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May 14, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (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/
Representative: Shigeru Asano President and CEO
Inquiries: Satoshi Hashimoto Executive Officer and General Manager of Business Administration Department
Telephone: +81-52-961-2331
Scheduled date of annual general meeting of shareholders: June 24, 2026
Scheduled date to commence dividend payments: June 3, 2026
Scheduled date to file annual securities report: June 22, 2026
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, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	2,486,647	3.6	36,374	(2.0)	39,744	2.4	38,136	10.6
March 31, 2025	2,399,952	0.6	37,125	6.4	38,830	1.2	34,496	18.9

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥ 41,371 million [58.5%]
For the fiscal year ended March 31, 2025: ¥ 26,108 million [(27.9) %]

	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
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	545.54	-	9.3	3.5	1.5
March 31, 2025	454.58	-	8.4	3.3	1.5

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31, 2026: ¥ 1,030 million
For the fiscal year ended March 31, 2025: ¥ (636) million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	1,155,766	416,012	36.0	6,148.58
March 31, 2025	1,113,831	407,420	36.6	5,651.56

Reference: Equity
As of March 31, 2026: ¥ 415,876 million
As of March 31, 2025: ¥ 407,291 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 end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	33,566	12,817	(33,336)	131,604
March 31, 2025	(65,079)	20,378	(35,483)	118,567

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	50.00	-	50.00	100.00	7,486	22.0	1.8
Fiscal year ended March 31, 2026	-	50.00	-	50.00	100.00	6,877	18.3	1.7
Fiscal year ending March 31, 2027 (Forecast)	-	60.00	-	30.00	-		32.5	

Note: The Company plans to conduct a 2-for-1 stock split of common stock effective October 1, 2026. The forecast year-end dividend per share for the fiscal year ending March 31, 2027 reflects the impact of this stock split, and therefore the total annual dividend per share is listed as "-." If the stock split is not taken into account, the forecast year-end dividend per share for the fiscal year ending March 31, 2027 would be ¥60, and the total annual dividend would be ¥120.

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit 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, 2026	1,245,000	2.1	11,900	(29.8)	13,560	(24.8)	10,310	(36.5)	152.43
Full year	2,563,000	3.1	31,200	(14.2)	34,300	(13.7)	25,000	(34.4)	184.81

Note: The Company plans to conduct a 2-for-1 stock split of common stock effective October 1, 2026. Basic earnings per share for the full year in the financial result forecasts for the fiscal year ending March 31, 2027 reflects the impact of this stock split. If the stock split is not taken into account, basic earnings per share would be ¥369.62.

*** Notes**

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

Newly included: - companies ( )

Excluded: - companies ( )

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2026	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 March 31, 2026	4,529,359 shares
As of March 31, 2025	100,049 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	69,905,385 shares
Fiscal year ended March 31, 2025	75,886,732 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	2,299,677	4.0	22,713	(5.1)	28,181	(2.0)	29,239	13.6
March 31, 2025	2,210,854	1.0	23,934	1.3	28,763	0.8	25,732	22.2

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	418.27	-
March 31, 2025	339.09	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	1,040,046	269,191	25.9	3,979.89
March 31, 2025	1,021,155	271,567	26.6	3,768.25

Reference: Equity

As of March 31, 2026: ¥ 269,191 million

As of March 31, 2025: ¥ 271,567 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

(1) Overview of Operating Results for the Fiscal Year

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026	Change (%)
Net sales	2,399,952	2,486,647	3.6
Operating profit	37,125	36,374	(2.0)
Ordinary profit	38,830	39,744	2.4
Profit attributable to owners of parent	34,496	38,136	10.6
Basic earnings per share (yen)	454.58	545.54	

During the fiscal year ended March 31, 2026, 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, as well as the uncertainty regarding the impact on crude oil prices and product procurement stemming from heightened tensions in the Middle East that surfaced toward the end of the fiscal year, among other factors, the outlook for the domestic economy and corporate earnings has continued to remain unclear.

Under these circumstances, the Suzuken Group formulated a Medium-Term Management Plan covering the period through the fiscal year ended March 31, 2026 . Through the implementation of this plan, the Group advanced its transformation into a health creation enterprise working as "One Team," aiming to create new value as an entity that continues to provide new solutions and hope for the changing healthcare ecosystem, thereby further enhancing corporate value and contributing to solving social issues. Leading up to the 100th anniversary of our founding in 2032, we positioned "Reform of existing businesses" and "Preparation for new growth businesses" as our main focuses and took steps to advance these initiatives.

During the fiscal year ended March 31, 2026, we worked on several measures as part of the "Reform of existing businesses," including reinforcing the distribution model for specialty drugs, such as orphan drugs and regenerative medicine products, through collaboration with various companies, as well as creating 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 Cubixx, a specialty drug traceability solution, at regional core hospitals and other medical institutions nationwide. In the distribution of specialty drugs, we addressed the requirements of pharmaceutical companies seeking market entry and new product launches in Japan, while strengthening our distribution base to ensure the reliable delivery of new drugs to patients awaiting treatment. As a result, as of the end of the fiscal year, a total of 710 units were in operation across 597 customers nationwide, with adoption exceeding half of designated cancer care hospitals and reaching approximately 80% of national university hospitals. Looking ahead, in addition to further promoting the adoption of Cubixx, we will enhance its functionality through integration with peripheral services, enabling more accurate data acquisition, improved visibility of distribution inventory, and demand forecasting using inventory and consumption data.

