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May 25, 2026

To Whom It May Concern,

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Name of Representative:	President and CEO Masuhiro Yoshitake
Securities Code:	520A Tokyo Stock Exchange Growth Market
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Notice Regarding Reduction of Share Capital and Legal Capital Surplus and Appropriation of Surplus

J-Pharma Co., Ltd. (the "Company") hereby announces that, at a meeting of the Board of Directors held yesterday, it resolved to submit a proposal entitled "Reduction of Share Capital and Legal Capital Surplus and Appropriation of Surplus" to the 21st Annual General Meeting of Shareholders scheduled to be held on June 26, 2026, as outlined below.

Details

1. Purpose of the Reduction of the Amounts of Share Capital and Legal Capital Surplus and Appropriation of Surplus

As of the end of the fiscal year ended March 31, 2026, the Company recorded a deficit in Retained earnings brought forward of JPY 2,466,416,034. In order to eliminate this deficit and strengthen the Company's financial position, the Company proposes to reduce the amounts of share capital and legal capital surplus and carry out an appropriation of surplus as set forth below. This matter constitutes an accounting reclassification within the net assets section of the balance sheet and will not result in any change to the Company's total net assets or the total number of issued shares. Accordingly, there will be no impact on shareholders' ownership ratios or net assets per share.

2. Details of the Reduction of the Amounts of Share Capital and Legal Capital Surplus

Pursuant to Article 447, Paragraph 1 and Article 448, Paragraph 1 of the Companies Act, the Company proposes to reduce the amounts of share capital and legal capital surplus and transfer the reduced amounts to Other capital surplus, as follows:

(1) Amounts of Share capital and Legal capital surplus to be reduced

Share capital: JPY 1,952,697,204 out of JPY 2,032,697,204

Legal capital surplus: JPY 513,718,830 out of JPY 4,499,149,263

(2) Amount of Other capital surplus to be increased

Other capital surplus: JPY 2,466,416,034

The above amounts have been calculated based on the amounts of share capital and legal capital surplus as of March 31, 2026. If the amount of share capital or legal capital surplus increases after that date due to the exercise of stock acquisition rights or other events, such increase will not be included in the amounts subject to this reduction.

3. Details of the Appropriation of Surplus

Pursuant to Article 452 of the Companies Act, subject to the reduction of the amounts of share capital and legal capital surplus described above becoming effective, the Company will transfer Other capital surplus to Retained earnings brought forward as follows to offset the deficit. As a result, the amount of Retained earnings brought forward after the transfer will be JPY 0.

(1) Item and amount of surplus to be decreased

Other capital surplus: JPY 2,466,416,034

(2) Item and amount of surplus to be increased

Retained earnings brought forward: JPY 2,466,416,034

4. Schedule

(1) Board of Directors resolution date: May 24, 2026

(2) Annual General Meeting of Shareholders resolution date: June 26, 2026 (scheduled)

(3) Public notice to creditors: June 29, 2026 (scheduled)

(4) Deadline for objections by creditors: July 29, 2026 (scheduled)

(5) Effective date: August 11, 2026 (scheduled)

5. Future Outlook

This matter constitutes an accounting reclassification within the net assets section of the balance sheet. There will be no change to the Company's total net assets or the total number of issued shares, and there will be no impact on the Company's financial results.