



To whom it may concern:

April 25, 2017

Company name: Inabata & Co., Ltd.
Representative: Katsutaro Inabata, Director, President
(Stock code: 8098, First Section of Tokyo Stock Exchange)
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Notice Concerning Acquisition of Shares

Inabata & Co., Ltd. (the “Company”) hereby announces that it today signed a share transfer agreement with PT Cayman II Limited, with which CITIC Capital Partners Japan Limited (“CITIC Capital Partners”; head office: Hong Kong; location of Japan branch office: Chiyoda-ku, Tokyo; representative: Hironobu Nakano) has a relationship regarding information provision, to purchase 9% of all shares issued by PT Cayman Limited (“PT Cayman”) that are held by CITIC Capital Partners. PT Cayman has eight wholly owned subsidiaries including Polymatech Japan Co., Ltd. (“Polymatech”; location of head office: Saitama-city, Saitama; CEO: Jun Yamazaki), which manufactures and sells electronic components for automobiles and mobile devices. By acquiring shares in PT Cayman, the Company seeks to expand its operations with a focus on the automotive and electronics fields.

With regard to shares issued by PT Cayman that are not to be acquired by the Company (amounting to 91% of issued shares), a share transfer agreement was today signed between PT Cayman II Limited and Sekisui Chemical Co., Ltd. (“Sekisui Chemical”; location of head office: Osaka-city, Osaka; President and Representative Director: Teiji Koge).

This acquisition of shares by the Company does not correspond to the criteria requiring timely disclosure, but the Company judges it to be useful information, and is therefore disclosing it voluntarily.

1. Background

In its mid-term business plan, “New Challenge 2016,” the final year for which is the fiscal year ending March 2017, the Company designated the automotive field as a market with potential for growth and focused its efforts on expanding business primarily in its chemicals and plastics operations. Also, the Company will continue expanding business in the automotive field as a key field, in the new mid-term business plan started in April 2017.

Sekisui Chemical commands a competitive advantage in the development and manufacture of high-performance processed plastic products, and it also designates automobiles and transportation as a strategic field in which it is seeking to expand business. The Company’s management therefore believed that joint investment with Sekisui Chemical would enable both companies’ competitive advantages to be leveraged as an effective means of enhancing Polymatech’s corporate value.

2. Aim of acquiring shares

The Company aims to provide a stable supply of competitive raw materials to the Polymatech Group, and to promote sales of the Polymatech Group’s thermal conductive materials and products of other types by leveraging the Company’s worldwide sales network, in collaboration with Sekisui Chemical and

Polymatech. The Company will use this share acquisition as a foothold to strengthen its relationships with Sekisui Chemical and Polymatech, which command outstanding knowledge and technological capacity in the automotive and electronics fields. This will enable it to make further progress in exploring new markets and expanding business in these two fields.

3. Overview of the Polymatech Group

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| (1) Company name | Polymatech Japan Co., Ltd. |
| (2) Location of head office | 8-10-1 Tajima, Sakura-ku, Saitama-city, Saitama |
| (3) Representative | Jun Yamazaki |
| (4) Business activities | Manufacture and sale of automotive and electronics components
(Main product lines: vibration damping materials for car audio devices, automotive switch components, connector parts, thermal conductive materials, parts for wearable devices) |
| (5) Paid-in capital | ¥990,050,000 |
| (6) Incorporated | November 2012 |
| (7) Main operating sites | Sales: <i>In Japan</i> —Head office, Nagoya
<i>Overseas</i> —United States, China, Thailand, Indonesia* ¹
Manufacturing: <i>In Japan</i> —Head office
<i>Overseas</i> —China, Thailand, Indonesia* ¹ |

*1. Overseas sites are subsidiaries of PT Cayman, but are designated as Polymatech's sales and manufacturing sites.

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| (8) Recent business results | Net sales: ¥20.1 billion; operating income: ¥1.94 billion
(for the fiscal year ended December 2016)* ² |
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*2. On a consolidated basis including main operating sites listed in (7) above

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| (9) Website | http://www.polymatech.co.jp/english/ |
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4. Acquisition price

Total payment amount: Approx. ¥20.0 billion (planned)

The investment amount of the Company and Sekisui Chemical will be determined in accordance with the respective equity ratios of the two companies.

5. Schedule

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| April 25, 2017 | Signing of share transfer agreement |
| August 31, 2017 | Proposed date of share transfer |

6. Impact on business results

The impact of the share transfer on the Company's consolidated business results for the fiscal year ending March 2018 is expected to be immaterial.

7. Additional information

The share purchase is subject to approval by the relevant authorities.