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Securities Code: 8098
June 1, 2021

To our shareholders:

Katsutaro Inabata
President
Inabata & Co., Ltd.
1-15-14 Minami-semba, Chuo-ku, Osaka

Notice of Convocation of the 160th Ordinary General Meeting of Shareholders

This is to notify you of the 160th Ordinary General Meeting of Shareholders of Inabata & Co., Ltd. (the "Company"), which will be held as indicated below.

You may exercise your voting rights in writing or via the internet, etc. Please review the attached Reference Materials for the General Meeting of Shareholders, and exercise your voting rights by 5:10 p.m. on Tuesday, June 22, 2021 (JST).

Details

1. Date and Time: Wednesday, June 23, 2021, at 10:00 a.m. (Reception starts at 9:00 a.m.)

2. Place: Conference room, 7th floor of the Company, Inabata Sangyo Tokyo Head Office Bldg.

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

(The Company usually had held the Ordinary General Meeting of Shareholders in Osaka. However, in consideration of the disparate locations of shareholders' residences and other factors, the Company decided starting from this Ordinary General Meeting of Shareholders to hold the meeting at a venue in Chuo-ku, Tokyo, which is closer to where many of our shareholders reside.)

3. Objectives:

Items to be reported

1. The Business Report and the Consolidated Financial Statements for the 160th fiscal year (from April 1, 2020 to March 31, 2021), and the results of audits of the Consolidated Financial Statements by the accounting auditor and the audit & supervisory board
2. The Financial Statements for the 160th fiscal year (from April 1, 2020 to March 31, 2021)

Items to be resolved

Proposal 1: Election of nine (9) directors

Proposal 2: Election of one (1) substitute audit & supervisory board member

⊙ When you attend the meeting, you are kindly requested to present the enclosed Voting Right Exercise Form at the reception of the meeting.

⊙ The Consolidated Financial Statements and the Financial Statements provided in the attached documents to this Notice of Convocation form part of the Consolidated Financial Statements and the Financial Statements audited by the audit & supervisory board members and the accounting auditor. Pursuant to the laws and regulations and article 16 of the Company's articles of incorporation, Notes on the Consolidated Financial Statements and Notes on the Financial Statements are posted on the Company's website and are not provided in the attached documents to this Notice of Convocation.

⊙ If it becomes necessary to make changes to the Reference Materials for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Financial Statements prior to the day before the meeting, we will notify you of the changes either by postal mail or via the Company's website.

⊙ The Company shall post the contents of resolutions of this general meeting on the Company's website instead of sending written notice of resolutions. We appreciate your understanding in this matter.

* The Company's website: https://www.inabata.co.jp

Reference Materials for the General Meeting of Shareholders

Proposal 1: Election of nine (9) directors

Director Toshihisa Deguchi resigned on January 31, 2021, and the term of office of all the other nine (9) directors will expire at the conclusion of this general meeting of shareholders.

In that regard, the Company proposes the election of nine (9) directors, decreasing the number of positions by one to establish the system that can realize a quick and more flexible management strategy.

The candidates for director are as follows:

No.	Name	Positions and responsibilities in the Company	Attenda-nce at meetings of the board of directors (Fiscal 2020)	Tenure as director (at the conclusion of this general meeting)
1	Reappointment Katsutaro Inabata	Director, President	18/18	26 years
2	Reappointment Toyohiro Akao	Director, Senior Managing Executive Officer Information & Electronics, Life Industry, the Americas, Europe	18/18	11 years
3	Reappointment Kenichi Yokota	Director, Senior Managing Executive Officer General Affairs, Information Technology, Financial Management, Investor Relations, Business Process Management, Risk Management, International Affiliate Management	18/18	13 years
4	Reappointment Masahiro Sugiyama	Director, Managing Executive Officer Information & Electronics (assisting), Northeast Asia	18/18	5 years
5	Reappointment Noriomi Yasue	Director, Managing Executive Officer Plastics, Southeast Asia	18/18	4 years
6	New candidate Kenji Ohno	–	–	–
7	Reappointment Kiyoshi Sato Outside Independent	Outside director	18/18	2 years
8	Reappointment Kenji Hamashima Outside Independent	Outside director	14/14	1 year
9	New candidate Takako Hagiwara Outside Independent Female	–	–	–

