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August 10, 2026

Non-consolidated Financial Results for the Three Months Ended June 30, 2026 [Under Japanese GAAP]



Company name: Fuso Pharmaceutical Industries, Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4538
 URL: <https://www.fuso-pharm.co.jp/en/>
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	16,046	3.5	972	63.0	911	40.9	642	39.0
June 30, 2025	15,503	6.0	596	(48.1)	647	(28.8)	462	(26.9)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	75.30	-
June 30, 2025	54.14	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	87,471	35,751	40.9
March 31, 2026	90,323	35,057	38.8

Reference: Equity

As of June 30, 2026: ¥ 35,751 million
 As of March 31, 2026: ¥ 35,057 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	45.00	-	45.00	90.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		45.00	-	45.00	90.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Non-consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	31,500	0.9	800	(35.9)	600	(47.0)	500	(39.9)	58.56
Full year	63,200	1.4	2,000	(24.2)	1,400	(40.4)	1,300	(35.4)	152.25

Note: Revisions to the financial result forecast most recently announced: None

* Notes

(1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2026	9,451,169 shares
As of March 31, 2026	9,451,169 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2026	914,847 shares
As of March 31, 2026	914,118 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2026	8,536,588 shares
Three months ended June 30, 2025	8,539,884 shares

* Review of the Japanese-language originals of the attached quarterly non-consolidated financial statements by certified public accountants or an audit firm: None

* Proper use of results forecasts, and other special notes

Results forecasts and other forward-looking statements in this document are based on information currently available to the Company as of the date of announcement and certain assumptions that are deemed reasonable, and are not a guarantee that they will be achieved. Actual results may differ significantly from the forecasts due to various factors. For more information on the assumptions used in the forecasts and notes on its use, please see “1. Overview of Operating Results, etc. (3) Explanation of Non-consolidated Financial Results Forecast and Other Forward-looking Information” on page 2 of the attachments.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Three Months under Review

During the three months ended June 30, 2026, the Japanese economy continued to see a moderate recovery with improvement in employment and income situations and increased demand from inbound tourists. However, due to not only the surge in energy and raw material prices, concerns over the procurement of materials originated from crude oil, and the continuing rises in commodity prices caused by the intensifying situation in the Middle East but developments related to United States trade policies, and fluctuations in financial and capital markets, the economic outlook remains uncertain.

In the pharmaceutical industry, policies to control medical expenses continue to be promoted through measures such as reforming the NHI drug price system and promoting the use of generic drugs. While all these trends call for companies in the industry to strengthen their management capabilities, the earnings environment has become increasingly harsh as R&D expenses rise and development risks expand.

Under such circumstances, Fuso Pharmaceutical Industries, Ltd. (the “Company”) strived to promote stronger penetration of dialysis-related products and infusions such as its mainstay Kindaly, a dialysate for hemodialysis, while also focusing on promoting sales of generic drugs.

As a result, for the three months ended June 30, 2026, net sales increased by 3.5%, or ¥543 million year on year to ¥16,046 million. This was mainly due to the effects of sales promotion activities, which offset a negative impact on the sales of generic drugs exerted by the NHI price revisions. As for profit, due to an increase in net sales, operating profit increased by 63.0%, or ¥375 million year on year to ¥972 million, ordinary profit increased by 40.9%, or ¥264 million year on year to ¥911 million, and profit increased by 39.0%, or ¥180 million year on year to ¥642 million.

(2) Overview of Financial Position for the Three Months under Review

Total assets at the end of the three months ended June 30, 2026 amounted to ¥87,471 million, a decrease of 3.2%, or ¥2,852 million from the end of the previous fiscal year. This was mainly due to a decrease in accounts receivable - trade, which offset factors such as increases in investments and other assets.

Liabilities amounted to ¥51,719 million, a decrease of 6.4%, or ¥3,546 million from the end of the previous fiscal year. This was mainly due to decreases in factors such as electronically recorded obligations - operating, short-term borrowings, and provision for bonuses, which offset factors such as an increase in accounts payable - trade.

Net assets amounted to ¥35,751 million, an increase of 2.0%, or ¥694 million from the end of the previous fiscal year. This was due to increases in retained earnings and valuation difference on available-for-sale securities. The equity ratio was 40.9 %.

