

# IK INABATA

**Corporate Profile** 



# Love (ai) and Respect (kei)

## Mission

People come first, based on the spirit of "love (ai)" and "respect (kei)," and together we strive towards contributing to the development of society

## Vision

To continually evolve, serving clients and society, through global operations and meeting their changing needs

## **IK Values**

- -To cherish integrity and respect for people (ethics)
- -To continually challenge the limits with high ideals, big dreams and great passion (aspiration)
- -To prize dialogue and teamwork, and to treasure professional growth of employees (organization)
- -To become the best partner of our clients, providing solutions from the clients' standpoint (role)
- To grow with people across borders, sharing and respecting diverse values with the aim of co-prosperity (symbiosis)

## Message from the President

We will enhance capabilities unique to a Japanese trading company to create value that meets the needs of our times.

Inabata was established in Kyoto in 1890 as an importer and seller of synthetic dyes, and it has since expanded with the chemicals business at its core. The Inabata Group now boasts a network of about 60 locations across 17 countries outside Japan, with overseas business accounting for over 50% of its consolidated net sales.

We have developed a long-term vision based on what we envision for our future to achieve sustainable growth while keeping pace with the acceleration of business globalization and market changes.

## Long-term Vision: IK Vision 2030 What Inabata envisions for its future around 2030

#### **Function**

Further enhancing multifaceted capabilities such as manufacturing, logistics and finance, in addition to trading.

## Sales and operating profit generated outside of Japan

70% or more

#### Scale of operation

Achieving more than 1 trillion JPY in consolidated sales at an early stage.

#### **Portfolio**

At least one-third of sales and operating profit from business segments other than the Information & Electronics and Plastics segments.

We will continue to create value that meets the needs of our times by providing highly advanced solutions that combine the various functions (such as sales, manufacturing, logistics, and finance) that we have cultivated over the 130 years since the founding of our company, along with the close collaboration of our bases around the world.

In addition, we are working on our mid-term business plan, New Challenge 2023 (NC2023), as the second stage toward shaping our long-term vision. We will stride ahead as a company needed by society and the customers by working toward achieving the mid-term business plan with an eye on the long-term vision.

#### Mid-term Business Plan NC2023: Key Strategies

- 1. Further development of core businesses and horizontal expansion into growth sectors
- 2. Multi-faceted approach to markets with potential for future growth and steady monetization efforts
- 3. Intensification of investment targeting future growth
- 4. Further upgrades to global management information infrastructure
- 5. Continuous review of assets and further improvement of capital and asset efficiency
- 6. Enhancement of human capital utilization efforts

We look forward to your ongoing support and encouragement.

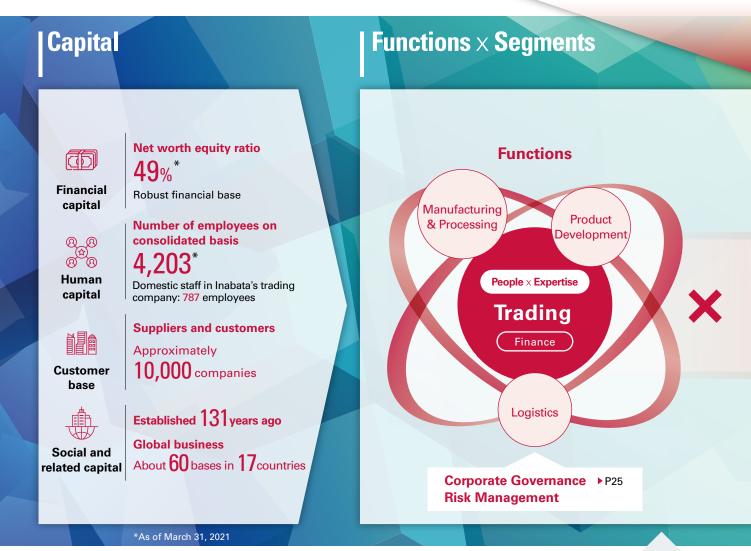




## **Our Company** The Process of Value Creation

We will strengthen our trading business with our human assets and highly specialized knowledge at the core and create new value by leveraging our multifaceted capabilities as a *shosha*, or Japanese trading company.

**Implementing** 



The Inabata Way of Corporate Governance

Honesty is the only way to earn trust of society

Money should be earned by hard work. We should steadily walk the tough path, without thinking about earning money by luck or speculation. Human beings must be honest. We must not rely on others. The only way to earn trust in society is to have a sincere heart.



Katsutaro Inabata
Founder

As our customers expand their global presence, our strength lies in our ability to provide specialized services by supplying them a wide range of materials that meet local needs. Our value creation originates from about 4,200 employees spread across about 60 bases in 17 countries around the world and knowledge gathered from our everyday business activities.

Our global-minded staff with highly specialized expertise in chemicals and other fields combine their advanced knowledge with various functions, such as manufacturing and processing, distribution, finance and product development, to resolve issues faced by customers and generate new businesses in different regions in the fields of Information & Electronics, Chemicals, Life Industry, and Plastics.

## our Mission



# The Inabata Way of Social Symbiosis

Participating in the development of society using our field of specialization

Our founder, an engineer who studied applied chemistry in his early years, valued conscience and despised fabrication. Such conscience is at the foundation of our company. The spirit and action that reflect our mission – contributing to the development of society through our fields of expertise – defines what we stand for.

