

**Translation**

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May 9, 2024

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Based on Japanese GAAP)

Company name: Inabata & Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 8098 URL <https://www.inabata.co.jp>  
 Representative: Director, President Katsutaro Inabata  
 Executive Officer,  
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 Scheduled date of ordinary general meeting of shareholders: June 21, 2024  
 Scheduled date to file Securities Report: June 24, 2024  
 Scheduled date to commence dividend payments: May 31, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

#### (1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	766,022	4.1	21,190	4.3	21,393	11.9	20,000	2.7
Fiscal year ended March 31, 2023	735,620	8.0	20,314	1.3	19,110	(11.7)	19,478	(12.9)

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥30,021 million [98.4%]  
 For the fiscal year ended March 31, 2023: ¥15,129 million [14.6%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	362.17	—	10.5	5.3	2.8
Fiscal year ended March 31, 2023	343.31	—	11.0	5.0	2.8

Reference: Share of profit (loss) of entities accounted for using equity method  
 For the fiscal year ended March 31, 2024: ¥311 million  
 For the fiscal year ended March 31, 2023: ¥(1,065) million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	427,320	206,754	46.8	3,624.01
As of March 31, 2023	380,443	181,507	47.2	3,214.42

Reference: Equity  
 As of March 31, 2024: ¥200,166 million  
 As of March 31, 2023: ¥179,461 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2024	30,187	(2,386)	(13,981)	46,301
Fiscal year ended March 31, 2023	9,915	8,278	(17,568)	29,790

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	–	50.00	–	65.00	115.00	6,533	33.5	3.7
Fiscal year ended March 31, 2024	–	55.00	–	65.00	120.00	6,700	33.1	3.5
Fiscal year ending March 31, 2025 (Forecast)	–	60.00	–	65.00	125.00		40.6	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	410,000	9.3	10,800	3.2	10,500	(1.5)	8,200	(34.6)	148.46
Full year	830,000	8.4	22,500	6.2	21,500	0.5	17,000	(15.0)	307.79

4. Notes

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: 1 company (IK Food Partners LLC)

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	55,914,127 shares	As of March 31, 2023	57,114,127 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	680,789 shares	As of March 31, 2023	1,284,045 shares
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Average number of shares during the period

Fiscal year ended March 31, 2024	55,222,368 shares	Fiscal year ended March 31, 2023	56,736,773 shares
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Note: The Company has introduced the “Board Benefit Trust (BBT),” and shares of the Company held by this trust are included in the number of treasury shares to be deducted in the calculation of “Number of treasury shares at the end of the period” and “Average number of shares during the period.”

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

The above forecasts are based on information available to the Company as of the date of the announcement of this document and are not intended to be a commitment by the Company to achieve them. In addition, actual results may differ from the forecasts due to various factors in the future. For matters concerning financial forecasts, please refer to “(4) Future outlook” of “1. Overview of operating results and others” on page 6 of the attached material.

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## 1. Overview of operating results and others

### (1) Overview of operating results for the fiscal year

The global economy in the fiscal year ended March 31, 2024 recovered moderately overall, amid the continued worldwide credit tightening, despite weakness seen in some regions.

In the U.S., the economy picked up mainly in terms of consumer spending and capital expenditure. In China, there was a standstill in the recovery chiefly in consumption, investment in non-current assets, etc. In emerging countries of Asia, the Indian economy recovered, the Indonesian economy picked up modestly as well, and there were also signs of recovery in Thailand. In Europe, the economy was weaker in both the Euro area and the U.K. mainly in terms of consumption and production.

In the meanwhile, as for the Japanese economy, capital expenditure, etc. recovered moderately, and corporate earnings and employment conditions also improved generally.

Under this situation, the Group's consolidated net sales were ¥766,022 million (up 4.1% year-on-year), marking a record high. As for profits, operating profit was ¥21,190 million (up 4.3% year-on-year), reaching a new high, ordinary profit was ¥21,393 million (up 11.9% year-on-year), and profit attributable to owners of parent was ¥20,000 million (up 2.7% year-on-year).

From the beginning of the fiscal year ended March 31, 2024, the Company has made DAIGO TSUSHO CO., LTD., Maruishi Chemical Trading Co., Ltd. and its wholly-owned subsidiary Maruishi Techno Co., Ltd., etc. consolidated subsidiaries of the Company. Accordingly, gain on bargain purchase, etc. of ¥3,193 million was recorded.

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Year-on-year (%)
Net sales	735,620	766,022	4.1% increase
Operating profit	20,314	21,190	4.3% increase
Ordinary profit	19,110	21,393	11.9% increase
Profit attributable to owners of parent	19,478	20,000	2.7% increase

Operating results by segment are as follows.

#### Information & Electronics Business

In the Information & Electronics Business, net sales increased due to an increase in sales of related materials of solar cells and secondary cells.

As for products related to flat panel displays (hereinafter, "FPD"), while sales of those for large TVs were weak, sales of in-car goods and products for OLEDs were robust. Despite a sluggish recovery in final demand, operation of panel manufacturers recovered compared with the previous period mainly due to the end of inventory adjustments and a rise in prices.

As for LED-related products, with strong demand for products for outdoor displays in China and Europe, sales of related materials were favorable.

As for products related to inkjet printers, although sales of industrial products were strong, those of related materials decreased in total, affected by inventory adjustments for consumer products, etc.

