



September 30, 2026

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(Update on Disclosed Matter) Notice Regarding Transfer of Generic Drug Business

KYORIN Pharmaceutical Co., Ltd. (the “Company”) previously announced in its press release titled “Notice Regarding Execution of a Memorandum of Understanding (“MOU”) for the Transfer of Generic Drug Business,” dated April 24, 2026, that it has entered into an MOU with Daito Pharmaceutical Co., Ltd. (Head office: Toyama-shi, Toyama; President and CEO: Hiroshi Matsumori; “Daito”), Meiji Seika Pharma Co., Ltd. (Head office: Chuo-ku, Tokyo; President and Representative Director: Toshiaki Nagasato; “Meiji Seika Pharma”), and Development Bank of Japan Inc. (Head office: Chiyoda-ku, Tokyo; President: Hirofumi Maki; “DBJ”; Daito, Meiji Seika Pharma, and DBJ are collectively referred to as “Daito et al.”) to proceed with specific discussions regarding the succession (the “Succession”) to Pharmatech Co-creation Platform, Inc. (“PCPI”), which is scheduled to be jointly established by Daito et al., of the business (the “Target Business”) consisting of the Company’s consolidated subsidiary KYORIN Rimedio Co., Ltd. (the “Target Company”), which operates the generic drug business (excluding, however, the authorized generic business operated by the Target Company), and the Takaoka Plant and the Inami Plant (collectively, the “Target Plants”) owned by the Company’s consolidated subsidiary KYORIN Pharmaceutical Group Facilities Co., Ltd. (“KYORIN Pharmaceutical Group Facilities”), which is responsible for the production functions of the Kyorin Group (referring to the Company and its affiliated companies; the same applies hereinafter).

Following the execution of the MOU, the Company and Daito et al. have engaged in discussions regarding the details of the Succession. As a result, the Company resolved at the meeting of its Board of Directors held today to: (i) have the Target Company succeed to, from KYORIN Pharmaceutical Group Facilities, the assets, liabilities, and other rights and obligations constituting the Target Plants held by KYORIN Pharmaceutical Group Facilities through an absorption-type company split, where KYORIN Pharmaceutical Group Facilities is the splitting company and the Target Company is the succeeding company (the “Absorption-Type Company Split (1)”); (ii) have KYORIN Pharmaceutical Group Facilities succeed to, from the Target Company, the assets, liabilities, and other rights and obligations related to the authorized generic business operated by the Target Company (excluding the business related to certain sales) through an absorption-type company split, where the Target Company is the splitting company and KYORIN Pharmaceutical Group Facilities is the succeeding company (the “Absorption-Type Company Split (2)”; the Absorption-Type Company Split (1) and the Absorption-Type Company Split (2) are collectively referred to as the “Absorption-Type Company Splits”); and (iii) subsequently transfer the shares of the Target Company to PCPI (the “Share Transfer”; the Share Transfer and the Absorption-Type Company Splits are collectively referred to as the “Transaction”). In this connection, the Company has today entered into an agreement with Daito et al. concerning the succession of the Target Business (the “Definitive Agreement”),

and hereby provides details as set forth below.

The Transaction will allow the Company to optimize its business portfolio and focus its resources on the new drug business. Toward the realization of “Vision 110,” the Company’s long-term vision leading up to the 110th anniversary of its founding, the Company has formulated a new medium-term business plan, “Vision 110 – Stage2–” (FY2026–FY2029), and commenced initiatives to achieve this plan in April 2026. Based on the statement “Aggressive Investment for Sustainable Growth,” established under “Vision 110 –Stage2–,” the Company has positioned the acquisition of in-licensed products and other assets, which will serve as engines for mid- to long-term sustainable growth, as its highest priority, and is committed to pursuing these initiatives with firm conviction.

I. Purpose of the Transaction

In its long-term vision, “Vision 110” (FY2023–FY2032), announced in May 2023, the Kyorin Group set its ideal image as “a company that contributes broadly to people’s health by comprehensively developing healthcare-related businesses, with a core focus on the new drug business, which continuously provides high-value new drugs that meet medical needs.” In its medium-term business plan, “Vision 110 –Stage1–” (FY2023–FY2025), the Kyorin Group established the statement “Transforming the business structure to realize Vision 110.” Regarding the new drug business, the Group has promoted strategies, such as strengthening drug discovery capabilities to create high-value new drugs that meet medical needs, expanding its development pipeline through in-licensing, and maximizing the ratio of new drugs, aiming to achieve performance targets and enhance support and evaluation from stakeholders.

Meanwhile, the generic drug industry in Japan has been facing a state of supply instability triggered by quality misconduct issues. The fundamental causes are believed to include deteriorating profitability due to annual NHI drug price revisions and rising raw material costs, excessive competition caused by the proliferation of small- to medium-sized companies, and structural inefficiencies resulting from high-mix low-volume production. Addressing these issues to resolve supply instability has become an urgent task.