As an initiative aimed at strengthening the distribution infrastructure, 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 land sale agreement with Kasugai City in Aichi Prefecture and acquired land for the development 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 and implement new initiatives 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 digital health businesses 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 launched services through the COLLABO Portal[*3], a portal site for medical and nursing care professionals. In addition to delivering various services and information offered by the Suzuken Group, the COLLABO Portal is equipped with functions that connect customers with the Suzuken Group, pharmaceutical companies, and multidisciplinary healthcare professionals and specialist staff. It also enables the integrated delivery of digital health services from partner companies. Through these initiatives, we have worked to create a safe and secure environment in which digital health services can be utilized in medical and nursing care settings.

In addition, we approved and completed (effective April 1, 2026) the merger and integration of Collabo Square Co., Ltd., which operates the COLLABO Portal, and Embrace Co., Ltd., which operates Medical Care Station (MCS)[*4] , a medical and nursing care collaboration platform. Through our initiatives during the period of this Medium-Term Management Plan, new connections have been established between the Company and over 440,000 (user IDs) medical and nursing care professionals.

Moving forward, we will accelerate efforts to create new information-driven revenue streams, including marketing support initiatives that leverage our existing connections with approximately 160,000 customers nationwide in our pharmaceutical wholesale business and the newly built connections with over 440,000 individual medical and nursing care professionals.

Furthermore, in February 2026, we made medimo, Inc., a health-tech startup founded in April 2022 with the mission of "Ensuring sustainable healthcare through frontier technology," a wholly owned subsidiary. Against the backdrop of the structural issue of a growing shortage of healthcare professionals, the company provides "medimo*5", a SaaS platform for medical documentation that leverages generative AI as its core technology, enabling voice-based input and automated summarization. Since its launch in April 2024, the platform has been adopted by and utilized at more than 1,000 medical institutions nationwide on a cumulative basis. Moving forward, we aim to transform this into essential infrastructure that supports sustainable healthcare in Japan, while driving further medium- to long-term growth.

As Japan's population rapidly ages and the birthrate continues to decline, medical demand continues to increase, while securing medical professionals is becoming increasingly difficult, placing the sustainability of the healthcare delivery system itself under serious strain. Amid these structural challenges, regulations on physicians' overtime work came into effect in April 2024, and there is a growing need in healthcare settings for fundamental improvements in productivity to maintain both the quality and quantity of care with limited human resources.

Moving forward, the Suzuken Group, in collaboration with partner companies, will continue to accelerate initiatives that seamlessly integrate new technologies, including generative AI, with real-world infrastructure to address social issues. Through these efforts, we aim to build a safe and secure healthcare platform, and realize our vision of becoming 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% on a 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 have aimed 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 a result of the repurchase of 4,458,800 shares for a total amount of ¥25,999 million, coupled with the dividend payout totaling ¥6,877 million, the total payout ratio for the fiscal year ended March 31, 2026 reached 86.2%, and the three-year average total payout ratio from the fiscal year ended March 31, 2024 reached 98.1%.

Our consolidated business results for the fiscal year ended March 31, 2026, showed an increase in net sales due to growth in the prescription 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, we continued efforts to ensure appropriate levels of profitability and to review and control selling, general, and administrative expenses. However, operating profit decreased due to an increase in operating expenses caused by inflationary trends, including higher outsourcing costs, in addition to rising procurement costs for pharmaceuticals and other items.

Meanwhile, ordinary profit increased, supported by a share of profit of entities accounted for using the equity method of ¥1,030 million (compared with a share of loss of ¥636 million in the previous fiscal year), while profit attributable to owners of parent increased, reflecting the reduction of 11 cross-held securities and the recognition of ¥15,581 million in gains on sale of investment securities, recorded as extraordinary income.

Based on the above, net sales were ¥2,486,647 million (up 3.6% year on year), operating profit was ¥36,374 million (down 2.0% year on year), ordinary profit was ¥39,744 million (up 2.4% year on year), and profit attributable to owners of parent was ¥38,136 million (up 10.6% 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 managed by Collabo Square Co., Ltd., a wholly owned subsidiary, 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.

*5 "medimo", a SaaS platform for medical documentation
: This refers to a system using generative AI that automatically creates highly accurate draft medical records based on conversations during patient consultations. By leveraging speech recognition technology optimized for medical terminology, it contributes to work style reform and improved operational efficiency in healthcare settings.

Operating results by segment were as follows:

(Millions of yen)

Name of business segment		Year ended March 31, 2025	Year ended March 31, 2026	Change (%)
Pharmaceutical Distribution	Net sales	2,313,967	2,401,013	3.8
	Operating profit	31,916	31,467	(1.4)
Healthcare Product Development	Net sales	52,613	51,636	(1.9)
	Operating profit	1,916	830	(56.6)
Community Healthcare and Nursing Care Support	Net sales	94,414	93,937	(0.5)
	Operating profit	1,291	1,549	20.0
Specialty Drug Contract Distribution	Net sales	295,485	436,100	47.6
	Operating profit	845	1,155	36.5
Healthcare-Related Services	Net sales	42,188	42,964	1.8
	Operating profit	1,049	1,276	21.6

(Note) Segment net sales results include intersegment transactions.

(Pharmaceutical Distribution)

The growth of the prescription 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 ¥2,401,013 million (up 3.8% year on year) due to contributions of new drugs, including specialty drugs, and the growth of the prescription 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 ¥31,467 million (down 1.4% year on year), as we were unable to fully offset increases in procurement costs for pharmaceuticals and other products, despite our responsive initiatives to the Guidelines for the Improvement of Commercial Transaction Practices revised in April 2024, and our continued efforts to review and control selling, general and administrative expenses, even amid the escalation of various costs related to pharmaceutical distribution, including distribution and outsourcing fees.

