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Supplementary Materials for Q2 FY03/26 Financial Results

October 31, 2025

A packaging specialist trading company

Securities Code: 7504



**KOHSOKU
CORPORATION**



Q2 FY03/26 Financial Results Overview

Q2 FY03/26 Consolidated Earnings Summary



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Both net sales and profits expanded YoY. The main drivers of higher net sales were price revisions and business expansion due to the opening of new locations after summer 2024 . On the profit side, despite upfront spending in areas such as human resources and logistics, the Company kept SG&A expenses under control. Furthermore, improved profit performance among its group companies helped lift overall profitability. In the first half of fiscal year 2025, profit improvements at group companies exceeded expectations, resulting in profits exceeding plans.

(Millions of Yen)	1H FY03/25		1H FY03/26				1H FY03/26 Earnings Forecast	
	Amount	% of Net Sales	Amount	% of Net Sales	YoY	Versus Plan	Amount	% of Net Sales
Net Sales	55,012	100.0%	61,501	100.0%	111.8%	100.8%	61,000	100.0%
Operating Profit	2,290	4.2%	2,493	4.1%	108.9%	108.4%	2,300	3.8%
Ordinary Profit	2,445	4.4%	2,669	4.3%	109.2%	109.0%	2,450	4.0%
Profit Attributable to Owners of Parent	1,674	3.0%	1,812	2.9%	108.3%	106.6%	1,700	2.8%
Earnings Per Share	86.59円	—	92.93円	—	107.3%	106.6%	87.20円	—

Q2 FY03/26 Breakdown of SG&A Expenses



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Personnel expenses continued rising along with sales growth, but the Company made efforts to curb the overall rise in personnel expenses by improving per-employee productivity, while promoting human capital investment, including wage increases. The Company also managed logistics costs to ensure they remain at reasonable levels.

(Millions of Yen)	1H FY03/24		1H FY03/25			1H FY03/26		
	Results	% of Net Sales	Results	% of Net Sales	YoY	Results	% of Net Sales	YoY
Net Sales	52,317	100.0%	55,012	100.0%	105.2%	61,501	100.0%	111.8%
SG&A Expenses	8,139	15.6%	8,666	15.8%	106.5%	9,726	15.8%	112.2%
Personnel Expenses	4,027	7.7%	4,352	7.9%	108.1%	4,931	8.0%	113.3%
Freight and Packing Costs	1,329	2.5%	1,441	2.6%	108.4%	1,564	2.5%	108.5%
Rent expenses on real estate	309	0.6%	340	0.6%	110.3%	345	0.6%	101.5%
Depreciation	329	0.6%	331	0.6%	100.6%	347	0.6%	104.7%
Other	2,143	4.1%	2,200	4.0%	102.7%	2,537	4.1%	115.3%

*Personnel expenses = “Salaries and allowances” + “Provision for bonuses” + “Legal welfare expenses” + “Remuneration for directors (and other officers)”

*For details of SG&A expenses, please refer to the Annual Securities Report and Financial Results Summary for each fiscal year. The above table is a consolidated and organized version of figures from those reports, categorized accordingly.

Consolidated Balance Sheet



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Property, plant and equipment expanded significantly, and cash and deposits declined from previously reported levels, along with the Company's acquisition of a sales location in Western Japan (for a capital investment of ¥3,201 million; details on the following slide). Moving forward, the Company will remain committed to disciplined and strategically sound investment as it aims to expand its business scale, improve operational efficiency, and enhance its capital effectiveness.

(Millions of Yen)	End-March 2025		End-September 2025		
	Results	Share	Results	Share	Change
Current Assets	32,987	53.9%	32,306	50.9%	(680)
Cash and Deposits	8,178	13.4%	6,500	10.2%	(1,678)
Accounts Receivable - Trade	17,609	28.8%	18,156	28.6%	546
Inventories	6,729	11.0%	6,709	10.6%	(20)
Non-Current Assets	28,259	46.1%	31,122	49.1%	2,862
Property, Plant and Equipment	20,491	33.5%	23,392	36.9%	2,900
Intangible Assets	542	0.9%	498	0.8%	(44)
Investments and Other Assets	7,224	11.8%	7,231	11.4%	6
Total Assets	61,246	100.0%	63,428	100.0%	2,181

	End-March 2025		End-September 2025		
	Results	Share	Results	Share	Change
Total Liabilities	21,477	35.1%	21,829	34.4%	352
Current Liabilities	19,824	32.4%	20,003	31.5%	179
Accounts Payable - Trade	15,302	25.0%	15,489	24.4%	187
Non-Current Liabilities	1,653	2.7%	1,826	2.9%	173
Net Assets	39,769	64.9%	41,599	65.6%	1,829
Share Capital	1,724	2.8%	1,724	2.7%	0
Capital Surplus	2,022	3.3%	2,195	3.5%	172
Retained Earnings	36,466	59.5%	37,753	59.5%	1,286
Total Liabilities and Net Assets	61,246	100.0%	63,428	100.0%	2,181

* Numerical figures in this document are rounded down to the nearest display unit, and percentages are rounded to the nearest unit.

Exterior



Overview of Western Japan Sales Location (in Osaka)

1. Reason for acquisition

To strengthen shipping and inventory-holding capacity in response to business expansion in Western Japan

2. Summary of acquired assets

(1) Location: Nagaotanimachi, Hirakata, Osaka

(2) Acquisition date: June 2025

(3) Capital investment: ¥3.201 billion (land and buildings)

(4) Total floor area: approx. 11,000 sqm

(5) Planned operational start date: FY03/27

*Currently leased by the Company to another company

3. Future outlook

The Company factored this acquisition's anticipated impact on consolidated FY03/26 financial results into the earnings forecast disclosed on May 9, 2025. It projects full-scale operations at this logistics location will begin in FY03/27.



