

Translation

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September 17, 2026

To whom it may concern:

Company name: KOA SHOJI HOLDINGS CO., LTD.
(Code No. 9273, TSE Prime)
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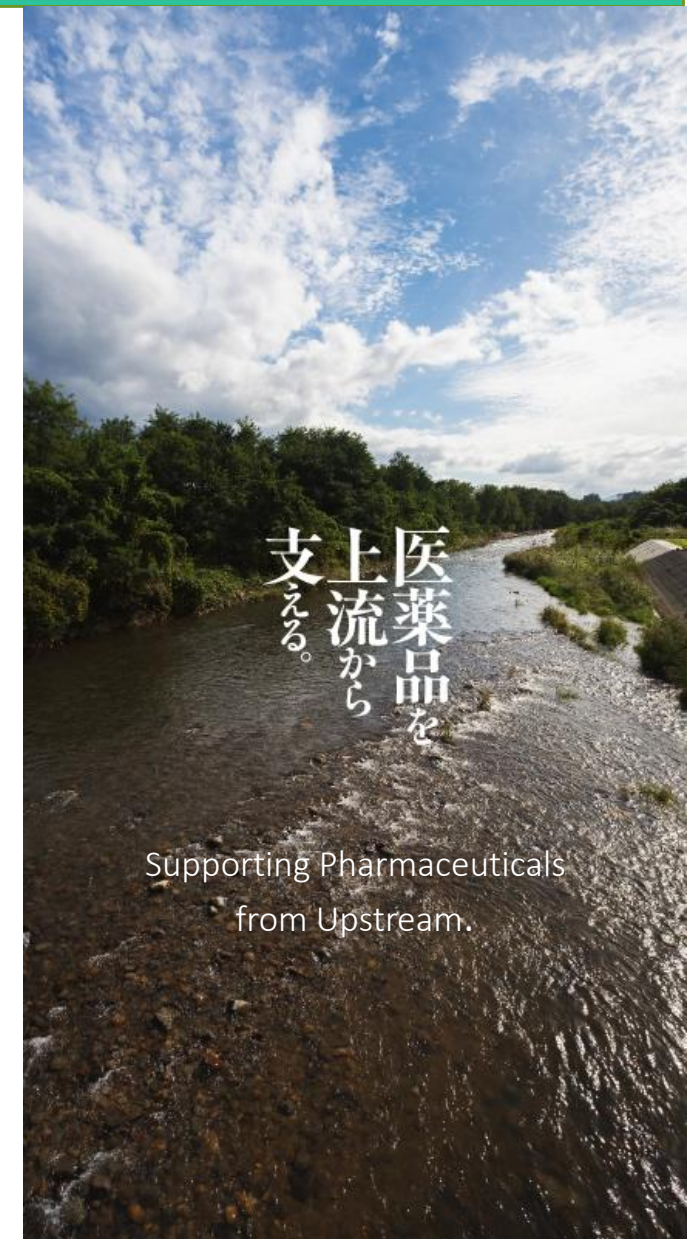
Actions to Realize Management with a Focus on Cost of Capital and Share Price (Update)

KOA SHOJI HOLDINGS CO., LTD. (the “Company”) hereby announces that, at the meeting of its Board of Directors held on September 17, 2026, it has updated its actions to realize management with a focus on cost of capital and share price and resolved on an analysis and evaluation of the current status, as well as future initiatives and other measures for improvement.

For further details, please refer to Appendix, “Actions to Realize Management with a Focus on Cost of Capital and Share Price (Update).”

