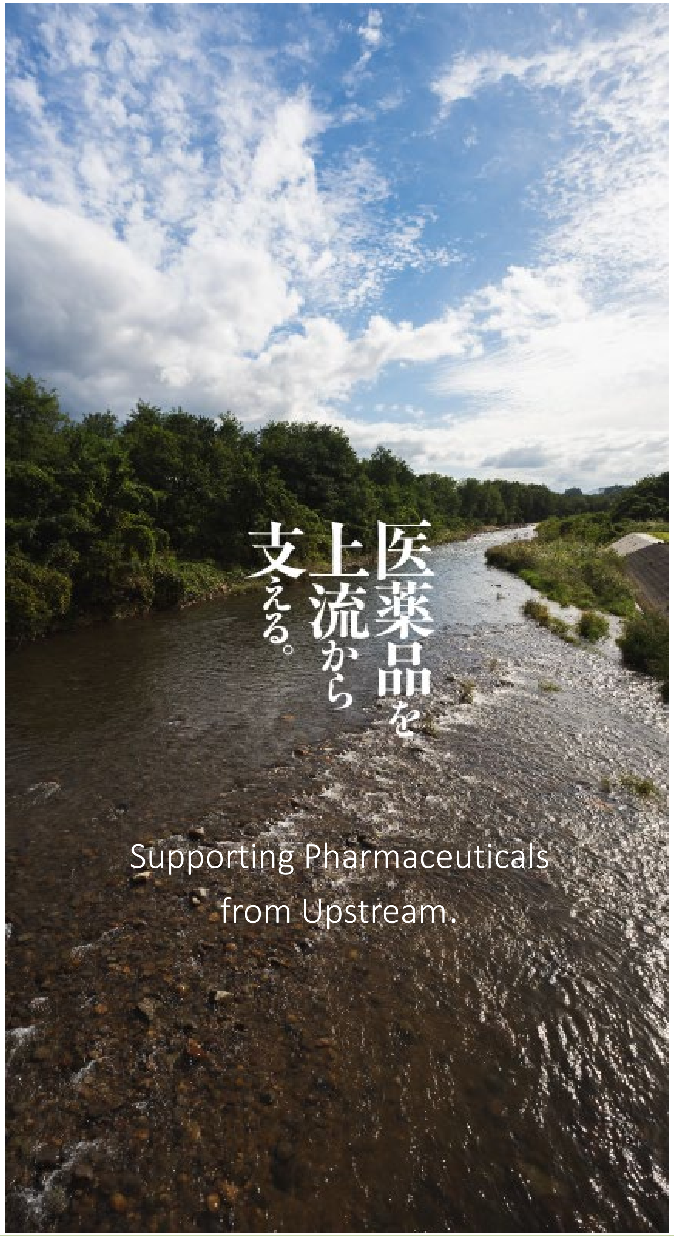
Supplementary Material of Financial Results for the Year Ended June 30, 2025

August 8, 2025



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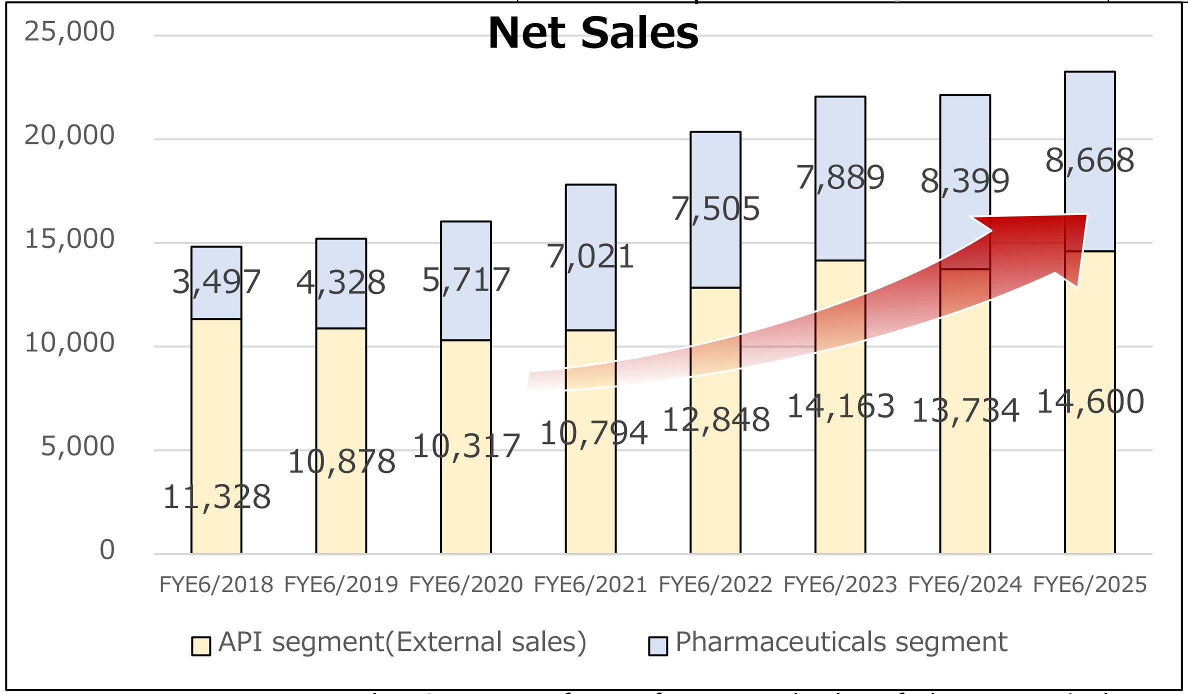
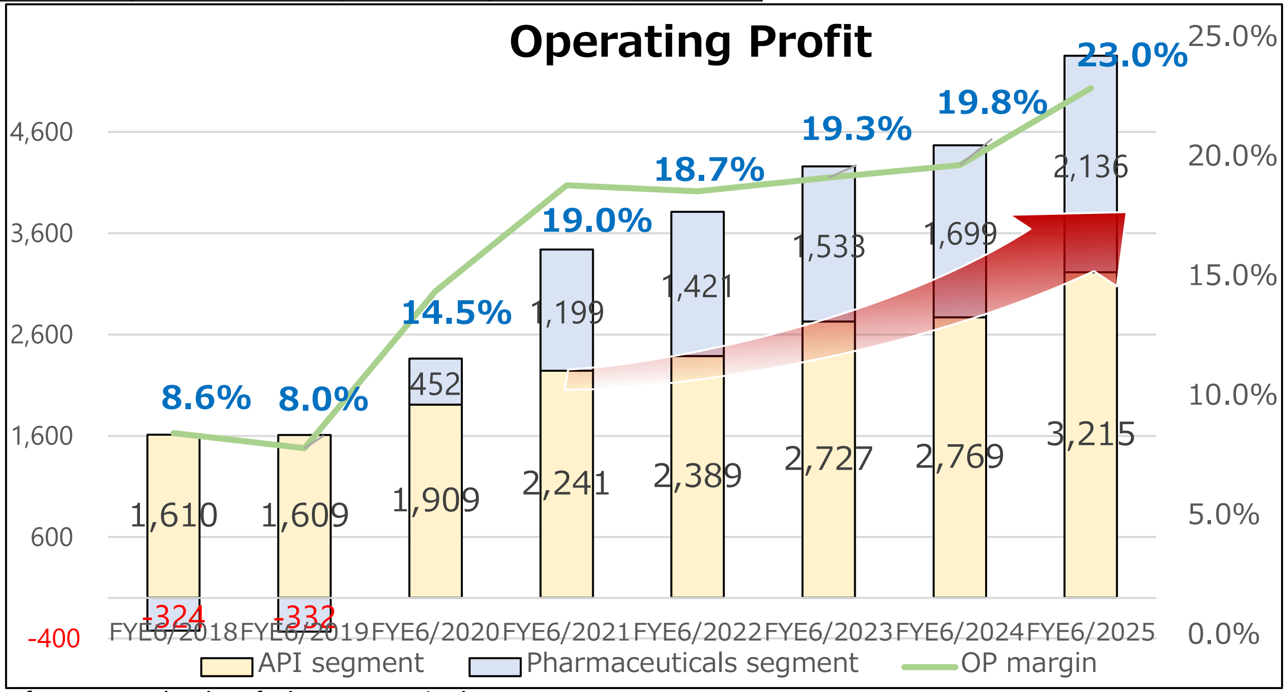
I-1. Highlights of FYE6/2025 Financial Results

Both API segment and manufacture and sales of pharmaceuticals grew, updating past records for net sales and line-item profits.

	FYE6/2024		FYE6/2025		YoY	
		%		%		Change (%)
Net sales	22,134	100.0	23,269	100.0	1,135	5.1
Gross profit	6,639	30.0	7,697	33.1	1,058	15.9
Operating profit	4,382	19.8	5,355	23.0	973	22.2
Ordinary profit	4,368	19.7	5,375	23.1	1,007	23.1
Profit attributable to owners of parent	2,946	13.3	3,637	15.6	691	23.5

(million ¥)





*API segment: API sales; Segment of manufacture and sales of pharmaceuticals: manufacture and sale of pharmaceuticals

I−2. Overview of Q4 FYE6/2025

Market Environment

- The volume share of generics rose to 90.6% in February 2025, supported by measures to promote the use of generics, including a selective care system that requires patients to pay extra when choosing long-listed drugs (off-patent branded drugs that have generic alternatives).

  (Source: "Trends in Recent Dispensing Medical Expenses (Computer-Processed Data), February 2024 Edition," Ministry of Health, Labour and Welfare, Japan.)

- The impact of U.S. policies, including reciprocal tariffs, on the Group's business performance was minimal due to the Group's primarily domestic operations.

Business Performance

- Sales and profit increased YoY in the API segment thanks to expanded sales in recently launched products and the growth in transaction volume due to the selective care system.

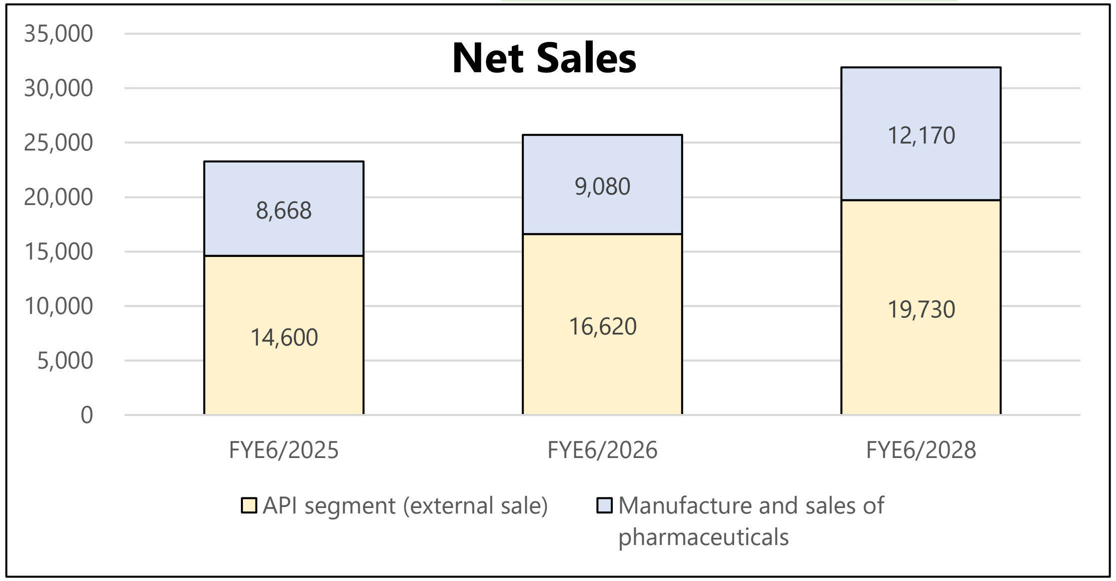
  Meanwhile, for Q4, sales and profit decreased YoY in the manufacture and sales of pharmaceuticals due to a temporary decrease in production caused by annual inspection and a component replacement that occurs approximately once every 10 years at Zao Factory.

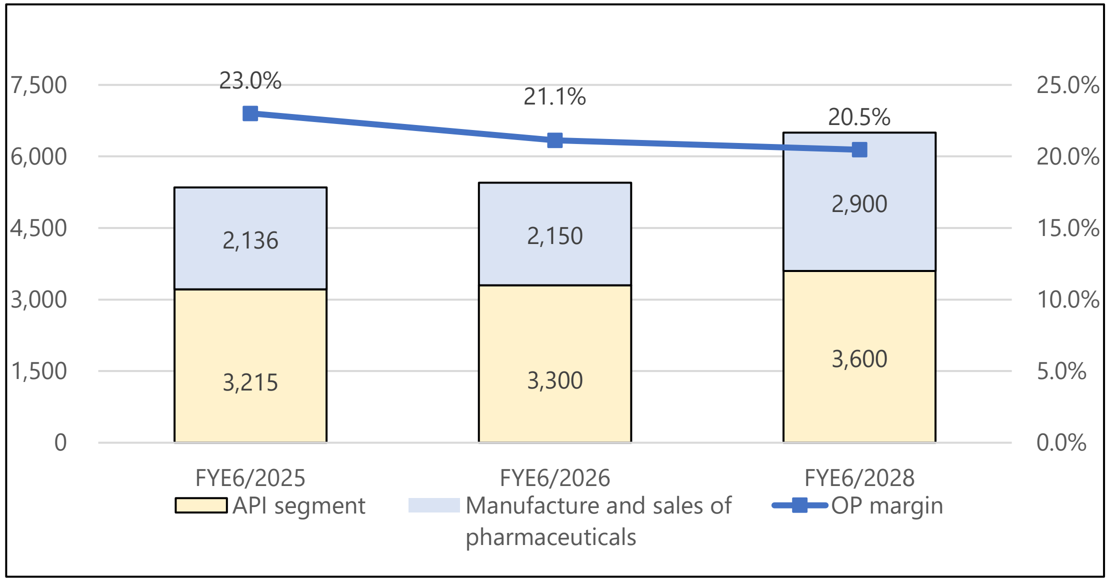
I-3. FYE6/2026 Forecasts Overview

Both API segment and manufacture and sales of pharmaceuticals are expected to increase sales and profit in FYE6/2026. With Zao Factory 2 starting operations in FYE6/2028, we will aim for further growth.