Full-Year FY03/26 Consolidated Earnings Forecast

Full-Year FY03/26 Consolidated Earnings Forecast



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(Unchanged from May 9, 2025 disclosure) The Company aims to achieve record-high net sales for the 11th consecutive term. In 1H FY03/26, we anticipate net sales increasing on the continuation of business expansion and price revisions from FY03/25. SG&A expenses will continue to include strategic investments, so we expect 1H operating profit and other earnings to show a slight increase YoY. In 2H FY03/26, we expect the impact from the previous year to taper off, and the increase in net sales to plateau. However, investments in SG&A expenses will also settle down. As a result, we expect operating profit, ordinary profit, and profit attributable to owners of parent to continue to increase for the full year.

(Millions of Yen)	FY03/25 Results		1H FY03/26 Earnings Forecast			Full-Year FY03/26 Earnings Forecast		
	Amount	% of Net Sales	Amount	% of Net Sales	YoY	Amount	% of Net Sales	YoY
Net Sales	115,915	100.0%	61,000	100.0%	110.9%	124,000	100.0%	107.0%
Operating Profit	4,532	3.9%	2,300	3.8%	100.4%	4,850	3.9%	107.0%
Ordinary Profit	4,840	4.2%	2,450	4.0%	100.2%	5,150	4.2%	106.4%
Profit Attributable to Owners of Parent	3,465	3.0%	1,700	2.8%	101.5%	3,650	2.9%	105.3%
Earnings Per Share	¥179.11	—	¥87.20	—		¥187.23	—	104.5%



Progress of the Medium-Term Management Plan

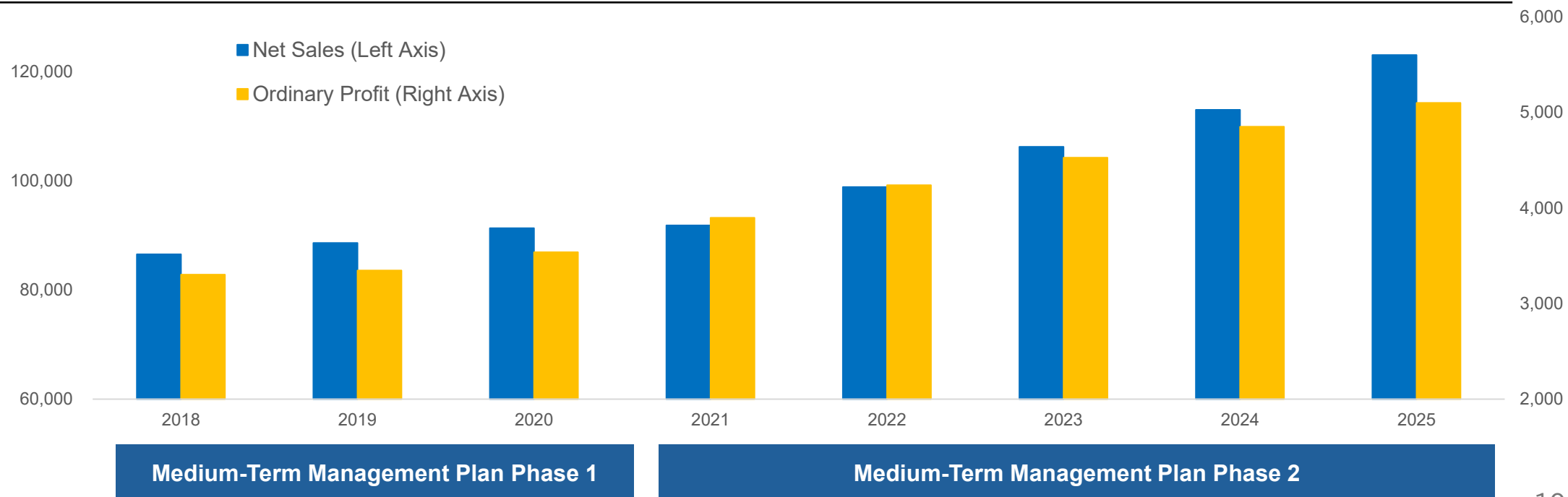
Progress of the Medium-Term Management Plan



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The Company has achieved its Medium-Term Management Plan targets for FY03/26 of ¥100 billion in net sales and ¥4 billion in ordinary profit ahead of schedule. For FY03/26, we project net sales of ¥124 billion and ordinary profit of ¥5.15 billion. Since 2018, through strengthened human resources and productivity improvements, the Company has built a structure that consistently accumulates profits compared to the period through 2017, and profit has grown steadily in tandem with net sales. In FY03/26, we expect operating profit and ordinary profit to reach record highs for the 8th consecutive year. The impact of changes to accounting standards for net sales is described on the next page.

(Millions of Yen)	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24	FY03/25	FY03/26 Forecast
Net Sales	86,519	88,588	91,320	91,817	98,850	106,216	115,915	124,000
Ordinary Profit	3,304	3,346	3,537	3,898	4,240	4,528	4,840	5,150
YoY (Ordinary Profit)	107.2%	101.3%	105.7%	110.2%	108.8%	106.8%	106.9%	106.4%



*Figures from FY03/22 onward reflect the application of the “Accounting Standard for Revenue Recognition” and related standards.