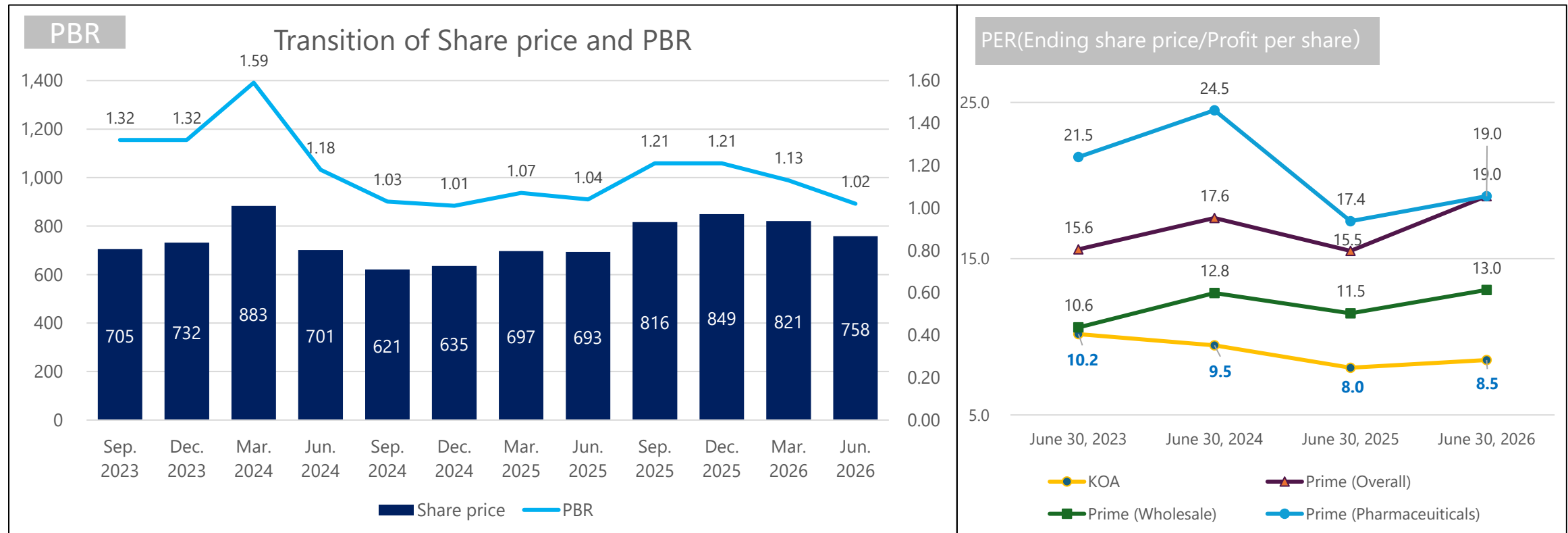
Actions to Realize Management with a Focus on Cost of Capital and Share Price (Update)

September 17, 2026



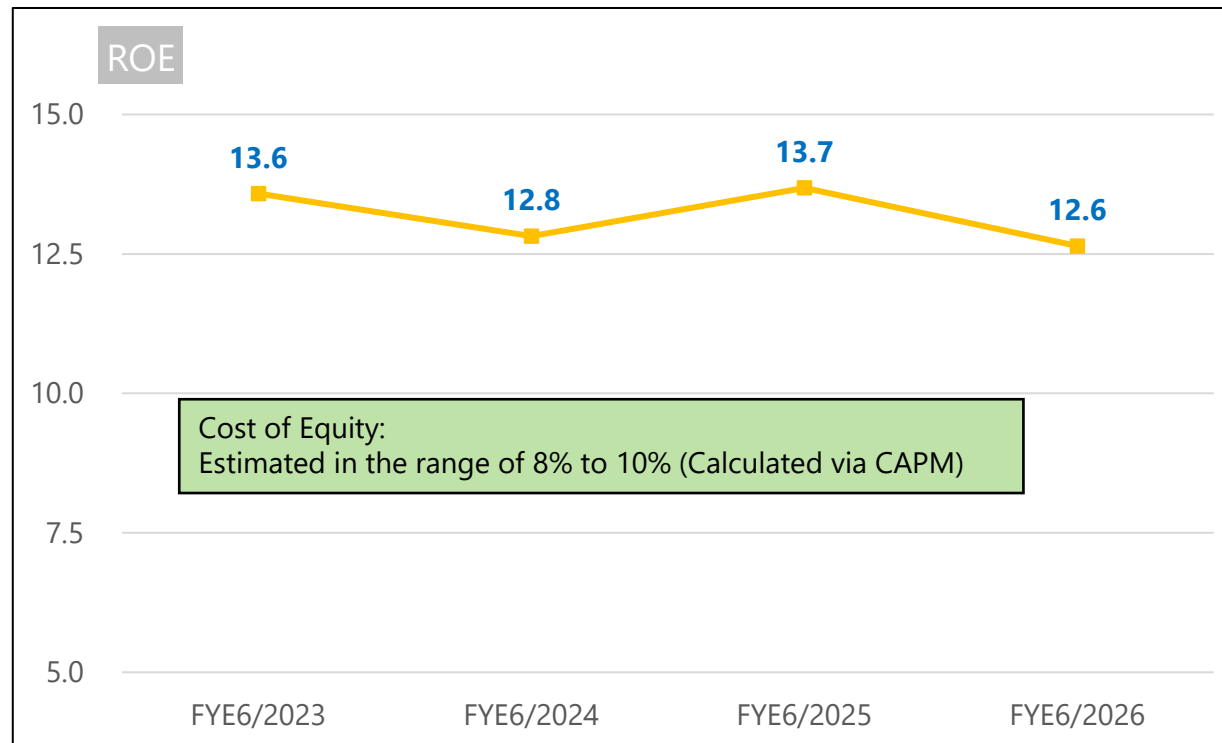
Current Status of the Company (Market Valuation Metrics)

- PBR at the end of FYE6/2026 was 1.02x, exceeding the 1x level.
- While the share price showed an improving trend during FYE6/2026, net asset value per share also increased, causing the PBR to stagnate.
- PER is lower compared to the overall as well as wholesale and pharmaceutical sectors in the Prime Market; we recognize the need to strengthen shareholder returns, IR activities, etc.



