

Towa Pharmaceutical Co., Ltd.

Financial results meeting for the second quarter (interim period) of the year ending March 31, 2026

【Outline】

Date and time: November 12, 2025 (Wednesday), 3:00–4:00 pm

Speakers: Itsuro Yoshida, President

Osamu Uchikawa, Executive Managing Director

Toshikazu Kokubun, Director

Masaaki Takeyasu, Director

Tetsuro Tabata, Senior Operating Officer, Division Manager, Production Division

Hideshi Nakamura, Operating Officer, Division Manager, Corporate Strategy Division

Shiro Hatagami, Operating Officer, Division Manager, Finance & Accounting Division

Yasuyuki Oishi, Operating Officer, Division Manager, Sales and Marketing Division

【Briefing Script】

*Slides that are not explained, such as the table of contents and reference materials, have been omitted.

Supplementary material for the financial results for the second quarter (interim period) of the year ending March 31, 2026

November 2025

(Stock code: 4553)

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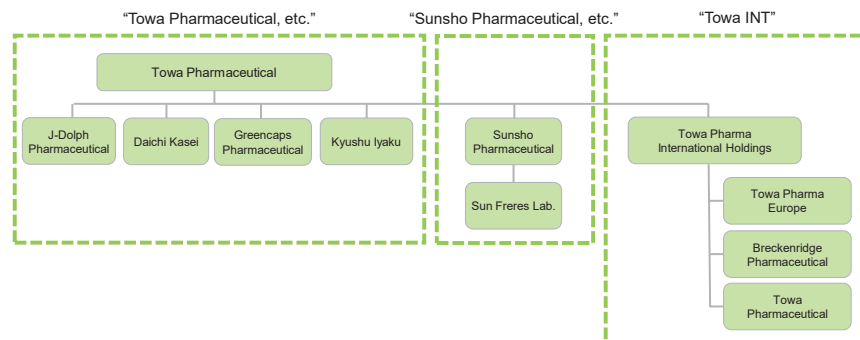
Thank you very much for taking the time to join us today.
This is Kokubun from Towa Pharmaceutical.

I would like to explain our financial results based on the "Supplementary material for the financial results for the second quarter (interim period) of the year ending March 31, 2026." Thank you for your attention.

Notes to financial results disclosure material

Notes

- In this document, for the breakdown of the domestic segment, Towa Pharmaceutical, J-Dolph Pharmaceutical, Daichi Kasei, Greencaps Pharmaceutical, and Kyushu Iyaku are referred to as "Towa Pharmaceutical, etc.," and Sunsho Pharmaceutical and Sun Freres Lab. are referred to as "Sunsho Pharmaceutical, etc."
- On April 1, 2025, the Company carried out an absorption-type merger with Sunsho Pharmaceutical as the surviving company and KAMATA as the disappearing company.
- Towa Pharma International Holdings, S.L., our overseas segment, is referred to as "Towa INT."



Now, please have a look at slide 1.

Before I begin, I would like to explain the notation we use in the financial results disclosure for the second quarter.

In this document, for the breakdown of the domestic segment, Towa Pharmaceutical, J-Dolph Pharmaceutical, Daichi Kasei, Greencaps Pharmaceutical, and Kyushu Iyaku are referred to as "Towa Pharmaceutical, etc.," and Sunsho Pharmaceutical and Sun Freres Lab. are referred to as "Sunsho Pharmaceutical, etc."

On April 1, 2025, the Company carried out an absorption-type merger with Sunsho Pharmaceutical as the surviving company and KAMATA as the disappearing company.

Towa Pharma International Holdings, S.L. and its subsidiaries, which constitute our overseas segment, are collectively referred to as "Towa INT."

Overall review of financial results for 2026/3 2Q

- **YoY change: Net sales increased, but operating profit decreased on a consolidated basis.**

Net sales increased due to an increase in sales volume following an increase in production volume at Towa Pharmaceutical and growth in the domestic health food business at Sunsho Pharmaceutical.
Gross profit increased due to a drop in the cost of sales ratio due to the effect of new product launches at Towa INT, despite a rise in the cost of sales ratio at Sunsho Pharmaceutical.
Operating profit decreased due to a rise in the cost of sales ratio at Sunsho Pharmaceutical and an increase in SG&A expenses at Towa INT.
Ordinary profit increased due to the posting of a 1.5 billion yen **gain** on valuation of derivatives.

