



February 14, 2024

For immediate release

Company name: Ultrafabrics Holdings, Co., Ltd.
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Representative Director & President
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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, 2024, to pay a dividend from surplus, with a record date of December 31, 2023.

1. Nature of the dividend

	Matters decided	Latest dividend forecast (announced January 26, 2024)	Results for the previous period (year ended December 2022)
Record data	December 31, 2023	December 31, 2023	December 31, 2022
Dividend per share	39.00 yen	39.00 yen	31.00 yen
Distribution total amount	608 million yen	-	480 million yen
Effective date	March 13, 2024	-	March 29, 2023
Source of dividends	Retained earnings	-	Retained earnings

* Ultrafabrics Holdings conducted a 2-for-1 stock split on April 1, 2023. Consolidated earnings forecasts for FY12/2023 and basic earnings per share for FY12/2022 have been adjusted to take account of the split.

** The revision in the table above regards dividends paid to holders of common stock. Information regarding dividends paid to holders of Type A preferred stock (non-listed), which carry different rights to common stock, is presented below.

	Matters decided	Latest dividend forecast (announced January 26, 2024)	Results for the previous period (year ended December 2022)
Record data	December 31, 2023	December 31, 2023	December 31, 2022
Dividend per share	85.00 yen	85.00 yen	68.00 yen
Distribution total amount	108 million yen	-	86 million yen
Effective date	March 13, 2024	-	March 29, 2023
Source of dividends	Retained earnings	-	Retained earnings

The number of Type A preferred stocks did not change as a result of the stock split. Instead, the conversion ratio applied when an owner of Type A preferred stocks exercises their right to exchange for common stock was increased in proportion to the stock split ratio. The dividend per Type A preferred stock is calculated as the dividend per common stock, multiplied by two (the stock split ratio), multiplied by 1.1 (rounding down to nearest whole yen).

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 2023-2025 Medium-Term Management Plan, Ultrafabrics set the dividend payout ratio target at around 30% given the ongoing demand for capital investment, aiming to strike an appropriate balance in the allocation of profits generated to investment, retained earnings, and shareholder returns.

The initial forecasts for final dividend per share for fiscal year ending December 31, 2023 were ¥31 for common stock and ¥68 for Type A preferred stock, equivalent to a dividend payout ratio of 27.1%. However, as announced on January 26, Ultrafabrics Holdings decided to pay out the dividend of ¥39 for common stock and ¥85 for Type A preferred stock, equivalent to a dividend payout ratio of 30.1%, taking comprehensive account of future earnings momentum, financial position, and business developments.