Sustainability Management

Basic approach

The Inabata Group views sustainability not merely as a matter of risk management, but as an opportunity for sustainable growth, and systematically advances initiatives based on its material issues (materiality).

For a trading company whose greatest asset is its people, strengthening human capital directly boosts value creation and forms a vital foundation for sustaining competitive advantage. In the environmental field, we focus on sustainable plastics such as recycled and bio-based plastics, contributing not only to a decarbonized society and a circular economy but also strengthening our competitiveness in the plastics business.

The Group's spirit of "love (*ai*)" and "respect (*kei*)" fosters empathy and close support for its customers and society, which deeply aligns with the principles of sustainability. We are committed to enhancing long-term corporate value while contributing to the realization of a sustainable society.

The Group positions sustainability as a key management priority for further enhancing corporate value. We integrate sustainability into our management strategies by reflecting related risks and opportunities in our medium-term management plan, investment decisions, priority initiatives, business operations, and other areas. Through these efforts, we turn environmental and social changes into opportunities for business creation and enhanced corporate value.

Governance

The Inabata Group regards sustainability issues as a key management priority and has established a framework for addressing them systematically and continuously under the supervision of the Board of Directors.

Framework overview

Function	Responsible body	Main roles
Oversight function	Board of Directors	Oversight of responses to sustainability issues
Executive function	Sustainability Committee	Deliberation, approval, and monitoring of policies and initiatives
Planning, promotion, information gathering, and analysis function	Sustainability Promotion Department and related departments	Planning and implementation of initiatives, information gathering and analysis, and company-wide deployment

To promote Group-wide efforts to address sustainability issues, the Inabata Group established the Sustainability Committee in October 2021, chaired by the president of the Company. All directors participate in the Committee, enabling the Board of Directors to exercise its oversight function through the Committee.

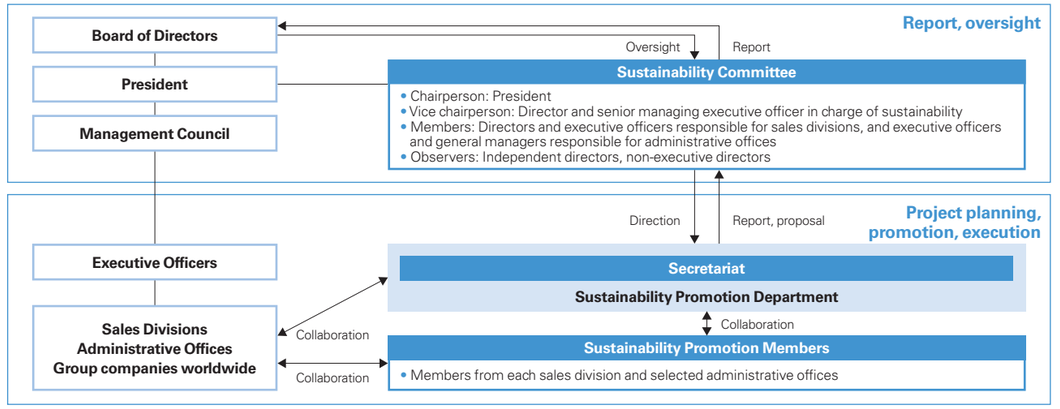
The Committee meets at least once a year in principle, with extraordinary meetings held as necessary, and currently meets twice a year. It deliberates on and reviews sustainability policies and priority initiatives, the status of responses to material issues, and progress on and monitoring of key issues, including climate change. The outcomes of these discussions are reflected in management decisions and the implementation of the medium-term management plan. The Board of Directors receives reports on the status of these initiatives through regular reports from the director in charge and quarterly business execution reports, and oversees key sustainability matters.

To ensure effectiveness, the Group has also established mechanisms to appropriately reflect sustainability issues in management decisions, including linking them to the compensation system and establishing an appropriate framework for promoting sustainability initiatives.

Ensuring effectiveness

Perspective	Details
Board of Directors oversight	Oversight by the Board of Directors through regular reports from the director in charge and quarterly business execution reports
Linkage with director compensation	Use of ESG scores from multiple external rating agencies (FTSE Russell and MSCI) and the Group engagement survey achievement rate as indicators
Implementation framework	Company-wide implementation and operation through collaboration between the Sustainability Promotion Department and the Sustainability Committee Secretariat
Internal sustainability information infrastructure	Support for Sustainability Committee decision-making through the consolidation of information from Sustainability Promotion Committee members and Group companies in Japan and overseas

Sustainability promotion system



Main sustainability-related matters discussed by the Sustainability Committee and reported to the Board of Directors

Fiscal year	Key matters deliberated and reported
2025	FY2024 performance against the Sustainability Medium-term Plan 2026; on-site human rights due diligence survey in Vietnam; status of external ESG ratings (FTSE, MSCI, etc.); current Group-wide GHG emissions; transition to effectively 100% renewable energy at the Company and domestic Group companies; obtaining third-party assurance for GHG emissions; purchase of renewable energy certificates by overseas Group companies; monitoring of products with potential human rights risks; and plans for conducting human rights risk assessments

For information from previous fiscal years, please refer to the Sustainability page of our website.

Strategy

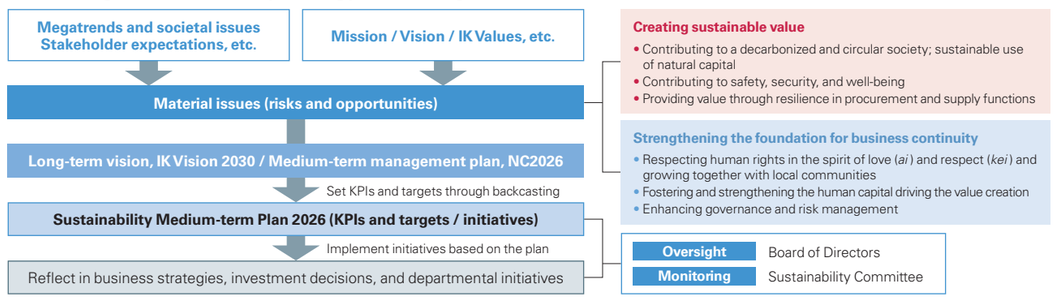
The Inabata Group regards its material issues as sustainability-related risks and opportunities that contribute to enhancing corporate value over the medium to long term and addresses them as an integral part of its management strategy.

In identifying material issues, we take into account our management philosophy, Sustainability Basic Policy and Code of Conduct, as well as the business environment, social issues, and stakeholder expectations. We assess both their impact on our business activities and corporate value and their impact on society and the environment, with the material issues ultimately determined following deliberation by the Sustainability Committee.

The identified material issues are organized from two perspectives: "Creating sustainable value" and "Strengthening the foundation for business continuity." The former directly contributes to the creation of business opportunities and earnings growth, while the latter encompasses areas that support corporate value over the medium to long term through the strengthening of human capital, governance, supply chains, and other foundations.

To translate our approach to these issues into concrete action, we have formulated the Sustainability Medium-term Plan 2026, which systematically sets out the risks and opportunities associated with each material issue, the direction of our initiatives, and related KPIs and targets. The plan is aligned with our medium-term management plan and business strategies and reflected in business and investment decisions and initiatives undertaken by each department. Progress is managed and the plan reviewed through monitoring by the Sustainability Committee and oversight by the Board of Directors.

Embedding the sustainability strategy into management



Risk management

The Inabata Group recognizes sustainability-related risks and opportunities as key management issues that could affect its business and corporate value over the medium to long term. In addition to its existing framework for managing business risks, the Group promotes integrated risk management that incorporates a sustainability perspective.

Sustainability-related risks and opportunities are identified, assessed, and managed primarily by the Sustainability Committee, with oversight by the Board of Directors. In identifying and assessing these risks and opportunities, we consider factors such as the business environment, regulatory trends, social issues, and stakeholder expectations, while also utilizing scenario analysis and other methods. Significant matters are reflected in the priority initiatives, KPIs, and targets of the Sustainability Medium-term Plan 2026. Progress is monitored and integrated with company-wide risk management, with the results reflected in management decision-making.

For details on our company-wide risk management framework and key risks and responses, please refer to “Risk Management” (Page 112–115).

Sustainability-related risk management process

1. Identify	2. Assess	3. Integrate	4. Monitor
Identify risks and opportunities (qualitatively and quantitatively) through scenario analysis and other methods.	Assess materiality based on factors such as impact (business and financial) and likelihood of occurrence.	Reflect in medium-term plan KPIs and targets and priority initiatives (response measures).	Continuously monitor progress toward targets and review as necessary. Report significant matters to the Board of Directors for oversight.

Management: Sustainability Committee / Oversight: Board of Directors

Materiality: Risks, opportunities, and main initiatives (Excerpt)

For the complete content, please refer to the Sustainability page of our website.

Creating sustainable value

Contributing to a decarbonized and circular society; sustainable use of natural capital

Risks	Opportunities	Main initiatives	Risk response	Opportunity response
• Rising costs associated with stricter policies, laws, and regulations for climate change • Lower earnings associated with stricter policies, laws, and regulations and lower consumer demand for petroleum-based plastics	• Growing demand for renewable energy and batteries • Growing demand for biomass, recycled, and biodegradable plastics and the like	■ Promote activities to reduce GHG emissions toward carbon neutrality	◎	◎
		■ Introduce renewable energy	◎	◎
		■ Expand sales from the environment-related business (e.g., clean technology)		◎
		■ Diversify suppliers and outsourcing partners, and decentralize inventories	◎	◎

Contributing to safety, security, and well-being

Risks	Opportunities	Main initiatives	Risk response	Opportunity response
• Rising costs and exclusion from supply chains associated with stricter policies, laws, and regulations for chemical substances • Rising costs at manufacturing bases associated with stricter regulations concerning product safety and quality	• Higher reputation and credibility as a result of appropriate disclosure and sharing of information about safety and security in the value chain based on recognition that products are ultimately provided to consumers	■ Strengthen management of compliance with chemical substances regulations	◎	◎
		■ Strengthen product safety, quality control, and the pertinent measures required of a trading company	○	○
		■ Strengthen supply chain and value chain management	◎	◎

Providing value through resilience in procurement and supply functions

Risks	Opportunities	Main initiatives	Risk response	Opportunity response
• Supply chain disruptions caused by natural disasters, infectious diseases, geopolitical risks, and inadequate measures in inventory management, transportation, and outsourcing • Reputational decline and exclusion from supply chains as a result of inadequate measures to address human rights risk in the supply chain	• Increases in sales opportunities through appropriate responses to geopolitical, environmental, social, and other global risks • Greater value provision as a result of building robust supply chains that properly manage inventories, transport, and outsourcing partners	■ Strengthen supply chain management that takes into account geopolitical, environmental, social, and other global risks	◎	◎
		■ Diversify suppliers and outsourcing partners, and decentralize inventories	◎	◎
		■ Implement human rights due diligence (DD) in the supply chain	◎	◎
		■ Ensure responsible minerals sourcing	◎	◎

The symbols in the Response column indicate the importance of the initiatives (◎ > ○).

Strengthening the foundation for business continuity

Respecting human rights in the spirit of love (*ai*) and respect (*kei*) and growing together with local communities

Risks	Opportunities	Main initiatives	Risk response	Opportunity response
• Litigation risk, reputational decline, and lower productivity due to human rights violations in the Company or Group companies • Litigation risk and reputational decline due to human rights violations at bases, etc., in the local community	• Higher reputation resulting from corporate attitudes and actions that respect human rights • More vibrant workplaces and higher productivity through respect for human rights at the Company and Group companies	■ Conduct human rights due diligence within the Company and Group companies (human rights DD digital survey)	◎	◎
		■ Instill the corporate philosophy, and implement human rights education, in the Company and the Group	◎	◎
		■ Strengthen compliance and anti-corruption efforts	◎	○
		■ Raise awareness of the internal whistleblowing system	◎	○

Fostering and strengthening the human capital driving the value creation

Risks	Opportunities	Main initiatives	Risk response	Opportunity response
• Lower productivity and competitiveness due to a decline in employee well-being (state of being physically, mentally, and socially satisfied) • Lower productivity and competitiveness due to a decline in employee skills and abilities	• Higher productivity and competitiveness due to an increase in employee well-being • Higher productivity and competitiveness due to an increase in employee skills and abilities	■ Instill the corporate philosophy that is based on the spirit of love (*ai*) and respect (*kei*)	◎	◎
		■ Conduct organizational monitoring (e.g., employee engagement surveys) on an ongoing basis	◎	◎
		■ Foster diversity and inclusion	◎	◎
		■ Promote talent management and human resource development	◎	◎

Enhancing governance and risk management

Risks	Opportunities	Main initiatives	Risk response	Opportunity response
• Occurrences of scandals, as well as lower competitiveness and management quality, due to lack of corporate governance • Increases in lawsuits and fines, along with reputational decline, due to inadequate information security measures	• Better management and higher competitiveness due to stronger corporate governance • Smoother business management, as well as higher credibility and reputation, due to adequate information security measures	■ Enhance corporate governance	◎	○
		■ Take thorough measures to ensure information security, including cybersecurity	◎	○
		■ Tighten risk management	◎	○

Metrics and targets

The Inabata Group has established metrics and targets based on its long-term direction to effectively address material issues and manage sustainability-related risks and opportunities.

Under the Sustainability Medium-term Plan 2026, we have formulated a long-term vision for around 2030–2050 and, through backcasting from this vision, established three-year KPIs and targets for FY2024 through FY2026 corresponding to each material issue.

These KPIs and targets cover key issues, including climate change and human capital, from both quantitative and qualitative perspectives, and are intended to make our initiatives for creating corporate value over the medium to long term more visible.

Progress toward the KPIs and targets is regularly monitored by the Sustainability Committee and managed under the oversight of the Board of Directors.

For details on the KPIs and targets under the Sustainability Medium-term Plan 2026 and progress toward them, please refer to pages 37–38.

Information disclosure

To ensure a high level of transparency, the Inabata Group discloses information on its sustainability initiatives and performance not only in the Integrated Report but also on the Company’s website. For details on the materiality identification process, materiality map, Sustainability Medium-term Plan 2026, and other information, please refer to our website.

For more information, please scan the code on the right.

Sustainability Medium-term Plan 2026 strategy / KPIs and targets / FY2025 results

Strategy	Achieve carbon neutrality in business activities

FY2026 target	FY2025 results
Reduce GHG emissions (Scope 1 and 2) by 25% compared to FY2022 levels by FY2026	**Reduced by 23.6% compared to FY2022**

Policy and Basic Approach

Climate change is an important issue that affects our business activities and society as a whole. We recognize that it represents risks while also creating new business opportunities. Accordingly, we strive to reduce GHG emissions and promote the provision of products and solutions that contribute to the realization of a decarbonized society.

Based on the concepts set out by the Task Force on Climate-related Financial Disclosures (TCFD), and taking into account trends in sustainability disclosure in Japan and overseas, we are committed to enhancing the quality and transparency of our climate-related disclosures.

Note: For the full text of "Information Disclosure" Based on TCFD Recommendations released on June 17, 2026, please refer to the Inabata Group Sustainability Website.
https://www.inabata.co.jp/english/sustainability/environment/climate_change/

TCFD's core elements of recommended climate-related financial disclosures and a summary of responses by the Inabata Group

Core elements	Description	Inabata Group response
Governance	Disclose the organization's governance around climate-related risks and opportunities.	Sustainability issues, including climate change, are deliberated and examined by the Sustainability Committee, which is chaired by the president and representative director. All directors participate in the committee, thereby enabling the Board of Directors to exercise its oversight function through the committee. The Board of Directors receives periodic reports from the director in charge of sustainability on the status of initiatives addressing sustainability issues, in accordance with the Regulations of the Board of Directors. Matters deliberated and examined by the Sustainability Committee are also appropriately reported to and overseen by the Board of Directors.
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Based on scenario analysis using multiple scenarios, including the 1.5°C and 4°C scenarios, the Group evaluates the impact of climate change on its business and finances from the perspectives of both risks and opportunities. Under the 4°C scenario, the Group's locations in Japan and overseas are assumed to be affected by increasingly severe extreme weather events. However, at present, we recognize that the risk is not at a level that would significantly threaten business continuity. In terms of opportunities, demand for products adapted to climate change is expected to increase, and we assess that the Group's business resilience can be maintained. Under the 1.5°C scenario, an increase in operating costs due to carbon pricing and higher electricity prices is assumed, while medium- to long-term revenue opportunities are expected through the expansion of technologies and products that contribute to low-carbon and environmentally friendly solutions. Based on these findings, we position the expansion of environment-related business and contribution to the global environment through business as important growth strategies in the progress toward a decarbonized society.
Risk management	Disclose how the organization identifies, assesses, and manages climate-related risks.	The Inabata Group identifies, assesses, and manages climate-related risks and opportunities mainly through the Sustainability Committee. Risks and opportunities identified from both qualitative and quantitative perspectives based on scenario analysis and other methods are assessed for materiality by the committee and reported to and overseen by the Board of Directors as necessary. The Board of Directors oversees Group-wide risks of high importance in an integrated manner, taking into account reports from the Sustainability Committee as well as other risks reported by the Risk Management Office, the Financial Management Office, the Compliance Committee, and other units.
Metrics and targets	Disclose the metrics and targets used to assess and manage climate-related risks and opportunities.	The Inabata Group has set the long-term target of achieving carbon neutrality by FY2050, covering Scope 1 and 2 emissions of the consolidated Group, in alignment with the 1.5°C goal of the Paris Agreement. In the Sustainability Medium-term Plan 2026, the Group has also set medium-term targets of reducing GHG emissions by 25% by FY2026 and 42% by FY2030 compared with FY2022 levels, covering Scope 1 and 2 emissions of the consolidated Group, and manages progress toward these targets. Since FY2021, the Group has calculated Scope 3 emissions in order to understand emissions across the entire supply chain, and plans to expand the scope of calculation in stages going forward.

Strategy

The Inabata Group strives to understand the risks and opportunities for its business arising from the transition risks and physical risks associated with climate change, and to reflect the results in the formulation of climate change countermeasures and business strategies.

In this analysis, we set 2030, the target year of the Group's long-term vision IK Vision 2030, and 2050, the target year for achieving carbon neutrality, as time horizons. We conducted scenario analysis from both qualitative and quantitative perspectives with reference to the 4°C scenario, which assumes no climate change measures beyond the current level and more frequent and severe extreme weather events, and the 1.5°C scenario, which assumes the implementation of more ambitious climate change measures toward decarbonization, partially incorporating the 2°C scenario as necessary.

Reference scenarios

1.5°C scenario	IEA Net Zero Emissions by 2050	
2°C scenario (partial)	IEA Sustainable Development Scenario	RCP2.6
4°C scenario	IEA Stated Policies Scenario	RCP8.5

Scenario analysis was conducted using the following process.

(1) Visualization of the world in the future based on scenarios
(2) Analysis of impact of climate change risks in business segments
(3) Qualitative analysis of scenario and identification of key responses in business segments
(4) Calculation of financial impact (quantitative scenario analysis)
(5) Results of scenario analysis (summary)

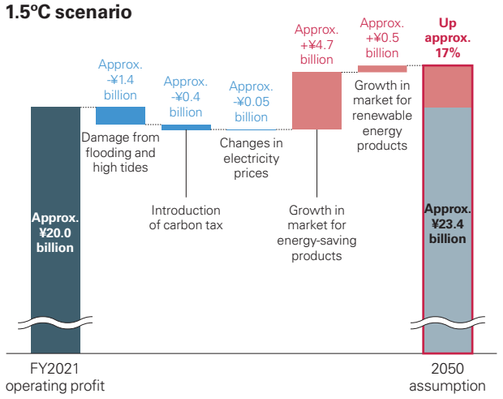
For items (1) to (3), please refer to the Climate Change page in the Sustainability section of our website.
https://www.inabata.co.jp/english/sustainability/environment/climate_change/

Calculation of financial impact (quantitative scenario analysis)

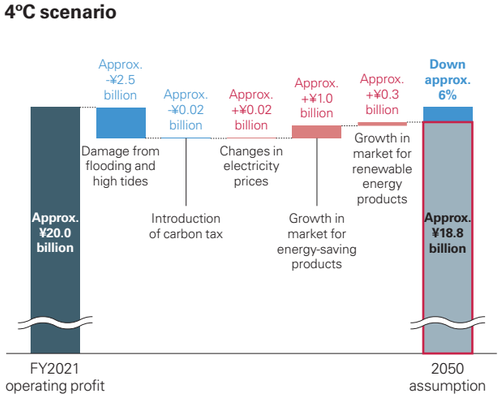
In addition to qualitative analysis, we conducted quantitative scenario analysis. Based on the matters organized and considered in steps (1) to (3), we selected climate-related risks and opportunities that could be calculated, and collected the Group's performance data as well as future forecast information, or parameters, published by external organizations. Using this information, we calculated the financial impact of risks and opportunities under both the 1.5°C and 4°C scenarios.

These financial impact estimates were calculated by narrowing the scope of analysis and setting certain assumptions based on the limited information and data available at this point in time, and do not indicate future results.

1.5°C scenario



4°C scenario



For details on the calculation formulas used in the estimates, please refer to the Climate Change page in the Sustainability section of our website.

Summary of scenario analysis results

Based on the results of the analyses described above, we summarized the Group's climate-related risks and opportunities.

Under the 4°C scenario, damage to the Group's locations in Japan and overseas is assumed due to increasingly severe extreme weather events. However, based on the current analysis, we recognize that these risks are not at a level that would immediately and significantly threaten the Group's business continuity. In terms of opportunities, demand for products adapted to rising temperatures and changing weather patterns is expected to increase. We have reaffirmed the potential to contribute to society as a whole in adapting to global warming while maintaining the Group's own business resilience.

Under the 1.5°C scenario, we identified increased operating costs due to the introduction of carbon pricing and higher electricity prices as risks. At the same time, the analysis indicated that medium- to long-term revenue opportunities can be expected through the spread of technologies and products that contribute to low-carbon and environmentally friendly solutions. This has reaffirmed that the expansion of environment-related business, a growth strategy set out in the New Challenge 2026 medium-term management plan, and contribution to the global environment through business, as set out in the Sustainability Medium-term Plan 2026, are important initiatives closely linked to the Group's growth as society advances toward decarbonization.

Note: For details on environment-related business, please refer to page 73.

Risk management

Climate-related risks are managed in the same manner as other sustainability-related risks. For details on the management structure and methodologies, please refer to page 67.

Metrics and targets

To commit to achieving the global goal of limiting the increase in temperatures to 1.5ºC as stated in the Paris Agreement, the Inabata Group has set the long-term goal of carbon neutrality by FY2050, along with intermediate targets for FY2026 and FY2030. This target was set in alignment with the 1.5ºC goal stated in the Paris Agreement (covering Scope 1 and 2 emissions of the Group).

In FY2025, in addition to entering into renewable electricity supply contracts at certain locations and installing solar power generation systems, we continued to introduce renewable electricity through the purchase of non-fossil certificates, following the previous fiscal year. As a result, Scope 2 GHG emissions from our domestic operations were effectively reduced to nearly zero. We also began purchasing environmental certificates (I-RECs) at overseas manufacturing sites with relatively high levels of emissions. Consequently, GHG emissions (Scope 1 and 2) were reduced by 23.6% compared with the FY2022 base year, demonstrating steady progress toward our interim target of a 25% reduction by FY2026.

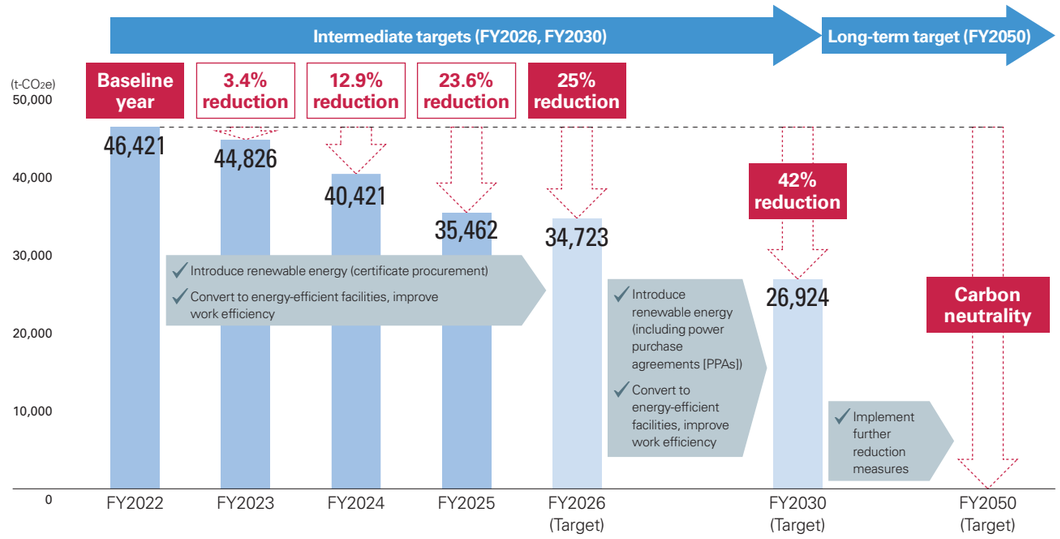
The Group began calculating Scope 3 emissions in FY2021. At present, the calculation covers the parent company only; however, we plan to expand the scope of calculation in stages going forward.

Supply chain emissions

Scope	GHG emissions [t-CO_2e]		
	FY2022 (Base year)	FY2024	FY2025
Scope 1	2,755	★3,630	★4,275
Scope 2 (market-based)	43,666	★36,791	★31,187
Scope 1 and 2 total	**46,421**	**40,421**	**35,462**
Scope 3	1,960,235	1,925,467	2,288,253
Scope 1, 2, and 3 total	**2,006,656**	**1,965,888**	**2,323,716**

Notes: 1. Scope of calculation:
Scope 1 and 2: Inabata & Co., Ltd. and domestic and overseas consolidated subsidiaries;
Scope 3: Inabata & Co., Ltd.
2. Data marked with a star (★) have received third-party assurance in accordance with ISO 14064-3:2019 from SOCOTEC Certification Japan Co., Ltd. (FY2025) and LRQA Limited (FY2024), independent assurance providers.
3. Figures are rounded, and therefore the totals may not equal the sum of individual figures.

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



Initiatives for FY2025

Introduction of renewable electricity at overseas sites (purchase of I-RECs)*

To achieve our Scope 2 GHG emissions reduction target, in FY2025, we newly introduced renewable electricity at two manufacturing subsidiaries in Vietnam through the purchase of I-RECs. Inabata & Co. and 13 consolidated subsidiaries in Japan continued to reduce their Scope 2 emissions to effectively zero through the purchase of non-fossil certificates, as in the previous fiscal year. As a result, the Group achieved a 23.6% reduction compared to FY2022 levels. Going forward, we will further accelerate our efforts to reduce GHG emissions by expanding the use of renewable electricity at our overseas consolidated subsidiaries.

* I-REC (International Renewable Energy Certificate): An international environmental certificate that certifies the environmental value of renewable energy and enables it to be traded separately from the electricity itself.