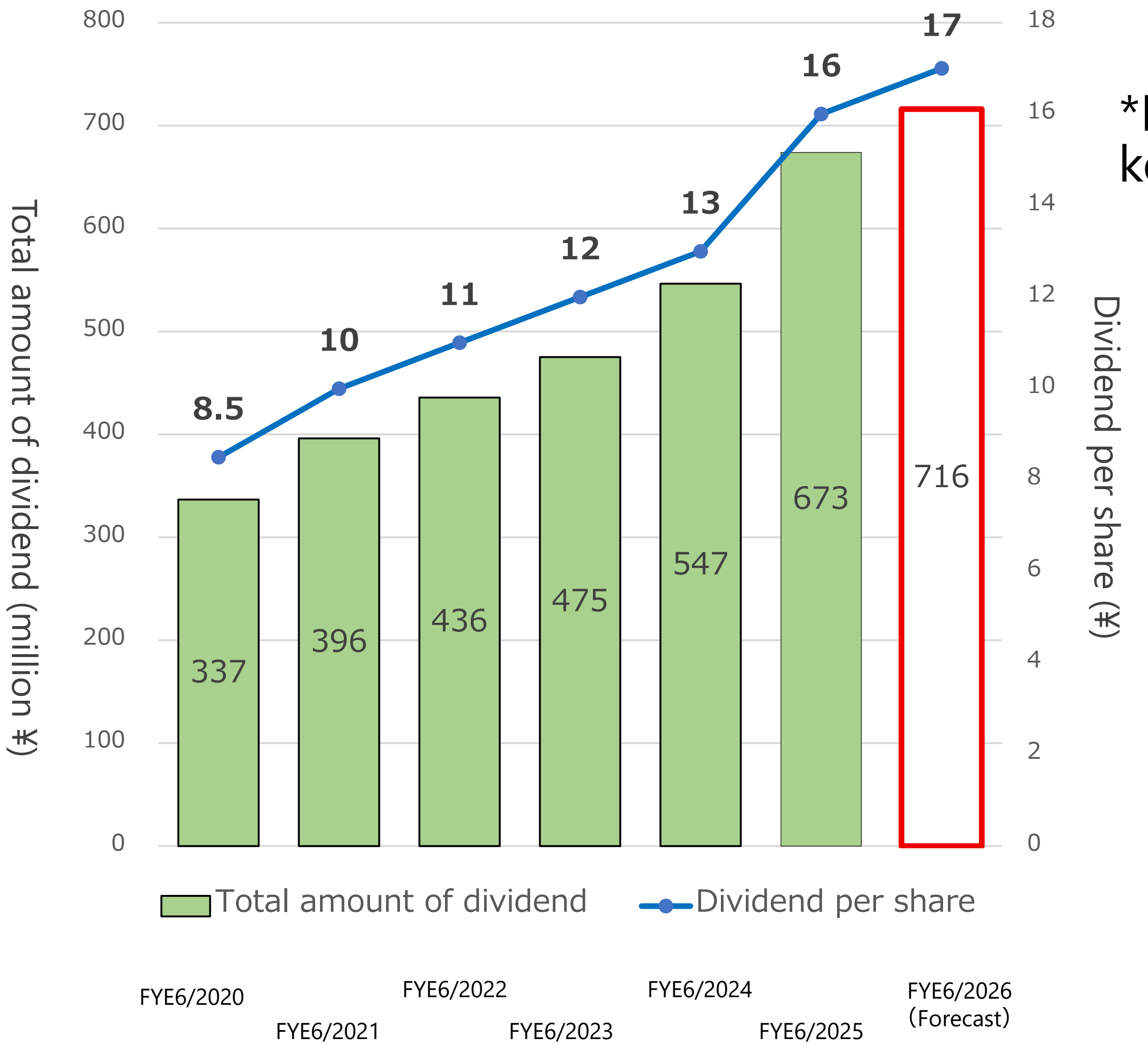
(million ¥)

	FYE6/2025	%	FYE6/2026 Forecast	%	YoY	Change (%)	FYE6/2028 Target	%
Net sales	23,269	100.0	**25,700**	**100.0**	2,431	10.4	**31,900**	**100.0**
API segment (external sale)	14,600	62.7	**16,620**	**64.7**	2,020	13.8	**19,730**	**61.8**
Manufacture and sales of pharmaceuticals	8,668	37.3	**9,080**	**35.3**	412	4.8	**12,170**	**38.2**
Operating profit	5,355	23.0	**5,430**	**21.1**	75	1.4	**6,530**	**20.5**
API segment	3,215	13.8	**3,300**	**12.8**	85	2.6	**3,600**	**11.3**
Manufacture and sales of pharmaceuticals	2,136	9.2	**2,150**	**8.4**	14	0.7	**2,900**	**9.1**
Adjustments	3	0.0	**-20**	**-0.1**	-23	—	**30**	**0.1**





I-4. Enhanced Dividend Policy



*Calculated taking into account the effect of stock splits implemented to date

Dividend policy "annual dividend growth in principle"

*Forecast **a dividend increase** to 17 yen per share, and keep the dividend payout ratio of 20% or higher also in FYE6/2026.

➢ Dividend policy:
- Considering shareholder return as a key management issue, maintain a basic policy of "**annual dividend increase in principle**"
- Enhance internal reserves necessary to respond to future corporate growth and business environment changes
- Allocate management resources to business fields that are expected to grow in the future, with the aim of achieving **sustainable corporate growth** and **increasing corporate and shareholder values over the medium to long term**

➢ **Record date: June 30**

I-5. Our Group's Initiatives for Trust

Our system for checking legal compliance and quality control

Internal

・Self-inspections
・Annual reviews
・Consistency inspections

+

- **Audits by internal audit offices and experts**
- **Intergroup unannounced audits**

Management education

External

・Inspections by authorities
・Audits by clients

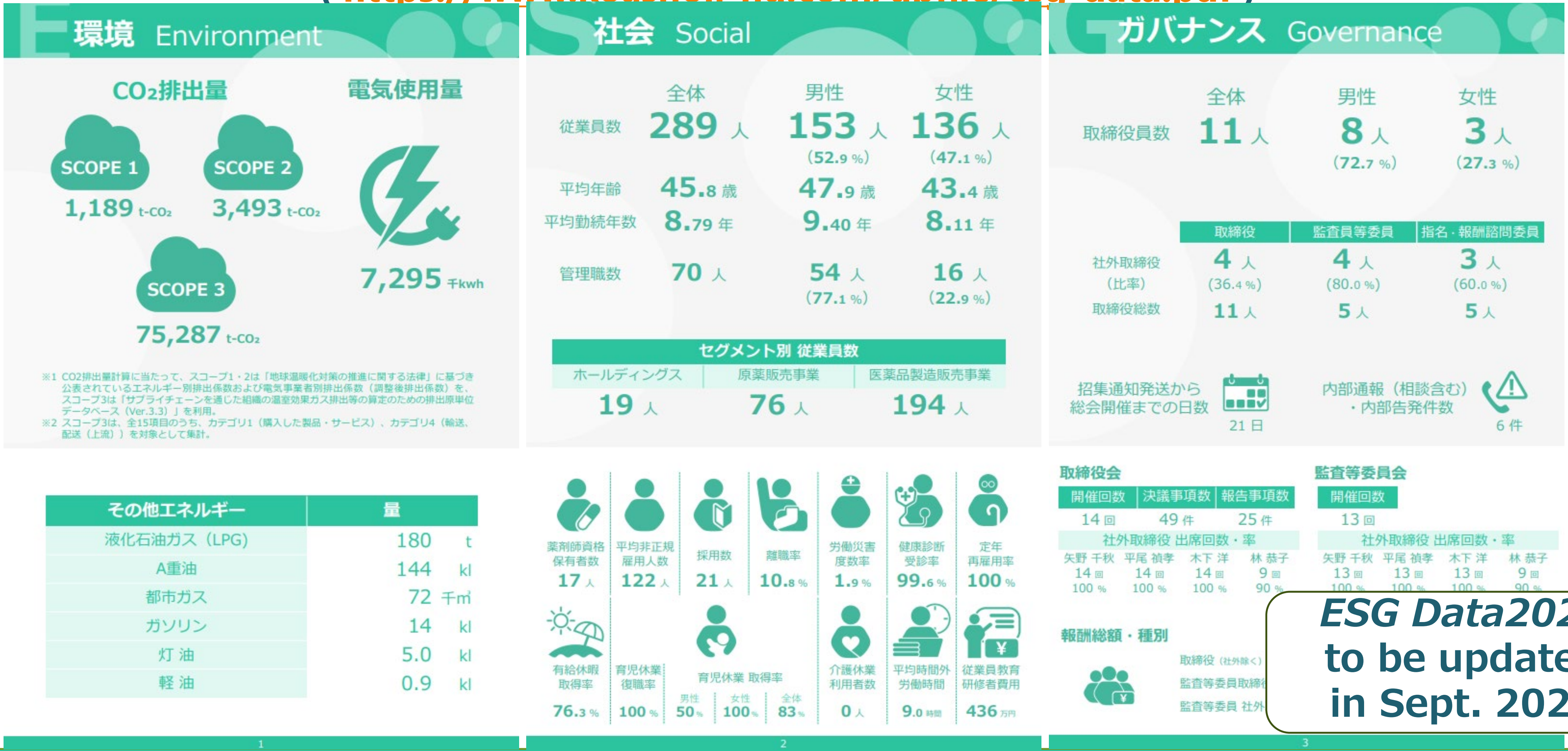
	API segment	**Pharmaceuticals segment**
Authorities	**6** times/year	**1** times/year
Clients	**31** times/year	**5** times/year

*FYE6/2024 results / Total number of on-site, written, and remote inspections

By regularly implementing these initiatives,
we continue to ensure the quality, safety, and stable supply of generic drugs.

I-6. Sustainability Activities

We announced *ESG Data 2024*, while primarily the Sustainability Committee has driven initiatives relating to the environment, society, and governance.
(https://www.koashoji-hd.com/upfile/esg_data.pdf)



ESG Data2025
to be updated in Sept. 2025

II. Medium- to Long-term Business Plan

1. 10-Year Long-Term Business Plan
2. Vision of Group's Growth in 10-Year Long-Term Business Plan
3. 10-Year Long-Term Business Plan Financial Targets
4. Growth Strategy in API Segment
5. Growth Strategy in Pharmaceuticals Segment
6. Medium- to Long-term Business Strategy—Manufacture and sales of pharmaceuticals
7. Group Synergies
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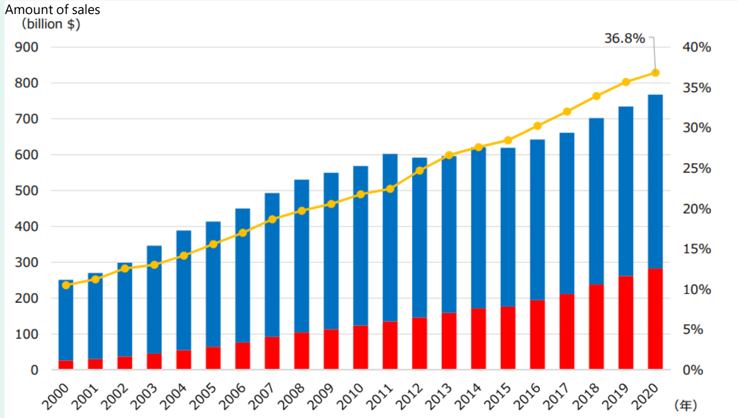
10. Cash Allocation
11. Growth Investment and Shareholder Return

II-1. 10-Year Long-Term Business Plan

In 2020, we developed a long-term business plan and announced our sustainable growth strategy.

Environmental Changes Surrounding Medical Field and Sustainable Growth of the Group



注)　新規モダリティとはEvaluatePharmaの “Technology” における “Biotechnology”に分類される品目
抗体、組換えタンパク、遺伝子組み換えワクチン、核酸医薬、遺伝子細胞治療、遺伝子治療、細胞治療、腫瘍溶解ウイルス

出所：　EvaluatePharmaをもとに医薬産業政策研究所にて作成（2021年2月時点）

In the medical field, the focus on new drug development is shifting from conventional small molecules to polymers, such as biopharmaceuticals.* Additionally, the modalities* (treatment methods) are becoming increasingly diversified and complex, including medium-sized molecules, regenerative medicine, and gene therapy, and medical care is becoming more personalized.

Achieve both economic and social values in the modality revolution as an opportunity to increase corporate value

2020
- TSE Prime
- API import trading company
- Generic manufacturer focusing on injections

2025
- Introduction of pharmaceuticals produced overseas
- Improvement of injection quality and production capacity
- M&A is also an option
- Approaches to sustainability

2030
- Trading company specializing in pharmaceuticals
- Top Domestic manufacturer of specialized injectables

Quote: New Modality Global Pharmaceutical Sales Trends
Source: Ministry of Health, Labour and Welfare "Pharmaceutical Industry Vision 2021" (Document)

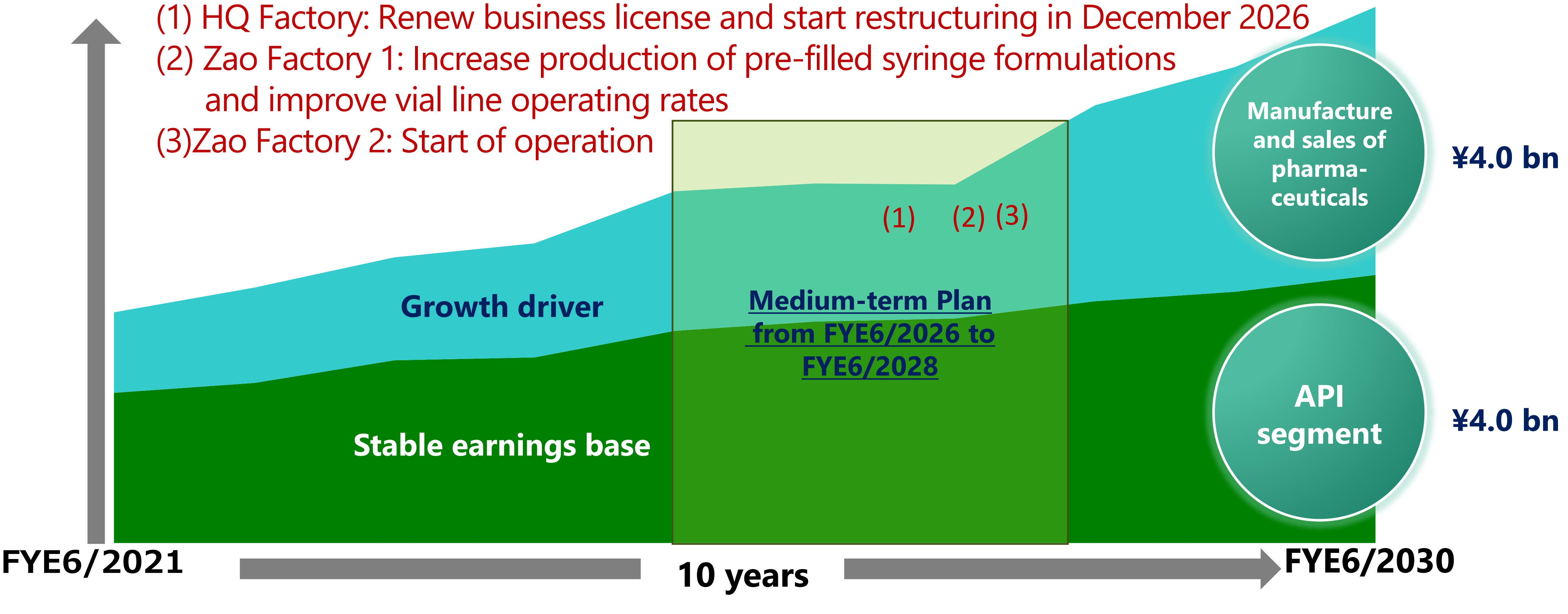
∗ Modalities: types of drug discovery and therapeutic methods such as small molecule compounds, peptide (medium-sized molecule) drugs, antibody drugs, nucleic acid drugs, biopharmaceuticals, etc.
∗ Biopharmaceuticals: pharmaceuticals produced by applying biotechnologies such as gene recombination and cell culture technologies

II-2. Vision of Group's Growth in 10-Year Long-Term Business Plan

KOA

Medium-term Plan for FYE6/2026 to FYE6/2028

Strengthen business foundation to achieve the long-term business plan targeting FYE6/2030.



II-3. 10-Year Long-Term Business Plan Financial Targets

We aim to expand our growth driver, the manufacture and sales of pharmaceuticals, to achieve operating profit of 8.0 billion yen by the year ending June 30, 2030.

Financial	FYE6/2024 (Actual)	FYE6/2025 (Actual)	FYE6/2026 (Forecast)	FYE6/2028 (Target)	FYE6/2030 (Target)
Consolidated net sales (excl. intra-group transactions)	22,134	23,269	25,700	31,900	40,000
Consolidated operating profit	4,382	5,355	5,430	6,530	**8,000**
ROE	12.8%	13.7%	12% or higher		Aim for further increase

(million ¥)

II-4. Growth Strategy in API Segment

Long-term growth strategy

KOA SHOJI Co., Ltd.: From an API import trading company to a pharmaceutical specialized trading company

Expand beyond generics to long-listed products and AGs.*

Promote “license-in activities” to support new modalities.

* Long-listed products: new drugs (original drugs) for which the patent has expired and generic drugs with the same efficacy and effectiveness are already on the market
AGs: generic drugs that are manufactured under license from the manufacturer of the original drug and are identical to the new drug in terms of APIs, additives, manufacturing process, etc.

Medium-term business strategy

- Drive credible growth toward achieving the FYE6/2030 target
  Increase the number of newly listed products, expand the market share of existing products, and develop business for new drug manufacturers, including long-listed drugs
- Strengthen and diversify the supply chain
- Promote digital transformation and utilize artificial intelligence technology in business operations
- Promote new businesses toward becoming a “pharmaceutical specialized trading company”
- Back office covering evolving needs
- Enhance group synergies
- ESG efforts

Utilize the newly expanded testing and inspection room at the Osaka Analysis Center to proceed with the renewal of the Yokohama Pharmaceutical Analysis Center.

II-5. Medium- to Long-term Business Strategy―Manufacture and Sales of Pharmaceuticals

Long-term growth strategy

KOA ISEI CO., LTD.: From a generics manufacturer focusing on injections to a leading domestic manufacturer of distinctive injections

Add new items to increase syringe lines at Zao Factory and launch full-scale operation of vial line.
Invest in pharmaceutical warehouses and injection manufacturing facilities to strengthen production capacity and promote a stable supply system.

Medium-term business strategy

“Promote facility investments focusing on the balance with collections”

Incorporate ESG into operation and drive sustainable growth through Contract Development and Manufacturing Organization (CDMO) from development to manufacturing.

