

Corporate Governance

Management (As of June 21, 2023)

Directors



Katsutaro Inabata
Director, President
Jan. 1989 Joined Inabata & Co., Ltd.
Dec. 2005 Director, President (present)



Toyohiro Akao
Director, Senior Managing Executive Officer
Information & Electronics, Life Industry,
the Americas, Europe
Apr. 1982 Joined Inabata & Co., Ltd.
Jun. 2015 Director, Senior Managing Executive
Officer (present)



Kenichi Yokota
Director, Senior Managing Executive Officer
Administrative Affairs
Jul. 1996 Joined Inabata & Co., Ltd.
Jun. 2017 Director, Senior Managing Executive
Officer (present)



Masahiro Sugiyama
Director, Managing Executive Officer
Chemicals, Information & Electronics (assisting),
Northeast Asia
Jul. 2002 Joined Inabata & Co., Ltd.
Jun. 2018 Director, Managing Executive Officer
(present)



Takashi Shigemori
Director
Apr. 1983 Joined Sumitomo Chemical Co., Ltd.
Apr. 2012 Executive Officer, Sumitomo Chemical
Co., Ltd.
Apr. 2016 Managing Executive Officer, Sumitomo
Chemical Co., Ltd.
Apr. 2019 Senior Managing Executive Officer,
Sumitomo Chemical Co., Ltd.
Jun. 2019 Director, Senior Managing Executive
Officer, Sumitomo Chemical Co., Ltd.
Jun. 2021 Senior Managing Executive Officer,
Sumitomo Chemical Co., Ltd.
Director (non-executive), Sumitomo Seika
Chemicals Co., Ltd. (present)
Apr. 2023 Advisor, Sumitomo Chemical Co., Ltd.
(present)
Jun. 2023 Director, Inabata & Co., Ltd. (present)



Takako Hagiwara
Director, Chairperson of the Nominating and
Remuneration Committee
Apr. 1984 Joined Sony Corp. (now Sony Group Corp.)
Apr. 2008 General Manager, Diversity Development
Div., Corporate Human Resources,
Sony Corp.
Apr. 2014 Representative Director, Sony Hikari Corp.
and Sony Kibou Corp. (now Sony
Kibou/Hikari Corp.)
Jul. 2020 Representative Director, DDD Corp.
(present)
May 2021 Outside Director, Twinbird Corp. (present)
Jun. 2021 Outside Director, Inabata & Co., Ltd.
(present)
Outside Director, NEC Capital Solutions
Ltd. (present)



Osamu Chonan
Director
Apr. 1980 Joined Kewpie Corp.
Sep. 2008 Corporate Officer, Manager of Osaka
Branch, Kewpie Corp.
Jul. 2012 Corporate Officer, Manager of Tokyo
Branch, Kewpie Corp.
Feb. 2014 Director, Manager of Tokyo Branch,
Kewpie Corp.
Feb. 2016 Director, Executive Corporate Officer,
Kewpie Corp.
Feb. 2017 Representative Director, President and
Chief Executive Corporate Officer,
Kewpie Corp.
May 2021 Chairman, Kewpie Miraitamago
Foundation (present)
Feb. 2022 Advisor, Kewpie Corp.
Jun. 2023 Outside Director, Inabata & Co., Ltd.
(present)

Directors, Audit and Supervisory Committee Members



Kenji Hamashima
Director, Chairperson of the Audit and
Supervisory Committee
Apr. 1982 Joined Ushio Inc.
Apr. 1999 President and Chief Executive Officer,
Ushio America, Inc.
Nov. 2000 Chairman and Chief Executive Officer,
Christie Digital Systems USA, Inc.
Oct. 2014 President and Chief Executive Officer,
Ushio Inc.
Apr. 2020 Special Adviser, Ushio Inc. (present)
Jun. 2020 Outside Director, Inabata & Co., Ltd.
Jun. 2022 Outside Director, Audit and Supervisory
Committee Member, Inabata & Co., Ltd.
(present)
Outside Director, Nichirei Corp. (present)



Satoshi Tamai
Director, Audit and Supervisory
Committee Member
Apr. 1984 Joined Sumitomo Corp.
Oct. 1991 Joined Century Auditing Corp. (now Ernst
& Young ShinNihon LLC)
Mar. 1995 Registered as certified public accountant
Jul. 2017 Representative of Satoshi Tamai Certified
Public Accountant Office (present)
Mar. 2018 Outside Auditor, Toho Lamac Co., Ltd.
(present)
Jun. 2020 Outside Audit & Supervisory Board
Member, Inabata & Co., Ltd.
Outside Auditor, PC Depot Corp. (present)
Jun. 2022 Outside Director, Audit and Supervisory
Committee Member, Inabata & Co., Ltd.
(present)



Minoru Sanari
Director, Audit and Supervisory
Committee Member
Apr. 1983 Joined Tokyo Gas Co., Ltd.
Apr. 1995 Bar admission (Daini Tokyo Bar Association)
Apr. 2008 General Counsel, Legal Section, General
Administration Department, Tokyo Gas Co., Ltd.
Apr. 2017 Executive Officer, Tokyo Gas Co., Ltd.
Apr. 2019 Senior Advisor, Tokyo Gas Co., Ltd. (present)
Jun. 2022 Outside Director, Audit and Supervisory
Committee Member, Inabata & Co., Ltd.
(present)



Tomokazu Fujisawa
Director, Audit and Supervisory
Committee Member
Jul. 1984 Joined Fujisawa Pharmaceutical Co., Ltd.
(now Astellas Pharma Inc.)
Apr. 1999 Director of Planning, Medical Supply
Business, Fujisawa Pharmaceutical Co., Ltd.
Apr. 2003 Assistant to CEO, Fujisawa Healthcare Inc.
(now Astellas US LLC)
Jun. 2014 Full-Time Audit & Supervisory Board
Member, Astellas Pharma Inc.
Jun. 2018 Director, Audit & Supervisory Committee
Member, Astellas Pharma Inc.
Jun. 2022 Outside Director, Audit and Supervisory
Committee Member, Inabata & Co., Ltd.
(present)



Noriya Yokota
Director, Audit and Supervisory
Committee Member
Apr. 1984 Joined Kirin Brewery Co., Ltd. (now Kirin Holdings Co., Ltd.)
Mar. 2014 Executive Officer, General Manager, Production & Quality Control
Department, Kirin Brewery Co., Ltd.
Mar. 2017 Senior Executive Officer, Kirin Holdings Co., Ltd.
Director, Senior Executive Officer, Kirin Co., Ltd.
Director, Kyowa Hako Kirin Co., Ltd. (now Kyowa Kirin Co., Ltd.)
Mar. 2018 Director, Senior Executive Officer, Kirin Holdings Co., Ltd.
Mar. 2022 Director, Kirin Brewery Co., Ltd.
Jun. 2023 Outside Director, Audit and Supervisory Committee Member,
Inabata & Co., Ltd. (present)

Koji Nakano

Managing Executive Officer
Plastics,
Southeast Asia
General Manager,
Southeast Asia

Kazuhiro Hanaki

Executive Officer
General Manager,
Nagoya Branch

Shinya Kawai

Executive Officer
Plastics (assisting)
General Manager,
Plastics Division I;
General Manager,
Plastics Compound
Business Office

Yutaka Takahashi

Executive Officer
Life Industry (assisting)
General Manager,
Chemicals Division

Katsutoshi Tanaka

Executive Officer
(President,
Inabata Fine Tech
Co., Ltd.)

Tsuyoshi Maruta

Executive Officer
General Manager,
Information &
Electronics Division I

Koichi Noda

Executive Officer
General Manager,
Financial Management Office

Takaharu Ookura

Executive Officer
General Manager,
Northeast Asia

Masato Tsunoda

Executive Officer
General Manager,
Risk Management Office

Note: The title in parentheses is his position at the company to which he has been assigned.

Note: Directors Takako Hagiwara, Osamu Chonan, Kenji Hamashima, Satoshi Tamai, Minoru Sanari, Tomokazu Fujisawa, and Noriya Yokota are independent outside directors.

Nobukazu Kuboi

Audit and Supervisory Officer
General Manager, Audit and
Supervisory Committee Office

Outside Director
Three-Way
Talk



Kenji Hamashima

Director (Audit and Supervisory Committee Member)
Time in office: Jun. 2020–present*

My role

I spent many years abroad and have accumulated experience with various negotiations, which I believe carries over to the *shosha*, or Japanese trading company, business. I also have experience in M&A, so I hope to offer support in the area of growth investing. That said, manufacturing and *shosha* have different perspectives, so I hope to use this as a strength in discussions and help boost the creation of new business and growth strategies.

* In June 2022, Inabata transitioned to a company with an audit and supervisory committee, and he was appointed as a director (member of the Audit and Supervisory Committee).

Kiyoshi Sato

Director
Time in office: Jun. 2019–Jun. 2023

My role

The last company I worked for developed and sold semiconductor production equipment used to manufacture products such as FPDs. Inabata deals in materials and products for semiconductors and displays, so I think I have an affinity for that field. I also feel it is my duty to support further globalization using my experience in corporate management and overseas business.

Takako Hagiwara

Director
Time in office: Jun. 2021–present

My role

Over the years, I have been involved with human resource development for manufacturing and service organizations, and I also have experience with new business creation in the global marketplace. Notably, since I have a long history with planning and promoting human resource development and organizational strategies, I would like to contribute to developing human resources and organizations that can continue to take on the challenges of changing times at Inabata.

Outside directors are expected to monitor and supervise management from an objective viewpoint. We asked them to evaluate the current status of the Inabata Board of Directors and the challenges it faces.

(The three-way talk was held in late May 2023.)

Part 1 Reflections on FY2022

One year has now passed since Inabata transitioned to a company with an audit and supervisory committee. What changes have you noticed?

Sato:

With increasing the number of outside directors, the discussions of the Board of Directors have come to include more varied opinions that reflect each individual's experience and expertise. While board members, including outside directors, have always engaged in lively discussions at Inabata, I feel more diverse views are now being taken into consideration.

Hamashima:

I think that the awareness of the internal directors on the executive side has also gradually changed. The inclusion of more outside directors with diverse backgrounds has led to questions like, "Why was this decision made?" and "What do you think of these risks?" being raised more frequently. In response, the executive side has come to reconsider certain matters, and this has resulted in more viewpoints

being reflected in the Board's decision-making. I feel there is also a greater sense of continuity between discussions than before, with directors often saying, "Let's discuss this again more deeply next time."

What do you think of the support the outside directors receive from the Company?

Hamashima:

Before Board meetings, we receive preliminary explanations, where a Company representative thoroughly answers our questions, which are often quite specific.

Sato:

Our questions or opinions regarding such explanations are also communicated to directors so that matters can be explained to us again during the actual Board of Directors' meetings. In this way, I feel an effective support system has been established.

Hagiwara:

When we would like to know more about specific matters, we are connected with a member of the relevant

department and provided explanations. We are also given opportunities to study business prospects and background information related to the trading industry, which is something I greatly appreciate.

Sato:

As we will soon be discussing the new medium-term business plan, I think it is also excellent that Inabata has a system in place that will enable us to participate in discussions from an early stage.

Part 2 Growth investment

Through the Business Planning Office, which screens investment projects, an M&A agreement has been established with Daigo Tsusho Co., Ltd. What are your thoughts on M&A?

Sato:

I believe that M&A should serve as a means for achieving major strategies such as entering markets or developing markets around new technologies. In this sense, I think we are still in the midst of exploring the potential of M&A. I am hopeful that we can expand on major strategies in the next medium-term business plan and would like to engage in further discussion.

Hagiwara:

For the Company to take the next leap forward, rather than simply building on its current culture and experience, it is crucial to have a strategy that enables it to break through to a new level. Now that more and more people are becoming aware of this fact and are participating in relevant discussions, I expect considerable changes can occur within the Company.

Hamashima:

While we have increased net profit through the sale of strategically held shares, we cannot always rely on this method. Over the next few years, it is important to firmly build the next pillar of business for generating profit. Rather than simply looking at organic growth, I think it is essential to take on bold investment challenges for growth.

How would you like to contribute to future growth investment?

Sato:

When it comes to a field that is outside my area of expertise, I would like to offer advice on assessing the appropriateness of strategies.

Hagiwara:

I specialize in human resources and diversity, and I think having the right people is of vital importance to a trading company. Especially when tackling new strategic fields, we must examine how to effectively develop human resources and the organization. I would like to contribute my expertise with respect to this point.

Hamashima:

I think I can offer input when it comes to new ideas, such as creating frameworks for building new business models. For example, in addition to the traditional trading company business model of buying and selling, it is also possible to create new models by utilizing partnerships and coordinating with external parties. Here, I believe that trading companies possess the advantages of having flexibility, numerous channels, long-standing relationships of trust, and financial power.

Part 3 Human capital

Ms. Hagiwara, you mentioned in last year's three-way talk that you had high expectations for the Company's growth potential.

Hagiwara:

My expectations have not changed. In terms of diversity, since I was given the opportunity to join Inabata, we have included articles on diversity in our internal newsletter and have continued to actively carry out measures to support female employees. We are also steadily implementing various initiatives to ensure that the Company enables each employee to work comfortably and with strong motivation. More people are joining the Company as mid-career hires and are actively involved in various departments. I believe this is also contributing to the organization's transformation.

“
The increase in outside directors has led to more diverse opinions and more lasting discussions.
”

— Kenji Hamashima



Sato:

We now have executive officers that started as mid-career hires, so in this sense, I think the Company is doing exceptionally well in providing opportunities for employees to thrive, and offering proper evaluations, appointments, and promotions. On the other hand, there remain some issues in terms of effectively utilizing employees overseas. In particular, for the appointment of presidents of overseas subsidiaries, I have discussed the importance of recruiting locally, rather than developing employees in Japan and promoting them to such positions abroad.

Hamashima:

If Inabata's customers were only Japanese companies, perhaps having Japanese presidents at overseas subsidiaries would be fine. However, considering that IK Vision 2030 aims to increase the proportion of sales from overseas, it is essential to appoint outstanding local leaders to energize the business model across our overseas bases.

What are your thoughts on measures and frameworks for human resources development?

Hagiwara:

Human resource development measures and personnel systems aim to show employees how they are expected to grow and contribute to the Company. In order to develop human resources more effectively, it is important that the management team continues to verbally communicate their expectations for employee growth. People of the younger generation and employees with diverse values place significant importance on how they can grow within their company. Given this fact, in addition to providing fair employee evaluations, it is becoming increasingly vital to communicate expectations for growth and make conscious efforts toward employee development.

Hamashima:

Corporate training has evolved considerably, going beyond simply classroom-style learning to incorporate a wide variety of forms, such as training linked to personal development, where individuals are empowered to think deeply for themselves.



“ **Having mid-career hires play active roles in various departments will help to transform the organization.** ”

— Takako Hagiwara

Sato:

That's right. In addition to focusing on internal training, I think Inabata could also benefit from implementing external training programs that enable participants to experience various ways of thinking.

Hagiwara:

Continuing internal training helps to instill the language and values of the Company. However, to foster an organization that leverages diversity among all employees, including mid-career hires, and to acquire an advantageous business position through negotiation and competition with external parties, internal training alone is not sufficient. For this, it is also important that employees acquire the knowledge, skills, and flexible mindset that allows them to compete among other companies and industries.

Part 4 Importance of the supply chain

The importance of the supply chain is positioned as one of the Group's material issues. What do you think about this theme?

Sato:

It has always been necessary to have flexibility and a recoverable procurement network, and companies placed considerable focus on business continuity plans (BCPs) 10 to 20 years ago. However, as having too many suppliers and channels can lead to a drop in business efficiency, it is vital to maintain a proper balance.

Hamashima:

If a company takes a drastic measure like decoupling from business with China, as the United States is calling for, it could face escalating costs and become completely unprofitable. To avoid this, it is necessary to explore de-risking, which involves thoroughly assessing strategic product placements and supply routes. With many companies now facing such challenges, Inabata, which possesses a diverse network of suppliers, must see this not as a risk, but as an opportunity to introduce more suppliers to customers.

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Communication is vital in determining a truly effective growth strategy for the Company.

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— Kiyoshi Sato



Part 5 Activities of the Nominating and Remuneration Committee

All of you are also members of the Nominating and Remuneration Committee. Could you tell us about its activities?

Hagiwara:

Inabata has created an environment that enables committee members to openly voice their ideas, with Mr. Sato serving as chairperson. We are not only able to share advanced information on new directors and officers, but are also able to express our opinions to them directly through interviews. When discussing the actual remuneration system for directors and officers as well, we are able to communicate our opinions frankly as to how we incorporate various perspectives essential in today's society.

Sato:

While I have served on similar committees in other companies, I feel Inabata's efforts here are very proactive. Every year, the Company recommends candidates for outside directors. This last year, we have interviewed and provided feedback to three candidates after receiving relevant briefings. We also hold interviews with executive officer candidates, and provide feedback to the president before finally reporting to the Board of Directors.

Hamashima:

Inabata prepares a list of management successors. As outside directors, we are able to ask questions about the director and officer candidates who are included in the list. As a next step, if we can have the candidates give presentations so that we can confirm whether they share Inabata's values, I think the whole process will become even more transparent.

Part 6 Corporate value enhancement and dialogue with shareholders

With the Tokyo Stock Exchange calling for "Action to Implement Management That Is Conscious of Cost of Capital and Stock Price," management with an awareness of capital efficiency has become increasingly

important. What are your thoughts on this?

Hagiwara:

I think external demands represent a positive opportunity for change; they prompt companies to reexamine their internal frameworks and elements that have been thought "good enough as is," encouraging them to acknowledge and resolve any identified issues.

