



To whom it may concern:

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Notice Concerning Partial Amendment to Basic Policy on Shareholder Return (Introduction of Progressive Dividends)

Inabata & Co., Ltd. (the “Company”) will start its new three-year mid-term business plan “New Challenge 2023” (NC2023) in April 2021. In conjunction with this, the Company hereby announces that it has decided to partially amend the existing basic policy on shareholder return and introduce new progressive dividends.

Regarding the existing basic policy on shareholder return, the Company had adopted a standard for the total amount of shareholder returns consisting of the amount of dividends combined with the amount of treasury shares acquired. The Company targeted a total return ratio* that is mainly in the range of approximately 30% to 35%, and determined it based on comprehensive judgments that take into account such considerations as medium- and long-term investment for future enhancement of corporate value. Together with the start of the new mid-term business plan NC2023 that will start in April 2021, from the perspective of placing even greater emphasis on shareholder return, the Company will introduce new progressive dividends and its basic policy on shareholder return during the period of the mid-term business plan will be as follows.

[New shareholder return policy]

- (i) The actual amount of dividends paid in the previous fiscal year will be used as the lower limit for dividends per share, and the basic policy is to continuously increase the dividends without reducing them (introduction of progressive dividends).
- (ii) The target for total return ratio is 30% to 35% at this time.
- (iii) The Company will acquire treasury shares using a flexible approach.

* Total return ratio = (Amount of dividends + Amount of treasury shares acquired) ÷ Consolidated net income × 100