

June 19, 2023

Company name: DKK Co., Ltd.
Representative: Tadatoshi Kondo, President & Representative Director
(Securities code: 6706, Tokyo Stock Exchange Prime Market)
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Supplementary Notice Regarding Proposal No. 2 at the 97th Annual General Meeting of Shareholders

DKK Co., Ltd. (the “Company”) will give a supplementary explanation as follows with regard to “Proposal No. 2: Amendment to the Articles of Incorporation,” which is scheduled to be proposed at its 97th Annual General Meeting of Shareholders to be held on June 29, 2023, in order to more accurately provide information to its shareholders.

The Company advises its shareholders to refer to the following details, and sincerely requests their understanding of this proposal.

The current Articles of Incorporation of the Company establish that interim dividends may be paid out by resolution of the Board of Directors. However, provisions regarding the resolution of other dividends do not exist, and year-end dividends are paid out by resolution of the General Meeting of Shareholders in accordance with laws and regulations and the Articles of Incorporation.

Following the amendment to the Articles of Incorporation in this proposal, the Board of Directors will be able to make resolutions regarding dividends of surplus, etc. However, no provisions will be made in the Articles of Incorporation in accordance with Article 460 (Restriction on Rights of Shareholders), paragraph (1) of the Companies Act, and this amendment shall not eliminate a resolution of the General Meeting of Shareholders regarding dividends of surplus, etc. The Company’s policy is that the General Meeting of Shareholders shall continue to make resolutions regarding dividends of surplus.

This amendment intends to make it possible for the Board of Directors to reverse reserves so that the Company can flexibly proceed with capital and dividend policies in accordance with “Medium-term Business Plan DKK-Plan2025,” which was disclosed in May 2022, and capital allocation presented in the same plan. Accordingly, the provisions of the Articles of Incorporation to be amended through this proposal will not take away the rights held by shareholders to decide dividends.

Therefore, the Company believes that the details of Proposal No. 2 will not have a disadvantageous effect on shareholders and investors, but will actually contribute to facilitating shareholder returns.

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