Performance Review
for the Fiscal Year Ended March 31, 2026

April 27, 2026

KOA Corporation

Note 1: This document is a translation of the original Japanese document. In the case of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.
Note 2: All references to FY03/XXXX in this document refer to the financial year ending on March 31, XXXX.

KOA Posts 210% Increase in Operating Profit in FY03/2026 Expanding Sales and New Product Development in Growth Markets

Summary of Business Performance

1 Results for the Fiscal Year Ended March 31, 2026

Summary of Business Performance

	FY03/25		FY03/26		YoY	
	(Billions of ¥)	(%)	(Billions of ¥)	(%)	(Billions of ¥)	(%)
Net sales	64.1	100.0	72.3	100.0	+8.2	+12.7
Operating profit	1.2	1.8	3.7	5.0	+2.5	+210.0
Ordinary profit	1.2	1.9	5.2	7.2	+4.0	+320.1
Profit (loss) attributable to owners of parent	0.3	0.4	4.0	5.5	+3.7	-
Actual exchange rate JPY/USD	152.56		151.06			
JPY/EUR	163.65		175.55			

(Note) Exchange rate sensitivity: Fluctuation of ¥1 in JPY/USD rate effects a fluctuation of ¥210 million in net sales and ¥120 million in operating profit; a fluctuation of ¥1 in JPY/EUR rate effects a fluctuation of ¥50 million in net sales and ¥30 million in operating profit

Katsuhiko Momose:
Hello everyone. I am Katsuhiko Momose, Director, Vice President and Executive Officer of KOA CORPORATION. Thank you very much for taking the time to attend our financial results briefing today.

For the fiscal year ended March 31, 2026, both net sales and profits increased year on year.

Net sales rose 12.7% year on year to ¥72.29 billion. This was mainly due to a recovery in orders as prolonged customer inventory adjustments in Japan and Europe gradually eased, along with solid demand for automotive applications, particularly in China, and AI-related equipment, including data centers in Asia.

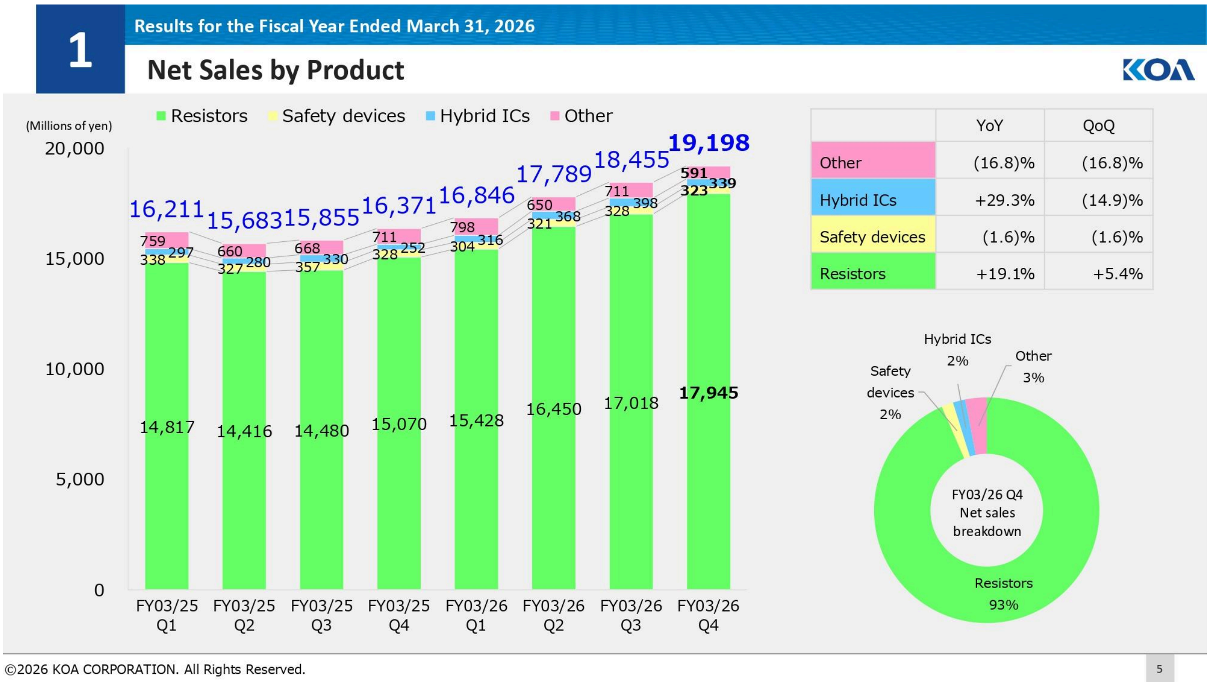
On the profit side, fixed costs increased due to depreciation associated with the construction of new plants in China and Malaysia, while soaring metal prices in the second half of the fiscal year also had a negative impact on earnings.

However, amid increased sales and uncertainty surrounding U.S. tariff policies at the beginning of the fiscal year, we thoroughly reviewed capital investment plans and implemented strict expense controls. As a result, operating profit increased 210% year on year to ¥3.65 billion.

In non-operating income and expenses, subsidy income related to capital investments and foreign exchange gains contributed to a positive balance of ¥1.58 billion. Consequently, ordinary profit totaled ¥5.22 billion, and profit attributable to owners of parent came to ¥3.95 billion.

The actual exchange rates and exchange sensitivity for the fiscal year are shown on this slide. The weaker yen had a positive impact on earnings.

Net Sales by Product



The next couple of slides provide an overview of net sales by product, region, and application. The graph on the left side of the slide shows quarterly trends from the first quarter of the fiscal year ended March 31, 2025, while the pie chart at the bottom right shows the sales composition ratio for the three months ended in the fourth quarter of fiscal 2025.

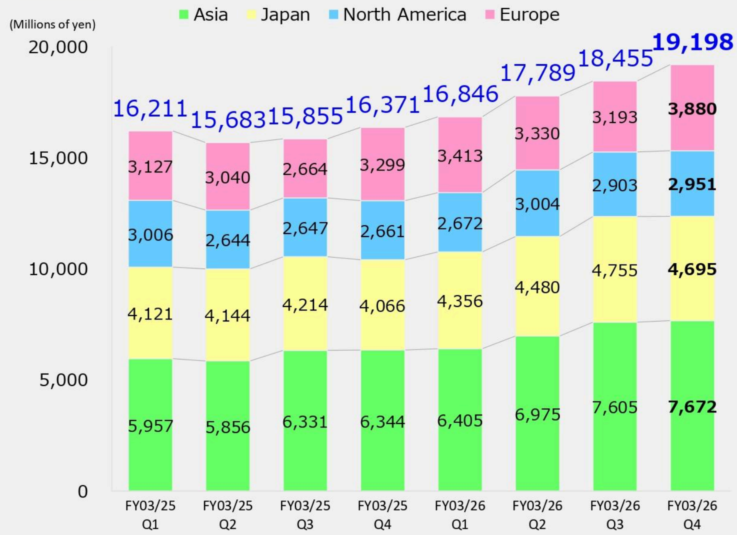
First, I will explain the changes in the fourth quarter compared with the third quarter by product category.