- **Progress rate for the full-year plan: Net sales: 46.6%, Operating profit: 38.7% on a consolidated basis**

Net sales fell short of the 1H plan target due to the lower-than-expected sales volume of Towa Pharmaceutical and the poor performance in Towa INT for both the Europe and the U.S..
Gross profit fell short of the 1H plan target due to the lower-than-expected net sales of Towa Pharmaceutical and a higher-than-expected cost of sales ratio of Sunsho Pharmaceutical and the European BtoB of Towa INT.
Operating profit fell short of the 1H plan target due to the poor performance of Sunsho Pharmaceutical and Towa INT, despite progressing as planned due to delays in spending on SG&A expenses of Towa Pharmaceutical.
Ordinary profit met the 1H plan target due to the posting of an unplanned 1.5 billion yen **gain** on valuation of derivatives.

| | 26/3 2Q results | | 25/3 2Q results | 26/3 1H plan | | 26/3 full-year plan | |
|--|-----------------|----------------|-----------------|---------------|----------------------|---------------------|-------------------|
| | (JPY billion) | YOY change (%) | (JPY billion) | (JPY billion) | Achievement rate (%) | (JPY billion) | Progress rate (%) |
| Net sales | 130.4 | + 5.7% | 123.4 | 134.5 | 97.0% | 280.0 | 46.6% |
| Gross profit | 47.2 | + 5.1% | 44.9 | 50.1 | 94.2% | 104.0 | 45.4% |
| Operating profit | 10.4 | - 0.7% | 10.5 | 12.0 | 87.0% | 27.0 | 38.7% |
| Ordinary profit | 11.9 | + 15.9% | 10.3 | 11.1 | 107.9% | 25.3 | 47.3% |
| Profit attributable to owners of parent | 8.2 | + 25.3% | 6.5 | 8.0 | 102.7% | 17.7 | 46.4% |
| Exchange rate at end of period (TTM) USD 1 | 26/3 2Q | 25/3 4Q | 25/3 2Q | 24/3 4Q | | | |
| | JPY 148.88 | JPY 149.52 | JPY 142.73 | JPY 151.41 | | | |

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Now, please turn to slide 4.

I would like to explain the financial results for the second quarter.

Consolidated net sales increased to approximately 130.4 billion yen, up 5.7% from the same period last year, but fell short of the 1H plan target.

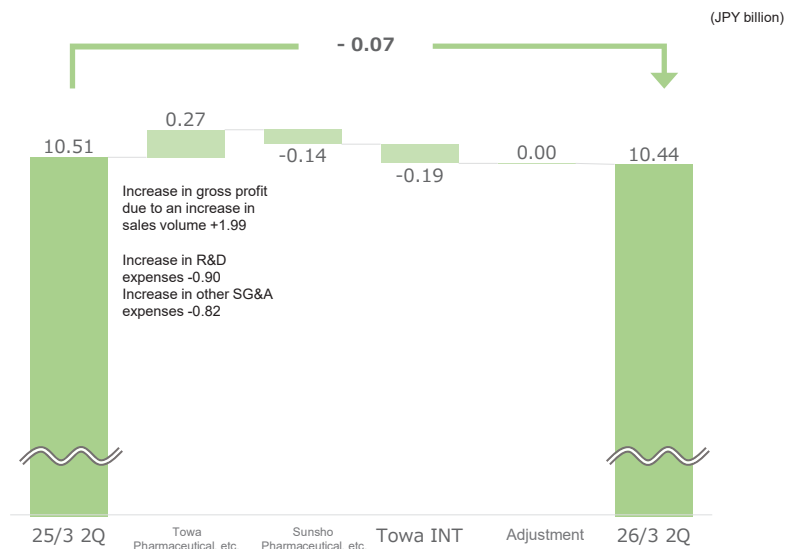
Consolidated operating profit decreased to approximately 10.4 billion yen, down 0.7% from the same period last year, falling short of the 1H plan target.

As for the financial results by segment, Towa Pharmaceutical, etc. achieved an increase in both net sales and profit. Segment net sales slightly fell short of, but were almost in line with, the plan. Segment profit progressed as planned.

