



June 5, 2026

Company Name: GNI Group Ltd.
Representative: Director, Representative Executive Officer,
President and CEO
Ying Luo, PhD
(Security Code: 2160, TSE Growth)
Contact Person: Director, Representative Executive Officer,
Vice President
Ryosuke Matsui
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**Notice Concerning Acquisition of All Shares of AYUMI Pharmaceutical Holdings KK
(Conversion into a Wholly Owned Subsidiary) and Issuance of New Shares
by Third-Party Allotment (Contribution in Kind)**

(Note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail.

GNI Group Ltd. (the “Company”) hereby announces that, pursuant to a resolution of its Board of Directors dated June 5, 2026, the Company resolved to acquire all shares of AYUMI Pharmaceutical Holdings KK (“AYUMI Pharmaceutical Holdings”) and make it a wholly owned subsidiary (the “Share Acquisition”), and to issue new shares of the Company by way of third-party allotment (the “New Shares”) to BCP Asia AYM Holding (Cayman) L.P., TOHO HOLDINGS CO., LTD. (“Toho Holdings”) and Hisamitsu Pharmaceutical Co., Inc. (“Hisamitsu Pharmaceutical”), the shareholders of AYUMI Pharmaceutical Holdings (the “Issuance of New Shares”), as set forth below.

I. Overview of the Acquisition of All Shares of AYUMI Pharmaceutical Holdings KK (Conversion into a Wholly Owned Subsidiary)

1. Reason for the Share Acquisition

The Company has established a unique position as a company seeking to become a global pharmaceutical company, with headquarters functions in Japan and pharmaceutical, drug discovery and Medtech businesses mainly in China and the United States. The Company’s next focus is to establish an earnings base for its Japanese business, and it aims to build a structure capable of generating stable profit and cash flow while pursuing growth through the creation of a globally integrated innovation engine and synergies from strengthened strategic collaboration among Group companies. In this context, the financial advisor to BCP Asia AYM Holding (Cayman) L.P., the major shareholder of AYUMI Pharmaceutical Holdings, approached the Company regarding the sale of shares of AYUMI Pharmaceutical Holdings, and the Company has been proceeding with our consideration of a share transfer involving the shares of AYUMI Pharmaceutical Holdings (the “Share Transfer”).

AYUMI Pharmaceutical Holdings has a strong sales network and business foundation for medical institutions in Japan , and has built a robust earnings base by marketing Calonal, an antipyretic analgesic that has been used for many years,

and multiple products with high market shares in the orthopedic and rheumatology fields.

By welcoming AYUMI Pharmaceutical Holdings into the Group, the Company will be able to acquire its commercial platform in the Japanese market. The Company also believes that the Share Transfer will contribute to diversifying and stabilizing its sources of revenue. Going forward, the Company will expand and strengthen AYUMI Pharmaceutical Holdings' pipeline and further unlock its growth potential by introducing into the Japanese market the Company Group's proprietary pipeline products developed in the United States and China, as well as biosimilars originating overseas by leveraging the Company's proprietary network. The Company has decided to acquire all shares of AYUMI Pharmaceutical Holdings and make it a wholly owned subsidiary because AYUMI Pharmaceutical Holdings should play an important role in achieving the above strategy and is expected to contribute to the medium- to long-term growth of the Company Group and strengthening of its business portfolio.

2. Outline of Subsidiary and Sub-subsidiary to be Transferred

Upon the acquisition of AYUMI Pharmaceutical Holdings, AYUMI Pharmaceutical Co., Ltd., which is a wholly owned subsidiary of AYUMI Pharmaceutical Holdings, will newly become a subsidiary (indirect subsidiary) of the Company.

