

November 8, 2024

Company name: Nippon Aqua Co., Ltd.
(Securities code: 1429; Tokyo Stock Exchange, Prime Market)
Address: 2-16-2 Konan, Minato-ku, Tokyo
Name of representative: Fumitaka Nakamura, President and Representative Director
Inquiries: Masahiko Komuro, General Manager of Corporate Planning Department
(Telephone: +81-3-5463-1117)

Notice Concerning the Change to Medium-Term Management Plan [Change in Dividend Policy (Introduction of Progressive Dividends)]

Nippon Aqua Co., Ltd. (the “Company”) hereby announces that it resolved, at its Board of Directors meeting held on November 8, 2024, to change the dividend policy and to introduce a progressive dividend system, as follows.

1. Reason for the Change in Dividend Policy

On February 14, 2024, the Company announced its medium-term management plan "3 Pillars of Stability" for the fiscal year ending December 2026, which included financial targets and a dividend per share for the three fiscal years. However, as separately announced today in the "Notice Concerning Revisions to Full-Year Financial Results Forecasts," the full-year financial forecasts for the fiscal year ending December 2024 have been revised. In line with this, we are reviewing the financial targets of our three-year medium-term management plan, but at this point, we have not been able to sufficiently review targets other than net sales. Therefore, although our dividend policy aims for a dividend payout ratio of 50%, it is difficult to present a specific dividend amount under the current circumstances. Nevertheless, by announcing the minimum dividend amount we consider, we aim to foster understanding among shareholders and investors, and thus we are changing our dividend policy as follows.

2. Content of the Dividend Policy (Changes are underlined)

The Company regards the return of profits to shareholders as one of its most important management tasks. Our basic policy is to focus on balancing internal reserves for business expansion and strengthening our management foundation with dividends. Therefore, we intend to continue returning profits to shareholders while considering our financial results and financial position.

Moreover, in our medium-term management plan "3 Pillars of Stability," we have set a target dividend payout ratio of 50%. Furthermore, starting from the fiscal year ending December 2025, we will introduce a progressive dividend system that ensures more stable dividends (maintenance or increase) through profit growth.

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