

Notice Regarding Change in Dividend Policy and Year-end Dividend Distribution

At its board of directors' meeting held on May 12, 2008, Inabata & Co., Ltd. has adopted resolutions on a partial revision to its dividend policy and distribution of year-end dividend as follows:

1. Revision to dividend policy

Inabata & Co., Ltd. (the "Company") views returning profits to shareholders as one of its priority policies, and has provided dividend payments which are stable but properly reflect the company's performance. The Company, however, has decided to make a partial revision to its dividend policy in order to place greater emphasis on profit distribution to shareholders. Details are provided below. (The revised parts are underlined.)

(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 20%-30% (15%-20% in the past) 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 ¥10 (¥6 in the past) per share at minimum, in principle.

2. Dividend for the year ended March 31, 2008

The Company, at its board of directors' meeting held on May 12, 2008, has adopted a resolution on dividend payment for the year ended March 31, 2008 as follows:

	Resolution	Latest dividend forecast
Record date	March 31, 2008	Same as left
Dividend per share	¥5	¥5
Total amount of dividend to be paid	¥325 million	—
Effective date	June 6, 2008	—
Source of dividend	Retained earnings	—

With all the above considered, dividend payments for the year ended March 31, 2008 are as follows:

	Interim	Year-end	Annual	Payout ratio (consolidated)
Dividend per share	¥5	¥5	¥10	22.2%

3. Dividend forecast for the year ending March 31, 2009

As shown in the "Summary of Consolidated Business Results for April 1, 2007 - March 31, 2008" separately released today, the dividend forecast for the year ending March 31, 2009 is as follows:

	Interim	Year-end	Annual	Payout ratio (consolidated)
Dividend per share	¥6	¥6	¥12	23.0%

This document is an English translation of the Japanese original.

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