(Healthcare Product Development)

Segment net sales decreased due to the impact of drug price revisions, etc., despite growth in the pharmaceutical manufacturing division 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 due to lower revenue, as well as an increase in research and development expenses associated with the progress in the development of Paltusotine[*6], an orally administered selective somatostatin receptor type 2 (SSTR2) agonist.

As a result of the above, net sales were ¥51,636 million (down 1.9% year on year), and operating profit was ¥830 million (down 56.6% year on year).

*6 Paltusotine
: This refers to a selective somatostatin receptor type 2 (SSTR2) agonist and the world's first once-daily, orally administered small-molecule therapeutic approved in the United States for the treatment of acromegaly in adults for whom surgical intervention is inadequate or not an option. Paltusotine was discovered and designed by Crinetics Pharmaceuticals, Inc. to provide a once-daily oral treatment option for patients with acromegaly as well as for patients with carcinoid syndrome associated with neuroendocrine tumors. It has been designated as an orphan drug by the Ministry of Health, Labour and Welfare for the treatment of acromegaly and pituitary gigantism.

(Community Healthcare and Nursing Care Support)

Segment net sales decreased slightly due to a decrease in revenue in the pharmacy division, which was affected by a reduced number of operating pharmacy stores following closures, leading to fewer prescriptions being 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 ¥93,937 million (down 0.5% year on year), and operating profit was ¥1,549 million (up 20.0% year on year).

(Specialty Drug Contract Distribution[*7])

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 ¥436,100 million (up 47.6% year on year), and operating profit was ¥1,155 million (up 36.5% year on year).

*7 Specialty Drug Contract Distribution Business

: This refers to a business in which we are entrusted by pharmaceutical manufacturers with the distribution of pharmaceutical products, such as orphan drugs, that requires stricter quality control and distribution management through channels different from ordinary distribution channels. 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 increased due to factors including growth in contracts in the logistics services for pharmaceutical manufacturers in the external logistics division. Operating profit increased partly due to profitability improvement in the digital health division.

As a result of the above, net sales were ¥42,964 million (up 1.8% year on year), and operating profit was ¥1,276 million (up 21.6% 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, 2026 increased by ¥41,934 million from the end of the previous fiscal year to reach ¥1,155,766 million. The main factors of this increase were as follows:

Current assets increased by ¥32,073 million from the end of the previous fiscal year. This was mainly due to increases of ¥14,040 million in cash and deposits and ¥30,055 million in notes and accounts receivable - trade, despite decreases of ¥13,950 million in securities and ¥1,528 million in merchandise and finished goods.

Non-current assets increased by ¥9,860 million from the end of the previous fiscal year. This was mainly due to increases of ¥6,051 million in property, plant and equipment and ¥3,564 million in intangible assets, despite an increase of ¥244 million in investments and other assets.

(Liabilities)

Total liabilities as of the end of the fiscal year ended March 31, 2026 increased by ¥33,342 million from the end of the previous fiscal year to reach ¥739,753 million. The main factors of this increase were as follows:

Current liabilities increased by ¥33,937 million from the end of the previous fiscal year. This was mainly due to an increase of ¥30,004 million in notes and accounts payable – trade, despite a decrease of ¥3,090 million in provision for loss on Anti-Monopoly Act.

Non-current liabilities decreased by ¥594 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥1,050 million in "Other" (mainly leasehold deposits received) under "Current liabilities," despite an increase of ¥501 million in deferred tax liabilities.

(Net assets)

Total net assets as of the end of the fiscal year ended March 31, 2026 increased by ¥8,591 million from the end of the previous fiscal year to reach ¥416,012 million. The main factors of this increase were as follows:

Shareholders' equity increased by ¥5,362 million from the end of the previous fiscal year. This was mainly due to the posting of ¥38,136 million in profit attributable to owners of parent, despite the payment of ¥7,098 million in dividends of surplus and a decrease of ¥26,003 million due to purchase of treasury shares.

Accumulated other comprehensive income increased by ¥3,221 million from the end of the previous fiscal year. This was mainly due to an increase of ¥3,129 million in remeasurements of defined benefit plans.

(3) Overview of Cash Flow for the Fiscal Year

Cash and cash equivalents in the fiscal year ended March 31, 2026 (hereinafter referred to as "cash") increased by ¥13,037 million in comparison to the previous fiscal year to ¥131,604 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, 2025	Year ended March 31, 2026	Change
Cash flows from operating activities	(65,079)	33,566	98,646
Cash flows from investing activities	20,378	12,817	(7,561)
Cash flows from financing activities	(35,483)	(33,336)	2,147
Cash and cash equivalents at end of period	118,567	131,604	13,037

(Cash flows from operating activities)

Net cash provided by operating activities was ¥33,566 million (¥65,079 million used in the previous fiscal year).

This was mainly due to profit before income taxes of ¥54,293 million, increase in trade payables of ¥30,004 million, and depreciation of ¥12,341 million, which was partially offset by increase in trade receivables of ¥30,034 million, gain on sale of investment securities of ¥15,522 million, and income taxes paid of ¥16,821 million.

(Cash flows from investing activities)

Net cash provided by investing activities was ¥12,817 million, which was a ¥7,561 million decrease in comparison from the previous fiscal year.

This was mainly due to proceeds from the sale and redemption of securities of ¥31,000 million and proceeds from the sale and redemption of investment securities of ¥21,045 million, which were partially offset by purchases of securities of ¥16,495 million, purchases of property, plant and equipment of ¥15,064 million, and purchase of intangible assets of ¥2,784 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥33,336 million, representing a ¥2,147 million increase from the previous fiscal year.

This was mainly due to share repurchases of ¥26,003 million and dividends paid of ¥7,095 million.

