Translation

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September 18, 2025

To whom it may concern:

Company name: KOA SHOJI HOLDINGS CO., LTD.

(Code No. 9273, TSE Prime)

Name of representative: Toshiyuki SHUTO, President and

Representative Director

Inquiries: Teruyuki TANAKA, Director in

charge of New Business Development

and Corporate Planning

Actions to Realize Management with a Focus on Cost of Capital and Share Price

KOA SHOJI HOLDINGS CO., LTD. (the "Company") hereby announces that, at the meeting of its Board of Directors held on September 18, 2025, it analyzed and evaluated the current status of its actions to realize management with a focus on cost of capital and share price, with the aim of achieving sustainable growth and enhancing corporate value over the medium to long term, and resolved on future policies for improvement.

For further details, please refer to Appendix, "Actions to Realize Management with a Focus on Cost of Capital and Share Price."

For further inquiries regarding this notice, please contact:

Kenichi OHNUMA, Corporate Planning Div.

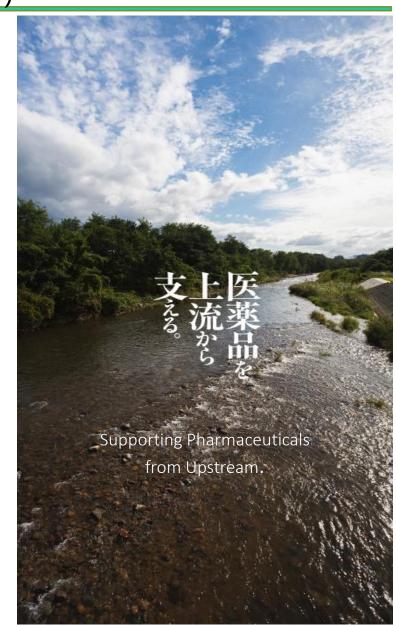
TEL: +81-45-594-9820

Corporate website: https://www.koashoji-hd.com/en/

KOA SHOJI HOLDINGS Co., Ltd. (Securities code: 9273)

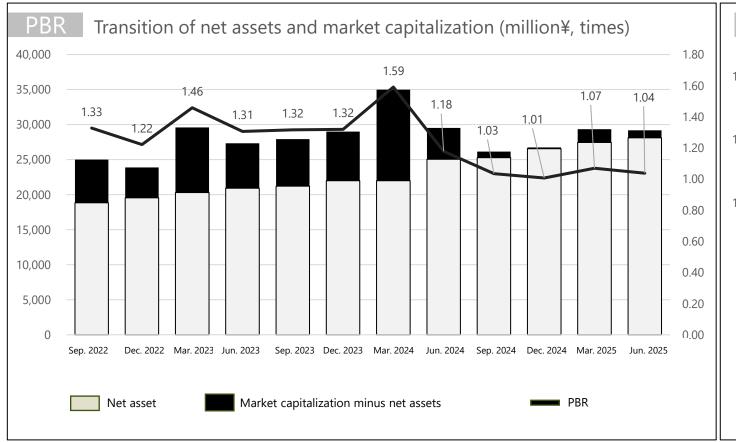
Actions to Realize Management with a Focus on Cost of Capital and Share Price

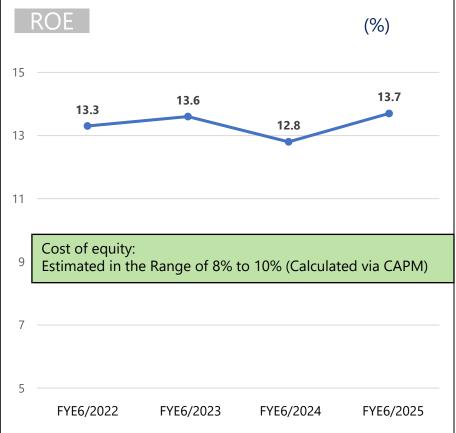
September 18, 2025



Current Status of the Company (PBR)

