

May 12, 2023

Notice Concerning Distribution of Dividends from Surplus

NIPPON CORPORATION (the "Company") announces that at a meeting of the Board of Directors held on May 12, 2023, it passed a resolution regarding the distribution of dividends from surplus with a record date of March 31, 2023. Details are as follows. The Company will submit this matter to the 199th Ordinary General Meeting of Shareholders to be held on June 29, 2023.

1. Outline of dividends

	Amount determined	Most recent dividend forecast (Announced on May 13, 2022)	Dividends in the previous fiscal year (ended March 31, 2022)
Record date	March 31, 2023	Same as left	March 31, 2022
Dividend per share	21.00 yen	19.00 yen	20.00 yen
Total dividends	1,640 million yen	—	1,539 million yen
Effective date	June 30, 2023	—	June 30, 2022
Source of dividends	Retained earnings	—	Retained earnings

2. Reason

The Company considers the return of profits to shareholders to be one of its most important management issues, and its basic policy is to maintain stable and sustainable dividends with a target payout ratio of 30% or more, while securing retained earnings, giving consideration to strengthening of the corporate structure, future business development, and the business environment.

Based on this basic policy, the Company has decided to pay a year-end dividend of 21 yen per share, up from the initial forecast of 19 yen per share, in order to respond to its shareholders' ongoing support, taking into consideration its consolidated business results for the fiscal year under review. As a result, the annual dividend will be 40 yen per share, including the interim dividend already paid.

(Reference) Breakdown of dividends

	Dividend per share		
	End of 2nd quarter	End of fiscal year	Total
Dividends in the year ended March 31, 2023	19.00 yen	21.00 yen	40.00 yen
Dividends in the year ended March 31, 2022	18.00 yen	20.00 yen	38.00 yen

(Reference)

1. Changes in consolidated results

(Million yen)

	Year ended March 2018	Year ended March 2019	Year ended March 2020	Year ended March 2021	Year ended March 2022	Year ending March 2023
Net sales	323,495	335,399	344,839	288,324	321,317	365,525
Operating income	10,060	11,222	11,101	10,370	11,282	12,288
Ordinary income	11,862	13,065	12,740	12,659	14,270	14,816
Profit attributable to owners of parent	7,651	8,455	8,941	8,636	9,327	10,260
Payout ratio (consolidated)	31.5%	29.4%	29.1%	32.0%	31.3%	30.3%

(Note) The figures for the fiscal year ended March 31, 2021 reflect those to which retrospective accounting has been applied due to accounting policy changes.

2. Changes in dividend per share