※AYUMI Pharmaceutical Holdings KK

(1) Company name	AYUMI Pharmaceutical Holdings KK		
(2) Location	4-12-15 Ginza, Chuo-ku, Tokyo		
(3) Representative	Representative Director and President: Jugo Tsumura		
(4) Business description	Control and management of subsidiaries engaged in manufacture and sale of pharmaceuticals, mainly anti-rheumatic drugs and antipyretic analgesics		
(5) Capital	JPY 100,000,000		
(6) Date of establishment	March 8, 2019		
(7) Major shareholders and their shareholding ratio	BCP Asia AYM Holding (Cayman) L.P. 70.00%; Toho Holdings 20.00%; Hisamitsu Pharmaceutical 10.00%		
(8) Relationship with the Company	Capital, personal and business relationships: None		
(9) Consolidated operating results and consolidated financial position for the most recent three fiscal years (IFRS; amounts in millions of yen, unless otherwise specified)			
Fiscal year-end	FY2024/3	FY2025/3	FY2026/3
Total equity	26,347	28,947	32,170
Total assets	116,798	115,014	109,031
Net assets attributable to owners of the parent per share (yen)	1,053.90	1,157.91	1,286.82
Revenue	31,066	34,792	38,543
Operating profit or operating loss(△)	404	5,452	6,206
Profit or loss (△) before tax	△687	4,204	4,649
Profit or loss (△) attributable to owners of parent	△481	2,598	3,222
Basic earnings or loss (△) per share (yen)	△19.25	103.95	128.91

Dividends per share (yen)	-	-	-
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(Note) Profit levels temporarily declined in the fiscal year ended March 2024 due to the recognition of impairment loss for individual formulations.

※AYUMI Pharmaceutical Co., Ltd.

(1) Company name	AYUMI Pharmaceutical Co., Ltd.		
(2) Location	4-12-15 Ginza, Chuo-ku, Tokyo		
(3) Representative	Representative Director and President: Jugo Tsumura		
(4) Business description	Manufacture and sale of pharmaceuticals, mainly anti-rheumatic drugs and antipyretic analgesics		
(5) Capital	JPY 110,000,000		
(6) Date of establishment	March 8, 2019		
(7) Major shareholders and their shareholding ratio	AYUMI Pharmaceutical Holdings 100.00%		
(8) Relationship with the Company	Capital, personal and business relationships: None		
(9) Non-consolidated operating results and financial position for the most recent three fiscal years (Japanese GAAP; amounts in millions of yen, unless otherwise specified)			
Fiscal year-end	FY2024/3	FY2025/3	FY2026/3
Net assets	22,166	21,856	18,757
Total assets	113,052	107,623	93,919
Book value per share (yen)	0.81	0.80	0.68
Net sales	31,070	34,827	38,546
Operating profit or operating loss (△)	1,571	2,068	3,515
Ordinary profit or loss (△)	1,054	773	1,414
Net income or loss(△)	1,839	△310	△3,099
Basic earnings or loss (△) per share (yen)	0.07	△0.01	△0.11
Dividends per share (yen)	-	-	-

(Note) Due to differences in impairment loss assessment criteria between IFRS and Japanese GAAP, AYUMI Pharmaceutical recognized in the fiscal year ended March 2026 impairment loss similar to that recognized by AYUMI Pharmaceutical Holdings in the fiscal year ended March 2024. There is no impact of this adjustment on AYUMI Pharmaceutical Holdings' IFRS consolidated financial statements for the fiscal year ended March 2026.

3. Outline of Counterparties to the Share Acquisition

※BCP Asia AYM Holding (Cayman) L.P.

(1) Company name	BCP Asia AYM Holding (Cayman) L.P.
(2) Location	Intertrust Corporate Services (Cayman) Limited, One Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands
(3) Governing law, etc.	Exempted limited partnership under the laws of the Cayman Islands
(4) Purpose of formation	Investment

(5)	Date of formation	February 27, 2019	
(6)	Total amount of contributions	Not stated, as consent to disclosure has not been obtained.	
(7)	Outline of contributors, contribution ratios and contributors	Not stated, as consent to disclosure has not been obtained.	
(8)	Outline of general partner	Name	BCP VII/BCP Asia Holdings Manager (Cayman) L.L.C.
		Location	Intertrust Corporate Services (Cayman) Limited, One Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands
		Title and name of representative	Authorized signatory: Robert Brooks
		Business description	Operation and management of investment partnership assets
		Capital	Not stated, as consent to disclosure has not been obtained.
(9)	Outline of agent in Japan	Not applicable.	
(10)	Relationship between the Company and the fund	Relationship between the Company and the fund	Not applicable.
		Relationship between the Company and the general partner	Not applicable.
		Relationship between the Company and the agent in Japan	Not applicable.

