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Notice Concerning Partial Revision to Stock Compensation Plan

KOMATSU WALL INDUSTRY CO., LTD. (the "Company") hereby announces that it has resolved, at a meeting of the Board of Directors held today, to partially revise the stock compensation plan "Board Benefit Trust (BBT)" (the "Current BBT Plan") introduced for its Directors (including Directors who are Audit and Supervisory Committee Members, but excluding Outside Directors) and Executive Officers, which was approved by the resolution (the "Original Resolution") of the 49th Annual General Meeting of Shareholders held on June 24, 2016, and to revise it to a stock compensation plan "Board Benefit Trust-Restricted Stock (BBT-RS)" (the "Plan") in which shares to be delivered are subject to a transfer restriction until retirement. The Company also announces that it has decided to submit a proposal relating to the Plan to the 59th Annual General Meeting of Shareholders scheduled to be held on June 18, 2026 (the "General Meeting of Shareholders"). The details are as follows.

1. Background and purpose of the revision

The Board of Directors of the Company has resolved to revise the Current BBT Plan to the Plan, which allows Directors (excluding non-executive Directors; the same applies hereinafter unless otherwise stated) and Executive Officers (collectively with Directors, the "Directors, etc.") to benefit from the advantages of both the BBT plan and the restricted stock compensation plan, so that Directors, etc. have greater incentives to work toward enhancing corporate value. The Company has also decided to submit a proposal relating to the Plan to the General Meeting of Shareholders. In addition to the original objectives of the Current BBT Plan, the revision to the Plan aims to encourage Directors, etc. to share value with shareholders from a closer perspective and engage in management with greater awareness, and to strengthen their awareness of contributing to medium- to long-term improvement in business performance and enhancement of corporate value, by delivering restricted shares to Directors, etc. even during their term of office and thereby enabling them to hold the same rights as shareholders, such as voting rights and dividend rights.

Non-executive Directors are not eligible for the Plan in light of their roles. However, Directors who are Audit and Supervisory Committee Members covered under the Current BBT Plan and continuing to serve after the conclusion of the General Meeting of Shareholders, and other Directors covered under the Current BBT Plan who retire at the conclusion of the General Meeting of Shareholders and assume the position of non-executive Directors on the same date (collectively, the "Persons Eligible for the Transitional Measures") shall be eligible for the Plan solely for the purpose of transitioning and delivering points already granted under the Current BBT

Plan (totaling 32,123 points, comprising 5,323 points for Directors who are Audit and Supervisory Committee Members and 26,800 points for other Directors) through the transitional measures (as defined in 2. (1) below; the same applies hereinafter). No new points shall be granted to the Persons Eligible for the Transitional Measures under the Plan.

