August 6, 2024

For Immediate Release

Company name: SEPTENI HOLDINGS CO., LTD.
Representative: Representative Director, Group President and Chief Executive Officer
Yuichi Kouno
(TSE Standard Code: 4293)

Notice of Changes in Shareholder Return Policy and Revision of Year-End Dividend Forecast (Dividend Increase)

SEPTENI HOLDINGS CO., LTD. (the "Company") hereby announces that the Board of Directors has resolved today to change the shareholder return policy as follows.

In addition, with the change in the policy, the Company has revised and increased the forecast for the year-end dividend for the fiscal year ending December 2024, as follows.

1. Changes in Shareholder Return Policy

(1) Reason for change

The Company recognizes that returning profits to shareholders is one of the key management issues.

In the fiscal year ended December 2023, the Company increased the consolidated dividend payout ratio from 15% to 25%, and raised the minimum limit for dividends per share from ¥2 to ¥3, in order to strengthen its return of profits to shareholders.

It also has shifted to a new management structure since the current fiscal year. Under the new management structure, it is currently pursuing a long-term growth strategy to improve its corporate value on a sustainable basis, and has positioned the current fiscal year as a preparatory period for strategic growth investment from the next fiscal year onward. This leads to the decision to increase the proportion of shareholder returns under the capital allocation policy and significantly increase the dividend payout ratio under the dividend policy.

As a result, its policy for the year-end dividend for the fiscal year ending December 2024 is to return ¥6.5 billion of profit attributable to owners of parent, which is announced in the forecast for the current fiscal year, including the gain on the partial share transfer of its subsidiaries, etc.

From the fiscal year ending December 2025 onward, the Company will raise the consolidated dividend payout ratio from 25% under the current dividend policy to a level of 50% or more.

(2) Details of change

Before change	After change
Regarding dividends of surplus, in consideration of our consolidated earnings performance of each fiscal year, the strengthening of our financial position, the Group's business strategy going forward and other factors, we endeavor to return profits to shareholders within the range of our distributable amount, with a target dividend payout ratio of around 25% to profit attributable to owners of parent. Furthermore, by setting a minimum annual dividend per share of ¥3 in principle, we will consider the continuity and stability of dividends, while basing on appropriate profit distribution in line with business growth. Retained earnings will be used for investments in high-growth and profitable business domains, as well as for investments to improve the efficiency and vitalization of existing businesses, and for educational investment to develop human resources. We intend to acquire own shares on an ongoing basis by comprehensively taking into account market conditions, opportunities to invest in businesses, capital efficiency, the level of share price, etc. and to implement such share repurchases in a flexible manner.	Regarding dividends of surplus, in consideration of our consolidated earnings performance of each fiscal year, the strengthening of our financial position, the Group's business strategy going forward and other factors, we endeavor to return profits to shareholders within the range of our distributable amount, with a dividend payout ratio of 100% to profit attributable to owners of parent for the fiscal year ending December 2024 and a minimum dividend payout ratio of 50% from the fiscal year ending December 2025 onward. We also intend to acquire own shares on an ongoing basis by comprehensively taking into account market conditions, opportunities to invest in businesses, capital efficiency, the level of share price, etc. and to implement such share repurchases in a flexible manner. Retained earnings will be used for investments in high-growth and profitable business domains, as well as for investments to improve the efficiency and vitalization of existing businesses, and for educational investment to develop human resources.

(3) Timing of change

Effective from the year-end dividend for the fiscal year ending December 2024 (the current fiscal year.)

2. Year-End Dividend Forecast for the Fiscal Year Ending December 2024

(1) Details of revision

	Cash dividends per share (Yen)					
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Term end	Total
Previous forecast	—	—	—	—	7.90	**7.90**
Forecast as revised this time					31.35	**31.35**
Results for the fiscal year under review	—	—	—			
Results for the previous fiscal year (FY2023)	—	—	—	—	5.20	5.20

(2) Reason for revision

As a result of the above change in dividend policy, the Company has revised the year-end dividend forecast for the fiscal year ending December 2024, which has been increased by ¥23.45 from the previous forecast, to ¥31.35 per share.

(Note) The above forecast is forward-looking statements based on information available at the time of publication and is subject to uncertainty. Actual results may differ from the above forecast due to various factors.

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