



May 15, 2024

Listed Company Name: ESPEC CORP.
 Representative: Satoshi Arata, President
 Listed Stock Exchange: Tokyo Stock Exchanges,
 Prime Market
 Securities Code: 6859
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Notice Concerning Dividends of Surplus (Increased Dividend)

ESPEC CORP. hereby announces that it has resolved, at a meeting of the Board of Directors held on May 15, 2024, to pay dividends of surplus with a record date of March 31, 2024. The details are described below.

Description

1. Details of dividend

	Determined amount	Most recent dividend forecast (Announced May 12, 2023)	Actual results for the previous fiscal year (Fiscal year ended March 31, 2023)
Record date	March 31, 2024	March 31, 2024	March 31, 2023
Dividend per share	Yen 50.00	Yen 45.00	Yen 45.00 (An ordinary dividend of 43.00) (A commemorative dividend of 2.00)
Total amount of dividends	Millions of Yen 1,103		Millions of Yen 993
Effective date	June 24, 2024		June 26, 2023
Source of dividends	Retained earnings		Retained earnings

2. Reason

The Company decides that the basic policy on dividends is that the return of profits to shareholders is an important management priority, and constantly raising lasting enterprise value is the key element in ensuring improved shareholder returns, taking into consideration continuity and the dividend payout ratio. Specifically, while retaining a dividend return with a target consolidated dividend payout ratio of around 30%, in cases where the balance of cash and cash equivalents exceeds the planned necessary funds for uses such as dividends, corporate taxes, operating capital, capital investment, and strategic investment, the Company will also add around one third of the excess to the dividend. Moreover, the Company will maintain a dividend of ¥20 as a stable dividend, regardless of the level of profit, but may review this in cases where the Company records consolidated net losses for two consecutive fiscal years.

As the consolidated financial results for the fiscal year ended March 31, 2024, announced today, exceeded the previously announced forecast figures and posted record high results, the Company has decided to distribute dividends of surplus with a record date of March 31, 2024. The Company plans to increase the dividend by 5 per share from the previously announced figure to 50 yen. Accordingly, the annual dividend will be 75 yen, in combination with the interim dividend of 25 yen.

The Company plans to submit this proposal to the Ordinary General Meeting of Shareholders scheduled for June 21, 2024.

Note: The above financial targets were compiled based on management's reasonable assessment of information available at the time of the compilation and are subject to change due to factors that may arise in the future.