(English Translation of the Original Japanese Document)

To whom it may concern:

June 25, 2026

Name of the Company: KAWADA TECHNOLOGIES,INC.
Name of the Representative: Tadahiro Kawada
Representative Director and President
(Stock Code: 3443; Prime Market of TSE)
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Notice Regarding Action to Implement Management That Is Conscious of Cost of Capital and Stock Price (Update)

KAWADA TECHNOLOGIES,INC. (the "Company") hereby announces that at the Board of Directors meeting held today, it has deliberated on the matter specified in the title. The summary of said deliberations is as follows.

1. Analysis of current situation and evaluation
   1) In fiscal year 2025, net sales remained in the ¥110 billion range due to the larger scale of construction projects, which resulted in longer construction schedules and slower progress.
   2) Although profitability improved primarily in core businesses due to contract modifications, this improvement was insufficient to offset the decline in sales, and profits decreased from the previous fiscal year, partly reflecting a decline in the share of profit of entities accounted for using the equity method.
   3) ROE exceeded 8.0% during the period of the 3rd Medium-Term Management Plan (FY 2023-2025), but deteriorated from the previous fiscal year.
   4) Although the stock price remained firm during fiscal year 2025, supported in part by upward revisions to financial targets, it declined from the end of fiscal year 2025.
   5) Although PBR exceeded 1.0 at certain points during fiscal year 2025, it ultimately remained below 1.0.
   6) An overall evaluation shows that further efforts are required to improve PBR.

(Millions of yen, unless otherwise noted)

Consolidated metrics	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Net sales	115,545	103,760	118,086	129,127	132,905	115,025	125,000
Operating profit	5,565	6,412	5,025	8,734	9,684	8,598	7,200
Operating profit ratio (%)	4.8	6.2	4.3	6.8	7.3	7.5	5.8
Profit	6,340	5,176	4,231	7,541	11,107	8,782	7,100
Share of profit (loss) of entities accounted for using equity method	2,516	883	1,378	1,722	3,052	2,299	
Total assets	147,224	133,337	162,158	160,216	165,511	162,986	
Net assets	66,789	71,921	76,697	82,341	91,569	99,510	
Equity ratio (%)	44.8	53.2	46.6	51.1	55.0	60.7	
ROE (%)	10.1	7.6	5.8	9.6	12.8	9.2	
Stock price (as of March 31)	523	401	418	1,143	967	1,523	
PER (times)	4.37	4.11	5.23	7.90	4.51	9.06	
PBR (times)	0.42	0.30	0.29	0.72	0.55	0.81	

(Note)
The Company conducted a stock split of common shares at a ratio of 3-for-1 on April 1, 2026. The year-end stock price is calculated on the assumption that the relevant stock split took place at the beginning of FY2020.

2. Policy for Implementation

1) Execution of the 4th Medium-Term Management Plan

In May 2026, the Company formulated and announced a new Medium-Term Management Plan covering the three-year period from the fiscal year ending March 31, 2027 to the fiscal year ending March 31, 2029. The theme of this plan is "Clarifying the direction of our business portfolio and aiming to realize KAWADA VISION," and we will steadily promote four basic policies in order to achieve both expanding of sales scale and improvement in profitability. By implementing these measures, we aim to strengthen our earnings capacity for the future and expand net income, the source of ROE, throughout the period of the Medium-Term Management Plan and over the longer term beyond it.

Basic Policies:

(1) Strengthening Ambidextrous Management
Aim to establish a balanced revenue base in core businesses and growth businesses, and accelerate business portfolio reform.

(2) Technology Development Unique to KAWADA
Amid the growing labor shortage, accelerate the development of labor-saving and automation technologies by leveraging KAWADA's strengths in "Construction" × “Robotics".

(3) Evolution of Sustainability Management
Evolve sustainability initiatives from individual "points" of activity to organizational "lines" of collaboration, and further to "surfaces" that form the foundation for creating social value.

(4) Deepening Capital-Efficient Management and Enhancing Shareholder Return
While prioritizing profitability, deepen ROE-focused management with return on equity as a key indicator, and enhance shareholder return further.

2) Improvement of Capital Efficiency

The Company places importance on securing capital efficiency that exceeds the cost of shareholders’ equity, and has set a numerical target of ROE of 8.0% or higher in the Medium-Term Management Plan. To achieve this, we aim to improve capital profitability through strategic investments under the cash allocation framework presented in the Plan. In addition, to enhance shareholder returns, we have set the minimum annual dividend per share during the Plan period at ¥35, exceeding the level under the previous Medium-Term Management Plan, and have also added the total payout ratio as a numerical target, with flexible use of share repurchases based on our financial position and market conditions.

3) Further Enhancement of IR Activities

The Company is strengthening its IR activities to promote a deeper understanding among shareholders and institutional investors of the Group’s business and growth strategy, thereby leading to an appropriate market valuation. Going forward, the Company will work to deepen understanding of its new Medium-Term Management Plan while continuing to enhance communication through proactive disclosure and dialogue. Opinions and feedback obtained through such dialogue will be shared with management and utilized to support sustainable growth.

3. Future outlook

The Company believes that its initiatives in fiscal year 2025 achieved a certain degree of success. However, PBR remains below 1.0, and as a result, we recognize that our various efforts are still insufficient in some respects.

Going forward, amid a rising cost of shareholders’ equity, we will work to steadily execute the various measures set forth in the 4th Medium-Term Management Plan and strengthen initiatives aimed at achieving ROE above the numerical targets and improving PER, thereby implementing management that is conscious of the cost of capital and stock price and striving to enhance corporate value.