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November 13, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)



Company name: SUZUKEN CO., LTD.

Listing: Tokyo Stock Exchange, Nagoya Stock Exchange, Sapporo Securities Exchange

Securities code: 9987

URL: <https://www.suzuken.co.jp/en/>

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Scheduled date to file semi-annual securities report: November 14, 2025

Scheduled date to commence dividend payments: December 10, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2025	1,219,440	1.8	16,958	(0.8)	18,032	6.0	16,241	(19.9)
September 30, 2024	1,197,323	0.2	17,101	3.2	17,009	(6.5)	20,278	27.7

Note: Comprehensive income For the six months ended September 30, 2025: ¥ 13,846 million [(17.0) %]
For the six months ended September 30, 2024: ¥ 16,685 million [(13.1) %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	228.09	-
September 30, 2024	261.16	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	1,174,608	405,637	34.5
March 31, 2025	1,113,831	407,420	36.6

Reference: Equity

As of September 30, 2025: ¥ 405,505 million
As of March 31, 2025: ¥ 407,291 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, 2025	-	50.00	-	50.00	100.00
Fiscal year ending March 31, 2026	-	50.00			
Fiscal year ending March 31, 2026 (Forecast)			-	50.00	100.00

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

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	2,468,000	2.8	33,600	(9.5)	35,100	(9.6)	32,800	(4.9)	455.13

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

*The average number of shares outstanding during the period used to calculate basic earnings per share does not reflect the impact of the share repurchase announced, on May 13, 2025, in the release titled “Suzuken Announces Share Repurchase Program.”

* Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - companies ()

Excluded: - companies ()

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) 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

(4) Number of issued shares (common shares)

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

As of September 30, 2025	72,167,204 shares
As of March 31, 2025	72,167,204 shares

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

As of September 30, 2025	2,263,654 shares
As of March 31, 2025	100,049 shares

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

Six months ended September 30, 2025	71,204,679 shares
Six months ended September 30, 2024	77,649,906 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Earnings forecasts and other statements about the future that are included in this material are based on information currently in the possession of the Company, and certain conditions judged reasonable by the Company. These statements do not guarantee that the Company will achieve its earnings forecasts. In addition, actual results, etc., may differ significantly due to various factors. For notes, etc., on the conditions for earnings forecasts and the use of earnings forecasts, please refer to “1. Overview of Operating Results (3) Explanation of Forecasts of Consolidated Financial Results and Other Forward-Looking Statements” on page 6 of the attached documentation.

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1. Overview of Operating Results

(1) Overview of Operating Results for the Semi-annual Period

During the six months ended September 30, 2025, we saw continued currency market fluctuations and inflation reflecting rising prices of electrical power, energy, and raw materials for multiple reasons, including uncertainties about the policy trends of the US administration. Furthermore, alongside the policy-driven wage hikes, the increasing labor shortages, symbolized by the so-called "2024 Problem," have led to rising costs across various areas. Meanwhile, with uncertainty surrounding the ability to pass on these costs through price increases, the outlook for the domestic economy and corporate earnings has continued to remain unclear.

Under these circumstances, the Suzuken Group has formulated a medium-term management plan that concludes with the current fiscal year. Through the implementation of this medium-term management plan, the Group will carry out its transformation into a health creation enterprise working as "One Team" and in order to continue creating new value as an entity that provides new solutions and hope to the changing healthcare ecosystem, thereby further enhancing corporate value and contributing to solving social issues.

This medium-term management plan positions "Reform of existing businesses" and "Preparation for new growth businesses" as our main focuses in the lead-up to the 100th anniversary in 2032.

During the six months ended September 30, 2025, we worked on several measures as part of "Reform of existing businesses." Such measures included the reinforcement of its distribution model for specialty drugs including orphan drugs and regenerative medicine products through collaboration with various companies, and the creation of a new profit model through MS*¹ activities.

