



To whom it may concern:

August 8, 2017

Company name: Inabata & Co., Ltd.  
Representative: Katsutaro Inabata, Director, President  
(Stock code: 8098, First Section of the Tokyo Stock Exchange)  
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General Manager, Financial Management Office  
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**Notification of Delay in Announcing Financial Results**  
**for the Three Months Ended June 30, 2017**

Inabata & Co., Ltd. (the “Company”) hereby provides notice that it will delay its announcement of the financial results for the three months ended June 30, 2017, which were initially scheduled to be announced on August 14, 2017.

**1. Reason for delay in announcing financial results**

In early July, a discrepancy of approx. ¥1,000 million between inventory volume stated in the journal and the physical count of inventory volume was discovered at a warehouse owned by the Company’s consolidated subsidiary in Germany, INABATA EUROPE GmbH when conducting onsite stocktaking at the warehouse in Poland, one of the storage locations. The discrepancy concerned solar battery modules worth approx. ¥1,400 million, which were purchased sometime between March and April, 2017. The supposed main cause of the discrepancy between the journal volume and the physical volume is that although part of the inventory had been already sold, the shipment processing had not been carried out on the journal. Previously, the purchase and sale transactions of solar battery modules carried by the aforementioned subsidiary had been transactions involving the direct shipment from the manufacturer to the seller. It was the first time the transactions involved the warehousing of the solar battery modules performed at the aforementioned subsidiary. Due to this background, shipment control of inventory had been entrusted to the seller, and notification of the delivery from the seller to the aforementioned subsidiary was not carried out properly, leading to the occurrence of the circumstances. Although the Company is currently conducting an internal investigation to shine light on the actual circumstances, such as by

conducting onsite stocktaking at other warehouses, it is unable at present to determine the correct closing figures.

For this reason, although the Company had been preparing for the announcement of financial results for the three months ended June 30, 2017, to be made on August 14, 2017, this announcement will now be delayed.

## 2. Concerning the establishment of an internal investigation committee

Up until now, it has been the related division who has carried out internal investigations. However, as the Company considers delaying the announcement of financial results to be extremely serious, it decided it was necessary to conduct a thorough investigation into the related facts under a Group-wide investigative framework, and on August 8, 2017, it launched the Internal Investigation Committee.

The Internal Investigation Committee will be chaired by Director and President, Katsutaro Inabata, and its members will include the Director in charge of the Company's Administrative Offices, officers in charge of and management personnel in important management departments such as the Internal Audit Office, Risk Management Office, and Financial Management Office, and outside experts who have no interest relationships with the Company, lawyer Hidetaka Miyake (Anderson Mori & Tomotsune) and certified public accountant Shigeru Tsukishima (Deloitte Tohmatsu Financial Advisory LLC).

## 3. Future schedule

The Company plans to file an application to extend the deadline for filing the Company's Quarterly Securities Report for the three months ended June 30, 2017, to the Kanto Local Finance Bureau. Once the application for filing deadline extension is determined, the Company will swiftly make an announcement. The Company will also swiftly make an announcement concerning the results of the investigation, recurrence prevention measures and the like.

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