Hamashima:

Stock prices can often rise in the short term with the payment of dividends or share repurchases. What is important, however, is to increase fundamental corporate value, and for this, it is vital to boost business performance. I think increasing business performance results in a higher return on equity (ROE), which in turn leads to a higher price/book value ratio (P/B ratio). Only focusing on the short term is not conducive to sustainable growth. We must thoroughly discuss matters such as what proportion of generated profit and cash flows should be allocated to shareholder returns or growth investment, and adjust our pace accordingly.

Hagiwara:

The P/B ratio and stock price are often brought up during Board of Directors' meetings, and we also consider feedback from shareholders when discussing measures.

Hamashima:

I think the reason Inabata's stock price has risen recently is because we have properly considered matters raised by investors, implemented appropriate measures, and provided clear explanations. To further increase our stock price, it is important to clarify our growth strategy. At Board of Directors' meetings, I have spoken about how this is also essential for consistently maintaining a P/B ratio of 1x or more. The other outside directors have also voiced that a more proactive approach to announcing M&A and growth investments would be beneficial.

Sato:

I believe it is vital to actively engage in communication with shareholders and investors in determining a truly effective growth strategy for the Company—while envisioning how it will grow and meet everyone's expectations.

Basic approach

The Inabata Group's Mission is "People come first, based on the spirit of 'love (ai)' and 'respect (kei)', and together we strive towards contributing to the development of society." With a foundation on this mission, the Company aims to respond to the directive of all stakeholders who support the Company's activities including shareholders, business partners, and employees, and sustainably improve corporate value. For this, the Company believes it is essential to have a strong corporate governance system for ensuring transparency and fairness in business and speed and resolution in decisions.

Transition to a company with an audit and supervisory committee

We have positioned the enhancement and improvement of corporate governance as an important management issue, and have been working to improve the effectiveness of the Board of Directors by shifting the focus of meetings of the Board of Directors from business execution to management strategy and medium- to long-term issues. In June 2022, we transitioned to a company with an audit and supervisory committee in order to further promote these initiatives, further strengthen the Company's supervisory function, and establish a system to accelerate management decision-making. The majority of the Board of Directors is composed of independent outside directors in order to embody a monitoring-type Board of Directors, thereby enhancing corporate value.

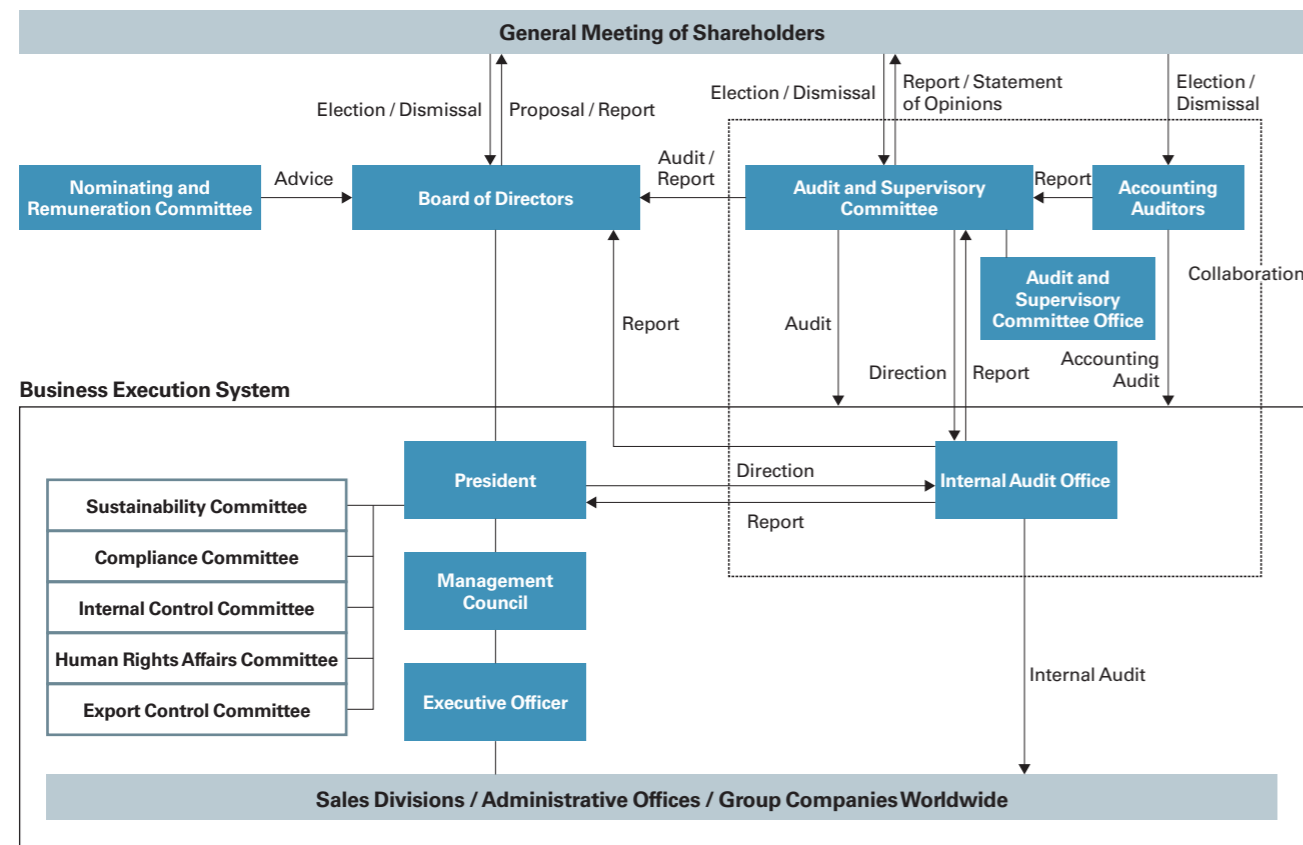
Corporate governance system (As of July 1, 2023)

Organizational design	Company with an audit and supervisory committee
Directors not on the Audit and Supervisory Committee	7 (including 2 independent outside directors)
Directors on the Audit and Supervisory Committee	5 (including 5 independent outside directors)
Chairperson of the Board of Directors	President
Term of office for directors not on the Audit and Supervisory Committee	1 year
Term of office for directors on the Audit and Supervisory Committee	2 years
Executive officer system	Yes
Advisory committees to the Board of Directors	Nominating and Remuneration Committee
Accounting auditors	KPMG Azsa LLC
Corporate Governance Report	 https://www.inabata.co.jp/english/investor/library/governance/

Changes in initiatives to strengthen governance

Period	
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 > P. 81
June 2022	Transition to a company with an audit and supervisory committee Transition to having outside directors comprise the majority of directors

Corporate governance system (As of July 1, 2023)



Board of Directors

The Board of Directors makes decisions on important matters set out in laws and regulations, Articles of Incorporation, and Regulations of the Board of Directors. These matters include formulation of business plans and annual budgeting as well as making basic management policies and appointing executive officers. The Board of Directors consists of 12 members, including seven directors who are not Audit and Supervisory Committee members and five directors who are Audit and Supervisory Committee members. Among the 12 members, seven are independent outside directors, comprising the majority. By shifting to a company with an audit and supervisory committee, we have transitioned to a monitoring-type Board of Directors with strengthened supervisory functions and made it possible to delegate important business decisions to business executives, establishing a system that enables us to make management decisions more quickly.

Audit and Supervisory Committee

Inabata is a company with an audit and supervisory committee, and the Audit and Supervisory Committee consists of five Audit and Supervisory Committee members, all of whom are outside directors. The committee audits the decision-making of the Board of Directors and the execution of duties by executive officers. Directors who are members of the Audit and Supervisory Committee are extremely well-versed in finance, accounting, and law, and are also highly independent.

In addition, the Audit and Supervisory Committee Office has been established as a dedicated organization to assist the Audit and Supervisory Committee in its duties, and suitable persons independent of the directors (excluding directors who are members of the Audit and Supervisory Committee) have been assigned to this office.



Nominating and Remuneration Committee

We voluntarily set up the Nominating and Remuneration Committee in 2015. The committee, the majority of which consists of independent outside directors and which is chaired by the lead independent outside director, engages in deliberations when making decisions on issues such as the selection and dismissal of executives, nomination of candidates for positions of director and executive officer, and the remuneration of directors. The Board of Directors strives to ensure objectivity, fairness, and transparency by fully respecting the deliberation results of the Nominating and Remuneration Committee.

Members of the Nominating and Remuneration Committee:
Three outside directors (of these, one director who is an Audit and Supervisory Committee member)
One internal director
Chairperson: Lead independent outside director
Number of times held: FY2022 10 times

Director experience and expected roles (skills matrix)

Name	Business strategy & industry knowledge				Finance & accounting	Legal, risk management, & internal control	HR & labor	IT & digital	ESG
	Global management	Electronics & energy	Materials & chemicals	Food & life					
Directors	Katsutaro Inabata	●		●		●	●		●
	Toyohiro Akao		●	●	●				
	Kenichi Yokota				●	●	●	●	●
	Masahiro Sugiyama		●	●					
	Takashi Shigemori			●	●			●	
	Takako Hagiwara*		●				●		●
	Osamu Chonan*	●			●				
Directors (Audit and Supervisory Committee members)	Kenji Hamashima*	●	●		●				
	Satoshi Tamai*				●	●			
	Minoru Sanari*		●			●			
	Tomokazu Fujisawa*				●	●			
	Noriya Yokota*			●	●		●	●	●

* Independent outside director

Skills Matrix Approach

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, IK Vision 2030, which is how we envision ourselves around 2030, and have positioned our medium-term business plan, NC2023, as the second stage 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 Mission, Vision, our long-term vision IK Vision 2030, and medium-term business plan, 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' members are expected to have

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. 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.

Business strategy & industry knowledge

In managing a specialized trading company such as ours, first and foremost, executives must have in-depth expertise and experience in each business field. In particular, it is extremely important for executive directors to have broad knowledge, experience, and personal connections in each of our business fields in order to develop a trading company business like ours. When appointing executive directors, we consider the balance of those with knowledge in our business fields. When inviting outside directors, we aim to include individuals who have broad knowledge and experience in their respective business fields and are able to provide supervision and opinions on business strategies from an objective perspective.

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 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.

Legal, risk management, & internal control

As a company with a wide range of global operations, we are exposed to a variety of risks, including credit risks of our customers, risks associated with business investments, country risks associated with overseas operations, currency exchange risks, and commodity market fluctuation risks. Therefore, risk management

is extremely important for management. We are committed to management that emphasizes compliance above all else, and in order to strengthen the supervisory function over business execution, we believe that it is useful to always have directors who are familiar with the law as members of the Audit and Supervisory Committee.

In addition, we have adopted the company with an audit and supervisory committee system, with the aim of speeding up management decision-making and strengthening the supervisory function of business execution. A company with an audit and supervisory committee must effectively utilize the company's internal control system and conduct systematic audits. From this perspective, we believe it is essential that the directors who are members of the Audit and Supervisory Committee include persons with expertise and experience in internal control and auditing.

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, 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 place importance on these perspectives when inviting outside directors.

IT & digital

Knowledge of IT and digital technology is indispensable for promoting 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.

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.

Management Council and Shinsa Kaigi

We set up the Management Council as an institution for business execution. This council deliberates on basic policies and important matters related to management and decides their direction. We have also established the Shinsa Kaigi as an institution to review important matters related to business execution, investment and loan projects, and credit. Its participants (including those who

join online) from across the world hold direct discussions with the management.

Number of times convened: FY2022
Management Council 13 times, *Shinsa Kaigi* 20 times

Audit system

Internal audits

We have established the Internal Audit Office and are working to strengthen its ranks in order to enhance internal audits. The office complies with the internal control reporting system related to financial reporting based on the Financial Instruments and Exchange Act, and also conducts internal audits as necessary from time to time. The Internal Audit Office reports regularly to the president, the Board of Directors, and the Audit and Supervisory Committee on audit plans and audit results.

Accounting auditors

Accounting audits, audits of financial statements, quarterly reviews, and internal control audits for Inabata are conducted by KPMG Azsa LLC. The Audit and Supervisory Committee formulates evaluation criteria, including autonomy, specialized knowledge, and assessment, for the appointment and suspension of

accounting auditors, and makes decisions based on the evaluation results.

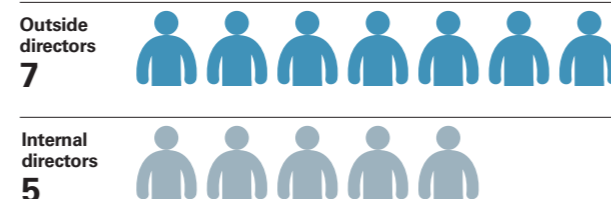
Cooperation among the Audit and Supervisory Committee, accounting auditors, and the Internal Audit Office

The Audit and Supervisory Committee, accounting auditors, and the Internal Audit Office collaborate through periodic reporting and discussion of audit results. In investigating the status of our operations and assets and performing other auditing duties, the Audit and Supervisory Committee works closely with the Internal Audit Office to ensure that audits are conducted in an organized and efficient manner.

In addition, the Audit and Supervisory Committee, accounting auditors, and the Internal Audit Office meet regularly to collaborate and share information.

Structure for outside directors

In electing outside directors, Inabata aims to appoint candidates who have abundant experience and knowledge of corporate management, the ability to oversee the decision-making and business execution of the Board of Directors of the Company which conducts business on a global basis, and who provide appropriate advice from an objective perspective. The proportion of outside directors stands at 58% (seven out of 12 directors).



Meetings of outside directors only
Number of times held: FY2022 2 times

Name	Autonomous	Years in office	Attendance status for FY2022		Reason for appointment
			Meetings of the Board of Directors	Nominating and Remuneration Committee	
Directors not on the Audit and Supervisory Committee					
Takako Hagiwara (Leading independent outside director, Chairperson of the Nominating and Remuneration Committee)	●	2 years	100% 16/16 times	100% 10/10 times	Takako Hagiwara served as representative director of Sony Hikari Corp. and Sony Kibou Corp., as well as a director of Green House Co., Ltd., and currently serves as representative director of DDD Corp. and outside director of Twinbird Corp. and NEC Capital Solutions Ltd. For many years she oversaw human resources in a major global electronics manufacturer with multiple businesses including audiovisual equipment, movies, and music, and has experience in management. Inabata appointed her in expectation of gaining advice on human resources strategies and diversity promotion.
Osamu Chonan (Nominating and Remuneration Committee member)	●	Newly appointed	—	—	Osamu Chonan has served as representative director, president, and chief executive corporate officer of Kewpie Corp. He currently serves as chairman of the Kewpie Miraitamago Foundation. He held positions of responsibility for many years in the sales division of a food manufacturer with a global presence centered in China and Southeast Asia, in addition to which he has also served in management, and accordingly has extensive knowledge and experience. Based on this, Inabata considered him suitably qualified and appointed him as outside director. It is expected that he will use his abundant experience and extensive knowledge as a manager to provide oversight and advice in relation to the Company's execution of business operations from an objective perspective.
Directors on the Audit and Supervisory Committee					
Kenji Hamashima (Nominating and Remuneration Committee member, Chairperson of the Audit and Supervisory Committee)	●	3 years	100% 16/16 times	100% 10/10 times	Kenji Hamashima has served as director and senior executive vice president, and president and chief executive officer of Ushio Inc. He currently serves as special adviser of the same company and outside director of Nichirei Corp. As he possesses global and abundant experience and wide-ranging expertise as a member of the management of a manufacturer which produces applied optics products, such as industrial light sources, and industrial machinery, Inabata appointed him in expectation of accurate auditing and supervision of overall management.
Satoshi Tamai	●	1 year	100% 13/13 times	—	Satoshi Tamai serves as representative for the Satoshi Tamai Certified Public Accountant Office, and an outside auditor for Toho Lamac Co., Ltd. and PC Depot Corp. As he has experience working for a major trading company, has a CPA qualification, and has served as a representative partner for a major audit firm in Japan and an outside auditor for multiple companies, in addition to possessing knowledge as an accounting expert and wide-ranging expertise, Inabata appointed him in expectation of accurate auditing and supervision of overall management.
Minoru Sanari	●	1 year	100% 13/13 times	—	Minoru Sanari served as General Counsel, Legal Section, General Administration Department for Tokyo Gas Co., Ltd. before serving as an Executive Officer (in charge of governance), and is currently a Senior Advisor for said company. As he has expert knowledge and an abundance of experience from his involvement with corporate legal matters and corporate governance over the course of many years in his capacity as an attorney at the largest city gas company, Inabata appointed him in expectation of accurate auditing and supervision of overall management.
Tomokazu Fujisawa	●	1 year	100% 13/13 times	—	Tomokazu Fujisawa has served as full-time corporate auditor and director as a member of the audit & supervisory committee of Astellas Pharma Inc. He has worked as the Director of Planning for a business division in a global pharmaceutical company that develops pharmaceutical businesses around the world, also has experience in overseas subsidiaries and auditing operations, and has served as a director on the audit & supervisory committee, which is why Inabata appointed him in expectation of accurate auditing and supervision of overall management.
Noriya Yokota	●	Newly appointed	—	—	Noriya Yokota has served as director and senior executive officer of Kirin Holdings Co., Ltd., director of Kirin Business System Co., Ltd., and director of Kirin Brewery Co., Ltd. He has served as a factory manager and head of the production department at a manufacturer that produces and sells alcoholic beverages, beverages, and pharmaceuticals around the world, and after serving as manager of an overseas subsidiary of the same company, he has been in charge of human resources, finance, IT, and management strategy as an executive officer. He accordingly has a great degree of insight and abundant experience. Based on this, Inabata has determined that he can be expected to provide accurate audit and supervision for the overall management of the Company and appointed him as outside director who is an Audit and Supervisory Committee member.

