

Interim of Fiscal Year Ending March 2026 Financial results briefing materials

MEDICAL SYSTEM NETWORK Co., Ltd.

(Securities Code: 4350)



Notice regarding the formulation of a long-term vision and the redesign of financial results presentation materials

On October 24, 2025, our group formulated its long-term vision, “*Machino Akari Vision 2035*”.

In line with this, we have also revised the design of our financial results presentation materials to align with our long-term vision materials.

For additional context to this document, we kindly ask that you also refer to the long-term vision materials.



<https://www.msnw.co.jp/ir/management/vision/>

*Japanese only

Note: *Machino Akari* = A beacon of light in the community

Earnings Highlights

Net sales reached a record high for the 2Q (interim)

Operating profit increased 125% YoY. Both sales and profits increased

Net Sales

63.86 billion yen

^{*}
Progress rate : 50.9 %

YoY change

+ 6.9 %

(**+4.1 billion yen**)

- ◆ Saw contributions from newly opened pharmacies in the previous fiscal year in the Community Pharmacy Business.
- ◆ Steady expansion of business partners base for the pharmaceutical manufacturing and sales division and our newly formed pharmaceutical logistics division (commenced operations in the previous fiscal year).

Operating Profit

1.28 billion yen

^{*}
Progress rate : 37.8 %

YoY change

+ 25.1 %

(**+0.25 billion yen**)

- ◆ Starting from our Pharmaceutical Network Division, business levels supported by our Pharmacy Support Divisions are steadily expanding.

* Percentage of progress toward the full-year earnings forecast at the end of the 2Q (interim)

KPI Highlights

Community Pharmacy	No. of New Pharmacy Openings Confirmed	17	Plan Achievement Rate	Annual Plan
			68.0 %	25
	No. of medical institutions confirmed for recruitment	17	Plan Achievement Rate	Annual Plan
			170.0 %	10

Pharmacy Support Businesses

Pharmaceuticals Network	No. of affiliates	11,511	YoY	+ 10.3 %	Annual Plan	12,000
Digital Shift	No. of installed pharmacies	6,339	YoY	+ 13.7 %	Annual Plan	6,850
Manufacture and Market Pharmaceuticals	No. of transacting pharmacies*	7,823	YoY	+ 37.2 %	Annual Plan	9,000
Pharmaceutical Logistics	No. of transacting pharmacies	3,064		—	Annual Plan	3,700

— Contents of This Document —

Chapter 1	Business Performance	6
Chapter 2	Core Strategies Business Summary	13
Chapter 3	Earnings Forecast for FY3/2026 Interim Dividend	21

Chapter 1

Business Performance



FY3/2026 Interim : Consolidated Results

Both sales and profits at each level exceeded the same period last year and our initial plan.

(Unit: million yen) The second line is profit margin	FY3/2025 Interim (Results)	FY3/2026 Interim (Results)	YoY Change (%)	FY3/2026 (Forecast)	Progress rate	FY3/2026 Interim (Progress rate vs. forecast)
Net Sales	59,761	63,863	+ 6.9%	125,500	50.9%	+ 4.7%
EBITDA *	2,697 4.5%	2,993 4.7%	+ 11.0%	6,890 5.5%	43.4%	+ 7.7%
Operating Profit	1,027 1.7%	1,286 2.0%	+ 25.1%	3,400 2.7%	37.8%	+ 22.5%
Ordinary Profit	1,020 1.7%	1,215 1.9%	+ 19.1%	3,200 2.5%	38.0%	+ 35.1%
Profit attributable to owners of parent	207 0.3%	452 0.7%	+ 118.6%	1,300 1.0%	34.8%	+ 96.7%
Earnings per share (Yen)	7.08	15.48	—	44.48	—	—

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

FY3/2026 Interim : Results by Segment

■ Net Sales

	(Unit: million yen)	FY3/2025 Interim (Results)	FY3/2026 Interim (Results)	Change	Change (%)
Net Sales		59,761	63,863	+ 4,102	+ 6.9%
Community Pharmacy Network Segment *		57,074	61,407	+ 4,333	+ 7.6%
Leasing and Facility Related Segment Meals Catering Segment Home Visit Nursing Segment		3,081	2,787	(293)	(9.5)%
Adjustments		(394)	(331)	+ 62	—

■ Operating Profit

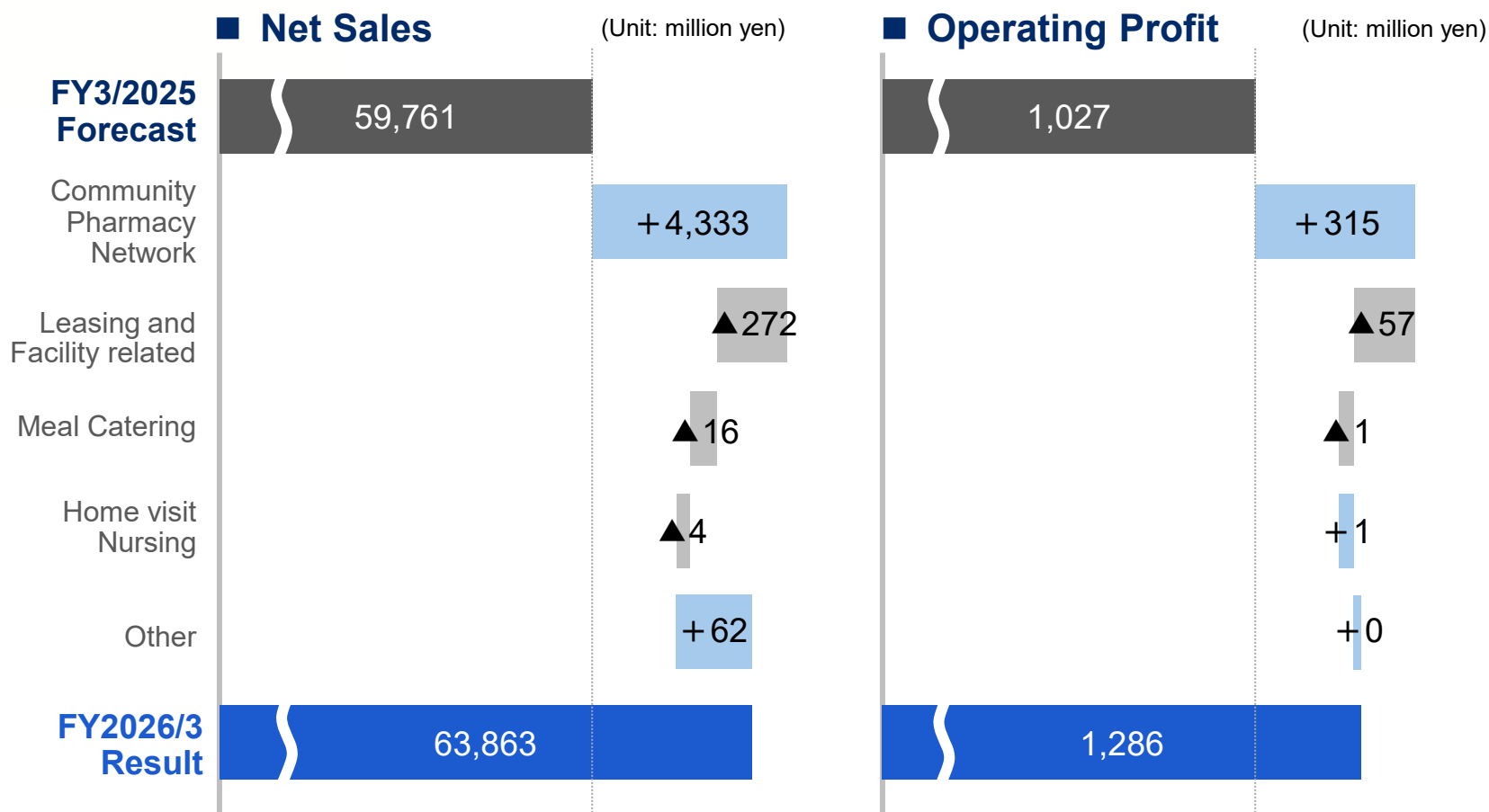
(Unit: million yen) The second line is Profit Margin

