

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

May 13, 2025

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/>

Representative: Shigeru Asano

President and CEO

Inquiries: Jun Naganawa

General Manager of Business Administration Department

Telephone: +81-52-961-2331

Scheduled date of annual general meeting of shareholders: June 25, 2025

Scheduled date to commence dividend payments: June 4, 2025

Scheduled date to file annual securities report: June 25, 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 Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results

(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	%
Fiscal year ended March 31, 2025	2,399,952	0.6	37,125	6.4	38,830	1.2	34,496	18.9
March 31, 2024	2,386,493	3.1	34,875	7.0	38,351	5.4	29,016	42.6

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 26,108 million [(27.9) %]
Fiscal year ended March 31, 2024: ¥ 36,230 million [89.0 %]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	454.58	—	8.4	3.3	1.5
March 31, 2024	357.88	—	7.0	3.2	1.5

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ (636) million
Fiscal year ended March 31, 2024: ¥ 1,128 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	1,113,831	407,420	36.6	5,651.56
March 31, 2024	1,228,686	416,428	33.9	5,361.96

(Reference) Equity: As of March 31, 2025: ¥ 407,291 million
As of March 31, 2024: ¥ 416,306 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	(65,079)	20,378	(35,483)	118,567
March 31, 2024	87,216	10,350	(31,716)	198,745

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended March 31, 2024	Yen —	Yen 40.00	Yen —	Yen 40.00	Yen 80.00	Millions of yen 6,416	% 22.4	% 1.5
March 31, 2025	—	50.00	—	50.00	100.00	7,486	22.0	1.8
Fiscal year ending March 31, 2026 (Forecast)	—	50.00	—	50.00	100.00		22.0	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (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
Six months ending September 30, 2025	1,232,000	2.9	16,000	(6.4)	17,000	(0.1)	10,900	(46.2)	151.25
Full year	2,468,000	2.8	33,600	(9.5)	35,100	(9.6)	32,800	(4.9)	455.13

*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 today, 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: — (Company name:)
 Excluded: — (Company name:)

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

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(3) Number of issued shares (common shares)

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

March 31, 2025: 72,167,204 shares
 March 31, 2024: 77,740,872 shares

2) Number of treasury shares at the end of the period:

March 31, 2025: 100,049 shares
 March 31, 2024: 100,139 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 75,886,732 shares
 Fiscal Year ended March 31, 2024: 81,079,053 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	2,210,854	1.0	23,934	1.3	28,763	0.8	25,732	22.2
March 31, 2024	2,188,389	3.3	23,624	16.1	28,526	15.4	21,058	41.5

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	339.09	—
March 31, 2024	259.73	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	1,021,155	271,567	26.6	3,768.25
March 31, 2024	1,133,030	286,647	25.3	3,691.98

(Reference) Equity: As of March 31, 2025: ¥ 271,567 million
 As of March 31, 2024: ¥ 286,647 million

* Financial results reports are exempt from audit 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 (4) Future Prospects” on page 7 of the attached documentation.

Contents of Attached Documentation

1. Overview of Operating Results	2
(1) Overview of Operating Results for the Fiscal Year	2
(2) Overview of Financial Condition for the Fiscal Year	6
(3) Overview of Cash Flow for the Fiscal Year	6
(4) Future Prospects	7
(5) Basic Policy on Profit-Sharing and Dividends in the Fiscal Year under Review and Next Fiscal Year	8
2. Status of the Group	9
3. Management Policy	12
(1) Company's Basic Management Policy	12
(2) Targeted Management Indicators	12
(3) Company's Medium- to Long-term Management Strategy	13
4. Basic Policy on Selection of Accounting Standards	14
5. Consolidated Financial Statements and Key Notes	15
(1) Consolidated Balance Sheets	15
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	17
Consolidated Statements of Income	17
Consolidated Statements of Comprehensive Income	18
(3) Consolidated Statements of Changes in Shareholders' Equity	19
(4) Consolidated Statements of Cash Flows	23
(5) Notes on Consolidated Financial Statements	25
(Notes on the Assumption of the Company as a Going Concern)	25
(Notes on Changes in Accounting Policies)	25
(Notes on Segment Information etc.)	25
(Notes on Per Share Data)	30
(Notes on Important Subsequent Events)	30

1. Overview of Operating Results

(1) Overview of Operating Results for the Fiscal Year

(Millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025	Change (%)
Net sales	2,386,493	2,399,952	0.6
Operating profit	34,875	37,125	6.4
Ordinary profit	38,351	38,830	1.2
Profit attributable to owners of parent	29,016	34,496	18.9
Basic earnings per share (yen)	357.88	454.58	

During the fiscal year ended March 31, 2025, we saw continued currency market fluctuations and inflation reflecting rising prices of electrical power, energy, and raw materials. Behind this was uncertainties due to multiple factors such as no signs of resolution in the situation in Ukraine and political developments in the United States. Policy-driven wage hikes and worsening of 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 on March 31, 2026. 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 fiscal year ended March 31, 2025, we worked on several measures as part of "Reform of existing businesses," as we saw changes in our traditional revenue structure, which linked to sales and market share. Such measures included the reinforcement of its distribution model for specialty drugs including orphan drugs and cell and gene therapy (CGT) 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 worked on enhancing the quality of our pharmaceutical distribution by implementing the specialty drug traceability solution Cubixx® into regional core hospitals and other medical institutions nationwide. In the distribution of specialty drugs, we strived to meet the requirements of pharmaceutical companies aiming for market entry and new product launches in Japan and strengthen its distribution base to ensure reliable delivery of new drugs to patients awaiting treatment.

As a new initiative, starting in October, we have begun joint research with the Cancer Institute Hospital of JFCR (Koto-ku Tokyo) to evaluate medication adherence^{*2} using Cubixx DT^{*3}, a newly developed medication adherence solution by Collabo PLACE (renamed to Collabo Square CO., LTD. on April 1, 2025), our wholly owned subsidiary. In addition to the traceability from wholesale distribution bases to medical institutions and at-home care, which is already provided by the Cubixx solution, the utilization of Cubixx DT allows the visualization of medication information remotely using dedicated medication packaging and communication devices, enabling healthcare professionals to monitor and manage patient medication in real-time. Through these solutions, we will aim to contribute to optimal medication support from healthcare professionals and improved treatment outcomes for patients.

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 94,000 customers (number registered as of March 31, 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 17,000 customers (number registered as of March 31, 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. With the operation of the Greater Tokyo Distribution Center, we aim to achieve a variety of benefits, including greater efficiency through automation, reduced transportation and delivery costs, quality assurance that complies with GDP^{*4} standards, environmental benefits such as reduced CO₂ emissions, and further strengthening our BCP response in the event of a disaster.

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^{*5}, 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.

Since the launch of the service in April 2023, the portal site has achieved a total registration count of approximately 200,000 IDs (number registered as of March 31, 2025). In the fiscal year ended March 31, 2025, we focused on expanding physicians IDs while also promoting collaboration with the “Medical Care Station (MCS)”^{*6}, a social healthcare collaboration platform specialized in medical and nursing care, deployed by Embrace Co., Ltd., which became our wholly-owned subsidiary during the first quarter. The platform has been adopted by numerous medical associations nationwide and is utilized by over 300,000 healthcare and nursing care professionals. We will aim to further accelerate and expand its adoption.

Moving forward, the Suzuken Group, in collaboration with health-tech companies and other external partners, will 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 implement shareholder returns exceeding a total payout 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 investments in strengthening our existing businesses and creating new ventures, we have also aimed to improve our corporate value and capital efficiency.

