

July 3, 2026

To whom it may concern:

TOWA PHARMACEUTICAL CO., LTD.

## Notice of Acquisition of Shares of Tanabe Pharma Factory Co., Ltd. from Tanabe Pharma Corporation (Making it a Wholly Owned Subsidiary) and Transfer of Manufacturing and Marketing Approvals

Towa Pharmaceutical Co., Ltd. (hereinafter, the “Company”) announces that at a meeting of its Board of Directors on July 3, 2026, a resolution was passed approving the acquisition of all shares of Tanabe Pharma Factory Co., Ltd. (hereinafter, “Tanabe Pharma Factory”) from Tanabe Pharma Corporation (hereinafter, “Tanabe Pharma”) to make it a wholly owned subsidiary of the Company and the transfer of manufacturing and marketing approvals for 17 ingredients and 35 items, as follows:

### 1. Reason for the acquisition of shares

Based on its corporate vision, “We contribute to people’s health. We are dedicated to people’s genuine smiles,” the Company has set a policy of “evolution of generics business in Japan toward a new phase” in its 6th Medium-term Business Plan 2024-2026 “PROACTIVE III” and is working to set up stable supply, strengthen manufacturing control and quality control, and contribute to building social infrastructure by pharmaceutical industry.

Tanabe Pharma Factory has established a global standard manufacturing and quality control system and possesses advanced technical capabilities and a rigorous quality assurance system that underpin the reliability of its pharmaceuticals. We are confident that as Tanabe Pharma Factory joins our group, we will be able to strengthen our system for the sustainable supply of high-quality pharmaceuticals, leading to securing further domestic supply capacity.

### 2. Reason for the transfer of manufacturing and marketing approvals

In line with its vision of realizing a healthy, circular model for society through a stable supply ecosystem for Off-Patent Medicinal Products\*, the Company aims to build a sustainable and stable supply system. Through the transfer of manufacturing and marketing approvals from Tanabe Pharma, the Company will be able to enhance its product portfolio while proceeding with product consolidation with the company and improving production efficiency. The Company will also be able to inherit valuable assets of the domestic pharmaceutical industry, such as the manufacturing technologies and know-how that the original drug manufacturers accumulated over many years.

\* Generally, after the patent for the active ingredient of a brand-name drug has expired, generic drugs containing the same active ingredient are launched on the market. “Off-Patent Medicinal Products” is a collective term that encompasses brand-name drugs whose patents have expired (including quasi-original drugs) and generic drugs, etc.

### 3. Outline of the subsidiary to be changed (Tanabe Pharma Factory)

(1)	Name	Tanabe Pharma Factory Co., Ltd.		
(2)	Address	3-2-10, Dosho-machi, Chuo-Ku, Osaka		
(3)	Name and title of representative	President and Representative Director Yusuke Furuse		
(4)	Business	Manufacture of pharmaceuticals, and sale, purchase, import, and export of pharmaceuticals		
(5)	Capital	100 million yen		
(6)	Date of establishment	October 2008		
(7)	Major shareholders and shareholding ratio	Tanabe Pharma Corporation: 100%		
(8)	Relationship between the Company and the company	Capital relationship	Not applicable.	
		Personnel relationship	Not applicable.	
		Business relationship	Not applicable.	
(9)	The company's operating results and financial condition for the past three years			
	Fiscal year	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Net assets	41,066 million yen	41,520 million yen	31,658 million yen
	Total assets	47,356 million yen	52,286 million yen	39,868 million yen
	Net assets per share	1.8 million yen	1.8 million yen	1.4 million yen
	Net sales	16,990 million yen	18,532 million yen	15,784 million yen
	Operating profit	1,311 million yen	1,623 million yen	1,144 million yen
	Ordinary profit	1,223 million yen	1,621 million yen	1,068 million yen
	Profit	571 million yen	948 million yen	545 million yen
	Earnings per share	25,263 yen	41,943 yen	24,126 yen
	Dividend per share	5,663 yen	460,445 yen	24,125 yen

### 4. Outline of the transferor of shares

(1)	Name	Tanabe Pharma Corporation
(2)	Address	3-2-10, Dosho-machi, Chuo-Ku, Osaka
(3)	Name and title of representative	Representative Director of the Board, Chief Executive Officer Akihisa Harada
(4)	Business	Manufacture and sale of pharmaceuticals, primarily ethical drugs
(5)	Capital	100 million yen

(6)	Date of establishment	December 13, 1933	
(7)	Net assets	283,782 million yen	
(8)	Total assets	504,541 million yen	
(9)	Major shareholders and shareholding ratio	K.K. BCJ-94: 100%	
(10)	Relationship between the Company and the company	Capital relationship	Not applicable.
		Personnel relationship	Not applicable.
		Business relationship	The Company is contracted by Tanabe Pharma to perform the manufacturing work.
		Related party relationship	Not applicable.

