



February 14, 2023

For immediate release

Company name: Ultrafabrics Holdings Co., Ltd
Representative: Noboru Yoshimura
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Notice Regarding Distribution of Dividend from Surplus

The Board of Directors of Ultrafabrics Holdings Co., Ltd. resolved, at a meeting held on February 14, 2023, to pay a dividend from surplus, with a record date of December 31, 2022.

Description

1. Nature of the dividend

	Matters decided	Latest dividend forecast (announced February 14, 2022)	Results for the previous period (year ended December 2021)
Record date	December 31, 2022	December 31, 2022	December 31, 2021
Dividend per share	Common stock 62.00 yen Type A preferred stock 68.00 yen	Common stock 34.00 yen Type A preferred stock 37.00 yen	Common stock 28.00 yen Type A preferred stock 30.00 yen
Distribution total amount	Common stock 480 million yen Type A preferred stock 86 million yen	—	Common stock 209 million yen Type A preferred stock 56 million yen
Effective date	March 29, 2023	—	March 28, 2022
Source of dividends	Retained earnings	—	Retained earnings

2. Rationale

Ultrafabrics Holdings' basic policy is to maintain stable dividends to shareholders, while simultaneously enhancing corporate structures and giving due consideration to the build-up of internal reserves sufficient for future business expansion. In the 2022-2024 Medium-Term Management Plan, unveiled on February 14, 2022, Ultrafabrics set the dividend payout ratio target at around 30% given the continued high level of

demand for capital investment, aiming to strike an appropriate balance in the allocation of profits generated to investment, retained earnings, and shareholder returns.

Earnings for the fiscal year ending December 2022 came in above revised forecasts as of August 12, 2022 and initial forecasts as of February 14, 2022, despite surging raw materials and fuel prices, rising transportation costs, and higher personnel costs. This was because of a weaker-than-expected yen, revised sales prices for certain products, and an improvement in plant capacity utilization rooted in higher production volume. The company therefore decided to set the final dividend per share for the fiscal year ending December 2022 at 62 yen for common stock and 68 yen for Type A preferred stock, equivalent to a dividend payout ratio of 27.6%. This is above the dividend forecast as of February 14, 2022, and takes comprehensive account of future trends in earnings, financial position, and business developments.