Current Status of the Company (Cost of Capital and Capital Efficiency)

- ROE for FYE6/2026 was 12.6%, maintaining a level that exceeds the cost of equity.
- We calculate the cost of equity based on CAPM and estimate it to be in the range of 8–10%.
This calculation assumes a risk-free rate of 2.8% using the 10-year government bond yield and a market risk premium of 6.0%, also considering low liquidity.
- Based on the ROE analysis, we recognize that our challenge is to drive further growth by utilizing financial leverage.



	FYE6/2023FYE6/2024FYE6/2025FYE6/2026			
ROE	13.6	12.8	13.7	12.6
Net profit margin	12.2	13.3	15.6	15.2
Total assets turnover	80.6	73.2	68.3	65.2
Financial leverage	138.2	131.5	128.1	127.6

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.

Initiatives to maintain and enhance ROE above the cost of capital

- Sustaining high profitability in both segments
 - API segment:
Increase sales of newly listed products
 - Manufacture and sales of pharmaceuticals:
Start operations of Zao Factory 2 as early as possible, and improve production efficiency through higher yields and operating rates
- 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

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

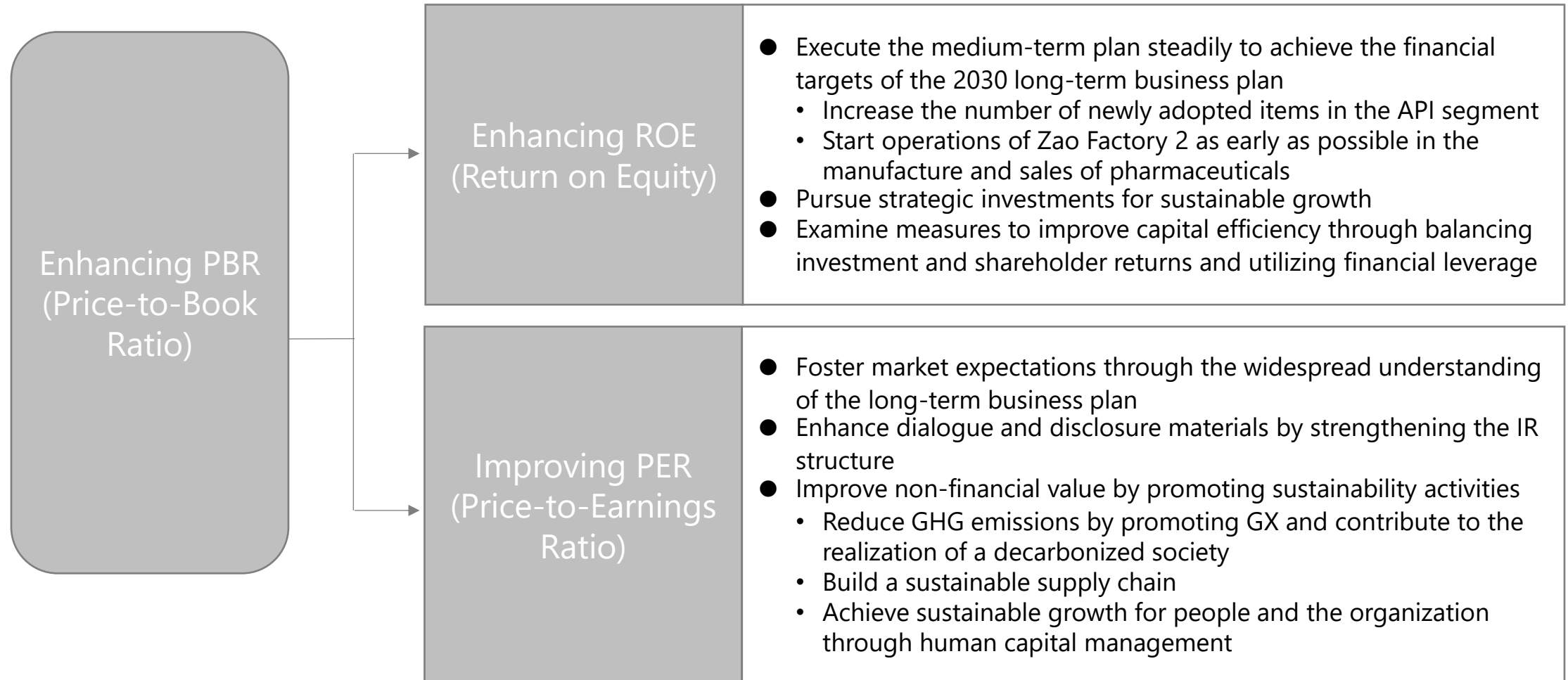
We aim to expand our growth driver, the manufacture and sales of pharmaceuticals, to achieve **operating profit of 8.0 billion yen** by the year ending June 30, 2030.

