



February 13, 2024

Company name: **Axial Retailing Inc.**

Representative: Kazuhiko Hara, President and Representative Director, CEO

Securities code: 8255

Stock exchange listings: Tokyo Prime

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Notice of Stock Split and Partial Amendments to the Articles of Incorporation in Connection with the Stock Split

Axial Retailing Inc. (hereinafter referred to as the "Company") hereby announces that at its Board of Directors meeting held on February 13, 2024, The Company resolved to implement a stock split and make partial amendments to its Articles of Incorporation in connection with the stock split as follows.

1. Purpose of the Stock Split

The purpose of this stock split is to create a more investor-friendly environment by reducing the amount per investment unit, thereby improving the liquidity of our stock and broadening our investor base.

2. Summary of the Stock Split

2-1. Method of the Stock Split

With a record date of Sunday, March 31, 2024 (Friday, March 29, 2024, for practical purposes as March 31, 2024 is a non-business day of the administrator of the shareholder register), the Company will implement a four-for-one stock split for each share of its common stock held by shareholders as of that date.

Furthermore, the amount per investment unit is expected to be less than 500,000 yen both before and after the stock split.

2-2. Number of Shares to be Increased by the Stock Split (including treasury stock)

- Total number of shares outstanding before the split: 23,388,039 shares
- Increase in number of shares due to the split: 70,164,117 shares
- Total number of shares outstanding after the split: 93,552,156 shares

Note : The stock split will not result in the creation of a fraction of less than one share.

- Total number of authorized shares after the split: 152,000,000 shares

Note: Please refer to " 3 Partial Amendments to the Articles of Incorporation in Connection with the Stock Split " below.

2-3. Schedule of Stock Split

- Resolution of the board of directors: Tuesday, February 13, 2024
- Announcement of the record date (scheduled): Wednesday, March 13, 2024
- Record date: Sunday, March 31, 2024
(Friday, March 29, 2024, for practical purposes)
- Effective date: Monday, April 1, 2024

3. Partial Amendments to the Articles of Incorporation in Connection with the Stock Split

3-1. Purpose of the Partial Amendments to the Articles of Incorporation

Since the total number of shares outstanding will increase as a result of this stock split, the Company will amend Article 6 (Total Number of Authorized Shares) of its Articles of Incorporation, pursuant to Article 184, Paragraph 2 of the Companies Act, effective as of April 1, 2024.

3-2. Details of Amendments to the Articles of Incorporation (underlined part indicates amendment)

Current Articles of Incorporation	Amended Articles of Incorporation
(Total Number of Authorized Shares) Article 6 : The total number of shares authorized by the Company shall be <u>38,000,000 shares</u> .	(Total Number of Authorized Shares) Article 6 : The total number of shares authorized by the Company shall be <u>152,000,000 shares</u> .

3-3. Schedule of Amendments to the Articles of Incorporation

- Resolution of the board of directors: Tuesday, February 13, 2024
- Effective date: Monday, April 1, 2024

4. Other

4-1. Amount of Stated Capital

There will be no change to the amount of stated capital as a result of this stock split.

4-2. Dividend

As this stock split has an effective date of April 1, 2024, the year-end dividend for the fiscal year ending March 31, 2024, with a record date of March 31, 2024, will be based on the number of shares before the stock split.

In addition, there will be no change in our basic dividend policy.

As the holding company for the Axial Group, the company believes that returning profits to shareholders is an important management policy, and our basic policy is to distribute dividends to shareholders giving full consideration to the business performance of the group as a whole, future business development, and dividend payout ratio.

In determining the amount of the annual dividend per share, the Company's objective is to pay an appropriate dividend linked to the business performance of each fiscal year on a stable and continuous basis, which will be approximately 30% of the consolidated net income per share, so that our shareholders can hold our shares on a stable basis over the long term.

4-3. Shareholder Benefit Program

The Company offers a special gift to shareholders holding 100 or more shares registered or recorded in the Company's shareholder registry as of March 31 and September 30 of each year, in proportion to the number of shares held.

Since the stock split is effective as of April 1, 2024, the presentation of shareholder gifts with a record date of March 31, 2024, will be based on the number of shares prior to the stock split.

The Company is considering reviewing the details of the shareholder special benefit program from the next fiscal year onward, and will disclose the details as soon as they are determined.

* This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.