

KOBAYASHI PHARMACEUTICAL CO., LTD.

Summary of Financial Statements (Japanese GAAP) (Consolidated) Financial Results for the 1st Quarter of the Fiscal Year Ending December 31, 2025

May 9, 2025

Listed exchanges : Tokyo

Listed company name : Kobayashi Pharmaceutical Co., Ltd.

Code : 4967

URL : <https://www.kobayashi.co.jp/english/index.html>

Representative officer : Norikazu Toyoda, President & COO

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Expected date for starting payment of dividends : —

Preparation of supplementary explanation documents for Financial Statements: Yes

Holding of an analyst meeting for the financial results: Yes (For analysts and investors)

(Any fraction less than 1 million yen is rounded down to the nearest million yen.)

1. Consolidated Results for 1st Quarter of Fiscal Year Ending December 31, 2025 (January 1, 2025 to March 31, 2025)

(1) Consolidated Operating Results (accumulation)

(% figures represent changes from same period in previous year)

	Q1 of FY ending December 31, 2025		Q1 of FY ended December 31, 2024	
Net sales	32,607 millions of yen	(10.6) %	36,485 millions of yen	9.0 %
Operating income	2,535	(49.6)	5,028	(0.6)
Ordinary income	2,401	(56.0)	5,461	5.7
Net income attributable to owners of the parent	1,624	66.5	976	(72.9)
Net income per share	21.86 yen		13.13 yen	

(Note) Comprehensive income

Q1 of FY ending December 31, 2025: -2,052 million yen (—%)

Q1 of FY ended December 31, 2024: 4,383 million yen (-9.0%)

(2) Consolidated Financial Position

	Q1 of FY ending December 31, 2025	FY ended December 31, 2024
Total assets	251,752 millions of yen	265,368 millions of yen
Net assets	207,058	213,471
Shareholders' equity ratio	82.0 %	80.2 %

(Reference) Shareholders' equity

Q1 of FY ending December 31, 2025: 206,341 million yen FY ended December 31, 2024: 212,778 million yen

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2. Dividends

	FY ended December 31, 2024	FY ending December 31, 2025	FY ending December 31, 2025 (forecasts)
Dividends per share			
Q1 end	—	—	
Q2 end	43.00 yen		44.00 yen
Q3 end	—		—
Year-end	59.00		60.00
Total	102.00		104.00

(Note) Revision to the latest dividend forecast: None

3. Forecasts of Consolidated Operational Results for Year Ending December 31, 2025 (January 1, 2025 to December 31, 2025)

(% figures represent changes from previous period.)

	Full year		
Net sales	171,000 millions of yen	3.3	%
Operating income	14,000	(43.7)	
Ordinary income	15,300	(43.0)	
Net income attributable to owners of the parent	10,500	4.3	
Net income per share	141.25 yen		

(Note) Revision of the latest forecasts for operational results: None

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*** Notes**

(1) Significant changes in the scope of consolidation during the period under review: None

(2) Adoption of special accounting methods for preparing quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to revisions of accounting standards: Yes

2) Changes in accounting policies other than 1): None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(Note) For details, please refer to “2. Quarterly Consolidated Financial Statements and Main Notes (3) Notes on quarterly consolidated financial statements (Notes on changes in accounting policies)” on page 8 of the attachment.

(4) Issued shares (common shares)

1) Number of shares issued at period-end (including treasury stock):	Q1 of FY ending December 31, 2025	78,050,000 shares	FY ended December 31, 2024	78,050,000 shares
2) Number of shares of treasury stock at period-end:	Q1 of FY ending December 31, 2025	3,711,181 shares	FY ended December 31, 2024	3,711,181 shares
3) Average number of shares outstanding during period (consolidated cumulative quarters)	Q1 of FY ending December 31, 2025	74,338,819 shares	Q1 of FY ended December 31, 2024	74,338,914 shares

* Review of the attached quarterly consolidated financial statements by a certified public accountant or an independent auditor: None

* Notes on proper use of forecasts and other matters

The forward-looking statements in this document concerning forecasting of operational results, etc., are based on currently available information and assumptions considered reasonable by the Company. Actual operational results may be significantly different from these statements due to various factors. For matters concerning forecasts for operational results, please refer to “1. Qualitative Information on Quarterly Results (3) Explanation of future forecast information, such as forecast of consolidated results” on page 3 of the attachment.