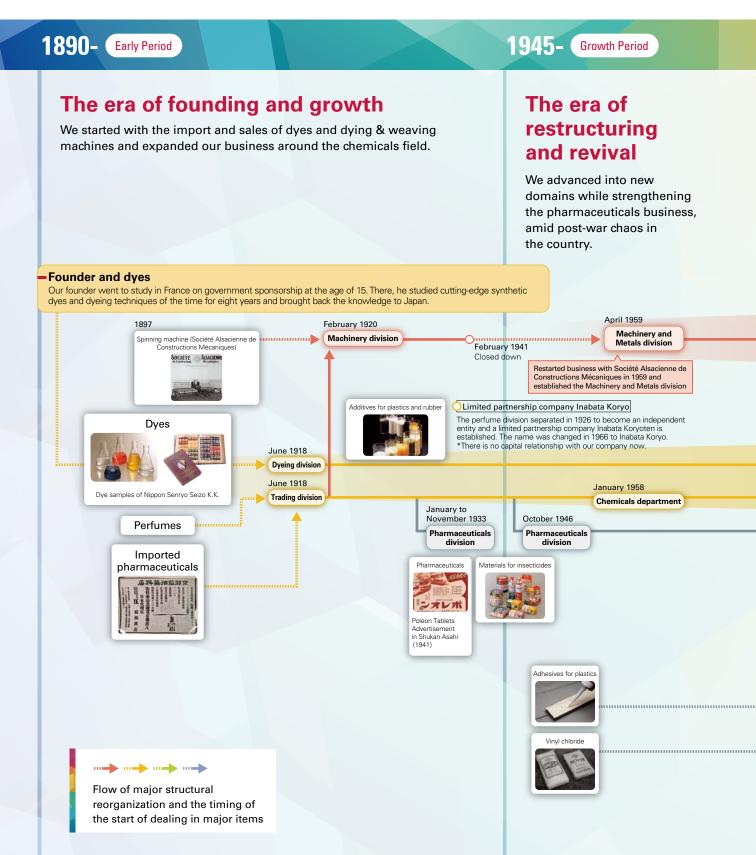


Katsuo Inabata Fourth President

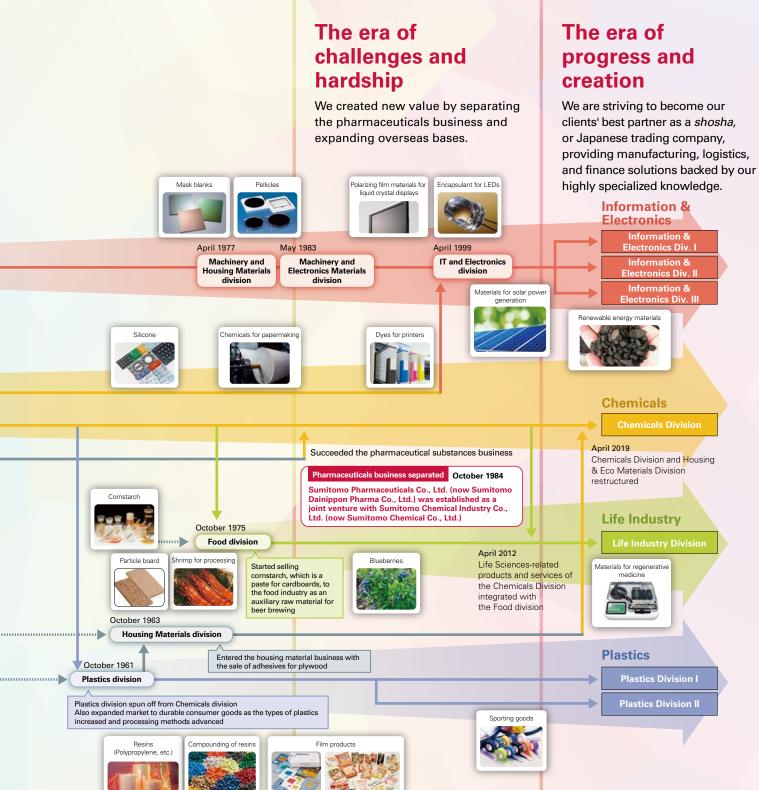
## **Our Company**

## The Evolution and Structural Reorganization of the Chemicals Business

Since starting from importing dyes in 1890, we have expanded our business around chemicals that form the foundation of all kinds of industries, responding to the changing needs of our clients and society.







## **Our Company** History of Global Expansion

Inabata's overseas business dates back over 110 years. We set up a branch in Tianjin, China to develop a market for dyes. We later expanded to Europe as well, establishing a representative office in Brussels, Belgium in 1937 as a general agency for Nippon Senryo Seizo K.K. From 1938, we set up bases in the Chinese cities of Mukden (now Shenyang), Shanghai, Tianjin, Qingdao, Dalian and Jinan, and Batavia (now Jakarta), Hanoi and Keijo (now Seoul) to sell dyes and

pharmaceuticals. We had expanded to a total of 13 bases in five countries before World War II. Even though we lost all our bases due to the war, we established our first post-war oversea subsidiary in Singapore about 30 years later in 1976. Nearly half a century since then, we have actively expanded our overseas business and have now built a network of about 60 bases in 17 countries, resulting in overseas sales amounting to over 50 percent of total sales.

#### **Overseas sales**

Overseas sales Unconsolidated sales

Notes: Financial statements consolidated from FY1991

Overseas sales rate refers to the proportion of sales by overseas bases located in each region

in consolidated sales

3/70 3/71 3/72 3/73 3/74 3/75 3/76 3/77 3/78 3/79 3/80 3/81 3/82 3/83 3/84 3/85 3/86 3/87 3/88 3/89 3/90 3/91 3/92 3/93 3/94 3/95 3/96 3/97

#### History of overseas expansion after World War II

1970s

**2** countries, **3** bases

1980s

9 countries, about 20 bases

1990s

11 countries, about 40 bases

#### Trading company Note: Photos are buildings in which our offices were launched.

#### 1976 Singapore

Established the first overseas sales base after World War II Inabata Singapore (Pte.) Ltd.



1978 U.S. (New York)

Inabata America Corp.



1987 Thailand (Bangkok)

Siam Inabata Co., Ltd. (now Inabata Thai Co., Ltd.)

1988 China (Hong Kong)

Inabata Sangyo (H.K.) Ltd.



1988 Belgium (Brussels)

> Inabata Europe S.A. (now Inabata Europe GmbH)

-Moved to Germany in 2013



1988 Malaysia (Kuala Lumpur)

Inabata Malaysia Sdn. Bhd.

1989 Taiwan (Hsinchu)

Taiwan Inabata Sangyo Co., Ltd.

#### Manufacturing and processing bases

#### 1978 Singapore

Established Sanvo-IK Color (Pte.) Ltd. through a joint venture with Sanyo Kako Company Ltd. for manufacturing plastic compounds. -Mergers with Inabata Singapore (Pte.) Ltd. in July 2013

This became the foundation for our key business of plastic compounds.



1987 Thailand (Samut Prakan) 1989 Philippines (Manila)

SIK (Thailand) Ltd.

1989 U.K. (Telford)

IK Precision Co., Ltd. -Liquidated in March 2006



SIK Philippines Ltd. —Liquidated in June 2012



1994 Malaysia (Johor)

SIK Color (M) Sdn. Bhd.

#### 1995 Indonesia (Bekasi)

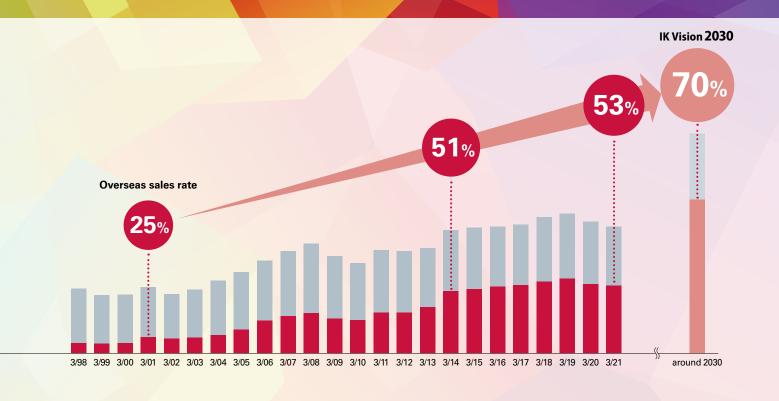
PT. S-IK Indonesia

#### 1995 China (Dongguan)

Sanyo-IK Color (H.K) Ltd. —Dormant

#### 2002 China (Dalian)

Inabata Industry & Trade (Dalian F.T.Z.) Co., Ltd.



**2000–2009 15** countries, about **70** bases

**2010–2021 17** countries, about **60** bases

#### 1990 France (Paris)

Inabata France S.A.R.L. (Now Inabata France S.A.S.)



1991 Indonesia (Jakarta)

PT. Inabata Indonesia

1996 China (Shanghai)

Shanghai Inabata Trading Co., Ltd.

1998 Philippines (Manila)

Inabata Philippines, Inc.

#### 2000 U.K. (London)

Inabata UK Ltd.



2006 South Korea (Seoul)

Inabata Korea & Co., Ltd.

2006 Poland (Torun)

Inabata Poland SP. z o.o.

—Liquidated in February 2014

2008 Vietnam (Hanoi)

Inabata Vietnam Co., Ltd.

#### 2008 India (New Delhi)

Inabata India Private Ltd.



2010 Switzerland (Zug)

Inabata France S.A.S., Lisses, Zug Branch —Liquidated in December 2011

Inabata Mexico, S.A. de C.V.

2012 Mexico (Queretaro)

2013 Myanmar (Yangon)

Inabata Thai Co., Ltd., Yangon Branch

#### 2013 Turkey (Istanbul)

Inabata Singapore (Pte.) Ltd., Istanbul Representative Office

#### 2013 Brazil (Sao Paulo)

Inabata Brazil Import and Export Ltd.

#### 2013 Germany (Dusseldorf)

Inabata Europe GmbH

#### 2015 UAE (Dubai)

Inabata Europe GmbH Middle East (Branch) —Closed in June 2019

2003 Vietnam (Haiphong) SIK Vietnam Co., Ltd.

2006 France (Normandy)

Pharmasynthese S.A.S.



### 2007 China (Shanghai)

Shanghai Inabata Fine Chemical Co., Ltd.

#### 2008 Mexico (Monterrey)

NH Inabata, S. de R.L. de C.V.

#### 2009 Mexico (Tijuana)

IK-Tech de Mexico, S. de R.L. de C.V. —Liquidated in March 2016

#### 2009 Indonesia (Bekasi)

PT. Inabata Creation Indonesia

#### 2012 Mexico (Silao)

IK Plastic Compound Mexico, S.A. de C.V.

#### 2013 Philippines (Biñan)

IK Plastic Compound Phils. Inc.

#### 2013 Vietnam (Da Nang)

Apple Film Da Nang Co., Ltd.



#### **Our Business**

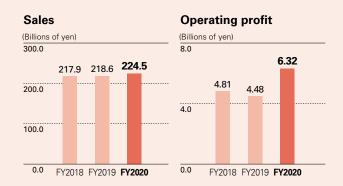
Our business is divided into seven divisions in the four segments of Information & Electronics, Chemicals, Life Industry, and Plastics.