(million ¥)

Financial	FYE6/2025 (Actual)	FYE6/2026 (Actual)	FYE6/2027 (Forecast)	FYE6/2028 (Target)	FYE6/2030 (Target)
Consolidated net sales (excl. intra-group transactions)	23,269	24,678	26,700	31,900	40,000
Consolidated operating profit	5,355	5,476	5,270	6,530	8,000
ROE	13.7%	12.6%	12% or higher		Aim for further increase

Our Approach: Toward Improving PBR

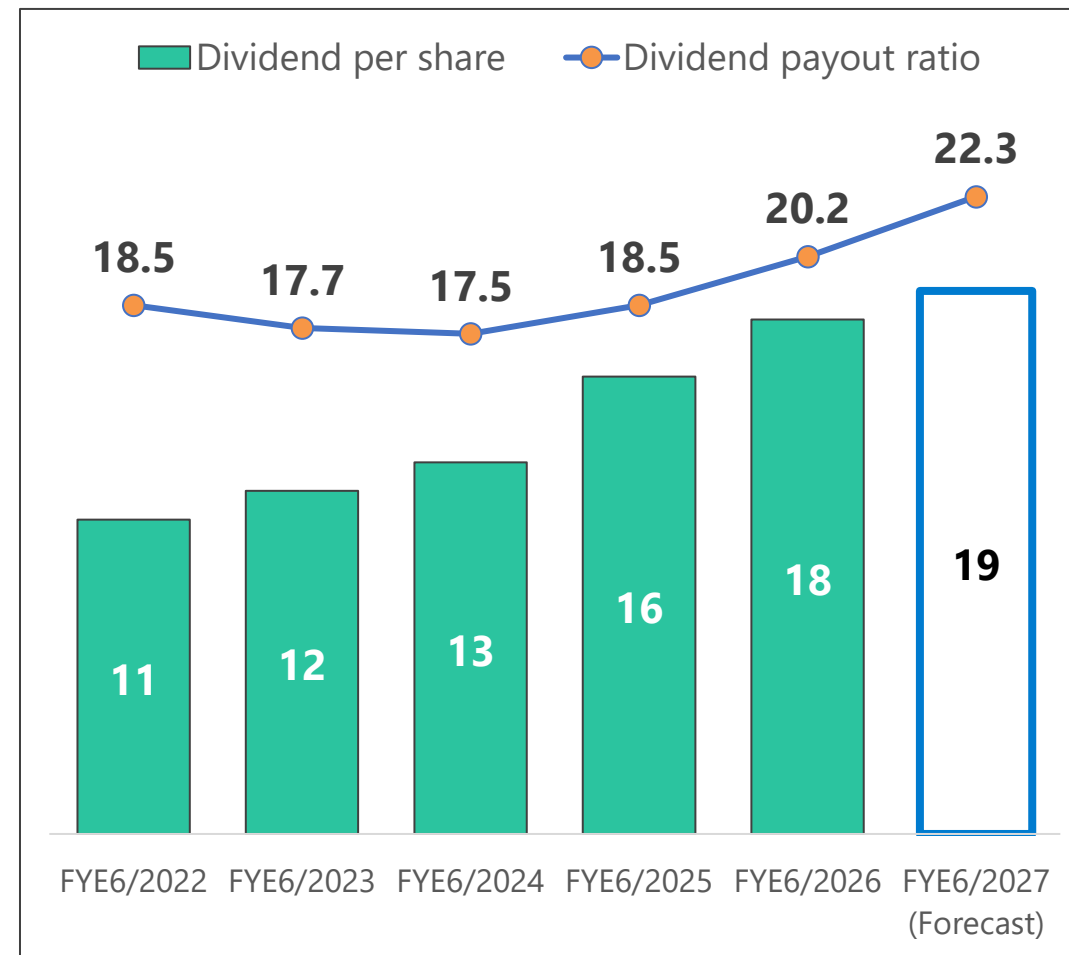
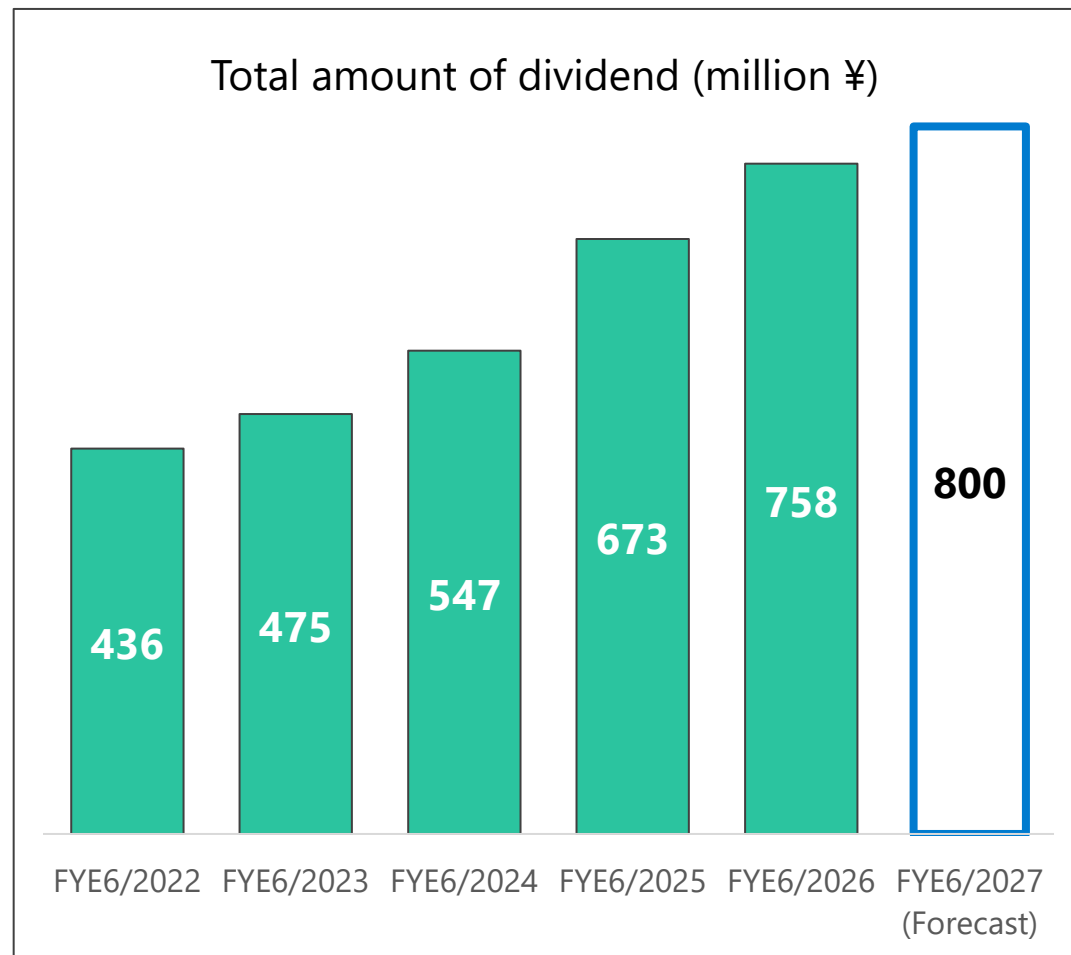
We will promote our medium-term business plan to improve both ROE and PER, aiming to enhance the PBR.



Our Approach: Enhanced Dividend Policy

Dividend policy: “annual dividend growth in principle”