The International Tracking Standard Foundation

This Redemption Statement has been produced for

SIK VIETNAM CO., LTD.

by

KINECT ENERGY GREEN SERVICES A.S.

confirming the Redemption of

5 000.000000

I-REC Certificates, representing 5 000.000000 MWh of electricity generated from renewable sources

This Statement relates to electricity consumption located at or in

Vietnam

In respect of the reporting period

2025-04-01 to 2026-03-31

The Stated Redemption Purpose is

Redeemed for the benefit of SIK Vietnam Co., Ltd. for the consumption 2025.04.01. - 2026.3.31.

World Kinect

I-REC certificate

Improvement in CDP rating and introduction of Sustainability-Linked Loan

The Group received an "A–" rating, at the Leadership level, from CDP, an international benchmark for climate change initiatives. In addition to strengthening our sustainability initiatives, we introduced a Sustainability-Linked Loan with our CDP Climate Change score as a KPI as part of our efforts to diversify funding sources under our financial strategy. Under the loan agreement, the sustainability performance target (SPT) is to maintain a CDP score of "A" or "A–," with the commitment fee varying depending on whether the target is achieved. Through sustainable finance, the Group will further align its sustainability and financial strategies, thereby contributing to the sustainable enhancement of corporate value.

CDP Discloser 2025

Environment-Related Business

Sustainability Medium-term Plan 2026 strategy / KPIs and targets / FY2025 results

Strategy	Contribute to the global environment through the business

FY2026 target	FY2025 results
Achieve net sales of 100 billion yen* for environment-related business	**Environment-related business sales of ¥36.8 billion**

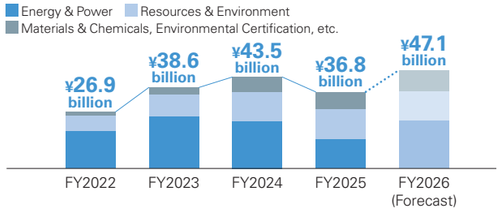
* The expected ratio of environment-related business by field in the final fiscal year of the Sustainability Medium-term Plan 2026 is outlined below.
- Energy & Power (renewable energy, batteries, etc.): Approx. 70%
- Resources & Environment (sustainable materials, recycling, water, etc.): Approx. 20%
- Materials & Chemicals, Agriculture & Food, Transportation & Logistics, and Environmental Certification: Approx. 10%

Business outline and goals

Under NC2026, the Inabata Group has positioned the expansion of environment-related businesses as a company-wide growth strategy. Aligned with this, the Sustainability Medium-term Plan 2026 outlines the strategic goal of contributing to the global environment through our business, with a KPI and target of achieving 100 billion yen in sales from environment-related business by FY2026. In FY2025, sales in the Energy & Power field declined, reflecting lower sales of solar power-related products and lithium-ion battery materials. Meanwhile, sales in the Resources & Environment and Materials & Chemicals fields remained solid, including products that contribute to a circular economy, such as recycled and biomass materials.

In addition, amid an unstable external environment, including heightened uncertainty surrounding the international situation, sales are expected to fall short of the FY2026 target of 100 billion yen. Meanwhile, sales in the Energy & Power field are expected to recover after bottoming out in FY2025, and overall sales from environment-related businesses are also expected to return to an upward trend. As demand for products with a low environmental impact is expected to keep growing, the Group will continue working through its business activities toward the realization of "Contributing to a decarbonized and circular society; sustainable use of natural capital." At the same time, we will further strengthen our foundations for growth and steadily advance toward achieving our targets.

Environment-related business: Results and forecast



Notes: 1. Coverage: Inabata Group (consolidated)
2. Totals are simple sums.

Environment-related business fields and main items

Fields	Main items
Energy & Power	Renewable energy (solar power, biomass power, wind power)-related and battery-related, etc.
Resources & Environment	Sustainable materials such as recycled, biomass, biodegradable, and waste materials, recycling systems, and water-related, etc.
Materials & Chemicals	Low-carbon materials, environmental pollutant reduction, etc.
Environmental Certification	Forestry certification, marine product certification, etc.

Sales by field (Billions of yen)

Fields	FY2022	FY2023	FY2024	FY2025	FY2026 (Forecast)
Energy & Power	17.5	24.4	22.5	**13.7**	22.8
Resources & Environment	7.5	10.7	13.8	**14.4**	13.9
Materials & Chemicals, Environmental Certification, etc.	1.8	3.2	7.2	**8.4**	10.2
Total	**26.9**	**38.6**	**43.5**	**36.8**	**47.1**

Since amounts less than 100 million yen are rounded down, totals in the graphs may not match the sum of individual figures.

Supply Chain Management

Sustainability Medium-term Plan 2026 strategy / KPIs and targets / FY2025 results

Strategy	Enhance resilience in procurement and supply functions by strengthening supply chain management

Fiscal 2026 target	FY2025 results
Clarify the Company's position on responsible procurement, and communicate it internally and externally	**• Raised internal awareness of the Inabata Group Human Rights Policy and Inabata Group Sustainable Supply Chain Policy by delivering the president's message and explanatory videos during the annual training program for all employees** **• Published Japanese-, English-, and Chinese-language versions of each policy on the Company website. Additional language versions are under consideration**

Basic approach

For the Inabata Group, our supply chain is our lifeline and the foundation for creating value. We have set "Providing value through resilience in procurement and supply functions" as a material issue to which we assign priority and focus. For this reason, our suppliers are important partners in creating value, and we aim for mutual growth by working together to resolve environmental and social issues.

Inabata Group Sustainable Supply Chain Policy

In November 2024, we established the Inabata Group Sustainable Supply Chain Policy to express our commitment to building a supply chain that respects the environment, human rights, and working conditions. This new policy builds upon and expands the Inabata Supply Chain CSR Action Guidelines. The policy outlines the values that should be shared between the Inabata Group and its business partners, as well as key areas of action, presented as guidelines and thematic policies. Working together with our business partners, we aim to help realize a sustainable society.

Inabata Group Sustainable Supply Chain Policy (Overview)

1 Commitment to a Sustainable Supply Chain

2 Scope
- All officers and employees of the Inabata Group, including those on fixed-term contracts and temporary employees
- All business partners who work with us to build a sustainable supply chain

3 Supply Chain Sustainability Promotion Guidelines

These Guidelines define the values that the Inabata Group and our business partners should share in transactions, as well as the matters we should promote together.

1) Compliance with Laws and Regulations and Support for and Respect of International Norms
2) Fair Transactions and Anti-Corruption
3) Respect for Human Rights
4) Environmental Conservation
5) Quality Control
6) Information Management
7) Coexistence with the Local Community
8) Partnerships
9) Information Disclosure

4 Engagement with Business Partners

5 Policies for Specific Fields
- Responsible Minerals Sourcing Policy
- Wood Procurement Policy

Review of FY2025 and future initiatives

The Group recognizes that building a sustainable supply chain requires not only establishing policies but also promoting awareness and understanding of those policies both within and outside the organization. In FY2025, as part of our annual training for all employees, we shared a message from the president and explanatory videos on the Inabata Group Human Rights Policy and Sustainable Supply Chain Policy to promote awareness throughout the Group. We also published Japanese, English, and Chinese versions of these policies on our website to communicate them to external stakeholders.

Going forward, to further enhance the effectiveness of our efforts to build a sustainable supply chain, we are considering conducting a questionnaire survey on environmental issues, human rights, labor practices, and other areas to better understand our suppliers' initiatives and the challenges they face. Through this survey, we will identify risks and issues and work to address them, while applying the insights gained to our procurement activities and further enhancing our policies, thereby improving sustainability throughout the supply chain.

Management of Compliance with Chemical Substances Regulations

Sustainability Medium-term Plan 2026 strategy / KPIs and targets / FY2025 results

Strategy	Ensure safe and secure quality through stronger management of compliance with chemical substances regulations

FY2026 target	FY2025 results
Understand and share trends in chemical substances regulations in Japan and overseas in a timely manner, and strengthen the compliance management framework	• Developed training content on chemical regulations in each country • Provided support for Group companies following M&A transactions (PMI) • Promoted education and awareness-building, primarily for new graduates and mid-career hires (The following initiatives have been continued since the previous fiscal year.) • Shared information on global trends in chemical regulations • Assessed the status of regulatory compliance at Group companies and provided support • Conducted internal seminars led by external experts

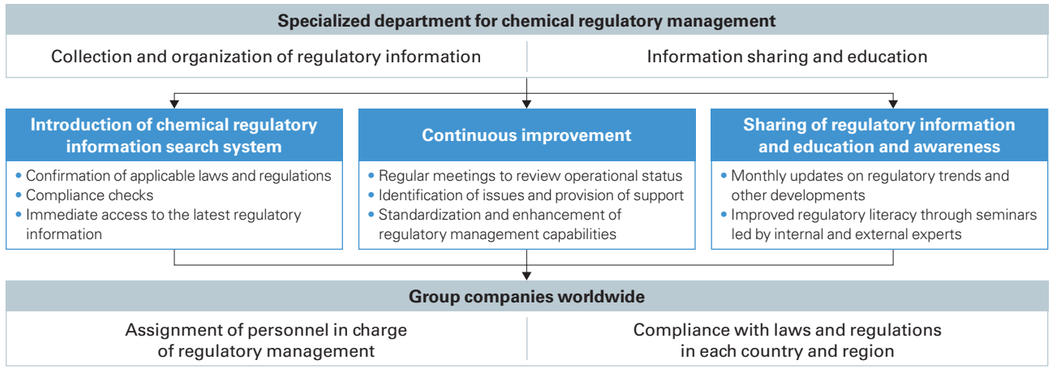
Basic approach

For the Inabata Group, which operates four segments centered around the chemicals business, proper management of chemicals and chemical substances in compliance with laws and regulations is a critical issue. While chemical substances are highly useful, they can also have adverse effects on the global environment, such as water, soil, air, and ecosystems of plants and animals, as well as on human health and safety. This has led to numerous laws and regulations governing various stages such as manufacturing, import and export, sales, transportation, and storage, with the handling of these substances often requiring permits and approvals. Failure to address these appropriately could potentially have a serious adverse impact on both the chemicals business and management itself. Therefore, we will maintain a thorough understanding of the increasingly stringent domestic and international regulatory trends and respond appropriately.

Additionally, for individual projects within each sales division, we proactively assess the environmental and social impacts related to chemical substances and implement sufficient measures before advancing new business initiatives.

Development of management system

The Group has established a specialized department for chemical regulatory management and is working to develop and enhance a management system encompassing Group companies in Japan and overseas. Personnel responsible for regulatory management are assigned at each site to ensure compliance with the laws and regulations of each country and region, while collaboration with the specialized department helps standardize regulatory management capabilities across the Group. We have also introduced a chemical regulatory information search system to enable efficient and reliable regulatory and compliance checks before importing or exporting products.



We are promoting the use of this system to enable personnel at each site to access the latest regulatory information and make accurate decisions.

Information on regulatory trends and related developments in each country collected by the specialized department is shared with Group companies worldwide through monthly updates, helping employees enhance their regulatory compliance capabilities and literacy. By encouraging appropriate action in response to new regulatory requirements, we are raising compliance awareness and strengthening the management system across the Group. In addition, we review the operational status of regulatory management activities through regular meetings with Group companies in Japan and overseas, identify issues, and provide ongoing support as needed, thereby ensuring effective regulatory compliance and driving continuous improvement. We also hold seminars led by internal and external experts to share the latest knowledge in areas of particular focus for the Group, including key legislation governing chemical substance management and the circular economy. Through these initiatives, we are developing a sustainable and effective management system capable of responding to increasingly sophisticated and globalized regulatory requirements.

Initiatives for FY2025

In the Sustainability Medium-term Plan 2026, we have set the goal of understanding and sharing trends in chemical substances regulations in Japan and overseas in a timely manner, and strengthening the compliance management framework.

In FY2025, we carried out the following initiatives.

	Initiatives	Overview
1	Developed training content on chemical regulations in each country	To improve understanding of regulatory requirements for chemical imports at overseas locations and strengthen collaboration among locations, we developed and shared training materials on chemical substance regulatory compliance through the Company intranet.
2	Provided support for Group companies following M&A transactions (PMI)	As part of PMI, conducted on-site visits to identify issues at newly acquired Group companies and laid the groundwork for long-term support.
3	Promoted education and awareness-building, primarily for new graduates and mid-career hires	To improve understanding of chemical regulations among employees, particularly new graduates and mid-career hires, we developed and shared training videos linked to skills assessments through the Company intranet.
4	Shared information on global trends in chemical regulations*	We regularly share information on chemical regulatory trends around the world with Group companies in Japan and overseas.
5	Assessed the status of regulatory compliance at Group companies and provided support*	We continuously monitored the regulatory compliance status of Group companies in Japan and overseas and provide support as necessary.
6	Conducted internal seminars led by external experts	We held an internal seminar led by an external expert on the theme of global trends in packaging material regulations.

* Ongoing initiative from the previous fiscal year

Voice of the Chemical Regulations Department manager

With chemical regulations becoming increasingly stringent both in Japan and overseas, we believe that keeping abreast of regulatory trends in a timely manner and responding proactively is essential to the success of a specialized chemical trading company engaged in global trade.

In addition to ensuring compliance with chemical regulations in Japan, our Chemical Regulations Department actively provides information, regulatory compliance support, and training throughout the Company, including to affiliated companies in Japan and overseas. In recent years, we have also been addressing emerging issues, including initiatives related to recycled materials and global regulations on per- and polyfluoroalkyl substances (PFAS).



Miharu Takahashi
Senior Manager, Chemicals Regulations Department, Risk Management Office

Human Rights

Sustainability Medium-term Plan 2026 strategy / KPIs and targets / FY2025 results

Strategy **Establish supply chains that respect human rights**

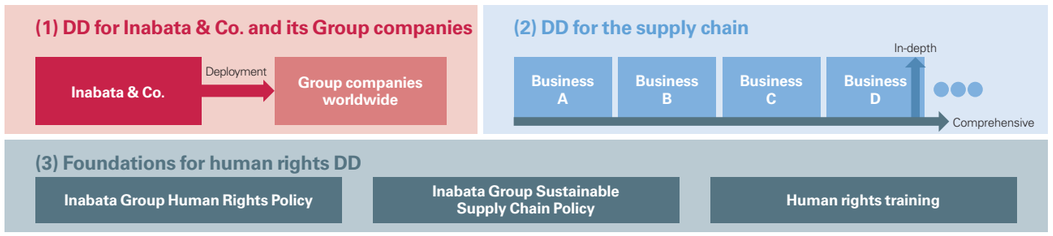
FY2026 target	FY2025 results
Establish the human rights due diligence (DD) cycle* for selected operations as a model case	**Developed plans for a survey to assess human rights initiatives across Group companies in preparation for extending the human rights DD cycle established in the previous fiscal year throughout the Group. The survey is scheduled to be conducted in FY2026**

* The human rights DD cycle refers to the due diligence processes and supporting measures set out in the OECD Due Diligence Guidance for Responsible Business Conduct.

Strategy **Improve the well-being (state of being physically, mentally, and socially satisfied) of employees who support sustainable growth**

FY2026 target	FY2025 results
Expand the implementation boundary for the human rights DD digital survey to the Group	**Developed a plan for implementation across all employees of Inabata & Co. in FY2026**

Overview of human rights due diligence (DD)

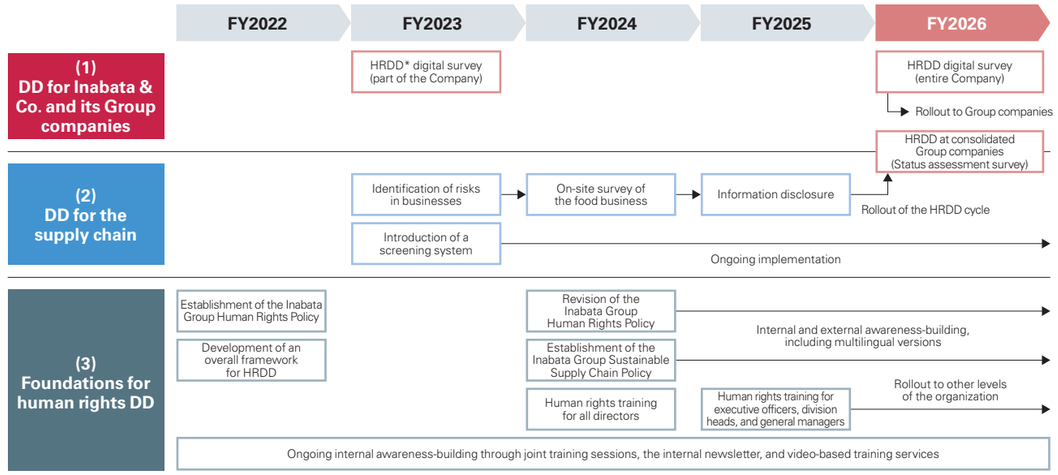


FY2025 activity results and FY2026 activity plan

Category	Theme	FY2025 activity results	FY2026 activity plan
(1) DD for Inabata & Co. and its Group companies	Human rights DD digital survey	Expanded the scope and developed a plan for the second survey covering all employees of Inabata & Co.	Conduct and analyze the survey.
(2) DD for the supply chain	Expansion of the human rights DD cycle to other business operations	Considered expanding the established human rights DD cycle to other business operations.	Expand human rights DD to Group companies and conduct a survey to assess the current situation.
	DD for business partners (new and existing)	Continued monthly monitoring of compliance risks, including human rights risks, of business partners using the screening system. No business partners with severe risks have been identified. Established operating procedures, including a risk information-sharing flow and guidelines, following approval by the Management Council.	Continue ongoing monitoring. Consider other forms of supplier engagement.
(3) Foundations for human rights DD	Establishment and dissemination of policies and guidelines	[Internal] At the annual joint training session held each August, we raised awareness by distributing a message from the president on the Inabata Group Human Rights Policy and Inabata Group Sustainable Supply Chain Policy, along with videos explaining each policy. [External] Published Japanese, English, and Chinese versions of each policy on the Company website.	[Internal] Translate the president's message and videos explaining each policy developed in the previous fiscal year into multiple languages (English and Chinese) and roll them out to overseas Group companies. [External] Consider additional language versions.
	Human rights training	Conducted in-person (and online) training for executive officers, general managers, and division heads who are not directors.	Consider training for managers.

Progress on human rights initiatives

Since establishing the Inabata Group Human Rights Policy in FY2022, the Group has progressively advanced its human rights initiatives. Recognizing that these efforts are ongoing, we will continue to steadily implement feasible measures based on a risk-based approach.



* Human rights due diligence

Participation as a panelist in the Annual Business and Human Rights Dialogue in Tokyo organized by UNDP and the Ministry of Foreign Affairs of Japan

The Company participated as a panelist in the Annual Business and Human Rights Dialogue, hosted by the United Nations Development Programme (UNDP) and Japan's Ministry of Foreign Affairs, in Tokyo in February 2026. Approximately 340 people attended the event, where representatives from companies, governments, international organizations, and other groups discussed challenges and leading practices related to respect for human rights.

Since 2022, the Company has participated continuously in the Business and Human Rights (B+HR) Academy, implemented by UNDP with the support of the Japanese government, where we have shared information on the Inabata Group's initiatives. We believe that our ongoing involvement in these activities led to our participation as a panelist at this year's dialogue. At the event, we introduced the initiatives described above and exchanged views on practical challenges.

We will apply the insights gained through this dialogue to our future initiatives.



Photo: UNDP / Ken Katsurayama
Third from the left: Hisae Fukuchi, Manager, Sustainability Promotion Department of the Company

External perspective



Akiko Sato
Business and Human Rights Project Liaison Officer, UNDP

Positioning respect for human rights as a solid foundation for management not only enables companies to fulfill their responsibilities to society but also contributes to their own sustainable growth. The continued implementation of human rights due diligence within the Company, Group companies, and supply chain, together with efforts to promote understanding and embed the underlying principles, is aligned with the United Nations Guiding Principles on Business and Human Rights. Going forward, it will be important to further strengthen the governance framework supporting cross-functional initiatives, further develop mechanisms for responding to changing social conditions and human rights issues in a timely and appropriate manner, operate effective grievance mechanisms that help identify structural issues and provide remedy and corrective action, and further enhance dialogue with stakeholders affected by business activities. I hope to see a human rights perspective become firmly embedded throughout the organization as a guiding principle for day-to-day decisions and actions.

Basic approach

Rather than relying on specific products or technologies, the Inabata Group's competitive strength lies in providing optimal solutions to the challenges faced by our clients and suppliers. The driving force behind this capability is our people—the knowledge, experience, and initiative of each employee. We therefore regard human capital as one of our most important management resources and strengthening it as a key management priority.

Underpinning the Inabata Group's human capital management is the spirit of "love (*ai*)" and "respect (*kei*)," values that have been passed down since our founding. Guided by these principles of mutual respect and valuing people, we are committed to maintaining a healthy organization in which every employee can perform to their full potential with confidence. We strengthen our organizational competitiveness by enabling diverse talent to thrive.

We also regard our human capital initiatives not merely as costs, but as investments that drive business growth and enhance corporate value. We clearly define the talent and organizational capabilities required to execute our management strategy and take an integrated approach to recruitment, development, placement, compensation, and workplace improvement. We also monitor progress through indicators such as employee engagement, using the results to drive continuous improvement.

Message from the Senior Managing Executive Officer in Charge of Administrative Affairs

Enhancing corporate value starting with human capital

Until now, we have built our business as a trading company that competes on the strength of its people, and we believe this has been one of our key strengths. That said, we do not assume this approach will continue to be effective indefinitely. As work styles and values continue to evolve, we believe it is becoming increasingly difficult to sustain growth by relying solely on individual sales capabilities and relationship-building skills, as we have in the past. Against this backdrop, we view strengthening human capital not simply as a matter of valuing our people, but as a fundamental management challenge of how to sustain and enhance the Inabata Group's competitive strength.

At the same time, recognizing the importance of human capital does not mean it will automatically translate into results. Investments in people must also be guided by the question of where and how resources can be allocated most effectively. Like financial capital, human capital should be regarded as one of our limited management resources, and we believe it is essential to allocate investment in alignment with our business strategy. To do so, we must first understand what kinds of talent our Group needs to support the future direction of our businesses and identify any gaps between those needs and our current workforce. We must then choose the most appropriate approach from among a range of options according to the circumstances, whether by reallocating talent to growth areas, recruiting external talent, or reskilling and upskilling our existing employees.

Our future growth will also depend on our ability to empower local employees. As the global presence of Japanese companies continues to decline, expanding our business with non-Japanese clients will become increasingly important. To succeed, we must move beyond a management model centered primarily on Japanese personnel. Instead, we will accelerate the appointment of outstanding local employees in each region and gradually shift to an organization in which local teams take the lead in driving business growth.

We take a similar approach to employee engagement. The scores themselves are only part of the picture. As the scope of our surveys expands, some decline in overall scores is only natural. What matters is the insight those results provide and how effectively we translate that insight into action. By continuously evaluating the impact of our initiatives and refining our approach, we will continue to strengthen employee engagement over time.

Human capital cannot be managed on the basis of ideals alone. We must respond realistically to changing business conditions and the constraints we face. As the quality of talent and ways of working continue to evolve, it will be increasingly important to strengthen our organizational competitiveness by building systems and functions that complement individual strengths, rather than relying too heavily on the capabilities of individual employees. Even so, our identity as a company that competes on the strength of its people will remain one of the Inabata Group's defining strengths. To ensure this continues to drive sustainable growth, we will steadily execute our human capital strategy.



Kenichi Yokota
Director, Senior Managing Executive Officer

Management plan and human capital strategy

Our human capital strategy provides the foundation for executing our long-term vision IK Vision 2030, and the medium-term management plan NC2026. As we evolve our business portfolio and expand our growth businesses, we are strengthening our talent base in line with the capabilities and roles required to support those initiatives, thereby driving business growth and enhancing profitability.

We assess the gap between our current workforce "As is" and the talent and organizational capabilities required to execute our management strategy "To be." Based on that assessment, we take an integrated approach to talent acquisition, development, placement, evaluation, and compensation, while strengthening our organizational foundation through initiatives that enhance both individual capabilities and organizational effectiveness. We have also established human capital KPIs and targets under the Sustainability Medium-term Plan 2026. By continuously monitoring progress against these targets, we make the execution of our strategy visible and support ongoing improvement.

Human capital strategy aligned with our management strategy

Desired future state (To be)

Financial — Long-term vision: IK Vision 2030; Medium-term management plan: NC2026 ➤ Pages 29–32

Non-financial — Sustainability Medium-term Plan 2026 ➤ Pages 37–38

Human capital growth drivers created through our human capital strategy

- Talent capable of creating value from the client's perspective
- Organizational capability to create value
- Talent base capable of driving growth in global markets

Human capital strategy and KPIs

Human capital strategy		Metrics in the Sustainability Medium-term Plan 2026
State of our talent and organization resulting from our human capital initiatives	Enhancing employee well-being and engagement	Positive response rate in employee engagement survey
Foster individuals who can work autonomously and independently in a global environment	Appropriate human resources allocation	—
	Support career development	Average training expenditure per employee per year
		Ratio of employees with overseas posting experience
Strengthen the organization to maximize individual capabilities	Create a richly diverse organization	Ratio of women in managerial positions
		Ratio of mid-career hires
		Ratio of male employees taking parental leave
		Employment rate of persons with disabilities
	Develop a comfortable work environment	—
	Develop a human resources system as well as evaluation and remuneration systems	—
Foundation supporting our human capital strategy	Cultivate a spirit of "love (*ai*)" and "respect (*kei*)"	—
	Promote health and productivity management	Rate of complete checkup
		Comprehensive health risk found by stress checks
	Ensure psychological safety	—

Current state (As is)

Financial — Medium-term management plan: NC2026 FY2025 results ➤ Pages 33–34

Non-financial — Sustainability Medium-term Plan 2026 FY2025 results ➤ Pages 37–38

The human capital strategies and metrics shown in colored cells are those included in the Sustainability Medium-term Plan 2026. For details of the plan, please refer to pages 37–38. The following pages present our key human capital initiatives under four themes: Employee Engagement, Diversity and Inclusion, Human Resource Development, and Health and Productivity Management.

We monitor both management indicators and human capital indicators, and have confirmed a certain degree of correlation between strengthening human capital and improved business performance. We also continue to examine how best to measure and visualize the relationship between human capital and corporate value more accurately.