(Note) The amount of contributions, principal contributors and contribution ratios of BCP Asia AYM Holding (Cayman) L.P., as well as the capital, principal contributors and contribution ratios of its general partner, are not stated because consent to disclosure has not been obtained. The Company has been informed that the reason consent to disclosure has not been given is that, as BCP Asia AYM Holding (Cayman) L.P. is a privately held entity that does not accept external capital, information concerning its capital structure, capital and contributions is highly confidential. BCP Asia AYM Holding (Cayman) L.P. is an exempted limited partnership established under the laws of the Cayman Islands, all of the interests of which are indirectly held by private equity funds managed, advised or operated by Blackstone. "Blackstone" collectively refers to Blackstone Inc., its affiliates and other related entities.

※TOHO HOLDINGS CO., LTD.

(1)	Company name	TOHO HOLDINGS CO., LTD.
(2)	Location	4-43-11 Daizawa, Setagaya-ku, Tokyo
(3)	Representative	Representative Director, President and CEO: Hiromi Edahiro

(4)	Business description	Control and management of operating companies as a holding company		
(5)	Capital	JPY 10,649 million as of September 30, 2025		
(6)	Date of establishment	September 17, 1948		
(7)	Number of issued shares	73,045,942 shares as of September 30, 2025		
(8)	Fiscal year-end	March 31		
(9)	Number of employees	Consolidated: 7,609 as of March 31, 2025		
(10)	Major business partners	—		
(11)	Major banks	Mizuho Bank, Ltd.; MUFG Bank, Ltd.; Sumitomo Mitsui Banking Corporation		
(12)	Major shareholders and their shareholding ratio	STATE STREET BANK AND TRUST COMPANY 505018: 14.74% (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.); The Master Trust Bank of Japan, Ltd. (Trust Account): 10.79%; Shionogi & Co., Ltd.: 5.35%; 3D WH OPPORTUNITY MASTER OFC – 3D WH OPPORTUNITY HOLDINGS: 3.67% (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.); Hiroyuki Kono: 2.04%; Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust Account for Daiichi Sankyo Re-trustee: Custody Bank of Japan, Ltd.: 2.03%; Toho Holdings Employee Shareholding Association: 1.88%; GOLDMAN, SACHS & CO. REG: 1.74% (Standing proxy: Goldman Sachs Japan Co., Ltd.)		
(13)	Relationship with the Company			
	Capital relationship	Not applicable.		
	Personnel relationship	Not applicable.		
	Business relationship	Not applicable.		
	Status as related party	Toho Holdings does not fall under the category of a related party of the Company. In addition, the related persons and affiliated companies of Toho Holdings do not fall under the category of related parties of the Company.		
(14)	Business Results and Financial Position for the Past Three Years (Unit: JPY million, unless otherwise stated.)			
	Fiscal year-end	FY2024/3	FY2025/3	FY2026/3
	Consolidated net assets	249,437	256,897	271,560
	Consolidated total assets	773,427	722,805	740,781
	Consolidated net assets per share (JPY)	3,969.20	4,099.71	4,193.25
	Consolidated net sales	1,476,712	1,518,495	1,553,364
	Consolidated operating profit or operating loss (△)	19,331	18,936	16,601
	Consolidated ordinary profit or ordinary loss (△)	21,787	20,716	16,631
	Profit or loss (△) attributable to owners of parent	20,657	19,844	17,327
	Consolidated net income or net loss (△) per	320.14	313.20	271.18

share (JPY)			
Dividends per share (yen)	40.00	65.00	165.00

※Hisamitsu Pharmaceutical Co., Inc.