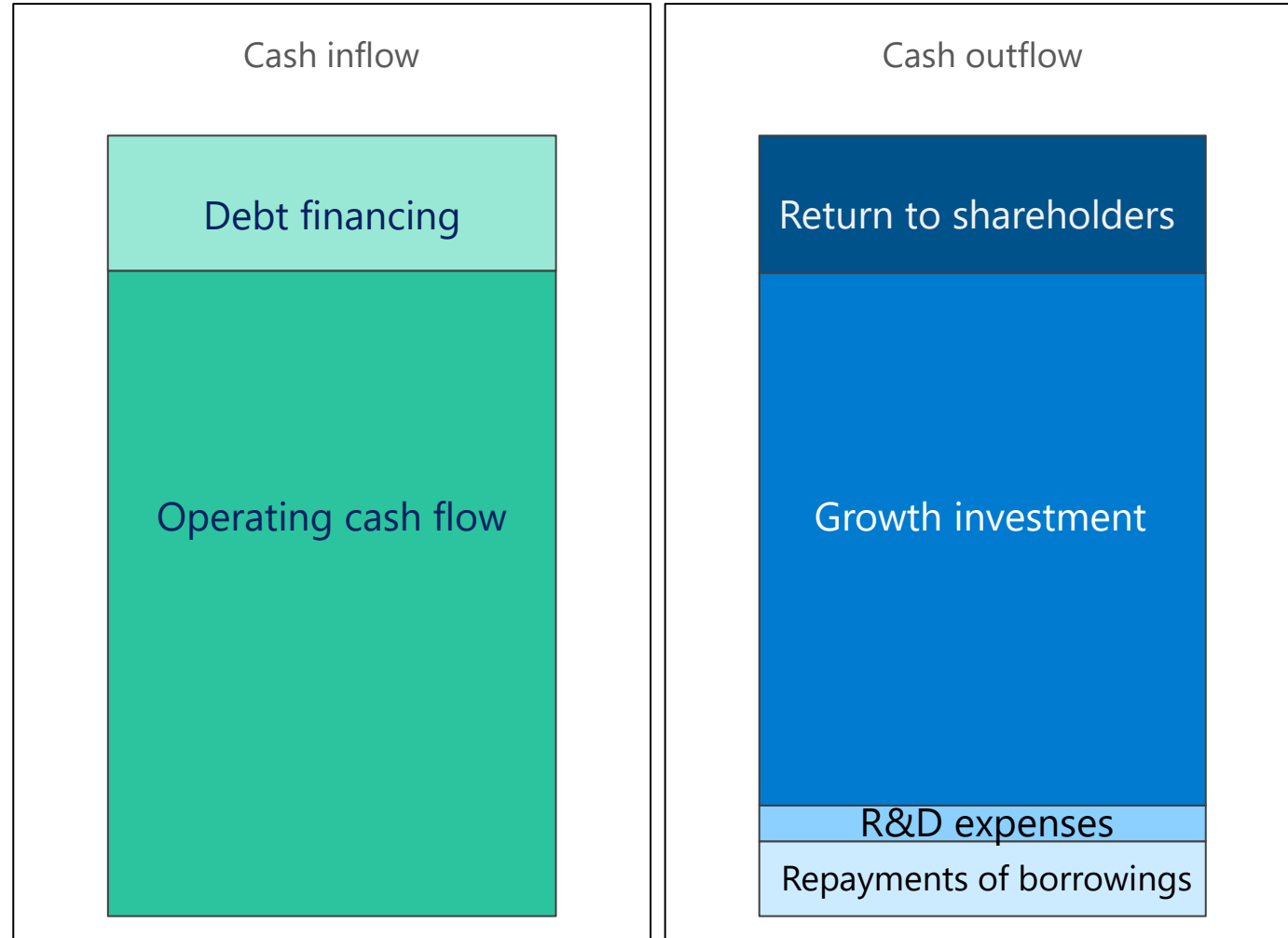
Forecast a **dividend increase** of 1 yen to 19 yen per share for FYE6/2027.



Our Approach: Cash Allocation

Allocate cash generated during the three-year Medium-term Plan period to growth investment and return to shareholders.

FYE6/2026-FYE6/2028 (Approx. ¥17.0 bn)



Policy

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

■ Return to shareholders: Approx. ¥2.5 bn

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

■ Growth investment: Approx. ¥12.0 bn

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.

