May 20, 2026

To Whom It May Concern

Company name:	Konishi Co., Ltd.
Representative name:	Hirofumi Matsubata President and Representative Director (Securities Code: 4956 TSE Prime)
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Initiatives towards the realization of management with a focus on capital costs and stock prices

At a meeting of the Board of Directors held on May 20, 2026, Konishi Co., Ltd. discussed the current status of its capital cost and capital profitability, its plans, and the status of its efforts to date.

The appendix refers to the details of its initiatives towards the realization of management with a focus on capital costs and stock prices.

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Initiatives towards the realization of management with a focus on capital costs and stock prices (English version)

May 20, 2026

Initiatives towards the realization of management with a focus on capital costs and stock prices

We hereby report on the current status of our capital cost, capital profitability and market valuation, our plans, and the status of our efforts to date.

We consider it is essential that our ROE consistently exceeds the cost of shareholders' equity and that our ROIC consistently exceeds the WACC.

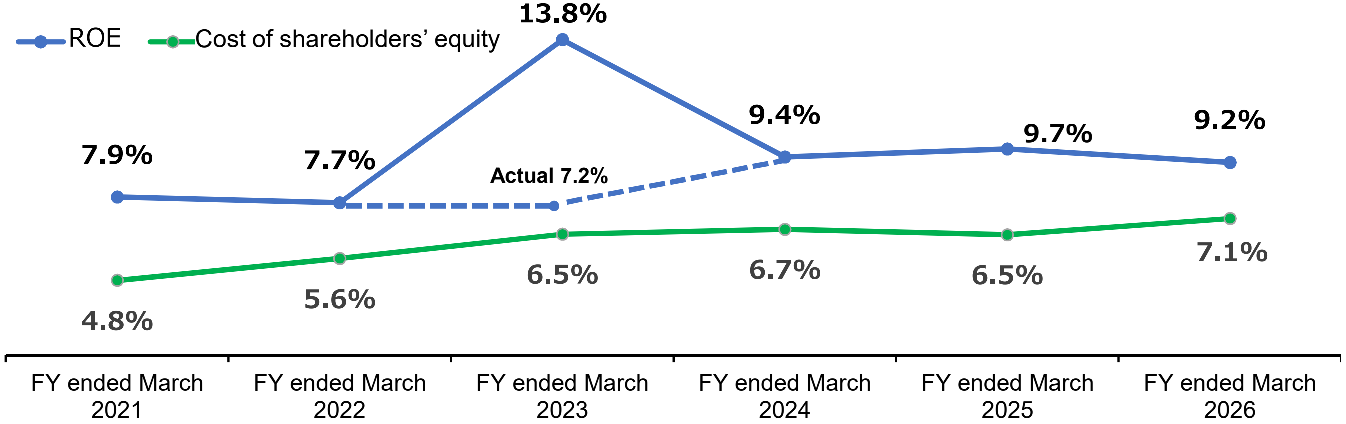
Believing that capital efficiency enhancement would lead to obtaining an appropriate valuation on the stock markets, we continued to implement the capital measures stated in the "Medium-term Management Plan 2027 (April 2024–March 2027)" , announced on May 29, 2024, as we did in the previous fiscal year.

