

Summary of Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2026

February 9, 2026

The financial statements herein have been prepared in accordance with accounting principles and practices widely accepted in Japan, and are for reference purposes only.

MEDIPAL HOLDINGS CORPORATION

Stock exchange listing: Tokyo Stock Exchange

Stock exchange code: 7459

Website: <https://www.medipal.co.jp/english/>

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Start of distribution of dividends (scheduled): —

Supplementary materials for the financial statements: Yes

Presentation to explain the financial statements: No

(All amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2026 (April 1 to December 31, 2025)

(1) Sales and Profits (The year-on-year change refers to the same period of the previous fiscal year.)

	Net sales (Millions of yen)	Year-on-year change (%)	Operating profit (Millions of yen)	Year-on-year change (%)	Ordinary profit (Millions of yen)	Year-on-year change (%)
Nine months ended December 31, 2025	2,911,667	3.7	43,183	(4.8)	61,313	8.1
Nine months ended December 31, 2024	2,807,172	3.4	45,372	21.9	56,709	12.9

Note: Comprehensive income increased by 5.9% to ¥54,382 million in the nine months ended December 31, 2025, and increased by 26.3% year on year to ¥51,350 million in the nine months ended December 31, 2024.

	Profit attributable to owners of parent (Millions of yen)	Year-on-year change (%)	Earnings per share (Yen)	Earnings per share (diluted) (Yen)
Nine months ended December 31, 2025	37,414	3.2	181.48	—
Nine months ended December 31, 2024	36,238	28.1	173.66	—

(2) Financial Position

	Total assets (Millions of yen)	Net assets (Millions of yen)	Net worth ratio* (%)	Net assets per share (Yen)
As of December 31, 2025	2,019,371	783,927	31.8	3,132.44
As of March 31, 2025	1,824,984	757,947	33.9	2,979.39

* Calculated based on net worth of ¥641,205 million as of December 31, 2025, and ¥619,564 million as of March 31, 2025.

2. Dividend Payments

	Dividends per share (Yen)				
	1st quarter	2nd quarter	3rd quarter	Year-end	Full year
Paid for the year ended March 31, 2025	—	30.00	—	32.00	62.00
Paid for the year ending March 31, 2026	—	32.00	—		
Planned for the year ending March 31, 2026				32.00	64.00

Note: Revisions to planned dividend payments announced on May 13, 2025: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2026 (April 1, 2025 - March 31, 2026)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	(Millions of yen)	YoY change	(Millions of yen)	YoY change	(Millions of yen)	YoY change	(Millions of yen)	YoY change	(Yen)
Full fiscal year	3,785,000	3.1%	52,000	(6.5%)	69,000	5.7%	34,500	(14.3%)	167.63

Note: Revisions to forecast announced on May 13, 2025: None

Note: By the end of November 2025, the Company had completed the acquisition and cancellation of treasury stock pursuant to a decision by its Board of Directors in a meeting held on May 13, 2025. The forecast of earnings per share, above, was calculated in consideration of the impact of this acquisition and cancellation of treasury stock.

Notes

- (1) Significant changes in scope of consolidation in the nine months ended December 31, 2025: Yes
 Subsidiaries added to the scope of consolidation: None
 Subsidiaries removed from the scope of consolidation: 1 (MVC Co., Ltd.)
 Note: MVC Co., Ltd., was removed from the scope of consolidation because it was absorbed by the Company's wholly owned subsidiary, ATOL Co., Ltd. (the surviving company of the merger) effective from April 1, 2025.
- (2) Application of accounting methods specific to preparation of the consolidated financial statements: None
- (3) Changes in accounting policies and estimates, and restatements of accounting estimates
 - (a) Changes in accounting policies due to revisions of accounting standards: None
 - (b) Changes in accounting policies other than (a) above: None
 - (c) Changes in accounting estimates: None
 - (d) Restatements: None
- (4) Number of shares issued and outstanding (common stock)

(a) Number of shares issued at the end of the period (including treasury stock)	As of December 31, 2025	215,975,042	As of March 31, 2025	219,226,042
(b) Number of treasury shares at the end of the period	As of December 31, 2025	11,276,486	As of March 31, 2025	11,275,805
(c) Average number of shares outstanding during the period	April 1 to December 31, 2025	206,166,939	April 1 to December 31, 2024	208,667,434

Note: Non-mandatory review of the Japanese-language originals of the consolidated quarterly financial statements, herein, by certified public accountants or an audit firm: Yes (non-statutory basis)

Disclaimer Regarding Forward-Looking Statements

The forecast of consolidated financial results is based on information at the time of the publication of this report. Results may differ from the forecast amounts owing to a wide range of factors.