Prioritize compliance with laws and regulations, strengthen our quality management system in response to the revision of the Pharmaceutical and Medical Device Act, and ensure stable supply of safe and reliable pharmaceuticals.

- Enhance compliance awareness across all business operations
- Promote CDMO strategy
- Full-scale launch of contract business at Zao Factory

  Acquire new contracts for vial liquid formulation and freeze-dried formulation.
  Increase production of pre-filled syringe formulations and start operation of Zao Factory 2 as early as possible.

- Consider new developments by strengthening group synergies
- Ensure stable supply of safe and reliable pharmaceuticals through investment and maintenance plans based on the business plan

  Restructure HQ Factory. Renewal of business license and restructuring in December 2026.

- Implement a stable supply system in view of corporate indicators and sell products at appropriate prices

II-6. Growth Strategy in Manufacture and Sales of Pharmaceuticals Segment

KOA

We will **strengthen our contract business** based on a **consistent CDMO* system from development to manufacture**, specializing in syringes and vials for injectable drugs. With the construction of mass-production type Zao Factory 2, we will utilize the characteristics of Zao Factory 1, which is one of the few plants in Japan that manufactures a wide variety of high-pharmacological formulations in small quantities.

*CDMO: Contract Development and Manufacturing Organization

Development

Manufacture

Zao Factory 1

・ Pre-filled syringes
・ Vials

High-mix low-volume production

Supports investigational new drug production and commercial production by utilizing the characteristics of high-mix low-volume production lines for high-pharmacological value-added formulations.

Syringe formulation: Approx. 4.8 million units (1ml)/ year*
Vial formulation (liquid): Approx. 0.9 million units (1ml)/ year
Freeze-dried formulation: Approx. 0.6 million units (1ml)/ year
*Production capacity in full-time operation with three 8-hour shifts.

Zao Factory 2

(Operation to be started in July 2027)

・ Pre-filled syringes

Low-mix high-volume production

Promotes business expansion as a plant mass-producing high-pharmacological sterile formulations, with a capacity of 12 million units/year.

Head Office Plant

・Tablets
・ Injections

Manufactures solid dosage forms, including Lanthanum Carbonate OD tablets.

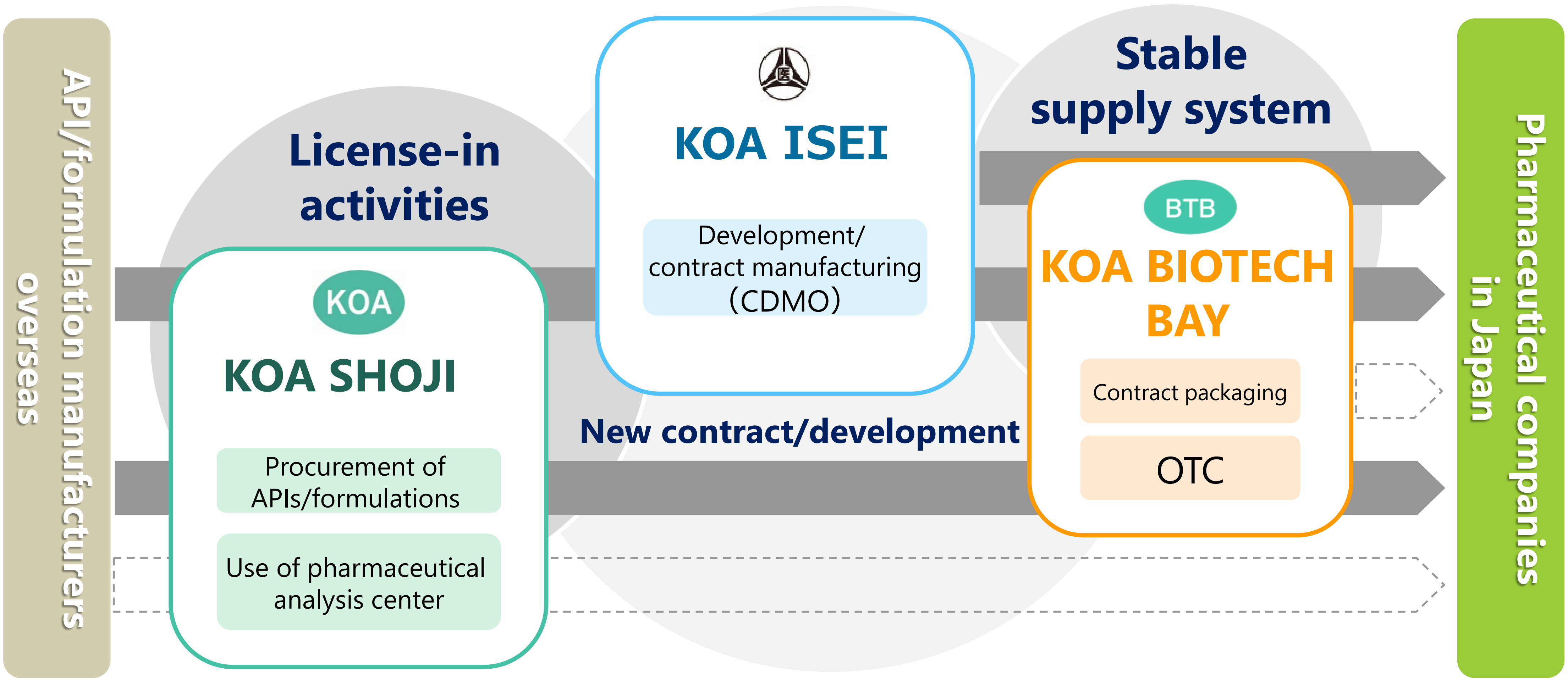
Promotes contract manufacture of injectable drugs.

Zao Warehouse

Operating from March 2024 to strengthen stable supply system

II-7. Group Synergies

Strengthen Group synergies by expanding the business areas of both segments.



II-8. Growth Investment

-FYE6/2025	FYE6/2026-FYE6/2028

Facility investments to enable stable supply and prepare for increased transaction volume

【API segment】
- Do repair work of a testing room at Pharmaceutical Analysis Center in Osaka Office .
- Construct Pharmaceutical and API warehouse (hazardous materials), etc.

【Manufacture and sales of pharmaceuticals】
- Introduce visual inspection device for plastic syringe containing maxacalcitol to address increased production.
- Construct Zao Warehouse, etc.

Facility investments to cover further demand growth in the future and fulfill our responsibility for stable supply

【API segment】
- Renovate **Yokohama Pharmaceutical Analysis Center.**
- Do repair work of existing sites in conjunction. with renovation, etc.

Yokohama Pharmaceutical Analysis Center

【Manufacture and sales of pharmaceuticals】
- Construct **Zao Factory 2**
- Renovate **HQ Factory**
- Introduce packaging machinery, etc.

Zao Factory 2 and production equipment

KOA ISEI HQ Factory

II-8. Progress in Construction of Zao Factory 2

The construction of Zao Factory 2 has been proceeding as planned, with its operation scheduled to begin in July 2027.

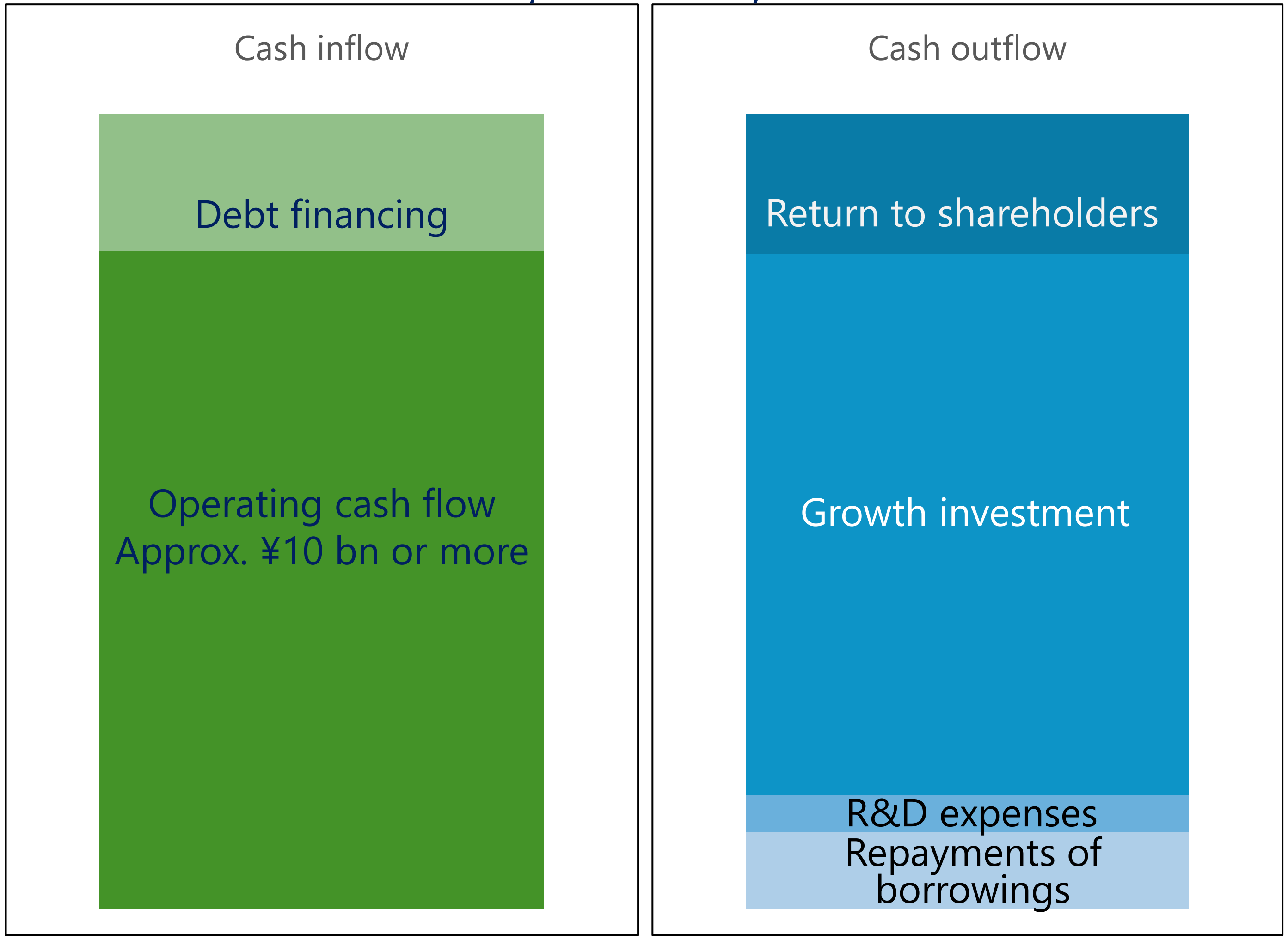
As of July 1 , 2025

Zao Factory (on the left) and Zao Factory 2 (in the back right)

II-10. Cash Allocation

Allocate cash generated over the next three years to growth investment and return to shareholders.

FYE6/2026-FYE6/2028



Policy

Achieve **sustainable corporate growth** through a cycle of **investment, recovery, and return.**

■ Return to shareholders

・Maintain a basic policy of "annual dividend increase in principle" and **continue to pay stable dividends over the long term**

Determine dividend amount based on a comprehensive assessment, with a payout ratio of 20% or higher as a general guideline

■ Key growth investment

API segment

・Renovate Yokohama Pharmaceutical Analysis Center

・Do repair work of existing sites in conjunction with renovation, etc.

Manufacture and sales of pharmaceuticals

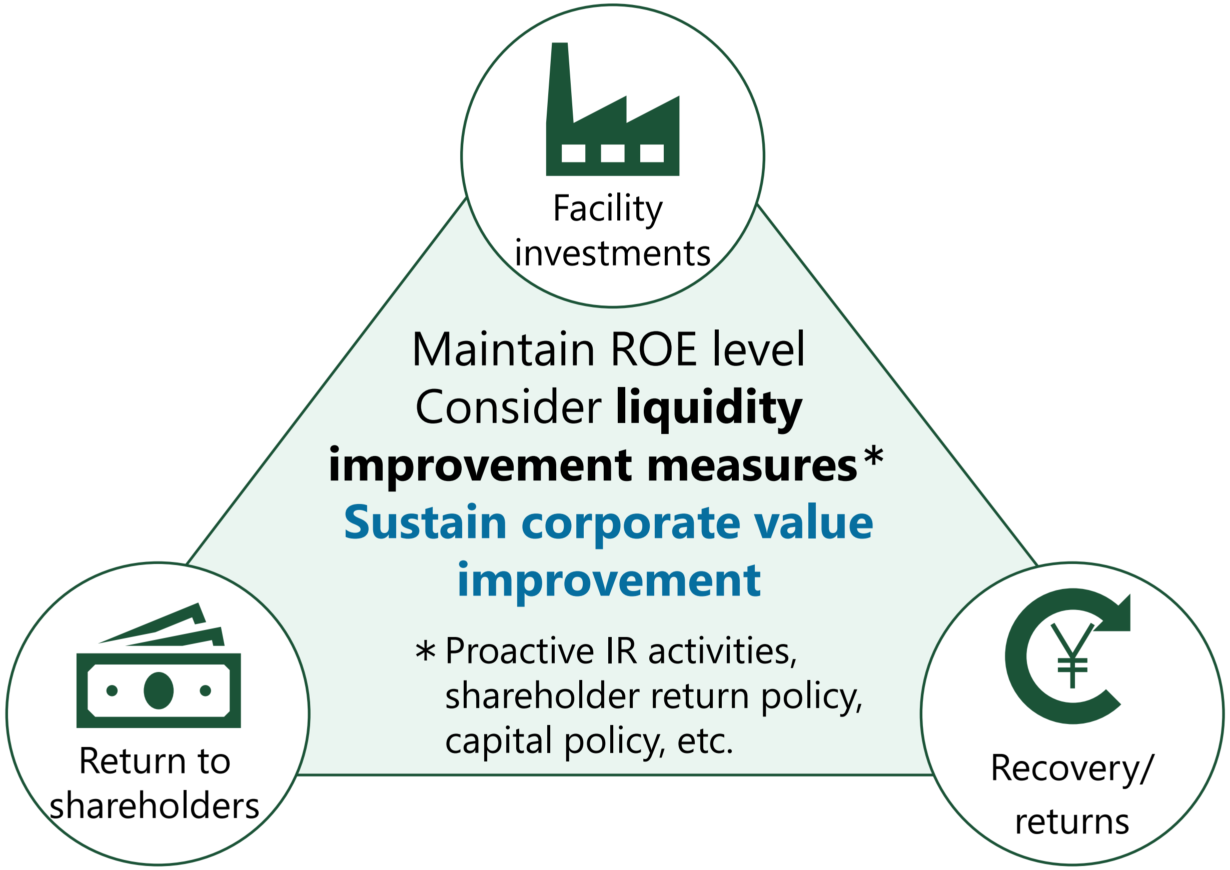
・Construct Zao Factory 2

・Renovate HQ Factory

・Introduce packaging machinery, etc.

II-11. Growth Investment and Shareholder Return

Achieve **sustainable corporate growth** through a cycle of **investment, recovery, and return** and realize cost-conscious management



Facility investments

Promote **facility investments** for medium- to long-term growth strategy to become

- a pharmaceutical specialized trading company
- a top manufacturer of distinctive generic injectables

Recovery/returns

Create a business plan for medium- to long-term growth and **announce numerical targets**

Return to shareholders

Annual dividend growth in principle

Maintain or increase dividends with profit in mind

III. FYE6/2025 Financial Results Overview and FYE6/2026 Forecasts

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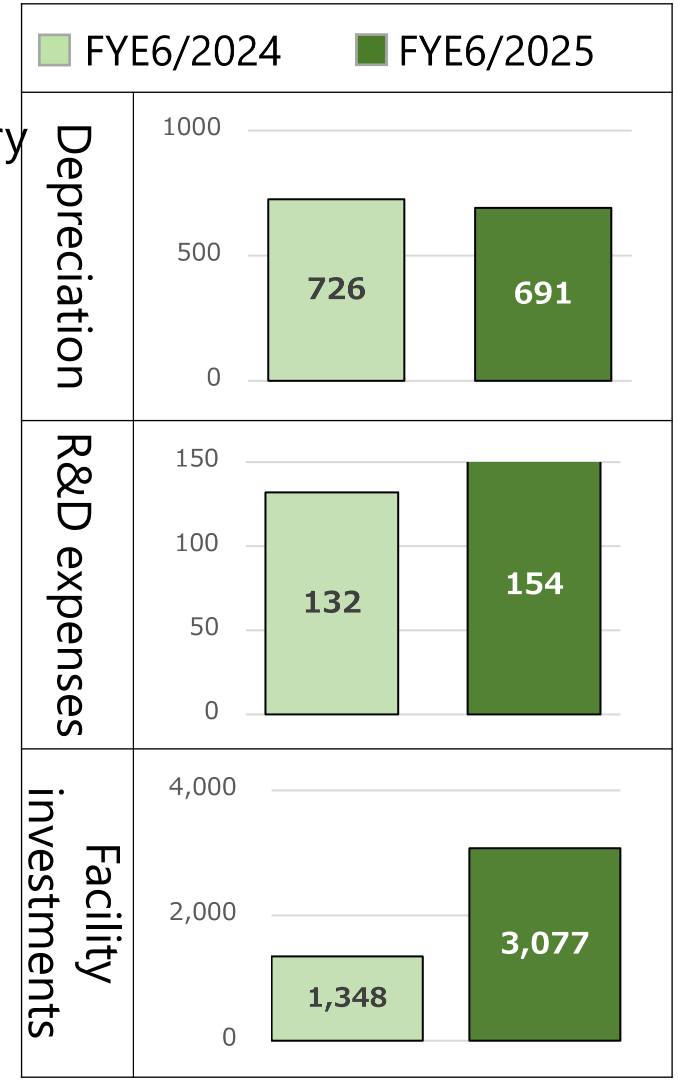
III-1. Highlights of Financial Results

YoY results comparison: Sales and profit increased YoY.

