

June 21, 2023

Inabata & Co., Ltd.

● **Expertise and experience required of the Company's directors (skill matrix)**

	Name	Global management	Business strategy/ Industry knowledge			Finance and accounting	Legal/ risk management/ Internal control	HR/labor	IT/digital	ESG
			Electronics/ Energy	Materials/ Chemicals	Food/ Life					
Director	Katsutaro Inabata	●		●			●	●		●
	Toyohiro Akao		●	●	●					
	Kenichi Yokota					●	●	●	●	●
	Masahiro Sugiyama		●	●						
	Takashi Shigemori			●		●			●	
	Takako Hagiwara*		●					●		●
	Osamu Chonan*	●			●					
Director (Audit and Supervisory Committee Member)	Kenji Hamashima*	●	●			●				
	Satoshi Tamai*					●	●			
	Minoru Sanari*		●				●			
	Tomokazu Fujisawa*				●		●			
	Noriya Yokota*				●	●		●	●	●

(Note) * denotes an independent outside director.

[Our way of thinking about the skill matrix]

Our mission is that “People come first, based on the spirit of love (ai) and respect (kei), and together we strive towards contributing to the development of society,” and we seek to take the approach of “To continually evolve, serving clients and society, through global operations and meeting their changing needs.” We have also set forth our long-term vision, the IK Vision 2030, which is how we envision ourselves around 2030, and have positioned our medium-term business plan, the NC2023, as a step toward fulfilling that long-term Vision. In identifying the skills expected of directors, we have determined what skills are necessary to build a system that can fulfill the decision-making and supervisory functions related to business execution of the Board of Directors of our globally operating company, based on our management philosophy, our Vision, our long-term vision IK Vision 2030 and the medium-term business plan, the NC2023. From this perspective, we have specifically identified the skills listed on the right and developed a skills matrix.

[Skills that our Board of Directors are expected to have]

1. Global management

We are developing our business globally, and in particular, our long-term vision IK Vision 2030 envisages increasing the ratio of our business conducted overseas to 70% or more. From this perspective, we believe that it is extremely useful to appoint people with knowledge of global corporate management to the Board of Directors in order to promote our future growth. For this reason, when inviting outside directors, we take particular care to ensure that their experience includes top management of companies with global operations, or equivalent experience. The “global management” item in the skills matrix is based on the presence or absence of top management or equivalent experience at companies with global operations.

2. Business Strategy/Industry 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.

When inviting outside 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.

3. Finance & accounting

The importance of financial strategy (corporate finance) in corporate management goes without saying. We believe that it is necessary for some executive directors to be in charge of financial strategy, and to spearhead initiatives to enhance corporate value through various dialogues with investors. In addition, in order to strengthen the supervisory function over business execution, we believe that it is useful to ensure that directors who are familiar with finance and accounting are included on the Audit and Supervisory Committee.

4. Legal/Risk Management/Internal Control

At Inabata & Co., Ltd., which is expanding its business globally, there are various risks such as credit risk of business partners, risk related to business investment, country risk associated with overseas business, foreign exchange risk, and the product market fluctuation risks. Therefore, risk management is extremely important for management. 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.

The Company has 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.

5. HR & labor

For a trading company such as Inabata, human resources are our greatest asset, and human resource development is an important management issue over the medium to long term. In our medium-term business plan, the NC2023, we are working to improve our initiatives for training global human resources, further enhancing our systems to increase diversity, boosting employee engagement, and reforming work styles. From this perspective, we believe that it is desirable to have directors with experience and skills in human resources and labor affairs, and we place importance on these perspectives when inviting outside directors.

6. IT & digital

Knowledge of IT and digital technology is indispensable for promoting digital transformation (DX). In addition, threats to information security are increasing year by year, and we believe that IT and digital skills are necessary to strengthen our countermeasures against such threats.

7. ESG

We established the Sustainability Committee in October 2021, and regard the promotion of sustainability as an important management issue. We also consider the improvement of external ESG assessments to be an important issue. From this perspective, we believe that it is necessary to include persons with knowledge of sustainability and ESG in corporate management on the Board of Directors, and we take these points into consideration when inviting outside directors.