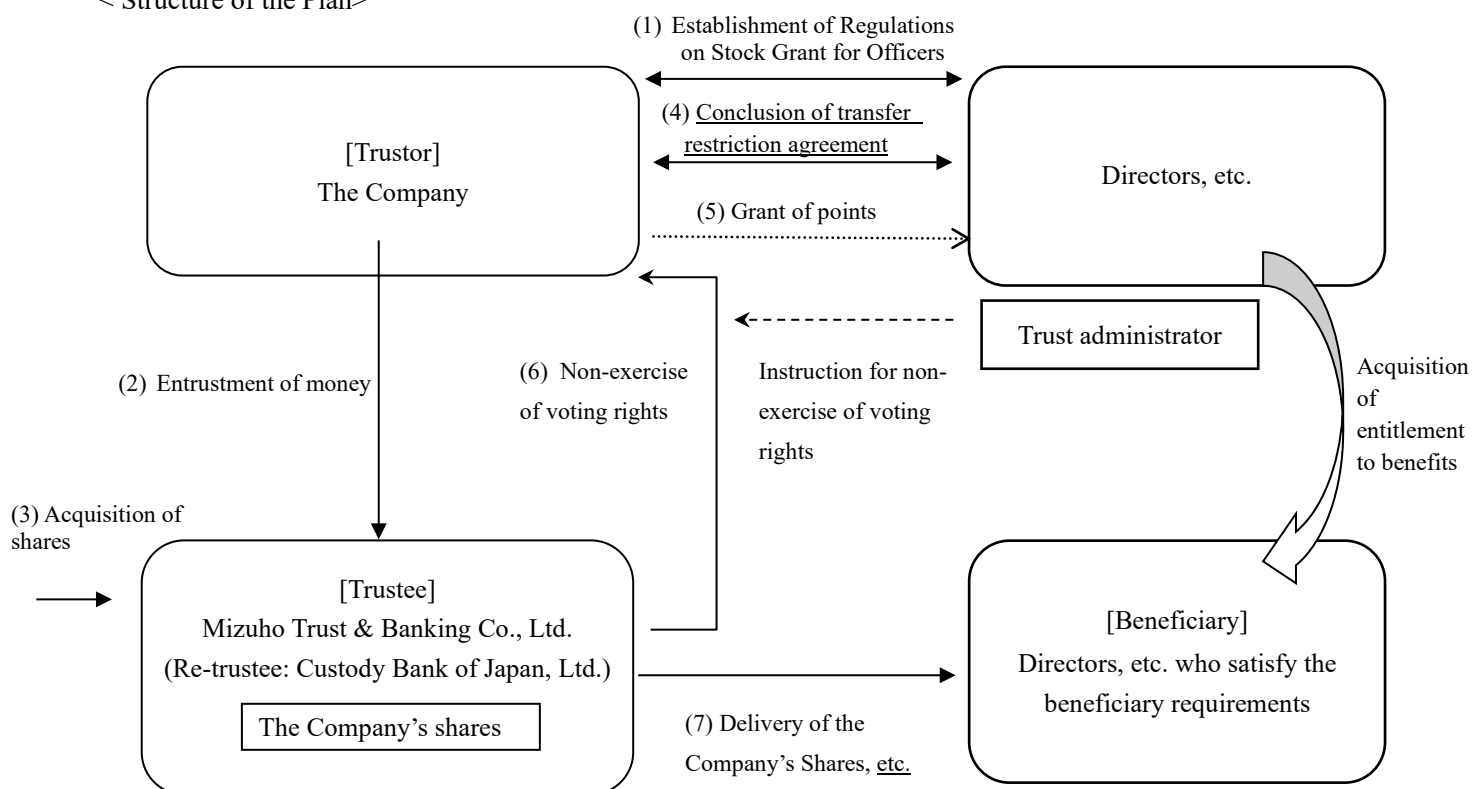
2. Overview of the Plan

The main revisions are underlined below.

- (1) The Plan is a stock compensation plan under which the Company's shares are acquired through a trust (the trust established under the Plan is hereinafter referred to as the "Trust") using funds contributed by the Company, and the Company's shares and cash equivalent to the market value of the Company's shares (hereinafter referred to as the "Company's Shares, etc.") are delivered to Directors, etc. through the Trust in accordance with the Regulations on Stock Grant for Officers established by the Company. The timing of delivery of the Company's shares to Directors, etc. shall, in principle, be a certain time each year, and the timing of delivery of cash equivalent to the market value of the Company's shares to Directors, etc. shall, in principle, be at the time of their retirement. In cases where Directors, etc. receive delivery of the Company's shares during their term of office, Directors, etc. shall, prior to such delivery, enter into a transfer restriction agreement with the Company as set forth in 3. below. As a result, the Company's shares delivered to Directors, etc. during their term of office shall be subject to restrictions on transfer and other dispositions until the retirement of the relevant Directors, etc.

In addition, in conjunction with the revision to the Plan, points already granted under the Current BBT Plan to Directors, etc. serving at the time of the conclusion of the General Meeting of Shareholders and the Persons Eligible for the Transitional Measures shall, subject to approval at the General Meeting of Shareholders, be transitioned to points under the Plan, and such Directors, etc. and the Persons Eligible for the Transitional Measures shall receive delivery of the Company's Shares, etc. based on the transitioned points. The timing of delivery of the Company's shares to such Directors, etc. and the Persons Eligible for the Transitional Measures based on the transitioned points shall be a time designated by the Company after the conclusion of the General Meeting of Shareholders, and the timing of delivery of cash equivalent to the market value of the Company's shares shall, in principle, be at the time of retirement of such Directors, etc. and the Persons Eligible for the Transitional Measures (these measures are collectively referred to as the "Transitional Measures"). The Company's shares delivered to such Directors, etc. and the Persons Eligible for the Transitional Measures through the Transitional Measures shall also be subject to restrictions on transfer and other dispositions pursuant to the transfer restriction agreement described above.

