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May 7, 2024

TRANSLATION

C o m p a n y : Macnica Holdings, Inc.
Representative: Kazumasa Hara,
Representative Director and President
(Code: 3132; TSE Prime Market)
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Notice Regarding Share Split, Amendments to the Articles of Incorporation, Abolition of Shareholder Benefit Plan, Dividends from Surplus and Dividend Forecast (Increase)

Macnica Holdings, Inc. (the "Company") hereby announces that on May 7, 2024, its Board of Directors resolved to conduct a share split, partially amend the Articles of Incorporation, abolish the Shareholder Benefit Plan, and revise dividends from surplus and dividend forecast (increase). The details are as follows.

1. Share split

(1) Purpose of the share split

By reducing the price per investment unit, the Company aims to create a more investor-friendly environment for individual investors, against the backdrop of the introduction of the new NISA system and other factors, and improve market liquidity.

(2) Overview of the share split

1) Method of the share split

With September 30, 2024 (Monday) as the record date, the Company will conduct a 1-for-3 share split of the Company's common shares held by shareholders listed or recorded in the final shareholder list on that date.

2) Increase in the number of shares due to the share split

Total number of issued shares before the share split	60,857,382 shares
Increase in the number of shares due to the share split	121,714,764 shares
Total number of issued shares after the share split	182,572,146 shares
Total number of authorized shares after the share split	600,000,000 shares

3) Schedule of the share split

Date of public notice of the record date (scheduled)	September 13, 2024 (Friday)
Record date	September 30, 2024 (Monday)
Effective date	October 1, 2024 (Tuesday)

2. Partial amendment to the Articles of Incorporation due to the share split

(1) Reason for the amendment

In accordance with the share split, the Company will amend the total number of authorized shares in Article 6 of the Company's Articles of Incorporation effective October 1, 2024, pursuant to the provision of Article 184, paragraph 2

of the Companies Act.

(2) Details of the amendment

Details of the amendment are as follows.

(Underlined portions indicate amended sections.)

Before amendment	After amendment
(Total Number of Authorized Shares) Article 6. The total number of shares authorized to be issued by the Company shall be 200,000,000 shares.	(Total Number of Authorized Shares) Article 6. The total number of shares authorized to be issued by the Company shall be 600,000,000 shares.

3. Abolition of the Shareholder Benefit Plan

(1) Reason for Abolishment of the Shareholder Benefit Plan

The Company has been implementing a Shareholder Benefit Plan in order to respond to the daily support of our shareholders and to encourage more shareholders to hold the Company's shares.

As of March 31, 2024, the number of shareholders exceeded 30,000, and many shareholders now hold the Company's shares.

On the other hand, the Company has been implementing a comprehensive shareholder return program through the purchase of treasury shares as announced on February 14, 2024, in the "Notice Concerning Status and Completion of Acquisition of Treasury Shares".

Under these circumstances, from the perspective of ensuring substantial equality of shareholders, which is required of listed companies as stipulated in the Corporate Governance Code, we have carefully considered how to provide a fair return of profits to shareholders and as a result, we have decided to concentrate on the return of profits through dividends, etc., and have decided to abolish the Shareholder Benefit Plan.

We will continue our efforts to further increase profitability and corporate value by investing in business growth and enhancing our business foundation.

We would appreciate the understanding of our shareholders.

(2) Timing of the Abolition of the Shareholder Benefit Plan

The Company has abolished the Shareholder Benefit Plan upon providing the gifts that were sent to shareholders who held at least 100 shares (1 unit) listed in the Company’s shareholder register based on the record date of March 31, 2024.

4. Abolition of the Shareholder Benefit Plan and Revision (increase) of the dividend forecast

(1) Dividends from surplus for the fiscal year ended March 31, 2024

The Company's basic policy is to secure the necessary internal reserves for future business development and further enhancement and reinforcement of the management structure, while at the same time striving to maintain stable dividend payments, taking into consideration various circumstances, and to return profits to shareholders as much as possible. In the "Medium-Term Management Plan (FY2022-FY2024)," the Company - partially revised its shareholder return policy. Specifically, the Company will pay stable and continuous dividends, with a target consolidated dividend on equity ratio (DOE) of 4%, while taking into consideration the management environment, consolidated financial results for each fiscal year, and the target ROE (15%) among others. At the same time, as a means of flexible shareholder return, the Company will consider capital efficiency and the market environment, among others. and implement the purchase of treasury shares. The Company aims to achieve a total payout ratio of

30% to 50%. For the fiscal year ended March 31, 2024, we have revised our year-end dividend forecast to 120 yen per share, an increase of 10 yen from the previous forecast, taking into consideration the achievement of our earnings forecast, the business environment, and other factors. As a result, the annual dividend forecast for the fiscal year ended March 31, 2024, will be 200 yen per share.

This matter will be submitted to the 9th Ordinary General Meeting of Shareholders to be held in June 2024.

	Determined year-end dividend	Most recent dividend forecast (Announced on January 29, 2024)	Year-end dividend paid for the previous fiscal year (Fiscal year ended March 31, 2023)
Record date	March 31, 2024	Same as on the left	March 31, 2023
Dividend per share	120.00 yen	110.00 yen	75.00 yen
Total amount of dividends	7,198 million yen	-	4,541 million yen
Effective date	June 27, 2024	-	June 29, 2023
Source of dividend	Retained earnings	-	Retained earnings

(2) Dividend forecast (Increase)

As a result of the stock split effective October 1, 2024, the interim dividend at the end of the second quarter of the fiscal year ending March 31, 2025, with a base date of September 30, 2024, will be based on the number of shares prior to the stock split. The year-end dividend for the fiscal year ending March 31, 2025, with a base date of March 31, 2025, will be based on the number of shares after the stock split. The annual dividend forecast for the fiscal year ending March 31, 2025, converted before the stock split, is an increase of 10 yen from the fiscal year ending March 31, 2025.

	Dividends per share		
	2Q end	Year-end	Annual
Fiscal year ending March 31, 2025 (Forecast)	Yen 105.00	Yen 35.00 (105.00)	Yen － (210.00)
Fiscal year ended March 31, 2024 (Forecast)	－	120.00	200.00
Fiscal year ended March 31, 2024	80.00	－	－

Note: The dividend per share in parentheses ( ) shows the value converted before the stock split.

The dividend forecasts in (1) and (2) above are based on information currently available and are subject to a number of uncertainties. Actual results may differ from the above forecasts due to changes in performance and other factors. Therefore, you should refrain from relying entirely on this information and should be aware that the Company is under no obligation to revise this information in any way.