

MEDICAL SYSTEM NETWORK Co., Ltd.

Fiscal Year Ending March 2026

Financial Results Presentation Materials • The 7th Mid-Term Management Plan

Tokyo Stock Exchange, Standard Market; Stock Code: 4350



Financial Highlights

Despite factors such as rising labor costs and a decline in patients with acute illnesses, the number of pharmacies receiving our support services has steadily increased, leading to higher revenue and profits.

Net Sales
132.18 billion yen

Achievement Rate :
105.3 %

YoY change

+ 8.0 %

(+9.79 billion yen)

- ◆ Saw contributions from new pharmacies opened in the previous term within the community pharmacy division
- ◆ Steady expansion of business partners base for the pharmaceutical manufacturing and sales division and the pharmaceutical logistics division (commenced operations in the previous fiscal year).

Operating Profit
3.31 billion yen

Achievement Rate :
97.4 %

YoY change

+ 5.0 %

(+150 million yen)

- ◆ Activities supported by our pharmacy support businesses, including the Pharmaceutical Network business, are steadily expanding.
- ◆ Profitability has improved in the pharmaceutical logistics division (commenced operations in the previous fiscal year)

KPI Highlights

Community Pharmacy	Number of stores opened in the previous period	21	▶	Number of new store openings	17	Plan Achievement Rate	68.0 %	Annual Plan	25
	Number of facilities engaged in the previous period	10	▶	Number of medical facilities attracted	17	Plan Achievement Rate	170.0 %	Annual Plan	10

Pharmacy Support Businesses

Pharmaceuticals Network	Number of items at the end of the previous period	11,003	▶	No. of affiliates	12,003	Compared to the end of the previous period	+9.1 %	Annual Plan	12,000
Digital Shift	Number of stores at the end of the previous period	6,020	▶	No. of installed pharmacies	6,658	Compared to the end of the previous period	+10.6 %	Annual Plan	6,850

Manufacture and Market Pharmaceuticals	Number of stores in the previous period	7,181	▶	No. of transacting Pharmacies※	9,082	Compared to the previous period	+26.5 %	Annual Plan	9,000
Pharmaceutical Logistics	Number of stores in the previous period	1,572	▶	No. of transacting pharmacies	3,690	Compared to the end of the previous period	+134.7 %	Annual Plan	3,700

* Number of stores with which transactions occurred from April onward each year

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Chapter 1

Business Performance

Fiscal Year Ending March 2026 – Link to Financial Results

(Unit: million yen) (Profit margins are shown in parentheses)	FY3/2025 (Results)	FY3/2026 (Forecast)	FY3/2026 (Results)	Compared to the previous period		Compared to the full-year forecast	
				Change	Change(%)	Difference	Difference(%)
Net Sales	122,387	125,500	132,186	+ 9,798	+ 8.0%	+ 6,686	105.3%
EBITDA *	6,569 5.4%	6,890 5.5%	6,730 5.1%	+ 161 (0.3pt)	+ 2.5%	(159) (0.4pt)	97.7%
Operating Profit	3,154 2.6%	3,400 2.7%	3,313 2.5%	+ 159 (0.1pt)	+ 5.0%	(86) (0.2pt)	97.4%
Ordinary Profit	3,162 2.6%	3,200 2.5%	3,193 2.4%	+ 31 (0.2pt)	+ 1.0%	(6) (0.1pt)	99.8%
Net income attributable to shareholders of the parent company	1,262 1.0%	1,300 1.0%	1,070 0.8%	(191) (0.2pt)	(15.2%)	(229) (0.2pt)	82.4%
Earnings per share(yen)	43.20	44.48	36.64	(6.55)	—	(7.84)	—

Key Initiatives for the March 2026 Term

Career	Key Initiatives and Targets for the Current Fiscal Year	Result	Rating
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 	<ul style="list-style-type: none"> Number of prescriptions Existing stores: Compared the previous period (1.7%) Store-wide: Compared to the previous period +1.9% New store openings: 17; Engagements : 17 	△
(Pharmacy Support Businesses)			
Community Pharmacy Network Segment	<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) 	<ul style="list-style-type: none"> Number of franchise applications: 12,003 (+1,000) Compliance with the Distribution Improvement Guidelines Seminar on Preparing for the Revision of Pharmacy Reimbursement Rates: A total of 6,806 pharmacies participated Expansion of the "LINCLE Local Edition" Prescription Data Sharing 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 	<ul style="list-style-type: none"> Number of stores with the system installed: 6,658 (+638) Number of friends: 2.09 million (+630,000) 	△
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) 	<ul style="list-style-type: none"> Revenue increased significantly: up 37.2% from the previous quarter Number of participating stores: 9,082 (+1,901) 	○
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) 	<ul style="list-style-type: none"> Revenue tripled Number of participating stores: 3,690 (+2,118) 	○
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) 	<ul style="list-style-type: none"> Wisteria occupancy rate: 89.9% (-0.3 % pt) 	△
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 	<ul style="list-style-type: none"> The impact of rising prices was significant, and we were unable to raise the break-even point. 	△
Finance, ESG and Health Management	<ul style="list-style-type: none"> Company-wide implementation of cost control Ensure profitability and strengthen capital base 	<ul style="list-style-type: none"> Although we achieved an increase in profits, we fell short of our target 	△

FY3/2026 : Results by Segment

■ Net Sales

	FY3/2025 (Results)	FY3/2026 (Forecast)	FY3/2026 (Results)	YoY		Full Year Forecast	
				Change	Change (%)	Difference	Difference(%)
Net Sales	122,387	125,500	132,186	+ 9,798	+ 8.0%	+ 6,686	105.3%
Community Pharmacy Network Segment *	116,968	120,099	127,180	+ 10,212	+ 8.7%	+ 7,080	105.9%
Leasing and Facility Related Segment Meals Catering Segment Home Visit Nursing Segment	6,171	6,226	6,005	(165)	(2.7%)	(220)	96.5%
Adjustments	(751)	(826)	(999)	(247)	—	(173)	—

