



MEDICAL
SYSTEM
NETWORK
GROUP

MEDICAL SYSTEM NETWORK Co., Ltd.

First Quarter of Fiscal Year Ending March 2026

Earnings Report

Standard Market of Tokyo Stock Exchange;

Securities Code: 4350

About contents covered

- * The contents of this report pertaining future earnings described are based on information the company has held, and on certain assumptions supervising rational judgement, and are not what the company promises to achieve. There are numerous factors that may cause actual earnings to differ. Caution is given to the accuracy of information, and we do not take responsibility for loss etc., as a result of misinformed information.
- * Furthermore, this report is not prepared for the purposes of investment solicitation. Readers are responsible for their own judgement in any decision regarding investments.

Please see the following link for our English information.



<https://www.msnw.co.jp/eng/>

Net Sales	YoY change	Progress rate vs. FY
31.10 billion yen	+5.7% (+1.68 billion yen)	24.8%

Operating Profit	YoY change	Progress rate vs. FY
0.43 billion yen	-6.1% (-0.028 billion yen)	12.9%

Net sales increased year-on-year and progressing largely according to plan.

- Saw contributions from newly opened pharmacies in the previous fiscal year in the Community Pharmacy Business.
 - No. of prescriptions at all pharmacies: +1.0% YoY change
- Steady expansion of business partners in the Pharmaceutical Manufacturing and Distribution Business.
 - No. of transacting pharmacies: 135.2% YoY growth rate

Although profit decreased due to wage increases and other factors, prescription unit prices exceeded the plan, and profits at each level exceeded our plan.

- Operating profit achieved 156.6% of the first quarter plan.
 - Unit price of prescriptions at existing pharmacies: +5.9% compared to plan

Community Pharmacy Network Segment

- Community Pharmacy **462** pharmacies(+5)
- Prescription Unit price(All pharmacies) **10,370** yen(+343 yen)*
- No. of prescriptions (All pharmacies) **2,505** K(+1.0%)*
- No. of prescriptions (Existing pharmacies) **2,407** K(-1.3%)*

~ Pharmacy Support Businesses ~

< Pharmaceutical Network Business >

- No. of affiliates **11,264** affiliates(+261)

< Manufacture and Market Pharmaceuticals Business >

- No. of ingredients **52** ingredients(+3)*
- No. of products **120** products(+7)*
- No. of affiliates **6,993** affiliates(+1,822)**

< Pharmaceutical Logistics Business >

- No. of affiliates **2,408** affiliates(+836)

< Digital Shift Business >

- No. Installed pharmacies **6,226** pharmacies(+206)

Leasing and Facility related Segment

< Wisteria >

- Occupancy rate of all 4 facilities **87.8%** (-2.4%)

The figures in brackets indicate the change from the end of the previous FY

* YoY

** No. of affiliates that have actually transacted business since April of each year

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Earnings Highlight

FY3/2026 1Q : Consolidated Results

(Unit: million yen) The second line is profit margin	FY3/2025 1Q (Results)	FY3/2026 1Q (Results)	YoY		FY3/2026 Full year forecast	Progress rate	FY3/2026 vs. 1Q plan
			Change	Change (%)			
Net Sales	29,419	31,100	+1,680	+5.7%	125,500	24.8%	+3.9%
EBITDA *	1,278 4.3%	1,281 4.1%	+2	+0.2%	6890 5.5%	18.6%	—
Operating Profit	468 1.6%	439 1.4%	(28)	(6.1%)	3,400 2.7%	12.9%	+56.6%
Ordinary Profit	468 1.6%	404 1.3%	(63)	(13.6%)	3,200 2.5%	12.7%	+76.2%
Profit attributable to owners of parent	170 0.6%	78 0.3%	(92)	(54.0%)	1,300 1.0%	6.1%	+17,641.2%
Earnings per share (Yen)	5.85	2.69	(3.16)	—	44.48	—	—

* Calculated as "Operating income + Depreciation and amortization + Amortization of goodwill"

FY3/2026 1Q : Results by Segment

■ Net Sales		FY3/2025 1Q (Results)	FY3/2026 1Q (Results)	Change	Change (%)
(Unit: million yen)					
Net Sales		29,419	31,100	+1,680	+5.7%
	Community Pharmacy Network Segment *	28,029	29,850	+1,820	+6.5%
	Leasing and Facility Related Segment Meals Catering Segment Home Visit Nursing Segment	1,614	1,415	(198)	(12.3%)
	Adjustments	(224)	(165)	+58	—

■ Operating Profit

(Unit: million yen) The second line is profit margin

Segment Profit		468 1.6%	439 1.4%	(28) (0.2pt)	(6.1%)
	Community Pharmacy Network Segment *	1,061 3.8%	1,065 3.6%	+3 (0.2pt)	+0.3%
	Leasing and Facility Related Segment Meals Catering Segment Home Visit Nursing Segment	46 2.9%	16 1.2%	(29) (1.7pt)	(63.2%)
	Adjustments	(639) —	(642) —	(3)	—

* Community Pharmacy Business, Pharmacy Support Businesses (Pharmaceutical Network Business, Pharmaceutical Manufacturing and Distribution Business, Pharmaceutical Logistics Business, Digital Shift Business)

FY3/2026 1Q : Consolidated Balance Sheet

■End of FY3/2025

(Unit: million yen)

Assets	70,586	Liabilities	54,241
Current assets	22,627	Current liabilities	24,377
Cash and deposits	8,461	Short-term loans *	6,184
		Fixed liabilities	29,863
Fixed assets	47,959	Long-term loans	18,085
Tangible fixed assets	28,473	Net assets	16,345
Intangible fixed assets	9,908	Share capital	2,128
Goodwill	9,063	Capital surplus	946
Investments and other assets	9,578	Retained earnings	14,001
		Treasury shares	(891)
Total assets	70,586	Total liabilities and net assets	70,586
Equity ratio	23.0%		