(Method to obtain the supplementary explanation documents for financial results)

The Company plans to hold a results presentation for institutional investors and securities analysts on Friday, May 9, 2025. It plans to post the supplementary documents for financial results to be distributed in the results presentation on its website on the date of the results presentation.

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1. Qualitative Information on Quarterly Results

(1) Explanation of operational results

We sincerely apologize for the significant inconvenience and concern caused to our valued customers who have suffered health issues, as well as to our shareholders and all other stakeholders surrounding our company, in relation to our *benikoji*-related products. The Company is sincerely committed to compensating customers who have developed health problems, and continue making every effort to prevent recurrence of the incident and restore trust.

During the first three-month period of the consolidated fiscal year (January 1, 2025 to March 31, 2025), economic activity resumed in many countries, and the number of people moving across countries and regions showed an upward trend along with the lessening of the number of new COVID-19 cases. However, in addition to rising geopolitical risks, there were concerns about a slowdown in consumption due to soaring raw material prices and higher energy costs. Accordingly, the outlook for the business environment surrounding the Kobayashi Pharmaceutical Group continued to remain uncertain.

As a result, net sales, operating income, ordinary income, and net income attributable to owners of the parent were 32,607 million yen (−10.6% year on year), 2,535 million yen (−49.6% year on year), 2,401 million yen (−56.0% year on year), and 1,624 million yen (+66.5% year on year), respectively.

Business results by segment were as follows.

Domestic Business

In the Domestic Business, the Company launched 15 new products in the spring, and another 17 in the fall, of 2024. The products that contributed to growth in sales were *Hipcure* (an ointment for rash, eczema, etc. on the buttocks), *Sawaday+ &Emotion* (a functional air freshener with fragrances formulated to stabilize emotions), *Shoshugen ZERO* (an unscented deodorizer that effectively removes 10 major unpleasant household odors without masking them with fragrances), and *Curerea Dry* (a drug to cure recurring skin troubles due to a weakened skin barrier function, such as dryness, roughness, and inflammation of the face, that works from within).

In addition, as the number of foreigners visiting Japan increased, demand for products from inbound tourists rose, contributing to sales growth.

However, the Company suspended advertising of all of its products from March 22, 2024 after it announced a voluntary recall of *benikoji*-related products. As a result, sales of healthcare products, in particular, declined. On the other hand, sales of household products, especially led by deodorizing air fresheners, grew despite the suspension of advertisements. Thanks to lower temperatures from January to March 2025, sales of body warmers increased. Furthermore, in the Direct Marketing Business, sales decreased due to an increase in the cancellation of regular subscriptions.

Consequently, the Company reported net sales of 23,537 million yen (−12.9% year on year) and segment income of 2,541 million yen (−34.0% year on year).

Net sales included inter-segment sales or transfers, which totaled 870 million yen in the first three-month period of the previous consolidated fiscal year and 766 million yen in the same period of the current consolidated year.

(Breakdown of sales to external customers)

	Q1 ended March 31, 2024 (January 1, 2024 to March 31, 2024)	Q1 ended March 31, 2025 (January 1, 2025 to March 31, 2025)	Change	
	Amount (millions of yen)	Amount (millions of yen)	Amount (millions of yen)	Change (%)
Healthcare products	15,519	12,752	(2,767)	(17.8)
Household products	8,595	8,626	31	0.4
Body warmers	415	640	225	54.1
Direct marketing	1,608	751	(856)	(53.3)
Total	26,139	22,771	(3,367)	(12.9)

International Business

In the International Business, the Company markets body warmers, *Netsusama Sheet* (a cooling gel sheet for the forehead), and *Ammeltz* (an external anti-inflammatory), mostly in the United States, China, and Southeast Asia, and sought to expand sales by aggressively investing principally in advertising and sales promotion.

In the United States, as temperatures from January to March 2025 were lower than those during the same period in 2024, sales of body warmers grew. Furthermore, Focus Consumer Healthcare, LLC, which we acquired in 2023, launched new products of nutritional supplements and OTC pharmaceuticals. In

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addition, growth in sales, driven by positive foreign currency translation effects, led to an increase in net sales.

In China, the Company experienced a decline in sales. This was due to a smaller number of influenza patients with fever compared to previous years, resulting in reduced demand for *Netsusama Sheets*.

