



October 15, 2026

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Notice on Partial Revision of Basic Policy on Shareholder Returns (Change in Capital Allocation Policy)

Baycurrent Inc. (hereinafter “the Company”) hereby announces that as of October 15, 2026, 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 change in the capital allocation policy). There is no change to the dividend policy, which sets the dividend payout ratio at 40% as a guideline on an IFRS basis.

1. Reason for the Revision

To date, the Company has set the maximum annual cash level to be maintained at approximately 40% of forecast revenue (funds for business operations: approximately 25%; funds for future growth investments: approximately 15%), and has returned surplus cash exceeding this level to shareholders primarily through treasury share purchases.

However, opportunities for growth investments including M&A, capital transactions with major clients, and the development of a framework to support the overseas expansion of major Japanese companies are difficult to predict in terms of both scale and timing. Consequently, the approach of reserving a fixed proportion of cash in advance has resulted in the Company holding funds in excess of actual investment needs, creating a challenge in terms of capital efficiency.

Accordingly, the Company will revise its policy to maintain an annual cash level solely for business operations (approximately 25% of forecast revenue) and flexibly allocate cash exceeding this level to “future growth investments” and “treasury share purchases.” Through this change, the Company aims to maximize capital efficiency and sustainably enhance corporate value while investing in business growth.

2. New Basic Policy

In accordance with its capital allocation policy, the Company aims to maximize capital efficiency and sustainably enhance corporate value while investing in business growth.

(1) Stable Dividends

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. (No change)¹³

(2) Cash Level to Be Maintained

The Company will maintain an annual cash level equivalent to approximately 25% of forecast revenue for continuous and

stable business operations. (Funds for business operations: approximately 25%)

(3) Use of Cash Exceeding Funds for Business Operations

Cash exceeding funds for business operations will be used to fund “future growth investments” and “treasury share purchases.”

1. Future Growth Investments

- Capital expenditures, including office expansion
- Strategic investments to strengthen and expand existing businesses (M&A to acquire capabilities)
- Capital transactions to provide comprehensive support to major clients (such as joint ventures)
- Development of a framework to provide on-the-ground support overseas for major Japanese companies

2. Treasury Share Purchases

- Taking capital efficiency into consideration, the Company will return funds 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, while taking investment opportunities, share price levels, and other factors into consideration.

3. Key Changes (Comparison of Previous and Revised Policies)

Item	Previous Policy	Revised Policy
Dividend policy	Dividend payout ratio of 40% as a guideline on an IFRS basis	(No change)
Annual cash level to be maintained	A maximum of approximately 40% of forecast revenue during the period of the Medium-Term Business Plan	Approximately 25% of forecast revenue
Breakdown: Funds for business operations	Approximately 25% (equivalent to approximately three months of working capital on hand)	(No change)
Breakdown: Future growth	Approximately 15% reserved on a fixed basis	Elimination of the fixed allocation; funds to be allocated flexibly from cash exceeding funds for business operations
Areas of growth investment	Investment in human resources; capital expenditures, including office expansion; and strategic investments to strengthen and expand existing businesses	Capital expenditures, including office expansion; acquisition of capabilities through M&A; capital transactions with major clients (such as joint ventures); and development of a framework for on-the-ground support overseas
Treasury share purchases	Implemented using annual surplus cash	In addition to share repurchases using annual surplus cash, the Company may conduct additional repurchases flexibly, taking into consideration investment opportunities and share price levels.
Timing of treasury share purchases	During the relevant fiscal year or around the time of fiscal year-end financial disclosure	(No change)

4. Outlook

This change will have no impact on the Company's consolidated financial results for the current fiscal year. If the Company decides to make specific growth investments or implement treasury share purchases, it will disclose the details in a timely and appropriate manner.

End