(Equity ratio with taking into account net cash ** 26.2%)

* Includes long-term loans that will be repaid within one year

** Own capital / (Total assets – Cash and deposits)

■End of FY3/2026 1Q

(Unit: million yen)

Assets	71,775	Liabilities	55,518
Current assets	23,985	Current liabilities	26,896
Cash and deposits	8,742	Short-term loans *	8,234
		Fixed liabilities	28,622
Fixed assets	47,789	Long-term loans	16,777
Tangible fixed assets	28,632	Net assets	16,256
Intangible fixed assets	9,742	Share capital	2,128
Goodwill	8,860	Capital surplus	946
Investments and other assets	9,414	Retained earnings	13,901
		Treasury shares	(891)
Total assets	71,775	Total liabilities and net assets	71,775
Equity ratio	22.5%		

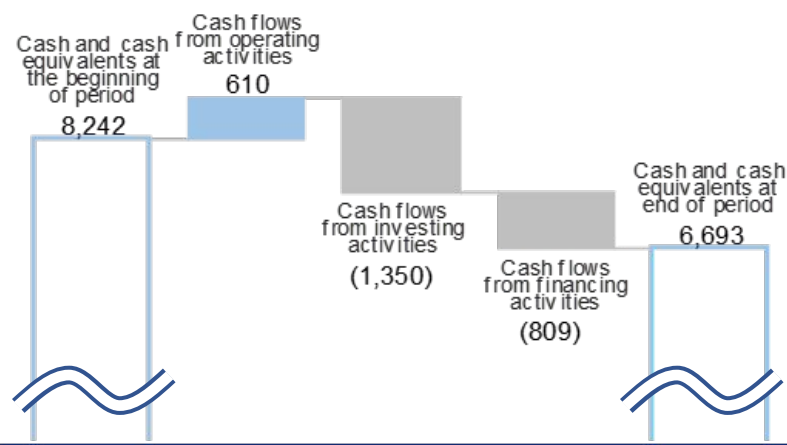
(Equity ratio with taking into account net cash ** 25.6%)

FY3/2026 1Q : Consolidated Cash Flows

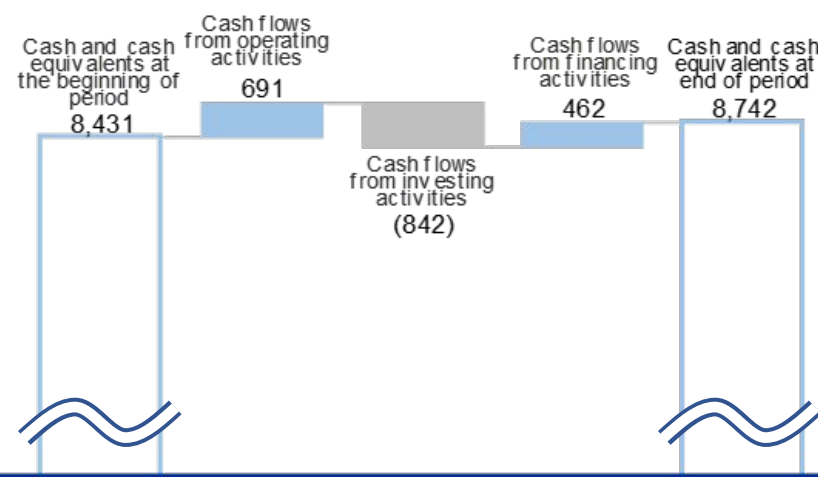
Cashflows from operating activities	691 million yen	EBITDA *	1,281 million yen
		Payment of income taxes	(869 million yen)
		Changes in working capital	313 million yen
Cashflows from investing activities	(842 million yen)	Opening of new pharmacies costs	(817 million yen)
		Existing pharmacies renovation costs, etc.	(292 million yen)
		Repayment of guarantee deposits	271 million yen
Cashflows from financing activities	462 million yen	Increase in short-term loans payable	2,159 million yen
		Repayment of lease obligations	(118 million yen)
		Payment of dividends	(162 million yen)
		Repayment of long-term loans payable	(1,418 million yen)

* Calculated by "operating profit + depreciation + amortization of goodwill"

■FY3/2025 1Q (Unit: million yen)



■FY3/2026 1Q (Unit: million yen)





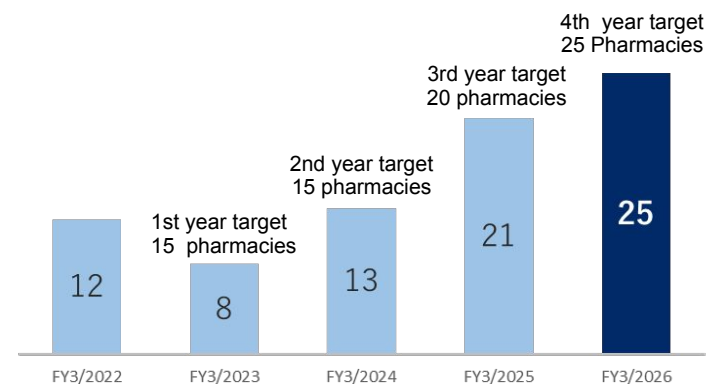
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Core Strategies ▪ Business Summary

