



February 14, 2025

To whom it may concern

Company: SUNDRUG CO., LTD.  
Representative: Hiroshi Sadakata,  
CEO and Representative Director  
(Code number: 9989; Tokyo Stock Exchange, Prime Market)  
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### **Notice Regarding the Absorption-type Merger of a Wholly owned Subsidiary (Simplified Merger)**

SUNDRUG CO., LTD. (the “Company”) hereby announces that, at a meeting of the Board of Directors held on February 14, 2025, it has resolved to execute an absorption-type merger of SUNDRUG Saketen LLC, a wholly owned subsidiary of the Company, as described below. This merger will follow procedures for a simplified merger.

As this is a merger with a wholly owned subsidiary, some disclosure items have been omitted.

The details are as follows.

#### 1 Purpose of the Merger

The Company has resolved to execute an absorption-type merger of SUNDRUG Saketen LLC, a wholly owned subsidiary engaged in the alcoholic beverages retailing business, to expand its alcoholic beverages retailing business and achieve greater management efficiency.

#### 2. Overview of the Merger

##### (1) Merger Schedule

Date of the meeting of the Board of Directors where the merger was approved:	February 14, 2025
Date of conclusion of the merger agreement:	February 14, 2025
Planned date of the merger (effective date):	March 31 , 2025 (planned)

This schedule may be changed upon consultation between the two companies if necessary for procedural or other reasons.

Note: As this is a simplified merger prescribed in Article 796, Paragraph 2 of the Companies Act, it will be executed without obtaining the approval of the General Meeting of Shareholders for the merger agreement by the surviving company.

##### (2) Merger Method

The merger will be an absorption-type merger where the Company is the surviving company. SUNDRUG Saketen LLC will be dissolved.

##### (3) Details of Share Allotment Associated with the Merger

This is a merger with a wholly owned subsidiary of the Company, and there is no agreement on merger ratio. The Company will not, therefore, issue new shares or pay merger grants.

### 3. Overview of the Companies Involved in the Merger (as of December 31, 2024)

(1) Trade name	SUNDRUG Co., Ltd. (Surviving company in the absorption-type merger)	SUNDRUG Saketen LLC (Disappearing company in the absorption-type merger)
(2) Business description	Drug store operation and retail and wholesale of pharmaceuticals	Alcoholic beverage retailing business
(3) Date of establishment	April 8, 1965	July 23, 2024
(4) Address of head office	1-38-1 Wakamatsucho, Fuchu, Tokyo	1-38-1 Wakamatsucho, Fuchu, Tokyo
(5) Representative	Hiroshi Sadakata CEO and Representative Director (as of February 14, 2025)	Representative Member: SUNDRUG Co., Ltd. Person acting in a representative capacity: Toru Nakadai
(6) Share capital	¥3,931 million	¥1 million
(7) Number of issued shares	119,331,184 shares	–
(8) Fiscal year-end	March 31	June 30
(9) Major shareholders and shareholding ratios	1. Iryu Commercial Corporation (37.43%) 2. The Master Trust Bank of Japan, Ltd. (trust account) (12.24%) 3. Custody Bank of Japan, Ltd. (trust account) (6.39%)	SUNDRUG Co., Ltd. (100%)
(10) Financial condition and results of operations of the most recent fiscal year		
	Fiscal year ended March 31, 2024 (consolidated)	Fiscal year ended December 31, 2024 (non-consolidated)
Net assets	¥253,090 million	¥1 million
Total assets	¥420,208 million	¥1 million
Net assets per share	¥2,164.06	–
Net sales	¥751,777 million	–
Operating profit	¥40,996 million	–
Ordinary profit	¥41,728 million	–
Profit	¥29,126 million	–
Basic earnings per share	¥249.07	–

\* SUNDRUG Saketen LLC was established in July 2024, so it has no financial statements. Therefore, its financial information has been omitted.

### 4. Status After the Merger

The trading name, business description, head office address, representative, share capital, or fiscal year-end of SUNDRUG Co., Ltd. will remain unchanged after the merger.

### 5. Impact on Financial Results

The impact of this merger on consolidated financial results will be minimal.