Notes: 1. Kenji Hamashima's attendance at meetings of the Board of Directors includes the period in which he served as an independent outside director from April 1, 2022, to the closing of the 161st Ordinary General Meeting of Shareholders held on June 22, 2022.
2. Satoshi Tamai's attendance at meetings of the Board of Directors does not include three meetings attended during the period in which he served as an Audit & Supervisory Board member from April 1, 2022, to the closing of the 161st Ordinary General Meeting of Shareholders held on June 22, 2022.
3. Please refer to page 99 for more details on the attendance of all directors at meetings of the Board of Directors, the Audit and Supervisory Committee, and the Nominating and Remuneration Committee.

Training for outside directors

In order to deepen outside directors' understanding of the Group's business activities, we provide opportunities for them to meet with the heads of each division, as well as opportunities to visit overseas (including online meetings) and conduct on-site inspections. Even after

directors have assumed office, we offer and facilitate training opportunities to help them acquire the necessary knowledge and promote an understanding of their roles and responsibilities. The status of directors' training is reported to the Board of Directors once a year.

The effectiveness evaluation of the Board of Directors

- Inabata has been conducting the effectiveness evaluation of the Board of Directors since FY2015.
- Each cycle lasts for three years in which self-evaluation is carried out for the first two years and third-party evaluation is carried out in the third year.
- The overview of the evaluation and issues to be considered are published on the Company's website.
- Self-evaluation was carried out in FY2022.



FY2022 Self-evaluation process (questionnaire format)



► Evaluation results for FY2022

1. Target of evaluation	All directors (11) in office as of the end of March 2023
2. Evaluation methodology	<ul style="list-style-type: none"> • Question items were distributed to the subjects, and the answer results were aggregated by an outside consultant. • The working group for the evaluation of the Board of Directors carried out a simplified analysis and compilation of the aggregated results, and the director in charge reported at the Board of Directors' meeting held in March 2023. • After verification by the Board of Directors of the content of the report, the direction of future measures was decided.
3. Summary of analysis and evaluation	As a result of analysis and evaluation, the operations of the Company's Board of Directors have been generally appropriate and assessed highly, with open and active discussions. We also confirmed the following: (1) in general, the Company provides sufficient support to outside directors, who are thought of as making significant contributions to discussions at Board of Directors' meetings; (2) the Nominating and Remuneration Committee is thought of as operating appropriately; (3) the Audit and Supervisory Committee is thought of as operating appropriately; (4) the status of dialogues with investors and shareholders is considered to be adequately provided to the Board of Directors; and (5) improvement efforts are believed to be made based on the results of Board of Directors evaluations, among other topics. It has been confirmed that the Board of Directors of the Company is generally functioning properly and that its effectiveness is secured.

3. Summary of analysis and evaluation	<p>In addition, the following improvements and progress have been confirmed with regard to addressing the issues that were identified in the previous self-evaluation.</p> <ul style="list-style-type: none"> • Discussions on the succession plan and sustainability issues Matters concerning succession planning and sustainability initiatives have been shared by the Board of Directors and discussions are progressing, but it is believed that further discussions are necessary. • Sufficient provision of information from the Nominating and Remuneration Committee to the Board of Directors Although the Nominating and Remuneration Committee has provided information for discussion by the Board of Directors, it is still considered insufficient. • Communication among outside directors, which has been insufficient due to COVID-19 Improvements were seen, such as holding opinion exchange meetings among outside directors, but it is believed that there is still room for improvement, considering matters such as the inability to hold in-person meetings due to the COVID-19 pandemic. • Further enhancement of information dissemination to the capital market Improvements were seen, such as reviewing the numerical targets and indicators of medium-term business plan NC2023, and enhancing the disclosure of sustainability-related information, while referring to the opinions gathered through dialogue with shareholders and investors; however, it is still believed that there is room for further improvement. <p>On the other hand, we recognized the following issues to be considered in the future.</p> <ul style="list-style-type: none"> • Further discussion on medium- to long-term management policies and issues related to succession planning for top management and for outside directors • Provision of sufficient information and communication by the Nominating and Remuneration Committee to the Board of Directors • Further communications among outside directors • Further enhancement of information dissemination to the capital market <p>In addition, among the major risks facing the Company, credit risks of customers, product market fluctuation risks, and latent risks of overseas activities were recognized as being of particularly high importance.</p>
	4. Future course of action

► Questions

1. Operational status of the Board of Directors
2. Function and role of the Board of Directors
3. Composition of the Board of Directors
4. Composition and role of the Nominating and Remuneration Committee
5. Operational status of the Nominating and Remuneration Committee
6. Composition and role of the Audit and Supervisory Committee
7. Operational status of the Audit and Supervisory Committee
8. Support system for outside directors
9. Relationship with investors and shareholders

Remuneration of directors and Audit and Supervisory Committee members

A summary of information on remuneration and other benefits is as follows.

1. Remuneration for directors who are not Audit and Supervisory Committee members

(1) Fixed remuneration *1	Minimum guaranteed amount by position
(2) Performance-linked remuneration	Calculated by multiplying the fixed remuneration for each position in (1) by a coefficient for: <ul style="list-style-type: none"> • Profit before income taxes and non-controlling interests (excluding gain on sales of certain strategically held shares)*2 • Returns on capital (ROIC and ROE)*3 • Stock price*3 • Each level of ESG scores from multiple external evaluation organizations (FTSE Russell and MSCI)*4
(3) Board Benefit Trust (BBT) *5	A system under which executive directors receive the points granted to them during their term in the form of shares and cash upon their retirement. The calculation method of points granted to directors is as follows. (Method of calculating points awarded to directors) Points granted for the current year = ㉠Service points + ㉡Performance points ㉠ 50% of the base points determined for each position (fixed) ㉡ Service points × performance coefficient Performance coefficient: Coefficient determined by the achievement rate for consolidated sales targets and consolidated operating profit targets Target achievement rate: Actual performance compared to the rate externally announced in the medium-term business plan

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

*2 Executive directors are responsible for all business activities of the entire Group, including the operating and financial activities of Group companies, and we believe that the results of these activities are reflected in consolidated profit before income taxes and non-controlling interests, which is used as one indicator.

*3 We have adopted ROIC as an indicator because one of the key initiatives in our medium-term business plan, NC2023, is "intensification of investment targeting future growth," and we believe that capital efficiency and investment yield should also be considered in light of requests from the capital market and trends among listed companies. In addition, as part of our measures to realize management conscious of cost of capital and share prices, we are using ROE and share price (specifically, the difference between the year-on-year growth rate of TOPIX and the year-on-year growth rate of our share price) as new indicators.

*4 Since we recognize that addressing sustainability is an important management issue for our company, we obtain ESG scores from several external evaluation organizations and use them as an indicator.

*5 We have introduced the Board Benefit Trust (BBT) as a performance-linked stock compensation plan in order to clarify the linkage between the compensation of executive directors and our business performance and stock value. Having directors share not just the benefits of higher stock prices, but also the risk of lower stock prices with shareholders, will increase their awareness, so that they can contribute to improving business performance and increasing corporate value over the medium to long term.

Of the remuneration for directors who are not members of the Audit and Supervisory Committee, (1) fixed remuneration and (2) performance-linked remuneration are determined by the Board of Directors within the scope of the total amount of remuneration approved by the Ordinary General Meeting of Shareholders. The maximum amount of remuneration for directors who are not members of the Audit and Supervisory Committee as per the resolution of the Ordinary General Meeting of Shareholders is 430 million yen per year (of which 50 million yen is for outside directors). In addition, as a performance-linked stock compensation plan for executive directors, the Company has resolved (3) compensation limits for the Board Benefit Trust (BBT).

The individual remuneration of directors who are not Audit and Supervisory Committee members is designed to be calculated automatically using a formula and coefficient defined in regulations resolved by the Board of

Directors, without taking qualitative factors into consideration, and the Human Resources Office will calculate this in accordance with regulations. The results of the calculations are reviewed by the Nominating and Remuneration Committee, which is chaired by the lead independent outside director and at which independent outside directors have a majority. The Board of Directors determines the compensation of directors who are not Audit and Supervisory Committee members with full respect for the results of the deliberations of the Nominating and Remuneration Committee.

These sorts of procedures ensure objectivity, fairness, and transparency in the determination of individual compensation for directors who are not Audit and Supervisory Committee members, and the determination of individual compensation is never delegated to specific directors or other parties.

2. Remuneration for directors who are Audit and Supervisory Committee members

Fixed remuneration	Fixed remuneration only
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Remuneration for directors who are Audit and Supervisory Committee members is decided via discussions by directors who are Audit and Supervisory Committee members, within the scope of total remuneration approved by the Ordinary General Meeting of Shareholders. The maximum remuneration amount for directors who are Audit and Supervisory Committee members, as per the resolution of the Ordinary General Meeting of Shareholders, is 80 million yen per year.

3. Actual remuneration of directors in FY2022*6,*10

Classification	Total amount of remuneration and other benefits (millions of yen)	Total amount of remuneration and other benefits by type (millions of yen)			No. of eligible persons
		Fixed remuneration	Performance-linked remuneration	Board Benefit Trust (BBT)	
Directors (excluding Audit and Supervisory Committee members and outside directors)*7,*11,*12,*13	335	140	128	67	6
Directors (Audit and Supervisory Committee members; excluding outside directors)*8	—	—	—	—	—
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)*9	6	6	—	—	1
Outside directors and auditors	58	58	—	—	10

*6 The above includes one director, one outside director, one internal Audit & Supervisory Board member, and three outside Audit & Supervisory Board members who retired at the conclusion of the 161st Ordinary General Meeting of Shareholders held on June 22, 2022. On June 22, 2022, we transitioned from a company with an audit & supervisory board to a company with an audit and supervisory committee.

*7 Remuneration and other benefits for directors (excluding Audit and Supervisory Committee members) before and after the transition to the company with an audit and supervisory committee system is as follows.

After the transition to a company with an audit and supervisory committee

At the 161st Ordinary General Meeting of Shareholders held on June 22, 2022, the annual amount of remuneration for directors (excluding Audit and Supervisory Committee members) was approved at up to 430 million yen (of which 50 million yen is for outside directors). In addition, at the same General Meeting of Shareholders, remuneration limits for the Board Benefit Trust (BBT), the introduction of which was approved at the 157th Ordinary General Meeting of Shareholders held on June 22, 2018, were reapproved.

Before the transition to a company with an audit and supervisory committee

At the 145th Ordinary General Meeting of Shareholders held on June 29, 2006, the annual amount of remuneration for directors was approved at up to 430 million yen. Separate to the above remuneration limit, at the 157th Ordinary General Meeting of Shareholders held on June 22, 2018, the introduction of a BBT as a performance-linked stock compensation plan for directors (excluding outside directors) was approved.

*8 At the 161st Ordinary General Meeting of Shareholders held on June 22, 2022, the annual amount of remuneration for directors (Audit and Supervisory Committee members) was approved at up to 80 million yen.

*9 The remuneration amount for Audit & Supervisory Board members is the amount received while in office by four Audit & Supervisory Board members who retired at the conclusion of the 161st Ordinary General Meeting of Shareholders held on June 22, 2022. Of the four members, one was newly appointed as a director (Audit and Supervisory Committee member) after retiring as an Audit & Supervisory Board member at the conclusion of the said meeting. Consequently, the stated amounts paid and number of persons paid includes their term of office as an Audit & Supervisory Board member in the "Audit & Supervisory Board members" row and their term of office as an Audit and Supervisory Committee member in the "Directors (Audit and Supervisory Committee members)" row. Furthermore, at the 145th Ordinary General Meeting of Shareholders held on June 29, 2006, the annual amount of remuneration for Audit & Supervisory Board members was approved at up to 80 million yen.

*10 The number of persons paid shows the cumulative total; however, the actual number of persons eligible for payment is 15 (of which eight are outside directors/auditors).

*11 BBT is the amount of provision for the reserve for directors' stock benefits included in the fiscal year under review.

*12 The Company has not established a guideline on deciding the payment ratio between performance-linked remuneration and other types of remuneration for directors (excluding directors who are Audit and Supervisory Committee members and outside directors) because these forms of remuneration are determined automatically based on their respective performance indicators and formulas, and therefore have no possibility of being adjusted arbitrarily.

*13 Remuneration for directors for the fiscal year under review was deliberated on at a meeting of the Nominating and Remuneration Committee held on May 23, 2022, and approved at a meeting of the Board of Directors held on June 22, 2022. The Board of Directors has checked that the determination method for, and the details of, the individual remuneration for directors in the fiscal year under review are consistent with the determination policy approved by the Board of Directors, and has deemed that they are in accordance with such determination policy.

Ratio of performance-linked remuneration and fixed remuneration in FY2022

Performance-linked remuneration	Fixed remuneration
58.2%	41.8%

Reference: Past remuneration of directors*

FY2018	248 million yen
FY2019	300 million yen
FY2020	318 million yen
FY2021	319 million yen
FY2022	335 million yen

* Before FY2019, excludes non-executive directors.
After FY2020, excludes outside directors.

Strategically held shares

Basic views

Close business and cooperative relations with various companies are valuable assets to Inabata, and the Company believes the establishment, maintenance and development of these relations improve the Company's corporate value in the medium and long term and lead to the benefit of shareholders and investors. Also, as Inabata believes that strategically holding shares of such companies continues to be an effective way to establish, maintain, and develop good cooperative relations, the Company owns strategically held shares.

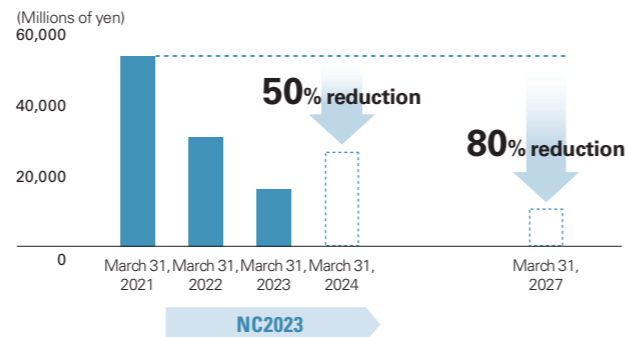
Policy related to holding and reducing strategically held shares

Inabata forms a judgment concerning the pros and cons of strategically held shares based on whether holding them contributes to the establishment of cooperative relations, enhances the Company's corporate value in the medium and long term, and leads to the benefit of shareholders and investors. To be specific, the Board of Directors will make annual comprehensive reviews of the appropriateness of holding each individual stock, taking into account the financial condition of the investee company, the liquidity of the stock, trends in the volume of transactions and profits related to business with the Company or its Group companies and their medium- to long-term prospects, economic rationales such as whether the risk and return are commensurate with the cost of capital, and other qualitative information. The Company follows a policy of reducing the shares that the holding of which is not considered significant, while considering timing and the effect on the market and the business.

Note that we have set "continuous review of assets and further improvement of capital and asset efficiency" as a key initiative in our three-year medium-term business plan, NC2023, which ends in FY2023. Specifically, the policy is to reduce the balance of strategically held shares by 50% over the three-year period during the promotion of NC2023, relative to the balance as of March 31, 2021. We will also reduce strategically held shares over the medium to long term, aiming to reduce the balance by

approximately 80% by March 31, 2027, relative to the balance as of March 31, 2021. Based on this policy, we will further reduce our strategically held shares by more rigorously verifying the significance of our holdings.

Strategic shareholdings*



* Strategic shareholdings: Stocks listed in Japan

Sales of strategically held shares

FY2017	9,017 million yen
FY2018	5,298 million yen
FY2019	3,026 million yen
FY2020	2,944 million yen
FY2021	9,367 million yen
FY2022	10,076 million yen

Criteria for exercise of voting rights

In principle, Inabata exercises voting rights for all agendas in order to exercise its rights as a shareholder. The Company reviews the merits and demerits of each agenda and exercises voting rights based on the judgment criteria of whether sustainable growth of the held company and improvement of its corporate value in the medium and long term can be expected.

Risk Management

Basic concept

Operating globally with approximately 60 bases across 19 countries, mainly in Asia, our Group faces various kinds of risks.

We manage risks by establishing and implementing various regulations related to credit management, export management, product management, and others, with our Risk Management Office at the core. Additionally, we prepare ourselves for risks arising from daily work by organizing and implementing the operational rules for trading bases and manufacturing bases in multiple languages, along with executing appropriate risk checking functions from head offices using regulations for managing Group companies in Japan and abroad.

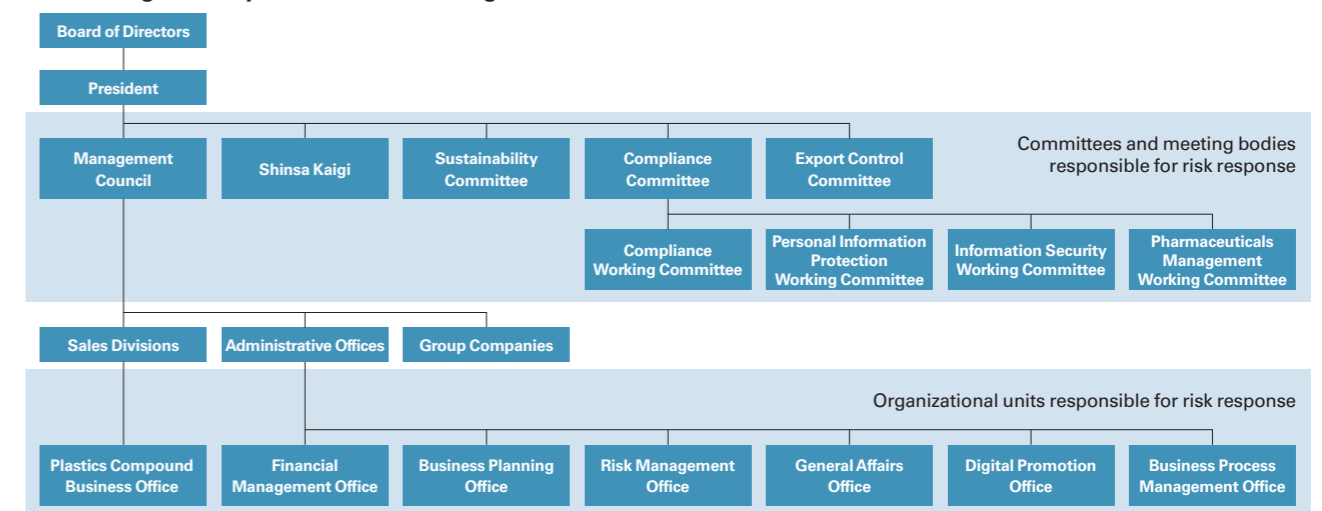
Risk management system and relevant organizational units

At Inabata, individual risks are continuously monitored by responsible organizational units, and relevant committees and meeting bodies collaborate to promote effective risk management.