Measures to Strengthen Human Capital (1)
Employee Engagement

Sustainability Medium-term Plan 2026 strategy / KPIs and targets / FY2025 results

Strategy	Improve the well-being (state of being physically, mentally, and socially satisfied) of employees who support sustainable growth

FY2026 target

- Employee engagement survey response rate of 90% or higher
- Positive response rate of at least 80%* to the following statements
  - (1) I am satisfied with the work I am doing at Inabata now.
  - (2) I can relate to Inabata's philosophy, vision, and management policies, and I want to participate in achieving them.
- Positive response rate of at least 70% overall*

FY2025 results

- **Response rate: 88%**
- **Positive response rate to the following statements**
  - (1) **I am satisfied with the work I am doing at Inabata now: 69%**
  - (2) **I can relate to Inabata's philosophy, vision, and management policies, and I want to participate in achieving them: 67%**
- **Positive response rate across all items: 64%**

* The positive response rate in employee engagement surveys refers to—of employee responses on the five-point scale (5. Strongly agree / 4. Agree / 3. Neither agree nor disagree / 2. Disagree / 1. Strongly disagree)—the proportion of responses 4 and 5, which are the positive responses.

Employee engagement surveys

Since FY2021, we have conducted an annual employee engagement survey around May to continuously identify changes over time. The primary goal is to visualize current issues and utilize the findings for creating and improving systems and organizational development. In addition, findings on employee motivation and satisfaction with the organization are quantified and fed back to supervisors, serving as a guide for behavioral change and contributing to the revitalization of the organization.

Survey results (2021–2026)

			Pilot introduction (scope expansion phase)			Full-scale implementation (consolidated Group)		
			May 2021	May 2022	May 2023	May 2024	May 2025	May 2026
Number of employees surveyed (people)	Total		1,400	1,697	1,901	2,714	2,837	2,940
		Inabata & Co.	587	606	652	686	715	692
		Overseas trading subsidiaries	768	934	903	864	881	893
		Overseas manufacturing subsidiaries	45	157	346	624	574	702
		Domestic subsidiaries	—	—	—	540	667	653
Response rate (%)	Total		49	73	72	82	88	93
Overall average score*1			3.68	3.77	3.61	3.64	3.67	3.73
Ratio of positive responses for key items*2 (%)	**Engagement** I am satisfied with the work I am doing at Inabata now.		70	73	76	69	69	69
	Relationship with superiors I have the necessary collaboration with my supervisor at work.		75	80	80	73	73	74
	Organizational culture When a problem occurs in the course of my duties, my supervisor and the people around me provide appropriate support.		83	85	83	77	76	77
	Corporate philosophy I can relate to Inabata's philosophy, vision, and management policies, and I want to participate in achieving them.		70	73	73	67	67	70
	Human resources system and benefits Inabata's salary standards are satisfactory, compared to other companies in the same industry.		59	55	57	50	54	56
	Human resources system and training Inabata supports employee training to improve their skills.		41	48	54	51	54	54
	Work-life balance Overtime is kept to a level that is acceptable for me.		64	69	75	73	71	68

Scope: Inabata & Co. and its domestic and overseas consolidated subsidiaries (targeting employees with Company email addresses)
*1 The average score across all items. Employees were asked to rate 39 items on a five-point scale (5. Strongly agree / 4. Agree / 3. Neither agree nor disagree / 2. Disagree / 1. Strongly disagree), and the score for each item was calculated.
*2 The proportion of positive responses, which are ratings of 5 (Strongly agree) and 4 (Agree), among the five-point scale ratings provided by employees.

Review of progress to date (2021–2025)

Since FY2021, the Inabata Group has conducted employee engagement surveys on an ongoing basis, using the results to visualize organizational issues and drive improvements. From FY2024, we expanded the scope to include consolidated Group companies in Japan and overseas, and in FY2025, the survey covered the broadest range of companies to date, including companies that had recently joined the Group. As a result, respondents are now distributed roughly equally among four categories: Inabata & Co., overseas trading subsidiaries, overseas manufacturing subsidiaries, and domestic subsidiaries, enabling us to gain a balanced understanding of conditions across the Group.

As the scope has expanded, differences among companies that had previously been difficult to identify have become clearer, and positive response rates for some key items have declined. However, when compared on the same survey scope, the overall average score and positive response rates for key items have generally remained stable or improved. We therefore do not believe that employee engagement is declining across the Group as a whole.

By category, Inabata & Co. has maintained generally high positive response rates for key items and continues to show steady improvement. Overseas trading subsidiaries and overseas manufacturing subsidiaries also maintain relatively high levels of engagement within the Group. Domestic subsidiaries, which were added to the survey scope in FY2024, currently remain below the Group average. We will progressively implement improvement initiatives based on the circumstances of each company, taking into account factors such as cultural and regional characteristics and business structures. Analysis of key items by company and category is used to provide feedback to managers and inform improvement activities at each company. In this way, we are advancing a Group-wide PDCA cycle based on the survey results.

[Reference] Overall average score by category

	FY2021	FY2022	FY2023	FY2024	FY2025
Inabata & Co.	3.49	3.56	3.53	3.54	3.65
Overseas trading subsidiaries	3.89	3.93	3.84	3.85	3.82
Overseas manufacturing subsidiaries	3.88	3.80	3.93	3.86	4.01
Domestic subsidiaries	—	—	—	3.23	3.25

[Reference] Positive response rates in FY2024 and FY2025 based on the same survey scope as FY2021–FY2023 (Inabata & Co., overseas trading subsidiaries, and overseas manufacturing subsidiaries) (Percentage of respondents who selected 4 or 5 on a 5-point scale)

		2021	2022	2023	2024	2025
Ratio of positive responses for key items (%)	**Engagement** I am satisfied with the work I am doing at Inabata now.	70	73	76	**75**	**77**
	Relationship with superiors I have the necessary collaboration with my supervisor at work.	75	80	80	**79**	**78**
	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	**81**	**81**
	Corporate philosophy I can relate to Inabata's philosophy, vision, and management policies, and I want to participate in achieving them.	70	73	73	**73**	**74**
	Human resources system and benefits Inabata's salary standards are satisfactory, compared to other companies in the same industry.	59	55	57	**56**	**61**
	Human resources system and training Inabata supports employee training to improve their skills.	41	48	54	**57**	**61**
	Work-life balance Overtime is kept to a level that is acceptable for me.	64	69	75	**76**	**75**

Employee Engagement

Key insights from five years of results

Inabata & Co. maintains high positive response rates and continues to improve

Inabata & Co. has maintained generally high positive response rates for key items, with steady improvement over time. In particular, "Human resources systems and training (support for employee skill development)," which had the lowest positive response rate in FY2021, has been the focus of ongoing initiatives based on employee needs, including revisions to training programs and an expanded range of voluntary training options. As a result, the positive response rate improved from 30% in FY2021 to 50% in FY2025. We regard this as one example of how identifying issues through the survey and implementing specific measures has led to tangible results.

We believe this improvement demonstrates that the basic human capital management cycle of assessing the current situation through the survey, formulating and implementing measures, and evaluating their effectiveness is functioning effectively at Inabata & Co. At the same time, to maintain employee engagement at a consistently high level and raise it further, we recognize the need to continue our current initiatives while also addressing emerging issues, such as supporting employees' career development and promoting communication within the organization.

Going forward, we will gradually roll out the improvement cycle and successful initiatives established at Inabata & Co. to Group companies in ways tailored to their individual circumstances. At Inabata & Co., we will also continue initiatives aimed at achieving further improvement.

Overseas trading and manufacturing subsidiaries maintain relatively high engagement levels

Overseas trading subsidiaries and overseas manufacturing subsidiaries continue to maintain relatively high levels of engagement within the Group. In FY2025, their overall average scores were 3.82 and 4.01, respectively, placing them among the highest of the four categories. At overseas manufacturing subsidiaries, employees also reported relatively high levels of satisfaction with compensation and support for their development. We believe that locally rooted business operations and the active roles played by local employees are reflected in the engagement levels in these categories.

At the individual question level, however, there is some variation among items. At overseas trading subsidiaries, scores for satisfaction, organizational culture, and work-life balance have softened somewhat since FY2022. At overseas manufacturing subsidiaries, some declines have also been seen in areas such as organizational culture, collaboration with supervisors, and permeation of corporate philosophy, representing an adjustment from the high levels recorded in FY2023. We believe these trends reflect changes in the business environment, as well as differences in management and the extent to which the corporate philosophy has been embedded as the survey has expanded to cover more locations.

Overseas trading subsidiaries and overseas manufacturing subsidiaries continue to play important roles in supporting the Inabata Group's strengths. To achieve sustainable growth across the Group, it is important to maintain current engagement levels and reduce disparities among subsidiaries. We will continue to take measures tailored to the circumstances of each company and further strengthen management across the Group.

Raising engagement at domestic subsidiaries taking structural factors into account

Domestic subsidiaries, which were added to the survey scope in FY2024, currently have relatively low engagement scores, which we recognize as one factor affecting the overall Group score. We take these results seriously and are working to analyze and address the issues identified through the survey.

At the same time, we recognize that several underlying factors need to be considered when interpreting the results. For example, response patterns can vary due to cultural and regional characteristics, with respondents in Japan tending to select more neutral ratings than those overseas. In addition, many of our domestic subsidiaries have between several dozen and around 100 employees, and many have joined the Group in recent years as our business has expanded. Their circumstances and business environments vary, and organizational structures and systems are currently being progressively developed according to each company's stage of growth.

These domestic subsidiaries will play an important role in supporting the Inabata Group's future growth. We believe that improving engagement at each company will contribute to enhancing corporate value across the Group.

Going forward, we will expand the human resource management initiatives established at Inabata & Co. while supporting the development and operation of systems tailored to each company's business characteristics and organizational scale. Through these efforts, we will drive continuous improvement.

Progress in understanding conditions across the consolidated Group

In FY2025, we conducted a survey covering the entire Group, with respondents distributed roughly equally among four categories: Inabata & Co., overseas trading subsidiaries, overseas manufacturing subsidiaries, and domestic subsidiaries. This has enabled us to gain a balanced understanding of conditions across the Group without the results being disproportionately weighted toward any particular category.

The expansion in scope means more than simply increasing the number of companies surveyed. The ability to compare companies across the Group using the same metrics and identify their respective strengths and issues from a common perspective represents a meaningful step forward in terms of Group governance. Greater visibility across the consolidated Group is also providing a foundation for Group companies to work together to address the issues they face.

We recognize that raising engagement levels not only contributes to the well-being of individual employees but also enhances the Group's corporate value over the medium to long term through improvements in productivity and the quality of organizational management. Going forward, we will treat the Group-wide and company-specific issues identified through the survey as important inputs for human capital management. We will work to achieve sustainable value enhancement across the Group by utilizing these insights at both the management and workplace levels.

Strengthening management in light of its impact on engagement: The next priority

A common trend among overseas trading subsidiaries, overseas manufacturing subsidiaries, and domestic subsidiaries is that employee engagement levels fluctuate to some extent as their management structures change. This suggests that each company's management policies and organizational culture can influence employee attitudes, and we recognize that management teams play an important role in achieving steady improvements in engagement.

Through M&A and business expansion, the Inabata Group has grown to encompass companies spanning diverse businesses, regions, and organizational scales. While respecting the history and culture of each company, we believe that management teams have a significant role to play in sharing the Group's management philosophy and IK Values throughout their organizations. Managing operations in line with the Group's overall direction and adapting them to conditions on the ground not only helps improve engagement at each company but also supports the quality of management across the Group.

Based on this recognition, we regard the development and strengthening of management teams at Group companies as an important aspect of human capital management. We believe that enhancing management across the Group will increase the effectiveness of Group governance and contribute to enhancing corporate value over the medium to long term. We will continue to pursue initiatives in this area.

Overview of the 2026 survey results

In the survey conducted in May 2026, the number of employees covered increased and the response rate reached a record high of 93%, enabling us to gain a more comprehensive understanding of conditions across the Group than ever before. The overall average score also improved year on year to 3.73, from 3.67, and remains at a high level. Scores for most of the 39 questions exceeded the previous year's averages, and positive response rates for the key items used as indicators generally remained stable or improved. Although the score for the question on work-life balance declined slightly, it remains high, and we recognize the year-on-year decline as an area for improvement.

Trends over the past five years also confirm that engagement levels have remained generally stable.

We will continue to use the survey results to improve organizational management and human resource initiatives and further enhance engagement across the Group.

Measures to Strengthen Human Capital (2)
Diversity and Inclusion (D&I)

Sustainability Medium-term Plan 2026 strategy / KPIs and targets / FY2025 results

Strategy	Foster diversity and inclusion that makes the most of diverse individuals

FY2026 target

1. Increase the ratio of women in managerial positions to at least 8% by March 2028, and to 10% by 2030
2. Maintain the ratio of mid-career hires at around 50%
3. Increase the ratio of male employees taking parental leave to 100%*1
4. Continue to exceed the legal rate of employment for persons with disabilities
5. Encourage managerial appointments for local employees at overseas subsidiaries

FY2025 results

1. **Ratio of women in managerial positions 7.3%**
2. **Ratio of mid-career hires 57%**
3. **Ratio of male employees taking parental leave 100%*2**
4. **Employment rate of persons with disabilities 3.14%**
5. **• Appointed one local employee at our Malaysia operation to a senior management position (director), marking the third such appointment following Taiwan and the United States**
   • Approved the framework for the process of appointing senior management (president and directors) at the Management Council. Details of the system are currently under development, with implementation targeted for FY2026

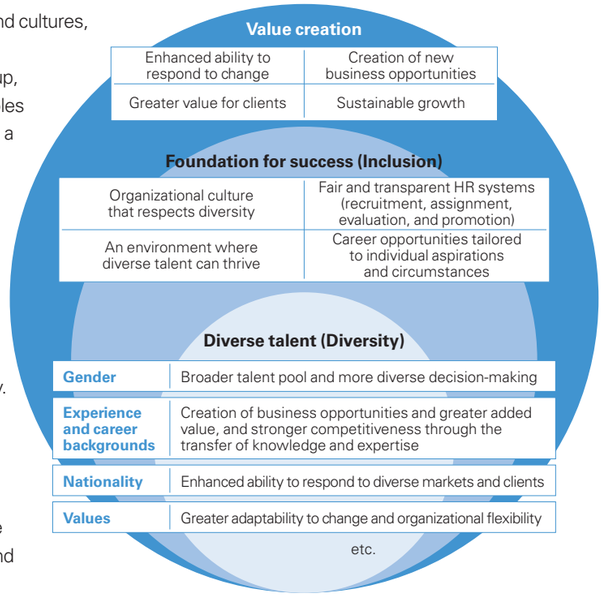
*1 Based on the Company's policy allowing employees to take parental leave until the child turns three years old, a 100% uptake rate indicates that all male employees whose spouses gave birth took parental leave within three fiscal years, including the fiscal year in which the child was born.
*2 As parental leave was made mandatory under a new system introduced in FY2023, the uptake rate for FY2025 is calculated based on the three years since the system's implementation (FY2023–FY2025). The calculation formula is as follows:
Number of male employees whose spouses gave birth in FY2023 and who took parental leave in FY2023–FY2025 (14) / Number of male employees whose spouses gave birth in FY2023 (14)

Strategy for turning diversity into value creation

As a trading company operating across diverse markets and cultures, promoting D&I serves as a key source of our competitive advantage. For the sustainable growth of the Inabata Group, where employees with diverse backgrounds play active roles globally, we believe it is essential to cultivate and embrace a diversity of values and perspectives.

Accordingly, we are developing systems to ensure fair recruitment, assignment, evaluation, and promotion that respect the individuality and capabilities of each employee, regardless of race, nationality, age, gender, disability, or other attributes. We are also fostering an organizational culture that embraces diversity and enables employees to work together with a sense of unity.

Beyond simply ensuring diversity, we are creating an environment and career opportunities that enable each employee to fully demonstrate their capabilities. By empowering diverse talent in this way, we aim to enhance corporate value by creating new business opportunities and strengthening our ability to respond to change.



Promoting women's advancement and supporting work-life balance

The Inabata Group is promoting women's advancement together with support for balancing work and personal responsibilities. In Japan in particular, challenges remain in promoting women to managerial positions and supporting career continuity. Given the characteristics of our business, we recognize that progress across the industry as a whole also remains insufficient.

At the Company, the relatively small number of women historically hired for Staff positions has resulted in a structural issue: a limited pipeline of female candidates for managerial positions. There is also room for improvement in the ratio of women among new graduate hires and their retention after joining the Company. We recognize these as important issues that could affect the stability of our human resource portfolio. We are therefore working to broaden our talent pool through internal development and mid-career recruitment, increase the proportion of women hired, and improve retention. As a result of these initiatives, we are beginning to see improvements in these areas. In addition, we regularly hold joint seminars with other companies and discussion sessions with officers to raise awareness and support network building.

We also recognize that addressing these challenges requires support for balancing work and personal responsibilities for both men and women, as well as a review of working practices. We are therefore enhancing childcare and nursing care programs and flexible work arrangements, encouraging men to take parental leave, and providing career support through a mentoring program.

By expanding career and work-style options in line with individual circumstances and aspirations, we are working to build an organization in which diverse talent can continue to thrive.

Challenges to date, key measures, and current status

Challenges to date		Key measures	Current status
Recruitment and retention	Challenges with the ratio of women among new graduate hires and their retention after joining the Company	Maintain the ratio of women among new graduate hires at 20% or higher and strengthen follow-up measures	These initiatives have significantly improved retention, stabilized the human resource portfolio, and increased the assignment of female employees to sales divisions.
Advancement and development	Career continuity and development opportunities can be constrained by childbirth, childcare, and other factors	Expand support for balancing work and personal responsibilities, including parental leave, reduced working hours, and childcare subsidies	
	Traditional working practices hinder the advancement of diverse talent	Introduce flexible work arrangements, including staggered working hours and telework	
	Anxiety and isolation related to career development	Support career development through initiatives such as the new employee rotation program and mentoring program	
Career diversification	Uniform career paths lead to employee turnover and lost opportunities	Provide diverse career and work-style options through measures such as the job category conversion program	The number of participants in the job category conversion program is gradually increasing.
Promotion	Insufficient pipeline of female candidates for managerial positions due to past hiring patterns and employee turnover	Utilize the job category conversion program, strengthen internal development, and leverage mid-career recruitment	The pipeline of female candidates for managerial positions is gradually expanding, and the proportion of female managers is rising, but challenges remain. We will continue to develop and secure talent over the medium to long term.

[Example of key measure] Job category conversion program

We are enhancing our job category conversion program to provide employees with diverse career options suited to their individual life stages and aspirations. Our job categories comprise four types: Professional positions (P), Staff positions (S), Challenge positions (C), and Assistant positions (A). P positions are managerial positions responsible for core operations; S and C positions are non-managerial positions responsible for core operations; and A positions primarily involve support functions. Under the job category conversion program, employees can transfer between S and A positions based on their career aspirations and life stages.

Previously, however, the possibility of transfers requiring relocation in S positions presented an obstacle for employees in A positions considering conversion. To address this issue, we established the Challenge (C) category in 2023 as a job category that does not require relocation. Like S positions, C positions are responsible for core operations but offer employees with geographic constraints greater opportunities to take on new challenges.

This has expanded career options beyond transfers between S and A positions to include the C category, enabling employees to make flexible career choices that take both work and personal circumstances into account. Through these initiatives, we aim to create a human resource portfolio in which diverse talent can continue to thrive.

Employee perspective on using the program

I wanted to take a more proactive role in my work, so I used the job category conversion program to move from an A position to an S position. I currently handle IT-related inquiries in the Digital Promotion Office.

In my current role, I draw on the empathy and communication skills I developed in my A position. Going forward, I hope to develop my IT and analytical skills so that I can make more effective proposals.



Chihiro Kujirai
IT Utilization Support Department, Digital Promotion Office

Measures to Strengthen Human Capital (3)
Human Resource Development

Sustainability Medium-term Plan 2026 strategy / KPIs and targets / FY2025 results

Strategy	Focus on investment in human capital

FY2026 target	FY2025 results
Every year, spend more on education and training costs* per employee than in the previous fiscal year	**Education and training costs per employee per year: ¥89,124**
Maintain the ratio of employees with overseas posting experience at around 40%	**Ratio of employees with overseas posting experience 38.5%**

* Education and training costs refer to the expenses spent on group training, external training, video learning, and so on at Inabata & Co. on a non-consolidated basis.

Overview of human resource development

The Inabata Group recognizes that people are the driving force behind value creation and positions human resource development as a critical management priority. Building on a shared understanding of our management philosophy and IK Values, we develop talent with the expertise and global perspective needed to drive our businesses in Japan and overseas through diverse work experiences and growth opportunities, as well as development tailored to individual roles and career stages. We also strive to create an environment where each employee can proactively shape their own career and experience personal growth.

Based on this approach, the Inabata Group has established a foundation for human resource development and identified priority areas aligned with its management strategy to systematically develop talent.

Human resource development framework

Foundation for human resource development

Human resource database management (Talent management system)	HR and evaluation systems	Diverse training programs	Organizational culture and systems

Alignment with management strategy

Long-term vision, IK Vision 2030 / Medium-term management plan, NC2026

Key areas of human resource development initiatives for achieving the management strategy

Philosophy and fundamentals	Expertise and value creation	Global talent	Leadership and management talent
Strengthening Group cohesion and the corporate foundation by sharing the management philosophy and IK Values and developing fundamental skills	Enhancing our ability to create added value by strengthening specialized knowledge and proposal capabilities to address client and market needs	Strengthening capabilities to drive business globally through practical overseas experience and cross-cultural understanding	Strengthening the capabilities needed to lead organizations and businesses and support sustainable growth through effective leadership
Examples • **Management philosophy workshops** • Level-specific training programs	**Examples** • Practical training, including credit management training • Career advancement self-reporting system (Enhancing value creation through optimal talent placement)	**Examples** • **Overseas trainee program** • **Expanded opportunities for overseas assignments**	**Examples** • **Global Staff Meeting** • Leadership development training

Note: Items in bold are introduced on the following page.

Conducting Group-wide workshops to share the management philosophy



As the Inabata Group becomes increasingly diverse through the pursuit of M&A and expanded mid-career recruitment, we recognize that fostering shared values and a sense of unity across the Group is an important priority. We are therefore rolling out management philosophy workshops to deepen Group employees' understanding of the IK Values and encourage them to put these values into practice in their day-to-day work. The program provides opportunities for employees to reflect on the management philosophy in their own words through individual and group work, in addition to sharing messages from management and feedback from employees. Through these workshops, we aim to strengthen the foundation for value creation as a unified Group.

Voice of a workshop participant



Although I am now in my 14th year with the Company, this workshop gave me a valuable opportunity to reflect once again on the IK Values. I was assigned to Inabata Philippines, Inc. (IKP) in March 2026 and was surprised to find that the management philosophy is also shared there in Tagalog. As I work alongside local colleagues with different cultures and values, I expect to encounter a variety of situations. I hope that we can approach these with a shared understanding of the IK Values and grow together.

Hiroki Miyamori
Inabata Philippines, Inc.

Expanding opportunities for young employees to gain overseas experience

As part of our growth strategy to expand the ratio of overseas sales, we are strengthening the development of global talent. Under the Sustainability Medium-term Plan 2026, we have set a target of maintaining the proportion of employees with overseas assignment experience at 40% and are expanding opportunities for young employees to gain experience overseas.

In FY2023, we introduced an overseas trainee program for employees in Staff positions in their third year with the Company, providing short-term overseas assignments that deepen their understanding of practical business operations and different cultures. In addition, we are strategically expanding opportunities for overseas assignments, which are becoming increasingly important as a means of gaining practical experience in driving and managing businesses locally. Although still limited in number, female sales employees are also taking on overseas assignments, broadening opportunities for diverse talent to play active roles. Through these initiatives, we are strengthening the talent base that supports business growth.

Voice of an employee on an overseas assignment



It has been about a year since I was assigned to Malaysia. What I have come to realize is most important on an overseas assignment is working collaboratively with local staff. This requires engaging in meaningful dialogue with people who have different perspectives and values, involving them in the process, and working together toward shared goals. I believe an overseas assignment is a valuable opportunity not only to broaden one's professional experience but also to develop the ability to think and act independently.

Haruka Wada
Inabata Malaysia Sdn. Bhd.

Global Staff Meeting



As the Inabata Group operates businesses around the world, we regard the development of global talent, including local employees, and the strengthening of networks as important initiatives that support our growth. Since 2014, we have held the Global Staff Meeting, which brings together selected employees from each region at our head office to share our management philosophy and IK Values. The program was suspended from FY2020 due to the spread of COVID-19 but resumed in FY2023 and has been held regularly since then. In FY2025, 16 employees from Inabata & Co. and overseas locations participated. Through group work and discussions in English, participants deepen mutual understanding and exchange views on addressing challenges, helping to promote collaboration across national and cultural boundaries and develop the next generation of leaders.

Health and Productivity Management

Sustainability Medium-term Plan 2026 strategy / KPIs and targets / FY2025 results

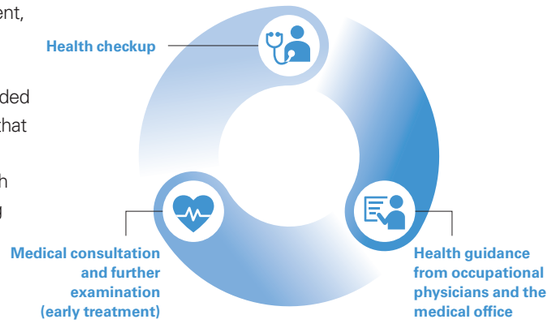
Strategy	Further advance health and productivity management

FY2026 target	FY2025 results
Rate of complete checkup 100%*1	**Rate of complete checkup 94.9%**
Maintain comprehensive health risk found by stress checks at current levels*2	**Comprehensive health risk score 74** **(national average 100; lower scores indicate better results)**

*1 The rate of complete checkup refers to the proportion of employees who were advised to undergo a complete checkup after the initial health check and actually followed the advice.
*2 Comprehensive health risk is an indicator for stress evaluation provided by the Ministry of Health, Labour and Welfare to comprehensively assess to what degree the workplace environment impacts on employee health. The risk is calculated by using four criteria obtained from stress checks: psychological burden of work (volume), degree of discretion at work, degree of support from managers, and degree of support from colleagues. The national average is calculated as 100: workplace health risk is high if the value exceeds 100, and low if the value falls below 100.

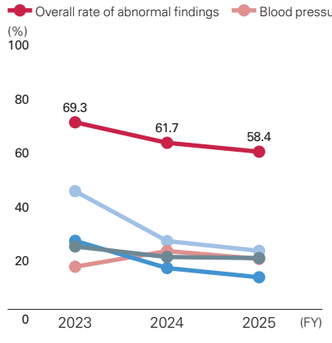
Health and productivity management challenges and progress

Before we began promoting health and productivity management, the proportion of employees with abnormal findings in health checkups for blood pressure, liver function, lipids, and blood glucose, which are risk factors for lifestyle-related diseases, tended to be higher than the national average. We therefore recognize that ensuring employees who require further examination receive appropriate follow-up is an important priority in preventing health risks from developing into more serious conditions and avoiding unexpected absences from work. To address this issue, in addition to subsidizing health checkup costs, we encourage employees to undergo further examinations and provide health guidance based on their checkup results through our occupational physicians and medical office. We are pursuing a cycle of continuous improvement with the goal of achieving a 100% rate of complete checkup. Through these initiatives, we aim to reduce the number of employees who repeatedly receive findings requiring further examination and the number who take leave from work, as well as reduce productivity losses due to presenteeism and absenteeism.* In fact, the indicators we have identified as challenges are showing signs of improvement.