(1) Company name	Hisamitsu Pharmaceutical Co., Inc.		
(2) Location	408 Tashiro Daikan-machi, Tosu-shi, Saga		
(3) Representative	Representative Director and President: Kazuhide Nakatomi		
(4) Business description	Manufacture, sale, import and export of pharmaceuticals, quasi-pharmaceutical products, medical devices, etc.		
(5) Capital	JPY 8,473 million as of August 31, 2025		
(6) Date of establishment	May 22, 1944		
(7) Number of issued shares	75,164,895 shares as of August 31, 2025		
(8) Fiscal year-end	Last day of February		
(9) Number of employees	Consolidated: 2,799 as of February 28, 2025		
(10) Major business partners	—		
(11) Major banks	Sumitomo Mitsui Banking Corporation; MUFG Bank, Ltd.		
(12) Major shareholders and their shareholding ratio	Taiyo Kosan Co., Ltd.: 100.00%		
(13) Relationship with the Company			
Capital relationship	Not applicable.		
Personnel relationship	Not applicable.		
Business relationship	Not applicable.		
Status as related party	Hisamitsu Pharmaceutical Co., Inc. does not fall under the category of a related party of the Company. In addition, the related persons and affiliated companies of Hisamitsu Pharmaceutical Co., Inc. do not fall under the category of related parties of the Company.		
(14) Business Results and Financial Position for the Past Three Years (Unit: JPY million, unless otherwise stated.)			
Fiscal year-end	FY2024/2	FY2025/2	FY2026/2
Consolidated net assets	267,082	279,407	294,694
Consolidated total assets	328,779	343,068	367,162
Consolidated net assets per share (JPY)	3,492.62	3,788.47	4,140.19
Consolidated net sales	141,706	156,006	163,024
Consolidated operating profit or operating loss (Δ)	13,167	18,895	17,917
Consolidated ordinary profit or ordinary loss (Δ)	19,649	24,010	23,952
Profit or loss (Δ) attributable to owners of parent	13,969	21,758	19,160
Consolidated net income or net loss (Δ)	181.62	295.57	268.56

per share (JPY)			
Dividends per share (yen)	85.00	90.00	60.00

4. Number of Shares to be Acquired, Acquisition Price and Shareholding Status Before and After Acquisition

(1) Number of shares held before transfer	0 shares (number of voting rights: 0; voting rights ratio: 0%)
(2) Number of shares to be acquired	25,000,000 shares (number of voting rights: 250,000) Breakdown: 10,052,657 shares to be acquired for cash and 14,947,343 shares to be acquired by contribution in kind
(3) Acquisition price	Common shares of the target company: JPY 44,776 million (Breakdown: JPY 18,005 million in cash and JPY 26,771 million by contribution in kind) Advisory fees, etc. (estimated): JPY 2,000 million Total (estimated): JPY 46,776 million
(4) Number of shares held after transfer	25,000,000 shares (number of voting rights: 250,000; voting rights ratio: 100.0%)

5. Schedule

(1). Date of Board resolution	June 5, 2026
(2). Date of execution of agreements	June 5, 2026
(3). Date of Share Transfer	From June 30, 2026 to September 30, 2026 (scheduled)

(Note) The Share Transfer is conditional upon the effectiveness of the securities registration statement under the Financial Instruments and Exchange Act and the satisfaction of all conditions precedent, including, if required, obtaining approvals and clearances from relevant authorities under domestic and foreign competition laws and regulations. Because the timing of satisfaction of such conditions precedent cannot be determined at this time, a payment period of third-party allotment has been established and is stated as the date of Share Transfer.

6. Borrowings

The Company plans to borrow funds to apply to the acquisition of shares of AYUMI Pharmaceutical Holdings and related expenses.

(1) Lenders	Mizuho Bank, Ltd.; SBI Shinsei Bank, Limited
(2) Borrowing amount	JPY 20,000 million
(3) Interest rate	Short-term prime rate
(4) Borrowing execution date	Expected to be the same date as the Share Transfer date
(5) Borrowing period	One year
(6) Repayment method	Lump-sum repayment on maturity date
(7) Collateral	Common stock of Gyre Therapeutics, Inc. held by the Company and its subsidiaries
(8) Financial covenants	Under discussion with the lenders; the Company will make an announcement once the details are finalized.

7. Future Outlook

The impact of the Share Acquisition on the Company's consolidated financial results for the current fiscal year is currently under review. If any matters requiring disclosure arise in the future, the Company will promptly make an announcement. In connection with the Share Acquisition, the Company does not plan to change its composition of officers, management organization or trade name.