We have identified the 14 risks shown in the below risk matrix as the main risks faced by our Group. Mapping has been done on the matrix based on the probable impact of each risk on the Group's business performance and the possibility of its occurrence using the responses on risk awareness of managers in the effectiveness evaluation of the Board of Directors conducted in FY2022 and other factors.

From the next page, we will explain risks that are of high importance to our Group.

Risk management system and relevant organizational units



Risk matrix

Impact on business performance	Possibility of occurrence		
	Low	Medium	High
Large		2 Risk of fluctuations in product markets	1 Credit risk of customers 3 Potential risks of overseas activities
Medium	6 Risk related to business restructuring 7 Environment-related risks	8 Risk related to information systems and security 10 Risk related to quality	4 Risk related to business investment 5 Risk of fluctuations in foreign exchange rate 9 Risk related to interest rates
Small	13 Risk related to laws and regulations 14 Risk of fluctuations in retirement benefit obligation	12 Risk of natural and other disasters	11 Risk of decline in value of securities held

Risks of high importance and related countermeasures

① Credit risk of customers

Our Group companies grant credit to many customers in Japan and abroad. Although we carry out credit management on a global scale, including our overseas customers as well, we cannot guarantee full collections. Therefore, there is a risk of adverse impact on our Group's financial position and business performance due to the aggregation of bad-debt losses and allowance for doubtful accounts through bankruptcy and civil rehabilitation procedures and so on from contingencies concerning customers.

As of the end of the consolidated fiscal year, the Group's notes receivable-trade and accounts receivable-trade were 23,247 million yen and 153,640 million yen, respectively, and inventories were 88,890 million yen, the total of which accounted for 70% of total assets. Screening for credit of significant importance is conducted by the Shinsa Kaigi, which is composed of members of management and holds discussions on investments, loans, and credit projects. With regard to inventories, we monitor and manage the balance of each consolidated Group company on a monthly basis.

Relevant organizational units: Risk Management Office

② Risk of fluctuations in product markets

Many of the information electronic materials, chemical raw materials, food products, and plastics handled by our Group are impacted by fluctuations in commodity prices. Failure to respond flexibly to market fluctuations could adversely impact the financial position and business performance of our Group. Each sales division gathers market information, monitors price trends, and thoroughly manages inventory.

In the consolidated fiscal year, the Group was affected by a decline in the market price for components for FPDs, which are a core product in the information and electronics business. Furthermore, in the food business of the life industry business segment, where we carry out inventory transactions, we were impacted by a drop in prices of marine products for the food service industry in the U.S. market.

Relevant organizational units: Financial Management Office, each sales division

③ Potential risks of overseas activities

Our Group's production and sales activities overseas cover multiple regions, including Southeast Asia and Northeast Asia, North America, and Europe. There are inherent risks in

operating in these foreign markets, which include unexpected changes in laws or regulations, adverse political or economic factors, difficulty in recruiting and retaining personnel, underdeveloped technological infrastructure, potentially adverse tax consequences, and social disruptions due to other factors.

To ensure that we can reduce such risks, we have established a framework for adapting swiftly to changes, and we carefully monitor laws and regulations throughout the world, environmental laws and regulations, and trends among society and our business partners.

For sales in the consolidated fiscal year by region, Asia accounted for 51% of the total, having the largest influence on our business. Our performance was affected by constrained economic activity due to the impact of COVID-19, mainly in China. While the conflict in Russia and Ukraine has also presented risks, they have not had a direct and major impact on the financial position and business performance of the Group.

We have formulated and are implementing business continuity plans (BCP) at our major overseas bases to serve as countermeasures for emergencies such as infectious disease outbreaks.

Relevant organizational units: Risk Management Office, Financial Management Office

④ Risk related to business investment

When developing business at the Inabata Group, in many cases, we make investments and acquire equity in a joint enterprise or joint venture. Notably, with respect to our investments in consolidated affiliates, there is a risk that the Group's financial position and business performance could be adversely impacted by trends in the financial status and performance of such Group companies.

In principle, our Group invests in minority interests with the main objective of expanding the *shosha* trading business, and limits the risks and amounts for investments in majority interests. In addition to focusing on the "intensification of investment targeting future growth" as a priority initiative in NC2023, we have also established a department specialized in M&A. For investment projects of high importance, this department collaborates with each sales division and evaluates and analyzes risks from a quantitative and qualitative perspective. Projects are then deliberated on by the Shinsa Kaigi, which is composed of

members of management. After the execution of investment, risks are monitored regularly, and appropriate measures are taken for projects that do not meet an established criteria.

Relevant organizational units: Risk Management Office, Business Planning Office

⑤ Risk of fluctuations in foreign exchange rate

Our Group engages in the production, sales, and trading of products and materials for overseas business development. In principle, we conduct hedging transactions through measures such as forward exchange contracts. However, we may be impacted by exchange rate fluctuations associated with foreign currency-denominated transactions. Furthermore, we convert items (including sales, expenses, and assets in each region) denominated in local currencies into Japanese yen for the preparation of consolidated financial statements. Consequently, the exchange rate at the time of conversion may impact the value after conversion into yen.

For the consolidated fiscal year, foreign exchange losses were 703 million yen, and foreign currency translation adjustment was 17,187 million yen.

Relevant organizational units: Financial Management Office

⑥ Risk related to business restructuring

In order to promote business selection and concentration, our Group continues to restructure its business by withdrawing from unprofitable businesses and selling or reorganizing subsidiaries and affiliates. These measures may adversely impact the performance and financial condition of our Group. We may be unable to execute our business restructuring plans in a timely manner due to factors such as government regulations and employment issues in each country. There is no guarantee that the Group will be able to achieve all or part of the original objectives through the implementation of business restructuring. We have established criteria for considering withdrawal from businesses, and hold deliberations on withdrawal, etc., from the relevant Group companies at the Shinsa Kaigi, which is composed of members of management and holds discussions on investments, loans, and credit projects.

Relevant organizational units: Risk Management Office

⑦ Environment-related risks

Our Group handles a wide range of products in four business fields in Japan and overseas. The manufacture and sale of these products may be impacted by factors including regional environmental regulations and changes

to eco-friendly products. In addition, the plastics business may be impacted by the transition to plastic-free products. Alongside working to diversify suppliers, in each of our businesses, we are focusing on the sale of recycled products and other materials that reduce environmental impact to contribute to a decarbonized and circular society.

With regard to climate change-related risks, we endorsed the recommendations of the TCFD in April 2023 and are working to accurately ascertain the impact of climate change on our business and disclose related information.

Relevant organizational units: General Affairs Office

⑧ Risk related to information systems and information security

As we operate business as a *shosha*, or Japanese trading company, group, we hold confidential and personal information relating to our business partners and confidential and personal information relating to the Group. To ensure that this information is not leaked externally, destroyed, or falsified, we have established our Information Security Policy, prepared manuals that define information management procedures, and developed a Group-wide management framework. Based on this, we engage in thorough management practices, enhance information security, and implement employee education and other such measures. For our regulations and manuals, we review them continuously to adapt to new risks and technologies.

Moreover, given that remote work has increased with the advancement of work-style reforms, in addition to traditional antivirus software, we have introduced an endpoint security system that monitors the behavior of devices, thereby working to enhance security in alignment with a "zero trust" approach. To address security incidents, we have established an internal Computer Security Incident Response Team (CSIRT) to respond quickly and accurately and are strengthening information sharing both internally and externally. Security monitoring is also performed 24 hours a day, 7 days a week by an external security operations center (SOC). Nevertheless, as cyberattacks are becoming increasingly sophisticated, it is difficult to completely block unauthorized external access and other threats, and the Group's financial position and business performance may be adversely impacted if such unforeseen events occur.

Relevant organizational units: Digital Promotion Office

9 Risk related to interest rates

The Group raises capital for its operating activities and business investments through means such as borrowing from financial institutions or issuing corporate bonds. We ascertain interest rate trends in Japan and overseas, manage interest rate risk by adjusting the ratios of funds procured from fixed-rate sources and floating-rate sources, and work to reduce interest expense. However, a sharp rise in interest rates could adversely affect the Group's financial position and business performance.

In the consolidated fiscal year, interest expenses were 1,823 million yen.

Relevant organizational units: Financial Management Office

10 Risk related to quality

While we are a *shosha*, or Japanese trading company, group, we also own companies involved in manufacturing and processing in a variety of fields, including plastic

compounding, plastic film, materials for medical products, and processed marine products, in Japan and abroad. We conduct quality management to ensure the reliability and safety of the products manufactured and processed by these companies. As a *shosha*, we also procure a diverse array of materials and products from our business partners in the four business areas of information and electronics, chemicals, life industry, and plastics, and sell them to our customers. For these materials and products, we ascertain global changes in relevant laws, regulations, and standards related to the environment and safety, working to manage quality accordingly.

However, it is difficult to completely avoid quality issues, and if any arise and result in loss, the Group may be held responsible. In such an event, the Group's financial position and business performance could be adversely affected.

Relevant organizational units: Risk Management Office, Plastics Compound Business Office, each sales division

Addressing other risks

Tax compliance

All officers and employees of the Group strive to comply with laws and regulations as well as internal regulations, regardless of the country, to manage Inabata with a focus on compliance.

With regard to taxes, we recognize that one of our social responsibilities is to pay taxes according to related laws and regulations in each country or region and maintain transparency. We think that proper tax payment contributes to economic development of the country or

region and in return results in sustainable growth of our Group and improvement of our medium- to long-term corporate value. Therefore, we strive to minimize tax risk and maintain as well as improve tax compliance.

Note: Responses to the following sustainability-related risks are described in the section entitled "ESG Information."

- **Compliance, Anti-Corruption p. 90**
- **Climate Change p. 59**
- **Human Rights and Supply Chain Management p. 67**

Business continuity plan (BCP)

We have been formulating and introducing business continuity plans (BCPs) since 2018 so that we can promptly restart and continue business activities after a crisis takes place.

In 2020, we suspended the formulation of plans at some bases due to the spread of the COVID-19 pandemic. However, in 2021, we organized issues identified during the pandemic and reviewed bases' completed plans, and in 2023, we began to work on BCPs again at the bases where formulation had been suspended.

As a result, we are now managing formulated BCPs at 38 bases in 13 countries, covering the consolidated Group's key bases in Japan and overseas.

Compliance

Basic concept

To establish management practices that emphasize compliance, the Inabata Group advocates thorough compliance per the Inabata Group Sustainability Code of Conduct. We have also adopted the Inabata Declaration of Compliance and the Compliance Guidelines. Inabata considers its corporate activities shall be in full compliance not only with legal regulations but also with social rules.

We also believe that carrying on the spirit of our founder—love (*ai*) and respect (*kei*) for people—is essential to fostering a corporate culture that emphasizes compliance. Hence, we strive to promulgate our Mission, Vision, and IK Values within the Company.

We have also formulated a policy on tax compliance.

Internal whistleblowing system

The Inabata Group's internal whistleblowing system consists of two separate routes. The "compliance hotline" is primarily for reporting violations of laws and regulations, such as bribery and other types of corrupt activities, and incidents of serious breaches of compliance, including organizational fraud. The "counseling desk" provides mediation and coordination to help employees resolve issues related to the work environment and work relationships. For both reporting routes, contact and consultation are possible by oral communication, telephone, email, and postal mail.

routes, the rules clearly stipulate that persons engaged in responding to whistleblowing are obliged to keep the provider anonymous, and that any attempts to identify the provider or any adverse treatment of the provider or those who cooperate with the investigation are strictly prohibited, ensuring that employees who use the system to provide information do not suffer consequences for whistleblowing. When information is received, the rules provide clear procedures for communicating and verifying the information promptly and appropriately.

The President of Inabata, who chairs the Compliance Committee, regularly reports the operational status of the internal whistleblowing system to the Board of Directors.

Inabata operates its internal whistleblowing system in accordance with the Internal Whistleblowing Rules. As regulations common to the above two whistleblowing

Anti-Corruption

Basic concept

The Inabata Group Sustainability Code of Conduct and the Inabata Declaration of Compliance outline the measures that we take to prevent corruption, including bribery and illegal payments to foreign public officials. In addition, the Supply Chain CSR Action Guidelines for our business partners and other stakeholders also states our commitment to not engaging in corrupt business practices.

readily available on the Company intranet portal site our Compliance Guidelines and manuals on antitrust law, subcontracting law, unfair competition prevention law, insider trading regulations, and bribery.

The Compliance Committee, which is chaired by the president, oversees and regularly reports to the Board of Directors on serious cases of compliance violation, including bribery, law violations, and organizational fraud.

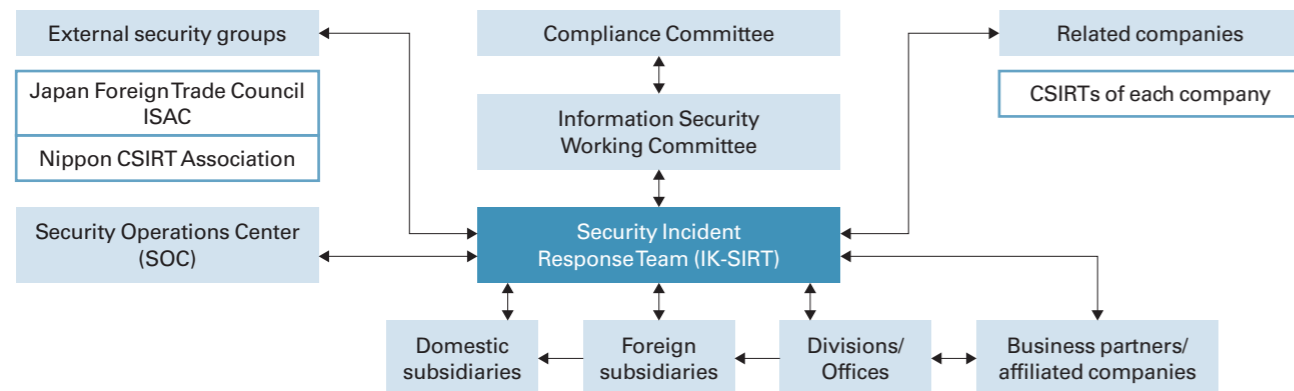
To raise awareness and assist our employees in preventing corruption, we have produced and made

Basic concept

To protect its information assets from information security risks, the Inabata Group has established principles concerning information security in its Information Security Policy.

In addition to our Group companies with trading functions, we implement policies with a similar standard among our manufacturing bases in Japan and abroad, enhancing information security measures throughout the entire Inabata Group.

Information security promotion system

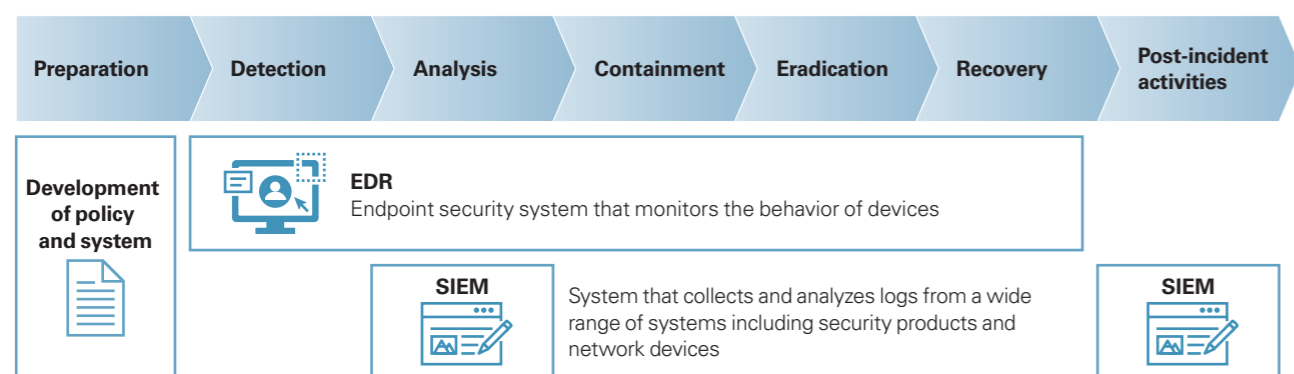


Systematic technical measures

To respond to security incidents with systematic technical measures, we introduce and operate systems that align with an international framework for incident response. For the detection, analysis, containment, and eradication of cyberattacks, we deploy an endpoint security system that monitors the behavior of devices and enables remote containment and eradication of

damage. In addition, while utilizing a security information and event management system that collects logs from a wide range of systems including security products and network devices, we engage in post-incident activities such as analyzing the causes of incidents and developing recurrence prevention measures.