Depreciation and R&D expenses remained almost unchanged.
Facility investments rose due to investments in the building and machinery at Zao Factory 2 in the manufacture and sales of pharmaceuticals.

(million ¥)

	FYE6/2024		FYE6/2025		YoY	
		%		%		Change (%)
Net sales	22,134	100.0	23,269	100.0	1,135	5.1
Gross profit	6,639	30.0	7,697	33.1	1,058	15.9
Operating profit	4,382	19.8	5,355	23.0	973	22.2
Ordinary profit	4,368	19.7	5,375	23.1	1,007	23.1
Profit attributable to owners of parent	2,946	13.3	3,637	15.6	691	23.5
Dividend (yen/share)	13	–	16	–	3	23.1
Depreciation	726	3.3	691	3.0	-35	-4.8
R&D expenses	132	0.6	154	0.7	22	16.4
Facility investments	1,348	6.1	3,077	13.2	1,729	128.3



III-2. Sales Increase Factors in FYE6/2025

Both API segment and manufacture and sales of pharmaceuticals grew and achieved higher sales

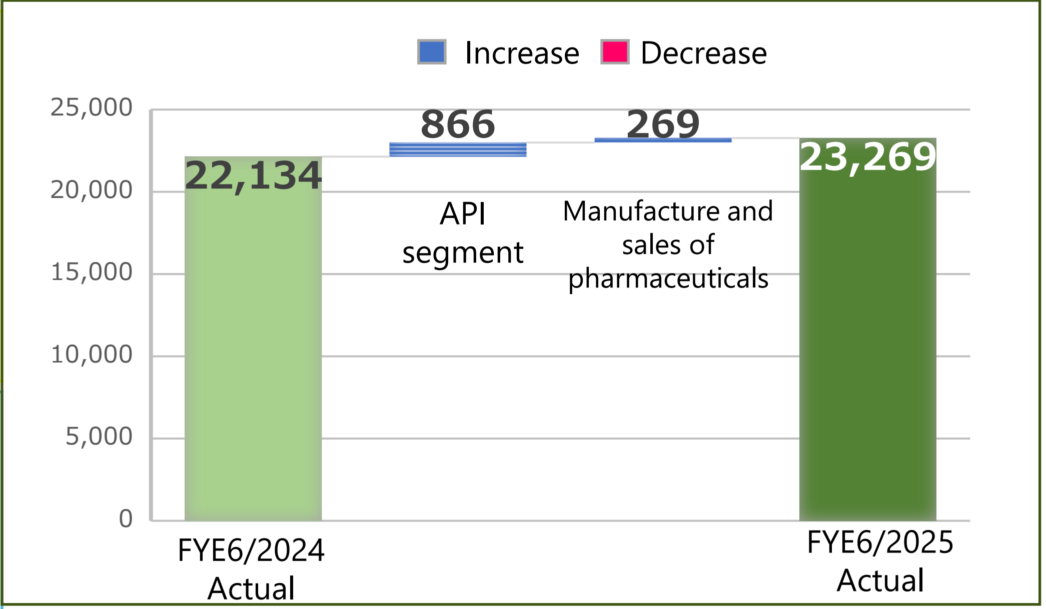
(million ¥)

	FYE6/2024	%	FYE6/2025	%	YoY	%	FYE6/2025 Forecast	Vs. Forecast	%
Net sales	22,134	100.0	23,269	100.0	1,135	105	23,350	-81	100
API segment	15,455	69.8	15,930	68.5	475	103	15,890	40	100
API segment (external sale)	13,734	62.0	14,600	62.7	866	106	14,690	-90	99
Internal sale	1,721	7.8	1,330	5.7	-391	77	1,200	130	111
Manufacture and sales of pharmaceuticals	8,399	37.9	8,668	37.3	269	103	8,660	8	100
Adjustments	-1,721	-7.8	-1,330	-5.7	391	-	-1,200	-130	-

API segment:
Sales of new items increased steadily due to market share expansion and an increase in sales volume in line with key customers' development progress.
Sales of existing products increased because of an increase in orders received due to growth in the share of generics with the selective care system, despite a decline in orders received due to inventory adjustments at the key customers and competition from alternative APIs.

Manufacture and sales of pharmaceuticals:

Sales increased as sales of pre-filled syringe formulations have been strong supported by increased production, while sales of tablets, the mainstay products, decreased due to the entry of competitors.

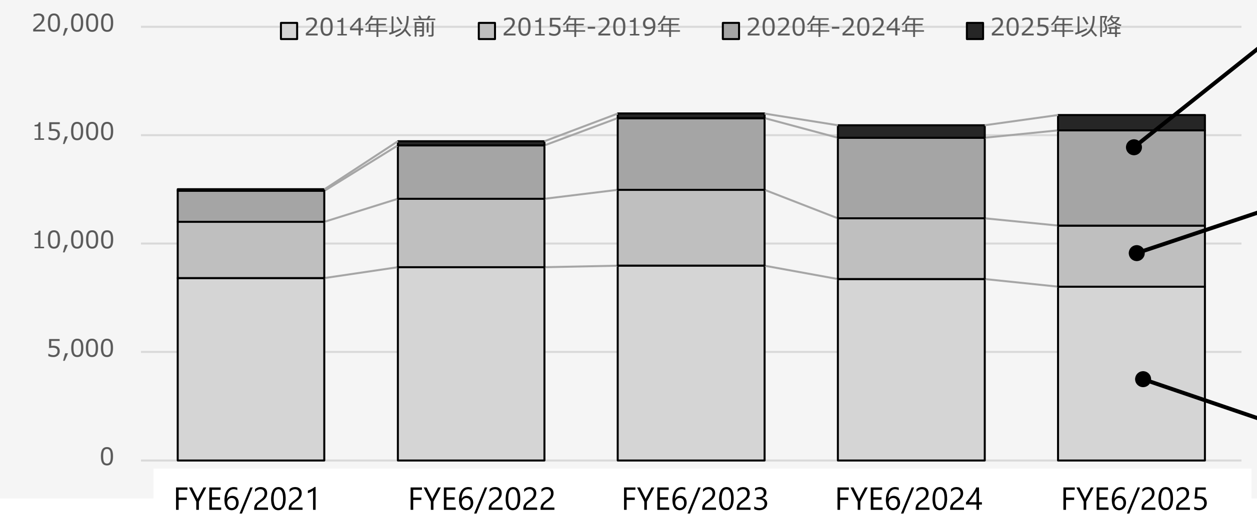


III-3. API Segment Net Sales Analysis

In the API segment, sales increased due to expanded sales of products launched in recent years, selected care system and the resolution of inventory adjustments by key customers for some products.

(million ¥)

Sales by launch year



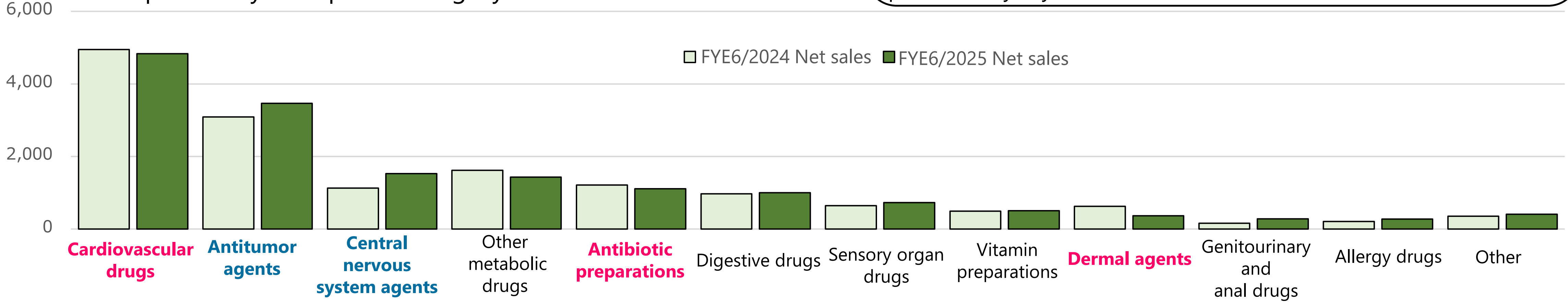
Central nervous system agents, Antitumor agents
: Sales increased due to expanded sales of products launched in recent years

Cardiovascular drugs
: Some products declined due to competition from alternative APIs and the timing of purchase by customers, while others rose due to the selective care system, resulting in a flat YoY

Antitumor agents
: Transaction volume grew due to the resolution of inventory adjustments by key customers for some products

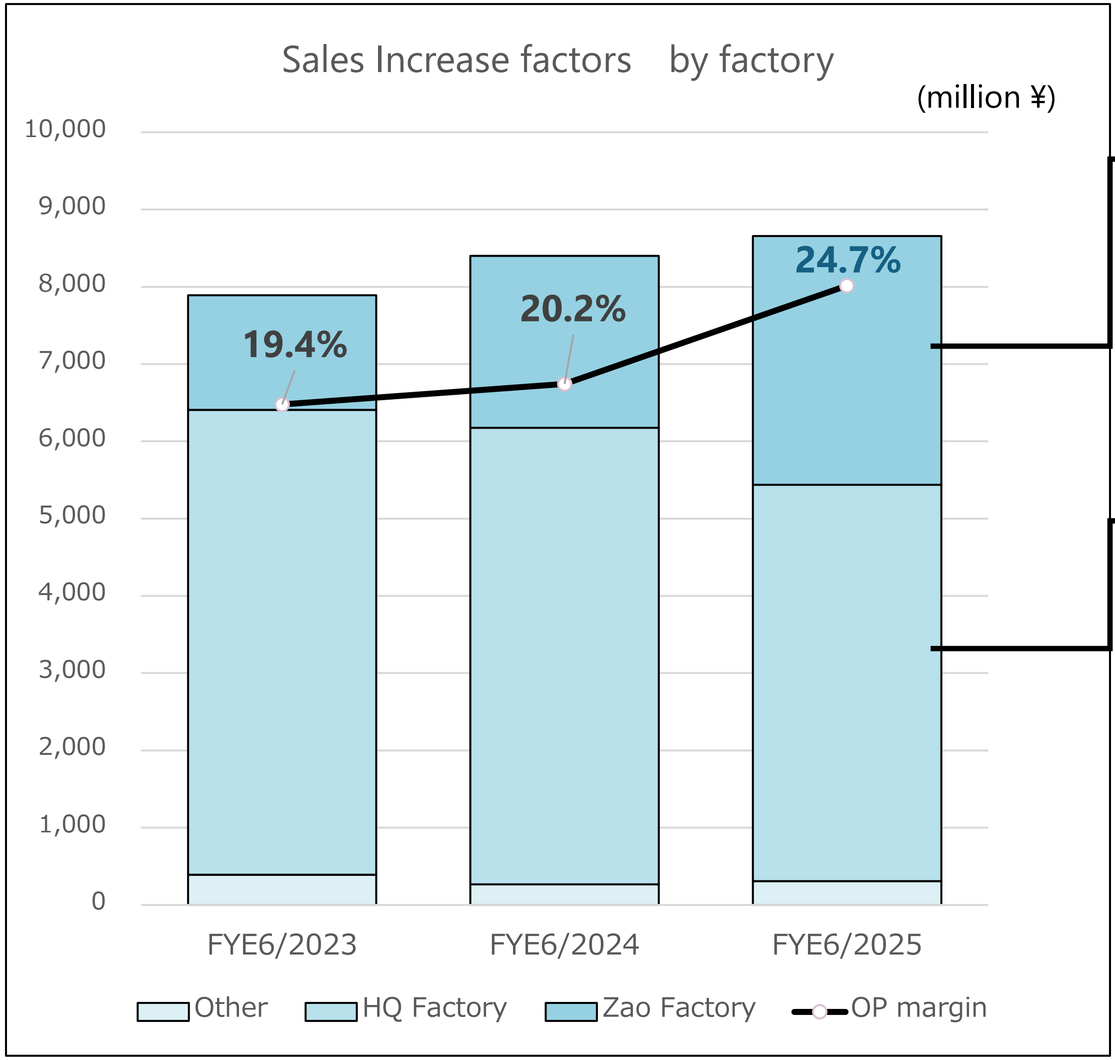
Antibiotic preparations , Dermal agents
: Decreased due to inventory adjustments and the timing of purchases by key customers

YoY sales comparison by therapeutic category



III-4. Manufacture and sales of pharmaceuticals Net Sales Analysis

Revenue increased thanks to solid demand for pre-filled syringe formulations of Zao Factory.



Zao Factory :

Sales of pre-filled syringe formulations increased, thanks to solid demand since we started expanding production in January 2024.

HQ Factory :

Despite an increase because of the larger number of contract manufacturing products, sales declined mainly due to increased entry of competitors for mainstay tablets and the suspension of sales of existing products.

Operating margin :

While the annual maintenance at Zao Factory lowered operating rates in Q4, resulting in declining profit margin, the full-year operating margin rose, supported by productivity improvements, such as higher yields and operating rate, and changes in the sales mix.

III-5. Profit Increase Factors

Operating profit, ordinary profit, and profit all reached forecasts, with YoY increases.