II. Overview of the New Shares to be Issued by Third-Party Allotment

1. Overview of the Offering

(1) Payment period	From June 30, 2026 to September 30, 2026
(2) Number of new shares to be issued	Common stock: 9,974,291 shares
(3) Issue price	JPY 2,684 per share
(4) Amount of funds to be raised	JPY 26,770,997,044
(5) Method of offering or allotment (planned allottees)	All shares will be allotted by way of third-party allotment to BCP Asia AYM Holding (Cayman) L.P., TOHO HOLDINGS CO., LTD. and Hisamitsu Pharmaceutical Co., Inc. BCP Asia AYM Holding (Cayman) L.P.: 6,982,004 shares Toho Holdings: 1,994,858 shares Hisamitsu Pharmaceutical: 997,429 shares We will designate a portion of the claim for the payment of the transfer price in connection with the Share Acquisition from BCP Asia AYM Holding (Cayman) L.P., Toho Holdings and Hisamitsu Pharmaceutical as property to be contributed in kind.
(6) Other	The Issuance of New Shares is subject to the effectiveness of the registration statement under the Financial Instruments and Exchange Act.

(Note) The Issuance of New Shares is conditional upon the effectiveness of the securities registration statement under the Financial Instruments and Exchange Act and the satisfaction of all conditions precedent, including, if required, obtaining approvals and clearances from relevant authorities under domestic and foreign competition laws and regulations. Because the timing of satisfaction of such conditions precedent cannot be determined at this time, a payment period has been established and is stated as the payment date.

2. Purpose and Reason for the Offering

The Company resolved to acquire all shares of AYUMI Pharmaceutical Holdings and make it a wholly owned subsidiary for the purpose of acquiring a commercial platform in Japan and diversifying and stabilizing its sources of revenue by utilizing AYUMI Pharmaceutical Holdings' sales network and business foundation as described in "I. Overview of the Acquisition of All Shares of AYUMI Pharmaceutical Holdings KK (Conversion into a Wholly Owned Subsidiary), 1. Reason for the Share Acquisition," above,

The Issuance of New Shares will be conducted as settlement for the transfer of shares of AYUMI Pharmaceutical Holdings, whereby a portion of the claims for payment of the transfer price (JPY 26,771 million) will be contributed in kind to the Company by BCP Asia AYM Holding (Cayman) L.P., Toho Holdings and Hisamitsu Pharmaceutical, and the Company will

issue the New Shares to them by way of third-party allotment. The Company will pay in cash the portion of the claims for payment of the transfer price that is not contributed in kind (JPY 18,005 million). The structure and the breakdown between cash and the claims for payment of the transfer price were determined through discussions with the counterparties.

Although the Issuance of New Shares will result in dilution of the shareholding ratio and voting ratio of existing shareholders, the Company believes that it will support sustainable growth and enhancement of corporate value and contribute to the interests of existing shareholders.

3. Amount of Funds to be Raised, Use of Proceeds and Scheduled Timing of Expenditure

The Issuance of New Shares will be conducted by contributing in kind a portion of the claims for payment of the transfer price (JPY 26,771 million), and no payment in cash will be made. Accordingly, there is no applicable matter.

The estimated amount of issuance expenses associated with the Issuance of New Shares is JPY 112 million, consisting of document preparation fees for the securities registration statement, registration costs, costs related to anti-social forces screening, and legal fees. The estimated amount of issuance expenses does not include consumption tax, etc.

4. View on the Reasonableness of Use of Proceeds

The Issuance of New Shares will be conducted by way of contribution in kind of property other than cash and is not intended to raise funds as described in “1. Overview of the Offering”. Accordingly, there is no applicable matter.

5. Reasonableness of Issuance Terms, etc.

(1) Basis for Determination of the Payment Amount and Its Details

With respect to the issue price of the new shares to be issued in connection with this issuance of new shares, we have set the issue price at JPY 2,684, which is equal to the closing price of the Company’s common shares on the Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”) on the business day immediately preceding the date of the Board of Directors’ resolution for this issuance (June 4, 2026; the “Reference Date”) (the “Closing Price”).

The issue price of JPY 2,684 represents a discount of 4.38% (rounded to two decimal places; the same shall apply hereinafter in the calculation of premiums and discounts) over the average closing price of JPY 2,807 for the one-month period prior to the Reference Date (from May 7, 2026 to June 4, 2026) (fractions of less than one yen are rounded down; the same shall apply to average closing prices hereinafter), a discount of 12.23% over the average closing price of JPY 3,058 for the three-month period prior to the Reference Date (from March 5, 2026 to June 4, 2026), and a discount of 4.86% over the average closing price of JPY 2,821 for the six-month period prior to the Reference Date (from December 5, 2025 to June 4, 2026).