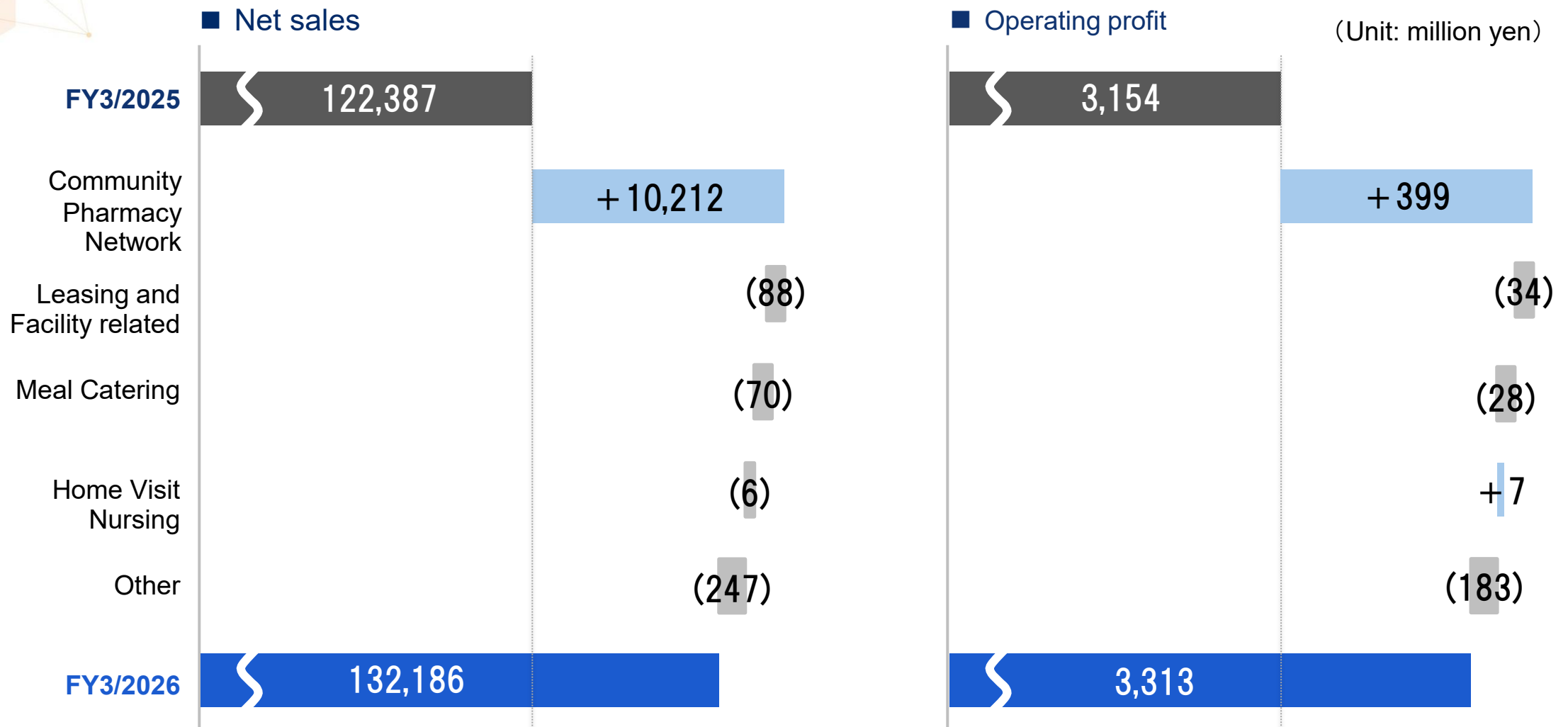
■ Operating Profit

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

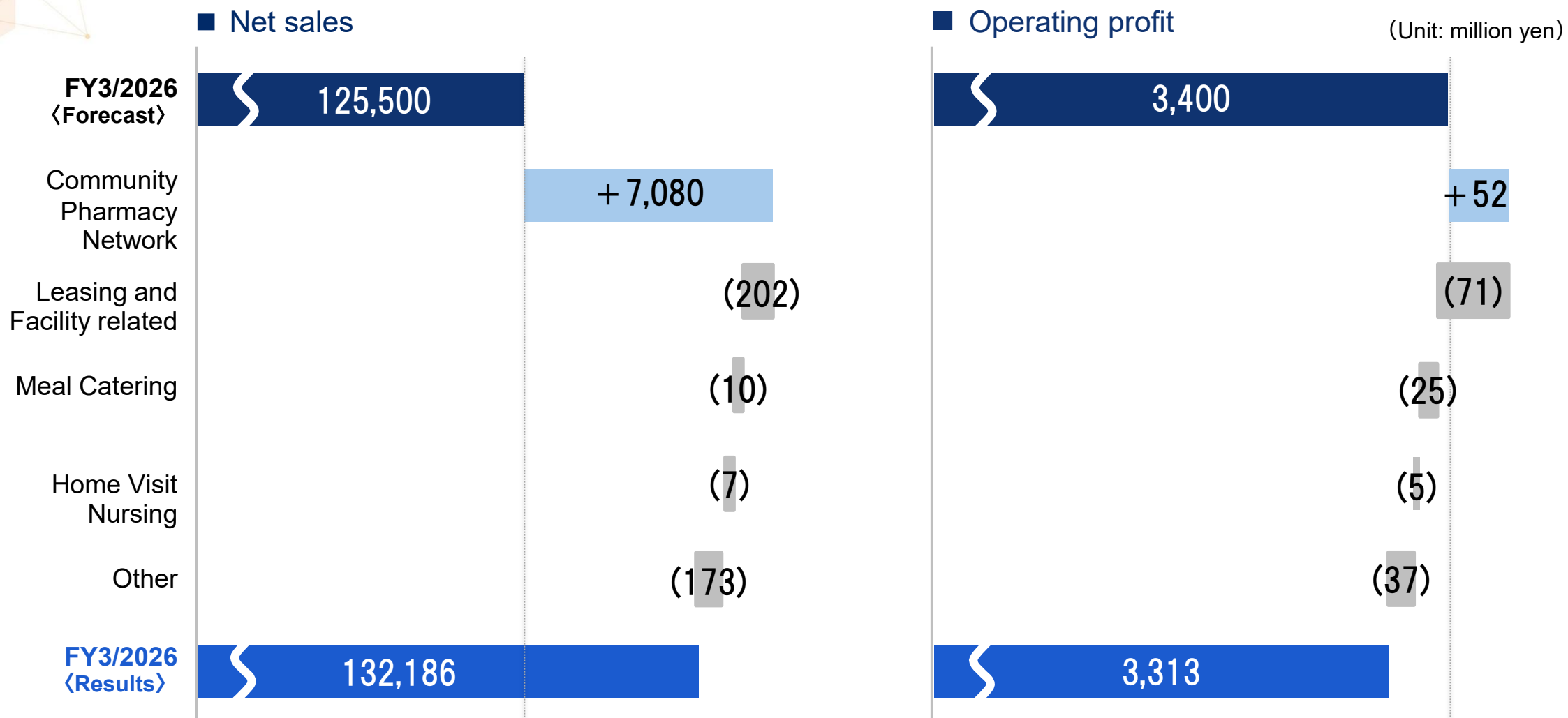
Segment Profit	3,154 2.6%	3,400 2.7%	3,313 2.5%	+ 159 (0.1pt)	+ 5.0%	(86) (0.2pt)	97.4%
Community Pharmacy Network Segment *	5,626 4.8%	5,973 5.0%	6,025 4.7%	+ 399 (0.1pt)	+ 7.1%	+ 52 (0.2pt)	100.9%
Leasing and Facility Related Segment Meals Catering Segment Home Visit Nursing Segment	171 2.8%	217 3.5%	115 1.9%	(56) (0.9pt)	(32.8%)	(102) (1.6pt)	52.9%
Adjustments	(2,644) —	(2,791) —	(2,828) —	(183) (—)	—	(37) (—)	—

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

FY3/2026 : Comparison to previous FY



FY3/2026 : Comparison to Forecast



FY3/2026 – Consolidated Balance Sheet

As a result of total assets expanding due to an increase in accounts receivable, the equity ratio temporarily declined.

(Unit: million yen)	End of FY3/2025	End of FY3/2026	From the end of the previous FY	
Assets	70,586	80,100	+ 9,513	
Current assets	22,627	31,800	+ 9,173	
Cash and deposits	5,053	13,686	+ 8,633	▸ Scheme for early conversion of accounts receivable into cash (debt securitization) temporarily suspended
Fixed assets	47,959	48,299	+ 339	
Goodwill	9,063	8,507	(555)	
Liabilities	54,241	62,686	+ 8,445	
Current liabilities	24,377	34,592	+ 10,215	
Short-term loans*	6,184	15,789	+ 9,604	▸ As a temporary increase to adjust the timing of fund recovery following the suspension of debt securitization
Fixed liabilities	29,863	28,093	(1,769)	
Long-term loans	18,085	16,150	(1,934)	▸ Reduction due to repayment
Net assets	16,345	17,413	+ 1,068	
Equity ratio	23.0%	21.6%	(1.4pt)	

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

FY3/2026 – Consolidated Cash Flows

The temporary suspension of debt securitization delayed incoming payments, resulting in negative operating cash flow.

(Unit: million yen)	FY3/2025	FY3/2026	YoY
Cashflows from operating activities	4,459	(3,441)	(7,900)
Cashflows from investing activities	(3,726)	(4,036)	(309)
Cashflows from financing activities	(544)	6,789	+ 7,334
Net Increase/Decrease in Cash and Cash Equivalents	188	(688)	(876)
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	8,431	7,743	(688)

■ YoY change factors

(Unit: million yen)

Operating Cash Flow	(3,441)
EBITDA *	+ 6,730
Increase in accounts receivable **	(8,436)
Increase in inventory	(1,151)
Investment Cash Flow	(4,036)
New pharmacy openings, M&A, etc.	(2,767)
Renovation of existing pharmacies	(961)
Financial Cash Flow	+ 6,789
Change in Loan Amount	+ 7,620
Repayment of lease obligations	(474)
Amount of dividends paid	(356)

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

** This is a result of delayed payments due to the temporary suspension of securitization, not a deterioration in business operations.

Chapter 2

Business Summary

Community Pharmacy Business – Trends in No. of Pharmacies

Although the target for new pharmacy openings was not met, the recruitment of medical institutions has significantly exceeded the plan.

■ Number of in-house developments

	Results	Full Year Plan
No. of openings	17	25
No. of prospects connected to Medical Institutions	17	10

■ New Opening



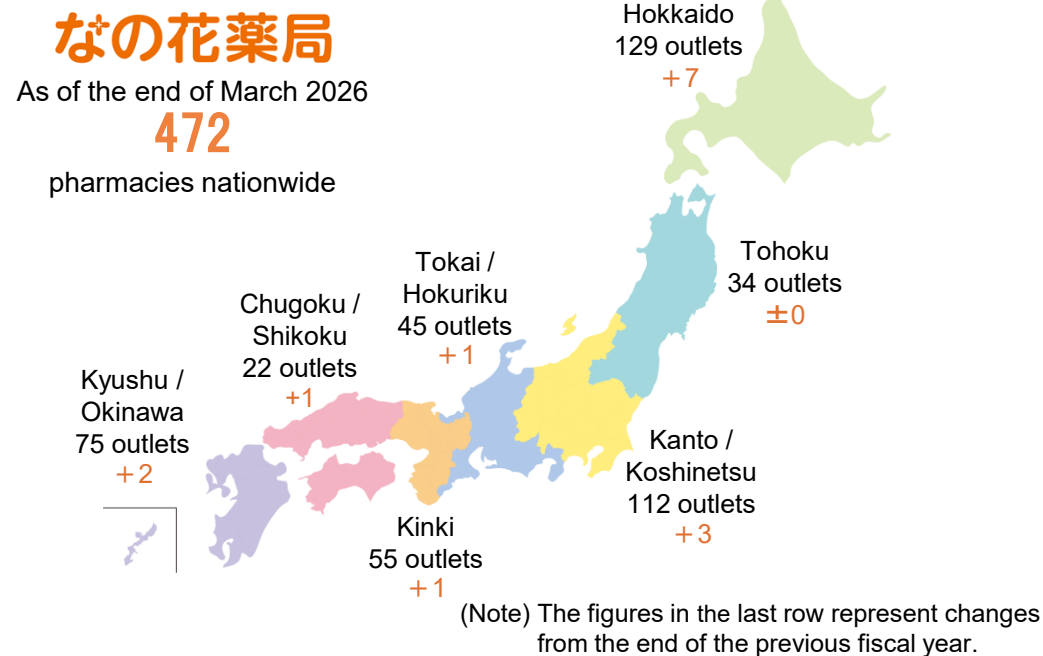
(1/5/2026)
Nanohana Pharmacy
Sapporo kaminopporo
New Opening
(Hokkaido)



(2/2/2026)
Nanohana Pharmacy
Chunagon
New Opening
(Chugoku / Shikoku)



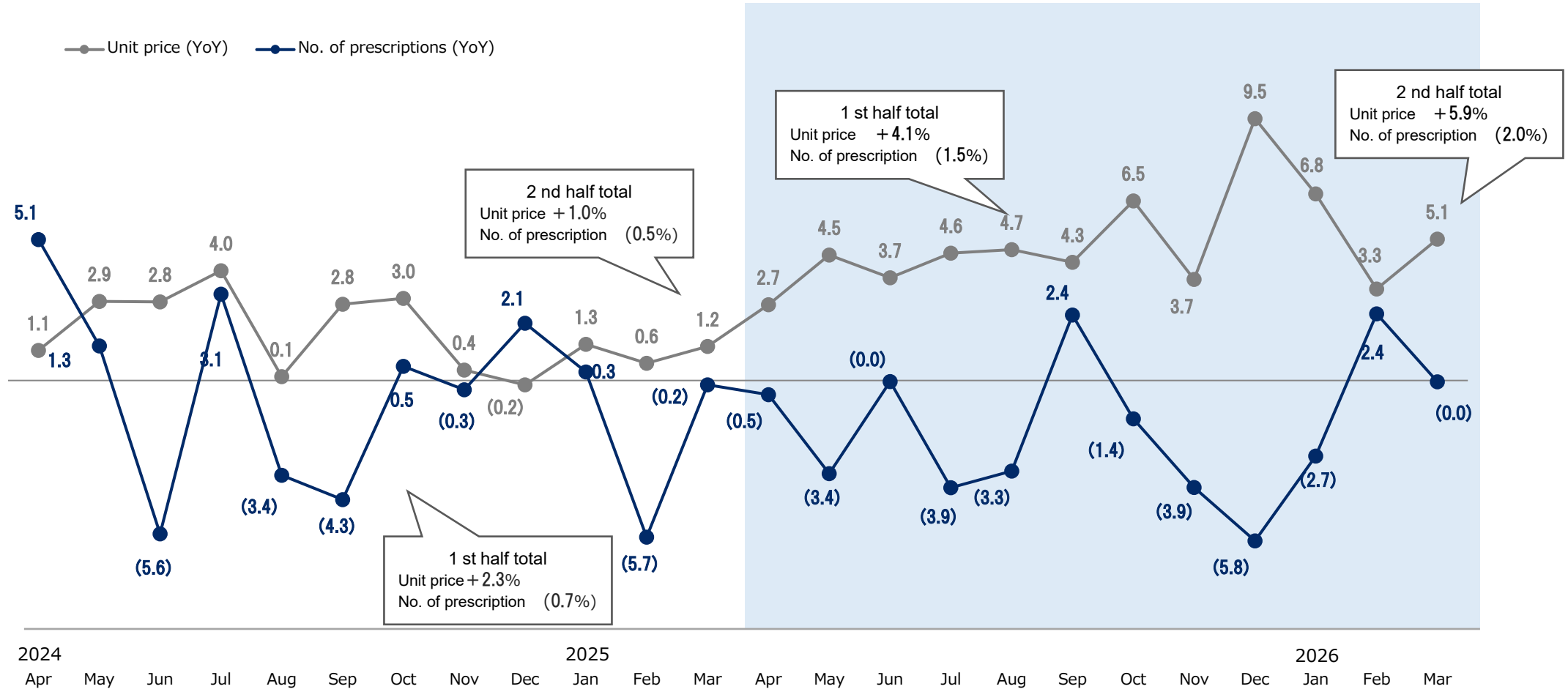
(2/13/2026)
Sakura Pharmacy
Shimoshirouzu
New Opening
(Kyusyu / Okinawa)



	FY3/2017	FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025	FY3/2026
Openings	8	8	5	8	7	12	8	13	21	17
Closing and transferring	(4)	(5)	(14)	(15)	(13)	(6)	(7)	(9)	(15)	(11)
M&A	20	19	30	3	6	3	2	18	1	9
No. of outlets	377	399	420	416	416	425	428	450	457	472

Monthly Trends - Community Pharmacy Business : Prescription Volume and Unit Price of Existing Pharmacies (YoY)

Although the number of prescriptions per existing pharmacy decreased year on year due to fewer acute patients and longer prescription durations, the average prescription value increased significantly, driven by a higher share of long-term prescriptions and high-cost pharmaceuticals.



