# Capital Southwest Announces U.S. Federal Income Tax Treatment of 2025 Dividends

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DALLAS, Jan. 30, 2026 (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 2025 dividends.

**U.S. Federal Income Tax Treatment of 2025 Dividends**

Capital Southwest paid dividends totaling $2.56 per share that are attributable to the tax year ended December 31, 2025, which were comprised of 100.00% ordinary income, including net short-term capital gains. Further, the ordinary income was 73.89% taxed as ordinary income and 26.11% taxed as qualified dividends. The Company has posted information regarding the U.S. federal income tax characteristics of its dividends that are attributable to 2025 on its website (http://www.capitalsouthwest.com/tax-information).

The amounts shown in the table below represent the final classification of the Company’s 2025 dividends. This information supersedes any estimated information you may have received during the tax year ended December 31, 2025. The 2025 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) |
| 03/14/25 | 03/31/25 | $ 0.6400 | $ 0.4729 | $ 0.1671 | $ - | 82.55% | 82.55% |
| 06/13/25 | 06/30/25 | $ 0.6400 | $ 0.4729 | $ 0.1671 | $ - | 82.55% | 82.55% |
| 07/15/25 | 07/31/25 | $ 0.1934 | $ 0.1429 | $ 0.0505 | $ - | 82.55% | 82.55% |
| 08/15/25 | 08/29/25 | $ 0.1934 | $ 0.1429 | $ 0.0505 | $ - | 82.55% | 82.55% |
| 09/15/25 | 09/30/25 | $ 0.2534 | $ 0.1872 | $ 0.0662 | $ - | 82.55% | 82.55% |
| 10/15/25 | 10/31/25 | $ 0.1934 | $ 0.1429 | $ 0.0505 | $ - | 82.55% | 82.55% |
| 11/14/25 | 11/28/25 | $ 0.1934 | $ 0.1429 | $ 0.0505 | $ - | 82.55% | 82.55% |
| 12/15/25 | 12/31/25 | $ 0.2534 | $ 0.1872 | $ 0.0662 | $ - | 82.55% | 82.55% |
| | | $ 2.5604 | $ 1.8918 | $ 0.6686 | $ - | | |
| | % of Total Dividend Paid Per Share | 100.00% | 73.89% | 26.11% | 0.00% | 82.55% | 82.55% |

(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 82.55% of Capital Southwest’s 2025 dividends relate to interest and short-term capital gains. See the "Tax Treatment of 2025 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 $1.9 billion in investments at fair value as of September 30, 2025. Capital Southwest is a middle market lending firm focused on supporting the acquisition and growth of middle market businesses with $5 million to $50 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.

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