Against this background of the external environment, the Company has considered measures to promote the sustainable growth of the Kyorin Group by focusing management resources on the new drug business, while contributing to the stable supply of generic drugs in Japan. As a result, the Company has determined that transferring the Kyorin Group’s generic drug business to PCPI is the best course of action.

Since announcing the MOU on April 24, 2026, the Company has engaged in specific discussions with Daito et al., with the fundamental policy of achieving a smooth business succession of the Target Business while maintaining the employment and working conditions of its employees and ensuring the stable supply of generic drugs. As a result of these discussions, the Company has today resolved to execute the Transaction.

Note: Daito is a research and development-oriented contract manufacturing organization (CMO) that widely conducts manufacturing, sales, and wholesaling of products ranging from active pharmaceutical ingredients (APIs) to finished pharmaceutical products (formulation products) both domestically and internationally.

II. Overview of the Transaction

In the Transaction, effective March 31, 2027 (planned), the Company plans to have the Target Company

succeed to the assets, liabilities, and other rights and obligations constituting the Target Plants held by KYORIN Pharmaceutical Group Facilities, as specified in the absorption-type company split agreement pertaining to the Absorption-Type Company Split (1), through the Absorption-Type Company Split (1), where KYORIN Pharmaceutical Group Facilities is the splitting company and the Target Company is the succeeding company.

In addition, effective March 31, 2027 (planned), the Company plans to have KYORIN Pharmaceutical Group Facilities succeed to the assets, liabilities, and other rights and obligations related to the authorized generic business operated by the Target Company, as specified in the absorption-type company split agreement pertaining to the Absorption-Type Company Split (2), through the Absorption-Type Company Split (2), where the Target Company is the splitting company and KYORIN Pharmaceutical Group Facilities is the succeeding company.

Thereafter, effective April 1, 2027 (planned), the Company will transfer all issued shares of the Target Company held by the Company to PCPI. As a result, the Target Business is expected to be operated under PCPI.

The scheduled timeline for the Transaction is as follows.

Board resolution approving the Transaction	September 30, 2026
Execution of the Definitive Agreement	September 30, 2026
Execution of the absorption-type company split agreements pertaining to the Absorption-Type Company Split (1) and the Absorption-Type Company Split (2)	During the third quarter of fiscal year 2026 (planned)
Effective date of the Absorption-Type Company Split (1) and the Absorption-Type Company Split (2)	March 31, 2027 (planned)
Closing of the Share Transfer	April 1, 2027 (planned)

III. Overview of the Absorption-Type Company Splits

1. Summary of the Absorption-Type Company Splits

(1) Schedule of the Absorption-Type Company Splits

As specified in “II. Overview of the Transaction” above.

(2) Method of the Absorption-Type Company Splits

Absorption-Type Company Split (1):

An absorption-type company split where KYORIN Pharmaceutical Group Facilities is the splitting company and the Target Company is the succeeding company.

Absorption-Type Company Split (2):

An absorption-type company split where the Target Company is the splitting company and KYORIN Pharmaceutical Group Facilities is the succeeding company.

(3) Details of allotment related to the Absorption-Type Company Splits

Absorption-Type Company Split (1):

To be determined through discussions between the parties to the Absorption-Type Company Splits.

Absorption-Type Company Split (2):

There will be no allotment of shares, cash, or other consideration.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights of the splitting company

Not applicable to either the Target Company or KYORIN Pharmaceutical Group Facilities.

(5) Increase/decrease in capital due to the Absorption-Type Company Splits

There will be no increase or decrease in the capital of either the Target Company or KYORIN

Pharmaceutical Group Facilities as a result of the Absorption-Type Company Split (1) and the Absorption-Type Company Split (2).

- (6) Rights and obligations to be succeeded by each succeeding company through the Absorption-Type Company Splits

Absorption-Type Company Split (1):

On the effective date of the Absorption-Type Company Split (1), the Target Company will succeed to the assets, liabilities, contractual statuses, and other rights and obligations constituting the Target Plants held by KYORIN Pharmaceutical Group Facilities, as specified in the absorption-type company split agreement pertaining to the Absorption-Type Company Split (1). The succession of obligations from the splitting company to the succeeding company in the Absorption-Type Company Split (1) will be effected by way of discharging assumption of obligations.

Absorption-Type Company Split (2):

On the effective date of the Absorption-Type Company Split (2), KYORIN Pharmaceutical Group Facilities will succeed to the assets, liabilities, contractual statuses, and other rights and obligations related to the authorized generic business operated by the Target Company, as specified in the absorption-type company split agreement pertaining to the Absorption-Type Company Split (2). The succession of obligations from the splitting company to the succeeding company in the Absorption-Type Company Split (2) will be effected by way of discharging assumption of obligations.

