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Frequently asked questions and Answers from institutional and individual investors

July 31, 2026

A packaging specialist trading company

KOHSOKU CORPORATION

Securities Code: 7504

We disclose answers to frequently asked questions from institutional and individual investors with the aim of strengthening information disclosure to investors and ensuring fair disclosure.

We will continue to strengthen information disclosure to investors and strive to enhance corporate value.

Questions and answers newly added or updated in this material are clearly indicated as “NEW” or “update” in the question list and within each respective question.

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Q9. **Your Medium- to Long-Term Management Plan targets net sales of ¥200.0 billion or higher and operating profit of ¥8.0 billion or higher. How much upside is contemplated beyond these figures? Does the plan assume a 4% operating profit margin, or could economies of scale enable the Company to achieve a higher margin?** 【NEW】 P. 32

02 Questions and Answers on Our Business Operations

Questions on Our Business Operations: Q1

KOHSOKU CORPORATION

Q. Given that this industry is not widely known, could you explain why supermarkets require wholesalers like your company?

A. When manufacturers of food product packaging materials transact directly with supermarkets, there are numerous disadvantages as outlined below, making it necessary to involve companies wholesaling food product packaging like our Company (hereinafter “packaging material wholesalers”).

When manufacturers of food product packaging materials transact directly with supermarkets

Packaging material manufacturers

・
・
・

Dozens of manufacturers

Supermarkets

Transactions with dozens of manufacturers are required

Challenges in handling diverse packaging materials
Transaction costs arise from ordering and negotiating hundreds of auxiliary packaging materials across dozens of packaging material manufacturers.

Challenges with inventory space
Supermarket backrooms have no space to store packaging materials classified as auxiliary materials.

When packaging material wholesalers are involved

Packaging material manufacturers

・
・
・

Dozens of manufacturers

Packaging material wholesalers

Supermarkets

Workload is reduced by transacting through packaging material wholesalers

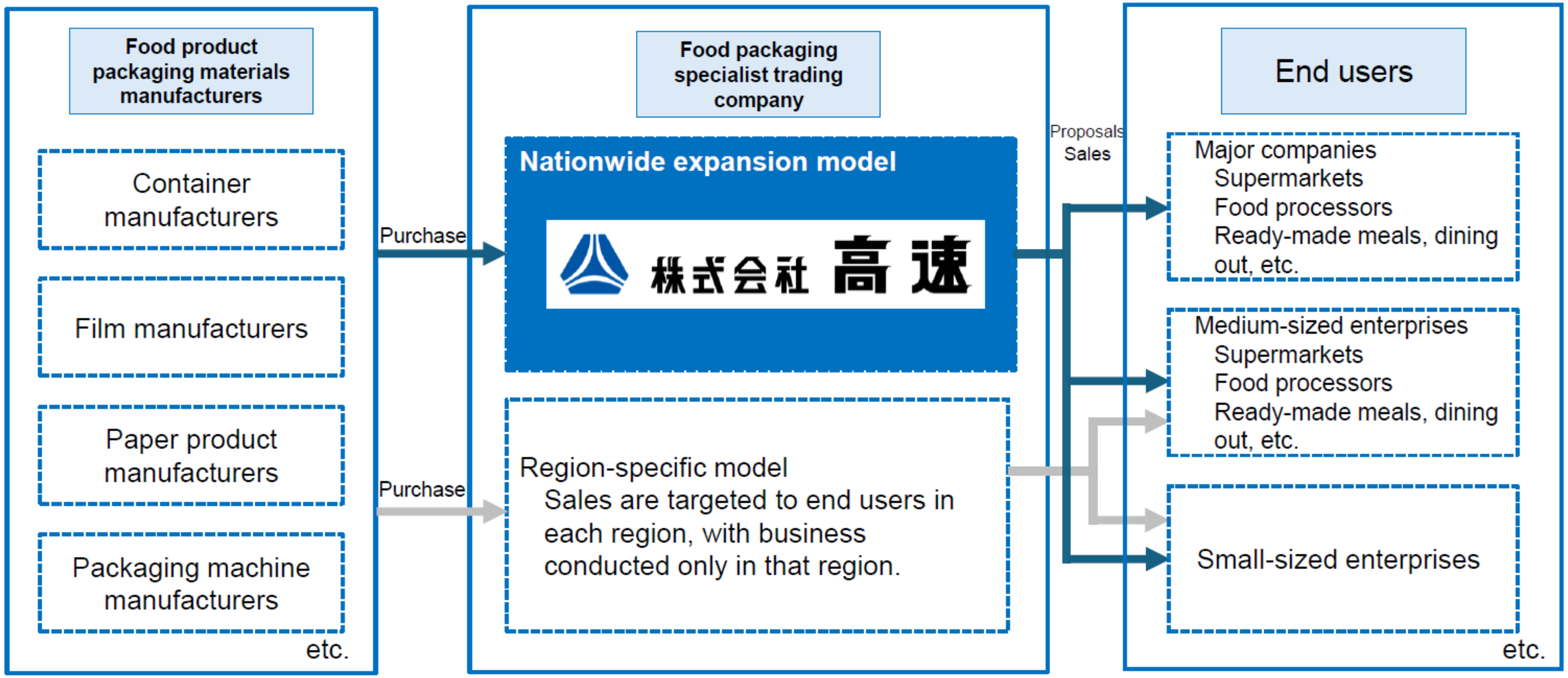
Resolution of challenges in handling diverse packaging materials
By consolidating transactions for packaging materials through packaging material wholesalers, workload can be reduced.

Resolution of inventory space challenges
By having packaging material wholesalers deliver materials as needed, such as two to three times per week, supermarkets do not require excessive storage space.

Questions on Our Business Operations: Q2

Q. As your company’s position within the industry is not fully clear to us, could you describe your standing?

A. Regarding our sales area, while many companies in the same industry as ours that wholesale food product packaging materials operate only within specific regions, such as individual prefectures, our Company operates over a wide area, enabling us to meet the packaging material needs of major end users, including supermarkets with nationwide store networks. Please see the diagram below.
(Our answer continues on the next slide.)



Questions on Our Business Operations: Q2 (cont'd)

KOHSOKU CORPORATION

Q. As your company's position within the industry is not fully clear to us, could you describe your standing?

A. Regarding competitors' net sales, the companies we consider to be in the same industry—those wholesaling food product packaging materials—and their characteristics in terms of number of locations and areas of operation can be summarized as shown below. Please note that most listed companies in industries related to ours are primarily engaged in manufacturing, and that the only companies whose main business is wholesaling food product packaging materials—which we consider to be in the same industry as ours—are unlisted. Accordingly, the accounting standards they adopt are believed to differ fundamentally from those used by our Company.

Note: The figures for net sales and the number of companies in each range are based on information from research firms and have been organized by our Company by industry.

Net sales	Number of companies	Locations and operating areas
Net sales of ¥20 billion or more	About 10 companies	Nationwide operations or multi-area coverage
Net sales of ¥10–20 billion	About 10 companies	
Net sales of ¥1–10 billion	About 200 companies	Region-focused operations centered on one or several locations
Net sales of less than ¥1 billion	More than 1,000 companies	

Questions on Our Business Operations: Q3

Q. Please explain your competitive advantages.

A. Our main competitive advantages can be illustrated as follows: in product procurement, we have particular strengths in our product procurement capabilities and our Group manufacturing companies, while in sales, we have advantages in our logistics capabilities, our ability to develop systems, and our design department. For details on each item, please see the next slide.

Packaging material manufacturers

Product procurement

Food product packaging materials wholesaler

株式会社 高速

Sales

End users

Product procurement capabilities

Achieving price-competitive product procurement

Group manufacturers

Generating profit through in-house manufactured products

Logistics capabilities

Capable of delivering via wide-area logistics centers

System development

Capable of developing order receipt and order placement systems

Design department

In-house designers and proposal capabilities

Questions on Our Business Operations: Q3 (cont'd)

KOHSOKU CORPORATION

Q. Please explain your competitive advantages.

A.

Product procurement

Product procurement capabilities :	Among companies wholesaling food product packaging, our Company has consolidated net sales of over ¥100 billion and possesses product procurement capabilities commensurate with that scale. As an independent wholesaler not under the capital umbrella of any manufacturer, we are able to collaborate with a wide variety of suppliers.
Group manufacturers :	Although we are a wholesaler, having manufacturing subsidiaries within our Group enables us to procure Group-manufactured products competitively. Sales of Group-manufactured products also exceed ¥8 billion and contribute to profit generation.

Sales

Logistics capabilities :	Among nationwide companies wholesaling food product packaging, our many in-house logistics locations and collaboration with partner companies enable us to deliver to major supermarkets and other retailers that operate nationwide and across wide areas.
System development :	We can develop systems for retailers operating dozens or even more than 100 locations, including functionality for receiving orders from individual stores, thereby enhancing convenience for end users.
Design department :	With an in-house design department and more than ten designers on staff, we are able to make package design proposals in a flexible and responsive manner.