No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company	Significant concurrent positions at other organizations
1	Katsutaro Inabata (December 3, 1959) Reappointment No. of Company shares owned 77,900 Attendance at meetings of the board of directors 18 of 18 (100%)	Jan. 1989 Joined the Company Jun. 1995 Director Jun. 1997 Managing Director Jun. 2003 Director, Managing Executive Officer Apr. 2005 Director, Senior Managing Executive Officer Dec. 2005 Director, President (present) [Reason for nomination as a candidate for director] Since being appointed as director in 1995, Mr. Katsutaro Inabata has served as managing director, director and managing executive officer, and director and senior managing executive officer. Since 2005, he has been director and president of the Company. He has managed the Company for many years and possesses abundant experience as a member of the management, so the Company considers him suitably qualified as a director of the Company and has nominated him once more as a candidate for director.	–

No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company	Significant concurrent positions at other organizations
2	Toyohiro Akao (December 19, 1959) Reappointment No. of Company shares owned 16,700 Attendance at meetings of the board of directors 18 of 18 (100%)	Apr. 1982 Joined the Company Jun. 2004 General Manager, Display & Imaging Division Jun. 2005 Executive Officer Jun. 2010 Director, Executive Officer Apr. 2011 General Manager, Electronics Materials & Equipment Division Apr. 2012 General Manager, Information & Electronics Division I, Information & Electronics Division II and Information & Electronics Division III Apr. 2013 In charge of Information & Electronics Division I, Information & Electronics Division II and Information & Electronics Division III Jun. 2013 Director, Managing Executive Officer Jun. 2014 In charge of Chemicals Division and Life Industry Division Jun. 2015 Director, Senior Managing Executive Officer (present) Apr. 2016 In charge of Information & Electronics, Life Industry segments, the Americas and Europe (present) In charge of Chemicals segment [Reason for nomination as a candidate for director] Mr. Toyohiro Akao has held positions of responsibility in the information & electronics segment, one of the Company's main segments, for many years. Following his appointment as director in 2010 as a member of the management, he has served as director and managing executive officer, and since 2015 he has been a director and senior managing executive officer, and is in charge of the information & electronics and life industry segments. He possesses abundant experience as a member of the management within the Company, so the Company considers him suitably qualified as a director of the Company and has nominated him once more as a candidate for director.	Director, Inabata Fine Tech Co., Ltd.

No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company	Significant concurrent positions at other organizations
3	Kenichi Yokota (November 3, 1962) Reappointment No. of Company shares owned 12,700 Attendance at meetings of the board of directors 18 of 18 (100%)	Jul. 1996 Joined the Company Jul. 2004 General Manager, Finance and Accounting Office Jun. 2005 Executive Officer Jun. 2008 Director, Executive Officer General Manager, Corporate Planning Office May 2009 In charge of Internal Audit Office Jun. 2009 General Manager, Financial Management Office Apr. 2011 Deputy General Manager, Corporate Planning Office Apr. 2013 In charge of Financial Management Office Deputy General Manager, International Affiliate Management Office Jun. 2013 In charge of Risk Management Office Jun. 2014 Director, Managing Executive Officer In charge of Business Process Management Office Apr. 2016 In charge of Financial Management, Investor Relations, Business Process Management, Risk Management, International Affiliate Management (present) Jun. 2016 In charge of General Affairs and Information Technology (present) Jun. 2017 Director, Senior Managing Executive Officer (present) [Reason for nomination as a candidate for director] Mr. Kenichi Yokota has professional experience as a certified public accountant and after joining the Company, he has primarily held positions of responsibility in the Company's financial management for many years. Following his appointment as director in 2008 as a member of the management, he has served as director and managing executive officer, and since 2017, he has been director and senior managing executive officer, and is in charge of administrative areas such as general affairs, information technology, financial management, investor relations, business process management, and risk management. He possesses abundant experience as a member of the management within the Company, so the Company considers him suitably qualified as a director of the Company and has nominated him once more as a candidate for director.	–

No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company	Significant concurrent positions at other organizations
4	Masahiro Sugiyama (June 15, 1958) Reappointment No. of Company shares owned 8,500 Attendance at meetings of the board of directors 18 of 18 (100%)	Jul. 2002 Joined the Company Jun. 2010 Executive Officer General Manager, Plastics Division II Apr. 2014 General Manager, Information & Electronics Division I Jun. 2016 Director, Executive Officer Jun. 2018 Director, Managing Executive Officer (present) In charge of Information & Electronics segment (assisting), Northeast Asia (present) [Reason for nomination as a candidate for director] Mr. Masahiro Sugiyama has held positions of responsibility in the plastics segment and the information & electronics segment, both of which are major segments for the Company. Following his appointment as director in 2016 as a member of the management, since 2018 he has been director and managing executive officer, and is in charge of the information & electronics segment. He possesses abundant experience as a member of the management within the Company, so the Company considers him suitably qualified as a director of the Company and has nominated him once more as a candidate for director.	Director, Taiwan Inabata Sangyo Co., Ltd.