In Southeast Asia, net sales decreased due to a shift in shipment timing and a sluggish demand for *Netsusama Sheet* in reaction to the sales growth driven by the prevalence of infectious diseases in the last year.

As a result, net sales and segment income were 10,091 million yen (−5.1% year on year) and 0 million yen (−100.0% year on year), respectively.

Net sales include inter-segment sales or transfers, which totaled 439 million yen in the first three-month period of the previous consolidated fiscal year and 382 million yen in the same period of the current consolidated year.

(Breakdown of sales to external customers)

	Q1 ended March 31, 2024 (January 1, 2024 to March 31, 2024)	Q1 ended March 31, 2025 (January 1, 2025 to March 31, 2025)	Change	
	Amount (millions of yen)	Amount (millions of yen)	Amount (millions of yen)	Change (%)
United States	3,873	4,837	964	24.9
China	2,802	1,992	(810)	(28.9)
Southeast Asia	2,705	2,038	(666)	(24.6)
Others	807	839	32	4.0
Total	10,188	9,708	(479)	(4.7)

Other

Businesses in this segment include the transportation business, the manufacture and sale of plastic containers, real estate management, and advertising planning and production. The companies in this business segment operate individually on a financially independent basis, and their delivery prices of materials and services were reviewed and revised as necessary.

As a result, net sales and segment income were 1,425 million yen (−15.1% year on year) and 36 million yen (−65.4% year on year), respectively.

Net sales include inter-segment sales or transfers, which totaled 1,520 million yen in the first three-month period of the previous consolidated fiscal year and 1,298 million yen in the same period of the current consolidated year.

(2) Explanation of financial position

Total assets decreased by 13,616 million yen from the balance as of the end of the previous consolidated fiscal year to 251,752 million yen. This was attributable mainly to an increase of 1,532 million yen in cash and deposits, a decrease of 16,808 million yen in notes and accounts receivable-trade, and a rise of 2,877 million yen in merchandise and finished goods.

Liabilities fell by 7,203 million yen from the balance as of the end of the previous consolidated fiscal year to 44,693 million yen. This was attributable mainly to a decrease of 7,453 million yen in accounts payable-other.

Net assets declined by 6,413 million yen from the balance as of the end of the previous consolidated fiscal year to 207,058 million yen, bringing the shareholders' equity ratio to 82.0%. This was attributable mainly to a decrease of 2,761 million yen in retained earnings and a fall of 3,258 million yen in foreign currency translation adjustment.

(3) Explanation of future forecast information, such as forecast of consolidated results

The Group did not revise its forecast of consolidated results for the fiscal year ending December 31, 2025, which it announced via the Summary of Financial Statements for the Fiscal Year Ended December 31, 2024 released on February 10, 2025.

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2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly consolidated balance sheet

	(millions of yen)	
	Previous consolidated fiscal year (December 31, 2024)	Q1 of current consolidated fiscal year (March 31, 2025)
ASSETS		
Current assets		
Cash and deposits	50,873	52,405
Notes and accounts receivable-trade	49,442	32,633
Short-term investment securities	14,872	14,874
Merchandise and finished goods	15,143	18,021
Work in process	2,091	2,313
Raw materials and supplies	6,929	7,056
Other	5,174	5,086
Allowance for doubtful accounts	(58)	(58)
Total current assets	144,468	132,332
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	32,461	32,860
Machinery, equipment and vehicles, net	6,476	6,648
Tools, furniture and fixtures, net	2,485	2,422
Land	5,947	5,879
Leased assets, net	815	753
Construction in progress	19,261	19,101
Total property, plant and equipment	67,448	67,666
Intangible assets		
Goodwill	9,260	8,406
Trademark rights	8,220	7,395
Software	2,662	2,759
Other	530	488
Total intangible assets	20,674	19,049
Investment and other assets		
Investment securities	24,617	24,214
Long-term loans receivable	1,269	1,309
Retirement benefit asset	750	776
Deferred tax assets	3,087	3,422
Real estate for investment, net	2,650	2,641
Other	1,730	1,713
Allowance for doubtful accounts	(1,328)	(1,374)
Total investments and other assets	32,777	32,703
Total non-current assets	120,900	119,419
Total assets	265,368	251,752

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(millions of yen)