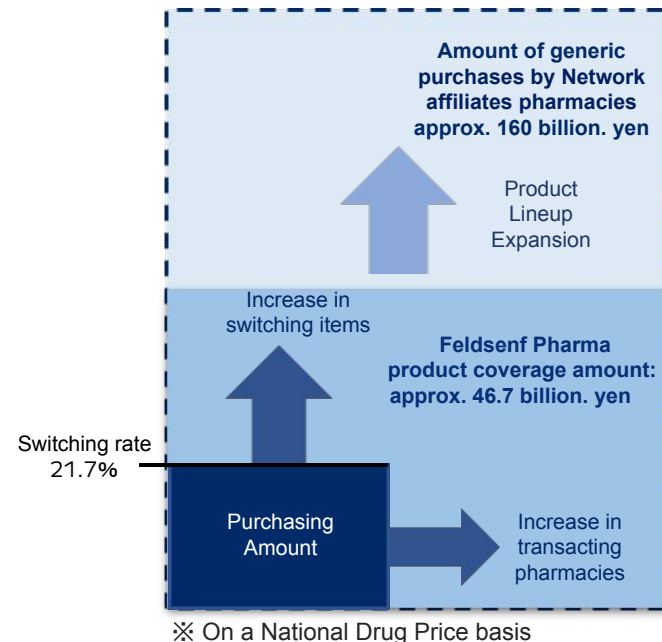
Core Strategies for the FY3/2026

Segments		Core Strategies and Numerical Targets	
Community Pharmacy Network Segment	Community Pharmacy Business	<ul style="list-style-type: none"> Foster a stronger medical mindset and provide high-quality drug treatment Existing store prescription volume +2.4% YoY 25 pharmacy openings, mainly in medical malls, 10 doctor invitations Increased productivity through appropriate cost controls 	
	- Pharmacy Support Businesses -		
	Pharmaceuticals Network Business	<ul style="list-style-type: none"> 12,000 affiliates at the end of March 2026 (+997) Promote distribution improvement (deliver once a day on weekdays, no deliveries on Saturdays, and reduce urgent deliveries) Expansion of services (training & new service dev.) Building area networks (shared inventory system) 	
	Manufacture and Market Pharmaceuticals Business	<ul style="list-style-type: none"> Maintaining stable supply Increasing the No. of transacting pharmacies 	At the end of fiscal year: 9,000 (+1,819)
	Pharmaceutical Logistics	<ul style="list-style-type: none"> Maintaining stable supply Increasing the No. of transacting pharmacies 	At the end of fiscal year: 3,700 (+2,128)
Leasing and Facility related Segment		Digital Shift Business	<ul style="list-style-type: none"> Onboarded pharmacies 6,850 by the end of March 2026 (+830) Continued enhancement of functionality
		<ul style="list-style-type: none"> Achieved 91.8% (+1.6pt) occupancy rate and stable operation in Wisteria Profitability improvement (measures against rising rents, management costs, and inflation) 	
		<ul style="list-style-type: none"> Measures against inflation and raising the breakeven point Review of unprofitable divisions 	
Meal Catering Segment, Home Visit Nursing Segment		<ul style="list-style-type: none"> Company-wide implementation of cost control Ensure profitability and strengthen capital base 	
Finance, ESG and Health Management			

【Pharmacies openings and target number of pharmacies】



【Generic drug purchases by network affiliates】



Community Pharmacy Business : Trends in No. of Pharmacies

6 new outlets since the end of the previous FY. Acquired 1 outlet through M&A, 2 outlets closed or transferred business. As of the end 1Q, the number of pipeline locations connected to Medical Institutions exceeded the full year plan.

	FY3/2026 (As of June 30)	
	Forecasted No. (Results in 1Q)	Full Year Plan
No. of openings	16 (6)	25
No. of pipeline locations connected to Medical Institutions	18 (8)	10