In line with the above policy, at the Board of Directors meeting held on November 12, 2024, we resolved to repurchase shares in accordance with the provisions of Article 459, Paragraph 1 of the Companies Act. As a result of the repurchase of 5,600,000 shares for a total amount of ¥27,980 million, coupled with the dividend payout totaling ¥7,486 million, the total payout ratio for the fiscal year ended March 31, 2025 reached 102.8%, and the average total payout ratio for the last two fiscal years (the fiscal year ended March 31, 2024 and the fiscal year ended March 31, 2025) reached 105.3%. All of the repurchased shares, excluding 100,000 shares expected to be allocated to restricted stock compensation (RS) and other assets, totaling 5,573,668 shares which represent 7.16% of the total number of issued shares before cancellation were cancelled on March 31, 2025.

Our consolidated business results for the fiscal year ended March 31, 2025 showed an increase in net sales due to growth in the ethical drug market, and there were also contributions from new drugs, including specialty drugs, despite the decrease in sales of COVID-19-related products (therapeutic and diagnostic agents, etc.) compared to the previous year. Operating profit increased due to higher revenue and other factors. Such factors included 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, despite the escalation of various costs related to pharmaceutical distribution, including distribution and outsourcing fees. Profit attributable to owners of parent increased due to the reduction (listed six brands) of cross share-holdings (investment securities), and the recording extraordinary income from gains on the sale of these investment securities (¥12,000 million).

Based on the above, net sales were ¥2,399,952 million (up 0.6% year on year), operating profit was ¥37,125 million (up 6.4% year on year), ordinary profit was ¥38,830 million (up 1.2% year on year), and profit attributable to owners of parent was ¥34,496 million (up 18.9% 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 Medication Adherence**

: This refers to patients' compliance with the instructions or treatment plans provided by healthcare professionals.

If adherence to medication regimens is low, it may result in insufficient therapeutic outcomes.

***3 Cubixx DT**

: This refers to a new medication management system developed by Collabo PLACE CO., LTD. (renamed to Collabo Square CO., LTD. on April 1, 2025), our wholly owned subsidiary.

It is equipped with specialized medication packaging that contains medications and a dedicated communication device that automatically transmits data to a server. When a patient removes medication from the specialized packaging, the event data is automatically transmitted to the dedicated server via the specialized communication device. Healthcare professionals can then access this data at any time through the management screen of a dedicated portal site, allowing them to remotely monitor the patient's medication status.

***4 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.

***5 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.

***6 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.

The results by segment are as follows:

We reviewed the method of categorizing the reporting segment beginning from the fiscal year ended March 31, 2025. The previous four segments were the Pharmaceutical Distribution Business, the Healthcare Product Development Business, the Community Healthcare and Nursing Care Support Business, and the Healthcare-Related Services Business. The specialty drug contract distribution business, which was previously included in the Healthcare-Related Services Business, is now reported as a separate segment due to its increased quantitative materiality. As a result, we now report the following five segments: the Pharmaceutical Distribution Business, the Healthcare Product Development Business, the Community Healthcare and Nursing Care Support Business, the Specialty Drug Contract Distribution Business^{*7}, and the Healthcare-Related Services Business.

As a result of these changes, for the comparison with the results for the previous fiscal year ended March 31, 2024, we have reclassified the figures for the previous fiscal year to ones after the segment change.

For details of the segment change, refer to “(5) Notes on Consolidated Financial Statements <Notes on Segment Information etc.>” in “5. Consolidated Financial Statements and Key Notes.”

***7 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.

(Millions of yen)

Name of business segment		Year ended March 31, 2024	Year ended March 31, 2025	Change (%)
Pharmaceutical Distribution	Net sales	2,299,180	2,313,967	0.6
	Operating profit	30,424	31,916	4.9
Healthcare Product Development	Net sales	51,296	52,613	2.6
	Operating profit	1,597	1,916	20.0
Community Healthcare and Nursing Care Support	Net sales	97,463	94,414	(3.1)
	Operating profit	1,690	1,291	(23.6)
Specialty Drug Contract Distribution	Net sales	216,124	295,485	36.7
	Operating profit	569	845	48.5
Healthcare-Related Services	Net sales	45,480	42,188	(7.2)
	Operating profit	537	1,049	95.3

(Note) Segment net sales results include intersegment transactions.

(Pharmaceutical Distribution)

The growth of the ethical drug market is presumed to be due to the expansion of the market for oncological drugs and the contribution of new drugs, including specialty drugs.

Under these circumstances, segment net sales were ¥2,313,967 million (up 0.6% year on year) due to contributions of new drugs, including specialty drugs, and the growth of the ethical drug market, despite the decrease in sales of COVID-19-related products (therapeutic and diagnostic agents, etc.) compared to the previous year. Operating profit was ¥31,916 million (up 4.9% year on year) due to higher revenue, 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, despite the escalation of various costs related to pharmaceutical distribution, including distribution and outsourcing fees.

(Healthcare Product Development)

Segment net sales increased as a result of contributions in the pharmaceutical manufacturing business from UPASITA IV Injection Syringe for Dialysis (medical treatment for secondary hyperparathyroidism), LAGNOS NF JELLY for oral administration (medication for physiological intestinal function improvement and hyperammonemia), and Darbepoetin Alfa BS Syringe for injection (a long-acting erythropoiesis-stimulating agent). Operating profit increased due to factors including higher revenue.

As a result of the above, net sales were ¥52,613 million (up 2.6% year on year), and operating profit was ¥1,916 million (up 20.0% year on year).

(Community Healthcare and Nursing Care Support)

Although there was an increase in revenue in the nursing care business, overall segment net sales decreased due to a reduction in the number of operating pharmacy stores resulting from closures, which led to a decrease in the number of prescriptions processed. Operating profit decreased despite efforts to optimize selling, general and administrative expenses, as the resulting benefits were not sufficient to fully offset the decline in gross profit caused by reduced revenue.

As a result of the above, net sales were ¥94,414 million (down 3.1% year on year), and the operating profit was ¥1,291 million (down 23.6% year on year).

(Specialty Drug Contract Distribution)

Segment net sales increased 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 ¥295,485 million (up 36.7% year on year), and operating profit was ¥845 million (up 48.5% year on year).

(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 ¥42,188 million (down 7.2% year on year), and operating profit was ¥1,049 million (up 95.3% year on year).

(2) Overview of Financial Condition for the Fiscal Year**(Assets)**

Total assets as of the end of the fiscal year ended March 31, 2025 decreased by ¥114,854 million from the end of the previous fiscal year to reach ¥1,113,831 million. The main factors of this decrease were as follows:

Current assets decreased by ¥104,194 million from the end of the previous fiscal year. This was mainly due to decreases of ¥79,175 million in cash and deposits and ¥21,354 million in securities, despite an increase of ¥10,433 million in merchandise and finished goods.

Non-current assets decreased by ¥10,659 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥16,346 million in investments and other assets, despite an increase of ¥4,816 million in property, plant and equipment.

(Liabilities)

Total liabilities as of the end of the fiscal year ended March 31, 2025 decreased by ¥105,846 million from the end of the previous fiscal year to reach ¥706,410 million. The main factors of this decrease were as follows:

Current liabilities decreased by ¥105,303 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥108,430 million in notes and accounts payable – trade.

Non-current liabilities decreased by ¥543 million from the end of the previous fiscal year.

(Net assets)

Total net assets as of the end of the fiscal year ended March 31, 2025 decreased by ¥9,007 million from the end of the previous fiscal year to reach ¥407,420 million. The main factors of this decrease were as follows:

Shareholders' equity decreased by ¥618 million from the end of the previous fiscal year. This was mainly due to dividends of surplus of ¥6,988 million and purchase of treasury shares of ¥27,983 million, despite the recording of ¥34,496 million in profit attributable to owners of parent. Furthermore, the Company canceled treasury shares of ¥27,838 million in the fiscal year ended March 31, 2025.

Accumulated other comprehensive income decreased by ¥8,395 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥7,131 million in valuation difference on available-for-sale securities.