	Previous consolidated fiscal year (December 31, 2024)	Q1 of current consolidated fiscal year (March 31, 2025)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	8,264	9,040
Electronically recorded obligations—operating	6,424	6,108
Accounts payable-other	17,117	9,663
Lease obligations	343	363
Income taxes payable	1,913	1,227
Accrued consumption taxes	346	598
Provision for bonuses	2,840	4,076
Provision for product recall-related losses	3,970	3,086
Other	5,202	5,518
Total current liabilities	46,423	39,684
Non-current liabilities		
Lease obligations	503	426
Deferred tax liabilities	1,554	1,183
Net defined benefit liability	1,005	1,023
Other	2,409	2,375
Total non-current liabilities	5,473	5,009
Total liabilities	51,896	44,693
NET ASSETS		
Shareholders' equity		
Capital stock	3,450	3,450
Capital surplus	522	522
Retained earnings	208,240	205,479
Treasury stock	(24,767)	(24,767)
Total shareholders' equity	187,445	184,684
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,469	12,040
Foreign currency translation adjustment	12,300	9,041
Re-measurements of retirement benefit plans	563	574
Total accumulated other comprehensive income	25,333	21,657
Share acquisition rights	688	713
Non-controlling interests	4	2
Total net assets	213,471	207,058
Total liabilities and net assets	265,368	251,752

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(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income
 (Quarterly consolidated statements of income)
 (Three-month period ended March 31, 2025)

(millions of yen)

	Three-month period ended March 31, 2024 (January 1, 2024 to March 31, 2024)	Three-month period ended March 31, 2025 (January 1, 2025 to March 31, 2025)
Net sales	36,485	32,607
Cost of sales	15,534	15,924
Gross profit	20,951	16,682
Selling, general and administrative expenses	15,922	14,147
Operating income	5,028	2,535
Non-operating income		
Interest income	69	51
Dividend income	1	6
Real estate rent	73	76
Foreign exchange gains	226	—
Other	153	109
Total non-operating income	525	244
Non-operating expenses		
Interest expenses	4	4
Rent cost of real estate	25	25
Foreign exchange losses	—	272
Provision of allowance for doubtful accounts	53	56
Other	9	18
Total non-operating expenses	93	378
Ordinary income	5,461	2,401
Extraordinary income		
Gain on sales of non-current assets	1	54
Gain on sale of investment securities	0	16
Other	—	8
Total extraordinary income	1	79
Extraordinary loss		
Loss on sales and retirement of non-current assets	8	4
Losses related to defective products	3,648	688
Other	218	45
Total extraordinary loss	3,876	738
Income before income taxes	1,586	1,743
Income taxes - current	2,067	947
Income taxes - deferred	(1,457)	(826)
Total income taxes	610	120
Net income	976	1,623
(Loss) attributable to non-controlling interests	—	(1)
Net income attributable to owners of the parent	976	1,624

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(Quarterly consolidated statements of comprehensive income)
(Three-month period ended March 31, 2025)

(millions of yen)

	Three-month period ended March 31, 2024 (January 1, 2024 to March 31, 2024)	Three-month period ended March 31, 2025 (January 1, 2025 to March 31, 2025)
Net income	976	1,623
Other comprehensive income		
Valuation difference on available-for-sale securities	249	(428)
Foreign currency translation adjustment	3,132	(3,258)
Adjustment for retirement benefits	25	11
Total other comprehensive income	3,407	(3,676)
Quarterly comprehensive income	4,383	(2,052)
(Quarterly comprehensive income attributable to)		
Quarterly comprehensive income attributable to owners of the parent	4,383	(2,050)
Quarterly comprehensive income attributable to non-controlling interests	—	(1)

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(3) Notes on quarterly consolidated financial statements

(Notes on assumption of going concern)

Not applicable

(Notes on a significant change in shareholders' equity)

Not applicable

(Notes on changes in accounting policies)

(Application of Practical Solution on the Accounting for and Disclosure of Current Taxes Related to Global Minimum Tax Rules)

"Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules" (ASBJ PITF No. 46, on March 22, 2024) has been applied from the beginning of the first quarter of the consolidated fiscal year ending December 31, 2025. Current taxes related to global minimum tax rules were not recorded in the financial statements for the first quarter of the current consolidated fiscal year because ASBJ PITF No. 7 was applied.

