Note: This document has been translated from the Japanese original for reference purposes only.
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

August 27, 2026

Company name:	DKK Co., Ltd.
Representative:	Tadatoshi Kondo,
	President & Representative Director
Securities code:	6706
	(Tokyo Stock Exchange Prime Market)
Contact:	Takashi Asai,
	Senior Executive Managing Director
	(TEL: 81-3-3520-9870)

Notice of Measures for Realizing Management with Attention to Cost of Capital and Share Price (Update)

At the Board of Directors meeting held on August 27, 2026, the Company conducted a renewed analysis and assessment of the current situation regarding measures for realizing management with attention to cost of capital and share price and updated our future efforts for improvement. We hereby announce the details as follows.

Details

1. Current Status Analysis and Assessment
   - PBR is showing an improving trend along with the rise in share price, but continues to remain below the 1x level
   - ROE has been on a recovery trend since the fiscal year ended March 2025 due to profit improvement measures, but we recognize that continued improvement of profitability and capital efficiency remain important challenges for further ROE enhancement
   - PER has been declining recently, and market valuation remains at a level with room for continued improvement
   - We recognize that our cost of equity is approximately 5.0% to 8.0% (CAPM model), and the current equity spread is negative, with a continued gap from the cost of equity required by the stock market

2. Policies for Improvement

In line with the policies of our Medium-Term Management Plan "DKK-Plan2028," we will promote initiatives to improve profitability and capital efficiency. Additionally, we will aim to improve market valuation and PER by strengthening proactive IR activities and information disclosure.

<Initiatives for Enhancing Capital Profitability >

- Profitability Improvement Measures

  Setting operating profit as the improvement driver and implementing various measures to strengthen the profit-generating structure.

  Target Indicator: Early achievement of operating profit margin of 6% or higher
  Achievement of ROE exceeding the cost of equity

- Improving Capital Efficiency (Balance Sheet Measures)

  Updating capital allocation in response to changes in the business environment, recent performance, and shareholder returns track record. Aiming to improve capital efficiency through the realization of an appropriate balance sheet.

  Target Indicator: Early improvement of CCC by 50 days or more (compared to FY2026/3)
  Transition equity ratio to the 60-65% level

<Initiatives for Improving Market Valuation>

- Fostering Growth Expectations

  Clarifying growth-driving factors for each business group, developing sustainability management, and fostering expectations for the growth of the company and its businesses through proactive public relations activities.

  Promoting understanding of our company by continuing constructive dialogue with investors through IR and SR activities.

For more information, please refer to the Japanese-language materials. (The English version of the materials will be disclosed at a later date.)