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May 7, 2025

For Immediate Release

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(Securities code: 1870, TSE Prime Market, NSE Premier Market)
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Notice Concerning Change in Dividend Policy (Introduction of DOE and Progressive Dividends)

YAHAGI CONSTRUCTION CO., LTD. (the “Company”) announces that a meeting of the Board of Directors held today resolved to change its dividend policy for the purpose of further enriching shareholder return. Details are as follows.

1. Details of the change

Before change	Payout ratio of 30% or more
After change	Dividend on equity ratio (DOE) of 5% or more and progressive dividends

* Dividend on equity ratio (DOE) = amount of annual dividend / {(equity at the end of the previous fiscal year + equity at the end of the current fiscal year) / 2} x 100

2. Reason for the change

The Company has long defined the appropriate return of profits to shareholders as one of its top priority management issues, in addition to an increase in corporate value. It has increased dividends for the last four consecutive years and had not decreased them for the 12 consecutive years up to the fiscal year ended March 31, 2025. It has thus been endeavoring to continuously pay stable dividends.

In this situation, the Company has decided to revise its dividend policy in order to make clearer its stance of providing returns to those shareholders who hold its shares for a long period of time.

Specifically, it has introduced the dividend on equity (DOE) ratio. This indicator is not susceptible to single-year financial results in a situation with marked short-term fluctuations in earnings. The Company is also shifting to a policy of basically paying progressive dividends. With this change, the Company will aim to have its shares better rated by the stock market and to make its price book-value ratio (PBR) even higher by offering shareholder returns based on capital efficiency while maintaining stable dividend payments into the future.

3. Timing of the change

The change will apply from the fiscal year ending March 31, 2026.

Following this change in dividend policy, the forecast of annual dividends per share for the fiscal year ending March 31, 2026 is set at 90 yen per share, up 10 yen* from the fiscal year ended March 31, 2025, as announced in the *Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)* announced today.

The Company would appreciate the understanding and continued support of shareholders.

* The dividends per share of 80 yen for the fiscal year ended March 31, 2025 included a commemorative dividend of 20 yen. On an ordinary dividend basis, the Company expects to raise annual dividends per share by 30 yen.