Sunsho Pharmaceutical, etc. achieved an increase in net sales, but its profit decreased. Segment net sales progressed as planned, but the progress rate of segment profits was sluggish.

Towa INT saw a decline in net sales and an expanding loss, with both segment net sales and profit falling short of the 1H plan target.

Factors behind changes in operating profit for 2026/3 2Q



Please turn to slide 5.

I would like to explain the factors behind the changes in consolidated operating profit.

Although gross profit increased at Towa Pharmaceutical, etc. due to an increase in sales volume, consolidated operating profit decreased by approximately 70 million yen compared to the same period last year due to an increase in the cost-of-sales ratio at Sunsho Pharmaceutical, etc. and an increase in SG&A expenses at Towa INT.

Outline of financial results for 2026/3 2Q (Consolidated)

- **YoY change:** Net sales increased due to an increase in sales volume at Towa Pharmaceutical, but operating profit decreased due to the poor performance of Sunsho Pharmaceutical and Towa INT. Ordinary profit increased due to the posting of a 1.5 billion yen gain on valuation of derivatives. (In 25/3 2Q, a 1.2 billion yen loss on valuation of derivatives was recognized.)
- **Progress rate for the plan:** Net sales fell short of the 1H plan target due to the lower-than-expected sales volume of Towa Pharmaceutical and poor performance of Towa INT. Operating profit fell short of the 1H plan target due to the poor performance of Sunsho Pharmaceutical and Towa INT. Ordinary profit met the 1H plan target due to the posting of an unplanned 1.5 billion yen gain on valuation of derivatives.

(JPY million, %)

| | 26/3 2Q results | | | 25/3 2Q results | | 26/3 1H plan | | | 26/3 full-year plan | | |
|---|-----------------|-----------------------------|----------------|-----------------|-----------------------------|----------------|-----------------------------|----------------------|---------------------|-----------------------------|-------------------|
| | (JPY million) | Percentage of net sales (%) | YOY change (%) | (JPY million) | Percentage of net sales (%) | (JPY million) | Percentage of net sales (%) | Achievement rate (%) | (JPY million) | Percentage of net sales (%) | Progress rate (%) |
| Net sales | 130,476 | 100.0 | + 5.7 | 123,404 | 100.0 | 134,500 | 100.0 | 97.0 | 280,000 | 100.0 | 46.6 |
| Cost of sales | 83,270 | 63.8 | + 6.1 | 78,490 | 63.6 | 84,400 | 62.8 | 98.7 | 176,000 | 62.9 | 47.3 |
| SGA | 36,762 | 28.2 | + 6.9 | 34,400 | 27.9 | 38,100 | 28.3 | 96.5 | 77,000 | 27.5 | 47.7 |
| Operating profit | 10,443 | 8.0 | - 0.7 | 10,513 | 8.5 | 12,000 | 8.9 | 87.0 | 27,000 | 9.6 | 38.7 |
| Ordinary profit | 11,979 | 9.2 | + 15.9 | 10,338 | 8.4 | 11,100 | 8.3 | 107.9 | 25,300 | 9.0 | 47.3 |
| Profit before income taxes | 11,955 | 9.2 | + 16.1 | 10,300 | 8.3 | 11,100 | 8.3 | 107.7 | 25,300 | 9.0 | 47.3 |
| Profit attributable to owners of parent | 8,214 | 6.3 | + 25.3 | 6,555 | 5.3 | 8,000 | 5.9 | 102.7 | 17,700 | 6.3 | 46.4 |

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Now please turn to slide 6.

I would like to explain the outline of consolidated financial results for the second quarter.

Consolidated net sales increased 5.7% year on year due to an increase in sales volume at Towa Pharmaceutical.

As for the results compared to the 1H plan, net sales fell short of the plan target due to the slightly lower-than-expected sales volume of Towa Pharmaceutical and the poor performance of Towa INT in both Europe and the U.S.

Consolidated operating profit decreased 0.7% year on year.

As for the results compared to the 1H plan, operating profit fell short of the plan target due to the poor performance of Sunsho Pharmaceutical and Towa INT, although Towa Pharmaceutical progressed as planned due to delays in spending on SG&A expenses.

Consolidated ordinary profit increased due to the posting of an unplanned 1.5 billion yen gain on valuation of derivatives, achieving the 1H plan target.