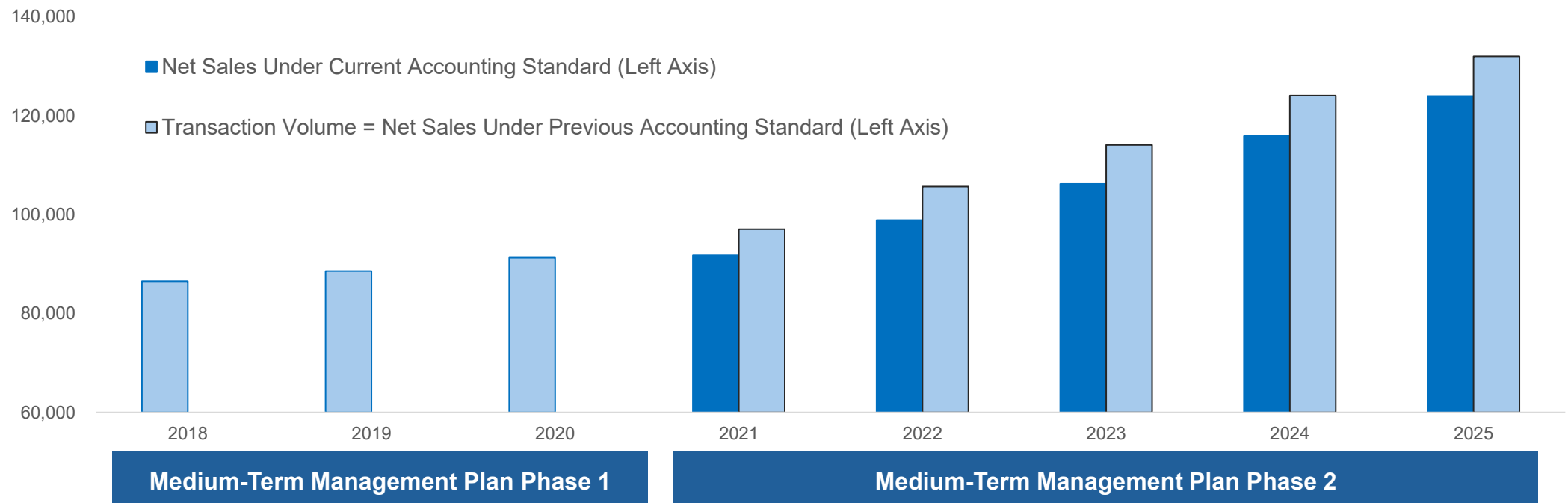
Reference: Trends in Transaction Value and Net Sales



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Since FY03/22, the Company has applied the “Accounting Standard for Revenue Recognition.” The figures for net sales under the previous accounting standard (hereinafter referred to as “transaction value”) are as follows.

(Millions of Yen)	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24	FY03/25	FY03/26 Forecast
Transaction Value (Net Sales Under Previous Accounting Standard)	86,519	88,588	91,320	97,024	105,681	114,131	124,086	132,000
YoY (Transaction Value)	105.1%	102.4%	103.1%	106.2%	108.9%	108.0%	108.7%	106.4%
Net Sales (Current Accounting Standard)	—	—	—	91,817	98,850	106,216	115,915	124,000
YoY (Net Sales)	—	—	—	—	107.7%	107.5%	109.1%	107.0%



*Figures from FY03/22 onward reflect the application of the “Accounting Standard for Revenue Recognition” and related standards.
 “Transaction value” includes the amount of impact calculated by the Company based on the revenue recognition standard and added to net sales.

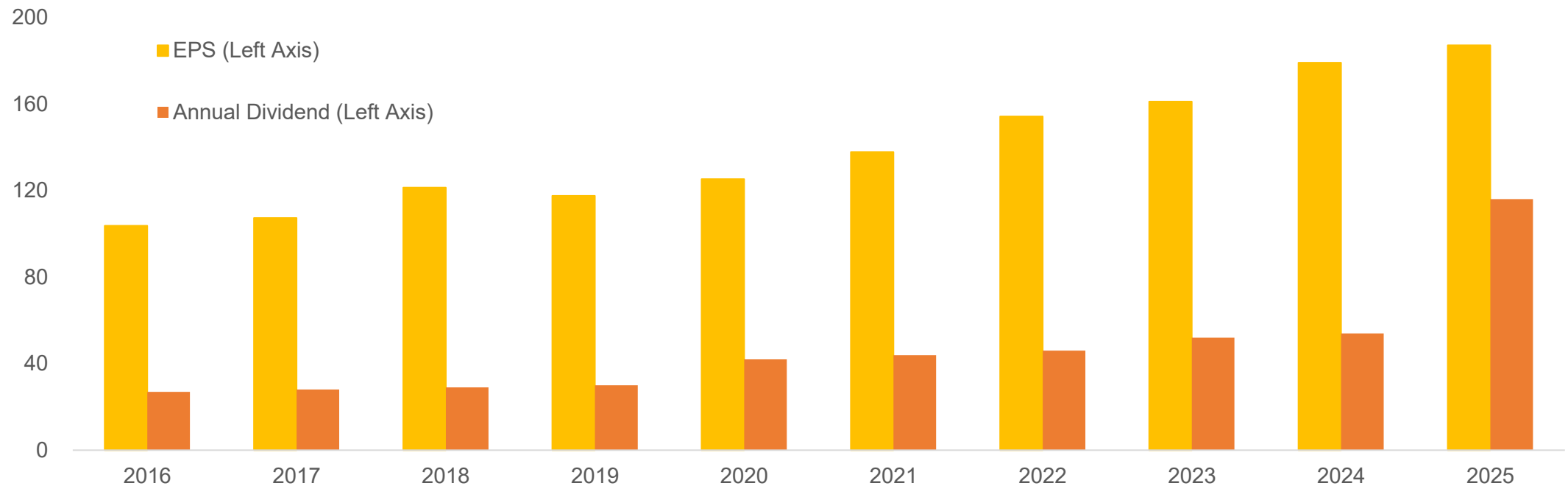
Shareholder Returns



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For FY03/25, the Company has decided to pay an annual dividend of ¥54, marking the 21st consecutive year of dividend increases. For FY03/26, we plan to include a 60th anniversary commemorative dividend (¥60 on an annual basis), for a total annual dividend of ¥116, aiming for the 22nd consecutive year of dividend increases. We project the dividend for FY03/26 to be substantially higher than in prior years.

