



April 10, 2025

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Notice on Partial Revision of Basic Policy on Shareholder Returns (Review of Total Return Ratio and Change in Dividend Payout Ratio)

Baycurrent Inc. (hereinafter “the Company”) hereby announces that as of April 10, 2025, in accordance with Article 370 of the Companies Act and Article 26 of our Articles of Incorporation, the following resolution was made regarding a partial change to our shareholder return policy (a review of the total return ratio and a change in the dividend payout ratio).

1. Reason for the Revision

The Company has recognized the stable return of profit to shareholders as an important management agenda. Since FY2022, we have adopted a basic policy on shareholder returns that sets a target total return ratio (including dividends and treasury share purchases) of 40% based on IFRS guidelines, and within that, a dividend payout ratio of 20% to 30% based on IFRS guidelines, while also taking into account the distributable amount under Japanese GAAP. This policy has been continuously implemented, comprehensively considering factors such as full-year performance, strengthening of our financial position, and enhancement of retained earnings.

Thanks to the support of our stakeholders, we were able to largely achieve the goals set forth in our Medium-Term Business Plan (FY2022 to FY2026) ahead of schedule in FY2024. Furthermore, in FY2025, we successfully achieved growth in line with our performance targets for the initial year of our new Medium-Term Business Plan (FY2025 to FY2029). Since FY2022, our capital policy has focused on securing retained earnings, looking to strengthen our management base and make growth investments for improvement of our corporate value in the medium and long term. As a result, our financial soundness has also improved significantly.

In light of these developments, and with the aim of further enhancing corporate value and providing more substantial returns to shareholders, we have decided to revise our shareholder return metric indicator from the total return ratio to the dividend payout ratio starting from FY2026 and beyond. The new basic policy sets the target dividend payout ratio at “40% as a guideline on an IFRS basis”, replacing the previous “range of 20% to 30% as a guideline on the same basis”.

Additionally, we will define the annual cash level required for continuous and stable business operations and investments

for future growth. Taking capital efficiency into consideration, any surplus cash generated each fiscal year will be returned to shareholders primarily through treasury share purchases. These treasury share purchases will be implemented during the relevant fiscal year or around the time of fiscal year-end financial disclosure, based on earnings forecasts and year-end financial projections.

2. New Basic Policy

The Company regards the stable return of profit to shareholders as an important management agenda and sets the dividend payout ratio at 40% as a guideline on an IFRS basis. Furthermore, in consideration of capital efficiency, any annual surplus cash will be returned to shareholders primarily through treasury share purchases.

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