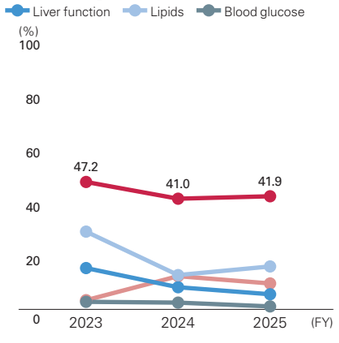


* Presenteeism refers to reduced performance at work due to physical or mental health issues despite being present, and absenteeism refers to being unable to work due to poor health or other reasons, resulting in absence or leave from work.

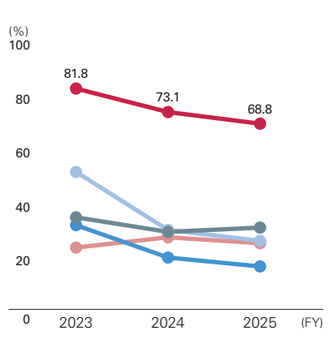
Rate of abnormal findings (overall)



Rate of abnormal findings (under age 34)



Rate of abnormal findings (age 34 and over)



Going forward, we will continue to create an environment in which employees can work with high levels of engagement and physical and mental well-being, thereby maximizing individual performance and enhancing productivity across the organization.

Company sports days held in Osaka and Tokyo

The Company regards maintaining and improving the health of each employee, as well as strengthening organizational unity and engagement, as important management priorities and is pursuing a range of initiatives. As part of these efforts, in February 2026 we held company sports days in Osaka and Tokyo in collaboration with the Inabata labor union. A total of 46 employees in Osaka and 97 in Tokyo participated, competing in mixed teams made up of employees from different departments. The president also participated at the Osaka event, and the senior managing executive officer in charge of human resources participated at the Tokyo event.

Events such as ball toss, tug-of-war, and relay races provided opportunities for employees who have little contact in their day-to-day work to interact, strengthening connections across the organization. Participants also commented that the event provided more opportunities to communicate with colleagues from other departments and fostered a greater sense of unity through teamwork.

In addition to promoting employee health, this initiative helps foster communication and enhance engagement. We regard health and productivity management as an important foundation for management and will continue to create an environment in which employees can maintain their physical and mental well-being and fully demonstrate their capabilities.

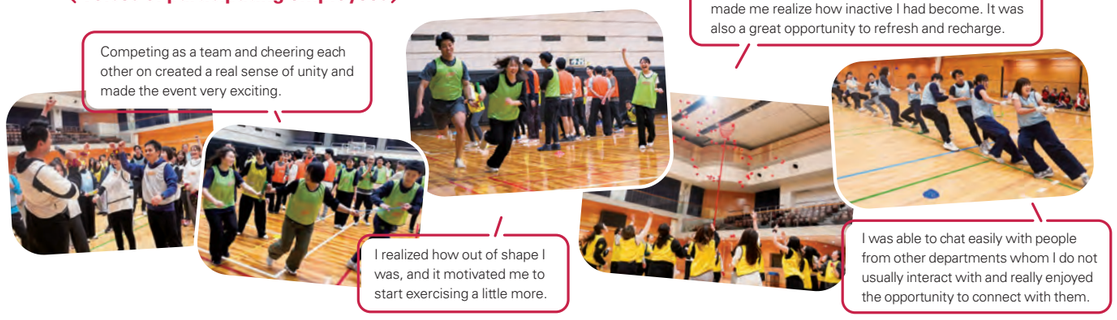


Group photo (Osaka)



Group photo (Tokyo)

Voices of participating employees

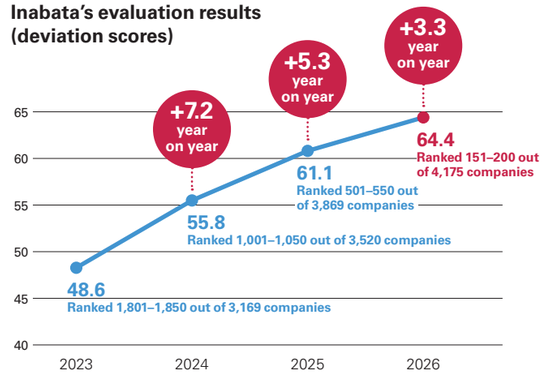


2026 Outstanding Organization of KENKO Investment for Health (White 500)

On March 9, 2026, Inabata was recognized as one of the 2026 Outstanding Organizations of KENKO Investment for Health in the Large Enterprise Category (White 500), under a program jointly conducted by the Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi (Japan Health Council). Our evaluation has improved each year, and this marks our first recognition as a White 500 organization and our fourth consecutive year of recognition as an Outstanding Organization of KENKO Investment for Health.

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門 ホワイト500

Inabata's evaluation results (deviation scores)



Independent Director Three-Way Talk



As NC2026, Inabata's medium-term management plan, enters its final year, how has the Board of Directors evolved through its deliberations, and what changes lie ahead?

Three-Way Talk

We spoke with three Independent Directors—Osamu Chonan, Hisayuki Suekawa, and Mari Ikegaki (with Ikegaki joining the Board in June 2025)—about the Board's effectiveness, the Company's growth strategy, and its approach to human capital and sustainability.

(The three-way talk was held in May 2026.)

Osamu Chonan (left)
Independent Director
Chairperson of the Nominating and Remuneration Committee
Time in office: Jun. 2023–present

My role

I have served for many years as the head of both the manufacturing and sales divisions at a leading food manufacturer, which has played a key role in creating the market for salad food culture that supports a healthy lifestyle, particularly in Japan, China, and Southeast Asia. As an executive, I have accumulated diverse experience and knowledge, and I aim to enhance product branding from an external perspective, while elevating Inabata's image and value.

Mari Ikegaki (center)
Independent Director
Time in office: Jun. 2025–present

My role

Throughout my career as head of human resources at the Japanese subsidiary of a global financial institution, I have led the development of talent, fostered corporate culture, and designed organizational structures and systems, while also overseeing corporate governance and human resources risk and compliance. Drawing on both a global perspective and my experience collaborating with Japanese companies, I hope to contribute to building an organization where everyone can perform at their best and to fostering a corporate culture that embraces diversity.

Hisayuki Suekawa (right)
Independent Director
Time in office: Jun. 2024–present

My role

I have promoted business strategy and management reform at a cosmetics company with over 150 years of history. From a CSR perspective, I have also addressed societal issues, having led the establishment of an on-site daycare and a consultation center specializing in severe skin concerns. In addition to enhancing branding through engagement with society, I aim to contribute to boosting the Inabata brand and developing the next generation of talent by leveraging my experience and know-how from university lectures and corporate training programs I am currently involved in.

Board operations and effectiveness

Over the past year, have you observed any changes in the way the Board conducts its discussions and makes decisions, or in your overall perception of the Inabata Group?

Chonan

What has impressed me most is how the Company has become increasingly open to candid and constructive discussion over the years. Rather than focusing solely on shareholders, the Board takes into account a broad range of stakeholders, including employees, and directors exchange frank views without hesitation or deference to the president.

I believe companies that stand the test of time share three common features: a clear philosophy, outstanding people, and effective systems. Inabata has long placed great value on these intangible assets, beyond what appears on its balance sheet. I believe this has fostered an open culture that listens sincerely to outside perspectives and is willing to embrace change when necessary.

Suekawa

I agree. One of the Company's defining characteristics is that it does not treat the Board effectiveness evaluation as a mere formality. Instead, it uses the process to drive continuous improvement. There are certainly many issues to address, and not all of them can be resolved overnight. Even so, management tackles them head-on, and whenever we ask for reports or explanations, they respond openly and thoroughly. That attitude is extremely encouraging.

Another thing that stands out is the respect shown toward independent directors. Whenever there is something we do not understand, people take the time to explain it carefully, and our comments are taken seriously. Rather than viewing the outside perspective as a procedural requirement, the Company genuinely seeks to use it as a catalyst for improvement. I believe that is one of Inabata's greatest strengths.

Ikegaki

Before joining the Board, I spent many years in human resources, leading company-wide initiatives ranging from earthquake disaster response to the COVID-19 pandemic. Based on that experience, I believe my role at Inabata is to contribute perspectives on diversity, employee engagement, and people-related risk and compliance.

Since joining the Board, I have found it to be an exceptionally open and dynamic forum where even a newly appointed director feels comfortable speaking up. The Company also provides extensive information and learning opportunities to help develop a thorough understanding of the business. Its commitment to helping independent directors understand the Company is evident throughout, as is its sincere desire to put outside perspectives to work for the Company's benefit.

Progress of the medium-term management plan and growth strategy

Turning to growth strategy, how do you view the progress of the medium-term management plan, the Company's approach to portfolio management, and the expectations of the capital markets?

Suekawa

I believe the medium-term management plan is delivering steady results. The Company deserves high praise for continuing to achieve record-high profits despite operating in a rapidly changing business environment. I also highly value its steady evolution beyond a traditional trading company that simply intermediates products into one that helps solve clients' challenges.

During last year's Three-Way Talk, I commented that the Company tended to take a somewhat conservative approach. Since then, however, my involvement in initiatives such as developing the Corporate Message has reinforced my appreciation that there is tremendous value in the role a trading company plays in supporting the things people take for granted. Building on that solid foundation, the Company is now taking meaningful steps to create new value, and I view that very positively.

I am equally impressed by the Company's approach to the capital markets. Its commitment to a 10% ROE target, reducing strategically held shares, and maintaining a progressive dividend policy demonstrates a genuine commitment to meeting the expectations of shareholders and investors. Rather than prioritizing its own interests, management engages sincerely with its stakeholders, and I believe that is one of the Company's defining qualities. The views expressed by investors through this dialogue are reported to the Board and reflected in its discussions. Although geopolitical risks continue to create uncertainty over revenue prospects, I believe the Company remains well positioned to deliver solid earnings.

Chonan

The latest results also demonstrate the Company's growing resilience. When one business faces headwinds, other segments are increasingly able to offset their impact. One



"Rather than viewing the outside perspective as a procedural requirement, the Company genuinely seeks to use it as a catalyst for improvement. That is one of Inabata's greatest strengths."

—Hisayuki Suekawa

significant development is that business leaders now share information more openly and have built relationships in which they support one another. It has also reinforced the Company's open culture, with different parts of the business increasingly supporting one another when one area comes under pressure.

Through the Company's IR activities, we are also being highly regarded for emphasizing stability, a progressive dividend policy, prudent management, and a long history. While many investors appreciate the Company's disciplined approach, avoiding overreach and pursuing only well-considered growth initiatives, they are also looking ahead, asking what will drive the Company's next phase of growth. The challenge is how to achieve transformative growth while maintaining today's stability. There is no easy answer. Rather than stretching beyond its capabilities, I believe Inabata should continue building its next stage of growth in a way that remains true to what makes the Company distinctive. M&A is undoubtedly an effective means of achieving transformative growth. However, during PMI, the Company's approach to respect acquired companies has at times made it reluctant to intervene when necessary. Going forward, Inabata must be able to identify emerging issues early and step in decisively where needed as the head office.

Ikegaki
Although I have not been on the Board for very long, I can already sense management's clear commitment to bolstering the Company's business foundation by reshaping its business portfolio. That is why it will become increasingly important to embrace new opportunities, carefully assess growth potential, and allocate management resources where they can create the greatest value.

The true value of M&A lies not in acquiring businesses or assets, but in creating synergies after the acquisition. That requires developing a deep understanding of acquired companies as quickly as possible and communicating openly about the Company's vision and the changes needed to achieve it. During the PMI process, it is important to respect the acquired company while also engaging in more proactive dialogue and management. As the Company expands businesses that are closer to consumers, such as the food business within the Life Industry segment, it must also pay even closer attention to new risks, including product quality and compliance.



Redefining what it means to be "Inabata"

All three of you also participated as observers in the MOVE MOVE PROJECT, an initiative in which employees themselves took the lead in creating the Company's new Corporate Message. How do you assess this initiative, and what impact do you think it has had?

Suekawa
At first, the project started with the purpose of creating a brand message. However, as discussions progressed, the project members came to recognize the need to clarify its relationship with the management philosophy and the IK Values and position it systematically as a corporate message representing the Company as a whole. Through that process, it also became much clearer whom the Company seeks to serve and the value it aims to deliver.

Before joining Inabata, I worked for a consumer goods manufacturer, where I was involved in brand building and worked closely with consumers. That experience has taught me that a brand or corporate message is never complete simply because the right words have been chosen. It only becomes a true brand when it is brought to life through the actions of each employee and every interaction with customers.

That is why I believe the greatest value of this project lay not simply in creating the message itself, but in the process of having so many employees participate in the discussions and reflect on what makes Inabata unique. Going forward, I believe the Company has entered a phase in which it is essential to connect that message with employees' day-to-day work so that each individual embraces it as their own and puts it into practice.

Chonan
What impressed me most about this initiative was that it was not something handed down by management. Instead, younger and mid-career employees took the lead in asking themselves: What has been the driving force behind Inabata's success over the past 136 years? What are Inabata's strengths? What should the Company aspire to going forward? They then put those answers into words. I believe the fact that the very people who will shape the Company's future engaged with those questions themselves was tremendously meaningful.

Moreover, they developed the message only after reflecting on the values passed down by those who came before them, as well as the challenges the Company will face in the future. It was a process that inspired genuine conviction. That is why it is important that the message does not remain merely a slogan, but continues to evolve as a set of words that will help shape the future of Inabata.

Ikegaki
This is also an important issue from the perspective of corporate value. As a B2B company, I believe Inabata has not always done enough to articulate its identity and future direction. Yet these



are precisely the kinds of issues that influence how the market evaluates the Company. The Company needs to clearly communicate, both internally and externally, where it is headed and the value it delivers.

From that perspective, I believe it was highly significant that employees themselves articulated the value of their work and the value they deliver to clients. Although the project initially focused on Japan, discussions about involving overseas employees led to a bilingual rollout and participation in the voting process, representing another important step forward. I believe it has been an excellent initiative for fostering a stronger sense of unity across the Company.

Human capital and sustainability

Finally, let's hear about human capital and sustainability. How do you see the reinforcing of human capital, the development of future leaders, and the challenge of translating sustainability into business value?

Ikegaki
When I interviewed candidates for new executive positions as part of the Nominating and Remuneration Committee, I was struck by the caliber of talent the Company has developed. Another important priority is how the Company develops the next generation of talent more broadly, including women. The workplace and employees' values have changed dramatically, and the success models of previous generations alone are no longer sufficient. Young employees should be given opportunities to broaden their experience beyond their own areas of responsibility, whether through overseas assignments or challenging rotations in other departments, and to build networks across the organization. Furthermore, flexible career development is also important. As the Company places greater emphasis on expanding its global business, the perspectives of employees with overseas experience and those of non-Japanese nationals should be more actively incorporated into decision-making at headquarters. Only by bringing together people with diverse backgrounds can Inabata build an organization capable of supporting a diverse range of businesses.

Discussions within the Sustainability Committee have also progressed steadily. The next important step is to extend initiatives such as human rights due diligence not only to employees in Japan but also to those overseas. Doing so sends a clear message that headquarters is equally committed to employees outside Japan, helping to foster a stronger sense of unity across the Group.

Suekawa
I believe the Sustainability Promotion Department has done an outstanding job, particularly given its limited resources, including its support for the Sustainability Committee. Sustainability, however, is not something that can be left solely to the Sustainability Promotion Department. KPIs should measure not only whether initiatives have been implemented, but also what has actually changed as a result. For example, it is not enough simply to increase training expenditure per employee; what matters is how employees have grown as a result. Likewise, the Company's environmental initiatives should ensure that its green businesses both help resolve social issues and generate business value.

Given the highly specialized nature of the Company's businesses, it is important for each division to develop professionals with deep expertise. Another important aspect of talent development is creating opportunities for employees to gain experience across different departments and functions early in their careers, thereby broadening their perspectives.

It is only natural for each division to want to develop the people who will lead its future. However, if the Company views talent not as the property of a division but as a company-wide asset, and fosters a culture in which executive officers engage in serious discussions about talent development from a company-wide perspective, I believe the organization as a whole will become even stronger.

Chonan
The succession plan is making progress, with initiatives to make the candidate pool more visible and provide executive candidates with opportunities to present their ideas, helping them develop a stronger awareness of their leadership potential. I also see a clear commitment to developing people regardless of gender, nationality, or whether they joined the Company as new graduates or through mid-career recruitment. Advancing women's participation, however, remains a significant challenge. Management's desire to promote women does not always align with the aspirations of the individuals themselves. The question is how far the Company can change traditional practices, including those that still remain in frontline sales. It will not be easy, but it is an issue Inabata cannot afford to avoid.

When it comes to sustainability, I believe the Company could do more to clearly articulate what makes Inabata distinctive. In particular, as a company with a long history in synthetic resins, I believe Inabata should speak openly about both the value plastics bring to society and the challenges they present. Plastics have long supported society by improving hygiene, enhancing safety, and increasing logistics efficiency. At the same time, however, they also present challenges related to waste. That is precisely why I believe the Company should demonstrate a genuine commitment to supporting a circular economy, from raw materials to recycling, and communicate that commitment more clearly as a core business mission. I believe this is an important theme in creating both business opportunities and solutions to social issues.

Corporate Governance

Basic concept

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 expectations 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.

Organizational design framework: 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 directors in order to embody a monitoring-type Board of Directors, thereby enhancing corporate value.

Changes in initiatives to strengthen governance

	–2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Organizational design	Company with an audit & supervisory board								Company with an audit and supervisory committee				
Corporate governance system	• 2003 Executive officer system introduced • 2006 Term of appointment of directors reduced from two years to one year • 2013 Appointment of two outside directors*	• Nominating and Remuneration Committee established • Appointment of three outside directors*						• Independent director appointed Chairperson of the Nominating and Remuneration Committee	• Transition to a majority of independent directors* • Advisor and corporate advisor system abolished • Retirement age for officers introduced				
Executive remuneration system	• 2006 Retirement benefit system for directors and Audit & Supervisory Board members abolished • 2009 Retirement benefit system for executive officers abolished	• Performance-linked compensation plan introduced			• Performance-linked stock compensation plan introduced Board Benefit Trust (BBT) introduced				• Performance-linked compensation KPIs ROIC / ESG scores introduced	• Performance-linked compensation KPIs ROE / Stock price added		• Employee engagement survey achievement rate added as BBT KPI	
Effectiveness evaluation of the Board of Directors		Self-evaluation	Self-evaluation	Third-party evaluation	Self-evaluation	Self-evaluation	Third-party evaluation	Self-evaluation	Self-evaluation	Third-party evaluation	Self-evaluation	Self-evaluation	Third-party evaluation (planned)
		• Board effectiveness evaluation introduced (third-party evaluation every three years)											
Evolution of the Tokyo Stock Exchange's Corporate Governance Code	★				▲			▲					▲

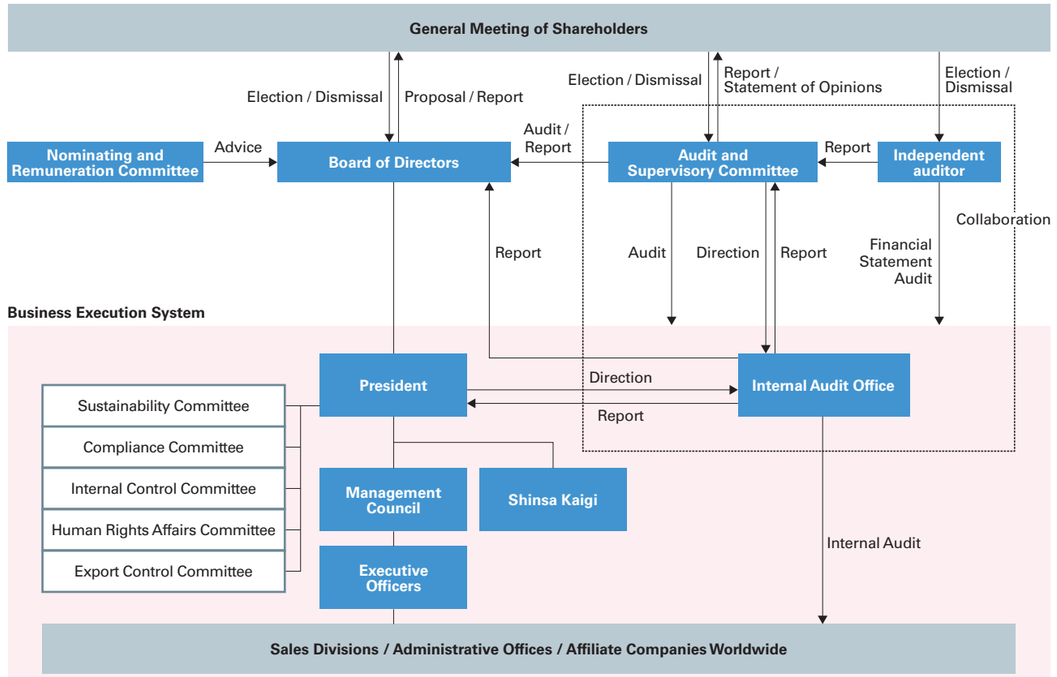
★ Corporate Governance Code established
▲ Corporate Governance Code revised
* Board structure

Governance structure at a glance (As of July 1, 2026)

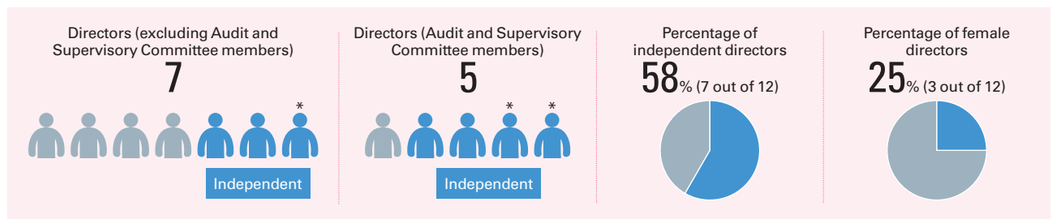
Organizational design	Company with an audit and supervisory committee
Directors not on the Audit and Supervisory Committee	7 (including 3 independent directors)
Directors on the Audit and Supervisory Committee	5 (including 4 independent directors)
Chairperson of the Board of Directors	President
Term 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
Voluntary advisory committees to the Board of Directors	Nominating and Remuneration Committee
Independent auditor	KPMG AZSA LLC
Corporate governance report	https://www.inabata.co.jp/english/investor/library/governance/

Corporate governance system (As of July 1, 2026)



Composition of the Board of Directors (As of July 1, 2026)



* Female

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 directors, comprising the majority. By adopting the organizational structure of a company with an audit and supervisory committee, we have strengthened the monitoring-type Board of Directors' supervisory function and enabled the delegation of important business execution decisions to executive officers. This structure allows for faster and more agile management decision-making.

Key matters submitted to and reported to the Board of Directors (FY2025)

Item	Key matters submitted and reported	
	Items to be resolved	Items to be reported
Management strategy	—	• Progress of the medium-term management plan, NC2026 • Results of the review of the rationale for strategically held shares and progress in reducing such holdings • Establishment of overseas bases
Matters related to officers	• Director appointments and remuneration • Allocation of responsibilities for business execution among directors • Appointment of independent officers • Revision of the officer share benefit regulations • Limited liability agreements with directors who are not executive directors, etc. • Appointment of members of the Nominating and Remuneration Committee • Directors and officers liability insurance policy	• Nomination of new director and executive officer candidates • Business execution
General Meeting of Shareholders	• Convening of the Annual General Meeting of Shareholders	—
Governance	—	• Corporate governance report • The effectiveness evaluation of the Board of Directors • Status of the internal whistleblowing system
Sustainability	—	• Succession planning • Implementation status of director training and related matters
Human resources	• Personnel appointments of executive officers and other key personnel	• Performance evaluations and other assessments to be reflected in senior management appointments
IR	—	• Survey to identify institutional shareholders • Follow-up interviews with domestic and overseas institutional investors • Results of individual investor survey
Audit	—	• Status of audits by the Audit and Supervisory Committee • Audit plan of the Audit and Supervisory Committee • Direct reports from the Internal Audit Office
Financial	• Share buybacks • Matters related to financial results • Appropriation of surplus	• Related-party transactions • Monthly financial results • Securities report (in Japanese only)
Investments and lending	—	• Assessment of subsidiaries subject to withdrawal review criteria • PMI status of M&A transactions
IT	—	• Status of information security measures

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, four of whom are independent directors.

The committee works in collaboration with the Board of Directors to oversee the executive officers and conducts audits of their business activities. Directors who are members of the Audit and Supervisory Committee are extremely well versed in finance, accounting, and law, and are also highly independent.

Members of the Internal Audit Office are supporting the duties of the Audit and Supervisory Committee as assistant employees.

Independent Inside

	Number of times convened in FY2025	Members	Chairperson	Main matters considered and activities
Audit and Supervisory Committee	14 times	• Four independent directors • One inside director	Independent director **Noriya Yokota**	(Matters considered) • Audit policies, audit plans, and allocation of audit responsibilities • Opinions on the appointment, remuneration, and other matters concerning directors who are not Audit and Supervisory Committee members • Proposals for the appointment of candidates for directors who are Audit and Supervisory Committee members • Reports on the results of on-site audits of subsidiaries by Audit and Supervisory Committee members • Matters concerning the Management Council, Shinsa Kaigi, and compliance • Evaluation and reappointment or non-reappointment of the independent auditor • Audit fees for the independent auditor (Activities) • Attended Board of Directors' meetings and supervised directors' execution of duties • Audited the status of operations and assets through on-site audits of subsidiaries • Held regular reporting meetings with the Internal Audit Office to ensure coordination • Met with internal control departments to gather information • Reported audit status to the Board of Directors • Received reports from the independent auditor on audit plans and quarterly audit results • Attended the independent auditor's on-site audits of subsidiaries to confirm the status of audits • Discussed Key Audit Matters (KAM) with the independent auditor

Nominating and Remuneration Committee

We have voluntarily established the Nominating and Remuneration Committee. The committee, the majority of which consists of independent directors and which is chaired by the lead independent director, reviews decisions made by the Board of Directors on issues such as the selection and dismissal of executives, the 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 committee.

Independent Inside

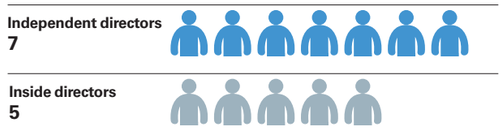
	Number of times convened in FY2025	Members	Chairperson	Main matters considered and activities
Nominating and Remuneration Committee	11 times	• Four independent directors* • One inside director	Lead independent director **Osamu Chonan**	Nomination-related matters • Conducted individual interviews with director and executive officer candidates • Selected director and executive officer candidates Remuneration-related matters • Considered remuneration for directors (excluding directors who are Audit and Supervisory Committee members) based on performance evaluations

* Including one independent director who is an Audit and Supervisory Committee member

Structure for independent directors

In electing independent 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.