Outline of financial results for 2026/3 2Q (Towa Pharmaceutical, etc.)

- YoY change: Net sales and segment profit increased due to an increase in supply to the market following an increase in production volume at Towa Pharmaceutical.
- Progress rate for the plan: Net sales were almost in line with plan, although progress rate is slightly behind due to the lower-than-expected sales volume due to regulated shipments of Towa Pharmaceutical.
Segment profit was in line with plan due to delays in spending on SG&A expenses, such as R&D expenses.

(JPY million, %)

| | 26/3 2Q results | | | 25/3 2Q results | | 26/3 full-year plan | | |
|----------------|-----------------|-----------------------------|----------------|-----------------|-----------------------------|---------------------|-----------------------------|-------------------|
| | (JPY million) | Percentage of net sales (%) | YOY change (%) | (JPY million) | Percentage of net sales (%) | (JPY million) | Percentage of net sales (%) | Progress rate (%) |
| Net sales | 90,407 | 100.0 | + 8.1 | 83,633 | 100.0 | 196,500 | 100.0 | 46.0 |
| Cost of sales | 54,855 | 60.7 | + 9.5 | 50,078 | 59.9 | 118,500 | 60.3 | 46.3 |
| SGA | 23,066 | 25.5 | + 8.1 | 21,343 | 25.5 | 49,800 | 25.3 | 46.3 |
| Segment profit | 12,485 | 13.8 | + 2.2 | 12,211 | 14.6 | 28,200 | 14.4 | 44.3 |

- Sales volume (Towa Pharmaceutical non-consolidated; tablets and capsules only)
→ **Approx. 7.6 billion tablets, up 5.6% year on year**
Progress rate for the full-year plan: 47.7%
- Production volume (Towa Pharmaceutical non-consolidated; tablets and capsules only)
→ **Approx. 8.0 billion tablets, up 17.0% year on year**
Progress rate for the full-year plan: 49.3%

Please turn to slide 7.

I would like to explain the outline of the financial results for Towa Pharmaceutical, etc.

Net sales increased 8.1% year on year due to an increase in supply to the market following an increase in production volume.

As for the progress toward the full-year plan, net sales were almost in line with the plan, although the progress rate was slightly behind due to the lower-than-expected sales volume due to regulated shipments.

Segment profit increased by 2.2%, and its progress rate was roughly in line with the plan due to delays in spending on SG&A expenses, such as R&D expenses.

Sales volume of Towa Pharmaceutical on a non-consolidated basis was approximately 7.6 billion tablets, up 5.6% year on year.

Meanwhile, its production volume was approximately 8.0 billion tablets, up 17.0% year on year.

Outline of financial results for 2026/3 2Q (Sunsho Pharmaceutical, etc.)

- Net sales increased and were in line with the plan due to growth in the domestic health food business and partial recovery of delays in contract manufacturing that occurred in the first quarter in the new application business.
- Segment profit decreased and its progress rate was slow due to a rise in the cost of sales ratio due to the worse-than-expected sales mix, because growth in the second quarter was unable to make up for delays in the first quarter in the new application business, which has a high profit ratio.

(JPY million, %)

| | 26/3 2Q results | | | 25/3 2Q results | | 26/3 full-year plan | | |
|----------------|-----------------|-----------------------------|----------------|-----------------|-----------------------------|---------------------|-----------------------------|-------------------|
| | (JPY million) | Percentage of net sales (%) | YOY change (%) | (JPY million) | Percentage of net sales (%) | (JPY million) | Percentage of net sales (%) | Progress rate (%) |
| Net sales | 14,507 | 100.0 | + 5.9 | 13,704 | 100.0 | 30,200 | 100.0 | 48.0 |
| Cost of sales | 11,613 | 80.0 | + 8.6 | 10,697 | 78.1 | 23,200 | 76.8 | 50.1 |
| SGA | 2,123 | 14.6 | + 1.4 | 2,093 | 15.3 | 4,600 | 15.2 | 46.2 |
| Segment profit | 771 | 5.3 | - 15.5 | 913 | 6.7 | 2,400 | 7.9 | 32.1 |

Note: Goodwill amortization is not included.

Please turn to slide 8.

I would like to explain the outline of the financial results for Sunsho Pharmaceutical, etc.