(Reference) Trends in indices related to cash flows

	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2026
Capital adequacy ratio (%)	36.6	35.9	33.9	36.6	36.0

Capital adequacy ratio based on market prices (%)	28.0	24.1	29.3	32.0	34.7
Ratio of cash flow to interest-bearing debt (%)	0.1	0.0	0.0	—	0.3
Interest coverage ratio (times)	185.2	885.1	1,997.3	—	788.2

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 statement 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, 2026 (Results)	Year ending March 31, 2027 (Forecast)
Net sales	2,486,647	2,563,000
Operating profit	36,374	31,200
Ordinary profit	39,744	34,300
Profit attributable to owners of parent	38,136	25,000
Basic earnings per share (yen)	545.54	184.81

The business environment surrounding the healthcare industry in Japan is expected to remain challenging due to factors such as ongoing drug price revisions and healthcare cost-containment policies, as well as rising logistics and labor costs and a shortage of personnel supporting the healthcare delivery system.

Under these circumstances, the Suzuken Group has formulated a new three-year Medium-Term Management Plan, which was announced today, with the aim of strengthening its business foundation and achieving sustainable growth, while fulfilling its social mission of ensuring a stable supply of pharmaceuticals.

As the next consolidated fiscal year will be the first year of this Medium-Term Management Plan, the financial results forecasts have been prepared based on assumptions regarding the business environment in the healthcare sector and the progress of the various initiatives under the plan.

Based on the above, the consolidated financial results for the fiscal year ending March 31, 2027 are expected to be as follows: net sales of ¥2,563,000 million (up 3.1% year on year), operating profit of ¥31,200 million (down 14.2% year on year), ordinary profit of ¥34,300 million (down 13.7% year on year), and profit attributable to owners of parent of ¥25,000 million (down 34.4% year on year).

* 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 financial forecasts above are based on information available as of the date of publication of this document and on certain assumptions deemed reasonable. These forecasts do not constitute a guarantee of future performance, and actual results may differ due to various factors.

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

The Group has aimed to enhance shareholder returns while improving corporate value and capital efficiency by maintaining stable dividend payments as its basic policy, setting a total payout ratio of 100% or more on average over the three-year period through the fiscal year ended March 31, 2026, the final year of the Medium-Term Management Plan “For your next heartbeat--Creating a movement toward tomorrow,” and making investments to strengthen existing businesses and create new businesses.

The Company’s basic policy regarding dividends of surplus is to pay dividends twice a year, consisting of an interim dividend and a year-end dividend. Pursuant to Article 459, Paragraph 1 of the Companies Act, the Company’s Articles of Incorporation provide that dividends of surplus and other distributions may be determined by resolution of the Board of Directors without a resolution of the General Meeting of Shareholders.

Retained earnings have been allocated to strengthening the Group’s sales, logistics, and information infrastructure and expanding into new business areas in order to secure competitive advantages and maintain stable growth amid the challenging environment surrounding the industry.

Based on these policies, the Company will pay, as originally forecast, a year-end dividend of ¥50 per share and an interim dividend of ¥50 per share, for an annual dividend applicable to the fiscal year ended March 31, 2026 of ¥100 per share.

The Company has separately disclosed its new shareholder return policy in the “Suzuken Announces Shareholder Return Policy and Full-Year Dividend Forecast for the Fiscal Year Ending March 31, 2027 (Dividend Increase)” dated May 14, 2026.

Based on the shareholder return policy, the Company plans to pay an annual dividend of ¥120 per share (interim dividend: ¥60 per share, year-end dividend: ¥60 per share) applicable to the fiscal year ending March 31, 2027, representing an increase of ¥20 (up 20%).

As the Company is considering a 1-for-2 stock split with an effective date of October 1, 2026, the year-end dividend after the stock split would be ¥30 per share and the annual dividend would be ¥90 per share; however, there will be no change in the total amount of dividends paid.

2. Status of the Group

The Company and its affiliated companies are composed of SUZUKEN CO., LTD. (the Company), 38 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 affiliated companies with regards to the business, and their relation to the various segments are as follows.

<table>
<tr><th colspan="2">Business segment</th><th>Main companies</th><th>Main business activities</th></tr>
<tr><td colspan="2">Pharmaceutical Distribution</td><td>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.</td><td>Sales of prescription drugs, diagnostic agents, medical device, medical materials, etc.</td></tr>
<tr><td rowspan="2">Healthcare Product Development</td><td>Manufacturing of drugs</td><td>Sanwa Kagaku Kenkyusho Co., Ltd.</td><td rowspan="2">Research, development, manufacturing and sales of prescription drugs, diagnostic agent, medical equipment and materials</td></tr>
<tr><td>Manufacturing of medical equipment and materials</td><td>Kenzmedico Co., Ltd.</td></tr>
<tr><td rowspan="3">Community Healthcare and Nursing Care Support</td><td>Pharmacy</td><td>UNISMILE Co., Ltd.</td><td rowspan="3">Provision of pharmacies and nursing care services</td></tr>
<tr><td>Nursing care</td><td>Sanki Wellbe Co., Ltd., S-Care Mate Co., Ltd.</td></tr>
<tr><td>Medical and nursing care support</td><td>Medicare Collabo CO., LTD.</td></tr>
<tr><td colspan="2">Specialty Drug Contract Distribution</td><td>S.D. Collabo Co., Ltd. (Note)</td><td>Provision of support services for specialty drug manufacturers</td></tr>
<tr><td rowspan="2">Healthcare-Related Services</td><td>External logistics</td><td>CHUOUNYU CO., LTD., S.D. Collabo Co., Ltd. (Note) (pharmaceutical manufacturer contract distribution)</td><td rowspan="2">Provision of manufacturer support services such as pharmaceutical manufacturer contract distribution as well as digital health services</td></tr>
<tr><td>Other</td><td>Collabo Square Co., Ltd.</td></tr>
</table>

(Note) S.D. Collabo Co., Ltd. implemented a company split and established Collabo CREATE CO., LTD. on April 1, 2026.