Segment Profit		1,027 1.7%	1,286 2.0%	+ 258 + 0.3pt	+ 25.1%
Community Pharmacy Network Segment *		2,241 3.9%	2,557 4.2%	+ 315 + 0.2pt	+ 14.1%
Leasing and Facility Related Segment Meals Catering Segment Home Visit Nursing Segment		79 2.6%	22 0.8%	(57) (1.8)pt	(72.3)%
Adjustments		(1,293) —	(1,292) —	+ 0 —	—

* Community Pharmacy Business, Pharmacy Support Businesses(Pharmaceutical Network Business, Digital Shift Business, Manufacture and Market Pharmaceuticals Business, Pharmaceutical Logistics Business)

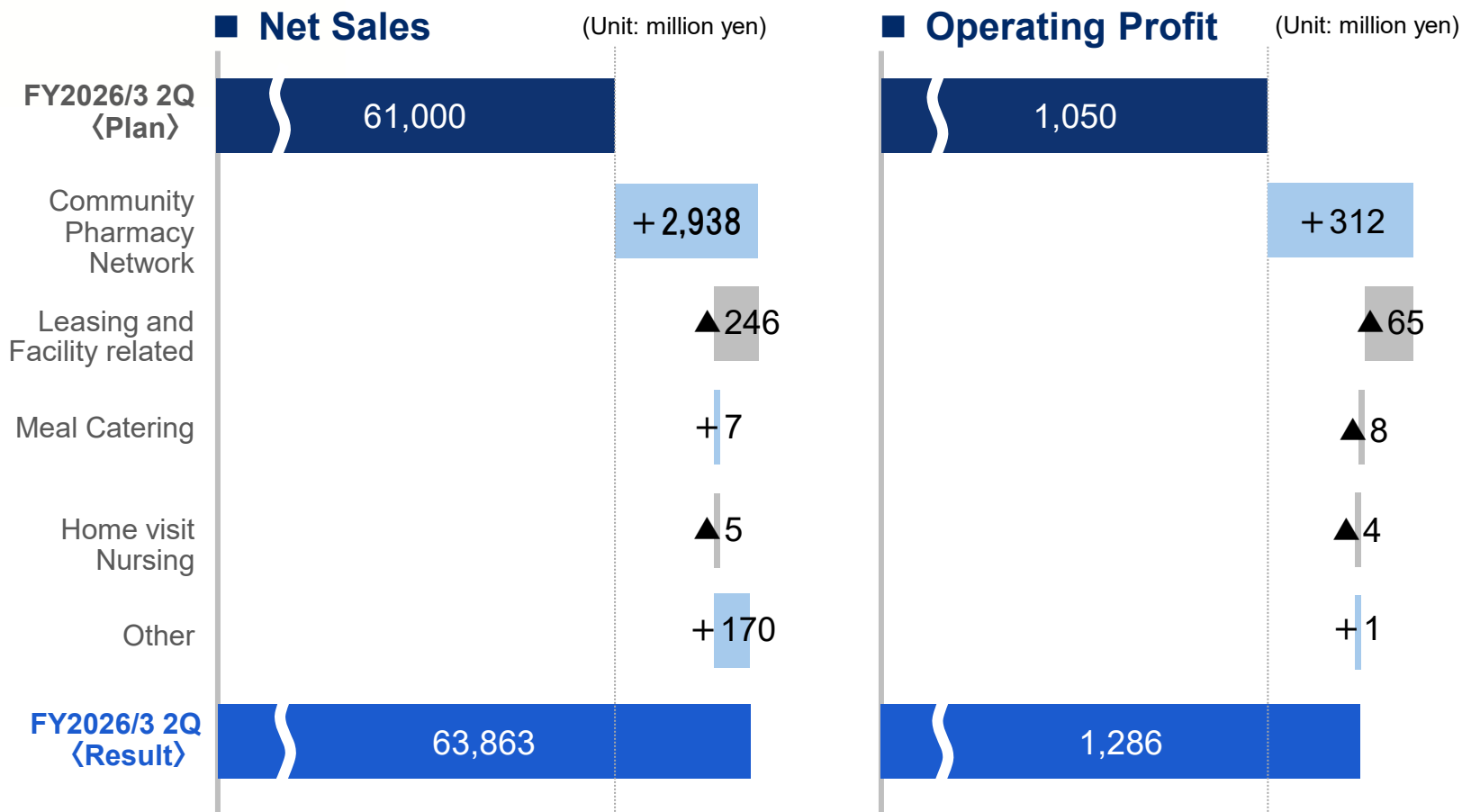
FY3/2026 Interim : Comparison to previous FY

The Pharmaceutical Network Business and other Pharmacy Support Business expanded their client base, leading to increased revenue and profits.



