



Translation

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February 17, 2022

Company Name: OHBA CO., LTD.
Representative: Shigeru Tsujimoto, Representative Director & President
(Code: 9765, First Section of the Tokyo Stock Exchange)
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Notice of Changes in Shareholder Return Policy and Revision of Dividend Forecast for the Fiscal Year Ending May 2022

At the Board of Directors meeting held on February 17, 2022, we resolved to change our policy on shareholder returns and revise our dividend forecast for the fiscal year ending May 2022, as follows.

1. Changes in Shareholder Return Policy

(1) Reasons for change

We have positioned the improvement of corporate value over the medium to long term and the optimization of the balance between returning profits to shareholders as one of our top management priorities, and have maintained a policy of returning profits to shareholders with the aim of achieving a total payout ratio of around 50% for the foreseeable future.

To achieve sustained growth, we achieved ten consecutive years of profit growth at the operating income level up to the previous fiscal year (ending May 2021). In the fiscal year ending May 2022, we forecast operating income of ¥1,400 million, and are striving to achieve operating income (plan) of ¥1,400 million in the final year of the medium-term management plan (ending May 2023), one year ahead of schedule.

We are also steadily returning profits to shareholders through stable dividends and share buybacks, aiming for a total payout ratio of around 50%.

Recently, we have decided to make further efforts to increase shareholder profits and have changed our policy to place emphasis on dividends in terms of shareholder returns.

(2) Changes (Underlined areas indicate changes)

Before Change	<p>The Company's basic policy is to pay stable dividends from the viewpoint of shareholder-oriented management. From the perspective of enhancing shareholder returns, the Company aims for a total payout ratio* of approximately 50% for the time being and decides on the returns for each fiscal period after comprehensively taking into account the economic situation, financial conditions, and business forecasts at that time.</p> <p>The Company may hold treasury stock up to approximately 10% of the total number of shares outstanding, and in principle, the excess portion of the treasury stock will be cancelled every fiscal year. Approximately <u>30%</u> of consolidated net income is used for dividends.</p>
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After Change	<p>The Company's basic policy is to pay stable dividends from the viewpoint of shareholder-oriented management. From the perspective of enhancing shareholder returns, the Company aims for a total payout ratio* of approximately 50% for the time being and decides on the returns for each fiscal period after comprehensively taking into account the economic situation, financial conditions, and business forecasts at that time.</p> <p>The Company may hold treasury stock up to approximately 10% of the total number of shares outstanding, and in principle, the excess portion of the treasury stock will be cancelled every fiscal year. Approximately <u>35%</u> of consolidated net income is used for dividends</p>
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(*) Total payout ratio (%) = (Dividends + Share buyback) / Consolidated net income × 100

(3) Timing of Change

Effective from the fiscal year ending May 2022.

2. Revision of Dividend Forecast for Fiscal Year Ending May 2022

(1) Reasons for the revision

Regarding the dividend forecast for the fiscal year ending May 2022, the Company had planned to pay an interim dividend (actual) of ¥8.00 per share (ordinary dividend) and a year-end dividend of ¥12.00 per share (ordinary dividend of ¥8.00 and special dividend of ¥4.00). As mentioned above, we have now decided to change our policy to place more emphasis on dividends and have therefore revised the dividend forecast to ¥15.00 per share (ordinary dividend of ¥11.00 and special dividend of ¥4.00 per share) .

(2) Revisions

	Dividends per share		
	Second quarter	Fiscal Year-end	Total
FY5/2022 Forecast (Announced on July 8, 2021)	/	12.00 yen (Ordinary dividend: ¥8.00) Special dividend: ¥4.00)	20.00 yen (Ordinary dividend: ¥16.00) Special dividend: ¥4.00)
Revised Forecast	/	15.00 yen (Ordinary dividend: ¥11.00) Special dividend: ¥4.00)	23.00 yen (Ordinary dividend: ¥19.00) Special dividend: ¥4.00)
Actual	8.00 yen	/	/
Results for Previous Fiscal Year (FY5/2021)	7.00 yen	8.00 yen	15.00 yen