■ R&D expenses: Approx. ¥0.6 bn

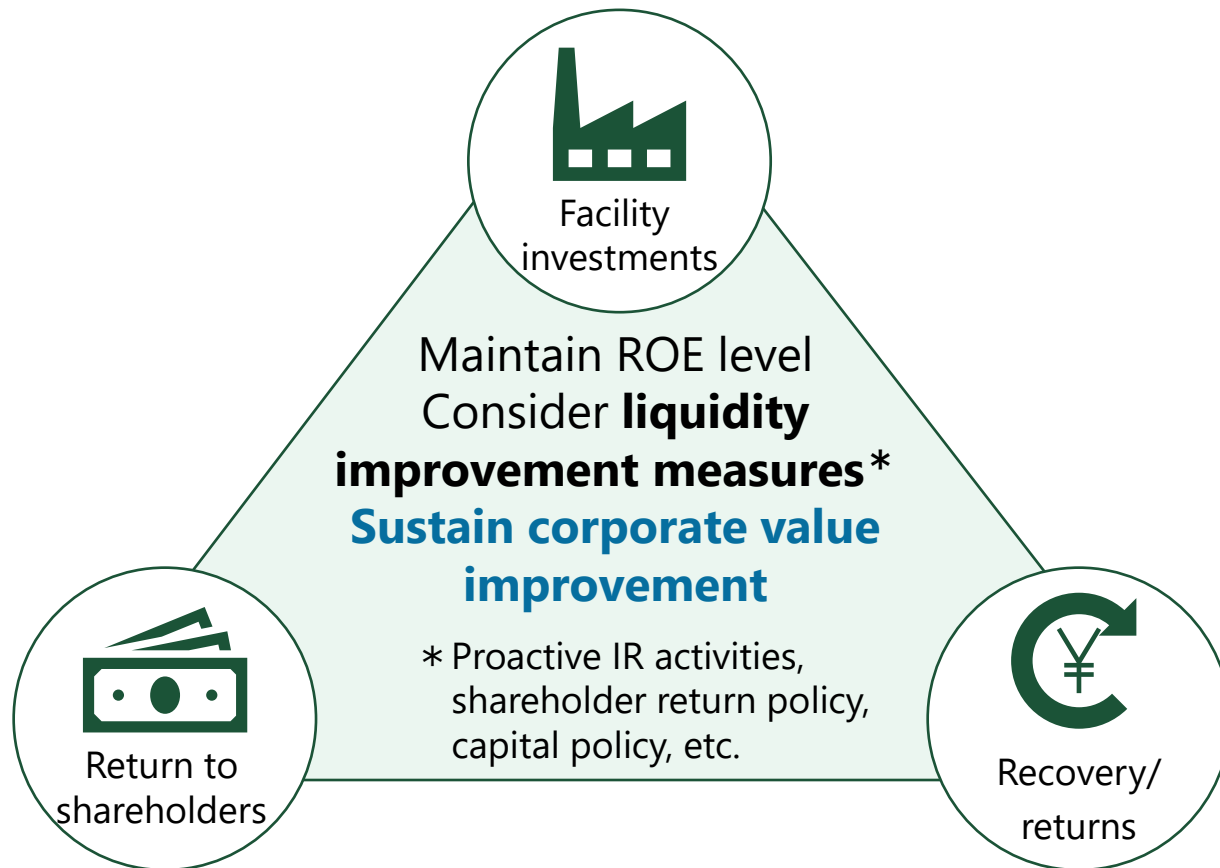
■ Repayments of borrowings: Approx. ¥1.0 bn

■ Other

Consider **further facility investments, M&A, and enhancement of shareholder returns**

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 long-term growth and **announce numerical targets**



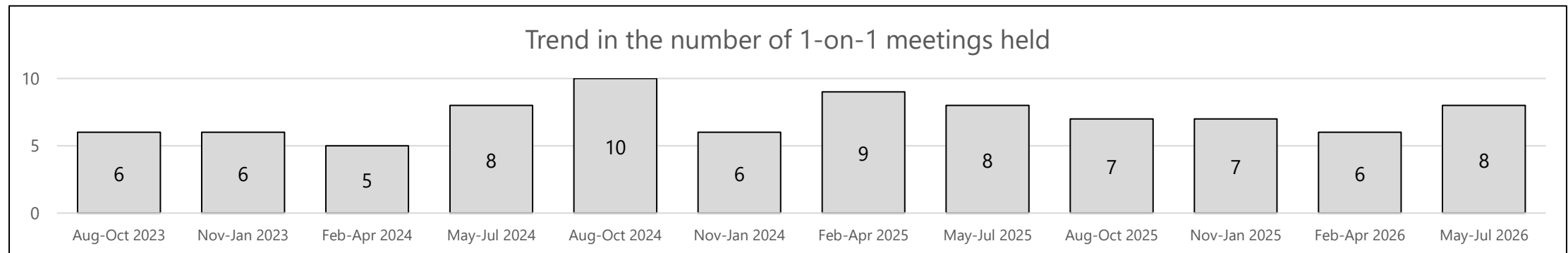
Return to shareholders

Annual dividend growth in principle

Maintain or increase dividends with profit in mind

Engagement with Shareholders and Investors (FYE6/2026)

Activities	Number of times	Company representatives
Financial results briefing	1 (August 2026) (1 in the same period of the previous fiscal year)	President Managing Director in charge of Finance & Accounting Director in charge of New Business Development and Corporate Planning
Briefing for Individual Investors	2 (March and May 2026) (1 in the same period of the previous fiscal year)	President Executive Vice President in charge of Manufacture and sales of pharmaceuticals Managing Director in charge of Finance & Accounting Director in charge of New Business Development and Corporate Planning
Individual meetings with institutional investors and analysts	28 sessions held (33 sessions in the same period of the previous fiscal year)	Director in charge of New Business Development and Corporate Planning Manager, Corporate Planning Division