(million ¥)

	FYE6/2024	%	FYE6/2025	%	YoY	%	FYE6/2025 Forecast	Vs.Forecast	%
Operating profit	4,382	19.8	5,355	23.0	973	122	4,620	735	116
API segment	2,769	12.5	3,215	13.8	446	116	2,850	365	113
Manufacture and sales of pharmaceuticals	1,699	7.7	2,136	9.2	437	126	1,790	346	119
Adjustments	-87	-0.4	3	0.0	90	-	-20	23	-
（OP margin）	19.8%	―	23.0%	0.0	3.2	116	19.8%	3.2	116
Ordinary profit	4,368	19.7	5,375	23.1	1,007	123	4,600	775	117
Profit	2,946	13.3	3,637	15.6	691	123	3,080	557	118

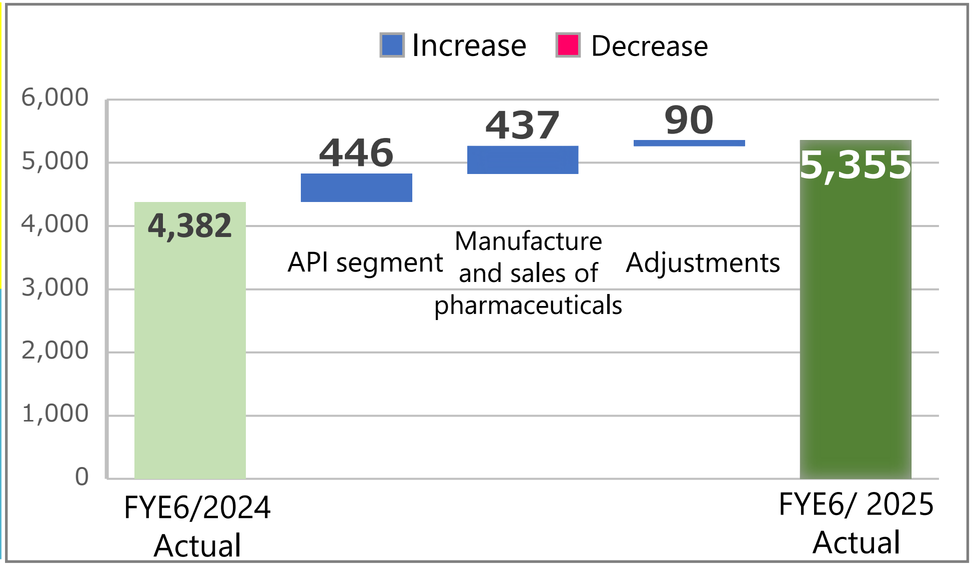
API segment:

Profit increased along with increased sales of recently launched products with higher profit margin, resulting in improved profit margins. Foreign exchange effects were hedged through forward exchange contracts, negotiations with suppliers, and transactions linked to exchange rates. Budget/prevailing rate: USD149/150 and EUR157/162

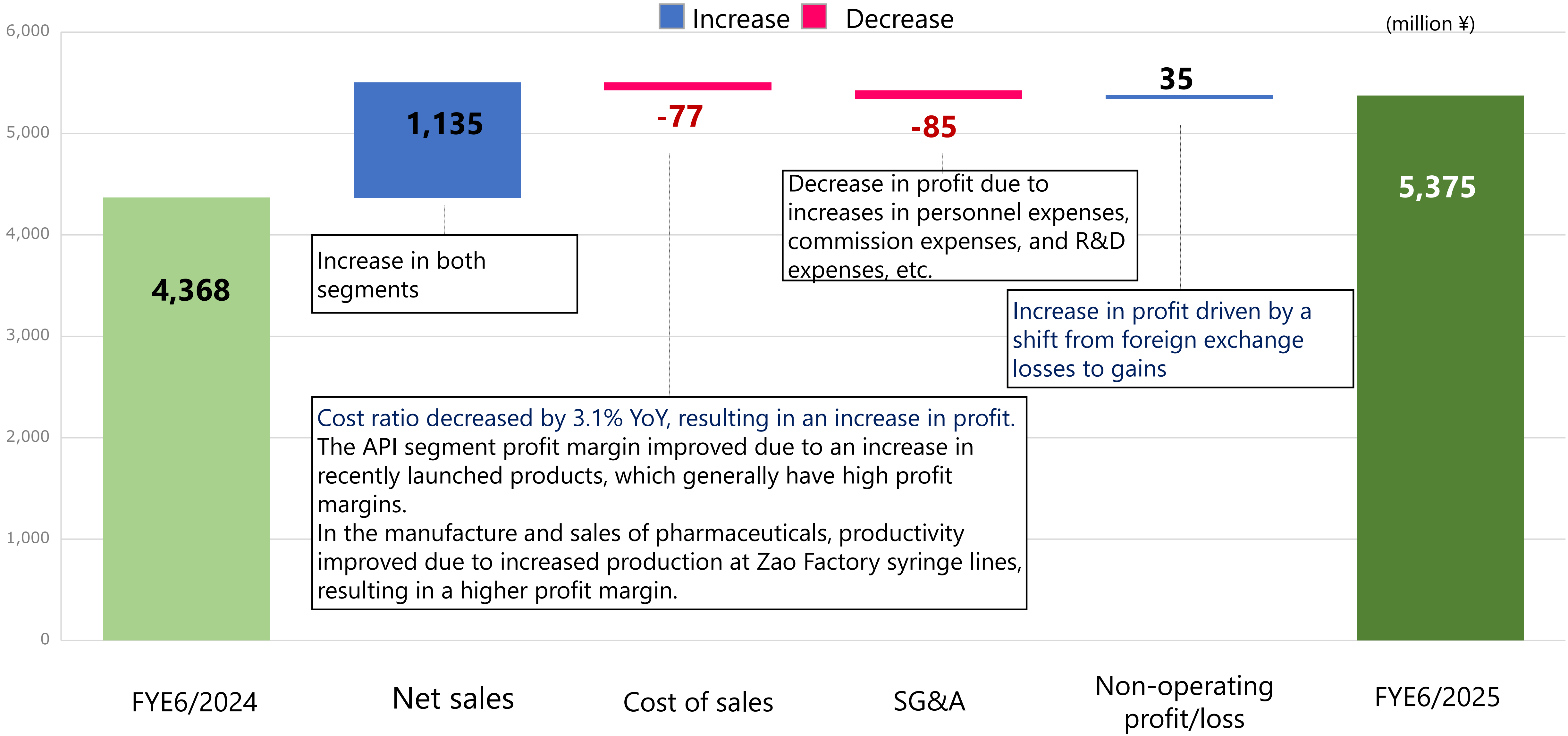
Manufacture and sales of pharmaceuticals:

Profit rose, supported by productivity improvements, such as higher yields and operating rate, and changes in the sales mix.

Meanwhile, growth in Q4 was not as strong as in other quarters due to factors such as a decline in operating rates resulting from annual maintenance at Zao Factory.



III-6. Ordinary Profit Increase Factors



III-7. Condensed Consolidated Balance Sheet

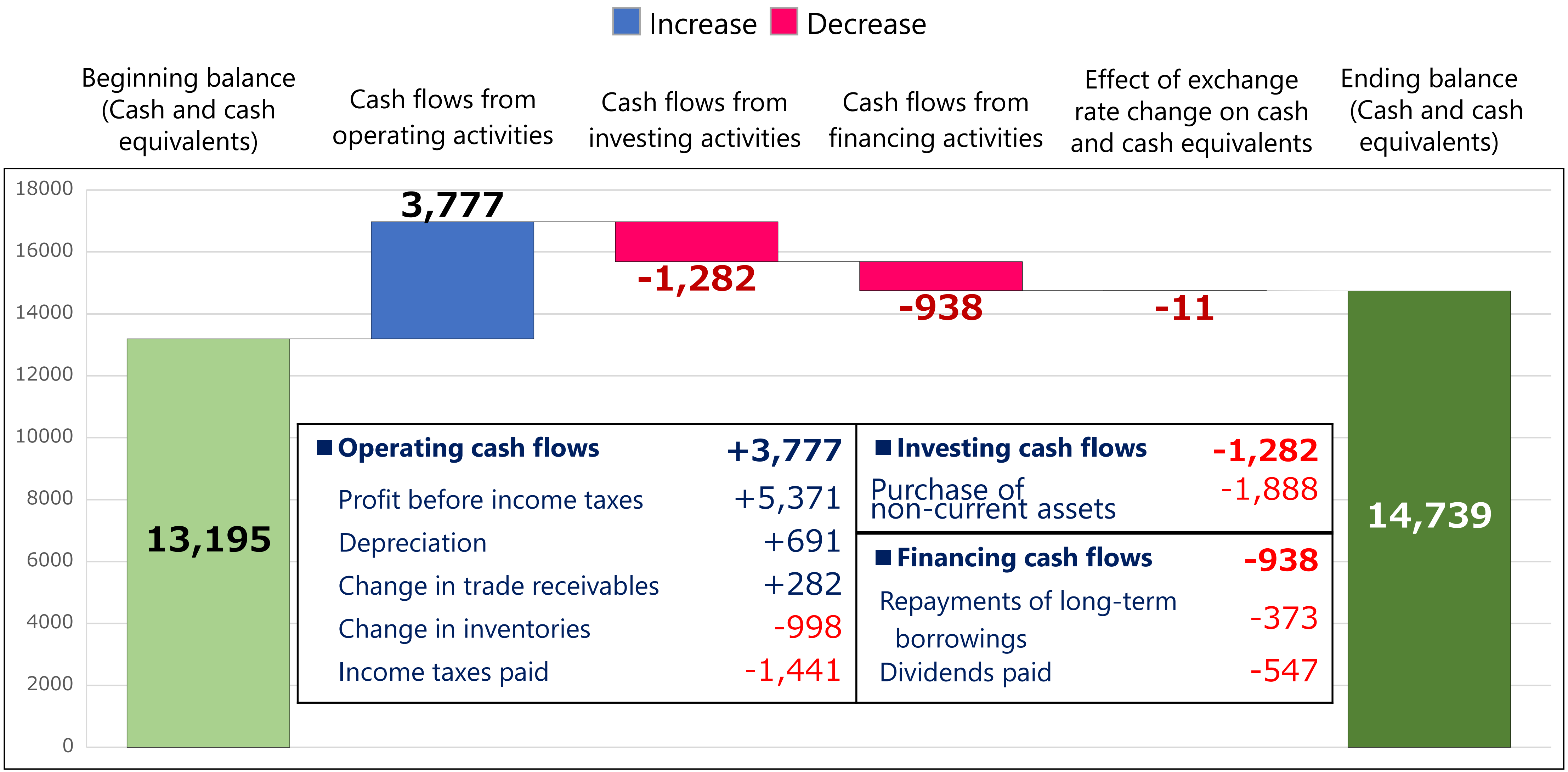
- **Although cash and deposits and net assets increased in line with higher profits, liabilities increased due to the progress of facility investments, and equity ratio declined to 77.9%.**
- **Non-current assets increased due to facility investments in Zao Factory 2, etc.**

(million ¥)

	FYE6/2024	%	FYE6/2025	%		FYE6/2024	%	FYE6/2025	%
Current assets	24,775	77.4	26,527	73.5	Current liabilities	4,976	15.5	6,363	17.6
Cash and deposits	13,954	43.6	14,919	41.3	Trade payable	2,205	6.9	2,016	5.6
Trade receivable	8,404	26.3	8,121	22.5	Short-term borrowings	1,233	3.9	1,209	3.3
Inventories	2,266	7.1	3,264	9.0	Other	1,539	4.8	3,138	8.7
Other	149	0.5	221	0.6	Non-current liabilities	1,975	6.2	1,630	4.5
Non-current assets	7,228	22.6	9,587	26.5	Long-term borrowings	1,591	5.0	1,241	3.4
Property, plant and equipment	6,835	21.4	9,195	25.5	Other	384	1.2	389	1.1
Intangible assets	11	0.0	8	0.0	Total liabilities	6,952	21.7	7,994	22.1
Investments and other assets	381	1.2	382	1.1	Total net assets	25,051	78.3	28,120	77.9
Total assets	32,004	100.0	36,114	100.0	Total liabilities and net assets	32,004	100.0	36,114	100.0

III-8. Condensed Consolidated Statement of Cash Flows

FYE6/2025



■ Operating cash flows	+3,777
Profit before income taxes	+5,371
Depreciation	+691
Change in trade receivables	+282
Change in inventories	-998
Income taxes paid	-1,441

■ Investing cash flows	-1,282
Purchase of non-current assets	-1,888

■ Financing cash flows	-938
Repayments of long-term borrowings	-373
Dividends paid	-547

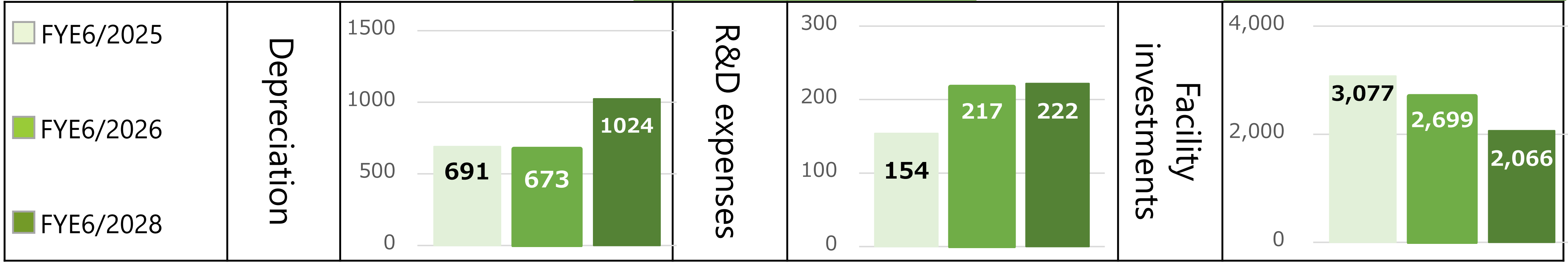
(million ¥)

III-9. Full-Year Financial Results Forecast

Net sales are forecasted to grow by 10.4% in FYE6/2026, with operating profit expected to rise by 1.4%.
In the manufacture and sales of pharmaceuticals, construction of Zao Factory 2 is underway.
Depreciation is expected to increase due to the starting of operations at the Factory 2 in FYE6/2028.

(million ¥)

	FYE6/2025		FYE6/2026		YoY		FYE6/2028	
		%	Forecast	%		Change (%)		%
Net sales	23,269	100.0	25,700	100.0	2,431	10.4	31,900	100.0
Gross profit	7,697	33.1	8,230	32.0	533	6.9	10,130	31.8
Operating profit	5,355	23.0	5,430	21.1	75	1.4	6,530	20.5
Ordinary profit	5,375	23.1	5,430	21.1	55	1.0	6,430	20.2
Profit attributable to owners of parent	3,637	15.6	3,640	14.2	3	0.1	4,380	13.7
Dividend (yen/share)	16	–	17	–	1	–	-	–
Depreciation	691	3.0	673	2.6	-18	-2.6	1,024	3.2
R&D expenses	154	0.7	217	0.8	63	40.9	222	0.7
Facility investments	3,077	13.2	2,699	10.5	-378	-12.3	2,066	6.5



III-10. Full-Year Financial Results Forecast by Segment

(million ¥)

	FYE6/2025	%	FYE6/2026 Forecast	%	YoY	Change (%)	FYE6/2028	%
【Consolidated net sales】	23,269	100.0	25,700	100.0	2,431	10.4	31,900	100.0
API segment	15,930	68.5	17,820	69.3	1,890	11.9	20,930	65.6
Manufacture and sales of pharmaceuticals	8,668	37.3	9,080	35.3	412	4.8	12,170	38.2
Adjustments	-1,330	-5.7	-1,200	-4.7	130	—	-1,200	-3.8
【Consolidated operating profit】	5,355	100.0	5,430	100.0	75	1.4	6,530	100.0
API segment	3,215	60.0	3,300	60.8	85	2.6	3,600	55.1
Manufacture and sales of pharmaceuticals	2,136	39.9	2,150	39.6	14	0.7	2,900	44.4
Adjustments	3	0.1	-20	-0.4	-23	—	30	0.5

API segment:

Sales and profit are expected to rise in FYE6/2026 due to an increase in newly adopted items and expanded sales channels for existing products.

SG&A are expected to increase due to repair cost associated with renovating Yokohama Analysis Center and personnel increases owing to business expansion.

・Budget rate: USD153 and EUR163

We will continue to capture new products and aim for further growth in FYE6/2028.

Manufacture and sales of pharmaceuticals:

Sales and profit are expected to rise in FYE6/2026 due to increased production of Maxacalcitol, expanded contract business for Zao Factory vial lines, increased number of Lanthanum Carbonate, expanded sales of injectable drugs, including Cefazolin, etc.

We will aim for further growth with starting operation of the Zao Factory 2 in FYE6/2028.

