

March 7, 2018

Notice on Acquisition of Shares of PET Refine Technology Co., Ltd.

JEPLAN, Inc. (“the Company.” Location: Kasumigaseki, Chiyoda-ku, Tokyo. CEO: Masaki Takao) is pleased to announce that it has concluded an agreement to acquire all the shares of Pet Refine Technology Co., Ltd. (“PRT”) from Toyo Seikan Co., Ltd. (“Toyo Seikan”).

1. Background to the Acquisition of Shares

PET Rebirth Co., Ltd., the predecessor of Pet Refine Technology Co., Ltd., was established for the chemical recycling of PET bottles in line with the full enforcement of the Container and Packaging Recycling Act in August 2001. However, PET Reverse Co., Ltd. applied for bankruptcy in June 2008 due to changes in the business environment, and PRT was established by Toyo Seikan in October 2008 to take over its business. PRT possesses proprietary chemical recycling technology for the decomposition of used PET bottles into monomers, which, after refining, it re-polymerizes into polyester pellets that are of equivalent quality to petroleum-derived pellets. PRT utilizes this technology to recycle PET bottles.

Meanwhile, the Company was established in January 2007 with the aim of realizing a circular economy and is primarily engaged in the collection and recycling of clothing. The polyester fiber which accounts for approximately 60% of clothing is the same material as that in PET bottles. The Company decided on the share acquisition, believing that it will be able to further promote the recycling of not only PET bottles but also the polyester fibers contained in clothing by utilizing the recycling technology and facilities possessed by PRT.

2. Profile of PRT

(1)	Company name	PET Refine Technology Co., Ltd.		
(2)	Address	12-2, Ougi-machi, Kawasaki-ku, Kawasaki City, Kanagawa Prefecture		
(3)	Name and position of representative	Sei Ishii, President and Representative Director		
(4)	Business description	PET bottles recycling business		
(5)	Capital	1,234 million yen (reduction in capital to 80 million yen planned by March 31, 2018)		
(6)	Date of establishment	October 10, 2008		
(7)	Operating results and financial position in the last three years			
	Accounting period	FYE March 31, 2015	FYE March 31, 2016	FYE March 31, 2017
	Net assets	757 million yen	1,022 million yen	(223) million yen
	Total assets	1,880 million yen	2,741 million yen	1,902 million yen
	Net assets per share	18,047.42 yen	24,333.81 yen	(5,332.10) yen
	Net sales	4,013 million yen	3,773 million yen	3,190 million yen
	Operating loss	(234) million yen	(303) million yen	(968) million yen

Inquiries and further information:

Aiko Okita, Corporate Communications Officer, JEPLAN Inc.

Tel : 03-6273-3218 E-mail : info@jeplan.co.jp

Ordinary loss	(213) million yen	(278) million yen	(939) million yen
Net loss	(569) million yen	(205) million yen	(1,245) million yen
Net loss per share	(13,571.39) yen	(4,899.39) yen	(29,665.91) yen
Dividend per share	0 yen	0 yen	0 yen

3. Profile of JEPLAN Inc.

(1) Company name	JEPLAN, Inc.
(2) Address	3-2-5, Kasumigaseki, Chiyoda-ku, Tokyo
(3) Name and position of representative	Masaki Takao, CEO
(4) Business description	Planning and operation of “BRING” recycling project Manufacture and sale of recycled products
(5) Capital	806 million yen
(6) Date of establishment	January 16, 2007
(7) Net assets	1,956 million yen
(8) Total assets	4,061 million yen

4. Schedule

(1) Date of agreement conclusion	March 7, 2018
(2) Execution date for share transfer	April 2018 (planned)

5. Plan Following PRT Share Acquisition

Backed by expanding demand for recycled polyester from global apparel brands, PRT will restart plant operations promptly and produce polyester pellets for use in fibers, not in PET bottle. Subsequently, PRT will carry out capital expenditure to make used clothing a raw material, with a plan to engage in the recycling of PET bottles and clothing by 2020. Moreover, PRT is planning to be utilized as a technology development site, where a variety of recycling technologies will be verified in extensive collaborations with related parties from around the world aimed at establishing a circular economy. PRT aims to contribute to the formation of a recycling society as a community space for running joint clothing collection projects and workshops in partnership with consumers, who have a leading role in the circular economy.

JEPLAN Inc.

CEO: Masaki Takao

Business description: Planning and operation of “BRING” recycling project, manufacture and sale of recycled products

Address: 25F. Kasumigaseki Bldg., 3-2-5, Kasumigaseki, Chiyoda-ku, Tokyo

URL: <https://www.jeplan.co.jp>

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