No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company	Significant concurrent positions at other organizations
5	Noriomi Yasue (March 13, 1957) Reappointment No. of Company shares owned 3,000 Attendance at meetings of the board of directors 18 of 18 (100%)	Apr. 1980 Joined the Company Apr. 2013 General Manager, Plastics Division I Apr. 2014 General Manager, Plastics Compound Business Office Jun. 2014 Executive Officer Jun. 2017 Director, Executive Officer In charge of Asia In charge of Plastics segment (present) Jun. 2018 Director, Managing Executive Officer (present) In charge of Southeast Asia (present) [Reason for nomination as a candidate for director] Mr. Noriomi Yasue has held positions of responsibility in the plastics segment, one of the Company's main segments, for many years. As a member of the management, he has experience as president of domestic and overseas group companies. Following his appointment as director of the Company in 2017, since 2018 he has been director and managing executive officer, and is in charge of plastics segment. He possesses abundant experience as a member of the management within the Company, so the Company considers him suitably qualified as a director of the Company and has nominated him once more as a candidate for director.	–

No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company	Significant concurrent positions at other organizations
6	Kenji Ohno (December 10, 1963) New candidate No. of Company shares owned 0	Apr. 1987 Joined Sumitomo Chemical Co., Ltd. Apr. 2006 General Manager, Legal Dept., Sumitomo Chemical Co., Ltd. Apr. 2016 Executive Officer, General Manager of Legal Dept., Sumitomo Chemical Co., Ltd. Apr. 2020 Managing Executive Officer, Sumitomo Chemical Co., Ltd. (present) [Reason for nomination as a candidate for director] Mr. Kenji Ohno has held positions of responsibility in the legal department of a general chemicals manufacturer for many years. He has also been involved in administrative areas such as general affairs, internal control and audit, based on which experience he possesses a wide-ranging viewpoint and expert knowledge. In addition, he has abundant experience in the promotion of sustainability at a listed company, so the Company considers him suitably qualified as a director of the Company and has nominated him as a candidate for director.	Managing Executive Officer, Sumitomo Chemical Co., Ltd.

No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company	Significant concurrent positions at other organizations
7	Kiyoshi Sato (April 2, 1956) Reappointment Candidate for outside director Independent officer No. of Company shares owned 0 Attendance at meetings of the board of directors 18 of 18 (100%)	Apr. 1979 Joined Tokyo Electron Ltd. Jun. 2003 President and CEO, Tokyo Electron Ltd. Apr. 2009 Vice Chairman of the Board, Tokyo Electron Ltd. Jun. 2011 Chairman of the Board, Tokyo Electron Europe Ltd. Nov. 2013 President, TEL Solar AG Jun. 2017 Outside Director, Toshiba Machine Co., Ltd. (now Shibaura Machine Co., Ltd.) (present) Jun. 2019 Outside Director of the Company (present) Jun. 2019 Outside Director, Mazda Motor Corp. (present) [Reason for nomination as a candidate for outside director and summary of expected role] Mr. Kiyoshi Sato has global and abundant experience and extensive knowledge as a member of the management of Japan's leading company of manufacturing equipment for semiconductors and flat panel displays. The Company considers he has sufficiently fulfilled the role that the Company expects at the board of directors and has nominated him once more as a candidate for outside director. If he is elected, the Company expects that he will use his abundant experience and extensive knowledge as a manager to provide oversight and advice in relation to the Company's execution of duties from an objective perspective. [Tenure as outside director] Two years (at the conclusion of this general meeting)	Outside Director, Shibaura Machine Co., Ltd. Outside Director, Mazda Motor Corp.