(3) Overview of Cash Flow for the Fiscal Year

Cash and cash equivalents in the fiscal year ended March 31, 2025 (hereinafter referred to as “cash”) decreased by ¥80,178 million in comparison to the previous fiscal year to ¥118,567 million. The situation regarding cash flow in each of the respective activities during the same year was as follows:

(Millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025	Change
Cash flows from operating activities	87,216	(65,079)	(152,296)
Cash flows from investing activities	10,350	20,378	10,028
Cash flows from financing activities	(31,716)	(35,483)	(3,767)
Cash and cash equivalents at end of period	198,745	118,567	(80,178)

(Cash flows from operating activities)

Net cash used in operating activities was ¥65,079 million (¥87,216 million provided in the previous fiscal year).

This was mainly due to decrease in trade payables of ¥108,430 million, income tax paid of ¥13,624 million, and increase in inventories of ¥10,835 million, which was partially offset by profit before income taxes of ¥50,287 million, and decrease in trade receivables of ¥15,605 million.

(Cash flows from investing activities)

Net cash provided by investing activities was ¥20,378 million, which was a ¥10,028 million increase in comparison to the previous fiscal year.

This was mainly due to proceeds from sale and redemption of securities of ¥54,800 million and proceeds from sale and redemption of investment securities of ¥15,452 million, which was partially offset by purchase of securities of ¥36,042 million and purchase of property, plant and equipment of ¥14,307 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥35,483 million, which was a ¥3,767 million increase in comparison to the previous fiscal year.

This was mainly due to purchase of treasury shares of ¥27,983 million and dividends paid of ¥6,988 million.

(Reference) Trends in indices related to cash flows

	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2025
Capital adequacy ratio (%)	37.4	36.6	35.9	33.9	36.6
Capital adequacy ratio based on market prices (%)	34.6	28.0	24.1	29.3	32.0
Ratio of cash flow to interest-bearing debt (%)	0.1	0.1	0.0	0.0	—
Interest coverage ratio (times)	314.8	185.2	885.1	1,997.3	—

Capital adequacy ratio: equity / total assets

Capital adequacy ratio based on market prices: total market value of shares / total assets

Ratio of cash flow to interest-bearing debt: interest-bearing debt / cash flow

Interest coverage ratio: cash flow / interest payments

(Note 1) All of the above calculations are based on consolidated financial data.

(Note 2) Total market value of shares is calculated by multiplying the market price at the end of the fiscal year by the total number of outstanding shares at the end of the fiscal year (after subtracting treasury shares).

(Note 3) Operating cash flow in the consolidated statement of cash flows is used for “cash flow” above.

(Note 4) Interest-bearing debt includes all liabilities for which interest is paid of the liabilities recorded in consolidated balance sheets. Interest paid in the consolidated statements of cash flows is used for “interest payments” above.

(Note 5) Ratio of cash flow to interest-bearing debt and interest coverage ratio are not presented in the case of negative operating cash flow.

(4) Future Prospects

(Millions of yen)

	Year ended March 31, 2025 (Results)	Year ending March 31, 2026 (Forecast)
Net sales	2,399,952	2,468,000
Operating profit	37,125	33,600
Ordinary profit	38,830	35,100
Profit attributable to owners of parent	34,496	32,800
Basic earnings per share (yen)	454.58	455.13

For the fiscal year ending March 31, 2026, we estimate that there will be a significant impact on our consolidated financial results from the continued expectation of decrease in demand for COVID-19-related products.

In compliance with the guidelines for the improvement of commercial transaction practices revised in April 2024, we will continue to assess the value provided and the appropriate compensation, and ensure proper profits by conducting thorough price negotiations that reflect the individual value of each ethical drug. We are committed to improving our gross profit, while aiming to achieve continual growth.

On the other hand, selling, general and administrative expenses are expected to increase due to factors such as rising prices and increased labor costs. We will strive to build an effective and efficient operational structure by leveraging digital tools and enhancing back-office operations. In this way, we will aim to increase customer satisfaction and productivity with limited management resources, while working to control rising costs.

In addition, in order to achieve the objective outlined in our medium-term management plan of reducing cross-shareholdings to 10% or less of consolidated net assets, we have factored in extraordinary income from the sale of shares in our performance forecasts.

Based on the above, the consolidated financial results for the fiscal year ending March 31, 2026 are expected to be as follows: net sales of ¥2,468,000 million (up 2.8% year on year), operating profit of ¥33,600 million (down 9.5% year on year), ordinary profit of ¥35,100 million (down 9.6% year on year), and profit attributable to owners of parent of ¥32,800 million (down 4.9% year on year).

The fiscal year ending March 31, 2026 will be the final year of our three-year medium-term management plan, “For your next heartbeat— Creating a movement toward tomorrow.” We will continue to implement the medium-term management plan’s main goals of “Establishing a sustainable social infrastructure” and “Creating a new healthcare ecosystem in Japan” to transform ourselves into a health creation enterprise and to further enhance our corporate value and contribute to solving social issues.

* For details on the medium-term management plan, please refer to “(2) Targeted Management Indicators” and “(3) Company’s Medium- to Long-term Management Strategy” in “3. Management Policy.”

* The consolidated performance forecasts mentioned above are based on the information available as of the date of publication of this document and on certain assumptions deemed reasonable. They do not guarantee the achievement of these forecasts. Please also note that actual performance may vary due to various factors.

(5) Basic Policy on Profit-Sharing and Dividends in the Fiscal Year under Review and Next Fiscal Year

Based on the principle of continued stable dividend payments, the Suzuken Group will implement shareholder returns with a total payout ratio of 100% or more on average over the three-year period leading up to the fiscal year ending March 31, 2026, which is the final year of the medium-term management plan, “For your next heartbeat— Creating a movement toward tomorrow.” We aim to enhance corporate value and capital efficiency by enriching shareholder returns, strengthening existing businesses, and investing in the creation of new businesses, as part of our shareholder return policy.

The Company’s basic policy governing dividends of surplus is to pay dividends twice a year, namely an interim dividend and a year-end dividend. The Articles of Incorporation stipulate that decisions on dividends shall be based on Article 459 Paragraph 1 of the Companies Act, and that dividends of surplus may be paid based upon a resolution of the Board of Directors without requiring a resolution of the General Meeting of Shareholders.

Concerning the internal reserve, given the difficult conditions currently surrounding the industry, profits are to be allocated to strengthening the sales, distribution and information platform and expanding new business areas in order to obtain a competitive advantage and maintain steady growth.

Under these policies, the Company will pay a year-end dividend of ¥50 per share, and an interim dividend of ¥50 per share, to equal an annual dividend applicable to the fiscal year ended March 31, 2025 of ¥100 per share.

The Company plans to pay an annual dividend of ¥100 per share (interim dividend: ¥50 per share, year-end dividend: ¥50 per share) applicable to the fiscal year ending March 31, 2026.

2. Status of the Group

The Company and its affiliated companies are composed of SUZUKEN CO., LTD. (the Company), 40 subsidiaries and 10 affiliated companies and are engaged in sales of pharmaceuticals and related products, manufacturing and sales of pharmaceutical products and medical devices/equipment, pharmacy and nursing care services, support services for pharmaceutical manufacturers, and other related businesses.