Questions on Our Business Operations: Q4

KOHSOKU CORPORATION

Q. Please tell us about the barriers to entry.

A. At first glance, food product packaging materials—our main sales items—may appear to be commodities with many substitutes. However, in our line of business, we believe it would be difficult for a late entrant to fundamentally replace the function of selling and distributing packaging materials. When laid out along the flow of the business, the process is as below. If a latecomer were to enter the market, it would need to address a wide range of challenges, including securing personnel such as sales staff with knowledge of the industry, securing logistics locations in various regions, building efficient order-processing systems, and collaborating with partner logistics companies.

Transaction initiation and consistent sales follow-up	Order placement to manufacturers	Inventory held in the Company's own warehouses	Order receipt from customers	Delivery to customers
Securing talent In our industry, a wide range of packaging materials from many manufacturers is handled. The industry requires product knowledge of packaging materials. Our Company has over 300 sales personnel, making it difficult for other companies to deploy comparable staff across regions.	**Relationships with suppliers** We have built strong relationships over many years with more than 1,000 manufacturers.	**Securing logistics bases** Deliveries to supermarkets and other retailers in each region require logistics bases in those areas that can hold inventory. It is difficult to replicate our nationwide logistics bases, which have a combined floor area of more than 150,000 m². Note: Total warehouse floor area of owned and leased properties	**Order-processing system development** An order-processing system is required to flexibly receive orders for hundreds of packaging materials from supermarkets with dozens of stores. It would be difficult to build and operate an order-processing system that handles the wide variety of products in this industry within a short period of time.	**Building a logistics network** We have built delivery networks to supermarkets in each region with local logistics partners. It would be difficult to build a comparable network in a short period of time.

Questions on Our Business Operations: Q5、Q6

KOHSOKU CORPORATION

Q. There are many competitors in the industry. Could you explain how your company has been able to achieve significant growth, including from the perspective of its history?

A. Our Company entered the food product packaging materials wholesale business in the 1970s as a late entrant among companies wholesaling such materials. At the time, supermarkets were expanding their store networks, and we anticipated increased demand for these materials.

While many competitors had already been expanding their food packaging materials wholesale operations in various regions and tended to operate only within specific areas such as individual prefectures, our Company—being a latecomer—established new locations and built operational foundations across multiple regions. In line with the expansion of supermarkets, we further increased the number of new locations and continued to strengthen our regional foundations. Please refer to page 38 of the material for the resulting trend in net sales.

Q. You state that barriers to entry are high. However, given that packaging materials are commodities, are the barriers to entry not low?

A. In the sense of starting out by selling some form of packaging materials to a single customer, the barriers to entry can be considered, as you said, low. On the other hand, in order to sell a wide range of products required by customers—including trays, disposable chopsticks, plastic shopping bags, and consumable items such as alcohol, nitrile gloves, and kitchen cloths—to dozens of supermarkets and other retailers, it is necessary to 1) secure dozens or even hundreds of suppliers from which such products can be sourced, as well as 2) a logistics network, 3) order-receiving and order-placement systems, 4) sales personnel, and 5) warehouses in various regions. In this sense, we believe that barriers to entry are high when conducting business beyond a certain scale in this industry.

Questions on Our Business Operations: Q7、Q8【update】

KOHSOKU CORPORATION

Q. Would it not be possible for major manufacturers to sell products directly to customers such as supermarkets, instead of going through packaging material wholesalers? Please explain the differences between sales conducted by manufacturers and sales conducted by wholesalers such as your company.

A. Each manufacturer—such as tray manufacturers and bag manufacturers—has its own areas of strength; however, manufacturers generally find it difficult to procure competing products of the same type from other manufacturers. Against this backdrop, packaging material wholesalers have the advantage of being able to make proposals and sell products to customers from a position independent of manufacturers.

In addition, packaging materials and consumables inevitably involve a large number of items and types, and therefore products from a single manufacturer are insufficient to fully meet customer needs.

Q. Please tell us whether there are any plans to increase the number of locations.

A. <u>Beyond the locations already disclosed</u>, there are no immediate plans to increase the number of locations. However, as we are sometimes asked whether our net sales can be expressed as "number of locations × net sales per location," we would like to provide the following clarification. For our Company, the total floor area of our warehouses varies by location, and as a result, shipment volumes also differ from location to location. Accordingly, without increasing the number of locations, the Company has expanded the total floor area of its warehouses by leasing additional warehouse space within existing sales locations or relocating to larger warehouses. This has increased shipment capacity and driven growth in net sales, and we will continue to work to secure net sales and profits through this approach going forward. Accordingly, please note that it is difficult to explain our net sales using the formula "number of locations × net sales per location." <u>While distinct from an increase in the number of locations, please refer to the following pages for details on planned floor space expansions and related matters.</u>

*Updates from the previous version are underlined.

Questions on Our Business Operations: Q8 (cont’d) 【update】

Q. Please tell us whether there are any plans to increase the number of locations.

While this differs from the number of locations itself, the most recent major operating warehouses and the current warehouse operation schedule are as follows. Through the conversion of leased warehouses to company-owned properties and further expansion of floor space, we will work to build a more stable logistics framework and improve logistics efficiency, while steadily increasing utilization rates. Please refer to the next page of the material for details regarding the relationship between business expansion and utilization rates.

Location	Ownership type	Warehouse area	FY03/26 3Q	FY03/26 4Q	FY03/27 1Q	FY03/27 2Q	FY03/27 3Q	FY03/27 4Q	FY03/28 1Q	FY03/28 2Q
Chiba Prefecture	Leased	approx. 5,000 sqm	Commenced operations in November 2025 →							
Kanagawa Prefecture	Leased	approx. 5,000 sqm			Commenced operations in April 2026 →					
Iwate Prefecture (Morioka sales office)	Company-owned	approx. 10,000 sqm (approx. 5,000 sqm before relocation)						Scheduled to commence operations in March 2027 →		
Osaka Prefecture (Western Japan sales office)	Company-owned	approx. 11,000 sqm (approx. 3,000 sqm before relocation)						Scheduled to commence operations in January 2027 →		

Overview of our standalone warehouses in operation as of the end of March 2026

Company-owned properties: total floor area 80,000 sqm

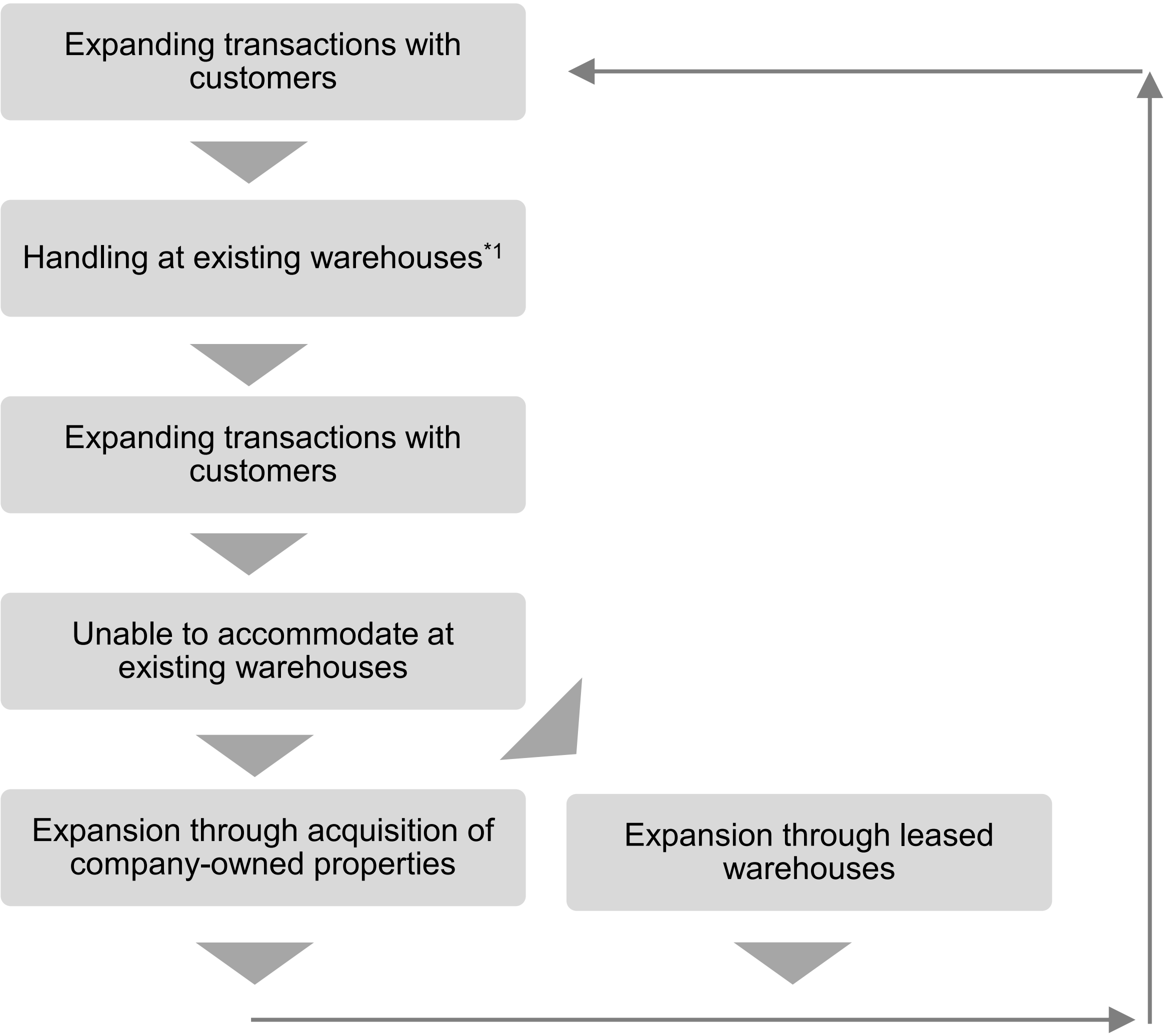
Leased properties: total floor area 72,000 sqm