Sales of resistors increased 5.4%, supported by strong performance across almost all application areas.
Sales for safety devices decreased 1.6%, ICs declined 14.9% mainly for industrial equipment applications, and other products decreased 16.8%.

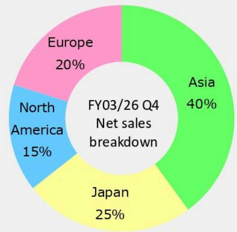
Net Sales by Region

1 Results for the Fiscal Year Ended March 31, 2026

Net Sales by Region



	YoY	QoQ
Europe	+17.6%	+21.5%
North America	+10.9%	+1.6%
Japan	+15.5%	(1.2)%
Asia	+20.9%	+0.9%



In Asia, sales for power supplies used in AI servers and home appliances such as air conditioners increased. However, due to the seasonal impact of the Lunar New Year holiday, overall sales growth was limited to 0.9%.

In Japan, demand recovery for automotive and industrial equipment applications had continued through the third quarter, but sales decreased 1.2% due in part to seasonal factors in January.

In North America, although demand from distributors declined, solid sales for automotive applications led to an overall increase of 1.6%.

In Europe, in addition to a recovery from seasonal adjustments in the third quarter, demand was strong across all application areas, including automotive, distributors, and industrial equipment, resulting in a 21.5% increase.

Net Sales by Application

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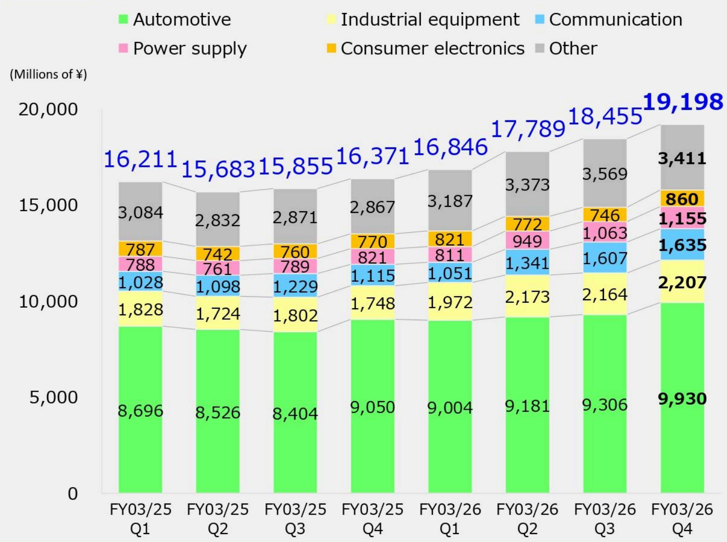
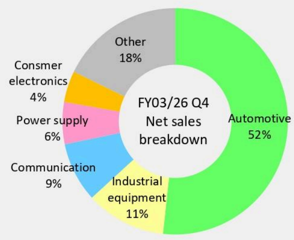
Results for the Fiscal Year Ended March 31, 2026

Net Sales by Application



	YoY	QoQ
Other	+19.0%	(4.4)%
Consumer electronics	+11.7%	+15.3%
Power supply	+40.7%	+8.7%
Communication	+46.7%	+1.7%
Industrial equipment	+26.3%	+2.0%
Automotive	+9.7%	+6.7%



Sales for automotive application was flat in China and Japan, but performed strongly in Europe and North America, resulting in an overall increase of 6.7%. As a result, automotive represented 52% of our net sales in the fourth quarter of the fiscal year ended March 31, 2026.

Sales for industrial equipment applications continued to recover from the inventory adjustment phase we saw in the fiscal year ended March 31, 2025, and this recovery trend held throughout the fiscal year, resulting in a 2.0% increase.

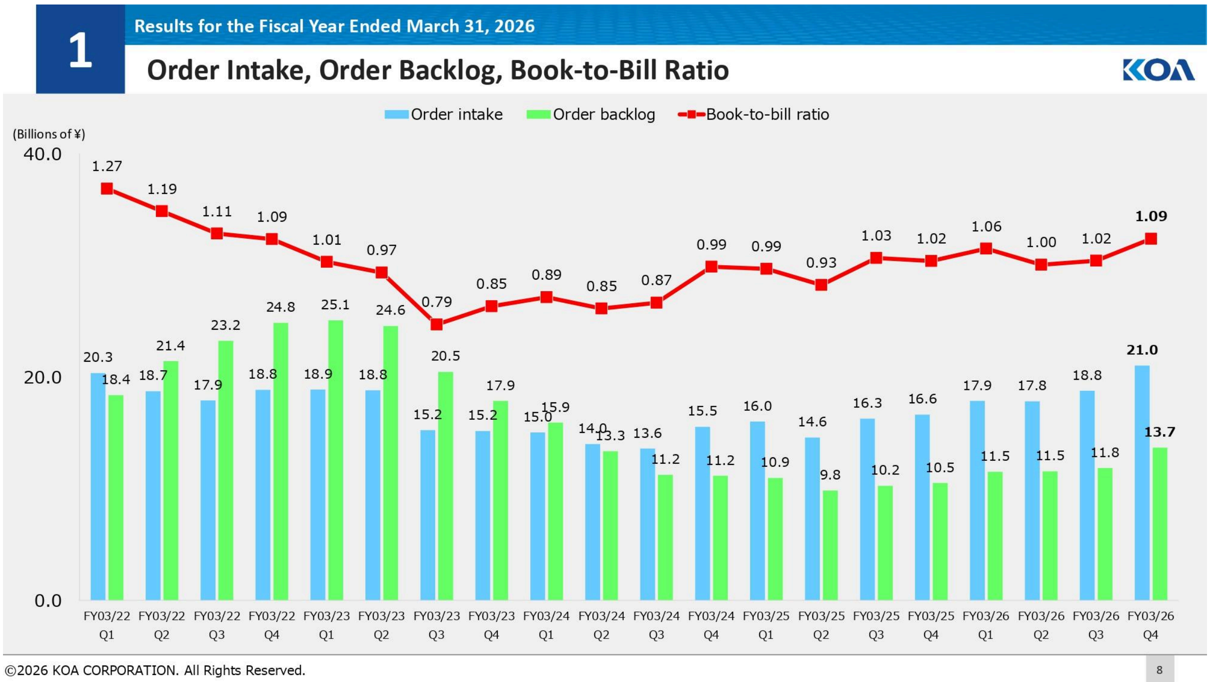
Sales for communication applications maintained a higher level of demand compared to the fiscal year ended March 31, 2025, driven primarily by AI server-related demand. Growth was partially tempered by seasonal factors in Asia, bringing the overall increase to 1.7%.