(Notes on the quarterly consolidated balance sheet)

(Contingent liabilities)

After receiving reports that customers who ingested *Benikoji CholesteHelp*, a functional food product it marketed, developed health problems, Kobayashi Pharmaceutical has continued recalling the product and benikoji raw materials (manufactured by the Company). A component analysis identified the presence of puberulic acid, which has nephrotoxicity, in a certain benikoji raw material lot. The Company has been providing compensation to customers who developed health problems from ingesting *Benikoji CholesteHelp*, etc.

In the light of the current situation, the Company has recorded expenses within a reasonably estimated range at present as a provision for product recall-related losses. The expenses include mainly (1) expenses for recovering benikoji raw materials for business partners and (2) expenses related to compensating customers who developed health problems. However, with respect to expenses that cannot be reasonably estimated at present—those arising from unforeseen disclosures or legal actions by business partners and customers—the Company is currently unable to determine the total amount, and additional costs may be incurred.

(1) Expenses for recovering benikoji raw materials for business partners

Kobayashi Pharmaceutical directly marketed benikoji raw materials to 52 business partners, who sold them to domestic and international customers. These Kobayashi Pharmaceutical Group business partners have been recovering benikoji-related products. The Company requested them to gather information related to the product recall. Based on information regarding the expenses for recovering benikoji-related products individually collected from its business partners, the Company estimated and recorded the cost of a product recall that it may incur in the future within a reasonably estimated range.

(2) Expenses related to compensating customers who developed health problems

In accordance with the compensation policy and compensation details outlined in the press release titled "Compensation for customers who have experienced health issues due to consuming Kobayashi Pharmaceutical's *Beni-koji CholesteHelp* and other products," dated August 8, 2024, Kobayashi Pharmaceutical has been providing compensation to affected customers, including coverage for medical and transportation expenses, consolation payments, and compensation for lost wages and residual disability. Based on the status of outpatient visits and hospitalizations, as well as the unit prices used to calculate consolation payments, and compensation for lost wages and residual disability, etc., the Company has estimated and recorded compensation expenses that it may incur in the future within a reasonably estimated range.

(Notes on quarterly consolidated statement of income)

In the first three-month period of the consolidated fiscal year, the Company recorded expenses for recovering benikoji-related products and expenses related to the product recall as an extraordinary loss of 688 million yen for recall-related losses. The product recall-related losses mainly consist of the recovery of benikoji raw materials for business partners and compensation to customers who developed health problems.

(Notes on quarterly consolidated statement of cash flows)

The Company did not prepare a consolidated statement of cash flows for the three-month period ended March 31, 2025. Depreciation (including amortization of intangible assets, excluding goodwill) and amortization of goodwill are stated below.

	The three-month period ended March 31, 2024 (January 1, 2024 to March 31, 2024)	The three-month period ended March 31, 2025 (January 1, 2025 to March 31, 2025)
Depreciation	1,441 million yen	1,832 million yen
Amortization of goodwill	345 million yen	354 million yen

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(Notes on segment information, etc.)

[Segment information]

I. Q1 of previous consolidated fiscal year (January 1, 2024 to March 31, 2024)

Information on net sales, income or loss by reportable segment

(Unit: millions of yen)

	Reportable Segments			Other (Note 1)	Grand Total	Adjustment (Note 2)	Figures in quarterly consolidated statements of income (Note 3)
	Domestic Business	International Business	Total				
Net sales							
Japan	26,139	—	26,139	157	26,296	—	26,296
United States	—	3,873	3,873	—	3,873	—	3,873
China	—	2,802	2,802	—	2,802	—	2,802
Southeast Asia	—	2,705	2,705	—	2,705	—	2,705
Other	—	807	807	—	807	—	807
Revenue from contracts with customers	26,139	10,188	36,327	157	36,485	—	36,485
Net sales to outside customers	26,139	10,188	36,327	157	36,485	—	36,485
Inter-segment sales and transfers	870	439	1,310	1,520	2,830	(2,830)	—
Total	27,010	10,628	37,638	1,678	39,316	(2,830)	36,485
Segment income	3,849	1,061	4,910	106	5,017	11	5,028

- (Notes) 1. *Other* represents businesses that are not included in reportable segments, such as the transportation business, manufacture and sale of plastic containers, real estate management, and advertisement planning and production.
2. Adjustments of 11 million yen in segment income are eliminations among segments.
3. Segment income is adjusted with operating income in the quarterly consolidated statements of income.