*Please note that this does not represent a net increase in total floor area from the warehouses in operation as of the end of March 2026, as it includes transfers and consolidation from previously leased warehouses.

Questions on Our Business Operations: Q8 (cont’d) 【update】

KOHSOKU CORPORATION

Flow of Warehouse Expansion and Increasing Utilization Rates



Supplement

The flow from expanding transactions with customers to the expansion of our warehouse floor space is as shown on the left. Warehouses are expanded as needed, and their utilization rates and efficiency are steadily increased.

*1
<u>Handling at existing warehouses</u>
・We maintain appropriate inventory levels and review storage space as needed in relation to monthly sales, striving to effectively utilize existing warehouses and enhance asset efficiency by improving inventory turnover.

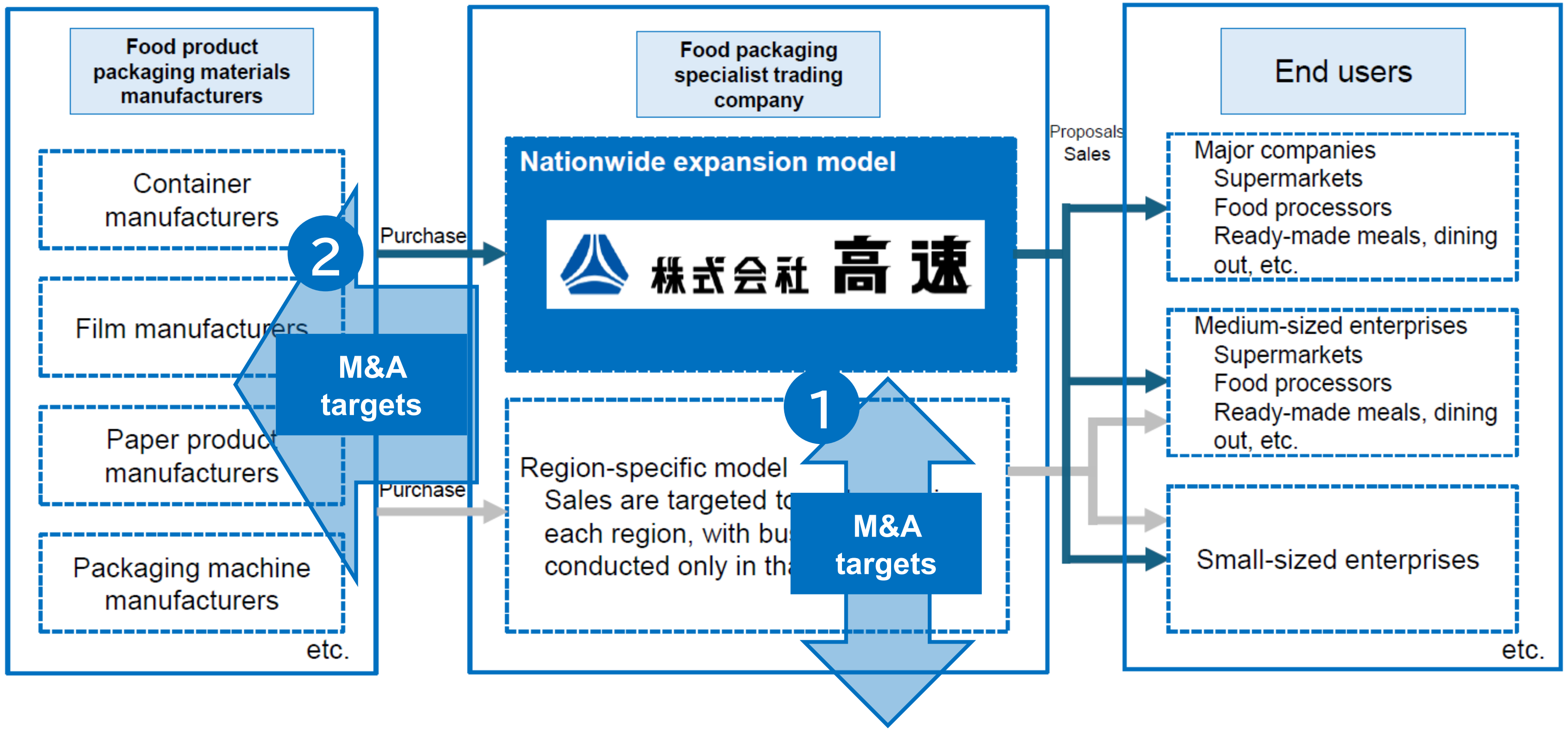
<u>Choice between acquiring company-owned properties and leasing warehouses</u>
We select properties after examining profitability in relation to acquisition costs and will continue to promote the conversion to company-owned properties, aiming to improve warehouse efficiency and achieve further sustainable growth over the medium to long term.

Questions on Our Business Operations: Q9【NEW】

KOHSOKU CORPORATION

Q. Please explain the Company's M&A targets and the synergies it expects to generate.

A. We encounter potential M&A opportunities on an ongoing basis and intend to pursue any potentially valuable prospects that emerge. One target category is companies involved in the same business as ours—the wholesale distribution of packaging materials (category 1 companies in the diagram below). Bringing these category 1 companies into the Group would increase the scale of our wholesale operations while enabling us to generate synergies by facilitating greater efficiency through the shared use of core systems adopted by KOHSOKU. Adding category 1 companies would also enhance our product procurement capabilities while providing other benefits. Furthermore, by acquiring packaging-material manufacturers (category 2 companies in the diagram below) whose products could be sold through our sales channels, we could both increase net sales by distributing their differentiated products through those channels and improve profit margins of our manufacturing operations.



Questions on Our Business Operations: Q10【NEW】

KOHSOKU CORPORATION

Q. Please explain how developments in the Middle East are affecting the Company's performance.

A. First, as of late July 2026, we remain able to supply packaging materials reliably. We will continue to work closely with our customers and make every effort to meet their needs without interruption. The principal negative and positive factors are outlined below.

Negative factors

Following sharp price revisions implemented by packaging-material manufacturers since April 2026, we have been working closely with customers to propose simpler, lower-specification packaging. Any resulting decline in selling prices will have a negative impact on performance. Since March 2026, we have been forced to dedicate time and effort to responding to price revisions implemented by manufacturers in response to developments in the Middle East. These circumstances have limited our ability to pursue new customers as proactively as planned, adversely affecting performance.

Positive factors

Selling price increases adopted to reflect price revisions implemented by manufacturers in response to developments in the Middle East will provide a boost for our net sales. Price increases and concerns regarding potential shortages have prompted some customers to place orders early. While supermarkets—the Group's largest customer industry by sales—have largely maintained their usual ordering patterns, we have also observed clear evidence indicating earlier ordering elsewhere in the Group. Seiwa Inc., which sells packaging materials online, for example, generated record monthly sales in April 2026. Most importantly, our procurement capabilities have reinforced our reputation among customers as a dependable supplier. As Japan's only publicly listed packaging-material wholesaler, we have continued to meet customer demand despite the disruption, strengthening confidence among existing customers. We have also been approached by new customers seeking one-off supplies of certain products that had become difficult to source.

On balance, the benefits described above—particularly stronger customer confidence resulting from our procurement capabilities—are currently supporting performance despite slower progress in acquiring new customers. Accordingly, we consider the net impact on our performance to be positive at present.