- Medical Mall -
Nanohana Pharmacy
Takarazuka South Exit



Hokkaido

122 outlets

- Medical Mall -
Nanohana Pharmacy
Front of Higashi-Shinjuku Station



Tohoku

35 outlets

Chugoku / Shikoku

20 outlets

Kyushu / Okinawa

74 outlets

Kanto / Koshinetsu

111 outlets

Tokai / Hokuriku

44 outlets

Kinki

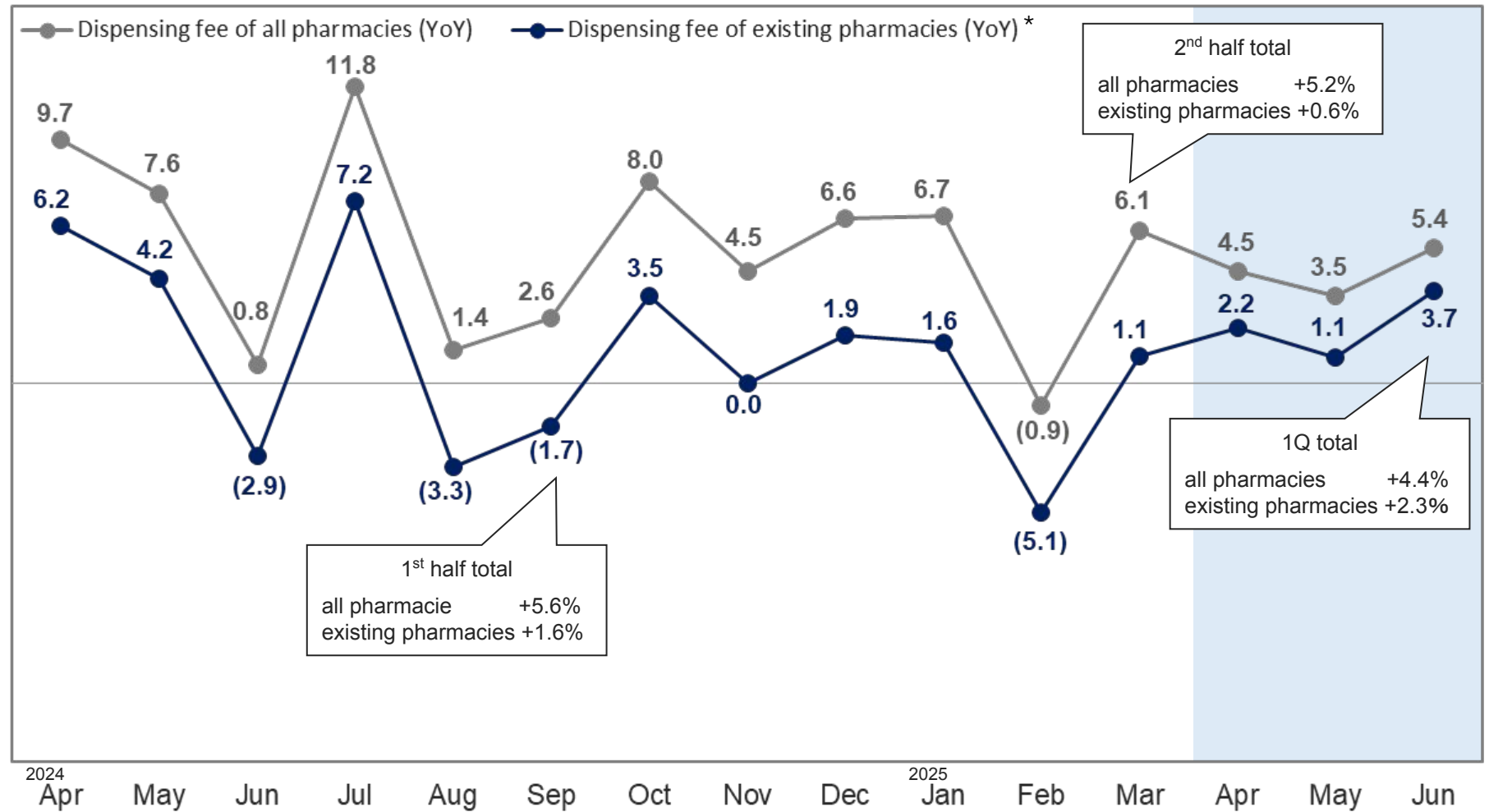
56 outlets

- Medical Mall -
Sakura Pharmacy Tedako Uranishi



	FY3/2024	FY3/2025	FY3/2026 1Q
Openings	13	21	6
Closing and transferring	(9)	(15)	(2)
M&A	18	1	1
No. of outlets	450	457	462

Community Pharmacy Business : Monthly Dispensing Fee (YoY) MEDICAL SYSTEM NETWORK GROUP

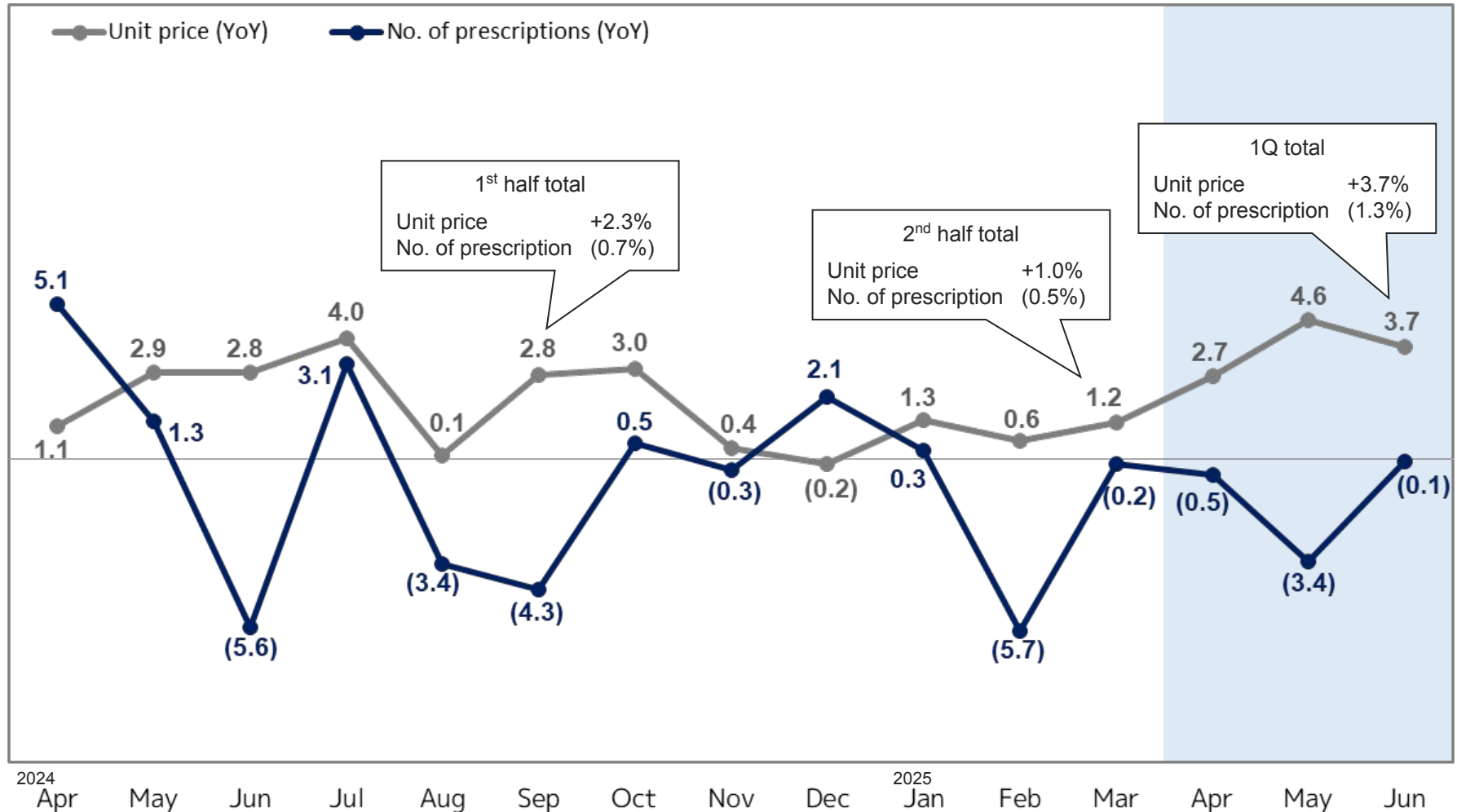


* Existing pharmacies: Pharmacies that have been continuously open since April 1, 2023 for the previous fiscal year and since April 1, 2024 for the current fiscal year.

