

This material is an English translation of the press release announced on Jul. 13, 2023 in Japanese, and the Japanese release is given priority about the content and the interpretation.

---

Jul. 13, 2023

## **Notice Regarding Company Split (Simplified Absorption-Type Split) with Hisamitsu Wellness Co., Ltd.**

Hisamitsu Pharmaceutical Co., Inc. (Head office: Tosu City, Saga Prefecture; President and CEO: NAKATOMI, Kazuhide ; hereinafter referred to as “the Company”) hereby announces that its board of directors resolved at a meeting held on July 13, 2023 to transfer its mail-order business (“the business”) to Hisamitsu Wellness Co., Ltd. (Head office: Chiyoda-ku, Tokyo; President: IMOTO, Takafumi ; hereinafter referred to as “Hisamitsu Wellness”), a consolidated subsidiary of the Company (100% subsidiary), through an absorption-type company split, effective September 1, 2023 (planned) (hereinafter referred to as the “company split”), and that the Company has concluded an absorption-type company split agreement with Hisamitsu Wellness.

Since this is a simplified absorption-type company split in which the business will be transferred to a 100% subsidiary of the Company, disclosure items and details are partially omitted.

### **1. Purpose of the company split**

The Company has launched its “Seventh Medium-Term Management Policy” since the fiscal year ended February, 2022 (FY 2021). And it has been developing its corporate activities in order to contribute to delivering a better QOL to the world through a variety of products and services, under its new corporate mission of “Bringing the culture of “TE-A-TE” to the world”. In this context, the Company has decided to transfer the business to Hisamitsu Wellness in order to further strengthen and develop the business within its group and to accelerate the development of products and services that meet the needs of more customers.

Hisamitsu Wellness was established on June 2, 2023 to create a prosperous society by directly delivering products that help “prevent pain” and “live with pain” to customers. Through the company split, the Company will further accelerate the development of products and services, especially in the fields of locomotive syndrome and femtech, in order to respond to diversifying lifestyles, while taking over the business that deals with products utilizing the Company’s know-how. In addition, the Company will deepen communication through online shopping and social commerce with customers that it had little contact with in the past, and will develop more customized products and services.

## **2. Summary of the company split**

### (1) Schedule of the company split

Date of resolution by the board of directors of the Company: July 13, 2023

Date of resolution by the board of directors of Hisamitsu Wellness: July 13, 2023

Date of conclusion of absorption-type company split agreement: July 13, 2023

Date of split (effective date): September 1, 2023 (planned)

Note) The company split is a simplified company split prescribed in Article 784, paragraph 2 of the Companies Act for the Company, the split-off company. And it is a short-form company split prescribed in Article 796, paragraph 1 of the Companies Act for Hisamitsu Wellness, the successor company. Neither of the companies shall hold a general meeting of shareholders to approve the absorption-type company split agreement.

### (2) Method of the company split

The Company shall be the split off company, and Hisamitsu Wellness shall be the successor company.

### (3) Details of the allotment related to the company split.

No shares or other consideration will be allocated upon the company split.

### (4) Handling of stock acquisition rights and bonds with stock acquisition rights accompanying the company split Not applicable.

### (5) Capital to be increased or decreased as a result of the company split

There will be no increase or decrease in the Company's capital as a result of the company split.

### (6) Rights and obligations to be succeeded to by the successor company upon the company split, the Company will transfer its assets, liabilities, and rights and obligations based on its contractual status, which are associated with the business and are specified in the absorption-type company split agreement, at the time immediately prior to the effective time of the company split.

### (7) Prospect of fulfillment of obligations

The Company has determined that there is no problem with the prospect of fulfilling the obligations that Hisamitsu Wellness should bear on or after the effective date of the company split.