Q. Will developments in the Middle East lead to further simplification of packaging specifications?

A. While a move toward simpler packaging—for example, replacing lids with plastic wrap—may adversely affect our business in the short term, we see little cause for concern. Over the medium to long term, we expect packaging to remain an important part of how our customers, including supermarkets, make food look appetizing. Sushi, meat—including cuts intended for grilled meat (yakiniku)—and bento (boxed meals), for example, may be placed directly on the dining table in their original packaging. For that reason, the use of plain white trays for all such products is unlikely to persist or become the norm in Japan. The photographs below illustrate the point.

Looking further ahead, we anticipate the expansion of higher-value-added products, led by environmentally friendly products, will have a larger impact on our business than the move toward simpler packaging. Although circumstances in the Middle East may prompt a shift toward simpler packaging, we remain confident this trend will not significantly affect our business or prevent us from achieving the targets set out in our Medium- to Long-Term Management Plan.

Sushi

Example of a white tray

Example of a patterned tray

Makes food look delicious right on the tray, without the need for plates or tableware.

Meat

Example of a white tray

Example of a patterned tray

Makes food look delicious right on the tray, without the need for plates or tableware.

03 Questions and Answers on Our Financials

Questions on Our Financials Q1、Q2

KOHSOKU CORPORATION

Q. Please explain the background behind your net sales growth, as the disclosed information does not clarify the factors that have driven the past steady increase in net sales.

A. While many companies in our industry operate within limited regions and focus closely on local customers, we have, since our establishment, increased the number of our locations and promoted wider-area expansion. (Please refer to pages 11–12 of the material for our position in the industry and pages 13–14 for our competitive advantages.)
By expanding our operations over a wide area, we have generated economies of scale, strengthened our competitive advantage, and further broadened our sales coverage—factors that have driven our top-line growth to date.
Note: Please refer to page 38 of the material for historical trends in net sales.

Q. Please explain how sales volume and selling prices have trended, given that net sales have been increasing.

A. Although selling prices have risen due to factors such as price increases by packaging material manufacturers, please understand that the primary driver of our consistent growth in net sales has been the increase in sales volume. We have seen an increase in the number of customers, accompanied by a rise in the sales volume of packaging materials.

Questions on Our Financials Q3【update】

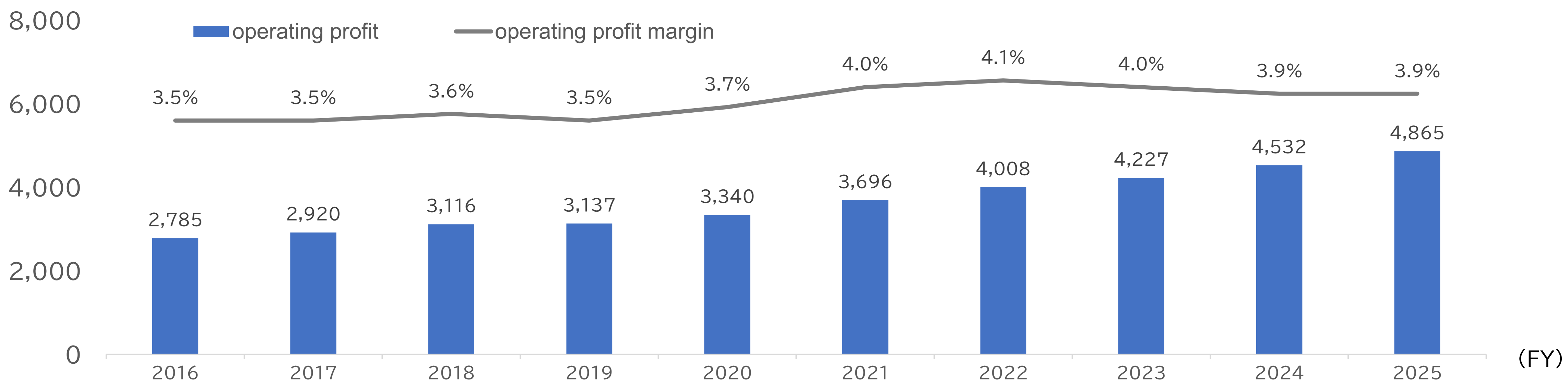
KOHSOKU CORPORATION

Q. Your operating profit margin appears to be hovering around 4%. Please explain whether there is potential for improvement going forward.

A. By improving logistics efficiency and administrative productivity, we aim to secure profits while managing increases in personnel costs and other expenses, and will continue working toward higher operating profit and increasing our operating profit margin.
We are making SG&A investments in human resources that will drive future net sales and profit growth, as well as in order-processing systems that enhance customer convenience. These investments are made with a long-term perspective, not solely to achieve short-term improvements in our operating profit margin. Since formulating medium- to long-term management plan beginning in FY03/19, productivity improvements and SG&A cost controls have led to an increase in our operating profit margin, which has since remained stable. We hope you will understand that our current growth in net sales and profit has been achieved as a result of investments made with a view to the future. <u>For specific initiatives to reduce SG&A expenses, please refer to page 29 of this document.</u>

*Updates from the previous version are underlined.

(Millions of Yen)



Questions on Our Financials Q4 【update】

KOHSOKU CORPORATION

Q. Please tell us about the seasonality of business performance.

A. Our main customers—supermarkets—see higher consumption by individual shoppers around the Obon holiday in August and during the year-end and New Year period, which drives demand for packaging materials. As a result, our performance tends to be higher in August and December than in other months. Because packaging materials used at the start of a given year are often delivered at the end of the preceding year, and because December is the peak period, Q3 net sales tend to be the highest among the four quarters.
For quarterly trends, please refer to the graph on page 31 of this document.

*Updates from the previous version are underlined.

Questions on Our Financials Q5【update】

KOHSOKU CORPORATION

Q. Please explain the trends and underlying factors for the major items of SG&A expenses.

A. The major items, categorized by type, are as below. In our business model, personnel expenses and logistics costs account for the majority of SG&A expenses. In recent years, we have strategically increased personnel expenses as an investment in human resources; however, per-employee productivity improvements have kept overall SG&A expense growth in check.

(Millions of Yen)	Full-Year FY03/22		Full-Year FY03/23			Full-Year FY03/24			Full-Year FY03/25			Full-Year FY03/26		
	Results	% of Net Sales	Results	% of Net Sales	YoY	Results	% of Net Sales	YoY	Results	% of Net Sales	YoY	Results	% of Net Sales	YoY
Net Sales	91,817	100.0%	98,850	100.0%	107.7%	106,216	100.0%	107.5%	115,915	100.0%	109.1%	124,191	100.0%	107.1%
SG&A Expenses	14,435	15.7%	15,752	15.9%	109.1%	16,660	15.7%	105.8%	18,508	16.0%	111.1%	19,883	16.0%	107.4%
Personnel Expenses	7,484	8.2%	8,127	8.2%	108.6%	8,386	7.9%	103.2%	9,259	8.0%	110.4%	10,113	8.1%	109.2%
Freight and Packing Costs	2,292	2.5%	2,475	2.5%	108.0%	2,676	2.5%	108.1%	2,970	2.6%	111.0%	3,165	2.5%	106.5%
Rent expenses on real estate	543	0.6%	562	0.6%	103.3%	625	0.6%	111.3%	688	0.6%	110.0%	726	0.6%	105.6%
Depreciation	515	0.6%	606	0.6%	117.6%	668	0.6%	110.2%	680	0.6%	101.8%	716	0.6%	105.3%
Other	3,598	3.9%	3,981	4.0%	110.6%	4,303	4.1%	108.1%	4,909	4.2%	114.1%	5,160	4.2%	105.1%

*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 for each fiscal year. The above table is a consolidated and organized version of figures from those reports, categorized accordingly.

Questions on Our Financials Q6

Q. Please explain how the recent wage hikes and increases in utility costs, such as logistics costs, have affected business performance.

A. While the Company continues to invest in human resources, including wage increases, it is also working to improve productivity per employee, thereby curbing overall increases in personnel costs. We are also working to keep logistics costs under control overall (please refer to page 27 of the material for details on SG&A expenses). As a result, the Company has achieved growth in operating profit despite higher personnel and logistics costs (please refer to page 25 of the material for details on operating profit).

Questions on Our Financials Q7【update】

KOHSOKU CORPORATION

Q. You have indicated that you are working to reduce SG&A expenses. Could you please provide specific details on future initiatives that may reduce SG&A expenses?

A. The following are <u>three</u> current initiatives that are expected to contribute significantly to reductions in SG&A expenses going forward.