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II. Q1 of current consolidated fiscal year (January 1, 2025 to March 31, 2025)

Information on net sales, income or loss by reportable segment

(Unit: millions of yen)

	Reportable Segments			Other (Note 1)	Grand Total	Adjustment (Note 2)	Figures in quarterly consolidated statements of income (Note 3)
	Domestic Business	International Business	Total				
Net sales							
Japan	22,771	—	22,771	127	22,898	—	22,898
United States	—	4,837	4,837	—	4,837	—	4,837
China	—	1,992	1,992	—	1,992	—	1,992
Southeast Asia	—	2,038	2,038	—	2,038	—	2,038
Other	—	839	839	—	839	—	839
Revenue from contracts with customers	22,771	9,708	32,480	127	32,607	—	32,607
Net sales to outside customers	22,771	9,708	32,480	127	32,607	—	32,607
Inter-segment sales and transfers	766	382	1,148	1,298	2,447	(2,447)	—
Total	23,537	10,091	33,629	1,425	35,054	(2,447)	32,607
Segment income	2,541	0	2,541	36	2,578	(42)	2,535

- (Notes) 1. *Other* represents businesses that are not included in reportable segments, such as the transportation business, manufacture and sale of plastic containers, real estate management, and advertisement planning and production.
2. Adjustments of –42 million yen in segment income are eliminations among segments.
3. Segment income is adjusted with operating income in the quarterly consolidated statements of income.

(Notes on revenue recognition)

Information broken down by revenue from contracts with customers is stated in “Notes (Notes on segment information, etc.).”

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(Notes on important subsequent events)

(Ongoing suspension of the manufacture and sale of Meitan Hongo products, and subsequent closure of the Kinokawa Plant)

At a meeting of Board of Directors held on April 14, 2025, Kobayashi Pharmaceutical resolved to continue to suspend the manufacture and sale of Meitan Hongo products, and to close Meitan Hongo's facilities located in Kinokawa City, Wakayama Prefecture ("Kinokawa Plant") on June 30, 2025. Meitan Hongo Co., Ltd. ("Meitan Hongo") is a consolidated subsidiary of the Company.

1. Outline of Meitan Hongo

- (1) Name: Meitan Hongo Co., Ltd.
- (2) Location: 1088-11 Kitaseida, Kinokawa City, Wakayama Prefecture
- (3) Business: Manufacture and sale of health food products containing *ume* extract
- (4) Date of incorporation: November 21, 1969 (founded on July 11, 1925)

2. Reasons for the closure

In 2019, Kobayashi Pharmaceutical acquired shares of Meitan Hongo, which manufactured and sold products containing ume extract (hereinafter, "Meitan Hongo's products"), making it a group company. Thereafter, the Company relocated its benikoji raw material manufacturing facilities to the Kinokawa Plant as part of its efforts to optimize the management resources of its group companies. However, as a result of the benikoji-related products recall case, the Company announced its withdrawal from the Benikoji business in August 2024. Furthermore, Meitan Hongo has suspended the operation of the Kinokawa Plant and sales of its products. Under the situation, in light of a reassessment of the growth potential and profitability of the manufacturing and sales businesses of Meitan Hongo's products, along with the associated investments required therefor, the Company concluded that there is currently no clear business outlook. Consequently, it resolved to continue to suspend the sale of Meitan Hongo's products for a while. Accordingly, there is no prospect for resuming operations at the Kinokawa Plant, which is a dedicated manufacturing facility for Meitan Hongo products, and the Company decided to close the site.

Following the suspension of operations, Kobayashi Pharmaceutical will communicate sincerely with all stakeholders associated with the Kinokawa Plant, and will provide individualized support to each employee to help them succeed both within and outside the Company.

On the other hand, the Company has received inquiries from some customers regarding the resumption of sales of Meitan Hongo products. In addition to carefully evaluating the potential of ume as an ingredient, it will consider the possibility of introducing new products in the medium to long term.

3. Schedule for the closure

April 14, 2025: Resolution by the board of directors of Kobayashi Pharmaceutical
June 30, 2025: Closure of the Kinokawa Plant (planned)

4. Impact on business results in the future

The impact of the plant closure on Kobayashi Pharmaceutical's consolidated financial results is expected to be minimal. If any matters requiring disclosure arise in the future, the Company will disclose them promptly.