FY3/2026 Interim : Comparison to Forecast

Prescription unit prices remained above planned levels, resulting in both sales and profits exceeding initial projections.



FY3/2026 Interim – Consolidated Balance Sheet

As profits increased, the equity ratio rose slightly.

(Unit: million yen)	End of FY3/2025	End of FY3/2026 Interim	From the end of the previous FY
Assets	70,586	71,108	+ 521
Current assets	22,627	22,494	(132)
Cash and deposits	8,461	6,464	(1,997)
Fixed assets	47,959	48,613	+ 653
Goodwill	9,063	9,116	+ 53
Liabilities	54,241	54,480	+ 239
Current liabilities	24,377	26,769	+ 2,392
Short-term loans*	6,184	9,196	+ 3,011
Fixed liabilities	29,863	27,710	(2,152)
Long-term loans	18,085	15,799	(2,285)
Net assets	16,345	16,627	+ 281
Equity ratio	23.0%	23.2%	+ 0.2pt

▸ Reviewing cash positions to an appropriate level with the aim of improving capital efficiency

▸ Increase in working capital

▸ Reduction due to repayment

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

FY3/2025 Interim – Consolidated Cash Flows

Operating cash flow decreased due to an increase in accounts receivable resulting from curbing debt securitization.

(Unit: million yen)	FY3/2025 Interim	FY3/2026 Interim	YoY
Cashflows from operating activities	517	259	(257)
Cashflows from investing activities	(785)	(2,486)	(1,700)
Cashflows from financing activities	685	260	(425)
Net Increase/Decrease in Cash and Cash Equivalents	416	(1,966)	(2,383)
Cash and cash equivalents at the beginning of the year	8,242	8,431	+ 188
Cash and cash equivalents at the end of the interim	8,659	6,464	(2,195)

■ YoY change factors

(Unit: million yen)

Operating Cash Flow	(257)
EBITDA [*]	+ 295
Payment of income taxes	+ 207
Changes in working capital	(771)
Investment Cash Flow	(1,700)
Opening of new pharmacies costs	(481)
Proceeds from transfer of business	(1,533)
Financial Cash Flow	(425)
Change in Loan Amount	(398)
Repayment of lease obligations	(25)

^{*} Calculated by "operating profit + depreciation + amortization of goodwill"



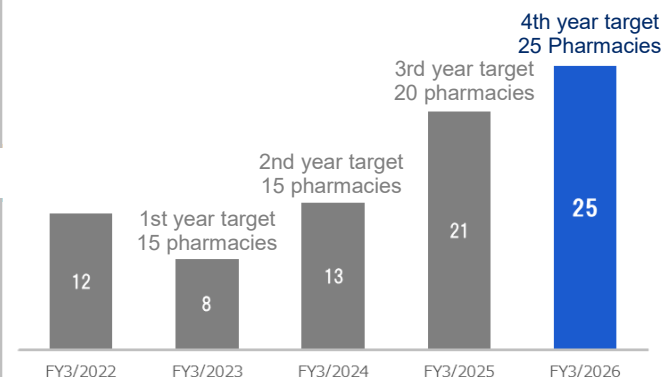
Chapter 2

Core Strategies • Business Summary

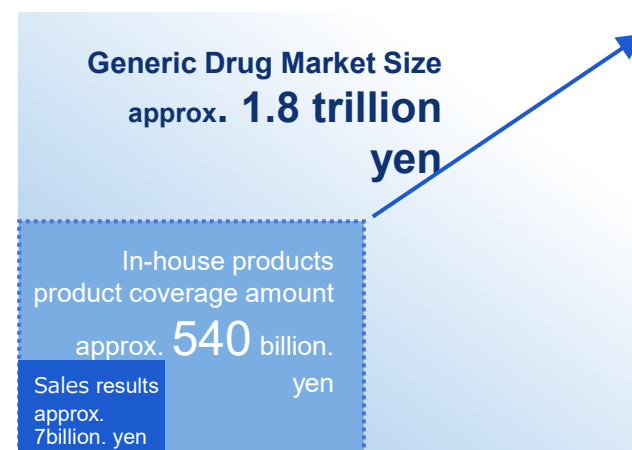
Core Strategies for the FY3/2026

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)
	Digital Shift Business	<ul style="list-style-type: none"> Onboarded pharmacies 6,850 by the end of March 2026 (+830) Continued enhancement of functionality
	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		<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)
Meal Catering Segment, Home Visit Nursing Segment		<ul style="list-style-type: none"> Measures against inflation and raising the breakeven point Review of unprofitable divisions
Finance, ESG and Health Management		<ul style="list-style-type: none"> Company-wide implementation of cost control Ensure profitability and strengthen capital base

【Pharmacies openings and target number of pharmacies】



【Generic drug purchases by network affiliates】



Community Pharmacy Business – Trends in No. of Pharmacies

During the second fiscal quarter(July-September 2025), acquired 7 pharmacies through M&A.

■ In-house development

	Forecasted No *	Full Year Plan
No. of openings	17 ₍₇₎	25
No. of prospects connected to Medical Institutions	17 ₍₁₃₎	10

* Actual results of pharmacy openings and tenant recruitment completed as of September 30, 2025

■ M&A



(7/1/2025)
Nanahoshi Pharmacy Yumegaoka
Acquisition of Business
1 pharmacy
(Kanto / Koshinetsu)

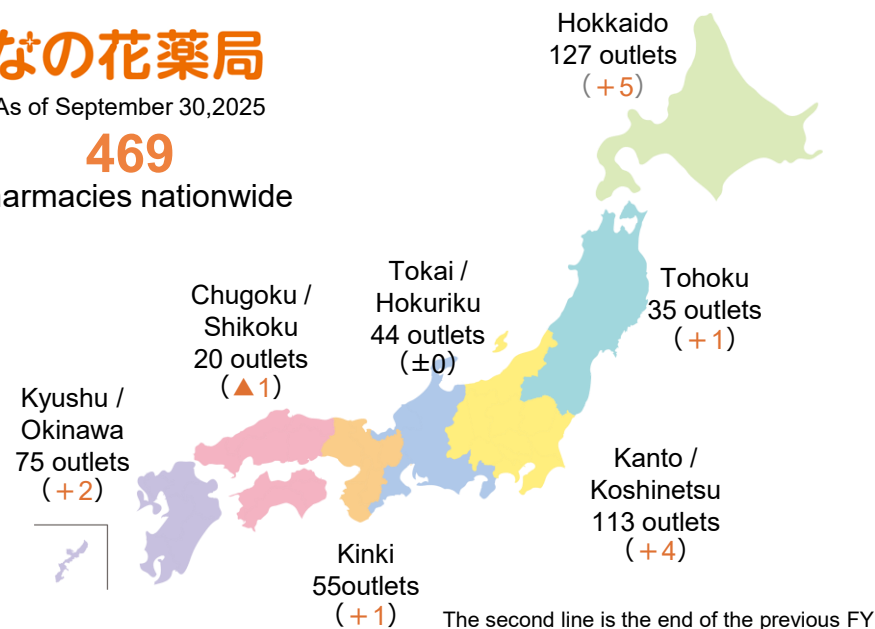


(8/27/2025)
Climber Co., Ltd.
Stock transfer
5 pharmacies
(Hokkaido)