Specifically, in order to build a healthcare distribution platform, we are working on enhancing the quality of our pharmaceutical distribution by implementing the specialty drug traceability solution Cubixx® in regional core hospitals and other medical institutions nationwide. In the distribution of specialty drugs, we have strived to meet the requirements of pharmaceutical companies aiming for market entry and new product launches in Japan and strengthened its distribution base to ensure reliable delivery of new drugs to patients awaiting treatment.

Additionally, as a program aimed at allowing real-time visualization and optimization of pharmaceutical distribution, we have developed and introduced systems that help reduce the workloads of medical institutions and pharmacies through pharmaceutical shipping adjustments and improve productivity at our company. In May 2023, we introduced the Delivery Schedule Notification Service and the Delivery Schedule Notification app which allow the delivery dates of ordered pharmaceuticals, inventory of substitute products, and other information to be checked on the internet. They are already in use by over approximately 101,000 customers (number registered as of the end of September 2025). In addition, we have introduced the Order Proposal app in October 2023, to provide ordering support based on demand forecasts, which is in use by over approximately 18,000 customers (number registered as of the end of September 2025).

Taking the "2024 Problem" into account, we established the Greater Tokyo Distribution Center in Soka City, Saitama Prefecture, and commenced full operations in April 2024. It is the industry's first complex distribution center that incorporates a contract manufacturing and manufacturer distribution area within a wholesale distribution base, employing cutting-edge robotic technology for enhanced automation and labor efficiency. Additionally, in May 2025, we entered into a provisional land sale agreement with Kasugai City in Aichi Prefecture for the construction of a new logistics hub, tentatively named the Chubu Distribution Center, to serve the Chubu region (central Japan) (with construction scheduled to start in October 2027). In the future, we aim to achieve a variety of benefits, including improved efficiency through automation, reduced transportation and delivery costs, quality assurance that complies with GDP*² standards, environmental benefits such as reduced CO₂ emissions, and further strengthening our BCP response in the event of a disaster by maximizing the use of the Group's distribution network, starting with both the Greater Tokyo Distribution Center and Chubu Distribution Center.

Moving forward, the Suzuken Group will continue to sequentially introduce new systems to realize the "Reform of existing businesses."

For "Preparation for new growth businesses," the Suzuken Group has been working with its partner companies to establish new distribution channels, accelerate the development of the digital health business through collaborations, and advance innovative services and information businesses, in order to provide new value to pharmaceutical companies, medical institutions, pharmacies, and patients.

Specifically, we have been offering services through the COLLABO Portal*³, a portal site for medical and nursing care professionals. In addition to distributing various services and information owned by the Suzuken Group, the

COLLABO Portal is equipped with functions that connect customers with the Suzuken Group, pharmaceutical companies, and healthcare professionals and specialist staff, as well as functions that deliver digital health services from cooperating companies in an integrated manner. Our focus is to create an environment in which medical and nursing care facilities can use digital health services safely and securely.

By linking COLLABO Portal with “Medical Care Station (MCS)^{*4}”, a social healthcare collaboration platform specialized in medical and nursing care deployed by Embrace Co., Ltd., our wholly owned subsidiary, we have established a new connection between the Company and over 380,000 medical and nursing care professionals (on a registered accounts basis). Moving forward, we will accelerate our efforts to develop a new information-driven revenue business, including marketing support that leverages our existing connections with approximately 160,000 pharmaceutical wholesale customers nationwide and the newly built connections with over 380,000 individual medical and nursing care professionals.

Furthermore, in September 2025, in order to further accelerate initiatives based on the concept of “Strategic recombination of capabilities”—aimed at combining the capabilities of the Group and its partner companies—we relocated the offices of Suzuken’s headquarters departments and Group companies in Tokyo (six companies including the Company; approximately 200 employees) to the MSH Nihonbashi Hakozaeki Building. By consolidating these functions, we aim to strengthen collaboration among headquarters and business units, including partner companies, and promote group-wide integrated management with a “One Team” approach.

The Suzuken Group, in collaboration with health-tech companies and other external partners, will continue to accelerate its efforts towards transforming into a health creation enterprise.