	FY03/17	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24	FY03/25	FY03/26 Forecast
Annual Dividend	¥27	¥28	¥29	¥30	¥42 Of which, commemorative: ¥11	¥44	¥46	¥52 Of which, commemorative: ¥4	¥54	¥116 Of which, commemorative: ¥60
[Reference] Earnings Per Share	¥103.72	¥107.30	¥121.40	¥117.58	¥125.28	¥137.84	¥154.24	¥161.19	¥179.11	¥187.23



*In fiscal years with commemorative dividends, the commemorative portion is listed as an internal figure under “of which, commemorative.”

**Medium-Term Management Plan
Phase 1**

Medium-Term Management Plan Phase 2

Reference: Trends in Cash Flows



Cash flows during the period of the current Medium-Term Management Plan are as follows. As shown on page 12 of this document, the Company plans to enhance shareholder returns in FY03/26. While maintaining financial soundness, we will continue working to balance and strengthen both growth investments and shareholder returns. If the last day of the fiscal year falls on a bank holiday, there will be a discrepancy in the timing of deposits and payments, which will affect cash flow from operating activities.

	Medium-Term Management Plan Phase 1			Medium-Term Management Plan Phase 2				
(Millions of Yen)	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24	FY03/25	FY03/26
Cash Flows from Operating Activities	2,941	1,123	3,175	3,248	2,559	4,584	970	—
Cash Flows from Investing Activities	(605)	(1,263)	(976)	(3,908)	(2,580)	(1,580)	(2,517)	—
Of Which, Acquisition/Sale of Property, Plant and Equipment	(636)	(1,177)	(354)	(2,228)	(725)	(1,432)	(2,172)	—
Of Which, Acquisition of Intangible Assets	(16)	(89)	(527)	(126)	(120)	(129)	(110)	—
Of Which, Acquisition/Sale/Redemption of Investment Securities	16	3	(94)	(1,398)	(1,717)	5	(234)	—
Cash Flows from Financing Activities	(707)	(740)	(879)	(1,004)	(1,032)	(1,062)	(947)	—
Of Which, Dividend Payments	(550)	(569)	(693)	(828)	(868)	(908)	(1,063)	—
Cash and Cash Equivalents at End of Period	10,926	10,046	11,365	9,700	8,646	10,588	8,116	—
Free Cash Flow*	2,336	(139)	2,199	(660)	(21)	3,004	(1,546)	—

*Free Cash Flow = Cash Flows from Operating Activities + Cash Flows from Investing Activities

*Figures for the acquisition/sale of property, plant and equipment and the acquisition/sale/redemption of investment securities represent the combined totals of each item.

Balance Sheet Trend



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The charts below show the changes in our balance sheet before and after the start of the current Medium-Term Management Plan. While net assets have increased through the accumulation of profits, we have allocated the cash generated to growth investments, thereby achieving profit growth while maintaining and improving ROE.

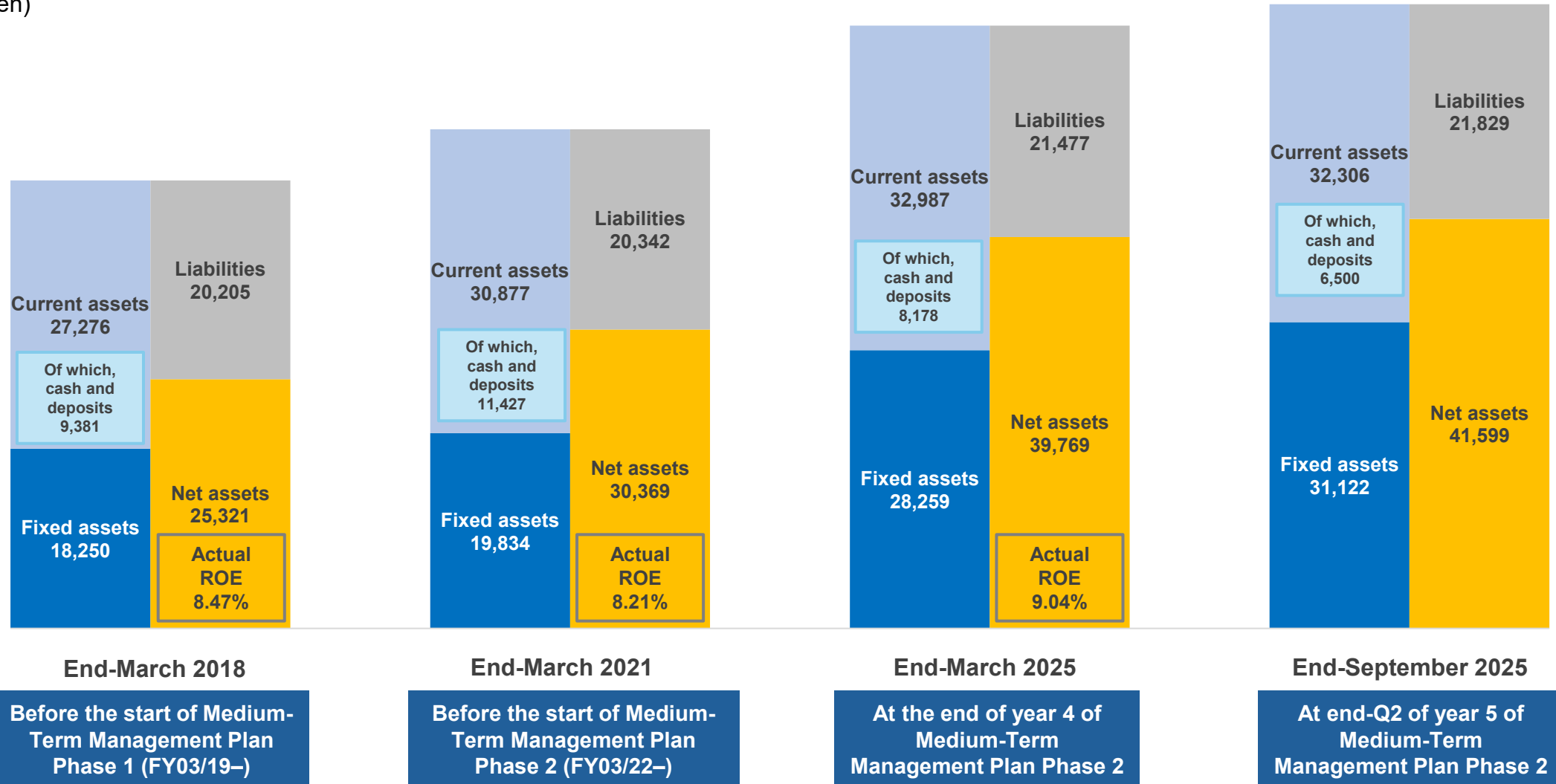
(Millions of Yen)