Availability of Supplemental Materials Covering the Financial Results

Supplementary materials are made available in the "IR Library" section of the Company's website.

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1. Overview of Financial Results

(1) Overview of Results of Operations

Consolidated financial results for the first nine months ended December 31, 2025, are as follows.

(Millions of yen, rounded down to the nearest million)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025	Difference	YoY change
Net sales	2,807,172	2,911,667	+104,495	+3.7%
Gross profit	194,224	199,021	+4,796	+2.5%
Percentage of net sales	6.92%	6.84%	(0.08pp)	
Selling, general and administrative expenses	148,852	155,837	+6,985	+4.7%
Percentage of net sales	5.30%	5.35%	+0.05pp	
Selling, general and administrative expenses excluding (i) and (ii) below	146,663	150,567	+3,904	+2.7%
(i) Business investment and other expenses	508	3,521	+3,012	+592.1%
(ii) Amortization of goodwill and intangible assets*	1,679	1,748	+68	+4.1%
Operating profit	45,372	43,183	(2,189)	(4.8%)
Percentage of net sales	1.62%	1.48%	(0.13pp)	
Operating profit excluding (i) and (ii) above	47,561	48,453	+892	+1.9%
Ordinary profit	56,709	61,313	+4,603	+8.1%
Net extraordinary income	9,233	5,265	(3,968)	(43.0%)
Profit before income taxes	65,943	66,578	+635	+1.0%
Profit attributable to owners of parent	36,238	37,414	+1,176	+3.2%

* Amortization of goodwill and intangible assets associated with growth investments set forth in the 2027 MEDIPAL Medium-Term Vision

Net sales

Net sales rose by ¥104,495 million [3.7%] year on year to ¥2,911,667 million.

- The year-on-year growth in consolidated net sales was backed by increases of ¥65,339 million [3.6%] in the Prescription Pharmaceutical Wholesale Business segment and ¥39,572 million [4.3%] in the Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business segment, despite a decrease of ¥427 million [(0.5%)] in the Animal Health Products and Food Processing Raw Materials Wholesale Related Business segment.

Operating profit

Operating profit decreased by ¥2,189 million [(4.8%)] year on year to ¥43,183 million.

- Gross profit increased by ¥4,796 million [2.5%], primarily due to the growth in net sales. The ratio of gross profit to net sales came to 6.84%, down 0.08 of a percentage point from 6.92% in the same period of the previous fiscal year.
- Selling, general and administrative (SG&A) expenses rose by ¥6,985 million [4.7%], mainly due to increased business investment and other expenses** in the Prescription Pharmaceutical Wholesale Business segment, along with rising logistics expenses and investment in human resources in the Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business segment. The ratio of SG&A expenses to net sales stood at 5.35%, up 0.05 of a percentage point from 5.30% in the same period of the previous fiscal year.

** The amount of this business investment and other expenses made during the period under review has been reflected in the Company's forecast of financial results announced on May 13, 2025.

Ordinary profit

Ordinary profit rose by ¥4,603 million [8.1%] year on year to ¥61,313 million.

- Ordinary profit was up despite the year-on-year decrease of ¥2,189 million [(4.8%)] in operating profit, mainly because net non-operating income and expenses increased by ¥6,792 million compared with the same period of the previous fiscal year, which was largely a result of a higher share of profit of entities accounted for using equity method and of posting a gain on investments in investment partnerships.

Profit attributable to owners of parent

Profit attributable to owners of parent increased by ¥1,176 million [3.2%] year on year to ¥37,414 million.

- Net extraordinary income and losses amounted to ¥5,265 million, down ¥3,968 million compared with the same period of the previous fiscal year. Among the main factors underlying this result, although a gain on sale of investment securities recorded under extraordinary income increased by ¥880 million year on year to ¥9,970 million, ¥4,535 million in expenses for business restructuring associated with the logistics operations and others of the Prescription Pharmaceutical Wholesale Business was recorded under extraordinary losses.

