August 6, 2026

To whom it may concern:

Company name: Kobayashi Pharmaceutical Co., Ltd.
Representative: Norikazu Toyoda, President & CEO
Securities code: 4967, Prime Market of Tokyo Stock Exchange
Tel: +81-6-6222-0142

Notice of Transfer of Equity Interest and Change in Consolidated Subsidiary (Specified Subsidiary)

Kobayashi Pharmaceutical Co., Ltd. (the "Company") hereby announces that, at a meeting held on August 6, 2026, its Board of Directors resolved to transfer the entire equity interest in Jiangsu Kobayashi Pharmaceutical Co., Ltd. ("Jiangsu Kobayashi"), a consolidated subsidiary (indirect subsidiary) of the Company, to Venturepharma Pharmaceutical (Xiamen) Co., Ltd. ("Venturepharma Xiamen") (the "Transfer"). As a result of the Transfer, Jiangsu Kobayashi will cease to be an indirect consolidated subsidiary of the Company. Details are as follows.

1. Reason for the Transfer

In June 2018, Kobayashi Pharmaceutical (China) Co., Ltd., a wholly owned subsidiary of the Company that oversees the Company's operations in China, acquired the equity interest in Jiangsu Zhongdan Pharmaceutical Co., Ltd., a local pharmaceutical manufacturer and distributor, for the purpose of developing and expanding the Company's over-the-counter (OTC) pharmaceutical business in China. The acquired company was subsequently renamed Jiangsu Kobayashi Pharmaceutical Co., Ltd. Following the necessary investments, Jiangsu Kobayashi has manufactured and sold products in its portfolio, including treatments for athlete's foot and acne.

The Company is currently undertaking corporate transformation initiatives aimed at achieving sustainable growth. After carefully reviewing recent changes in China's pharmaceutical regulations and market environment, as well as the Company's business portfolio and Jiangsu Kobayashi's manufacturing and sales operations, the Company concluded that it would be possible to expand its OTC pharmaceutical business in China without operating its own manufacturing facility. Accordingly, the Company determined that transferring the equity interest in Jiangsu Kobayashi would be the best course of action and decided to proceed with the Transfer.

Anmeilu (Japanese brand name: Ammeltz), which has been sold as an OTC pharmaceutical product in China since 2022, is not manufactured by Jiangsu Kobayashi and will therefore not be affected by the Transfer. The Company will continue to sell the product in the Chinese market.

2. Outline of the indirect consolidated subsidiary to be transferred

<table>
<tr><td>(1) Company name</td><td colspan="2">Jiangsu Kobayashi Pharmaceutical Co., Ltd.</td></tr>
<tr><td>(2) Address</td><td colspan="2">No. 8 Zhongdan Road, Hongqiao Town, Taixing City, Jiangsu Province, China</td></tr>
<tr><td>(3) Name and title of representative</td><td colspan="2">Yohei Shiono, Chairman</td></tr>
<tr><td>(4) Business</td><td colspan="2">Manufacture of OTC pharmaceuticals (including athlete’s foot and acne treatments) and other products</td></tr>
<tr><td>(5) Share capital</td><td colspan="2">RMB 50 million*1</td></tr>
<tr><td>(6) Date of establishment</td><td colspan="2">July 9, 2003*2</td></tr>
<tr><td>(7) Major shareholders and shareholding ratio</td><td colspan="2">Kobayashi Pharmaceutical (China) Co., Ltd.: 100%</td></tr>
<tr><td rowspan="3">(8) Relationship with the Company</td><td>Capital relationship</td><td>Kobayashi Pharmaceutical (China) Co., Ltd. holds 100% of the equity interest in Jiangsu Kobayashi.</td></tr>
<tr><td>Personnel relationship</td><td>The Company’s employees serve as Jiangsu Kobayashi’s chairman (one), directors (four), and supervisor (one).</td></tr>
<tr><td>Business relationship</td><td>Kobayashi Pharmaceutical (China) Co., Ltd. sold products manufactured by Jiangsu Kobayashi.</td></tr>
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*1. Kobayashi Pharmaceutical (China) Co., Ltd. plans to increase the share capital of Jiangsu Kobayashi in September 2026.

*2. The equity interest in Jiangsu Zhongdan Pharmaceutical Co., Ltd., the predecessor of Jiangsu Kobayashi, was acquired in June 2018, after which the company was renamed Jiangsu Kobayashi Pharmaceutical Co., Ltd.

(9) Operating results and financial position for the past three years (Millions of yuan)			
Fiscal year ended	**December 31, 2023**	**December 31, 2024**	**December 31, 2025**
Net assets	(120)	(137)	(153)
Total assets	44	45	37
Net assets per share	–	–	–
Net sales	8	8	4
Operating profit	(16)	(15)	(13)
Ordinary profit	(18)	(16)	(15)
Profit attributable to owners of parent	(19)	(17)	(15)
Basic earnings per share	–	–	–
Dividends per share	–	–	–

3. Outline of the Transferee

(1) Company name	Venturepharma Pharmaceutical (Xiamen) Co., Ltd.	
(2) Address	No. 6, Yangtai Road, Xinyang Industrial Zone, Haicang District, Xiamen City, Fujian Province, China	
(3) Name and title of representative	Guo Xia, Chairman	
(4) Business	Manufacture and sale of chemical and other pharmaceutical products	
(5) Share capital	RMB 178 million	
(6) Date of establishment	September 6, 2002	
(7) Major shareholders and shareholding ratio	Excellent Energy Limited: 77.09% Matrix Pharma Group (Xiamen) Ltd.: 22.91%	
(8) Relationship with the Company	Capital relationship	Not applicable.
	Personnel relationship	Not applicable.
	Business relationship	Not applicable.

4. Percentage of equity interest to be transferred, transfer price, and ownership before and after the Transfer

(1) Percentage of equity interest before the Transfer	100%
(2) Percentage of equity interest to be transferred	100%
(3) Transfer price	The transfer price will not be disclosed due to confidentiality obligations under the equity interest transfer agreement.
(4) Percentage of equity interest after the Transfer	0%

5. Schedule

(1) Date of resolution by the Board of Directors	August 6, 2026
(2) Scheduled date of execution of the equity interest transfer agreement	Mid-August 2026 (scheduled)
(3) Scheduled date of completion of the Transfer	End of October 2026 (scheduled)

6. Future prospects

In connection with the Transfer, the Company expects to record an extraordinary loss in the fiscal year ending December 31, 2026, but the amount is currently under review. The Company will promptly disclose any matters requiring disclosure as they arise.