



February 10, 2022

Company: Toda Corporation
Representative: Seisuke Otani,
President and Director
(Securities Code: 1860 TSE First Section)
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Notice of Revision of Dividend Forecast

Toda Corporation (the “Company”) has decided to revise the year-end dividend forecast for the fiscal year ending March 2022 as follows at the Board of Directors meeting held today.

1. Reason for Revision

Our basic policy is to return profits to shareholders in line with business performance and business environment, considering continuous stable dividend payment to shareholders and maintaining of internal reserves that are essential for strengthening competitiveness and financial position. Based on the above policy, in the "Medium-Term Management Plan 2024" announced on May 29, 2020, we set the shareholders' return target at a dividend-on-equity (DOE) ratio of around 2.0% and a dividend payout ratio of around 30%.

After the Ordinary General Meeting of Shareholders held in June 2021, we had dialogues with domestic and overseas institutional investors. We sought for their understanding of our accumulation of internal reserves necessary for growth investment to strengthen our management foundation and to improve return on equity (ROE). We also asked investors for their thoughts on returning profits.

Based on the above dialogues with investors and trends of other companies, we have set a new shareholder returns target of DOE 2.5% or higher with the aim of improving direct shareholder returns and also indirect returns through a medium-to long-term rise in stock prices. In addition, we set a target of 40% or higher for the total return ratio.

Due to the recent steady performance, we hereby revise the year-end dividend forecast for the fiscal year ending March 2022 to 16 yen per share (annual dividend will be 26 yen per share).

Shareholder returns targets in the "Medium-Term Management Plan 2024"

- (1) Old policy Dividend on equity (DOE) ratio : around 2.0%
 Dividend payout ratio : around 30.0%
- (2) New policy Dividend on equity (DOE) ratio : 2.5% or higher
 In addition, total return ratio of 40.0% or higher

Currently, we are conducting review of the entire "Medium-Term Management Plan 2024" and expect to announce it in May 2022.

2. Outline of Revision

	Annual dividend		
	At the end of 2 nd quarter	Year-end	Total
Previous forecast (November 15, 2021)	¥10	¥10	¥20
Current Revised forecast	—	¥16	¥26
Actual dividend for fiscal year ended March 31, 2022	¥10	—	—
Actual dividend for fiscal year ended March 31, 2021	—	¥20	¥20

End