

Translation

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May 13, 2022

Company name	Kamigumi Co., Ltd.
Representative	Yoshihiro Fukai, President & Representative Director (Stock code: 9364; Prime Market Tokyo Stock Exchange)
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**Notice Concerning Change in Dividend Policy and Payment of
Dividends of Surplus (Dividend Increase)**

At today's Board of Directors meeting, Kamigumi Co., Ltd. ("Company" hereinafter) resolved to change its dividend policy and to pay dividends of surplus (term-end dividends) as described below.

Payment of dividends of surplus is conditional on approval at the 83rd Ordinary General Meeting of Shareholders scheduled for June 29, 2022.

1. Change in dividend policy

(1) Reason for the change

To date, the Company's basic policy has been to continuously acquire treasury stock and pay dividends, targeting a consolidated payout ratio of 30%, in order to enhance profit returns to shareholders while maintaining a balance with the internal reserves needed to secure the stability of business operations.

As described in the “Notice Concerning Revision to Medium-Term Management Plan” released today, the Company has determined to change its dividend policy to maximize corporate value through realization of an optimal capital structure and to shift toward management reflecting a keener awareness of capital costs. The revised dividend policy is referred to as the Basic Policy on Return of Profits, details of which are described below.

(2) Details of the change

① Before

- Dividend policy

One of the Company’s key policies is to enhance profit returns to shareholders, together with strengthening corporate foundations and enhancing internal reserves to prepare for future proactive business development. Within this framework, the Company will pay dividends linked to business performance, targeting a consolidated payout ratio of 30%, while continuing to account for trends in business results and internal reserves. The basic policy also calls for maintaining the course of acquiring treasury stock based on dynamic decision-making to enhance total returns and improve capital efficiency.

② After

- Basic Policy on Return of Profits

To achieve sustained growth in corporate value while considering an optimal capital structure, the Company will implement the basic policy of continuing to implement stable returns to shareholders, while securing the internal reserves needed for growth investments to expand earnings and for strengthening corporate foundations.

Profit returns will be based on dividends paid in accordance with the consolidated payout ratio. Treasury stock will be purchased as deemed appropriate while accounting for the state of cash flows, capital efficiency, and other factors.

To further enhance profit returns and to improve capital efficiency under the current Medium-Term Management Plan (final fiscal year: year ending March 31, 2025), the Company plans to return profits to shareholders, targeting a consolidated payout ratio of 40% and total payout ratio of 90%.

2. Dividends of surplus

Based on the above change, the Company will pay a term-end dividend of ¥46 per share (compared to the most recent projected dividend of ¥30 per share) for the year ended March 31, 2022. This will result in a full-year dividend of ¥73 per share and a consolidated payout ratio of 40.5% for the year ended March 2022.

As shown on the “Summary of Consolidated Financial Results for the Year Ended March 31, 2022” released today, the Company plans to call for a full-year dividend of ¥78 per share (consisting of a mid-term dividend of ¥39 per share and term-end dividend of ¥39 per share, for a consolidated payout ratio of 40.1%) for the year ending March 31, 2023.

• Details of dividends

	Resolved amount	Dividend forecast most recently announced (announced November 12, 2021)	Dividend paid for the previous fiscal term (fiscal year ended March 31, 2021)
Date of record	March 31, 2022	March 31, 2022	March 31, 2021
Dividend per share	¥46.00	¥30.00	¥27.00
Total dividends	¥5,274 million	-	¥3,136 million
Effective date	June 30, 2022	-	June 30, 2021
Source of dividends	Retained earnings	-	Retained earnings

Reference: Breakdown of annual dividends

Record date	Dividend per share			
	Second quarter-end	Fiscal term-end	Full-year	Consolidated payout ratio
Current term (actual) (fiscal year ended March 31, 2022)	¥27.00	¥46.00	¥73.00	40.5%
Previous term (actual) (fiscal year ended March 31, 2021)	¥23.00	¥27.00	¥50.00	32.7%