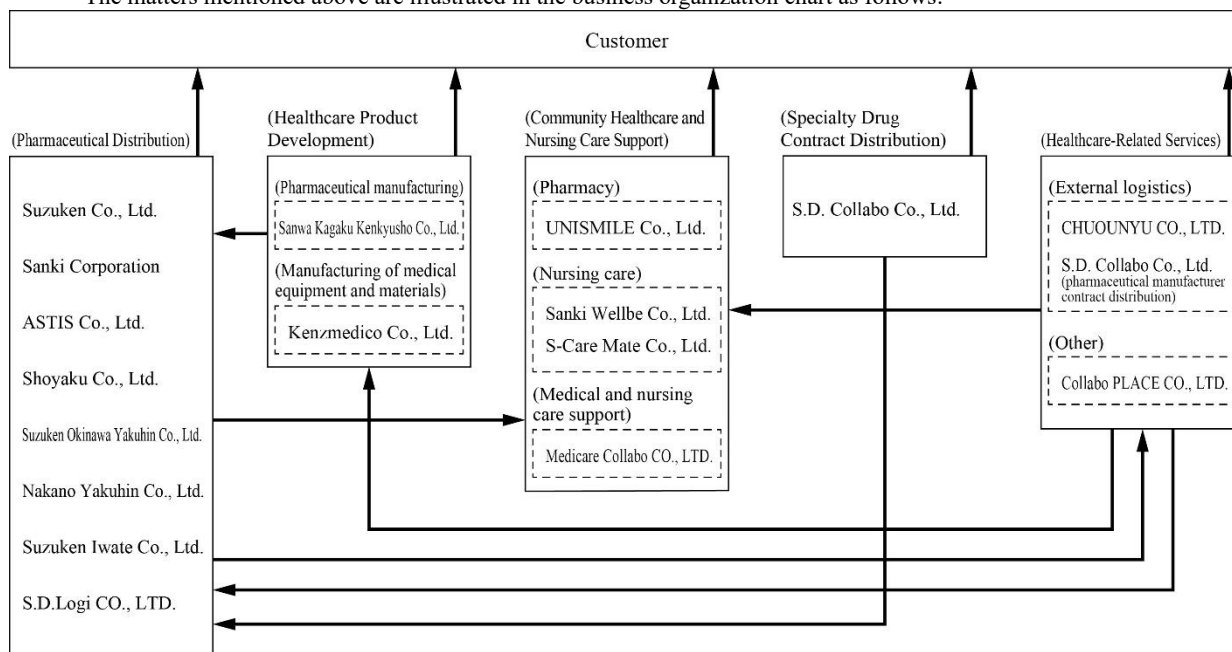
The details of the business, the status of the Company and its associates with regards to the business, and their relation to the various segments are as follows.

In addition, the classification of reporting segments has been changed since the consolidated fiscal year ended March 31, 2025. For details, please refer to “(5) Notes on Consolidated Financial Statements <Notes on Segment Information etc.>” in “5. Consolidated Financial Statements and Key Notes.”

Business segment		Main companies	Main business activities
Pharmaceutical Distribution		Suzuken Co., Ltd., Sanki Corporation, ASTIS Co., Ltd., Shoyaku Co., Ltd., Suzuken Okinawa Yakuhin Co., Ltd., Nakano Yakuhin Co., Ltd., Suzuken Iwate Co., Ltd., S.D.Logi CO., LTD.	Sales of ethical drugs, diagnostic agents, medical device, medical materials, etc.
Healthcare Product Development	Manufacturing of drugs	Sanwa Kagaku Kenkyusho Co., Ltd.	Research, development, manufacturing and sales of ethical drugs, diagnostic agent, medical equipment and materials
	Manufacturing of medical equipment and materials	Kenzmedico Co., Ltd.	
Community Healthcare and Nursing Care Support	Pharmacy	UNISMILE Co., Ltd.	Provision of pharmacies and nursing care services
	Nursing care	Sanki Wellbe Co., Ltd., S-Care Mate Co., Ltd.	
	Medical and nursing care support	Medicare Collabo CO., LTD.	
Specialty Drug Contract Distribution		S.D. Collabo Co., Ltd.	Provision of support services for specialty drug manufacturers
Healthcare-Related Services	External logistics	CHUOUNYU CO., LTD., S.D. Collabo Co., Ltd. (pharmaceutical manufacturer contract distribution)	Provision of manufacturer support services such as pharmaceutical manufacturer contract distribution as well as digital health services
	Other	Collabo PLACE CO., LTD. (Note)	

(Note) Collabo PLACE CO., LTD. changed its name to Collabo Square CO., LTD. on April 1, 2025.

The matters mentioned above are illustrated in the business organization chart as follows.



→ Flow of goods, products, and services

Status of Associate Companies

Company name	Address	Common stock (millions of yen)	Main contents of business	Percentage of voting rights held (%)	Details of relationship
(Consolidated subsidiaries)					
Sanki Corporation	Nishi Ward, Hiroshima City	1,081	Pharmaceutical distribution	100.0	Sale of pharmaceuticals in the Chugoku region Concurrent holding of directors' posts: Yes
ASTIS Co., Ltd.	Matsuyama City, Ehime Prefecture	946	Pharmaceutical distribution	100.0	Sale of pharmaceuticals in the Shikoku region Concurrent holding of directors' posts: Yes
Shoyaku Co., Ltd.	Hakata Ward, Fukuoka City	880	Pharmaceutical distribution	100.0	Sale of pharmaceuticals in the Kyushu region Concurrent holding of directors' posts: Yes
Suzuken Okinawa Yakuhin Co., Ltd.	Haebarucho, Shimajiri-gun, Okinawa Prefecture	12	Pharmaceutical distribution	100.0	Sale of pharmaceuticals in Okinawa Prefecture Concurrent holding of directors' posts: No
Nakano Yakuhin Co., Ltd.	Utsunomiya City, Tochigi Prefecture	94	Pharmaceutical distribution	100.0	Sale of pharmaceuticals in Tochigi Prefecture Concurrent holding of directors' posts: No
Suzuken Iwate Co., Ltd.	Morioka City, Iwate Prefecture	97	Pharmaceutical distribution	100.0	Sale of pharmaceuticals in Iwate Prefecture Concurrent holding of directors' posts: No
S.D.Logi CO., LTD.	Higashi Ward, Nagoya City	10	Pharmaceutical distribution	100.0	Contract distribution operations within the group Concurrent holding of directors' posts: No Capital loan
Sanwa Kagaku Kenkyusho Co., Ltd. (Note 2)	Higashi Ward, Nagoya City	2,101	Pharmaceutical manufacturing	100.0	Manufacture of ethical drugs Concurrent holding of directors' posts: No
Kenzmedico Co., Ltd.	Honjo City, Saitama Prefecture	10	Manufacture of medical instruments	100.0	Manufacture of medical equipment and materials Concurrent holding of directors' posts: No
UNISMILE Co., Ltd.	Chiyoda Ward, Tokyo	382	Pharmacy	100.0 (100.0)	Preparation of ethical drugs Concurrent holding of directors' posts: Yes
Sanki Wellbe Co., Ltd.	Nishi Ward, Hiroshima City	50	Nursing care services	100.0 (100.0)	Provision of nursing care services Concurrent holding of directors' posts: No
S-Care Mate Co., Ltd.	Taito Ward, Tokyo	50	Nursing care services	100.0	Provision of nursing care services Concurrent holding of directors' posts: No Capital loan
Medicare Collabo CO., LTD.	Nakamura Ward, Nagoya City	40	Medical and nursing care support	51.0	Rental of welfare equipment Concurrent holding of directors' posts: No Capital loan
S.D. Collabo Co., Ltd. (Note 2)	Chiyoda Ward, Tokyo	51	Specialty drug distribution	100.0	Contract distribution of specialty drugs Concurrent holding of directors' posts: No
CHUOUNYU CO., LTD.	Chuo Ward, Tokyo	99	External logistics operations	100.0	Contract logistics for pharmaceutical manufacturers Concurrent holding of directors' posts: No Capital loan
Collabo PLACE CO., LTD. (Note 3)	Chiyoda Ward, Tokyo	10	Other	100.0	Provision of digital healthcare services Concurrent holding of directors' posts: No Capital loan
24 other companies (including 1 investment partnership)	—	—	—	—	—
(Equity-method affiliate)					
SPH Suzuken Huzhong Pharmaceutical Co., Ltd.	Shanghai City, China	84 million RMB	Pharmaceutical distribution	49.9	Sale of pharmaceuticals in Shanghai City Concurrent holding of directors' posts: No
EP-PharmaLine Co., Ltd.	Toshima Ward, Tokyo	100	DI services (contact center services)	49.0	Outsourcing of call center operations, etc. Concurrent holding of directors' posts: Yes