Independent directors account for 58% of the Board of Directors (seven out of 12 directors).



Meetings of independent directors only
Number of times held: FY2025 2 times

Training for independent directors

In order to deepen independent directors' understanding of the Inabata 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). Even after directors have assumed office, we provide training opportunities to help them acquire the necessary knowledge and promote an understanding of their roles and responsibilities. The status of director training is reported to the Board of Directors annually.

Exchange of views among independent directors

Since transitioning to a company with an Audit and Supervisory Committee in 2022, the Company has held meetings twice a year for independent directors to exchange views. These meetings provide a forum outside the Board of Directors for independent directors to openly exchange views and perspectives on management and governance issues.



Independent directors exchanging views at a meeting held in March 2026

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: FY2025 Management Council 12 times, Shinsa Kaigi 20 times

Audit system

Internal audits

The Company has established the Internal Audit Office under direct supervision of the president and staffed it with certified internal auditors and other qualified professionals. The Internal Audit Office is responsible for ensuring compliance with the internal control reporting system for financial reporting based on the Financial Instruments and Exchange Act, auditing to improve the governance of our domestic and overseas Group companies, and auditing compliance with the Act on Securing Quality, Efficacy, and Safety of Products Including Pharmaceuticals and Medical Devices, and economic security-related laws and regulations. The Internal Audit Office regularly reports its audit plans and results to the president, the Board of Directors, and the Audit and Supervisory Committee.

Independent auditor

Financial statement audits, interim reviews, and internal control audits for Inabata are conducted by KPMG AZSA LLC. The Audit and Supervisory Committee formulates evaluation criteria, including assessments of independence and expertise, for the appointment and non-reappointment of the independent auditor and makes decisions based on the evaluation results.

Cooperation Among the Audit and Supervisory Committee, the Independent Auditor, and the Internal Audit Office

The Audit and Supervisory Committee, the independent auditor, 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. The committee receives regular reports from the office regarding its audit plans and results. It may also request investigations as necessary or provide specific instructions concerning the execution of the office's duties.

The Audit and Supervisory Committee and Internal Audit Office hold regular meetings with the independent auditor to discuss accounting audits and interim review reports. While receiving timely and occasional reports from the independent auditor regarding audits, they also share information with the independent auditor that could be useful for the audit or that might impact the auditor's work, based on the information obtained during the execution of their duties. This facilitates the sharing of information and coordination with the independent auditor.

The effectiveness evaluation of the Board of Directors

With the aim of increasing corporate value through enhancing the effectiveness and transparency of the Board of Directors, Inabata & Co. has been conducting effectiveness evaluations of the Board since FY2015.

- Each evaluation cycle spans three years, with self-evaluations conducted in the first and second years and a third-party evaluation conducted in the third year.
- The overview of each evaluation and related issues identified for further consideration are published on the Company's website.
- A self-evaluation was carried out in FY2025.



FY2025 Self-evaluation process (questionnaire format)



* Director in charge of financial management and investor relations

Evaluation results for FY2025

1. Target of evaluation	All 12 current directors as of March 31, 2026 7 directors who are not Audit and Supervisory Committee members, 5 directors who are Audit and Supervisory Committee members
2. Evaluation methodology	• Each item on the questionnaire was decided by the director in charge and in-house staff for the evaluation of the Board of Directors, in collaboration with the external consultant in charge of collection based on the FY2024 questionnaire (self-evaluation) and the results of said evaluation and analysis. • The questionnaire above was distributed to directors, and responses were collected from all of them. • After the external consultant collected the responses, the in-house staff for the evaluation of the Board of Directors carried out a simplified analysis and compilation, and the director in charge reported to the Board of Directors. • After the content of the report was sufficiently verified by the Board of Directors, the direction of future measures was decided.
3. Results of the analysis and evaluation	The results of the analysis and evaluation indicated that the operations of the Board of Directors of the Company were appropriate and highly rated overall for its open and lively discussions, led by a chairperson who encourages open exchange of opinions. The results also indicated that the Company was providing sufficient support to independent directors in general, who in turn were making significant contributions to Board discussions; the Nominating and Remuneration Committee as well as the Audit and Supervisory Committee were being operated properly; and the status of dialogue with investors and shareholders was being shared with the Board of Directors adequately. Based on these evaluation and analysis results, the Company confirmed that the Board of Directors was executing its functions appropriately in general while maintaining effectiveness. The results also confirmed that, although some progress and improvement had been made on the following issues identified in the previous fiscal year's self-evaluation of effectiveness, further consideration would be required going forward. • Further discussion on issues regarding succession plans • Risk tolerance and risk management • Adequate communication of the Company's long-term competitive strengths to the capital market In addition to the above issues carried over from the previous fiscal year, we recognized that the following issues would require further consideration for improvement going forward. • New risks arising from M&A and measures to address them • Promotion of diversity within the Company • Status of internal control systems, including Group-wide controls • Sufficient information sharing and communication from the Nominating and Remuneration Committee to the Board of Directors In addition, among the major risks facing the Company, the potential risks of overseas activities, the risk related to business investment, and the credit risk of clients were identified as particularly significant in terms of their potential impact on business performance and likelihood of occurrence.
4. Future measures	The Company will strive to further enhance the effectiveness of the Board of Directors by taking measures to address the issues identified from the results of the above analysis and evaluation. In FY2026, the Company plans to conduct a third-party evaluation of the effectiveness of the Board of Directors.

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 independent directors
9. Dialogue with investors and shareholders
10. The Company's governance structure and overall Board effectiveness

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: • Profit before income taxes and non-controlling interests (excluding gain on sales of investment securities)*2 • Return on capital (ROIC and ROE)*3 • Stock price*3 • 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. (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 points) Ⓑ Service points × Performance coefficient Performance coefficient: Determined based on the achievement rates of the consolidated operating profit target*6 and the Group engagement survey*7

Of the remuneration for directors who are not Audit and Supervisory Committee members, (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 independent directors).

In addition, (3) remuneration limits for the BBT, a performance-linked stock remuneration plan for executive directors, has been determined by resolution at the General Meeting of Shareholders.

The individual remuneration of directors who are not Audit and Supervisory Committee members is designed to be calculated automatically using formulas and coefficients 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 director and at which independent directors have a majority. The Board of Directors determines the remuneration 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 procedures ensure objectivity, fairness, and transparency in the determination of individual remuneration for directors who are not Audit and Supervisory Committee members, and the determination of individual remuneration is never delegated to specific directors or other parties.

*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 strategies in our medium-term management plan, NC2026, is "accelerate growth through proactive investment," 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 price, we use ROE and stock price (specifically, the difference between the year-on-year growth rate of TOPIX and the year-on-year growth rate of our stock price) as indicators.
*4 Since we recognize that addressing sustainability is an important management issue for our Company, we use ESG scores from several external evaluation organizations as an indicator.
*5 We have introduced the BBT as a performance-linked stock remuneration plan in order to clarify the linkage between the remuneration 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.
*6 Actual performance compared to the rate externally announced in the medium-term management plan.
*7 Achievement rate against the average employee engagement survey KPI under the Sustainability Medium-term Plan 2026.

The performance indicators approved in June 2026 (FY2025)

	Consolidated financial results		Return on capital		Share price		ESG scores
Profit before income taxes (A)	29.2 billion yen	ROIC	7.7%	YoY growth in share price	7.1%	FTSE Russell	4.2
Gain on sale of investment securities (B)	2.6 billion yen						
(A) – (B)	26.5 billion yen	ROE	9.3%			MSCI	5.1

The performance coefficient approved in June 2026

	NC2026 FY2025 target	FY2025 actual	Target achievement rate	Performance coefficient
Consolidated operating profit	24,500 million yen	26,164 million yen	107%	0.96
Employee engagement surveys	80%	72%	90%	

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

Fixed remuneration	Fixed remuneration only

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 FY2025*8

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 directors
		Fixed remuneration	Performance-linked remuneration	BBT	
Directors (excluding Audit and Supervisory Committee members and independent directors)*9, 11, 12, 13	241	108	108	24	5
Directors (Audit and Supervisory Committee members; excluding independent directors)*10	30	30	—	—	1
Independent directors	72	72	—	—	8

*8 The above includes one director (excluding Audit and Supervisory Committee members and independent directors) and one independent director (excluding Audit and Supervisory Committee members) who retired at the conclusion of the 164th Ordinary General Meeting of Shareholders held on June 17, 2025.
*9 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 or less is for independent directors). As of the conclusion of the General Meeting of Shareholders, the Company had seven directors (including two independent directors; excluding Audit and Supervisory Committee members). In addition, at the same General Meeting of Shareholders, remuneration limits for the BBT, the introduction of which was approved at the 157th Ordinary General Meeting of Shareholders held on June 22, 2018, were reapproved. As of the conclusion of the General Meeting of Shareholders, four directors were eligible for the remuneration program.
*10 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. As of the conclusion of the General Meeting of Shareholders, four directors (all of whom are Audit and Supervisory Committee members and independent directors) were eligible for the remuneration program.
*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 independent 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 28, 2025, and approved at a meeting of the Board of Directors held on June 17, 2025. 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 FY2025

Performance-linked remuneration	Fixed remuneration
55.2%	**44.8%**

Reference: Past remuneration of directors*14

FY2021	319 million yen
FY2022	335 million yen
FY2023	306 million yen
FY2024	269 million yen
FY2025	241 million yen

*14 Figures for FY2021 refer to directors (excluding independent directors). Figures for FY2022 onward refer to directors (excluding Audit and Supervisory Committee members and independent directors).



Management (As of July 1, 2026)

Directors



Katsutaro Inabata
Director, President

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



Yutaka Takahashi
Director, Managing Executive Officer

Chemicals and Life Industry, Information & Electronics (assisting), the Americas and Europe

Apr. 1987 Joined Inabata & Co., Ltd.
Jun. 2026 Director, Managing Executive Officer (present)



Osamu Chonan*
Independent Director, Chairperson of the Nominating and Remuneration Committee

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 Mirai Tamago Foundation
Feb. 2022 Advisor, Kewpie Corp.
Jun. 2023 Independent Director, Inabata & Co., Ltd. (present)
Jun. 2024 Outside Director, Lotte Co., Ltd. (present)



Mari Ikegaki*
Independent Director

Apr. 1987 Joined Morgan Stanley International Limited Tokyo Branch (now Morgan Stanley Group Co., Ltd.)
Dec. 2006 Executive Director, Morgan Stanley
Dec. 2008 Director, Morgan Stanley Japan Business Group Co., Ltd.
Apr. 2010 Director, Head of Human Resources Department, Morgan Stanley Group Co., Ltd.
Representative Director, Morgan Stanley Japan Business Group Co., Ltd.
Jan. 2012 Managing Director, Morgan Stanley
Member of Management Committee, Morgan Stanley MUFG Securities Co., Ltd.
Nov. 2013 Outside Director, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Jun. 2025 Trustee, Ferris Jogakuin (present)
Independent Director, Inabata & Co., Ltd. (present)
Outside Director (Audit & Supervisory Committee Member), COMTURE CORPORATION (present)



Kenichi Yokota
Director, Senior Managing Executive Officer

Administrative Affairs

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



Noriaki Takeshita
Director

Apr. 1982 Joined Sumitomo Chemical Co., Ltd.
Apr. 2010 Executive Officer, Sumitomo Chemical Co., Ltd.
Apr. 2013 Managing Executive Officer, Sumitomo Chemical Co., Ltd.
Jun. 2017 Representative Director, Managing Executive Officer, Sumitomo Chemical Co., Ltd.
Apr. 2018 Representative Director, Senior Managing Executive Officer, Sumitomo Chemical Co., Ltd.
Jun. 2023 Senior Managing Executive Officer, Sumitomo Chemical Co., Ltd.
Jun. 2024 Director, Senior Managing Executive Officer, Sumitomo Chemical Co., Ltd.
Apr. 2025 Director, Sumitomo Chemical Co., Ltd.
Jun. 2025 Director, Inabata & Co., Ltd. (present)
Advisor, Sumitomo Chemical Co., Ltd.
Director (Non-Executive Director), Sumitomo Seika Chemicals Co., Ltd. (present)



Hisayuki Suekawa*
Independent Director

Apr. 1982 Joined Shiseido Company, Limited
Apr. 2008 Corporate Officer, General Manager, Corporate Planning Department, Shiseido Company, Limited
Jun. 2009 Director, Corporate Officer, and General Manager, Corporate Planning Department, Shiseido Company, Limited
Apr. 2010 Director, Corporate Executive Officer and General Manager, Business Planning Department, Shiseido Company, Limited
Apr. 2011 Representative Director, President and CEO, Shiseido Company, Limited
Apr. 2013 Senior Advisor, Shiseido Company, Limited
Jun. 2014 Outside Director, Nitta Gelatin Inc.
Jun. 2017 Outside Director, SAN HOLDINGS, INC.
Jul. 2019 Advisor, NIPPON KANZAI Co., Ltd.
Jun. 2020 Unaffiliated Director, Morishita Jintan Co., Ltd. (present)
Apr. 2023 Member, The Board of Trustees, Showa Women's University (present)
Advisor, NIPPON KANZAI HOLDINGS Co., Ltd.
Jun. 2024 Independent Director, Inabata & Co., Ltd. (present)

Directors, Audit and Supervisory Committee Members



Nobukazu Kuboi
Director, Audit and Supervisory Committee Member

Jul. 2001 Joined Inabata & Co., Ltd.
Jun. 2024 Director, Audit and Supervisory Committee Member (present)



Shiho Ito*
Independent Director, Audit and Supervisory Committee Member

Apr. 1987 Joined Toyo Trust and Banking Co., Ltd. (now Mitsubishi UFJ Trust and Banking Corporation)
Oct. 1991 Joined Chuo Shinko Audit Corporation (later Misuzu Audit Corp.)
Jul. 2005 Partner, Chuo Aoyama Audit Corporation (later Misuzu Audit Corp.)
Aug. 2007 Partner, Shin Nihon & Co. (now Ernst & Young ShinNihon LLC)
Jun. 2022 External Director, Japan Display Inc. (present)
Jul. 2022 Established Shiho Ito certified public accountant's office (present)
Dec. 2023 Supervisory Director, Nomura Real Estate Private REIT, Inc. (present)
Jun. 2024 Independent Director, Audit and Supervisory Committee Member, Inabata & Co., Ltd. (present)
Jun. 2025 Director, Audit & Supervisory Committee Member (part-time), The Master Trust Bank of Japan, Ltd. (present)



Keiko Shindo*
Independent Director, Audit and Supervisory Committee Member

Apr. 1993 Joined Ajinomoto Co., Inc.
Dec. 2000 Joined DuPont K.K.
Dec. 2010 Bar admission (Daini Tokyo Bar Association)
Jan. 2011 Joined Matsumura International Law Office (now Shindo & Matsumura Law Office)
Oct. 2013 Joined the Consumer Affairs Agency of Japan (fixed-term national government official)
May 2015 Bar readmission (Daini Tokyo Bar Association)
Joined Fujikura Ltd.
Oct. 2016 General Manager of Legal Department, Fujikura Ltd.
Apr. 2021 Executive Officer, Head of Corporate Governance Unit, Fujikura Ltd.
Apr. 2026 Executive Advisor, Fujikura Ltd. (present)
Jun. 2026 Independent Director, Audit and Supervisory Committee Member, Inabata & Co., Ltd. (present)



Noriya Yokota*
Independent Director, Chairperson of the Audit and Supervisory Committee

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.
Apr. 2015 Director of Group Personnel & General Affairs, Kirin Holdings Company, Limited
Executive Officer, General Manager, Personnel & General Affairs Department, Kirin Company, Limited (now Kirin Holdings Company, Limited)
Mar. 2017 Senior Executive Officer, Director of Corporate Strategy, Kirin Holdings Company, Limited
Director of the Board, Senior Executive Officer, Kirin Company, Limited
Director of the Board, Kyowa Hakko Kirin Co., Ltd. (now Kyowa Kirin Co., Ltd.)
Mar. 2018 Director of the Board, Senior Executive Officer, Kirin Holdings Co., Ltd.
Mar. 2022 Director of the Board, Kirin Brewery Co., Ltd.
Jun. 2023 Independent Director, Audit and Supervisory Committee Member, Inabata & Co., Ltd. (present)
Jan. 2024 Senior Advisor, Newton Investment Partners, Inc. (now Japan Activation Capital, Inc.) (present)
Jun. 2026 Member of the Board, Outside Director (Independent Director), J-OIL MILLS, INC. (present)



Yoshikazu Yasui*
Independent Director, Audit and Supervisory Committee Member

Apr. 1984 Joined Mitsubishi Metal Corporation (now Mitsubishi Materials Corporation)
Jun. 2011 General Manager Aluminum Div., Mitsubishi Materials Corporation
Director of the Board, Mitsubishi Aluminum Co., Ltd. (now MA Aluminum Corporation)
Director of the Board, Universal Can Corporation (now ALTEMIRA Can Co.,Ltd.)
Apr. 2015 Operating Officer, General Manager, Human Resources Dept., Mitsubishi Materials Corporation
Director of the Board, Material Business Support Corp.
Apr. 2018 Managing Executive Officer, General Manager, Human Resources & General Affairs Div., Mitsubishi Materials Corporation
Apr. 2020 Senior Executive Councilor, Mitsubishi Materials Corporation
Jun. 2020 Director of the Board, Full-time member of the Audit Committee, member of the Nomination Committee, Mitsubishi Materials Corporation
Jun. 2026 Independent Director, Audit and Supervisory Committee Member, Inabata & Co., Ltd. (present)

* These directors meet the requirements for outside directors as defined in Article 2, Item 15 of the Companies Act as well as Inabata's criteria for independence for independent directors and the requirements for independent officers set by Tokyo Stock Exchange, Inc.

Executive Officers

Koji Nakano
Senior Managing Executive Officer
Plastics, Southeast Asia

Tsuyoshi Maruta
Managing Executive Officer
Information & Electronics, Northeast Asia,
General Manager, Information & Electronics Division I

Koichi Noda
Executive Officer
General Manager,
Financial Management Office

Takaharu Ookura
Executive Officer
(President, ORDIY CO. LTD.)

Masato Tsunoda
Executive Officer
General Manager,
Risk Management Office

Hiroyuki Furubayashi
Executive Officer
General Manager,
Human Resources Office

Kazunori Fukui
Executive Officer
General Manager, Southeast Asia

Jiro Hiraki
Executive Officer
General Manager, Information & Electronics Division II

Masaru Inoue
Executive Officer
General Manager, The Americas

Executive officers' roles noted in brackets are their roles at the places they have been seconded.

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 management plan, NC2026, as a step toward 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 Board of Directors' decision-making and its supervisory oversight of business execution by executive officers in our globally operating company, based on our Mission, Vision, long-term vision IK Vision 2030, and medium-term management plan NC2026. From this perspective, we have specifically identified the skills listed below and developed a skills matrix.



Board of Directors' meeting held in April 2026

	Directors								Directors (Audit and Supervisory Committee Members)				
	Inside				Independent				Inside	Independent			
	Katsutaro Inabata	Kenichi Yokota	Yutaka Takahashi	Noriaki Takeshita	Osamu Chonan	Hisayuki Suekawa	Mari Ikegaki		Nobukazu Kuboi	Noriya Yokota	Shiho Ito	Yoshikazu Yasui	Keiko Shindo
Gender	Male	Male	Male	Male	Male	Male	Female		Male	Male	Female	Male	Female
Independent	—	—	—	—	●	●	●		—	●	●	●	●
Audit and Supervisory Committee	—	—	—	—	—	—	—		○	◎	○	○	○
Nominating and Remuneration Committee	○	—	—	—	◎	○	○		—	○	—	—	—
Attendance at Board of Directors' meetings	100% 16/16 times	100% 16/16 times	—	92% 12/13 times	100% 16/16 times	100% 16/16 times	100% 13/13 times		100% 16/16 times	100% 16/16 times	100% 16/16 times	—	—
Attendance at Audit and Supervisory Committee meetings*	—	—	—	—	—	—	—		100% 14/14 times	100% 14/14 times	93% 13/14 times	—	—
Attendance at Nominating and Remuneration Committee meetings*	100% 6/6 times	—	—	—	100% 11/11 times	100% 11/11 times	100% 11/11 times		—	100% 11/11 times	—	—	—
Skill categories: Global management	●				●	●							
Skill categories: Business/industry knowledge: Chemicals/Electronics	●		●	●									
Skill categories: Business/industry knowledge: Food/Life			●		●	●				●			●
Skill categories: Finance/Accounting		●		●					●	●	●		
Skill categories: Legal/Risk management/Internal control	●	●							●		●	●	●
Skill categories: HR/Labor	●	●		●			●			●		●	
Skill categories: IT/Digital		●		●						●			
Skill categories: ESG	●	●					●		●	●		●	●

◎ Chairperson, ○ Member
* Attendance in FY2025 (for newly appointed members, since their appointment)

Skill requirements for our Board of Directors

Expertise and experience	Required skills and suitability
Global management	We are expanding our business globally, and in particular, in our long-term vision, IK Vision 2030, we anticipate that the overseas business ratio will be 70% or more. From this point of view, in order to plan the future growth of the Inabata Group, we believe that it is extremely useful to appoint those who have knowledge of global corporate management as directors. Therefore, especially when inviting independent directors, we make sure to include managers of companies that are developing business globally, especially top management, or those with equivalent experience. The global management item in the skills matrix is based on top management of a company that is developing business globally or whether the candidate has experience equivalent to this. When judging the candidates under this requirement, Katsutaro Inabata, Osamu Chonan, and Hisayuki Suekawa all have abundant experience as executive managers in global companies, demonstrating their global management skills.
Business/ industry knowledge	In managing a specialized trading firm like ours, first and foremost, vast expertise and experience in each business field is indispensable. In particular, regarding executive directors who are in charge of business execution, it is extremely important in practice to the development of the business of a trading firm like ours to hold a wide range of knowledge, experience, and personal connections in each of our business fields, and when appointing executive directors, we give consideration to balance among those who have knowledge of the Company's business fields. More specifically, Katsutaro Inabata has many years of experience in the Company's Plastics segment. Yutaka Takahashi has many years of experience in the Company's Chemicals segment and, after being appointed executive officer, also assumed responsibility for the Life Industry segment. Each therefore possesses knowledge and experience in different areas of the Company's business. When inviting independent directors, we give consideration to the broad knowledge and experience in various business fields, and aim to include individuals capable of providing supervision and opinions on business strategies from an objective perspective. We consider independent directors to possess business and industry knowledge if they have business experience in industries that are the same as or closely related to those associated with the products handled by the Company.
Finance/ Accounting	Financial strategy (corporate finance) in corporate management is of course important, and we believe that we need someone among executive directors who is responsible for financial strategy and can lead efforts to improve corporate value through various dialogues with investors. Kenichi Yokota has long served in management positions in the finance, accounting, and IR departments, and as part of his duties, he has held dialogues with various investors and provided valuable feedback to Company management as part of his consistent efforts to strengthen corporate governance and enhance corporate value. Noriaki Takeshita has held the position of CFO at a comprehensive chemicals manufacturer's large-scale joint venture in Saudi Arabia. He has extensive knowledge and experience in finance and accounting. In addition, in order to strengthen the supervisory function for business execution, we believe that it is useful to always include those who are familiar with finance and accounting among directors who are Audit and Supervisory Committee members. Nobukazu Kuboi has many years of experience in the Company's finance and accounting operations and subsequently gained experience in audit operations as a full-time Audit and Supervisory Board member and a full-time Audit and Supervisory Committee member. Noriya Yokota has held the position of CFO at a major global alcoholic beverages and soft drinks manufacturer. He has extensive knowledge and experience in finance, accounting, and IR operations. Shiho Ito has specialized expertise as a Certified Public Accountant (CPA). She has many years of experience in accounting audits at various companies, and this experience will be valuable in strengthening the Company's supervisory function for business execution.
Legal/Risk management/ Internal control	At the Inabata Group, which is expanding its business globally, there are various risks such as credit risk of clients, risk related to business investment, potential risks of overseas activities, risk of fluctuations in foreign exchange, and risk of fluctuations in commodities markets. Therefore, risk management is extremely important for management. As director, Katsutaro Inabata has had direct control over the internal audit department, and in that capacity he has been closely involved with risk management and internal controls. In addition, he has served for many years as chair of the Compliance Committee. Kenichi Yokota has served for many years as chair of the Company's Internal Control Committee while being directly involved in the establishment of internal control systems. After being appointed director, he has been in charge of the legal and risk management departments. In addition, we are committed to management that emphasizes compliance above all else, and in order to strengthen the supervisory function for business execution, we believe it is useful to ensure that at least one Audit and Supervisory Committee member possesses legal expertise. Keiko Shindo is a qualified attorney and, after working at a law firm, gained valuable experience overseeing the legal function at a manufacturer with global operations in electronics and other fields. She has extensive knowledge of corporate legal affairs. Additionally, we have chosen to be a company with an audit and supervisory committee with the aim of expediting management decision-making and strengthening the supervisory function for business execution. Companies with an audit and supervisory committee are required to make effective use of the company internal control system to conduct systematic audits. From this point of view, we believe that it is essential to include those who have specialized knowledge and experience in internal control and auditing among directors who are Audit and Supervisory Committee members. Nobukazu Kuboi has been engaged in the establishment of internal control systems since the rollout of the J-SOX system. Shiho Ito has extensive expertise and experience in internal control and auditing after having been engaged in internal controls and audits of various companies over many years as an employee of major audit firms. Yoshikazu Yasui has experience in audit operations as a director of the board and full-time member of the audit committee at a comprehensive materials manufacturer that offers a wide range of materials and products globally, and possesses extensive practical experience in internal controls and auditing.
HR/Labor	In a trading firm like ours, human resources are our greatest asset, and human resource development is an important management issue in the medium to long term. The medium-term management plan, NC2026, places a priority on improving the well-being of employees who support our sustainable growth, promoting D&I, further expanding health and productivity management initiatives, and increasing investment in human capital. To implement this strategy, we believe it desirable for directors to include those who have experience and skills in HR and labor, and we place great importance on this perspective when inviting independent directors. During his experience as director, Katsutaro Inabata has been in charge of the human resources department. Kenichi Yokota is currently in charge of the human resources department and has extensive experience reforming various personnel systems. Noriaki Takeshita has experience in the human resources department of a petrochemicals department at a comprehensive chemicals manufacturer. Additionally, Mari Ikegaki held positions of responsibility for many years in the human resources division at a global financial services company, and has broad experience in relation to human resources and labor. Therefore, the Company expects that she will provide advice particularly in the areas of human resources strategy, the promotion of diversity, etc. Noriya Yokota has extensive experience in human resources and labor, having served as director of group-wide human resources and general affairs at a major alcoholic beverages and soft drinks manufacturer. Yoshikazu Yasui has extensive expertise in human resources and labor relations, having served as head of human resources and as a managing executive officer responsible for human resources and general affairs at a comprehensive materials manufacturer with global operations spanning a wide range of materials and products. We therefore expect him to provide advice on matters such as promoting human capital management and D&I.
IT/Digital	The Company's medium-term management plan, NC2026, includes a medium-term digital strategy as one of the core management strategies. The basic policy behind the digital strategy is to enhance the management information infrastructure and strengthen Group-wide security. To implement the digital strategy and promote data-driven management and DX initiatives, we need specialized expertise in IT and digital technology. In addition, threats to information security have been increasing year by year, and we believe that IT/digital skills are necessary to strengthen countermeasures against these. Kenichi Yokota holds multiple national certifications in the IT and digital fields for IT engineers and other experts. With that specialized knowledge, he has led many initiatives aimed at strengthening the Group's overall information security. Additionally, both Noriaki Takeshita and Noriya Yokota have served as CIO or in equivalent positions at a major company with global operations, attesting to their wide range of knowledge in the IT and digital fields.
ESG	We established the Sustainability Committee in October 2021 and consider the promotion of sustainability to be an important management issue. We also consider improving the external evaluation of ESG as an important issue. From this point of view, we believe that it is necessary to include those who have knowledge of sustainability and ESG in corporate management among directors, and we take these points into consideration when inviting independent directors. Katsutaro Inabata has broad knowledge and experience across all aspects of ESG, having served as chair of the Company's Sustainability Committee. Kenichi Yokota has led initiatives to improve corporate governance, and while in charge of human resources, he implemented employee engagement surveys and health and productivity management programs. Through these initiatives, he has developed particular expertise in the Governance and Society aspects of ESG. Nobukazu Kuboi was closely engaged in company-wide initiatives to implement the Corporate Governance Code. He has developed particular expertise in the Governance aspect of ESG. Additionally, Mari Ikegaki has extensive experience in human resources strategy and diversity promotion. She is expected to take a leading role in making recommendations in the "S (Social)" area of ESG. Noriya Yokota has been in charge of management strategies at a leading Japanese alcoholic beverages and soft drinks manufacturer recognized for its advanced environmental initiatives. He is expected to take a leading role in making recommendations in the "E (Environment)" area of ESG. Given his extensive experience in human resources and labor relations, we expect Yoshikazu Yasui to provide advice particularly on the "S (Social)" aspect of ESG, including the promotion of human capital management and D&I. Keiko Shindo has experience as an executive officer responsible for corporate governance at a manufacturer with global operations in electronics and other fields. We therefore expect her to provide advice particularly on the "G (Governance)" aspect of ESG.

