



April 28, 2025

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CO., LTD.
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Prime Market
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Notice Concerning Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

Komatsu Wall Industry Co., Ltd. (the “Company”) hereby announces as follows that it has resolved, at a meeting of the Board of Directors held today, the policy to enhance corporate value, following an analysis of the current situation and clarification of its understanding regarding action to implement management that is conscious of cost of capital and stock price.

1. Analysis and assessment of the current situation

The Company estimates that the cost of equity, reflecting shareholder expectations, is approximately 8%. Although return on equity (ROE) is on an improving trend as business performance recovers, it remains below the 8% level. A breakdown of ROE indicates room for improvement in both the net profit margin and financial leverage. Furthermore, the Company's price-to-book ratio (PBR) has consistently remained below 1.0, which the Company recognizes as reflecting insufficient capital efficiency and a cautious market view regarding its growth potential.

2. Upward revision to quantitative targets under the medium-term management plan, “NEXT VISION 2028” (for the fiscal year ending March 31, 2028)

Under the recognition that achieving an ROE exceeding the cost of equity is essential, to implement management that is conscious of cost of capital and stock price, the Company has revised upward the quantitative targets under its current medium-term management plan as follows.

	Management indicator	Before revision	After revision
Growth	Average annual growth rate of net sales	3% - 6%*1	4% - 6%*1
Profitability	Operating profit margin	7% - 10%	8% - 10%
Efficiency	ROE	5% - 8%	8% or higher

*1 Average annual growth rate from the fiscal year ended March 2023 through the fiscal year ending March 2028

3. Specific initiatives to enhance corporate value

(1) Improvement of profitability

- The Company will establish an investment committee for large-scale investment projects to ensure investment decisions based on capital efficiency.
- The Company will establish a strategic planning team to formulate additional growth strategies.

(2) Revision to shareholder return policy

- The Company will enhance shareholder returns by raising 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%.” (Please refer to the “Notice Concerning Revision to Shareholder Return Policy” announced separately today.)

The Company will also strive to reduce the cost of equity through strengthened IR activities and other measures.

For further details, please refer to the attached document titled “Action to Implement Management That Is Conscious of Cost of Capital and Stock Price” (available in Japanese only).