

Company name	Yamazen Corporation
Name of Representative	Koji Kishida, Representative Director, President and CEO (Code 8051, Tokyo Stock Exchange Prime Market)
C o n t a c t	Director and Executive Officer Masamichi Yamazoe, CIO & CFO (Phone: 06-6534-3003)

Notice of Change in Shareholder Return Policy

Yamazen Corporation hereby announces that its Board of Directors has resolved, at a meeting held today, to change its shareholder return policy as outlined below.

1. Reason for change

At Yamazen Corporation, we have been making efforts to strengthen our internal reserves and improve our financial position as priority issues. As a result, we have been able to secure a level of equity capital commensurate with our credit rating and establish financial soundness that has earned the trust of our suppliers and other stakeholders.

Having positioned the return of profits to shareholders as a priority issue for management, to date we have determined the amount of dividends to be paid each fiscal year with a target consolidated dividend payout ratio of 30%, based on our basic policy of distributing profits in line with business performance, while balancing investment for sustainable growth with enhancement of corporate value and financial soundness to prepare for diverse risks.

While we have ensured financial soundness to date, our medium-term management plan, which commenced from the fiscal year ended March 31, 2023, follows an approach of aggressively promoting business investment and capital expenditure, and our profit plan incorporates an increase in depreciation expenses in the initial stage of investment, etc. Due to the progress of this investment plan and downswing in short-term earnings, if the amount of dividends for each fiscal year is determined based solely on the consolidated dividend payout ratio, it is possible that shareholder returns would be inadequate in light of the level of shareholders' equity.

Accordingly, to achieve stable and continuous shareholder returns while maintaining financial soundness and minimizing the impact of short-term profit volatility, we have changed our shareholder return policy to a dividend payout ratio of 40% or a dividend on equity ratio (DOE) of 3.5%, whichever is higher, each fiscal year.

Furthermore, Yamazen Corporation will flexibly implement share repurchasing in consideration of timing and financial position in order to provide additional returns to shareholders and improve capital efficiency.

2. Details of change

Before change	Yamazen Corporation's basic policy has been to return profits to shareholders in consideration of profit levels, based on the establishment of a stable financial base and improvement of profitability, and to maintain stable dividends to shareholders with a target payout ratio of 30%.
After change	Yamazen Corporation has positioned return of profits to shareholders as a priority issue for management. Our basic policy is now to distribute profits in line with business performance, while balancing investment for sustainable growth with enhancement of corporate value and financial soundness to prepare for diverse risks, with the annual dividend amount set at a consolidated dividend payout ratio of 40% (performance-linked profit distribution indicator) or a dividend on equity ratio (DOE) of 3.5% (stable profit distribution indicator), whichever is higher. Yamazen Corporation will also flexibly implement share repurchasing in consideration of timing and financial position in order to provide additional returns to shareholders and improve capital efficiency.

3. Applicable period

Fiscal years ending March 31, 2024 and 2025 (during the period of the CROSSING YAMAZEN 2024 medium-term management plan)

Document ends here.