### 3. Summary of the companies involved in the company split

(split off company: as of February 28, 2023; successor company: as of June 2, 2023)

	Split off company	Successor company
(1) Name	Hisamitsu Pharmaceutical Co., Inc.	Hisamitsu Wellness Co., Ltd.
(2) Head office address	408 Tashirodaikanmachi, Tosu City, Saga Prefecture	2-4-1 Marunouchi, Chiyoda-ku, Tokyo
(3) Title and name of representative person	President and CEO NAKATOMI, Kazuhide	President IMOTO, Takafumi
(4) Businesses	Manufacture, sale and import/export of pharmaceutical products, quasi-pharmaceutical products, medical devices, etc.	Mail-order sales of pharmaceutical products and health food products
(5) Stated capital	8.473 billion yen	100 million yen
(6) Date of establishment	May 22, 1944	June 2, 2023
(7) Number of shares outstanding	85,164,895 shares	2,000 shares
(8) Fiscal year-end	End of February	End of February
(9) Major shareholders and shareholding ratio	The Master Trust Bank of Japan, Ltd. (trust account) 11.10% Custody Bank of Japan, Ltd. (trust account) 6.03% Custody Bank of Japan, Ltd. (For the portion re-entrusted to Resona Bank, Limited/the Nishi-Nippon City Bank Ltd. pension trust account) 5.62% The Nomura Trust and Banking Co., Ltd. (Retirement benefit trust account for MUFG Bank, Ltd.) 5.44% Nippon Life Insurance Company 5.03% The Bank of Fukuoka, Ltd. 4.34% Hisamitsu Pharmaceutical business partners' shareholding association 3.25%	Hisamitsu Pharmaceutical Co., Inc. 100%

(10) Financial condition and results of operations for the immediately preceding consolidated fiscal year and the immediately preceding fiscal year

<b>Hisamitsu Pharmaceutical Co., Inc. (Japanese GAAP) (Consolidated)</b>	
<b>Fiscal year-end</b>	<b>Fiscal year ended February, 2023</b>
Equity attributable to owners of the parent company/net assets (million yen)	258,408
Total assets/total assets (million yen)	313,917
Equity attributable to owners of the parent company per share/net assets per share (yen)	3,294.20
Revenue/net sales (million yen)	128,330
Operating profit (million yen)	11,599
Current profit before taxes/current net profit before taxes (million yen)	16,113
Current profit attributable to owners of the parent company/current net profit (million yen)	11,742
Basic current profit per share/current net profit per share (yen)	148.01

<b>Hisamitsu Wellness Co., Ltd. (Japanese GAAP) (Non-consolidated)</b>	<b>As of July 13, 2023</b>
Equity attributable to owners of the parent company/net assets (million yen)	100
Total assets/total assets (million yen)	100
Equity attributable to owners of the parent company per share/net assets per share (yen)	50,000

Note) There is no last fiscal year finalized for Hisamitsu Wellness Co., Ltd., as it is a company newly established on June 2, 2023.

#### **4. Summary of the business division to be split off**

(1) Description of business activities performed by the division to be split

Mail-order business operated by the Company

(2) Operating results of the division to be split

Net sales: 583 million yen (Fiscal year ended February 2023)

(3) Items and book value of assets and liabilities to be split (million yen)

<b>Assets</b>		<b>Liabilities</b>	
Current assets	96	Current liabilities	0
Non-current assets	18	Non-current liabilities	0
Total	115	Total	0

Note) The items and amounts of assets and liabilities to be transferred are estimates as of February 28, 2023, and the amounts of assets and liabilities to be actually split may vary from the above.

#### **5. Situation after the company split**

There will be no change in the names, addresses, titles and names of representatives, business activities, capitals, and fiscal year end of the Company and Hisamitsu Wellness after the company split.

#### **6. Future prospects**

As the company split will be conducted between the Company and its 100% subsidiary, the impact of the company split on the Company's consolidated results will be minor.

(Reference) Forecast of consolidated results for the current period and consolidated results for the previous period (million yen)

	<b>Net sales</b>	<b>Operating profit</b>	<b>Current profit attributable to owners of the parent company</b>
Forecast of consolidated results for the current period (Fiscal year ending February 2024)	132,300	11,800	10,600
Consolidated results for the previous period (Fiscal year ended February 2023)	128,330	11,599	11,742