Community Pharmacy Business : Dispensing Fee Breakdown

Both drug unit prices and technical service unit prices exceeded those of the previous period, resulting in an increase in dispensing fees

■ All pharmacies		FY3/2025	FY3/2026	Change	Change (%)
No. of prescriptions (1,000)		10,018	10,206	+ 187	+ 1.9%
Unit price (yen)	Drug charge per prescription	7,849	8,186	+ 338	+ 4.3%
	Technical fee per prescription	2,434	2,512	+ 78	+ 3.2%
	Total	10,283	10,698	+ 415	+ 4.0%
Dispensing fee (million yen)		103,018	109,187	+ 6,168	+ 6.0%

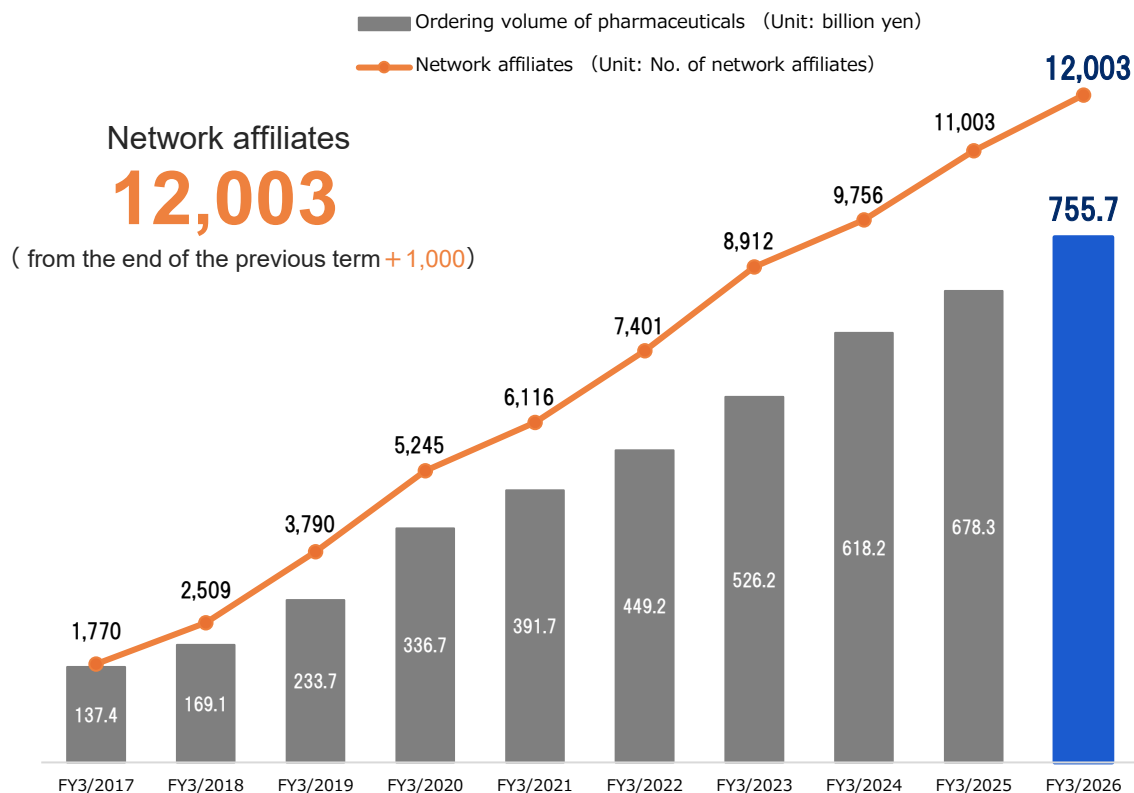
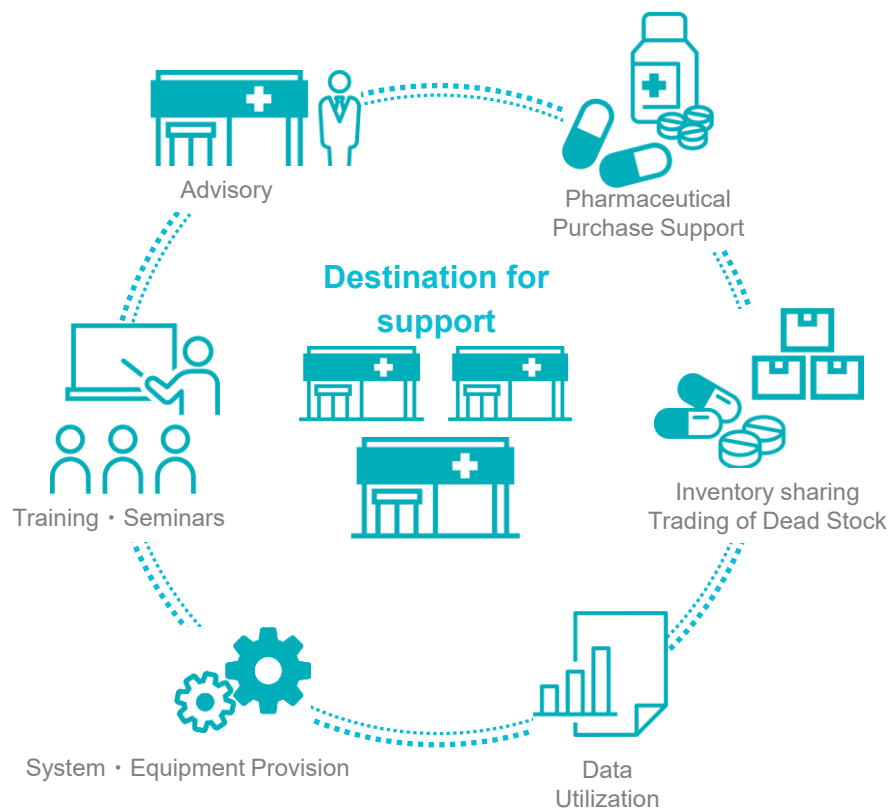
■ Existing pharmacies

No. of prescriptions (1,000)		9,672	9,508	(164)	(1.7)%
Unit price (yen)	Drug charge per prescription	7,815	8,236	+ 420	+ 5.4%
	Technical fee per prescription	2,440	2,530	+ 90	+ 3.7%
	Total	10,255	10,766	+ 510	+ 5.0%
Dispensing fee (million yen)		99,194	102,363	+ 3,168	+ 3.2%

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.

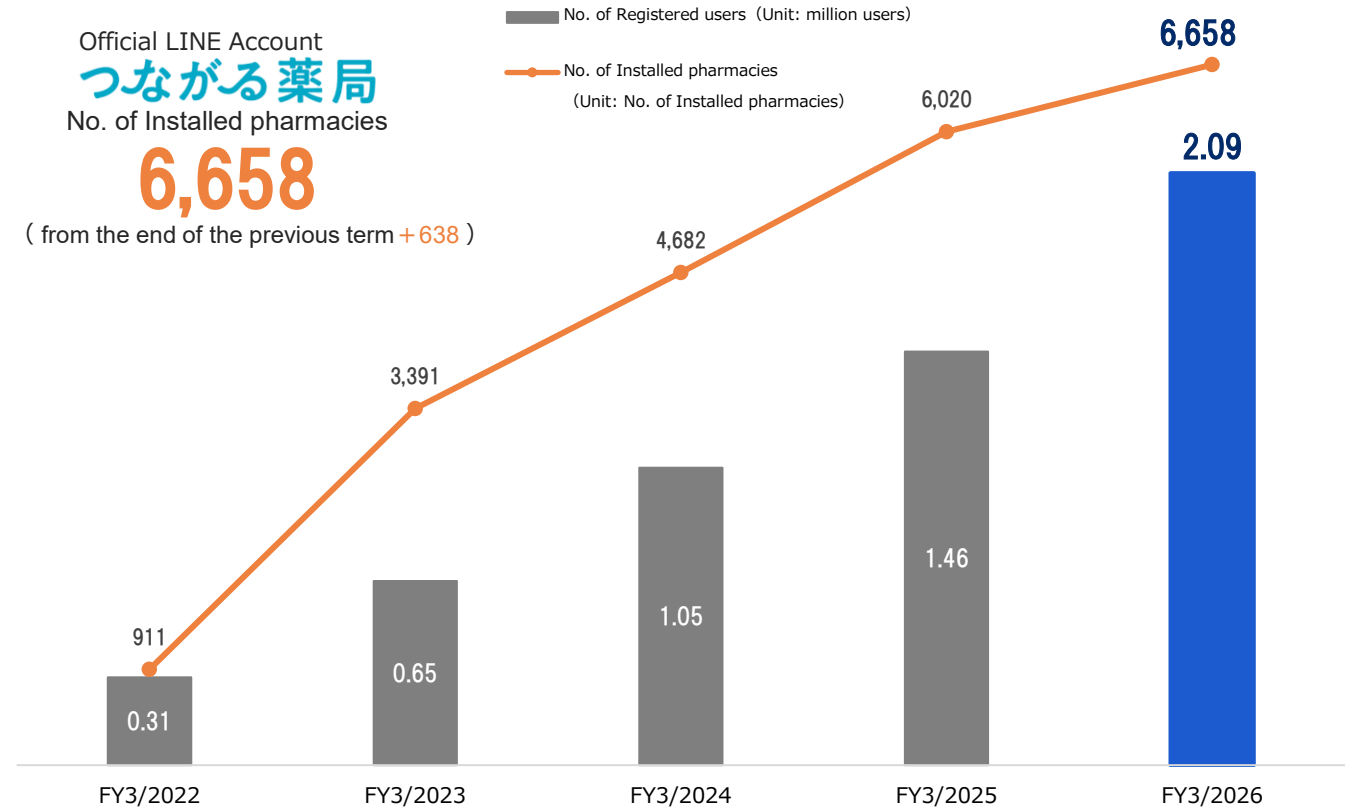


Digital Shift Business

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.