< Structure of the Plan >



- (1) The Company shall establish the “Regulations on Stock Grant for Officers” within the scope of the framework approved at the General Meeting of Shareholders, following a resolution on officer compensation regarding the Plan at the General Meeting of Shareholders.
- (2) The Company shall entrust money within the scope approved by the resolution at the General Meeting of Shareholders set forth in (1).
- (3) The Trust shall acquire the Company’s shares using the money entrusted in (2) as the source of funds, through the exchange market or by receiving an allotment of treasury shares disposed of by the Company.
- (4) Directors, etc. shall enter into a transfer restriction agreement with the Company concerning the Company’s shares delivered during their term of office, which includes provisions stating that transfer and other dispositions of such shares are restricted until the retirement of the relevant Directors, etc., as well as provisions concerning share acquisition without consideration by the Company under certain conditions.
- (5) The Company shall grant points to Directors, etc. in accordance with the Regulations on Stock Grant for Officers.
- (6) The Trust shall not exercise voting rights related to the Company’s shares held in the Trust account, in accordance with instructions from a trust administrator who is independent of the Company.
- (7) The Trust shall, at a certain time each year, deliver the Company’s shares corresponding to the number of points granted to Directors, etc. who satisfy the beneficiary requirements set forth in the Regulations on Stock Grant for Officers (hereinafter referred to as the “Beneficiaries”). Provided, however, that where Directors, etc. satisfy the requirements set forth in the Regulations on Stock Grant for Officers, cash equivalent to the market value of the Company’s shares shall be delivered at the time of their retirement in respect of a certain proportion of their points.

(2) Eligible persons for the Plan

Directors (excluding non-executive Directors) and Executive Officers

Note: Solely for the purpose of the Transitional Measures, Directors who are Audit and Supervisory Committee Members covered under the Current BBT Plan and continuing to serve after the conclusion of the General Meeting of Shareholders, and other Directors covered under the Current BBT Plan who retire at the conclusion of the General Meeting of Shareholders and assume the position of non-executive Directors on the same date, shall also be eligible for the Plan. No new points shall be granted to such persons under the Plan.

(3) Trust period

From August 2016 until the termination of the Trust (note that no specific termination date is set for the trust period of the Trust, and the Trust shall continue as long as the Plan continues. The Plan shall terminate upon the delisting of the Company, the abolition of the Regulations on Stock Grant for Officers, or other similar circumstances.)

(4) Amount of trust funds

The Company has established the Trust by contributing funds necessary for the Trust to acquire a certain number of shares in advance for a certain period, as reasonably expected to be necessary for stock grants under the Current BBT Plan. Within the scope approved by the Original Resolution, the Company has contributed ¥402 million at the commencement of the trust period (August 2016) and ¥232 million in November 2024, respectively, as the source of funds for the acquisition of the Company's shares by the Trust. The Trust shall continue as a trust based on the Plan as revised by the resolution of the General Meeting of Shareholders.

Subject to approval at the General Meeting of Shareholders, the Company shall revise the Current BBT Plan to the Plan, covering the five fiscal years from the fiscal year ending March 31, 2027 to the fiscal year ending March 31, 2031 (the period of such five fiscal years is hereinafter referred to as the "Initial BBT-RS Target Period," and the Initial BBT-RS Target Period and each subsequent period of five fiscal years commencing after the expiration of the Initial BBT-RS Target Period are hereinafter individually referred to as a "Target Period") and each subsequent Target Period thereafter. The Company's shares and cash remaining in the trust assets, which were acquired by the Trust using funds contributed by the Company under the Current BBT Plan, shall, following the revision of the Current BBT Plan to the Plan upon the resolution of the General Meeting of Shareholders, be applied as the source of funds for grants under the Plan.