Community Pharmacy Business :

Monthly Prescription Volume and Unit Price of Existing Pharmacies (YoY)

Although the number of prescriptions at existing pharmacies decreased, the unit price of prescriptions rose significantly due to an increase in the number of high-cost pharmaceuticals.



Community Pharmacy Business : Dispensing Fee Breakdown

■ All pharmacies

		FY3/2025 1Q	FY3/2026 1Q	Change	Change (%)
No. of prescriptions (1,000)		2,481	2,505	+24	+1.0%
Unit price (yen)	Drug charge per prescription	7,640	7,874	+234	+3.1%
	Technical fee per prescription	2,387	2,496	+109	+4.6%
	Total	10,027	10,370	+343	+3.4%
Dispensing fee (million yen) *		24,878	25,979	+1,101	+4.4%

■ Existing pharmacies

No. of prescriptions (1,000)		2,439	2,407	(32)	(1.3%)
Unit price (yen)	Drug charge per prescription	7,615	7,860	+246	+3.2%
	Technical fee per prescription	2,389	2,510	+121	+5.1%
	Total	10,004	10,371	+367	+3.7%
Dispensing fee (million yen) *		24,406	24,966	+560	+2.3%

* Dispensing fees: calculated by number of prescriptions x unit price of prescriptions

Pharmacy Support Businesses* : Performance Summary

Through our efforts to expand business partnerships, the number of partner stores has grown steadily.

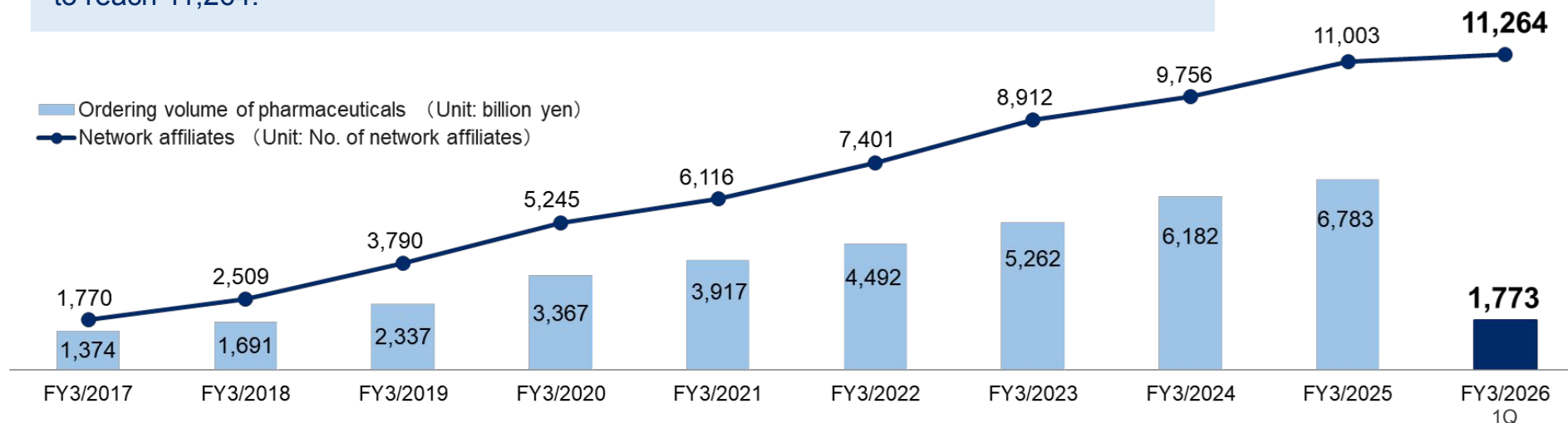
■ Progress against numerical targets for FY 2026/3

	FY 2026/3 Numerical Targets	Progress (As of June 30)
Pharmaceutical Network Business	12,000 affiliates +997 affiliates (From the end of the previous FY)	11,264 affiliates +261 affiliates (From the end of the previous FY) 11,330 affiliates (As of July 31)
Pharmaceutical Manufacturing and Distribution Business	9,000 transacting pharmacies +1,819 pharmacies (From the end of the previous FY)	6,993 transacting pharmacies ** +1,822 pharmacies (YoY) ** No. of transacting pharmacies is total pharmacies that have actually transacted business since April of each year.
Pharmaceutical Logistics Business	3,700 transacting pharmacies +2,128 pharmacies (From the end of the previous FY)	2,408 transacting pharmacies +836 pharmacies (From the end of the previous FY)
Digital Shift Business	6,850 installed pharmacies +830 pharmacies (From the end of the previous FY)	6,226 installed pharmacies +206 pharmacies (From the end of the previous FY)

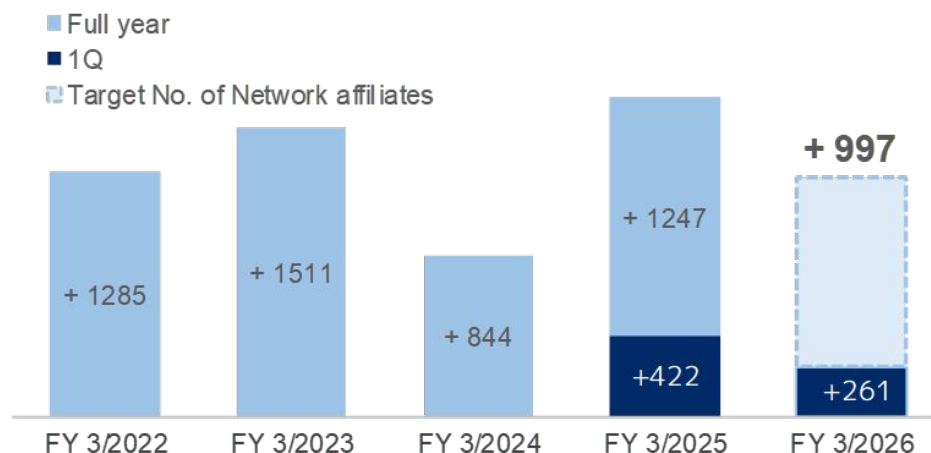
* Pharmaceutical Network Business, Pharmaceutical Manufacturing and Distribution Business, Pharmaceutical Logistics Business, Digital Shift Business

Pharmaceuticals Network Business

The number of affiliates increased by 261 compared to the end of the previous fiscal year to reach 11,264.



