



Translation

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July 13, 2023

Company Name: OHBA CO., LTD.
Representative: Shigeru Tsujimoto, Representative Director & President
(Code: 9765, Prime Market of the Tokyo Stock Exchange)
Contact: Hirofumi Katayama, Managing Executive Officer,
General Manager of Planning Division (Tel. 03-5931-5888)

Notice of Change to Shareholder Return Policy and Change to Shareholder Benefits Program

At the meeting of the Board of Directors held on July 13, 2023, we announced that we have decided to change our shareholder return policy and our shareholder benefits program in order to strengthen shareholder returns, such changes being as described below.

1. Change to Shareholder Return Policy

(1) Reasons for the changes

We were delighted to celebrate the 100th anniversary of our company's founding in October 2022 thanks to the support of all of our shareholders.

While aiming to achieve sustainable growth and increase corporate value over the medium to long term, we have achieved 12 consecutive years of profit growth at the operating income level up to and including the previous fiscal year (the fiscal year ended May 31, 2023) and will formulate a medium-term management plan in preparation for the next 100 years [titled "OUR NEXT CENTURY"]. In the current fiscal year ending May 31, 2024, we are striving to achieve an operating income of ¥1.8 billion (performance forecast) in order to extend our streak to 13 consecutive years of profit growth.

We are steadily returning profits to shareholders through stable dividends and share buybacks, with a target total return ratio of around 50%.

In line with our recent growth, profitability and technological capabilities have steadily improved and our financial position has been further enhanced. Accordingly, we have changed our policy to instead aim for a total return ratio of around 60% (generally 50% of consolidated net income is used as the source of dividends) to further strengthen shareholder returns.

(2) Change (reflected in the underlined and bolded portions below)

Before change	The Company's basic policy is to pay stable dividends from the perspective of emphasizing the importance of our shareholders. From the perspective of expanding shareholder returns, the Company will set a total return ratio (*) of around <u>50%</u> for the foreseeable future and determine the details of returns for each period by comprehensively taking into account economic conditions, financial conditions, business results outlook, and other factors at the time. The maximum amount of treasury stock held is 10% of the total number of outstanding shares, and the excess amount is, in principle, retired every fiscal year. Approximately <u>35%</u> of consolidated net income is used for dividends.
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After change	The Company's basic policy is to pay stable dividends from the perspective of emphasizing the importance of our shareholders. From the perspective of expanding shareholder returns, the Company will set a total return ratio (*) of around 60% for the foreseeable future and determine the details of returns for each period by comprehensively taking into account economic conditions, financial conditions, business results outlook, and other factors at the time. The maximum amount of treasury stock held is 10% of the total number of outstanding shares, and the excess amount is, in principle, retired every fiscal year. Approximately 50% of consolidated net income is used for dividends.
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(*) Total return ratio (%) = (Dividend amount + Share buyback amount) / Consolidated net income x 100

(3) Timing of the change

Effective from the current fiscal year ending May 31, 2024.

2. Change to Shareholder Benefits Program

(1) Reasons for the change

CHOCOLABO, General Incorporated Association AOH, is the nation's first welfare chocolate workshop established in 2012 with the aim of creating a workplace for and raising the wages of people with disabilities. We endorse the CHOCOLABO program and, as part of our Social Contribution Activities, had planned to offer CHOCOLABO chocolate confectioneries to shareholders who own [5,000 shares or more], regardless of the number of years held.

In light of popular demand from our shareholders, we are now expanding the scope of this program as part of our Social Contribution Activities to include shareholders who own [2,500 shares or more].

(2) Change (reflected in the underlined and bolded portions below)

Before change	<ul style="list-style-type: none"> As part of our Social Contribution Activities, we will present CHOCOLABO chocolate confectionery to shareholders who hold <u>More than 5,000 shares</u>, regardless of the number of years held. * CHOCOLABO: The nation's first welfare chocolate workshop (Noriyuki Ito, Representative Director, Tsuzuki-ku, Yokohama City) established in 2012 with the aim of creating a workplace for and raising the wages of people with disabilities
After change	<ul style="list-style-type: none"> As part of our Social Contribution Activities, we will present CHOCOLABO chocolate confectionery to shareholders who hold <u>More than 2,500 shares</u>, regardless of the number of years held. * CHOCOLABO: The nation's first welfare chocolate workshop (Noriyuki Ito, Representative Director, Tsuzuki-ku, Yokohama City) established in 2012 with the aim of creating a workplace for and raising the wages of people with disabilities

(3) Timing of the change

CHOCOLABO chocolate confectionery gifts will be presented to shareholders who hold **More than 2,500 shares** from the record date for the interim period ending November 2023 (scheduled for shipment in April 2024).