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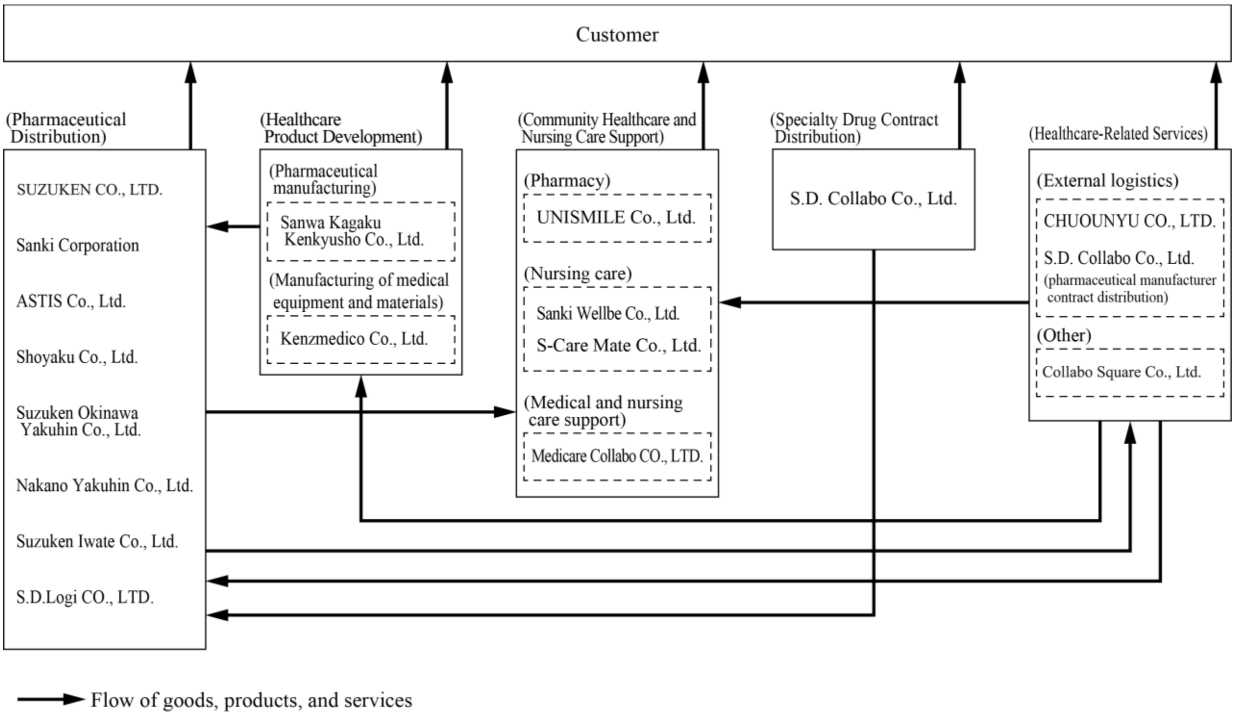
The matters mentioned above are illustrated in the business organization chart as follows.



Status of Associate Companies

Company name	Address	Share capital (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 prescription 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 prescription 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. (Notes 2 and 3)	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 Square Co., Ltd	Chiyoda Ward, Tokyo	10	Other	100.0	Provision of digital healthcare services Concurrent holding of directors' posts: No Capital loan
22 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: No

Company name	Address	Share capital (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
Pharmarise Holdings Corporation (Note 4)	Nakano Ward, Tokyo	1,961	Pharmacy	20.6	Preparation of prescription 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. S.D. Collabo Co., Ltd. implemented a company split and established Collabo CREATE CO., LTD. on April 1, 2026.
4. Companies that submit securities report.
5. Welby Inc., which had been an equity-method affiliate, has been excluded from the scope of application of the equity method due to a decline in the Company's ownership interest.

3. Management Policy

(1) Company's Basic Management Policy

By inheriting its founding spirit of "for society and for people" and "learning from our customers," the Suzuken Group has defined its business domain as "health creation" and has established, as a basic management policy, a commitment to serve the world through its business in the fields related to medical care and health.

The Group's customers include not only medical institutions, pharmacies, and pharmaceutical manufacturers, but also healthcare and nursing care professionals, patients, local residents, and local communities. The Group's purpose is to continuously create new value that contributes to solving social issues and reducing social costs, while positioning the relationships of trust it has built with its customers as "traditional assets."

The Group now positions this period as its third phase of development and aims to realize a health creation enterprise that contributes to solving various social issues and reducing social costs. This will be achieved by combining the functions cultivated across each business and the services of partner companies to deliver new value based on the concept of "strategic recombination of capabilities," 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 ending March 31, 2027 to the fiscal year ending March 31, 2029.

