
Governance and Sustainability Initiatives

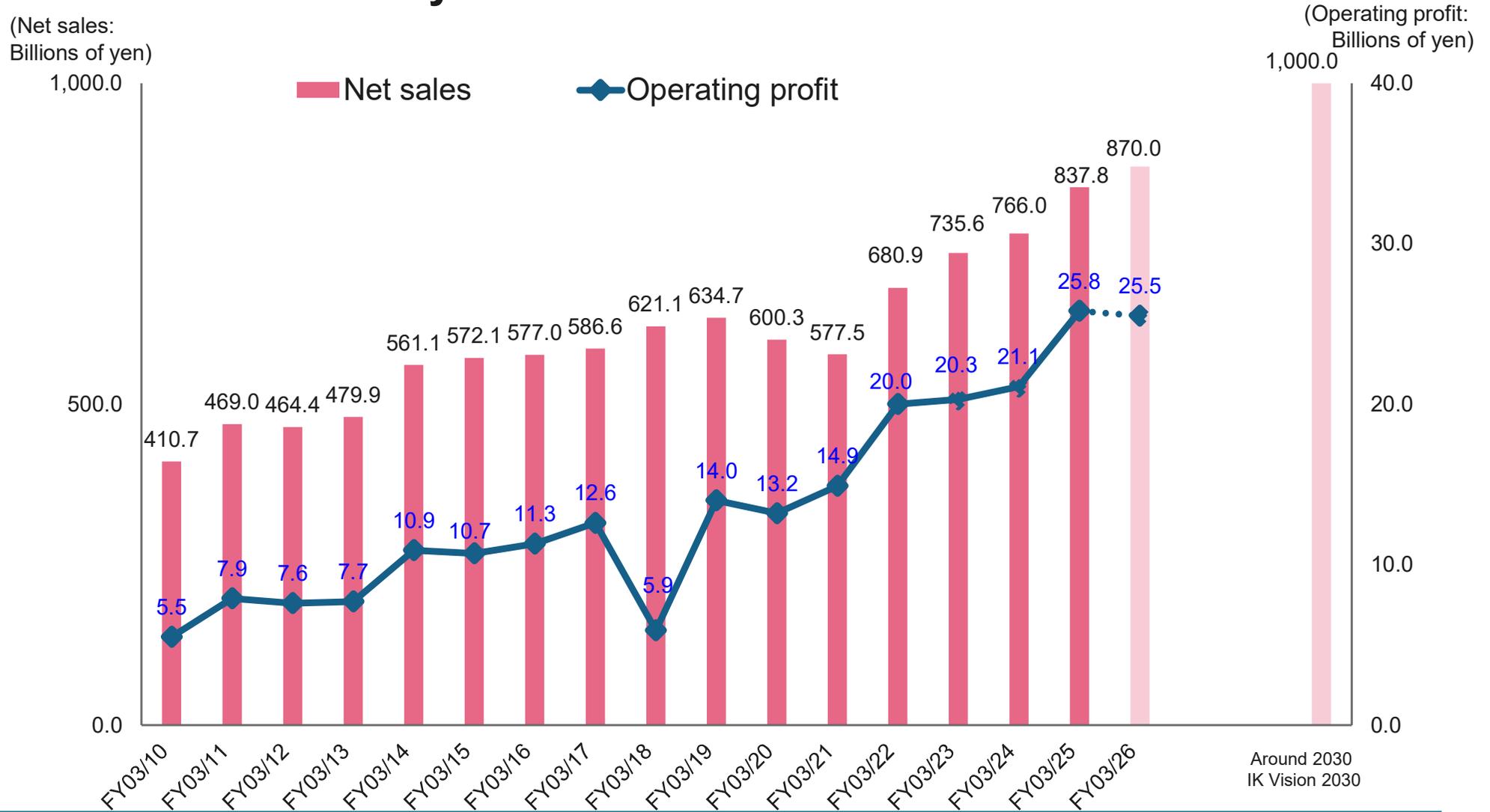
February 2026
Inabata & Co., Ltd.

- Sales and operating profit reached record highs for four consecutive years through FY03/2025.
- Made steady progress toward the quantitative targets of the medium-term management plan *NC2026*.
Made proactive growth investments centered on M&A.
- Monitoring progress toward the medium-term carbon neutrality targets and human capital-related KPIs in line with the Sustainability Medium-Term Plan 2026.
- In December 2025, all directors and heads of executive departments held a full-day discussion outside the Board of Directors meeting on initiatives to achieve sustainable growth, sharing a long-term growth vision.

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1. Inabata's Strengths

■ Business performance is growing steadily, with net sales and operating profit reaching record highs for the fourth consecutive fiscal year in FY03/2025.



- **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



Number of Location and Personnel

End of September 2025

- 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.

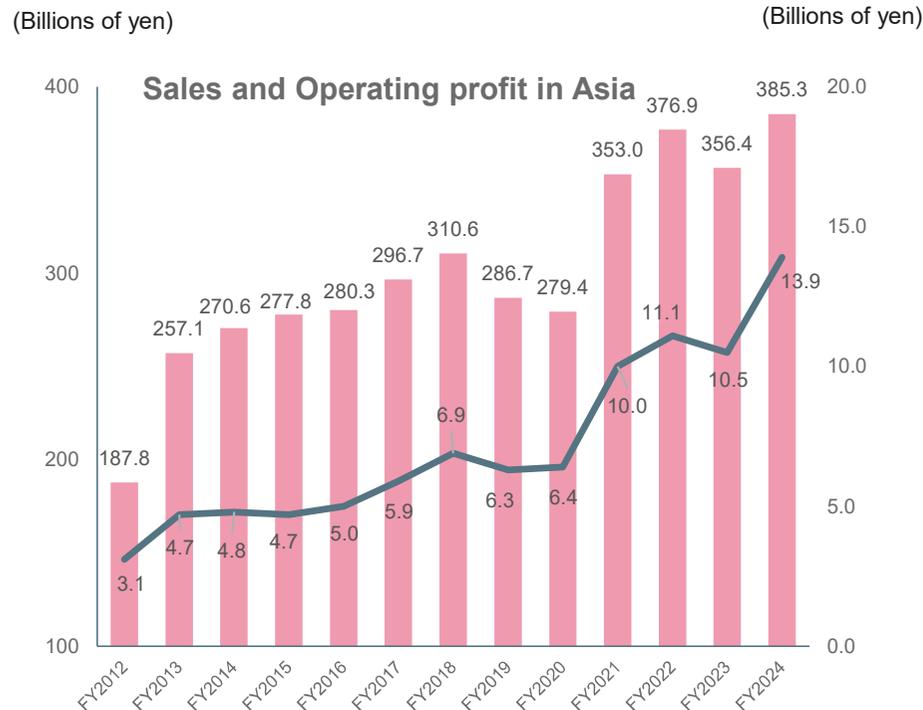
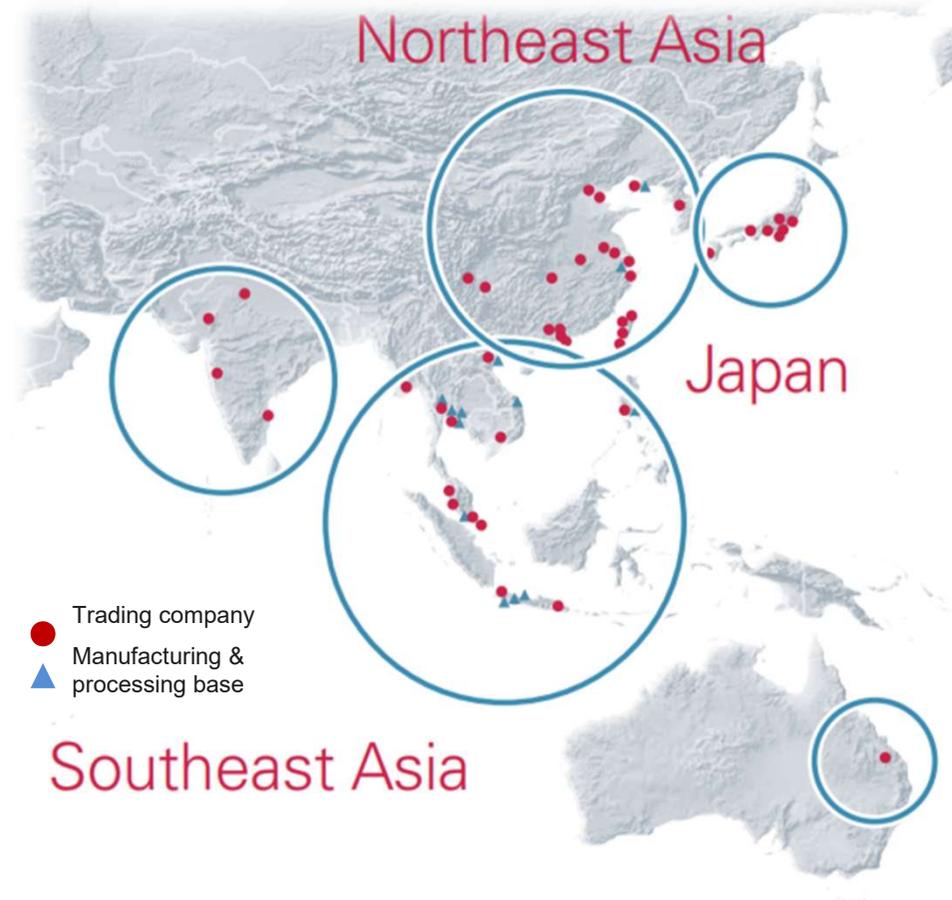
Around 1980

