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May 15, 2025

Company name: DKK Co., Ltd.
Representative: Tadatoshi Kondo
President and Representative Director
Securities code: 6706
(Tokyo Stock Exchange Prime Market)
Contact: Takashi Asai
Executive Managing Director
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Notice Regarding a Change in the Dividend Policy and Revision of Dividend Forecast (Dividend Hike) under the Revised Policy

We hereby announce that the Board of Directors, at its meeting held on May 15, 2025, resolved to change its dividend policy as follows. In addition, we have made the following amendments to the expected end-of-term payment for the period of March 2025, which was announced on May 10, 2024, in accordance with the current change in the dividend policy and will also inform us.

1. Change in the dividend policy and reasons

Our basic policy is to make continuous dividend payments through good business management, improving the efficiency of shareholders' equity and ensuring returns to shareholders, which we consider as important business matters. Our dividend policy has been to link dividends to business performance for the fiscal year concerned with the aim of achieving a consolidated dividend payout ratio of 40% as a baseline and, in any event, keeping the consolidated dividend on equity (DOE) ratio at 1.5% or above. However, as part of our efforts to enhance returns to shareholders, we have decided to raise the minimum DOE ratio to 2.0%. This minimum payout ratio had been set as a target under the Medium- and Long-Term Management Strategy, which calls for achieving a consolidated dividend payout ratio of 40% as a baseline. While working to build up our earning capacity, we have considered the possibility of promptly enhancing returns to shareholders and decided to change the dividend policy as follows:

"Set a dividend payout ratio of 40% as a baseline target and a DOE ratio of 2.0% as a minimum requirement"
We make it our shareholder return policy to link dividends to business performance for the period concerned with the aim of achieving a consolidated dividend payout ratio of 40% as a baseline and, in any event, keeping the consolidated DOE ratio at 2.0% or above. In addition, we will continue to buy back shares in a flexible manner.

The 2.0% DOE ratio, which is the target minimum payout ratio under the Medium- and Long-Term Management Strategy, has been calculated based on a return on equity (ROE) ratio of 5%, an interim performance target, and a dividend payout ratio of 40%, which has been our baseline payout target. The DKK-Plan 2028, a new medium-term business plan released today, calls for "growth through the build-up of earning capacity" as a basic policy and sets forth measures to achieve our earnings targets. The DKK-Plan 2028, which also includes a capital strategy centering on business investments for growth and shareholder returns, is designed to help realize a sustainable society and increase our corporate value by linking business, human capital, research and development (R&D), and capital strategies, and initiatives for sustainability. The setting of the minimum dividend payout ratio is intended to ensure

steady returns to our shareholders, including from retained earnings, regardless of fluctuations in business performance. At the same time, however, we will strive to improve business performance by enhancing our earnings capacity to achieve a DOE ratio of 2.0% or above.

2. Revision of dividend forecast

(1) Changes in the forecast (Dividend Forecast for the Year Ending March 31, 2025)

	Dividend per share		
	End of Q2	End of FY	Annual amount
Previous forecast (As of May 10, 2024)	30.00 yen	30.00 yen	60.00 yen
Revised forecast		50.00 yen	80.00 yen
Dividend paid for FY2025/3	30.00 yen		
Dividend paid for FY2024/3	30.00 yen	30.00 yen	60.00 yen

(2) Reason for revision

Based on the above changes in the dividend policy, the Company will revise (dividend hike) the dividend forecast for the fiscal year ending March 2025 from 60 yen per share to 80 yen per share.