As part of risk management measures, we established the Information Security Practices Committee on April 1, 2025 as a practices committee under the Risk Management and Compliance Committee, which works under the Board of Directors. Behind this was a growing need to address increasingly sophisticated and serious information security risks as witnessed in a large number of incidents such as ransomware. Through the Information Security Practices Committee, we will further promote the grasping, management, and enhancement of the security level of the Group centrally.

Regarding our shareholder return policy, we revised and strengthened the policy disclosed in May 2023 on November 10, 2023. Our policy is based on the continuation of stable dividends, with a commitment to achieve shareholder returns exceeding a total return ratio of 100% over the three-year average up to the fiscal year ending March 2026, the final year of our medium-term management plan, aiming to enhance shareholder returns. Additionally, through investment in strengthening our existing businesses and creating new ventures, we aim to improve our corporate value and capital efficiency. In line with the above policy, at the Board of Directors meeting held on May 13, 2025, we resolved to repurchase shares in accordance with the provisions of Article 459, Paragraph 1 of the Companies Act. As of the end of September 2025, we have repurchased approximately 2,190,000 shares (total amount of repurchase: ¥12,183 million).

<Details of the Share Repurchase>

Class of shares to be repurchased:	Common shares
Total number of shares to be repurchased:	Up to 5,200,000 shares
Total amount of repurchase:	Up to ¥26,000 million
Period of repurchase:	May 15, 2025 to March 19, 2026
Method of repurchase:	Market purchases on the Tokyo Stock Exchange including purchases through the Off-Auction Own Share Repurchase Trading System (ToSTNet-3)

Our consolidated business results for the six months ended September 30, 2025, showed an increase in net sales due to growth in the ethical drug market and contributions from new drugs, including specialty drugs, despite a year-on-year decrease in sales of COVID-19-related products (including therapeutic and diagnostic agents, etc.). In terms of profits, in addition to the positive impact of higher revenue, we continued efforts to ensure appropriate levels of profitability and to review and control selling, general, and administrative expenses.

As a result, net sales were ¥1,219,440 million (up 1.8% year on year), operating profit was ¥16,958 million (down 0.8% year on year), ordinary profit was ¥18,032 million (up 6.0% year on year), and profit attributable to owners of parent was ¥16,241 million (down 19.9% year on year).

***1 MS (Marketing Specialist)**

: This refers to a person responsible for sales in the pharmaceutical distribution business.

An MS visits places such as medical institutions and pharmacies to introduce drugs, conduct business negotiations, and provide and collect information.

***2 GDP (Good Distribution Practice)**

: This refers to the standards for the proper distribution of pharmaceuticals.

The purpose of GDP is to ensure the management of distribution channels in the pharmaceutical market, maintain the integrity of pharmaceuticals, and prevent the infiltration of counterfeit drugs into the regular distribution channels.

***3 COLLABO Portal**

: This refers to a comprehensive portal site that provides convenient one-stop digital health services including solutions functions that provide a variety of services operated by the Suzuken Group, communications functions that enable the Suzuken Group MSs, MRs, and specialized staff to make points of contact with customers remotely by utilizing chat, video, and other functions, and the purchasing functions which are linked with Amazon Business as well as other functions. It also contributes to more efficient operations at medical and nursing care workplaces by utilizing SSO (Single Sign-On: a mechanism that allows multiple systems to be used based on a single user authentication) and data integration, and by increasing accessibility.

***4 Medical Care Station (MCS)**

: This refers to a private timeline-based social networking service (SNS) for medical and nursing care collaboration. It is user-friendly and is compatible with a variety of devices including tablets, smartphones, and computers. With robust security measures, it allows easy access and sharing of necessary information not only within hospitals and facilities but also from outside locations. It facilitates comprehensive community care and interprofessional work by connecting doctors and allied health professionals, nursing care workers, patients, and their families across different professions and roles.