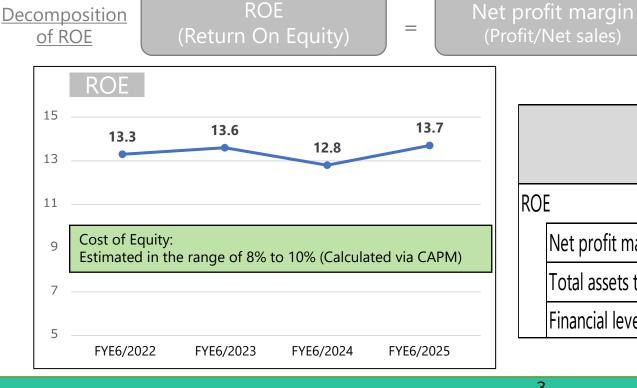
- Our PBR has been maintained above 1.0; however, for the FYE6/2025, the PBR declined due to a drop in share price, which offset the increase in the net asset value per share.
- ROE remains above the cost of equity.





Current Status of the Company (ROE)

- ROE has maintained a level above 13% since FYE6/2022, but decreased to 12.8% in FYE6/2024, partly due to an increase in public offering. It increased to 13.7% in FYE6/2025, driven by improved profit margins and other factors.
- ROE can be broken down into the following components: ROE = Net profit margin × Total assets turnover × Financial leverage The net profit margin has been improving. Meanwhile, financial leverage has been declining, primarily due to an increase in shareholders' equity.
- The equity ratio stands at a high level of 77.9% at the end of FYE6/2025. This allows for the potential to leverage debt to support further growth.



Total assets
turnover
(Net sales/Total assets)

Total assets

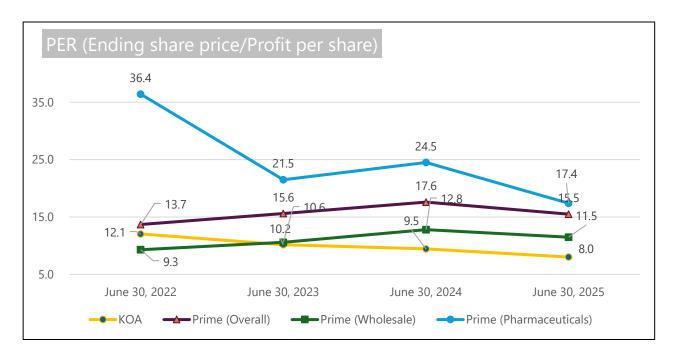
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Financial Leverage
(Total assets/Shareholders
equity)

		FYE6/2022	FYE6/2023	FYE6/2024	FYE6/2025
ROE		13.3	13.6	12.8	13.7
	Net profit margin	11.6	12.2	13.3	15.6
	Total assets turnover	79.7	80.6	73.2	68.3
	Financial leverage	144.3	138.2	131.5	128.1

Current Status of the Company (PER)

- The PER is related to growth rate, probability, and sustainability, and it tends to fluctuate based on shareholder returns, brand recognition, and liquidity. As of FYE6/2025, our PER is lower compared to the overall as well as wholesale and pharmaceutical sectors in the Prime Market.
- The Company announced the financial targets of its long-term business plan in April 2024, covering through FYE6/2030. In August 2025, we also disclosed our medium-term plan for FYE6/2026 to FYE6/2028. We are currently in a phase demonstrating the probability of achieving these targets.
- Factors such as the dividend payout ratio (18.5%) and limited liquidity are also considered to be affecting the PER.



Our Approach: ROE Target

In our medium-term plan through FYE6/2028, we have set a target ROE of 12% or higher. Under its long-term business plan financial targets for the FYE6/2030, we aim for further improvement.

This target reflects consideration of factors such as increased personnel expenses due to workforce expansion to strengthen the business foundation for sales growth, as well as higher repair and maintenance costs and depreciation expenses associated with the construction of the Zao Factory 2 and the maintenance and renewal of key facilities in both segments. Accordingly, our goal is to maintain an ROE level of 12% or higher.