Strategically held shares

Basic approach

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 enhance 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.

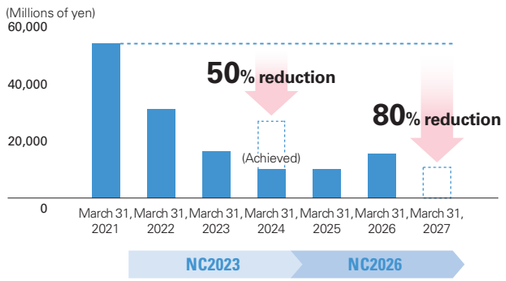
Policy related to holding and reducing strategically held shares

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.

As part of the financial strategy in the three-year medium-term management plan, NC2026, which runs through FY2026, we are committed to improving asset efficiency and securing investment funds by curtailing strategically held shares, and are steadily implementing this policy. We are gradually reducing strategically held shares toward the target set for the final year of NC2026, the fiscal year ending March 31, 2027.

Policy on reducing strategic shareholdings
We will reduce strategically held shares over the medium to long term, aiming to cut the balance by approximately 80% by March 31, 2027, relative to the balance as of March 31, 2021.

Reduction of strategic shareholdings



Strategic shareholdings: Stocks listed in Japan

Sales of strategically held shares

FY2020	2,944 million yen
FY2021	9,367 million yen
FY2022	10,076 million yen
FY2023	4,159 million yen
FY2024	2,922 million yen
FY2025	2,330 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.

Basic approach

With approximately 70 bases across 19 countries outside Japan, and four business segments operating globally, the Inabata Group is exposed to various risks.

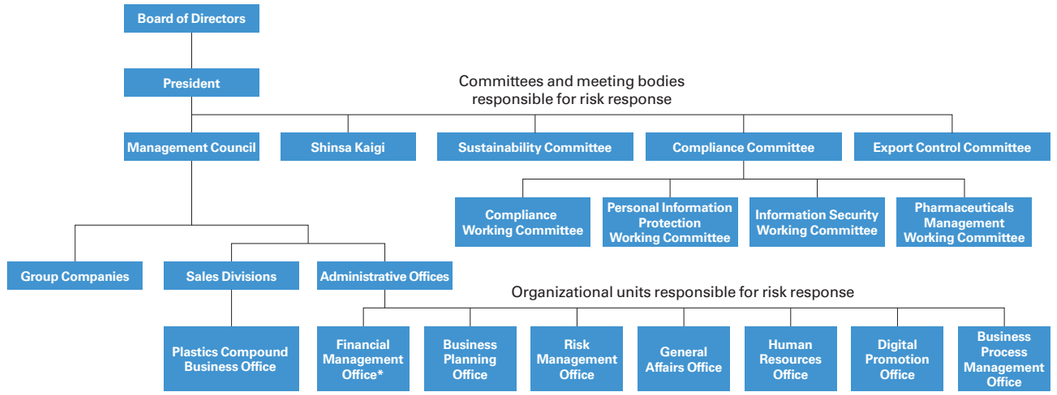
We manage risks by establishing and implementing various regulations related to credit management, export management, product management, and others, with the Risk Management Office at the core. Additionally, we prepare ourselves for risks arising from daily work by establishing and implementing multilingual operational rules for trading bases and manufacturing bases, along with conducting appropriate risk assessments and oversight 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 each responsible organization, and relevant committees and meeting bodies collaborate to promote risk management that enables us to appropriately address risks.

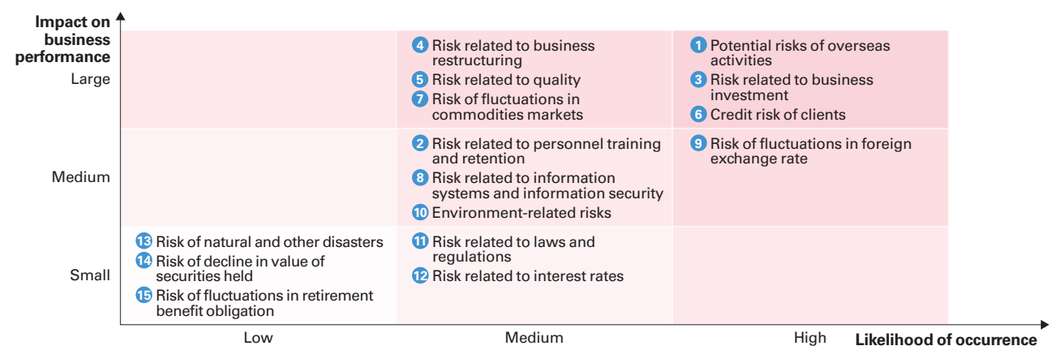
We have identified the 15 risks shown in the risk matrix below as the main risks faced by the Group. The risks have been mapped on the matrix based on their potential impact on the Group's business performance and their likelihood of occurrence, taking into account responses regarding management's risk awareness obtained through the Board of Directors' effectiveness evaluation (self-assessment) conducted in FY2025. The following pages describe the risks considered most significant to the Group.

Risk management system and relevant organizational units (as of March 31, 2026)



* Effective July 1, 2026, the Financial Management Office was reorganized into the Financial Management Office and the Affiliate Management Office.

Risk matrix



Risks of high importance and related countermeasures (FY2025)

Risks	Countermeasures
Potential risks of overseas activities	The Inabata 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 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 46% of the total, having the largest influence on our business. We have formulated and are implementing business continuity plans (BCPs)* at our major overseas bases to serve as countermeasures for emergencies such as natural disasters and infectious disease outbreaks. **Relevant organizational units: Risk Management Office, Financial Management Office** * Please refer to Business continuity plan (BCP) on page 115.
Risk related to personnel training and retention	Given that the Inabata Group's core business is *shosha* trading, human capital is the most important asset and source of value creation for us. So that we can sustainably improve our corporate value, we need to train and retain diverse outstanding human resources that have expertise in core operational areas such as management, finance, and IT, as well as the four business fields we operate in, at our locations in Japan and overseas. Regarding the training and strengthening of our human capital as a key management issue, we are progressively enhancing our internal system to train and retain personnel that will lead our efforts to create value. However, the declining birthrate, aging population, and increasing job mobility may make it difficult to fill our talent needs or become a hurdle in training personnel. In such cases, the Group's financial position and business performance could be adversely affected. **Relevant organizational unit: Human Resources Office**
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, the 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. Under NC2026, the Group aims to expand earnings through proactive investments as part of the Group-wide growth strategy. For high-priority new investment projects, the specialized M&A department works in collaboration with the sales and other relevant departments to assess and analyze risks from both quantitative and qualitative perspectives. Projects are then deliberated on by the Shinsa Kaigi (investment review committee). After the execution of investment, risks are monitored regularly, and appropriate measures are taken for projects that do not meet established criteria. **Relevant organizational units: Risk Management Office, Business Planning Office**
Risk related to business restructuring	In order to promote business selection and concentration, the Inabata 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 the 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. **Relevant organizational unit: Risk Management Office**
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 & 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, Financial Management Office, each sales division**

* Effective July 1, 2026, the Financial Management Office was reorganized into the Financial Management Office and the Affiliate Management Office. The information on pages 113–114 is based on the organizational structure prior to the reorganization on the same date.

Risks	Countermeasures
Credit risk of clients	Group companies grant credit to many clients in Japan and abroad. Although we carry out credit management on a global scale, including our overseas clients as well, we cannot guarantee a full recovery of receivables. Therefore, there is a risk of adverse impact on the Inabata 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 clients. As of the end of the consolidated fiscal year, the Group's notes receivable—trade and electronically recorded monetary claims—operating were 25,553 million yen, accounts receivable—trade were 179,470 million yen, and inventories were 96,524 million yen, the total of which accounted for 61% of total assets. Screening for credit of significant importance is conducted by the Shinsa Kaigi. With regard to accounts receivable—trade and inventories, we monitor and manage the balance of each consolidated Group company on a monthly basis. **Relevant organizational unit: Risk Management Office**
Risk of fluctuations in commodities markets	Many of the information and electronic materials, chemical materials, food products, and plastics handled by the Inabata 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 the Group. Each sales division gathers market information, monitors price trends, and thoroughly manages inventory. In the consolidated fiscal year, the Information & Electronics business was affected by declining market prices in the solar power-related business. **Relevant organizational units: Financial Management Office, each sales division**
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 Inabata 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 detection and response 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). Moreover, to mitigate the potential negative financial impact of cyberattacks and other similar incidents, we have obtained cyber insurance coverage. 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 unit: Digital Promotion Office** * A system that detects and analyzes suspicious behavior or virus infections occurring in real time on network-connected PCs and mobile devices and responds as necessary
Risk of fluctuations in foreign exchange rate	The Inabata Group engages in the production and sale of products and materials, as well as trading activities, as part of its overseas business operations. 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. In FY2025, the Group recorded foreign exchange losses of 9 million yen and foreign currency translation adjustments of 40,460 million yen. **Relevant organizational unit: Financial Management Office**
Environment-related risks	The Inabata 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 in demand for environmentally friendly products. In addition, the plastics business may be impacted by the transition to plastic-free products. Alongside working to diversify suppliers, we are focusing on the sale of recycled products and other materials that reduce environmental impact to contribute to a decarbonized and circular society. For climate change risks, we appropriately assess the impact of climate change on our business activities. The Sustainability Committee evaluates and monitors these risks, with oversight by the Board of Directors. This information is disclosed in accordance with the disclosure framework recommended by the TCFD. For details, please refer to the Corporate Governance Report (disclosed on June 17, 2026). **Relevant organizational unit: General Affairs Office**

Addressing other risks

Tax compliance

All officers and employees of the Inabata Group strive to comply with laws and regulations as well as internal regulations, regardless of the country, to achieve compliance-focused management.

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 believe that proper tax payment contributes to economic development of the country or region and in return results in sustainable growth of the 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.

Business continuity plan (BCP)

Since 2018, we have been developing a BCP to protect organizational assets, with the highest priority placed on human life, and to ensure the rapid recovery and continuity of business in the event of a crisis. For Inabata, BCPs for each division were completed by the end of FY2023. In the following fiscal year, operational leaders were appointed in each division, and they led focused efforts to review the BCP documents, raise awareness, and conduct training.

Similarly, for Group companies worldwide, BCP documents for key facilities were completed and training began by FY2023. By FY2025, BCPs were in operation at 86 locations and companies in Japan and overseas, with three additional companies scheduled to begin implementation in FY2026. These BCP training exercises will be conducted annually on an ongoing basis.

In addition, we regularly conduct system-based safety confirmation drills, evacuation drills, and automated external defibrillator (AED) training sessions to enhance employee safety and readiness for business continuity.

Please refer to the following pages for information on responses to sustainability-related risks.

- Sustainability Management ➤ Pages 65–68
- Climate Change ➤ Pages 69–72
- Supply Chain Management ➤ Page 74
- Human Rights ➤ Pages 77–78
- Compliance / Anti-Corruption ➤ Page 116

Compliance

For information on corporate governance, please refer to pages 95–111.

Basic approach

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. The Group conducts its corporate activities in compliance not only with laws and regulations but also with generally accepted social norms.

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 promote understanding of our Mission, Vision, and IK Values within the Group.

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.

Inabata operates its internal whistleblowing system in accordance with the Internal Whistleblowing Rules. As regulations common to the above two whistleblowing routes, the rules clearly stipulate that persons engaged in handling whistleblowing reports are required to keep the identity of the whistleblower confidential and that attempts to identify whistleblowers and any adverse treatment of whistleblowers or persons cooperating with investigations are prohibited. These provisions ensure that employees and other eligible persons can provide information without fear of adverse treatment.

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, which provides oversight on this status.

Anti-Corruption

Basic approach

The Inabata Group Sustainability Code of Conduct and the Inabata Declaration of Compliance set out our commitment to prevent corrupt practices, including bribery and the improper provision of money or other benefits to foreign public officials. In addition, the Inabata Group Sustainable Supply Chain Policy for our business partners and other stakeholders also states our commitment to not engaging in corrupt business practices.

To help prevent corruption by employees, we have prepared the Compliance Guidelines and various manuals covering antitrust law, the SME Transactions Act (formerly known as the "Subcontract Act"), the Unfair Competition Prevention Act, insider trading, and bribery. These materials are communicated to employees and made readily accessible on the Company's intranet portal.

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

Information Security

Information security system

In the Inabata Group, recognizing the importance of information security and promoting company-wide efforts, we have established the Information Security Working Committee as a subordinate organization of the Compliance Committee, which is chaired by the president of the Company. The Information Security Working Committee meets as necessary to review policies, rules, and manuals related to information security, and to develop training and educational plans.

Moreover, an internal audit conducted by the information security auditor appointed by the chair of the committee is carried out annually.

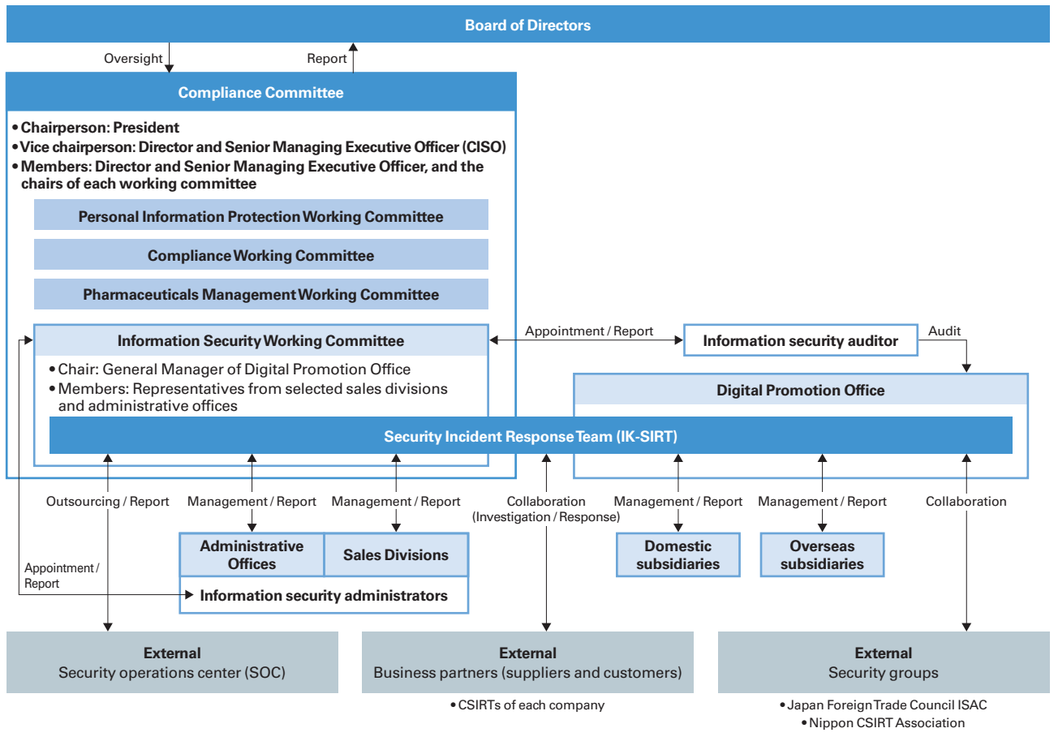
The results of the internal audit are reported to the chair of the committee.

The Compliance Committee, as the higher organization, meets regularly four times a year and holds additional meetings as needed. At Compliance Committee meetings, the chair of the Information Security Working Committee promptly submits or reports on significant matters and internal audit results that are discussed and addressed within the working committee. Significant matters discussed at Compliance Committee meetings are reported to the Management Council and the Board of Directors as needed, and are subject to oversight by the Board. We also report on the status of information security initiatives to the Board of Directors through quarterly business execution reports, and on matters discussed and reviewed by the Information Security Working Committee as part of this process, fulfilling the Board's oversight function.

For execution functions such as planning, promotion, and implementation, we have established a security incident response team (IK-SIRT*) to respond quickly and accurately to increasingly sophisticated security incidents.

* IK-SIRT: A term combining the Group's symbol "IK" and an acronym for "Security Incident Response Team."

Information security structure



Strengthening cybersecurity risk management and response capabilities

In recent years, cyberattacks have become increasingly sophisticated, raising the risk of companies becoming targets regardless of their industry or size. As serious incidents can have a significant impact on business continuity and corporate value, the Group regards cybersecurity as a fundamental part of its management infrastructure and is implementing multilayered measures across the three stages of prevention, detection, and response.

While we have focused on strengthening our prevention and detection frameworks to date, in FY2025 we also worked to enhance our ability to respond on the assumption that incidents will occur. In FY2026, we will expand the scope of training to include administrative offices, enhance cross-functional coordination and decision-making, and continue strengthening our prevention and detection frameworks, thereby reinforcing the company-wide information security system.

FY2022–

Enhancement of prevention and detection systems

✓ **Establishment of Security Incident Response Team (IK-SIRT)**

✓ **Establishment of a framework for early threat detection and prevention of the spread of damage**
- Introduction of endpoint detection and response (EDR)
- Coordination with SOC (24/7 monitoring)
- Vulnerability assessments
- Establishment of operational standards
- Targeted attack simulation exercises, etc.

FY2025

Verification and enhancement of security incident response capabilities

✓ **Security incident response exercises conducted based on actual incident scenarios**
- **Verification of response capabilities through practical exercises**
  Initial response and decision-making processes verified through exercises in which scenarios were not disclosed in advance
- **External evaluation and identification of issues**
  Issues assessed based on feedback from external experts
- **Incorporation into improvement plans and strengthening of the framework**
  Issues incorporated into improvement plans and the framework for normal operations strengthened

FY2026

Enhancement of cross-functional collaboration and decision-making

DX Promotion

Use of generative AI to enhance sales capabilities and develop new businesses

In recent years, advances in digital technologies have made the effective use of data increasingly important for companies. In particular, the use of unstructured data accumulated through sales activities is attracting attention as a means of gaining a better understanding of customer needs and creating new business opportunities.

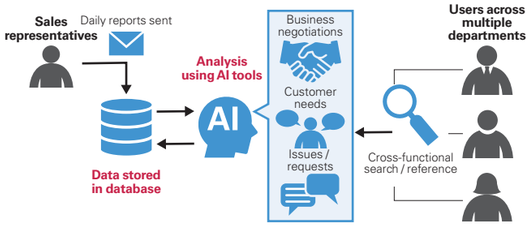
The Company is working to enhance its sales activities and develop new business opportunities by using generative AI to visualize and share sales information.

Since FY2024, we have been using generative AI (Azure OpenAI) to develop a tool for analyzing and aggregating text data such as daily business reports. The tool provides an environment in which information on business negotiations and customer interactions can be searched and referenced across the organization, facilitating the sharing of sales knowledge.

In FY2025, in addition to rolling out the tool internally, we began introducing it at overseas locations in Northeast Asia, where it is operated under access controls that take into account the laws and regulations of each country.

Going forward, we will add multilingual capabilities and expand the tool's use globally, with the aim of further improving productivity and creating new business opportunities.

Overview of sales data utilization



Benefits of using generative AI in sales activities

- **Identification of insights** by linking transaction details with customer interactions
- **Development of new customers and business areas** based on sales activities in other departments
- **More efficient handovers** when employees are transferred or seconded

Sustainability Data

1. Reporting scope and basic policies

- This data section primarily covers the results of the Inabata Group for each consolidated fiscal year (April 1 to March 31 of the following year). Data on employees, labor practices and diversity, management system certifications, and sustainability-related certifications are as of the end of each fiscal year (the end of March).
- In principle, the scope covers Inabata & Co. and its domestic and overseas consolidated subsidiaries, although the scope varies depending on the nature of each indicator. Please refer to "2. Scope and sales coverage."
- Unless otherwise indicated, figures are rounded and may therefore not add up to the totals shown.
- Certain environmental indicators marked with a "★" have received third-party assurance in accordance with the international standard ISO 14064-3:2019 from SOCOTEC Certification Japan Co., Ltd. (FY2025) and LRQA Limited (FY2024), the respective assurance providers.

2. Scope and sales coverage

The scope of each indicator is presented together with the percentage of consolidated net sales accounted for by the businesses included in that scope (sales coverage). Coverage figures are approximate and may vary because the scope differs by indicator and certain activities are excluded from calculations. Any specific exceptions are noted in the relevant tables.

Scope	Major category	Subcategory	Sales coverage
Inabata & Co. and domestic and overseas consolidated subsidiaries	Environment	Energy and climate (energy consumption, GHG emissions [Scope 1 and 2])	100%
		Environmental management	
		Environment-related business	
	Society	Employee status	
		Occupational health and safety (occupational accidents) For FY2023, Inabata & Co. and domestic and overseas consolidated manufacturing subsidiaries	
		Employee engagement	
	Certification	Status of management system certifications	
		Status of sustainability-related certifications	
Inabata & Co. and domestic and overseas consolidated manufacturing subsidiaries	Environment	Pollution prevention and resource circulation (excluding paper purchased and the green purchasing ratio of office supplies, etc.)	Approx. 55%
		Water resources	
Inabata & Co. * including employees seconded to Group companies	Environment	Energy and climate (GHG emissions [Scope 3])	Approx. 43%
		Pollution prevention and resource circulation (paper purchased and the green purchasing ratio of office supplies, etc.)	
	Society	Labor practices / Diversity*	
		Occupational health and safety (excluding occupational accidents)*	
		Human resource development*	
		Social contribution activities*	
	Governance	Corporate governance	
		Attendance at meetings of the Board of Directors, Audit and Supervisory Committee, and Nominating and Remuneration Committee	
		Compliance	
	External Evaluation	ESG-related index inclusion status	

Environment

Energy and climate

Energy consumption

Item		FY2023	FY2024	FY2025
Electricity (MWh)		77,624	82,241	**82,676**
	Of which, from renewable energy sources* (MWh)	—	14,050	**25,566**
Hot water / cold water (GJ)		1,142	1,212	**1,232**
Volatile oil (gasoline) (kL)		747	796	**885**
Kerosene (kL)		2	4.2	**4.9**
Light oil (kL)		342	280	**281**
Heavy oil A (kL)		53	50	**200**
Liquefied petroleum gas (LPG) (t)		84	151	**153**
Other combustible natural gas (1,000 m^3)		0	0	**0**
City gas (1,000 m^3)		250	231	**242**

* Renewable energy-derived electricity includes 10 MWh from renewable electricity plans, 14 MWh from on-site generation, 15,954 MWh covered by FIT non-fossil certificates (solar), and 9,587 MWh covered by I-RECs.

GHG emissions (Scope 1 and 2)

Item		FY2023	FY2024	FY2025
Scope 1 (t-CO_2e)	CO_2 from energy sources	3,572	★ 3,630	★ **4,275**
	Other (CO_2 from non-energy sources, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3)	0	0	**0**
Scope 2 (t-CO_2e)	Market-based	41,254	★ 36,791	★ **31,187**
	Location-based	41,553	★ 42,737	★ **42,814**
Total (t-CO_2e)	Scope 1 + Scope 2 (market-based)	44,826	40,421	**35,462**
	Scope 1 + Scope 2 (location-based)	45,125	46,367	**47,089**
GHG emissions intensity per sales (t-CO_2e / ¥100 million)		5.9	4.8	**4.3**

Notes: 1. For domestic Scope 2 emissions, the emission factors by electricity supplier published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry are used for the market-based method, while the national average emission factor is used for the location-based method. For overseas Scope 2 emissions, International Energy Agency (IEA) Emissions Factors 2024 are used.
2. Scope 2 emissions on a market-based basis are shown after deducting 11,672 t-CO_2e corresponding to renewable energy certificates (non-fossil certificates and I-RECs).
3. Emissions intensity is based on Scope 1 + Scope 2 (market-based) GHG emissions.

GHG emissions (Scope 3)

(t-CO_2e)

Item	FY2023	FY2024	FY2025
1. Purchased goods and services	1,416,876	★ 1,610,161	★ **1,934,648**
2. Capital goods	1,943	4,804	**25,276**
3. Fuel- and energy-related activities not included in Scope 1 or Scope 2	44	40	**45**
4. Upstream transportation and distribution	32,679	★ 39,681	★ **43,226**
5. Waste generated in operations	67	8	**75**
6. Business travel	2,723	2,271	**2,538**
7. Employee commuting	256	257	**274**
8. Upstream leased assets	Not subject to calculation	Not subject to calculation	**Not subject to calculation**
Subtotal (upstream)	1,454,588	1,657,222	**2,006,082**
9. Downstream transportation and distribution	Not subject to calculation	Not subject to calculation	**Not subject to calculation**
10. Processing of sold products	Not subject to calculation	Not subject to calculation	**Not subject to calculation**
11. Use of sold products	Not subject to calculation	Not subject to calculation	**Not subject to calculation**
12. End-of-life treatment of sold products	464,711	268,172	**282,100**
13. Downstream leased assets	65	73	**72**
14. Franchises	Not subject to calculation	Not subject to calculation	**Not subject to calculation**
15. Investments	Not subject to calculation	Not subject to calculation	**Not subject to calculation**
Subtotal (downstream)	464,776	268,245	**282,172**
Total	1,919,364	1,925,467	**2,288,253**

Notes: 1. Category 8 is not applicable as it is included in Scope 1 and 2.
2. 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.
3. Categories 11, 14, and 15 are not applicable as they are outside the scope of relevant business activities.
4. Category 12 is calculated based on items for which weight-based data can be collected.