## **Information & Electronics**

With LCD components, materials for digital printing, materials for semiconductors and other products as our income-generating pillars, we are also venturing into new fields such as agriculture, automobiles and life sciences. We are also increasing our achievements in IoT and renewable energy-related products, which are expected to grow in the near future.

Information & Electronics Division I → P10
Information & Electronics Division II → P11
Information & Electronics Division III → P12

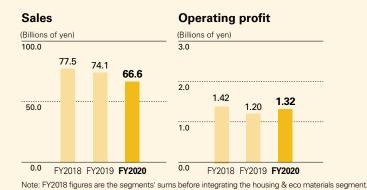




### **Chemicals**

With firm roots in our founding business of dyes, we deal in chemicals that serve as a platform for all kinds of industries. Multiple businesses with growth potential have spun off from the chemicals segment. We paved our way into global markets when the domestic market matured. In April 2019, we integrated the Housing & Eco Materials Division, which was dealing with materials that are close to final products, to provide optimum products and services to the entire value chain.

Chemicals Division ▶ P13





## Life Industry

After handing over the pharmaceuticals business to Sumitomo Pharmaceuticals Co., Ltd. (now Sumitomo Dainippon Pharma Co., Ltd.) in 1984, we focused on dealing in pharmaceutical substances as our main business. We began dealing in food products by providing cornstarch to the food industry. In 2012, we started the life industry segment because we believe that medical products as well as food products contribute to creating a healthier and more comfortable life for consumers.

Life Industry Division ▶ P14



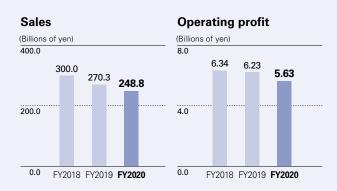


#### **Plastics**

We started dealing in imported vinyl chloride resin in 1949 and, in 1959, became the first in Japan to import and sell polypropylene. Currently, we sell everything from commodity resins and high-performance resins for various fields such as automobiles, home appliances, office automation (OA) equipment, soft packaging for food and sporting materials. As the plastic waste problem intensifies, we are also striving to develop products focused on biomass materials such as biodegradable plastics and composite of CNF and plastic.

Plastics Division I ▶ P15

Plastics Division II ▶ P17







## **Information & Electronics Division I**

## Exploring new businesses centered on FPDs

The Information & Electronics Division I provides services to a wide array of customers all over the world with a global supply chain it has built through its business in the flat panel display (FPD) industry dealing mainly in LCDs and organic LEDs (OLEDs), as well as the LED-related industry.

Our major strengths are our capability to propose ideas that leverage our global network based on our highly

specialized knowledge, in addition to building processing and distribution networks for supply of competitive materials and other products.

Keeping business with existing customers at the core, we seek to expand into new fields, such as semiconductors and electronics components along with FPDs, by strengthening relations with clients in Japan and other countries.

#### **Products & Services**

#### Sales Department I

We leverage our long-standing network in the industry to provide timely services tailor-made to our customers' requirements.

#### Products

Polarizing films, materials for polarizing films, alignment layer materials, color resist, materials for backlights, materials for OLEDs, driver ICs, materials for non-woven masks, etc.

#### Sales Department II

We handle a wide variety of products such as displays, device manufacturing equipment, plastic for LED encapsulants and materials for display parts. We are also focused on automotives, and semiconductor related products.

#### Products

Encapsulants for LEDs, materials for special-use tape, devices related mainly to LCDs and OLEDs.





## Information & Electronics Division II

# Harnessing our strengths as a *shosha* to expand digital printing and imaging business

The Information & Electronics Division II provides a wide range of materials for the digital printing industry, such as inkjet, electrophotography, and 3D printers, as well as for various imaging-related businesses. We also propose unique ideas to customers, based on our highly specialized knowledge of the industry, which we have cultivated over our long history. We work closely with the Inabata Group companies throughout the world to provide customers with a wide variety of services, including distribution management.

Additionally, we are developing business in new fields. In the agriculture field, we are developing new products and services to improve farmers' productivity and proactively promoting overseas expansion. In the automobile field, we are leveraging decorative film and a unique decorating technology called the 3D overlay method (TOM).

#### **Products & Services**

#### Sales Department I

We sell materials for toners and materials for peripheral components to the electrophotography industry. We also sell 3D printer-related products and film-related materials. We have also entered new fields such as agriculture.

#### **Products**

#### Materials for toners, developers

Resins, pigments, wax, various additives, etc.

#### Various functional materials

Silicone products, lubricants, film materials, anti-static coating agents, conductive coating agents, filament materials for 3D printers, etc.

#### Agriculture

Various agricultural products, animal feeds, dairy-related materials.

#### Sales Department II

We sell materials for ink and materials for peripheral components to the inkjet printer industry.

#### **Products**

#### Ink ingredients

Dyes, pigments, solvents, resins, various additives

#### Others

Resins, film products, molded components, etc.

#### Sales Department III

We sell materials and equipment for products related to imaging, semiconductors, automobiles, and life science.

#### Products

#### **Optical film materials**

Resin additives, plasticizers, various functional additives, etc.

#### Various functional materials

Materials for semiconductors, photographic chemicals, printing plates, ceramic materials, high-performance resins (including resin processing), and various intermediates (including custom synthesis), etc.

#### Materials related to decorative films

Various films for automobiles, building materials, and home appliances, as well as 3D overlay method (TOM) forming machines, etc.





## Information & Electronics Division III

# Strengthening businesses in renewable energy, IoT, and other growth markets

The Information & Electronics Division III provides highly specialized solutions that cover a wide range of activities, from supplying raw and processing materials to manufacturing products, in various fields such as renewable energy, semiconductors and electronics components, and industrial materials. We make meticulous efforts to meet customer needs. Our extensive global network enables us to source optimum materials. Our services include vendor managed inventory (VMI), utilizing our strengths as a trading company.

To strengthen business in the growth markets, we are expanding our products and materials in the renewable

energy field such as fuel cells, devices for generating hydrogen, blades for wind turbines, and equipment and fuels for biomass power generation, with solar cells as well as lithium-ion battery materials and components as the core. We are also building various IoT services, starting with a meter monitoring service using low-power wide-area network (LPWA) wireless communication technology, for the expanding IoT market.

We will continue to strive to develop human resources with specialized knowledge and skill, as well as strengthen our global network. Our goal is to serve as a solution provider to resolve the problems faced by our customers.

#### **Products & Services**

#### Sales Department I

We sell various industrial products.

#### Products

#### Various industrial, electronics, and optics materials

Functional films (industrial, electronics, and optics use), tape and tape materials (base materials, liners, and various chemicals), silicon (adhesives, release coatings, catalysts), hygienic supply materials (non-woven fabric, etc.), fluorine resins, phosphorescent materials, transparent polyamide materials, smart card materials, 3D sensors and sensor materials, industrial robots, wireless chargers, materials related to 5G technology, paper printing

#### Sales Department II

We sell semiconductor-related materials, electronic device materials, and various industrial materials.

#### Products

#### Semiconductor and electronics peripheral components

Mask blanks (semiconductors, photomask molds for FPD), pellicles (anti-dust cover to protect photomasks), compound semiconductor wafers, Bottom Anti-Reflective Coating (BARC), semiconductor encapsulants and their materials, dicing tapes, semiconductor wafer coating materials, high-purity aluminum, Bayer processed aluminum, various sensor materials

#### Components for processing equipment

Susceptors

#### Sales Department III

We sell products and materials for energy-related fields such as energy generation, energy storage and energy conservation as well as environmental materials.

#### **Products**

#### **Energy generation**

Solar power generation system peripheral components (solar panels, power inverters, mounting structures), photovoltaic materials (silver paste, encapsulants, silicon adhesives), wind power system (small wind turbine, power inverters), hydrogen energy (AEM electrolysers, fuel cells), biomass power generation (biomass power generators, biomass fuel)

#### **Energy storage**

Lithium-ion battery materials, battery manufacturing equipment, capacitor materials

#### **Energy conservation**

Containerized micro data centers, low-power storage servers, IoT systems

#### **Environmental materials**

Components for motors and generators, components for inverters and converters, fluorine resin films for agriculture, highly biodegradable electrical insulation oil





### **Chemicals Division**

# Providing a wide range of materials catering to industrial products, automobiles, and housing

The Chemicals Division leverages our advantages as a trading company with manufacturing and processing bases to offer optimum products, materials, and services to customers, by creating synergy between the three chemicals departments that handle the upstream to midstream value chain, and the Housing Materials Department, which deals with the downstream, closer to the final product.