◆ Initiatives Related to Personnel Costs—A Major Component of SG&A Expenses—and Productivity Improvement

First, because our business handles a large number of products, we have traditionally received orders for many different items from a large number of customers, and processing these orders has required substantial workload. Currently, to reduce the required workload, we are advancing initiatives to streamline order-processing operations through the use of AI. Through these initiatives, we expect to significantly reduce the workload of order-processing operations performed by clerical staff <u>(approx. 180 clerical employees out of about 710 regular employees of the Company on a non-consolidated basis as of end-March 2026).</u>

With respect to the workload saved through streamlining, initiatives are already underway. By having clerical staff take on “sales assistant” roles—which primarily support the administrative aspects of sales activities—the Company will, as a whole, strengthen its support framework for existing customers and advance efforts to expand transactions.

◆ Initiatives to Optimize Inventory Placement with Capital Efficiency in Mind

It is important for us to maintain a certain level of inventory to ensure a continuous supply of packaging materials to customers, and holding inventory itself represents a source of value for the Company. On the other hand, from this perspective, it is of course necessary to reduce unnecessary inventory, and we have long been undertaking initiatives with a focus on the inventory-to-monthly-sales ratio at each location.

In recent years, we have been implementing initiatives aimed at optimizing inventory allocation among locations by utilizing technologies such as quantum computing, thereby reducing inventory, promoting the effective use of funds, and striving to further improve capital efficiency.

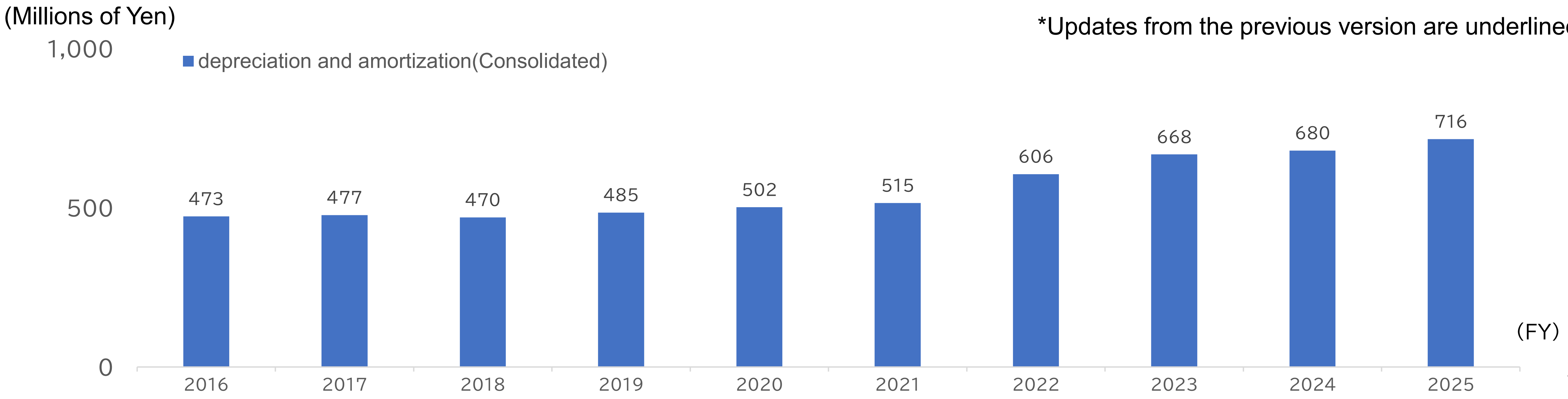
*Updates from the previous version are underlined.

Q. You have indicated you are working to reduce SG&A expenses. Could you please provide specific details on future initiatives that may reduce SG&A expenses?

A. ◆Digital investment initiatives

We replaced our core sales management system in FY03/23. The new system's scalability has allowed us to roll out enhancements as business needs arise, further streamlining operations. Productivity has also improved as employees throughout the organization—particularly those in administrative roles—have become more adept at using the system. Including one-time expenses, total investment in the sales management system amounted to ¥770 million, including ¥600 million in capitalized software costs. We began amortizing the software and depreciating the capital investment portion during FY03/23. We project amortization of the software will conclude during FY03/28. The figure below tracks depreciation and amortization over time. The Company is currently assessing where AI could improve efficiency and considering investments potentially capable of extending its use beyond administrative and logistics operations.

*Updates from the previous version are underlined.

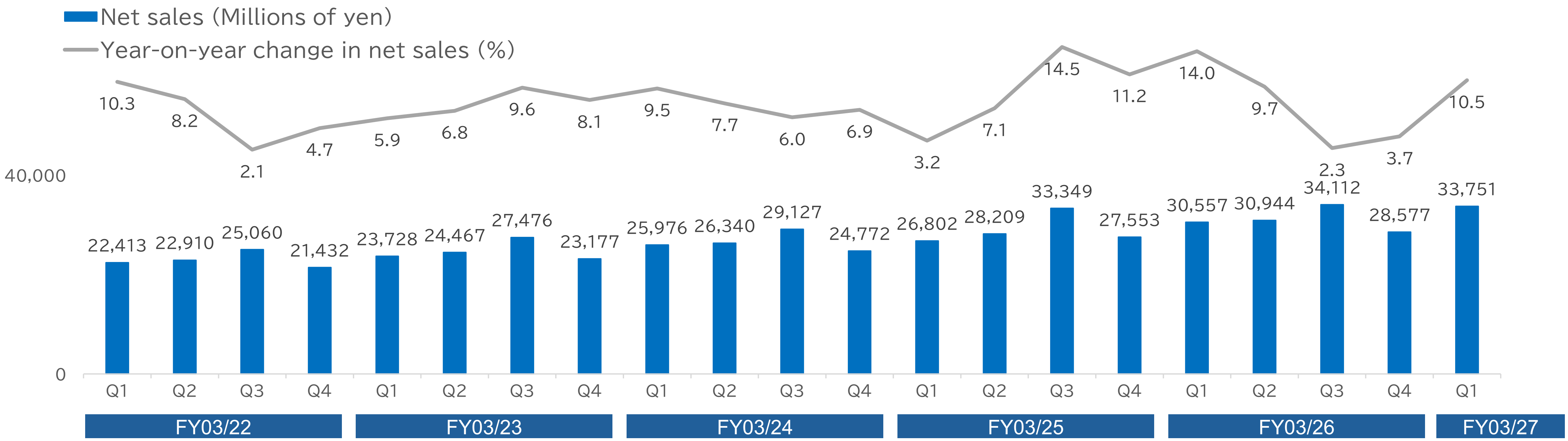


Questions on Our Financials Q8【update】

KOHSOKU CORPORATION

Q. Net sales appear to have grown significantly YoY in Q1 FY03/27. Is this rate of growth expected to continue in Q2 FY03/27 and subsequent quarters?

A. Net sales increased YoY in Q1 FY03/27, reflecting increases in customer transactions beginning in Q4 FY03/26 and Q1 FY03/27, together with a significant contribution from price revisions implemented by manufacturers of film, bags, and related products during Q1 FY03/27. Looking ahead, we expect selling price revisions for food containers—particularly food trays—will have a more pronounced effect from Q2 FY03/27 onward. Please refer to page 26 of the material for information on the seasonality of business performance.



Questions on Our Financials Q9【NEW】

Q. Your Medium- to Long-Term Management Plan targets net sales of ¥200.0 billion or higher and operating profit of ¥8.0 billion or higher. How much upside is contemplated beyond these figures? Does the plan assume a 4% operating profit margin, or could economies of scale enable the Company to achieve a higher margin?

A. Please note our plan was not formulated based on a predetermined operating profit margin of 4%. In addition to net sales growth, we believe Group-wide synergies can deliver both higher operating profit and an improved operating profit margin by expanding sales of environmentally friendly and other higher-value-added products, as well as products manufactured by Group companies.

Administrative and logistics operations offer scope for further efficiency gains. SG&A expenses have generally represented about 16% of net sales, with personnel expenses accounting for approximately 8%. Even as we raise wages across the organization, productivity gains could lower the SG&A ratio—primarily by reducing personnel expenses as a percentage of net sales—and gradually improve our operating profit margin, even if only by 0.1 percentage point at a time.

Note: For details of specific initiatives aiming to reduce SG&A expenses, please see the section of this presentation beginning on slide 29.

M&A could support higher margins in two ways: adding another packaging-material wholesaler to the Group would generate greater economies of scale in our wholesale operations, while acquiring a packaging-material manufacturer would allow us to improve profit margins by selling its products through our existing channels.