(3) Explanation of Non-consolidated Financial Results Forecast and Other Forward-looking Information

At present, the non-consolidated financial results forecast for the fiscal year ending March 31, 2027 remains unchanged from those disclosed when the non-consolidated financial results for the fiscal year ended March 31, 2026 were announced on May 12, 2026. However, several factors, including the situation in the Middle East, developments of United States trade policies, the surge in resource and raw material prices and distribution costs, and fluctuations in financial and capital markets, have remained highly uncertain and continued to be unpredictable. If the non-consolidated financial results forecast needs to be revised, it will be promptly disclosed.

2. Quarterly Non-consolidated Financial Statements and Principal Notes

(1) Quarterly Non-consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	4,846	4,574
Accounts receivable - trade	26,897	23,699
Merchandise and finished goods	13,525	13,333
Work in process	75	85
Raw materials and supplies	2,082	2,417
Suspense payments	8,744	8,744
Other	1,164	1,229
Total current assets	57,336	54,085
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,066	8,937
Land	8,820	8,820
Other, net	4,300	4,413
Total property, plant and equipment	22,186	22,170
Intangible assets	1,352	1,298
Investments and other assets	9,447	9,916
Total non-current assets	32,987	33,385
Total assets	90,323	87,471
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	3,012	1,850
Accounts payable - trade	4,067	4,420
Short-term borrowings	26,604	24,489
Income taxes payable	103	116
Provision for bonuses	930	480
Provision for litigation loss	8,744	8,744
Other provisions	25	-
Other	8,198	8,074
Total current liabilities	51,684	48,176
Non-current liabilities		
Long-term borrowings	1,858	1,822
Other provisions	177	182
Other	1,544	1,537
Total non-current liabilities	3,581	3,543
Total liabilities	55,265	51,719

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Net assets		
Shareholders' equity		
Share capital	10,758	10,758
Capital surplus	14,951	14,951
Retained earnings	13,881	14,139
Treasury shares	(2,595)	(2,595)
Total shareholders' equity	36,995	37,253
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,736	3,172
Revaluation reserve for land	(4,674)	(4,674)
Total valuation and translation adjustments	(1,937)	(1,501)
Total net assets	35,057	35,751
Total liabilities and net assets	90,323	87,471

(2) Quarterly Non-consolidated Statement of Income
For the Three-Month Period

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	15,503	16,046
Cost of sales	11,424	11,848
Gross profit	4,078	4,198
Selling, general and administrative expenses	3,482	3,225
Operating profit	596	972
Non-operating income		
Interest and dividend income	60	93
Insurance claim income	77	82
Other	11	18
Total non-operating income	149	193
Non-operating expenses		
Interest expenses	70	104
Commission expenses	-	120
Life insurance expenses	25	25
Other	3	4
Total non-operating expenses	99	254
Ordinary profit	647	911
Profit before income taxes	647	911
Income taxes - current	74	74
Income taxes - deferred	110	194
Total income taxes	184	268
Profit	462	642

(3) Notes to Quarterly Non-consolidated Financial Statements

Notes on going concern assumption

Not applicable.

Notes in case of significant changes in shareholders' equity

Not applicable.

Additional information

On December 13, 2018, Toray Industries, Inc. filed a patent infringement lawsuit against us for the oral antipruritic agent Nifuroxime Hydrochloride OD Tablets 2.5μg “Fuso” [representative original product: Remitch OD Tablets 2.5μg] in the Tokyo District Court seeking injunctive relief.

The Tokyo District Court subsequently ruled to dismiss Toray Industries, Inc.'s claim, and on March 30, 2021, Toray Industries, Inc. was dissatisfied with this decision and appealed to the Intellectual Property High Court.

On May 27, 2025, the Intellectual Property High Court partially granted Toray Industries, Inc.'s claim and issued a judgment ordering the Company to pay a total of 7,472,878,838 yen plus late payment damages on the said amount.

In conjunction with this judgment, the Company has recorded provision for litigation losses of 8,744 million yen as an extraordinary loss for the fiscal year ended March 31, 2025.

We have maintained that this product does not infringe on any patent rights held by Toray Industries, Inc., but we deeply regret that our arguments were not accepted in the appeal court. On June 6, 2025, we appealed this decision to the Supreme Court, and filed a petition for acceptance of the appeal.

Notes on segment information, etc.

The Company engages in real estate leasing in addition to the pharmaceutical business, but segment information is omitted because it is immaterial.

Notes on statements of cash flows

Quarterly non-consolidated statements of cash flows for the three months ended June 30, 2026 are not prepared.

Depreciation (including amortization relating to intangible assets) for the three months ended June 30 was as follows.

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Depreciation	¥641 million	¥653 million