

News Release

May 8, 2018

Notice regarding Dividends of Surplus

KITZ Corporation (hereinafter “the Company”), at the Board of Directors meeting held on May 8, 2018, resolved to plan distribution of dividends of surplus with record date of March 31, 2018, as described below.

1. Description of dividends

	Dividend to be distributed	Latest forecast (as of May 9, 2017)	Fiscal year ended March 2017
Record date	March 31, 2018	March 31, 2018	March 31, 2017
Dividend per share	10.00 yen	9.00 yen	7.00 yen
Total cash dividend	976 million yen	-	712 million yen
Payable date	June 4, 2018	-	June 5, 2017
Dividend source	Retained earnings	-	Retained earnings

2. Reason

Returning profits to shareholders through cash dividends is one of the highest priorities of the Company. The Company’s stance is to place importance on the consistency and stability of the dividend while taking into account a number of factors. These factors include current results of operations and the need for funds for capital investment, development, M&A, and other activities needed for growth. Another factor is the need to increase retained earnings to provide funds for repaying loans and redeeming bonds.

At present, based on the above-stated considerations, the Company believes that a dividend payout ratio of about 25% of net income attributable to owners of the parent is appropriate.

For the current fiscal year, the Company decided to plan distribution of dividend of 10.00 yen per share with record date of March 31, 2018 (initial plan: 9.00 yen per share). In this case, this amount would bring the total for the year (including an interim dividend of ¥7 per share) to ¥17 per share, which is the record-high dividend amount for the year since the Company became listed, and the resulting consolidated dividend payout ratio would be 26.0%.

Reference: Breakdown of annual dividend

	Dividend per share		
	Interim	Year-end	Total
Fiscal year ended March 2018 (actual and plan)	7.00 yen	10.00 yen (plan)	17.00 yen (plan)
Fiscal year ended March 2017 (actual)	6.00 yen	7.00 yen	13.00 yen