October 11, 2013

To all persons concerned
Company name: Meiko Network Japan Co., Ltd.
Name of representative: Hirotake Watanabe, President and Representative Director
(Code number 4668, first section of the Tokyo Stock Exchange)
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Notification of changes in capital and dividend policy

The company wishes to report the adoption of a resolution to change the capital and dividend policy. The resolution was approved at a meeting of the board of directors on this date as follows:

1. Reason for change

We see the payment of dividends to shareholders as one of the most important management challenges. The basic policy is to stockpile retained earnings in preparation for new investments in businesses and the expansion of existing businesses, and we intend to allocate earnings for appropriate growth in revenues and to ensure the stable and sustainable payment of dividends. Under the basic policy, we had carried out the stable allocation of revenues and set the target of a 35% annual payout ratio. To further focus on the policy to return profit to shareholders, we decided to phase in a hike to 50% as the target for the annual payout ratio.

2. Capital and dividend policy

(1) Basic policy

Since the most important policy is continued business operation, we will strive to meet shareholder expectations to achieve the potential for growth of existing businesses, strengthen the business bases to improve profitability, increase shareholders' equity by stockpiling retained earnings for the funds necessary for the new growth strategy, and return profit to shareholders.

(2) Dividend Policy

The basic policy is to increase dividends continuously by phasing in a hike in the annual payout ratio from about 35% to 50%. As for the shareholder benefit program, the presentation of a QUO card worth 3,000 yen will continue for shareholders included or recorded in the shareholder register and holding one unit (100 shares) or more of our stock as of August 31 of each year.

(3) The policy of purchasing treasury stocks

The basic policy is to ensure flexible and swift judgments after comprehensive consideration of the business environment, investment opportunities, and the effect on liquidity and market prices of our stock and our financial position.

(4) M&A and Alliances

We will actively pursue mergers & acquisitions, and alliances as important management tools from the perspective of the productive use of external resources and business expansion and growth.

3. Shareholder benefit program

On June 22, 2012, the board of directors adopted a resolution to establish a new shareholder benefit program. We initiated the program for shareholders included or registered in the shareholder register and holding one unit (100 shares) or more of our stock as of August 31, 2012.

(1) Purpose of establishing the new shareholder benefit program

The establishment of the new program is designed to show appreciation for the support of shareholders and to enhance the attractiveness of our shares and increase the number of shareholders holding our shares for a medium to long term.

(2) Details of the shareholder benefit program

(i) Shareholders subject to the program

The program covers shareholders holding one unit (100 shares) or more of our shares who are included or recorded in the shareholder register as of August 31 each year.

(ii) Details of benefit

A QUO card worth 3,000 yen shall be presented to shareholders holding one unit (100 shares) or more of our shares.

(iii) Timing of presentation

The plan is to deliver the card once a year after the ordinary general meeting of shareholders in November.

As a result of establishing the new shareholder benefit program, the number of shareholders stands at 22,188 as of August 31, 2013, nine times the number before the introduction (2,439 as of February 29, 2012). The share price rose to 1,146 yen as of August 30, 2013, 1.47 times as high as before the introduction (closing price as of February 29, 2012 : 775 yen).

(Reference) * Based on the closing price on August 30, 2013 (1,146 yen)

Dividend yield: 2.8% (estimated annual dividends for the year ending August 2014: 32 yen per share)

Yield of shareholder benefit: 2.6%, Total yield: 5.4%

* Yield of shareholder benefit and total yield apply to shareholders who hold one unit (100 shares) .

Trend in share price and number of shareholders after the introduction of the shareholder benefit program

