



May 11, 2023

Company name: Neturen Co., Ltd.
Name of representative: Katsumi Omiya, Representative Director, Member of the Board, President and Chief Executive Officer
(Securities code: 5976; Prime Market of the Tokyo Stock Exchange)
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Notice Concerning Revision to Dividend Policy

Neturen Co., Ltd. (the “Company”) hereby announces that it has decided, at a meeting of the Board of Directors held today, to revise its dividend policy as described below.

1. Purpose of revision

The Company has recognized return to shareholders as a top priority for management as set in the long-term management vision “NETUREN VISION 2030” and the 15th Medium-term Management Plan “Change!! New NETUREN 2023” announced on May 13, 2021. Based on the basic policy of continuing stable distribution of dividends to shareholders while seeking strategic investments toward growth in the future and stable business management, as the basic dividend policy, the Company has set “the lower limit of dividend on equity ratio (DOE) of 1.5%, and with respect to ‘appropriating surplus according to its business performance,’ the Company targets a consolidated dividend ratio of 40% or higher.”

As initiatives for the improvement of corporate value, the Company raised the following four basic strategies, aiming for strengthening the revenue structure to secure profits and further enhancing shareholder returns through the implementation of the strategies.

- (1) Establish revenue base by further enhancing competitiveness of core business, and bringing new technologies, new products, and new businesses to market
- (2) Improve ability to roll out information by promoting digitalization through establishment of NETUREN-digital transformation system
- (3) Identify SDGs as the core of management, promote reduction of CO₂ and contribute to the creation of a sustainable society
- (4) Develop human resources that enhance the Group’s sales and marketing capabilities globally

The Company has changed its dividend policy to be based on a dividend on equity ratio (DOE), aiming for the “stable distribution of dividends” regardless of business results, under the basic policy of continuing stable distribution of dividends to shareholders, while seeking strategic investments toward growth and stable business management.

According to its capital allocation, the Company will continue to make strategic investments aggressively toward the growth in the future. At the same time, the Company will continue initiatives with the cost of capital in mind, accelerating initiatives toward the early realization of desired balance sheets, a ROE of 8.0%, and a price book-value ratio (PBR) of 1.0 time or above, so that it can live up to shareholder’s expectations and become an attractive company, having shareholders retain shares of the Company in the medium to long term.

2. Details of revision

The Company has revised a dividend on equity ratio (DOE) to 3.0% or above from the fiscal year ending March 31, 2024. With this revision, the annual dividends for the fiscal year ending March 31, 2024 will be around 48 yen per share.

Before Revision	After Revision
<p>In addition to the policy of continuing stable distribution of dividends, the Company has adopted the approach of appropriating surplus according to its business performance, and its basic policy is to determine dividends, taking into consideration the business environment surrounding the Neturen Group, its financial standing and other factors.</p> <p>In addition, as a general rule, <u>with respect to “stable distribution of dividends,” the Company has set the lower limit of dividend on equity ratio (DOE) of 1.5%, and with respect to “appropriating surplus according to its business performance,” the Company targets a consolidated dividend ratio of 40% or higher.</u></p>	<p>The Company has adopted the basic policy of continuing stable distribution of dividends to shareholders, while seeking strategic investments toward growth and stable business management.</p> <p>In addition, the Company has set <u>a dividend on equity ratio (DOE) to 3.0% or above with respect to “stable distribution of dividends.”</u></p>

3. Timing of revision

The Company will begin applying the revised dividend policy from an interim dividend for the fiscal year ending March 31, 2024.