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## Notice Concerning Changes in Shareholder Return Policy and Revisions to Dividends of Surplus for the Second Quarter and Forecast of Fiscal Year-End Dividend

WingArc1st Inc. (the “Company”) hereby announces that it has resolved at the Board of Directors meeting held today, on changes in the shareholder return policy and on the dividends of surplus for the second quarter with a record date of August 31, 2023, as described below. In addition, the Company announces that the forecast of the fiscal year-end dividend for the fiscal year ending February 29, 2024, which was announced on April 13, 2023, has been revised as described below due to these changes in the shareholder return policy.

### 1. Changes in shareholder return policy

#### (1) Reasons for the changes

The Company recognizes the return of profit to its shareholders as a key management priority, and provided dividends based on a target consolidated dividend payout ratio of around 30%, while comprehensively considering the business environment, investment opportunities, its financial position and other factors. In addition, the Company has achieved a certain amount of success during that period by achieving stable business growth, mainly in recurring business, and by promoting improvements in its financial structure backed by strong cash flows.

With regard to the optimal capital allocation going forward under these circumstances, as a result of an evaluation from the perspectives of investments, including M&A, for further business growth, improving capital efficiency, and strengthening of shareholder returns, the Company will change the shareholder return policy from a “consolidated dividend payout ratio of around 30%” to a “**total shareholder return ratio of around 50%.**”

#### (2) Details of the changes (Changes are underlined.)

##### *Before change*

The Company recognizes the return of profit to its shareholders as a key management priority, and it has a basic policy of providing dividends in consideration of the business performance in each fiscal year while maintaining internal reserves necessary for future business development in order to maintain growth and for strengthening the management structure.

The Company will allocate funds from internal reserves to strengthen the management structure and will utilize the internal reserves as the source of funds for investments, development, etc. in order to provide new products and new services.

The Company follows a basic policy of issuing dividends of surplus twice a year, and aims to provide stable dividends based on a target consolidated dividend payout ratio of around 30%.

### *After change*

The Company recognizes the return of profit to its shareholders as a key management priority, and it has a basic policy of returning profit to shareholders in consideration of the business performance in each fiscal year while maintaining internal reserves necessary for future business development in order to maintain growth and for strengthening the management structure.

The Company will allocate funds from internal reserves to strengthen the management structure and will utilize the internal reserves as the source of funds for investments, development, M&A, etc. in order to provide new products and new services.

Regarding the return of profit to shareholders, the Company aims to achieve a total shareholder return ratio of around 50% by striving to provide stable dividends and by taking into consideration the purchase of treasury shares based on a flexible approach.

## 2. Dividends of surplus

In accordance with “1. Changes in shareholder return policy,” the Company will pay a second quarter-end dividend of ¥33.50 per share.

	Determined amount	Most recent dividend forecast (Announced on April 13, 2023)	Results of interim dividends of the fiscal year ended February 28, 2023
Record date	August 31, 2023	August 31, 2023	August 31, 2022
Dividend per share	¥33.50	¥22.50	¥21.30
Total cash dividends	¥1,152 million	–	¥728 million
Effective date	November 13, 2023	–	November 9, 2022
Source of dividends	Retained earnings	–	Retained earnings

## 3. Revisions to the year-end dividend forecast

	Second quarter-end	Fiscal year-end	Total
Previous forecast (Announced on April 13, 2023)	¥22.50	¥22.50	¥45.00
Revised forecast	–	¥33.50	¥67.00
Results of the fiscal year ending February 29, 2024	¥33.50	–	–
Results of the fiscal year ended February 28, 2023	¥21.30	¥21.80	¥43.10

The above figures are calculated based on the full-year earnings forecasts announced on April 13, 2023. The Company does not plan to purchase treasury shares in the fiscal year ending February 29, 2024.