<Key Financial Indicators>

■Long-term targets [five-year horizon: (Fiscal year ending March 2031)]

Item	Term	Target
Consolidated net sales	FY2030	¥3 trillion or more
ROE		8.0% or more

■Key management indicators under the Medium-Term Management Plan toward achieving the above long-term targets (Fiscal year ending March 2027 to the fiscal year ending March 2029)

Item	Term	Target
Consolidated net sales	FY2028	¥2.7 trillion or more
ROE	Each fiscal year	Levels above cost of capital (6.0%)
	FY2028	7.0% or more
Ordinary profit margin	FY2028	Consolidated: 1.5% or more Distribution segment: 1.0% or more
Investment	3-year cumulative total	¥60 billion or more (M&A and strategic investments will be executed flexibly)
Shareholder returns	Each fiscal year	Continuation of stable dividends (DOE of 3.0% by FY2028)
		Total payout ratio: Implemented with 100% as the guideline
Reduction of cross-shareholdings	FY2028	10.0% or less of consolidated net assets

■Initiatives Toward Sustainability (Continuing initiatives from the previous Medium-Term Management Plan)

Item		Target
E	CO_2 emissions (Scopes 1 + 2)	40% reduction by FY2030 compared to FY2020 (FY2025 results: 69,397t-CO2, approx. 21% reduction)
S	Percentage of female managers	20% or more by FY2030 (FY2025 results: 15.2%)
	Percentage of male employees taking childcare leave	100% required each year (FY2025 results: 100%)
G	Compliance training participation rate	100% required each year (FY2025 results: 100%)

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

The Group has formulated and is promoting the Medium-Term Management Plan as shown below.

[Theme]

Becoming a Health Creation Enterprise in Our Third Phase of Development

—Evolving into a Next-Generation Distributor Beyond the Traditional Concept of Wholesaling—

[Slogan]

Change makes Challenge
Embrace change. Take on challenges.

Challenge makes Change
Our challenges shape the future of the Suzuken Group

*This slogan represents the Group's commitment to embracing change and taking on new challenges, and we will strive to achieve the key initiatives and management indicators set forth below.

[Key Initiatives of the Medium-Term Management Plan]
(1) Evolving into a next-generation distributor
(2) Rebuilding of the business portfolio
(3) Strengthening of the management foundation

(1) Evolving into a next-generation distributor

In our core pharmaceutical distribution business, we will take on the challenge of developing a fee-based business driven by our functions (i.e., monetizing our capabilities), in addition to the traditional margin-based business.

To evolve into a next-generation distributor, we will further enhance efficiency in the order-to-delivery process while ensuring a stable supply. At the same time, by earning fair compensation for services that address customers' challenges, we will diversify our earnings structure and enhance value creation.

(2) Rebuilding of the business portfolio

While maintaining the pharmaceutical distribution business as its core, we will work to evolve our business structure through the advancement of existing businesses and alliances with external partners.

To adapt to changes in the environment without being constrained by traditional business frameworks, the Group will combine its functions and assets to transform toward higher value-added business models.

(3) Strengthening of the management foundation

We recognize that developing human resources responsible for executing this Medium-Term Management Plan is essential to its successful implementation.

Accordingly, we will strengthen the development and recruitment of personnel with expertise in digital transformation fields such as digital technologies and data analytics, in addition to developing next-generation leaders in a planned manner.

We will also enhance Group-wide utilization of human resources and interdepartmental collaboration, while strengthening the management foundation that supports sustainable growth by fostering an environment in which diverse talent can fully demonstrate their capabilities.

Furthermore, we recognize management that is conscious of cost of capital and stock price, as requested by the securities exchanges, as an important management issue. Following the disclosure of our policy in November 2023, we have been advancing various initiatives. Although the price-to-book ratio (PBR) has recently improved to around the 1.0 level, we do not believe that this level fully reflects its cost of capital or future growth potential, and recognize that there remains room for further improvement.

The Medium-Term Management Plan has been designed with the highest priority placed on consistently generating profitability that exceeds the cost of capital and sustainably enhancing corporate value. By steadily executing and achieving the Medium-Term Management Plan, we will continue to improve our PBR and respond on an ongoing basis to the securities exchanges' request for the realization of management that is conscious of cost of capital and stock price.

*For details of the Medium-Term Management Plan, 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, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	102,655	116,695
Notes and accounts receivable - trade	524,134	554,190
Securities	38,927	24,976
Merchandise and finished goods	146,668	145,140
Work in process	1,470	1,649
Raw materials and supplies	5,052	5,762
Purchase rebates receivable	17,647	19,892
Other	8,739	8,295
Allowance for doubtful accounts	(1,197)	(429)
Total current assets	844,099	876,172
Non-current assets		
Property, plant and equipment		
Buildings and structures	153,096	155,869
Accumulated depreciation	(87,643)	(90,597)
Buildings and structures, net	65,453	65,271
Machinery, equipment and vehicles	33,642	35,340
Accumulated depreciation	(21,010)	(22,657)
Machinery, equipment and vehicles, net	12,631	12,683
Tools, furniture and fixtures	19,617	20,301
Accumulated depreciation	(16,289)	(16,688)
Tools, furniture and fixtures, net	3,328	3,612
Land	48,936	53,317
Leased assets	2,959	2,949
Accumulated depreciation	(2,398)	(2,406)
Leased assets, net	561	542
Construction in progress	2,600	4,135
Total property, plant and equipment	133,512	139,563
Intangible assets		
Goodwill	14	3,523
Other	12,094	12,150
Total intangible assets	12,108	15,673
Investments and other assets		
Investment securities	84,399	79,212
Deferred tax assets	2,683	2,549
Retirement benefit asset	20,048	25,215
Other	17,740	18,391
Allowance for doubtful accounts	(760)	(1,013)
Total investments and other assets	124,111	124,355
Total non-current assets	269,732	279,593
Total assets	1,113,831	1,155,766