Introduction of systems aligned with an international framework for incident response



Incident response framework

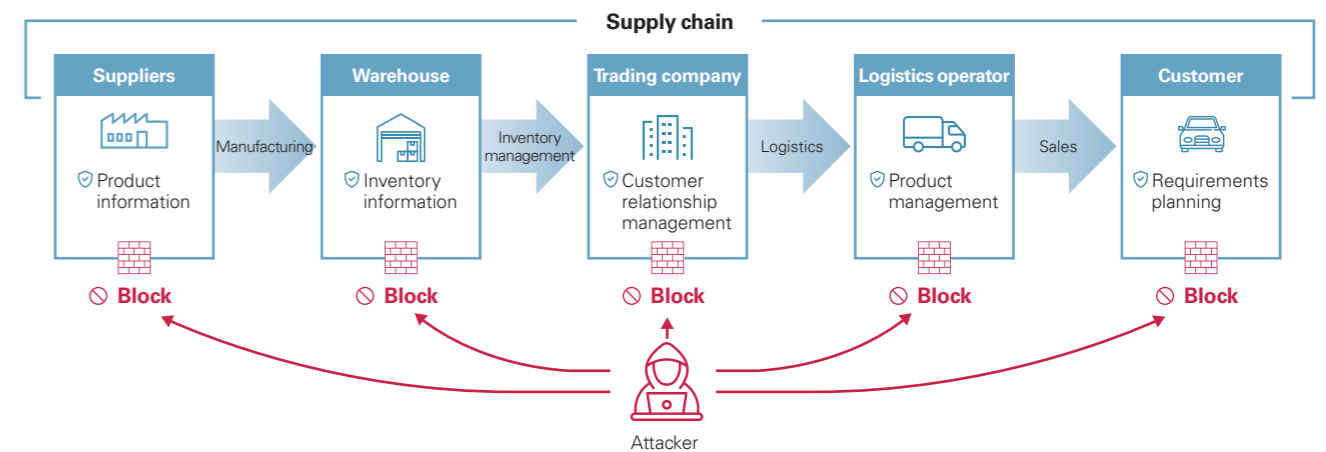
An incident response model created by the U.S. National Institute of Standards and Technology and the U.S. Cybersecurity and Infrastructure Security Agency

Supply chain security

In regard to information security in areas of the Group's supply chain comprised of suppliers and customers, we fulfill our accountability by answering questionnaires and surveys from individual business partners.

In addition, to improve the Group's supply chain security as a whole, we continuously enhance technical measures that address our confidential information management and information system vulnerability management.

Implementation of technical measures for supply chain information security



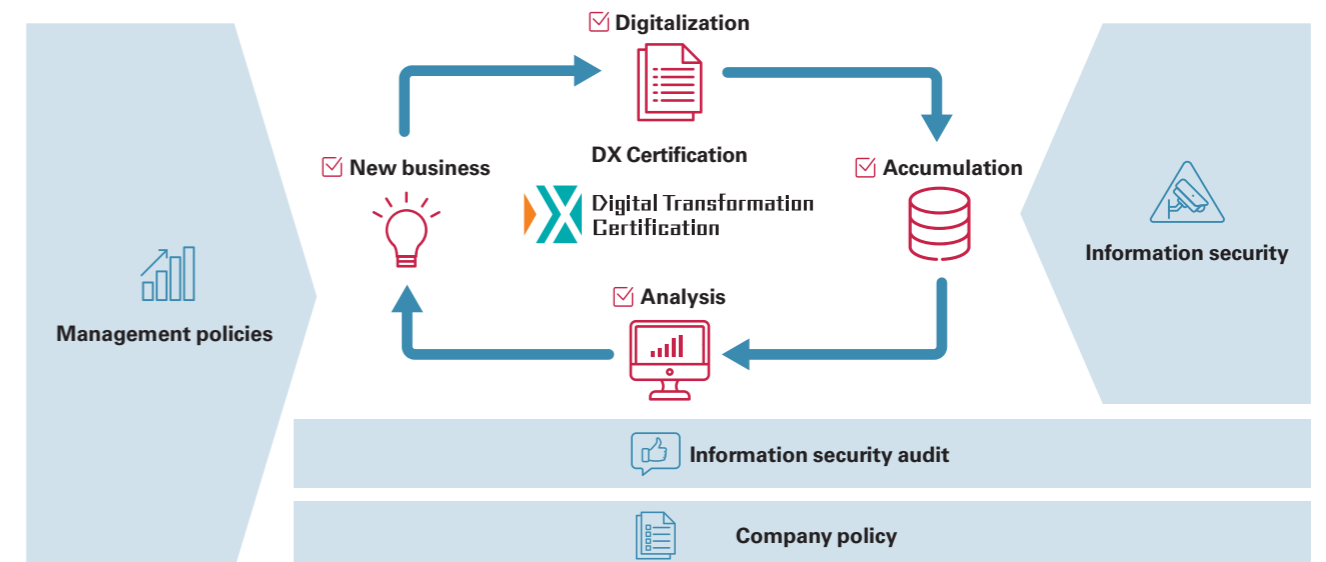
DX security support

On March 1, 2023, we were certified under the DX Certification System of the Ministry of Economy, Trade and Industry.

we verify that company policy is communicated throughout the organization and adhered to by regularly conducting information security audits. In addition, we develop and retain information security specialists to achieve business strategies while also ensuring information security.

While promoting DX strategy in line with our management policies, to address information security risk,

Certified under the DX Certification System of the Ministry of Economy, Trade and Industry



Environment

Energy and climate

Energy consumption

Item	FY2020	FY2021	FY2022
Electricity (MWh)	44,131	58,209	81,041
Hot water / cold water (GJ)	—	0	1,119
Volatile oil (gasoline) (kL)	—	87	517
Kerosene (kL)	—	3	1.2
Light oil (kL)	—	121	310
Liquefied petroleum gas (LPG) (t)	—	61	74.7
Other combustible natural gas (1,000 m ³)	—	0.2	0
City gas (1,000 m ³)	—	19	237

Notes: 1. FY2022 coverage: Inabata & Co. and domestic and overseas consolidated subsidiaries
 2. FY2021 coverage: Inabata & Co., seven domestic consolidated subsidiaries, and seven overseas plastic compounding factories
 3. FY2020 coverage: Inabata & Co. and seven overseas plastic compounding factories

GHG emissions (Scope 1 and 2)

Item	FY2020	FY2021	FY2022
Scope 1 (t-CO ₂ e)	—	747	2,755
Other (CO ₂ from non-energy sources, CH ₄ , N ₂ O, HFCs, PCFs, SF ₆ , NF ₃)	—	0	0
Scope 2 (t-CO ₂ e)	31,475	36,930	43,666
Market-based	—	37,180	43,933
Location-based	—	—	—
Total (t-CO ₂ e)	31,475	37,677	46,421
Scope 1 + Scope 2 (market-based)	—	37,927	46,688
Scope 1 + Scope 2 (location-based)	—	—	—
GHG emissions intensity per sales (t-CO ₂ e / ¥100 million)	10	9.4	6.3

Notes: 1. FY2022 coverage: Inabata & Co. and domestic and overseas consolidated subsidiaries
 2. FY2021 coverage: Inabata & Co., seven domestic consolidated subsidiaries, and seven overseas plastic compounding factories
 3. FY2020 coverage: Inabata & Co. and seven overseas plastic compounding factories
 4. Domestic Scope 2 emission factors are calculated using the emission factor provided by the Ministry of the Environment and the Ministry of Economy, Trade and Industry for each electric power company. Overseas Scope 2 emission factors until FY2021 are calculated using the country-specific emission factors in the List of Grid Emission Factors published by the Institute for Global Environmental Strategies, while the emission factors for FY2022 are calculated using the International Energy Agency (IEA) Emissions Factors 2022.
 5. Figures reported for FY2020 have been recalculated in accordance with updated emission factors.
 6. The emissions intensity per sales is based on the simple net value of sales within the calculation scope.
 7. Emissions intensity is based on Scope 1 + Scope 2 (market-based) GHG emissions.

GHG emissions (Scope 3)

Item	FY2021	FY2022
1. Purchased goods and services	1,827,367	1,435,020
2. Capital goods	1,394	2,984
3. Fuel- and energy-related activities not included in Scope 1 or Scope 2	80	71
4. Upstream transportation and distribution	52,547	55,189
5. Waste generated in operations	52	53
6. Business travel	888	2,377
7. Employee commuting	218	234
8. Upstream leased assets	Not subject to calculation	Not subject to calculation
Subtotal (upstream)	1,882,546	1,495,928
9. Downstream transportation and distribution	Not subject to calculation	Not subject to calculation
10. Processing of sold products	Not subject to calculation	Not subject to calculation
11. Use of sold products	Not subject to calculation	Not subject to calculation
12. End-of-life treatment of sold products	536,788	464,242
13. Downstream leased assets	70	64
14. Franchises	Not subject to calculation	Not subject to calculation
15. Investments	Not subject to calculation	Not subject to calculation
Subtotal (downstream)	536,858	464,306
Total	2,419,404	1,960,235

Notes: 1. Coverage: Inabata & Co.
 2. Category 8 is not applicable as it is included in Scope 1 and 2.
 3. Categories 9 and 10 are excluded from calculations as they are difficult to determine or reasonably estimate since there is a wide range of products sold and forwarding destinations.
 4. Categories 11, 14, and 15 are not applicable as they are outside the scope of relevant business activities.
 5. Category 12 is calculated based on items for which weight-based data can be collected.
 6. FY2021 data for Category 3 was recalculated and reported due to an error in the scope of calculation.

Pollution prevention / Resource circulation

Item	FY2020	FY2021	FY2022
Nitrogen oxide (NOx) (t)	0	0	1
Sulfur oxide (SOx) (t)	0	0	0
Volatile organic compounds (VOC) (t)	0	0	101
Waste (t)*	Total	67	76
	Waste recycled	48	57
	Waste non recycled	19	19
Waste recycling rate (%)*	72	75	58
Hazardous waste (t)*	0	0	1,929
Paper purchased (copy paper) (thousands of sheets)	3,563	2,925	2,442
Green purchasing ratio of office supplies, etc. (%)	64	76	68

Notes: 1. FY2022 coverage (excluding paper purchased, green purchasing ratio of office supplies, etc.): Inabata & Co., domestic consolidated manufacturing subsidiaries, and overseas consolidated manufacturing subsidiaries
 2. FY2022 coverage (paper purchased, green purchasing ratio of office supplies, etc.): Inabata & Co.
 3. Waste for overseas resin compound manufacturing business bases is calculated based only on resin, the main material.
 2. FY2020 and FY2021 coverage: Inabata & Co.

Water resources

Item	FY2020	FY2021	FY2022
Discharge amount by discharge destination (1,000 m ³)	Total	6	6
	Ocean	0	0
	River / lake (fresh surface water)	0	0
	Groundwater	0	0
	Sewage (third-party treated)	6	6
Water withdrawal amount by withdrawal source (1,000 m ³)	Total	6	6
	River / lake (fresh surface water)	0	0
	Groundwater	0	0
	Water supply / industrial water	6	6
	Rainwater	0	0
Sea water	0	0	
Water withdrawals/consumption in water-stressed regions (m ³)	0	0	0
Number of violations related to water quality / water withdrawals (violations of permits, standards, regulations, etc.)	0	0	0

Notes: 1. FY2022 coverage: Inabata & Co., domestic consolidated manufacturing subsidiaries, and overseas consolidated manufacturing subsidiaries
 2. FY2020 and FY2021 coverage: Inabata & Co.

Environmental management

Item	FY2020	FY2021	FY2022
Number of environmental law violations	0	0	0
Environmental fines and penalties (yen)	0	0	0

Notes: 1. FY2022 coverage: Inabata & Co. and domestic and overseas consolidated subsidiaries
 2. FY2020 and FY2021 coverage: Inabata & Co.

Environmental business (Products that reduce environmental impact)

Sales of products that reduce environmental impact by field

Fields	Main items	FY2021 (millions of yen)	FY2022 (millions of yen)
Total		18,727	26,957
Energy & Power	Renewable energy, batteries, etc.	13,463	17,518
Resources & Environment	Sustainable materials, recycling, water, etc.	4,201	7,585
Materials & Chemicals	Low-carbon materials, environmental pollutant reduction, etc.	735	1,537
Agriculture & Food	Food waste reduction, soil improvement, etc.	0	0
Transportation & Logistics	EV charging, green logistics, etc.	0	0
Environmental certification	Forestry certifications (FSC and PEFC), marine product certifications (MSC and ASC), etc.	328	317

Notes: 1. Coverage: Inabata & Co. and domestic and overseas consolidated subsidiaries.
 2. There are no results for Agriculture & Food or Transportation & Logistics in FY2021 and FY2022.
 3. Totals are simple sums.
 4. FY2021 net sales have been recalculated to match a 2023 review and partial reclassification of products within each field. Although there are variations in figures for each item and field reported in the previous fiscal year, totals remain unchanged.

Society

Employee status

Number of employees, managerial position ratio, gender ratio (non-consolidated / consolidated) Ratio is listed in ()

Item	FY2020		FY2021		FY2022	
	Men	Women	Men	Women	Men	Women
Inabata Group (consolidated)	Total (people)		—		4,316	
	Management		—		2,469 (57%)	1,847 (43%)
	Non-management		—		491 (74%)	174 (26%)
Inabata & Co.	Total (people)		536		589	
	Management		—		345 (58%)	244 (42%)
	Non-management		—		118 (94%)	7 (6%)
Domestic consolidated subsidiaries	Total (people)		—		407	
	Management		—		297 (73%)	110 (27%)
	Non-management		—		71 (91%)	7 (9%)
Overseas consolidated subsidiaries	Total (people)		—		3,320	
	Management		—		1,827 (55%)	1,493 (45%)
	Non-management		—		302 (65%)	160 (35%)

Notes: 1. As of the end of each fiscal year (March 31). FY2021 figures for overseas consolidated subsidiaries are as of July 31, 2022.
2. Numbers for domestic and overseas consolidated subsidiaries include employees seconded from Inabata & Co..

Number of employees, gender ratio (by area)

Ratio is listed in ()

Item	FY2021		FY2022	
	Men	Women	Men	Women
Japan	Total (people)		951	
	Management		—	
	Non-management		—	
Southeast Asia	Total (people)		2,459	
	Management		—	
	Non-management		—	
Northeast Asia	Total (people)		475	
	Management		—	
	Non-management		—	
The Americas	Total (people)		304	
	Management		—	
	Non-management		—	
Europe	Total (people)		73	
	Management		—	
	Non-management		—	

Notes: 1. As of the end of each fiscal year (March 31). FY2021 figures for areas other than Japan are as of July 31, 2022.
2. Numbers for domestic and overseas consolidated subsidiaries include employees seconded from Inabata & Co..

Labor practices / diversity

Item	FY2020		FY2021		FY2022			
	Men	Women	Men	Women	Men	Women		
Ratio of women in managerial positions (%)		2.6		3.6		3.7		
Number of non-Japanese staff (people)		6		11		7		
Number of employees by age	Total		133		139		149	
	Under 30 years old		—		—		—	
	Men/Women		—		—		—	
	30–39 years old		158		156		167	
	Men/Women		106 52		105 51		109 58	
	40–49 years old		166		163		158	
	Men/Women		107 59		106 57		105 53	
	50–59 years old		165		168		183	
	Men/Women		137 28		140 28		144 39	
60 years old and over		34		46		52		
Men/Women		26 8		33 13		40 12		
Number of hires	Total		20		24		26	
	New graduates (people)		10 10		13 11		8 18	
	Retention rate (3 years) for new graduates (%)		89		88		96	
	Total		15		20		31	
	Mid-career (people)		12 3		13 7		20 11	
Ratio of regular employees hired mid-career (%)		43		45		54		
Voluntary turnover rate (%)		3.2		3.5		2.3		
Number of employees rehired (after mandatory retirement, etc.) (people)		—		—		27		
Number of employees rehired under the job return system		—		—		2		
Employment of person with disabilities*1	Number of employees (people)		14		14		20	
	Employment rate (%)		2.05		2.08		2.65	
Average age	Total		41.1		41.4		42.0	
	Men/Women		43.1 38.1		43.7 37.1		44.3 37.8	
Average years of employment	Total		14.8		14.9		13.8	
	Men/Women		16.1 11.1		16.4 11.8		15.6 10.5	
Average annual salary (thousand yen)		8,506		8,609		9,141		
Gender wage gap (%)*2	All employees		—		—		56.3	
	Regular employees		—		—		57.0	
	Professionals		—		—		97.1	
	Staff		—		—		94.7	
Assistants		—		—		91.9		
Non-regular employees		—		—		47.6		
Total annual working hours per employee (hours/year)		1,907		1,917		1,904		
Monthly average overtime working hours (hours/month)		14.2		11.4		14.1		
Average annual paid leave	Days taken (days)		9.2		10.4		11.0	
	Utilization rate (%)		48.7		56.1		60.5	
Childcare leave	Total		8		23		10	
	Men/Women		1 7		17 6		5 5	
	Total		25.8		46.9		37.5	
	Men/Women		4.2 100		34.6 100		21.1 100	
Rate of employees returning to work (%)		100		100		100		
Number of employees taking nursing care leave (people)		0		0		0		

Notes: 1. Coverage: Inabata & Co. (including employees seconded to Group companies)
2. As of the end of each fiscal year (March 31)

*1 The figures for each fiscal year are as of June 1 of the following fiscal year.

*2 "All employees" refers to regular employees and non-regular employees.

"Regular employees" includes employees in three position categories: "Professionals" which refers to those in management positions engaged in core duties; "Staff," which refers to those in non-management positions engaged in core duties; and "Assistants," which refers to those engaged mainly in support duties. Senior positions are calculated in accordance with their respective grades and divided into the three aforementioned position categories.

"Non-regular employees" includes unretired senior employees working on a fixed-term contract or special fixed-term contract but excludes temporary employees. The difference in wages between men and women is due to the difference in the personnel composition by position and the difference in the personnel composition for qualification classifications ("bands"); there are no gaps in wages for the same duty type. Accordingly, there is minimal gap in wages between men and women for the positions of professionals, staff, and assistants.