Segment net sales increased 5.9% year on year, progressing as planned, due to growth in the domestic health food business and partial recovery of delays in contract manufacturing that occurred in the first quarter in the new application business.

Segment profit decreased 15.5% year on year, and its progress rate was slow due to a rise in the cost-of-sales ratio caused by a worsening sales mix, as the new application business, whose profit margin is typically high, achieved growth in the second quarter; however, it was not sufficient for the business to compensate for delays that occurred in the first quarter.

Outline of financial results for 2026/3 2Q (Towa INT)

- **Net sales:** Progress rate was slow due to delays in contract manufacturing in the European BtoB and a decrease in sales of certain products in the U.S. and the European BtoC.
- **Segment profit:** Progress rate was slow due to the lower-than-expected net sales of the Europe and the U.S. and a rise in the cost of sales ratio due to the lower-than-expected production volume in the European BtoB.

(JPY million, %)

| | 26/3 2Q results | | | 25/3 2Q results | | 26/3 full-year plan | | |
|------------------------------|-----------------|-----------------------------|----------------|-----------------|-----------------------------|---------------------|-----------------------------|-------------------|
| | (JPY million) | Percentage of net sales (%) | YOY change (%) | (JPY million) | Percentage of net sales (%) | (JPY million) | Percentage of net sales (%) | Progress rate (%) |
| Net sales | 25,851 | 100.0 | - 1.3 | 26,180 | 100.0 | 54,600 | 100.0 | 47.3 |
| Europe | 16,078 | 62.2 | + 2.1 | 15,748 | 60.2 | 34,200 | 62.6 | 47.0 |
| U.S. | 9,772 | 37.8 | - 6.3 | 10,432 | 39.8 | 20,400 | 37.4 | 47.9 |
| Cost of sales | 16,958 | 65.6 | - 4.8 | 17,821 | 68.1 | 34,600 | 63.4 | 49.0 |
| SGA | 9,483 | 36.7 | + 8.4 | 8,749 | 33.4 | 19,300 | 35.3 | 49.1 |
| Segment profit (loss) | - 590 | - 2.3 | — | - 391 | - 1.5 | 700 | 1.3 | — |

| Exchange rate during period (TTM) | 26/3 2Q | 25/3 2Q | Assumed rate for 26/3 | Exchange rate during period (TTM) | 26/3 2Q | 25/3 2Q | Assumed rate for 26/3 |
|-----------------------------------|------------|------------|-----------------------|-----------------------------------|------------|------------|-----------------------|
| EUR 1 | JPY 168.06 | JPY 165.95 | JPY 156.00 | USD 1 | JPY 146.04 | JPY 152.63 | JPY 145.00 |

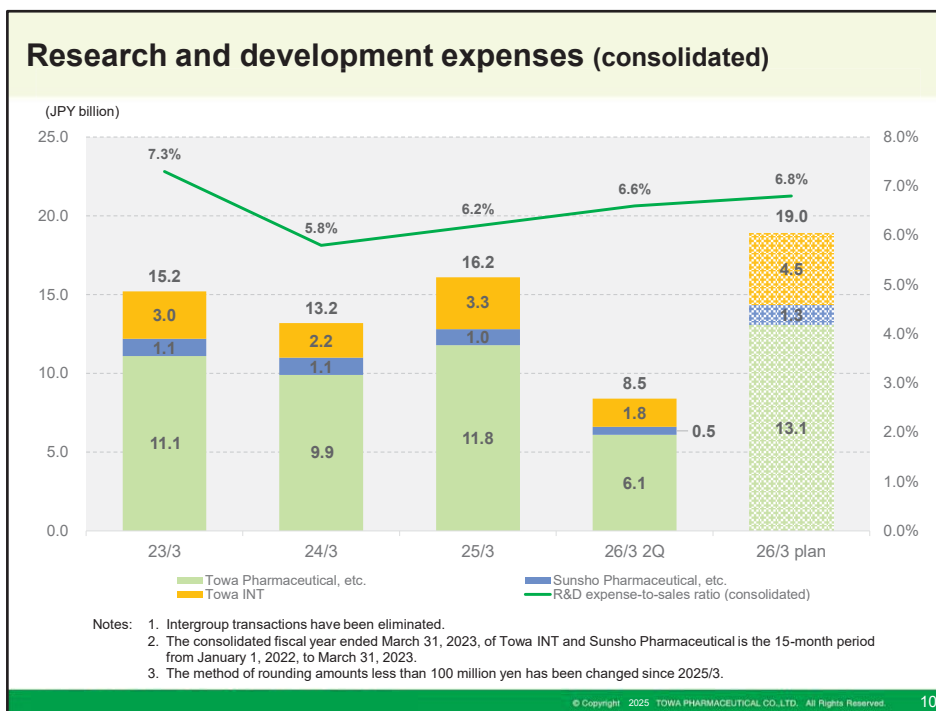
Notes: 1. Net sales and segment profit in the full-year plan include intercompany transactions with Towa Pharmaceutical.
2. Goodwill amortization is not included.