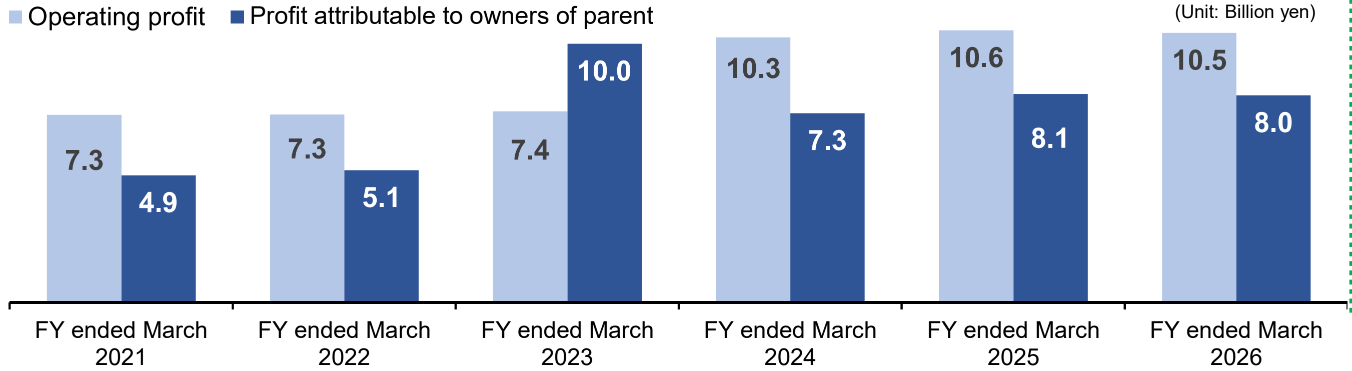
[1] Status Analysis 1/2

[1] Capital cost and capital profitability

- We estimate that the cost of the company's shareholders' equity and weighted average cost of capital (WACC) is 7.1% at present. Since the ratio of interest-bearing debt is currently limited, there is no significant difference between the two.
- The company's actual ROE and ROIC and ROIC by segment are above the cost of shareholders' equity and WACC.
- Due to a reduction in equity of approximately 15.4 billion yen—primarily through the repurchase of treasury stock—between the fiscal year ended March 2024 and the fiscal year ended March 2026, combined with an increase in profits compared to the fiscal year ended March 2023 and earlier, the actual ROE has been on an upward trend. In the fiscal year ended March 2026, actual ROE declined because equity increased (due to a rise in the stock price of shares contributed to the retirement benefit trust).

※We recorded an unusually high ROE of 13.8% for the FY ended March 2023 due to the occurrence of a gain on sale of non-current assets (extraordinary income). The actual ROE excluding this effect was 7.2%.





The FY ended March 2026

ROIC 9.6%

ROIC by segment *Calculated excluding non-business assets

Bond	Chemicals	Construction business
9.8%	**7.6%**	**13.4%**

Our approach to calculating cost of shareholder's equity (using CAPM)

Risk-free rate + Beta (β) × Risk premium

2.08% **0.87** **5.8%**

= Cost of shareholders' equity

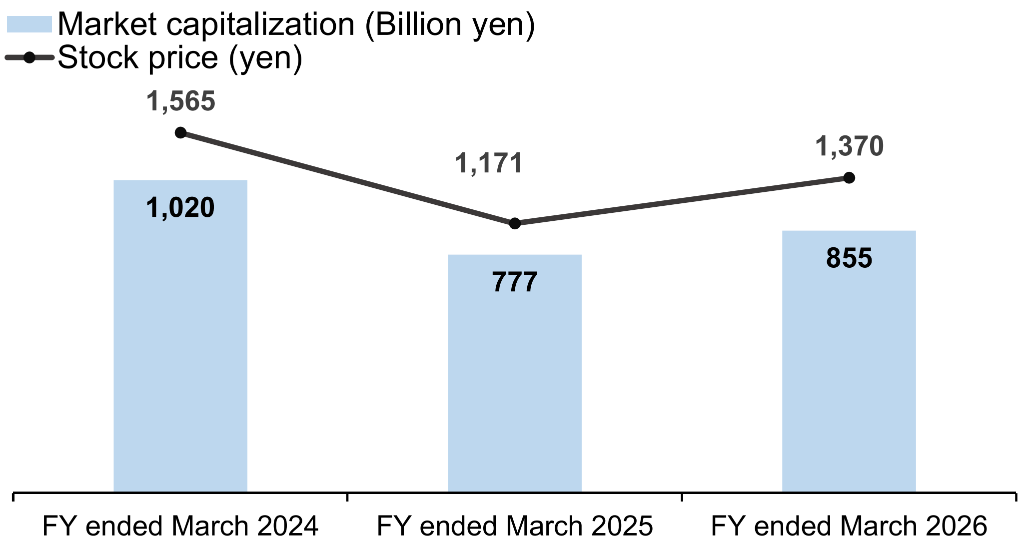
7.1%

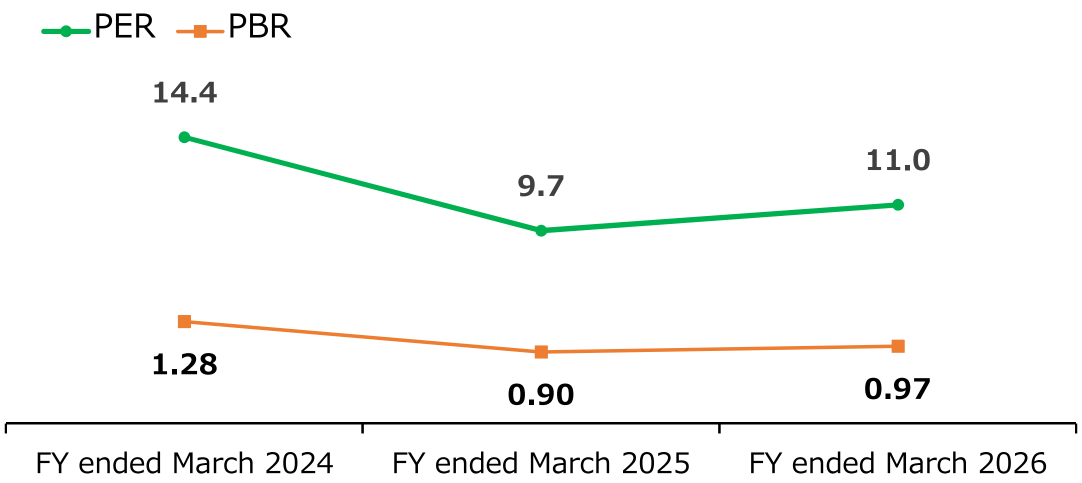
- The 10-year government bond yield is used as the risk-free rate.
- β is vs. TOPIX 60-month historical beta.