As for copier-related products, sales of relevant materials declined largely due to inventory adjustments for toner for offices.

As for products related to solar cells, sales of related materials increased mainly in Europe and the U.S. on the background of worldwide expansion of the market.

As for products related to secondary cells, sales of related materials rose mainly in Europe and the U.S. However, demand is currently slowing down against a backdrop of sluggish sales of EVs worldwide.

As for photomask-related products, sales of related materials increased both for semiconductors and for FPD.

As for semiconductor and electronics peripheral components, a recovery in demand was slow overall, and sales almost remained at the same level.

As a result, net sales amounted to ¥239,114 million (up 0.5% year-on-year). Segment profit (operating profit) was ¥6,904 million (up 31.0% year-on-year).

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Year-on-year (%)
Net sales	238,003	239,114	0.5% increase
Segment profit (operating profit)	5,269	6,904	31.0% increase

### Chemicals Business

In the Chemicals Business, sales increased mainly due to the effect of some companies becoming new consolidated subsidiaries.

As for resin materials/additives, sales of urethane-related goods increased, but exports and sales to the U.S., etc. decreased.

As for raw materials for automotive parts, sales of raw materials for thermal interface materials for EVs were weak.

In the coating/ink/adhesive area, sales increased due to the new consolidation.

Sales of papermaking agents slightly declined partly due to effects of inventory adjustments for communication paper.

As for building materials, although sales of imported lumber decreased, sales of wooden boards and products for house-builders increased. Consequently, overall sales remained flat.

As a result, net sales amounted to ¥112,657 million (up 25.4% year-on-year). Segment profit (operating profit) was ¥2,788 million (up 0.6% year-on-year).

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Year-on-year (%)
Net sales	89,820	112,657	25.4% increase
Segment profit (operating profit)	2,770	2,788	0.6% increase

### Life Industry Business

In the Life Industry Business, sales increased mainly due to the effect of a company becoming a new consolidated subsidiary.

As for life-science-related goods, sales of materials were steady for all pharmaceuticals, consumer goods, and insect repellents and insecticide, resulting in a rise in sales.

With regard to food-related products, as for agricultural products, sales of frozen vegetables/fruits for mass retailers and home delivery were favorable.

As for fishery products, with a recovery in goods for conveyor belt sushi restaurants and mass retailers, sales of processed fishery products in Japan grew. On the other hand, sales of food ingredients for Japanese cuisine in the U.S. market, including processed fishery products, significantly dropped mainly due to fiercer competition. Sales of food-related goods increased in general partly due to the effect of some companies becoming new consolidated subsidiaries.

As a result, net sales amounted to ¥53,597 million (up 22.8% year-on-year). Segment profit (operating

profit) was ¥1,480 million (down 23.6% year-on-year) due to a decrease in sales of food ingredients for Japanese cuisine in the U.S. market, including processed fishery products, a decline in the profit ratio, and other factors.

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Year-on-year (%)
Net sales	43,662	53,597	22.8% increase
Segment profit (operating profit)	1,936	1,480	23.6% decrease

### Plastics Business

In the Plastics Business, sales decreased mainly due to a decline in the sales volume resulting from inventory adjustments for products for Japanese automobiles in China and for OA/home appliances in Southeast Asia.

As for products related to commodity resins, sales decreased principally in daily necessities.

As for products related to high-performance resins, sales of goods related to OA/home appliances declined due to effects of inventory adjustments. However, we see that inventory adjustments have bottomed out recently. As for automotive goods, sales of products for Japanese automobiles in China fell, while sales were favorable in Japan and robust in Southeast Asia as a backdrop of a recovery in vehicle production.

In the compound business, sales were weak chiefly in goods for OA/home appliances.

Sales of polyolefin resins decreased owing to weak sales in Japan despite brisk exports for electric wire coatings, etc.

As for film-related products, sales declined in the soft packaging area largely due to stagnant consumption stemming from rising prices. On the other hand, profit increased as a result of progress in price pass-on for bag-making goods at domestic group companies.

As for sheet-related products, sales were robust principally in goods related to sporting materials.

The recycling material business grew steadily.

As a result, net sales amounted to ¥360,471 million (down 1.0% year-on-year). Segment profit (operating profit) was ¥9,879 million (down 3.2% year-on-year).

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Year-on-year (%)
Net sales	363,955	360,471	1.0% decrease
Segment profit (operating profit)	10,205	9,879	3.2% decrease

**(2) Overview of financial position for the fiscal year**Assets

Total assets as of March 31, 2024 increased by ¥46,876 million compared with March 31, 2023 (up 12.3% year-on-year) to ¥427,320 million.

The increase in current assets by ¥38,632 million was principally due to rises in accounts receivable - trade and in cash and deposits.

The increase in non-current assets by ¥8,243 million was mainly due to increases in investment securities, in property, plant and equipment, in intangible assets and in other.

Liabilities

Total liabilities as of March 31, 2024 increased by ¥21,628 million compared with March 31, 2023 (up 10.9% year-on-year) to ¥220,565 million.

The increase in current liabilities by ¥15,704 million was principally due to an increase in notes and accounts payable - trade, despite a decrease in short-term borrowings.

The increase in non-current liabilities by ¥5,924 million was mainly due to increases in long-term borrowings and in deferred tax liabilities.