Pollution prevention / Resource circulation

Item		FY2023	FY2024	FY2025
Nitrogen oxides (NOx) (t)		0	1	**1**
Sulfur oxides (SOx) (t)		0	0	**1**
Volatile organic compounds (VOCs) (t)		116	122	**131**
Waste (t)	Total	7,838	7,498	**7,130**
	Waste recycled	4,861	3,904	**3,408**
	Waste not recycled	2,977	3,594	**3,722**
Waste recycling rate (%)		62	52	**48**
Hazardous waste (t)		1,734	1,764	**2,042**
Paper purchased (copy paper) (thousands of sheets)		1,986	1,325	**1,524**
Green purchasing ratio of office supplies, etc. (%)		70	67	**67**

Note: Waste for overseas resin compound manufacturing business bases is calculated based only on resin, the main material.

Water resources

Item		FY2023	FY2024	FY2025
Water discharge by destination (1,000 m^3)	Total	400	404	**466**
	Ocean	0	0	**0**
	River / lake (fresh surface water)	244	252	**294**
	Groundwater	0	1	**1**
	Sewage (third-party treated)	156	152	**171**
Water withdrawal by source (1,000 m^3)	Total	476	497	**520**
	River / lake (fresh surface water)	0	0	**0**
	Groundwater	287	286	**305**
	Water supply / industrial water	189	210	**215**
	Rainwater	0	0	**0**
	Sea water	0	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**

Environmental management

Item	FY2023	FY2024	FY2025
Number of environmental law violations	1*	0	**0**
Environmental fines and penalties (yen)	354,775.86THB	0	**0**

* Wastewater violation at the compounding factory in Thailand

Environment-related business

Sales by field

(Millions of yen)

Fields	Main items	FY2023	FY2024	FY2025
Total		38,605	43,571	**36,809**
Energy & Power	Renewable energy-related and battery-related, etc.	24,496	22,520	**13,760**
Resources & Environment	Sustainable materials, recycling systems, water-related, etc.	10,791	13,807	**14,485**
Materials & Chemicals	Low-carbon materials, environmental pollutant reduction, etc.	3,143	6,695	**8,271**
Agriculture & Food	Food waste reduction, soil improvement, etc.	0	0	**0**
Transportation & Logistics	EV charging, green logistics, etc.	0	0	**0**
Environmental Certification	Forestry certification, marine product certification, etc.	175	548	**294**

Notes: 1. There are no results for Agriculture & Food or Transportation & Logistics.
2. Totals are simple sums.

Society

Employee status

Number of employees, ratio of managers, and gender ratio (non-consolidated / consolidated)

Item		FY2023				FY2024				FY2025			
		Total	Men	Women	Ratio of women	Total	Men	Women	Ratio of women	Total	Men	Women	Ratio of women
Inabata Group (consolidated)	Total	—	—	—	—	5,063	2,907	2,156	43%	**5,258**	**2,977**	**2,281**	**43%**
	Number of employees	4,631	2,522	2,109	46%	4,677	2,686	1,991	43%	**4,719**	**2,744**	**1,975**	**42%**
	Management	818	578	240	29%	925	680	245	26%	**945**	**685**	**260**	**28%**
	Others	3,813	1,944	1,869	49%	3,752	2,006	1,746	47%	**3,774**	**2,059**	**1,715**	**45%**
	Number of temporary employees	—	—	—	—	386	221	165	43%	**539**	**233**	**306**	**57%**
Inabata & Co.	Number of employees	630	369	261	41%	667	387	280	42%	**678**	**382**	**296**	**44%**
	Management	130	121	9	7%	129	118	11	9%	**132**	**118**	**14**	**11%**
	Others	500	248	252	50%	538	269	269	50%	**546**	**264**	**282**	**52%**
	Number of employees, including secondees	748	481	267	36%	780	494	286	37%	**807**	**504**	**303**	**38%**
	Management	189	180	9	5%	184	173	11	6%	**191**	**177**	**14**	**7%**
	Others	559	301	258	46%	596	321	275	46%	**616**	**327**	**289**	**47%**
Domestic consolidated subsidiaries	Number of employees	645	466	179	28%	660	481	179	27%	**741**	**524**	**217**	**29%**
	Management	141	131	10	7%	159	147	12	8%	**158**	**146**	**12**	**8%**
	Others	504	335	169	34%	501	334	167	33%	**583**	**378**	**205**	**35%**
Overseas consolidated subsidiaries	Number of employees	3,356	1,687	1,669	50%	3,350	1,818	1,532	46%	**3,300**	**1,838**	**1,462**	**44%**
	Management	547	326	221	40%	637	415	222	35%	**655**	**421**	**234**	**36%**
	Others	2,809	1,361	1,448	52%	2,713	1,403	1,310	48%	**2,645**	**1,417**	**1,228**	**46%**

Notes: 1. Coverage: The number of employees at Inabata & Co. (non-consolidated) excludes secondees.
2. Numbers for domestic and overseas consolidated subsidiaries include employees seconded from Inabata & Co.

Number of employees, ratio of managers, and gender ratio (by area)

Item		FY2023				FY2024				FY2025			
		Total	Men	Women	Ratio of women	Total	Men	Women	Ratio of women	Total	Men	Women	Ratio of women
Japan	Number of employees	1,275	835	440	35%	1,327	868	459	35%	**1,419**	**906**	**513**	**36%**
	Management	271	252	19	7%	288	265	23	8%	**290**	**264**	**26**	**9%**
	Others	1,004	583	421	42%	1,039	603	436	42%	**1,129**	**642**	**487**	**43%**
Southeast Asia	Number of employees	2,493	1,150	1,343	54%	2,468	1,256	1,212	49%	**2,398**	**1,255**	**1,143**	**48%**
	Management	313	161	152	49%	399	250	149	37%	**404**	**250**	**154**	**38%**
	Others	2,180	989	1,191	55%	2,069	1,006	1,063	51%	**1,994**	**1,005**	**989**	**50%**
Northeast Asia	Number of employees	463	248	215	46%	448	241	207	46%	**446**	**244**	**202**	**45%**
	Management	129	89	40	31%	140	92	48	34%	**143**	**96**	**47**	**33%**
	Others	334	159	175	52%	308	149	159	52%	**303**	**148**	**155**	**51%**
The Americas	Number of employees	323	246	77	24%	357	278	79	22%	**374**	**291**	**83**	**22%**
	Management	76	58	18	24%	79	58	21	27%	**75**	**54**	**21**	**28%**
	Others	247	188	59	24%	278	220	58	21%	**299**	**237**	**62**	**21%**
Europe	Number of employees	77	43	34	44%	77	43	34	44%	**82**	**48**	**34**	**41%**
	Management	29	18	11	38%	19	15	4	21%	**33**	**21**	**12**	**36%**
	Others	48	25	23	48%	58	28	30	52%	**49**	**27**	**22**	**45%**

Note: Numbers for domestic and overseas consolidated subsidiaries include employees seconded from Inabata & Co.

Labor practices / Diversity

Item			FY2023			FY2024			FY2025		
			Total	Men	Women	Total	Men	Women	Total	Men	Women
Ratio of women in managerial positions (%)	Manager level and above		4.8	—	—	6.0	—	—	**7.3**	—	—
	Senior manager level and above		5.5			6.1			**4.9**	—	—
Number of non-Japanese staff (people)			12	—	—	12	—	—	**17**	—	—
Number of employees by age	Under 30 years old		165	67	98	184	70	114	**184**	**65**	**119**
	30–39 years old		189	123	66	196	125	71	**210**	**133**	**77**
	40–49 years old		150	99	51	147	104	43	**155**	**105**	**50**
	50–59 years old		187	148	39	191	147	44	**184**	**140**	**44**
	60–64 years old (Senior positions, etc.)		57	44	13	53	40	13	**65**	**54**	**11**
	65 years old and over (rehired, etc.)					9	8	1	**9**	**7**	**2**
	Total		748	481	267	780	494	286	**807**	**504**	**303**
Number of hires	New graduates		30	11	19	24	9	15	**24**	**9**	**15**
	Retention rate (3 years) for new graduates (%)		100	—	—	96	—	—	**90**	—	—
	Mid-career		32	27	5	36	25	11	**32**	**21**	**11**
	Ratio of regular employees hired mid-career (%)		52	—	—	60	—	—	**57**	—	—
Voluntary turnover rate (%)	Non-consolidated		2.6	—	—	3.6	—	—	**2.2**	—	—
	Consolidated (Japan)		—	—	—	4.5	—	—	**3.8**	—	—
Number of employees rehired under the job return system			3	3	0	1	0	1	**3**	**0**	**3**
Employment of persons with disabilities*1	Number of employees		22	—	—	26	—	—	**26**	—	—
	Employment rate (%)		2.81	—	—	3.20	—	—	**3.14**	—	—
Average age			41.9	44.3	37.5	41.9	44.5	37.3	**41.9**	**44.7**	**37.2**
Average years of service			13.6	15.5	10.2	14.2	16.1	10.8	**14.1**	**16.2**	**10.6**
Average annual salary (thousands of yen)			8,854	—	—	9,633	11,559	6,900	**10,058**	**11,892**	**7,009**
Gender wage gap (%)*2	All employees		59.0	—	—	59.7	—	—	**61.3**	—	—
	Regular employees		60.0	—	—	60.3			**61.6**	—	—
		Professionals	96.6	—	—	98.2	—	—	**100.0**	—	—
		Staff/Challenge positions	91.0	—	—	84.9	—	—	**86.2**	—	—
		Assistants	102.7	—	—	113.6	—	—	**110.7**	—	—
	Non-regular employees		45.5	—	—	51.3	—	—	**63.3**	—	—
Total annual working hours per employee (hours/year)			1,868	—	—	1,770	—	—	**1,749**	—	—
Monthly average overtime working hours (hours/month)			14.5	—	—	14.3	—	—	**15.1**	—	—
Annual paid leave	Days taken (days)		12.3	—	—	12.8	—	—	**12.4**	—	—
	Utilization rate (%)		66.9	—	—	68.6	—	—	**67.5**	—	—
Parental leave	Number of employees who took leave in the fiscal year*3		18	9	9	33	22	11	**23**	**19**	**4**
	Leave utilization rate for the fiscal year (%)*3		78.3	64.3	100	110	110	110	**121**	**127**	**100**
	Rate of employees returning to work (%)		94.1	—	—	95.7	—	—	**95.7**	—	—
	Number of employees who took leave within the prescribed period (3 years)*4		—	—	—	22	13	9	**23**	**14**	**9**
	Leave utilization rate within the prescribed period (3 years)*4		—	—	—	95.7	92.9	100	**100**	**100**	**100**
Number of employees taking nursing care leave			2	—	—	0	—	—	**0**	—	—

Note: The scope covers employees of Inabata & Co. (non-consolidated) and secondees to Group companies.
*1 The figures for each fiscal year are as of June 1 of the following fiscal year.
*2 The gender wage gap is calculated as the ratio of female to male wages.
"All employees" refers to regular employees and non-regular employees.
"Regular employees" includes employees in four position categories: "Professionals," which refers to those in management positions engaged in core duties; "Staff" and "Challenge," which refer to those in non-management positions engaged in core duties, with Challenge positions not requiring transfers involving relocation; 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 four 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").
*3 Under the Company's parental leave system, leave can be taken until the child reaches three years of age. Therefore, the number of employees taking leave in FY2025 includes employees who gave birth or whose spouses gave birth between FY2023 and FY2025. The leave utilization rate is calculated as follows: Number of employees who took parental leave in FY2025 among employees who gave birth or whose spouses gave birth between FY2023 and FY2025 / Number of employees who gave birth or whose spouses gave birth in FY2025.
*4 In FY2023, the Company introduced a new system requiring employees to take parental leave. Accordingly, the number and percentage of employees taking parental leave within three years after they or their spouses gave birth are calculated. For FY2025, the number represents employees who gave birth or whose spouses gave birth in FY2023 and who took parental leave between FY2023 and FY2025, and the percentage is calculated based on all employees who gave birth or whose spouses gave birth in FY2023.

Society

Occupational health and safety

Item		FY2023			FY2024			FY2025		
		Non-consolidated	Consolidated		Non-consolidated	Consolidated		Non-consolidated	Consolidated	
			Employees	Temporary*1		Employees	Temporary*1		Employees	Temporary*1
Health checkup attendance rate (%)		100	—	—	100	—	—	**100**	—	—
Stress check	Number of employees who attended	662	—	—	695	—	—	**657**	—	—
	Attendance rate (%)	89.2	—	—	90.3	—	—	**92.1**	—	—
Number of employees who attended health and safety training	Safe driving training (e-learning)	43	—	—	76	—	—	**98**	—	—
	Earthquake/ safety confirmation training	May 662 December 669	—	—	May 640	—	—	**May 703** **November 707**	—	—
	Firefighting training (on-site training)	Self-defense fire brigade members in Tokyo, Osaka, and Nagoya 74	—	—	Self-defense fire brigade members in Tokyo, Osaka, and Nagoya 81	—	—	Self-defense fire brigade members in Tokyo, Osaka, and Nagoya **95**	—	—
Number of occupational accidents	Fatalities	0	0	0	0	0	0	**0**	**0**	**0**
	Lost-time injuries	0	31	5	0	38	3	**0**	**29**	**9**
	Non-lost-time injuries	0	13	0	1	16	2	**1**	**11**	**3**
Lost-time injury frequency rate*2		0	4.15	—	0	2.97	3.87	**0**	**2.90**	**8.67**
Lost-time injury severity rate*3		0	0.05	—	0	0.04	0.05	**0**	**0.04**	**0.05**

Note: For categories other than occupational accidents, the scope covers employees of Inabata & Co. (non-consolidated) and secondees to Group companies.
*1 Temporary: Temporary employees
*2 (Number of casualties due to occupational accidents requiring at least one day off work / Total actual working hours) × 1,000,000. The industry average (wholesale and retail businesses with 100 or more employees) was 2.10 in FY2025 (according to the Ministry of Health, Labour and Welfare's Survey on Industrial Accidents for 2025). Comparison with Inabata & Co., Ltd.
*3 (Total working days lost / Total actual working hours) × 1,000. The industry average (wholesale and retail businesses with 100 or more employees) was 0.05 in FY2025 (according to the Ministry of Health, Labour and Welfare's Survey on Industrial Accidents for 2025). Comparison with Inabata & Co., Ltd.

Human resource development

Item	FY2023	FY2024	FY2025
Total time for employee skills development training (hours)	480	669	**748**
Total number of employees participating in training for skills development	1,310	1,690	**1,693**
Average training hours per employee per year (hours)	0.6	0.9	**0.9**
Average training expenditure per employee per year (yen)	67,496	83,400	**89,124**

Note: The scope covers Inabata & Co. (non-consolidated) and includes employees seconded to Group companies.

Social contribution activities

Item		FY2023	FY2024	FY2025
Number of employees taking leave for volunteering*1		0	34	**24**
Total amount of donations, activity expenses, etc., that contribute to society*2 (millions of yen)		21	11	**11**
Results of main social contribution activities	Support for the activities of the Sociedade Luso-Nipónica de Osaka (10,000 yen)	80	80	**80**
	Académie de musique française de Kyoto (number of participants)*3	99	108	**93**
	Number of winners of Inabata Award in French music competition (since 1974)*4	No participants Cumulative 49	1 Cumulative 50	**1** **Cumulative 51**
	Support for the Shougaisha Jiritsu Suishin Kikou Association*5	Bronze Partner	Bronze Partner	**Bronze Partner**

Note: The scope covers employees of Inabata & Co. (non-consolidated) and secondees to Group companies.
*1 Although the system was initially recognized for use after severe disasters, it was formalized as part of the human resources system from July 1, 2023, to support employees' volunteer activities.
*2 Main donations include cultural support for the Japan Philharmonic Orchestra, the Osaka Philharmonic Orchestra, etc., and community support for the Keidanren Nature Conservation Fund, etc.
*3 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.
*4 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.
*5 In addition to providing support as a partner, we used a work from Paralym Art, a program which is managed and operated by the association, as the design for our shareholder incentive (QUO cards).

Employee engagement

Item			FY2024	FY2025	FY2026
Number of employees surveyed (people)	Total		2,714	2,837	**2,940**
		Inabata & Co.	686	715	**692**
		Overseas trading companies*1	864	881	**893**
		Overseas manufacturing companies*1	624	574	**702**
		Domestic subsidiaries*1	540	667	**653**
Response rate (%)	Total		82	88	**93**
Overall average score*2			3.64	3.67	**3.73**
Ratio of positive responses for key items*3 (%)	**Engagement** I am satisfied with the work I am doing at Inabata now.		69	69	**69**
	Relationship with superiors I have the necessary collaboration with my supervisor at work.		73	73	**74**
	Organizational culture When a problem occurs in the course of my duties, my supervisor and the people around me provide appropriate support.		77	76	**77**
	Corporate philosophy I can relate to Inabata's philosophy, vision, and management policies, and I want to participate in achieving them.		67	67	**70**
	Human resources system and benefits Inabata's salary standards are satisfactory, compared to other companies in the same industry.		50	54	**56**
	Human resources system and training Inabata supports employee training to improve their skills.		51	54	**54**
	Work-life balance Overtime is kept to a level that is acceptable for me.		73	71	**68**

*1 The survey targeted employees with Company email addresses.
*2 The average score across all items. Employees were asked to rate 39 items on a five-point scale (5. Strongly agree / 4. Agree / 3. Neither agree nor disagree / 2. Disagree / 1. Strongly disagree), and the score for each item was calculated.
*3 The proportion of positive responses, which are ratings of 5 (Strongly agree) and 4 (Agree), among the five-point scale ratings provided by employees.

Governance

Corporate governance

Composition of directors		As of July 1, 2024		As of July 1, 2025		As of July 1, 2026	
		Men	Women	Men	Women	Men	Women
Directors (excluding Audit and Supervisory Committee members) (people)	Total		7		7		**7**
	Inside	4	0	4	0	**4**	**0**
	Independent	2	1	2	1	**2**	**1**
Directors (Audit and Supervisory Committee members) (people)	Total		5		5		**5**
	Inside	1	0	1	0	**1**	**0**
	Independent	3	1	3	1	**2**	**2**
Total number of directors	Total		12		12		**12**
		10	2	10	2	**9**	**3**

Attendance status for meetings of the Board of Directors, Audit and Supervisory Committee, and Nominating and Remuneration Committee (April 1, 2025 to March 31, 2026)

Attendance rate is listed in ( ).

Position	Name	Independent	Number of Board of Directors' meetings attended	Number of Audit and Supervisory Committee meetings attended	Number of Nominating and Remuneration Committee meetings attended*1
Director	Katsutaro Inabata		16/16 times (100%)	—	6/6 times (100%)
Director	Toyohiro Akao		16/16 times (100%)	—	—
Director	Kenichi Yokota		16/16 times (100%)	—	—
Director	Noriaki Takeshita (appointed June 2025)		12/13 times (92%)	—	—
Director	Osamu Chonan	○	16/16 times (100%)	—	11/11 times (100%)
Director	Hisayuki Suekawa	○	16/16 times (100%)	—	11/11 times (100%)
Director	Mari Ikegaki (appointed June 2025)	○	13/13 times (100%)	—	11/11 times (100%)
Director (Audit and Supervisory Committee member)	Nobukazu Kuboi		16/16 times (100%)	14/14 times (100%)	—
Director (Audit and Supervisory Committee member)	Minoru Sanari	○	16/16 times (100%)	14/14 times (100%)	—
Director (Audit and Supervisory Committee member)	Tomokazu Fujisawa	○	16/16 times (100%)	14/14 times (100%)	—
Director (Audit and Supervisory Committee member)	Noriya Yokota	○	16/16 times (100%)	14/14 times (100%)	11/11 times (100%)
Director (Audit and Supervisory Committee member)	Shiho Ito	○	16/16 times (100%)	13/14 times (93%)	—
Director	Takashi Shigemori (retired June 2025)		3/3 times (100%)	—	—
Director	Takako Hagiwara (retired June 2025)	○	3/3 times (100%)	—	0/0 times (—%)

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

Compliance

	FY2023	FY2024	FY2025
Number of whistleblower reports/consultations*1 (cases)	10	6	**8**
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**

*1 Includes the number of consultations to the "counseling desk"

Certification

Status of management system certifications

		ISO 14001 (Environmental management)		ISO 9001 (Quality management)		ISO 45001 (Occupational health and safety)		IATF 16949 (Automotive)		JFS-C Standard (Food safety)	
		By number of sites	By number of employees	By number of sites	By number of employees	By number of sites	By number of employees	By number of sites	By number of employees	By number of sites	By number of employees
Japan	Number of certifications obtained	17	1,002	8	730	0	0	0	0	1	60
	Acquisition ratio (%)	31	71	15	51	0	0	0	0	2	4
Overseas	Number of certifications obtained	19	1,992	22	2,246	3	579	8	1,447	0	0
	Acquisition ratio (%)	26	60	31	68	4	18	11	44	0	0
Consolidated	Number of certifications obtained	36	2,994	30	2,976	3	579	8	1,447	1	60
	Acquisition ratio (%)	28	63	24	63	2	12	6	31	1	1

Status of sustainability-related certifications

Certification	Details	Certification scope (License number)
Forest Stewardship Council (FSC®) certification	International certification for responsibly managed forests and responsibly sourced forest products	Information & Electronics Division III, Inabata & Co., Ltd. (FSC-C194246)
		Housing Materials Department, Chemicals Division, Inabata & Co., Ltd. (FSC-C089398)
		Plastics Division II, Inabata & Co., Ltd. (FSC-C140691)
Programme for the Endorsement of Forest Certification (PEFC) certification	Forest certification system aimed at promoting sustainable forest management	Housing Materials Department, Chemicals Division, Inabata & Co., Ltd. (PEFC/31-32-1665)
		Plastics Division II, Inabata & Co., Ltd. (PEFC/31-31-1616)
Marine Stewardship Council (MSC) certification	Certification of sustainable fisheries that are properly managed with consideration for marine resources and the environment	Inabata & Co., Ltd. and Inabata Europe GmbH Ikkoen Co., Ltd.
Aquaculture Stewardship Council (ASC) certification	Certification of marine products produced through responsible aquaculture	Inabata & Co., Ltd. and Inabata Europe GmbH
International Sustainability & Carbon Certification (ISCC)	Certification system for managing and ensuring that biomass and recycled materials are sustainable by using a mass balance approach across the supply chain	Inabata & Co., Ltd.
		PT. Inabata Indonesia
		Inabata Malaysia Sdn. Bhd.
		Taiwan Inabata Sangyo Co., Ltd.
		Inabata Singapore (Pte.) Ltd.
Green Gold Label (GGL) certification	Certification ensuring the sustainability of biomass fuel and its traceability	Inabata & Co., Ltd.
Global Recycled Standard (GRS) certification	International certification program for recycled products	Inabata & Co., Ltd.