Prescription Pharmaceutical Wholesale Business Segment

(Millions of yen, rounded down to the nearest million)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025	Difference	YoY change
Net sales	1,809,725	1,875,064	+65,339	+3.6%
Gross profit	113,758	115,209	+1,450	+1.3%
Percentage of net sales	6.29%	6.14%	(0.14pp)	
Selling, general and administrative expenses	92,903	96,353	+3,449	+3.7%
Percentage of net sales	5.13%	5.14%	+0.01pp	
Selling, general and administrative expenses excluding (i) and (ii) below	92,257	92,625	+368	+0.4%
(i) Business investment and other expenses	508	3,521	+3,012	+592.1%
(ii) Amortization of goodwill*	137	206	+68	+50.0%
Operating profit	20,854	18,855	(1,998)	(9.6%)
Percentage of net sales	1.15%	1.01%	(0.15pp)	
Operating profit excluding (i) and (ii) above	21,501	22,583	+1,082	+5.0%

* Amortization of goodwill associated with growth investments set forth in the 2027 MEDIPAL Medium-Term Vision

Net sales

Net sales rose by ¥65,339 million [3.6%] year on year to ¥1,875,064 million.

- Despite falling demand for products associated with COVID-19, net sales increased on the back of growth in the medical supplies market, higher sales from dispensing pharmacies' channels, and the Company's success in stepping up marketing of products designated as having potential for growth.

Operating profit

Operating profit fell by ¥1,998 million [(9.6%)] year on year to ¥18,855 million.

- Gross profit increased by ¥1,450 million [1.3%] year on year, primarily as a result of the increase in net sales. The ratio of gross profit to net sales came to 6.14%, down 0.14 of a percentage point year on year from 6.29%. This reflected changes in the product mix and rising purchasing costs resulting from drug price revision.
- SG&A expenses rose by ¥3,449 million [3.7%] year on year due to higher business investment and other expenses. The ratio of SG&A expenses to net sales came to 5.14%, up 0.01 of a percentage point from 5.13% in the same period of the previous fiscal year.

Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business Segment

(Millions of yen, rounded down to the nearest million)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025	Difference	YoY change
Net sales	911,064	950,636	+39,572	+4.3%
Gross profit	68,021	71,446	+3,425	+5.0%
Percentage of net sales	7.47%	7.52%	+0.05pp	
Selling, general and administrative expenses	45,581	49,498	+3,916	+8.6%
Percentage of net sales	5.00%	5.21%	+0.20pp	
Operating profit	22,439	21,947	(491)	(2.2%)
Percentage of net sales	2.46%	2.31%	(0.15pp)	

Net sales

Net sales rose by ¥39,572 million [4.3%] year on year to ¥950,636 million.

- Although consumers tended to economize amid rising prices of goods and services, this business boosted sales and stepped up its efforts to market high value-added products, particularly cosmetics. Furthermore, it applied consumer purchasing data in sales activities to clearly identify changes in purchasing behavior associated with

growing awareness of health and rising demand for leisure outings. As a result, the business kept sales volume in line with the previous year and increased unit selling prices of products, thereby increasing net sales.

Operating profit

Operating profit decreased by ¥491 million [(2.2%)] year on year to ¥21,947 million.

- Backed by the growth in net sales and expanded lineups of high value-added products, gross profit increased by ¥3,425 million [5.0%] year on year, despite the impact of rising prices of goods and services along with higher logistics center fees amid a shortage of delivery vehicle drivers. The ratio of gross profit to net sales increased by 0.05 of a percentage point from 7.47% to 7.52%, reflecting the Company's efforts to boost sales of high value-added products tailored for consumer needs.
- SG&A expenses rose by ¥3,916 million [8.6%], mainly due to proactive investment in human resources, rising logistics expenses resulting from increases in unit costs for warehouse labor costs and delivery fees, and increases in costs associated with the operation of the external rental logistics centers for the purpose of expanding logistics capacity. The ratio of SG&A expenses to net sales came to 5.21%, up 0.20 of a percentage point from 5.00% in the same period of the previous fiscal year.

