



February 27, 2026

AIN HOLDINGS INC.
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**Notice Regarding Intra-Group Reorganization
(Absorption-Type Company Splits between Consolidated Subsidiaries, Absorption-Type Merger
between Consolidated Subsidiaries)**

AIN HOLDINGS INC. (the “Company”) hereby announces that it has decided to implement an internal reorganization of the Group (the “Intra-Group Reorganization”) through absorption-type company splits between consolidated subsidiaries and absorption-type merger between consolidated subsidiaries of the Company effective May 1, 2026, as described below.

1. Overview of Intra-Group Reorganization

Effective May 1, 2026, the Company will implement an absorption-type company split (the “Absorption-type Company Split (a)”) in which some dispensing pharmacies that AIN PHARMACIEZ INC. (“AIN PHARMACIEZ”), a consolidated subsidiary of the Company, operates in the Chugoku region will be transferred to PHARMACY Co.Ltd. (“PHARMACY”), and an absorption-type company split (the “Absorption-type Company Split (b)”) in which some dispensing pharmacies that PHARMACY operates in the Kansai and Shikoku regions will be transferred to AIN PHARMACIEZ.

In addition, on the same date, the Company will implement an absorption-type merger (the “Absorption-type Merger”) in which Sakura Pharmacy Co., Ltd. (“Sakura Pharmacy”), a consolidated subsidiary of the Company, will be the dissolving company, and KRAFT Inc. (“KRAFT”) will be the surviving company.

2. Purpose of the Intra-Group Reorganization

The Group operates a nationwide chain of dispensing pharmacies and is aggressively opening new pharmacies and expanding our businesses through M&A. The Intra-Group Reorganization will integrate core subsidiaries of the Company through absorption-type company splits, with the aim of improving the efficiency of pharmacy operations, reducing redundant management operations, and thus improving the business efficiency of the Group as a whole.

3. Outline of the Absorption-type Company Split (a)

(1) Schedule of the Absorption-type Company Split (a)	
Meeting of the Board of Directors that passed the resolution on the Absorption-type Company Split (a) (companies participating)	February 27, 2026
Conclusion of the Absorption-type Company Split (a) agreement	February 27, 2026
General Meeting of Shareholders to approve the Absorption-type Company Split (a) (company succeeding)	February 27, 2026
Effective date	May 1, 2026 (scheduled)

Note: Since the Absorption-type Company Split (a) is a simplified absorption-type company split as provided for in Article 784, paragraph (2) of the Companies Act for AIN PHARMACIEZ, the company splitting, it will be implemented without obtaining approval at the General Meeting of Shareholders.

- (2) Method of the Absorption-type Company Split (a)
The Absorption-type Company Split (a) will be an absorption-type company split in which AIN PHARMACIEZ is the company splitting and PHARMACY is the company succeeding.
- (3) Details of allotment pertaining to the Absorption-type Company Split (a)
No shares will be allotted and no other consideration will be delivered as a result of the Absorption-type Company Split (a), since it will be implemented between wholly-owned subsidiaries of the Company.
- (4) Handling of stock acquisition rights and bonds with stock acquisition rights associated with the Absorption-type Company Split (a)
Not applicable.
- (5) Increase or decrease in share capital due to the Absorption-type Company Split (a)
There will be no increase or decrease in the share capital of the companies participating in the split as a result of the Absorption-type Company Split (a).
- (6) Rights and obligations to be succeeded by the company succeeding
The company succeeding will succeed to assets and liabilities related to a part of the dispensing pharmacy business of the company splitting as of the date of the Absorption-type Company Split (a), as well as associated rights and obligations.
- (7) Ability to perform obligations
The Company believes that obligations to be borne by PHARMACY, the company succeeding, in the Absorption-type Company Split (a) are likely to be performed even after the Absorption-type Company Split (a) becomes effective.
- (8) Overview of the companies participating