No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company	Significant concurrent positions at other organizations
8	Kenji Hamashima (January 3, 1959) Reappointment Candidate for outside director Independent officer No. of Company shares owned 0 Attendance at meetings of the board of directors 14 of 14 (100%)	Apr. 1982 Joined Ushio Inc. Apr. 1999 President and Chief Executive Officer, Ushio America, Inc. Nov. 2000 Chairman and Chief Executive Officer, Christie Digital Systems USA, Inc. Chairman and Chief Executive Officer, Christie Digital Systems Canada, Inc. Apr. 2004 Group Senior Executive Officer, Ushio Inc. Apr. 2007 Group Managing Executive Officer, Ushio Inc. Jun. 2010 Director and Senior Managing Executive Officer, Ushio Inc. Apr. 2014 Representative Director and Senior Executive Vice President, Ushio Inc. Oct. 2014 President and Chief Executive Officer, Ushio Inc. Apr. 2019 Corporate Adviser, Ushio Inc. Apr. 2020 Special Adviser, Ushio Inc. (present) Jun. 2020 Outside Director of the Company (present) [Reason for nomination as a candidate for outside director and summary of expected role] Mr. Kenji Hamashima has global and abundant experience and extensive knowledge as a member of the management of a manufacturer which produced applied optics products such as industrial light sources, and industrial machinery. The Company considers he has sufficiently fulfilled the role that the Company expects at the board of directors and has nominated him once more as a candidate for outside director. If he is elected, the Company expects that he will use his abundant experience and extensive knowledge as a manager to provide oversight and advice in relation to the Company's execution of duties from an objective perspective. [Tenure as outside director] One year (at the conclusion of this general meeting)	Special Adviser, Ushio Inc.

No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company	Significant concurrent positions at other organizations
9	Takako Hagiwara (March 12, 1961) New candidate Candidate for outside director Independent officer Female No. of Company shares owned 0	Apr. 1984 Joined Sony Corp. (now Sony Group Corp.) Apr. 2002 General Manager, Human Resources Div., NACS, Sony Corp. Apr. 2006 General Manager, Human Resources Development Div., Corporate Human Resources, Sony Corp. Apr. 2008 General Manager, Diversity Development Div., Corporate Human Resources, Sony Corp. Apr. 2014 Representative Director, Sony Hikari Corp. and Sony Kibou Corp. (now Sony Kibou/Hikari Corp.) Jan. 2015 Retired from Sony Corp. Feb. 2015 Director, Chief Health Officer, Green House Co., Ltd. Jul. 2020 Representative Director, DDD Corp. (present) [Reason for nomination as a candidate for outside director and summary of expected role] Ms. Takako Hagiwara held positions of responsibility for many years in the human resources division of a major electronics manufacturer with a global presence in multiple businesses, such as audiovisual equipment, games, movies, and music, in addition to which she has also served in management, and accordingly has extensive knowledge and experience. Based on the above, the Company considers her suitably qualified as an outside director of the Company and has nominated her as a candidate for outside director. If she is elected, the Company expects that she will provide advice in such areas as the Company's human resources strategy, and on the promotion of diversity.	Representative Director, DDD Corp. Outside Director, Twinbird Corp. (scheduled to assume the office in May 2021)

(Notes) 1. There are no special interests between the candidates and the Company.

2. Mr. Kenji Ohno and Ms. Takako Hagiwara are new candidates for director.

3. Mr. Kiyoshi Sato, Mr. Kenji Hamashima and Ms. Takako Hagiwara are candidates for outside director.

4. The Company designates Mr. Kiyoshi Sato, Mr. Kenji Hamashima and Ms. Takako Hagiwara as independent officers under the provisions of the Tokyo Stock Exchange, Inc., and submits as such accordingly. When the reelection of Messrs. Kiyoshi Sato and Kenji Hamashima is approved, they are scheduled to be as independent officers continuously. As for Ms. Takako Hagiwara, if her election is approved, she is scheduled to be an independent officer. Each one of them meets the independence criteria set out in the Company's Criteria for Independence of Outside Officers.

5. The Company has entered into agreements with Messrs. Kiyoshi Sato and Kenji Hamashima to limit their liability for damages under article 423, paragraph 1 of the Companies Act. If their reelection is approved, the Company plans to renew the respective agreements with each of them. Pursuant to these agreements, the Company shall set the defined maximum amount of liability for damages, if they have acted in good faith and without gross negligence in performing their duties, at the minimum liability amount provided for under article 425, paragraph 1 of the Companies Act. In addition, if the election of Mr. Kenji Ohno and Ms. Takako Hagiwara is approved, the Company plans to enter into the same agreement with each of them.

6. The Company has entered into an officers, etc. liability insurance contract with an insurance company pursuant to article 430-3, paragraph 1 of the Companies Act, whereby the Company shall take responsibility in relation to execution of duties by those covered by the policy, including directors of the Company, and shall compensate them for any damages arising as result of claims pursued in relation to said responsibility. If the election of the candidates is approved, each shall be covered by this contract. In addition, when the contract is renewed, the Company plans to renew the contract with said details.