3 bases
in 2 countries



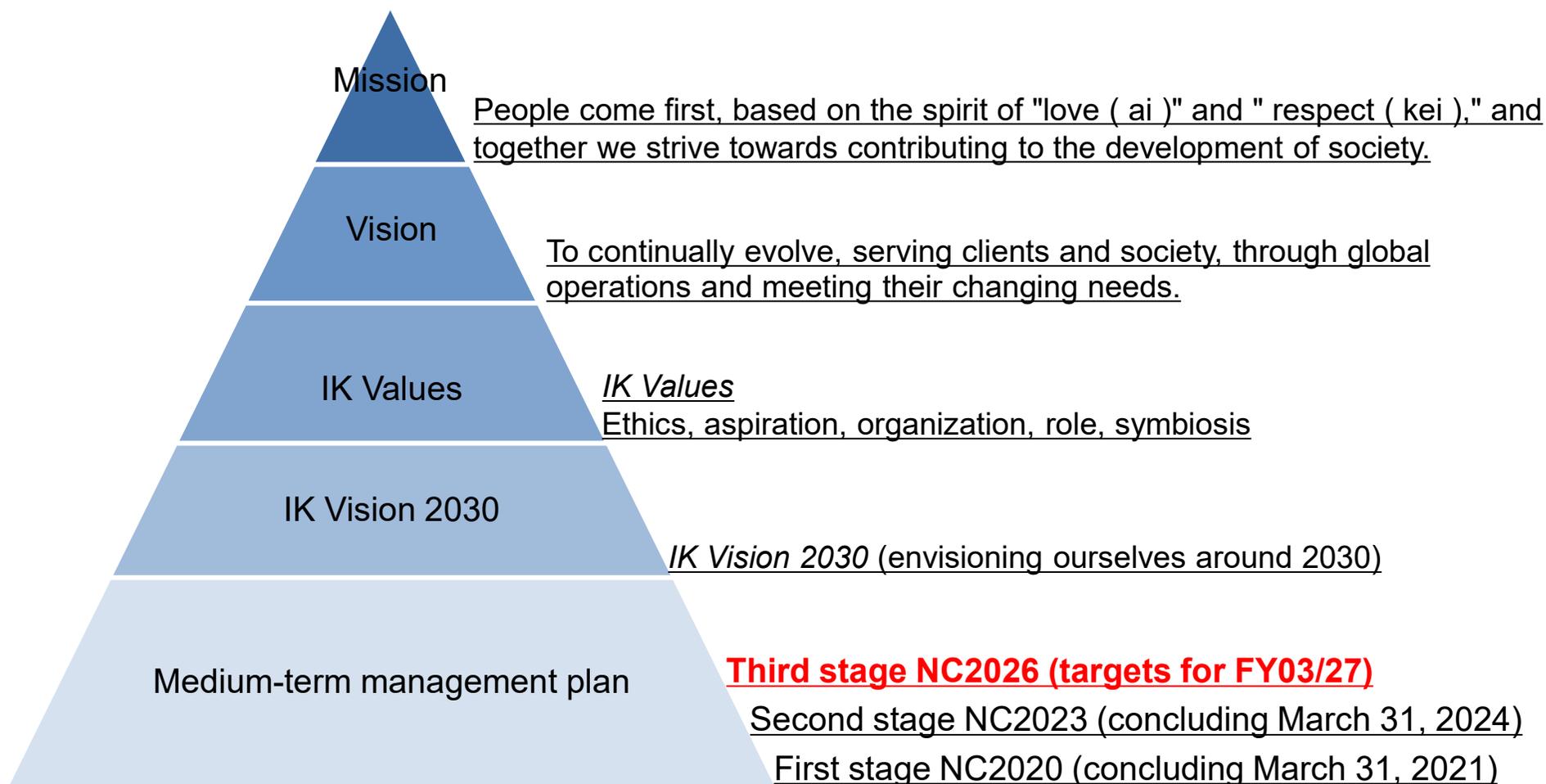
59 bases in
12 countries

- Number of Personnel in Asia : 2,781
(Percentage of total consolidated basis 60%) *As of September 30, 2025



2. Medium-Term Management Plan and Shareholder Return Policy

- Third-stage medium-term management plan on the way to our 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]

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 p12

Segment Growth Strategy

Management Base Strategy

Financial Strategy
P17-23

Sustainability Strategy
(including HR strategy)
P36-39

Digital Strategy

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)

NC2026 Quantitative Targets



- 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.

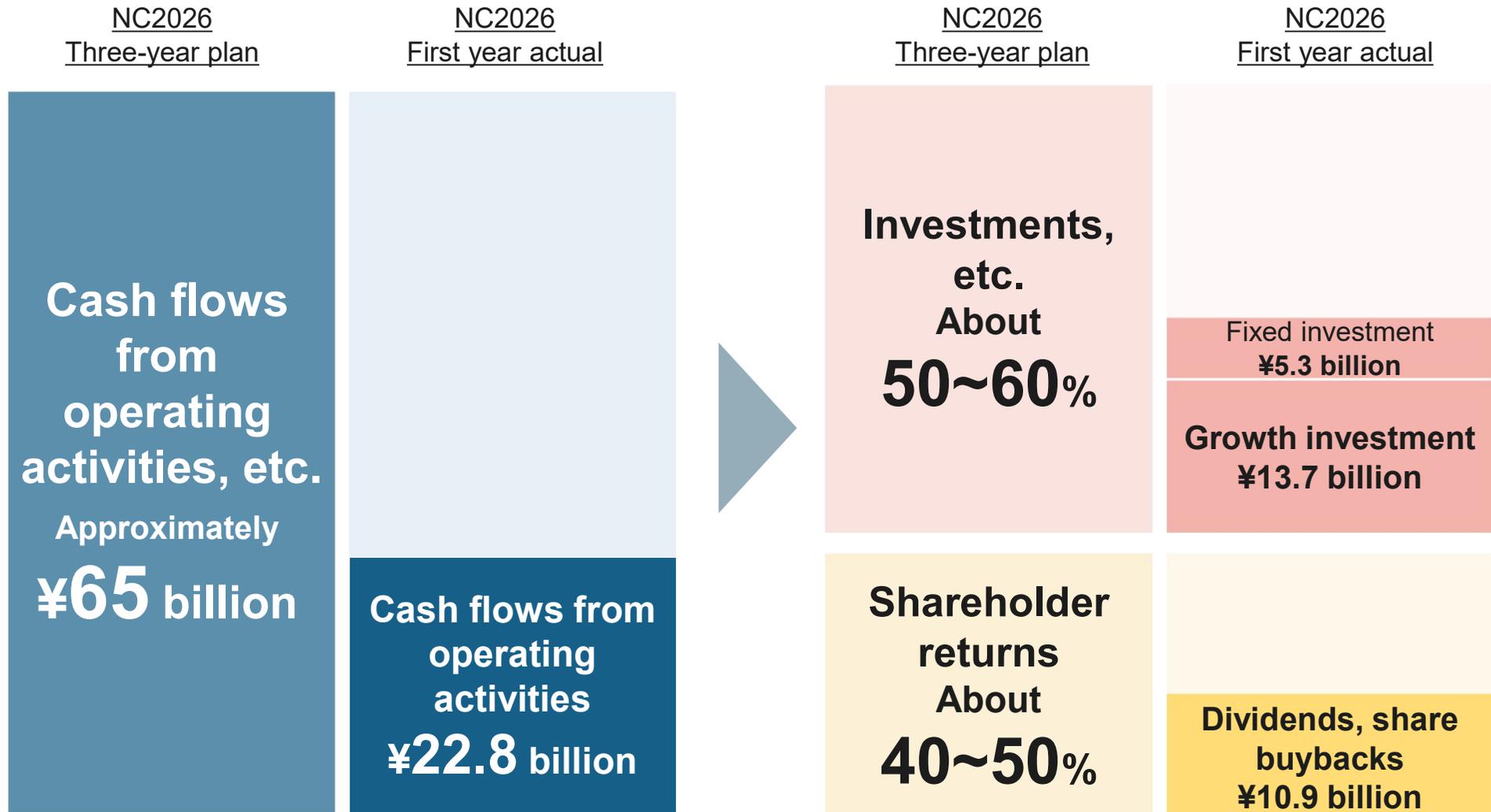
(Billions of yen)

	NC2026 First year FY03/25	NC2026 Second year FY03/26		NC2026 Final year FY03/27
	Actual	Forecast	Second year Plan	Targets
Net sales	837.8	870.0	890.0	950.0
Operating profit	25.8	25.5	24.5	27.0
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	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