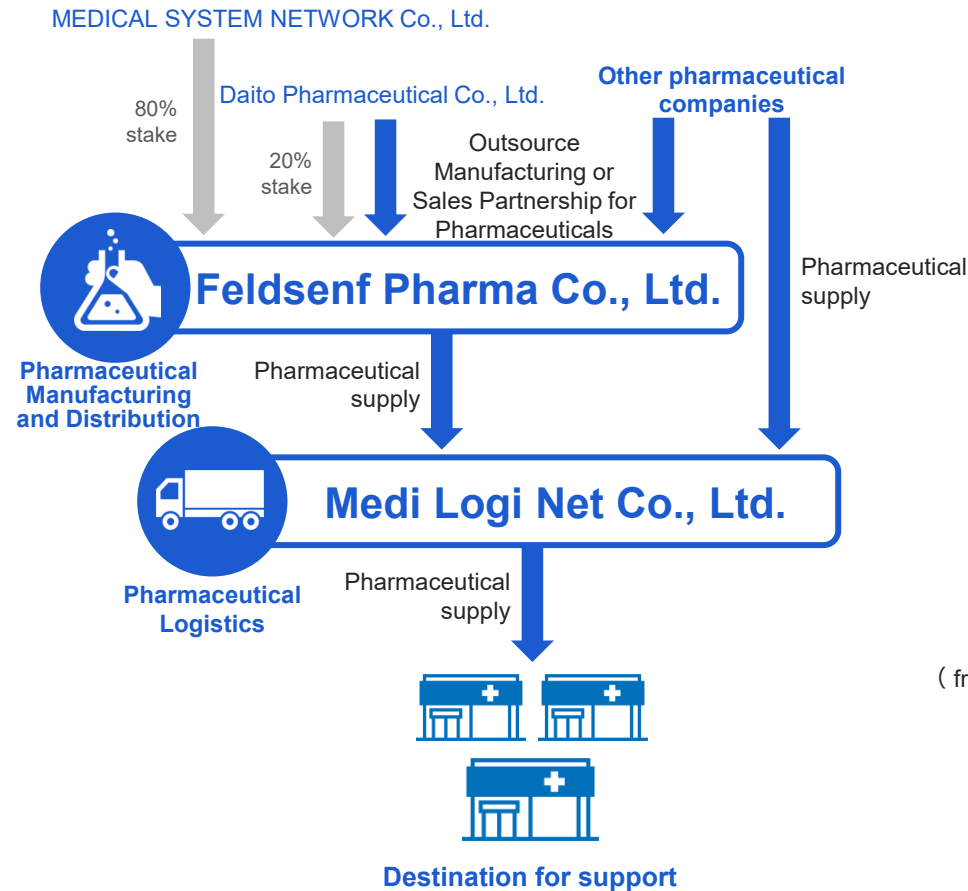
Service Menu

-  **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

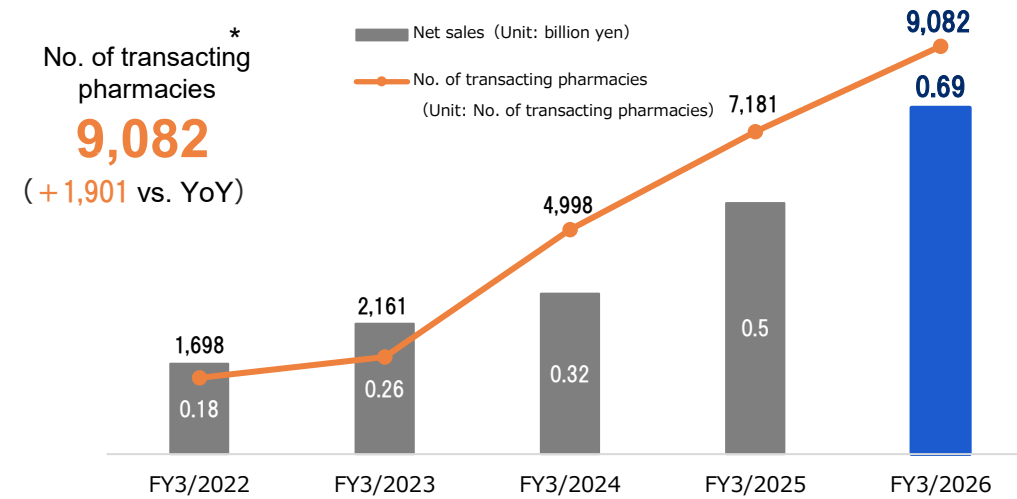


Pharmaceutical Manufacturing and Distribution Business / Pharmaceutical Logistics Business

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

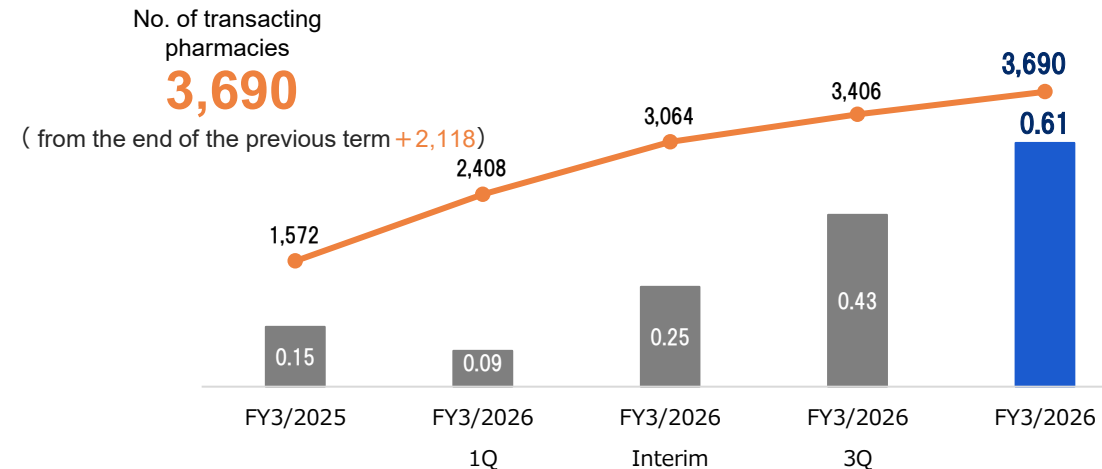


■ Pharmaceutical Manufacturing and Distribution Business



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

■ Pharmaceutical Logistics Business



Chapter 3

7th Medium-Term Management Plan



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Section 1

Executive Summary

Results of the 6th Medium-Term Management Plan

Although the target figures were not met, steady progress is being made in building the market foundation for future growth

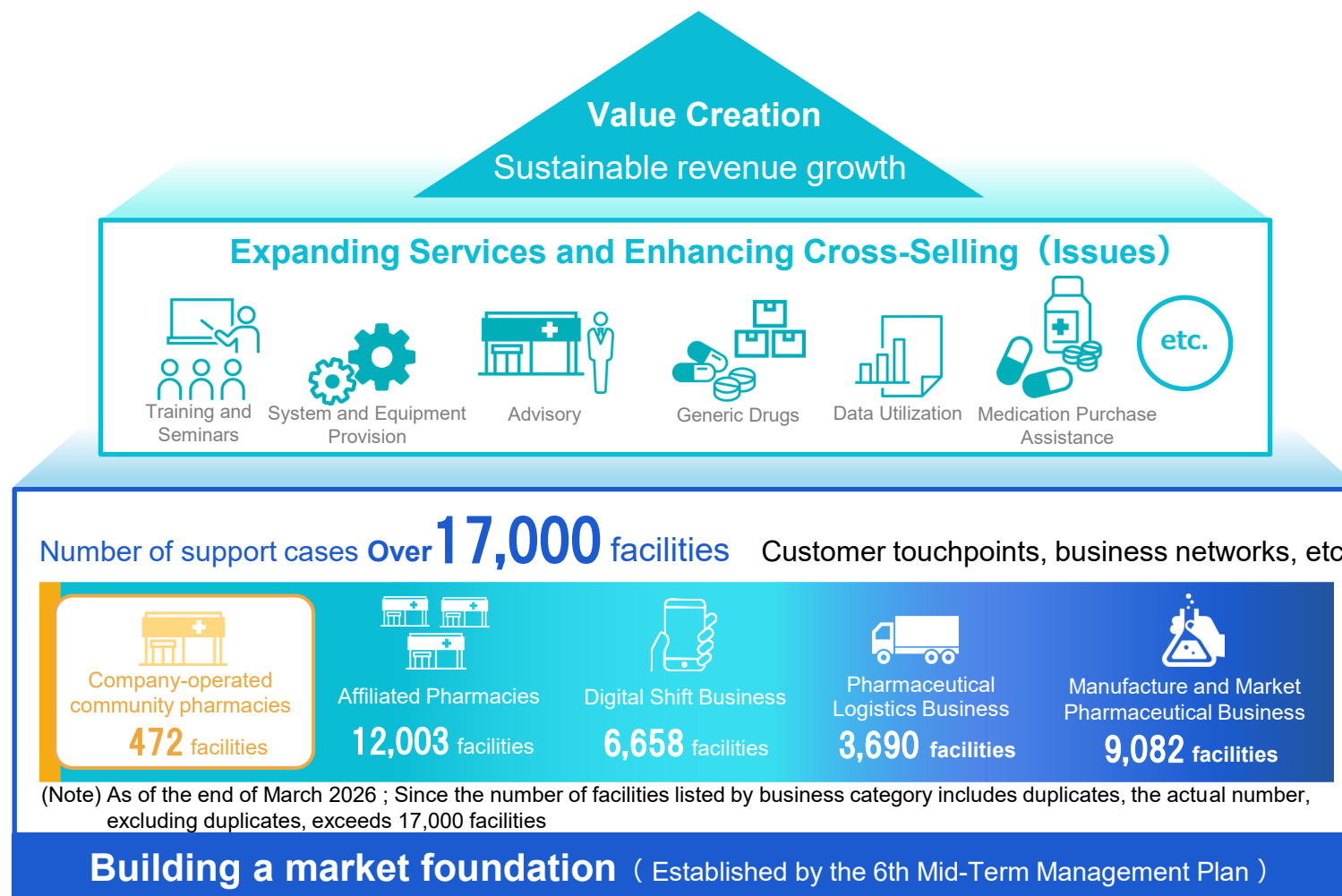
Business		Focused Policy · Numerical targets	Result	Rating	
Consolidated total		Consolidated sales 140 billion yen	132.1 billion yen	<ul style="list-style-type: none"> Upfront investments in new businesses and new store development Rising procurement costs, including pharmaceuticals Increased labor costs due to wage increases and other factors 	△
		Consolidated operating profit 6.5 billion yen (Profit margin 4.6 %)	3.3 billion yen (2.5 %)		
	Community Pharmacy Business	<ul style="list-style-type: none"> Expanding customer-facing services and streamlining store operations. Providing medical care that supports the community-based integrated care system Pharmacy development ; total over 4 years : 75 Pharmacies 	<ul style="list-style-type: none"> Improving the Quality of Pharmaceutical Care Through Enhanced In-House Training Programs Number of pharmacists obtaining professional qualifications (total): 3.2 times (490 people) Pharmacy Development ; total over 4 years : 59 Pharmacies 	△	
〈Pharmacy Support Businesses〉					
Community Pharmacy Network Segment	Pharmaceuticals Network Business	<ul style="list-style-type: none"> Number of affiliated pharmacies FY3/2026 : 12,000 affiliated Promote distribution improvement and establishing supply chain management. Contributing to regional healthcare through the building area networks 	<ul style="list-style-type: none"> Number of affiliated pharmacies FY3/2026 : 12,003 affiliated Promoting initiatives to improve distribution, including daily deliveries and no Saturday deliveries Establishing an area-network to share dispensing data and facilitate the smooth distribution of pharmaceuticals Expansion of training menus and provision of services 	◎	
	Digital Shift Business	<ul style="list-style-type: none"> Gaining market share FY3/2026 : 20,000 outlets Adding value to services Launch of new revenue-generating businesses 	<ul style="list-style-type: none"> Failure to meet targets due to changes in the market environment and the inability to fully leverage group synergies FY2026/3 Number of stores using the service: 6,658 LINE Official Account: 2.09 million followers 	△	
	Manufacture and Market Pharmaceuticals Business	<ul style="list-style-type: none"> Creating a system to ensure quality and safety Establishment of a system to ensure a stable supply Expansion FY3/2026 Sales : 10 billion yen 	<ul style="list-style-type: none"> Number of partner pharmacies: 9,082 Due to factors such as shipment adjustments, sales for the fiscal year ending March 2026: 6.9 billion yen 	△	
	Pharmaceutical Logistics	—	<ul style="list-style-type: none"> Business launch Number of Partner Pharmacies: 3,690 	○	

From building a market foundation to the value creation phase

Building on the market foundation established through our Sixth Mid-Term Management Plan, we will further expand our service offerings and strengthen cross-selling efforts to transition into a phase of creating new value.