Operating results by segment were as follows:

(Millions of yen)

Name of business segment		Six months ended September 30, 2024	Six months ended September 30, 2025	Change (%)
Pharmaceutical Distribution	Net sales	1,155,187	1,177,256	1.9
	Operating profit	14,541	14,182	(2.5)
Healthcare Product Development	Net sales	26,151	25,477	(2.6)
	Operating profit	1,333	1,192	(10.6)
Community Healthcare and Nursing Care Support	Net sales	46,663	46,483	(0.4)
	Operating profit	126	411	224.8
Specialty Drug Contract Distribution	Net sales	137,455	203,431	48.0
	Operating profit	377	532	41.0
Healthcare-Related Services	Net sales	21,404	20,858	(2.6)
	Operating profit	512	521	1.7

(Note) Segment sales results include intersegment transactions.

(Pharmaceutical Distribution)

The growth of the ethical drug market is presumed to be due to the expansion of the oncology drug market and the contributions from new drugs, including specialty drugs.

Under these circumstances, segment net sales were ¥1,177,256 million (up 1.9% year on year) due to contributions of new drugs, including specialty drugs, and the growth of the ethical drug market, despite a year-on-year decrease in sales of COVID-19-related products (including therapeutic and diagnostic agents, etc.). Operating profit was ¥14,182 million (down 2.5% year on year) due to the inability to sufficiently offset the increase in procurement costs for pharmaceuticals and other items, despite our responsive initiatives to the Guidelines for the Improvement of Commercial Transaction Practices revised in April 2024, and continued efforts to review and control selling, general and administrative expenses in the face of various escalating costs related to pharmaceutical distribution, including logistics outsourcing fees.

(Healthcare Product Development)

Segment net sales decreased due to the impact of drug price revisions, etc., despite growth in the pharmaceutical manufacturing business from UPASITA IV Injection Syringe for Dialysis (medical treatment for secondary hyperparathyroidism) and Darbepoetin Alfa BS Syringe for Injection (a long-acting erythropoiesis-stimulating agent). Operating profit decreased despite efforts to optimize selling, general and administrative expenses.

As a result of the above, net sales were ¥25,477 million (down 2.6% year on year), and operating profit was ¥1,192 million (down 10.6% year on year).

(Community Healthcare and Nursing Care Support)

Segment net sales decreased slightly due to a decrease in revenue in the pharmacy business, which was affected by a reduced number of operating pharmacy stores following closures, leading to fewer prescriptions processed. Operating profit increased as a result of efforts to optimize selling, general and administrative expenses.

As a result of the above, net sales were ¥46,483 million (down 0.4% year on year), and operating profit was ¥411 million (up 224.8% year on year).

(Specialty Drug Contract Distribution^{*5})

Segment net sales increased significantly due to factors including growth in the market for existing contracted pharmaceuticals and an increase in newly contracted pharmaceuticals. Operating profit also increased due to higher revenue.

As a result of the above, net sales were ¥203,431 million (up 48.0% year on year), and operating profit was ¥532 million (up 41.0% year on year).

^{*5} Specialty Drug Contract Distribution Business

: This refers to a business where we contract distribution of pharmaceutical products including orphan drugs that requires stricter quality control and distribution management compared to the typical distribution channels, from

manufacturers. Most of the net sales in the Specialty Drug Contract Distribution Business are generated from internal transactions with the Pharmaceutical Distribution Business, as actual distribution operations including sales and delivery to medical institutions are carried out by our Pharmaceutical Distribution Business.

(Healthcare-Related Services)

Segment net sales decreased due to factors including a decline in the distribution volume of some products in the external logistics business. Operating profit increased partly due to profitability improvement in the digital health business.

As a result of the above, net sales were ¥20,858 million (down 2.6% year on year), and operating profit was ¥521 million (up 1.7% year on year).