Company name	Address	Common stock (millions of yen)	Main contents of business	Percentage of voting rights held (%)	Details of relationship
BOKSANNICE Co., Ltd.	Busan, South Korea	3,604 million KRW	Pharmaceutical distribution	45.0	Sales of pharmaceuticals and other products mainly in Busan region and Seoul metropolitan area Concurrent holding of directors' posts: No
Welby Inc. (Note 4)	Chuo Ward, Tokyo	1,166	My Carte Disease Solution	20.0	Deployment of PHR platforms Concurrent holding of directors' posts: No
Pharmarise Holdings Corporation (Note 4)	Nakano Ward, Tokyo	1,961	Pharmacy	20.6	Preparation of ethical drugs Concurrent holding of directors' posts: No

(Notes) 1. The percentage of voting rights held given in parentheses () refers to the percentage of voting rights held indirectly.
2. Applies to designated subsidiaries.
3. Collabo PLACE CO., LTD. has changed its name to Collabo Square CO., LTD. on April 1, 2025.
4. Companies that submit securities report.

3. Management Policy

(1) Company's Basic Management Policy

By carrying on the founding spirit of “for the world, for the people” and “learning from our customers,” the Suzuken Group has defined its business domain as “health creation” and has made it a basic policy of corporate management to serve the world through its business in the fields related to medical care and health.

The Suzuken Group's customers include not only medical institutions, pharmacies, and pharmaceutical manufacturers, but also people engaged in medical and nursing care, patients, local residents, and local communities. The meaning of the Suzuken Group's existence (its purpose) is to continue to create new value that contributes to “solving social issues” and “reducing social costs,” while positioning the relationships of trust we have built with our customers as our “traditional assets.”

The Suzuken Group now positions this as its “Third Development Phase” and aims to realize a “health creation enterprise” that contributes to “health creation” for patients by combining the functions developed in each business and the services of partner companies to provide new value based on the concept of “focus on functions,” thereby enhancing corporate value and achieving sustainable growth.

(2) Targeted Management Indicators

The Suzuken Group has set the following quantitative targets in its medium-term management plan for the period from the fiscal year ended March 31, 2024 to the fiscal year ending March 31, 2026.

<Key Financial Indicators>

Item	Term	Target	Year ended March 31, 2025 (Results)
ROE*	Each fiscal year	ROE of 5% or more (Levels above capital costs)	8.4%
Operating profit ratio	FY2025	Consolidated: 1.5% or more * Wholesale segment: 1.0% or more	Consolidated: 1.55% * Wholesale segment: 1.38%
Investment	3-year cumulative total	¥100 billion or more	¥17.7 billion *2-year cumulative total: ¥55.9 billion
Shareholder return	3-year average	Continuation of stable dividends Total payout ratio of 100% or more	102.8% *2-year average total payout ratio: 105.3%
Reduction of cross-shareholdings	End of FY2025	10% or less of consolidated net assets	12.6%

* Long-term goal: ROE of 8% or more by the 100th anniversary of its founding (fiscal year ending March 2033)

<Initiatives Toward Sustainability>

Item		Target	Year ended March 31, 2025 (Results)
E	CO ₂ emissions (Scopes 1 + 2)	40% reduction by FY2030 (compared to FY2020) (FY2020 results: 87,561 t-CO ₂)	71,082 t -CO ₂ (18.8% decrease compared to FY2020)
S	Percentage of female managers	20% or more by FY2030	15.1%
	Percentage of male employees taking childcare leave	100% by FY2025	90.6%
G	Compliance training participation rate	100% required each year	100%

(3) Company's Medium- to Long-term Management Strategy

The Group has formulated and is promoting the medium-term management plan “For your next heartbeat— Creating a movement toward tomorrow.”

[Slogan of the Medium-term Management Plan for FY2023 to FY2025]

For your next heartbeat Creating a movement toward tomorrow

[The three “heartbeats” produced by the Suzuken Group]

- Beat 1: Protect the health of local residents
Expand collaboration with outside firms to establish service packages for local healthcare and local governments
- Beat 2: Reduce social waste through supply and demand adjustment functions
Reduce pharmaceutical losses and support stable supply by establishing efficient and stable distribution functions
- Beat 3: Cultivate human resources that can create future value
Foster creative leadership talents who can provide a new impact on society themselves

[Framework of the Medium-term Management Plan]

During the period of this medium-term management plan, we have positioned “Reform of existing businesses” and “Preparation for new growth businesses” as our main focuses.

For “Reform of existing businesses,” we will implement healthcare distribution reforms to establish a sustainable social infrastructure and further transform ourselves into a more profitable structure by increasing productivity.

For “Preparation for new growth businesses,” we will create new value together with partner companies through open innovation, linking the efforts of Chapter ZERO with the above Beats, with the aim of creating a new healthcare ecosystem in Japan.

1. Establishing a sustainable social infrastructure
 - (1) Healthcare distribution reform
 - (2) Restructuring of Asian (Chinese and South Korean) business
2. Creating a new healthcare ecosystem in Japan
 - (3) Smart logistics
 - (4) Digital healthcare
 - (5) Community healthcare and nursing care support
 - (6) Healthcare product development

*For details of the medium-term management plan, please refer to the Company's website below.

<https://www.suzuken.co.jp/en/ir/strategy/>

Furthermore, regarding the “Action to Implement Management that is Conscious of Cost of Capital and Stock Price” requested by the stock exchange, we have already disclosed our response policy. However, with our Price to Book Ratio (PBR) standing at 0.87 at the end of March 2025, and in response to the challenging changes in the environment, we intend to quickly shift from a business model centered on pharmaceutical distribution to one focused on health creation. In addition to securing stable earnings by implementing our dual strategies of reforming existing businesses and creating new businesses (addressing new areas), we recognize the significance of swiftly developing new businesses that can realize new sources of profit.

At the same time, we plan to enhance Return on Equity (ROE) by reducing cross-shareholdings, enhancing shareholder returns, and optimizing the balance sheet with future debt utilization in mind. Furthermore, we aim to quickly boost our PBR above 1 by intensifying measures to enhance the Price to Earnings Ratio (PER), including enhancing disclosure of non-financial information and expanding Investor Relations (IR) activities.