(9/1/2025)
Subaru Pharmacy
Acquisition of Business
1 pharmacy
(Kyushu / Okinawa)

なの花薬局
As of September 30, 2025
469
pharmacies nationwide



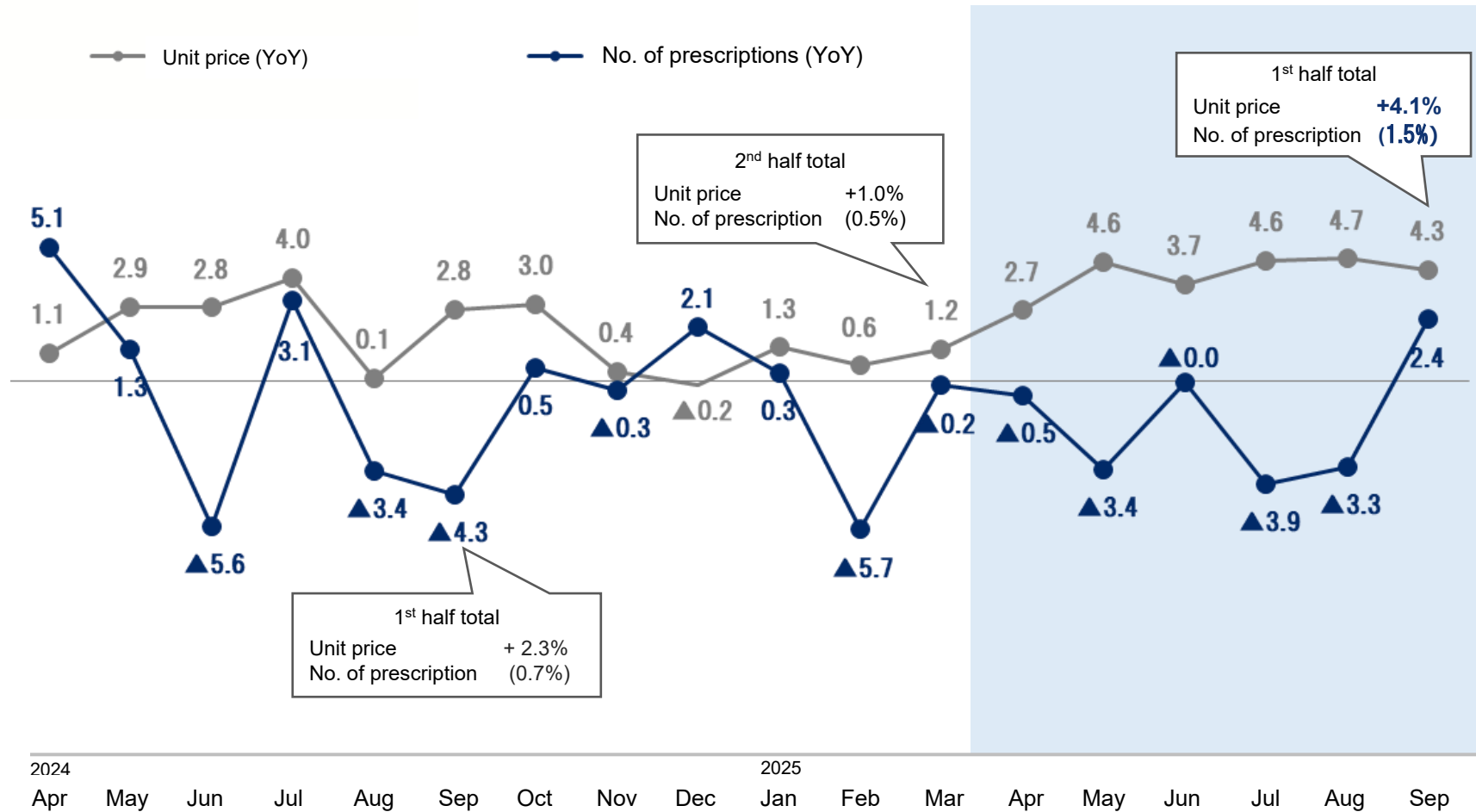
	FY3/2017	FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025	FY3/2026 Interim
Openings	8	8	5	8	7	12	8	13	21	7
Closing and transferring	▲ 4	▲ 5	▲ 14	▲ 15	▲ 13	▲ 6	▲ 7	▲ 9	▲ 15	▲ 3
M&A	20	19	30	3	6	3	2	18	1	8
No. of outlets	377	399	420	416	416	425	428	450	457	469



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

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

■ All pharmacies		FY3/2025 Interim	FY3/2026 Interim	Change	Change (%)
No. of prescriptions (1,000)		4,947	5,003	+ 56	+ 1.1%
Unit price (yen)	Drug charge per prescription	7,828	8,080	+ 253	+ 3.2%
	Technical fee per prescription	2,400	2,503	+ 103	+ 4.3%
	Total	10,228	10,583	+ 355	+ 3.5%
Dispensing fee (million yen)		50,600	52,957	+ 2,357	+ 4.7%

