



March 23, 2020

To whom it may concern,

Company name: AICHI CORPORATION
Representative: Osamu Miura, President, Member of the Board
(Securities code: 6345 on the first sections of the Tokyo Stock
Exchange and the Nagoya Stock Exchange)
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Notice on New Shareholder Return Policy,
Decision Regarding Share Buybacks and Revision to Dividend Forecasts

AICHI CORPORATION (the “Company”) has resolved at its Board of Directors meeting held on March 23, 2020 to establish a shareholder return policy and a framework for share buybacks based on provisions in Article 156 of the Companies Act (the “Act”) as applied pursuant to provisions in Article 165, Paragraph 3 of the Act. Dividend forecasts were revised accordingly. Details are as follows.

1. Shareholder return policy

1) Reason for establishing the new policy

The Company considers profit returns to shareholders a management priority, and has been working to establish a basic policy for shareholder returns. As a result, the Company decided to set quantitative target levels for shareholder returns to enrich and enhance flexibility in shareholder returns for an optimal allocation of resources in the medium- to long-term.

2) Details

With the principle of distributing stable dividends from a shareholder-oriented perspective, the Company will pay dividends targeting a payout ratio of 50% for the three years spanning the fiscal years ending March 31, 2021 to 2023 based on consolidated performance. In addition, the Company will flexibly buy back its shares in an amount up to 2.0 billion yen over the three years upon comprehensively taking into account factors such as cash on hand and share price levels to optimally allocate resources from a medium- to long-term perspective.

2. Share buybacks (based on the Articles of Incorporation pursuant to Article 165, Paragraph 2 of the Act)

1) Reason for the share buyback

The Company will buy back its shares as part of a flexible capital policy in response to changes in the business environment as well as a shareholder return measure.

2) Details of the buyback

- (1) Class of shares to be bought back: Common stock of the Company
- (2) Total number of shares permitted: 2,000,000 shares (maximum)
(2.6% of total number of issued shares (excluding treasury stock))
- (3) Total buyback amount: 1.0 billion yen (maximum)
- (4) Buyback period: April 1, 2020 to December 23, 2020

3) Cancellation of treasury stock

Treasury stock to be bought back in the fiscal year ending March 31, 2021 and those currently held will basically be cancelled.

Reference: Treasury stock held as of February 29, 2020

Total number of issued shares (excluding treasury stock):	77,624,601 shares
Number of shares of treasury stock:	1,828,649 shares

3. Revision to dividend forecasts

As a result of reviewing the year-end dividends for the fiscal year ending March 31, 2020, the Company will increase cash dividends per share by 2 yen from 11 yen in the previous dividend forecast to 13 yen per share. Annual dividends in this case will be 24 yen per share including the interim dividend of 11 yen already paid.

Record date	Cash dividends per share (Yen)		
	2Q-end	Year-end	Total
Previous forecast (April 24, 2019)		11.00	22.00
Revised forecast		13.00	24.00
Results for the current fiscal year	11.00		
Results for the previous fiscal year (Fiscal year ended March 31, 2019)	11.00	11.00	22.00