Net assets

Total net assets as of March 31, 2024 increased by ¥25,247 million compared with March 31, 2023 (up 13.9% year-on-year) to ¥206,754 million. This was mainly attributable to increases in foreign currency translation adjustment, in retained earnings and in non-controlling interests.

As a result, the equity ratio was 46.8% (down 0.3 points from March 31, 2023). The amount of net assets per share based on the total number of issued shares at the end of the period was ¥3,624.01 (up ¥409.59 from March 31, 2023).

**(3) Overview of cash flows for the fiscal year**

Cash and cash equivalents as of March 31, 2024 (hereinafter referred to as “cash”) increased by ¥16,511 million compared with March 31, 2023 to ¥46,301 million, mainly because profit before income taxes, decrease in inventories and proceeds from long-term borrowings were higher than net decrease in short-term borrowings, income taxes paid, dividends paid and increase in trade receivables.

The status of cash flows and factors therein in the fiscal year ended March 31, 2024 are as follows.

Cash flows from operating activities

Cash gained as a result of operating activities was ¥30,187 million (cash gained of ¥9,915 million in the fiscal year ended March 31, 2023). This was mainly because profit before income taxes, decrease in inventories and increase in trade payables were higher than income taxes paid, increase in trade receivables and gain on sale of investment securities.

Cash flows from investing activities

Cash used as a result of investing activities was ¥2,386 million (cash gained of ¥8,278 million in the fiscal year ended March 31, 2023). This was mainly because purchase of investment securities, purchase of property, plant and equipment and purchase of intangible assets were higher than proceeds from sale of investment securities.

Cash flows from financing activities

Cash used as a result of financing activities was ¥13,981 million (cash used of ¥17,568 million in the fiscal year ended March 31, 2023). This was mainly because net decrease in short-term borrowings and dividends paid were higher than proceeds from long-term borrowings.

#### (4) Future outlook

As future outlook for the global economy, we expect that the economic recovery will continue in general despite weakness seen in some regions, whereas uncertain situations will continue due to effects accompanying rising prices and the changes in the financial and capital markets, concerns over the future of the Chinese economy, circumstances surrounding the Middle East, and other factors.

Under this environment, from April 2024, the Company and all its group companies will work on various strategies toward achievement of targets in the three-year new Medium-term Management Plan “New Challenge 2026 (hereinafter, “NC2026”)” with the fiscal year ending March 31, 2027 set as the final year.

The overview of NC2026 is as follows.

##### ■ Overview of the new Medium-term Management Plan NC2026

###### ● Numerical targets and indicators for the final year

	FY2027
Net sales	¥950.0 billion
Operating profit	¥27.0 billion
Ordinary profit	¥26.0 billion
Profit attributable to owners of parent	¥19.0 billion
ROE	10% or more
Net D/E ratio	0.5 times or less
Equity ratio	50% or so

\* Assumed exchange rate: ¥145.00/USD

###### ● Capital allocation

With regard to the three-year capital allocation plan during the period of NC2026, on the assumption of cash-in of approximately ¥65.0 billion from operating cash flows, etc., we plan to allocate approximate 50% to 60% of this cash-in to investments, etc., and approximate 40% to 50% to shareholder returns.

###### ● Basic policy for shareholder returns, and policy for reducing strategic shareholdings

The basic policy for shareholder returns is as follows. As for the policy for reducing strategic shareholdings, we will implement the reduction steadily based on the reduction policy disclosed in May 2022.

Basic policy for shareholder returns	<p>During the period of NC2026:</p> <ul style="list-style-type: none"> <li>The actual amount of dividends paid in the previous fiscal year will be used as the lower limit for dividends per share, and the basic policy is to continuously increase the dividends without reducing them (Progressive dividends).</li> <li>The target for total return ratio is roughly 50%.</li> </ul>
Policy for reduction of strategic shareholdings	<ul style="list-style-type: none"> <li>Further reduce strategic shareholdings in the medium to long term, cutting the balance of strategic shareholdings at the end of March 2021 by about 80% by the end of March 2027.</li> </ul> <p>* Initial policy of “Reduce the balance of strategic shareholdings at the end of March 2021 by half during the three years of NC2023*” has already achieved.</p>

\* Previous three-year medium-term business plan from the fiscal year ended March 31, 2022 to the fiscal year ended



March 31, 2024, “New Challenge 2023 (“NC2023”)”

● Overview of strategy

Strategies are classified into “Growth Strategy” and “Management Base Strategy (Financial, Sustainability and Digital Strategies).” The overview of each strategy is as follows. The Growth Strategy is executed in a form that meets the long-term vision “IK Vision 2030.”

\* For details of “IK Vision 2030,” please refer to the Company’s website.

[https://www.inabata.co.jp/investor/management/midterm\\_plan/](https://www.inabata.co.jp/investor/management/midterm_plan/) (in Japanese)

## Growth Strategy

Long-term vision	Strategy
Consolidated net sales Over ¥1 trillion	Approach: Expand earnings through proactive investment
	Business domains: Expand environment-related business and life industry business such as food products
Enhance multifaceted capabilities	Differentiate and boost earnings by enhancing multifaceted capabilities (especially in manufacturing and logistics)
Business portfolio	Further develop key segments (Plastics, Information & Electronics)
	Establish earnings pillar on par with key segments
Overseas ratio 70% or more	Further develop growth areas (especially in India, Mexico, and the Americas, in addition to the existing Asia sites)
	Move into untapped areas (e.g., Eastern Europe)

## Management Base Strategy

Management base	Strategy
Financial	Further improve capital efficiency and focus on shareholder returns, including paying progressive dividends
	Implement Measures to Realize Management Conscious of Cost of Capital and Share Prices (achieve a share price level that regularly exceeds 1x P/B ratio as soon as possible)
Sustainability	Develop sustainability management as a foundation for company-wide promotion: Set and monitor strategies and KPIs/targets in line with materiality
Digital strategy	Enhance management information infrastructure and reinforce Group-wide security

For the outlook for consolidated financial results for the fiscal year ending March 31, 2025 based on the above plan, we forecast net sales of ¥830,000 million, operating profit of ¥22,500 million, ordinary profit of ¥21,500 million, and profit attributable to owners of parent of ¥17,000 million.