Network affiliates (Net increase) (unit: No. of affiliates)



FY3/2026 Breakdown of Network affiliates (unit: No. of affiliates)

	1Q
New	400
Withdrawal	(139)

Post a large increase last year on the back of price revisions, albeit smaller, the increase in the number of affiliates is proceeding well.

(Reference) FY3/2025

	1 Q	2 Q	3 Q	4 Q	Total
New	522	414	391	361	1,688
Withdrawal	(100)	(157)	(89)	(95)	(441)

Pharmaceutical Manufacturing and Distribution Business / Pharmaceutical Logistics Business

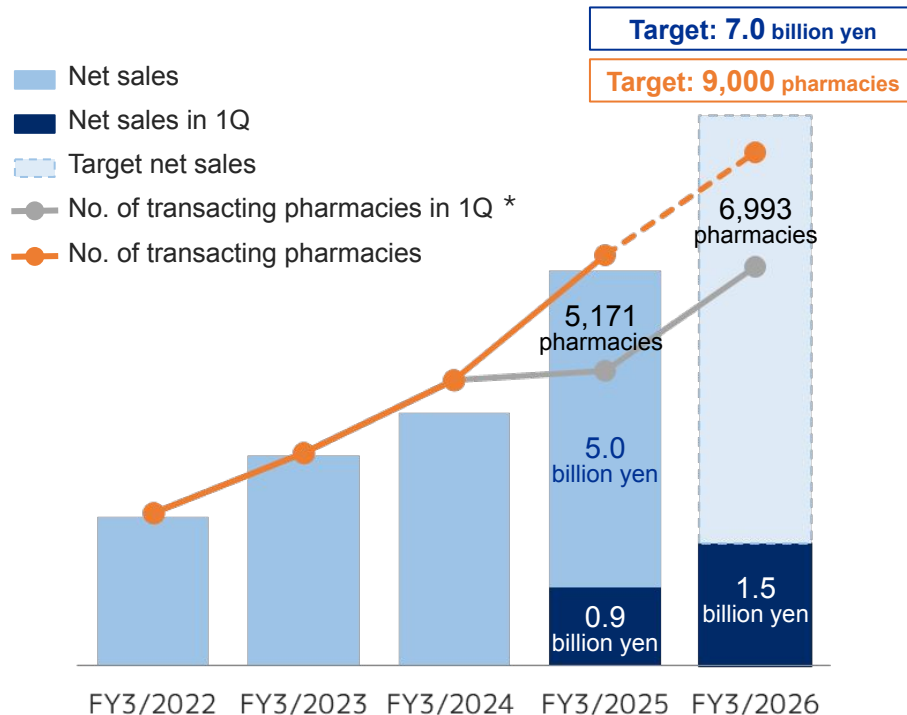


Steady expansion of sales channels has led to a significant increase in the number of transacting pharmacies.

New transacting pharmacies **6,993** (+1,822 vs. YoY)

No. of products adjusted for shipment as of June 30: 9 products / 4 ingredients

■ Net Sales and No. of transacting pharmacies



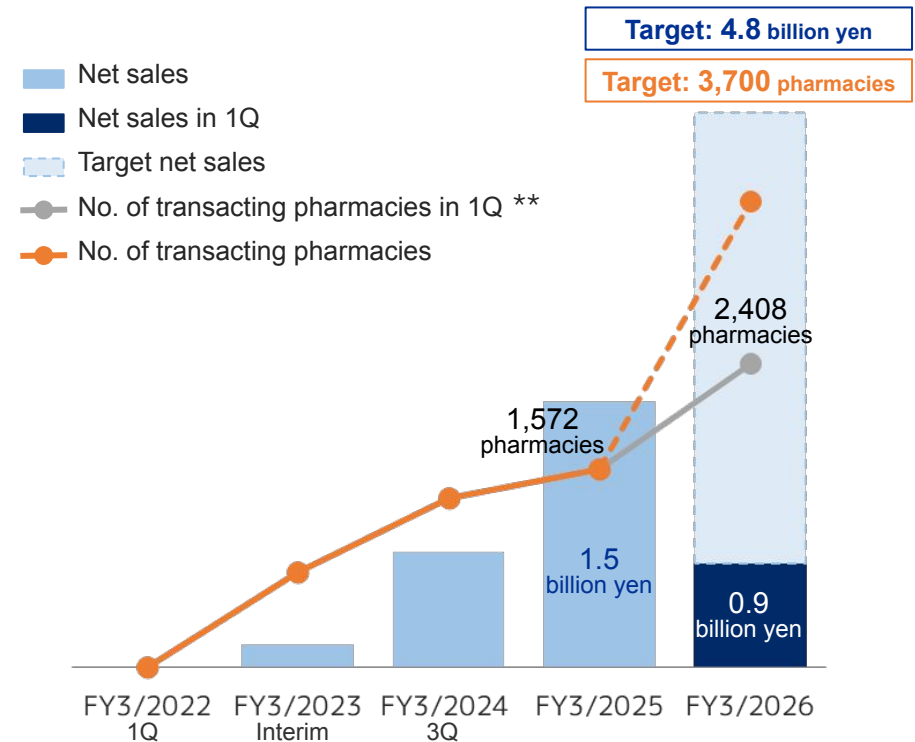
* Total pharmacies that have actually transacted business since April of each year.



Reached 2,000 transacting pharmacies in the 1st year since the company's establishment. In addition, started daily delivery of pharmaceutical products this fiscal year.

