



May 11, 2018

To whom it may concern

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 President and Representative Director
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Notice Regarding Surplus Dividend

At the Board of Director's meeting held on May 11, 2018, AOYAMA TRADING Co., Ltd. approved concerning the year-end dividend per share for the fiscal year ended on March 31, 2018.

Details are as follows.

This proposal will be submitted to the 54th Ordinary General Meeting of Shareholders of the Company to be held on June, 28, 2018.

1. Details of dividends

	Determined amount	Most Recent Forecast (published on February 9, 2018)	Previous year (ended on March 31, 2017)
Base Date	March 31, 2018	Same as left	March 31, 2017
Dividend per Share	¥120	¥120	¥115
Total dividend payments	¥6,079 million	—	¥5,996 million
Effective Date	June, 29, 2018	—	June, 30, 2017
Source of Dividend	Retained earnings	—	Retained earnings

2. Reason

We recognize that returning profits to shareholders is one of the important issues of management, and implement partially performance-linked payments of dividends and acquisitions of own shares with a targeted dividend payout ratio of 130% with following details, which is started in the medium-term management plan "CHALLENGE 2017" officially announced January 28, 2015.

<Policy of return of profits to shareholders>

(1) Dividend policy

- We target a consolidated dividend payout ratio of 70%.
- We pay 100 yen(interim dividend of 50 yen and year-end dividend of 50 yen) per share as an ordinary dividend, which is a stable dividend, and in case dividend calculated based on the target dividend payout ratio stated above exceeds 100 yen, we pay the difference as a special dividend at the fiscal year-end as a dividend linked to performance.

However, in case the measure that we implement affects net income per share, such as capital increase or stock split, we may reconsider the amount of the ordinary dividend.

(2) Policy for the acquisition of own shares

We will acquire treasury shares, targeting an amount calculated by subtracting total dividends from 130% of consolidated current net income.

Based on the above shareholder return policy, with respect to the year-end dividend for the current year, as a result of our calculation based on business performance in the current year, we plan to pay 50 yen per share as an ordinary dividend and 70 yen per share as a special dividend, a total of 120 yen per share.

Therefore, annual dividend per share, including interim dividend (the 2nd quarter) is 170 yen per share.

(Reference 1) Breakdown of full-year dividend

Base Date	Dividend of per share		
	Interim dividend of per share	Year-end dividend of per share	Full-year dividend of per share
current year (ended on March 31, 2018)	¥50 (Ordinary dividend of ¥50)	¥120 Including Ordinary dividend of ¥50 Special dividend of ¥70	¥170 Including Ordinary dividend of ¥100 Special dividend of ¥70
previous year (ended on March 31, 2017)	¥50 (Ordinary dividend of ¥50)	¥115 Including Ordinary dividend of ¥50 Special dividend of ¥65	¥165 Including Ordinary dividend of ¥100 Special dividend of ¥65

(Reference 2) The policy of return of profits to shareholders

The Company positions returning profits to shareholders as an important management issue and has adopted dividend and acquisition of own shares based on Policy of return of profits to shareholders as described below. Accordingly, with respect to the three-year shareholder return policy from the fiscal year ended on March 31, 2018 to the fiscal year ended on March 31, 2021, as described in the medium-term management plan "CHALLENGE II 2020" officially announced on February 9, 2018, although it maintains a consolidated payout ratio of 70%, the company is planning to invest in personnel, IT systems, logistics etc. as an investment for increased corporate value in the future, therefore the company has changed the consolidated total return trend including acquisition of own shares from 130% to 100%. With following details, which is stated in the medium-term management plan "CHALLENGE II 2020" For the current fiscal year (fiscal 2017), the Company adopts the conventional dividend policy.

	The medium-term management plan "CHALLENGE 2017"	The medium-term management plan "CHALLENGE II 2020"
Period	From ended on March 31,2016 to ended on March 31,2018	From ended on March 31,2019 To ended on March 31,2021
Consolidated total return trend	Targeted at 130%	Targeted at 100%
Dividend policy	Consolidated dividend payout ratio is to be targeted at 70%. Specifically, a steady ordinary dividend of ¥100 (interim dividend of 50 yen and year-end dividend of 50 yen) per share will be paid, and if the amount of dividend calculated based on the targeted payout ratio of 70% exceeds ¥100, the excess amount will be treated as performance-linked dividend and will be paid out as special dividend at the end of the fiscal year.	Same as left
Acquisition of own shares policy	The acquisition of own shares will be conducted targeting the amount derived by subtracting the total dividend amount from 130% of consolidated net income.	The acquisition of own shares will be conducted targeting the amount derived by subtracting the total dividend amount from consolidated net income.