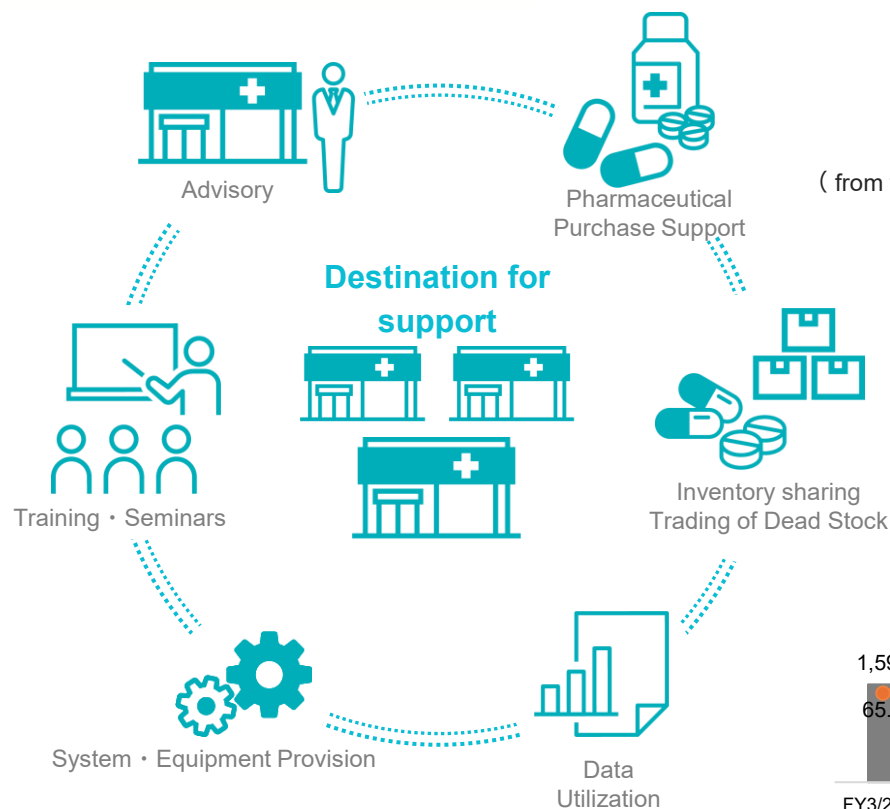
■ Existing pharmacies

No. of prescriptions (1,000)		4,846	4,773	(72)	(1.5%)
Unit price (yen)	Drug charge per prescription	7,779	8,083	+ 304	+ 3.9%
	Technical fee per prescription	2,403	2,518	+ 115	+ 4.8%
	Total	10,183	10,601	+ 419	+ 4.1%
Dispensing fee (million yen)		49,347	50,605	+ 1,258	+ 2.5%

Pharmaceuticals Network Business

Comprehensively supporting pharmacy operations to achieve both contributions to community healthcare and stable pharmacy management

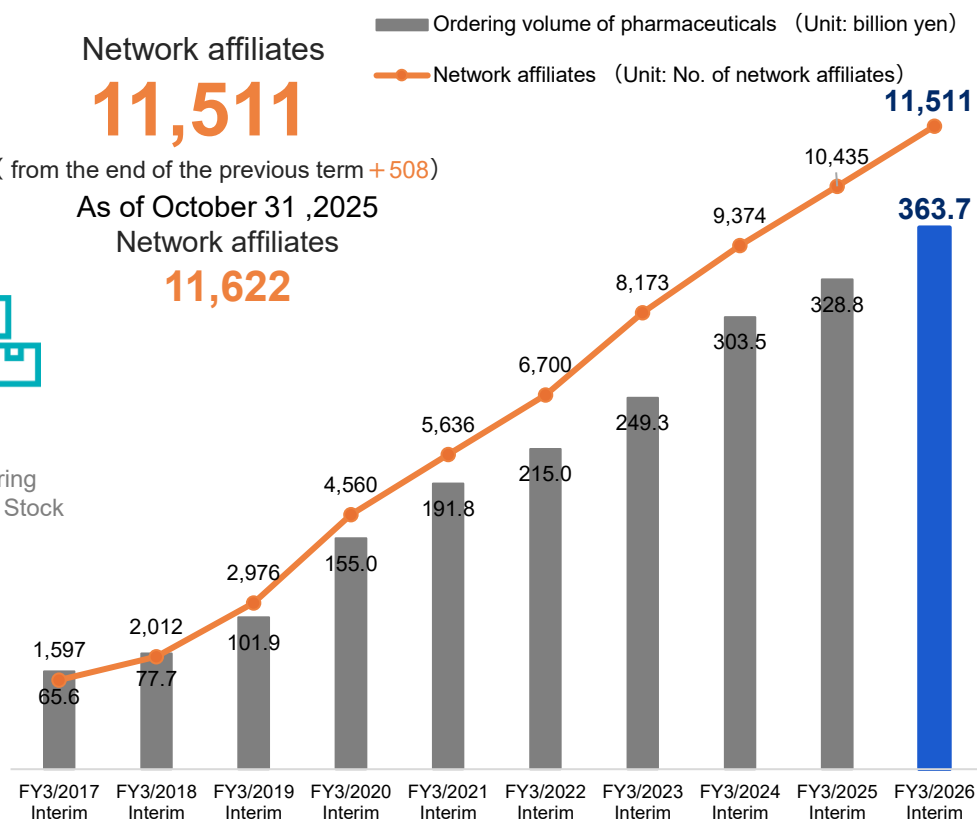
Providing comprehensive support for the complex peripheral tasks associated with pharmacy operations to achieve operational efficiency and cost reduction. Creating an environment where pharmacy staff can focus on patient care, leading to the provision of high-quality medical services.



Network affiliates
11,511
(from the end of the previous term +508)

As of October 31 ,2025
Network affiliates


11,622





Digital Shift Business


From sending prescriptions to pharmacies to medication consultations and managing your medication record book (all accessible through LINE), we are providing this service as pharmacy-focused SaaS