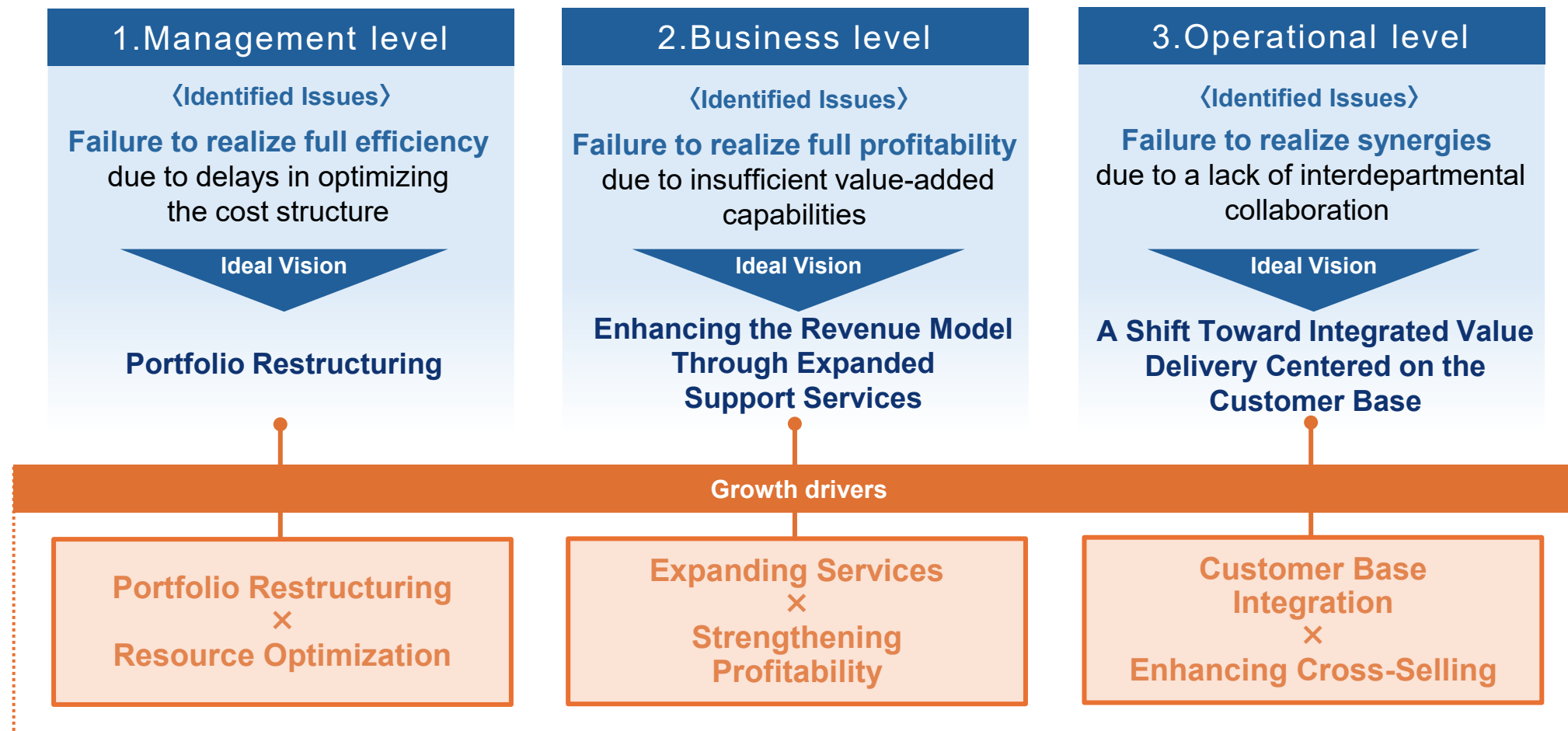
The 7th Medium-Term Management Plan and onwards

Up to the 6th Medium-Term Management Plan



Our Challenges and Ideal Vision

Leveraging our market infrastructure—such as customer touchpoints and business networks — to enhance value creation and sales synergies



Growth drivers

Drive business and sales transformation to achieve a shift toward a profitable portfolio

1. Management level

〈Growth drivers〉
Portfolio Restructuring
 ×
Resource Optimization

We will promote the shift to a highly profitable business portfolio by leveraging our existing network to expand into growth areas, reducing head office costs, and allocating resources with a focus on profitability.

Key KPIs

- ▶ **Operating profit margin**
- ▶ **ROE**

2. Business level

〈Growth drivers〉
Expanding Services
 ×
Strengthening Profitability

We will expand our lineup of services offered to clients and strengthen our outreach to existing customers, thereby driving revenue growth by increasing service prices and utilization rates.

Key KPIs

- ▶ **ARPU*** (To be calculated and disclosed after the customer database is established)
- ▶ **Service Revenue**
(Immediate Progress Metrics)

* ARPU (Average Revenue Per User)
 : Monthly revenue per supported client

3. Operational level

〈Growth drivers〉
Customer Database Integration
 ×
Enhancing Cross-Selling

By centralizing customer data management and enhancing collaboration across sales functions, we will strengthen our ability to propose multiple services to existing customers and promote the expansion of transactions per customer (cross-selling).

Key KPIs

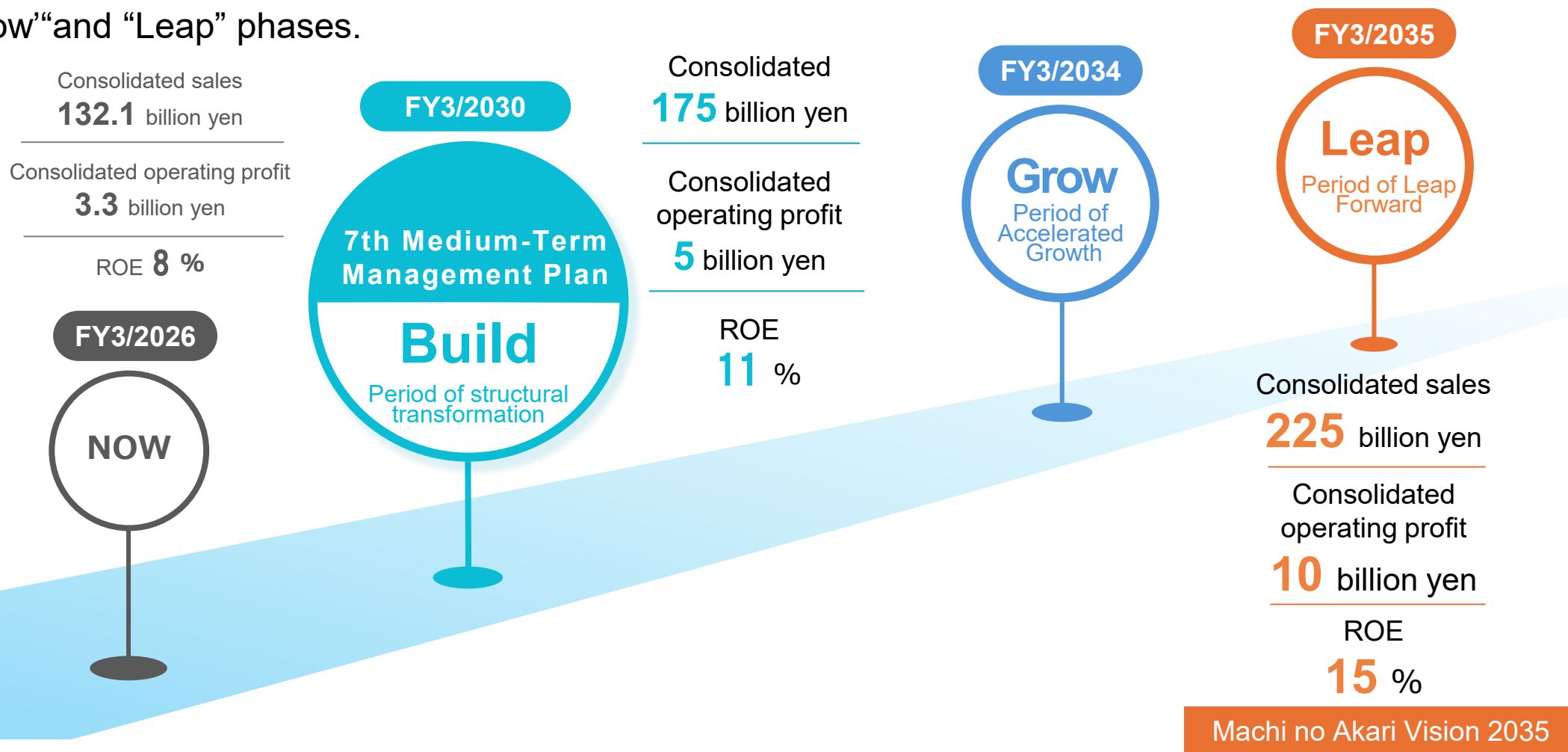
- ▶ **Cross-sell rate*** (To be calculated and disclosed after the customer database is established)
- ▶ **Number of companies using multiple services**
(Immediate Progress Metrics)

* Cross-sell rate : Number of customers who made a cross-sell ÷ Total number of customers

(Note) ARPU and cross-sell rates will be calculated and disclosed after identifying duplicate records once the customer database has been consolidated.

Roadmap

We have designated the 7th Medium-Term Management Plan as the “Build (Structural Transformation)” phase, and aim to achieve the “Machi no Akari Vision 2035” by advancing our growth in stages toward the “Grow” and “Leap” phases.



Section 2

Understanding the Business Environment and Our Strategic Position

As demand expands and diversifies while supply constraints and structural shifts continue, the gap between supply and demand in healthcare is widening

■ Changes in the Healthcare Landscape

Growing and Diversifying Demand

- **The Progress of Super-Aged** (The rapid increase in the population aged 85 and older)
- **The increasing sophistication and complexity of medical needs** (Multiple Conditions, Home Care, Dementia)
- **Widening disparities in demand between regions** (Urban concentration / Rural Decline)



Supply Constraints and Structural Transformation

- **Worsening labor shortage** (Decline in the working-age population)
- **Instability in the supply infrastructure** (Vulnerabilities in the supply of pharmaceuticals)
- **Structural Transformation Through Digital Transformation in Healthcare** (Electronic Prescriptions and My Number Card-integrated Health Insurance Card)

■ Key Challenges Facing Pharmacies

- ① **Transition from a “location-dependent model”** (A Shift Away from a Passive Approach)
- ② **Reliance on specific individuals for tasks** (Standardization and Efficiency)
- ③ **The Gap in Digital Transformation Capabilities** (Differences in investment capacity and response levels)

We need to shift from a “location-dependent model” to a “performance-based model.”

