



May 15, 2026

News Release (translation)

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**Notice Concerning Dividends of Surplus and Revision of Basic Dividend Policy
(Increase in Dividend Payout Ratio Target)**

FUKOKU Co., Ltd. (the “Company”) hereby announces that it has resolved, at a meeting of the Board of Directors held on May 15, 2026, to pay dividends with a basis date of March 31, 2026, as described below.

1. Dividends of Surplus

1) Details of dividends

| | Recent decision | Most recent projected dividends (announced May 15, 2025) | Previous period (ended March 31, 2025) |
|---------------------|-------------------|---|---|
| Basis date | March 31, 2026 | Same as at left | March 31, 2025 |
| Dividend per share | 42.50 yen | 42.50 yen | 37.50 yen |
| Total dividends | 604 million yen | - | 604 million yen |
| Effective date | June 9, 2026 | - | June 10, 2025 |
| Source of dividends | Retained earnings | - | Retained earnings |

2) Reasons for these dividends

Recognizing returning earnings to shareholders as a key management goal, the Company has set a basic dividend policy that calls for returning earnings reflecting business results while maintaining stable dividends. It also calls for deciding on dividend amounts targeting a consolidated payout ratio of 30%, based on this basic policy of returning earnings to shareholders in accordance with business results while maintaining stable dividends.

Based on this policy, after consideration of the overall performance for the current fiscal period, the Company has decided to pay a year-end dividend of 42.5 yen per share that was the most recent projection. This will result in annual dividends of 85.0 yen (from an interim dividend of 42.5 yen and a year-end dividend of 42.5 yen) and a payout ratio of 115.4%.

The Company Articles of Incorporation state that Company dividends of surplus may be paid based on the resolution of the Board of Directors.

(Reference) Breakdown of annual dividends

| Basis date | Dividends per share | | |
|--|-----------------------|--------------------|-----------|
| | End of second quarter | End of fiscal year | Total |
| Actual amount in current period | 42.50 yen | 42.50 yen | 85.00 yen |
| Actual amount in previous period (ended March 31, 2025) | 37.50 yen | 37.50 yen | 75.00 yen |

2. Revision of Basic Dividend Policy

1) Reason for the Revision of the Basic Dividend Policy

The Company aims to achieve sustainable enhancement of corporate value and is promoting management with a strong focus on capital costs. In addition, the Company recognizes that improving profitability through such management initiatives and enhancing shareholder returns are important management priorities. Based on this policy, the Company has decided to revise its basic dividend policy and increase its target dividend payout ratio. With respect to shareholder returns, the Company will continue to consider various indicators, including DOE (dividend on equity), on an ongoing basis.

2) Details of the Revision to the Basic Dividend Policy

In order to more clearly demonstrate its stance on shareholder returns and further strengthen such returns, the Company has reviewed its target dividend payout ratio and minimum dividend level.

(Changes are underlined below.)

(Before Revision)

The Company positions shareholder returns as one of its key management priorities. While taking into account internal reserves necessary for future business development and the characteristics of its business, the Company's basic policy is to maintain stable dividends and provide returns to shareholders in accordance with its business performance.

The Company's dividend payments of surplus are determined by the Board of Directors for both interim and year-end dividends, and the Company has a policy of paying dividends of surplus twice annually.

With respect to the amount of dividends, the Company targets a consolidated dividend payout ratio of 30%. In principle, the Company sets a minimum annual dividend of 20 yen per share (10 yen per share for both interim and year-end dividends), unless business performance deteriorates significantly due to a sudden change in the operating environment.

Internal reserves will be utilized for research and development investments and capital expenditures aimed at sustaining long-term business growth, thereby securing shareholder returns from a long-term and comprehensive perspective through improved profitability.

(After Revision)

The Company positions shareholder returns as one of its key management priorities. While taking into account internal reserves necessary for future business development and the characteristics of its business, the Company's basic policy is to maintain stable dividends and provide returns to shareholders in accordance with its business performance.

The Company has a policy of paying dividends twice annually. With respect to the amount of dividends, the Company targets a consolidated dividend payout ratio of 40%. In principle, the Company sets a minimum annual dividend of 50 yen per share (25 yen per share for both interim and year-end dividends), unless business performance deteriorates significantly due to a sudden change in the operating environment.

Internal reserves will be utilized for research and development investments, capital expenditures, IT investments, and M&A investments aimed at sustaining long-term business growth, thereby securing shareholder returns from a long-term and comprehensive perspective through improved profitability.

3) Effective Date

This revision will be effective from the interim dividend for the fiscal year ending March 31, 2027.