To whom it may concern:

August 6, 2014

Company name: Inabata & Co., Ltd.
Representative: Katsutaro Inabata, Director, President
(Stock code: 8098, First Section of the Tokyo Stock Exchange)
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Notice Concerning Change to Basic Policy on Dividends

Inabata & Co., Ltd. (the "Company") hereby announces that it passed a resolution at a Board of Directors' meeting held on August 6, 2014, concerning the change to its basic policy on dividends described below.

1. Policy on dividends up to now

The Company considers the distribution of profits to shareholders as one of its most important policies. Up to now, the Company has paid dividends by linking them to its operating results while also giving consideration to their stability. Specifically, the Company has hitherto aimed to pay dividends of approximately 20% to 30% of consolidated net income and has maintained a stable dividend amount by striving to maintain annual dividends of at least ¥10 regardless of profit levels. In parallel with this, the Company has hitherto conducted acquisitions of treasury shares as appropriate for the purpose of raising capital efficiency.

2. New policy on dividends

Effective the fiscal year ending March 31, 2015, the Company's policy on dividends has been changed with a view to placing an even greater emphasis on returning profits to shareholders and carrying out shareholder returns with more clarity. Specifically, the policy is now based on a total amount of shareholder returns consisting of the amount of dividends combined with the amount of treasury shares acquired. The Company will target a total return ratio (*) that is mainly in the range of approximately 30% to 35%, and determine it based on comprehensive judgments that take into account such considerations as medium- and long-term investment for future enhancement of corporate value.

(*) Total return ratio = (amount of dividends + amount of treasury shares acquired) ÷ consolidated net income x 100

(Reference)

	Dividends per share	Dividend payout ratio	Total return ratio
	Yen	%	%
Year ended March 31, 2013	23.00	22.1	28.7
Year ended March 31, 2014	30.00	21.9	22.0
Year ending March 31, 2015 (Forecast)	30.00	25.3	33.0