The Specialty Chemicals Department mainly sells materials and intermediates for the industry related to petrochemicals, such as plastics, urethane, and fibers.

The Performance Chemicals Department provides a wide range of materials, such as additives and solvents, to the mainstay paints, inks, and adhesives industries. The Mobility Chemicals Department sells friction, gasket, tire, thermal interface, and other materials used in automobiles as well as ships and aircraft. In addition, the Housing Materials Department deals in eco-friendly building materials required by the housing, housing materials, and housing equipment industries, as well as particle board, lumber, housing equipment, plastic products and their materials.

#### **Products & Services**

#### **Specialty Chemicals Department**

We sell, manufacture on contract, and process materials and intermediates for the plastic, urethane, synthetic fiber, and fine chemical industries. We support eco-friendly procurement in line with business continuity plans (BCPs). We also provide materials for papermaking and cardboards, as well as materials for data recording papers.

#### Products

Synthetic resin and fiber materials, catalysts, antioxidants, ultraviolet absorbents, solvents, polymerization initiators, functional resins, health care products, materials for data recording papers, raw materials for polyurethane form, products for pipelines, materials for social infrastructure and engineering, etc.

#### **Performance Chemicals Department**

We provide a wide range of resins and coating materials for the paint, ink, and adhesive industries.

#### Products

Resins, resin materials, anti-foaming agents, anti-fouling agents, viscosity modifiers, pigments, etc.

#### **Mobility Chemicals Department**

We sell materials for automobile parts and chemicals.

#### **Products**

Thermal interface and its raw materials for electric vehicle (EV), friction materials, materials for gaskets and tires, materials for airbags, display parts for automobiles

#### **Housing Materials Department**

We sell a wide range of materials and products for housing, housing material, and housing equipment manufacturers. We import and sell materials for laminated timber makers, and export and sell products in overseas markets.

#### **Products**

Particle boards (fiber board), home interior products, home exterior products, plumbing products, adhesives for wooden boards, molded plastic products, etc.

#### Import products and materials

Materials for laminated timber, laminated veneer lumber (LVL), wood chips, etc.

#### Export products and materials

Wood-plastic composite (WPC) decks and home exterior products, resins for housing equipment, etc.





### **Life Industry Division**

# Pursuing food and life science businesses that lead to healthy, comfortable lifestyles

The Life Industry Division is expanding two of its business areas, the food business, which handles marine and agricultural and marine products, and the life science business, which mainly deals in materials for pharmaceuticals and agrochemicals, insect repellants and insecticides, air fresheners and deodorants.

Our life science business offers total solutions ranging from the manufacturing of ingredients and intermediates of pharmaceuticals and agrochemicals overseas, procurement of equipment and materials for advanced medicine, custom synthesis, pharmaceutical distribution services, to the planning and development of household items.

In the food business, we not only import and sell safe and reliable agricultural and marine products from around the world, but also grow blueberries in Japan's Hokkaido Prefecture and process marine products in Vietnam. Our business covers a wide area from upstream to downstream.

Our division is also focused on strengthening the global business. We export final products, such as daily goods and products of private brands. We are also striving to market Japanese food products, such as *nori* seaweed and *wasabi*, overseas, and conduct three-country business.

#### **Products & Services**

#### **Life Science Department**

We support global material procurement for everything from daily goods to pharmaceuticals used in various scenes in the life sciences field. We also provide total solutions for building supply chains for varied types of products.

#### Producte

#### Pharmaceutical, advanced/regenerative medicine, chemical industries

Pharmaceutical substances and intermediates, equipment and processing materials for regenerative medicine, special reagents for chemical synthesis, catalysts, and other fine chemical materials

#### Insect repellent, insecticide industries

Substances for insect repellents and insecticides, solvents, other fine chemicals

#### Home product industry

Materials for daily goods, cosmetic substances, functional food and health drinks, other fine chemicals

#### **Food Department**

We provide safe and secure agricultural products and marine products to the world, under the motto of "from visible producers to visible consumers." We also generate new business in a wide range of fields and regions, from upstream to downstream, such as growing blueberries in Hokkaido, and processing marine products in Vietnam.

#### Products

#### **Agricultural products**

Frozen fruits such as blueberries, mangos, grapes and strawberries Frozen vegetables such as spinach, broccoli, *kabocha* squash, and burdock

#### Marine products

Fish slices, shrimp, crabs, shellfish, squid, whitebait, wakame seaweed, etc.





## Plastics Division I

# Growing with our customers as a partner providing creative solutions

In the Plastics Division I, the Polymer Department I and the Polymer Department II deal in daily goods as well as commodity plastics for building and engineering materials. The Performance Plastics Department deals in high-performance resins and related materials for home appliance, office automation (OA) equipment as well as electric and electronic products. The Automotive Products Department I and the Automotive Products Department II deal in plastic compounds and high-performance resins for automobiles and motorcycles.

We operate a total of seven plastic compounding factories in Asia and Mexico, providing comprehensive support from material selection to processing. We are continually improving our service overseas by placing plastic specialists at key locations, fostering people with highly specialized knowledge, and proactively promoting

local staff to managerial positions. Operating our own warehouses enhances our logistics. Stronger overseas bases allow us to provide meticulous support to customers who wish to begin production abroad. We are determined to reinforce our manufacturing bases and processing technologies using our development capabilities and techniques. We are also keen to form joint ventures and collaborate with businesses in diverse fields.

Providing products and services that contribute to environmental conservation and safety is our major concern. Nurturing people with strong expertise is one of our priorities. We are determined to be a partner that provides creative solutions and to foster mutual growth with our customers.

#### **Products & Services**

#### Polymer Department I, Polymer Department II

We sell plastics, molded plastic products and machinery for use with building materials, engineering materials, daily goods, automotive components, electrical materials, food containers, and medical supplies to a wide range of industries around the world.

#### **Products**

Vinyl chloride plastics, plasticizers, additives, commodity resins (olefin type, styrene type, PET resins), various compounds, various elastomers, engineering plastics, synthetic rubbers, plastic products (profile extrusion products, film and sheets, packaging materials), machinery

#### **Performance Plastics Department**

We offer an optimized supply of plastic materials globally with a focus on office automation (OA), home appliance as well as electric and electronic product markets. We act as a coordinator between clients and suppliers. For Japanese customers planning for global expansion, we offer support through market surveys and by providing information such as on labor and legal issues.

#### Products

From commodity plastics to super engineering plastics, molding machines and auxiliary equipment, laser welding machines, specially molded plastic products and related materials, recycling materials

#### Automotive Products Department I, Automotive Products Department II

We provide comprehensive solutions for plastic materials, logistics, and financing for manufacturing equipment, mainly targeting the auto market.

#### Products

From commodity plastics to super engineering plastics, molding machines and auxiliary equipment, laser welding machines, heat dissipating products, specially molded plastic products

#### **Business Development Department**

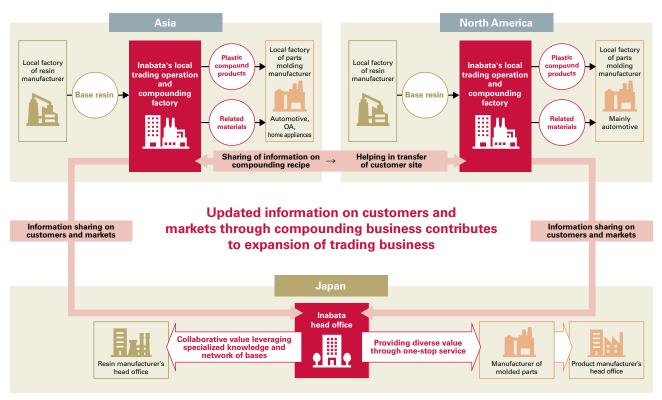
We leverage our expertise and knowledge to provide comprehensive support for manufacturing, from material selection to special molding techniques, processing, and products.