(2) Overview of Financial Condition for the Semi-annual Period

Assets, liabilities, and net assets at the end of the current semi-annual consolidated accounting period were as follows:

(Assets)

Total assets as of September 30, 2025 increased by ¥60,776 million from March 31, 2025 to reach ¥1,174,608 million. The main factors of this increase were as follows:

Current assets increased by ¥62,471 million from March 31, 2025. This was mainly due to increases of ¥16,698 million in cash and deposits and ¥53,913 million in notes and accounts receivable - trade, despite a decrease of ¥9,998 million in securities.

Non-current assets decreased by ¥1,695 million from March 31, 2025. This was mainly due to decreases of ¥254 million in intangible assets and ¥4,702 million in investments and other assets, despite an increase of ¥3,262 million in property, plant and equipment.

(Liabilities)

Total liabilities as of September 30, 2025 increased by ¥62,559 million from March 31, 2025 to reach ¥768,970 million. This was mainly due to increases of ¥51,107 million in notes and accounts payable - trade and ¥19,083 million in "Other" under "Current liabilities," despite decreases of ¥2,574 million in income taxes payable, ¥1,722 million in provision for bonuses, and ¥1,408 in provision for loss on Anti-Monopoly Act.

(Net assets)

Total net assets as of September 30, 2025 decreased by ¥1,782 million from March 31, 2025 to reach ¥405,637 million. The main factors of this decrease were as follows:

Shareholders' equity increased by ¥612 million from March 31, 2025. This was mainly due to the posting of ¥16,241 million in profit attributable to owners of parent, despite the payment of ¥3,603 million in dividends of surplus and a decrease of ¥12,184 million due to purchase of treasury shares.

Accumulated other comprehensive income decreased by ¥2,398 million from March 31, 2025. This was mainly due to a decrease of ¥1,815 million in valuation difference on available-for-sale securities.

(3) Explanation of Forecasts of Consolidated Financial Results and Other Forward-Looking Statements

With regard to the forecasts of consolidated financial results, there have been no changes to the figures announced on May 13, 2025.

2. Consolidated Semi-annual Financial Statements and Key Notes

(1) Consolidated Semi-annual Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	102,655	119,353
Notes and accounts receivable - trade	524,134	578,047
Securities	38,927	28,928
Merchandise and finished goods	146,668	146,691
Work in process	1,470	1,617
Raw materials and supplies	5,052	5,401
Other	26,387	27,447
Allowance for doubtful accounts	(1,197)	(916)
Total current assets	844,099	906,570
Non-current assets		
Property, plant and equipment	133,512	136,774
Intangible assets		
Goodwill	14	8
Other	12,094	11,845
Total intangible assets	12,108	11,853
Investments and other assets		
Investment securities	84,399	80,491
Other	40,472	39,853
Allowance for doubtful accounts	(760)	(935)
Total investments and other assets	124,111	119,409
Total non-current assets	269,732	268,037
Total assets	1,113,831	1,174,608

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	635,752	686,860
Income taxes payable	9,949	7,374
Provision for bonuses	9,293	7,570
Provision for loss on Anti-Monopoly Act	3,090	1,681
Other	21,028	40,111
Total current liabilities	679,114	743,600
Non-current liabilities		
Retirement benefit liability	2,186	2,148
Other	25,110	23,221
Total non-current liabilities	27,296	25,369
Total liabilities	706,410	768,970
Net assets		
Shareholders' equity		
Share capital	13,546	13,546
Capital surplus	32,147	32,147
Retained earnings	332,375	345,013
Treasury shares	(499)	(12,525)
Total shareholders' equity	377,569	378,181
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	32,773	30,957
Revaluation reserve for land	(4,803)	(4,803)
Foreign currency translation adjustment	2,365	1,779
Remeasurements of defined benefit plans	(613)	(609)
Total accumulated other comprehensive income	29,722	27,324
Non-controlling interests	128	132
Total net assets	407,420	405,637
Total liabilities and net assets	1,113,831	1,174,608

(2) Consolidated Semi-annual Statements of Income and Consolidated Semi-annual Statements of Comprehensive Income