- (7) Prospect of fulfilling obligations

The Company believes that there are no issues with respect to the prospect of fulfilling the obligations to be performed by the Target Company and KYORIN Pharmaceutical Group Facilities on and after the effective date of the Absorption-Type Company Split (1) and the Absorption-Type Company Split (2).

2. Overview of the parties to the Absorption-Type Company Splits

	Absorption-Type Company Split (1): Succeeding Company	Absorption-Type Company Split (1): Splitting Company
	Absorption-Type Company Split (2): Splitting Company	Absorption-Type Company Split (2): Succeeding Company
(1) Name	KYORIN Rimedio Co., Ltd.	KYORIN Pharmaceutical Group Facilities Co., Ltd.
(2) Location	287-1, Shimocho, Moroe-cho, Kanazawa-shi, Ishikawa	1-3-7, Otemachi, Chiyoda-ku, Tokyo
(3) Name and title of representative	Hiroshi Hashizume President and Representative Director	Kenichi Nakamura Representative Director, President
(4) Business description	Manufacture and sale of pharmaceutical products, etc.	Manufacturing and testing of drugs
(5) Capital	100 million yen	350 million yen
(6) Date of establishment	October 15, 1947	October 2, 2017
(7) Number of shares issued and outstanding	6,013,600 shares	100 shares
(8) Fiscal year-end	March 31	March 31

(9)	Major shareholder and shareholding ratio	KYORIN Pharmaceutical Co., Ltd. (100%)	KYORIN Pharmaceutical Co., Ltd. (100%)
(10)	Financial position and operating results for the most recent fiscal year (Unit: JPY million)		
	Fiscal year ended	March 31, 2026	March 31, 2026
	Net assets	4,814	18,585
	Total assets	21,688	31,196
	Net sales	35,675	13,360
	Ordinary profit (loss)	(970)	(65)
	Net profit (loss)	(676)	(29)

3. Status after the Absorption-Type Company Splits

There will be no change to the name, location, title and name of representative, business description (excluding the business subject to the Absorption-Type Company Splits), capital, or fiscal year-end of either the Target Company or KYORIN Pharmaceutical Group Facilities following the Absorption-Type Company Splits.

IV. Overview of the Share Transfer

1. Overview of subsidiary to be transferred (KYORIN Rimedio Co., Ltd.)

Please refer to “2. Overview of the parties to the Absorption-Type Company Splits” of “III. Overview of the Absorption-Type Company Splits.”

2. Overview of counterparty to the Share Transfer

(1)	Name	Pharmatech Co-creation Platform, Inc. (tentative)	
(2)	Location	326, Yokamachi, Toyama-shi, Toyama (tentative)	
(3)	Name and title of representative	Representative Director, Kazumi Tsuji (tentative)	
(4)	Business description	Holding of shares in companies engaged in the manufacture, marketing, and sale of pharmaceuticals and management of the business activities of such companies	
(5)	Capital	100 million yen (tentative)	
(6)	Date of establishment	December 2026 (planned)	
(7)	Net assets	To be determined	
(8)	Total assets	To be determined	
(9)	Major shareholders and shareholding ratios	Daito (49.1%), Meiji Seika Pharma (36.0%), DBJ (14.9%)	
(10)	Relationship with the Company	Capital relationship	None
		Personnel relationship	None
		Business relationship	None

	Status as a related party	Not applicable
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3. Number of shares to be transferred, transfer price, and number of shares held before and after the transfer

(1)	Number of shares held by the Company before the Share Transfer	To be determined (Voting rights ownership: 100%)
(2)	Number of shares to be transferred	All of the issued shares
(3)	Transfer price	Undisclosed due to confidentiality obligations between the parties
(4)	Number of shares held by the Company after the Share Transfer	0 shares (Voting rights ownership: 0%)

4. Schedule

As stated in “II. Overview of the Transaction” above.

5. Future outlook

The Company expects to recognize a loss on the transfer of the Target business as an extraordinary loss in its consolidated financial results for the second quarter (interim period) of the current fiscal year. The amount of such losses and the impact on the Kyorin Group’s consolidated financial results are currently under evaluation. If any matter requiring disclosure arises in the future, a prompt announcement will be made.

(Reference) Forecast of consolidated financial results for the current fiscal year (announced on May 12, 2026) and consolidated results for the previous fiscal year

(JPY million)

	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Net profit attributable to owners of parent
Forecast of consolidated financial results for the current fiscal year (Fiscal year ending March 31, 2027)	121,800	2,000	2,300	1,500
Consolidated results for the previous fiscal year (Fiscal year ended March 31, 2026)	126,257	3,567	4,031	3,448

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