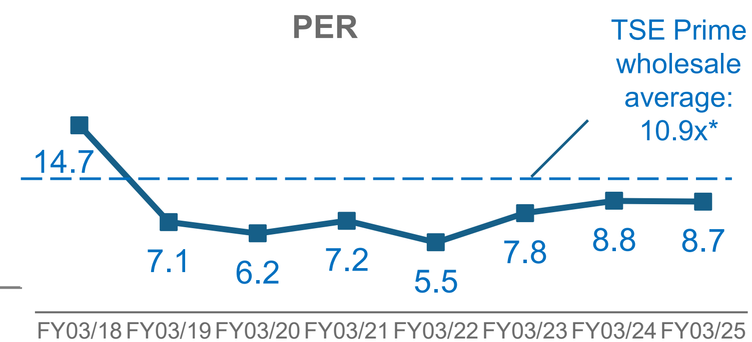
Share Price and the Market's Valuation of the Company

- **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.**









*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**	• Expanded the earnings foundation with a focus on mainstay businesses	• Based on the proactive investment policy, actively pursued M&A and business investments	• **Steadily generate returns from completed investment projects while continuing proactive investments**
Capital efficiency	**Maintain ROE of 10% or above**	• ROE exceeded the cost of capital, backed by improved earnings performance and enhanced shareholder returns	• Maintained ROE through share buybacks and cancellations	• **Continue share buybacks and cancellations to thoroughly manage shareholders' equity**
Curtail the cost of capital	**Control and/or curtail the cost of capital**	• Strengthened corporate governance (transitioned to a structure in which independent directors make up half of the Board) • Reduced strategic shareholdings	• Reduced the cost of capital through improved earnings performance and enhanced market liquidity	• **Aim to further reduce cost of capital by enhancing information disclosure and expanding dialogue with stakeholders**

4) Others

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

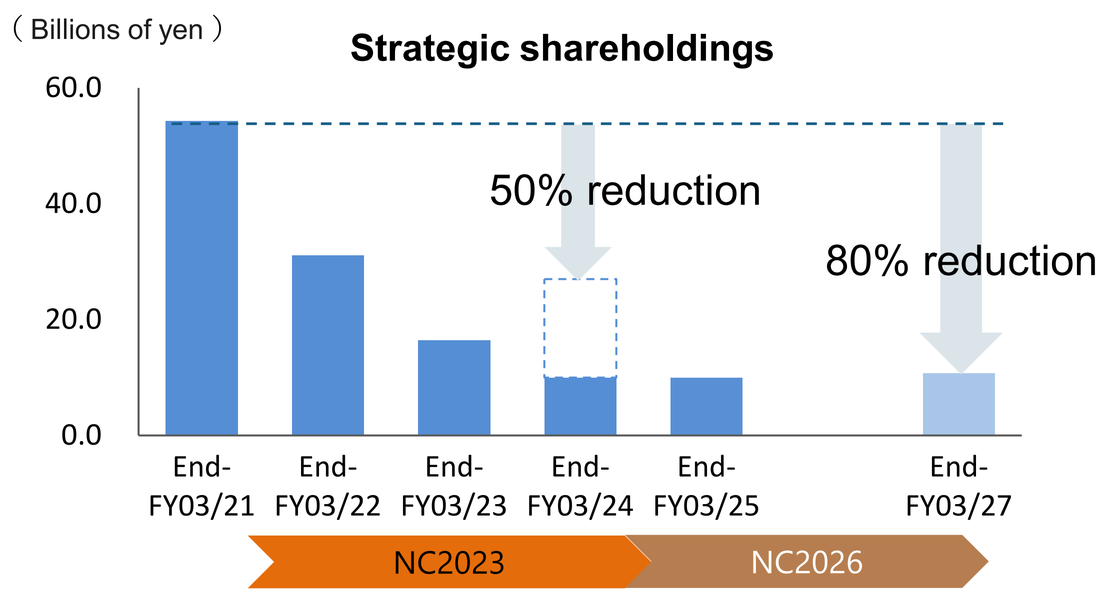
* From FY03/23, some product categories have been reclassified (solar cell and EV battery materials were moved from Materials & Chemicals to Energy & Power). FY03/22 sales figures have been retroactively adjusted to reflect this change.

