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May 15, 2025

To whom it may concern:

TOWA PHARMACEUTICAL CO., LTD.

Notice of Revisions of Financial Objectives of the 6th Medium-term Business Plan (2024-2026) PROACTIVE III

Towa Pharmaceutical Co., Ltd. (Head office: Kadoma, Osaka; President and Representative Director: Itsuro Yoshida) has revised its financial objectives of the 6th Medium-term Business Plan (2024-2026) PROACTIVE III, which were previously announced on June 10, 2024, at the Board of Directors on May 15, 2025, as follows:

1. Details of Revision

	Previous objectives	Revised objectives
[Consolidated] Net Sales (Final year)	JPY 300 billion achieved	JPY 300 billion achieved
[Non-Consolidated] Net Sales (Final year)	JPY 200 billion achieved	JPY 200 billion achieved
[Consolidated] Operating profit (Cumulative)	JPY 68 billion or more	<u>JPY 80 billion</u> or more
[Consolidated] ROIC (with influence of goodwill) (Final year)	6% or more	6% or more
[Consolidated] ROIC (w/o influence of goodwill) (Final year)	7% or more	7% or more
[Consolidated] R&D Expenditure (Cumulative)	JPY 55 billion or more	JPY 55 billion or more
[Consolidated] Capital Investment (Cumulative)	JPY 60 billion or more	JPY 60 billion or more

2. Reason for Revision

We have formulated the 6th Medium-term Business Plan (2024-2026) PROACTIVE III for the fiscal years ending March 2025 to March 2027, and we are actively working to further increase corporate value in line with this plan.

This time, considering that the financial results for the fiscal year ending March 2025 have exceeded the initial forecasts, that we expect that the production capacity at the Yamagata Plant will be steadily enhanced, and that we will further improve SG&A expenses, including R&D expenses, from the perspective of cost optimization, we have revised the plans for the fiscal years ending March 2026 and March 2027. As a result, we have determined that operating profit is

expected to exceed the initial objective.

There are no changes to the challenges, policies, and important themes.

Note: The above forecasts were prepared on the basis of available information at the time of the release of this notice. Actual performance may differ from the forecasts due to various factors in the future.

End of Notice