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June 10, 2024

To whom it may concern:

Notice of Formulation 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; hereinafter, the “Company”) announces that it has formulated its mid-term business plan for FY2024 through FY2026 (from April 2024 to March 2027).

[Overview of Medium-term Business Plan]

<Basic policy of Towa Group>

Policy 1. Evolution of generics business in Japan toward a new milestone

Policy 2. Establishing foundation for new markets / new businesses and realizing group synergies

Policy 3. Strengthening sustainability management and building fundamentals for sustainable growth

<Major Financial Objectives>

Net Sales	[Consolidated] JPY 300 billion achieved [Non-consolidated] JPY 200 billion achieved
Operating Income	[Consolidated] JPY 68 billion or more
ROIC	[Consolidated] 6 % or more (with influence of goodwill) 7 % or more (w/o influence of goodwill)
R&D Expenditure	[Consolidated] JPY 55 billion or more
Capital Investment	[Consolidated] JPY 60 billion or more

* The Group’s management targets, financial forecasts, and other forward-looking statements contained herein are based on information currently available to the Company and on certain assumptions that the Company believes are reasonable. Actual results may change significantly due to various factors. Therefore, it should be noted that actual results may differ from forecasts.

End of Notice