



To whom it may concern:

March 13, 2023

Company name: Inabata & Co., Ltd.
Representative: Katsutaro Inabata, Director, President
(Stock code: 8098, Prime Market of the Tokyo Stock Exchange)
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Notice of Acquisition of the Shares of
Maruishi Chemical Trading Co., Ltd.
(Made into a Subsidiary)

Inabata & Co., Ltd. (the “Company”) hereby provides notice that it has today decided that the Company shall acquire the shares of Maruishi Chemical Trading Co., Ltd. and through such acquisition make Maruishi Chemical Trading Co., Ltd. into a subsidiary of the Company, as outlined below.

1. Reason for acquiring shares

As the second stage of “IK Vision 2030,” which is our long-term vision of where we want to be around 2030, we have been promoting a three-year mid-term business plan, “New Challenge 2023” (“NC2023”), which will end in the fiscal year ending March 31, 2024. In this stage of the mid-term business plan that aims to achieve our long-term vision, the Company will continually enhance its trading company functions, which serve as the foundation of the business, while investing in business fields and sectors in which the Company can leverage the Group’s strengths.

Maruishi Chemical Trading Co., Ltd., whose shares the Company will acquire, is a trading company specializing in chemicals that conducts business activities, such as the sale, import and export of chemicals and machinery and appliances, and design and construction work related to construction projects, paint work, waterproofing and machinery installation, in three business sectors, the chemicals business, polymers business and paint business.

We believe that acquiring the shares of Maruishi Chemical Trading Co., Ltd. and making it a subsidiary will contribute to further strengthening of the Company’s trading company functions by incorporating personnel who possess a high degree of specialized knowledge, mainly in the chemicals field, as well as Maruishi Chemical’s information gathering ability and its excellent customer base cultivated over its more than 100 years of history, into the Group.

After Maruishi Chemical Trading Co., Ltd. becomes a subsidiary, we aim to promote interactions among the personnel, improved efficiency through integration of logistics, collaboration utilizing overseas sites, etc., and increase earnings. Specifically, we plan to expand our business for coating materials, rubber compounds, resin compounds, engineering plastics, inorganic materials and other products.

2. Profile of the subsidiary being transferred (Maruishi Chemical Trading Co., Ltd.)

(1)	Name	Maruishi Chemical Trading Co., Ltd.		
(2)	Location	2-1-1 Edobori, Nishi-ku, Osaka City		
(3)	Name and title of representative	Koji Sato, Representative Director and President		
(4)	Business	Sale, import and export of industrial chemicals, synthetic resin, synthetic rubber, rubber chemicals, paint, dyes and pigments, water treatment chemicals, other chemicals, and machinery and appliances, and design and construction work related to construction projects, paint work, waterproofing and machinery installation.		
(5)	Capital stock	100 million yen		
(6)	Date of establishment	September 21, 1927		
(7)	Principal shareholders and percentages of shares outstanding	Inabata & Co., Ltd.: 28.36%; Sumitomo Chemical Co., Ltd.: 19.27%; Kansai Paint Co., Ltd.: 18.67%; Taiyou Shoukai Co., Ltd.: 16.16%		
(8)	Relationship between the listed company and the concerned company	Capital relationship	The Company holds a 28.36% investment in the concerned company. The concerned company holds a 1.69% investment in the Company.	
		Personnel relationship	Employees and Executive Officers of the Company concurrently serve as Directors and Auditor of the concerned company.	
		Business relationship	There are transactions involving the purchase and sale of products.	
(9)	Operating result and financial position of the concerned company for the last three years (non-consolidated)			
	Fiscal year-end	March 31, 2020	March 31, 2021	March 31, 2022
	Net assets	6,413 million yen	8,111 million yen	8,141 million yen
	Total assets	17,029 million yen	19,043 million yen	19,925 million yen
	Net assets per share	5,344.69 yen	6,759.61 yen	9,619.28 yen
	Net sales	30,708 million yen	27,819 million yen	31,069 million yen
	Operating profit	242 million yen	258 million yen	439 million yen
	Ordinary profit	481 million yen	506 million yen	717 million yen
	Profit	335 million yen	352 million yen	514 million yen
	Earnings per share	279.20 yen	294.07 yen	471.23 yen
	Dividend per share	15.0 yen	15.0 yen	15.0 yen

3. Profile of counterparty for the acquisition of shares

(1) Name	Kansai Paint Co.,Ltd.	
(2) Location	2-6-14, Imabashi, Chuo-ku, Osaka City	
(3) Name and title of representative	Kunishi Mori, President	
(4) Business	Manufacture and sale of various types of paint, design of color schemes, and manufacture and sale of products in the biotechnology and electronics materials fields	
(5) Capital stock	25,658 million yen	
(6) Date of establishment	May 1918	
(7) Net assets	375,114 million yen	
(8) Total assets	600,057 million yen	
(9) Major shareholders and ownership ratios	The Master Trust Bank of Japan, Ltd. (Trust account): 17.02%; Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.): 4.83%; and The Dai-ichi Life Insurance Company, Limited (Standing proxy: Custody Bank of Japan, Ltd.): 4.83%	
(10) Relationship between the Company and said company	Capital relationship	There are no matters that should be described.
	Personnel relationship	There are no matters that should be described.
	Business relationship	There are transactions involving the sale of products.
	Related party relationship	There are no matters that should be described.

4. Number of shares acquired, value of acquisition, status of ownership before and after acquisition

(1) Number of shares owned before the transfer	240,000 shares (Units of voting rights: 240,000) (Ownership ratio: 28.36%)
(2) Number of shares acquired	158,000 shares (Units of voting rights: 158,000) (Ownership ratio: 18.67%)
(3) Value of acquisition	Not disclosed (Note 1)
(4) Number of shares owned after the transfer	398,000 shares (Units of voting rights: 398,000) (Ownership ratio: 47.02%) (Note 2)

(Notes) 1. To satisfy the confidentiality obligation associated with the acquisition of the shares, the value of acquisition is not disclosed.

2. As of the filing date, the number of shares owned after the transfer will be 538,154 shares (ownership ratio: 63.58%) when including the number of shares that will be acquired when the contract for transferring the shares is concluded.

5. Schedule

(1) Acquisition determination date	March 13, 2023
(2) Contract date	March 13, 2023 (Planned)
(3) Share transfer date	March 30, 2023 (Planned)

6. Future outlook

The impact of this matter on the consolidated earnings for the fiscal year ending March 31, 2023 is expected to be minor. However, if an event that requires disclosure arises, we will promptly announce such an event. In addition, the Company plans to make Maruishi Chemical Trading Co., Ltd. a consolidated subsidiary in the fiscal year ending March 31, 2024.

(Reference) Consolidated earnings forecast for the fiscal year ending March 31, 2023 (announced February 8, 2023) and consolidated earnings for the fiscal year ended March 31, 2022

	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Profit attributable to owners of parent
Consolidated earnings forecast for the fiscal year ending March 31, 2023	730,000 million yen	19,500 million yen	20,500 million yen	20,500 million yen
Consolidated earnings for the fiscal year ended March 31, 2022	680,962 million yen	20,052 million yen	21,648 million yen	22,351 million yen