



To whom it may concern:

August 5, 2022

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(Stock code: 8098, Prime Market of the Tokyo Stock Exchange)
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Notice Concerning Disposition of Treasury Shares through Third Party Allotment in Association with Additional Contributions to the Trust Established under the Performance-linked Share-based Remuneration System for Executive Directors

Inabata & Co., Ltd (hereinafter referred to as the “Company”) hereby announces that it resolved at the Board of Directors’ meeting held today to make disposition of its treasury shares through third party allotment (hereinafter referred to as the “Disposition of Treasury Shares”) as follows.

1. Overview of the disposition

(1) Date of disposition	Monday, August 22, 2022
(2) Class and number of shares to be disposed of	180,000 shares of common shares
(3) Disposition value	2,333 yen per share
(4) Total disposition amount	419,940,000 yen
(5) Planned allottee	Custody Bank of Japan, Ltd. (Trust E Account)
(6) Others	The Disposition of Treasury Shares shall be subject to the condition that notification in accordance with the Financial Instruments and Exchange Act takes effect.

2. Purpose and reason of the disposition

At the 157th Ordinary General Meeting of Shareholders held on June 22, 2018, the Company introduced a performance-linked share-based remuneration system (hereinafter referred to as the “System”; a trust that was established based on a trust agreement entered into with Mizuho Trust & Banking Co., Ltd. in relation to the System is hereinafter referred to as the “Trust”). In addition, at the 161st Ordinary General Meeting of Shareholders held on June 22, 2022, the Company obtained approval for procedural amendments to the System in association with the transition to a company with an audit and supervisory committee.

The Company decided to make additional money contributions to the Trust (hereinafter referred to as the

“Additional Trust”) because the Trust will acquire shares expected to be needed for future benefits in the continuation of the System, and to dispose of treasury shares through third party allotment to the Trust E Account that was established with Custody Bank of Japan, Ltd. (re-trust trustee that accepted a re-trust from Mizuho Trust & Banking Co., Ltd., the trustee for the Trust) in order to hold and dispose of the Company’s shares in the operation of the System (Disposition of Treasury Shares).

The volume of disposition is equivalent to the number of shares expected to be provided to Directors of the Company during the trust period based on the share delivery regulations for officers (portion for three fiscal years from the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2024), and 0.31% of 57,714,127 shares of the total number of issued shares as of June 30, 2022 (rounded to two decimal places; the ratio to 573,341 units of total voting rights as of June 30, 2022: 0.31%).

[Overview of the additional trust]

Date of the Additional Trust:	August 22, 2022 (scheduled)
Amount of the Additional Trust:	419,940,000 yen (scheduled)
Class of shares to be acquired:	Common shares of the Company
Number of shares to be acquired:	180,000 shares
Share acquisition date:	August 22, 2022 (scheduled)
Method of acquiring shares:	Shares are acquired by the method of subscribing to the disposition of the Company’s treasury shares (Disposal of Treasury Shares)

3. Calculation base for the disposition value, and concrete content thereof

The Company has decided that the disposition value is 2,333 yen (any fraction less than a yen is rounded down), which is the average closing price of the Company’s common share at Tokyo Stock Exchange, Inc. for one month up to the business day immediately prior to the date of resolution of the Board of Directors for the Disposition of Treasury Shares (from July 5, 2022 to August 4, 2022).

The reason why it is based on the average closing price for the one month up to the business day immediately prior to the date of resolution of the Board of Directors is that the Company has judged that using a leveled value of the average share price for a certain period, rather than at a specific point in time, can eliminate special factors such as effects of temporary share price fluctuations, and is highly objective and reasonable. In addition, the reason why the calculation period is the last one month is that the Company has judged that using a certain period that is the closest to the most recent market price is reasonable, compared to the last three months and the last six months.

The disposition value of 2,333 yen is the amount calculated by multiplying 2,409 yen of the closing price on the business day immediately prior to the date of resolution of the Board of Directors by 96.85%, the amount calculated by multiplying 2,255 yen of the average closing price for the last three months before the business day immediately prior to the date of resolution of the Board of Directors by 103.46% (any fraction less than a yen is rounded down), or the amount calculated by multiplying 2,222 yen of the average closing price for the last six months before the said day by 105.00% (any fraction less than a yen is rounded down).

As a result of taking into account the above, the Company considers that the disposition value for the Disposition of Treasury Shares is not particularly favorable, and is reasonable.

For the above disposition value, the audit and supervisory committee has expressed the opinion that it is not a

particularly favorable disposition value.

4. Matters regarding procedures in the Code of Corporate Conduct

The Disposition of Treasury Shares does not require the procedures for receipt of the opinion from an independent third party and confirmation of the intent of shareholders as set forth in Rule 432 of the Securities Listing Regulations established by Tokyo Stock Exchange, Inc., because (1) the share dilution ratio is less than 25%, and (2) the disposition does not involve a change of a controlling shareholder.