7. "No. of Company shares owned" is current as of March 31, 2021.

8. "Attendance at meetings of the board of directors" for Mr. Kenji Hamashima is the number of meetings of the board of directors held since he was appointed on June 23, 2020.

Proposal 2: Election of one (1) substitute audit & supervisory board member

The Company proposes the election of one (1) candidate as substitute for audit & supervisory board member in advance to be ready to fill a vacant position should the number of audit & supervisory board members fall below the number required by laws and regulations and the articles of incorporation.

Furthermore, prior consent to this proposal has been obtained from the audit & supervisory board.

The candidate for substitute audit & supervisory board member is as follows:

Name (Date of birth)	Brief career summary	Significant concurrent positions at other organizations
Toru Muranaka (June 3, 1965) Candidate for substitute outside audit & supervisory board member Independent officer No. of Company shares owned 0	Apr. 1995 Registered as Attorney Nov. 2007 Partner, Daiichi Legal Professional Corp. (present) May 2014 Outside Audit & Supervisory Board Member, Furuno Electric Co., Ltd. (present) Jun. 2015 Outside Audit & Supervisory Board Member, Suzuken Co., Ltd. (present) Jun. 2016 Outside Director, Capcom Co., Ltd. (present) [Reason for nomination as a candidate for substitute outside audit & supervisory board member] Mr. Toru Muranaka, though never having been directly involved in corporate management in any form other than as outside officer, is a qualified attorney, so the Company has determined that his wide-ranging knowledge and insight would enable him to carry out objective, proactive, and fair audits and has nominated him as a candidate for substitute outside audit & supervisory board member.	Partner, Daiichi Legal Professional Corp. Outside Audit & Supervisory Board Member, Furuno Electric Co., Ltd. Outside Audit & Supervisory Board Member, Suzuken Co., Ltd. (scheduled to retire from the office in June 2021) Outside Director, Capcom Co., Ltd.

(Notes) 1. There are no special interests between the candidate and the Company.

2. Mr. Toru Muranaka is a candidate for substitute outside audit & supervisory board member.

3. Mr. Toru Muranaka meets the independence criteria set out in the Company's Criteria for Independence of Outside Officers and the requirements for independent officers stipulated by the Tokyo Stock Exchange, Inc. If Mr. Toru Muranaka assumes the office of outside audit & supervisory board member, the Company plans to designate him an independent officer and submit a declaration to this effect.

4. If Mr. Toru Muranaka assumes the office of outside audit & supervisory board member because the number of audit & supervisory board members fell below the minimum provided for by laws and regulations and the articles of incorporation, the Company plans to enter into an agreement with him to limit his liability for damages under article 423, paragraph 1 of the Companies Act. Pursuant to this agreement, the Company shall set the defined maximum amount of liability for damages, if he has acted in good faith and without gross negligence in performing his duties, at the minimum liability amount provided for under article 425, paragraph 1 of the Companies Act.

5. The Company has entered into an officers, etc. liability insurance contract with an insurance company pursuant to article 430-3, paragraph 1 of the Companies Act, whereby the Company shall take responsibility in relation to execution of duties by those covered by the policy, and shall compensate them for any damages arising as result of claims pursued in relation to said responsibility. If Mr. Toru Muranaka is elected outside audit & supervisory board member, he will be included among those covered by the insurance contract. In addition, when the contract is renewed, the Company plans to renew the contract with said details.

6. In December 2020, Suzuken Co., Ltd., where Mr. Toru Muranaka serves as an outside audit & supervisory board member, faced a criminal accusation by Japan Fair Trade Commission over a violation of the Anti-Monopoly Act in connection with the bidding by Japan Community Health care Organization (JCHO). This incident was uncovered when an on-site inspection was performed by the authorities in November 2019. Although he was unaware of such improprieties until they came to light, he provides recommendations on a regular basis from the viewpoint of legal compliance. In addition, after the improprieties came to light, he focused on the initiatives by executives, including cooperating with the inspection, investigating its causes and establishing measures to prevent a recurrence, through the audit & supervisory board of Suzuken Co., Ltd. In addition, through actions, such as giving appropriate advice to the board of directors, etc., he appropriately fulfilled his duties.
7. "No. of Company shares owned" is current as of March 31, 2021.