The exchange rate which is a precondition for the outlook for financial results is assumed to be 1USD = ¥145.00.

Outlook for consolidated financial results

(Millions of yen)

	FY2025	
	Forecast for the first six months	Full-year forecast
Net sales	410,000	830,000
Operating profit	10,800	22,500
Ordinary profit	10,500	21,500
Profit attributable to owners of parent	8,200	17,000

Descriptions about the future, such as forecast for financial results, presented in this material were prepared based on information available to the Company as of the date of releasing this material, and certain assumptions considered reasonable. Actual results may differ from the forecasts due to various factors in the future.

## **2. Basic rationale for selection of accounting standards**

The Group prepares consolidated financial statements in accordance with Japanese GAAP, taking into account the period comparability of the consolidated financial statements and the comparability between companies.

With regard to the application of IFRS, as our policy, we will respond appropriately by taking into consideration changes in the ratio of foreign shareholders, trend of the application by other Japanese companies in the same industry, and other factors.

### 3. Consolidated financial statements and significant notes thereto

#### (1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	36,353	51,310
Notes receivable - trade	6,693	7,792
Electronically recorded monetary claims - operating	16,553	23,406
Accounts receivable - trade	153,640	175,264
Merchandise and finished goods	83,097	78,286
Work in process	802	1,938
Raw materials and supplies	4,990	4,843
Other	13,623	11,639
Allowance for doubtful accounts	(382)	(475)
<b>Total current assets</b>	<b>315,373</b>	<b>354,006</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	18,491	18,439
Accumulated depreciation	(12,881)	(12,417)
Buildings and structures, net	5,610	6,022
Machinery, equipment and vehicles	20,351	22,887
Accumulated depreciation	(15,976)	(17,847)
Machinery, equipment and vehicles, net	4,375	5,040
Land	3,295	4,134
Construction in progress	210	291
Other	7,753	8,666
Accumulated depreciation	(4,640)	(5,529)
Other, net	3,113	3,136
<b>Total property, plant and equipment</b>	<b>16,606</b>	<b>18,625</b>
<b>Intangible assets</b>	<b>2,403</b>	<b>3,855</b>
<b>Investments and other assets</b>		
Investment securities	32,840	34,872
Long-term loans receivable	1,323	2,262
Retirement benefit asset	8,215	9,346
Deferred tax assets	1,202	1,313
Other	7,779	9,169
Allowance for doubtful accounts	(5,300)	(6,131)
<b>Total investments and other assets</b>	<b>46,060</b>	<b>50,833</b>
<b>Total non-current assets</b>	<b>65,070</b>	<b>73,314</b>
<b>Total assets</b>	<b>380,443</b>	<b>427,320</b>

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	105,730	127,702
Short-term borrowings	49,474	42,946
Income taxes payable	3,589	2,498
Accrued expenses	1,859	1,911
Provision for bonuses	1,606	1,863
Other	11,273	12,315
Total current liabilities	173,534	189,238
Non-current liabilities		
Bonds payable	7,500	7,500
Long-term borrowings	7,795	12,389
Deferred tax liabilities	5,176	5,952
Provision for retirement benefits for directors (and other officers)	37	42
Provision for share awards for directors (and other officers)	206	262
Retirement benefit liability	1,713	2,343
Other	2,972	2,836
Total non-current liabilities	25,402	31,327
Total liabilities	198,936	220,565
<b>Net assets</b>		
Shareholders' equity		
Share capital	9,364	9,364
Capital surplus	6,718	7,177
Retained earnings	134,684	144,689
Treasury shares	(2,220)	(904)
Total shareholders' equity	148,546	160,327
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,805	10,289
Deferred gains or losses on hedges	395	595
Foreign currency translation adjustment	17,187	28,541
Remeasurements of defined benefit plans	526	412
Total accumulated other comprehensive income	30,914	39,838
Non-controlling interests	2,046	6,588
Total net assets	181,507	206,754
<b>Total liabilities and net assets</b>	<b>380,443</b>	<b>427,320</b>