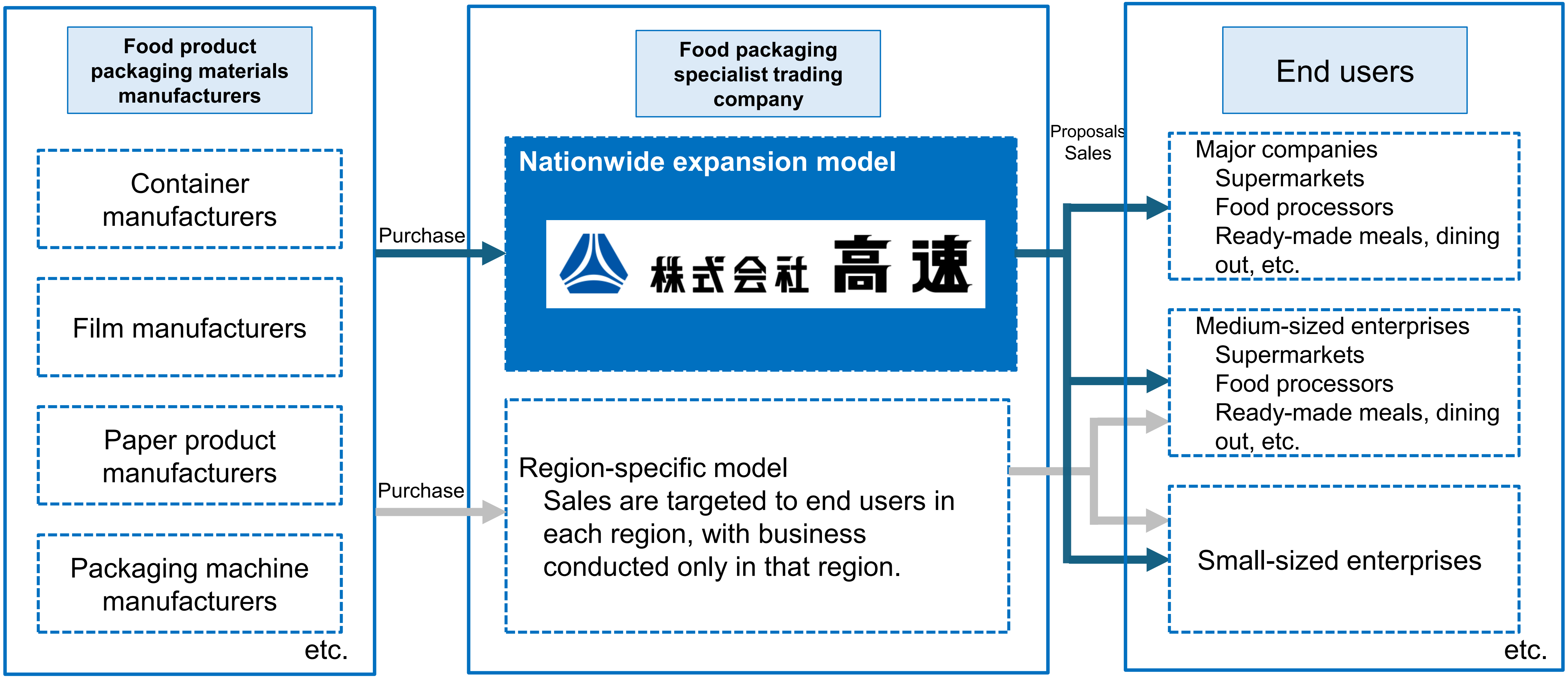
We maintain a medium- to long-term plan should be based on assumptions that carry a reasonable degree of certainty. Accordingly, our plan is predicated upon sustained growth in existing businesses and does not incorporate any major earnings uplift from potential large-scale acquisitions.

Note: Please refer to page 20 of the material for information on the M&A targets .

04 Reference: Company Profile

Business Model

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



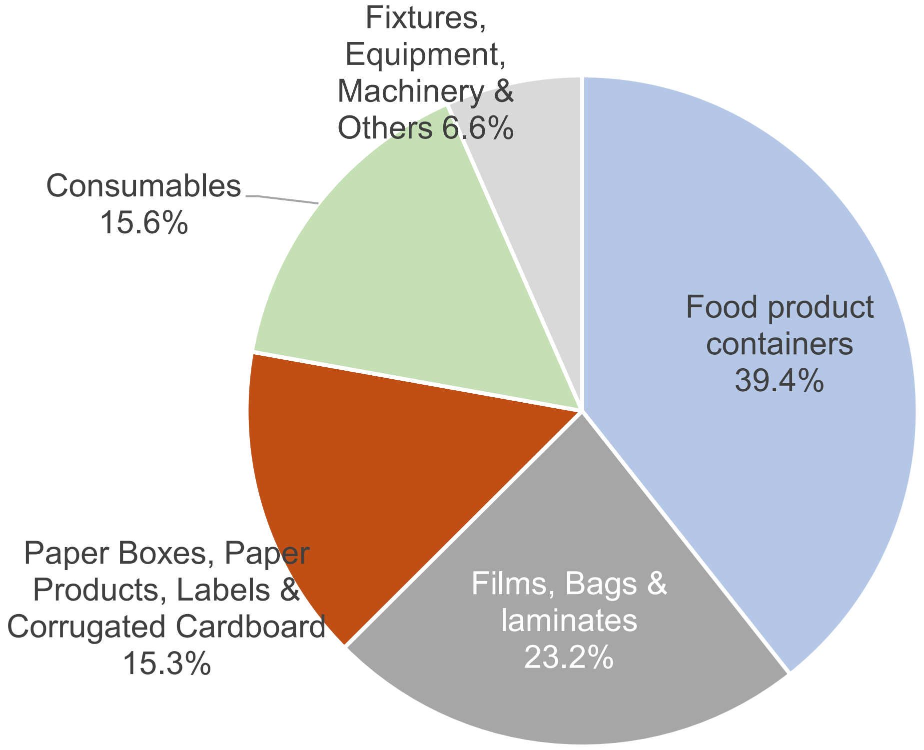
Products Handled

Not just food product containers, but a wide variety of other products

KOHSOKU CORPORATION

Products handled

Sales performance by product group (Q1 FY03/27)



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.

External Recognition, etc.

KOHSOKU CORPORATION

The Company began calculating its Scope 1 and Scope 2 greenhouse gas emissions in 2025 and introduced disclosures aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in its Annual Securities Report in 2026. It will continue enhancing its disclosures, taking into account the information needs of investors prioritizing ESG.

Selection for Stock Index

Nikkei Consecutive Dividend Growth Stock Index
Continued selection as a constituent stock (fourth consecutive year)

Since the launch of the calculation and publication of the Nikkei Consecutive Dividend Growth Stock Index in 2023, the Company has been selected for inclusion for four consecutive years.

External Recognition

Climate Change
Water Security
C Score

The Company has responded to CDP since 2025 and has received a C score in both the Climate Change and Water Security categories.