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)	FYE6/202 (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 ¥)

<u>Initiatives to maintain and enhance ROE above the cost</u> <u>of capital</u>

- Sustaining high profitability in both segments
- API segment: Increase the number of newly listed products
- Manufacture and sales of pharmaceuticals: Improve production efficiency through higher yields and operating rates driven by expanded production of mainstay products
- Promoting capital and financial strategies to enhance capital efficiency
- Continue to pay stable dividends over the long term
- Promote growth investment through the use of borrowings

Source: Supplementary Material of Financial Results for FYE6/2025

Our Approach: Cash Allocation

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

FYE6/2026-FYE6/2028

Cash inflow Debt financing Operating cash flow Approx. ¥10 bn or more

Cash outflow Return to shareholders Growth investment R&D expenses Repayments of borrowings

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

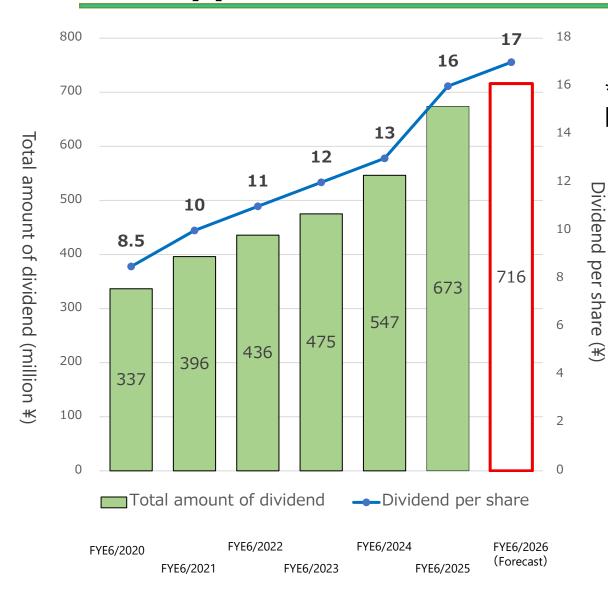
API segment

- Renovate Yokohama Pharmaceutical Analysis Center
- Do répair 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.

Our Approach: Enhanced Dividend Policy



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

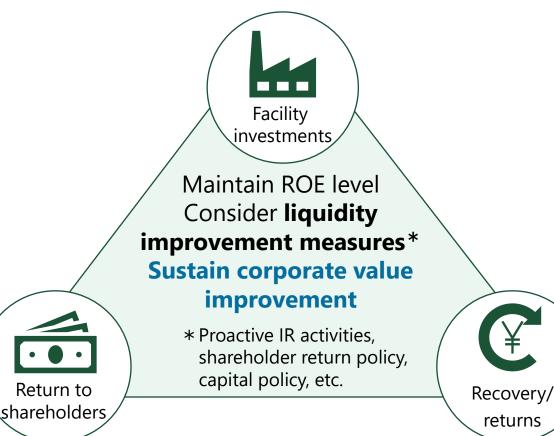
Dividend policy "annual dividend growth in principle"

*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

Our Approach: 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 longterm growth and announce numerical targets