Note: All are Chain of Custody (CoC) certified

External Evaluation

ESG-related index inclusion status (As of August 2026)

- FTSE JPX Blossom Japan Index★
- FTSE JPX Blossom Japan Sector Relative Index★
- MSCI Japan Empowering Women Index (WIN)★*
- S&P/JPX Carbon Efficient Index★
- Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)★
- SOMPO Sustainability Index
- JPX-Nikkei Index Human Capital 100

★ ESG index selected by the Government Pension Investment Fund (GPIF)

FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

2026 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

2026 Sompo Sustainability Index

JPX-NIKKEI HC100 2025–2026

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Summary of 11 years

(Millions of yen)

		FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Business Performance	Net sales	577,037	586,630	621,137	634,740	600,312	577,583	680,962	735,620	766,022	837,838	832,745
	Gross profit	41,064	42,740	44,854	47,257	46,259	46,040	57,370	62,874	69,288	78,923	83,801
	Selling, general and administrative expenses	29,692	30,123	38,891	33,226	33,029	31,066	37,317	42,560	48,097	53,098	57,637
	Operating profit	11,371	12,616	5,962	14,031	13,229	14,973	20,052	20,314	21,190	25,824	26,164
	Ordinary profit	12,257	13,672	6,374	14,309	14,211	16,514	21,648	19,110	21,393	26,134	27,748
	Profit attributable to owners of parent	9,510	9,687	6,744	12,896	11,415	13,792	22,351	19,478	20,000	19,833	20,632
	Exchange rate USD/yen	120.15	108.34	110.85	110.92	108.70	106.10	112.39	135.50	144.59	152.62	150.67
Financial Position	Total assets	305,436	340,147	352,741	366,514	322,848	353,228	389,059	380,443	427,320	441,972	498,138
	Interest-bearing debt	68,377	71,075	71,993	57,277	52,848	41,206	64,538	64,769	62,835	73,633	89,844
	Equity capital	126,038	146,258	141,403	162,973	145,924	173,804	174,918	179,461	200,166	208,155	235,779
Cash Flows	Cash flows from operating activities	11,866	1,840	5,960	12,510	10,690	17,613	(11,448)	9,915	30,187	19,903	21,075
	Cash flows from investing activities	(161)	4,504	5,086	743	(525)	(423)	5,446	8,278	(2,386)	(9,498)	(13,012)
	Cash flows from financing activities	(11,129)	(481)	(4,901)	(19,546)	(7,273)	(17,582)	5,999	(17,568)	(13,981)	(805)	3,922
	Cash and cash equivalents	17,088	22,935	29,235	23,011	25,480	25,983	28,251	29,790	46,301	55,357	72,698
Reference	(Amount of capital investment)	3,067	2,431	2,500	3,441	3,707	3,175	2,799	3,803	4,460	6,154	14,722
	(Depreciation)	2,270	2,066	2,335	2,413	2,976	2,874	3,160	3,532	3,743	4,219	4,216
Sales by Segment	Information & Electronics*1	211,659	221,023	214,963	217,904	218,690	224,534	247,713	238,003	239,114	264,056	239,336
	Chemicals*2	48,198	48,047	51,580	77,522	74,181	66,626	78,644	89,820	112,657	118,298	125,137
	Life Industry	41,022	40,434	42,392	39,046	36,919	37,361	38,203	43,662	53,597	53,759	60,115
	Plastics	251,163	251,885	286,900	300,094	270,345	248,888	316,226	363,955	360,471	401,541	407,974
	(Housing & Eco Materials)*2	24,817	25,064	25,137	—	—	—	—	—	—	—	—
	Others	176	175	162	172	175	172	174	178	181	181	181
	Total	577,037	586,630	621,137	634,740	600,312	577,583	680,962	735,620	766,022	837,838	832,745
Operating Profit (Loss) by Segment	Information & Electronics*1	3,833	3,992	(2,045)	4,819	4,482	6,327	6,422	5,269	6,904	8,477	7,042
	Chemicals*2	1,011	1,003	259	1,424	1,208	1,320	2,207	2,770	2,788	2,948	3,548
	Life Industry	1,524	1,820	1,920	1,310	1,166	1,563	2,618	1,936	1,480	1,175	2,215
	Plastics	4,434	5,396	5,541	6,341	6,235	5,631	8,677	10,205	9,879	13,086	13,221
	(Housing & Eco Materials)*2	421	260	157	—	—	—	—	—	—	—	—
	Others	146	142	129	136	135	130	127	131	137	136	136
	Total	11,371	12,616	5,962	14,031	13,229	14,973	20,052	20,314	21,190	25,824	26,164
	Overseas sales ratio (%)	53	53	53	54	53	53	59	60	55	55	54
	Overseas operating profit ratio (%)	45	46	—	54	54	54	60	67	59	62	60
	Number of employees on a consolidated basis (people)	3,509	3,827	4,098	4,184	4,282	4,203	4,207	4,316	4,631	4,677	4,719
Management Indicators	Operating profit ratio (%)	2.0	2.2	1.0	2.2	2.2	2.6	2.9	2.8	2.8	3.1	3.1
	Net D/E ratio (times)*3	0.37	0.30	0.28	0.19	0.16	0.06	0.17	0.16	0.06	0.07	0.06
	Equity ratio (%)	41.3	43.0	40.1	44.5	45.2	49.2	45.0	47.2	46.8	47.1	47.3
	ROE (%)*4	7.5	7.1	4.7	8.5	7.4	8.6	12.8	11.0	10.5	9.7	9.3
	ROA (%)*5	3.0	3.0	1.9	3.6	3.3	4.1	6.0	5.1	5.0	4.6	4.4
	Share price at the end of the fiscal year (yen)	1,116	1,357	1,616	1,505	1,180	1,658	2,063	2,687	3,175	3,170	3,950
	Total market value (including treasury shares) (billion yen)*6	70.8	86.1	102.6	95.5	74.9	105.2	125.4	153.4	177.5	173.4	212.1
	P/E ratio (times)*7	7.3	8.7	14.7	7.1	6.2	7.2	5.5	7.8	8.8	8.7	10.3
	P/B ratio (times)*8	0.55	0.57	0.70	0.56	0.49	0.57	0.67	0.84	0.88	0.83	0.89
	Number of shares issued and outstanding at the end of the fiscal year (including treasury shares) (shares)*9	63,499,227	63,499,227	63,499,227	63,499,227	63,499,227	63,499,227	60,799,227	57,114,127	55,914,127	54,714,127	53,714,127
	Number of treasury shares at the end of the period (shares)*10	1,402,268	2,002,305	2,402,417	3,002,502	3,302,640	3,302,651	3,682,139	1,284,045	680,789	330,404	332,214
Information per Share	EPS (yen)	151.91	156.25	109.92	211.36	188.82	229.13	374.23	343.31	362.17	363.90	384.84
	BPS (yen)	2,029.70	2,378.31	2,314.42	2,693.92	2,424.13	2,887.29	3,062.46	3,214.42	3,624.01	3,827.53	4,416.83
	Annual dividend (yen)	36	40	40	48	53	63	110	115	120	125	128
	Dividend payout ratio (%)	23.7	25.6	36.4	22.7	28.1	27.5	29.4	33.5	33.1	34.4	33.3
	Total return ratio*11	31.1	34.8	46.5	30.0	31.9	27.6	62.2	47.1	44.7	55.0	48.8

Notes: 1. From FY2018, the Partial Amendments to Accounting Standard for Tax Effect Accounting was applied. This has been applied retroactively to the figures for FY2017.
2. We have applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc., from FY2021.

*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 shares: 1,660,000 shares in FY2014, 2,700,000 shares in FY2021, 3,685,100 shares in FY2022, 1,200,000 shares in FY2023, 1,200,000 shares in FY2024, and 1,000,000 shares in FY2025.
*10 The number of treasury shares at the end of the FY includes shares owned by the BBT introduced in FY2018 and consolidated subsidiaries in addition to shares owned by Inabata.
*11 Total return ratio has become the shareholder return index from FY2014. Total return ratio = (Dividends + Share repurchases) ÷ Consolidated net income ×100

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	59,839	76,836
Notes receivable - trade	7,506	3,011
Electronically recorded monetary claims - operating	22,184	22,541
Accounts receivable - trade	173,813	179,470
Merchandise and finished goods	79,782	89,104
Work in process	1,517	1,941
Raw materials and supplies	5,431	5,479
Other	10,356	16,305
Allowance for doubtful accounts	(454)	(618)
Total current assets	359,977	394,072
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,658	28,248
Accumulated depreciation	(12,951)	(15,337)
Buildings and structures, net	5,707	12,910
Machinery, equipment and vehicles	24,277	28,192
Accumulated depreciation	(19,342)	(22,631)
Machinery, equipment and vehicles, net	4,935	5,560
Land	3,985	4,575
Construction in progress	1,991	1,614
Other	8,390	9,792
Accumulated depreciation	(5,297)	(6,030)
Other, net	3,093	3,761
Total property, plant and equipment	19,713	28,422
Intangible assets	9,325	13,723
Investments and other assets		
Investment securities	36,230	42,620
Long-term loans receivable	2,314	2,546
Retirement benefit asset	10,502	12,752
Deferred tax assets	1,442	1,535
Other	8,626	8,570
Allowance for doubtful accounts	(6,161)	(6,105)
Total investments and other assets	52,955	61,920
Total non-current assets	81,994	104,066
Total assets	441,972	498,138

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	121,191	124,967
Short-term borrowings	28,338	37,102
Income taxes payable	3,374	4,159
Accrued expenses	1,830	2,080
Provision for bonuses	1,997	2,105
Other	11,735	14,072
Total current liabilities	168,469	184,487
Non-current liabilities		
Bonds payable	25,000	25,000
Long-term borrowings	20,294	27,741
Deferred tax liabilities	6,380	9,345
Provision for retirement benefits for directors (and other officers)	33	36
Provision for share awards for directors (and other officers)	262	287
Retirement benefit liability	2,134	2,395
Other	2,841	2,905
Total non-current liabilities	56,947	67,713
Total liabilities	225,416	252,200
Net assets		
Shareholders' equity		
Share capital	9,364	9,364
Capital surplus	7,230	7,260
Retained earnings	153,617	164,582
Treasury shares	(785)	(783)
Total shareholders' equity	169,427	180,424
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,417	12,612
Deferred gains or losses on hedges	310	346
Foreign currency translation adjustment	28,148	40,460
Remeasurements of defined benefit plans	850	1,935
Total accumulated other comprehensive income	38,727	55,354
Non-controlling interests	8,400	10,159
Total net assets	216,555	245,938
Total liabilities and net assets	441,972	498,138

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	837,838	832,745
Cost of sales	758,915	748,943
Gross profit	78,923	83,801
Selling, general and administrative expenses	53,098	57,637
Operating profit	25,824	26,164
Non-operating income		
Interest income	855	950
Dividend income	1,051	979
Share of profit of entities accounted for using equity method	313	464
Miscellaneous income	1,117	1,489
Total non-operating income	3,339	3,883
Non-operating expenses		
Interest expenses	1,485	1,557
Foreign exchange losses	811	9
Provision of allowance for doubtful accounts	96	286
Miscellaneous losses	636	444
Total non-operating expenses	3,029	2,298
Ordinary profit	26,134	27,748
Extraordinary income		
Gain on sale of non-current assets	512	—
Gain on sale of investment securities	3,615	2,691
Total extraordinary income	4,127	2,691
Extraordinary losses		
Loss on retirement of non-current assets	170	—
Loss on valuation of investment securities	646	1,059
Contribution for joint development cost	325	—
Loss on liquidation of subsidiaries	—	160
Total extraordinary losses	1,142	1,219
Profit before income taxes	29,119	29,220
Income taxes - current	7,558	8,085
Income taxes - deferred	615	(485)
Total income taxes	8,173	7,599
Profit	20,945	21,620
Profit attributable to non-controlling interests	1,111	988
Profit attributable to owners of parent	19,833	20,632

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	20,945	21,620
Other comprehensive income		
Valuation difference on available-for-sale securities	(941)	3,704
Deferred gains or losses on hedges	(301)	80
Foreign currency translation adjustment	(519)	12,406
Remeasurements of defined benefit plans, net of tax	438	1,091
Share of other comprehensive income of entities accounted for using equity method	134	92
Total other comprehensive income	(1,189)	17,376
Comprehensive income	19,756	38,996
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,722	37,259
Comprehensive income attributable to non-controlling interests	1,033	1,737

Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,364	7,177	144,689	(904)	160,327
Changes during period					
Dividends of surplus			(6,876)		(6,876)
Profit attributable to owners of parent			19,833		19,833
Purchase of treasury shares				(4,079)	(4,079)
Cancellation of treasury shares		(2)	(4,028)	4,031	—
Disposal of treasury shares		655		142	797
Treasury stock transfer of stock ownership trust				25	25
Change in scope of consolidation					—
Purchase of shares of consolidated subsidiaries		(600)			(600)
Capital increase of consolidated subsidiaries					—
Net changes in items other than shareholders' equity					
Total changes during period	—	52	8,928	119	9,100
Balance at end of period	9,364	7,230	153,617	(785)	169,427

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	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		
Balance at beginning of period	10,289	595	28,541	412	39,838	6,588	206,754
Changes during period							
Dividends of surplus							(6,876)
Profit attributable to owners of parent							19,833
Purchase of treasury shares							(4,079)
Cancellation of treasury shares							—
Disposal of treasury shares							797
Treasury stock transfer of stock ownership trust							25
Change in scope of consolidation							—
Purchase of shares of consolidated subsidiaries							(600)
Capital increase of consolidated subsidiaries							—
Net changes in items other than shareholders' equity	(871)	(284)	(393)	438	(1,111)	1,811	699
Total changes during period	(871)	(284)	(393)	438	(1,111)	1,811	9,800
Balance at end of period	9,417	310	28,148	850	38,727	8,400	216,555

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,364	7,230	153,617	(785)	169,427
Changes during period					
Dividends of surplus			(6,930)		(6,930)
Profit attributable to owners of parent			20,632		20,632
Purchase of treasury shares				(3,208)	(3,208)
Cancellation of treasury shares			(3,210)	3,210	—
Disposal of treasury shares					—
Treasury stock transfer of stock ownership trust					—
Change in scope of consolidation			474		474
Purchase of shares of consolidated subsidiaries		32			32
Capital increase of consolidated subsidiaries		(2)			(2)
Net changes in items other than shareholders' equity					
Total changes during period	—	29	10,965	1	10,996
Balance at end of period	9,364	7,260	164,582	(783)	180,424

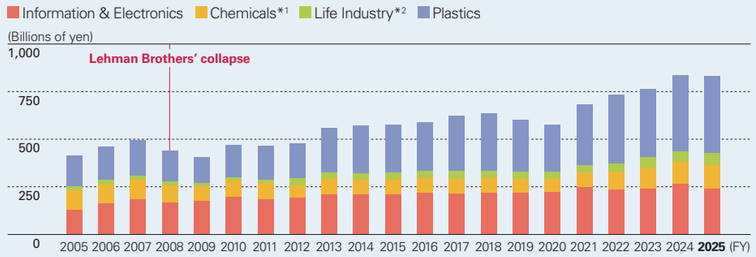
	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	9,417	310	28,148	850	38,727	8,400	216,555
Changes during period							
Dividends of surplus							(6,930)
Profit attributable to owners of parent							20,632
Purchase of treasury shares							(3,208)
Cancellation of treasury shares							—
Disposal of treasury shares							—
Treasury stock transfer of stock ownership trust							—
Change in scope of consolidation							474
Purchase of shares of consolidated subsidiaries							32
Capital increase of consolidated subsidiaries							(2)
Net changes in items other than shareholders' equity	3,194	35	12,312	1,084	16,627	1,759	18,386
Total changes during period	3,194	35	12,312	1,084	16,627	1,759	29,382
Balance at end of period	12,612	346	40,460	1,935	55,354	10,159	245,938

Consolidated Statement of Cash Flows

(Millions of yen)

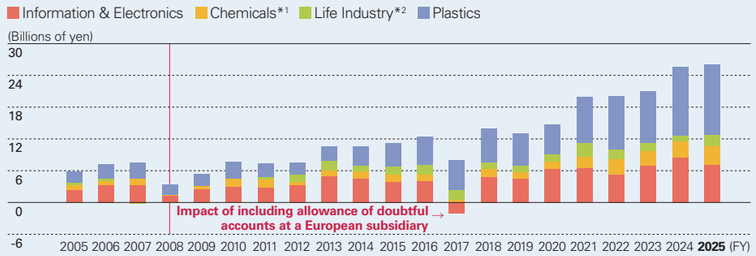
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	29,119	29,220
Depreciation	4,219	4,216
Amortization of goodwill	244	325
Increase (decrease) in allowance for doubtful accounts	46	(563)
Increase (decrease) in retirement benefit liability	105	620
Decrease (increase) in retirement benefit asset	(804)	(1,127)
Interest and dividend income	(1,907)	(1,929)
Interest expenses	1,485	1,557
Share of loss (profit) of entities accounted for using equity method	(313)	(464)
Gain on sale of non-current assets	(512)	—
Loss on retirement of non-current assets	170	—
Loss (gain) on valuation of investment securities	646	1,059
Loss (gain) on sale of investment securities	(3,615)	(2,691)
Loss (gain) on liquidation of subsidiaries	—	160
Decrease (increase) in trade receivables	3,095	7,881
Decrease (increase) in inventories	(93)	(4,428)
Decrease (increase) in other current assets	1,879	(4,763)
Decrease (increase) in other non-current assets	258	1,038
Increase (decrease) in trade payables	(6,552)	(2,482)
Increase (decrease) in other current liabilities	(670)	1,342
Other, net	(44)	(715)
Subtotal	26,758	28,257
Interest and dividends received	2,022	2,047
Interest paid	(1,479)	(1,567)
Income taxes paid	(7,398)	(7,662)
Net cash provided by (used in) operating activities	19,903	21,075
Cash flows from investing activities		
Payments into time deposits	(4,565)	(3,975)
Proceeds from withdrawal of time deposits	4,955	4,721
Purchase of property, plant and equipment	(3,782)	(9,173)
Proceeds from sale of property, plant and equipment	759	35
Purchase of intangible assets	(2,372)	(5,548)
Purchase of investment securities	(2,349)	(1,413)
Proceeds from sale of investment securities	4,024	3,312
Purchase of shares of subsidiaries	(1,434)	(345)
Decrease (increase) in short-term loans receivable	(187)	325
Long-term loan advances	(770)	(1,044)
Proceeds from collection of long-term loans receivable	671	654
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4,422)	—
Payments for acquisition of businesses	—	(569)
Other, net	(23)	9
Net cash provided by (used in) investing activities	(9,498)	(13,012)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(13,058)	5,866
Proceeds from long-term borrowings	8,988	10,045
Repayments of long-term borrowings	(2,368)	(1,078)
Proceeds from issuance of bonds	17,385	—
Purchase of treasury shares	(4,149)	(3,221)
Proceeds from sale of shares of parent held by subsidiaries	1,524	—
Dividends paid	(6,876)	(6,930)
Dividends paid to non-controlling interests	(100)	(135)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,300)	—
Other, net	(850)	(623)
Net cash provided by (used in) financing activities	(805)	3,922
Effect of exchange rate change on cash and cash equivalents	(543)	4,938
Net increase (decrease) in cash and cash equivalents	9,055	16,924
Cash and cash equivalents at beginning of period	46,301	55,357
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	417
Cash and cash equivalents at end of period	55,357	72,698

Sales by business segment



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

Operating profit (loss) by business segment



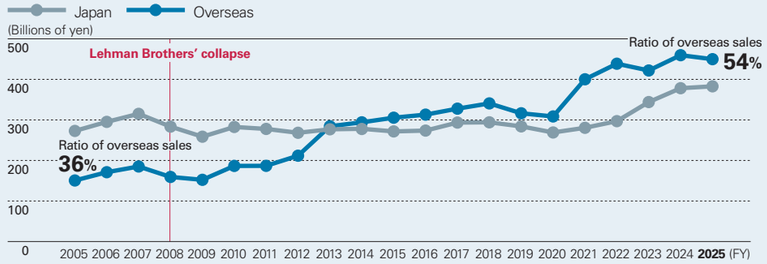
*1 In FY2019, the Housing & Eco Materials segment was integrated into the Chemicals segment.
The performance figures prior to FY2019 are also based on the revised categories.
*2 In FY2012, the Life Industry segment was established by integrating the life sciences-related elements of the Chemicals segment and the Food segment.
The performance figures for the Food segment prior to FY2012 are presented as the Life Industry segment.

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.

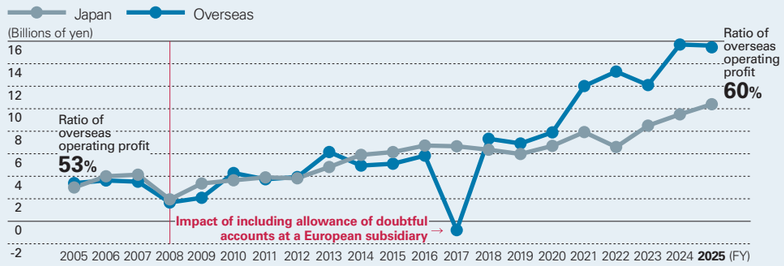
The Life Industry segment has been operating in the fields of food and advanced medicine in recent years and is expected to grow in the future.

Sales by domestic or overseas market



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

Operating profit (loss) by domestic or overseas market



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 49 years since, its overseas business has expanded, and the proportion of overseas sales has grown from 36% in FY2005 to 54% in FY2025.

Consolidated Subsidiaries and Affiliates (As of July 1, 2026)

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, food
▲ NIC 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
● Satoen Co., Ltd.	Japan	Shizuoka	Sale of tea and food
▲ 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
▲ Novacel Co., Ltd.	Japan	Tokyo	Research, development, production, and sale of resin compounds
● Maruishi Chemical Trading Co., Ltd.	Japan	Osaka	Sale of chemicals
● Maruishi Techno Co., Ltd.	Japan	Nagoya, Aichi	Sale of water treatment chemicals for air conditioning systems, maintenance of air conditioning equipment, sale of various paints
▲ Marukabu Sato Seicha Co., Ltd.	Japan	Shizuoka	Manufacture and sale of tea
Southeast Asia / India			
● Inabata India Private Ltd.	India	Gurugram (Delhi suburb)	Import & export and sale of synthetic resins, electronic materials, and chemicals
▲ PT. IK Precision Indonesia	Indonesia	Bekasi (Jakarta suburb)	Molding and processing of synthetic resins
▲ PT. Inabata Creation Indonesia	Indonesia	Bekasi (Jakarta suburb)	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 (Jakarta suburb)	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 (Manila suburb)	Compounding of resins
● Inabata Philippines, Inc.	Philippines	Binan (Manila suburb)	Sale of synthetic resins
● Inabata Singapore (Pte.) Ltd.	Singapore	Singapore	Import & export and sale of synthetic resins, electronic materials, and chemicals
▲ Novacel Singapore (Pte.) Ltd.	Singapore	Singapore	Research, development, production, and sale of resin compounds
▲ Apple Film Co., Ltd.	Thailand	Samut Prakan (Bangkok suburb)	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
● Maruishi Chemical (Thailand) Co., Ltd.	Thailand	Bangkok	Sale of chemicals
▲ Novacel (Thailand) Co., Ltd.	Thailand	Bangkok	Research, development, production, and sale of resin compounds
▲ SIK (Thailand) Ltd.	Thailand	Samut Prakan (Bangkok suburb)	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			
●▲ Inabata Industry & Trade (Dalian F.T.Z.) 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
▲ Novacel (Hong Kong) Ltd.	China	Hong Kong	Research, development, production, and sale of resin compounds
● Guangzhou Inabata Trading Co., Ltd.	China	Guangzhou	Import & export and sale of synthetic resins, machinery, electronic materials, and chemicals
● Shanghai Inabata Trading Co., Ltd.	China	Shanghai	Import & export and sale of synthetic resins and chemicals
▲ Shanghai Inabata Fine Chemical Co., Ltd.	China	Shanghai	Processing of coating materials
● 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 (San Francisco suburb)	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	Issy-les-Moulineaux (Paris suburb)	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

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
The Americas			
● Inabata Brazil Import and Export Ltd.	Brazil	Sao Paulo	Sale of chemicals and synthetic resins
Australia			
● Inabata Australia Pty. Ltd.	Australia	Brisbane	Export of roughage, etc., import and sale of resin products, etc.

Corporate Information (As of July 1, 2026)

Company name	Inabata & Co., Ltd.
Founded	October 1, 1890
Incorporated	June 10, 1918
Paid-in capital	9,364 million yen
Domestic offices	Osaka Head Office, Tokyo Head Office, Nagoya Office, Iwate Office, Shiojiri Office, Shizuoka Office, Hamamatsu Office, Hiroshima Office, Kyushu Office (Kirishima)
Overseas offices	Approximately 70 locations in 19 countries including Singapore, Bangkok, Jakarta, Shanghai, Hong Kong, Taipei, Los Angeles, New York, and Dusseldorf
Number of employees	Non-consolidated: 807 (including employees seconded to affiliated companies) Consolidated: 4,719 (As of March 31, 2026)
Independent auditor	KPMG AZSA LLC
Securities code	Tokyo Stock Exchange Prime Market 8098

Website

www.inabata.co.jp/english/

Organization

(As of July 1, 2026)



Investor Relations

We actively engage in dialogue with shareholders and investors to contribute to sustainable growth and enhance corporate value over the medium to long term.

(1) IR system

- The president is ultimately responsible for IR, and the director in charge of IR has also been appointed. Dialogue with shareholders and investors is conducted by the president, the director in charge of IR, and the IR Department.
- In cooperation with relevant departments within the Company, the IR Department collects and analyzes various management information and communicates it internally and externally in a timely and appropriate manner.

(2) IR activities

- Inabata handles meetings with investors positively and reasonably. We also respond to requests for meetings with independent directors where feasible.
- Inabata holds a briefing on financial results twice a year to explain the progress of the medium-term management plan and provide an overview of financial results.
- Inabata provides opportunities for dialogue with individual shareholders and investors through participation in IR events for individual investors, etc.
- Inabata actively provides information through its website, integrated report, shareholder newsletters, and notices of the 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 FY2025

Activity	Implemented
Financial results briefings	2 times
Individual meetings with institutional investors, analysts, etc. (including overseas)	62 times
Briefings for individual investors (participation in IR fair)	1 time
Participation in panel discussions for investors, including overseas investors	1 time

External Evaluation

Inclusion in indices (As of August 2026)

- JPX-Nikkei Index 400

JPX-NIKKEI 400
2023–2026

Note: For ESG-related index inclusion, please refer to page 126.

Other awards

We were selected for the AAA Website rating in the 2025 All Japanese Listed Companies' Website Ranking announced by Nikko Investor Relations Co., Ltd. We also received the Excellence Award in the Daiwa Internet IR Awards 2025 published by Daiwa Investor Relations Co., Ltd. In addition, we were recognized with the Best Company Award (Silver Award) in the Gomez IR Site Ranking 2025 and the Excellent Company Award in the Gomez ESG Site Ranking 2025, both announced by BroadBand Security, Inc.

企業ホームページ 最優秀サイト 2025 日興アイ・アール 総合部門

Internet IR 優良賞 2025 Daiwa Investor Relations

Gomez IR Site Ranking IRサイト総合ランキング 銀賞 2025年

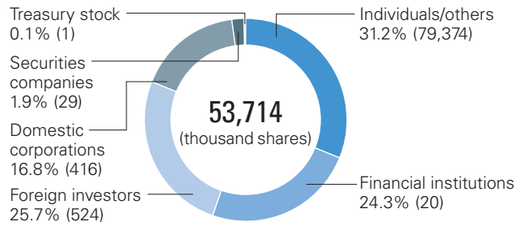
Gomez ESG Web Awards 2025

Stock Information (As of March 31, 2026)

Stock information

Total number of authorized shares	200,000,000
Number of shares issued and outstanding	53,714,127
Number of shareholders	80,364

Status of stock allocation by owners

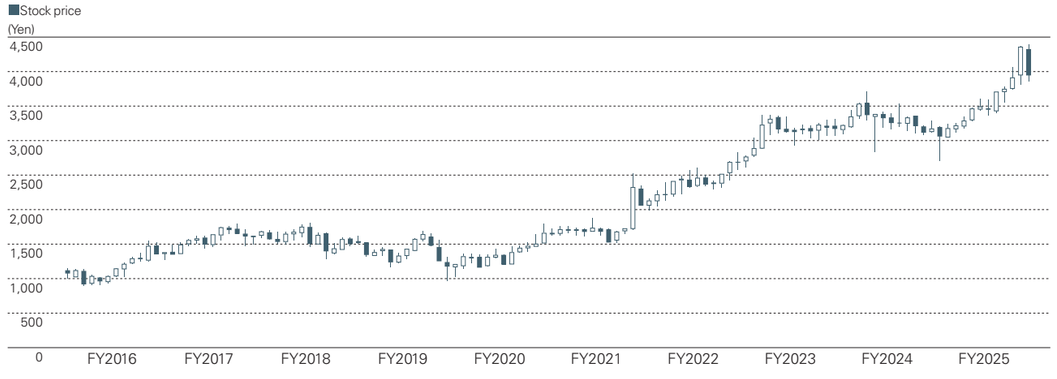


Principal shareholders (top 10)

Name of shareholder	Number of shares held (in thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	6,992	13.0
Sumitomo Chemical Co., Ltd.	5,591	10.4
Custody Bank of Japan, Ltd. (trust account)	3,445	6.4
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	843	1.6
RE FUND 107-CLIENT AC	798	1.5
STATE STREET BANK AND TRUST COMPANY 505001	725	1.4
Inabata Employee Shareholding Association	711	1.3
STATE STREET BANK AND TRUST COMPANY 505223	668	1.2
JP MORGAN CHASE BANK 385781	641	1.2
Custody Bank of Japan, Ltd. (trust account 4)	636	1.2

Note: Inabata & Co., Ltd. owns 77,714 shares of treasury stock, which are not included in the shareholding ratio calculation. However, 254,500 shares of Inabata & Co., Ltd. held by Custody Bank of Japan, Ltd. (trust account E) as trust assets under the Board Benefit Trust (BBT) system are excluded from the treasury shares and, therefore, included in the shareholding ratio calculation.

Stock price



Rating agency (Announced on August 21, 2025)

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