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 original shall prevail.

July 31, 2026

To whom it may concern:

TOWA PHARMACEUTICAL CO., LTD.

Notice of Completion of Payment for the Issuance of 1st Series Class A Preferred Shares through Third-Party Allotment and Taking Effect of Reduction of Amounts of Share Capital and Legal Capital Surplus

Regarding the issuance of class A preferred shares through third-party allotment resolved at the Board of Directors meeting held on May 21, 2026 and approved at the 70th Ordinary General Meeting of Shareholders held on June 24, 2026, Towa Pharmaceutical Co., Ltd. (hereinafter, the "Company") hereby announces that the payment has been completed today for the issuance of 1st Series Class A Preferred Shares as detailed below. In relation to this, the Company also announces that a reduction of amounts of share capital and legal capital surplus has taken effect.

For details on this matter, see "Notice of Issuance of Class A Preferred Shares through Third-Party Allotment, Partial Amendment of the Articles of Incorporation, and Reduction of Amounts of Share Capital and Legal Capital Surplus" dated May 21, 2026.

1. Outline of the issuance of 1st Series Class A Preferred Shares through third-party allotment

(1)	Payment date	July 31, 2026
(2)	Number of new shares issued	Class A Preferred Shares: 10,000 shares
(3)	Issue price	1,000,000 yen per share
(4)	Amount of funds raised	10,000,000,000 yen
(5)	Amounts of share capital and legal capital surplus increased	Share capital: 5,000,000,000 yen (500,000 yen per share) Legal capital surplus: 5,000,000,000 yen (500,000 yen per share)
(6)	Method of offering or allotment	Third-party allotment to Development Bank of Japan Inc.

2. Amounts of share capital and legal capital surplus reduced

(1)	Amount of share capital reduced	5,000,000,000 yen
(2)	Amount of legal capital surplus reduced	5,000,000,000 yen

The Company has reduced the amounts of share capital and legal capital surplus in the same amounts as the increases in share capital and legal capital surplus that reflect the amount paid for the issuance of 1st Series Class A Preferred Shares and transferred the reduced amounts to other capital surplus.

End of Notice