[1] Status Analysis 2/2

[2] Stock price and market reputation

- We have disclosed the cash allocation plan and shareholder return policy in the medium-term management plan since the FY ended March 2024 aimed at the improvement of our PBR level.
- For the fiscal year ended March 2026, amid ongoing uncertainty—including rising energy prices and difficulties in procuring petroleum-related products due to the deteriorating situation in the Middle East—the market environment remained challenging, with the Nikkei Stock Average hitting a new low for the year. Under these circumstances, our stock price has remained relatively stable. However, with the price trading below a PBR of 1, we recognize that there are issues with the market's valuation of our company.





[2] Goals towards improving market valuation

The Konishi Group formulated “Medium-Term Management Plan 2027,” a three-year plan beginning with the fiscal year ended March 2025. (Disclosed on May 29, 2024)

While aiming to achieve record-high net sales and operating profit, we clearly stated, for the first time, our capital policies (cash allocation plan and shareholder return policy for the next three years) aimed at the continuous improvement of capital efficiency.

Medium-Term Management Plan 2027: Net sales and profit targets

	FY ending March 2027 (vs. FY ended March 2024)
Net sales	**150 billion yen (+12.8%)**
Operating profit	**11.5 billion yen (+12.0%)**
EBITDA (Operating profit and depreciation and amortization of goodwill)	**14.5 billion yen (+17.0%)** (Depreciation and amortization of goodwill: about 3.0 billion yen)

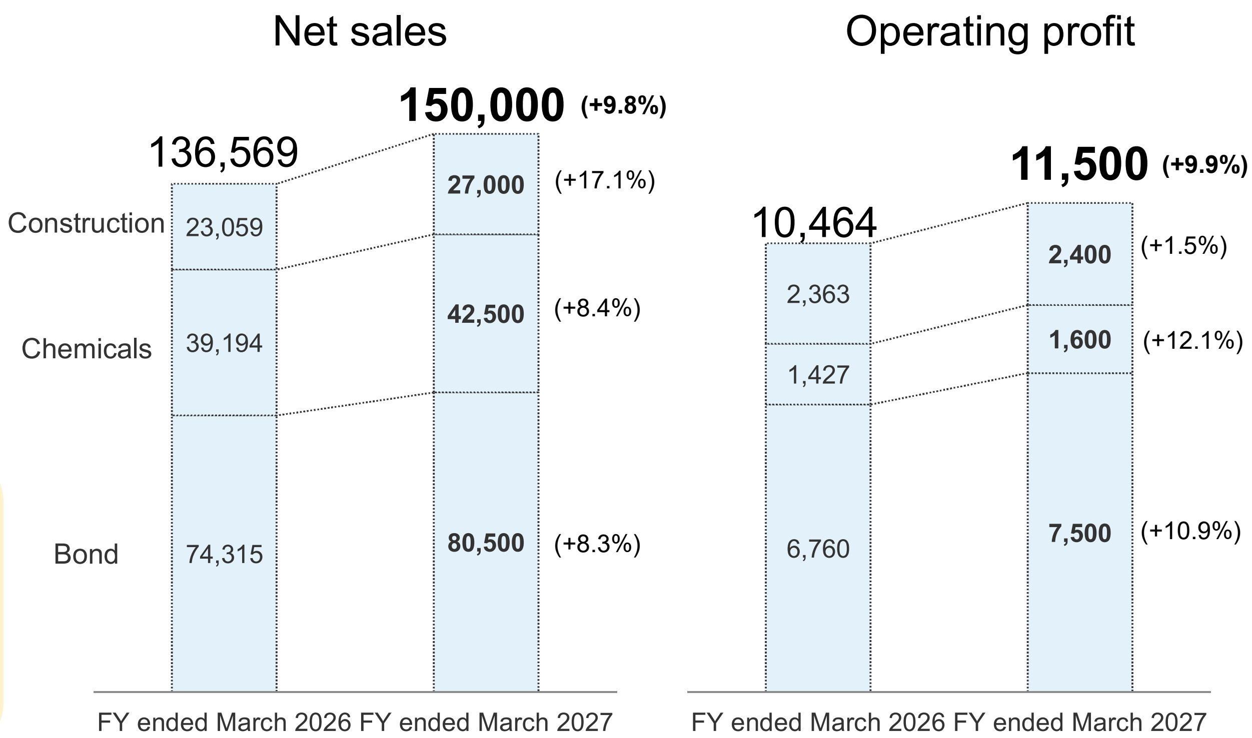
Priority strategies

Bond New development of non-residential sector

Chemicals Strengthening of sales to the automotive and electronics/electrical industries

