Notice Concerning New Dividend Policy and Revision of Interim and Year-end Dividend Forecasts for the Year Ending March 31, 2007

Inabata & Co., Ltd. (hereinafter the "Company" or "Inabata"), at a meeting of the Board of Directors held on August 24, 2006, resolved to adopt a new dividend policy as described below. In line with the new policy, the Company also decided to revise its interim and year-end dividend forecasts for the year ending March 31, 2007 as described below.

1. New dividend policy
Until now, Inabata has provided a stable annual dividend of ¥6 per share. Also, the Company has been seeking to pay dividends reflecting its performance, as shown by the special dividend of ¥17 per share for the year ended March 31, 2006. On this occasion, the Company has decided to implement a new policy under which dividend payments are more closely linked with performance, in a bid to more clearly demonstrate its stance of placing a strong emphasis on the return of profits to shareholders. Specifically, the new policy is summarized as follows:

(1) The Company will determine dividend payments based on a comprehensive assessment taking medium and long-term investments designed to improve corporate value in the future into account, while aiming for a dividend payout ratio of around 15% to 20% of consolidated net income as a short-term goal with due consideration to earnings performance and cash flows.

(2) Regardless of the level of earnings, the Company will attempt to maintain an annual dividend of ¥6 per share at minimum, in principle.

2. Revision of interim and year-end dividend forecasts for the year ending March 31, 2007
In line with the new policy, the Company has revised its forecasts announced on May 16, 2006 for interim and year-end dividends for the year ending March 31, 2007 as follows:

	Interim dividend	Year-end dividend	Total annual dividend
Previous forecast	¥3	¥3	¥6
Revised forecast	¥6	¥6	¥12
(Reference) For the year ended March 31, 2006	¥20 (Including a special dividend of ¥17)	¥3	¥23