Sales for power supply applications saw strong demand, including server applications, and increased 8.7%.

Sales for consumer electronics applications increased 15.3%, driven by peak-season air conditioner demand in Asia.

Sales for other applications decreased 4.4%, reflecting lower sales primarily to distributors in North America and China.

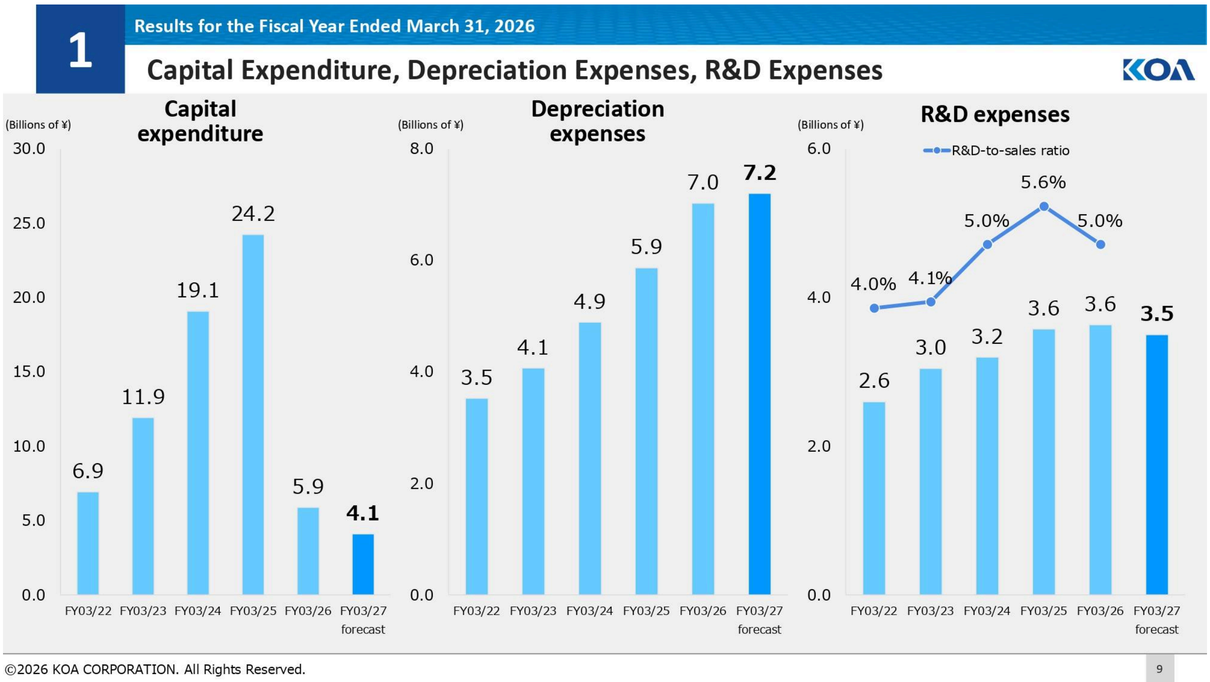
Order Intake, Order Backlog, Book-to-Bill Ratio



As shown by the blue bars in the chart, orders had been on a declining trend since the second half of the fiscal year ended March 31, 2023, but have been gradually recovering since bottoming out in the third quarter of the fiscal year ended March 31, 2024. In the fourth quarter, supported in part by foreign exchange effects, we recorded orders exceeding ¥20 billion — the first time we have reached that level since the first quarter of the fiscal year ended March 31, 2022.

It is worth noting that part of the increase in fourth-quarter orders is believed to reflect a buildup of customer inventory in response to the ongoing conflict in the Middle East.
Order backlog has remained stable at approximately two months of monthly net sales, and our book-to-bill ratio has been maintained above 1.0.

Capital Expenditure, Depreciation Expenses, R&D Expenses



Capital expenditure for the fiscal year totaled ¥5.9 billion. Breaking this down further, our new factory in Malaysia was completed in April 2025, and it accounted for approximately 70% of total capital expenditures, including the final payment for the factory construction.

Other investments included costs related to the relocation of our China operations, as well as investments in Japan aimed at increasing production capacity and improving productivity and quality. For the fiscal year ending March 31, 2027, we are planning capital expenditures of ¥4.1 billion and depreciation expenses of ¥7.2 billion.

Turning to research and development expenses, depreciation and other costs have increased following the completion of a new development facility in the fiscal year ended March 31, 2025. Nevertheless, research and development expenses for the current fiscal year came in at ¥3.6 billion, essentially in line with the prior year. Research and development expenses for the fiscal year ending March 31, 2027 are projected at ¥3.5 billion.

Financial Forecast for the Fiscal Year Ending March 31, 2027

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Financial Forecast for the Fiscal Year Ending March 31, 2027

Financial Forecast for the Fiscal Year Ending March 31, 2027

KOA

Sales increased for automotive applications in Japan and AI server-related demand in Asia. While price adjustments are being implemented to address rising raw material costs, operating profit decreased due to a time lag before these measures take effect. A relocation compensation gain related to the China factory was recorded as extraordinary income. The impact of the Middle East conflict has not been factored into the forecast.

Billions of yen	FY03/26		FY03/27 forecast						YoY	
	Full-year	(%)	H1	(%)	H2	(%)	Full-year	(%)		(%)
Net sales	72.3	100.0	38.6	100.0	38.8	100.0	77.4	100.0	+5.1	+7.1
Operating profit	3.7	5.0	1.1	2.7	1.8	4.6	2.8	3.7	(0.8)	(22.4)
Ordinary profit	5.2	7.2	1.3	3.4	2.0	5.1	3.3	4.3	(1.9)	(36.8)
Profit (loss) attributable to owners of parent	4.0	5.5	3.4	8.7	1.4	3.7	4.8	6.2	+0.8	+21.0
ROE	4.7%		—		—		5.3%			
Capital expenditure	5.9		—		—		4.1		(1.8)	(30.5)
Actual exchange rate JPY/USD JPY/EUR	151.06 175.55		157.00 184.00		157.00 184.00		157.00 184.00			

Kosei Mukaiyama:
This is Kosei Mukaiyama, Representative Director, President and CEO. I will now walk you through our performance forecast for the fiscal year ending March 31, 2027.

Net sales are expected to increase by approximately ¥5.1 billion compared to the prior year, reaching ¥77.4 billion, driven by continued strong sales of automotive-related products in Japan and AI server-related products across Asia, including Taiwan and China.