IV. Market Environment and Competitive Advantage of the Company's Strategy

1. SWOT Analysis
2. Trends of Generic Pharmaceutical Industry (1)
3. Trends of Generic Pharmaceutical Industry (2)
4. Market Size: Trends in the Number of Dialysis Patients and Deaths (by Cause)
5. Prevention of Infectious Diseases and Pre-filled Syringe

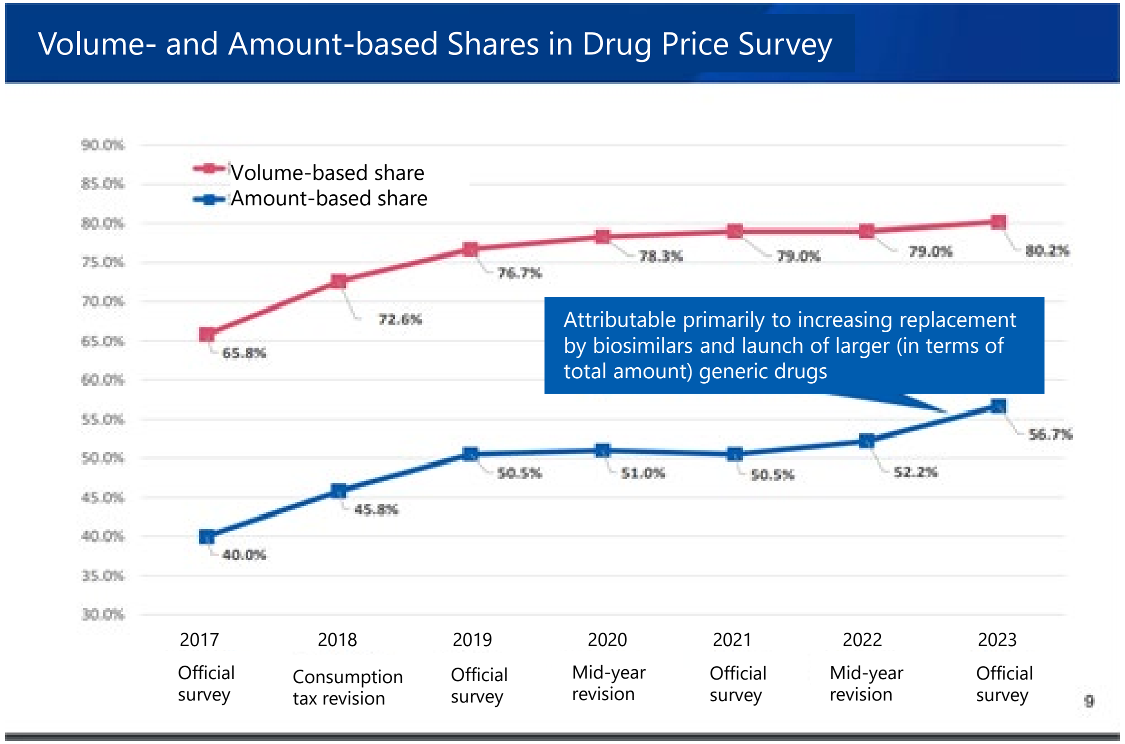
IV-1. SWOT Analysis

	Positive Factors	Negative Factors
Internal Environment	**Strengths** API: • Solid track record of transactions with 90 or more overseas suppliers in ten countries around the world, as well as with 100 or more pharmaceutical manufacturers in Japan • Quality assurance underpinned by Pharmaceutical Analysis Center Pharmaceuticals: • Long years of experience and technological expertise in manufacturing injectable drugs • Integrated contracting structure covering development to manufacturing • Zao Factory to meet customer needs for high pharmacologically active injectable drugs	**Weaknesses** API: • Transactions of other than generics • Sales capacity overseas • **Maintenance/renovation of Yokohama Analysis Center** Pharmaceuticals: • **Maintenance/renovation of the HQ Factory** • Operation rate of vial lines at Zao Factory • In-house salesforce
External Environment	**Opportunities** • Effective care scheme for long-listed products (LLPs) in place • Expectations for value-added generics • Modality revolution • Multi-sourcing by pharmaceutical manufacturers (2nd/3rd selections) • **Strengthening manufacturing capacity to ensure stable supply** • Structure underpinning prices to ensure stable supply	**Threats** • Issues associated with quality and supply of generics and implementation of stricter regulations Drug price revision each year and **introduction and evaluation of corporate indicators** • Harsher competition driven by the growing trend toward multi-sourcing • Impact of volatile international situation on exchange rates and logistics and other costs

IV-2. Trends of Generic Pharmaceutical Industry (1)

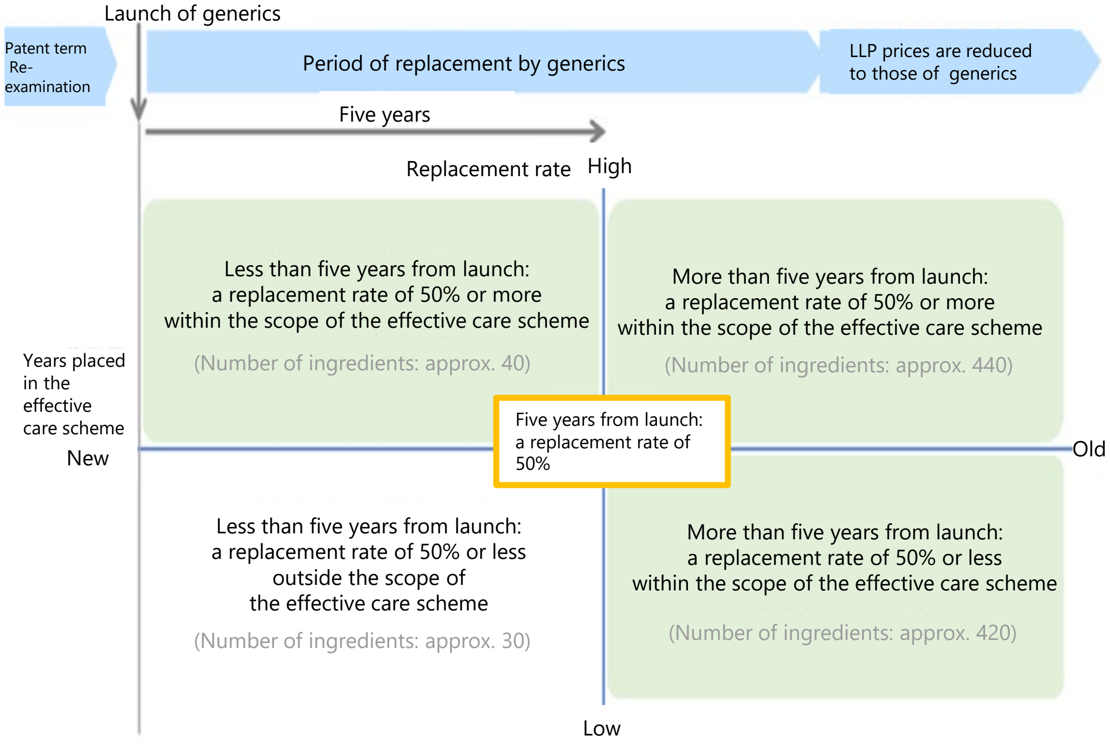
The Generics Market has expanded to make drug prices more reasonable.

A new goal in place to increase the value-based generics from 56.7% in fiscal 2023 to 65% or more by the end of fiscal 2029



Excerpts from "New Targets for Generic Drugs" in 176th Meeting of the Medical Healthcare Subcommittee of the Social Security Council, and the timetable of 172nd Meeting of the Medical Healthcare Subcommittee of the Social Security Council, Ministry of Health, Labour and Welfare

Effective care scheme implemented for long-listed products (LLPs) (from October 1, 2024)



Scope of long-listed products subject to the effective care system (Medical Healthcare Subcommittee of the Social Security Council (1) 2 231208)

IV-2. Trends of Generic Pharmaceutical Industry (2)

The Ministry of Health, Labour and Welfare introduced a corporate indicator evaluation system to ensure companies that can stably supply quality-assured generics are recognized in the market.

Key indicators for evaluating companies

(1)Disclosing information on stable supply of generic drugs

- Manufacturer name, country of manufacturing APIs, names of joint development partners, etc.

(2)Securing contingency capacity for the stable supply of generic drugs

- **Assign multiple suppliers for APIs**
- For medicines requiring stable supply, **ensure a certain level of excess manufacturing capacity or inventories for each product**, etc.

(3)Track record of supplying generics manufactured and marketed

- Monthly shipment volume by product manufactured and marketed, etc.

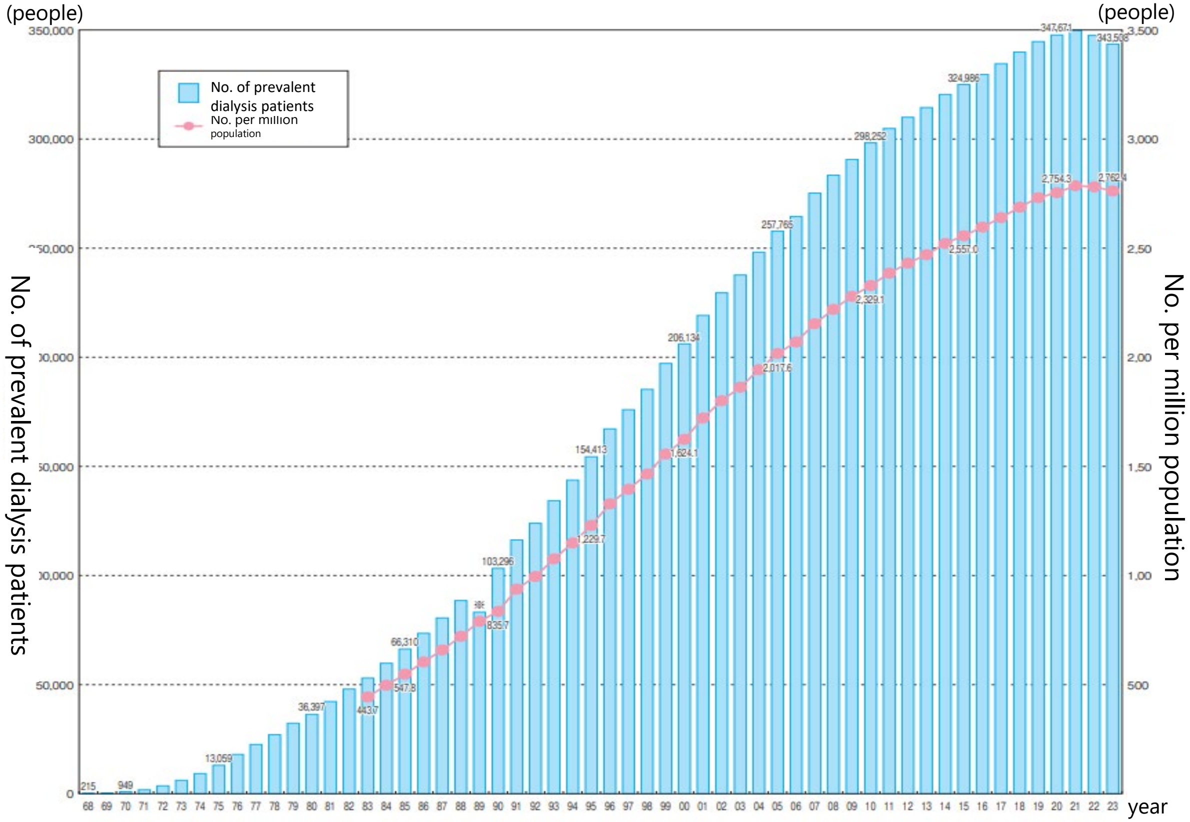
(4)Discrepancy in drug prices

- Record of exceeding the threshold for average price divergence across all generic drugs
- Number of products withdrawn from the market within five years, etc.

Pharmaceutical manufacturers are required to take **further measures to ensure stable supply**, such as **strengthening their supply systems** and **responding to shortages of supplying pharmaceuticals** with the same ingredients.

IV-4. Market Size: Trends in the Number of Dialysis Patients and Deaths (by Cause)

Market developments in the dialysis field, which is the target market for the main products in the manufacture and sales of pharmaceuticals



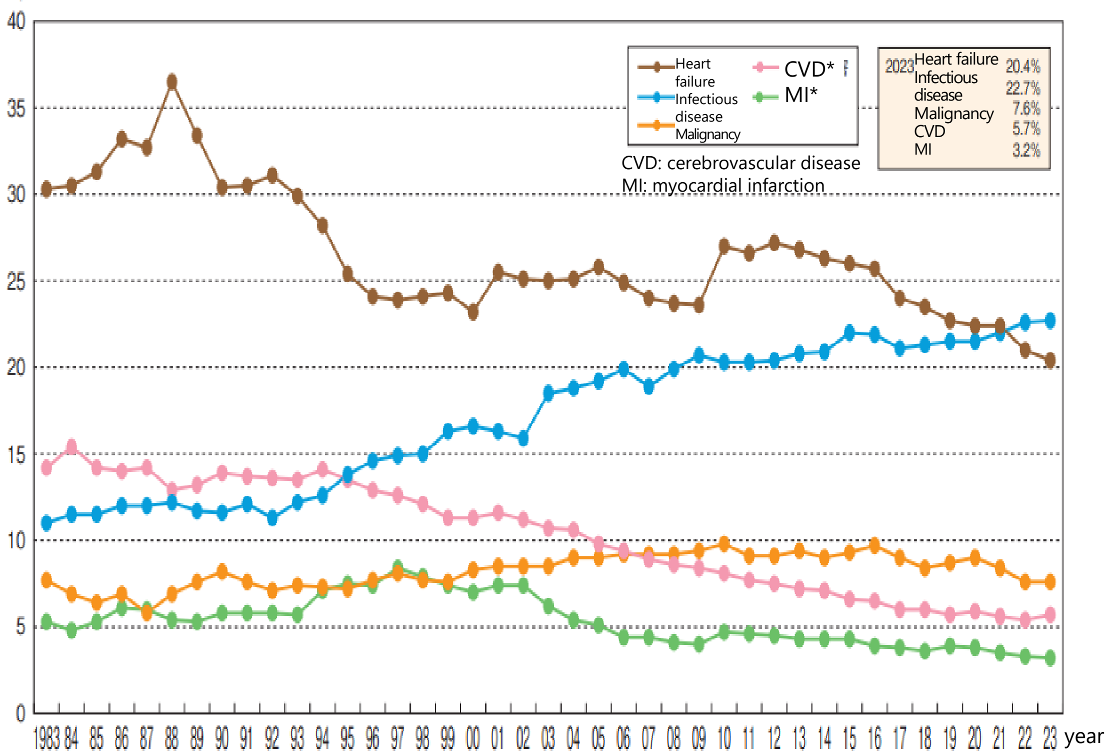


Fig. 12 Trends in major causes of death among prevalent dialysis patients, 1983 to 2023

(Tabulated based on patient survey)

The facility survey shows that the total number of patients undergoing chronic dialysis therapy was 343,508 as of the end of 2023.

The leading causes of death among dialysis patients, in descending order, are **infectious diseases**, heart failure, malignant tumors, cachexia/uremia/senility, and cerebrovascular disorders. **Prevention of infectious diseases in dialysis facilities is an important issue.**

* Excerpts from The Japanese Society for Dialysis Therapy (JSDT), *2023 Annual Dialysis Data Report, JSDT Renal Data Registry*

IV-5. Prevention of Infectious Diseases and Pre-filled Syringe

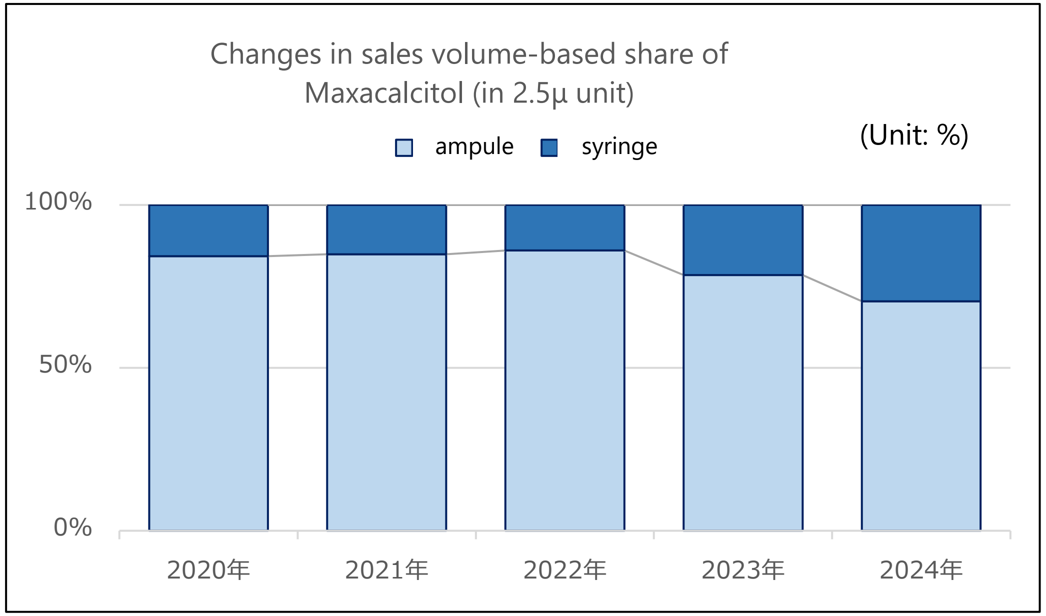
Using pre-filled syringe formulations is recommended as a preventive measure against infection.

透析施設における標準的な透析操作と感染予防に
関するガイドライン
（六訂版）

Guidelines for Standard Hemodialysis Procedure and Prevention of
Infection in Maintenance Hemodialysis Facilities
(6th edition)

It is recommended to select pre-filled syringe formulations that are commercially available whenever possible (Level 1 A).

Guidelines for Standard Hemodialysis Procedure and Prevention of Infection in Maintenance Hemodialysis Facilities (6th edition) is issued by the Japanese Association for Dialysis Physicians as a manual for preventing nosocomial infections in dialysis facilities.
As an infection control measure, the guideline recommends to select pre-filled syringe formulations that are commercially available whenever possible (Level 1 A). The **pre-filled syringes are increasingly in demand for their effectiveness in preventing infection.**
Although its market share is gradually increasing, we have determined that **production capacity** must be strengthened to expand it further and have **decided to construct Zao Factory 2**.

