

May 11, 2017

Company Name: MEGMILK SNOW BRAND Co., Ltd.
Representative: Keiji Nishio, Representative Director and President
(Stock code: 2270, TSE 1st Section/SSE)
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Notice Concerning Appropriation of Surplus

MEGMILK SNOW BRAND Co., Ltd. (the "Company") hereby announces that at the Board of Directors meeting held today, it resolved to pay the dividend as of the record date of March 31, 2017, as described below.

1. Details of the dividend

	Year-end dividend	Latest year-end dividend forecast (announced on February 10, 2017)	Actual dividend for the previous year (fiscal year ended March 31, 2016)
Record date	March 31, 2017	Same as on the left	March 31, 2016
Dividend per share	40.00 yen	30.00 yen	30.00 yen
Total amount of dividend	2,713 million yen	-	2,035 million yen
Effective date	June 29, 2017	-	June 29, 2016
Source of dividend	Retained earnings	-	Retained earnings

2. Reasons for the dividend

For the fiscal year ended March 31, 2017, the Company will pay a year-end dividend of 40 yen per share, up 10 yen from the latest year-end dividend forecast, for reasons such as the Company's steady performance and the achievement of the final earnings target set forth in the "Megmilk Snow Brand Group Medium-term Management Plan (FY2014~2016)."

The Company's dividend policy for the fiscal year ended March 31, 2017 is as follows:

As its fundamental policy for distribution of profits, the Company aims to secure financial standing in preparation for its growth and expansion strategy over the medium to long term, while also returning profits to shareholders.

Concerning dividends, the Company targets a dividend payout ratio of 20% or higher, and, taking into consideration factors such as consolidated business results and financial conditions,

will work on continuously stable payout of dividends.

As for the dividend for the next fiscal year, under the “Group Medium-term Management Plan 2019” starting from the fiscal year ending March 31, 2018, the Group plans to pay a year-end dividend of 40 yen per share based on the following dividend policy:

As its fundamental policy for distribution of profits, the Company aims to establish financial soundness through generation of profits, maintain capital efficiency by reinvesting into infrastructure for its cash-generating base, and return profits to shareholders.

Concerning dividends, the Company aims for a dividend payout ratio of 20% or higher, and, taking into consideration factors such as consolidated business results and financial conditions, will work on continuously stable payout of dividends.