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	635,752	665,757
Income taxes payable	9,949	10,001
Provision for bonuses	9,293	9,585
Provision for loss on Anti-Monopoly Act	3,090	-
Other	21,028	27,707
Total current liabilities	679,114	713,052
Non-current liabilities		
Deferred tax liabilities	17,413	17,915
Deferred tax liabilities for land revaluation	1,178	1,175
Retirement benefit liability	2,186	2,142
Other	6,518	5,467
Total non-current liabilities	27,296	26,701
Total liabilities	706,410	739,753
Net assets		
Shareholders' equity		
Share capital	13,546	13,546
Capital surplus	32,147	32,147
Retained earnings	332,375	363,582
Treasury shares	(499)	(26,344)
Total shareholders' equity	377,569	382,932
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	32,773	32,500
Revaluation reserve for land	(4,803)	(4,809)
Foreign currency translation adjustment	2,365	2,736
Remeasurements of defined benefit plans	(613)	2,516
Total accumulated other comprehensive income	29,722	32,944
Non-controlling interests	128	135
Total net assets	407,420	416,012
Total liabilities and net assets	1,113,831	1,155,766

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	2,399,952	2,486,647
Cost of sales	2,207,720	2,294,122
Gross profit	192,231	192,524
Selling, general and administrative expenses	155,106	156,149
Operating profit	37,125	36,374
Non-operating income		
Interest income	182	158
Dividend income	1,386	1,456
Share of profit of entities accounted for using equity method	-	1,030
Rental income from real estate	290	284
Other	1,009	898
Total non-operating income	2,868	3,828
Non-operating expenses		
Interest expenses	41	42
Share of loss of entities accounted for using equity method	636	-
Rental expenses on real estate	262	288
Other	223	127
Total non-operating expenses	1,163	458
Ordinary profit	38,830	39,744
Extraordinary income		
Gain on sale of non-current assets	166	161
Gain on sale of investment securities	12,059	15,581
Gain on sale of shares of subsidiaries and associates	1,856	-
Reversal of reserve for loss on Anti-Monopoly Act	-	1,486
Other	119	538
Total extraordinary income	14,202	17,768
Extraordinary losses		
Loss on sale and retirement of non-current assets	318	321
Impairment losses	1,247	677
Loss on valuation of investment securities	1,125	2,080
Other	53	139
Total extraordinary losses	2,744	3,218
Profit before income taxes	50,287	54,293
Income taxes - current	15,339	17,014
Income taxes - deferred	443	(864)
Total income taxes	15,783	16,150
Profit	34,503	38,143
Profit attributable to non-controlling interests	6	7
Profit attributable to owners of parent	34,496	38,136

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	34,503	38,143
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,115)	(241)
Revaluation reserve for land	(33)	-
Foreign currency translation adjustment	17	(4)
Remeasurements of defined benefit plans, net of tax	(1,658)	3,128
Share of other comprehensive income of entities accounted for using equity method	394	345
Total other comprehensive income	(8,395)	3,228
Comprehensive income	26,108	41,371
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	26,101	41,364
Comprehensive income attributable to non-controlling interests	6	7

(3) Consolidated Statement of Changes in Shareholders' Equity

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	(7,131)	(33)	426	(1,656)	(8,395)	6	(8,388)

	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		
shareholders' equity							
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

For the fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,546	32,147	332,375	(499)	377,569
Changes during period					
Dividends of surplus			(7,098)		(7,098)
Profit attributable to owners of parent			38,136		38,136
Increase in retained earnings due to a decrease in equity-method affiliates			163		163
Purchase of treasury shares				(26,003)	(26,003)
Disposal of treasury shares		(0)		159	159
Transfer from retained earnings to capital surplus		0	(0)		-
Reversal of revaluation reserve for land			6		6
Net changes in items other than shareholders' equity					
Total changes during period	-	-	31,207	(25,844)	5,362
Balance at end of period	13,546	32,147	363,582	(26,344)	382,932

	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	32,773	(4,803)	2,365	(613)	29,722	128	407,420
Changes during period							
Dividends of surplus							(7,098)
Profit attributable to owners of parent							38,136
Increase in retained earnings due to a decrease in equity-method affiliates							163
Purchase of treasury shares							(26,003)
Disposal of treasury shares							159
Transfer from retained earnings to capital surplus							-
Reversal of revaluation reserve for land							6
Net changes in items other than shareholders' equity	(272)	(6)	371	3,129	3,221	7	3,228
Total changes during period	(272)	(6)	371	3,129	3,221	7	8,591

	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 end of period	32,500	(4,809)	2,736	2,516	32,944	135	416,012

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	50,287	54,293
Depreciation	12,053	12,341
Impairment losses	1,247	677
Increase (decrease) in allowance for doubtful accounts	(127)	(514)
Increase (decrease) in other provisions	406	288
Increase (decrease) in retirement benefit liability	(1,568)	(654)
Interest and dividend income	(1,568)	(1,614)
Interest expenses	41	42
Loss (gain) on sale and retirement of non-current assets	151	159
Loss (gain) on sale of investment securities	(12,044)	(15,522)
Loss (gain) on sale of shares of subsidiaries and associates	(1,856)	-
Reversal of reserve for loss on Anti-Monopoly Act	-	(1,486)
Loss (gain) on valuation of investment securities	1,125	2,080
Decrease (increase) in trade receivables	15,605	(30,034)
Decrease (increase) in inventories	(10,835)	641
Increase decrease in purchase rebates receivables	2,342	(2,244)
Increase (decrease) in trade payables	(108,430)	30,004
Other, net	(341)	1,468
Subtotal	(53,511)	49,926
Interest and dividends received	2,097	2,107
Interest paid	(41)	(42)
Payments related to Anti-Monopoly Act	-	(1,603)
Income taxes paid	(13,624)	(16,821)
Net cash provided by (used in) operating activities	(65,079)	33,566
Cash flows from investing activities		
Payments into time deposits	(86)	(1,087)
Proceeds from withdrawal of time deposits	2,084	86
Purchase of securities	(36,042)	(16,495)
Proceeds from sale and redemption of securities	54,800	31,000
Purchase of property, plant and equipment	(14,307)	(15,064)
Proceeds from sale of property, plant and equipment	345	459
Purchase of intangible assets	(4,340)	(2,784)
Purchase of investment securities	(49)	(64)
Proceeds from sale and redemption of investment securities	15,452	21,045
Proceeds from sale of shares of subsidiaries and associates	2,136	-
Investments in subsidiaries and affiliates	(119)	(1,392)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(3,265)
Proceeds from collection of long-term loans receivable	320	7
Other, net	184	373
Net cash provided by (used in) investing activities	20,378	12,817