Service Menu

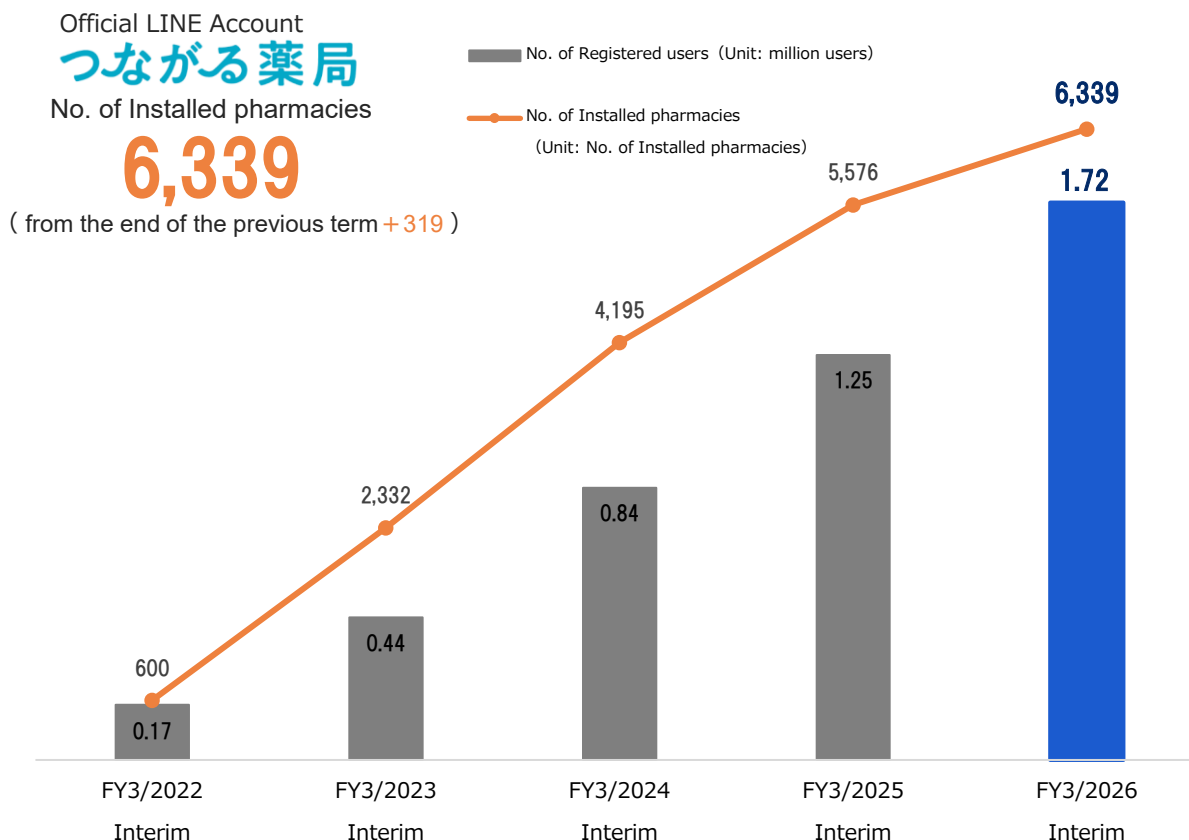
**Send prescriptions via LINE**

**Medication Record Book**
Manage your family's medication information with one LINE account

**Consult a pharmacy**
Feel free to consult us via LINE anytime you have concerns about your medication or health.

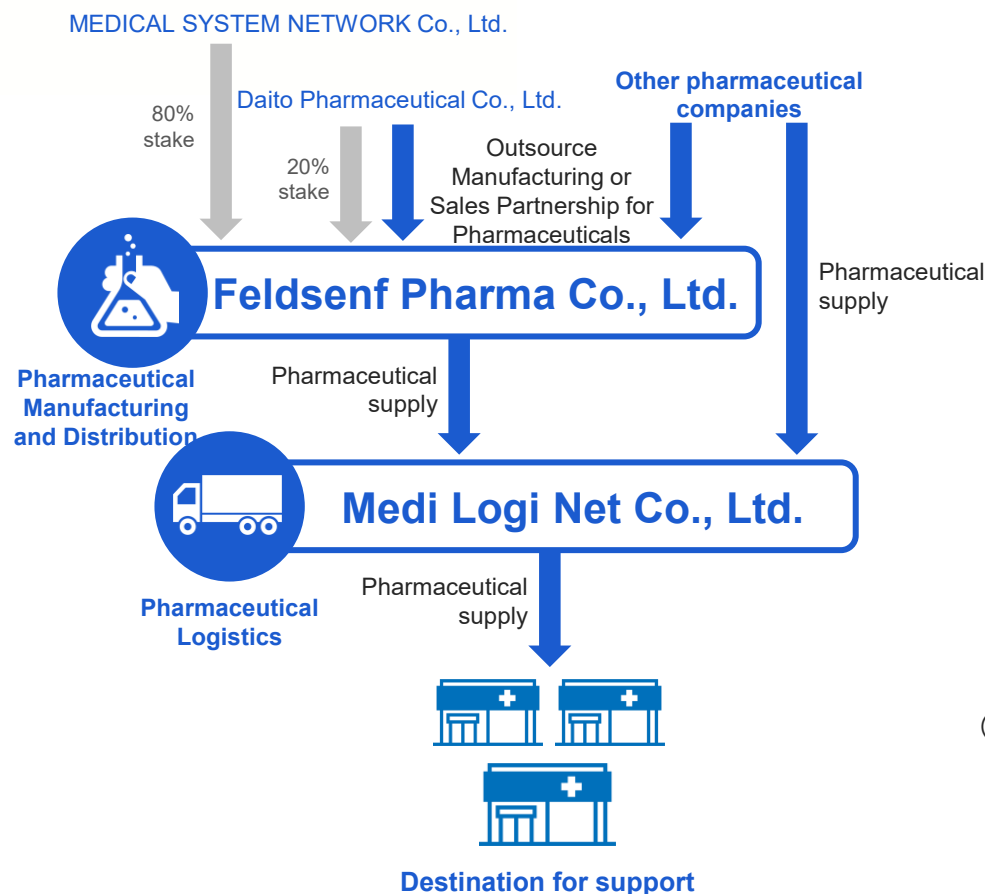
**Online Medical Instruction**

**Medical Questionnaires**
The medical questionnaire can be filled out via LINE

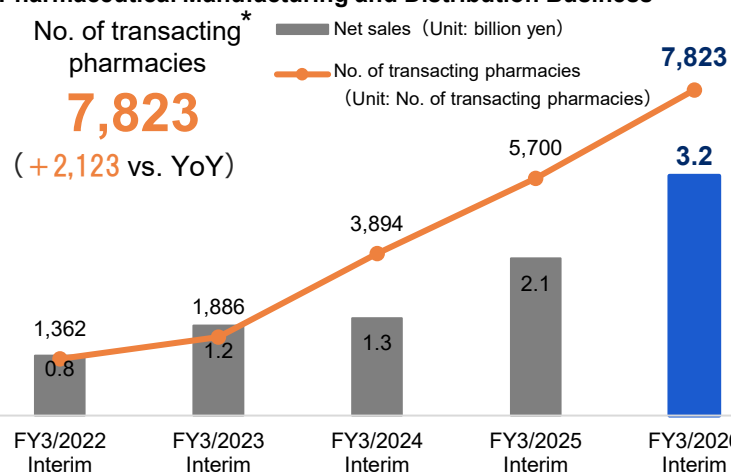


Pharmaceutical Manufacturing and Distribution Business / Pharmaceutical Logistics Business