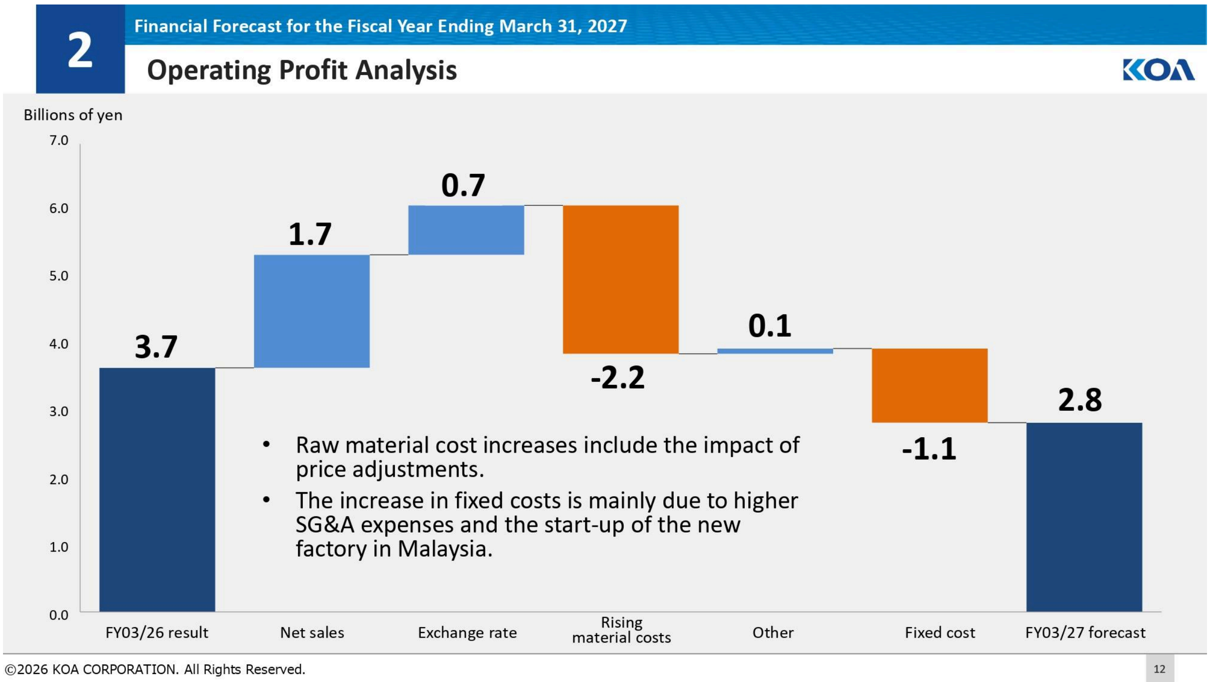
Operating profit is expected to decrease by ¥0.8 billion compared to the prior year, to ¥2.8 billion, primarily due to rising raw material costs.

We are planning price adjustments to address the increase in material costs; however, there will be a time lag before these measures take effect. While a portion has been factored into our second-half net sales and income projections, the majority is expected to carry over into the fiscal year ending March 31, 2028.

Profit (loss) attributable to owners of parent is expected to increase by ¥0.8 billion compared to the prior year, to ¥4.8 billion, reflecting the recognition of ¥3.0 billion in relocation compensation for our China factory as an extraordinary gain in the first half of the fiscal year. As a result, ROE is projected at 5.3%.

Capital expenditure is planned at ¥4.1 billion.
Regarding the potential impact of the Middle East conflict, we recognize the possibility of higher procurement costs and a decline in demand resulting from reduced customer production. However, given the significant uncertainty surrounding the outlook, these factors have not been factored into our forecasts at this time.

Operating Profit Analysis



This slide shows a waterfall chart illustrating the year-on-year changes in operating profit between our actual results of the fiscal year ended March 31, 2026 and forecast for the fiscal year ending March 31, 2027.

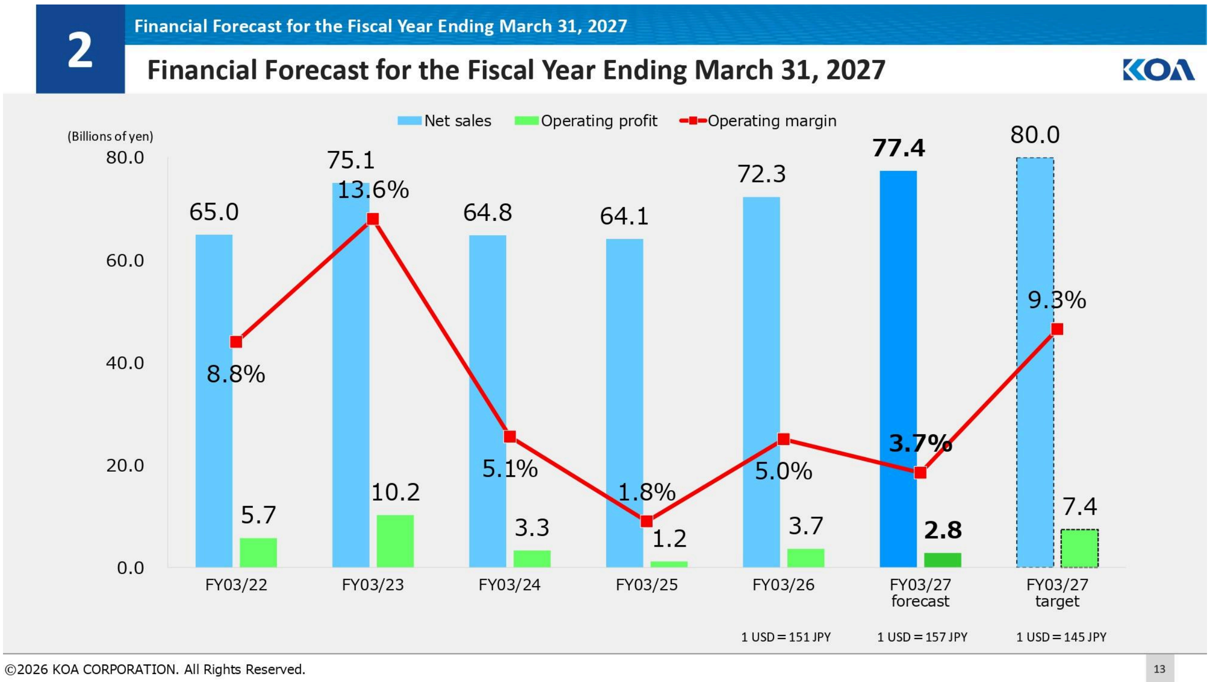
On the positive side, we are projecting a ¥1.7 billion contribution from higher net sales and a ¥0.7 billion favorable impact from the weaker yen.
On the negative side, we are projecting a ¥2.2 billion headwind from rising material costs and a ¥1.1 billion increase in fixed costs.

Regarding the rise in material costs, this is primarily driven by higher market prices for precious metals contained in the resistor paste used in our thick-film flat chip resistors. It is our policy to pass on cost increases resulting from market price fluctuations to our selling prices.