#### Product

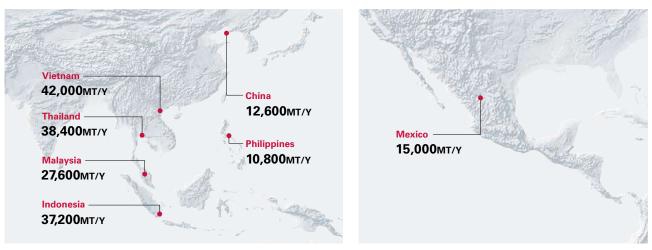
Technology to join materials of different substances, "impact-processed" aluminum products, composite of cellulose nanofiber (CNF) and plastic, biodegradable plastic, biomass plastic, non-woven fabric material for masks and industrial use, various machines such as molding machines and mixing machines, support for streamlining waste treatment



## **Business model for the plastic compound business**



## Annual production capacity of resin compounds (MT/Y) Note: As of July 1, 2021



7 locations in 7 countries Total annual production: 183,600MT/Y





## **Plastics Division II**

## Providing total solutions for films and sheets

The Plastics Division II is involved in planning, selecting materials, manufacturing and processing films and sheets, in addition to the planning of the final products as well as mostly everything related to packaging materials. We handle a wide range of products including industrial products such as polyethylene resins and film products. We also deal in films for processing, laminated products, resin for sheets and molded products, and materials for sporting goods.

We have three manufacturing subsidiaries and one sales and marketing subsidiary in Japan. We also operate factories in Thailand, Indonesia, and Vietnam. As a shosha, or Japanese trading company, we are capable of providing a comprehensive solution from procurement of materials to molding products in addition to sales and marketing services.

As a "comprehensive packaging planner" in the film industry, we will continue to take Japan's high-quality film products to the world and support overseas expansion of Japanese processors. We are also looking into a new business of finding overseas film products equivalent to the quality of Japanese products and importing them to Japan.

#### **Products & Services**

#### **Industrial Materials Department**

We sell various domestic and imported polyolefin resins, film products and non-woven fabric products, as well as manufacture and sell recycled plastic and products.

#### Products

Domestic and imported polyolefin resins (LLDPE, HDPE, LDPE, recycled plastic), PE film products, and their recycled products, hygienic supply products such as non-woven fabric and anti-viral films

#### Film & Performance Materials Department

We sell various plastic films (packaging materials, industrial materials) and processed film products.

#### Products

Domestic and imported films for lamination, laminated products, domestic and imported films for industrial materials, materials for eco-friendly plastic

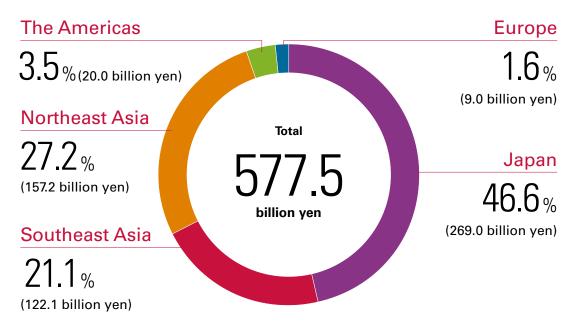
#### **Sheet & Molding Materials Department**

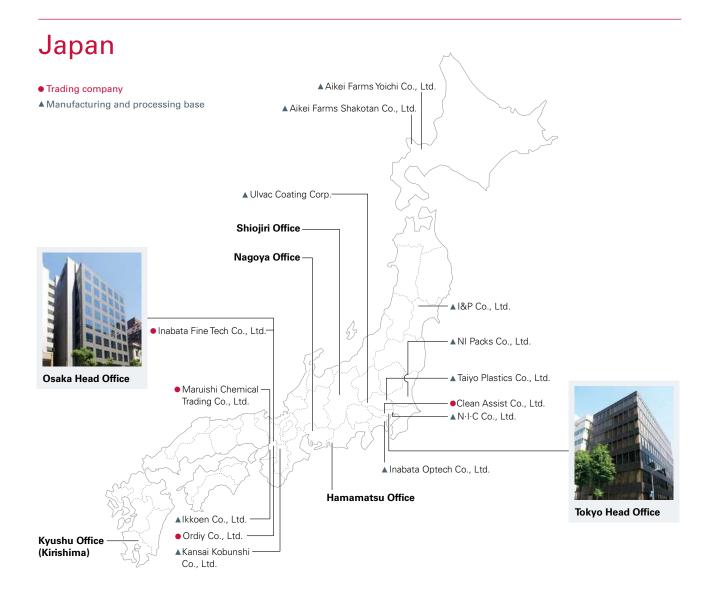
We sell various sheets, from raw materials to molded products, and materials and products for sporting goods.

#### Products

Resins for sheets (PP, PS, and PET), various resin sheets and molded products (PP, PS, PET), sporting goods (over-grips for tennis, badminton, and baseball, vibration-absorbing materials for tennis rackets, general sports accessories)

#### Sales by geographical segment (FY2020)





## Southeast Asia and India

122.1 billion yen

Operating profit 3.7 billion yen

Consolidated number of employees 2.473

#### We have 10 manufacturing and processing bases in the region and are focused on expanding business in each segment.



Shinya Kawai **Executive Officer** General Manager, Southeast Asia

Southeast Asia is an important region where our processing bases for plastic compound, our key business, are concentrated. We produce plastic compound products, mainly for the three major fields of electric and electronic products, office automation (OA), and automobiles and motorcycles, at 28 bases across nine countries. In the future, we seek to expand our business in the automotive field, which is rapidly growing in Southeast Asia, while also focusing on developing new products and materials for the fields of energy, agriculture, and food products. Within the energy field, we particularly wish to work on products and materials to reduce environmental impact and generate solar power.

#### Major businesses

- Plastics for automobiles, home appliances, OA equipment
- Materials for printers
- Rubber materials and additives for the automotive industry
- · Materials and products for packaging



#### Focus

#### Supply of biomass materials

As part of expanding our lineup of products that reduce environmental load, a key initiative in our mid-term business plan, we began dealing in biomass ingredients used as power generation fuel for power companies in Japan. We also connected the plastic compound function in Thailand and the manufacturing and processing function in our domestic and overseas Group companies to develop trash bags containing biomass ingredients. As a trading company dealing in resin products, we will continue to offer products and materials that give due consideration to the environment.

## Northeast Asia

Sales 157.2 billion ven

Operating profit 2.6 billion yen

Consolidated number of employees 461

We are expanding Inabata's core businesses by harnessing our network spread over 19 cities in China, Taiwan, and South Korea.



Kazuhiro Hanaki **Executive Officer** General Manager, Northeast Asia

In this core region that accounts for 27% of our consolidated sales, we offer businesses leveraging our network spread over 19 cities in China, Taiwan, and South Korea. Starting mainly with flat panel display components, we are focused on plastics for automotive, OA, and electric and electronic products. We expect further increase in profits in our China business, where we seek to proactively invest our management resources in growth sectors, such as semiconductors, 5G, sensors and robots.

#### Major businesses

- Plastics for automobiles, and OA equipment
- Components for flat panel displays
- Functional chemicals compliant with environmental regulations

## Focus

#### Set up distribution infrastructure in emerging countries

With the rapid spread of IoT technology, DX is accelerating in each field and there is a spotlight on ZETA\*, a next-generation low-power wide-area (LPWA) technology. Inabata Hong Kong joined hands with Techsor Inc. and ZiFi Sense Info Tech Co., Ltd. in March 2021 to provide ZETA products, technology, and solutions globally.

\*ZETA is a standard for the latest IoT compliant low-power wide-area (LPWA) network developed by ZiFi Sense Info Tech Co., Ltd.



## The Americas

Sales 20.0 billion yen

Operating profit 0.4 billion yen

Consolidated number of employees 768

#### In addition to our businesses in the United States and Mexico, we are working toward expansion in South America with a focus on Brazil

We are involved in businesses in the automotive, energy, food products and medical fields, which are our key areas. We mainly deal in electronics materials, digital printing materials and functional chemicals. In addition to selling plastics for the automotive industry in Mexico, we are also expanding our plastics business to Central and South America through expansion in home appliance and aviation industries among others. In Brazil, we are focused on selling plastics for automobiles and motorcycles, and functional chemicals.