Human resources development

Item	FY2020	FY2021	FY2022
Total time for employee skills development training (hours)	473	394	440
Total number of employees participating in training for skills development (people)	906	1,070	1,138
Average training hours per employee per year (hours)	0.7	0.6	0.6
Average training expenditure per employee per year (yen)	39,504	34,099	50,776

Note: Coverage: Inabata & Co. (including employees seconded to Group companies)

Society

Occupational health and safety

Item		FY2020	FY2021	FY2022
Health checkup attendance rate (%) ^{*1}		—	—	100
Stress check ^{*1}	Number of employees who attended	501	568	617
	Attendance rate (%)	—	—	87.5
Number of employees who attended health and safety training (people) ^{*1}	Safe driving training (e-learning)	88	51	32
	Earthquake/safety confirmation training ^{*2}	Approx. 600	May 603 December 609	May 633 December 623
Number of occupational accidents (regular employees) (cases)	Firefighting training (on-site training) ^{*3}	Tokyo 52 Osaka 20	77 self-defense fire brigade members in Tokyo, Osaka, and Nagoya	80 self-defense fire brigade members in Tokyo, Osaka, and Nagoya
	Fatalities	Total	0	0
Inabata & Co.		0	0	0
Domestic consolidated subsidiaries		—	—	0
Lost-time injuries	Overseas consolidated manufacturing subsidiaries	0	0	0
	Total	—	—	28
	Inabata & Co.	—	—	0
Non-lost-time injuries	Domestic consolidated subsidiaries	—	—	1
	Overseas consolidated manufacturing subsidiaries	—	—	27
	Total	—	—	8
Number of occupational accidents (temporary employees and contract employees) (cases)	Inabata & Co.	—	—	0
	Domestic consolidated subsidiaries	—	—	1
	Overseas consolidated manufacturing subsidiaries	—	—	7
Fatalities	Total	0	0	0
	Inabata & Co.	0	0	0
	Domestic consolidated subsidiaries	—	—	0
Lost-time injuries	Overseas consolidated manufacturing subsidiaries	0	0	0
	Total	—	—	8
	Inabata & Co.	—	—	0
Non-lost-time injuries	Domestic consolidated subsidiaries	—	—	4
	Overseas consolidated manufacturing subsidiaries	—	—	4
	Total	—	—	5
Lost-time injury frequency rate (regular employees) ^{*4}	Inabata & Co.	—	—	0
	Domestic consolidated subsidiaries	—	—	1.81
	Overseas consolidated manufacturing subsidiaries	6.34	6.62	5.30
Lost-time injury severity rate (regular employees) ^{*5}	Total	3.82	4.11	4.11
	Inabata & Co.	0	0	0
	Domestic consolidated subsidiaries	—	—	0.01
Total	Overseas consolidated manufacturing subsidiaries	0.01	0.03	0.09
	Inabata & Co.	0	0	0
	Domestic consolidated subsidiaries	—	—	0.01
Total	Overseas consolidated manufacturing subsidiaries	0.02	0.05	0.12

^{*1} Coverage: Inabata & Co. (including employees seconded to Group companies)

^{*2} Due to factors such as using the earthquake/safety confirmation system to respond to COVID-19, we only ascertained the approximate number in FY2020.

^{*3} In FY2020, as a result of postponing on-site training due to the spread of COVID-19, there was voluntary training which consisted of viewing videos. In FY2021 and FY2022, due to concerns about the spread of COVID-19, we postponed on-site training, and conducted first-aid training using videos for all self-defense fire brigade members at our offices in Tokyo, Osaka, and Nagoya.

^{*4} (Number of casualties due to occupational accidents requiring at least one day off work / Total actual working hours) × 1,000,000. The industry average (wholesalers and retailers with 100 or more employees) was 1.98 in FY2022 (based on the Ministry of Health, Labour and Welfare's 2021 Survey on Industrial Accidents). Comparison with Inabata & Co..

^{*5} (Total working days lost / Total actual working hours) × 1,000. The industry average (wholesalers and retailers with 100 or more employees) was 0.05 in FY2022 (based on the Ministry of Health, Labour and Welfare's 2021 Survey on Industrial Accidents). Comparison with Inabata & Co..

Employee engagement

Employee engagement survey

Item		FY2021	FY2022	FY2023
Number of employees surveyed	Total	1,400	1,697	1,901
	Inabata & Co.	587	606	652
	Main overseas trading offices	813	1,091	1,249
Response status	Response rate (%)	49	73	72
Main items (%) ^{*1}	Engagement I am satisfied with the work I am doing at Inabata now.	70	73	76
	Relationship with superiors I have the necessary collaboration with my supervisor at work.	75	80	80
	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
	Corporate philosophy I can relate to Inabata's philosophy, vision, and management policies, and I want to participate in achieving them.	70	73	73
	Human resources system and benefits Inabata's salary standards are satisfactory, compared to other companies in the same industry.	59	55	57
	Human resources system and training Inabata supports employee training to improve their skills.	41	48	54
	Work-life balance Overtime is kept to a level that is acceptable for me.	64	69	75

^{*1} From among a five-point evaluation by employees (5. Strongly agree / 4. Agree / 3. Neither agree nor disagree / 2. Disagree / 1. Strongly disagree), the ratio of positive responses (5. and 4.)

Social contribution activities

Item		FY2020	FY2021	FY2022
Number of employees taking leave for volunteering ^{*1}		—	—	—
Total amount of donations, activity expenses, etc., that contribute to society ^{*2} (millions of yen)		8	8	28
Results of main social contribution activities	Support for the activities of the Sociedade Luso-Nipónica de Osaka ^{*3} (10,000 yen)	80	0	80
	Académie de musique française de Kyoto Number of participants ^{*4}	Canceled	67	101
	French music competition Number of winners of Inabata Award (since 1974) ^{*5}	1 Cumulative 47	1 Cumulative 48	1 Cumulative 49
	Acceptance of international students from the emlyon (since 1994) ^{*6}	Canceled	Canceled	Canceled
	Support for the Shougaisha Jiritsu Suishin Kikou Association ^{*7}	Bronze Partner	Bronze Partner	Bronze Partner

Note: Coverage: Inabata & Co.

^{*1} Activities approved for this system after the occurrence of a severe disaster. Four people used this system as volunteers for recovery after the 2016 Kumamoto earthquake.

^{*2} Main donations include cultural support for the Japan Philharmonic Orchestra, the Osaka Symphony Orchestra, the Osaka Philharmonic Orchestra, etc., and community support for the Keidanren Nature Conservation Fund, etc.

^{*3} There were no expenditures in FY2021 as a result of regular meetings being canceled due to COVID-19.

^{*4} A Japan-France music exchange program sponsored by Inabata. Top-class musicians are invited from France and master classes are held for about two weeks. The program provides a valuable opportunity for young Japanese musicians to receive high-quality education in French music. Canceled in FY2020 due to COVID-19. Held online in FY2021.

^{*5} At the French music competition sponsored by Fondation Culturelle Kansei de Ashiya, the Inabata Award (named after Inabata Co. & Ltd.) is awarded every year to the best performer in the vocal or piano category.

^{*6} Friendship activities with Lyon, France, where our founder studied abroad. From FY2020 to FY2022, activities were canceled due to COVID-19. A cumulative total of 26 people were accepted into the program as of FY2019.

^{*7} In addition to providing support as a partner, we used a work from Paralyrn Art, a program which is managed and operated by the association, as the design for our shareholder incentive (QUO cards).

Governance

Corporate governance

In June 2022, we transitioned from a company with an audit & supervisory board to a company with an audit and supervisory committee.

Composition of directors and officers			As of July 1, 2021	As of July 1, 2022	As of July 1, 2023
Directors (excluding Audit and Supervisory Committee members) (people) [Number of directors is shown for 2021]	Total		9	7	7
	Internal	Men	6	5	5
		Women	0	0	0
	Independent outside	Men	2	1	1
		Women	1	1	1
Directors (Audit and Supervisory Committee members) (people) [Number of Audit & Supervisory Board members is shown for 2021]	Total		5	4	5
	Internal	Men	2	0	0
		Women	0	0	0
	Independent outside	Men	3	4	5
		Women	0	0	0
Executive officers*1 (people)	Total		11	11	13
	Men		11	11	13
	Women		0	0	0
Audit and supervisory officers (people)	Total		—	1	1
	Men		—	1	1
	Women		—	0	0

*1 Includes directors and executive officers (2021: 5; 2022 and 2023: 4).

Attendance status for meetings of the Board of Directors, Audit & Supervisory Board, Audit and Supervisory Committee, and Nominating and Remuneration Committee (April 1, 2022, to March 31, 2023)

In June 2022, we transitioned from a company with an audit & supervisory board to a company with an audit and supervisory committee.

Attendance rate is listed in (%)

Position	Name	Independent outside	Meetings of the Board of Directors	Meetings of the Audit & Supervisory Board (until June 2022)	Meetings of the Audit and Supervisory Committee (From June 2022)	Nominating and Remuneration Committee	
			Number attended	Number attended	Number attended	Number attended	
Directors	Katsutaro Inabata		16/16 times (100%)	—	—	7/7 times (100%)	
	Toyohiro Akao		16/16 times (100%)	—	—	—	
	Kenichi Yokota		16/16 times (100%)	—	—	—	
	Masahiro Sugiyama		16/16 times (100%)	—	—	—	
	Noriomi Yasue (retired in June 2022)		2/3 times (67%)	—	—	—	
	Kenji Ohno		16/16 times (100%)	—	—	—	
	Kiyoshi Sato	○	16/16 times (100%)	—	—	10/10 times (100%)	
	Takako Hagiwara	○	16/16 times (100%)	—	—	10/10 times (100%)	
Directors	Directors (Audit and Supervisory Committee members)	Kenji Hamashima	○	16/16 times (100%)	—	11/11 times (100%)	10/10 times (100%)
Audit & Supervisory Board members	Directors (Audit and Supervisory Committee members)	Satoshi Tamai (appointed in June 2022)	○	13/13 times (100%)	3/3 times (100%)	11/11 times (100%)	—
—	Directors (Audit and Supervisory Committee members)	Minoru Sanari (appointed in June 2022)	○	13/13 times (100%)	—	11/11 times (100%)	—
—	Directors (Audit and Supervisory Committee members)	Tomokazu Fujisawa (appointed in June 2022)	○	13/13 times (100%)	—	11/11 times (100%)	—
Audit & Supervisory Board members	—	Yoshitaka Takahashi (retired in June 2022)	○	3/3 times (100%)	3/3 times (100%)	—	—
Audit & Supervisory Board members	—	Katsuya Yanagihara (retired in June 2022)	○	3/3 times (100%)	3/3 times (100%)	—	—
Audit & Supervisory Board members	—	Nobukazu Kuboi (retired in June 2022)	○	3/3 times (100%)	3/3 times (100%)	—	—

Notes: 1. Interviews with director and executive officer candidates by the Nominating and Remuneration Committee (three times) were conducted only by independent outside directors.
 2. Kenji Hamashima's attendance at meetings of the Board of Directors includes the period in which he served as an independent outside director from April 1, 2022, to the closing of the Ordinary General Meeting of Shareholders held on June 22, 2022.
 3. Satoshi Tamai's attendance at meetings of the Board of Directors does not include three meetings attended during the period in which he served as an Audit & Supervisory Board member from April 1, 2022, to the closing of the Ordinary General Meeting of Shareholders held on June 22, 2022.

Compliance

	FY2020	FY2021	FY2022
Number of whistleblower reports/consultations*1 (cases)	2	10	2
Number of serious compliance violations (including labor standards) (cases)	0	0	0
Political contributions (yen)	0	0	0
Number of dismissals and disciplinary actions due to non-compliance with anti-corruption policy (cases)	0	0	0
Penalties, surcharges, and settlements related to corruption (10,000 yen)	0	0	0

Notes: Coverage: Inabata & Co.
 *1 Includes the number of consultations to the "counseling desk" that was newly established from FY2021.

Participation in Initiatives



United Nations Global Compact (UNGC)
 In April 2022, we signed the United Nations Global Compact (UNGC), which is advocated for by the United Nations, and were registered as a participating company.

The UNGC is the world's largest sustainability initiative in which the United Nations and the private sector (companies and organizations) work together to build a healthy global society. Through responsible and creative leadership by each company and organization, participants act as good members of society and achieve sustainable growth. Based on the commitments of their top corporate executives, UNGC signatory companies and organizations are required to make continued efforts toward realizing the Ten Principles on human rights, labor, environment, and anti-corruption.



CDP
 Based in the United Kingdom, CDP is an international non-governmental organization (NGO) working in environmental fields including climate change. It calls for major companies and cities throughout the world to make disclosures on their efforts to address issues such as climate change and water management, and it carries our related surveys and assessments.

In 2022, we participated in the CDP's climate change questionnaire, while in 2023, we participated in its climate change questionnaire and water security questionnaire.



TCFD
 The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB) at the request of the G20. It released its final report in June 2017, which sets out recommendations for companies to disclose financial information on the risks and opportunities associated with climate change.

We endorsed these final recommendations in March 2023 and disclose information based on them.

Note: Please refer to pages 59–62 for more information on our disclosures based on the TCFD recommendations.



TCFD Consortium
 The TCFD Consortium was established by the Ministry of Economy, Trade and Industry, the Ministry of the Environment, and the Financial Services Agency. It serves as a forum for corporations and financial institutions that support the TCFD recommendations to discuss effective corporate information disclosure and ways for financial institutions to utilize disclosed information in making appropriate investment decisions.

We joined the TCFD Consortium in April 2023. Through our participation in the consortium, we appropriately disclose information on the risks and opportunities that climate change presents to our business.



Alliance to End Plastic Waste (AEPW)
 An international alliance which conducts activities aimed at reducing the outflow of plastics waste into the environment and promoting a circular economy. The Alliance to End Plastic Waste (AEPW) focuses on solutions in the four strategic areas of infrastructure, innovation, education and engagement, and clean up, supporting multiple projects throughout the world. The AEPW collaborates with government agencies, environmental and economic development NGOs, and civil society to create a plastics circular economy.



Japan Clean Ocean Material Alliance (CLOMA)
 A domestic (Japan) alliance working to resolve the problem of marine plastic litter. The Japan Clean Ocean Material Alliance (CLOMA) promotes collaboration between different industries involved in the plastics value chain. It also promotes the sustainable use of plastic products, and the development and introduction of alternative materials.

Summary of 11 years

(Millions of yen)

		FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Business Performance	Net sales	479,942	561,173	572,114	577,037	586,630	621,137	634,740	600,312	577,583	680,962	735,620
	Gross profit	33,002	38,511	39,040	41,064	42,740	44,854	47,257	46,259	46,040	57,370	62,874
	Selling, general and administrative expenses	25,237	27,574	28,266	29,692	30,123	38,891	33,226	33,029	31,066	37,317	42,560
	Operating profit	7,765	10,936	10,774	11,371	12,616	5,962	14,031	13,229	14,973	20,052	20,314
	Ordinary profit	9,603	12,454	13,217	12,257	13,672	6,374	14,309	14,211	16,514	21,648	19,110
	Profit attributable to owners of parent	6,630	8,669	8,630	9,510	9,687	6,744	12,896	11,415	13,792	22,351	19,478
	Exchange rate USD/yen	79.81	100.17	109.76	120.15	108.34	110.85	110.92	108.70	106.10	112.39	135.50
Financial Position	Total assets	276,938	305,037	326,862	305,436	340,147	352,741	366,514	322,848	353,228	389,059	380,443
	Interest-bearing debt	68,071	76,582	78,814	68,377	71,075	71,993	57,277	52,848	41,206	64,538	64,769
	Equity capital	97,886	115,010	127,671	126,038	146,258	141,403	162,973	145,924	173,804	174,918	179,461
Cash Flows	Cash flows from operating activities	19,400	(764)	8,354	11,866	1,840	5,960	12,510	10,690	17,613	(11,448)	9,915
	Cash flows from investing activities	277	(5,467)	(3,044)	(161)	4,504	5,086	743	(525)	(423)	5,446	8,278
	Cash flows from financing activities	(12,880)	3,638	(8,193)	(11,129)	(481)	(4,901)	(19,546)	(7,273)	(17,582)	5,999	(17,568)
	Cash and cash equivalents	18,985	18,402	17,394	17,088	22,935	29,235	23,011	25,480	25,983	28,251	29,790
Reference	(Amount of capital investment)	1,781	3,435	2,666	3,067	2,431	2,500	3,441	3,707	3,175	2,799	3,803
	(Depreciation)	3,047	2,179	2,150	2,270	2,066	2,335	2,413	2,976	2,874	3,160	3,532
Sales by Segment	Information & Electronics*1	192,402	210,703	209,369	211,659	221,023	214,963	217,904	218,690	224,534	247,713	238,003
	Chemicals*2	42,799	52,398	52,845	48,198	48,047	51,580	77,522	74,181	66,626	78,644	89,820
	Life Industry	35,877	37,653	34,660	41,022	40,434	42,392	39,046	36,919	37,361	38,203	43,662
	Plastics	186,098	232,877	250,427	251,163	251,885	286,900	300,094	270,345	248,888	316,226	363,955
	(Housing & Eco Materials)*2	22,266	26,511	24,257	24,817	25,064	25,137	—	—	—	—	—
	Others	497	1,028	553	176	175	162	172	175	172	174	178
	Total	479,942	561,173	572,114	577,037	586,630	621,137	634,740	600,312	577,583	680,962	735,620
Operating Profit by Segment	Information & Electronics*1	3,248	4,863	4,489	3,833	3,992	(2,045)	4,819	4,482	6,327	6,422	5,269
	Chemicals*2	339	862	1,072	1,011	1,003	259	1,424	1,208	1,320	2,207	2,770
	Life Industry	1,492	1,745	1,037	1,524	1,820	1,920	1,310	1,166	1,563	2,618	1,936
	Plastics	2,297	2,828	3,730	4,434	5,396	5,541	6,341	6,235	5,631	8,677	10,205
	(Housing & Eco Materials)*2	159	343	285	421	260	157	—	—	—	—	—
	Others	227	292	158	146	142	129	136	135	130	127	131
	Total	7,765	10,936	10,774	11,371	12,616	5,962	14,031	13,229	14,973	20,052	20,314
	Overseas sales ratio (%)	44	51	51	53	53	53	54	53	53	59	60
	Overseas operating profit ratio (%)	51	56	46	45	46	—	54	54	54	60	67
	Number of employees on a consolidated basis (people)	3,661	3,577	3,454	3,509	3,827	4,098	4,184	4,282	4,203	4,207	4,316
Management Indicators	Operating profit ratio (%)	1.6	1.9	1.9	2.0	2.2	1.0	2.2	2.2	2.6	2.9	2.8
	Net D/E ratio (times)*3	0.50	0.46	0.43	0.37	0.30	0.28	0.19	0.16	0.06	0.17	0.16
	Equity ratio (%)	35.3	37.7	39.1	41.3	43.0	40.1	44.5	45.2	49.2	45.0	47.2
	ROE (%)*4	7.6	8.1	7.1	7.5	7.1	4.7	8.5	7.4	8.6	12.8	11.0
	ROA (%)*5	2.5	3.0	2.7	3.0	3.0	1.9	3.6	3.3	4.1	6.0	5.1
	Share price at the end of the fiscal year (yen)	699	1,052	1,198	1,116	1,357	1,616	1,505	1,180	1,658	2,063	2,687
	Total market value (including treasury shares) (billion yen)*6	45.5	68.5	76.0	70.8	86.1	102.6	95.5	74.9	105.2	125.4	153.4
	PER (times)*7	6.7	7.7	8.7	7.3	8.7	14.7	7.1	6.2	7.2	5.5	7.8
	PBR (times)*8	0.45	0.58	0.59	0.55	0.57	0.70	0.56	0.49	0.57	0.67	0.84
	Number of shares issued and outstanding at the end of the fiscal year (including treasury shares) (shares)*9	65,159,227	65,159,227	63,499,227	63,499,227	63,499,227	63,499,227	63,499,227	63,499,227	63,499,227	60,799,227	57,114,127
Number of treasury shares at the end of the period (shares)*10	1,887,522	1,886,225	801,996	1,402,268	2,002,305	2,402,417	3,002,502	3,302,640	3,302,651	3,682,139	1,284,045	
Information per Share	EPS (yen)	104.29	137.01	137.20	151.91	156.25	109.92	211.36	188.82	229.13	374.23	343.31
	BPS (yen)	1,547.09	1,817.68	2,036.31	2,029.70	2,378.31	2,314.42	2,693.92	2,424.13	2,887.29	3,062.46	3,214.42
	Annual dividend (yen)	23	30	33	36	40	40	48	53	63	110	115
	Dividend payout ratio (%)	22.1	21.9	24.1	23.7	25.6	36.4	22.7	28.1	27.5	29.4	33.5
	Total return ratio (%)*11	—	—	31.1	31.1	34.8	46.5	30.0	31.9	27.6	62.2	47.1