**(2) Consolidated statement of income and consolidated statement of comprehensive income**  
**Consolidated statement of income**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	735,620	766,022
Cost of sales	672,745	696,734
Gross profit	62,874	69,288
Selling, general and administrative expenses	42,560	48,097
Operating profit	20,314	21,190
Non-operating income		
Interest income	249	425
Dividend income	1,938	1,073
Share of profit of entities accounted for using equity method	–	311
Miscellaneous income	847	1,232
Total non-operating income	3,034	3,042
Non-operating expenses		
Interest expenses	1,823	1,873
Foreign exchange losses	703	204
Provision of allowance for doubtful accounts	71	101
Share of loss of entities accounted for using equity method	1,065	–
Miscellaneous losses	574	660
Total non-operating expenses	4,237	2,839
Ordinary profit	19,110	21,393
Extraordinary income		
Gain on sale of non-current assets	–	285
Gain on sale of investment securities	8,661	3,765
Gain on bargain purchase	–	3,419
Total extraordinary income	8,661	7,470
Extraordinary losses		
Loss on retirement of non-current assets	–	543
Loss on valuation of investment securities	250	69
Loss on step acquisitions	–	225
Total extraordinary losses	250	838
Profit before income taxes	27,522	28,025
Income taxes - current	7,569	6,883
Income taxes - deferred	405	450
Total income taxes	7,975	7,333
Profit	19,547	20,692
Profit attributable to non-controlling interests	69	691
Profit attributable to owners of parent	19,478	20,000

**Consolidated statement of comprehensive income**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	19,547	20,692
Other comprehensive income		
Valuation difference on available-for-sale securities	(9,873)	(2,164)
Deferred gains or losses on hedges	(12)	195
Foreign currency translation adjustment	5,351	11,313
Remeasurements of defined benefit plans, net of tax	14	(103)
Share of other comprehensive income of entities accounted for using equity method	102	88
Total other comprehensive income	(4,417)	9,329
Comprehensive income	15,129	30,021
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,025	28,924
Comprehensive income attributable to non-controlling interests	104	1,097

**(3) Consolidated statement of changes in equity**

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,364	7,044	130,540	(7,398)	139,550
Changes during period					
Dividends of surplus			(7,425)		(7,425)
Profit attributable to owners of parent			19,478		19,478
Purchase of treasury shares				(2,635)	(2,635)
Cancellation of treasury shares		(40)	(7,908)	7,949	–
Disposal of treasury shares		40		379	419
Treasury stock purchase of stock ownership trust				(419)	(419)
Treasury stock transfer of stock ownership trust				13	13
Purchase of shares of consolidated subsidiaries		(326)			(326)
Change in treasury shares arising from change in equity in entities accounted for using equity method				(108)	(108)
Change in scope of consolidation					–
Change in scope of equity method					–
Net changes in items other than shareholders' equity					
Total changes during period	–	(326)	4,143	5,178	8,995
Balance at end of period	9,364	6,718	134,684	(2,220)	148,546



	Accumulated other comprehensive income					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	22,667	398	11,793	508	35,367	1,996	176,914
Changes during period							
Dividends of surplus							(7,425)
Profit attributable to owners of parent							19,478
Purchase of treasury shares							(2,635)
Cancellation of treasury shares							–
Disposal of treasury shares							419
Treasury stock purchase of stock ownership trust							(419)
Treasury stock transfer of stock ownership trust							13
Purchase of shares of consolidated subsidiaries							(326)
Change in treasury shares arising from change in equity in entities accounted for using equity method							(108)
Change in scope of consolidation							–
Change in scope of equity method							–
Net changes in items other than shareholders' equity	(9,861)	(3)	5,394	17	(4,452)	49	(4,402)
Total changes during period	(9,861)	(3)	5,394	17	(4,452)	49	4,592
Balance at end of period	12,805	395	17,187	526	30,914	2,046	181,507

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,364	6,718	134,684	(2,220)	148,546
Changes during period					
Dividends of surplus			(6,658)		(6,658)
Profit attributable to owners of parent			20,000		20,000
Purchase of treasury shares				(2,230)	(2,230)
Cancellation of treasury shares			(3,337)	3,337	–
Disposal of treasury shares		584		304	889
Treasury stock purchase of stock ownership trust					–
Treasury stock transfer of stock ownership trust					–
Purchase of shares of consolidated subsidiaries		(124)			(124)
Change in treasury shares arising from change in equity in entities accounted for using equity method					–
Change in scope of consolidation				(283)	(283)
Change in scope of equity method				188	188
Net changes in items other than shareholders' equity					
Total changes during period	–	459	10,005	1,315	11,780
Balance at end of period	9,364	7,177	144,689	(904)	160,327

	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	12,805	395	17,187	526	30,914	2,046	181,507
Changes during period							
Dividends of surplus							(6,658)
Profit attributable to owners of parent							20,000
Purchase of treasury shares							(2,230)
Cancellation of treasury shares							–
Disposal of treasury shares							889
Treasury stock purchase of stock ownership trust							–
Treasury stock transfer of stock ownership trust							–
Purchase of shares of consolidated subsidiaries							(124)
Change in treasury shares arising from change in equity in entities accounted for using equity method							–
Change in scope of consolidation							(283)
Change in scope of equity method							188
Net changes in items other than shareholders' equity	(2,515)	200	11,354	(114)	8,924	4,542	13,467
Total changes during period	(2,515)	200	11,354	(114)	8,924	4,542	25,247
Balance at end of period	10,289	595	28,541	412	39,838	6,588	206,754

