August 7, 2018

To whom it may concern:

Company name: Inabata & Co., Ltd.
Representative: Katsutaro Inabata, Director, President
(Stock code: 8098, First Section of the Tokyo Stock Exchange)
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# Notice Concerning Disposition of Treasury Shares by Third-Party Allotment Associated with Introduction of Performance-linked Share-based Remuneration System

Inabata & Co., Ltd. (the "Company") hereby announces that it resolved at its board of directors' meeting held today to dispose of treasury shares by third-party allotment (hereinafter the "Disposition of Treasury Shares"), as follows, associated with the introduction of performance-linked share-based remuneration system (Board Benefit Trust=BBT; hereinafter the "System") for directors (excluding outside directors; hereinafter the same unless specially noted) announced on May 10, 2018.

1. Outline of the disposition

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| (1) Date of the disposition | Thursday, August 23, 2018 |
| (2) Class and number of shares disposed of | 100,000 common shares |
| (3) Disposition price | 1,647 yen per share |
| (4) Total amount of disposition | 164,700,000 yen |
| (5) Intended recipient of disposed shares | Trust & Custody Services Bank, Ltd. (Trust Account E) |
| (6) Other | The Disposition of Treasury Shares can only take effect after the notification under the Financial Instruments and Exchange Act takes effect. |

2. Purpose and reason for disposition

The Company announced the introduction of the System on May 10, 2018, and later resolved it as officers' remuneration in the 157th Ordinary General Meeting of Shareholders held on June 22, 2018. (Please see the "Notice Concerning Introduction of Performance-linked Share-based Remuneration System" dated May 10, 2018 for an outline of the System.)

The Disposition of Treasury Shares is to dispose of treasury shares by third-party allotment to Trust Account E established in Trust & Custody Services Bank, Ltd. (re-trust trustee undertaking the re-trust from Mizuho Trust & Banking Co., Ltd. that is the trustee of the trust established pursuant to the trust agreement concluded with Mizuho Trust & Banking Co., Ltd. in relation to the System (hereinafter referred to as the "Trust")) for the purpose of holding and disposing of the Company's shares in the operation of the System.

The volume of shares disposed of is equivalent to the number of shares expected to be granted to directors of the Company during the trust period (the three business years from the year ending March 31, 2019 to the year ending March 31, 2021) in accordance with the share delivery regulations for officers, and is 0.16% of the total number of issued shares numbering 63,499,227 as of March 31, 2018 (rounded to two decimal places; the percentage in relation to the total number of voting rights numbering 612,794 as of March 31, 2018 is 0.16%).

* Outline of the trust agreement

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| Type of trust: | Money in trust other than a monetary trust (third party benefit trust) |
| Purpose of the trust: | To provide beneficiaries with the Company's shares that are trust asset and monies equivalent to the amount obtained by converting the Company's shares at the market prices pursuant to the share delivery regulations for officers |
| Entrustor: | Inabata & Co., Ltd. |
| Trustee: | Mizuho Trust & Banking Co., Ltd.<br>Mizuho Trust & Banking Co., Ltd. will conclude a comprehensive trust agreement with Trust & Custody Services Bank, Ltd., and Trust & Custody Services Bank, Ltd. will be the re-trust trustee. |
| Beneficiaries: | The retired directors who have beneficiary rights in accordance with the share delivery regulations for officers |
| Trust administrator: | The Company selects a third party that has no interest in the Company |
| Date of the trust agreement: | August 23, 2018 (planned) |
| Date of entrusting money: | August 23, 2018 (planned) |
| Trust period: | August 23, 2018 (planned) through the termination of the Trust |

3. Grounds for calculation of disposition price and specific details thereof

The disposition price was 1,647 yen, the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date the board of directors resolved the Disposition of Treasury Shares.

The reason for using the closing price on the business day immediately preceding the date the board of directors resolved the Disposition of Treasury Shares is because the Company determined that it appropriately represents the corporate value of the Company in the stock market and is reasonable.

The disposition price of 1,647 yen is an amount that is 101.10% of the average closing price of 1,629 yen (rounded down to the nearest yen) over the recent one month prior to the business day immediately preceding the date the board of directors resolved the Disposition of Treasury Shares, an amount that is 102.11% of the average closing price of 1,613 yen (rounded down to the nearest yen) over the recent three months prior to the business day immediately preceding the date the board of directors resolved the Disposition of Treasury Shares, or an amount that is 102.81% of the average closing price of 1,602 yen (rounded down to the nearest yen) over the recent six months prior to the business day immediately preceding the date the board of directors resolved the Disposition of Treasury Shares. As a result of the above consideration, the disposition price pertaining to the Disposition of Treasury Shares cannot be called particularly advantageous and is determined to be reasonable.

The four (4) audit & supervisory board members (including three (3) outside audit & supervisory board members) who attended the meeting of the board of directors have indicated the opinion that this is not a particularly advantageous disposition price.

4. Matters related to procedures under the corporate code of conduct

The Disposition of Treasury Shares does not require the procedures for obtaining the opinion of an independent third party and confirming the intent of shareholders pursuant to article 432 of the Securities Listing Regulations established by Tokyo Stock Exchange, Inc. because (i) the dilution ratio is less than 25% and (ii) there is no change in the controlling shareholder.