New transacting pharmacies **2,408店** (+836店 vs. YoY)

■ Net Sales and No. of transacting pharmacies



** Cumulative No. of pharmacies that have transacted business since April 2025.



Pharmashift

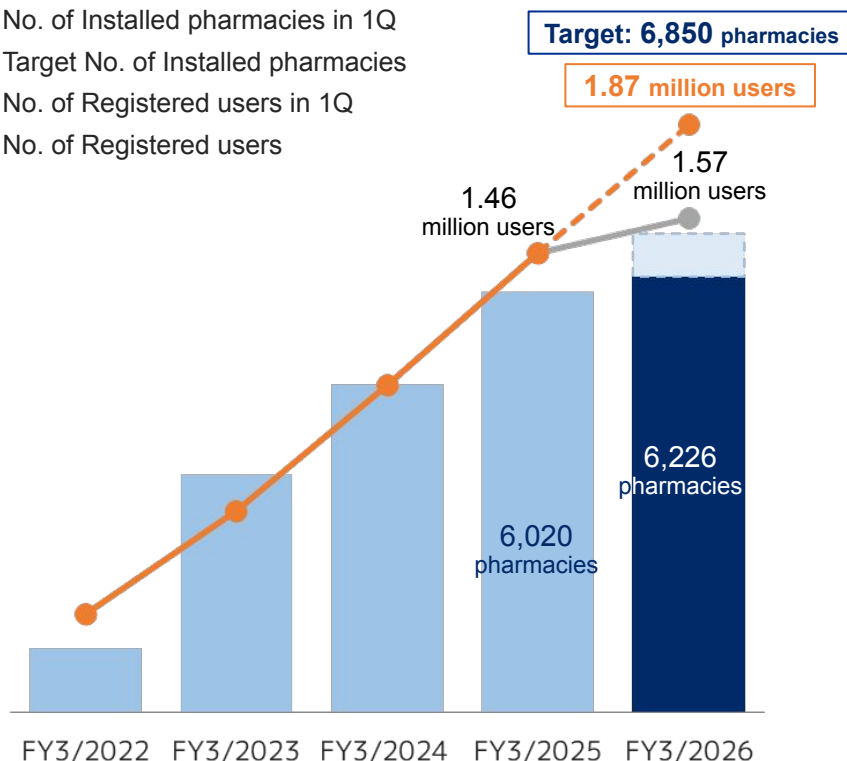
Official LINE Account

つながる薬局 (Tsunagaru Pharmacy)

- 1.57 million users have registered and 6,626 pharmacies have installed the service.
- No. of installed pharmacies exceeded the plan, and the No. of LINE registered users accelerated due to increased use of the medical interview function.

■ No. of users registrations and installed pharmacies

- No. of Installed pharmacies
- No. of Installed pharmacies in 1Q
- Target No. of Installed pharmacies
- No. of Registered users in 1Q
- No. of Registered users



■ Focus on distributing and delivering information for patients and pharmacies

- For patients: disseminate health information via SNS and “Connected Pharmacy Navi”.
 - For pharmacies: distribute webinars and “Useful columns” within the pharmacy website.
- Aim to Raise Awareness and Promote Use of Pharmacy DX and Tsunagaru Pharmacy.



From “Useful Columns” on the Tsunagaru Pharmacy website

A background image showing a business meeting. Several people in suits are gathered around a table. On the table are various documents, including a bar chart with five blue bars of increasing height, and two donut charts with segments in green, blue, orange, and yellow. One person is holding a blue pen and pointing at a donut chart. A green Starbucks cup is also visible on the table.

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Earnings Forecast for FY3/2026

Earnings Forecast for the FY3/2026 :

Consolidated Forecast

Republish



Although wage increases will be implemented in the fiscal year ending March 31, 2026, we forecast an increase in both sales and profit due to an increase in the number of pharmaceutical network members, an increase in the number of prescriptions filled, and sales expansion of generics.

(Unit: million yen)	FY3/2025 Results	FY3/2026 Forecast	Change	Change (%)
Net sales	122,387	125,500	+3,112	+2.5%
EBITDA Profit margin	6,569 5.4%	6,890 5.5%	+320 0.1pt	+4.9%
Operating profit Profit margin	3,154 2.6%	3,400 2.7%	+245 0.1pt	+7.8%
Ordinary profit Profit margin	3,162 2.6%	3,200 2.5%	+37 (0.0pt)	+1.2%
Profit attributable to owners of parent Profit margin	1,262 1.0%	1,300 1.0%	+37 (0.0pt)	+3.0%
Earnings per share (Yen)	43.20	44.48	+1.28	—

Earnings Forecast for the FY3/2026 :

Forecast by Segment

Republish

■ Net Sales (Unit: million yen)		FY3/2025 Results	FY3/2026 Forecast	Change	Change (%)
Net Sales		122,387	125,500	+3,112	+2.5%
	Community Pharmacy Network Segment *	116,968	120,099	+3,131	+2.7%
	Leasing and Facility Related Segment Meals Catering Segment Home Visit Nursing Segment	6,171	6,226	+55	+0.9%
	Adjustments	(751)	(826)	(74)	—

■ Operating Profit (Unit: million yen) The second line is profit margin

Segment Profit		3,154 2.6%	3,400 2.7%	+245 0.1pt	+7.8%
	Community Pharmacy Network Segment *	5,626 4.8%	5,973 5.0%	+346 0.2pt	+6.2%
	Leasing and Facility Related Segment Meals Catering Segment Home Visit Nursing Segment	171 2.8%	217 3.5%	+46 0.7pt	+27.0%
	Adjustments	(2,644) —	(2,791) —	(146) —	—

* Community Pharmacy Business, Pharmacy Support Businesses (Pharmaceutical Network Business, Pharmaceutical Manufacturing and Distribution Business, Pharmaceutical Logistics Business, Digital Shift Business)



4

Reference
Materials

Basic Policy on Sustainability

~ Aiming to improve the quality of life (QOL) of local residents and contribute to a sustainable society ~

We are committed to promoting community health and establishing comprehensive medical care and lifestyle support that allows residents to live confidently in Japan's super-aged society. By collaborating closely with our stakeholders, we will tackle environmental and social challenges through our business operations, working to achieve both societal sustainability and our own continued growth.