**(4) Consolidated statement of cash flows**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	27,522	28,025
Depreciation	3,532	3,743
Increase (decrease) in allowance for doubtful accounts	(42)	(139)
Increase (decrease) in retirement benefit liability	(8)	278
Decrease (increase) in retirement benefit asset	(1,795)	(1,197)
Interest and dividend income	(2,187)	(1,498)
Interest expenses	1,823	1,873
Share of loss (profit) of entities accounted for using equity method	1,065	(311)
Increase (decrease) in provision for loss on guarantees	(18)	-
Gain on sale of non-current assets	-	(285)
Loss on retirement of non-current assets	-	42
Loss (gain) on valuation of investment securities	250	69
Loss (gain) on sale of investment securities	(8,661)	(3,765)
Gain on bargain purchase	-	(3,419)
Loss (gain) on step acquisitions	-	225
Decrease (increase) in trade receivables	15,661	(3,861)
Decrease (increase) in inventories	(5,512)	13,608
Decrease (increase) in other current assets	2,004	331
Decrease (increase) in other non-current assets	115	8
Increase (decrease) in trade payables	(15,328)	4,184
Increase (decrease) in other current liabilities	(1,242)	1,374
Other, net	446	(277)
Subtotal	17,623	39,009
Interest and dividends received	2,203	1,611
Interest paid	(1,800)	(1,886)
Income taxes paid	(8,111)	(8,546)
Net cash provided by (used in) operating activities	9,915	30,187
<b>Cash flows from investing activities</b>		
Payments into time deposits	(6,681)	(4,829)
Proceeds from withdrawal of time deposits	7,545	6,909
Purchase of property, plant and equipment	(2,527)	(2,595)
Proceeds from sale of property, plant and equipment	34	301
Purchase of intangible assets	(423)	(1,864)
Purchase of investment securities	(1,424)	(2,808)
Proceeds from sale of investment securities	12,111	4,213
Purchase of shares of subsidiaries	(445)	(548)
Decrease (increase) in short-term loans receivable	146	50
Long-term loan advances	(167)	(1,052)
Proceeds from collection of long-term loans receivable	171	781
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(852)
Other, net	(58)	(90)
Net cash provided by (used in) investing activities	8,278	(2,386)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(13,072)	(13,978)
Proceeds from long-term borrowings	4,266	7,099
Repayments of long-term borrowings	(2,158)	(2,558)
Proceeds from issuance of bonds	7,454	–
Proceeds from share issuance to non-controlling shareholders	–	1,000
Purchase of treasury shares	(3,069)	(2,245)
Proceeds from disposal of treasury shares	419	–
Decrease (increase) in money held in trust for acquisition of treasury shares	(2,837)	2,837
Proceeds from sale of shares of parent held by subsidiaries	–	1,453
Dividends paid	(7,450)	(6,658)
Dividends paid to non-controlling interests	(35)	(19)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(326)	(124)
Other, net	(757)	(786)
Net cash provided by (used in) financing activities	(17,568)	(13,981)
Effect of exchange rate change on cash and cash equivalents	912	2,691
Net increase (decrease) in cash and cash equivalents	1,538	16,511
Cash and cash equivalents at beginning of period	28,251	29,790
Cash and cash equivalents at end of period	29,790	46,301

**(5) Notes to consolidated financial statements****Notes on premise of going concern**

Not applicable.

**Notes in the case where there was a significant change in the amount of shareholders' equity**

The Company resolved, at the Board of Directors meeting held on February 8, 2023, to acquire treasury shares based on the provisions of Article 156 of the Companies Act which are applied by replacing terms and phrases pursuant to the provisions of Article 165, Paragraph 3 of the said act, and acquired 765,000 shares of treasury shares during the fiscal year ended March 31, 2024. As a result, treasury shares increased by ¥2,229 million. In addition, pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act and the provisions of its Articles of Incorporation, the Company determined on June 23, 2023 to cancel treasury shares in accordance with the provisions of Article 178 of the Companies Act, and implemented the cancellation of treasury shares of 1,200,000 shares as of July 5, 2023. Consequently, retained earnings and treasury shares each decreased by ¥3,337 million in the fiscal year ended March 31, 2024. As of March 31, 2024, retained earnings were ¥ 144,689 million, and treasury shares were ¥ 904 million.

**Changes in presentation**Consolidated balance sheet

“Electronically recorded monetary claims - operating,” which was included in “notes receivable - trade” under “current assets” in the previous fiscal year, is presented as a separate line item from the current fiscal year due to its increased importance in terms of amount. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, ¥16,553 million that had been presented in “notes receivable – trade” under “current assets” in the consolidated balance sheet for the previous fiscal year has been restated as ¥16,553 million under “electronically recorded monetary claims – operating.”

**Additional information**Performance-linked stock compensation plan for Directors

The Company has introduced the “Board Benefit Trust (BBT)” as a performance-linked stock compensation plan for Directors, with the aim of raising awareness of contributing to improvement of business performance in the medium to long term and enhancement of its corporate value by making the linkage between compensation for its Directors (excluding Directors who are Audit and Supervisory Committee Members, outside Directors and Non-executive Directors), and the Company’s business performance and share price clearer, and by Directors sharing not only the benefit of rising share price but also the risk of a decline in share price with shareholders.

**(1) Overview of transaction**

This plan is a performance-linked stock compensation plan under which shares of the Company are acquired through the trust with money contributed by the Company as resources, and the shares of the Company and money equivalent to the amount of the shares of the Company converted at market value are provided through the trust in accordance with the Regulations for Providing Shares to Officers established by the Company. The timing when Directors receive shares of the Company, etc. provided is the time of Directors’ retirement in principle.

