



April 26, 2024

SMS Co., Ltd.

(Company Code: 2175, TSE Prime Market)

<https://global.bm-sms.com/>

<PRESS RELEASE>

Notice Regarding Changes in Dividend Policy

SMS Co., Ltd. hereby announces that, on April 26, 2024, its Board of Directors has resolved to change its dividend policy.

1. Reasons for the changes

Our group's capital policy is focused on achieving continuous growth in net income while ensuring financial soundness and maintaining higher ROE than our cost of equity. We decided to update our dividend policy as we have prioritized internal reserves since the acquisition of MIMS group in 2015 and have achieved a certain level of financial soundness. This policy will be applied from the dividend for the fiscal year ending March 31, 2025.

2. Details of the changes

(Before the changes)

Our basic policy for the dividend is to prioritize growth investments while considering the financial conditions when determining dividend payouts to our shareholders.

(After the changes)

Our basic policy for profit distribution is to pay dividends in line with business results for each fiscal year, with a target consolidated dividend payout ratio of 30%, while prioritizing growth investment and considering the financial conditions. However, this does not apply in the event of major investment opportunities such as M&A.

3. Timing of application

Effective from the dividend for the fiscal year ending March 31, 2025 (to be paid in June 2025)