05 Reference: Trajectory of Corporate Value Enhancement

Performance Trends 11 consecutive fiscal years of record-high net sales

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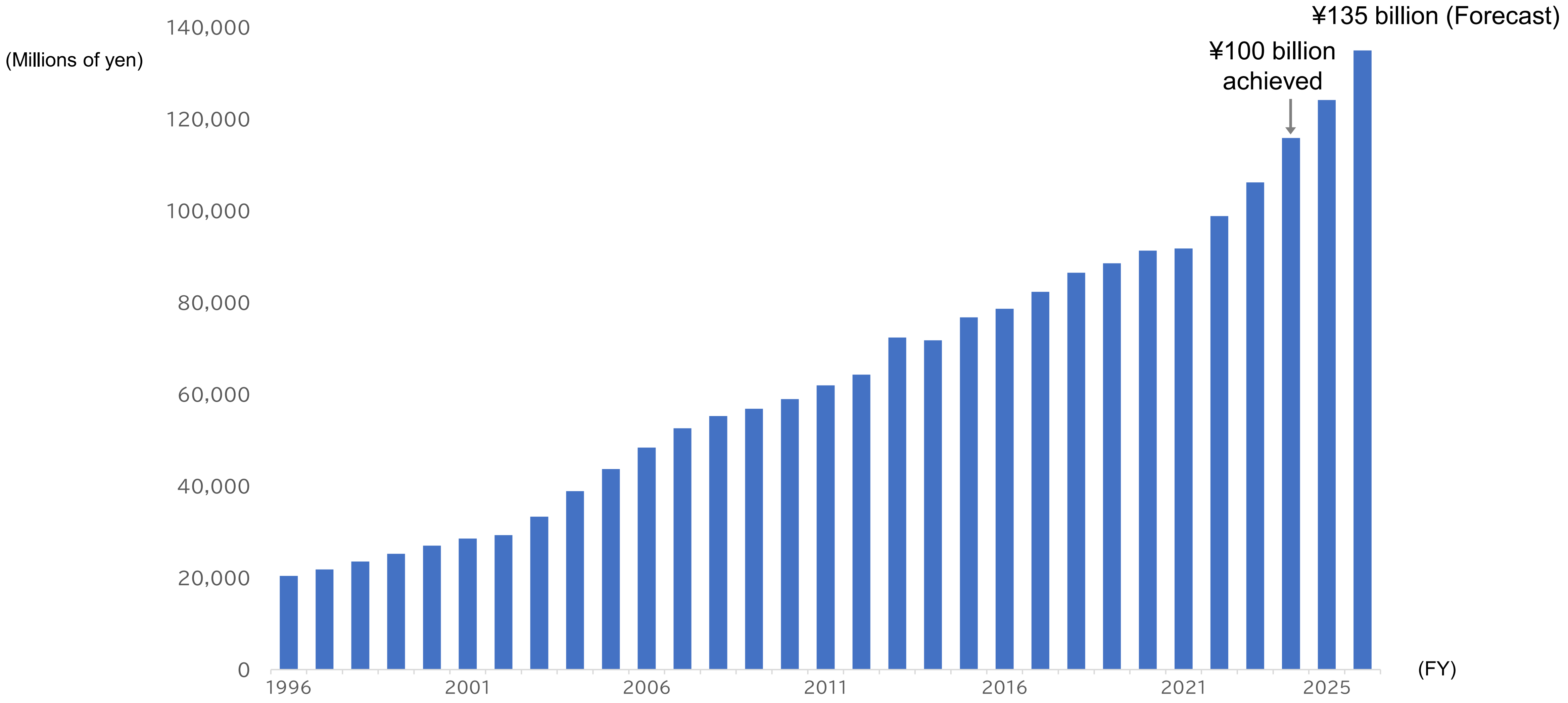
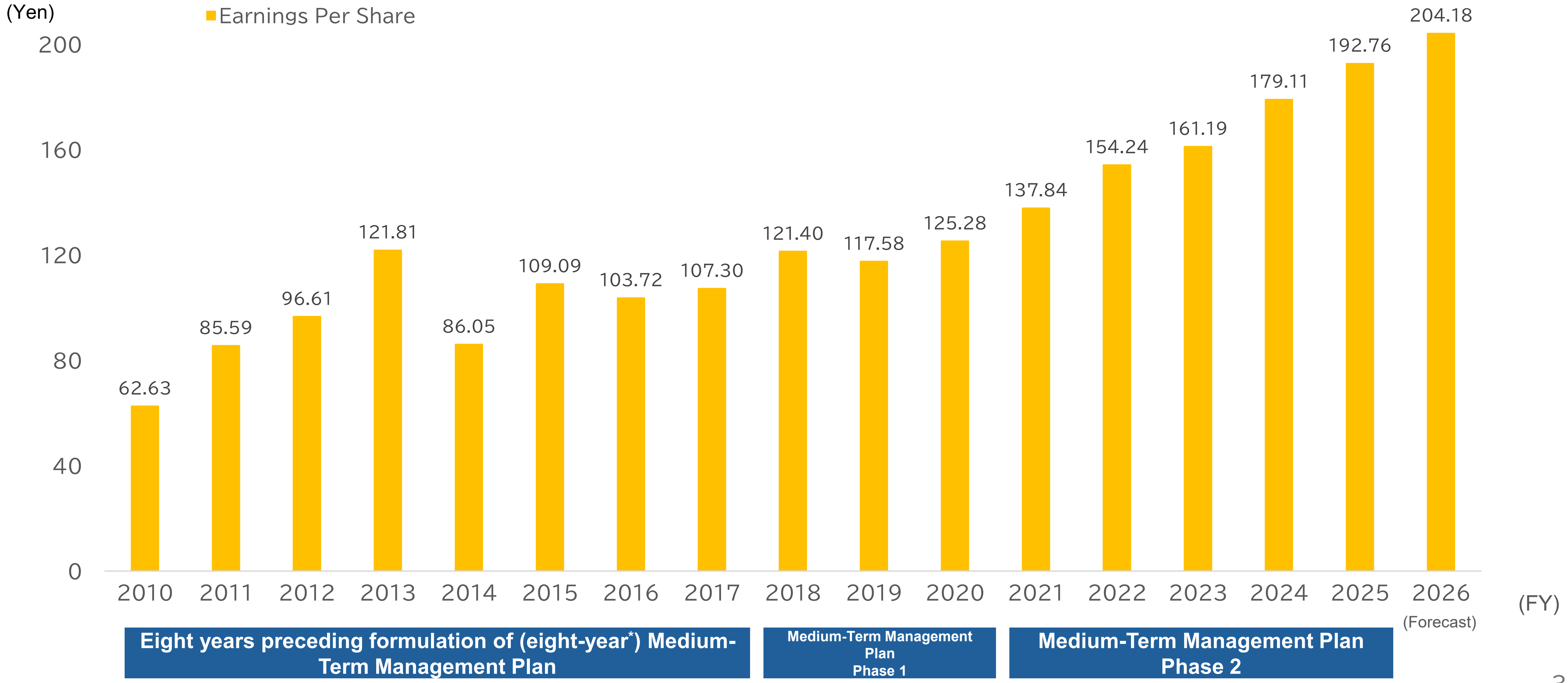
In response to ongoing demand for food packaging, we have continued and expanded business with existing customers while steadily adding new ones. As a result, since our establishment we have achieved sales growth every year for over 50 years, with the exception of FY03/15(*).



Note: In fiscal year 1996, DeDesignated as over-the-counter issue by Japan Securities Dealers Association
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 22nd consecutive year of dividend increases in FY03/26).



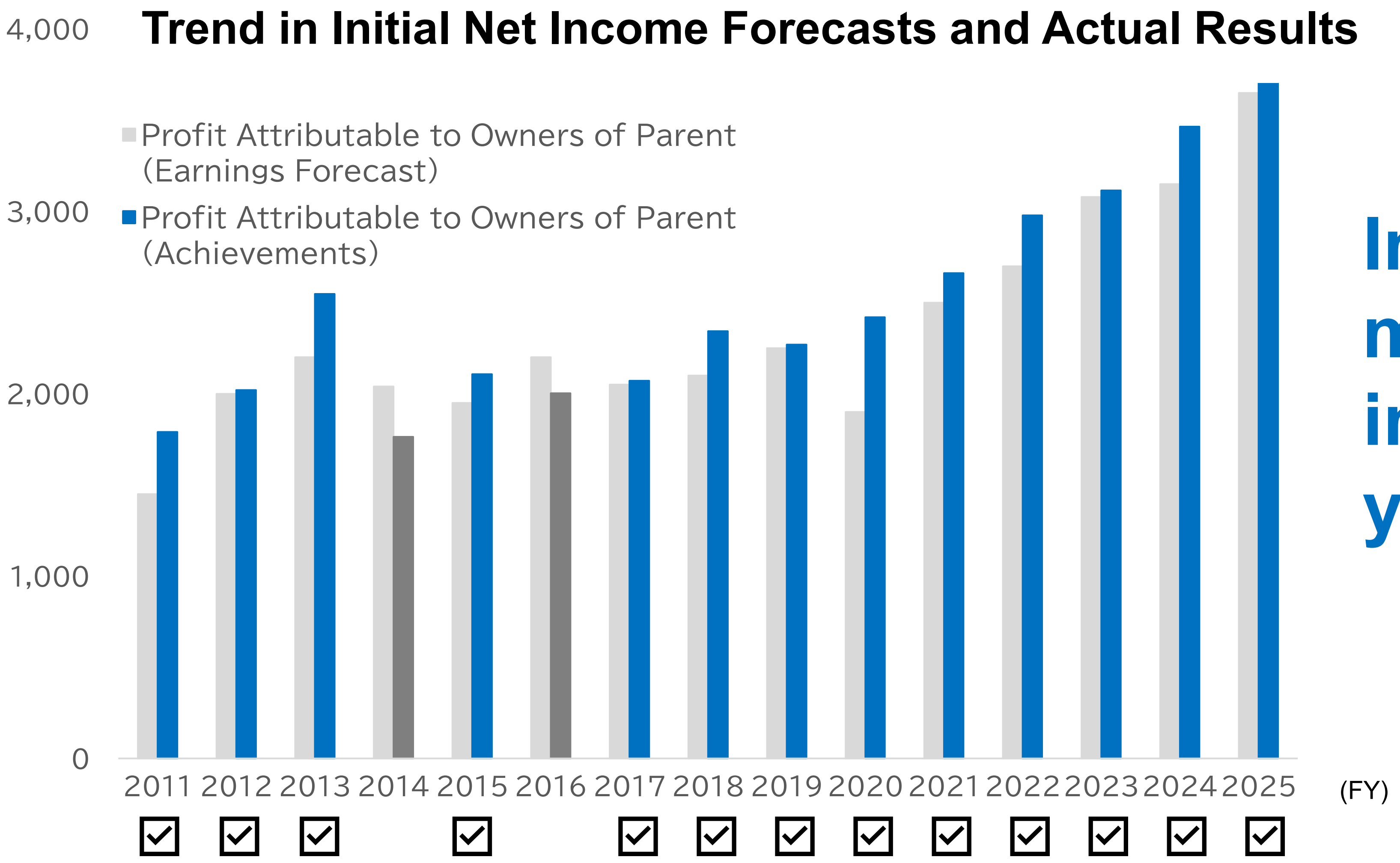
Note: The FY2026 earnings per share figure is a projection.

