



May 20, 2024
SMS Co., Ltd.
(Company Code: 2175, TSE Prime Market)
<https://global.bm-sms.com/>

<PRESS RELEASE>

Notice regarding Distribution of Dividends from Surplus

SMS Co., Ltd. (the “Company”) hereby announces that, on May 20, 2024, its Board of Directors has resolved to submit a proposal for the distribution of dividends from surplus with a record date set at March 31, 2024 to the 21st Ordinary General Meeting of Shareholders scheduled to be held on June 21, 2024.

1. Details of Dividends

	Amount resolved	Latest dividend forecast (January 31, 2024)	Dividends paid for the previous fiscal year (year ended March 31, 2023)
Record date	March 31, 2024	March 31, 2024	March 31, 2023
Dividend per share	20 yen	20 yen	15 yen
Total amount of dividends	1,734 million yen	—	1,307 million yen
Effective date	June 24, 2024	—	June 26, 2023
Source of dividends	Retained earnings	—	Retained earnings

2. Reason

The Company’s basic policy is to place priority on growth investments, while taking the financial conditions into account when determining dividend payouts to its shareholders.

Based on this policy, the Company has decided to return profits to shareholders in the form of dividends for the fiscal year ended March 31, 2024. Consequently, the Company plans to pay a year-end dividend of 20 yen per share for the fiscal year ended March 31, 2024.

(Reference)

1. Total Payout Ratio

The Company implement share repurchases flexibly, according to financial conditions and share price levels, and repurchased a total amount of 1,999,798,750 yen of shares during the fiscal year ended March 31, 2024. The total payout ratio for the fiscal year ended March 31, 2024 will be 51.7% after the year-end cash dividend to be implemented upon approval of this proposal, and the said share repurchases.

2. Update of Dividend Policy

The Company has updated its dividend policy as disclosed in “Notice Regarding Changes in Dividend Policy” on April 26, 2024. This is due to the fact that the Company has prioritized internal reserves since the acquisition of MIMS group in 2015 and has achieved a certain level of financial soundness. This policy will be applied from the dividend for the fiscal year ending March 31, 2025.

Dividend Policy

The Company's 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.