<For Reference>

Corporate Governance Initiatives

1. Expertise and experience required of the Company's directors and audit & supervisory board members

Management system (planned) in the event that Proposal 1 is approved is as follows.

	Name	Corporate management	Sales (global)			Finance and Accounting	Legal/risk management	HR/labor	IT/digital	ESG	Experience at other companies
			Information & Electronics	Plastics	Chemicals/ Life Industry						
Director	Katsutaro Inabata	●		●	●			●	●	●	●
	Toyohiro Akao	●	●		●						
	Kenichi Yokota	●				●	●		●	●	●
	Masahiro Sugiyama	●	●	●							●
	Noriomi Yasue	●		●							
	Kenji Ohno	●					●			●	●
	Kiyoshi Sato*	●	–	–	–						–
	Kenji Hamashima*	●	–	–	–	●					–
	Takako Hagiwara*	●	–	–	–			●		●	–
Audit & supervisory board member	Takashi Mochizuki			●							
	Nobukazu Kuboi					●				●	●
	Yoshitaka Takahashi*		–	–	–			●			–
	Katsuya Yanagihara*		–	–	–		●				–
	Satoshi Tamai*		–	–	–	●					–

(Note) * denotes an independent outside officer.

2. Policy on Reduction of Cross-shareholdings

In April 2021, the Company launched its three-year mid-term business plan "New Challenge 2023" ("NC2023") (*1), which will end in the fiscal year ending March 31, 2024.

As part of one of its major priority measures, "Continuous review of asset holdings and further improvement of fund and asset efficiency," the Company has decided to conduct a further review of its cross-shareholdings during the implementation of "NC2023" and reduce them by 50% in three years.

In accordance with the Corporate Governance Code, the Company has been reducing its so-called cross-shareholdings for which there is no recognized reason for holding, and will continue to do so based on the results of a more rigorous review of the reasonableness of such holdings.

[Reference] Changes in amount of sales of cross-shareholdings

(Millions of yen)	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Sales of cross-shareholdings	4,549	9,017	5,298	3,026	2,944

(*1) Outline of the mid-term business plan "NC2023"

[Quantitative Targets]	Fiscal year ending March 31, 2024	Major priority measures
Net sales	670 billion yen	1. Further deepening of core businesses and horizontal expansion into growth areas
Operating profit	16.5 billion yen	
Ordinary profit	17.0 billion yen	2. Diversified efforts and securing profitability in markets with potential for future growth
Profit attributable to owners of parent	16.0 billion yen	3. Aggressive investment for future growth
ROE	8% or more	4. Further sophistication of the global management information infrastructure
Net D/E ratio	0.3 or less	
Equity ratio	50% or more	5. Continuous review of asset holdings and further improvement of fund and asset efficiency
Exchange rate	JPY 105.00/USD	6. Strengthening of efforts to utilize human capital

* Net sales target based on the standard prior to application of the new revenue recognition standard: 700.0 billion yen

■ Partial Amendment to Basic Policy on Shareholder Return since fiscal 2021

Together with the start of the new three-year mid-term business plan NC2023 that started in April 2021, from the perspective of placing even greater emphasis on shareholder return, the Company introduced new progressive dividends and set its basic policy on shareholder return during the period of the mid-term business plan as follows.

(New shareholder return policy)

(i) 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 (introduction of progressive dividends).

(ii) The target for total return ratio is 30% to 35% at this time.

(iii) The Company will acquire treasury shares using a flexible approach**.**

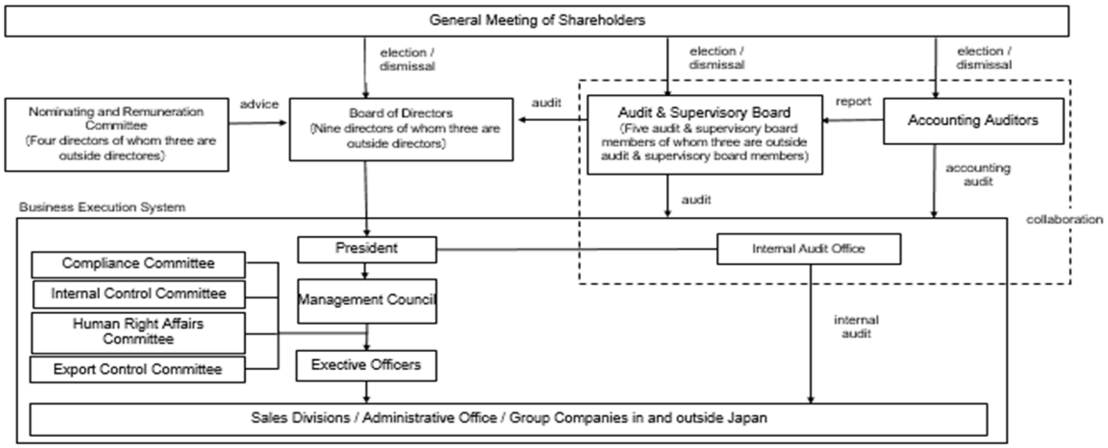
3. Basic Approach to Corporate Governance