5. Number of shares to be acquired, acquisition cost, and the status of shares held before and after acquisition

(1)	Number of shares held before acquisition	- shares (Number of voting rights: -) (Percentage of voting rights held: -%)
(2)	Number of shares to be acquired	22,602 shares (Number of voting rights: 22,602)
(3)	Acquisition cost	Not disclosed by agreement between both parties (Negative goodwill is expected to be recognized)
(4)	Number of shares held after acquisition	22,602 shares (Number of voting rights: 22,602) (Percentage of voting rights held: 100%)

6. Acquisition cost of transferred manufacturing and marketing approvals

(1)	Number of transferred items	17 ingredients and 35 items listed in Attachment 1 (planned)
(2)	Acquisition cost	Not disclosed by agreement between both parties

\* This acquisition cost is expected to be recorded as an intangible asset.

7. Schedule

(1)	Date of Board of Directors resolution	July 3, 2026
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(2)	Date of conclusion of the agreement	July 3, 2026
(3)	Date of execution of share transfer	End of November 2026 (22,602 shares) (planned) *
(4)	Timing of the transfer of manufacturing and marketing approvals	In or after April 2027 (17 ingredients and 35 items) (planned) *

\* This acquisition of shares and transfer of manufacturing and marketing approvals are subject to the obtaining antitrust clearance.

## 8. Future outlook

Negative goodwill is expected to be recognized from this transaction, we will promptly announce the goodwill amount and the impact on the Company's consolidated financial forecasts for the fiscal year ending March 2027 as soon as the details are finalized.

In the future, we plan to make capital investments to increase production volume, aiming for Tanabe Pharma Factory to achieve a production capacity of 4 billion to 5 billion tablets by fiscal year 2036. By combining this Tanabe Pharma Factory's production capacity and by increasing in-house production volume through the addition of larger equipment and improved production efficiency at its three plants and contracted volume, we aim for a production capacity of 24 billion tablets by fiscal year 2030 and 30 billion or more tablets by fiscal year 2036.

End of Notice

(Reference) Consolidated financial forecasts for the current fiscal year (announced on May 14, 2026) and financial results for the previous fiscal year

	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Profit attributable to owners of parent
Consolidated forecasts for the current fiscal year (Fiscal year ending March 2027)	304,000	32,000	30,000	21,500

Consolidated results for the previous fiscal year (Fiscal year ended March 2026)	273,710	23,102	28,079	5,250
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(Millions of yen)

Attachment 1

Product name
ANPLAG Tablets 50mg, ANPLAG Tablets 100mg
URSO tablets 50mg, URSO tablets 100mg, URSO granules 5%
KALGUT Tablets 10
Cleanal TABLETS 200mg
CONTOMIN INTRAMUSCULAR INJECTION 10mg, CONTOMIN INTRAMUSCULAR INJECTION 25mg, CONTOMIN INTRAMUSCULAR INJECTION 50mg
TANATRIL Tablets 2.5, TANATRIL Tablets 5
DEPAS TABLETS 0.25mg, DEPAS TABLETS 0.5mg, DEPAS TABLETS 1mg, DEPAS FINE GRANULES 1%
NIPPAS CALCIUM Granules 100%
Novastan HI Injection 10mg/2ml
Haloperidol TABLETS 0.75mg "YOSHITOMI", Haloperidol TABLETS 1.5mg "YOSHITOMI", Haloperidol TABLETS 2mg "YOSHITOMI", Haloperidol TABLETS 3mg "YOSHITOMI", Haloperidol INJECTION 5mg "YOSHITOMI"
PZC INTRAMUSCULAR INJECTION 2mg
HIBERNA SUGAR-COATED TABLETS 5mg, HIBERNA SUGAR-COATED TABLETS 25mg, HIBERNA POWDER 10%, HIBERNA INJECTION 25mg
Fludecasin INTRAMUSCULAR INJECTION 25mg
Brotizolam TABLETS 0.25mg "YOSHITOMI"
RAVONA Tablets 50mg
RIZE TABLETS 5mg, RIZE TABLETS 10mg, RIZE GRANULES 10%
Lectisol TABLETS 25mg

End of Notice