

Profile

Inabata & Co., Ltd. is a specialized trading company operating in four business segments led by Information & Electronics and Plastics, followed by Chemicals, and Life Industry. Inabata operates in about 60 locations in 19 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.

Stock information and financial indicators (August 18, 2023)

Share price	¥3,125
Total shares issued	55,914,127
Market capitalization (millions)	¥174,731
ROE (FY03/23)	11.0%
Net D/E ratio (FY03/23)	0.16x

Investment Highlights

➤ Net sales and operating profit reached record highs in FY03/23

In FY03/23, sales amounted to ¥735.6 billion, operating profit ¥20.3 billion, ordinary profit ¥19.1 billion, and profit attributable to owners of parent ¥19.4 billion. Sales and operating profit reached record highs owing to a rise in selling prices of raw materials, primarily in the mainstay Plastics segment, and a weak yen.

➤ Medium-term management plan: Key initiatives

In the three-year medium-term management plan "New Challenge 2023 (NC2023)," we are aggressively making investments aimed at future growth. In FY03/23, we invested in the renewable energy sector, including batteries, and the downstream domains of the food industry.

➤ Measures to maintain PBR of higher than 1x at all times

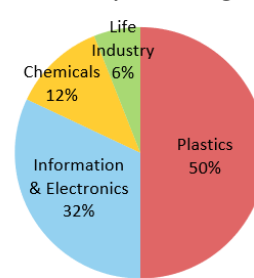
We aim to increase share prices to a level that would guarantee PBR of higher than 1x at all times through the following measures: enhancing business value by stepping up efforts in line with the key initiatives of NC2023; fostering growth expectations; maintaining ROE of 10% or higher; and controlling and reducing the cost of capital.

➤ Basic Policy on Shareholder Return during NC2023

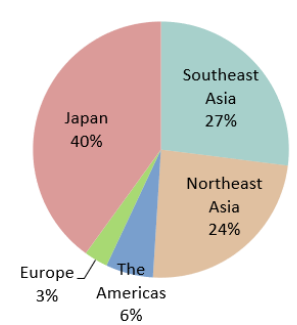
- 1) Progressive dividends
 - 2) Target total return ratio of around 50%
- FY03/23 (actual) Dividend per share ¥115, Total return ratio 47.1%

Year Ended March 2023

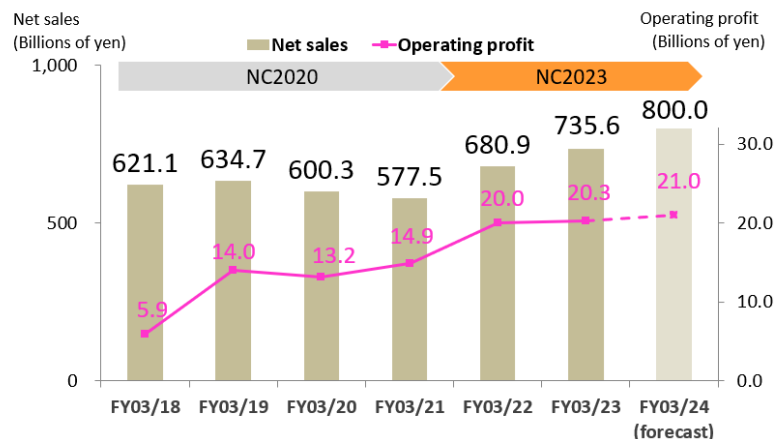
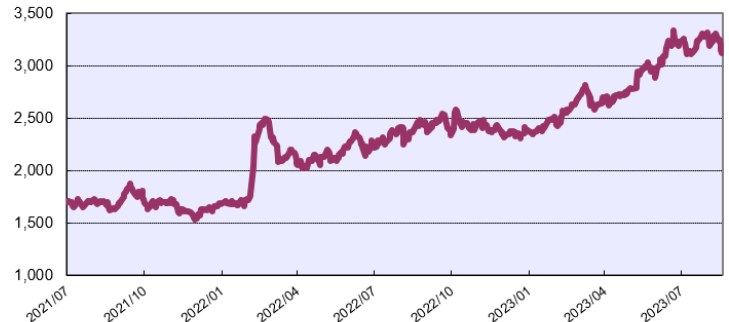
Net sales by business segment



Net sales by geographical segment



(JPY) Inabata & Co., Ltd. Share Price (July 1, 2021 – Aug. 18, 2023)



*Inabata has adopted Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) effective from FY03/22.
*FY03/24 (forecast) announced May 10, 2023.

Key Initiatives for NC2023	Specific measures underway
1. Further development of core businesses and horizontal expansion into growth sectors	<ul style="list-style-type: none"> Focus on the automobile, especially EV, field Acquisition of Maruishi Chemical Trading (made it a subsidiary)
2. Multi-faceted approach to markets with potential for future growth and steady monetization efforts	<ul style="list-style-type: none"> Participation in biomass power generation business (Fukuyama, Sakaiminato) Expansion of sales of products that reduce environmental load Investment in semiconductor-related companies
3. Intensification of investment targeting future growth	<ul style="list-style-type: none"> Acquisition of Daigo Tsusho (made it a subsidiary) Establishment of a US subsidiary that manufactures lithium ion battery-related materials Reinforcement of Business Planning Office functions
5. Continuous review of assets and further improvement of capital and asset efficiency	<ul style="list-style-type: none"> Fundraising for growth investment through the sale of strategic shareholdings Issue of straight bonds
6. Enhancement of human capital utilization efforts	<ul style="list-style-type: none"> Introduction of a restricted stock incentive plan for the employee shareholding association Utilization of employee engagement surveys Revision of HR systems to promote diversity Enhancement of training systems to nurture global talent

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The projections contained within this document are based on certain conditions and assumptions decided upon by the management using data current as of the date the document was published. Actual performance may differ greatly as a result of a variety of factors in the future.