Please turn to slide 9.

I would like to explain the outline of the financial results for Towa INT.

Segment net sales decreased 1.3% year on year, and their progress rate was slow due to delays in contract manufacturing in European BtoB and a decrease in sales of certain products in the U.S. and the European BtoC.

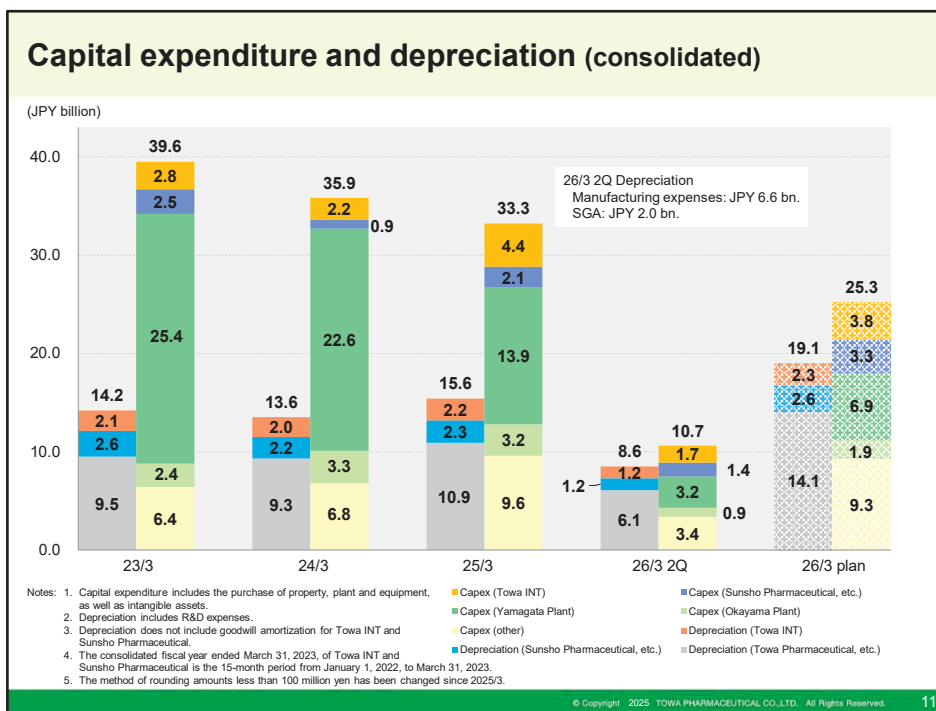
Segment loss expanded compared to the same period last year, and its progress rate was slow due to slow progress in U.S. and European sales and a rise in the cost-of-sales ratio caused by the lower-than-expected production volume in European BtoB.



Please turn to slide 10.

I would like to explain the trends in research and development expenses and how they compare with our plan.

Due to factors such as a delay in new product development at Towa Pharmaceutical, there is a slight delay in progress, with research and development expenses of approximately 8.5 billion yen on a consolidated basis; however, the full-year amount is expected to be as planned.



Now please turn to slide 11.

I would like to explain the trends in capital expenditure and depreciation.

Capital expenditure through the second quarter totaled approximately 10.7 billion yen, progressing roughly as planned.

Depreciation was approximately 8.6 billion yen.