Animal Health Products and Food Processing Raw Materials Wholesale and Related Business Segment

(Millions of yen, rounded down to the nearest million)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025	Difference	YoY change
Net sales	89,412	88,985	(427)	(0.5%)
Gross profit	12,488	12,410	(77)	(0.6%)
Percentage of net sales	13.97%	13.95%	(0.02pp)	
Selling, general and administrative expenses	10,518	10,278	(240)	(2.3%)
Percentage of net sales	11.76%	11.55%	(0.21pp)	
Selling, general and administrative expenses excluding the following:	8,976	8,735	(240)	(2.7%)
Amortization of goodwill and intangible assets*	1,542	1,542	—	—
Operating profit	1,969	2,132	+162	+8.2%
Percentage of net sales	2.20%	2.40%	+0.19pp	
Operating profit excluding the above amortization	3,512	3,674	+162	+4.6%

* Amortization of goodwill and intangible assets associated with growth investments set forth in the 2027 MEDIPAL Medium-Term Vision

Net sales

Net sales edged down by ¥427 million [(0.5%)] year on year to ¥88,985 million.

- Despite the negative impact of changes in product distribution in the companion animal* health products industry, specifically the direct sale of certain products by their manufacturers, net sales were up in the Animal Health Products Wholesale Business, thanks to solid sales of fish vaccines and ingredients for cattle feed. Net sales decreased in the Food Processing Raw Materials Wholesale and Related Business, however, due to declining sales to the food market, despite progress in creating new business opportunities and expanding sales to the chemical products market.

* An animal that has a companion-like presence and a close relationship with people in daily life.

Operating profit

Operating profit rose by ¥162 million [8.2%] year on year to ¥2,132 million.

- Gross profit decreased by ¥77 million [(0.6%)] year on year, as the Animal Health Products Wholesale Business faced increasingly tough price competition in the livestock and fish farming markets, and the Food Processing Raw Materials Wholesale and Related Business dealt with soaring cost prices in the food market due to foreign exchange impact. The ratio of gross profit to net sales came to 13.95%, down 0.02 of a percentage point from 13.97% in the same period of the previous fiscal year.
- SG&A expenses decreased by ¥240 million [(2.3%)], mainly due to lower logistics expenses in the Animal Health Products Wholesale Business and lower personnel expenses in the Food Processing Raw Materials Wholesale and Related Business. The ratio of SG&A expenses to net sales stood at 11.55%, an increase of 0.21 of a percentage point from 11.76% in the same period of the previous fiscal year.

Note: Segment sales include inter-segment transactions.

(2) Overview of Financial Position

Assets

As of December 31, 2025, total assets amounted to ¥2,019,371 million, an increase of ¥194,387 million from the end of the previous fiscal year

Current assets rose by ¥186,786 million from the end of the previous fiscal year to ¥1,469,533 million. This was mainly due to increases in cash and deposits of ¥14,466 million, notes and accounts receivable – trade of ¥118,737 million, and merchandise and finished goods of ¥41,354 million.

Non-current assets increased by ¥7,600 million from the end of the previous fiscal year to ¥549,838 million, largely as a result of an increase in investment securities of ¥13,704 million.

Liabilities

As of December 31, 2025, total liabilities stood at ¥1,235,443 million, an increase of ¥168,406 million from the end of the previous fiscal year.

Current liabilities increased by ¥166,803 million from the end of the previous fiscal year to ¥1,176,250 million, mainly due to an increase in notes and accounts payable–trade of ¥173,789 million.

Non-current liabilities increased by ¥1,602 million from the end of the previous fiscal year to ¥59,193 million. Among the factors underlying this result were an increase in deferred tax liabilities of ¥3,642 million (included in the “other” line item under “non-current liabilities”) and a decrease in retirement benefit liability of ¥1,982 million.

Net assets

As of December 31, 2025, net assets totaled ¥783,927 million, an increase of ¥25,980 million from the end of the previous fiscal year.

Shareholders’ equity rose by ¥15,139 million from the end of the previous fiscal year to ¥578,426 million, reflecting an increase in retained earnings of ¥16,310 million.