Contributing to people's healthy lives through the realization of safe and efficient pharmaceutical distribution

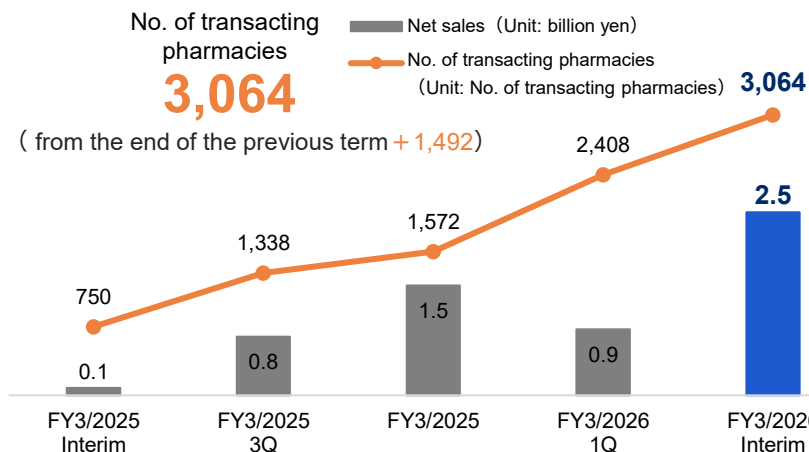


■ Pharmaceutical Manufacturing and Distribution Business



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

■ Pharmaceutical Logistics Business



Chapter 3

Earnings Forecast for FY3/2026 Interim Dividend

Earnings Forecast for the FY3/2025 – Consolidated Forecast

We implemented a wage increase for the fiscal year ending March 2026. That said, we anticipate increased revenue and profits through the expansion of Pharmaceutical Network membership, increase in the number of prescriptions, and the promotion of generic drugs.

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

■ 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) —	—

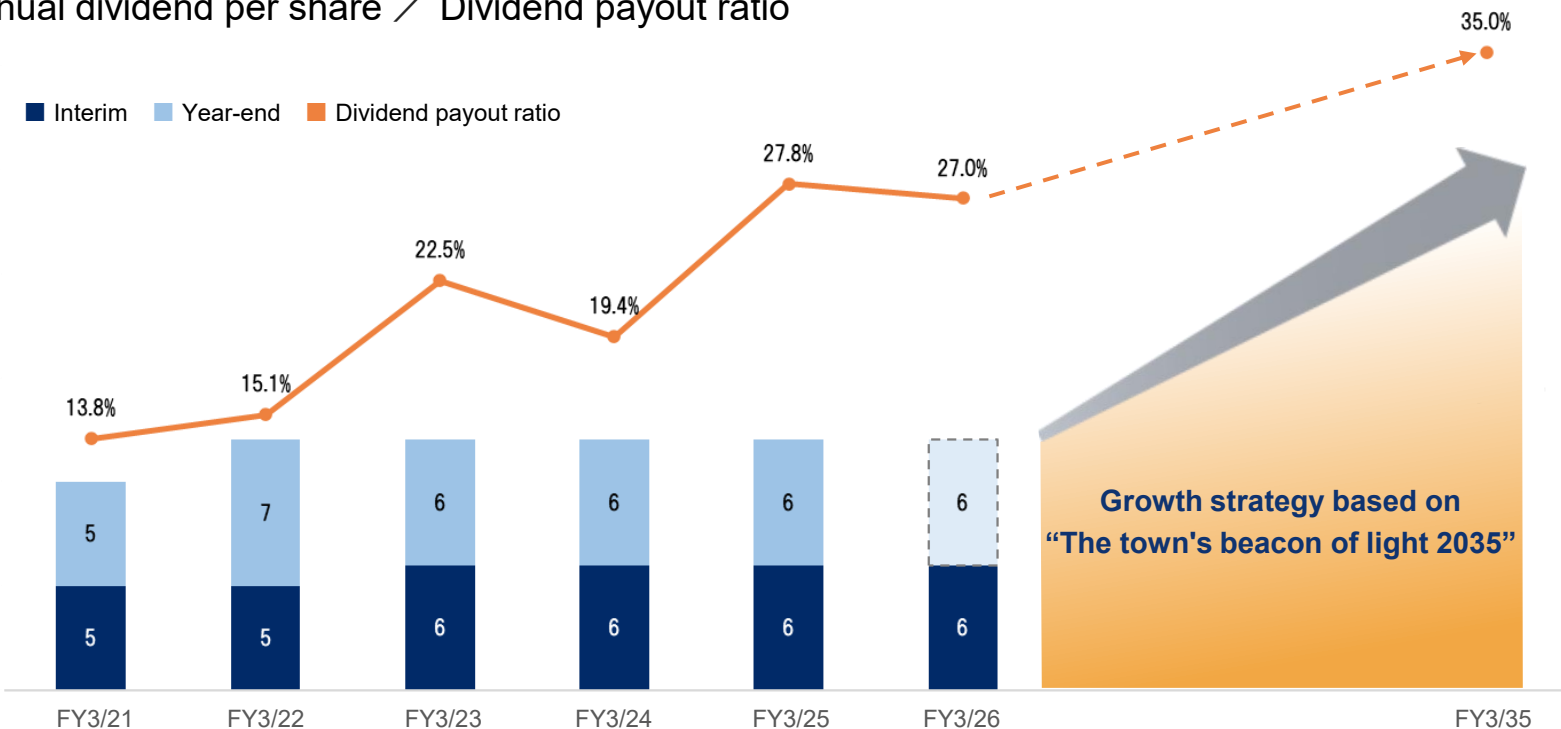
* Community Pharmacy Business, Pharmacy Support Businesses(Pharmaceutical Network Business, Digital Shift Business, Manufacture and Market Pharmaceuticals Business, Pharmaceutical Logistics Business)

Interim dividends

The company will maintain sufficient internal reserves necessary for business expansion, human resource development, and strengthening its financial position, while gradually increasing its dividend payout ratio in line with the outlined growth trajectory.

