



CAPITAL SOUTHWEST

Capital Southwest Announces U.S. Federal Income Tax Treatment of 2022 Dividends

February 1, 2023

DALLAS, Feb. 01, 2023 (GLOBE NEWSWIRE) -- Capital Southwest Corporation ("Capital Southwest" or the "Company") (Nasdaq: CSWC), an internally managed business development company focused on providing flexible financing solutions to support the acquisition and growth of middle market businesses, announced today the U.S. federal income tax treatment of its 2022 dividends.

U.S. Federal Income Tax Treatment of 2022 Dividends

Capital Southwest paid dividends totaling \$2.18 per share that are attributable to the tax year ended December 31, 2022, with 100.00% of those dividends comprised of ordinary income, including net short-term capital gains. The Company has posted information regarding the U.S. federal income tax characteristics of its dividends that are attributable to 2022 on its website (<http://www.capitalsouthwest.com/tax-information>).

The amounts shown in the table below represent the final classification of the Company's 2022 dividends. This information supersedes any estimated information you may have received during the year. Calendar-year 2022 dividends are classified as follows:

Form 1099-DIV Reporting			Box 1a	Box 1a and Box 1b	Box 2a	Non-U.S. Shareholder	Non-U.S. Shareholder
Record Date	Payment Date	Distribution per Share	Ordinary Dividend Per Share (i)	Qualified Dividends Per Share (i), (ii)	Long-Term Capital Gain Per Share (iii)	% of Interest-Related and Short-Term Capital Gain (iv)	% of Distributions Exempt from U.S. Withholding Tax (v)
03/15/22	03/31/22	\$ 0.4800	\$ 0.4800	\$ -	\$ -	89.74%	89.74%
06/15/22	06/30/22	\$ 0.6300	\$ 0.6300	\$ -	\$ -	89.74%	89.74%
09/15/22	09/30/22	\$ 0.5000	\$ 0.5000	\$ -	\$ -	89.74%	89.74%
12/15/22	12/30/22	\$ 0.5700	\$ 0.5700	\$ -	\$ -	89.74%	89.74%
		\$ 2.1800	\$ 2.1800	\$ -	\$ -		

% of Total Dividend

Paid Per Share	100.000%	100.000%	0.000%	0.000%	89.735%	89.735%
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(i) Form 1099-DIV Box 1a includes the combined amounts of the columns "Ordinary Dividend Per Share" and "Qualified Dividends Per Share," contained within table above.

(ii) The portion of the dividend reported in Box 1a treated as Qualified Dividend is reported on Form 1099-DIV in Box 1b.

(iii) Net Capital Gain Dividend is reported on Form 1099-DIV in Box 2a.

(iv) The Company designates the above percentages of each of the total dividends by payment date as Interest-Related Dividend and Short-Term Capital Gain Dividend in accordance with Sections 871(k) and 881(e) under the Internal Revenue Code (the "Code").

(v) The percentages designate the portion of Capital Southwest's dividends received by Non-U.S. Residents and Foreign Corporation Shareholders that constitute Interest-Related Dividends, Short-Term Capital Gains Dividends, and Net Capital Gain Dividends to total amount of the dividends derived which generally are exempt from U.S. withholding tax for these periods for Non-U.S. Residents and Foreign Corporation Shareholders.

Non-U.S. residents and foreign corporation shareholders ("Non-U.S. Shareholders") in a regulated investment company ("RIC"), such as Capital Southwest, are exempt from U.S. withholding tax on both "interest-related" dividends and short-term capital gains in accordance with Sections 871(k) and 881(e) of the Code. In addition, Non-U.S. Shareholders in a RIC are also exempt from U.S. withholding tax on long-term capital gains. Approximately 89.74% of Capital Southwest's 2022 dividends relate to interest and short-term capital gains. See the "Tax Treatment of 2022 Dividends for Non-U.S. Shareholders" posted on the Company's website for more details (<http://www.capitalsouthwest.com/tax-information>).

Dividends distributed to Non-U.S. Shareholders may have been withheld to pay U.S. federal income tax. Non-U.S. Shareholders should contact their tax advisor with any questions regarding this information, and its application to any claim for refund of taxes paid to the U.S. Internal Revenue Service.

About Capital Southwest

Capital Southwest Corporation (Nasdaq: CSWC) is a Dallas, Texas-based, internally managed business development company with approximately \$1.2 billion in investments at fair value as of December 31, 2022. Capital Southwest is a middle market lending firm focused on supporting the

acquisition and growth of middle market businesses with \$5 million to \$30 million investments across the capital structure, including first lien, second lien and non-control equity co-investments. As a public company with a permanent capital base, Capital Southwest has the flexibility to be creative in its financing solutions and to invest to support the growth of its portfolio companies over long periods of time.

Investor Relations Contact:

Michael S. Sarnier, Chief Financial Officer
214-884-3829



Source: Capital Southwest Corporation