* From FY2013, the conversion rate for income and expenditure by overseas subsidiaries and such was changed from the rate on the last day of the FY to average rate during the period. This has been applied retroactively to the figures for FY2012.

* From FY2018, Partial Amendments to Accounting Standard for Tax Effect Accounting was applied. This has been applied retroactively to the figures for FY2017.

* We have applied Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc., from FY2021.

Notes: 1. From FY2016, the business of designing, manufacturing, installation, and sales of cranes, which was part of the Others Segment, has been included in the Information & Electronics Segment. The performance figures for FY2015 are based on the revised categories.

2. In FY2019, the Housing & Eco Materials Segment was integrated into the Chemicals Segment. The performance figures for FY2018 are based on the revised categories.

3. Net D/E ratio = (Interest-bearing debt – Cash and deposits) ÷ Equity capital

4. ROE (%) = (Net profit ÷ Average equity capital at the beginning and end of the FY) × 100

5. ROA (%) = (Net profit ÷ Average total assets at the beginning and end of the FY) × 100

6. Total market value (including treasury shares) = Share price at the end of the FY × Number of shares issued and outstanding at the end of the FY (including treasury shares)

7. P/E ratio is calculated by dividing share price at the end of the FY (TSE closing price) by net profit per share.

8. P/B ratio is calculated by dividing share price at the end of the FY (TSE closing price) by net assets per share.

9. Cancellation of treasury stock: 1,660,000 shares in FY2014, 2,700,000 shares in FY2021, and 3,685,100 shares in FY2022

We retired 1,200,000 shares on July 5, 2023, bringing the total number of issued shares to 55,914,127 as of July 31, 2023.

10. The number of treasury shares at the end of the FY includes shares owned by the Board Benefit Trust (BBT) introduced in FY2018 and equity-method affiliates in addition to shares owned by Inabata.

11. Total return ratio has become the shareholder return index from FY2014. Total return ratio = (Dividend + Treasury shares acquired) ÷ Consolidated net profit × 100

Consolidated Balance Sheets

	(Millions of yen)	
	FY2021 (March 31, 2022)	FY2022 (March 31, 2023)
Assets		
Current assets		
Cash and deposits	35,403	36,353
Notes receivable–trade	22,548	23,247
Accounts receivable–trade	162,149	153,640
Merchandise and finished goods	72,145	83,097
Work in process	860	802
Raw materials and supplies	6,059	4,990
Others	12,728	13,623
Allowance for doubtful accounts	(389)	(382)
Total current assets	311,505	315,373
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,184	18,491
Accumulated depreciation	(11,765)	(12,881)
Buildings and structures, net	5,419	5,610
Machinery, equipment and vehicles	18,648	20,351
Accumulated depreciation	(14,551)	(15,976)
Machinery, equipment and vehicles, net	4,097	4,375
Land	3,043	3,295
Construction in progress	205	210
Other	6,382	7,753
Accumulated depreciation	(3,834)	(4,640)
Other, net	2,547	3,113
Total property, plant and equipment	15,312	16,606
Intangible assets	2,647	2,403
Investments and other assets		
Investment securities	48,303	32,840
Long-term loans receivable	1,448	1,323
Retirement benefit asset	6,390	8,215
Deferred tax assets	1,105	1,202
Other	7,380	7,779
Allowance for doubtful accounts	(5,035)	(5,300)
Total investments and other assets	59,593	46,060
Total non-current assets	77,553	65,070
Total assets	389,059	380,443

	(Millions of yen)	
	FY2021 (March 31, 2022)	FY2022 (March 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable–trade	115,959	105,730
Short-term borrowings	58,657	49,474
Income taxes payable	4,093	3,589
Accrued expenses	1,367	1,859
Provision for bonuses	1,608	1,606
Other	11,498	11,273
Total current liabilities	193,185	173,534
Non-current liabilities		
Bonds payable	–	7,500
Long-term loans borrowings	5,880	7,795
Deferred tax liabilities	8,761	5,176
Provision for retirement benefits for directors (and other officers)	33	37
Provision for share-based remuneration for directors (and other officers)	159	206
Provision for loss on guarantees	18	–
Retirement benefit liability	1,624	1,713
Other	2,481	2,972
Total non-current liabilities	18,959	25,402
Total liabilities	212,144	198,936
Net assets		
Shareholders' equity		
Share capital	9,364	9,364
Capital surplus	7,044	6,718
Retained earnings	130,540	134,684
Treasury shares	(7,398)	(2,220)
Total shareholders' equity	139,550	148,546
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22,667	12,805
Deferred gains or losses on hedges	398	395
Foreign currency translation adjustment	11,793	17,187
Remeasurements of defined benefit plans	508	526
Total accumulated other comprehensive income	35,367	30,914
Non-controlling interests	1,996	2,046
Total net assets	176,914	181,507
Total liabilities and net assets	389,059	380,443

Consolidated Statements of Income

	(Millions of yen)	
	FY2021 (April 1, 2021–March 31, 2022)	FY2022 (April 1, 2022–March 31, 2023)
Net sales	680,962	735,620
Cost of sales	623,591	672,745
Gross profit	57,370	62,874
Selling, general and administrative expenses	37,317	42,560
Operating profit	20,052	20,314
Non-operating income		
Interest income	244	249
Dividend income	1,429	1,938
Gain on foreign exchange	53	—
Share of profit of entities accounted for using equity method	370	—
Miscellaneous income	780	847
Total non-operating income	2,877	3,034
Non-operating expenses		
Interest expenses	674	1,823
Foreign exchange losses	—	703
Provision of allowance for doubtful accounts	151	71
Commission for purchase of treasury shares	129	13
Share of loss of entities accounted for using equity method	—	1,065
Miscellaneous losses	326	560
Total non-operating expenses	1,281	4,237
Ordinary profit	21,648	19,110
Extraordinary income		
Gain on sales of investment securities	8,975	8,661
Total extraordinary income	8,975	8,661
Extraordinary losses		
Loss on valuation of investment securities	—	250
Impairment losses	168	—
Total extraordinary losses	168	250
Profit before income taxes	30,455	27,522
Income taxes—current	7,294	7,569
Income taxes—deferred	685	405
Total income taxes	7,980	7,975
Profit	22,475	19,547
Profit attributable to non-controlling interests	124	69
Profit attributable to owners of parent	22,351	19,478

Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	FY2021 (April 1, 2021–March 31, 2022)	FY2022 (April 1, 2022–March 31, 2023)
Profit	22,475	19,547
Other comprehensive income		
Valuation difference on available-for-sale securities	(16,560)	(9,873)
Deferred gains or losses on hedges	206	(12)
Foreign currency translation adjustment	7,276	5,351
Remeasurements of defined benefit plans, net of tax	(68)	14
Share of other comprehensive income of entities accounted for using equity method	(127)	102
Total other comprehensive income	(9,273)	(4,417)
Comprehensive income	13,202	15,129
Comprehensive income attributable to:		
Owners of parent	13,102	15,025
Non-controlling interests	99	104

Consolidated Statement of Changes in Equity

	(Millions of yen)						
	Shareholders' equity						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	9,364	7,184	116,794	(4,155)	129,188		
Changes during period							
Dividends of surplus			(4,401)		(4,401)		
Profit attributable to owners of parent			22,351		22,351		
Purchase of treasury shares				(7,500)	(7,500)		
Cancellation of treasury shares		(43)	(4,203)	4,247	—		
Treasury stock transfer of stock ownership trust				9	9		
Purchase of shares of consolidated subsidiaries		(96)			(96)		
Net changes in items other than shareholders' equity							
Total changes during period	—	(140)	13,745	(3,243)	10,362		
Balance at end of period	9,364	7,044	130,540	(7,398)	139,550		
	Accumulated other comprehensive income						
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of period	39,316	187	4,536	576	44,616	1,999	175,803
Changes during period							
Dividends of surplus							(4,401)
Profit attributable to owners of parent							22,351
Purchase of treasury shares							(7,500)
Cancellation of treasury shares							—
Treasury stock transfer of stock ownership trust							9
Purchase of shares of consolidated subsidiaries							(96)
Net changes in items other than shareholders' equity	(16,649)	211	7,257	(68)	(9,248)	(3)	(9,251)
Total changes during period	(16,649)	211	7,257	(68)	(9,248)	(3)	1,110
Balance at end of period	22,667	398	11,793	508	35,367	1,996	176,914

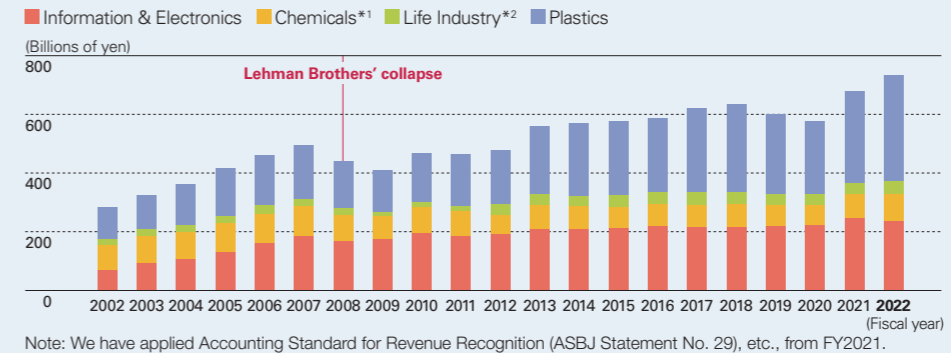
FY2022 (April 1, 2022–March 31, 2023)

	(Millions of yen)						
	Shareholders' equity						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	9,364	7,044	130,540	(7,398)	139,550		
Changes during period							
Dividends of surplus			(7,425)		(7,425)		
Profit attributable to owners of parent			19,478		19,478		
Purchase of treasury shares				(2,635)	(2,635)		
Cancellation of treasury shares		(40)	(7,908)	7,949	—		
Disposal of treasury shares		40		379	419		
Treasury stock purchase of stock ownership trust				(419)	(419)		
Treasury stock transfer of stock ownership trust				13	13		
Purchase of shares of consolidated subsidiaries		(326)			(326)		
Change in treasury shares arising from change in equity in entities accounted for using equity method				(108)	(108)		
Net changes in items other than shareholders' equity							
Total changes during period	—	(326)	4,143	5,178	8,995		
Balance at end of period	9,364	6,718	134,684	(2,220)	148,546		
	Accumulated other comprehensive income						
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of period	22,667	398	11,793	508	35,367	1,996	176,914
Changes during period							
Dividends of surplus							(7,425)
Profit attributable to owners of parent							19,478
Purchase of treasury shares							(2,635)
Cancellation of treasury shares							—
Disposal of treasury shares							419
Treasury stock purchase of stock ownership trust							(419)
Treasury stock transfer of stock ownership trust							13
Purchase of shares of consolidated subsidiaries							(326)
Change in treasury shares arising from change in equity in entities accounted for using equity method							(108)
Net changes in items other than shareholders' equity	(9,861)	(3)	5,394	17	(4,452)	49	(4,402)
Total changes during period	(9,861)	(3)	5,394	17	(4,452)	49	4,592
Balance at end of period	12,805	395	17,187	526	30,914	2,046	181,507

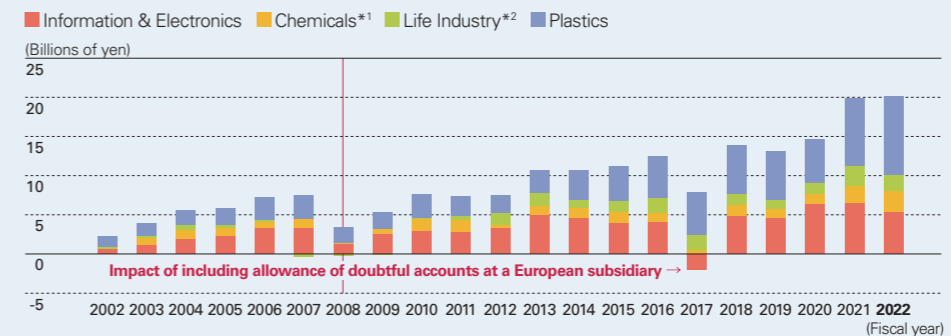
Consolidated Statements of Cash Flows

	(Millions of yen)	
	FY2021 (April 1, 2021–March 31, 2022)	FY2022 (April 1, 2022–March 31, 2023)
Cash flows from operating activities		
Profit before income taxes	30,455	27,522
Depreciation	3,160	3,532
Impairment losses	168	—
Increase (decrease) in allowance for doubtful accounts	22	(42)
Interest and dividend income	(1,673)	(2,187)
Increase (decrease) in retirement benefit liability	(601)	(8)
Decrease (increase) in retirement benefit asset	(3,035)	(1,795)
Interest expenses	674	1,823
Share of loss (profit) of entities accounted for using equity method	(370)	1,065
Increase (decrease) in provision for loss on guarantees	—	(18)
Loss (gain) on valuation of investment securities	—	250
Loss (gain) on sales of investment securities	(8,975)	(8,661)
Decrease (increase) in trade receivables	(11,227)	15,661
Decrease (increase) in inventories	(20,037)	(5,512)
Decrease (increase) in other current assets	(3,188)	2,004
Decrease (increase) in other non-current assets	(60)	115
Increase (decrease) in trade payable	4,363	(15,328)
Increase (decrease) in other current liabilities	3,864	(1,242)
Other, net	407	446
Subtotal	(6,053)	17,623
Interest and dividends, received	1,793	2,203
Interest paid	(666)	(1,800)
Income taxes paid	(6,521)	(8,111)
Net cash provided by (used in) operating activities	(11,448)	9,915
Cash flows from investing activities		
Payments into time deposits	(6,780)	(6,681)
Proceeds from withdrawal of time deposits	5,742	7,545
Purchase of property, plant and equipment	(1,669)	(2,527)
Proceeds from sales of property, plant and equipment	15	34
Purchase of intangible assets	(317)	(423)
Purchase of investment securities	(197)	(1,424)
Proceeds from sales of investment securities	9,645	12,111
Purchase of shares of subsidiaries	(554)	(445)
Decrease (increase) in short-term loans receivable	(35)	146
Long-term loan advances	(151)	(167)
Collection of long-term loans receivable	347	171
Other	(597)	(58)
Net cash provided by investing activities	5,446	8,278
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	21,488	(13,072)
Proceeds from long-term borrowings	438	4,266
Repayments of long-term borrowings	(3,041)	(2,158)
Proceeds from issuance of bonds	—	7,454
Purchase of treasury shares	(7,629)	(3,069)
Proceeds from disposal of treasury shares	—	419
Decrease (increase) in money held in trust for acquisition of treasury stock	—	(2,837)
Dividends paid	(4,415)	(7,450)
Dividends paid to non-controlling interests	(107)	(35)
Purchase of shares of subsidiaries that do not result in change in scope of consolidation	(96)	(326)
Other, net	(636)	(757)
Net cash provided by (used in) financing activities	5,999	(17,568)
Effect of exchange rate change on cash and cash equivalents	2,270	912
Net increase (decrease) in cash and cash equivalents	2,268	1,538
Cash and cash equivalents at beginning of the period	25,983	28,251
Cash and cash equivalents at end of period	28,251	29,790

Sales by business segment



Operating Profit by business segment



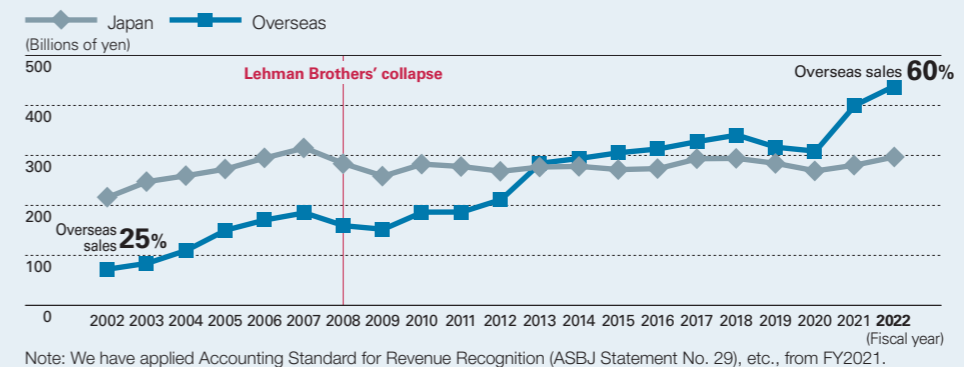
*1 In FY2019, the Housing & Eco Materials Segment was integrated into the Chemicals Segment.