**(2) Shares of the Company remaining in the trust**

Shares of the Company remaining in the trust have been recorded at the carrying amount in the trust (excluding the amount of incidental expenses) in net assets as treasury shares. The carrying amount and number of shares of these treasury shares are ¥562 million and 266,400 shares respectively as of March 31, 2023, and ¥562 million and 266,400 shares respectively as of March 31, 2024.

## Segment information

### 1. Overview of reportable segments

The Group's reportable segments are, among the Group's components, those whose separated financial information is available and which are regularly examined by the Board of Directors to determine allocation of managerial resources and assess business performance.

The Group is mainly engaged in sale and purchase of goods in Japan and abroad, manufacturing and sales of various products, provision of services and others. It develops domestic and overseas comprehensive strategies for merchandise, products and services offered, and conducts business activities.

In implementing these business activities, the Group has classification of four reportable segments of "Information & Electronics," "Chemicals," "Life Industry" and "Plastics" by merchandise, product, or target market/industry based on business units of sales divisions at the head office.

Major merchandise, products and services of each reportable segment are as follows.

(1) Information & Electronics	Materials for semiconductors/LCDs, machinery and equipment, dyes and pigments for copiers/printers, and materials for the electronics industry
(2) Chemicals	Raw materials for automotive parts, raw materials for resins/rubbers, raw materials for coating/ink/adhesives, papermaking agents, dyes/dyeing and weaving materials, lumber, laminated timber, wood-based building materials, housing equipment, and materials related to housing facilities
(3) Life Industry	Raw materials for pharmaceutical products and agricultural chemicals, fine chemicals, raw materials for insecticide/toiletries, raw materials for functional food, marine products, agricultural products, and starches
(4) Plastics	Commodity resins, engineering plastics, and various film products

### 2. Method for calculating amounts of net sales, profit or loss, assets, liabilities and other items by reportable segment

The accounting method for the operating segments that are reportable is generally the same as described in "Basis of preparation of consolidated financial statements."

Intersegment sales or transfers are based on current market price.

3. Information on the amounts of net sales, profit or loss, assets, liabilities and other items by reportable segment

Fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segments				
	Information & Electronics	Chemicals	Life Industry	Plastics	Total
Net sales					
(1) Sales to external customers	238,003	89,820	43,662	363,955	735,441
(2) Intersegment sales or transfers	–	–	–	–	–
Total	238,003	89,820	43,662	363,955	735,441
Segment profit	5,269	2,770	1,936	10,205	20,182
Segment assets	103,289	46,974	24,935	165,740	340,939
Other items					
Depreciation	642	380	254	2,254	3,532
Amortization of goodwill	–	–	–	–	–
Investment in entities accounted for using equity method	1,003	3,370	–	1,056	5,430
Increase in property, plant and equipment and intangible assets	69	120	188	1,528	1,906

	Others (Note) 1	Total	Adjustments (Note) 2	Consolidated financial statement amounts (Note) 3
Net sales				
(1) Sales to external customers	178	735,620	–	735,620
(2) Intersegment sales or transfers	–	–	–	–
Total	178	735,620	–	735,620
Segment profit	131	20,314	–	20,314
Segment assets	348	341,288	39,155	380,443
Other items				
Depreciation	–	3,532	–	3,532
Amortization of goodwill	–	–	–	–
Investment in entities accounted for using equity method	–	5,430	–	5,430
Increase in property, plant and equipment and intangible assets	–	1,906	1,044	2,950

- Notes: 1. “Others” category represents a business segment that is not included in reportable segments, and real estate leasing business.
2. (1) Of segment assets, ¥39,155 million of corporate assets included in items of adjustments mainly consist of surplus funds for management at the parent company (cash and deposits), long-term investment funds (investment securities, etc.), and assets related to administrative offices.
- (2) Adjustments to increase in property, plant and equipment and intangible assets of ¥1,044 million are increase related to administrative offices of the parent company.
3. The total amount of segment profit corresponds to operating profit in the consolidated statement of income.



Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segments				
	Information & Electronics	Chemicals	Life Industry	Plastics	Total
Net sales					
(1) Sales to external customers	239,114	112,657	53,597	360,471	765,840
(2) Intersegment sales or transfers	–	–	–	–	–
Total	239,114	112,657	53,597	360,471	765,840
Segment profit	6,904	2,788	1,480	9,879	21,053
Segment assets	108,714	62,224	33,182	184,773	388,894
Other items					
Depreciation	590	451	302	2,400	3,743
Amortization of goodwill	–	–	–	1	1
Investment in entities accounted for using equity method	1,141	–	–	1,201	2,342
Increase in property, plant and equipment and intangible assets	142	244	475	1,697	2,560

	Others (Note) 1	Total	Adjustments (Note) 2	Consolidated financial statement amounts (Note) 3
Net sales				
(1) Sales to external customers	181	766,022	–	766,022
(2) Intersegment sales or transfers	–	–	–	–
Total	181	766,022	–	766,022
Segment profit	137	21,190	–	21,190
Segment assets	350	389,245	38,075	427,320
Other items				
Depreciation	–	3,743	–	3,743
Amortization of goodwill	–	1	–	1
Investment in entities accounted for using equity method	–	2,342	–	2,342
Increase in property, plant and equipment and intangible assets	–	2,560	1,900	4,460

- Notes: 1. “Others” category represents a business segment that is not included in reportable segments, and real estate leasing business.
2. (1) Of segment assets, ¥38,075 million of corporate assets included in items of adjustments mainly consist of surplus funds for management at the parent company (cash and deposits), long-term investment funds (investment securities, etc.), and assets related to administrative offices.
- (2) Adjustments to increase in property, plant and equipment and intangible assets of ¥1,900 million are increase related to administrative offices of the parent company.
3. The total amount of segment profit corresponds to operating profit in the consolidated statement of income.
4. Information about impairment loss of non-current assets or goodwill, etc., by reportable segment (Gain on bargain purchase)

A bargain purchase occurred in conjunction with the Company making Maruishi Chemical Trading Co., Ltd. and its wholly-owned subsidiary Maruishi Techno Co., Ltd. into consolidated subsidiaries of the Company through the additional acquisition of shares. The amount of gain on bargain purchase recorded due to this event was ¥3,047 million for the fiscal year ended March 31, 2024.