(1) Corporate name	PHARMACY Co., Ltd. (company succeeding)	AIN PHARMACIEZ INC. (company splitting)
(2) Business	Management of dispensing pharmacies	Management of dispensing pharmacies, cosmetics stores, and interior furnishing shops
(3) Date of establishment	November 20, 1976	June 24, 2015
(4) Head office	4-13-27 Okinogami-cho, Fukuyama-shi, Hiroshima	5-2-4-30, Higashi-sapporo, Shiroishi-ku, Sapporo-shi, Hokkaido
(5) Representative	Masato Maekawa, President and Representative Director	Shoichi Shudo, President and Representative Director
(6) Share capital	50 million yen	100 million yen
(7) Number of shares outstanding	18,705 shares	10,000 shares
(8) Net assets	7,293 million yen	56,004 million yen
(9) Total assets	14,922 million yen	180,346 million yen
(10) Net assets per share	389,936.94 yen	5,600,448.10 yen
(11) Major shareholder and shareholding ratio	AIN HOLDINGS INC. (100.00%)	AIN HOLDINGS INC. (100.00%)
(12) Net sales	23,403 million yen	361,932 million yen
(13) Operating profit	1,283 million yen	10,719 million yen

(14) Ordinary profit	1,311 million yen	11,159 million yen
(15) Profit	847 million yen	6,843 million yen
(16) Profit per share	45,303.56 yen	684,377.31 yen
(17) Fiscal year end	March 31	April 30

Note: The above overview is as of the end of the most recent fiscal year of each company.

- (9) Business division to be split
Part of the Kansai Branch (Chugoku region)
- (10) Operating results of the business division to be split (forecast for the fiscal year ending April 2026)
Net sales: 10,426 million yen
- (11) Items and amounts of assets and liabilities to be split

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	2,254 million yen	Current liabilities	5,738 million yen
Non-current assets	2,092 million yen	Non-current liabilities	20 million yen
Total	4,347 million yen	Total	5,759 million yen

Note: As the above amounts are calculated based on the balance sheet as of the end of December 2025, the actual amounts to be succeeded will be the above amounts adjusted to reflect changes up to the effective date.

- (12) Status after the Absorption-type Company Split (a)
PHARMACY will change its representative on May 1 as follows.

Before change	After change
Masato Maekawa, President and Representative Director	Terumi Yoshimura, President and Representative Director

In addition, there will be no changes to AIN PHARMACIEZ's corporate name, business details, head office location, title and name of representative, share capital, and fiscal year end.

4. Outline of the Absorption-type Company Split (b)

- (1) Schedule of the Absorption-type Company Split (b)
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| Meeting of the Board of Directors that passed the resolution on the Absorption-type Company Split (b) (companies participating) | February 27, 2026 |
| Conclusion of the Absorption-type Company Split (b) agreement | February 27, 2026 |
| General Meeting of Shareholders to approve the Absorption-type Company Split (b) (company splitting) | February 27, 2026 |
| Effective date | May 1, 2026 (scheduled) |

Note: Since the Absorption-type Company Split (b) is a simplified absorption-type company split as provided for in Article 796, paragraph (2) of the Companies Act for AIN PHARMACIEZ, the company succeeding, it will be implemented without obtaining approval at the General Meeting of Shareholders.

- (2) Method of the Absorption-type Company Split (b)
The Absorption-type Company Split (b) will be an absorption-type company split in which PHARMACY is the company splitting and AIN PHARMACIEZ is the company succeeding.
- (3) Details of allotment pertaining to the Absorption-type Company Split (b)
No shares will be allotted and no other consideration will be delivered as a result of the Absorption-type Company Split (b), since it will be implemented between wholly-owned subsidiaries of the Company.
- (4) Handling of stock acquisition rights and bonds with stock acquisition rights associated with the Absorption-type Company Split (b)
Not applicable.
- (5) Increase or decrease in share capital due to the Absorption-type Company Split (b)
There will be no increase or decrease in the share capital of the companies participating in the split as a result of the Absorption-type Company Split (b).
- (6) Rights and obligations to be succeeded by the company succeeding
The company succeeding will succeed to assets and liabilities related to a part of the dispensing pharmacy business of the company splitting as of the date of the Absorption-type Company Split (b), as well as associated rights and obligations.
- (7) Ability to perform obligations
The Company believes that obligations to be borne by AIN PHARMACIEZ, the company succeeding, in the Absorption-type Company Split (b) are likely to be performed even after the Absorption-type Company Split (b) becomes effective.
- (8) Overview of the companies participating
The overview of the companies participating is as described in 3. (8). The company succeeding in the Absorption-type Company Split (b) will be AIN PHARMACIEZ, and the company splitting will be PHARMACY.
- (9) Business division to be split
Part of the Third Pharmacy Department (Kansai and Shikoku regions)
- (10) Operating results of the business division to be split (forecast for the fiscal year ending April 2026)
Net sales: 5,500 million yen
- (11) Items and amounts of assets and liabilities to be split