Accumulated other comprehensive income increased by ¥6,502 million from the end of the previous fiscal year to ¥62,779 million, mainly as a result of an increase in valuation difference on available-for-sale securities of ¥7,103 million.

Non-controlling interests increased by ¥4,338 million from the end of the previous fiscal year to ¥142,720 million, mainly due to an increase in net assets held by PALTAC Corporation.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen, rounded down to the nearest million)

	As of March 31, 2025	As of December 31, 2025
ASSETS		
Current assets		
Cash and deposits	261,407	275,873
Notes and accounts receivable – trade	763,541	882,278
Merchandise and finished goods	178,100	219,454
Other	79,739	91,965
Allowance for doubtful accounts	(42)	(39)
Total current assets	1,282,746	1,469,533
Non-current assets		
Property, plant and equipment:		
Buildings and structures, net	103,180	102,232
Land	117,285	117,211
Other, net	48,098	43,264
Total property, plant and equipment	268,564	262,707
Intangible assets		
Goodwill	13,150	12,232
Customer-related intangible assets	16,392	15,446
Other	10,356	9,888
Total intangible assets	39,898	37,566
Investments and other assets		
Investment securities	199,078	212,782
Other	35,341	37,418
Allowance for doubtful accounts	(644)	(636)
Total investments and other assets	233,774	249,563
Total non-current assets	542,237	549,838
Total assets	1,824,984	2,019,371

(Millions of yen, rounded down to the nearest million)

	As of March 31, 2025	As of December 31, 2025
LIABILITIES		
Current liabilities		
Notes and accounts payable – trade	932,474	1,106,263
Income taxes payable	13,329	10,778
Provision for bonuses	7,854	3,719
Provision for loss on disposal of fixed assets	167	—
Provision for loss on Anti-Monopoly Act	2,233	—
Other	53,387	55,489
Total current liabilities	1,009,447	1,176,250
Non-current liabilities		
Retirement benefit liability	16,057	14,075
Other	41,532	45,117
Total non-current liabilities	57,590	59,193
Total liabilities	1,067,037	1,235,443
NET ASSETS		
Shareholders' equity		
Share capital	22,398	22,398
Capital surplus	100,010	100,084
Retained earnings	463,071	479,381
Treasury shares	(22,193)	(23,438)
Total shareholders' equity	563,286	578,426
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	66,060	73,163
Deferred gains or losses on hedges	(37)	17
Revaluation reserve for land	(13,518)	(13,518)
Foreign currency translation adjustment	2,646	2,301
Remeasurements of defined benefit plans	1,126	815
Total accumulated other comprehensive income	56,277	62,779
Share acquisition rights	1	1
Non-controlling interests	138,381	142,720
Total net assets	757,947	783,927
Total liabilities and net assets	1,824,984	2,019,371

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income

(Millions of yen, rounded down to the nearest million)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net sales	2,807,172	2,911,667
Cost of sales	2,612,947	2,712,645
Gross profit	194,224	199,021
Selling, general and administrative expenses		
Salaries and allowances	62,319	63,836
Welfare expenses	11,136	11,050
Provision for bonuses	3,903	3,481
Retirement benefit expenses	2,095	1,841
Distribution expenses	17,846	18,911
Rent expenses on land and buildings	3,818	4,256
Depreciation	10,111	10,129
Other	37,619	42,328
Total selling, general and administrative expenses	148,852	155,837
Operating profit	45,372	43,183
Non-operating income		
Interest income	15	131
Dividend income	2,321	2,423
Research fee income	6,511	6,646
Rental income from real estate	1,833	2,140
Share of profit of entities accounted for using equity method	607	3,209
Gain on investments in investment partnerships	—	3,792
Other	1,637	1,816
Total non-operating income	12,926	20,160
Non-operating expenses		
Interest expenses	5	9
Rental expenses on real estate	1,315	1,792
Other	268	229
Total non-operating expenses	1,589	2,030
Ordinary profit	56,709	61,313
Extraordinary income		
Gain on sale of non-current assets	74	13
Gain on sale of investment securities	9,089	9,970
Other	602	481
Total extraordinary income	9,766	10,464
Extraordinary losses		
Loss on sale and retirement of non-current assets	48	69
Impairment losses	256	389
Loss on valuation of investment securities	186	115
Expenses for business restructuring	—	4,535
Other	41	89
Total extraordinary losses	532	5,199
Profit before income taxes	65,943	66,578
Income taxes – current	20,813	22,699
Income taxes – deferred	(98)	(1,927)
Total income taxes	20,715	20,772
Profit	45,227	45,806
Profit attributable to non-controlling interests	8,989	8,391
Profit attributable to owners of parent	36,238	37,414

