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April 28, 2025

Company name: KOMATSU WALL INDUSTRY CO., LTD.
Representative: Shinya Kano, Representative Director, President & CEO
Securities code: 7949; Tokyo Stock Exchange Prime Market
Contact: Yuki Takano, General Manager of President's Office Dept.
Telephone: +81-761-21-3234

Notice Concerning Revision to Shareholder Return Policy

Komatsu Wall Industry Co., Ltd. (the "Company") hereby announces as follows that it has revised its shareholder return policy as stated in the "Notice Concerning Action to Implement Management That Is Conscious of Cost of Capital and Stock Price" released on April 28, 2025, and the "Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Under Japanese GAAP]."

1. Reason for the revision to the shareholder return policy

To clearly demonstrate its commitment to improving capital efficiency and actively returning profits to shareholders, the Company introduced Dividend-on-Equity (DOE) as a metric for calculating dividend amounts and has paid dividends with a minimum DOE ratio of 3.0%, in conjunction with the announcement in April 2023 of the medium-term management plan, "NEXT VISION 2028" (from the fiscal year ended March 31, 2024 to the fiscal year ending March 31, 2028). As a result, the price-to-book ratio (PBR) improved from approximately 0.5 to around 0.7. The Company understands that the stock market has responded to these efforts favorably to some extent.

However, the PBR has remained below 1.0, which the Company believes is partly due to its failure to sufficiently articulate its growth strategies and to achieve profitability that exceeds the cost of capital. To address this, the Company aims to achieve a return on equity (ROE) of 8% by the fiscal year ending March 31, 2028 through efforts to enhance shareholder returns and curb the increase in net assets, while formulating additional growth strategies to drive profit growth.

Accordingly, the Company has decided to raise its dividend level during the current medium-term management plan period from "a minimum Dividend-on-Equity (DOE) ratio of 3.0%" to "a target of 6%."

2. Details of the revision

(Before the revision)

The Company considers it most important to provide a stable and continuous return of profits to its shareholders. The Company's basic policy is to pay dividends with a <u>minimum</u> Dividend-on-Equity (DOE) ratio of <u>3.0%</u> while recognizing the importance of capital efficiency and maintaining a sound financial position<u>, and to aim</u> for steady improvement in dividend levels through the realization of sustainable growth and other efforts.

(After the revision)

The Company considers it most important to provide a stable and continuous return of profits to its shareholders. The Company's basic policy is to pay dividends with a target Dividend-on-Equity (DOE) ratio of 6% while recognizing the importance of capital efficiency and maintaining a sound financial position. In addition, the Company aims for steady improvement in dividend levels through the realization of sustainable growth and other efforts.

*Dividend-on-Equity (DOE) = dividend per common share for which the record date falls within the fiscal year / net assets per share (average of beginning and end of period) × 100

3. Timing of the revision

The revised policy will apply from the current fiscal year (the fiscal year ending March 31, 2026).