NC2026 Progress of Capital Allocation



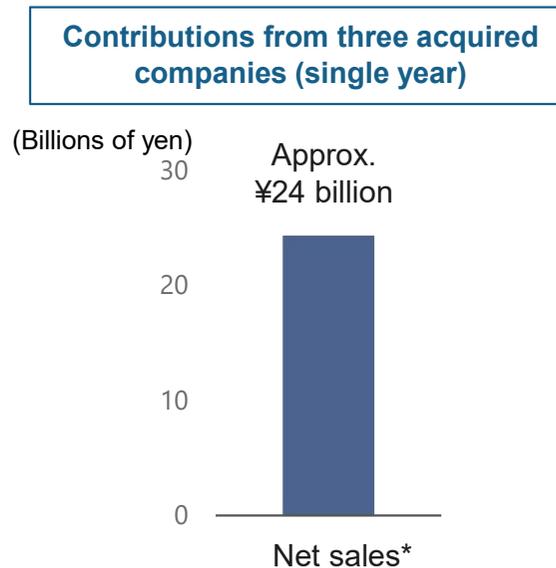
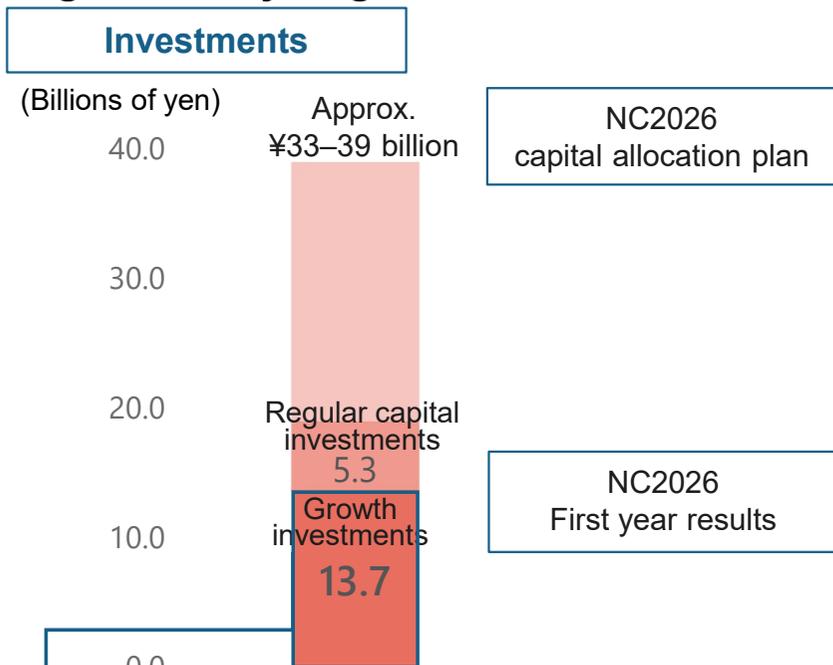
- In the first year of NC2026, we allocated funds to growth investments and shareholder returns largely in line with the plan.



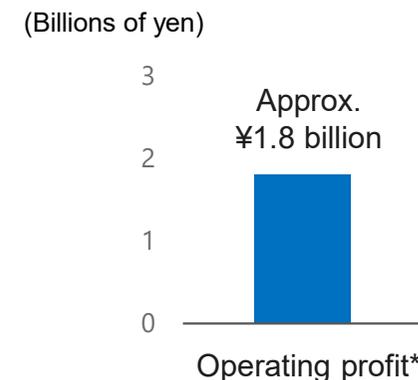
NC2026 Business Investments and Earnings Contributions



- **M&A projects, i.e., acquired companies, are steadily contributing to earnings. We will work to generate synergies with them as soon as possible.**



*Sum of FY2024 results for Novacel and Daigo Tsusho, and FY2025 estimates for Satoen. Operating profit is after goodwill amortization. Profit after deducting net income attributable to non-controlling interests is approx. ¥1.3 billion.



- <Major growth investments (cash-out basis)>
- **M&A**
 - Established Novacel Co., Ltd.
 - Made Daigo Tsusho Co., Ltd. a subsidiary (partial investments)
 - Made Satoen Co., Ltd. a subsidiary
 - **Business investments, etc.**
 - Invested in environment and energy-related businesses
 - Invested in semiconductor-related businesses
 - Invested in resin additives and recycled resin-related businesses

Anticipated synergies

- **Novacel**
 - Advance compound functions* and strengthen development capabilities
 - Strengthen competitiveness of the Plastics business
- **Daigo Tsusho, Satoen**
 - Strengthen sales capabilities through overseas expansion and e-commerce sites
 - Expand into the downstream segment of the food business
- **Business investments, etc.**
 - Expand existing businesses by acquiring new marketing rights

* Our processing adds functions such as weather resistance by blending and coloring base resins with pigments, additives, and other resins according to their intended use.

(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

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)

Financial Strategies: 1. Reducing Strategic Shareholdings

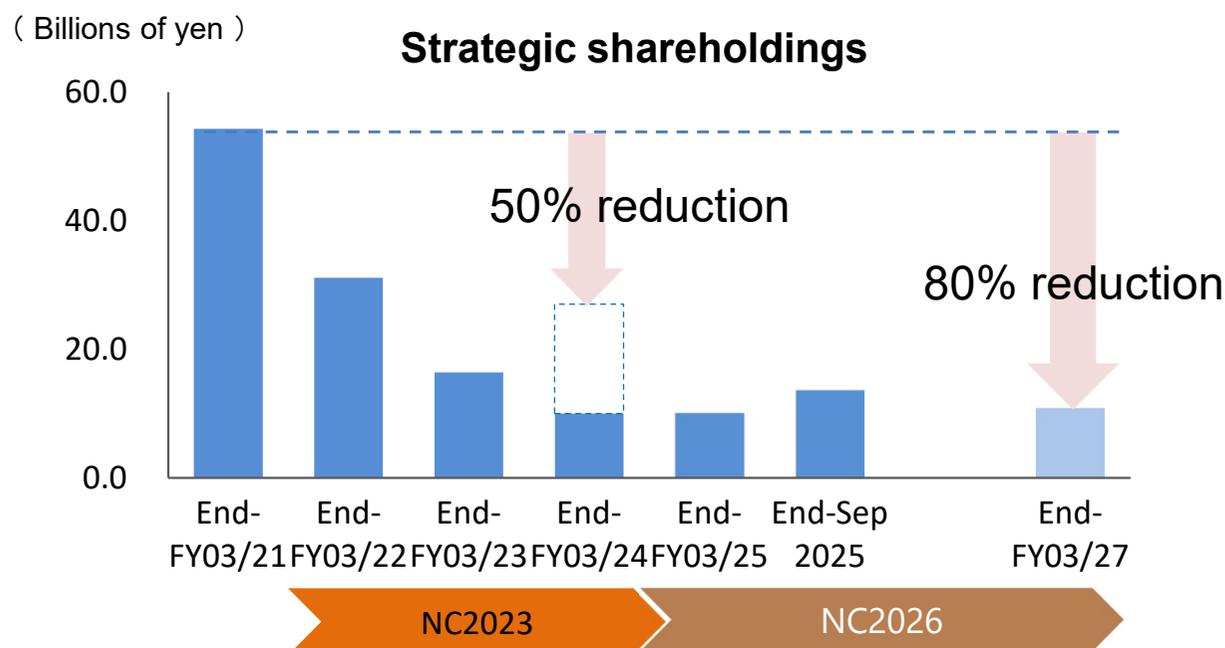


- Steady progress in reducing strategic shareholdings (in FY03/26, despite progress in reduction, the balance of holdings increased slightly due to rising market prices)

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.

→ Funds procured from the sale of strategic shareholdings are in principle allocated to shareholder returns and growth investment



Sales value of strategic shareholdings

FY03/23	¥10,076 million
FY03/24	¥4,159 million
FY03/25	¥2,922 million
FY03/26*	¥2,101 million

*As of September 30, 2025

*Only includes listed stocks in Japan

* As of March 31, 2025, there exists ¥1,885 million in deemed holding shares, and the total amount of non-listed shares, shares other than non-listed shares and deemed holding shares is ¥18,570 million. This was 8.6% of the consolidated net assets as of March 31, 2025. The amount obtained by multiplying the market price of deemed holding shares on the last day of the fiscal year by the number of shares subject to exercise of voting rights.

Notes: The balance of strategic shareholdings in the figure above is the total of the Company's shareholdings in listed companies in Japan.

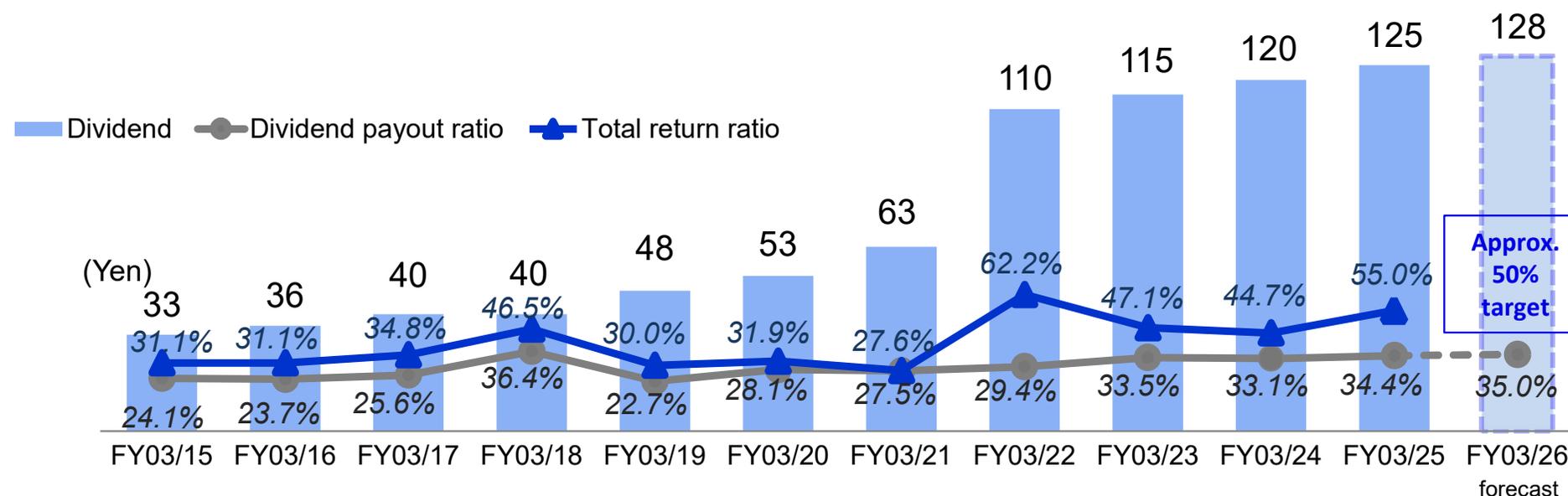
Strategic shareholding balances have been calculated using fiscal year-end stock prices.