#### Major businesses

- Electronics materials (including semiconductors)
- · Digital printing material (inkjet, toner)
- Functional chemicals
   Plastics for the automotive industry
- Processed products in agriculture and marine industries
- Components related to the energy industry
- Pharmaceutical ingredients



#### Processed food business in the US

In April 2020, we integrated our food business in North America with Group company DNI Group Inc. We seek to focus on processed agricultural products and developing new products, while expanding our existing business in processed marine products for the growing U.S. market.



## Europe

Sales 9.0 billion yen

Operating profit 1.0 billion yen

Consolidated number of employees 66

#### We operate businesses centered on chemicals, energy, automobiles, life sciences and other fields, taking advantage of our unique mobility.

In Europe, we deal in a wide range of products in various segments, such as inkjet ingredients, energy-related products, automobile components and functional chemicals. Our Group companies manufacture and sell medical products, materials for cosmetics and other products in France. In the future, we also seek to focus on businesses in the environmental sector, such as selling thermal interface materials for the EV battery field and developing plant-based materials for the cosmetics field.

#### Major businesses

- Inkjet products and materials
- Various materials for secondary cells
- Pharmaceutical ingredients materials for cosmetics
- Functional chemicals



#### Developing products for the medical and cosmetics fields

Our Group company Pharmasynthese S.A.S manufactures pharmaceutical ingredients and materials for cosmetics and cosmetics and is developing allergy drugs in the medical field. In the cosmetics field, we plan to launch plant-based materials effective in moisturizing, anti-oxidizing, and alleviating atopy.

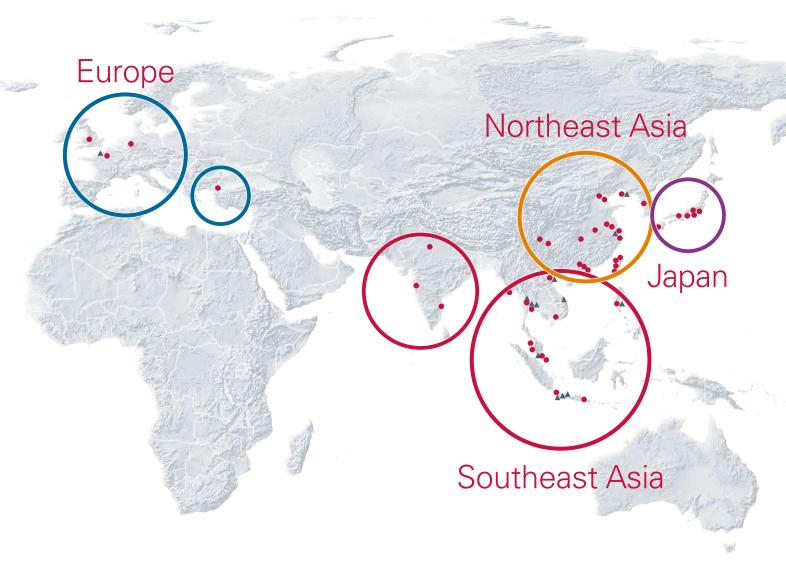


<sup>\*</sup>Figures for sales and operating profit are based on FY2020, and the consolidated number of employees is as of March 31, 2021.

## **Global Network**

# Inabata's network extending across about 60 bases in 17 countries worldwide

■ Trading company
 ▲ Manufacturing and processing base

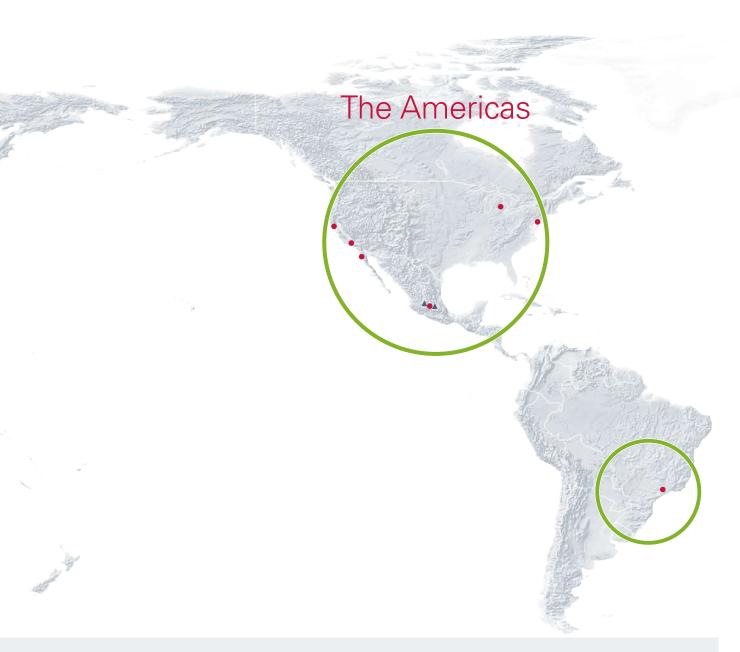


#### Southeast Asia and India Europe Germany --- Dusseldorf **Singapore** Thailand --Bangkok France ---- Wissous Malaysia ..... Kuala Lumpur

Samut Prakan (suburb of Bangkok) (suburb of Paris) Penang, Johor Ayutthaya Normandy

Indonesia ..... Jakarta, Surabaya Sriracha Telford Bekasi (suburb of Jakarta) U.K. -----(suburb of Laem Chabang) (suburb of Birmingham)

Philippines --- Binan (suburb of Manila) Myanmar ---- Yangon Turkey ----- Istanbul Vietnam ----- Hanoi, Ho Chi Minh City India ----Gurugram (suburb of Delhi) Haiphong, Da Nang Chennai, Pune



Northeast Asia		Japan	The Americas	
China	Hong Kong, Shanghai Wuxi, Ningbo, Chengdu Nanjing, Hefei, Chongqing Beijing, Dalian, Tianjin	Tokyo, Osaka, Nagoya Shiojiri, Hamamatsu, Kirishima	United States — New York Los Angeles Detroit Novato (California)	
	Guangzhou, Wuhan Shenzhen		<b>Mexico</b> ———— Queretaro Tijuana	
Taiwan	Hsinchu, Tainan Taichung, Taipei		Silao  Brazil Sao Paulo	
South Kore	<b>a</b> Seoul		300 10010	

## **Consolidated Subsidiaries and Affiliates**

#### **Consolidated subsidiaries**

● Trading company ▲ Manufacturing and processing base

Corporate Name		Countries a	nd Regions	Business
Jap	oan			
<b>A</b>	I & P Co., Ltd.	Japan	Osaki, Miyagi	Molding and processing of synthetic resins
<b>A</b>	Ikkoen Co., Ltd.	Japan	Sakai,Osaka	Processing and sale of marine products
•	Inabata Fine Tech Co., Ltd.	Japan	Osaka	Sale of chemicals
<b>A</b>	N · I · C Co., Ltd.	Japan	Tokyo	Processing and sale of plastic film products
•	Ordiy Co., Ltd.	Japan	Osaka	Processing of plastic film products and packaging materials, design and marketing of supplementary equipment and systems
<b>A</b>	Kansai Kobunshi Co., Ltd.	Japan	Yamato-Koriyama, Nara	Manufacturing of plastic films
<b>A</b>	Taiyo Plastics Co., Ltd.	Japan	Hasuda, Saitama	Manufacturing of plastic films
So	utheast Asia / India			
•	Inabata India Private Ltd.	India	Gurugram (suburb of Delhi)	Import & export and sale of synthetic resins electronic materials and chemicals
<b>A</b>	PT. IK Precision Indonesia	Indonesia	Bekasi (suburb of Jakarta)	Molding and processing of synthetic resins
<b>A</b>	PT. Inabata Creation Indonesia	Indonesia	Bekasi (suburb of Jakarta)	Processing of grip tapes for tennis rackets
•	PT. Inabata Indonesia	Indonesia	Jakarta	Import & export and sale of synthetic resins and chemicals
<b>A</b>	PT. S-IK Indonesia	Indonesia	Bekasi (suburb of Jakarta)	Compounding of resins
•	Inabata Malaysia Sdn. Bhd.	Malaysia	Kuala Lumpur	Import & export and sale of synthetic resins
<b>A</b>	SIK Color (M) Sdn. Bhd.	Malaysia	Johor	Compounding of resins
<b>A</b>	IK Plastic Compound Phils. Inc.	Philippines	Binan (suburb of Manila)	Compounding of resins
•	Inabata Philippines, Inc.	Philippines	Binan (suburb of Manila)	Sale of synthetic resins
•	Inabata Singapore ( Pte.) Ltd.	Singapore	Singapore	Import & export and sale of synthetic resins chemicals and electronic materials
<b>A</b>	Apple Film Co., Ltd.	Thailand	Samut Prakan (suburb of Bangkok)	Manufacturing of plastic films
<b>A</b>	Hi-Tech Rubber Products Co., Ltd.	Thailand	Ayutthaya	Molding and processing of rubber products
•	Inabata Thai Co., Ltd.	Thailand	Bangkok	Import & export and sale of synthetic resins chemicals, food, and machinery
<b>A</b>	SIK (Thailand ) Ltd.	Thailand	Samut Prakan (suburb of Bangkok)	Compounding of resins
<b>A</b>	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
<b>A</b>	SIK Vietnam Co., Ltd.	Vietnam	Haiphong	Compounding of resins
No	rtheast Asia			
•	Guangzhou Inabata Trading Co., Ltd.	China	Guangzhou	Import & export and sale of synthetic resins, machinery, electronic materials and chemical
•	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 chemical
<b>A</b>	Shanghai Inabata Fine Chemical Co., Ltd.	China	Shanghai	Processing of coating materials
•	Shanghai Inabata Trading Co., Ltd.	China	Shanghai	Import & export and sale of synthetic resins and chemicals

