

Notice Regarding Distribution of Dividends from Retained Earnings

We are pleased to announce that at today's meeting of the Board of Directors, it was decided to distribute surplus funds as of March 31, 2024. This matter will be proposed to the 62nd Annual General Meeting of Shareholders to be held on June 13, 2024.

(1) Dividend distribution

	Amount	Previous forecast (Announced on October 26, 2023)	Previous year's results (Period ended March 2023)
Date of record	March 31, 2024	March 31, 2024	March 31, 2023
Dividends per share	14.87 yen	14.50 yen	12.34 yen
Total distribution amount	4,190 million yen	—	3,511 million yen
Effective payout date	June 19, 2024	—	June 21, 2023
Source of funds for distribution	Retained earnings	—	Retained earnings

(2) Reason

The Group is committed to the Growth Chain-reaction management based on the employees' challenges to contribute to the sustainable growth of the IA (Industrial Automation) industry, which is our customer, and to support the sustainable development of society through automation and labor saving in the IA industry. To achieve this, we are actively investing in growth in regions, businesses, and the development of new products and services, and are working to advance our Business MODEL that contributes to increasing customer's time value. In addition, to increase corporate value over the medium to long term, we will accurately assess the cost of capital and aim for a return on capital that exceeds the cost of capital, or, to widen the equity spread. To that end, we will strike a balance between investments in growth from a medium- to long-term perspective and the return of profits to our shareholders.

We will revise the target payout ratio from 25% to 30%, considering the management foundation expansion, strengthening of the financial position, and capital efficiency improvement. Stock repurchases will be implemented flexibly depending on the situation, such as cash position, investment opportunities for growth, and stock market trends. For the current fiscal year, the Company plans to pay a year-end dividend of 14.87 yen per share (an increase of 2.53 yen per share from the previous year) in accordance with the above revised standard. As a result, the annual dividend is expected to be 27.47 yen per share (a decrease of 2.67 yen from the previous year), including the interim dividend of 12.60 yen per share.

Breakdown of annual dividend (for reference)

	Annual dividend		
	Interim	Year-end	Total
Actual results	12.60 yen	14.87 yen	27.47 yen
Dividend payout ratio	25.0%	30.0%	27.5%
Previous results (Period ended March 2023)	17.80 yen	12.34 yen	30.14 yen
Dividend payout ratio	25.0%	25.0%	25.0%