In determining the issue price, the Company has used the market price, which is an objective indicator representing the value of the Company’s shares, as the basis, and has complied with the “Guidelines Concerning Handling of Third-Party Allotments” of the Japan Securities Dealers Association (dated April 1, 2010). Accordingly, the method for determining the issue price of this issuance of new shares is considered reasonable, and the issue price is not deemed to be particularly favorable to the allottees.

Furthermore, the Company has obtained an opinion from its Audit Committee that the issue price of this issuance of new shares, having been determined based on the market price as an objective indicator of the value of the Company’s shares and in compliance with the aforementioned “Guidelines Concerning Handling of Third-Party Allotments” of the Japan Securities Dealers Association, does not constitute an amount particularly favorable to the allottees and is lawful.

(2) Basis for Determining that the Number of Shares to be Issued and the Degree of Dilution are Reasonable

The number of shares to be issued in connection with this issuance of new shares is 9,974,291 shares (99,742 voting rights), which represents 17.89% of the Company's total issued shares of 55,767,545 shares as of the end of March 2026 (and 17.90% of the total voting rights of 557,227 as of the end of March 2026), and will result in a certain level of dilution. However, as described in "2. Purpose and Reason for the Offering" above, the Company believes that conducting this issuance of new shares will contribute to the expansion of the performance of the Company's group, and therefore has determined that the number of shares to be issued and the degree of dilution are at reasonable levels.

6. Reasons for Selection of the Planned Allottees, etc.

(1) Overview of the Allottees

Please refer to "1. Overview of the Acquisition of All Shares of AYUMI Pharmaceutical Holdings KK (Conversion into a Wholly Owned Subsidiary), 3. Outline of Counterparties to the Share Acquisition." above.

In addition, the Company commissioned a third-party investigation firm, Risk Pro, Inc. (Representative: Hitoshi Kosakabashi; Head Office: Chiyoda-ku, Tokyo), to investigate whether the scheduled allottees, BCP Asia AYM Holding (Cayman) L.P. and Hisamitsu Pharmaceutical, and their respective officers and major shareholders have any relationship with anti-social forces. As a result, no report was received indicating that any of the relevant parties are anti-social forces or have any relationship with such forces. Based on the foregoing, the Company has determined that BCP Asia AYM Holding (Cayman) L.P. and Hisamitsu Pharmaceutical Co., Inc., as well as their respective officers and major shareholders, have no relationship whatsoever with anti-social forces.

Among the scheduled allottees, Toho Holdings is listed on the Prime Market of the Tokyo Stock Exchange. The Company has confirmed, through the website of the Tokyo Stock Exchange, the basic policy and status of development regarding the exclusion of anti-social forces as described in the "Corporate Governance Report" (last updated on November 28, 2025) submitted by Toho Holdings to the Tokyo Stock Exchange, and has accordingly determined that Toho Holdings as well as its officers and major shareholders, have no relationship whatsoever with anti-social forces.

The Company has also submitted to the Tokyo Stock Exchange confirmation letters stating that each of the scheduled allottees (excluding TOHO HOLDINGS CO., LTD., which is a listed company) has no relationship whatsoever with anti-social forces.

(2) Reasons for Selecting the Allottees

Please refer to "2. Purpose and Reason for the Offering" above.

(3) Investment Policy of the Allottees

The Company has verbally confirmed with BCP Asia AYM Holding (Cayman) L.P., Toho Holdings, and Hisamitsu Pharmaceutical that the Company's common shares to be acquired through the Issuance of New Shares are intended for pure investment purposes, and that, in the event of any sale of such shares, they will comply with the rules of the Tokyo Stock Exchange concerning reporting of transfers, as well as other applicable laws and regulations.

In addition, the Company plans to obtain from BCP Asia AYM Holding (Cayman) L.P., Toho Holdings and Hisamitsu Pharmaceutical written undertakings to the effect that, if all or any part of the Company's common shares acquired through the Issuance of New Shares are transferred within two years from the payment date, they will immediately report the details thereof to the Company in writing, and that they consent to the Company reporting the contents of such report to the Tokyo Stock Exchange and to the public disclosure of such report.