Corporate Name	Countries and Regions		Business
<ul> <li>Inabata Korea &amp; Co., Ltd.</li> </ul>	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
<ul> <li>Inabata Mexico, S.A. de C.V.</li> </ul>	Mexico	Queretaro	Sale of synthetic resins, food and chemicals
▲ NH Inabata, S. de R.L. de C.V.	Mexico	Queretaro	Installation, distribution and maintenance of overhead traveling cranes
DNI Group, LLC	U.S.	Novato (California)	Import & export and sale of food
Inabata America Corp.	U.S.	New York	Import & export and sale of chemicals, electronic materials, food, and synthetic resins
Europe			
Inabata France S.A.S.	France	Wissous (suburb of Paris)	Import & export and sale of chemicals
▲ Pharmasynthese S.A.S.	France	Normandy	Manufacturing of pharmaceuticals, materials for cosmetics, and fine chemicals
Inabata Europe GmbH	Germany	Dusseldorf	Import & export and sale of electronic materials, chemicals, and synthetic resins
Inabata UK Ltd.	U.K.	Telford (suburb of Birmingham)	Property management, warehousing

## **Equity-method affiliates**

Corporate Name	Countries and Regions		Business
▲ Ulvac Coating Corp.	Japan	Chichibu, Saitama	Manufacturing of electronics and optical industrial materials
▲ NI Packs Co., Ltd.	Japan	Inashiki, Ibaraki	Printing and molding of plastic packages
Clean Assist Co., Ltd.	Japan	Tokyo	Sale of plastic films and plastic sundries
Maruishi Chemical Trading Co., Ltd.	Japan	Osaka	Sale of chemicals

## Other affiliates

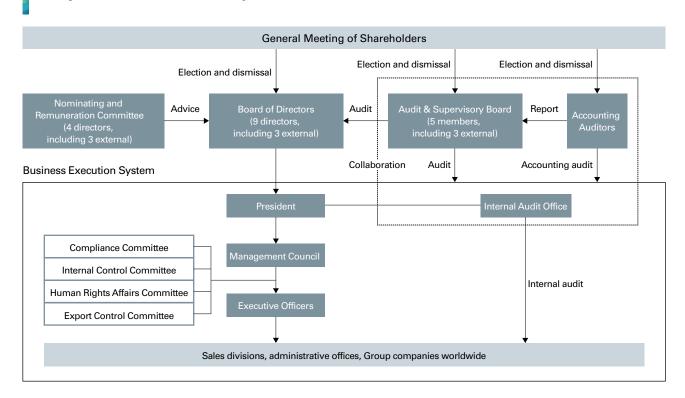
Corporate Name	Countries and Regions		Business
Japan			
▲ Aikei Farms Shakotan Co., Ltd.	Japan	Shakotan, Hokkaido	Production and sale of agricultural products
▲ Aikei Farms Yoichi Co., Ltd.	Japan	Yoichi, Hokkaido	Production and sale of agricultural products
▲ Inabata Optech Co., Ltd.	Japan	Kawasaki, Kanagawa	Research and development, manufacturing and sale of encapsulants for optical semiconductor devices
Northeast Asia			
Tianjin Inabata Trading Co., Ltd.	China	Tianjin	Import & export and sale of synthetic resins and chemicals
The Americas			
Inabata Brazil Import & Export Ltd.	Brazil	Sao Paulo	Sale of chemicals and synthetic resins

# Corporate Governance

## **Basic Approach**

The company'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." Based on this Mission, we consider it essential to develop and build a solid corporate governance system that serves as a foundation to ensure transparency and fairness in management and carry out prompt and bold decision-making to handle the responsibilities entrusted to us by shareholders, business partners, employees and all stakeholders who support our corporate activities, while continuously improving our corporate value.

## **Corporate Governance System**



# Nominating and Remuneration Committee

We voluntarily set up the Nominating and Remuneration Committee in 2015. It deliberates on the selection and dismissal of executives, nomination of candidates for positions of director, audit & supervisory board member, and executive officer, as well as the remuneration of directors. A majority of the committee members are independent outside directors. The board of directors strives to ensure objectivity, fairness and transparency by fully respecting the deliberation results of the Nominating and Remuneration Committee.

# 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 and investment projects. Its members participate from across the world and hold direct discussions with the management.

# Society

## Japan-France Exchange



In the late 19th century, our founder, Katsutaro Inabata, went to France to study synthetic dyeing techniques and other advanced technologies of the time. Since then, our company has been committed to advancing cultural exchange between Japan and France. In 1927, the then French Ambassador to Japan, Paul Claudel, and Katsutaro Inabata established the Kansai Franco-Japanese Institute (now Institut Franco-Japonais du Kansai, Kyoto), where French language classes and cultural exchange programs between the two countries are still held today. Additionally, the Société franco-japonaise d'Osaka, which was set up by our second president, Taro Inabata, in 1952, continues to promote mutual understanding and friendly relations between Japan and France to today.



President Katsutaro Inabata received the Legion of Honor award in March 2021 for his contribution to exchange between Japan and France by serving as the President of the Société franco-japonaise d'Osaka.

## Japan-Portugal Exchange



The relationship with Portugal began in 1920 when our founder was appointed vice-consul for Portugal in Kyoto. From 1932, our second president, Taro Inabata, became the honorary vice-consul for Portugal in Osaka. Our former counselor Katsuo Inabata became the honorary consul in Osaka in 1973. He also established the Sociedade Luso-Nipónica de Osaka in 1994 to commemorate friendly exchange between the two countries, which completed 450 years in 1993, and served as its president. Our current president, Katsutaro Inabata, who is the sixth president of the company, is actively promoting cultural exchange between Japan and Portugal as the president of the Sociedade Luso-Nipónica de Osaka.



## Environment

## **Basic Approach to Environment**

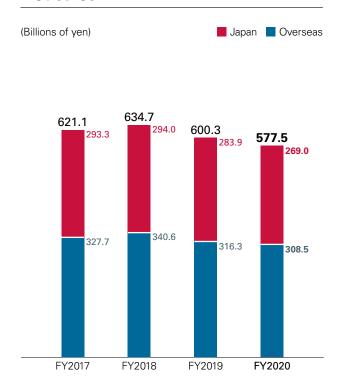
In accordance with its Inabata Declaration of Compliance, the company is committed to contributing to society and economy through its business activity, as well as to make efforts for the conservation of the environment. Environmental risk is a critical factor that affects our business environment. We must address this issue through our business activities to ensure the sustainable development of our Group companies. In the year 2000, Inabata obtained the ISO14001 certification, an international standard related to the environmental management system.