Support for the functions and infrastructure that underpin the growth of our Group's pharmacies

【Challenges facing Pharmacies and Our Vision】

① Transition from a “location-dependent model”
(Moving away from a passive approach)

Aiming to be a pharmacy that is sustainable and continues to grow

② Reliance on specific individuals for tasks
(Standardization and Efficiency)

Operational Efficiency

③ The Gap in Digital Transformation Capabilities
(Differences in investment capacity and response levels)

Utilizing the System (Digital Transformation)

【Requirements】

〈 Delivering Value〉

- Pharmaceutical care based on advanced clinical judgment
- Addressing complex medication therapy
- Prevention, Health Counseling, and Health Support
- Supporting patient decision-making Advancing patient-centered care

〈 Strengthening Our Business Foundation〉

- Standardization of business processes and operational improvements
- Education and human resource development
- Operational efficiency (labor-saving)
- Digital Transformation platform (electronic prescriptions and data utilization)

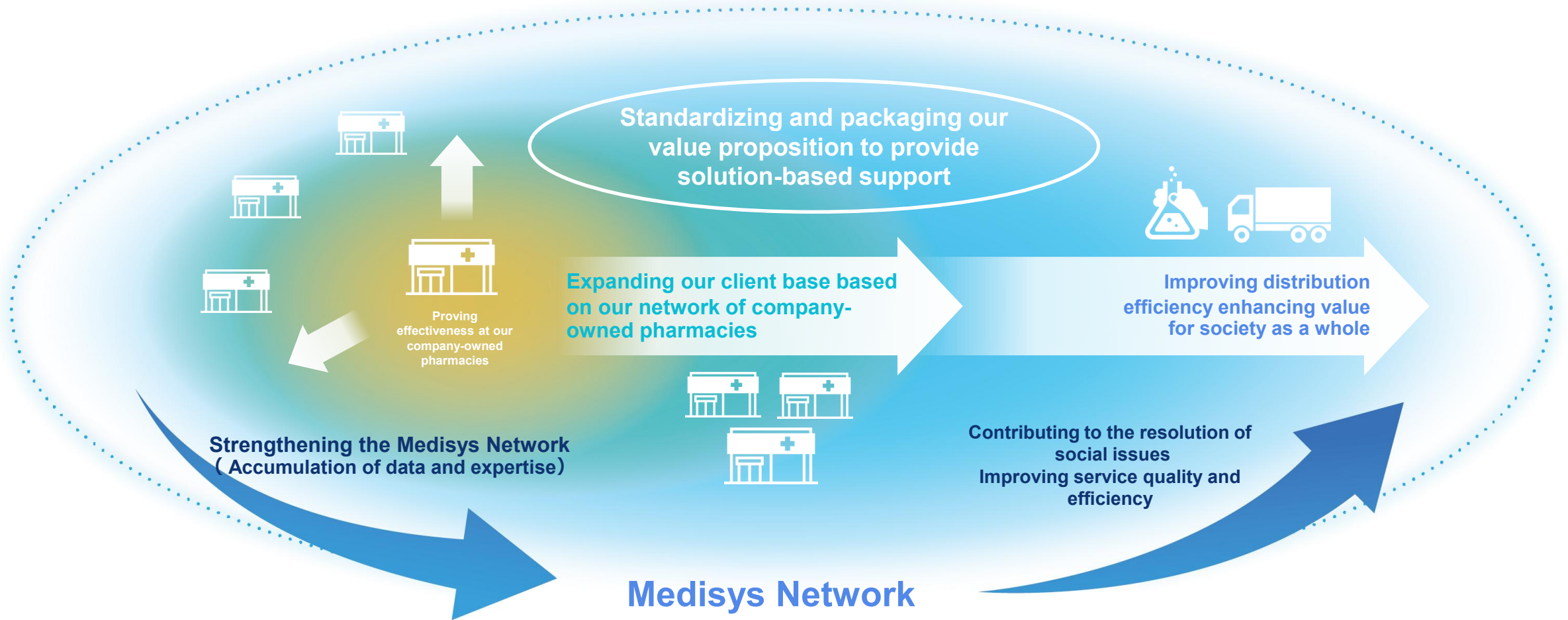


Standardizing and packaging the value proposition proven in our company-owned pharmacies

For pharmacies to function effectively and achieve sustainable growth, it is essential to establish a solid business foundation and strengthen their operational capabilities. Drawing on the expertise we have cultivated through our company-owned pharmacies, our group supports the realization of this goal.

A Unique Value Creation Model Combining Direct Operations and the Network

Expanding network scale further enhances value delivery in a virtuous **cycle model**



A platform built on the diverse data generated by **over 17,000 facilities** nationwide that use our services

Section 3

Growth Strategy

Overview of the Growth Strategy

Promoting value creation, development, and social implementation as an integrated whole to achieve sustainable growth and enhance social value

Business Domain

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

Growth Strategy

The Starting Point for Value Creation

「Consumers × Expertise」

- ① Enhancing Customer Understanding (Data Platform)
- ② Creating Ongoing Engagement (Pre-disease and Prevention)
- ③ Enhancing Value Proposition (Operational Evolution)

Value development and expansion

「Comprehensive Solutions」

- ① Expanding our customer base (Network Expansion)
- ② Promoting cross-selling (Expanding and Deepening Business Relationships)
- ③ Service Enhancement and Expansion (Evolving Value Proposition)

Revenue expansion · Social Contribution

「Efficiency×Stability×Scale」

- ① Expansion of supply (Expansion of the Deployment Infrastructure)
- ② Optimization of Supply and Demand (Improved efficiency)
- ③ Advanced Supply and Demand Management (Strengthening the Stability of Supply)

Growth Strategy for the Medical Field

The Starting Point for Value Creation

Moving Away from Prescription Dependence and Shifting to a People-Centric Approach

Deepening relationships with consumers based on data and ongoing touchpoints

1 Enhancing Customer Understanding 【 Data Platform】

- Aggregation and Integration of Customer Data (Online Eligibility Verification, etc.)
- Collecting and utilizing data on patient relationships

2 Creating Ongoing Engagement 【 Pre-disease and Prevention】

- Creating Ongoing Engagement in the Areas of Pre-disease and Prevention
- Building Relationships and Encouraging Visits Based on Health Status
- Creating long-term customer value

3 Enhancing Value Proposition 【 Operational Evolution】

- Focusing on patient care through Medical DX and AI utilization
- Enhancing value through multidisciplinary collaboration
- Strengthening on-site capabilities through employee satisfaction improvement

なの花薬局

472 pharmacies
nationwide
〈 As of March 31, 2026 〉

Target **Annual 20** pharmacies

Contributing to M&A and regional healthcare
Continuing to open pharmacies in medical complexes

〈 Key KPI 〉 CCR (Chronic Care Revenue)

Metrics for revenue generated through continuous and comprehensive health management for patients with chronic conditions

*Since the number of patients with acute illnesses fluctuates significantly due to external factors, we have adopted metrics based on patients with chronic illnesses as KPIs.

Growth Strategy for the Medical Support Field

Expansion and Enhancement of Value

Maximizing Customer Value Through Comprehensive Solutions Centered on Cross-Selling

Expand and deepen business relationships by providing services tailored to each customer's specific needs

1 Expanding our customer base 【 Network Expansion】

- Strengthening new customer acquisition through diversification of customer touchpoints
- Building an acquisition foundation that generates a steady stream of customers

2 Promoting cross-selling 【 Expanding and Deepening Business Relationships】

- Deployment of multiple services tailored to customer needs
- Expanding service utilization and deepening business relationships through ongoing proposal activities

3 Service Enhancement and Expansion 【 Evolving Value Proposition】

- Enhancing value-added services and improving service delivery capabilities through the use of data and technology
- Expanding the scope of solutions to customer challenges through the development and rollout of new services

〈 Key KPI 〉

1 ARPU (Average Revenue Per User)

Monthly revenue per supported client

* For the time being, service revenue will serve as the key performance indicator

2 Cross-selling rate

The percentage of supported clients who use multiple services

* For the time being, the number of companies using multiple services will serve as a progress metric

(Note) ARPU and cross-sell rates are scheduled to be calculated and disclosed on a deduplicated basis following the completion of the data infrastructure

Growth Strategy for the Medical Supplies Field

Revenue Growth and Social Contribution

Enhancing social value and profitability by balancing supply-demand optimization with stable supply
Leveraging the Medisys Network to achieve efficient and stable pharmaceutical distribution

1 Expansion of the supply network 【 Expansion of the Deployment Infrastructure 】

- Expanding the number of participating stores through enhanced sales efforts
- Expanding our product lineup through strengthened alliances with manufacturing partners

2 Optimization of Supply and Demand 【 Improved efficiency 】

- Improving distribution efficiency by optimizing supply allocation in response to demand trends
- Improving storage and distribution efficiency and reducing operating costs by optimizing inventory levels

3 Advanced Supply and Demand Management 【 Strengthening the Stability of Supply 】

- Improving the Accuracy of Demand Forecasting Through Data Utilization
- Ensuring a stable supply through the establishment of a systematic supply system

Generic Drug Market Size
approx. 1.5 trillion

In-house products product coverage amount
approx. 540 billion. yen

Transaction Volume
Approximately **6.9 billion yen**

< Key KPI >



















① **Number of stores onboarded**

Metrics for measuring the expansion of service adoption around the growth of the customer base

② **Number of product lines**

Metrics for measuring the expansion of service areas and the growth of value provided

Company-wide strategy – Key ESG Issues

	▶ Key Issues	▶ ESG	▶ Description of the Content	▶ Relationship to the SDGs
Solving Social Issues	Supporting Human and Environmental Health Optimal Pharmaceutical Distribution	Environment (E)	We will ensure the quality, safety, and stable supply of pharmaceuticals, while also working to reduce the environmental impact associated with pharmaceutical distribution by optimizing inventory and minimizing waste.	    
	Supporting local healthcare and building a community where people can live with peace of mind	Society (S)	As a key provider of community-based integrated care, we are committed to addressing the individual needs of each patient and resident, working in collaboration with the local community and other medical institutions to improve the quality, safety, and accessibility of healthcare.	  
Strengthening the Business Foundation	Creating a Workplace That Supports Employee Growth and Happiness	Society (S)	We will strengthen our organizational foundation to enable a diverse workforce to thrive by providing opportunities for learning and growth and prioritizing physical and mental well-being, thereby fostering an environment where every employee can work with confidence, fully utilize their abilities, and experience personal growth and happiness.	    
	Enhancing the healthcare experience through a trusted digital infrastructure	Society (S)	As a company that handles medical and personal information, we are committed to ensuring the strict protection of privacy and cybersecurity, while establishing a highly reliable digital infrastructure. We will also strive to improve operational efficiency and enhance the quality of medical services through the implementation of digital transformation (DX).	  
	Earning and Maintaining Trust Promoting Ethical Business Practices	Governance (G)	As a company engaged in businesses of a highly medical and public nature, we are committed to making decisions based on high ethical standards and transparency. Through strengthening the supervisory role of the Board of Directors, ensuring strict compliance, and providing appropriate disclosure of information, we will promote honest and trustworthy management that continues to earn the trust of society.	 