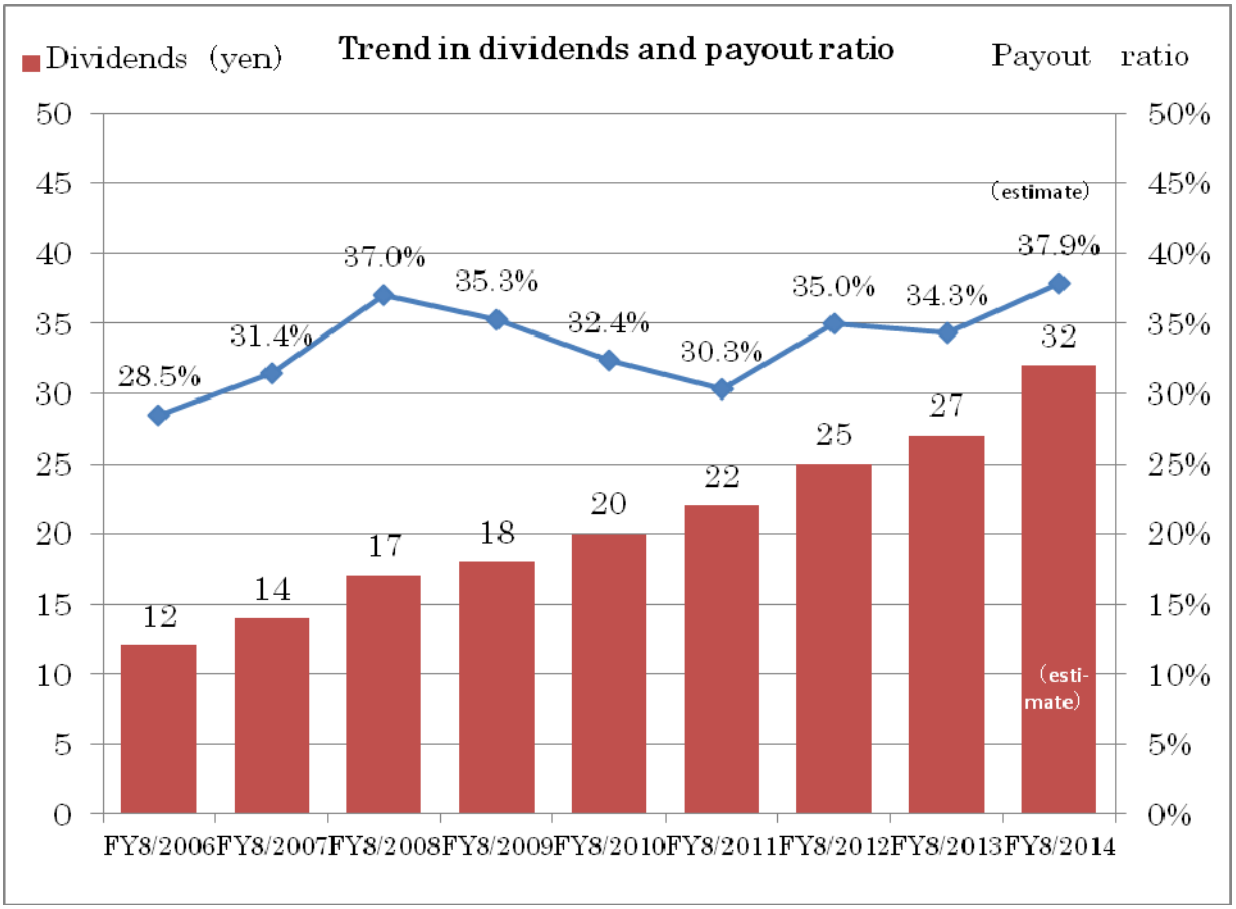
	Closing price (end of previous fiscal year)	Annual dividend per share	Dividend yield	Shareholder benefit Uniform for shareholders holding 100 shares or more	Total yield	Number of shareholders (month end)
FY8/2012	756 yen	25 yen	3.3%	(None)	3.3%	2,396
FY8/2013	793 yen	27 yen	3.4%	QUO card worth 3,000 yen	7.2%	9,920
FY8/2014 (estimate)	1,146 yen	32 yen*	2.8%*	QUO card worth 3,000 yen	5.4%*	22,188

* The figures of annual dividend, dividend yield, and total yield in FY8/2014 show estimates based on the closing price at the end of the previous fiscal term (August 30, 2013 : 1,146 yen)

(Reference)

Dividend information

	Annual dividend			Total dividend	Payout ratio (consolidated)
	End of the second quarter	Fiscal year end	Total		
FY8/2012	12.00 yen	13.00 yen	25.00 yen	689 million yen	35.0%
FY8/2013	13.00 yen	14.00 yen	27.00 yen	745 million yen	34.3%
FY 8/2014 (estimate)	**16.00 yen**	**16.00 yen**	**32.00 yen**		**37.9%**



*Since the listing on JASDAQ in April 1997, we increased dividend for 15th consecutive terms (after adjusting for the stock split)

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