To whom it may concern:



May 11, 2017

Company name:Inabata & Co., Ltd.Representative:Katsutaro Inabata, Director, President(Stock code: 8098, First Section of Tokyo Stock Exchange)Inquiries:Kenichi Yokota,<br/>Director, Managing Executive Officer<br/>(Tel: 03-3639-6421)

## Regarding Items Related to Controlling Shareholder, etc.

1. Name of parent company, controlling shareholder (excluding the parent company) or other related companies

| _                              | (As of March 31, 2017) |                                  |  |
|--------------------------------|------------------------|----------------------------------|--|
| Name                           | Affiliation            | Share of Voting<br>Rights<br>(%) | Financial instruments exchange,<br>etc. on which issued shares are<br>listed |
| Sumitomo<br>Chemical Co., Ltd. | Other related company  | 22.4                             | First Section of Tokyo Stock<br>Exchange                                     |

2. Position of a listed company in the corporate group of the parent company, etc. or other relationship between the listed company and the parent company, etc.

Sumitomo Chemical Co., Ltd. is a major shareholder in the Company with a 22.4% share of voting rights; the Company is an equity-method affiliate of Sumitomo Chemical.

The Company sells the Sumitomo Chemical's liquid crystal materials, synthetic resins, etc., and the Company's products are supplied to Sumitomo Chemical. Transaction terms are individually negotiated and determined while taking into account regular transactions. There are no restrictions from Sumitomo Chemical, such as items requiring approval for business activities conducted by the Company, and the Company maintains the independence of its management.

Mr. Yoshimasa Takao, Outside Director of the Company, is an Advisor of Sumitomo Chemical. The Company has appointed him as Outside Director as he is considered suitably qualified for that position, based on his abundant experience as a senior executive of a general chemicals manufacturer and extensive knowledge of the chemicals industry. Therefore, the Company believes that there is no concern as to ensuring of the Company's independence.

3. Items related to transactions with controlling shareholder, etc.

| Name of<br>company,<br>etc. | Location          | Paid-in<br>capital<br>(millions<br>of yen) | Line of<br>business                                 | Share of<br>voting<br>rights (held) | Relationship  |   |  |   |                        |   |
|-----------------------------|-------------------|--|---|-------------------------------------|---|---|--|---|------------------------|---|
|                             |                   |  |   |                                     | Interlocking<br>directors<br>and audit &<br>supervisory<br>board<br>members | D ·   | Transaction                              | Transaction<br>amount<br>(millions of<br>yen) | Account                | Term-end<br>balance<br>(millions of<br>yen) |
| ( nemical                   | Chuo-ku,<br>Tokyo | 89,699                                     | Manufacture<br>and sales of<br>chemical<br>products |                                     | 1person   | Purchase of<br>Sumitomo<br>Chemical's<br>products<br>Sale of the<br>Company's<br>products | Purchase of products                     | 11,198  | Accounts payable       | 1,677                                       |
|                             |                   |  |   |                                     |   |   | Sale of products                         | 5,894   | Accounts<br>receivable | 2,815                                       |
|                             |                   |  |   |                                     |   |   | Securities<br>provided as<br>collateral  | 11,188  |                        | _   |
|                             |                   |  |   |                                     |   |   | Sales of<br>securities<br>Sales proceeds | 3,306   | _                      | _   |
|                             |                   |  |   |                                     |   |   | Sales gain                               | 3,237   | _                      | _   |

Transaction terms, or policies, etc. for determining transaction terms

- a. Transaction terms, including prices, are individually negotiated and determined while taking into account regular transactions.
- b. Securities are provided as collateral against the Company's operating payables.
- c. The sale price of securities is determined by the closing price on the Tokyo Stock Exchange on the day of trading.

(April 1, 2016 to March 31, 2017)