Construction business Focus on construction for aging social infrastructure

Fiscal Year Ending March 2027: Segment-by-Segment Forecast (Year-over-Year)



[3] Status of initiatives towards the achievement of targets in the current period 1/2

[1] Implementation of cash allocation plan of medium-term management plan 2027

Cash allocation plan (FY Mar. 2025-FY Mar. 2027)

Cash in

Operating cash flow

About **30.0 billion yen**

Cash out

Capital expenditure
About **15.0 billion yen**

Growth investment for business expansion and efficiency

Production	Logistics
DX (core systems)	

Shareholder return
About **12.0 billion yen**

Repurchase of treasury shares
About 5.0 billion yen

Dividends about 7.0 billion yen
Dividend payout ratio 30%

Strengthening of the financial base for medium- to long-term growth investments
About 3.0 billion yen

Implementation
(FY Mar. 2025-FY Mar. 2026)

Capital expenditure
- FY March 2025: 7.7billion yen
- FY March 2026: 4.2billion yen
- Total: 11.9billion yen

Major capital expenditure
- Konishi Co., Ltd.
  Water-based product manufacturing site and logistics warehouse at Tochigi plant, DX related
- Sunrise Corporation
  Production facilities
- Wall Bond Industry Co., Ltd.
  Production facilities and logistics warehouse

Repurchase of treasury shares
- FY March 2025: 3.0 billion yen
- FY March 2026: 5.7 billion yen
- Total: 8.7 billion yen

Total dividends
- FY March 2025: 2.5 billion yen
- FY March 2026: 2.3 billion yen(Estimate)
- Total: 4.9 billion yen

Capital expenditures and dividends are as planned, and purchase of treasury shares is above the plan.

[3] Status of initiatives towards the achievement of targets in the current period 2/2

Sale of policy shares held

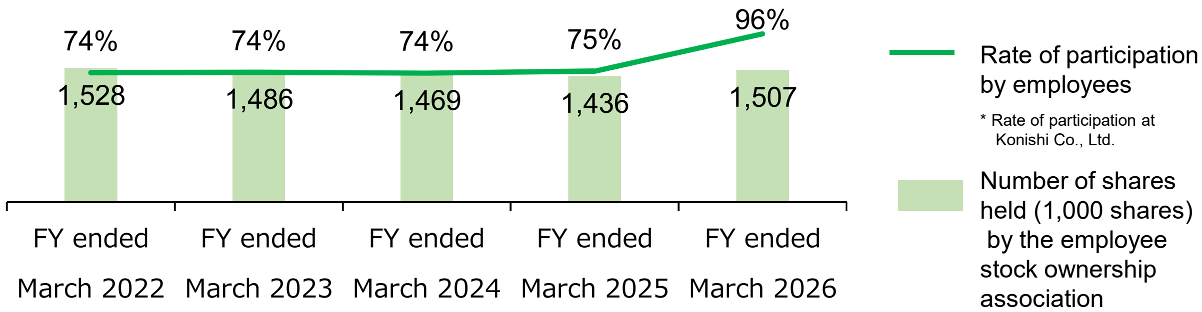
We reduced our holdings of policy shares aimed at the improvement of capital efficiency.

(1) Shares sold	2 listed stocks
(2) Sale period	November 2025
(3) Gain on sales of investment securities	867 million yen

[2] Expansion of the employee stock ownership association

Employees are encouraged to participate in the employee stock ownership association in order to grant incentives to seek improvement of corporate value.

The employee stock ownership association is not only for employees of Konishi Co., Ltd., the parent company, but also employees of domestic affiliates.



* As of the end of March

[3] Implementation of a restricted stock incentive plan for the employee stock ownership association

We granted restricted stock to eligible employees of the Company and its subsidiaries who are members of the Employee Stock Ownership association. This was aimed at providing them with an incentive to contribute to the sustainable enhancement of the Company's corporate value, in addition to assisting them in building their personal wealth, and to encourage these employees to further align their interests with those of the Company's shareholders.

[4] The contents of dialogue with shareholders and investors are shared at the Board of Directors periodically

We have IR division in place, and as a general rule, personnel of the IR division are in charge of dialogue with shareholders and investors. Directors including the representative director also attend meetings when necessary.
In addition, the contents of dialogue with shareholders and investors and opinions are reported to the Board of Directors on a quarterly basis and reflected when reviewing measures as appropriate.

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