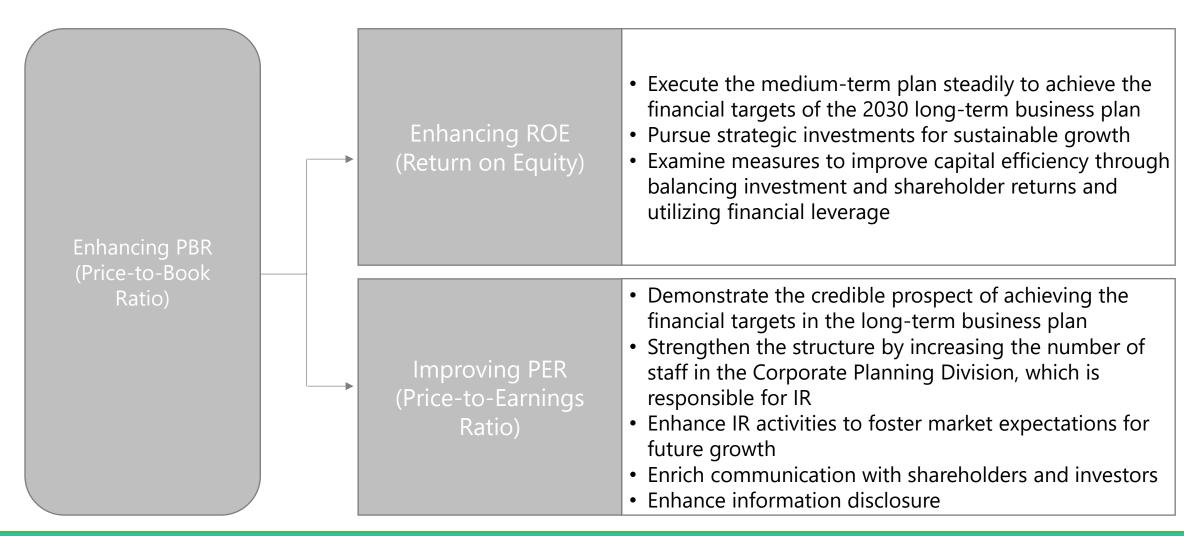
Return to shareholders

Annual dividend growth in principle Maintain or increase dividends with profit in mind

returns

Our Approach: Toward Improving PBR

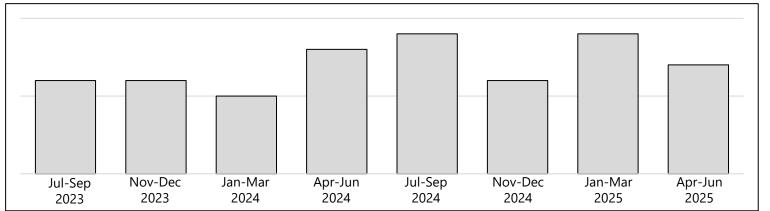
To further enhance PBR, we will continue working on initiatives to increase corporate value



Engagement with Shareholders and Investors (FYE6/2025)

Results of engagement activities

Activities	Number of times	Company representatives
Financial results briefing	One time (August 2025) (One time in the same period of the previous fiscal year)	President Director in charge of Finance & Accounting Director in charge of New Business Development and Corporate Planning
Briefing for Individual Investors	One time (March 2025) (One time in the same period of the previous fiscal year)	President Director in charge of Finance & Accounting Director in charge of New Business Development and Corporate Planning
Individual meetings with institutional investors and analysts	The number of activities increased from 25 to 31	Director in charge of New Business Development and Corporate Planning Manager, Corporate Planning Division



Feedback Status (FYE6/2025)

• Feedback to management

Means of feedback	Reporter	Frequency of reporting
Regular reporting at Board of Directors meetings	Manager, Corporate Planning Div.	Twice a year
Reporting to the President and business company executives on the content of Q&A sessions held during meetings with investors	Manager, Corporate Planning Div.	As needed

• Key matters incorporated based on feedback and dialogue

Request	Matters Reflected
Please disclose information for Q1 and Q3 at the same level as the full-year and half-year financial results.	Starting this fiscal year, we have been preparing and publishing the Supplementary Material of Financial Results on a quarterly basis.
Please seek disclosure of the breakdown of sales in the Pharmaceuticals segment.	We have been disclosing sales trends by factory in the Supplementary Material of Financial Results.
Please consider whether we can use the supplementary explanatory materials to enhance understanding of the Company by, for example, highlighting key points of the financial results at the beginning of the materials and including information that cannot be disclosed in the financial summary due to constraints.	Since the third quarter of FYE6/2025, we have included slides describing an overview of market conditions and business performance trends in the Supplementary Material of Financial Results.

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.