Human Capital Strategy

Supporting autonomous individuals and organizations that maximize customer value through mission alignment and proactive action

Value Creation Story



1 Engagement

Strengthening organizational cohesion and autonomy through mission alignment and enhanced job satisfaction

- Behavioral Change Through Mission Alignment and Shared Values
- Enhancing Psychological Safety and Job Satisfaction
- Building Trust Through Enhanced Evaluation and Feedback

2 Talent Portfolio

By attracting and optimally deploying a diverse workforce, we are shifting resources toward growth areas

- Strengthening talent acquisition through diversified recruitment channels
- Visualizing and optimizing talent deployment through talent management
- A talent portfolio aligned with business strategy

3 Skills Development

Enhancing value creation capabilities by strengthening “thinking, collaboration, and execution” skills and professional expertise

- Systematic development tailored to job level and role
- Reskilling and digital transformation (DX) talent development
- Growth support centered on experiential learning

Foundational Strategy

4 Work Styles and Environmental Infrastructure

Balancing Productivity and Sustainability Through Diverse Work Styles and Health-Focused Management

- Flexible work arrangements and support for career autonomy
- Health and well-being management
- Creating time through operational efficiency

5 Organizational Culture and Retention

Maximize retention and performance through a culture of recognition, dialogue, and support

- Foster a culture of recognition and feedback
- Strengthen onboarding and development support
- Promote cross-departmental collaboration

DX Strategy

Build a data-driven business foundation to create added value and improve profitability through group collaboration
 A DX Strategy That Balances Efficiency and Value Creation, Centered on an Integrated Data Platform

1 Business Foundation DX

Achieve company-wide operational optimization through the integration of business processes, data, and systems

- Build a flexible and highly scalable IT infrastructure through cloud migration and standardization
- Centralized management through the integration of customer and transaction data
- Improve productivity through the digitization of business processes

Effect

- ▶ Cost Reduction
- ▶ Operational Efficiency
- ▶ Establishment of a Data Utilization Infrastructure

2 Value Creation DX

Leveraging data and digital touchpoints to create new customer value and revenue opportunities

- Expanding customer touchpoints through the integration of online and offline channels
- Enhancing and customizing services based on data analysis
- Generating cross-group synergies and launching new services

Effect

- ▶ Revenue Growth
- ▶ Increased Average Revenue Per Customer
- ▶ Maximizing LTV

3 Digital Transformation of the Business Foundation

Building an efficient and sustainable management structure through the use of AI and data

- Cost structure reform through business automation and labor reduction
- Enhancement of data-driven decision-making
- Integrated management of operations and information across the entire group

Effect

- ▶ Improved Profit Margins
- ▶ Faster Decision-Making
- ▶ Enhanced Governance

Section 4

Financial Strategy and Capital Policy

Quantitative targets

Through the implementation of our growth strategy, we are transforming our revenue structure and will see a significant improvement in capital efficiency

Key Performance Indicators		Fiscal Year Ending March 2026	<7th Mid-Term Plan> Fiscal Year Ending March 2030	<Long-Term Vision> Fiscal Year Ending March 2035
▶ Profitability	Operating profit	3.3 billion yen	5 billion yen	10 billion yen
	ROE *	6.4%	11%	15%
▶ Share	Number of support cases **	More than 17,000 facilities	25,000 facilities	45,000 facilities
	Market coverage	About 25%	About 40%	75~80%

* Return On Equity

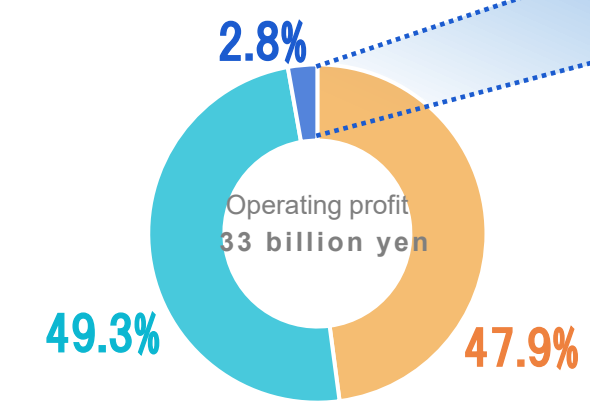
** Unique real numbers

Business Portfolio

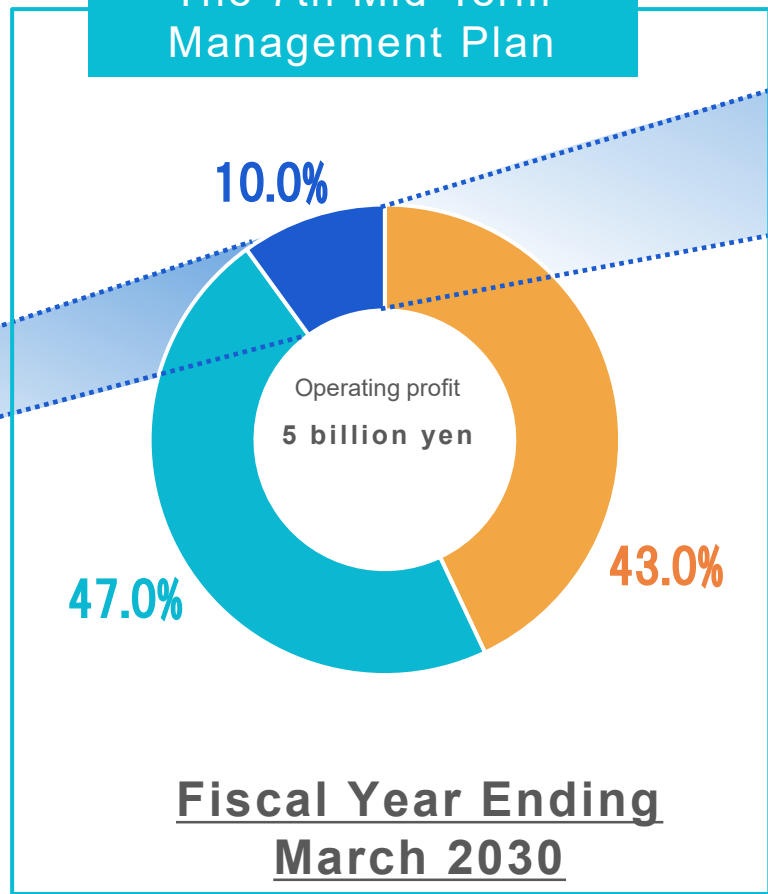
Increase the proportion of high-profitability businesses and build an optimal business portfolio

- : Medical field
- : Medical Support Sector
- : Medical Supplies Sector

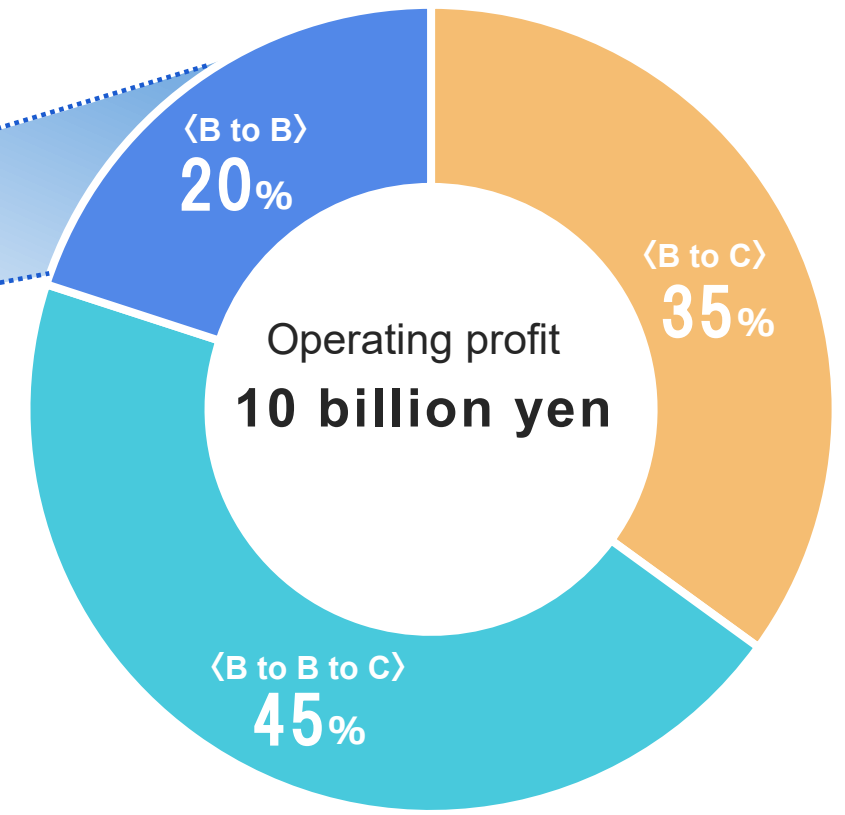
The 7th Mid-Term Management Plan



Fiscal Year Ending March 2026



Fiscal Year Ending March 2030

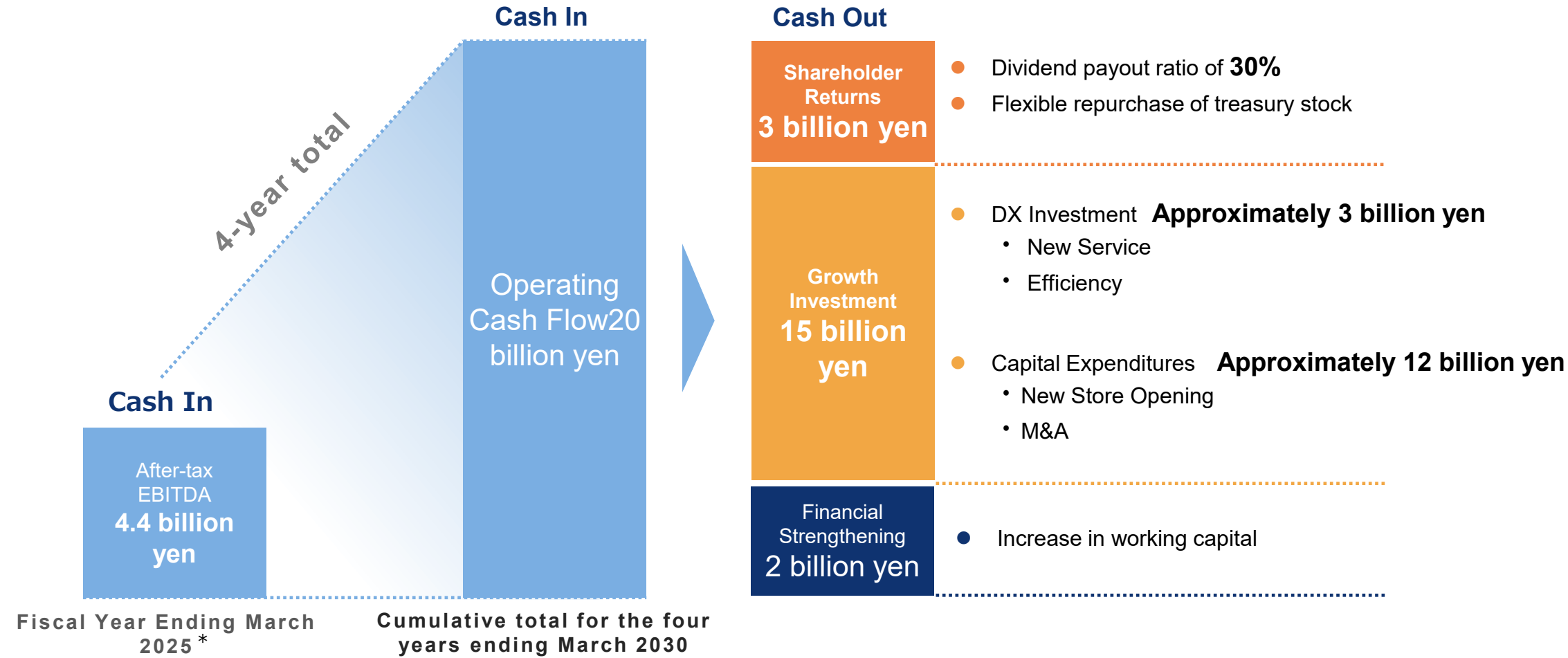


Fiscal Year Ending March 2035

(Note) The percentage breakdown of operating profit by segment is calculated based on business profit, excluding head office expenses.

Cache Allocation

Allocate the generated cash with a focus on balancing growth investments and shareholder returns



* Since the suspension of receivables securitization will have a significant impact on the fiscal year ending March 2026, the figures for the fiscal year ending March 2025 are provided.



