

Notice of the Change of Our Dividend Policy and Upward Revision to Dividend Forecasts

The Company announces that at the meeting of the Board of Directors held today, we resolved to change our dividend policy and revise dividend forecasts upwardly.

1. Change of our dividend policy

(1) Details of the change

Before change	After change
<ul style="list-style-type: none">• To put emphasis on the increase of shareholder return• To flexibly purchase treasury shares while aiming to raise the dividend amount by increasing revenues in a sustainable manner• To return profit while aiming to achieve a total payout ratio of 30%	<ul style="list-style-type: none">• In order to enhance shareholder return, we set the lower limit of consolidated dividend on equity ratio (DOE)* at 3.5%.• While aiming to raise the dividend amount by increasing revenues in a sustainable manner, we will flexibly consider the acquisition of treasury shares while taking into account the financial standing, etc. and aim to achieve a total payout ratio of 50%.

(Note) Consolidated shareholders' equity = Capital + Capital surplus + Retained earnings - Treasury shares
Consolidated dividend on equity ratio = Total dividends ÷ Consolidated shareholders' equity

(2) Reasons for the change

The Company considers the appropriate return of profit to shareholders as one of the most important issues in our business administration, and has paid dividends while aiming to achieve a total payout ratio of 30% or higher. However, we will revise our dividend policy, in order to enhance shareholder return by increasing revenues and pay dividends more stably and sustainably. As part of business administration conscious of cost of shareholders' equity aimed at improving corporate value, we will make efforts to further enrich the return of profit to shareholders and improve capital efficiency.

(3) Schedule for the change

The new dividend policy will be applied from FY3/25.

News Release: Ferrotec Holdings Corporation (6890 TSE Standard)

2. Revision to dividend forecasts

(1) Dividend forecasts for FY3/25

	Annual dividends				
	End of the Q1	End of the Q2	End of the Q3	Year-end	Total
Previous forecasts (A) (Announced on November 14, 2024)	Yen -	Yen -	Yen -	Yen 55.00	Yen 110.00
Revised forecasts (B)	-	-	-	85.00	140.00
Results of this term		55.00	-		
(Reference) Previous results (FY3/24)	-	50.00	-	50.00	100.00

(2) Reasons for the revision

Based on the new dividend policy, we will revise the dividend forecasts announced on November 14, 2024 by 30 yen/share from 110 yen/share to 140 yen/share (with DOE being about 3.5% and total payout ratio being about 41%*).

Accordingly, we plan to discuss the proposal for paying a year-end dividend of 85 yen/share, up 30 yen/share, at the General Meeting of Shareholders scheduled to be held in late June 2025.

(Note) Calculated based on the financial results forecast for FY3/25.

(For your reference)

Variation of dividends (unit: yen)