<Policy in response to the “Action to Implement Management that is Conscious of Cost of Capital and Stock Price”>

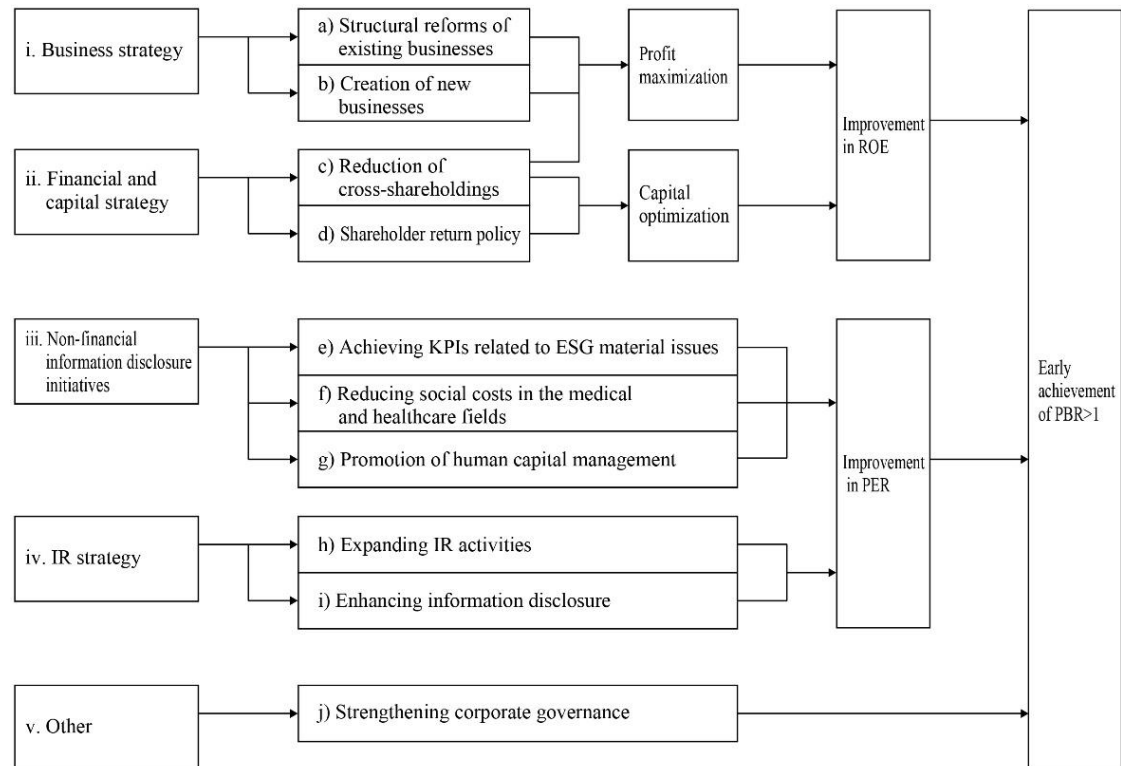
1. Indicators targeting PBR enhancement

- ROE of 5% or more (surpassing capital costs) for each fiscal year in the medium-term management plan (FY2023 - FY2025)

*The Company's current capital costs are estimated to be around 5%.

- Achieve ROE of 8% or more by the Company's 100th anniversary of foundation (FY2032)

2. Specific Measures



*For details on the “Policy for achieving management with a focus on cost of capital and stock price,” please refer to the Company’s website below.

<https://www.suzuken.co.jp/en/ir/strategy/>

4. Basic Policy on Selection of Accounting Standards

The Suzuken Group has adopted Japanese accounting standards to enable comparison with other companies in the same industry in Japan.

5. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	181,830	102,655
Notes and accounts receivable - trade	539,740	524,134
Securities	60,282	38,927
Merchandise and finished goods	136,235	146,668
Work in process	1,293	1,470
Raw materials and supplies	4,828	5,052
Purchase rebates receivable	19,990	17,647
Other	5,914	8,739
Allowance for doubtful accounts	(1,821)	(1,197)
Total current assets	948,293	844,099
Non-current assets		
Property, plant and equipment		
Buildings and structures	138,756	153,096
Accumulated depreciation	(83,824)	(87,643)
Buildings and structures, net	54,931	65,453
Machinery, equipment and vehicles	20,829	33,642
Accumulated depreciation	(18,732)	(21,010)
Machinery, equipment and vehicles, net	2,097	12,631
Tools, furniture and fixtures	18,219	19,617
Accumulated depreciation	(15,590)	(16,289)
Tools, furniture and fixtures, net	2,628	3,328
Land	49,173	48,936
Leased assets	3,464	2,959
Accumulated depreciation	(2,477)	(2,398)
Leased assets, net	986	561
Construction in progress	18,877	2,600
Total property, plant and equipment	128,695	133,512
Intangible assets		
Goodwill	25	14
Other	11,213	12,094
Total intangible assets	11,239	12,108
Investments and other assets		
Investment securities	100,682	84,399
Deferred tax assets	2,530	2,683
Retirement benefit asset	21,004	20,048
Other	16,504	17,740
Allowance for doubtful accounts	(264)	(760)
Total investments and other assets	140,457	124,111
Total non-current assets	280,392	269,732
Total assets	1,228,686	1,113,831

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	744,183	635,752
Income taxes payable	7,394	9,949
Provision for bonuses	8,886	9,293
Provision for loss on Anti-Monopoly Act	3,090	3,090
Other	20,863	21,028
Total current liabilities	784,418	679,114
Non-current liabilities		
Deferred tax liabilities	20,067	17,413
Deferred tax liabilities for land revaluation	1,144	1,178
Retirement benefit liability	2,311	2,186
Other	4,316	6,518
Total non-current liabilities	27,839	27,296
Total liabilities	812,257	706,410
Net assets		
Shareholders' equity		
Share capital	13,546	13,546
Capital surplus	32,418	32,147
Retained earnings	332,710	332,375
Treasury shares	(486)	(499)
Total shareholders' equity	378,188	377,569
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	39,905	32,773
Revaluation reserve for land	(4,769)	(4,803)
Foreign currency translation adjustment	1,939	2,365
Remeasurements of defined benefit plans	1,043	(613)
Total accumulated other comprehensive income	38,118	29,722
Non-controlling interests	121	128
Total net assets	416,428	407,420
Total liabilities and net assets	1,228,686	1,113,831

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

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	2,386,493	2,399,952
Cost of sales	2,201,244	2,207,720
Gross profit	185,249	192,231
Selling, general and administrative expenses	150,373	155,106
Operating profit	34,875	37,125
Non-operating income		
Interest income	166	182
Dividend income	1,461	1,386
Share of profit of entities accounted for using equity method	1,128	—
Rental income from real estate	298	290
Other	909	1,009
Total non-operating income	3,963	2,868
Non-operating expenses		
Interest expenses	43	41
Share of loss of entities accounted for using equity method	—	636
Rental expenses on real estate	250	262
Other	194	223
Total non-operating expenses	488	1,163
Ordinary profit	38,351	38,830
Extraordinary income		
Gain on sale of non-current assets	309	166
Gain on sale of investment securities	6,839	12,059
Gain on sale of shares of subsidiaries and associates	—	1,856
Reversal of reserve for loss on Anti-Monopoly Act	1,122	—
Other	105	119
Total extraordinary income	8,377	14,202
Extraordinary losses		
Loss on sale and retirement of non-current assets	315	318
Impairment losses	1,872	1,247
Loss on valuation of investment securities	1,529	1,125
Other	217	53
Total extraordinary losses	3,935	2,744
Profit before income taxes	42,793	50,287
Income taxes - current	12,241	15,339
Income taxes - deferred	1,551	443
Total income taxes	13,793	15,783
Profit	29,000	34,503
Profit (loss) attributable to non-controlling interests	(16)	6
Profit attributable to owners of parent	29,016	34,496

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	29,000	34,503
Other comprehensive income		
Valuation difference on available-for-sale securities	6,574	(7,115)
Revaluation reserve for land	(44)	(33)
Foreign currency translation adjustment	43	17
Remeasurements of defined benefit plans, net of tax	110	(1,658)
Share of other comprehensive income of entities accounted for using equity method	545	394
Total other comprehensive income	7,230	(8,395)
Comprehensive income	36,230	26,108
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	36,247	26,101
Comprehensive income attributable to non-controlling interests	(16)	6

(3) Consolidated Statements of Changes in Shareholders' Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,546	32,452	334,694	(371)	380,321
Changes during period					
Dividends of surplus			(6,288)		(6,288)
Profit attributable to owners of parent			29,016		29,016
Purchase of treasury shares				(25,001)	(25,001)
Disposal of treasury shares		3		126	130
Cancellation of treasury shares		(24,759)		24,759	—
Transfer from retained earnings to capital surplus		24,755	(24,755)		—
Change in ownership interest of parent due to transactions with non-controlling interests		(34)			(34)
Reversal of revaluation reserve for land			44		44
Net changes in items other than shareholders' equity					
Total changes during period	—	(34)	(1,983)	(115)	(2,133)
Balance at end of period	13,546	32,418	332,710	(486)	378,188