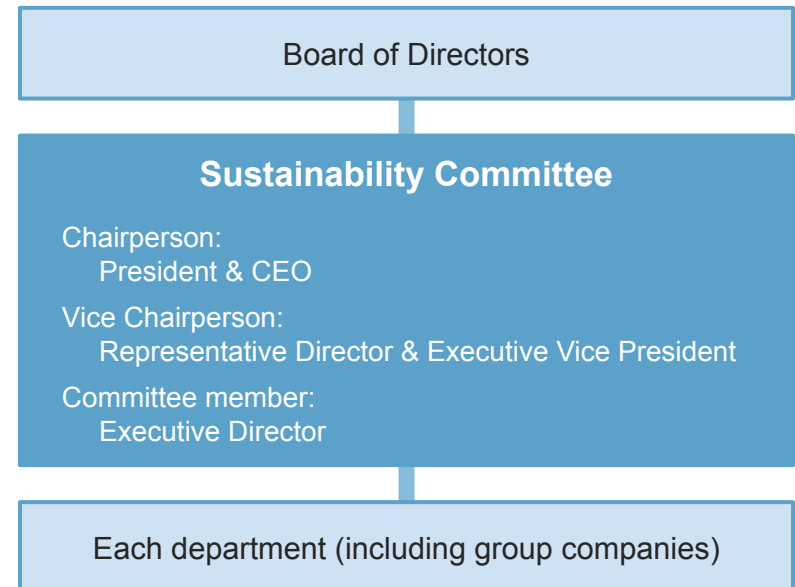
Sustainability Governance Structure

Sustainability Committee

Discuss cross-functional issues across businesses and departments. Operated under the supervision of the Board of Directors as a forum for deliberating and deciding on important matters related to sustainability.

<Role of the Committee>

- Formulation of basic policies
- Identification of materiality (priority issues) for our corporate group
- Identification of risks and opportunities, setting and review of objectives
- Coordination between departments and monitoring of progress
- Consultation and decision-making regarding information disclosure, etc.



Sustainability :

Contributing to the community through inventory sharing systems

LINCLE Regional Version

Establishment of an area network to share information on dispensing performance for groups such as pharmacists' associations, using in-house developed dispensing performance sharing system. Smoothly facilitates inter-pharmacy coordination to ensure a stable supply of pharmaceuticals and reduce the number of urgent deliveries.



Only necessary data is
automatically shared in real time



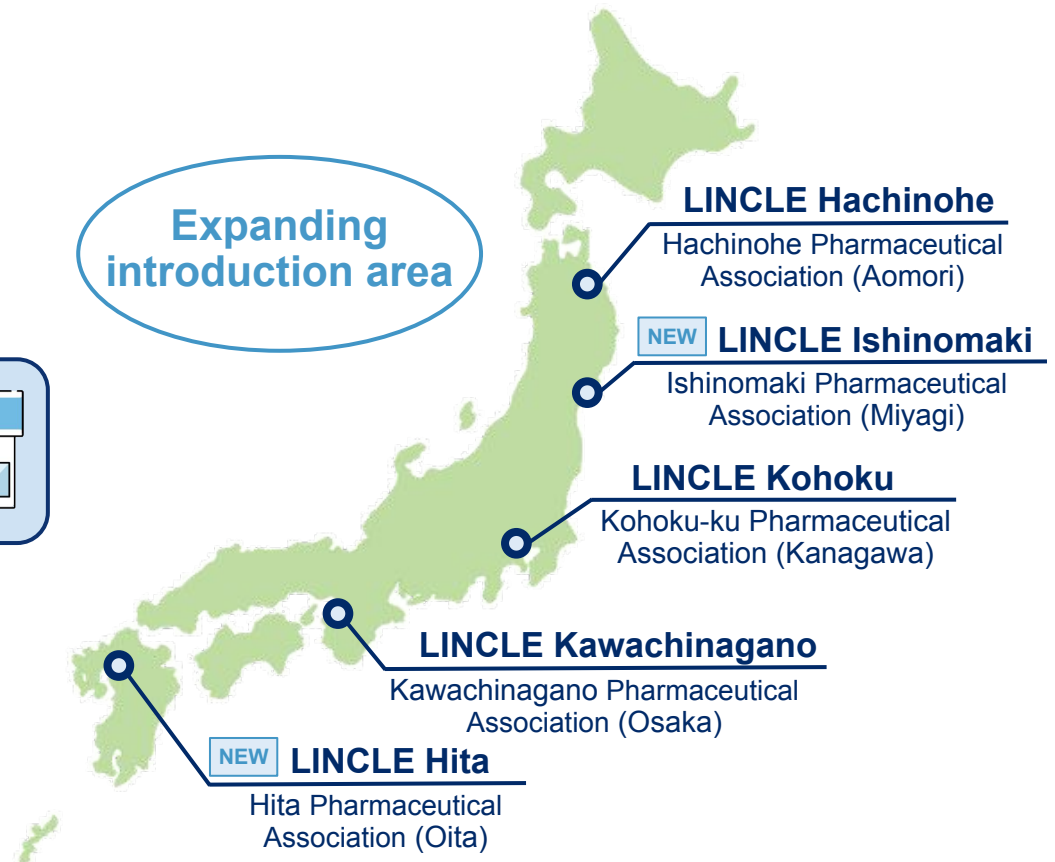
Latest data



Enable to provide pharmaceuticals without
keeping patients waiting.



Expanding
introduction area





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Nanohana Pharmacy new commercial
now on view!



[Here is a link to
YouTube](#)

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