Financial Strategies: 2. Returning Profits to Shareholders



- For FY03/26, we plan to pay an annual dividend of ¥128.0 per share, up for the eighth consecutive fiscal year (interim : ¥60 (actual), year-end : ¥65 (forecast)).
- 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)

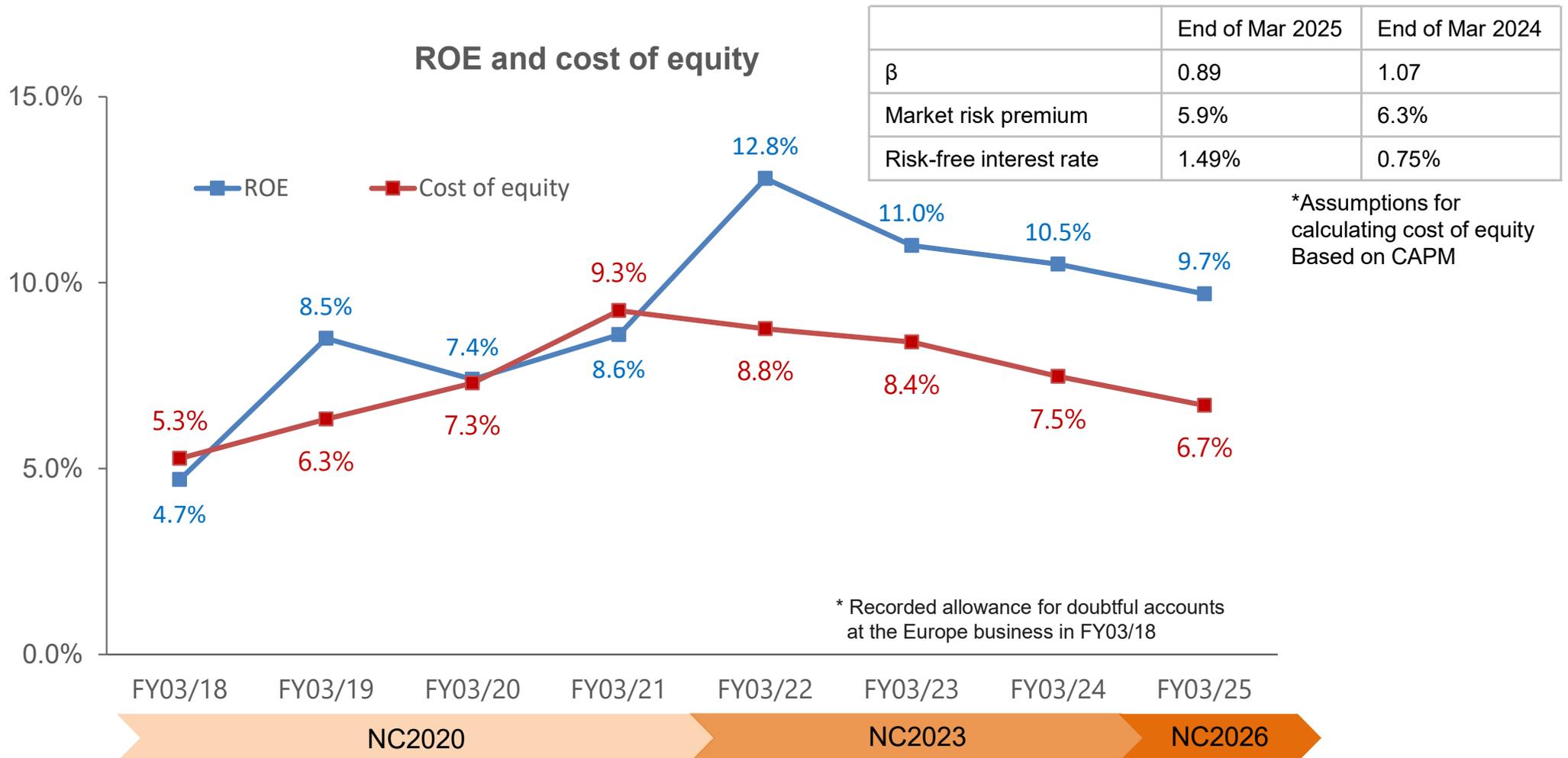
* Amounts current as of September 30, 2025

Financial Strategies: 3. Measures to Realize Management Conscious of Cost of Capital and Share Prices



Current Status: 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.



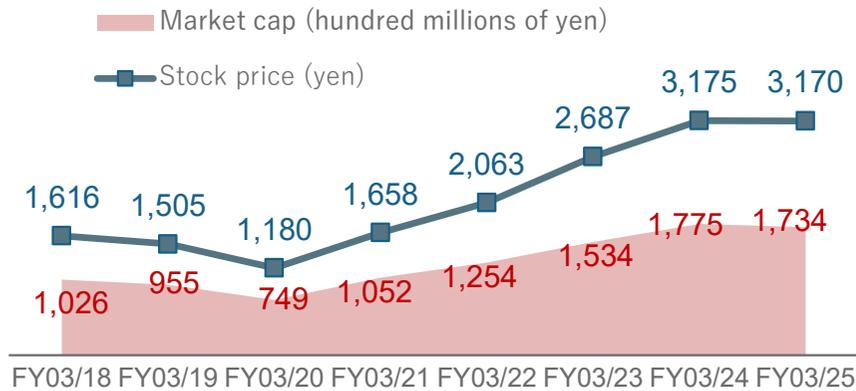
Financial Strategies: 3. Measures to Realize Management Conscious of Cost of Capital and Share Prices



Current Status: 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.

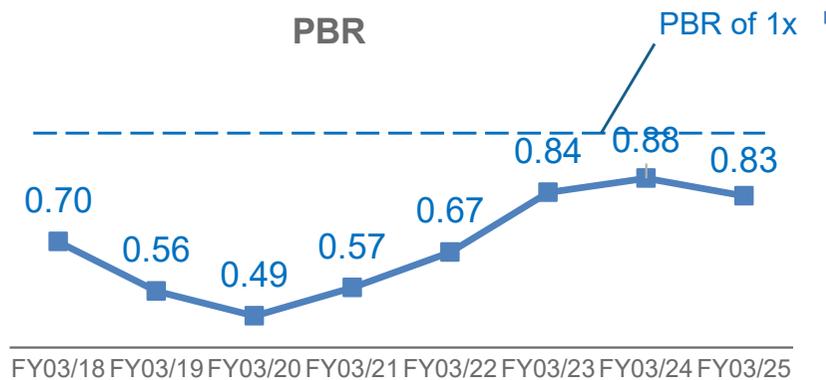
Stock price and market capitalization



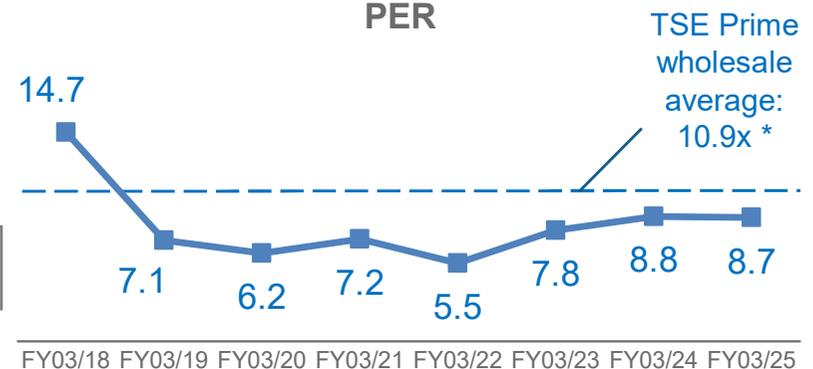
ROE



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

Financial Strategies: 3. Measures to Realize Management Conscious of Cost of Capital and Share Prices



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 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

We actively engage in dialogue with investors, provide feedback to the Board of Directors, and disclose the content of such dialogue.

■ Dialogue with shareholders and investors is conducted by the President, the executive officer in charge of IR, and the IR Department

【Record of IR Activities for FY2024】

Activities	Frequency
Financial results briefings	2 times
One-on-one meetings with institutional investors & analysts (including foreign investors and analysts)	66 times
Briefing session for individual investors (participation in IR fair)	1 time

■ Feedback to the Board of Directors

Opinions and concerns identified through dialogue with shareholders and investors are reported to the Board of Directors about three times a year (in FY03/2025, reports were made three times, in July and August 2024, and January 2025).