Production system and regulated shipments

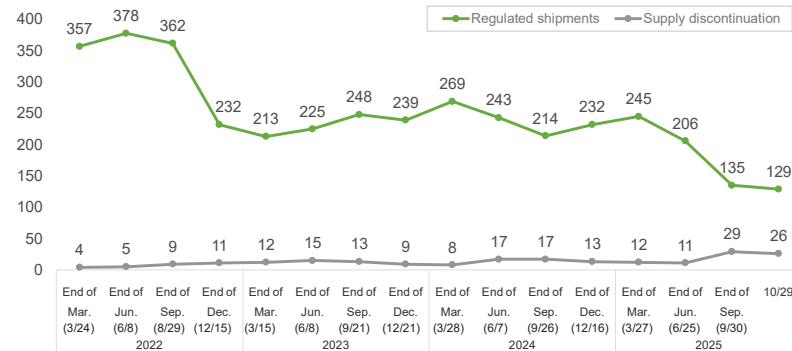
● Initiatives to increase production capacity

The start-up of the Third Solid Dosage Building at the Yamagata Plant was completed in October 2025.

Next fiscal year, we expect to achieve a production capacity of 17.5 billion tablets/capsules per year at Towa Pharmaceutical's three plants, a target disclosed in the medium-term business plan.

We will continue to work to increase production volume while reducing the number of items with regulated shipments.

● Trends in the number of items with regulated shipments



Notes: 1. The number of items with regulated shipments previously disclosed on our website for medical professionals and in our IR activities includes items with supply discontinuation.

2. Due to the voluntary recall of injection ampoules released on August 20, 2025, the number of discontinued items has increased.

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Please turn to slide 12.

This page describes our efforts to improve production capacity and the trends in the number of items with regulated shipments.

The start-up of facilities introduced to the Third Solid Dosage Building at the Yamagata Plant was completed in October 2025.

Next fiscal year, we expect to achieve a production capacity of 17.5 billion tablets/capsules per year at Towa Pharmaceutical's three plants, a target disclosed in the sixth medium-term business plan.

We will continue to work to increase production volume while reducing the number of items with regulated shipments.

Table of contents

1. Outline of financial results for 2026/3 2Q

2. Reference materials

Lastly, reference materials are shown on slides 13 to 24.

This concludes my presentation.
Thank you for listening.

[Q&A Summary]

*For your reference, this is a summary of the Q&A session at the financial results briefing.

Q: Please tell us why Towa Pharmaceutical's sales volume was slightly lower than expected.

A: Regulated shipments have had a major impact. Production volume is progressing as planned, but due to supply and demand factors, it was not until September that the regulated shipments were largely lifted. In the first half of the second quarter, there were still many items with regulated shipments remaining, resulting in sales volume falling short of the target. From the third quarter onward, we will increase sales of products that have returned to normal shipments and increase sales volume.

Q: Please tell us about price trends ahead of next year's drug price revision.

A: This is the second year since we started our wholesale price strategy. While we are making progress in reaching agreements, we are still explaining the background to our wholesale price strategy to our customers and gaining their understanding. On the other hand, we also feel that the price is approaching what we consider to be a fair level. We would like to consider our strategy for the next fiscal year and beyond, taking into account the rate of drug price revisions.

Q: What impact will inclusion in the drug lists by product of companies that received an A rating as a generic drug company have on your company?

A: As the number of affected items is very limited, the impact on our financial results is likely to be limited unless the number of items increases. However, we will continue to remain conscious of company ratings.

Q: Almost a year has passed since the introduction of a system of selective treatment. What impact has it had on your company?

A: The share of generics grew significantly in the first two months or so after the system was introduced in October last year, but we believe that there has not been any significant growth since then. Furthermore, although the items covered were changed at the time of the drug price revision in April this year, there has been no reversion to brand-name drugs for products that were no longer covered. I think there will be further impacts if the patient's share of the cost changes from 25%.

Q: I think Towa INT's financial performance is unsatisfactory. To achieve the full-year plan, I think you need to make a profit of 1.6 billion yen in the second half of the year. Is this possible?

A: (Reasons for not achieving targets in the first half) In the U.S., sales of Duloxetine, one of our

main products, have fallen due to the impact of the nitrosamine issue. The FDA tightened its standards on January 1 this year, and the product is currently being sold from inventory that had been built up by December last year. We are also developing an improved product and conducting stability tests, but approval has not yet been granted, and as our inventory has run out, sales have fallen. Duloxetine is manufactured at a plant in Spain, and the reduced production volume led to a decline in utilization rates and a worsening cost ratio in Europe. Additionally, in Europe, there were delays in months in contract manufacturing in BtoB and in new product launches in BtoC. SG&A expenses increased due to increases in personnel expenses caused by wage hikes and the effects of inflation. In addition, due to delays in joint development with Towa Pharmaceutical, payment of license fees from Japan has also been delayed.

