



May 9, 2024

To All

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### **Notice of Change in Shareholder Return Policy**

ALPS ALPINE CO.,LTD. hereby announce that we have made the following changes to our shareholder return policy.

#### **1. Reason for the change**

Our capital policy is to strike a balance between growth investment, sound finances, and shareholder returns. We have decided to promote the management structural reforms announced in the full-year financial results for the fiscal year ending March 31, 2024, and aim to achieve a P/B ratio of 1x or more as early as possible during the period of the 3rd Mid-Term Management Plan. At the same time, we have decided to change our shareholder return policy, considering the stable and continuous return of the results of corporate value enhancement to our shareholders over the medium to long term to be an important management issue.

#### **2. Details of Change**

Before Change	During the period of the 2nd Mid-Term Business Plan from FY2022 to FY2024, we will emphasize "stable dividend + performance-linked" and aim for a stable dividend with a larger standard of 25% or 20 yen per year for a single year and a total return ratio of 35% for a cumulative 3-year period (average).
After change	As an indicator of shareholder return, the Company will adopt DOE (dividend on equity ratio) to ensure stable and continuous returns to shareholders over the medium to long term, with a target of 3%. This policy will be implemented starting in FY2024, and will be in effect for four years in principle, and will be reviewed as necessary at the timing of the 4th Mid-Term Management Plan starting in FY2028.

\*The Fund may revise its forecasts in the event of a major economic crisis or other unforeseen circumstances even during the relevant period.

\*The Company's policy on the acquisition of treasury stock will be the same as before, with comprehensive decision-making based on comparisons with other investment projects, capital efficiency, and financial condition.

#### **3. Timing of change**

The change will be effective from the fiscal year 2024 (fiscal year ending March 31, 2025).

Based on the return of earnings policy before the change, the Company plans to propose a year-end dividend of 10 yen per share to the 91st Ordinary General Meeting of Shareholders, taking into consideration trends in business performance, financial strength, and other factors.

(Supplemental)

### **Capital Policy**

Our basic policy is to strike a balance between growth investment, sound finances, and shareholder returns.

### **Growth Investment**

While selecting investments that match our business portfolio and being conscious of capital efficiency, we invest in the launch of new businesses and products, in the expansion of production capacity to cope with increased production, in automation to cope with labor shortages, in DX to improve productivity, and in M&A to achieve discontinuous growth. We will maximize corporate value through these investments.

### **Sound financials**

We are responsible for the long-term, stable supply of products to our customers in the automotive, consumer, and industrial markets, and our customers demand a sound financial base in order to secure and maintain business. We must also have a sound financial base that can cope with unforeseen circumstances, such as a sudden economic crisis that is said to occur only once every several decades, or a large-scale natural disaster. Our guideline for sound financial condition is a domestic credit rating of A, a capital adequacy ratio of 50%, and a net cash positive balance.

### **Shareholder Returns**

Same as above