

## News Release

February 12, 2021

### Notice regarding Dividends of Surplus

KITZ Corporation (hereinafter “the Company”), at the Board of Directors meeting held on February 12, 2021, resolved to plan distribution of dividends of surplus with record date of December 31, 2020, as described below.

#### 1. Description of dividends

	Dividend to be distributed	Latest forecast (as of August 11, 2020)	Fiscal year ended March 2020
Record date	December 31, 2020	December 31, 2020	March 31, 2020
Dividend per share	4.00 yen	3.00 yen	10.00 yen
Total cash dividend	360 million yen	-	927 million yen
Payable date	March 12, 2021	-	June 11, 2020
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 35% 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 4.00 yen per share with record date of December 31, 2020. In this case, this amount would bring the total for the year (including an interim dividend of 5.00 yen per share) to 9.00 yen per share, and the resulting consolidated dividend payout ratio would be 38.5%.

Due to the change of accounting period, fiscal year December 2020 is 9 months from April 1, 2020 to December 31, 2020.

#### Reference: Breakdown of annual dividend

	Dividend per share		
	Interim	Year-end	Total
Fiscal year ended December 2020 (actual)	5.00 yen	4.00 yen	9.00 yen
Fiscal year ended March 2020 (actual)	10.00 yen	10.00 yen	20.00 yen