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	33,330	(4,724)	1,349	932	30,887	316	411,525
Changes during period							
Dividends of surplus							(6,288)
Profit attributable to owners of parent							29,016
Purchase of treasury shares							(25,001)
Disposal of treasury shares							130
Cancellation of treasury shares							—
Transfer from retained earnings to capital surplus							—
Change in ownership interest of parent due to transactions with non-controlling interests							(34)
Reversal of revaluation reserve for land							44
Net changes in items other than shareholders' equity	6,574	(44)	589	110	7,230	(194)	7,035
Total changes during period	6,574	(44)	589	110	7,230	(194)	4,902
Balance at end of period	39,905	(4,769)	1,939	1,043	38,118	121	416,428

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,546	32,418	332,710	(486)	378,188
Changes during period					
Dividends of surplus			(6,988)		(6,988)
Profit attributable to owners of parent			34,496		34,496
Purchase of treasury shares				(27,983)	(27,983)
Disposal of treasury shares		(4)		132	127
Cancellation of treasury shares		(27,838)		27,838	—
Transfer from retained earnings to capital surplus		27,842	(27,842)		—
Change in ownership interest of parent due to transactions with non-controlling interests		(271)			(271)
Net changes in items other than shareholders' equity					
Total changes during period	—	(271)	(335)	(12)	(618)
Balance at end of period	13,546	32,147	332,375	(499)	377,569

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	39,905	(4,769)	1,939	1,043	38,118	121	416,428
Changes during period							
Dividends of surplus							(6,988)
Profit attributable to owners of parent							34,496
Purchase of treasury shares							(27,983)
Disposal of treasury shares							127
Cancellation of treasury shares							—
Transfer from retained earnings to capital surplus							—
Change in ownership interest of parent due to transactions with non-controlling interests							(271)
Net changes in items other than shareholders' equity	(7,131)	(33)	426	(1,656)	(8,395)	6	(8,388)
Total changes during period	(7,131)	(33)	426	(1,656)	(8,395)	6	(9,007)
Balance at end of period	32,773	(4,803)	2,365	(613)	29,722	128	407,420

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	42,793	50,287
Depreciation	8,563	12,053
Impairment losses	1,872	1,247
Increase (decrease) in allowance for doubtful accounts	10	(127)
Increase (decrease) in other provisions	282	406
Increase (decrease) in retirement benefit liability	(999)	(1,568)
Increase (decrease) in provision for loss on Anti-Monopoly Act	(1,122)	—
Interest and dividend income	(1,628)	(1,568)
Interest expenses	43	41
Loss (gain) on sale and retirement of non-current assets	5	151
Loss (gain) on sale of investment securities	(6,839)	(12,044)
Loss (gain) on sale of shares of subsidiaries and associates	—	(1,856)
Decrease (increase) in trade receivables	(19,028)	15,605
Decrease (increase) in inventories	(3,086)	(10,835)
Increase decrease in purchase rebates receivables	622	2,342
Increase (decrease) in trade payables	78,057	(108,430)
Other, net	3,122	784
Subtotal	102,669	(53,511)
Interest and dividends received	2,067	2,097
Interest paid	(43)	(41)
Payments related to Anti-Monopoly Act	(5,577)	—
Income taxes paid	(11,899)	(13,624)
Net cash provided by (used in) operating activities	87,216	(65,079)
Cash flows from investing activities		
Payments into time deposits	(2,130)	(86)
Proceeds from withdrawal of time deposits	2,153	2,084
Purchase of securities	(49,437)	(36,042)
Proceeds from sale and redemption of securities	65,850	54,800
Purchase of property, plant and equipment	(10,810)	(14,307)
Proceeds from sale of property, plant and equipment	920	345
Purchase of intangible assets	(4,830)	(4,340)
Purchase of investment securities	(122)	(49)
Proceeds from sale and redemption of investment securities	11,667	15,452
Proceeds from sale of shares of subsidiaries and associates	—	2,136
Investments in subsidiaries and affiliates	(3,273)	(119)
Proceeds from collection of long-term loans receivable	13	320
Other, net	350	184
Net cash provided by (used in) investing activities	10,350	20,378

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(10)	—
Proceeds from long-term borrowings	—	19
Repayments of lease liabilities	(376)	(260)
Purchase of treasury shares	(25,001)	(27,983)
Proceeds from sale of treasury shares	0	0
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(40)	(271)
Dividends paid	(6,287)	(6,988)
Net cash provided by (used in) financing activities	(31,716)	(35,483)
Effect of exchange rate change on cash and cash equivalents	21	6
Net increase (decrease) in cash and cash equivalents	65,872	(80,178)
Cash and cash equivalents at beginning of period	132,872	198,745
Cash and cash equivalents at end of period	198,745	118,567

(5) Notes on Consolidated Financial Statements

<Notes on the Assumption of the Company as a Going Concern>

N/A

<Notes on Changes in Accounting Policies>

(Application of the Accounting Standard for Current Income Taxes, etc.)

We have applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard of 2022”), etc. from the beginning of the consolidated fiscal year ended March 31, 2025.

Regarding the amendment of the classification of current income taxes (taxes on other comprehensive income), we are following the transitional treatment stipulated in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and in the proviso of paragraph (2) 65-2 of Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “Revised Guidance of 2022”). This change in accounting policies has no impact on the consolidated financial statements.

Additionally, concerning the amendment related to the review of the treatment in consolidated financial statements when deferring for tax purposes the gains or losses arising from the sale of shares in subsidiaries among consolidated companies, we have applied the Revised Guidance of 2022 from the beginning of the consolidated fiscal year ended March 31, 2025. This change in accounting policies has been applied retrospectively, and the consolidated financial statements for the same period of the previous fiscal year have been revised accordingly. However, this change in accounting policies has no impact on the consolidated financial statements for the previous fiscal year ended March 31, 2024.

<Notes on Segment Information etc.>

(Segment Information)

1. Overview of reporting segments

The reporting segments of the Group are subject to regular review to enable financial information separated for the constituent units of Suzuken and its subsidiaries to be made available for the Board of Directors, to determine the distribution of management resources and evaluate results.

The Suzuken Group pursues business activities related to the manufacturing and sales of pharmaceutical products and medical equipment, pharmacy and nursing care services, pharmaceutical manufacturer support services, and other business activities. Starting from the fiscal year ended March 31, 2025, the Suzuken Group has changed the classification of its reporting segments by separating the specialty drug contract distribution business into a new reporting segment, the Specialty Drug Contract Distribution Business. This was due to the increased quantitative materiality of the specialty drug contract distribution business, which was previously included in the Healthcare-Related Services Business segment.

The Pharmaceutical Distribution Business is engaged in the sales of ethical drugs, diagnostic agents, medical devices, medical materials, etc.

The Healthcare Product Development Business is engaged in the research and development, manufacturing, and sales of ethical drugs, diagnostic agents and medical equipment and materials.

The Community Healthcare and Nursing Care Support Business provides pharmacy and nursing care services.

The Specialty Drug Contract Distribution Business provides support services for specialty drug manufacturers.

The Healthcare-Related Services Business provides manufacturer support services such as contract distribution for pharmaceutical manufacturers and digital health services, etc.

Due to the changes in the reporting segments mentioned above, the segment information for the previous fiscal year ended March 31, 2024 has been presented according to the revised classifications.

2. Methods for calculating net sales, income and loss, assets, liabilities and others by reporting segment

The accounting treatment and methods for reporting segments are in accordance with the procedures and principles of the accounting treatment adopted in preparing the consolidated financial statements.