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.



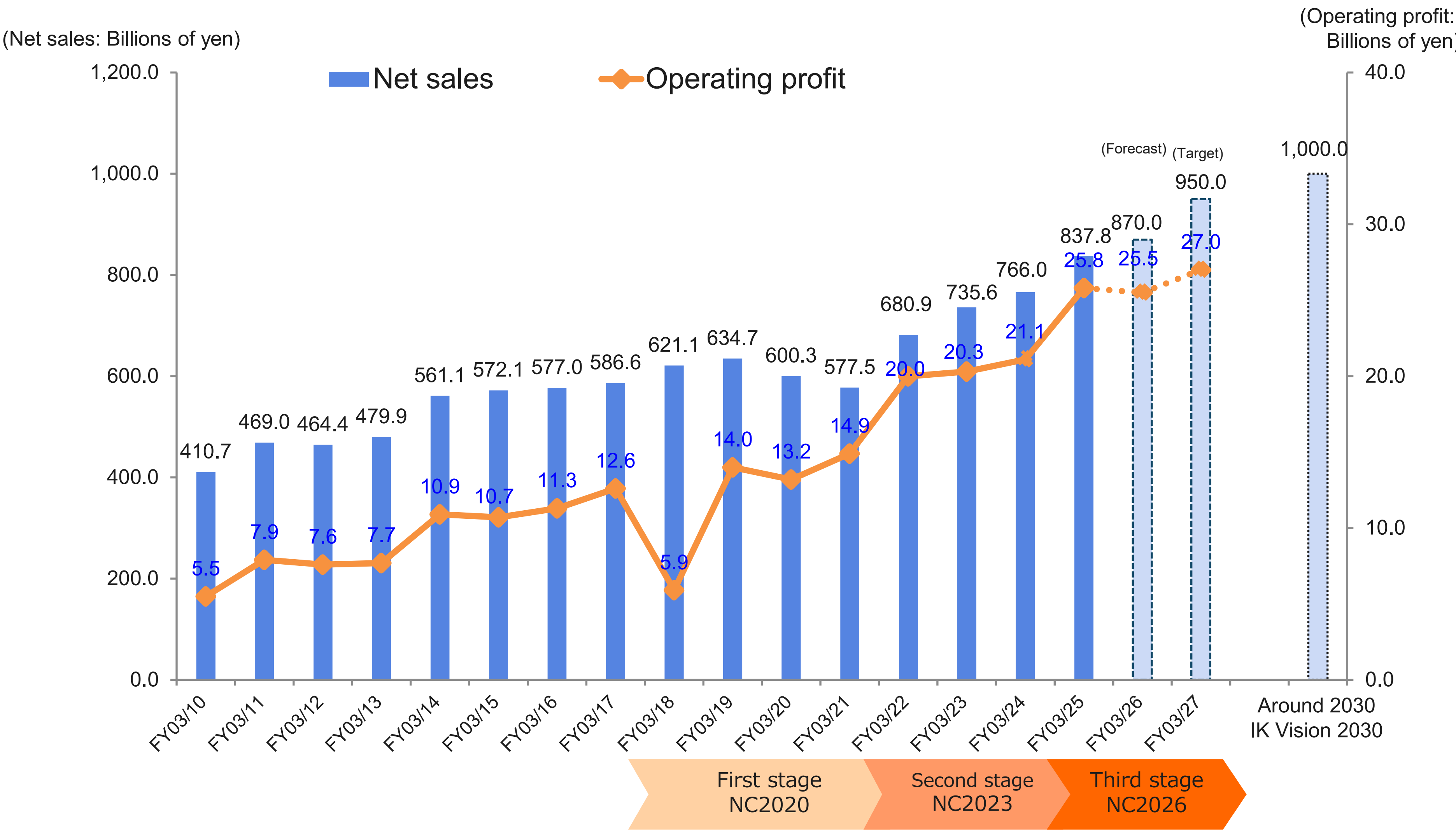
*The balance of strategic shareholdings in the graph only includes listed stocks in Japan.
*The balance of strategic shareholdings was calculated using share prices at the end of each term.