Chapter 4

Earnings Forecast for the Fiscal Year Ending March 2027

Key Initiatives for the March 2027 Term

Business Areas	Key Initiatives for This Issue
Medical field	: The Shift to “People-Centric” Management <ul style="list-style-type: none"> We have streamlined and standardized our service offerings in the areas of food, housing, sleep, and preventive care, and have begun rolling them out at key locations. Advancing business processes through the use of digital technology and promoting its implementation in the field Opening 20 stores in a medical complexes designed to contribute to M&A and regional healthcare
Medical Support field	: Shift to Group-Wide Sales <ul style="list-style-type: none"> Establishing a cross-selling framework through the development and utilization of a customer management platform Promoting the development of new services based on customer challenges and establishing a data utilization infrastructure
Medical Supplies field	: Enhancing the Pharmaceutical Supply System Based on Supply and Demand Data <ul style="list-style-type: none"> Strengthening alliances with manufacturing partners and expanding our product lineup Advancing the collection and visualization of purchasing data to establish a system aimed at improving the accuracy of supply and demand planning
Human Capital Strategy	: Infrastructure Development to Support the Transition to a New Business Model <ul style="list-style-type: none"> Strengthening Engagement Through the Embedding of Our Vision and Mission Enhancing employees' ability to create added value through improved specialized training
DX Strategy	: Promoting company-wide optimization and transitioning to the implementation phase <ul style="list-style-type: none"> Formulation of a unified policy and establishment of a collaborative framework to promote digital transformation (DX) across the entire company We will continue to roll out system developments that contribute to enhancing the customer experience and improving operational efficiency
Financial Strategy	: Balancing growth investments and cost control <ul style="list-style-type: none"> Promoting Cost Optimization Based on an Analysis of Headquarters Expenses

Earnings Forecast for the FY3/2027 – Consolidated Forecast

While we anticipate business growth primarily in the medical support field and medical supply field, we expect an increase in one-time system investments, in addition to the impact of revisions to drug prices and dispensing fees.

(Unit: million yen) The second line is profit margin	FY3/2026 Results	FY3/2027 Forecast	Change	Change (%)
Net Sales	132,186	136,000	+ 3,813	+ 2.9%
EBITDA Profit margin	6,730 5.1%	6,420 4.7%	(310) (0.4pt)	(4.6%)
Operating Profit Profit margin	3,313 2.5%	3,000 2.2%	(313) (0.3pt)	(9.4%)
Ordinary Profit Profit margin	3,193 2.4%	2,700 2.0%	(493) (0.4pt)	(15.4%)
Profit attributable owners of parent Profit margin	1,070 0.8%	1,000 0.7%	(70) (0.1pt)	(6.6%)
Earnings per share (Yen)	36.64	34.21	(2.43)	—

Earnings Forecast for the FY3/2027 – Forecast by Segment

■ Net Sales

(Unit: million yen)

	FY3/2026 Results	FY3/2027 Forecast	Change	Change (%)
Net Sales	132,186	136,000	+ 3,813	+ 2.9%
Community Pharmacy Network Segment *	127,180	131,770	+ 4,590	+ 3.6%
Leasing and Facility Related Segment Meals Catering Segment Home Visit Nursing Segment	6,005	5,218	(786)	(13.1%)
Adjustments	(999)	(989)	+ 10	—

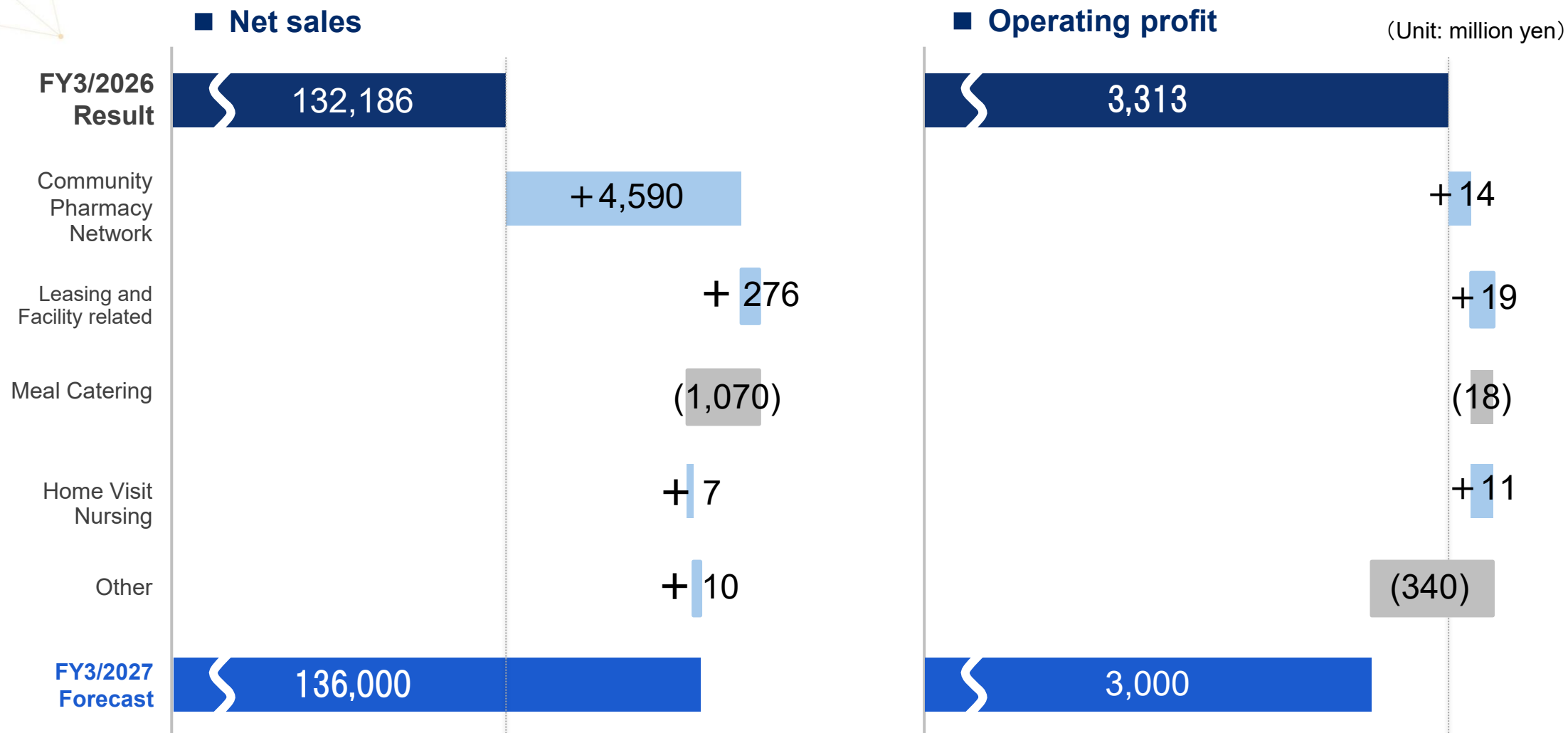
■ Operating Profit

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

Segment Profit	3,313 2.5%	3,000 2.2%	(313) (0.3pt)	(9.4%)
Community Pharmacy Network Segment *	6,025 4.7%	6,040 4.6%	+ 14 (0.2pt)	+ 0.2%
Leasing and Facility Related Segment Meals Catering Segment Home Visit Nursing Segment	115 1.9%	127 2.5%	+ 12 0.5pt	+ 10.9%
Adjustments	(2,828) —	(3,168)	(340)	—

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

Earnings Forecast for the FY3/2026 : Comparison to Previous Term



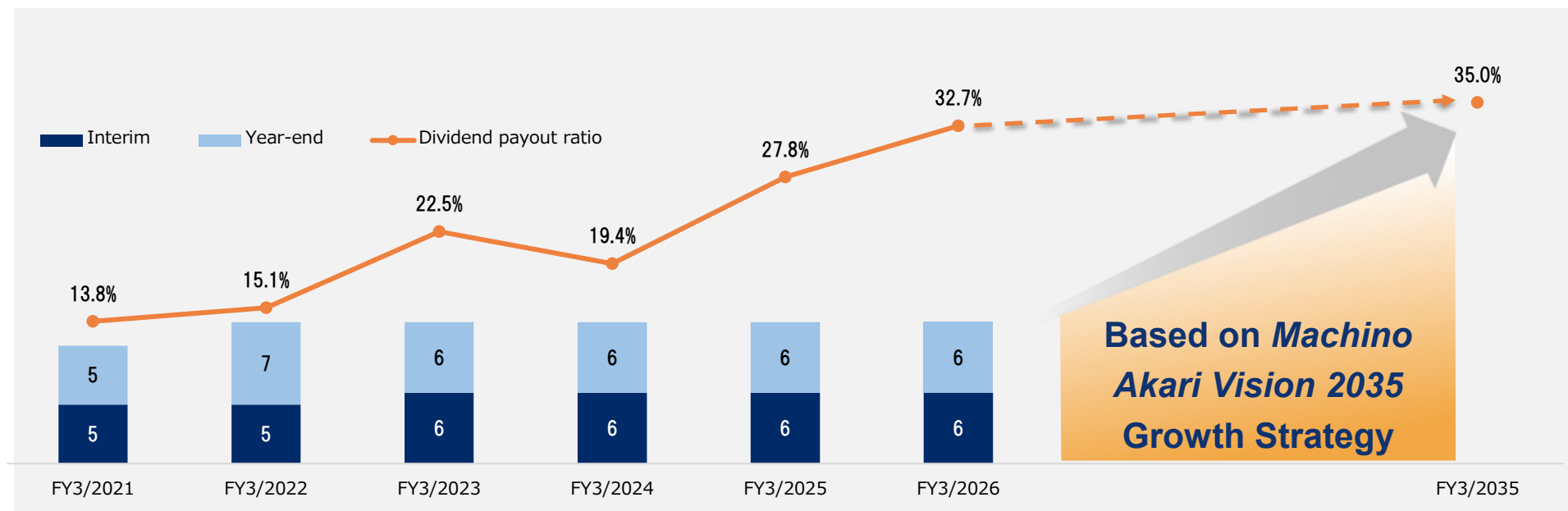
Dividend Policy

Basic Policy on Profit Distribution

While securing the retained earnings necessary for business expansion, human resource development, and strengthening our financial position, we will gradually increase the dividend payout ratio in line with our performance.

Dividends for the Current and Next Fiscal Years

	FY3/2026 Result	FY3/2027 (Forecast)	Change
Annual dividend per share	12yen	12yen	—
Dividend payout ratio	32.7%	35.1%	+ 2.3pt





Appendix

Company Overview

【Basic Information】

Company name Medical System Network Co., Ltd.

establish September 16, 1999

Capital 2,128 million yen (as of March 31, 2026)

Representative Representative Director Inao Tajiri

Business Activities

- Medical field**
 Operation of community pharmacies; development and operation of medical facilities; leasing and management of buildings; Medical practice startup consulting; operation of assisted living facilities; insurance services; contract catering services; home nursing services; and other related services.
- Medical support field**
 Comprehensive business support services for pharmacies; development, sales, and maintenance of pharmaceutical systems; and support services for establishing pharmacies as patients' regular pharmacies.
- Medical supply field**
 Manufacturing and sales of generic drugs; logistics operations for pharmaceuticals and related products; and efficiency improvements in the pharmaceutical distribution process.

Headquarters 〒060-0010

Address 3-chome, Kita 10-jo Nishi 24-chome, Chuo-ku, Sapporo AKK Building



Group Companies and Business Fields

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

* Not included in consolidated financial statements

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.



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検索

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