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	69 million yen	Current liabilities	1,212 million yen
Non-current assets	504 million yen	Non-current liabilities	19 million yen
Total	573 million yen	Total	1,232 million yen

Note: As the above amounts are calculated based on the balance sheet as of the end of December 2025, the actual amounts to be succeeded will be the above amounts adjusted to reflect changes up to the effective date.

- (12) Status after the Absorption-type Company Split (b)
As described in 3. (12), PHARMACY will change its representative. In addition, there will be no changes to AIN PHARMACIEZ's corporate name, business details, head office location, title and name of representative, share capital, and fiscal year end.

5. Outline of the Absorption-type Merger

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| (1) Schedule of the Absorption-type Merger | |
| Meeting of the Board of Directors that passed the resolution on the Absorption-type Merger (surviving company) | February 27, 2026 |
| Decision by directors regarding the Absorption-type Merger (dissolving company) | February 27, 2026 |
| Conclusion of the Absorption-type Merger agreement | February 27, 2026 |
| General Meeting of Shareholders to approve the Absorption-type Merger (company succeeding) | February 27, 2026 |
| Effective date | May 1, 2026 (scheduled) |

(2) Method of the Absorption-type Merger

The Absorption-type Merger will be an absorption-type merger in which Sakura Pharmacy is the dissolving company and KRAFT is the surviving company.

(3) Details of allotment pertaining to the Absorption-type Merger

No shares will be allotted and no other consideration will be delivered as a result of the Absorption-type Merger, since it will be implemented between wholly-owned subsidiaries of the Company.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights associated with the Absorption-type Merger

Not applicable.

(5) Overview of the companies participating

(1) Corporate name	KRAFT Inc. (surviving company)	Sakura Pharmacy Co., Ltd. (dissolving company)
(2) Business	Management of dispensing pharmacies	Management of dispensing pharmacies
(3) Date of establishment	December 7, 2009	July 22, 2014
(4) Head office	1-3-1 Otemachi, Chiyoda-ku, Tokyo	1-3-1 Otemachi, Chiyoda-ku, Tokyo
(5) Representative	Osamu Yamanaka, President and Representative Director	Osamu Yamanaka, President and Representative Director
(6) Share capital	1 million yen	1 million yen
(7) Number of shares outstanding	20,000 shares	20 shares
(8) Net assets	(65,283) million yen	2,097 million yen
(9) Total assets	55,119 million yen	12,074 million yen
(10) Net assets per share	(3,264,175.80) yen	104,880,213.80 yen
(11) Major shareholder and shareholding ratio	AIN-AG2 Co., Ltd. (100.00%)	KRAFT Inc. (100.00%)
(12) Net sales	110,168 million yen	35,082 million yen
(13) Operating profit	7,922 million yen	2,001 million yen
(14) Ordinary profit	8,263 million yen	1,912 million yen
(15) Profit	16,294 million yen	934 million yen
(16) Profit per share	814,735.77 yen	46,748,687.30 yen

(17) Fiscal year end	March 31	March 31
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Note: The above overview is as of the end of the most recent fiscal year of each company.

(6) Status after the Absorption-type Merger

After the Absorption-type Merger, there will be no changes to corporate name, business details, head office location, title and name of representative, share capital, and fiscal year end.

6. Future outlook

As this is a reorganization between wholly-owned subsidiaries of the Company, the impact on business results will be minimal.

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