Consolidated Semi-annual Statements of Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	1,197,323	1,219,440
Cost of sales	1,102,741	1,125,834
Gross profit	94,581	93,606
Selling, general and administrative expenses	77,479	76,647
Operating profit	17,101	16,958
Non-operating income		
Interest income	79	83
Dividend income	711	718
Rental income from real estate	146	141
Other	324	433
Total non-operating income	1,262	1,376
Non-operating expenses		
Interest expenses	19	21
Share of loss of entities accounted for using equity method	1,083	99
Rental expenses on real estate	126	118
Other	124	63
Total non-operating expenses	1,354	302
Ordinary profit	17,009	18,032
Extraordinary income		
Gain on sale of non-current assets	26	13
Gain on sale of investment securities	10,303	5,253
Other	1,906	8
Total extraordinary income	12,235	5,276
Extraordinary losses		
Loss on sale and retirement of non-current assets	59	53
Loss on valuation of investment securities	196	16
Other	17	3
Total extraordinary losses	272	73
Profit before income taxes	28,973	23,234
Income taxes	8,690	6,989
Profit	20,282	16,244
Profit attributable to non-controlling interests	3	3
Profit attributable to owners of parent	20,278	16,241

Consolidated Semi-annual Statements of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit	20,282	16,244
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,429)	(1,783)
Foreign currency translation adjustment	23	(33)
Remeasurements of defined benefit plans, net of tax	(194)	0
Share of other comprehensive income of entities accounted for using equity method	1,003	(582)
Total other comprehensive income	(3,597)	(2,398)
Comprehensive income	16,685	13,846
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,681	13,842
Comprehensive income attributable to non-controlling interests	3	3

(3) Consolidated Semi-annual Cash Flow Statements

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	28,973	23,234
Depreciation	5,816	5,898
Increase (decrease) in allowance for doubtful accounts	103	(105)
Increase (decrease) in other provisions	(1,196)	(1,722)
Increase (decrease) in retirement benefit liability	(628)	(349)
Interest and dividend income	(791)	(801)
Interest expenses	19	21
Loss (gain) on sale and retirement of non-current assets	32	39
Loss (gain) on sale of investment securities	(10,303)	(5,253)
Decrease (increase) in trade receivables	(23,615)	(53,913)
Decrease (increase) in inventories	(22,702)	(517)
Increase (decrease) in trade payables	(39,040)	51,107
Other, net	12,860	16,263
Subtotal	(50,470)	33,902
Interest and dividends received	1,316	1,284
Interest paid	(19)	(21)
Income taxes paid	(7,423)	(8,586)
Payments related to Anti-Monopoly Act	-	(1,408)
Net cash provided by (used in) operating activities	(56,597)	25,171
Cash flows from investing activities		
Payments into time deposits	(5)	(6)
Proceeds from withdrawal of time deposits	4	6
Purchase of securities	(27,030)	(6,503)
Proceeds from sale and redemption of securities	28,600	17,500
Purchase of property, plant and equipment	(9,969)	(7,033)
Proceeds from sale of property, plant and equipment	27	23
Purchase of intangible assets	(1,960)	(1,428)
Purchase of investment securities	(23)	(31)
Proceeds from sale and redemption of investment securities	12,220	6,180
Proceeds from sale of shares of subsidiaries and associates	2,136	-
Investments in subsidiaries and affiliates	(119)	(1,392)
Other, net	(227)	132
Net cash provided by (used in) investing activities	3,652	7,447

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from financing activities		
Proceeds from long-term borrowings	19	19
Repayments of lease liabilities	(137)	(128)
Purchase of treasury shares	(2)	(12,184)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(271)	-
Dividends paid	(3,105)	(3,601)
Net cash provided by (used in) financing activities	(3,496)	(15,895)
Effect of exchange rate change on cash and cash equivalents	10	(25)
Net increase (decrease) in cash and cash equivalents	(56,430)	16,697
Cash and cash equivalents at beginning of period	198,745	118,567
Cash and cash equivalents at end of period	142,314	135,264

(4) Notes on Consolidated Semi-annual Financial Statements
<Notes on the Assumption of the Company as a Going Concern>
N/A

<Notes to any Significant Changes in the Amount of Shareholders' Equity>

Based on a resolution from the Board of Directors meeting held on May 13, 2025, we repurchased 2,193,600 shares (acquisition price of ¥12,183 million) during the current semi-annual consolidated accounting period ended September 30, 2025.

