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**For Immediate Release**

## **Ryosan Company, Limited**

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### **Notice Concerning the Second Round of Additional Measures to Improve Capital Efficiency Included in the 9th Medium-Term Business Plan**

Ryosan Company, Limited ("the Company") announces that the Board of Directors held on May 12, 2017, resolved a second round of measures to improve capital efficiency as follows.

#### 1. Background

In its 9th Medium-Term Business Plan (FY2014-FY2017), the Company established a fundamental stance focused on "innovation" and "growth. On that basis, the Company decided to proceed with measures to "improve capital efficiency" and "reestablish a growth path" as its most important business priorities. Total return ratio for the past two years was 245% on average.

In July 2016, as one of its measures to strengthen ROE, the Company announced increases to the dividend (to ¥140 in FY2016 and to ¥150 in FY2017) and a decision to purchase 3 million treasury shares per year.

The number of treasury shares acquired in FY2016 was less than the initial plan. Although current business performance is improving, the Company has decided that additional measures are needed to achieve the target ROE of 5%. The Company implements the (second round of) measures to improve capital efficiency based on the following three pillars and aims at achievement of its targets.

- (1) Increase of the amount for acquisition of treasury shares (4.5 million shares per year)
- (2) Extension of the period of implementation (by one year)
- (3) Cancellation of treasury shares (by a total of 3 million shares)

Even after these additional measures, the Company remains committed to its basic strategy of boosting profitability by "reestablishing a growth path" and "improving capital efficiency." To pave the way for FY2017, the last year of the 9th Medium-Term Business Plan, the Company will ensure that presently implemented measures achieve their intended results and will move forward with construction of a new growth scenario. The new scenario will aim at ROE of 8% for the new medium-term business plan covering the period starting in FY2018.

2. Basic policy (content changed)

By FY2018, the Company shall implement measures to improve capital efficiency, whose main points are (1) repurchase 4,500,000 shares, and (2) annual dividend of 150 yen or more.

Moreover, the Company shall cancel 3 million treasury shares on May 31, 2017.

	Current state	After the change
Dividend per share	FY2017 Annual dividend of 150 yen or more (Regular dividend: 100 yen) (Special dividend: 50 yen or more)	FY2017-2018 Annual dividend of 150 yen or more (Regular dividend: 100 yen) (Special dividend: 50 yen or more)
Acquisition of treasure shares	FY2017 3 million shares per year	FY2017-2018 4,500,000 shares per year
Cancellation of treasure shares	No plans	FY2017 3 million shares