The performance figures prior to FY2019 are also based on the revised categories.

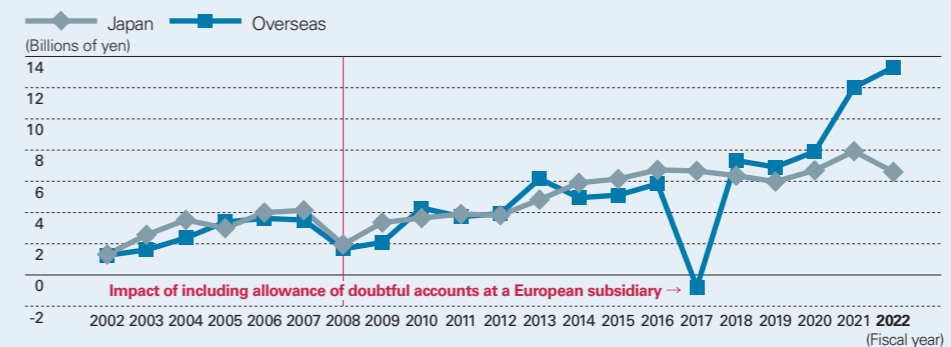
*2 In FY2012, the Life Industry Segment was established by integrating the life science-related elements of the Chemicals Segment and the Food Segment.

The performance figures for the Food Segment prior to FY2012 are presented as the Life Industry Segment.

Sales by domestic or overseas market



Operating Profit by domestic or overseas market



The Chemicals Segment has a long history and is performing steadily based on its strong foundation of business partners. The Plastics Segment has expanded its business since the rapid economic growth in the 1950s, ranging from home appliances, to OA and automobiles. The Information & Electronics Segment grew significantly along with the rapid growth of the LCD market from 2000 onward. The Life Industry Segment has been operating in the fields of agriculture and advanced medicine in recent years and can be expected to grow in the future.

Inabata established its first postwar overseas subsidiary in 1976 and has been rapidly intensifying its global business in alignment with production transfer by Japanese companies to locations outside Japan. Over the 47 years since, its overseas business has expanded, and the proportion of overseas sales has grown from 25% in FY2002 to 60% in FY2022.

Consolidated subsidiaries

● Trading company ▲ Manufacturing & processing base

Company Name	Countries and Regions		Business
Japan			
▲ I & P Co., Ltd.	Japan	Osaki, Miyagi	Molding and processing of synthetic resins
▲ Ikkoen Co., Ltd.	Japan	Sakai, Osaka	Processing and sale of marine products
● Inabata Fine Tech Co., Ltd.	Japan	Osaka	Sale of chemicals
▲ N · I · C Co., Ltd.	Japan	Tokyo	Processing and sale of plastic film products
● Ordiy Co., Ltd.	Japan	Osaka	Processing of plastic film products and packaging materials, design and marketing of supplementary equipment and systems
▲ Kansai Kobunshi Co., Ltd.	Japan	Yamato-Koriyama, Nara	Manufacturing of plastic films
▲ Daigo Tsusho Co., Ltd.	Japan	Shizuoka	Sale of materials and machinery for food packaging, manufacturing and sale of processed agricultural and marine products
▲ Taiyo Plastics Co., Ltd.	Japan	Hasuda, Saitama	Manufacturing of plastic films
● Maruishi Chemical Trading Co., Ltd.	Japan	Osaka	Sale of chemicals
Southeast Asia / India			
● Inabata India Private Ltd.	India	Gurugram (suburb of Delhi)	Import & export and sale of synthetic resins, electronic materials, and chemicals
▲ PT. IK Precision Indonesia	Indonesia	Bekasi (suburb of Jakarta)	Molding and processing of synthetic resins
▲ PT. Inabata Creation Indonesia	Indonesia	Bekasi (suburb of Jakarta)	Processing of grip tapes for tennis rackets
● PT. Inabata Indonesia	Indonesia	Jakarta	Import & export and sale of synthetic resins and chemicals
▲ PT. S-IK Indonesia	Indonesia	Bekasi (suburb of Jakarta)	Compounding of resins
● Inabata Malaysia Sdn. Bhd.	Malaysia	Kuala Lumpur	Import & export and sale of synthetic resins
▲ SIK Color (M) Sdn. Bhd.	Malaysia	Johor	Compounding of resins
▲ IK Plastic Compound Phils. Inc.	Philippines	Binan (suburb of Manila)	Compounding of resins
● Inabata Philippines, Inc.	Philippines	Binan (suburb of Manila)	Sale of synthetic resins
● Inabata Singapore (Pte.) Ltd.	Singapore	Singapore	Import & export and sale of synthetic resins, electronic materials, and chemicals
▲ Apple Film Co., Ltd.	Thailand	Samut Prakan (suburb of Bangkok)	Manufacturing of plastic films
▲ Hi-Tech Rubber Products Co., Ltd.	Thailand	Ayutthaya	Molding and processing of rubber products
● IKT Consulting Co., Ltd.	Thailand	Bangkok	Sale of machinery and provision of various services
● Inabata Thai Co., Ltd.	Thailand	Bangkok	Import & export and sale of synthetic resins, chemicals, food, and machinery
▲ SIK (Thailand) Ltd.	Thailand	Samut Prakan (suburb of Bangkok)	Compounding of resins
▲ Apple Film Da Nang Co., Ltd.	Vietnam	Da Nang	Manufacturing of plastic films
● Inabata Vietnam Co., Ltd.	Vietnam	Hanoi	Import & export and sale of synthetic resins, electronic materials, and chemicals
▲ SIK Vietnam Co., Ltd.	Vietnam	Haiphong	Compounding of resins
Northeast Asia			
● Guangzhou Inabata Trading Co., Ltd.	China	Guangzhou	Import & export and sale of synthetic resins, machinery, electronic materials, and chemicals
●▲ Inabata Industry & Trade (Dalian FTZ.) Co., Ltd.	China	Dalian	Compounding of resins, import & export and sale of synthetic resins and chemicals
● Inabata Sangyo (H.K.) Ltd.	China	Hong Kong	Import & export and sale of synthetic resins, machinery, electronic materials, and chemicals

Company Name	Countries and Regions		Business
▲ Shanghai Inabata Fine Chemical Co., Ltd.	China	Shanghai	Processing of coating materials
● Shanghai Inabata Trading Co., Ltd.	China	Shanghai	Import & export and sale of synthetic resins and chemicals
● Inabata Korea & Co., Ltd.	South Korea	Seoul	Import & export and sale of electronic materials
● Taiwan Inabata Sangyo Co., Ltd.	Taiwan	Hsinchu	Import & export and sale of electronic materials, semiconductor-related equipment, and chemicals
The Americas			
▲ IK Plastic Compound Mexico, S.A. de C.V.	Mexico	Silao	Compounding of resins
● Inabata Mexico, S.A. de C.V.	Mexico	Queretaro	Sale of synthetic resins
▲ NH Inabata, S. de R.L. de C.V.	Mexico	Queretaro	Design and production, installation, and distribution of overhead traveling cranes
● DNI Group, LLC	United States	Novato (California)	Import & export and sale of food
● Inabata America Corp.	United States	New York	Import & export and sale of electronic materials, chemicals, and synthetic resins
Europe			
● Inabata France S.A.S.	France	Wissous (suburb of Paris)	Import & export and sale of chemicals
▲ Pharmasynthese S.A.S.	France	Normandy	Manufacturing of pharmaceuticals, materials for cosmetics, and fine chemicals
● Inabata Europe GmbH	Germany	Dusseldorf	Import & export and sale of electronic materials, chemicals, and synthetic resins
● Inabata UK Ltd.	United Kingdom	Shrewsbury (suburb of Birmingham)	Property management, warehousing

Equity-method affiliates

Company Name	Countries and Regions		Business
▲ Ulvac Coating Corp.	Japan	Chichibu, Saitama	Manufacturing of electronics and optical industrial materials
● Clean Assist Co., Ltd.	Japan	Tokyo	Sale of plastic films and plastic sundries

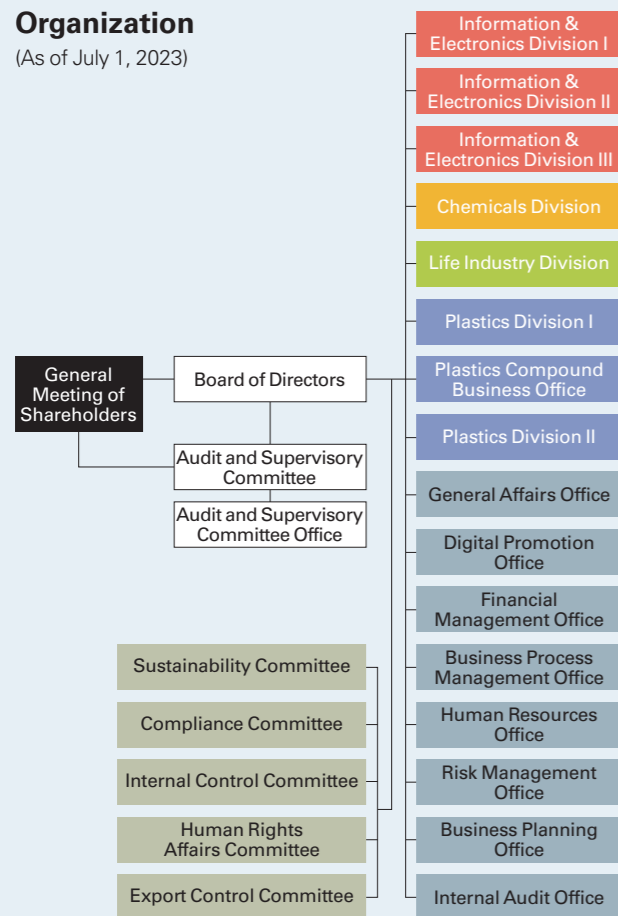
Other affiliates

Company Name	Countries and Regions		Business
Japan			
▲ Aikei Farms Shakotan Co., Ltd.	Japan	Shakotan, Hokkaido	Production and sale of agricultural products
▲ Aikei Farms Yoichi Co., Ltd.	Japan	Yoichi, Hokkaido	Production and sale of agricultural products
▲ Inabata Optech Co., Ltd.	Japan	Kawasaki, Kanagawa	Research and development of encapsulants for optical semiconductor devices
Southeast Asia			
▲ Clover Plastics (Thailand) Co., Ltd.	Thailand	Chonburi	Manufacturing and sale of recycled plastic
Northeast Asia			
● Tianjin Inabata Trading Co., Ltd.	China	Tianjin	Import & export and sale of synthetic resins, electronic materials, and chemicals
The Americas			
● Inabata Brazil Import & Export Ltd.	Brazil	Sao Paulo	Sale of chemicals and synthetic resins
Australia			
● Inabata Australia Pty. Ltd.	Australia	Brisbane	Export of roughage, import and sale of resin products

Company name	Inabata & Co., Ltd.
Founded	October 1, 1890
Incorporated	June 10, 1918
Paid-in capital	9,364 million yen
Location of head offices	Osaka Head Office 1-15-14 Minami-semba, Chuo-ku, Osaka 542-8558
Domestic offices	Tokyo Head Office (Temporary location) Muromachi Furukawa Mitsui Building (COREDO Muromachi 2), 2-3-1 Nihonbashi Muromachi, Chuo-ku, Tokyo 103-8448 Osaka Head Office, Tokyo Head Office, Nagoya Office, Shiojiri Office, Shizuoka Office, Hamamatsu Office, Kyushu (Kirishima) Office
Overseas offices	Approximately 60 locations in 19 countries including Singapore, Bangkok, Jakarta, Shanghai, Hong Kong, Taipei, Los Angeles, New York, Dusseldorf
Number of employees (As of March 31, 2023)	Non-consolidated: 709 (including employees seconded to Group companies) Consolidated: 4,316
Independent auditors	KPMG Azsa LLC
Securities code	Tokyo Stock Exchange Prime Market 8098

Website
<https://www.inabata.co.jp/english/>

Organization
 (As of July 1, 2023)



Notice of temporary relocation of Tokyo Head Office
 Due to reconstruction work on the Tokyo Head Office building (2-8-2 Nihonbashi Honcho, Chuo-ku, Tokyo), we are operating at the temporary location stated above—from December 2022 to September 2025.

IR Activities

We are proactive in holding dialogue with shareholders and investors, as we believe it contributes to our sustainable growth and improves corporate value in the medium and long term.

- (1) IR system**
- The president serves as the responsible person, and the director in charge of IR has also been appointed. In principle, the president and the director in charge of IR lead dialogue with shareholders and investors.
 - In cooperation with related sections within the Company, the IR Department collects and analyzes various management information. The information is communicated internally and externally, timely and appropriately.
- (2) IR activities**
- Inabata handles meetings with investors positively and reasonably. We will also consider responding to applications for outside directors within a reasonable scope.
 - Inabata holds a briefing on financial results twice a year to explain the progress of the medium-term business plan and provide an overview of financial results.
 - Inabata sets occasions for dialogue with individual shareholders and investors through participation in IR events, etc.
 - Inabata actively works to provide information through its website, integrated report, shareholder news, and notices of general meeting of shareholders.
- (3) Feedback**
- The director in charge of IR presents a report to the Board of Directors regarding shareholder opinions and concerns obtained through dialogue with shareholders.

IR activities in FY2022

Activity	Implemented
Financial results briefings	2 times
Individual meetings with institutional investors, analysts, etc. (including overseas)	54 times
Briefings for individual investors	1 time

External evaluation

Status of inclusion of indices

We were selected as a constituent stock for the JPX-Nikkei Index 400, which is calculated by JPX Market Innovation & Research, Inc. and Nikkei Inc.; the FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index of FTSE Russell, which belongs to the London Stock Exchange Group; and the S&P/JPX Carbon Efficient Index (environmental stock index), which is presented by the U.S. S&P Dow Jones Indices and the Japan Exchange Group.



Other awards

We were awarded the Best Company (Silver Award) in the Gomez IR Site Ranking 2022 and the Excellent Company Award in the Gomez ESG Site Ranking 2023 announced by BroadBand Security, Inc., and the AA Award in the 2022 All Japanese Listed Companies' Website Ranking announced by Nikko Investor Relations Co., Ltd.



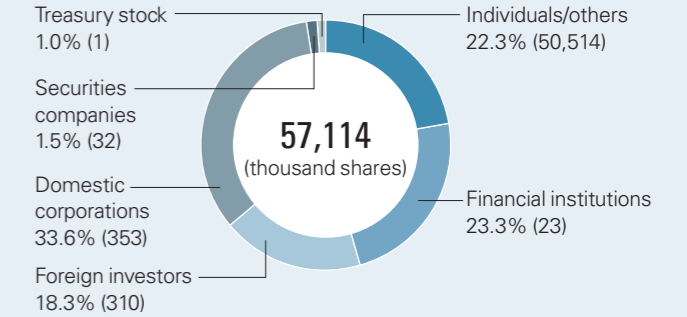
Stock Information (As of March 31, 2023)

Stock information

Total number of authorized shares	200,000,000
Number of shares issued and outstanding	57,114,127
Number of shareholders	51,233

We retired 1,200,000 shares on July 5, 2023, bringing the total number of issued shares to 55,914,127 as of July 31, 2023.

Status of stock allocation by owners



Principal shareholders (top 10)

Name of shareholder	Number of shares held (in thousands)	Shareholding ratio (%)
Sumitomo Chemical Co., Ltd.	13,836	24.5
The Master Trust Bank of Japan, Ltd. (trust account)	5,699	10.1
Custody Bank of Japan, Ltd. (trust account)	2,089	3.7
Custody Bank of Japan, Ltd. (Mizuho Bank, Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.)	1,736	3.1
Maruishi Chemical Trading Co., Ltd.	961	1.7
DFA INTL SMALL CAP VALUE PORTFOLIO	937	1.7
ASKA Pharmaceutical Co., Ltd.	785	1.4
Mizuho Bank, Ltd.	744	1.3
MUFG Bank, Ltd.	638	1.1
Sumitomo Mitsui Banking Corporation	624	1.1

Note: Inabata & Co. owns 565,501 shares of treasury stock. This shareholding has not been included in the calculation of the shareholding ratio. However, 266,400 shares of Inabata & Co. held by Custody Bank of Japan, Ltd. (trust account E) as a trust property under the Board Benefit Trust (BBT) system are excluded from the number of treasury shares, and hence, are included in the calculation of the ratio.

Stock price



Rating agency

Credit rating	Issuer rating
Rating and Investment Information, Inc. (R&I)	A- (stable)