However, there is typically a lag of six months to one year between the start of customer negotiations and the actual reflection in net sales. As a result, in the fiscal year ending March 31, 2027, cost increases are expected to outpace pricing adjustments, leading to a decline in operating profit.

Regarding the increase in fixed costs, this is mainly attributable to higher selling expenses, as well as costs associated with the operation of a sample line at our new Malaysia factory — which was completed in April 2025 — for the purpose of obtaining customer qualification. These costs are expected to be reflected as an increase in selling, general and administrative expenses.

Financial Forecast for the Fiscal Year Ending March 31, 2027



This slide shows the trends in net sales and operating profit.
For the fiscal year ending March 31, 2027, although net sales are expected to increase, operating profit is projected to decline due to the impact of rising material costs.

For the fiscal year ending March 31, 2028, we will continue striving to achieve the targets of our Mid-Term Management Plan through sales growth driven by aggressive expansion in growth markets, which I will explain later, as well as through ongoing price adjustments and cost reductions.

AI-Related Markets

3 Initiatives in Growth Markets

AI-Related Markets

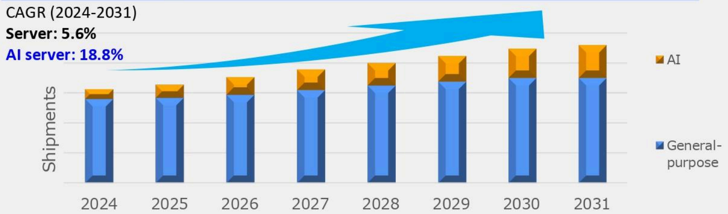
KOA

Resistor demand for AI server racks (FY03/2027)
Chip resistors required: approx. 130 billion units per year
<Assumptions>
Server racks: approx. 350,000 units per year
Chip resistors per rack: approx. 360,000 pieces

■ Key AI-related revenue — FY03/2027 forecast: Up 20% YoY

Application	Device	Key product	FY03/2026 Net sales (Billions of yen)
Communication	Server body	Thick-film chip, Thin-film chip, Shunt	Approx. 2.0
	Optical transceivers	Thick-film chip, Shunt	
	Memory modules	Thick-film chip	
Power supply	Power supply	Thick-film chip, Thin-film chip, Shunt	Approx. 0.7
Industrial equipment	Semiconductor manufacturing equipment	Module, Thin-film chip, Shunt	Approx. 0.9
		Total	**Approx. 3.6**

■ Server market growth and outlook



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I will explain our initiatives in growth markets under the Mid-Term Management Plan through the fiscal year ending March 31, 2028.

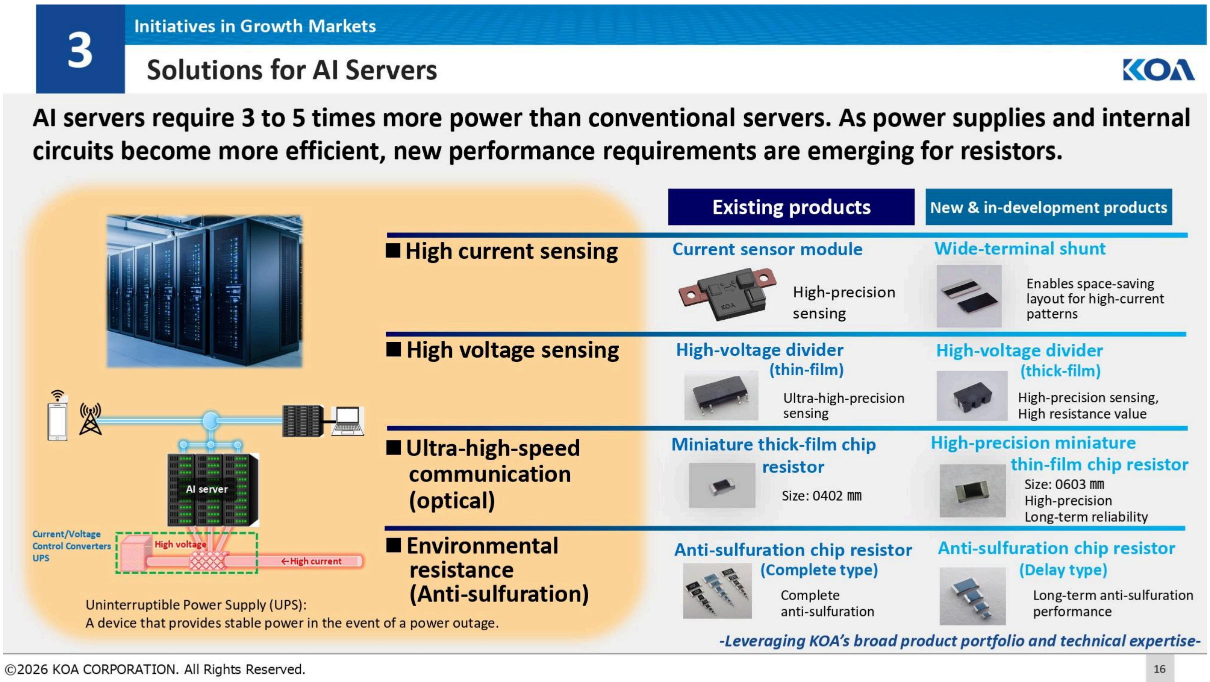
In the AI-related equipment market, we expect business opportunities to expand due to the increasing number of servers accompanying the spread of digital transformation (DX) and ongoing investments in data center infrastructure.

AI server racks consist of multiple server trays, switch trays, power supply units, and other components, and each server is estimated to contain approximately 360,000 chip resistors.

Shipments of AI servers are expected to continue increasing going forward. In this growing market, we will actively promote sales expansion activities and new product development.

In the fiscal year ended March 31, 2026, sales related to AI applications, categorized under communications, power supplies, and industrial equipment by application, totaled ¥3.6 billion. For the fiscal year ending March 31, 2027, we expect sales to increase by approximately 20% year on year.

Solutions for AI Servers



Compared with conventional servers, AI servers consume three to five times more power, driving the need for higher efficiency in power supply units and electrical circuits within servers. As a result, new performance requirements are expected for resistors as well.

AI servers and peripheral equipment require features such as high-current sensing, high-voltage sensing, ultra-high-speed communication, and environmental resistance. For existing products, we will promote the expansion of current sensor modules, thin-film high-voltage dividers, and anti-sulfuration chip resistors designed to ensure long-term reliability.

To address future increases in power consumption, we will leverage our broad product lineup and technological capabilities, including wide-terminal shunt resistors, thick-film dividers, high-precision miniature thin-film chip resistors, and delay-type anti-sulfuration chip resistors, which offer cost advantages over comparable products.