In addition, after the expiration of the Initial BBT-RS Target Period and until the termination of the Plan, the Company shall in principle, for each Target Period, make additional contributions of funds deemed necessary to the Trust for the Trust to acquire in advance the number of shares reasonably estimated to be necessary for grants to Directors, etc. under the Plan. Provided, however, that if there are any remaining shares of the Company and cash held in the trust assets (excluding shares of the Company equivalent to the number of points granted to Directors, etc. in respect of each Target Period up to the immediately preceding one, for which grants to Directors, etc. have not yet been made) (hereinafter referred to as the "Remaining Shares, etc.") at the time of such additional contribution, the Remaining Shares, etc. shall be applied as the source of funds for grants under the Plan in subsequent Target Periods, and the amount of the additional contribution shall be calculated taking into account the Remaining Shares, etc. The Company shall make timely and appropriate disclosure when it decides to make an additional contribution.

Note: The amount of money actually contributed by the Company to the Trust shall be the sum of the funds for share acquisition described above and the estimated amount of necessary expenses such as trustee

fees.

(5) Method of acquisition and number of the Company's shares to be acquired by the Trust

The Trust shall acquire the Company's shares using the funds contributed pursuant to (4) above as the source of funds, through the exchange market or by receiving an allotment of treasury shares disposed of by the Company.

As the number of points to be granted to Directors, etc. is limited to 42,000 points per fiscal year (of which 24,000 points are for Directors), as set forth in (6) below, the number of the Company's shares to be acquired by the Trust for each Target Period shall not exceed 210,000 shares. The details of the acquisition of the Company's shares by the Trust shall be disclosed in a timely and appropriate manner.

(6) Maximum number of the Company's shares, etc. to be delivered to Directors, etc.

Directors, etc. shall be granted points for each fiscal year in accordance with the Regulations on Stock Grant for Officers, the number of which shall be determined by taking into account their position, performance achievement level, and other factors. The total number of points to be granted to Directors, etc. per fiscal year shall be limited to 42,000 points (of which 24,000 points are for Directors). This has been determined through comprehensive consideration of current officer compensation, trends in the number of Directors, etc. and future outlook, and other factors, and has been judged to be appropriate.

Points granted to Directors, etc. shall be converted at a ratio of one share of the Company's common stock per point at the time of delivery of the Company's shares, etc. pursuant to (7) below (provided, however, that if a stock split, the allotment of shares without consideration, share consolidation, or other similar event occurs with respect to the Company's shares after a resolution approving the Plan at the General Meeting of Shareholders, reasonable adjustments shall be made to the maximum number of points, the number of points already granted, or the conversion ratio, in accordance with the ratio or rate of such stock split, allotment of shares without consideration, share consolidation, or other similar event).

The ratio of 240 voting rights, which corresponds to shares equivalent to the maximum number of points to be granted to Directors per fiscal year, to 178,579 voting rights associated with the total number of issued shares (as of March 31, 2026) is approximately 0.13%.

The number of points of Directors, etc. that serves as the basis for the delivery of the Company's shares, etc. pursuant to (7) below shall, in principle, be the number of points granted to the relevant Directors, etc. by the time the beneficial interest is vested as set forth in (7) below (the points calculated in this manner are hereinafter referred to as the "Vested Points").

(7) Delivery of the Company's shares, etc.

Directors, etc. who satisfy the beneficiary requirements shall in principle receive delivery from the Trust of the number of the Company's shares corresponding to the "Vested Points" determined as described in (6) above, at a certain time each year, by completing the prescribed beneficiary confirmation procedures. Provided, however, that if the requirements set forth in the Regulations on Stock Grant for Officers are satisfied, Directors, etc. shall receive, in respect of a certain proportion of their points, a cash payment equivalent to the market value of the Company's shares at the time of their retirement, in principle, in lieu of the delivery of the Company's shares. The Trust may sell the Company's shares in order to make such cash payment.

In cases where Directors, etc. receive delivery of the Company's shares during their term of office, Directors, etc. shall, prior to such delivery, enter into a transfer restriction agreement with the Company as set forth in 3. below. As a result, the Company's shares delivered to Directors, etc. during their term of office shall be subject to restrictions on transfer and other dispositions until the retirement of the relevant Directors,

etc.

In addition, even if Directors, etc. have been granted points, they shall not be entitled to receive delivery of the Company's shares in the event that a resolution for their dismissal is passed at a general meeting of shareholders or a meeting of the Board of Directors, that they retire due to certain misconduct during their term of office, or that there is any improper act during their term of office that causes damage to the Company.

