

## Profile

Inabata & Co., Ltd. is a specialized trading company operating in five business segments led by Information & Electronics and Plastics, followed by Chemicals, Life Industry, and Housing & Eco Materials. Inabata operates in about 60 locations in 18 countries around the world. Inabata is capable of responding to diverse and global needs of its clients, utilizing its highly specialized expertise in each business segment, offering a comprehensive service ranging from planning, logistics, and manufacturing/processing. Inabata operates multiple manufacturing/processing bases mainly in Asia. Close collaboration with clients gives Inabata access to the latest information on product developments and marketing trends. This is what makes Inabata's strategy to expand its trading business unique.

### Share information (July 31, 2018)

Share price	¥1,645
Total shares issued	63,499,227
Market capitalization (millions)	¥104,456

## Investment Highlights

➤ **Net sales were record high but profits fell short of plan due to booking of allowance for doubtful accounts in the fiscal year ended March 2018**  
 In the fiscal year ended March 2018, the first year of its medium-term business plan, Inabata posted record high net sales owing to the impacts of yen depreciation and strong performance mainly at the plastics segment. However, profits fell short of plan due to the booking of an allowance for doubtful accounts from a solar cell-related business of its European subsidiary, as well as an allowance for doubtful accounts on claims for infrastructure-related projects in the Middle East. The plastics segment posted robust sales overall centered on the automotive-related business—an area of focus. The Group is expanding business with parts manufacturers globally by leveraging its plastics compound business spread over eight locations in seven countries. Although a significant forecast revision was required for the solar cell-related business of the information & electronics segment, the mainstay liquid crystal-related business performed strong mainly driven by sales of polarizing film materials.

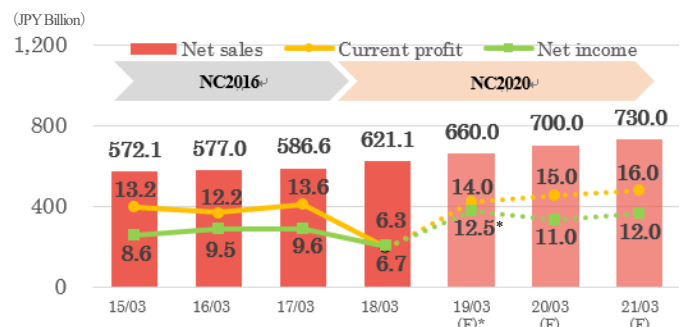
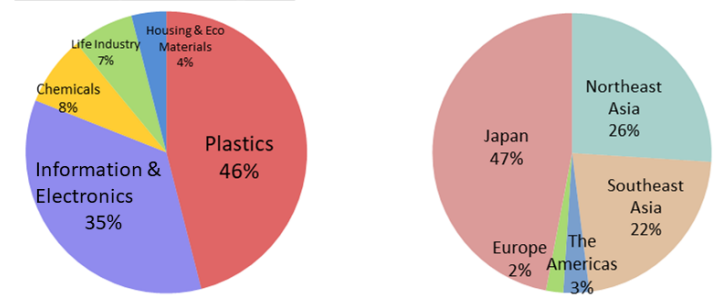
➤ **Medium-term business plan: New Challenge 2020 (NC2020)**  
 In its four-year medium-term business plan entitled NC2020 (final year: fiscal year ending March 2021), Inabata will focus on development of the automotive, life science & medical, environment & energy, and food, including agriculture, sectors.  
**Plastics Segment:** Inabata will focus on increasing shares in the automotive sector. The Group aims to expand its business in North America by boosting sales to key global clients and utilizing its plastic compounding facility in Mexico.  
**Information & Electronics Segment:** Under NC2020, the Group forecasts gradual growth in the liquid-crystal related business while it aims to continue expanding shares in the main Chinese market. It intends to focus on cultivating LED-related and new energy-related businesses while maintaining earnings from the copying machine/printer-related business.

Shareholder return policy will remain the same, with the benchmark of total shareholder return ratio set at 30% to 35%. Dividend for the fiscal year ending March 2019 is planned to be 48 yen\* per share.

## Key strategies in NC2020

- 1 Further broadening and deepening of business outside Japan**
  - Continual development of the automotive, life science & medical, and environment & energy sectors
  - Launching new initiatives in the food business, including in the field of agriculture
- 2 Focus on markets with growth potential and sectors that have yet to be developed**
- 3 Further enhancement of information infrastructure essential for global management**
  - Setting priority on what is best as a group
  - Further enhancement of global business management and standardization
- 4 Stepping up investments to expand trading business**
  - Making minority investments primarily to expand trading business
  - Considering majority investments but with limited risk and scale
- 5 Continual review of assets and enhancement of financial standing**
- 6 Establishing global human resources management**

Year Ended March 2018  
 Net sales by business segment      Net sales by geographical segment



\* Updated on Feb. 7, 2019

### Additional strengthening of corporate governance

Inabata voluntarily established the Nominating and Remuneration Committee in 2015. In the fiscal year ended March 2018, the Group carried out an external evaluation of its board of directors and disclosed results of the evaluation as well as the Group's response to the results.

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