■ Disclosure of investor dialogue

Key topics discussed with investors, along with the Company’s views, understanding, and responses, are disclosed annually on the Company’s [website](#) in May.

Inabata & Co., Ltd.
May 09, 2025

Implementation Status of Dialogue with Shareholders in FY2024

At Inabata & Co., Ltd., we actively engage in dialogue with shareholders and investors, with the aim of promoting sustainable growth and enhancing our corporate value over the medium to long term. The following is a report on the implementation of our dialogue with shareholders and investors in FY2024.

1. Structure for Promoting Investor Relations (IR)

- The President assumes ultimate responsibility for investor relations (IR), supported by an executive officer in charge of IR. Dialogue with shareholders and investors is conducted by the President, the IR Officer, and relevant departments.
- Our dedicated IR Department works in collaboration with related departments to gather and analyze various business data. This ensures the timely and accurate distribution of information within the company and to the public.

2. Summary of IR Activities

- We actively accommodate meetings with investors to the extent reasonable and similarly respond to requests for meetings with outside directors where feasible.

3. Corporate Governance

■ Promoted strengthening corporate governance to achieve the Group's management philosophy and vision

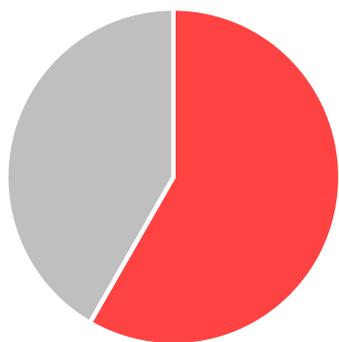
- June 2003 Executive officer system introduced
- June 2006 Term of appointment of directors reduced from two years to one year
- June 2013 Appointment of two outside directors
- June 2015 Appointment of three outside directors
- November 2015 Nominating and Remuneration Committee (voluntary) established
Evaluation of the Board of Directors introduced
- June 2022 **Transition to a company with an audit and supervisory committee**
Transition to having independent directors comprise the majority of directors

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



Independent directors

Directors (audit and supervisory committee members)

5 persons



Independent directors

Experience and expected roles of directors



In light of our mission, aspirations, long-term vision IK Vision 2030, and medium-term management plan NC2026, we, as a global business operator, have identified skills necessary to build a framework to enable the Board of Directors to fulfill their roles of decision making and supervision of business execution, and created a skills matrix as below.

	Name	Global management	Business & industry knowledge			Finance & accounting	Legal, risk management, & internal control	HR & labor	IT & digital	ESG
			Electronics & energy	Materials & chemicals	Food & Life					
Directors	Inside	Katsutaro Inabata	●		●		●	●		●
		Toyohiro Akao		●	●	●				
		Kenichi Yokota				●	●	●	●	●
		Noriaki Takeshita			●	●		●	●	
	Independent	Osamu Chonan	●							
		Hisayuki Suekawa	●							
		Mari Ikegaki*						●		●
Directors (Audit and Supervisory Committee members)	Inside	Nobukazu Kuboi				●	●			●
		Independent	Minoru Sanari		●			●		
	Tomokazu Fujisawa					●	●			
	Noriya Yokota					●	●	●	●	●
	Shiho Ito*				●	●				

* Female director

Notes: An explanation of each skill is provided on pages 47-49 of this material or on page 17-21 of [the Notice of Convocation of the Ordinary General Meeting of Shareholders](#) held in June 2025.

- Three independent directors who are not audit and supervisory committee members

We aim to enhance supervisory functions and increase corporate value by taking advantage of the independent directors' extensive experience and wide-ranging insight into company business.



Osamu Chonan *

Lead independent director/Chair of Nominating and Remuneration Committee

Background

Former Representative Director, President and Chief Executive Corporate Officer, Kewpie Corp.
Current Outside Director, Lotte Co., Ltd.

Reasons for appointment

Mr. Chonan has extensive experience as the head of the sales department and as an executive at a global food manufacturer.



Hisayuki Suekawa *

Nominating and Remuneration Committee Member

Background

Former Representative Director, President and CEO, Shiseido Co., Ltd.
Current Unaffiliated Director, Morishita Jintan Co., Ltd.

Reasons for appointment

Mr. Suekawa has extensive experience as a corporate executive and as the head of the corporate planning department at a globally operating manufacturer, primarily in the cosmetics industry.



Mari Ikegaki *

Nominating and Remuneration Committee

Background

Former Representative Director, Morgan Stanley Japan Business Group Co., Ltd.
Former Managing Director, Morgan Stanley
Current Outside Director (Audit & Supervisory Committee Member), COMTURE CORPORATION

Reasons for appointment

Ms. Ikegaki has extensive experience as the head of the human resources function and as a member of the executive committee at a global financial institution offering a wide range of services including investment banking, securities, and asset management.

* Mr. Osamu Chonan, Mr. Hisayuki Suekawa and Ms. Mari Ikegaki are registered as independent officers with the TSE.

- Four independent directors who are audit and supervisory committee members



Minoru Sanari *

Background

Former Executive Officer, Tokyo Gas Co., Ltd.
Current Special Counsel, Hayakawa Low Offices.

Reasons for appointment

As an attorney at Japan's largest city gas company, Mr. Sanari has specialized knowledge and extensive experience in corporate legal affairs and governance.



Tomokazu Fujisawa *

Background

Former Director, Audit & Supervisory Committee Member, Astellas Parma Inc.

Reasons for appointment

Mr. Fujisawa has experience in auditing operations and at overseas subsidiaries for a global pharmaceutical company, as well as extensive experience as a director and member of the Audit & Supervisory Committee.



Noriya Yokota *

[Head audit and supervisory committee / Nominating and Remuneration Committee member](#)

Background

Former Director, Senior Executive Officer, Kirin Holdings Co., Ltd.
Current Senior Advisor, Japan Activation Capital, Inc.

Reasons for appointment

Mr. Yokota has extensive experience as a factory manager and head of the manufacturing division of a manufacturer engaged in producing and selling alcoholic and non-alcoholic beverages, pharmaceuticals, etc. worldwide. After serving as an executive at an overseas subsidiary, he was an executive officer in charge of human resources, finance, IT, and management strategy.



Shiho Ito *

Background

Former Partner, Shin Nihon & Co. (now Ernst & Young ShinNihon LLC).
Current Shiho Ito certified public accountant's office.
Current External Director, Japan Display Inc.

Reasons for appointment

Ms. Ito, a certified public accountant, has wide-ranging experience as a partner at a major domestic auditing firm and as an outside director at a leading LCD panel manufacturer.

* Mr. Minoru Sanari, Mr. Tomokazu Fujisawa, Mr. Noriya Yokota and Ms. Shiho Ito are registered as independent officers with the TSE.

[Nominating and Remuneration Committee] (Voluntary)

Established in 2015

Ensures objectivity, fairness and transparency with respect to appointing senior management, nominating director and executive officer candidates, and making decisions on director remuneration

Independent directors are key members

- Chairperson : lead independent director
- Current membership: 4 independent directors and 1 internal director
- Number of times held: FY03/2025 8 times *

Item	Main deliberations and activities
Nomination-related	Individual interviews with director/executive officer candidates Selection of director/executive officer candidates
Remuneration-related	Review of remuneration of directors (excluding directors who are Audit & Supervisory Committee members) based on performance evaluations

* Interviews with director and executive officer candidates by the Nominating and Remuneration Committee (two times) were conducted only by independent directors.

Objective - To increase corporate value by enhancing the effectiveness and transparency of the Board of Directors; evaluation of the Board began in 2015

■ FY03/2024

Had a third-party evaluation, which takes place every three years
Conducted the evaluation for all directors using surveys and individual interviews

■ FY03/2025

Performed a self-evaluation of all directors using a survey format

■ FY03/2026

Self-evaluation of all directors using questionnaires underway
⇒Plans to disclose results of the evaluation and measures to be taken in April 2026

Evaluation results (self-evaluation) for FY03/2025

- 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

Areas for improvement identified through third-party evaluations in FY03/2024

- Further discussion on medium-term strategies and management issues
- Further discussion on the CEO succession plan
- Provision of sufficient information by the Nominating and Remuneration Committee to the Board of Directors
- Reinforcement of the internal audit system
- Further improvements in distributing information to the capital market

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

From FY03/2025, adopted achievement rates of the Group engagement survey as indicators for 3) Board Benefit Trust (BBT)

■ Remuneration for directors who are not Audit and Supervisory Committee members*

1) Fixed remuneration

2) Performance-based remuneration:

- Profit before taxes (excluding gain on sales of investment securities)

- Return on invested capital (ROIC and ROE)

- Share price

- ESG scores from several outside evaluation agencies (FTSE Russell and MSCI)

Performance-based compensation is calculated by multiplying each of the above coefficients.

3) Board Benefit Trust (BBT)

Fixed point + Performance points (Performance coefficient : achievement rates of the consolidated operating profit target and the Group engagement survey)

Ratio of performance-based remuneration to fixed remuneration in FY03/2025



■ Remuneration for directors who are Audit and Supervisory Committee members

1) Fixed remuneration only

* Remuneration for directors who are not executive directors is fixed remuneration only.