(8) Exercise of voting rights

Voting rights related to the Company's shares held in the Trust account shall not be exercised in any case, in accordance with instructions from a trust administrator. By doing so, the Company intends to ensure neutrality with respect to the Company's management regarding the exercise of voting rights related to the Company's shares held in the Trust account.

(9) Treatment of dividends

Dividends related to the Company's shares held in the Trust account shall be received by the Trust and applied toward the acquisition cost of the Company's shares and trustee fees and other expenses related to the Trust. In the event that the Trust is terminated, any dividends and other amounts remaining in the Trust shall be distributed to Directors, etc. in office at that time in proportion to the number of points held by each of them, in accordance with the Regulations on Stock Grant for Officers.

(10) Treatment upon termination of the Trust

The Trust shall terminate upon the occurrence of events such as the delisting of the Company, the abolition of the Regulations on Stock Grant for Officers, or other similar circumstances.

Of the residual assets of the Trust upon termination, all of the Company's shares shall be acquired by the Company without consideration and then cancelled by a resolution of the Board of Directors. Of the residual assets of the Trust upon termination, with respect to cash, the amount remaining after deducting the cash to be delivered to Directors, etc. pursuant to (9) above shall be delivered to the Company.

3. Overview of the transfer restriction agreement concerning the Company's shares to be delivered to Directors, etc.

In cases where Directors, etc. receive delivery of the Company's shares during their term of office, Directors, etc. shall, prior to such delivery, enter into a transfer restriction agreement with the Company (hereinafter referred to as the "Transfer Restriction Agreement") that includes, in outline, the following provisions (Directors, etc. shall receive delivery of the Company's shares on the condition that they enter into the Transfer Restriction Agreement). Provided, however, that in cases where Directors, etc. have already retired at the time of delivery of shares, the Company's shares may be delivered without entering into the Transfer Restriction Agreement.

(1) Details of transfer restriction

Directors, etc. shall not transfer, create a security interest over, or otherwise dispose of the Company's shares delivered to them during the period from the date of delivery of the Company's shares to the date on which they retire from all prescribed officer and employee positions at the Company.

(2) Acquisition of shares without consideration by the Company

In the event of certain misconduct or other similar acts, or in the event that the requirements for lifting the transfer restriction set forth in (3) below are not satisfied, the Company shall acquire such shares without consideration.

(3) Lifting of transfer restriction

In the event that Directors, etc. retire from all prescribed officer and employee positions at the Company for legitimate reasons or due to death, the transfer restriction shall be lifted at that time.

(4) Treatment in the event of organizational restructuring and other similar events

In the event that a merger agreement under which the Company becomes a dissolved company during the transfer restriction period or other matters relating to organizational restructuring or other similar events are approved at a general meeting of shareholders of the Company or other relevant meeting, the transfer restriction shall be lifted immediately prior to the business day preceding the effective date of such organizational restructuring or other similar events, by a resolution of the Board of Directors of the Company.

The Company's shares subject to the transfer restriction under the Transfer Restriction Agreement are expected to be managed in a dedicated account opened by the relevant Directors, etc. at a securities company designated by the Company during the transfer restriction period, so as to prevent transfer, creation of any security interest, or other disposition during such period.

In addition to the above, the Transfer Restriction Agreement shall also include provisions concerning the method of expression of intent and notification under the Transfer Restriction Agreement, the method of amendment of the Transfer Restriction Agreement, and other matters determined by the Board of Directors.

[Overview of the Trust]

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| (1) Name: | Board Benefit Trust-Restricted Stock (BBT-RS) |
| (2) Trustor: | The Company |
| (3) Trustee: | Mizuho Trust & Banking Co., Ltd. (Re-trustee: Custody Bank of Japan, Ltd.) |
| (4) Beneficiary: | Directors, etc. who satisfy the beneficiary requirements set forth in the Regulations on Stock Grant for Officers |
| (5) Trust Administrator: | A third party with no interest in the Company |
| (6) Type of trust: | A trust of money other than a money trust (trust for the benefit of a third party) |
| (7) Date of conclusion of the trust agreement: | August 30, 2016 |
| (8) Date of entrustment of money (initial): | August 30, 2016 |
| (9) Trust period: | From August 30, 2016 until the termination of the trust (no specific termination date is set, and the trust shall continue as long as the Plan continues.) |