60,000

40,000

20,000

0





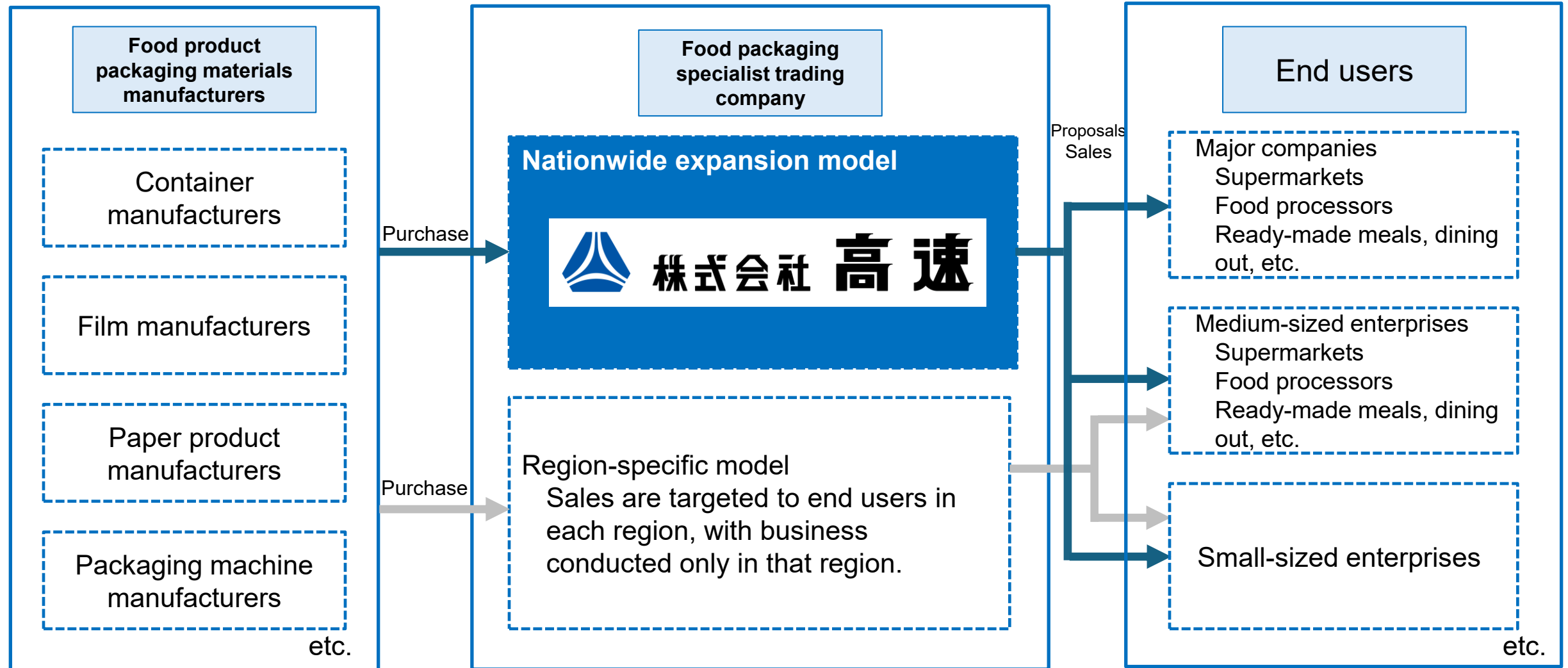
Reference: Company Profile

Business Model



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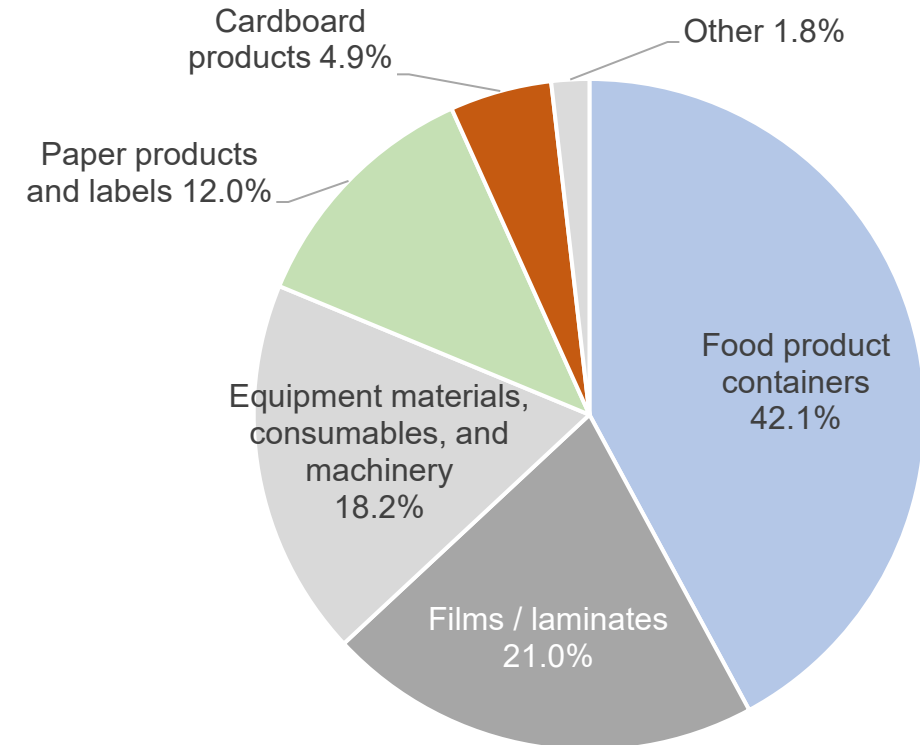
We are a trading company specializing in food packaging that connects supermarket and food factory customers with manufacturers and helps support food distribution.