Sales value of strategic shareholdings

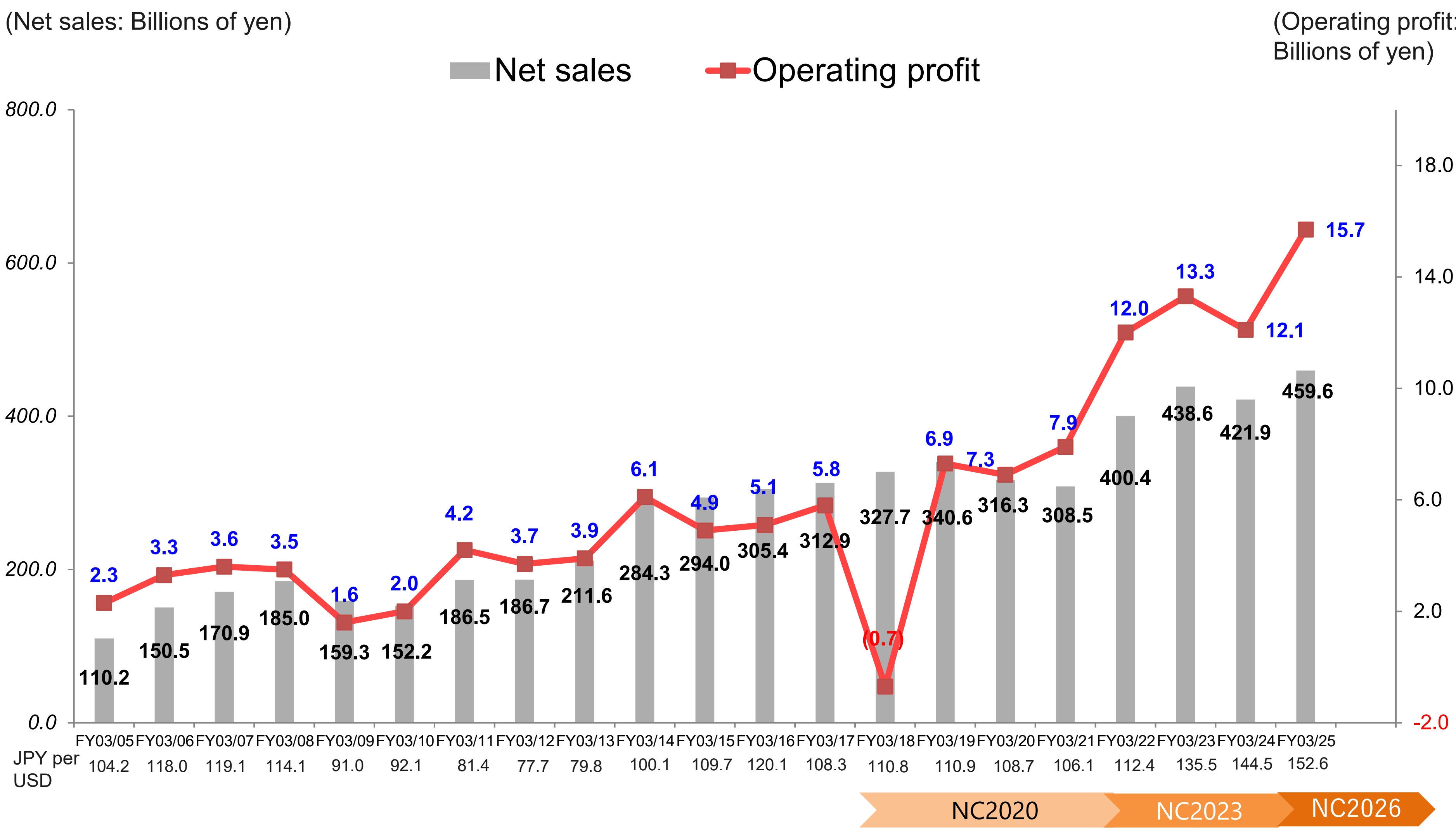
*Only includes listed stocks in Japan

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