Status of New Plant Operations

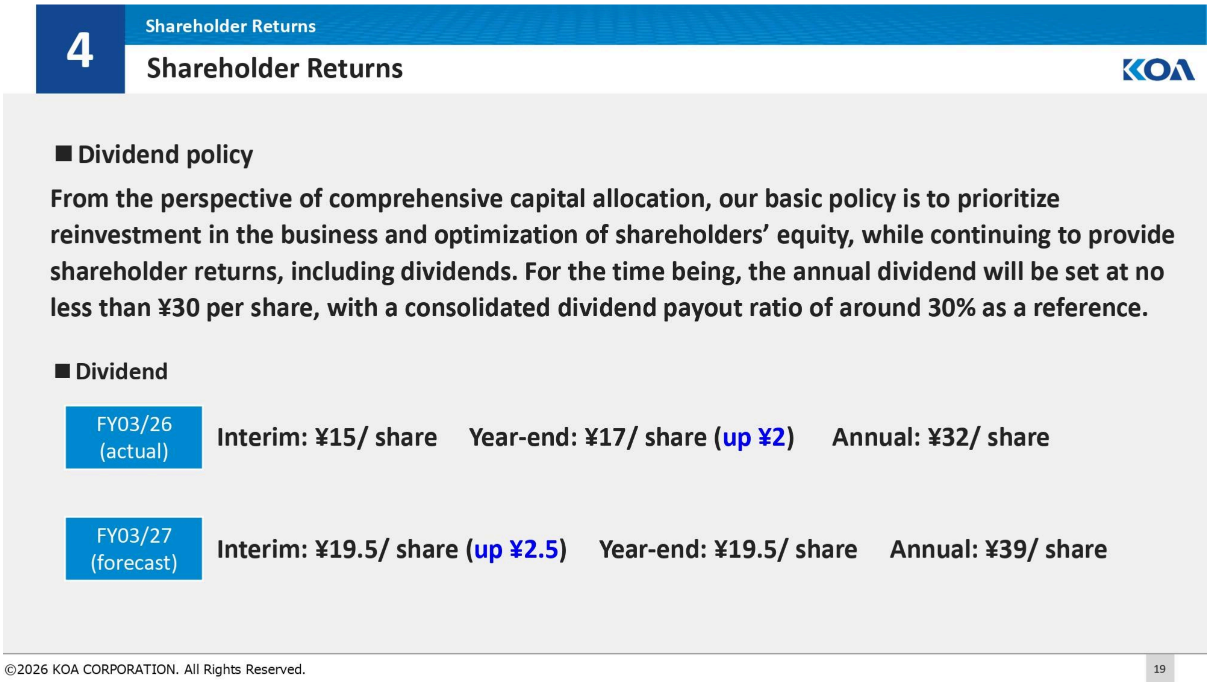
KOA ELECTRONICS (TAICANG) in China constructed a new plant in response to a government relocation request and completed the transfer from the old plant to the new facility in September 2025.

KOA DENKO (MALAYSIA) completed construction of its new plant in April 2025. The company has established a sample production line and is currently preparing for mass production by obtaining customer approvals and qualifications. Shipments are scheduled to begin in October 2026.

At the new plant in Malaysia, we are building a smart factory utilizing a Manufacturing Execution System (MES). Through this initiative, we aim to enhance profitability and operational efficiency by improving productivity, reducing costs, and optimizing inventory levels.

Both plants manufacture thick-film flat chip resistors, which are our core products. We will secure sufficient production capacity to meet customer demand in growth markets such as the automotive and AI-related markets, as well as future innovation markets.

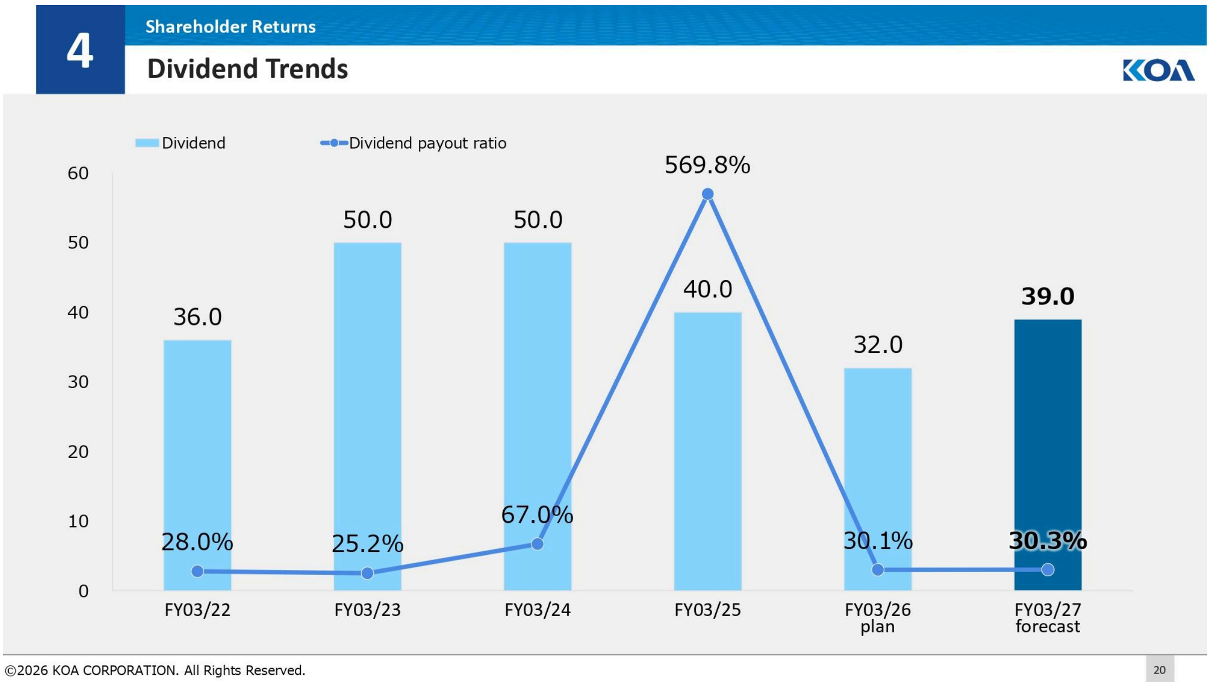
Shareholder Returns



From the perspective of comprehensive capital allocation, our basic policy is to prioritize reinvestment in the business and optimization of shareholders' equity, while continuing to provide shareholder returns, including dividends.

For the fiscal year ended March 31, 2026, we plan to increase the year-end dividend by ¥2 from the initial forecast to ¥17 per share, resulting in an annual dividend of ¥32 per share. For the fiscal year ending March 31, 2027, we currently forecast a further increase of ¥2.5 per share, bringing the annual dividend to ¥39 per share.

Dividend Trends



The graph on this slide shows the trend in annual dividends per share.
For the fiscal year ended March 31, 2026, we forecast an annual dividend of ¥32 per share and a payout ratio of 30.1%.
In the fiscal year ended March 31, 2025, we reduced the year-end dividend due to weaker business performance. However, in line with the recovery in earnings, we forecast the annual dividends for the fiscal year ending March 31, 2027 to increase to ¥39 per share, with a payout ratio of 30.3%.