Products handled



Sales performance by product group (FY03/25)



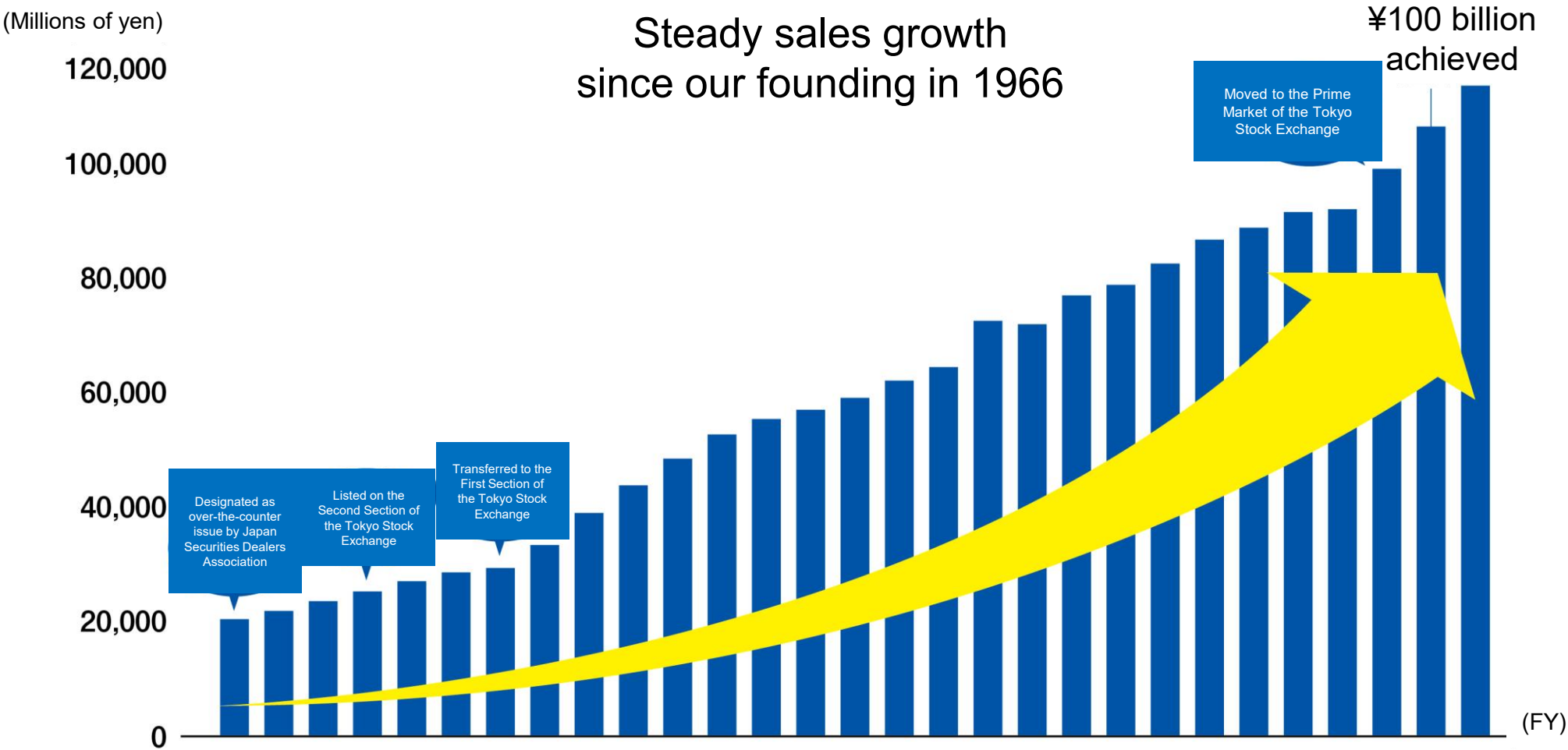
We offer a wide variety of food product packaging materials and consumables, including food trays. We specialize in providing comprehensive solutions centered on food containers, including various food product packaging materials and related machinery. Our diverse product lineup also contributes to reducing earnings volatility.



Reference: Trajectory of Corporate Value Enhancement



In response to ongoing demand for food packaging, we have continued and expanded business with existing customers while steadily adding new ones. As a result, since our establishment we have achieved sales growth every year for over 50 years, with the exception of FY03/15(*).