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen, rounded down to the nearest million)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Profit	45,227	45,806
Other comprehensive income		
Valuation difference on available-for-sale securities	5,202	8,815
Deferred gains or losses on hedges	(10)	64
Remeasurements of defined benefit plans, net of tax	(232)	(366)
Share of other comprehensive income of entities accounted for using equity method	1,163	61
Total other comprehensive income	6,123	8,575
Comprehensive income	51,350	54,382
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	43,056	43,916
Comprehensive income attributable to non-controlling interests	8,294	10,465

(3) Notes to the Quarterly Consolidated Financial Statements

Segment Results

I. Results for the nine months ended December 31, 2024

Breakdown of Net Sales and Profit by Segment

(Millions of yen, rounded down to the nearest million)

	Prescription Pharmaceutical Wholesale Business	Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business	Animal Health Products and Food Processing Raw Materials Wholesale and Related Business	Total	Adjustment (Note 1)	Amount reported in quarterly consolidated statements of income (Note 2)
Net sales						
Sales to customers	1,806,981	910,783	89,406	2,807,172	—	2,807,172
Intersegment sales and transfers	2,744	280	6	3,030	(3,030)	—
Total	1,809,725	911,064	89,412	2,810,202	(3,030)	2,807,172
Segment profit	20,854	22,439	1,969	45,264	108	45,372

Notes: 1. The adjustment of segment profit amounting to ¥108 million is the net balance of ¥2,258 million in inter-segment eliminations and ¥2,150 million in group-wide expenses that are not allocated to reportable segments.

2. Segment profit is adjusted to operating profit as reported in the quarterly consolidated statements of income.

II. Results for the nine months ended December 31, 2025

Breakdown of Net Sales and Profit by Segment

(Millions of yen, rounded down to the nearest million)

	Prescription Pharmaceutical Wholesale Business	Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business	Animal Health Products and Food Processing Raw Materials Wholesale and Related Business	Total	Adjustment (Note 1)	Amount reported in quarterly consolidated statements of income (Note 2)
Net sales						
Sales to customers	1,872,260	950,423	88,983	2,911,667	—	2,911,667
Intersegment sales and transfers	2,804	213	1	3,019	(3,019)	—
Total	1,875,064	950,636	88,985	2,914,686	(3,019)	2,911,667
Segment profit	18,855	21,947	2,132	42,936	247	43,183

Notes: 1. The adjustment of segment profit amounting to ¥247 million is the net balance of ¥2,380 million in inter-segment eliminations and ¥2,133 million in group-wide expenses that are not allocated to reportable segments.

2. Segment profit is adjusted to operating profit as reported in the quarterly consolidated statements of income.

Notes in the Event of Significant Changes in Shareholders' Equity

None applicable

Notes Regarding Assumptions of Going Concern

None applicable

Notes Regarding Quarterly Consolidated Statements of Cash Flows

Statements of consolidated cash flows for the first nine months of the fiscal year ending March 31, 2026, have not been prepared. Amounts of depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the first nine months of the fiscal year ending March 31, 2026, are as follows.

	(Millions of yen)	
	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Depreciation	12,801	12,985
Amortization of goodwill	970	918

3. Other

(1) Regarding the Completion of MP AGRO CO., LTD.'s Acquisition of Cygni Holdings, Inc. Shares

MP AGRO CO., LTD., a consolidated subsidiary of our company, completed the acquisition of all shares of Cygni Holdings, Inc., which owns all shares of Cygni Corporation, an e-commerce (EC) business for veterinary clinics, on January 30, 2026. On the same date, we disclosed the "(Update on Disclosed Matter) Notice Regarding the Completion of MP AGRO CO., LTD.'s Acquisition of Cygni Holdings, Inc. Shares."

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