(Full-year outlook) There is a possibility that some license fees may be delayed, but excluding this, regular business is expected to proceed largely as planned. BtoB contract manufacturing in Europe has grown in the third quarter, and orders for Duloxetine for Europe are expected to increase due to last-minute demand before standards are tightened in December of this year. In the U.S., the Company is launching new products, including opioids for hospitals and anticancer drugs for specialty pharmacies, which is expected to contribute to profits. Regarding SG&A expenses, the Company plans to optimize costs by selecting and concentrating on research and development.

Q: Regarding Towa Pharmaceutical's production volume, please tell us your outlook for production capacity beyond 17.5 billion tablets.

A: The production system for 17.5 billion tablets at Towa Pharmaceutical's three plants has been completed for now. Going forward, we would like to increase production efficiency through automation, building up scale, and bulk production, and increase production by 5 billion tablets to 22.5 billion tablets, but I think this will take some time. Furthermore, as it would be difficult for us to further increase production on our own, we would like to increase the number of products we outsource, and we are considering collaborating with companies that support our approach to quality control and production management. Although we cannot make this public yet, discussions are underway, and we think we will be able to talk about it in concrete terms next year or so. It will take about three to five years to increase our own production capacity, and the collaboration will also be a time-consuming effort that will take three to five years. I think it will take about 10 years for the required supply system to be gradually established. We also believe that we will need to have excess production capacity in place as a backup system in case something goes wrong, and we are working to build such a system.

Q: Regarding Sunsho Pharmaceutical, the second quarter has improved compared to the first

quarter, but what is the outlook for the full year? Also, the term "new application business" has been mentioned, but what does this mean?

A: The new application business refers to the same business we previously referred to as the other business, alongside the health food business and the generics business. In the new application business, the month-over-month delays in contracts that occurred in the first quarter were partially recovered, resulting in an improvement in the second quarter, but it was not possible to recover all such delays that occurred in the first quarter. As we have a large number of overseas customers, we are not sure at this point whether we will be able to achieve our full-year plan, but we will continue to work hard to do so nonetheless.

Q: Production is progressing smoothly, but how is the inventory situation?

A: Inventory levels were approximately 3 months at the end of the previous fiscal year and increased to around 3.5 months as of the end of the second quarter, as production volume was greater than sales volume in the second quarter. As we would like to keep about 3.5 to 4 months' worth of inventory, we have reached this minimum level and would like to continue working to increase production this fiscal year in order to prevent any loss of opportunity.

Q: Regarding sales of new products, the actual results for the first half of the fiscal year were 650 million yen, compared to the planned 2.5 billion yen for this fiscal year. What are the statuses of MefoVil and Rivaluen Patch?

A: (MefoVil) MefoVil accounts for the majority of the 2.5 billion yen plan. The release was delayed until September to ensure stable supply, but sales have been going smoothly since the launch and are expected to achieve the plan target.

(Rivaluen Patch) Rivaluen Patch was included in the drug list in May and released in the same month. We will refrain from disclosing detailed sales figures, but we believe that this twice-weekly formulation can help address issues related to elderly care and seniors living alone, and are therefore actively promoting its sales.

Q: Regarding product consolidation, while other companies are taking advantage of the accelerated approval system, what measures is Towa Pharmaceutical making? Is the collaboration with other companies that President Yoshida mentioned a different initiative from product consolidation?

A: We are also considering product consolidation using the special application procedure. This is an extension of previous efforts, as the accelerated approval system represents an expedited implementation of the alternative new application system that has been in place for some time. The biggest challenge is to eliminate the practice of small-lot production of multiple items. While

improving production efficiency through product consolidation is one solution, I don't think that will be the end of it when we consider the desired industrial structure and production supply system of the future. The ultimate ideal situation would be to create a supply system based on Towa quality manufacturing and quality control, and that also includes a backup system in case something goes wrong. The product consolidation alone is only the first stage, and we would like to create a stable supply system for the future by discussing all of these elements in the form of collaboration. I think this is what differentiates us from other companies in terms of efforts.