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from financing activities		
Proceeds from long-term borrowings	19	19
Repayments of lease liabilities	(260)	(256)
Purchase of treasury shares	(27,983)	(26,003)
Proceeds from sale of treasury shares	0	0
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(271)	-
Dividends paid	(6,988)	(7,095)
Net cash provided by (used in) financing activities	(35,483)	(33,336)
Effect of exchange rate change on cash and cash equivalents	6	(10)
Net increase (decrease) in cash and cash equivalents	(80,178)	13,037
Cash and cash equivalents at beginning of period	198,745	118,567
Cash and cash equivalents at end of period	118,567	131,604

(5) Notes on Consolidated Financial Statements

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

N/A

<Changes in Presentation Methods>

(Consolidated Statements of Cash Flows)

Loss (gain) on valuation of investment securities, which had been included in “Other” under “Cash flows from operating activities,” has been separately presented from the fiscal year under review onward due to increased materiality in the previous fiscal year. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, in the consolidated statements of cash flows for the previous fiscal year, “Other” of ¥784 million presented under “Cash flows from operating activities” has been reclassified as loss (gain) on valuation of investment securities of ¥1,125 million and “Other” of negative ¥341 million.

<Notes on Segment Information etc.>

(Segment Information)

1. Overview of reporting segments

The reporting segments of the Group are constituent units of Suzuken and its subsidiaries for which separate financial information is available and which are subject to regular review by the Board of Directors, to determine the allocation 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.

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

The Healthcare Product Development Business is engaged in the research and development, manufacturing, and sales of prescription 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.

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 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

Fiscal 2025 (From April 1, 2025 to March 31, 2026)

(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	2,349,386	11,933	93,922	6,775	24,629	2,486,647
Intersegment sales and transactions	51,626	39,702	14	429,325	18,335	539,004
Total	2,401,013	51,636	93,937	436,100	42,964	3,025,652
Segment income	31,467	830	1,549	1,155	1,276	36,279
Segment assets	1,038,140	67,829	42,290	93,318	37,975	1,279,553
Others						
Depreciation	10,427	671	735	12	520	12,366
Investment in equity-method subsidiaries	19,443	—	—	—	—	19,443
Increase in property, plant and equipment, and intangible assets	17,277	1,354	658	17	201	19,510

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 2024	Fiscal 2025
Reporting segment total	2,798,671	3,025,652
Elimination of intersegment transactions	(398,718)	(539,004)
Net sales on the consolidated financial statements	2,399,952	2,486,647

(Millions of yen)

Operating profit	Fiscal 2024	Fiscal 2025
Reporting segment total	37,020	36,279
Elimination of intersegment transactions	105	95
Operating profit on the consolidated financial statements	37,125	36,374

(Millions of yen)

Assets	Fiscal 2024	Fiscal 2025
Reporting segment total	1,185,766	1,279,553
Elimination of intersegment transactions	(111,867)	(149,850)
Corporate assets (Note)	39,932	26,063
Total assets on the consolidated financial statements	1,113,831	1,155,766

(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 2024	Fiscal 2025	Fiscal 2024	Fiscal 2025	Fiscal 2024	Fiscal 2025
Depreciation	12,057	12,366	(3)	(25)	12,053	12,341
Increase in property, plant and equipment, and intangible assets	20,899	19,510	—	—	20,899	19,510

(Related Information)

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

1. Information by product and service

(Millions of yen)

	Prescription 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.

Fiscal 2025 (From April 1, 2025 to March 31, 2026)

1. Information by product and service

(Millions of yen)

	Prescription Drugs	Other	Total
Sales to external customers	2,349,386	137,260	2,486,647

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 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

Fiscal 2025 (From April 1, 2025 to March 31, 2026)

(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	179	236	587	—	—	(326)	677

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

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

Fiscal 2025 (From April 1, 2025 to March 31, 2026)

(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	4	—	9	—	—	(3)	10
Balance at end of fiscal year	10	—	—	—	3,521	(9)	3,523

(Information on Gain on Negative Goodwill by Reporting Segment)

Fiscal 2024 (From April 1, 2024 to March 31, 2025) and Fiscal 2025 (From April 1, 2025 to March 31, 2026)

N/A

<Notes on Per Share Data>

Item	Fiscal 2024 (From April 1, 2024 to March 31, 2025)	Fiscal 2025 (From April 1, 2025 to March 31, 2026)
Net assets per share (yen)	5,651.56	6,148.58
Basic earnings per share (yen)	454.58	545.54

(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 2024 (From April 1, 2024 to March 31, 2025)	Fiscal 2025 (From April 1, 2025 to March 31, 2026)
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	34,496	38,136
Amount not attributed to ordinary shareholders (millions of yen)	—	—
Profit attributable to common shareholders of parent (millions of yen)	34,496	38,136
Average number of common shares outstanding during the period (1,000s of shares)	75,886	69,905

<Notes on Important Subsequent Events>

(Stock Split)

The Company resolved at the meeting of the Board of Directors held on May 14, 2026 to conduct a stock split. For details, please refer to the “Suzuken Announces Stock Split” released today.