FY 3/26 interim dividend Dividend per share: 6 yen (Payment: December 8, 2025)

■ Annual dividend per share / Dividend payout ratio



Long-Term Vision

On October 24, 2025, the “*Machino Akari Vision 2035*”^{*} was announced.

<https://www.msnw.co.jp/ir/management/vision/> *Japanese only

Three Key Fields for Realizing Our Vision

Medical field 〈 B to C 〉

Community pharmacies, Home-visit nursing,
Meal catering, Senior housing with services

Connecting healthcare and daily life,
we support our community with
expertise and cutting-edge technology,
creating new pharmacy value.

Medical support field 〈 B to B to C 〉

Pharmaceutical Network, Digital Shift

Supporting 60,000 pharmacies in Japan
with diverse services that create value
for both pharmacies and patients

Medical supply field 〈 B to B 〉

Pharmaceutical manufacturing and sales,
Pharmaceutical logistics

Medisys Network promotes the
efficient distribution and stable
supply of pharmaceuticals,
contributing to the enhancement of
value for society as a whole.

Management foundation supporting the business

Digital Transformation Strategy

Improving medical access, enhancing
the quality of pharmaceutical care,
streamlining operations, and advancing
management quality through advanced
technology

Human Resources Strategy

Developing empathetic employees who
meet genuine needs
Promoting diversity and enhancing job
satisfaction

Financial Strategy

Promoting strategic investments with a
clear focus on capital efficiency and
shareholder value

Based on *Machino Akari*^{*} *Vision 2035*, we are currently formulating our next (7th) mid-term management plan.
The Seventh Mid-Term Management Plan is scheduled for release in May 2026.

* A beacon of light in the community



MEDICAL SYSTEM
NETWORK GROUP

Appendix



Company Overview

Company name	Medical System Network Co., Ltd.
establish	September 16, 1999
Capital	2,128 million yen (as of March 31, 2025)
Representative	Representative Director Inao Tajiri
Business Activities	Community Pharmacy Business Leasing and Facility-related Business Meal Catering Business Home-visit nursing care Business Pharmaceutical Network Business Digital Shift Business Manufacture and Market Pharmaceutical Business Pharmaceutical Logistics Business
Number of employees	5,055 people (as of the end of March 2025, consolidated)
Headquarters Address	〒060-0010 3-chome, Kita 10-jo Nishi 24-chome, Chuo-ku, Sapporo AKK Building



Group Companies and Business Fields

Company Name	Segmentation	Business Fields	Business Description	Ownership ratio
Medical System Network Co., Ltd.	Community Pharmacy Network Segment	Medical support field	Pharmaceutical Network	—
	Leasing and Facility-related Segment	Medical field	Leasing and Facility-related	
	Other Segment		Home-visit nursing care	
Hokkaido Institute for Pharmacy Benefit Co., Ltd.	Community Pharmacy Network Segment	Medical field	Data Analysis / Book Publication	100.0%
Nanohana Hokkaido Co., Ltd.	Community Pharmacy Network Segment	Medical field	Community pharmacy	100.0%
Nanohana Tohoku Co., Ltd.	Community Pharmacy Network Segment	Medical field	Community pharmacy	100.0%
Nanohana East Japan Co., Ltd.	Community Pharmacy Network Segment	Medical field	Community pharmacy	100.0%
Nanohana Central Co., Ltd.	Community Pharmacy Network Segment	Medical field	Community pharmacy	100.0%
Nanohana West Japan Co., Ltd.	Community Pharmacy Network Segment	Medical field	Community pharmacy	100.0%
Nanohana Kyusyu Co., Ltd.	Community Pharmacy Network Segment	Medical field	Community pharmacy	100.0%
	Meal Catering Segment		Meal Catering	
Sakura Foods Co., Ltd.	Meal Catering Segment	Medical field	Meal Catering	100.0%
Paltecno Co., Ltd	Leasing and Facility-related Segment	Medical field	Leasing and Facility-related	100.0%
PharmaShift Co., Ltd.	Community Pharmacy Network Segment	Medical support field	Digital Shift	100.0%
Feldsenf Pharma Co., Ltd.	Community Pharmacy Network Segment	Medical supply field	Manufacture and Market Pharmaceutical	80.0%
Medi Logi Net Co., Ltd.	Community Pharmacy Network Segment	Medical supply field	Pharmaceutical Logistics	100.0%
Agrimas Corp. *	—	Medical field	Preventive Care Day Service	77.7%

* Not included in consolidated financial statements

Glossary

Appendix	—	Meaning of “Supplement” and “Attachment”	P26
B to B	Business to Business	Transactions conducted between businesses	P25
B to B to C	Business to Business to Consumer	A business model where companies deliver goods and services to general consumers through other companies.	P25
B to C	Business to Consumer	A business model where companies provide goods and services directly to individual consumers.	P25
DX	Digital Transformation	Using digital technologies to transform business models and processes, and to strengthen competitiveness.	P25
M&A	Mergers and Acquisitions	—	P12,15
SaaS	Software as a Service	Software provided via the Internet by service providers	P19

Glossary

Medical Mind	In our definition, this is a mindset where one aims to light the “The town's beacon of light ” with the resolve of a healthcare professional to ensure the well-being of “everyone” – with dedication to contributing to the community overall.	P14
Medical Mall	A facility where several clinics and pharmacies are located within a single building or on the same premises	P14
Area Network	A network to share inventory information, coordinate home care services, conduct joint training, and facilitate personnel exchanges at the community level as part of integrated community care	P14
Cash position	Terms indicating the “amount” or “status” of cash and cash equivalents held	P11,12
Express Delivery	—	P14
Generic Drugs	Generic Drugs are manufactured and sold using the same active ingredient after the patent for the original brand-name drug expires, following review to ensure they are equivalent in quality, efficacy, and safety	P14,22
Asset Securitization	A method of transferring “receivables” such as accounts receivable and notes receivable to a special purpose company (SPC) or similar entity, and raising funds backed by those receivables	P12
Financial condition	Basic Fiscal Situation	P24
Dividend payout ratio	An indicator showing what percentage of a company's profits is returned to shareholders as dividends	P24
Pharmaceutical Care	A series of care measures performed by pharmacists based on their drug expertise to optimize patients' medication therapy	P25

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>



MEDICAL
SYSTEM
NETWORK
GROUP

MEDICAL SYSTEM NETWORK Co., Ltd.

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

MSNW

検索

[Contact us] Corporate Management Division E-mail : info@msnw.co.jp