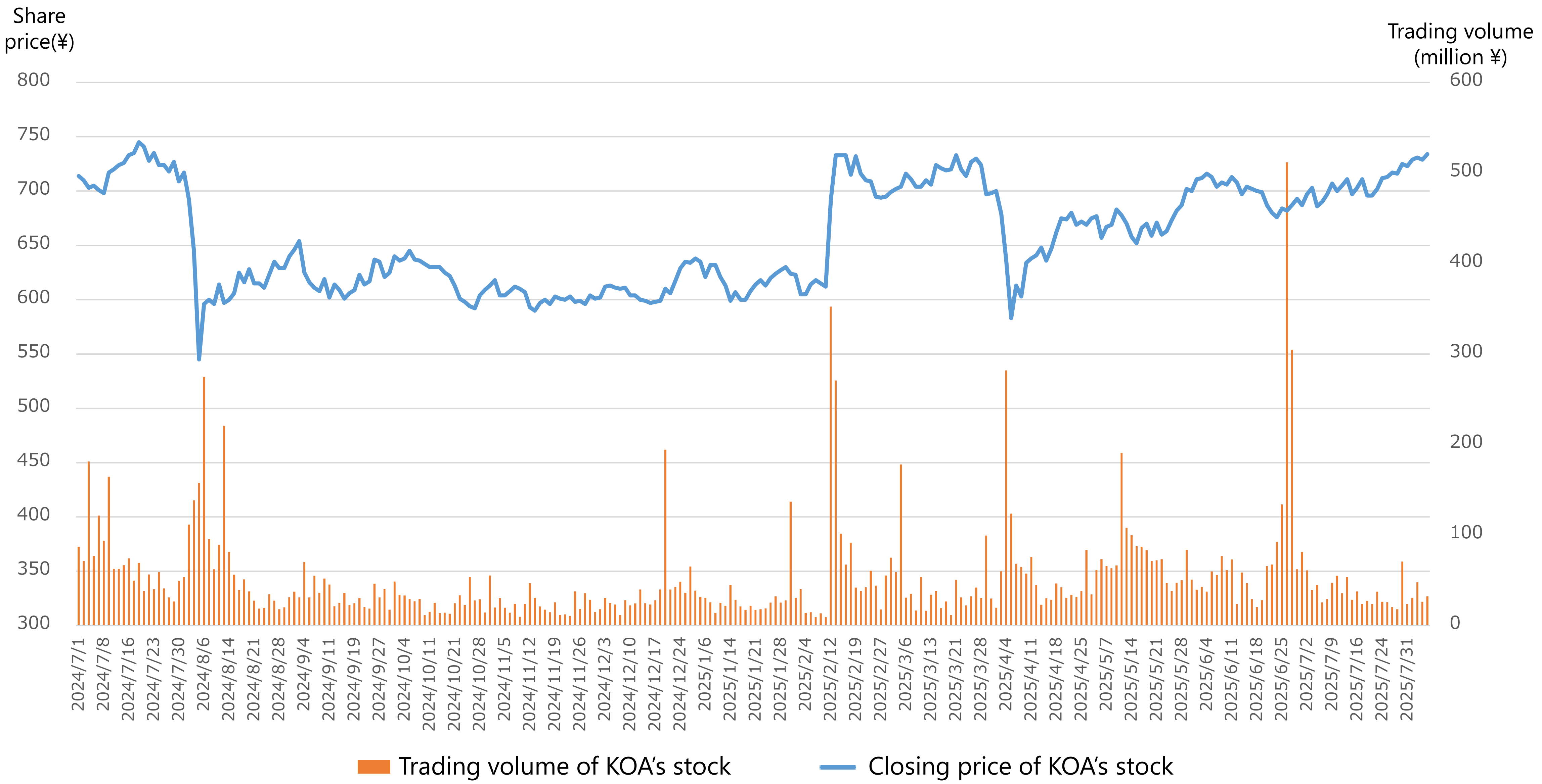


* Excerpt from Association of Dialysis Physicians, *Guidelines for Standard Hemodialysis Procedure and Prevention of Infection in Maintenance Hemodialysis Facilities (6th edition)*

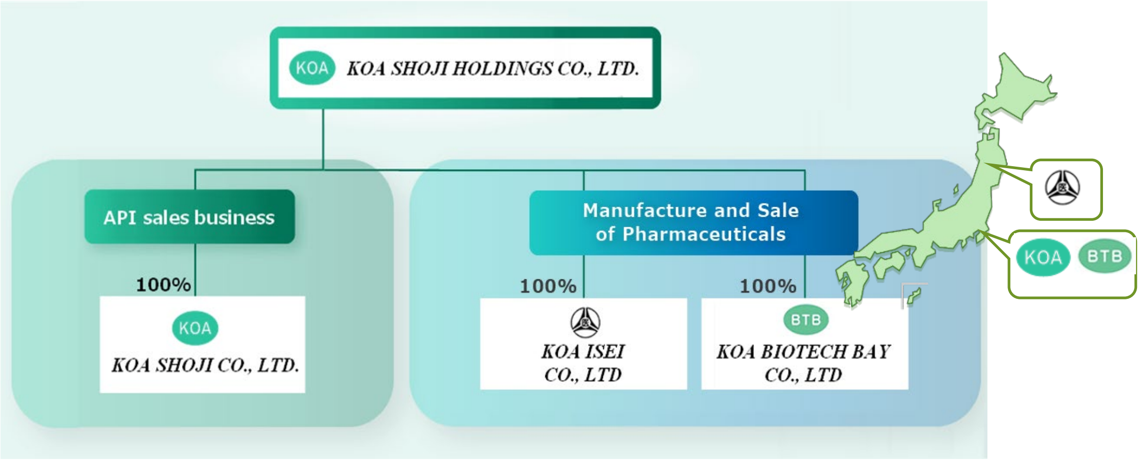
【Appendix】

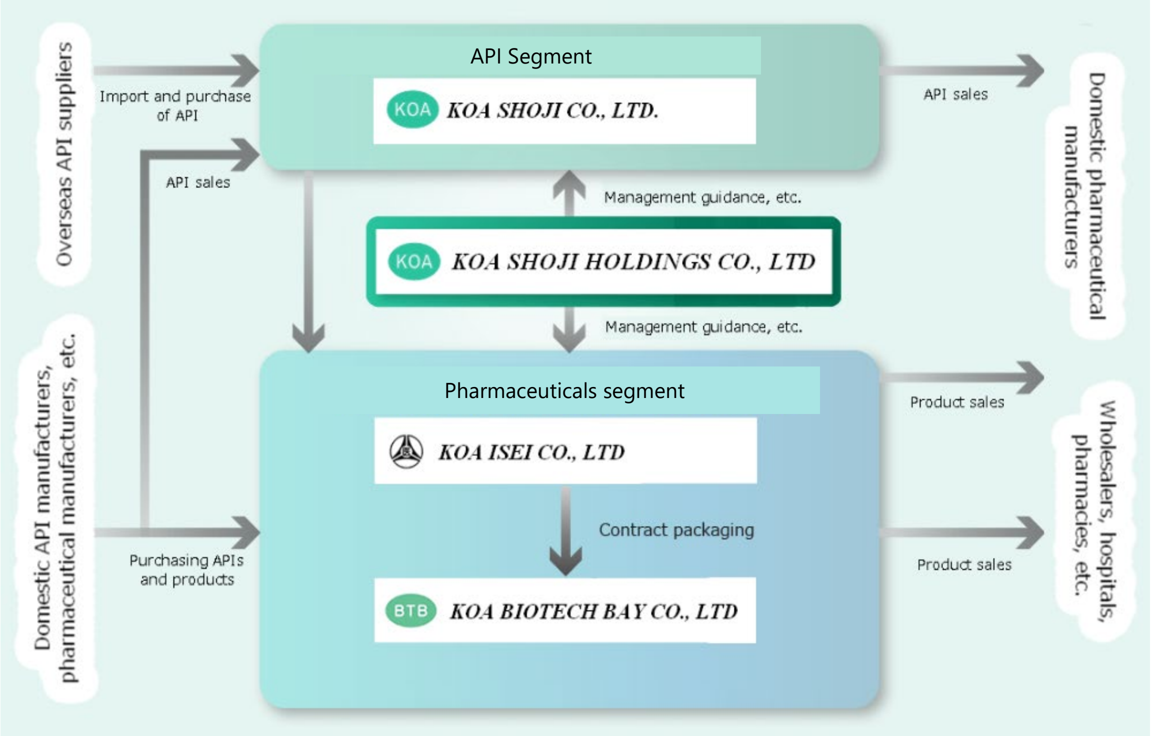
- Stock Performance
- Corporate Profile
- Vision, Corporate Policy, Corporate Slogan, etc.
- History
- Metrics
- Return to Shareholders: Shareholder Benefits
- About Pharmaceuticals
- Illustrative Image of KOA's Position
- Value of Generics, and APIs
- Business Model

Stock Performance (Price/Trading Volume of KOA's Stock)



Company Profile





Company name	KOA SHOJI HOLDINGS Co., Ltd.	
Establishment	January 2015	
Representative	President and Representative Director Toshiyuki Shuto	
Listing exchange	Prime Market, Tokyo Stock Exchange	
Number of employees *1	304 [Ratio of female employees: 46.1%]	
Main business	Holding company [Group companies: Sales of APIs, manufacture and sales of pharmaceuticals]	
Head office	13-15, Hiyoshi 7-chome, Kohoku-ku, Yokohama-shi	
High-ranking shareholders *1	Haji Co.	42.33%
	Shuto Scholarship Foundation	10.92%
	Toshiyuki Shuto	5.03%
	The Master Trust Bank of Japan, Ltd. (Trust Account)	3.86%
Governance *1	Directors: 11 [7 Internal and 4 Outside] Audit and Supervisory Committee Members: 5 [8 Full-time and 4 Outside]	

*1 As of June 30, 2025

Sales split for FY6/2025

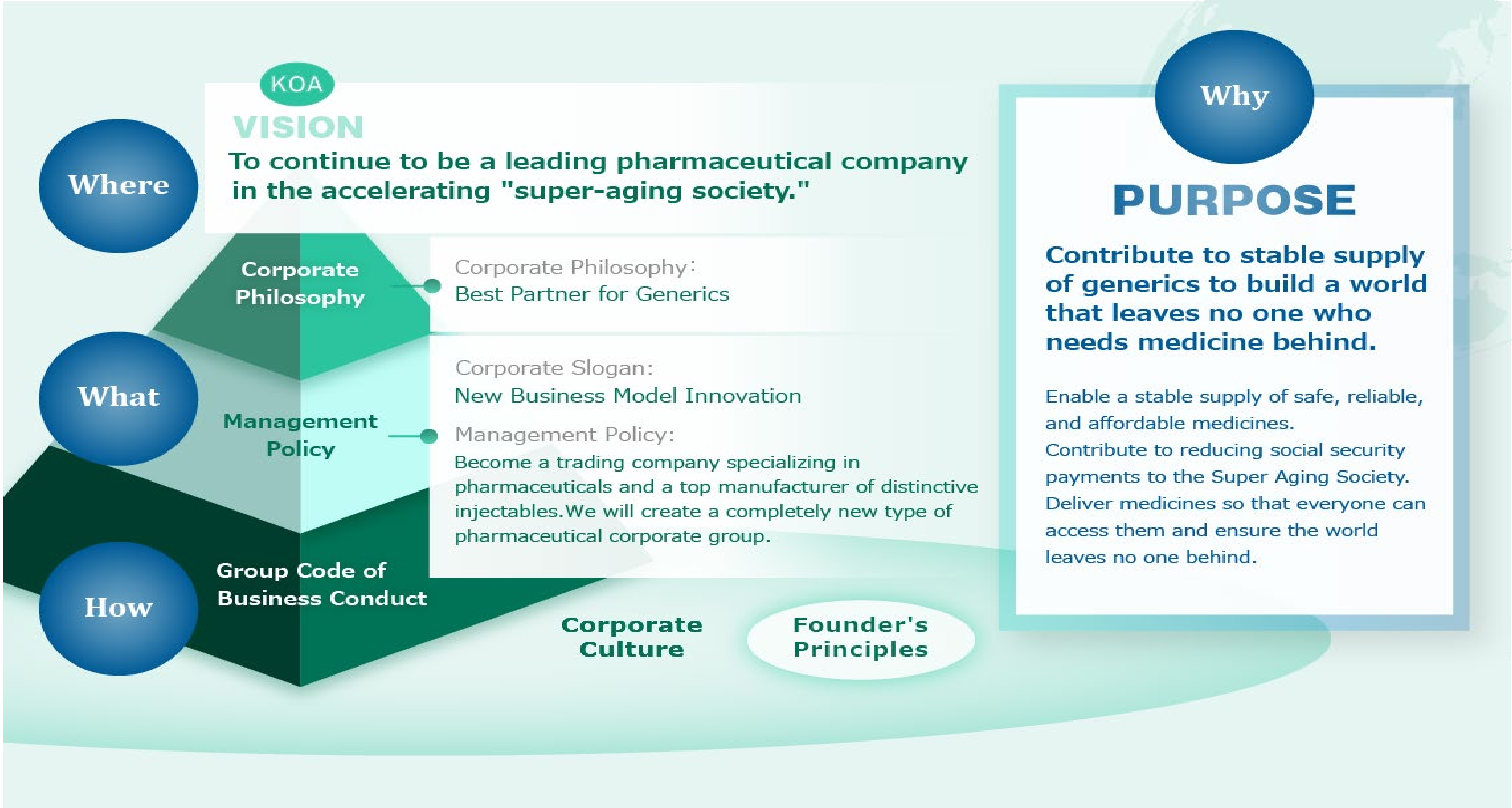
62.7%

API

37.3%

Manufacture and Sales of Pharmaceuticals

Vision, Corporate Policy, Corporate Slogan, etc.



History

We have innovated ourselves to remain a leader in the pharmaceutical industry supporting the accelerating super-aging society.

2022 **KOA SHOJI HOLDINGS CO., LTD. was listed on the Prime Market of TSE.**

2020 **KOA SHOJI HOLDINGS CO., LTD. was listed on the 1st Section of TSE.**

2018 **KOA SHOJI HOLDINGS CO., LTD. was listed on the 2nd Section of TSE.**

2016 **KOA ISEI's Zao Factory was completed.**

2015 **KOA SHOJI HOLDINGS CO., LTD. was incorporated.**

2011 In expectation of growth of the highly pharmacologically active generic injectable drug market, KOA SHOJI **entered into a capital alliance with ISEI CO., INC. (current KOA ISEI CO., LTD.)**, a company with 60 years of experience in injectable drugs and 40 years of experience in freeze-drying technology.

1991 The founder (current CEO) **established KOA SHOJI CO., LTD.**, leveraging his connections and experience, as he was engaged in the business of active pharmaceutical ingredients for generics at an Italian trading company, and thus, saw significant growth potential and untapped opportunities in the Japanese generics market.

Metrics

	FYE6/2024	FYE6/2025	FYE6/2026 Forecast
Total assets	¥32.0 bn	¥36.1 bn	–
Net assets	¥25.0 bn	¥28.1 bn	–
Equity ratio	78.3%	77.9%	–
ROE	12.8%	13.7%	–
Cash dividends	¥13.0	¥16.0	¥17.0
Dividend payout ratio	17.5%	18.5%	19.7%
Dividend on Equity Ratio (DOE)	2.3%	2.5%	–
PBR (as of year end)	1.18x	1.04x	–

Return to Shareholders: Shareholder Benefits

Providing Shareholder Benefits in addition to year-end dividends (P6)

Record date for dividend payment	Number of shares held	Details of Shareholder Benefits
End of June	Holding 200 shares or more	QUO Card worth ¥1,000
	Continuously holding of 200 shares or more for one year or more	QUO Card worth ¥2,000

*Continuously holding for one year or more refers to shareholders listed or recorded at least three consecutive times (twice at the end of June and once at the end of December) with the same shareholder number in the company's shareholder registry at the end of June and December.

About Pharmaceuticals

<Types of Ethical Drugs>

Pharma-ceuticals

Ethical drugs

Drugs prescribed by physicians

New drugs (original drugs)

Drugs that are distinguished clearly from existing drugs in terms of active ingredients, efficacy, and effects, which manufacturers are allowed to **exclusively manufacture and sell** during a patent term of 20 to 25 years.

2 to 3 years	3 to 5 years	3 to 7 years	1 year	Launch
Drug discovery Screening	Non-clinical trial <Pharmacology>	Clinical trial <Phase I to III>	Approval review	

Development costs
Tens of billions of yen

Patent application → Patent expiration

Generics (copy drugs)

Drugs that are **therapeutically equivalent** to original drugs and can be **sold after the patent terms of original drugs expire**. They are **less expensive** than original drugs as their development costs are lower.