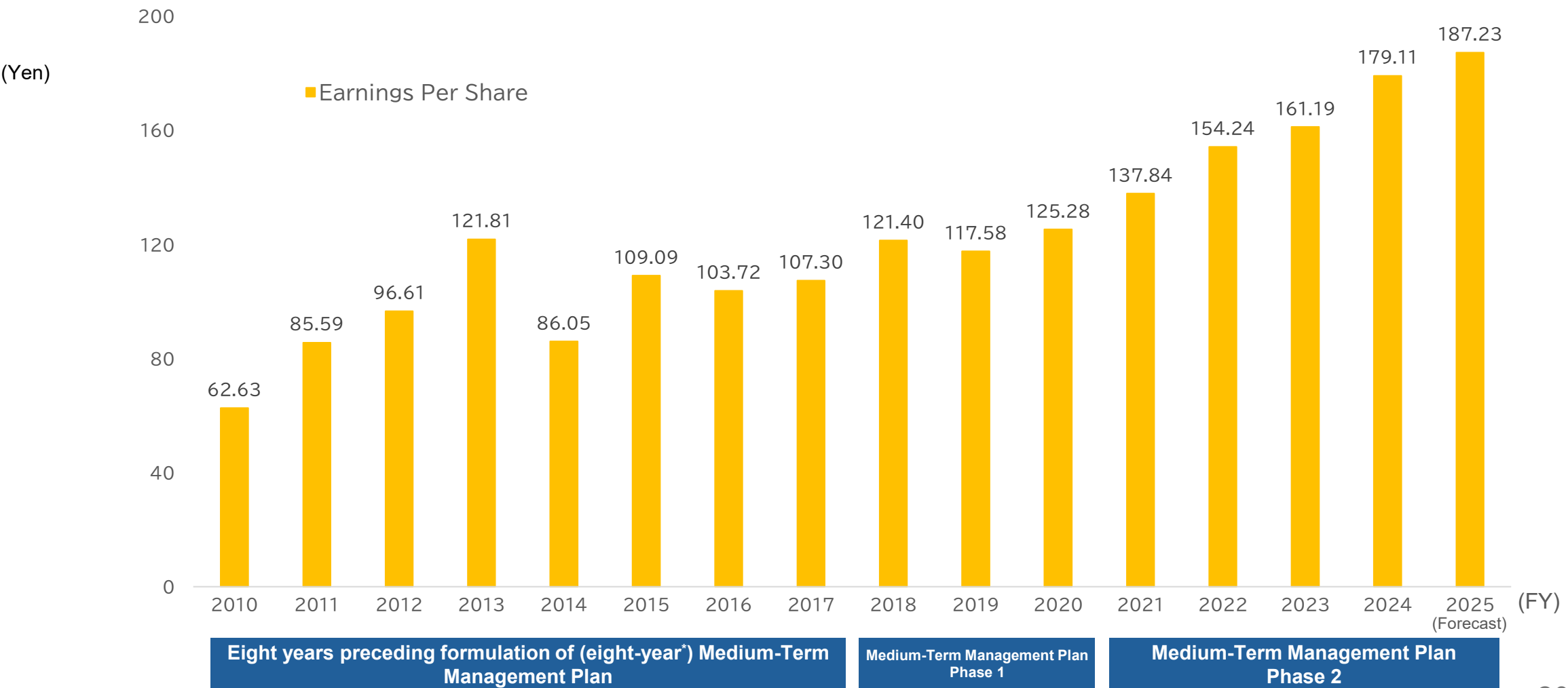


Note: In FY2014, net sales declined due to a FY2013 surge in demand caused by a then-upcoming April 2014 consumption tax hike—this year-on-year downturn was the only such decrease the Company has reported since its founding.

Earnings per Share



As indicated by the table below, KOHSOKU has been generating growth in earnings per share. EPS, which also serves as a source of shareholder returns, has risen as shown below, and we will continue working to increase it going forward while balancing growth investments and shareholder returns (marking the 21st consecutive year of dividend increases in FY03/25).



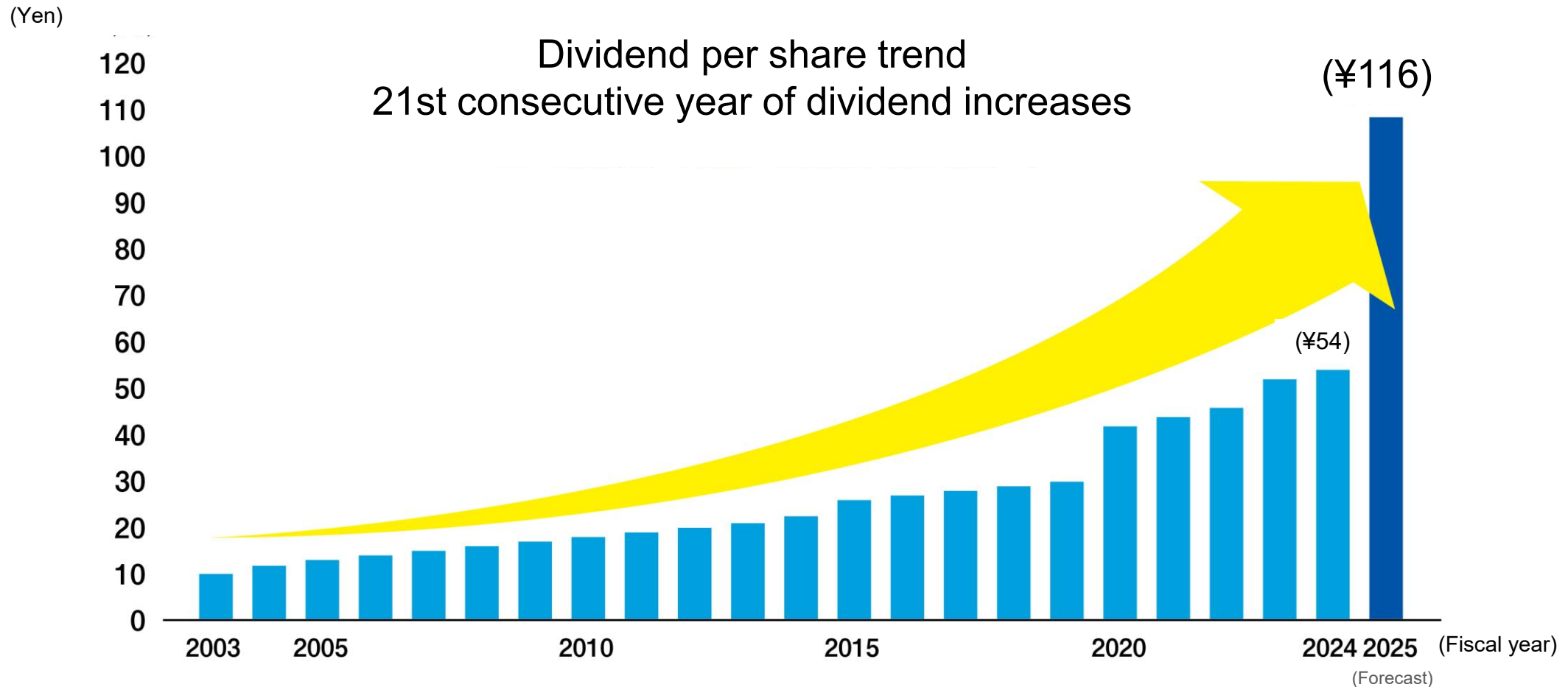
Note: The FY2025 earnings per share figure is a projection.