(4) Details of the Confirmation Regarding the Existence of Assets Necessary for Payment by the Allottees

As this is a third-party allotment by way of contribution in kind, no cash payment will be made. With respect to the value of the property to be contributed in kind (the “Property Contributed in Kind”), in principle, an investigation by an inspector is required pursuant to the provisions of the Companies Act (Article 207, Paragraph 1). However, as one of the exceptions to such requirement, where the property contributed in kind consists of monetary claims against the company conducting the capital increase (limited to those for which the due date has arrived), and the value assigned to such monetary claims does not exceed the book value of the liabilities pertaining to such monetary claims, an investigation by an inspector is not required (Article 207, Paragraph 9, Item 5 of the Companies Act). As this transaction satisfies such requirements, an investigation by an inspector is not required.

In addition, the Company has confirmed, through its review of the shareholder register of AYUMI Pharmaceutical Holdings as of March 31, 2026 in the course of the due diligence conducted on such company, that BCP Asia AYM Holding (Cayman) L.P., Toho Holdings and Hisamitsu Pharmaceutical hold shares of such company.

7. Major Shareholders and Shareholding Ratios after the Offering

Before Offering (as of March 31, 2026)		After Offering	
SBI SECURITIES Co., Ltd.	3.74%	BCP Asia AYM Holding (Cayman) L.P.	10.62%
CEPLUX – THE INDEPENDENT UCITS PLATFORM 2	3.36%	SBI SECURITIES Co., Ltd.	3.17%
Ueda Yagi Tanshi Co., Ltd.	2.15%	TOHO HOLDINGS CO., LTD.	3.04%
NATIONAL FINANCIAL SERVICES LLC	1.91%	CEPLUX – THE INDEPENDENT UCITS PLATFORM 2	2.85%
Keiichiro Kinoshita	1.72%	Ueda Yagi Tanshi Co., Ltd.	1.83%
The Master Trust Bank of Japan, Ltd. (Trust Account)	1.44%	NATIONAL FINANCIAL SERVICES LLC	1.62%
PERSHING—DIV. OF DLJ SECS. CORP.	1.38%	Hisamitsu Pharmaceutical Co., Inc.	1.52%
BNYMSANV RE GCLB RE JP RD LMGC	1.28%	Keiichiro Kinoshita	1.46%
MORGAN STANLEY SMITH BARNEY LLC CLIENTS FULLY PAID SEG ACCOUNT	1.21%	The Master Trust Bank of Japan, Ltd. (Trust Account)	1.22%
BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD	1.20%	PERSHING—DIV. OF DLJ SECS. CORP.	1.17%

(Notes)

1. The shareholding ratio before the offering is calculated based on the total number of outstanding shares as of March 31, 2026 (excluding treasury shares).
2. The shareholding ratio after the offering is calculated based on the total number of outstanding shares as of March 31, 2026 (excluding treasury shares) plus the total number of the new shares to be issued.
3. The shareholding ratios are rounded to two decimal places.

8. Future Outlook

As described in “I. Overview of the Acquisition of All Shares of AYUMI Pharmaceutical Holdings KK (Conversion into a Wholly Owned Subsidiary), 7. Future Outlook” above.

9. Matters Concerning Procedures under the Corporate Code of Conduct

The Issuance of New Shares does not require the obtaining of an opinion from an independent third party or procedures to confirm shareholder intent under Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange because (i) the number of voting rights relating to the shares to be issued is less than 25% of the total voting rights as of the issuance resolution date, (ii) the Issuance of New Shares will not involve a change in controlling shareholder.