Primarily for the reason mentioned above, our treasury shares amounted to ¥12,525 million as of September 30, 2025.

<Notes on Segment Information etc.>

Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

1. Information on sales, income and loss classified by reporting segment

(Millions of yen)

	Reporting segment					Total
	Pharmaceutical Distribution	Healthcare Product Development	Community Healthcare and Nursing Care Support	Specialty Drug Contract Distribution	Healthcare-Related Services	
Net sales						
Sales to external customers	1,129,603	5,906	46,656	3,306	11,849	1,197,323
Intersegment sales and transactions	25,583	20,244	7	134,148	9,554	189,539
Total	1,155,187	26,151	46,663	137,455	21,404	1,386,862
Segment income	14,541	1,333	126	377	512	16,892

2. Reconciliation of reporting segments totals to quarterly consolidated statements of income/(loss) amounts and main components of reconciliation (matters concerning reconciliation)

(Millions of yen)

Income	Value
Reporting segment total	16,892
Elimination of intersegment transactions	209
Operating profit on the consolidated financial statements	17,101

3. Information on impairment loss on non-current assets and goodwill by reporting segment

(Significant Impairment Loss on Non-Current Assets)

N/A

(Significant Changes in the Amount of Goodwill)

N/A

(Significant Gain on Negative Goodwill)

N/A

Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

1. Information on sales, income and loss classified by reporting segment

(Millions of yen)

	Reporting segment					Total
	Pharmaceutical Distribution	Healthcare Product Development	Community Healthcare and Nursing Care Support	Specialty Drug Contract Distribution	Healthcare-Related Services	
Net sales						
Sales to external customers	1,151,274	5,865	46,480	3,453	12,367	1,219,440
Intersegment sales and transactions	25,981	19,612	3	199,978	8,491	254,067
Total	1,177,256	25,477	46,483	203,431	20,858	1,473,507
Segment income	14,182	1,192	411	532	521	16,840

2. Reconciliation of reporting segments totals to consolidated semi-annual statements of income/(loss) amounts and main components of reconciliation (matters concerning reconciliation)

(Millions of yen)

Income	Value
Reporting segment total	16,840
Elimination of intersegment transactions	118
Operating profit on the consolidated financial statements	16,958

3. Matters concerning changes to reporting segments

Effective from the previous fiscal year, we have changed to a method that presents the Specialty Drug Contract Distribution Business as a new reporting segment, which was previously included in the Healthcare-Related Services Business segment, due to the increased quantitative materiality of the business.

Note that the segment information of six months ended September 30, 2024 was created using the categories after the change.

4. Information on impairment loss on non-current assets and goodwill by reporting segment

(Significant Impairment Loss on Non-Current Assets)

N/A

(Significant Changes in the Amount of Goodwill)

N/A

(Significant Gain on Negative Goodwill)

N/A

<Important Subsequent Events>

(Sale of investment securities)

At the Board of Directors meeting held on April 30, 2025, the Company and its Group resolved to sell investment securities held, and the sale has since been completed.

1. Reason for sale of investment securities

The sale was carried out as a result of a review and reduction of cross-shareholdings, in accordance with the Corporate Governance Code and the Company's Policy on Cost of Capital and Stock Price-Conscious Management.

2. Details of sale of investment securities

- (1) Investment securities sold: One issue of investment security held by the Company and its Group
- (2) Date of sale: October 10, 2025

3. Impact on profit and loss

We expect to record ¥10,101 million as extraordinary income from the gain on the sale of investment securities in the third quarter of the consolidated accounting period ending March 31, 2026.