Shareholder Returns



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For FY03/26, we plan to pay an ordinary dividend of ¥56 per share, up ¥2 from the annual dividend of ¥54 in FY03/25, and a commemorative dividend of ¥60 for our 60th anniversary, for a total annual dividend of ¥116 per share.

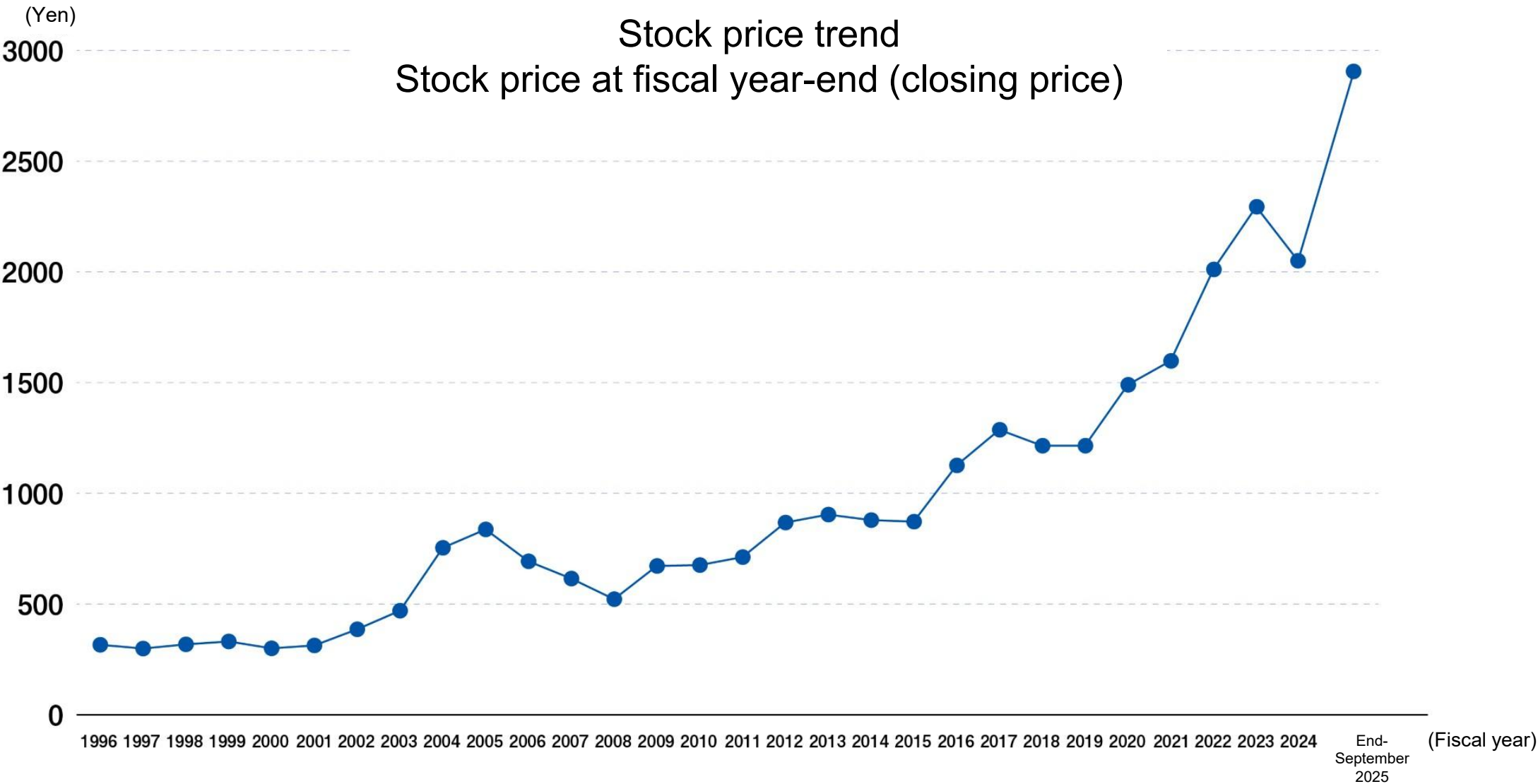


*Adjusted for the impact of the stock split.

Stock Price Trend (Stock price at fiscal year-end since OTC registration)



The Company’s steady business expansion and consistent shareholder returns, underpinned by consecutive dividend increases, have been well received, resulting in the following upward trend in its share price.



Initiatives to Enhance Corporate Value

In addition to summarizing our current efforts regarding "Action to Implement Management that is Conscious of Cost of Capital and Stock Price" we have also compiled and posted answers to frequently asked questions from institutional investors and others.

<https://www.kohsoku.com/investment/initiatives-to-enhance-corporate-value.html>

IR email distribution service

We will send you the latest timely disclosure and other information related to our IR via your registered email address.

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About this document

Numerical figures in this document are rounded down to the nearest display unit, and percentages are rounded to the nearest unit.



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