3 to 5 years	1 year	Release
Development	Approval review	

Development costs
Approx ¥100 million

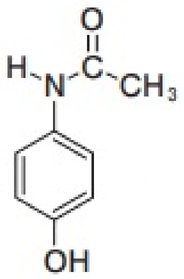
Over The Counter (OTC) drugs*

Drugs that can be purchased at drugstores and others without a prescription

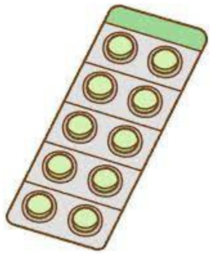
Illustrative Image of KOA's Position

<Distribution route for ethical drugs>

API manufacturer
Pharmaceutical excipients manufacturer



▶ Pharmaceutical manufacturer



▶ Pharmaceutical wholesaler / sales company

▶ Medical institution / dispensing pharmacy

▶ Patients

Value of Generics, and APIs

Value of generics

Generics are drugs that are scientifically proven to have an equivalent efficacy to original drugs. They are **improved** in the taste, flavor, ease of use, etc. with a new technology, to make them easier for patients to take.

What are APIs = Active Pharmaceutical Ingredients

Ingredients contained in drugs or quasi-drugs that show intended efficacy

Pharma-ceuticals →

CALONAL	**Active ingredients**	**Acetaminophen** ← **APIs**
	Pharmaceutical excipients	Lactose hydrate, crystalline cellulose, partly pregelatinized starch, hydrolyzed polyvinyl alcohol, magnesium stearate, aroma chemicals

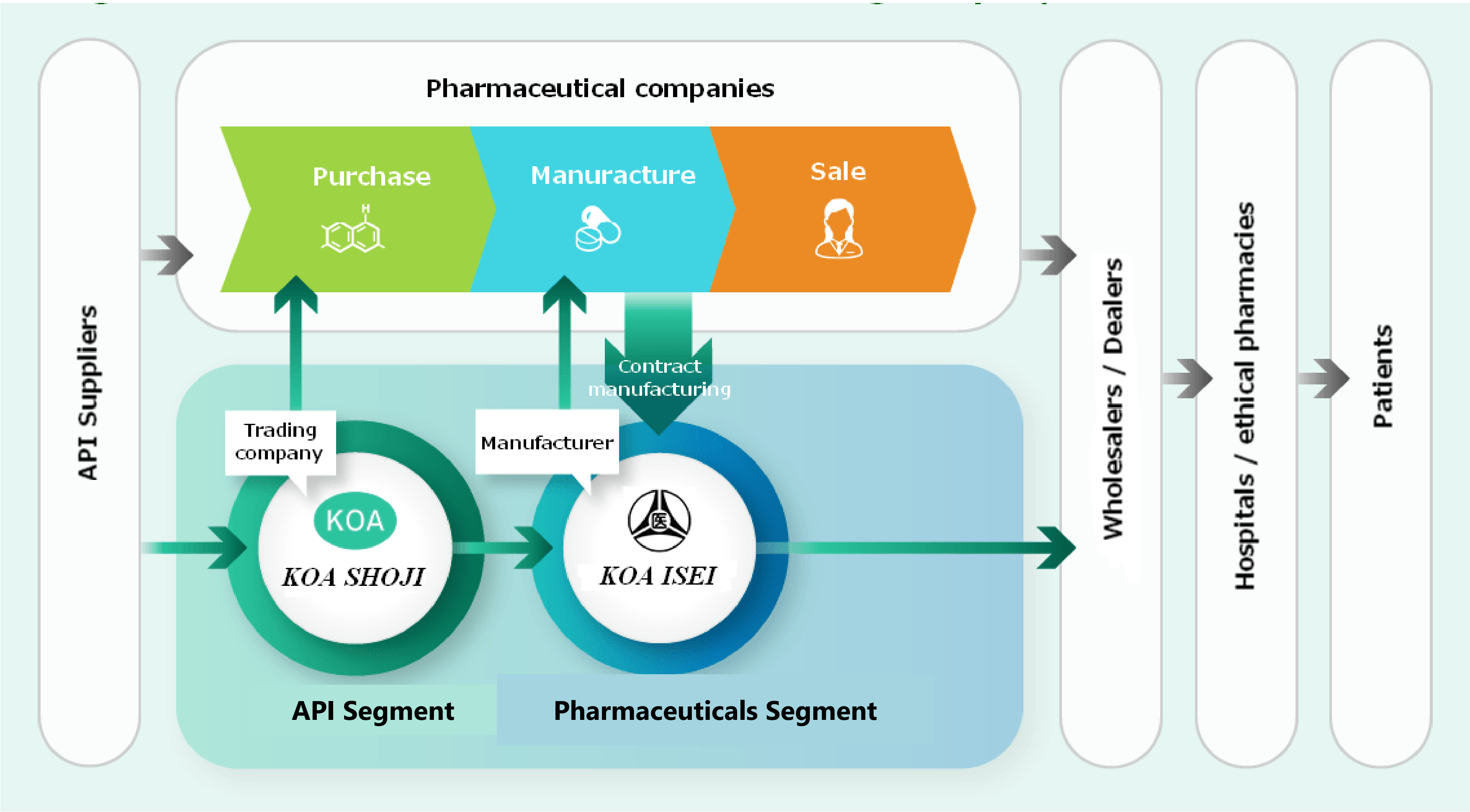
Business Model

・**Competitive Advantages in API Segment (1)-(4)**

・**Competitive Advantages in Manufacture and Sales of Pharmaceuticals (1)-(3)**

Business Model

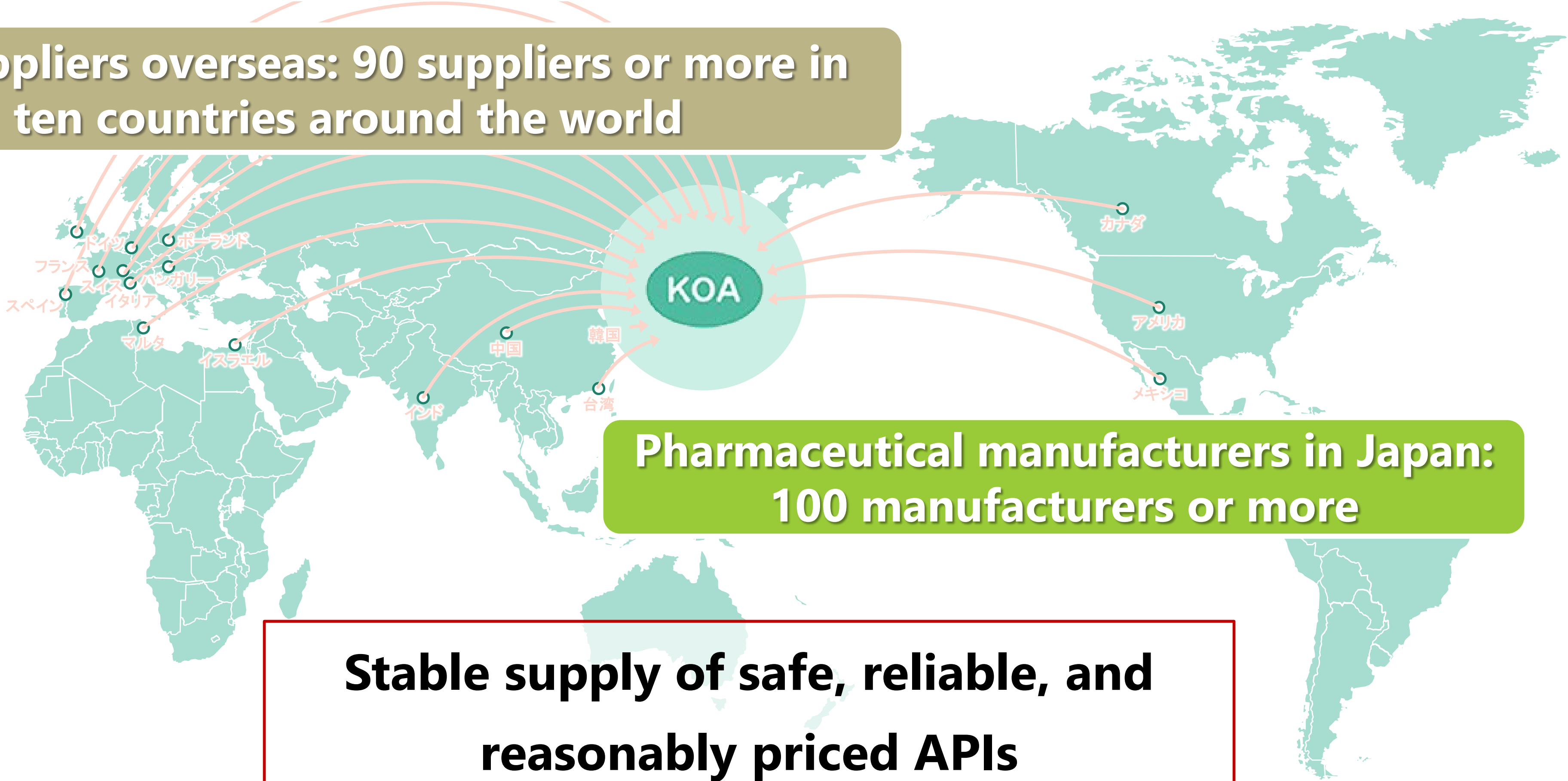
Original Business Model Combining a Trading Company and a Manufacturer



Competitive Advantages in API Segment (1)

As an API-specialized trader, we boast a top-class transaction base and the number of products handled in Japan.

API suppliers overseas: 90 suppliers or more in ten countries around the world



Pharmaceutical manufacturers in Japan: 100 manufacturers or more

Stable supply of safe, reliable, and reasonably priced APIs

Competitive Advantages in API Segment (2)

Robust supporting structure consisted of elite salesforce x specialists

Overseas API suppliers

KOA

16 persons — Sales Department

60 persons
- Development Department
- Quality Assurance Department
- Pharmaceutical Analysis Center
- Business Management Department (including logistics and warehouse management)

Domestic pharmaceutical manufacturers

*As of June 30, 2025

Competitive Advantages in API Segment (3)

A group of experts capable of proposing safe and reliable APIs from the development stage

Overseas API suppliers

KOA

Japan Quality realized through the provision of information on Japanese markets

- Proposals on manufacturing techniques that bypass patents
- Provision of projections about Japanese markets
- Instructions on how to build a management structure that meets the audit standards of Japanese regulatory authorities
- Proposals on techniques to improve the quality of /new purification methods for APIs to meet domestic regulatory requirements
- Proposals on manufacturing techniques that allow for synthesis at low cost

Development Department

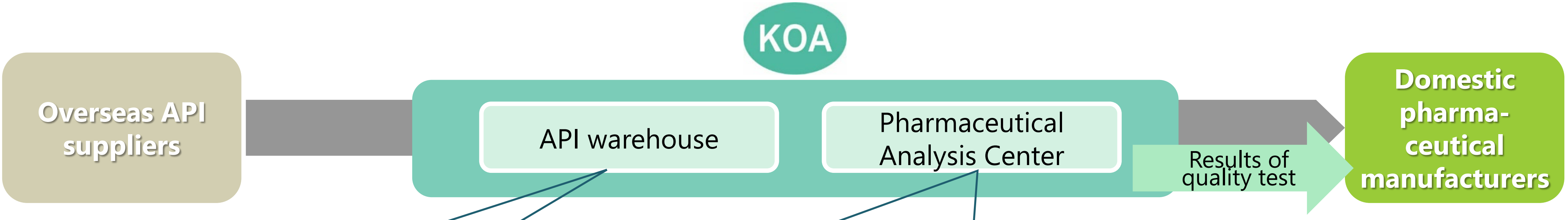
- Patent research
- Marketing
- Development audit
- SI Center

Proposals looking ahead a few years, and tailored development support

- Providing patent opinion
- Making proposals catered to customer needs, taking into account marketability and existing product line-ups
- Offering referrals to reliable API manufacturing plants
- Providing the APIs with characteristics that match formulations
- Providing technological information that is helpful in developing formulations

Domestic pharmaceutical manufacturers

Competitive Advantages in API Segment (4)



Stable supply built on two warehouses located in eastern and western Japan

Rigorous quality management using advanced equipment

Trading companies generally outsource or omit quality tests. KOA, however, conducts quality tests on its own to **reduce costs, shorten time to delivery, and improve reliability**.

In addition, we are committed to **reducing the burden of development operations of customers**, by assuming a range of responsibilities, from the establishment of the method of quality test/standards to the responses to regulatory authorities.

ICP-MS

SEM-EDX

XRD

Competitive Advantages in Manufacture and Sales of Pharmaceuticals (1)

Many years of experience in manufacturing injectable drugs and expertise in freeze-drying technology, covering oral medicine and three formulations for injectable drugs (vial, ampule, and syringe)

API suppliers

KOA ISEI

HQ Factory

- Oral medicine
- Injectable drug ampule line
- Injectable drug vial line

(Liquid formulation/freeze-dry line)

Zao Factory

- Injectable drug syringe line
- Injectable drug vial line

(Liquid formulation/freeze-dry line)


Tablet


Vial


Ampule


Syringe
(pre-filled syringe)

Domestic pharmaceutical manufacturers

*Freeze-dry formulation: Necessary ingredients freeze-dried into powder form, which is chemically stable and can be stored for a long time. The formulation, however, needs to be dissolved each time they are used.

Competitive Advantages in Manufacture and Sales of Pharmaceuticals (2)

Tablet

A solid dosage form

Lanthanum Carbonate OD Tablet, one of our mainstay products, is a tablet drug.

Vial

A small bottle that is filled with drug solution and then capped with a rubber lid

The solution can be extracted through the rubber lid using a syringe needle.

Ampule

A small container that is filled with drug solution and then sealed by melting its thin top

Syringe (Pre-filled Syringe)

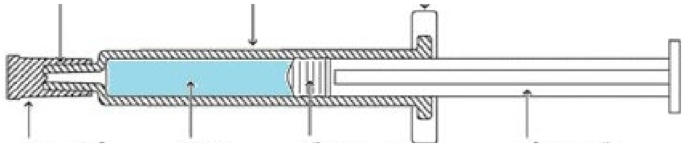
A syringe pre-filled with drug solution

Competitive Advantages of Our Products

Lanthanum Carbonate OD Tablet is a pharmaceutical product used to improve hyperphosphatemia in patients with chronic kidney disease. **Among generics, this is the only OD tablet that can be taken without water**, and thus, is useful for dialysis patients whose water intake is restricted.

Maxacalcitol Injectable Solution is a pharmaceutical product that suppresses the synthesis and secretion of parathyroid hormone and lowers the concentration of parathyroid hormone within the blood, generally used for the treatment of secondary hyperparathyroidism in dialysis patients.

Several companies, including Chugai Pharmaceutical Co., Ltd. which has released an original product, have released equivalent products. **The difference is that our product in the syringe formulation,** while **all other companies' products are in the ampule formation.** Pre-filled syringe formations are useful in preventing infections, ensuring the safety of medical professionals, and improving the operational efficiency.



Competitive Advantages in Manufacture and Sales of Pharmaceuticals (3)

Zao Factory 1

A wide variety in small quantities + Highly pharmacologically active + High levels of quality and safety

Total investments	Approx. ¥5.0 billion
Area	Building: 1,917.04 m² Land: 21,028.90 m²
Production capacity (in 1ml unit)	Syringe formulation: Approx. 4.8 million units per year*3 Vial formulation (liquid): Approx. 0.9 million units per year Freeze-dried formulation: Approx. 0.6 million units per year

- Flexible manufacturing system, including single-use manufacturing
- Chemical hazard Category 5 achieved*1
- Compatible with isolator Aseptic filling system adopted

and more

Well-positioned to manufacture a wide range of drugs, from investigational new drugs*2 to final products

*1 Chemical hazard category: Level of control in exposure to highly pharmacologically active compounds
*2 These drugs are manufactured in small lots as they are intended for verifying the efficacy, safety, and method of treatment in a clinical trial for two people.
*3 Production capacity in full-time operation with three 8-hour shifts.

Disclaimer

This document has been prepared as part of reference materials to provide investors with an understanding of the current status of KOA SHOJI Co., Ltd (the "Company").

The contents contained herein are prepared based on economic, social, and other conditions generally recognized as of the date of this presentation and on certain assumptions that the Company has judged reasonable, but may be subject to change without prior notice due to changes in the business environment or other reasons.

Please use your judgment when making investments.


医薬品を
上流から
支える。
Supporting Pharmaceuticals from Upstream
KOA SHOJI HOLDINGS CO., LTD. (Securities code: 9273)