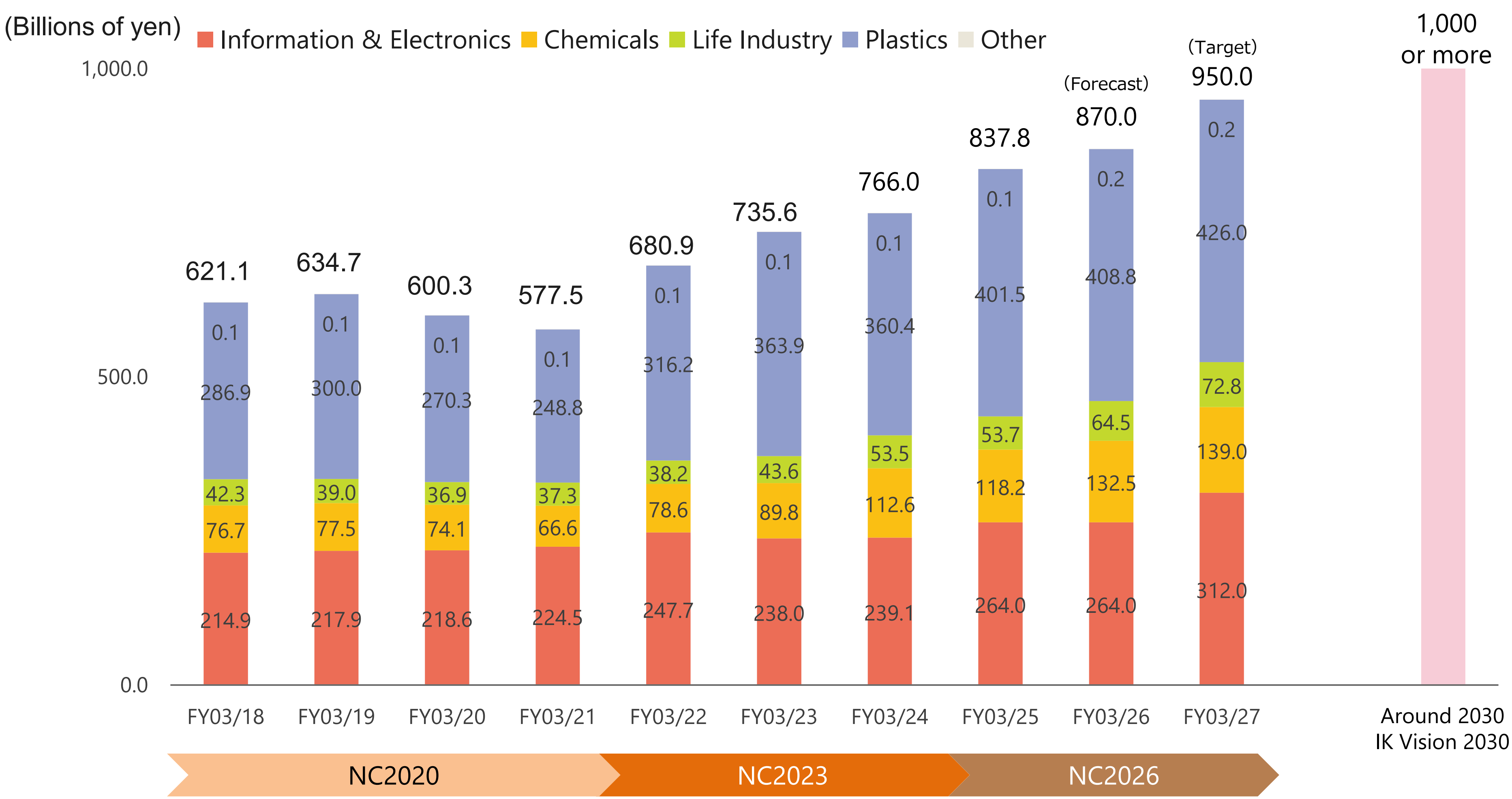
Net Sales and Operating Profit



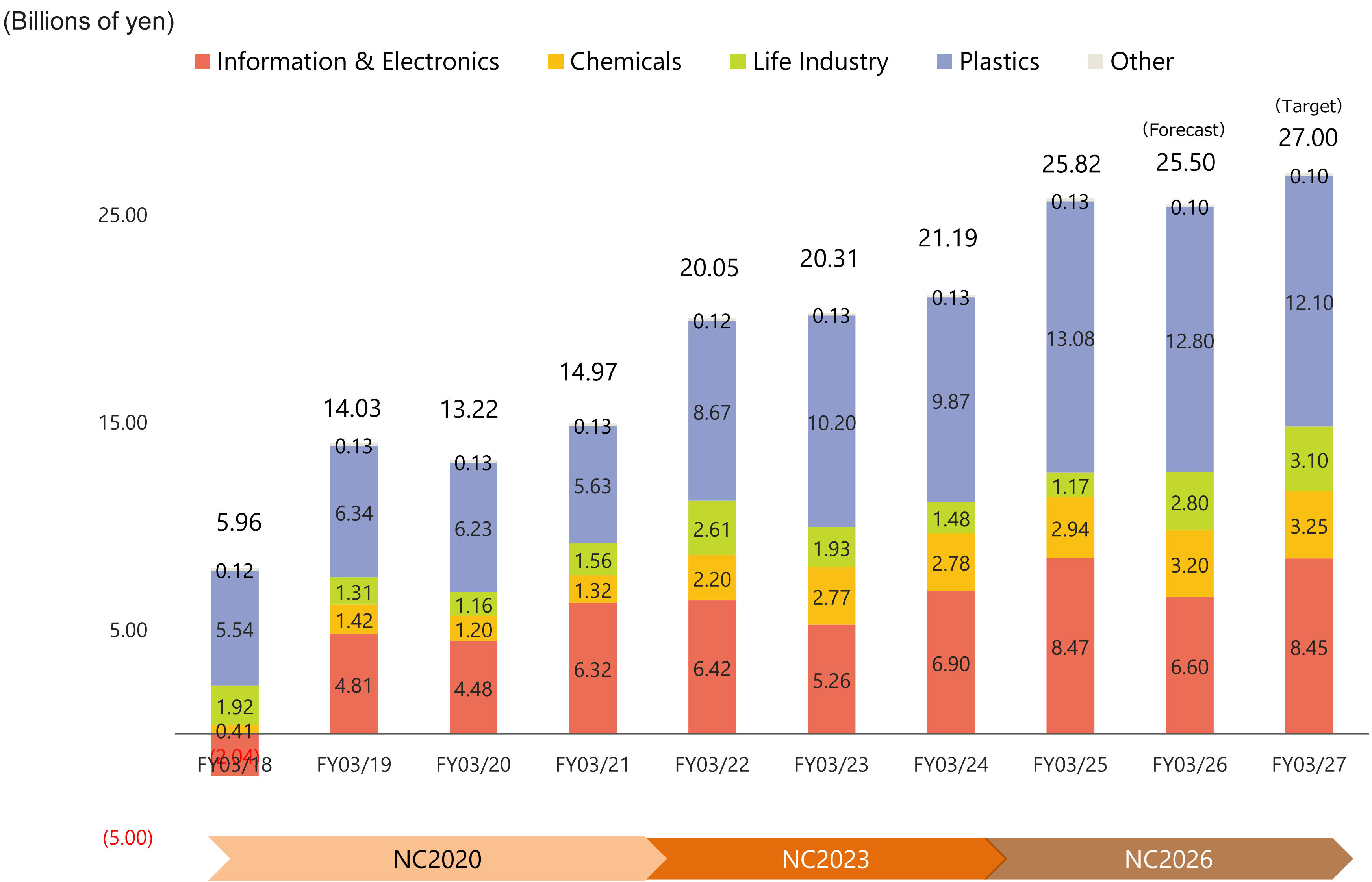
