



October 29, 2026

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 (Securities code: 9795;
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Notice Concerning Dividends of Surplus and Change in Dividend Policy (Introduction of Progressive Dividends)

STEP Co., Ltd. (the “Company”) hereby announces its Board of Directors resolved during a meeting held on October 29, it resolved to pay a dividend of surplus with a record date of September 30, 2026, and 2026 to revise its dividend policy by introducing progressive dividends. Further details are included below.

We intend to propose this payment of dividends from surplus at the General Meeting of Shareholders scheduled for December 12, 2026.

1. Dividends of surplus

(1) Details of dividends

	Resolved amount	Most recent forecast (announced July 30, 2026)	Dividends paid in FY09/25
Record date	September 30, 2026	September 30, 2026	September 30, 2025
Dividend per share	¥47.00	¥44.00	¥45.00
Total dividend payments	¥728,228 thousand	—	¥709,709 thousand
Effective date	December 15, 2026	—	December 16, 2025
Source of dividends	Retained earnings	—	Retained earnings

(2) Reason

The Company considers returning profits to shareholders a key management priority and has adopted a basic policy of providing stable and sustainable dividends, with a target payout ratio of 50%. Based on this policy and after considering its business performance, the Company has decided to pay a year-end dividend of ¥47.00 per share for the fiscal year ended September 30, 2026, representing an increase of ¥3.00 from the most recent dividend forecast.

(Reference) Breakdown of annual dividends

	Divided per share		
	Interim	Year-end	Annual
Dividends paid (FY09/26)	¥44.00	¥47.00	¥91.00
Dividends paid (FY09/25)	¥40.00	¥45.00	¥85.00

2. Change in Dividend Policy

(1) Reason for the Change

Looking ahead to the business environment of the 2030s, the Company has designated the next five years as a period of transformation for its operational foundations and for facilitating the achievement of sustainable growth despite Japan's declining birthrate. During this period, the Company will focus on improving the quality of classroom instruction and student guidance, consolidating certain schools within its high school entrance examination course (elementary and junior high school division), expanding the size of schools within its university entrance examination course (high school division), overhauling its core internal systems, and strengthening its internal organizational structure, among other initiatives (collectively, the "Management Plan").

These initiatives will involve upfront spending associated with restructuring the Company's network of schools, capital expenditures, investments in systems and human resources, and other measures. As a result, annual profit may fluctuate during the five-year period covered by the Management Plan (the fiscal year ending September 30, 2027 through the fiscal year ending September 30, 2031).

At the same time, the Company has a sound financial foundation and maintains the ability to generate stable earnings. Accordingly, the Company is keenly aware of the importance of continuing to provide stable returns to shareholders even during this period of transformation.

Based on this view, the Company has decided to introduce a progressive dividend policy for the next five years covered by the Management Plan. The Company will continue to base its approach on its existing target payout ratio of approximately 50%. Under the new policy, it will, in principle, not reduce the annual dividend per share below the previous fiscal year's level, and will instead either maintain or increase it.

(2) Details of the Change

(Previous policy)

The Company considers returning profits to shareholders a key management priority and has adopted a basic policy of providing stable and sustainable dividends, with a target payout ratio of approximately 50%.

(Revised policy)

The Company considers returning profits to shareholders a key management priority. With a target dividend payout ratio of 50%, the Company will, in principle, adopt a progressive dividend policy (i.e., maintaining or increasing dividend levels) for the fiscal year ending September 30, 2027 through the fiscal year ending September 30, 2031.

Under this policy, the Company will seek to enhance shareholder returns in line with earnings growth during the Management Plan period. Even if earnings fluctuate temporarily, the Company will strive to maintain stable dividend payments, provided it can preserve a sound financial position.

(3) Effective Date

The new dividend policy will apply beginning with dividends for the fiscal year ending September 30, 2027.

Coupled with the formulation of its next management plan, the Company will determine a new shareholder return policy for the period following the conclusion of the Management Plan. This policy will be based on a comprehensive assessment of prevailing factors such as business environment, earnings power, financial position, and need for growth investment.

*For details of the Management Plan, please refer to "1. Overview of Operating Results, etc. (4) Future Outlook" on page 6 of the Non-consolidated Financial Results for the Fiscal Year Ended September 30, 2026 (Under Japanese GAAP), released on October 29, 2026.