The Company's management philosophy is to contribute to the development of society by respecting people, based on the spirit of "love" and "respect." Based on this management philosophy, we believe that in order to meet the expectations of our shareholders, business partners, employees, and all other stakeholders who support the Company's business activities, and to sustainably increase its corporate value, it is essential to develop and build a strong corporate governance system that will ensure the transparency and fairness of management and serve as a foundation for prompt and determined decision-making.

4. Corporate Governance Structure

The Board of Directors makes decisions on important management issues and supervises the execution of business; while as a company with audit & supervisory board members, the audit & supervisory board members and the audit & supervisory board, which are independent from the Board of Directors, audit the execution of duties by the directors and the decision-making by the board of directors.

Corporate Governance Structure



[The Nominating and Remuneration Committee]

The Company established a voluntary Nominating and Remuneration Committee in 2015. Resolutions on the election and dismissal of senior management, the nomination of candidates for directors, audit & supervisory board members and executive officers, and the remuneration of directors are deliberated by the Nominating and Remuneration Committee, where the majority of members are independent outside directors. The board of directors strives to ensure objectivity,

fairness, and transparency by fully respecting the results of the Nominating and Remuneration Committee's deliberations.

Members of the Nominating and Remuneration Committee: three independent outside directors and one internal director

Chairperson: independent outside director

Number of meetings: seven meetings in the fiscal year ending March 31, 2021

5. Effectiveness Evaluation of the Board of Directors

The Company has conducted an evaluation of the effectiveness of the board of directors since fiscal 2015, with the aim of increasing corporate value through enhancing the effectiveness and transparency of the board of directors. A third-party evaluation, which is implemented every three years, was carried out by a third-party organization in fiscal 2020. A summary of the evaluation results and future measures have been disclosed on the Company's website.

[Outline of fiscal 2020 evaluation and future measures]

1. Subjects	All current nine (9) directors and all five (5) audit & supervisory board members as of March 31, 2021
2. Evaluation methodology	・ The Company hired an outside consultant as a third-party organization ("the third-party organization") ・ The Company had evaluation targets answer a questionnaire, and conducted individual interviews ・ The third-party organization collected the results of the analysis and evaluation based on the results of answers to the questionnaire and interviews, and reported these results to the board of directors of the Company in February 2021 ・ After verification by the board of directors of the content of the report, the direction of future measures was decided
3. Overview of results of analysis and evaluation	As a result of the analysis and evaluation carried out by the third-party organization, the following points were identified concerning the awareness and way of thinking of all target directors and audit & supervisory board members in regard to the current status of the Company. [Overview of management and business] ・ Stable growth in the plastics segment and the information & electronics segment, which are primary businesses of the Company, was evaluated well. It has been recognized that the development of new businesses and the third pillar is a significant issue in management. ・ It has been recognized that strengths of the Company are the ability to create new businesses from personal relationships with existing customers and the ability to flexibly respond to changing needs, and that personnel development, which includes the development of management, is an extremely significant management issue.