The income for reporting segments represents operating profit.

Intersegment sales and transactions are based on prevailing market prices.

3. Information on net sales, income and loss, assets, liabilities and others classified by reporting segment, and on revenue breakdown

Fiscal 2023 (From April 1, 2023 to March 31, 2024)

(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	2,248,415	11,892	97,443	6,213	22,528	2,386,493
Intersegment sales and transactions	50,764	39,404	19	209,910	22,952	323,051
Total	2,299,180	51,296	97,463	216,124	45,480	2,709,545
Segment income	30,424	1,597	1,690	569	537	34,819
Segment assets	1,081,046	63,416	42,505	41,038	32,612	1,260,618
Others						
Depreciation	6,652	515	851	7	537	8,564
Investment in equity-method subsidiaries	19,696	—	—	—	—	19,696
Increase in property, plant and equipment, and intangible assets	14,210	481	1,094	17	40	15,843

Fiscal 2024 (From April 1, 2024 to March 31, 2025)

(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	2,263,135	11,676	94,399	6,407	24,332	2,399,952
Intersegment sales and transactions	50,832	40,936	15	289,077	17,856	398,718
Total	2,313,967	52,613	94,414	295,485	42,188	2,798,671
Segment income	31,916	1,916	1,291	845	1,049	37,020
Segment assets	987,026	66,022	41,520	58,227	32,969	1,185,766
Others						
Depreciation	10,233	509	803	10	501	12,057
Investment in equity-method subsidiaries	18,981	—	—	—	—	18,981
Increase in property, plant and equipment, and intangible assets	18,811	800	970	6	311	20,899

4. Reconciliation of Reporting Segment Totals to Consolidated Income Statement Amounts and Main Components of Reconciliation
(Matters Concerning Reconciliation)

(Millions of yen)

Net sales	Fiscal 2023	Fiscal 2024
Reporting segment total	2,709,545	2,798,671
Elimination of intersegment transactions	(323,051)	(398,718)
Net sales on the consolidated financial statements	2,386,493	2,399,952

(Millions of yen)

Operating profit	Fiscal 2023	Fiscal 2024
Reporting segment total	34,819	37,020
Elimination of intersegment transactions	56	105
Operating profit on the consolidated financial statements	34,875	37,125

(Millions of yen)

Assets	Fiscal 2023	Fiscal 2024
Reporting segment total	1,260,618	1,185,766
Elimination of intersegment transactions	(97,863)	(111,867)
Corporate assets (Note)	65,930	39,932
Total assets on the consolidated financial statements	1,228,686	1,113,831

(Note) Corporate assets are mainly marketable securities and investment securities as long-term investment funds.

(Millions of yen)

Others	Reporting segment total		Reconciliation		Amounts on the consolidated financial statements	
	Fiscal 2023	Fiscal 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023	Fiscal 2024
Depreciation	8,564	12,057	(1)	(3)	8,563	12,053
Increase in property, plant and equipment, and intangible assets	15,843	20,899	—	—	15,843	20,899

(Related Information)

Fiscal 2023 (From April 1, 2023 to March 31, 2024)

1. Information by product and service

(Millions of yen)

	Ethical Drugs	Other	Total
Sales to external customers	2,020,896	365,597	2,386,493

2. Information by country and region

(1) Net sales

The Company has omitted disclosure because sales to external customers in Japan exceed 90% of the total net sales on the consolidated statements of income.

(2) Property, plant and equipment

The Company has omitted disclosure because the property, plant and equipment in Japan exceed 90% of the total property, plant and equipment on the consolidated balance sheets.

3. Information by main customer

The Company has omitted disclosure because no sales to any external customer exceed 10% of the total net sales on the consolidated statements of income.

Fiscal 2024 (From April 1, 2024 to March 31, 2025)

1. Information by product and service

(Millions of yen)

	Ethical drugs	Other	Total
Sales to external customers	2,042,561	357,390	2,399,952

2. Information by country and region

(1) Net sales

The Company has omitted disclosure because sales to external customers in Japan exceed 90% of the total net sales on the consolidated statements of income.

(2) Property, plant and equipment

The Company has omitted disclosure because the property, plant and equipment in Japan exceed 90% of the total property, plant and equipment on the consolidated balance sheets.

3. Information by main customer

The Company has omitted disclosure because no sales to any external customer exceed 10% of the total net sales on the consolidated statements of income.

(Information on Impairment Losses on Non-current Assets by Reporting Segment)

Fiscal 2023 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reporting segment					Elimination/ Corporate	Total
	Pharmaceutical Distribution	Healthcare Product Development	Community Healthcare and Nursing Care Support	Specialty Drug Contract Distribution	Healthcare- Related Services		
Impairment losses	41	—	269	—	1,561	—	1,872

Fiscal 2024 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reporting segment					Elimination/ Corporate	Total
	Pharmaceutical Distribution	Healthcare Product Development	Community Healthcare and Nursing Care Support	Specialty Drug Contract Distribution	Healthcare- Related Services		
Impairment losses	490	—	756	—	—	—	1,247

(Information on Amortization and Unamortized Balance of Goodwill by Reporting Segment)

Fiscal 2023 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reporting segment					Elimination/ Corporate	Total
	Pharmaceutical Distribution	Healthcare Product Development	Community Healthcare and Nursing Care Support	Specialty Drug Contract Distribution	Healthcare- Related Services		
Amortized during the fiscal year	1	—	28	—	151	—	181
Balance at end of fiscal year	3	—	21	—	—	—	25

Fiscal 2024 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reporting segment					Elimination/ Corporate	Total
	Pharmaceutical Distribution	Healthcare Product Development	Community Healthcare and Nursing Care Support	Specialty Drug Contract Distribution	Healthcare- Related Services		
Amortized during the fiscal year	1	—	9	—	—	—	10
Balance at end of fiscal year	2	—	11	—	—	—	14

(Information on Gain on Negative Goodwill by Reporting Segment)

Fiscal 2023 (From April 1, 2023 to March 31, 2024) and Fiscal 2024 (From April 1, 2024 to March 31, 2025)

N/A

<Notes on Per Share Data>

Item	Fiscal 2023 (From April 1, 2023 to March 31, 2024)	Fiscal 2024 (From April 1, 2024 to March 31, 2025)
Net assets per share (yen)	5,361.96	5,651.56
Basic earnings per share (yen)	357.88	454.58

(Notes) 1. Diluted earnings per share has not been recorded because there were no residual securities in the current consolidated fiscal year.

2. The basis for calculating basic earnings per share is as follows:

Item	Fiscal 2023 (From April 1, 2023 to March 31, 2024)	Fiscal 2024 (From April 1, 2024 to March 31, 2025)
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	29,016	34,496
Amount not attributed to ordinary shareholders (millions of yen)	—	—
Profit attributable to common shareholders of parent (millions of yen)	29,016	34,496
Average number of common shares outstanding during the period (1,000s of shares)	81,079	75,886

<Notes on Important Subsequent Events>

(Share Repurchase Program)

The Company's Board of Directors resolved at a meeting held today (May 13, 2025) the following items pertaining to the share repurchase in accordance with the Articles of Incorporation pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act.

1. Reason for Share Repurchase

The share repurchase is aimed at implementing a flexible capital policy that allows us to respond effectively to changes in the business environment.

2. Details of Items Pertaining to Repurchase

(1) Class of shares to be repurchased	Common shares
(2) Total number of shares to be repurchased	Up to 5,200,000 shares (Representing 7.21% of total shares outstanding, excluding treasury shares)
(3) Total amount of repurchase	Up to ¥26,000 million
(4) Period of repurchase	May 15, 2025 to March 19, 2026
(5) Method of repurchase	Market purchases on the Tokyo Stock Exchange Trading Network including purchases through the Off-Auction Own Share Repurchase Trading System (ToSTNet-3)