Nomination and Compensation Committee

Toru Kitagawa:
I am Toru Kitagawa, an Outside Director of KOA Corporation. Today, I would like to discuss the evolution of KOA's corporate governance through four major initiatives.
First, I will explain the Nomination and Compensation Committee.

KOA has made full use of the Nomination and Compensation Committee to promote governance reforms and ensure greater independence in the appointment of directors and executive officers.

The committee was established five years ago as a voluntary advisory committee. Under its rules, a majority of the members must be independent outside directors, and the chair must also be selected from among the independent outside directors. Since its establishment, I have served as chair.

Over the past five years, the committee has met an average of seven times annually. For matters requiring particularly in-depth discussion, we have also held intensive retreats.

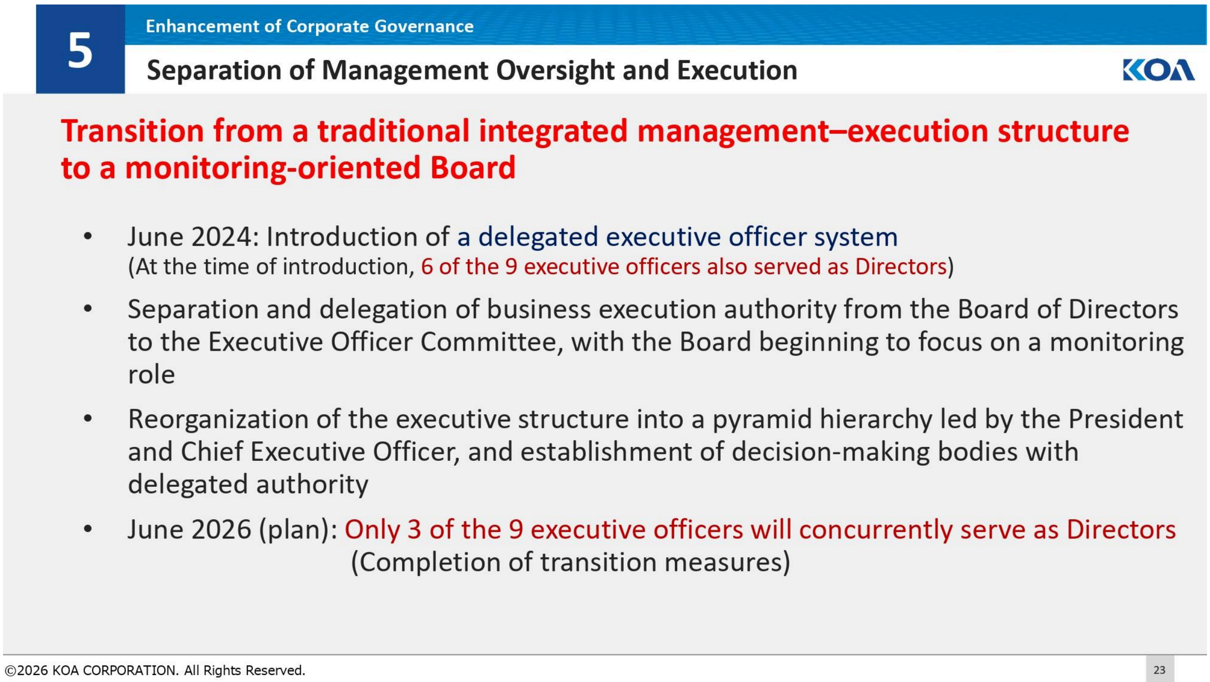
Like many other companies, the committee's primary role is to deliberate and provide recommendations on matters related to the nomination and compensation of directors and executive officers. At KOA, however, the committee has devoted a particularly significant amount of time to governance reforms with broader organizational and strategic implications.

This slide outlines three major governance reform themes that the committee has addressed to date.
As the first theme, during the one-year period beginning in June 2023, the committee proposed, prepared for, and designed the executive officer system. I will explain this in more detail later.

As the second theme, the company appointed a new president last April. Preparations for the transition began in August 2023 under the leadership of the Nomination and Compensation Committee, and the process was carried out over approximately one and a half years. The final resolution was approved by the Board of Directors in January 2025.

As the third theme, the company undertook a fundamental review of its compensation system for directors and executive officers. The committee began designing the new framework in June 2025, and finalized it this month. I will also explain this in more detail later.

Separation of Management Oversight and Execution



Earlier, I mentioned the launch of the executive officer system. Since its founding 85 years ago, KOA had maintained the traditional Japanese management structure in which management oversight and business execution were integrated within a so-called “management board.” Through this reform, however, the Board of Directors has been transformed into a monitoring board.

When the executive officer system was first introduced two years ago, the six internal directors concurrently served as executive officers, and three newly appointed executive officers were added, creating a nine-member structure. At that stage, priority was placed on ensuring a smooth transition through a gradual migration approach.

In considering the introduction of the executive officer system, we also studied examples at other companies. One issue frequently cited in unsuccessful cases was the problem of dual management by both the Board of Directors and the Executive Officer Committee.

In such cases, even when the Executive Officer Committee made decisions, the Board of Directors would overturn or revise them, resulting in unclear decision-making authority and inefficient management.

To avoid falling into this type of dual-management structure, we carefully designed and operated our system. At the same time as the new system was launched, authority related to business execution was separated from the Board of Directors and clearly delegated to the Executive Officer Committee, thereby accelerating decision-making.

The Board of Directors has respected the decisions made by the executive team while focusing on its monitoring function. Within the executive organization, we also reestablished a clear chain of command led by the President and CEO, and delegated authority from the Board of Directors to newly established management committees.

Now, two years after the system's launch, the Executive Officer Committee has been strengthened through the appointment of highly capable personnel, while also accumulating experience as an independent business execution organization separate from the Board of Directors. As a result, the transition process is now nearly complete.

Accordingly, beginning this June, only three of the nine executive officers will concurrently serve as directors.

Board Reform

5 Enhancement of Corporate Governance

Board Reform

KOA

Eliminated hierarchical structures within the Board and strengthened its effectiveness and independence

- June 2024: Agreement on the "New Board of Directors" concept, with full implementation from June 2025
  The "New Board" includes:
  Annual scheduling of strategic agenda items
  Substantive deliberations by all Directors with consensus-building based on in-depth discussion
  Optimized meeting management by the Chair
  Strengthened secretariat functions
- February 2025: Full implementation of management focused on capital cost and share price, transitioning to ROIC-based management
- June 2025: An Outside Director appointed as Chair of the Board (following an amendment to the Articles of Incorporation)
- June 2026 (plan): Outside Directors to constitute a majority of the Board (5 out of 8 members)

Once we introduced the executive officer system, it became clear that the Board of Directors also needed to evolve. We therefore established the concept of a “new Board of Directors” and reached agreement on what that should entail, as outlined on this slide.

