To whom it may concern:

February 3, 2025

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 Satoen Co., Ltd. (Made into a Subsidiary)

Inabata & Co., Ltd. (the "Company") hereby provides notice that it decided to have the Company's consolidated subsidiary DAIGO TSUSHO CO., LTD. ("DAIGO TSUSHO") acquire all of the shares of Satoen Co., Ltd. ("Satoen") and, through such acquisition, make Satoen into a subsidiary of the Company, as outlined below. The transfer of shares was conducted on January 31, 2025.

1. Reasons for acquiring shares

Since April 2024, the Company has been promoting the three-year Medium-term Management Plan "New Challenge 2026" ("NC2026"), which will end in the fiscal year ending March 31, 2027, as the third stage towards achieving our long-term vision "IK Vision 2030" by around 2030.

As one of the growth strategies of NC2026, the Company has established "expand earnings through proactive investment" with the environment-related business, such as renewable energy and recycling, and the life industry business, such as food products, as the target business domains, and this acquisition is in line with that strategy.

In the food sector of the life industry business, we aim to increase synergies and improve the Company's function and added value by building a vertically integrated organization (strengthening the upstream and downstream domains) in which the Group conducts integrated management of agricultural and fishery products, from their cultivation and production, to processing and sales.

The green tea market has stable demand in Japan as well as continuing growth, mainly in exports to overseas locations. In particular, there is believed to be significant room for sales expansion in the United States, Europe and Asia.

Satoen mainly cultivates, manufactures and sells tea primarily in Shizuoka Prefecture, which boasts the highest tea production in Japan, and the said company's strength is in sales through its e-commerce website and mail-order catalogs. In addition, in recent years Satoen has engaged in sales of functional green tea, which has been attracting attention for lifestyle care.

We expect that this acquisition of the shares of Satoen and making it into a subsidiary will lead to an expansion in sales through exports to Asia, the United States, Europe and other locations overseas utilizing the Company's overseas network.

In addition, we will utilize the customer base of Satoen's e-commerce website and mail-order catalogs and focus on cross-selling of the processed agricultural and fishery products that the Company procures in Japan and overseas, such as the processed eel available through DAIGO TSUSHO, which was made into a subsidiary in February 2023.

2. Overview of subsidiary to be acquired

Name	Satoen Co., Ltd.
Location	1057 Ohara, Aoi-ku, Shizuoka-shi, Shizuoka
Name and title of representative	Kimihiko Sato, President-Director
Business	Cultivation, manufacture and wholesale sales of tea, and mail-order sales of tea and food products
Capital stock	10 million yen
Date of establishment	December 1991

3. Future outlook

The impact of this acquisition on the consolidated financial results for the fiscal year ending March 31, 2025 is expected to be minor. However, if an event that requires disclosure arises, we will promptly announce such an event.

(Reference) Forecast of consolidated financial results for the fiscal year ending March 31, 2025 (announced on November 7, 2024) and consolidated financial results for the fiscal year ended March 31, 2024

	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Profit attributable to owners of parent
Forecast of consolidated financial results for the fiscal year ending March 31, 2025	830,000 million yen	24,000 million yen	24,000 million yen	20,000 million yen
Consolidated financial results for the fiscal year ended March 31, 2024	766,022 million yen	21,190 million yen	21,393 million yen	20,000 million yen

[Reference]

- Medium-term Management Plan "New Challenge 2026"
  https://www.inabata.co.jp/english/investor/management/midterm_plan/
- Notice of Acquisition of the Shares of DAIGO TSUSHO CO., LTD. (Made into a Subsidiary)
  https://ssl4.eir-parts.net/doc/8098/tdnet/2242338/00.pdf