4. Sustainability

- We will push forward with sustainability management in accordance with our corporate group's mission, which emphasizes respect for humankind.

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
April 2022	Signed UN Global Compact (UNGC)
June 2022	Announced “2050 Carbon Neutrality Declaration*1”
August 2022	Selected as a component of the FTSE Blossom Japan Sector Relative Index*2 (subsequently selected for four consecutive years)
March 2023	Certified as a Health & Productivity Management Outstanding Organization 2023
April 2023	Endorsed the recommendations of TCFD
August 2023	Selected as a component of the FTSE Blossom Japan Index*2 (subsequently selected for three consecutive years)
May 2024	Announced “Sustainability Mid-Term Plan 2026”
July 2024	Entered into the Company’s first green loan agreement
December 2024	Issued the Company’s first green bonds Selected as a component of the MSCI Japan Empowering Women Index (WIN)
June 2025	Selected as a component of the SOMPO Sustainability Index
August 2025	Selected as a component of the JPX-Nikkei Index Human Capital 100
September 2025	Achieved virtually 100% renewable energy usage for electricity consumption across the domestic consolidated group (FY2024)

*1 Targets the amount of internal emissions (Scope 1 and 2)

*2 Renamed to the FTSE JPX Blossom Japan Index and the FTSE JPX Blossom Japan Sector Relative Index in December 2025

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 1 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

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

KPI	FY2026 Target	FY2024 Actual *FY2023 results shown in angled brackets.
» <small>Consoli-dated</small> GHG emission (Scopes 1 and 2)	Reduce by 25% compared to FY2022 levels	12.9% reduction compared to FY2022 <3% reduction compared to FY2022>
» <small>Consoli-dated</small> Net sales of environment-related business	100 billion yen	43.5 billion < 38.6 billion >
» <small>Consoli-dated</small> 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)
» <small>Non Consoli-dated</small> 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
» <small>Non Consoli-dated</small> 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

Respecting human rights in the spirit of love (ai) and respect (kei) and growing together with local communities
Fostering and strengthening the human capital driving the value creation
Enhancing governance and risk management

KPI		FY2026 Target	FY2024 Actual <small>*FY2023 results are shown in angled brackets.</small>
Consoli- dated >> 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% >
>> 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%)	To be calculated at end-June
>> 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 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)

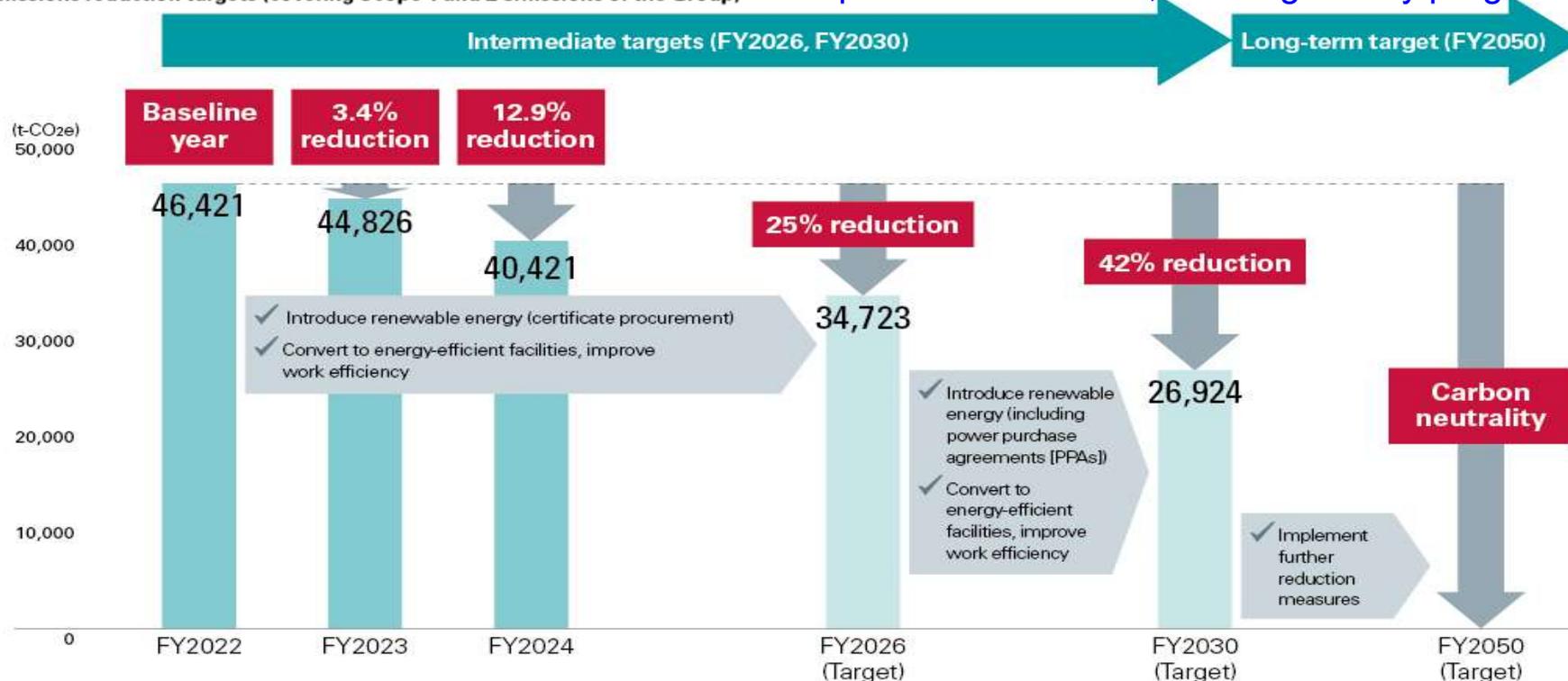
- We were certified as a Health and Productivity Management Outstanding Organization for three consecutive years, in recognition of our management-level commitment and a range of initiatives, including walking events.

Climate Change

- Identified as a priority issue (materiality) “Contributing to a decarbonized and circular society”
- June 2022 Announced “2050 Carbon Neutrality Declaration*”
- June 2022 Began disclosures in accordance with TCFD recommendations
- June 2023 Began disclosure of Scope 1 and 3 in addition to Scope 2
 - Conducted 1.5°C and 4°C scenario analyses to estimate financial impact
 - Complied with all TCFD requirements
- May 2024 Established a long-term goal of achieving carbon neutrality in FY2050, along with interim goals for FY2026 and FY2030

In FY2024, GHG emissions were reduced by 12.9% compared with FY2022, marking steady progress.

GHG emissions reduction targets (covering Scope 1 and 2 emissions of the Group)



* Targets the amount of internal emissions(Scope 1 and 2)

Fostering and Strengthening Human Capital



Identifying issues through engagement surveys to increase HR capabilities, the source of value creation

- ✓ From May 2024, conducted engagement surveys covering domestic and overseas consolidated subsidiaries
- ✓ Intend to continue making improvements, with the goal of creating a work environment where every employee can thrive

Survey results (2021–2025)		May 2021	May 2022	May 2023	May 2024	May 2025
Number of employees surveyed (people)	Total	1,400	1,697	1,901	2,714	2,837
	Inabata & Co.	587	606	652	686	715
	Overseas trading companies	768	934	903	864	881
	Overseas manufacturing companies	45	157	346	624	574
	Domestic subsidiaries	—	—	—	540	667
Response rate (%)	Total	49	73	72	82	88
Overall average score*1		3.68	3.77	3.61	3.64	3.67
Ratio of positive responses for key items*2 (%)	Engagement I am satisfied with the work I am doing at Inabata now.	70	73	76	69	69
	Relationship with superiors I have the necessary collaboration with my supervisor at work.	75	80	80	73	73
	Organizational culture When a problem occurs in the course of my duties, my supervisor and the people around me provide appropriate support.	83	85	83	77	76
	Corporate philosophy I can relate to Inabata's philosophy, vision, and management policies, and I want to participate in achieving them.	70	73	73	67	67
	Human resources system and benefits Inabata's salary standards are satisfactory, compared to other companies in the same industry.	59	55	57	50	54
	Human resources system and training Inabata supports employee training to improve their skills.	41	48	54	51	54
	Work-life balance Overtime is kept to a level that is acceptable for me.	64	69	75	73	71

Inabata and its domestic and overseas consolidated subsidiaries (mainly targeting employees with Company email addresses)

*1 The average score across all items. Employees were asked to rate 39 items on a five-point scale (5. Strongly agree / 4. Agree / 3. Neither agree nor disagree / 2. Disagree / 1. Strongly disagree), and the score for each item was calculated.

*2 The proportion of positive responses, which are ratings of 5 (Strongly agree) and 4 (Agree), among the five-point scale ratings provided by employees.

Fostering and Strengthening Human Capital



We are striving to create an environment where our employees—our most valuable asset as a trading company—can fully realize their potential.