	・ It has been recognized that significant risks include overseas activities' latent risks, credit risks of business partners and risks pertaining to business investments. The establishment of an internal control system was evaluated well, and against the backdrop of this system, the expansion of business while appropriately understanding and controlling risks is expected. ・ The further strengthening of company-wide functions is expected. [Overview of the board of directors] ・ The operation and composition of the board of directors were both highly rated overall. ・ Regarding self-evaluation in the previous fiscal year, it is believed that it is necessary to further deepen discussions regarding medium- to long-term management and strategy, such as the mid-term business plan, which was recognized as an issue, despite the difficulties of medium- to long-term discussions due to the nature of the trading company business. ・ Regarding outside directors, the offering of opinions and advice based on the viewpoint of managers and knowledge of the industry was highly rated. Audit & supervisory board members participated in discussions from a wide range of perspectives based on each of their areas of expertise. ・ The composition of internal directors and outside directors was highly rated. There is an awareness of the ratio of outside directors in the board of directors being one third or more going forward, which considers the revision of the Japan's Corporate Governance Code. Furthermore, it is believed that it is necessary to assume that the ideal state of the board of directors will change with a view to needing outside directors to be the majority in the medium to long term. [Overview of the Nominating and Remuneration Committee] ・ It has been indicated that despite Nominating and Remuneration Committee members having appropriate discussions, topics and other matters were not appropriately shared with the board of directors.
4. Future measures	The Company will strive to further enhance the effectiveness of the board of directors by executing the following initiatives to deal with the issues recognized from the results of the above-mentioned analysis and evaluation. ・ The board of directors will further deepen discussions regarding the direction of medium- to long-term businesses, which includes the mid-term business plan. Significant issues in the management of the Company, such as development of new businesses and the third pillar, personnel, internal control and group governance, will be discussed further. ・ The Company will examine the following initiatives to promote discussion. ○ Sharing and discussion before the step that will strengthen the direction on the executive side

	○ Free discussion and brainstorming in places other than the board of directors ・ The Company will work to strengthen company-wide functions. The Company will make examinations, including the placement of personnel, keeping in mind functions that apply specific plans and measures that are cross-functional throughout the Company. ・ The Company will continuously inspect the composition of the board of directors in light of environmental changes, such as the revision of the Japan's Corporate Governance Code and the establishment of the TSE Prime Market. Furthermore, the Company will estimate and examine changes, such as changes to the details of topics or discussions by the board of directors in conjunction with changes to the composition of the board of directors. ・ The Company will examine the appropriate sharing of the overview (schedule, topics, points of contention, etc. of the committee) of discussions by the Nominating and Remuneration Committee with the board of directors.

6. Policy and procedure for the appointment of candidates for directors and audit & supervisory board members

When the Company's board of directors elects executives and appoints candidates for directors and audit & supervisory board members, the Nomination and Remuneration Committee, a majority of which are independent outside directors, take measures, for instance, such as interviewing candidates, to examine credentials and aptitude which would contribute to the improvement of corporate value in the medium and long term and to ensure the objectivity, fairness, and transparency of any decision the board of directors makes.

The Company has the Criteria for Independence of Outside Officers, which are set out in section 7 below, for the election of independent outside directors and independent outside audit & supervisory board members and elects them in accordance with these criteria.

7. Criteria for Independence of Outside Officers

The Company has established criteria concerning the independence of outside directors and outside audit & supervisory board members of the Company (hereinafter collectively called "outside officers") as follows, and outside officers who do not meet any of the following conditions are considered independent.

(1) An executive (*1) of the Company or a subsidiary of the Company currently or within the past 10 years

(2) A person who has met any of the following conditions (i) through (vii) over the last three years

(i) A party whose major client or supplier is the Company (*2) or an executive thereof

(ii) A major client or supplier of the Company (*3) or an executive thereof

(iii) A consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company in addition to compensation as a

director/audit & supervisory board member (*4) (In case it is an organization such as a corporation or an association that receives monetary consideration or property, a party which belongs to the said organization.)

(iv) A major shareholder (*5) of the Company or an executive thereof

(v) A major lender (*6) of the Company or an executive thereof

(vi) A party that receives a donation over a certain amount (*7) from the Company or a party affiliated with an organization that receives a donation from the Company

(vii) An executive of a company for which an executive of the Company serves concurrently as outside officer of the said company

(3) A spouse or relative within the second degree of kinship of the person in (1) or (2) above

(4) A person who has served as outside officer of the Company for over eight years

(*1) "Executive" is an executive director, an executive officer or an employee.

(*2) "A party whose major client or supplier is the Company" is one which has received a payment from the Company equivalent to over 2% of its consolidated annual gross sales.

(*3) "Major client or supplier of the Company" is one which has paid to the Company an amount equivalent to over 2% of the Company's consolidated annual gross sales.

(*4) "Receives a large amount of monetary consideration or other property from the Company in addition to compensation as a director/audit & supervisory board member" means receiving from the Company monetary consideration or property which exceeds the higher of either 2% of sales or total revenue of such party in addition to compensation as a director/audit & supervisory board member or 10 million yen.

(*5) "Major shareholder" is one whose ownership ratio of voting rights is 10% or higher.

(*6) "Major lender" is one which has lent the Company an amount equivalent to over 2% of the Company's consolidated total assets.

(*7) "A donation over a certain amount" is one that exceeds 10 million yen.