To whom it may concern:

September 13, 2017

Company name: Inabata & Co., Ltd.
Representative: Katsutaro Inabata, Director, President
(Stock code: 8098, First Section of the Tokyo Stock Exchange)
Inquiries: Nobukazu Kuboi, Executive Officer,
General Manager, Financial Management Office
(TEL 03-3639-6421)

Notification of Release of Investigation Report from Internal Investigation Committee and Actions to be Taken

Inabata & Co., Ltd. (the "Company") hereby provides notice, as set forth below, regarding the release of the investigation report from the Internal Investigation Committee and actions to be taken.

1. Regarding release of investigation report from Internal Investigation Committee

As announced on September 11, 2017, in "Notification of Receipt of Investigation Report from Internal Investigation Committee," the Company received, on September 11, 2017, the investigation report from the Internal Investigation Committee regarding the unauthorized sale by the planned seller of solar battery modules that were part of the inventory of the Company's consolidated subsidiary, INABATA EUROPE GmbH. For details, please refer to the attached investigation report[*1)]. Please be aware that some parts of the investigation report have been redacted to protect privacy and confidential information.

*1) An English version of the Investigation Report will promptly be released as soon as the English translation is completed.

2. Regarding the impact on the Company's consolidated financial statements

In regard to the impact on the Company's consolidated financial statements, there has been no change from the plan announced on September 11, 2017, in "Notification of Receipt of Investigation Report from Internal Investigation Committee."

Specifically, for the financial results for the three months ended June 30, 2017, in regard to the inventory that was sold without authorization as of June 30, 2017, the Company transferred ¥1,144 million from inventories to accounts receivable - other, and, in regard to the inventory for which the reasons for differences were not clarified, the Company transferred ¥12 million from inventories to cost of sales. Also, in regard to the relevant client's credit, the Company recorded ¥771 million in allowance for doubtful accounts.

After separate consideration of the impact of this matter on the financial results for the previous fiscal year, the impact was determined to be minor. As such, the Company did not revise the financial results for the previous fiscal year.

Also, today the Company will announce the Summary of Consolidated Financial Results for the Three Months Ended June 30, 2017, and file the Quarterly Securities Report for the Three Months Ended June 30, 2017.

3. Regarding actions to be taken

The Company takes the results of the Internal Investigation Committee's investigation and the recommendations for recurrence prevention measures very seriously, and will formulate recurrence prevention measures. To formulate recurrence prevention measures, the Company will establish the Committee for the Promotion of Preventing Recurrences under the Compliance Committee and move forward with taking the necessary actions. The specific details of the recurrence prevention measures will promptly be released once they are finalized.

4. Regarding disciplinary actions toward the parties involved

(1) Officers

Taking into account the seriousness of this situation and to clarify managerial accountability, it was resolved at the meeting of the board of directors held today to take disciplinary actions toward the directors as follows. These disciplinary actions were determined by the board of directors with the utmost deference for the proposal made by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee, which consists of two independent outside directors and one inside director, received consultation and deliberated regarding the proposal for disciplinary actions before proposing it to the board of directors.

Director and president Katsutaro Inabata: Remuneration cut by 50% (three months)

Director and senior managing executive officer Toyohiro Akao: Remuneration cut by 50% (three months)

Director and senior managing executive officer Kenichi Yokota: Remuneration cut by 30% (three months)

Director and managing executive officer Tomohiko Sato: Remuneration cut by 20% (three months)

Director and executive officer Masahiro Sugiyama: Remuneration cut by 10% (three months)

(2) Parties involved

The Company will carefully examine the necessity of disciplinary actions toward the parties involved in this case.

The Company deeply apologizes for the considerable inconvenience caused to shareholders, investors and all other stakeholders.