Gain on bargain purchase is an extraordinary income and is not included in the segment profit.

**Per share information**

(Yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share	3,214.42	3,624.01
Basic earnings per share	343.31	362.17
	Diluted earnings per share are not provided because there is no potential share.	Same as the left

Notes: 1. In the calculation of net assets per share, shares of the Company held by the “Board Benefit Trust (BBT)” are included in the number of treasury shares deducted in the calculation of the “total number of issued common shares at the end of the period.” In addition, in the calculation of basic earnings per share, shares of the Company held by the trust are included in the number of treasury shares deducted in the calculation of the “average number of common shares during the period.”

The number of the treasury shares deducted in the calculation of net assets per share was 266,400 shares as of March 31, 2023 and 266,400 shares as of March 31, 2024. Furthermore, the average number of the treasury shares deducted in the calculation of basic earnings per share during the period was 199,600 shares as of March 31, 2023 and 266,400 shares as of March 31, 2024.

2. The basis for calculation of the basic earnings per share is as follows.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	19,478	20,000
Profit not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent related to common shares (Millions of yen)	19,478	20,000
Average number of shares during the period (Shares)	56,736,773	55,222,368

**Subsequent events**

Not applicable.

## 4. Others

### Changes in officers

Changes in officers (scheduled for June 21, 2024) are as follows.

#### (1) Changes in directors

##### (i) Directors scheduled for appointment

Outside Director	Hisayuki Suekawa	Former Representative Director, President and CEO, Shiseido Co., Ltd
Director, Audit and Supervisory Committee Member	Nobukazu Kuboi	Current Audit and Supervisory Officer, General Manager, Audit and Supervisory Committee Office
Outside Director, Audit and Supervisory Committee Member	Shiho Ito	Current certified public accountant, Ito Tax Office

##### (ii) Retiring directors

Masahiro Sugiyama	Current Director, Managing Executive Officer
Kenji Hamashima	Current Outside Director, Audit and Supervisory Committee Member
Satoshi Tamai	Current Outside Director, Audit and Supervisory Committee Member

#### (2) Changes in executive officers

##### (i) Executive officer scheduled for promotion

Managing Executive Officer	Yutaka Takahashi	Current Executive Officer, Assisting of officer in charge of Life Industry Segment; General Manager, Chemicals Division
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##### (ii) Executive officer scheduled for appointment

Executive Officer	Hiroyuki Furubayashi	Current General Manager, Human Resources Office
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##### (iii) Retiring executive officer

Kazuhiro Hanaki	Current Executive Officer, General Manager, Nagoya Branch
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Note: Mr. Hanaki is scheduled to be appointed as an unretired senior employee working on a special fixed-term contract on June 21, 2024.

**New management structure**

The Company's management structure is scheduled to be as follows as of June 21, 2024.

Director, President	Katsutaro Inabata	
Director, Senior Managing Executive Officer	Toyohiro Akao	In charge of Information & Electronics, Life Industry segments, the Americas and Europe
Director, Senior Managing Executive Officer	Kenichi Yokota	In charge of Administrative Affairs
Director	Takashi Shigemori	
Outside Director	Takako Hagiwara	
Outside Director	Osamu Chonan	
Outside Director	Hisayuki Suekawa	
Director, Audit and Supervisory Committee Member	Nobukazu Kuboi	
Outside Director, Audit and Supervisory Committee Member	Minoru Sanari	
Outside Director, Audit and Supervisory Committee Member	Tomokazu Fujisawa	
Outside Director, Audit and Supervisory Committee Member	Noriya Yokota	
Outside Director, Audit and Supervisory Committee Member	Shiho Ito	
Managing Executive Officer	Koji Nakano	In charge of Plastics Segment and Southeast Asia; General Manager, Southeast Asia
Managing Executive Officer	Yutaka Takahashi	In charge of Chemicals, Life Industry Segments, the Americas and Europe; General Manager, Chemicals Division
Executive Officer	Shinya Kawai	Assisting of officer in charge of Plastics Segment; General Manager, Plastics Division I; General Manager, Plastics Compound Business Office
Executive Officer	Katsutoshi Tanaka	President, Inabata Fine Tech Co., Ltd.
Executive Officer	Tsuyoshi Maruta	Assisting of officer in charge of Northeast Asia; General Manager, Information & Electronics Division I
Executive Officer	Koichi Noda	General Manager, Financial Management Office
Executive Officer	Takaharu Ookura	General Manager, Northeast Asia
Executive Officer	Masato Tsunoda	General Manager, Risk Management Office
Executive Officer	Hiroyuki Furubayashi	General Manager, Human Resources Office