◆ Active promotion of local staff to leadership positions at overseas business locations

◆ Diversity and Inclusion

Promoting participation by women

- ✓ Messages from top management communicated through internal website and newsletters (Diversity Promotion)
- ✓ Continued to enhance systems and programs that support flexible working styles (including telework and remote work arrangements, and initiatives to encourage male employees to take childcare leave)

Supporting participation by seniors

- ✓ Extended retirement age to 65, established a senior employment contract system and a reemployment contract system for employees over 65, and conducted career training and skills development for employees in their 40s and 50s

◆ HR Development

Strengthening the development of talent as a source of value creation

- ✓ Enhanced tiered training programs tailored to each career stage
- ✓ Strengthened the dissemination of the corporate philosophy



Video message from the President, posted on the internal website

Comments from the President

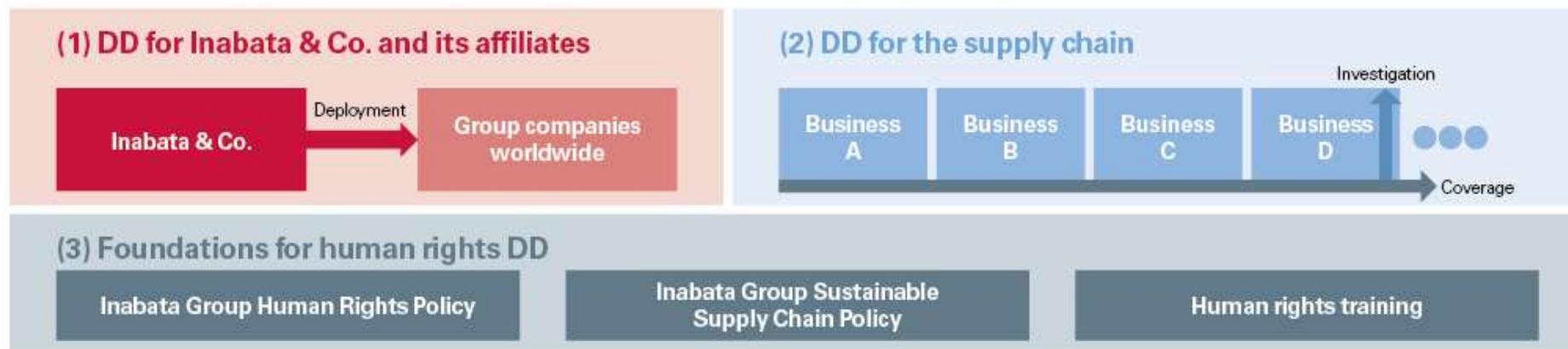
“A group made up of diverse individuals possesses flexible strengths.”

“Diversity means recognizing and respecting different values. We aim to create a workplace free from unconscious assumptions about how things should be done, where each person can freely choose a work style that suits them best.”

Human Rights Due Diligence (DD)

In accordance with the Inabata Group Human Rights Policy, we are striving to give consideration to human rights in our business activities.

Overview of human rights DD



- (1). DD for the Company and its affiliates and (3) Foundation for human rights DD
Implemented various training programs in response to issues identified through a digital human rights DD survey conducted in FY03/2024
- (2). DD for the supply chain
 - Identification (investigation) of business-related risks
Conducted an on-site human rights DD survey of the shrimp business in Vietnam in March 2025, which was subsequently established as a model case for the human rights DD cycle.
 - DD coverage of business partners
Monitored compliance risks of business partners through a screening system; identified no business partners with material risks.

5. Reference

A strong corporate governance foundation is essential to achieving our Mission and Vision

→Continue revamping and strengthening the governance structure

[Mission]

People come first, based on the spirit of “love (ai)” and “respect (kei)” and together we strive towards contributing to the development of society.

[Vision]

To continually evolve, serving clients and society, through global operations and meeting their changing needs.

Deliberations by the Board of Directors

Board discussion on longer-term themes, such as management strategies and sustainability

Main deliberations at the Board of Directors' meeting for FY03/25

Item	Main deliberations	
	Matters resolved	Matters reported
Management strategy	—	Report on the progress toward the medium-term management plan NC2023 targets, review of the significance of strategic shareholdings and the status of their reduction
Director-related	Appointment and compensation of directors, directors' responsibilities related to business execution, election of independent officers, revision to the officers' share-based compensation regulations, liability limitation agreements with directors who do not fall under the category of executive directors, etc., revision of regulations for the Nominating and Remuneration Committee, election of Nominating and Remuneration Committee members, officer liability insurance contract	Nomination of candidates for new directors and executive officers, business execution reports
General Meeting of Shareholders	convocation of General Meeting of Shareholders	—
Governance	Revision to the basic policy on internal control	Corporate governance reports, evaluation of the effectiveness of the Board of Directors, report on the operating status of internal reporting system
Sustainability	Revision to the human rights policy	Succession planning report, issuance of green bonds, director training status report
HR	Appointments of executive officers and key personnel	Report on performance evaluations to be reflected in senior management personnel decisions
Investor relations	—	Institutional investor shareholder identification survey report, domestic and overseas institutional investor post-hearing report, individual investor questionnaire results report
Audit	—	Report on the audit status by the Audit and Supervisory Committee, Audit and Supervisory Committee audit plan, direct reports from the internal audit office
Finance	Issuance of bonds, share buyback, financial results-related, disposal of surplus, difference between the earnings forecast and actual results and revision of the full-year earnings forecast, interim dividend payments	Report on transactions among related parties, monthly financials reports, Annual securities reports
Investment and financing	Submission of a final letter of intent for acquisitions	Report on determination of subsidiaries falling under criteria for withdrawal consideration

1. Global management

We are expanding our business globally, and in particular, in our long-term vision IK Vision 2030, we anticipate that the overseas business ratio will be 70% or more. From this point of view, in order to plan the future growth of the Inabata Group, we believe that it is extremely useful to appoint those who have knowledge of global corporate management as directors. Therefore, especially when inviting independent directors, we make sure to include managers of companies that are developing business globally, especially top management, or those with equivalent experience. The Global management item in the skills matrix is based on top management of a company that is developing business globally or whether the candidate has experience equivalent to this.

When judging the candidates under this requirement, Katsutaro Inabata, Osamu Chonan, and Hisayuki Suekawa all have abundant experience as executive managers in global companies, demonstrating their global management skills.

2. Business and Industrial Knowledge

In managing a specialized trading firm like ours, first and foremost, vast expertise and experience in each business field is indispensable. In particular, regarding executive directors who are in charge of business execution, it is extremely important in practice to the development of the business of a trading firm like ours to hold a wide range of knowledge, experience and personal connections in each of our business fields, and when appointing executive directors, we give consideration to balance among those who have knowledge of the Company's business fields.

More specifically, Katsutaro Inabata was engaged in the Company's Plastics segment for many years. Toyohiro Akao was engaged for many years in the Information & Electronics segment, and then, after being appointed director, he supervised the Chemicals and Life Industry segments. These two executives possess knowledge and experience concerning different businesses of the Company.

When inviting independent directors, we give consideration to the broad knowledge and experience in various business fields, and aim to include individuals capable of providing supervision and opinions on business strategies from an objective perspective. We consider each of the candidates for independent director to have skills in their respective industries based on their experience at other companies and industry background.

3. Finance and accounting

Financial strategy (corporate finance) in corporate management is of course important, and we believe that we need someone among executive directors who is responsible for financial strategy and can lead efforts to improve corporate value through various dialogues with investors. Mr. Kenichi Yokota has long served in management positions in the finance, accounting, and IR departments, and as part of his duties, he has held dialogues with various investors and provided valuable feedback to Company management as part of his consistent efforts to strengthen corporate governance and enhance corporate value. Mr. Noriaki Takeshita has held the position of CFO at a comprehensive chemicals manufacturer's large-scale joint venture in Saudi Arabia. He has extensive knowledge and experience in finance and accounting.

In addition, in order to strengthen the supervisory function for business execution, we believe that it is useful to always include those who are familiar with finance and accounting among directors who are Audit and Supervisory Committee members. Mr. Nobukazu Kuboi has long been engaged in the Company's finance and accounting operations. After being appointed full-time audit & supervisory board member, he was engaged in the Company's audit operations. Mr. Noriya Yokota has held the position of CFO at a major global alcoholic beverages and soft drinks manufacturer. He has extensive knowledge and experience in finance, accounting, and IR operations. Ms. Shiho Ito has specialized expertise as a certified accountant. She has many years of experience in accounting audits at various companies, and this experience will be valuable in strengthening the Company's supervisory function for business execution.

4. Legal, risk management, and internal control

At the Inabata Group, which is expanding its business globally, there are various risks such as credit risk of clients, risk related to business investment, potential risks associated with overseas activities, risk of fluctuations in foreign exchange rate, and risk of fluctuations in commodities markets. Therefore, risk management is extremely important for management. As director, Katsutaro Inabata has had direct control over the internal audit department, and in that capacity, he has been closely involved with risk management and internal controls. In addition, he has served for many years as chair of the Compliance Committee. Kenichi Yokota has served for many years as chair of the Company's Internal Control Committee while being directly involved in the establishment of internal control systems. After being appointed director, he has been in charge of the legal and risk management departments.

In addition, we are committed to management that emphasizes compliance above all else, and in order to strengthen the supervisory function for business execution, we believe it is useful to include those who are familiar with the law among directors who are Audit and Supervisory Committee members without fail. Minoru Sanari is a registered attorney with expertise in all aspects of corporate legal affairs accumulated through his years of work as in-house lawyer at the largest city gas company in Japan.