# Reducing Environmental Impact from Business Activities

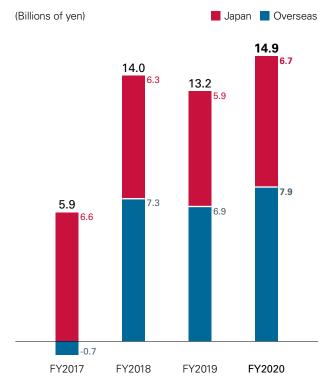
The current mid-term business plan, NC2023, places focus on the fields of environment and energy, such as materials related to solar cells and materials for EVs, to reduce environmental impact of society and take initiative in fields that offer business opportunities for our company. We also strive to curtail the use of resources in our business activities and promote recycling.

## **Financial Highlights**

#### **Net sales**

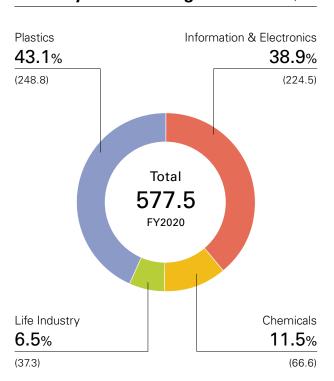


## **Operating profit**

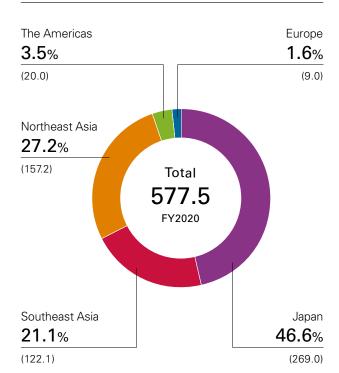


<sup>\*</sup> The difference between consolidated operating profit and the sum of operating profit in Japan and overseas is attributable to eliminations in consolidated accounts.

## Sales by business segment (Billions of yen)



## Sales by geographical segment (Billions of yen)



Dividends per share

27.6%

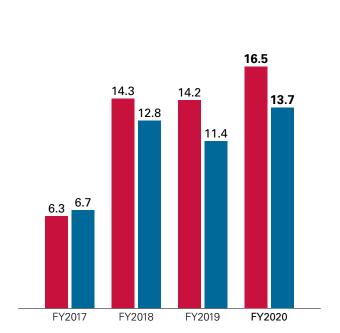
27.5%

FY2020

Equity capital - - Equity ratio

## Ordinary profit and net profit\*

## (Billions of yen) ■ Ordinary profit ■ Net profit



<sup>\*</sup>Profit attributable to owners of parent

# Dividends per share and shareholder return indexes

36.4%

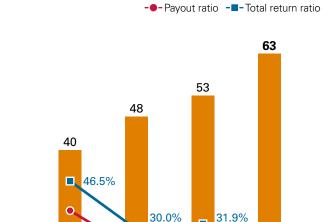
FY2017

(Billions of yen)

O

FY2018

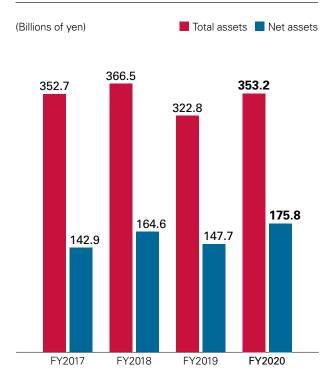
(yen)



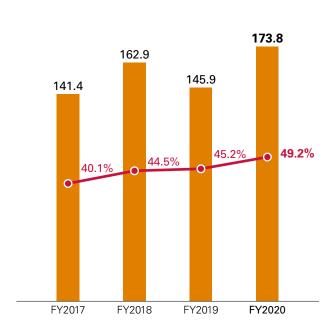
FY2019

22.7%

#### Total assets and net assets



## **Equity capital and equity ratio**



<sup>\*</sup>Total return ratio = (dividends + treasury shares acquired) ÷ consolidated net profit x 100



**Katsutaro Inabata** Director, President



**Toyohiro Akao** Director, Senior Managing Executive Officer



**Kenichi Yokota**Director, Senior Managing
Executive Officer



Masahiro Sugiyama
Director, Managing
Executive Officer



Noriomi Yasue Director, Managing Executive Officer



Kenji Ohno Director



Kiyoshi Sato Director



**Kenji Hamashima** Director



**Takako Hagiwara** Director

#### Katsutaro Inabata

Director, President

#### **Toyohiro Akao**

Director, Senior Managing Executive Officer Information & Electronics, Life Industry, the Americas, Europe

#### Kenichi Yokota

Director, Senior Managing Executive Officer Administrative Affairs

#### Masahiro Sugiyama

Director, Managing Executive Officer Chemicals, Information & Electronics (assisting), Northeast Asia

#### Noriomi Yasue

Director, Managing Executive Officer Plastics, Southeast Asia

#### Kenji Ohno

Director

(Managing Executive Officer, Sumitomo Chemical Co., Ltd.)

#### Kiyoshi Sato

Director

(Outside Director, Shibaura Machine Co., Ltd.)

#### Kenji Hamashima

Director

(Special Adviser, Ushio Inc.)

#### Takako Hagiwara

Director

(Representative Director, DDD Corp.)

#### Takashi Mochizuki

Audit & Supervisory Board Member

#### Nobukazu Kuboi

Audit & Supervisory Board Member

#### Yoshitaka Takahashi

Audit & Supervisory Board Member

#### Katsuya Yanagihara

Audit & Supervisory Board Member

#### Satoshi Tamai Audit & Supervisory Bo

Audit & Supervisory Board Member

#### Kazuhiro Hanaki

Executive Officer General Manager, Northeast Asia

#### Gonoral Managor, Moranoact

Shinya Kawai

Executive Officer General Manager, Southeast Asia

#### Yutaka Takahashi

**Executive Officer** 

General Manager, Chemicals Division

#### Koji Nakano

Executive Officer

Plastics (assisting), General Manager, Plastics Division I

#### Katsutoshi Tanaka

Executive Officer

General Manager, Information & Electronics Division III

#### Tsuyoshi Maruta

Executive Officer

General Manager, Information & Electronics Division I

Kiyoshi Sato, Kenji Hamashima, and Takako Hagiwara are outside directors.

Yoshitaka Takahashi, Katsuya Yanagihara, and Satoshi Tamai are outside audit & supervisory board members.

The information provided in the parenthesis next to the directors refers to main posts held at other organizations.

## **Corporate Information**

#### **Company Name**

Inabata & Co., Ltd.

#### **Founded**

October 1, 1890

#### Incorporated

June 10, 1918

#### Paid-in Capital\*

¥9,364 million

#### **Domestic Offices\***

Osaka Head Office, Tokyo Head Office, Nagoya Office, Shiojiri Office, Hamamatsu Office, Kyushu (Kirishima) Office

#### Overseas Offices\*

About 60 locations in 17 countries including Singapore, Bangkok, Jakarta, Shanghai, Hong Kong, Taipei, Los Angeles, New York, Dusseldorf

#### Number of Employees\*

Unconsolidated: 656

(including employees seconded to group companies)

Consolidated: 4,203

#### **Independent Auditor**

KPMG Azsa LLC

#### **Securities Code**

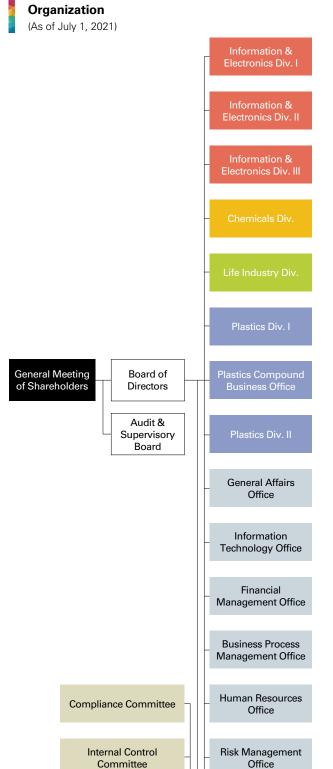
8098

First section of the Tokyo Stock Exchange

#### Website

#### www.inabata.co.jp/english/





**Human Rights Affairs** 

Committee

**Export Control Committee** 

Business Planning Office

Internal Audit Office

<sup>\*</sup>As of March 31, 2021



## I I INABATA & CO., LTD.

Osaka Head Office

1-15-14 Minami-semba, Chuo-ku, Osaka 542-8558

**Tokyo Head Office** 

2-8-2 Nihonbashi-honcho, Chuo-ku, Tokyo 103-8448