Execution Capability (Performance against Initial Forecasts)

KOHSOKU CORPORATION

The figure below compares the Company's initial full-year forecasts for profit attributable to owners of parent with the corresponding actual results. Profit attributable to owners of parent met or exceeded the initial forecast in 13 of the past 15 fiscal years, including every year covered by the previous eight-year medium- to long-term management plan (FY03/19–FY03/26).

(Millions of yen)



Initial forecast met or exceeded in 13 of 15 fiscal years

Shareholder Returns

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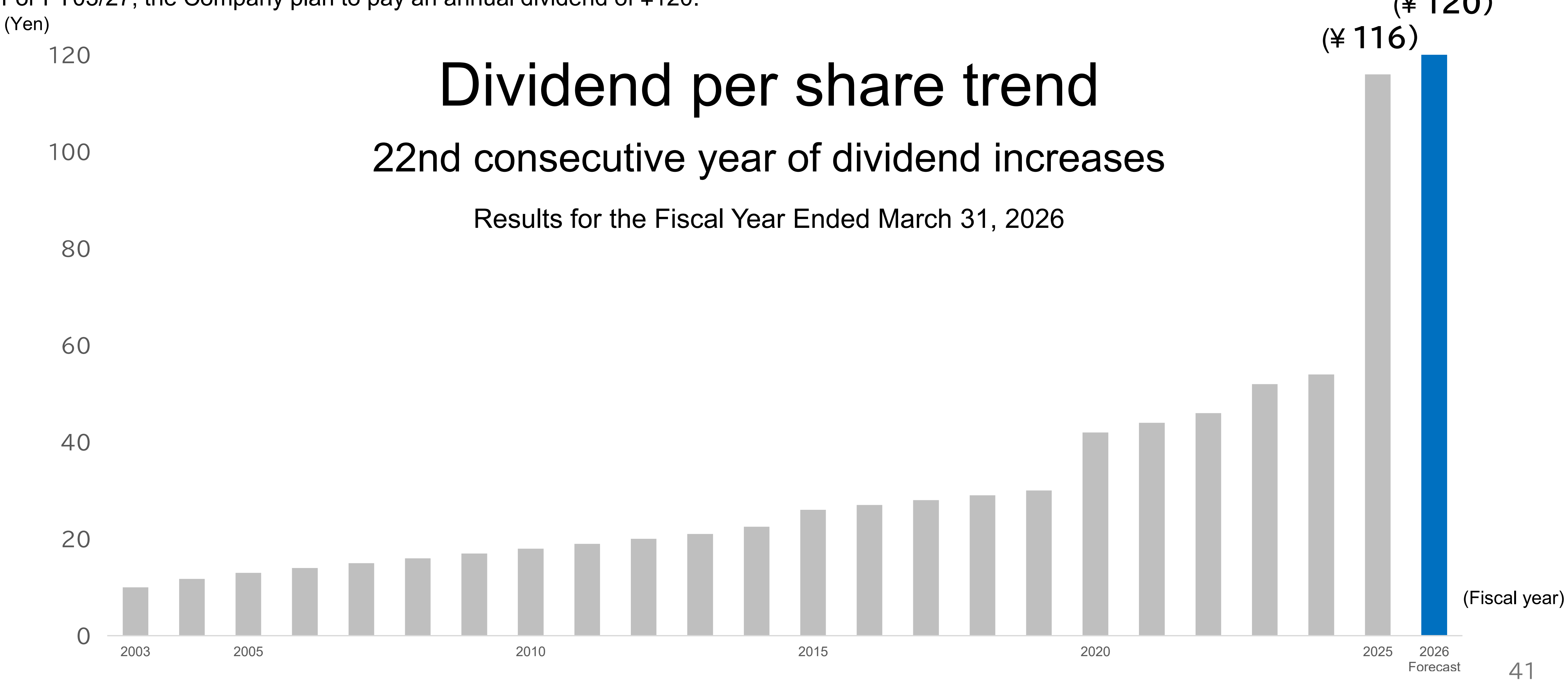
For FY03/26, we paid an annual dividend of ¥116, including 60th anniversary commemorative dividend of ¥60, achieving for the 22nd consecutive year of dividend increases.
For FY03/27, the Company plan to pay an annual dividend of ¥120.



*Adjusted for the impact of the stock split.

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

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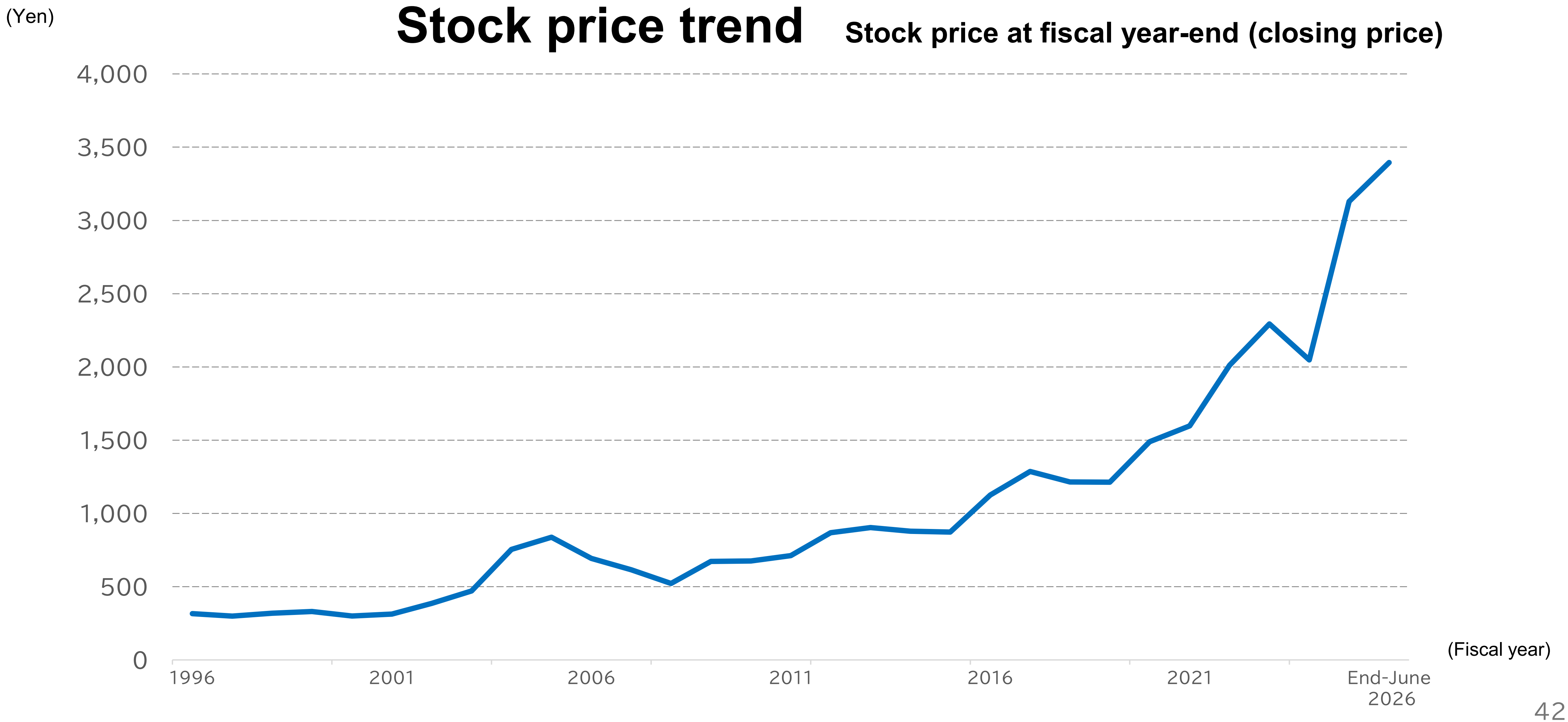
The Company's steady business expansion and consistent shareholder returns, underpinned by consecutive dividend increases, have been well received, resulting in the following upward trend in its share price.



IR site introduction, Disclaimer, etc.

KOHSOKU CORPORATION

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

We have launched a new English-language webpage outlining our initiatives to enhance corporate value.【NEW】

https://www.kohsoku.com/investment/en/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.

https://www.kohsoku.com/investment/mail.html

Disclaimer

This document has been carefully prepared to ensure accuracy; however, its completeness is not guaranteed.

Forward-looking statements contained in this document are based on information and assumptions available at the time of its creation. Actual results may differ from the forecasts due to various factors, and the projected figures may be changed without prior notice.

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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.

A packaging specialist trading company

KOHSOKU CORPORATION

Investor relations website:
https://www.kohsoku.com/investment/