10. Business Results and Equity Finance for the Past Three Years

(1) Consolidated operating results for the most recent three fiscal years (Unit: JPY million)

	FY2023/12	FY2024/12	FY2025/12
Revenue	26,010	23,611	26,840
Operating profit or loss (Δ)	13,109	1,402	Δ3,471
Profit or loss (Δ) before tax	12,612	238	Δ4,634
Profit or loss (Δ) attributable to owners of parent	8,094	1,098	Δ4,244
Basic earnings or loss (Δ) per share (JPY)	169.50	21.96	Δ80.90
Dividends per share (JPY)	—	—	—
Equity attributable to owners of parent per share (JPY)	678.01	726.67	903.93

(2) Current issued and potential shares (as of March 31, 2026)

	Number	Ratio to the total number of outstanding shares
Issued shares	55,767,545 shares	100.00%
Potential shares at current conversion/exercise price	1,873,192 shares	3.36%
Potential shares at lower-limit conversion/exercise price	—	—
Potential shares at upper-limit conversion/exercise price	—	—

(3) Recent Share Price Trends

(i) Trends over the Most Recent Three Fiscal Years (Unit: JPY)

	FY2023	FY2024	FY2025
Opening Price	1,345	2,782	3,360
High	3,555	3,865	4,410
Low	998	1,537	1,469
Closing Price	2,830	3,405	2,412

(ii) Trends over the Most Recent Six Months (Unit: JPY)

	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026
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Opening Price	2,362	2,549	3,020	3,085	2,970	2,525
High	2,838	3,170	3,740	3,515	3,345	2,740
Low	2,265	2,430	2,625	2,920	2,495	2,473
Closing Price	2,548	3,160	2,940	2,920	2,546	2,684

(Note) Share prices for June 2026 are as of June 4, 2026.

(iii) Share Price on the Business Day Immediately Preceding the Date of the Board Resolution (Unit: JPY)

	June 4, 2026
Opening Price	2,600
High	2,740
Low	2,600
Closing Price	2,684

(4) Equity Financing over the Most Recent Three Years

Public Offering

Payment date	August 8, 2025
Amount raised	JPY 12,147 million (net proceeds, estimated)
Issue price	JPY 2,651 per share
Number of issued shares before offering	50,564,543 shares
Number of shares issued in offering	5,000,000 shares
Total shares after offering	55,564,543 shares
Original use of proceeds at the time of issuance	<p>(i) The Company plans to allocate JPY 4,859 million to the costs of acquiring additional shares of Gyre Pharmaceuticals Co., Ltd., a subsidiary of the Company engaged in the development of F351.</p> <p>(ii) The Company plans to allocate JPY 6,074 million to future M&A funds, including acquisitions of domestic and overseas companies engaged in the medical device business.</p> <p>(iii) The Company plans to allocate the remaining amount of approximately JPY 1,214 million to investments and loans to existing companies within the Company's group.</p> <p>As of the date hereof, no specific details or amounts have been determined with respect to the M&A described in item (ii). If the M&A corresponding to the above amount is not implemented by the end of December 2027, or if any portion of the funds remains unutilized, such funds are planned to be allocated to increased working capital for organic business growth.</p>
Planned timing of	(i) Aug 2025–Dec 2026

expenditures at the time of issuance	(ii) Aug 2025–Dec 2027 (iii) Aug 2025-Dec 2026
Current status of use of proceeds	(i) Not allocated (ii) JPY 1,541 million has been allocated to funds for the acquisition of ZOO LABO Co., Ltd. (iii) JPY 1,214 million has been allocated as a loan to Berkeley Biologics LLC, a consolidated subsidiary of the Company

11. Terms of Issuance

(1) Type of shares to be offered

Common stock

(2) Number of shares to be offered

9,974,291 shares

(3) Amount to be paid in

JPY 2,684 per share

(4) Total amount to be paid in

JPY 26,770,997,044

(5) Method of contribution

Contribution in kind of monetary claims

(6) Description and value of property contributed in kind

Claims for payment of the transfer price for shares of AYUMI Pharmaceutical Holdings KK held by the subscribers against the issuing company (total amount: JPY 44,775,511,800), of which JPY 26,770,997,044

Value: JPY 26,770,997,044

(7) Payment period

From June 30, 2026 to September 30, 2026

(8) Increase in capital stock and capital reserve

Capital stock: JPY 13,385,498,522

Capital reserve: JPY 13,385,498,522

(9) Method of offering or allotment

Third-party allotment

(10) Planned allottees

BCP Asia AYM Holding (Cayman) L.P.

TOHO HOLDINGS CO., LTD.

Hisamitsu Pharmaceutical Co., Inc.