Additionally, we have chosen to be a company with an audit and supervisory committee with the aim of expediting management decision-making and strengthening the supervisory function for business execution. Companies with an audit and supervisory committee are required to make effective use of the company internal control system to conduct systematic audits. From this point of view, we believe that it is essential to include those who have specialized knowledge and experience in internal control and auditing among directors who are Audit and Supervisory Committee members. Nobukazu Kuboi has been engaged in the establishment of internal control systems since the rollout of the J-SOX system. Tomokazu Fujisawa has extensive hands-on experience in internal control and auditing systems. His experience includes auditing at a major global pharmaceutical company and serving as a full-time audit and supervisory board member and a director who is an audit and supervisory committee member. Shiho Ito has extensive expertise and experience in internal control and auditing after having been engaged in internal controls and audits of various companies over many years as an employee of major audit firms.

5. HR and labor

In a trading firm like ours, human resources are our greatest asset, and human resource development is an important management issue in the medium to long term. The mid-term management plan "NC2026" places a priority on improving the well-being of employees who support our sustainable growth, promoting diversity and inclusion, further expanding health and productivity management initiatives, and making greater investments in our human capital. To implement this strategy, we believe it desirable for directors to include those who have experience and skills in HR and labor, and we place great importance on this perspective when inviting independent directors. During his experience as director, Mr. Katsutaro Inabata has been in charge of the human resources department. Mr. Kenichi Yokota currently is in charge of the human resources department and has extensive experience reforming various personnel systems. Mr. Noriaki Takeshita has experience in the human resources department of a petrochemicals department at a comprehensive chemicals manufacturer.

Additionally, Ms. Mari Ikegaki held positions of responsibility for many years in the human resources division at a foreign company that expands its business globally to provide financial services, and has broad experience in relation to human resources and labor. Therefore, the Company expects that she will provide advice particularly in the areas of human resources strategy, the promotion of diversity, etc. Mr. Noriya Yokota has extensive experience in human resources and labor, having served as director of group-wide human resources and general affairs at a major alcoholic beverages and soft drinks manufacturer.

6. IT and digital

The Company's mid-term management plan, NC2026, includes a medium-term digital strategy as one of the core management strategies. The basic policy behind the digital strategy is to enhance the management information infrastructure and strengthen Group-wide security. To implement the digital strategy and promote data-driven management and digital transformation initiatives, we need specialized expertise in IT and digital technology. In addition, threats to information security have been increasing year by year, and we believe that IT and digital skills are necessary to strengthen countermeasures against these.

Kenichi Yokota holds multiple national certifications in the IT and digital fields for information technology engineers and other experts. With that specialized knowledge, he has led many initiatives aimed at strengthening the Group's overall information security. Additionally, Noriaki Takeshita and Noriya Yokota both have broad expertise in the IT and digital field, having served as CIOs or equivalent positions at major global companies.

7. ESG

We established the Sustainability Committee in October 2021 and consider the promotion of sustainability to be an important management issue. We also consider improving the external evaluation of ESG as an important issue. From this point of view, we believe that it is necessary to include those who have knowledge of sustainability and ESG in corporate management among directors, and take these points into consideration when inviting independent directors.

Katsutaro Inabata has expertise in all areas of ESG, having served as chair of the Company's Sustainability Committee. Kenichi Yokota has led initiatives to improve corporate governance, and while in charge of human resources, he implemented employee engagement surveys and health and productivity management programs. Through these initiatives, he has developed particular expertise in the Governance and Social aspects of ESG. Nobukazu Kuboi was closely engaged in worksite-level initiatives to introduce a corporate governance code. He has developed particular expertise in the Governance aspect of ESG.

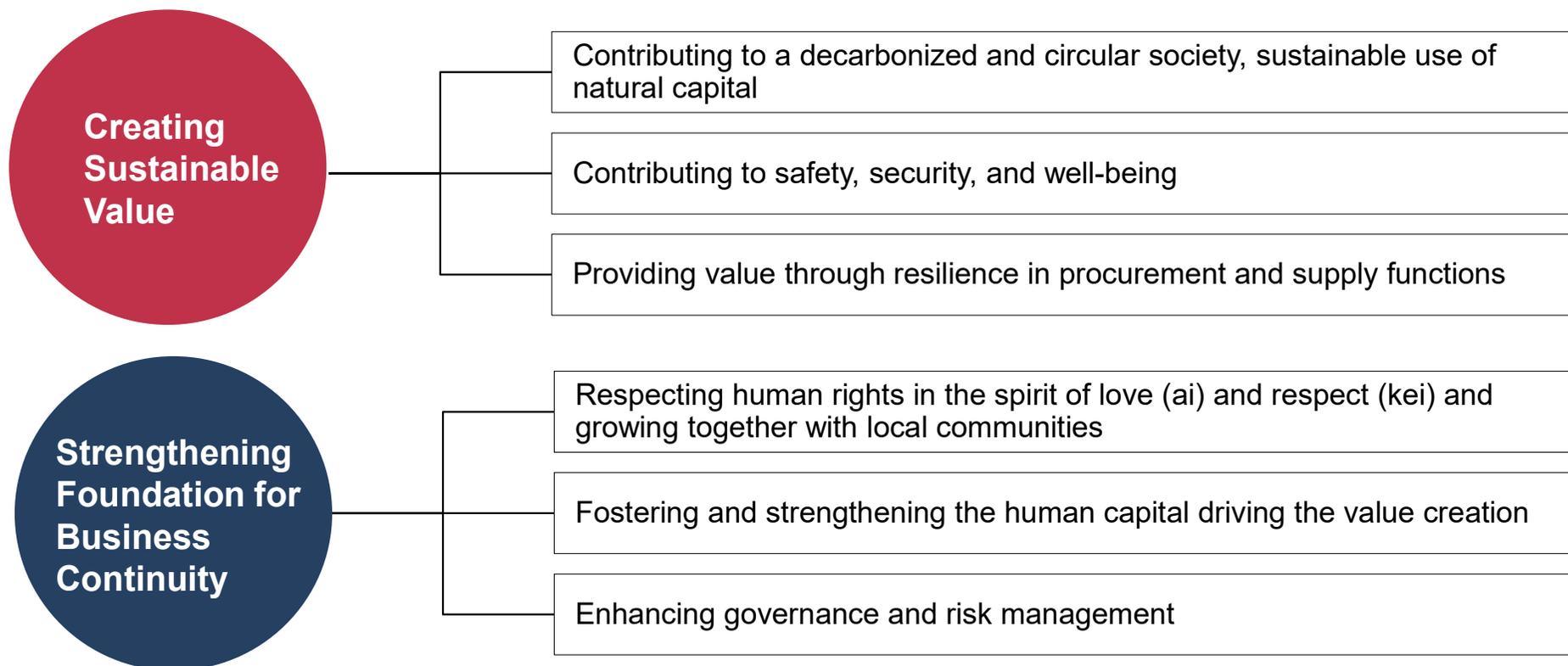
Additionally, Mari Ikegaki has extensive experience in human resources strategy and diversity promotion. She is expected to take a leading role in making recommendations in the Social area of ESG. Noriya Yokota has been in charge of management strategies at a major alcoholic beverages and soft drinks manufacturer that has demonstrated leadership among Japanese companies for its advanced initiatives in the environmental area. He is expected to take a leading role in making recommendations in the Environmental area of ESG.

Major Business Risks

The 15 risks outlined in the matrix below are considered significant risks the Group is facing. The matrix maps out the risks in terms of their potential impact on business performance and the possibility of occurrence, taking into consideration the results of risk evaluation analysis and management's response to risk awareness in the Board Effectiveness Assessment conducted in FY03/2025.

Impact on Business performance ↑	Large	<ul style="list-style-type: none"> ⑤ Risk related to business restructuring ⑥ Risk of fluctuations in commodities markets ⑦ Risk related to quality 	<ul style="list-style-type: none"> ① Potential risks of overseas activities ② Risk related to business investment ④ Credit risk of clients 		
	Medium	<ul style="list-style-type: none"> ③ Risk related to personnel training and retainment ⑧ Risk related to information systems and information security ⑩ Environment-related risks 	<ul style="list-style-type: none"> ⑨ Risk of fluctuations in foreign exchange rate 		
	Small	<ul style="list-style-type: none"> ⑬ Risk of natural and other disasters ⑭ Risk of decline in value of securities held ⑮ Risk of fluctuations in retirement benefit obligation 	<ul style="list-style-type: none"> ⑪ Risk related to interest rates ⑫ Risk related to laws and regulations 		
		Law	Medium	High	Possibility of occurrence →

■ Inabata Group Materiality



- We have identified priority issues with impact on our pursuit of sustainable growth (June 2022)
- Announced KPIs for materiality (May 2024)

Products that reduce environmental load

Due to a deterioration in the business environment, sales in the energy & power field declined. Sales in the resources & environment and materials & chemicals fields grew steadily.

(Billions of yen)

Field	Main contents	Sales		
		FY03/24 (actual)	FY03/25 (actual)	FY03/26 (forecast)
Energy & Power	Renewable energy-related, battery-related, etc.	24.4	22.5	15.6
Resources & Environment	Sustainable raw materials, recycling, water-related	10.7	13.8	16.1
Materials & Chemicals	Low carbon materials, reduction of environmental pollutants, etc.	3.1	6.7	8.0
Environmental certifications	Forest certification, marine certification, etc.	0.1	0.5	0.1
Total* *Simple aggregate value		38.6	43.5	40.0

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◆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.