Traditionally, the Board’s discussions had focused primarily on matters related to business execution. Under the new approach, we introduced the concept of proactively bringing strategic issues to the Board for discussion. We identified key strategic themes, such as investment strategy, human capital, and technology, and incorporated them into an annual agenda plan.

Previously, nearly 80% of Board meeting time had been spent on detailed presentations by general managers from the executive side, often involving reading through materials line by line.

Under the new rules, Board members are expected to review materials in advance before attending meetings. Participation is, in principle, limited to directors, Audit & Supervisory Board members, and the secretariat. Based on that foundation, the Board emphasizes in-depth discussion and consensus building.

With respect to the role of the chair, the priority has been to facilitate discussions in a way that maximizes the collective intelligence of a diverse Board and supports consensus-building through substantive deliberation. The chair’s own views as a director are treated on an equal footing with those of the other directors.

In February 2025, we formally introduced management with a strong awareness of capital cost and share price, and internally declared our commitment to ROIC-based management. Since then, the Board has conducted quarterly reviews of share price performance, ROE, PER, and cost of capital.

Last June, I assumed the position of Chair of the Board as an independent outside director. Regarding the proposal for the election of directors scheduled to be submitted to this June’s Ordinary General Meeting of Shareholders, the Board recently resolved that five of the eight directors will be independent outside directors.

Stated at the top of this slide is the somewhat provocative phrase, “Eliminated hierarchical structures within the Board and strengthened its effectiveness and independence.”

This reflects our recognition of a structural issue: unless both conditions are met — namely, that independent outside directors constitute a majority of the Board and that the Chair is also an independent outside director — it is difficult for the Board of a listed company to fully perform its expected role.

Having served as Chair for the past year, I have come to realize just how significant the Chair’s discretion can be. The Chair has substantial influence over the selection of agenda items, the allocation of time and information, the structuring of discussions, and the process of building consensus. In each of these areas, there is room for subjectivity and bias, which also means that the Chair has considerable latitude in steering the Board’s deliberations.

When the head of the executive organization also serves as Chair of the Board, it is difficult to completely rule out the possibility that the Board's decisions could be guided in directions preferred by management.

Furthermore, when internal directors — who are subordinate to executive management within the organizational hierarchy — make up a majority of the Board, including the top executive, a structural issue arises in which the top executive effectively controls a majority of the Board's voting rights.

As a result, there is a risk that the Board could become merely an organization that endorses management decisions. That is the implication behind the message presented at the top of this slide.

New Executive Compensation System

5 Enhancement of Corporate Governance

New Executive Compensation System

KOA

A major overhaul of the compensation system to better align pay with roles and objectives

Director compensation (no performance-based bonus)

Type	Nature of compensation	Calculation	Timing of payment	Overview
Basic compensation	Position-based structure	Fixed pay	Monthly	Uniform amount for all Directors, regardless of internal or external status
Supplemental compensation	Position-based structure	Fixed pay	Monthly	Applies to Representative Director, Chair, Committee Chairs, and Members
Restricted stock compensation	Expectation-based incentive (+shareholder perspective)	Determined at appointment	July	Fixed number of shares granted annually to all Directors (not performance-linked)

Executive officer compensation (with performance-based bonus)

Type	Nature of compensation	Calculation	Timing of payment	Overview
Basic compensation	Position-based structure	Fixed pay	Monthly	Differentiated amounts based on position
Supplemental compensation	Performance-based bonus	ROE-linked	Following July	Calculated by applying the achievement rate of the target ROE to a standard bonus amount derived from base compensation
Restricted stock compensation	Expectation-based incentive (+shareholder perspective)	Determined at appointment	July	A fixed number of shares granted annually based on base compensation for each position (not performance-linked)

Notes: 1. Individuals who concurrently serve as Directors and Executive Officers will receive both Director compensation and Executive Officer compensation.
2. The grant of stock compensation to Outside Directors is subject to approval at the Ordinary General Meeting of Shareholders scheduled for June 2026.

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We fundamentally reviewed the entire compensation system from the ground up, returning to the basic questions of what compensation for directors and executive officers is intended to achieve, what type of compensation should be provided, and to whom it should be paid.

We clearly separated the roles of directors and executive officers, which have different responsibilities. For individuals serving concurrently in both positions, compensation is paid separately for each role. The table at the top of the slide shows the compensation structure for directors.

Even when business execution responsibilities are separated, directors continue to bear essentially the same legal responsibilities and accountability to shareholders and other stakeholders as directors. Based on this recognition, base compensation for directors has been standardized at the same level for all directors, regardless of whether they are internal or outside directors.

Additional compensation is then provided according to specific responsibilities associated with each position, such as Representative Director, Chair, committee member, or committee chair. Directors are not eligible for performance-based bonuses.

Restricted stock compensation for directors is also designed not to be linked to business performance. Instead, it is intended as an incentive reflecting the significant responsibilities and expectations placed on corporate leaders, and will be granted to all directors. The number of shares granted to each director is fixed at the time of appointment, and the shares are granted each July during the director's term of office, creating a structure similar to a vesting arrangement.

The lower section of the slide outlines compensation structure for executive officers. Base compensation is differentiated according to position and responsibility. Executive officers are eligible for performance-based bonuses, which are fully linked to ROE performance.

A standard bonus amount is individually determined based on base compensation, and the actual bonus amount is calculated by multiplying this amount by the achievement rate against a fixed target ROE. The target ROE is fixed at 9%. Accordingly, if actual ROE is 4.5%, the bonus amount is reduced by half, while an ROE of 18% would result in a bonus amount equal to twice the standard amount.

The structure of restricted stock compensation for executive officers is largely the same as that for directors, so I will omit the details.

This concludes my explanation regarding the evolution of KOA's corporate governance.

Reference Materials

5 Enhancement of Corporate Governance

Reference Materials

KOA

Title	Contents	Document category	Disclosed date	Link
Dialogue with Outside Directors KOA's uniqueness and governance KOA's outside directors discuss our corporate governance transformation	Discussion on management decision-making and corporate value	KOA Integrated Report (P50-P53)	December 26, 2025	Click here
Summary of the Board Effectiveness Evaluation Results	Analysis and evaluation of board operations and effectiveness	Voluntary disclosure materials	April 24, 2026	Click here
Determination of Candidates for Directors	Summary of Director Nominees	Voluntary disclosure materials	April 24, 2026	Click here

As shown on the slide, we have prepared three disclosure materials to help you better understand the evolution of KOA's corporate governance in greater detail. We encourage you to take a look.

[Related Materials]
KOA Integrated Report 2025
Summary of the Board Effectiveness Evaluation Results
Determination of Candidates for Directors

Thank you very much for your time and attention.