Feedback Status (FYE6/2026)

- 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 provide a breakdown of the plan for the next fiscal year.	We have disclosed the breakdown of sales by segment for the financial results forecast for FYE6/2027 in the supplementary materials. • API segment: Sales by launch year • Manufacture and sales of pharmaceuticals: Sales by factory
Please provide a breakdown of cash allocation.	We have disclosed the amounts by item in the supplementary materials of financial results.
To help us understand the Company's growth potential and profitability, please prepare Excel data on trends of past financial results and make it available for download.	We have updated the Highlights of Financial Results page on our company website to include graphs showing trends in operating results, financial position, per-share metrics, and cash flow, and made them available for download in Excel format. https://www.koashoji-hd.com/en/ir/highlight.html

Questions and Concerns from Shareholders and Investors (FYE6/2026)

Priority	Question Category	Main Questions and Concerns
1	Facility investments Zao Factory 2 Production capacity Upfront costs	- Progress on the construction of Factory 2; the schedule from completion in June to the start of operations (scheduled for July 2027) - Capacity expansion (12-16 million units per year) and the number of years and outlook for achieving full-scale operations - The scale of upfront costs (utility costs, real estate acquisition tax, depreciation expenses, etc.) incurred prior to operations (FYE6/2027) and their impact on profits - Future renovation and reconstruction plans for other sites (Yokohama Analysis Center, Yamagata HQ Factory)
2	Background of high profit margins Business model Competitive advantages	- Reasons why the API segment has a higher profit margin compared to competitors (quality assurance at our in-house analysis center; patent avoidance and early proposals by the development department) - Difficulties in selling APIs for newly launched generic drugs and the benefits of supply - Sales performance of Maxacalcitol (syringe formulation) and barriers to entry for competitors
3	Capital policy Shareholder returns Share price Capital efficiency	- Reasons for setting a 20% dividend payout ratio; future plans for increases and consecutive dividend growth - Utilization of cash on hand and the strengthening of shareholder returns to maintain and improve ROE - Assessment of the past (2024) public offering and future funding policy (debt-first) - Measures to improve stock liquidity; how the shareholder benefits program should be; views on PBR and share price
4	Quarterly performance progress Trends by item Risks	- Higher-than-expected profits due to sales trends and product mix improvements in API "Impact of competitor entry in the tablet market and NHI drug price revisions" on mainstay products in the manufacture and sales of pharmaceuticals, as well as "progress in increasing production of syringe formulations" - Shipping status and impact on performance due to the scheduled annual maintenance at Zao Factory in Q4

Questions and Concerns from Shareholders and Investors (FYE6/2026)

Priority	Question Category	Main Questions and Concerns
5	National policy Impact of changes to the healthcare system (NHI drug price revisions and system reforms)	• Early withdrawal of long-listed drugs due to the shortened period before the G1 rule (a mechanism for staged price reductions) is applied, and the resulting expansion of demand for generic APIs • Suspension of new entries into the Authorized Generic (AG) market as a result of new AGs being priced at the same level as their original drugs, leading to the expansion of the generic market • Impact of generic substitution due to an increase in the patient copayment under the selective care system (from one-fourth to one-half) • Direct and indirect impacts of NHI drug price revisions (annual revisions, recalculation of unprofitable items)
6	Future growth strategy New business areas (BS, contract manufacturing, M&A)	• Contract manufacturing and supply opportunities and lead times in response to the expanding biosimilar market • Development from an API trading company to a “pharmaceutical trading company”; ideas for importing and exporting formulations • Progress on new contract manufacturing projects at Zao Factory 1 and 2 • Evaluation of possible M&A opportunities utilizing cash reserves
7	Governance Business environment External macro factors	• Risk hedging against exchange rate fluctuations (dollar, euro), inflation, and rising material costs (exchange-rate-linked pricing, purchase of foreign-currency-denominated bonds) • Impact of the situation in the Middle East on logistics delays and raw material procurement risks • The founder’s career background and future management succession system • Approach to IR activities (frequency of holding briefings, requirements for disclosing the pipeline)
8	Previous fiscal year’s results, current fiscal year’s forecasts, and the likelihood of achieving the medium-term plan	• Regarding the previous fiscal year’s results, reasons for achieving profit targets despite sales falling short of forecasts • Regarding the current fiscal year’s forecasts, reasons for the expected decline in profit margins despite increased sales • The likelihood of achieving targets for FYE6/2028, the final year of the medium-term plan, and the conditions required to do so, etc.

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)