Overseas Sales and Operating Profit



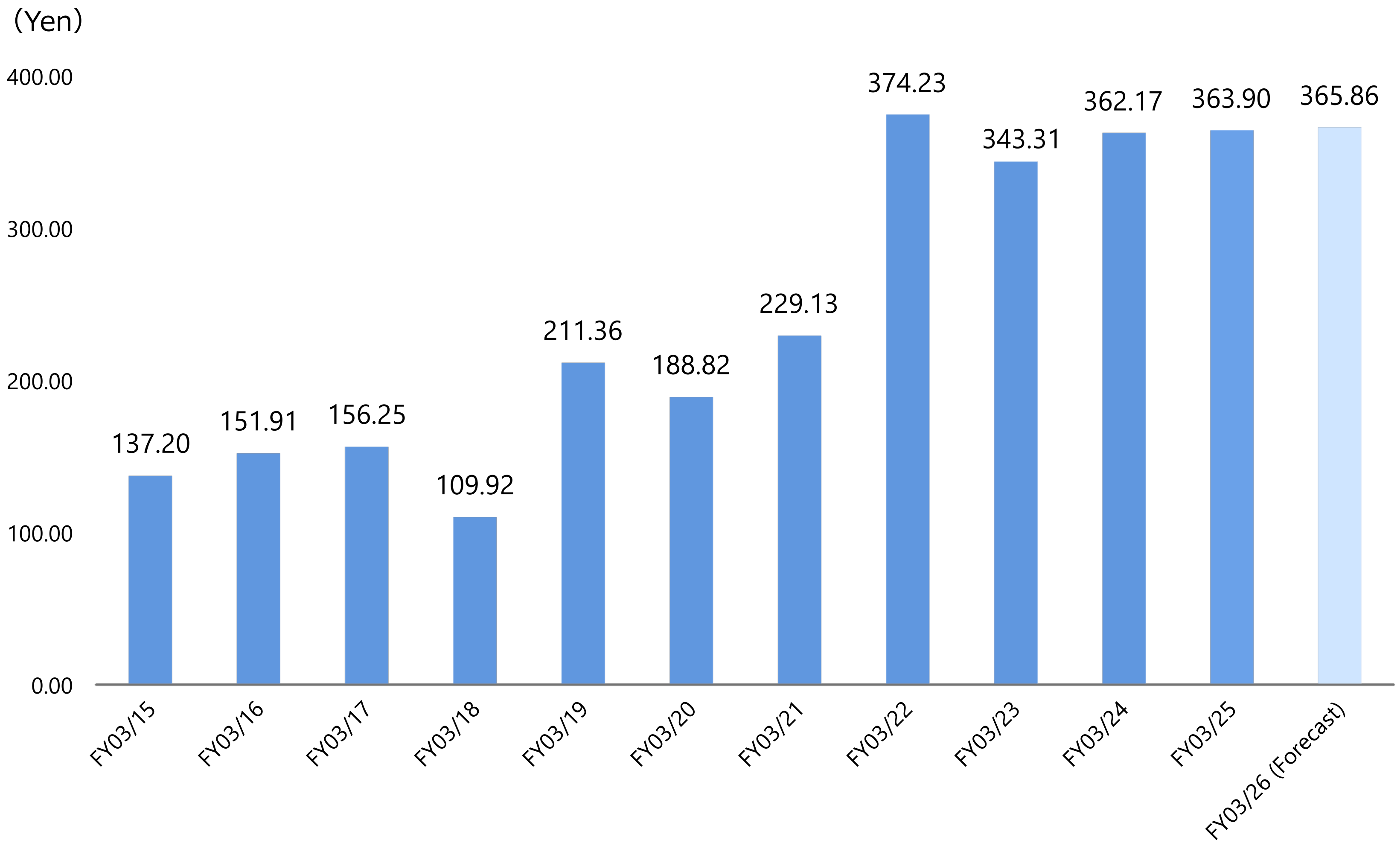
Sales by Segment



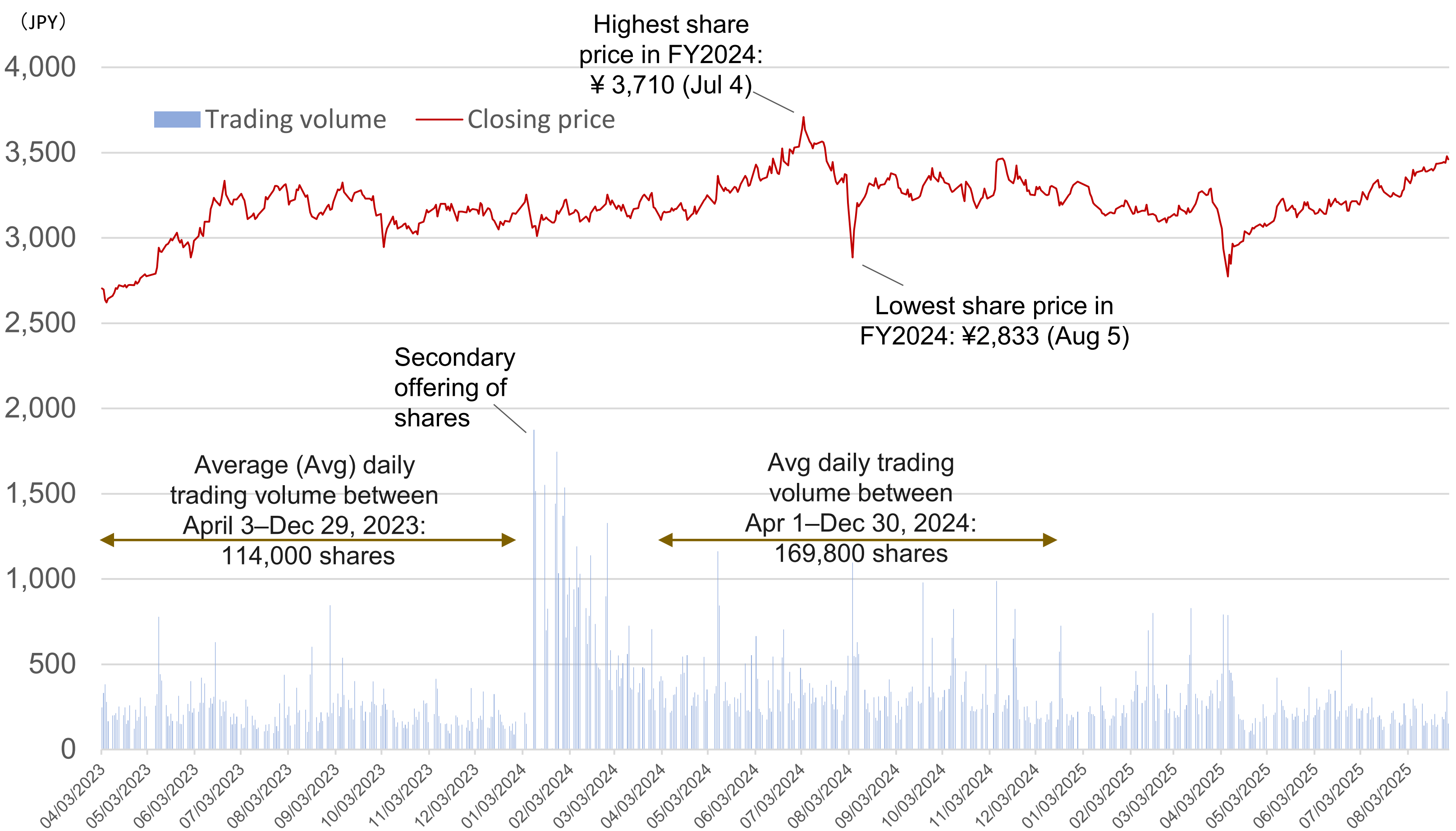
Operating Profit by Segment



EPS（Earnings per share）



Trends in Share Price (April 2023-August 2025)



◻ IR queries should be directed to:

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

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

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