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



November 7, 2025

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 Listing: Tokyo Stock Exchange
 Securities code: 3034
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 Scheduled date to file semi-annual securities report: November 14, 2025
 Scheduled date to commence dividend payments: December 1, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

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

1. Consolidated Financial Results for the six months ended September 30, 2025 (April 1, 2025 to September 30, 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 | % |
| Six months ended September 30, 2025 | 142,230 | 14.0 | 7,182 | 17.8 | 7,257 | 16.7 | 3,547 | 192.7 |
| September 30, 2024 | 124,771 | 40.9 | 6,096 | 71.3 | 6,220 | 69.2 | 1,211 | (35.8) |

(Note) Comprehensive income Six months ended September 30, 2025: ¥ 4,169 million [47.0%]
 Six months ended September 30, 2024: ¥ 2,836 million [49.7%]

| | Basic earnings per share | Diluted earnings per share |
|-------------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Six months ended September 30, 2025 | 94.51 | - |
| September 30, 2024 | 32.43 | - |

(Note)

| | | |
|--|---------------------------|---------------------|
| EBITDA (Operating profit + Depreciation + Amortization of goodwill) | As of September 30, 2025: | ¥ 11,916 million |
| | As of September 30, 2024: | ¥ 9,941 million |
| Net income before Amortization of goodwill (Profit attributable to owners of parent + Amortization of goodwill) | As of September 30, 2025: | ¥ 5,649 million |
| | As of September 30, 2024: | ¥ 3,407 million |
| EPS before Amortization of goodwill (Profit before Amortization of goodwill / Average number of shares during the period) | As of September 30, 2025: | ¥ 150.52 |
| | As of September 30, 2024: | ¥ 91.17 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity-to-asset ratio |
|--------------------|-----------------|-----------------|-----------------------|
| As of | Millions of yen | Millions of yen | % |
| September 30, 2025 | 152,369 | 56,299 | 35.7 |
| March 31, 2025 | 159,669 | 62,138 | 35.8 |

(Reference) Equity: As of September 30, 2025: ¥ 54,362 million

As of March 31, 2025: ¥ 57,123 million

2. Dividends

| | Annual dividends | | | | |
|--|------------------|-----------------|-----------------|-----------------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2025 | - | 17.00 | - | 17.00 | 34.00 |
| Fiscal year ending March 31, 2026 | - | 23.00 | | | |
| Fiscal year ending March 31, 2026 (Forecast) | | | - | 23.00 | 46.00 |

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

3. Consolidated Financial Result Forecasts for the Fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|-----------|-----------------|-----|------------------|------|-----------------|------|---|------|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 280,000 | 6.1 | 15,500 | 15.1 | 15,600 | 12.8 | 7,000 | 35.5 | 186.51 |

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

*** Notes**

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

Newly included: - (Company name:-)

Excluded: - (Company name:-)

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

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

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

(4) Number of issued shares (common shares)

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

| | |
|--------------------|-------------------|
| September 30, 2025 | 38,902,785 shares |
| March 31, 2025 | 38,902,785 shares |
- 2) Number of treasury shares at the end of the period

| | |
|--------------------|------------------|
| September 30, 2025 | 1,384,719 shares |
| March 31, 2025 | 1,349,819 shares |
- 3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

| | |
|-------------------------------------|-------------------|
| Six months ended September 30, 2025 | 37,531,188 shares |
| Six months ended September 30, 2024 | 37,372,717 shares |

(Note) Treasury stock includes shares owned by the exclusive trust account of the Company's Employee Stock Ownership Association.

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1. OVERVIEW OF OPERATING RESULTS

(1) Overview of Operating Results for the Fiscal Year Ended September 30, 2025

During the consolidated interim period (April 1, 2025-September 30, 2025), the Japanese economy showed a moderate recovery due to the normalization of economic activities and improvement in the employment and income environment. However, the future of the economy remains uncertain due to factors such as a slowdown in private consumption due to price hikes and trade policies in the United States.

Even amid these significant changes in the environment, our Group aims to continue being the Company closest to patients. We are engaged in efforts to integrate all businesses under the three keywords “improve quality”, “scale expansion”, “further growth.”

In the Pharmacy Business, the technical fee unit price has increased due to the rising proportion of generic drug usage and the progress in acquiring the Medical DX Premium, which was created with the dispensing fee revision implemented in the previous fiscal year. On the other hand, the number of prescriptions has declined due to factors such as extended prescription periods. In addition, the cost of labor has increased, reflecting the increase of salaries in response to recent price increases. We will continue to operate our pharmacies in alignment with the requirements set by the government.

In the BPO Contracting Business, the number of companies utilizing MR dispatches from APO PLUS STATION Co., Ltd., which operates the CSO business, has increased. As a result of it appropriately responding to this increasing demand from companies, the number of dispatches has grown.

In the Pharmaceutical Manufacturing Business, the Company acquired an additional 29% of the shares of DAIICHI SANKYO ESPHA CO., LTD., increasing its share ownership ratio to 80% in April 2025. Regarding performance, the seven AG products with three ingredients launched in December 2024 have significantly contributed to performance. In addition, DAIICHI SANKYO ESPHA CO., LTD. is scheduled to launch abiraterone acetate tablets (brand name: Zytiga[®]) for the treatment of prostate cancer in December 2025. Going forward, we will continue to pursue a further expansion of market share and the enhancement of our product portfolio.

In the consolidated interim period under review, the Qol Group posted net sales of ¥142,230 million (up 14.0% year on year), operating profit of ¥7,182 million (up 17.8%), ordinary profit of ¥7,257 million (up 16.7%) and profit attributable to owners of parent of ¥3,547 million (up 192.7%). EBITDA was ¥11,916 million (up 19.9%).

Performance by business segment is as follows.

a. Pharmacy Business

In the Pharmacies Business, we are working to enhance specialization through the functional differentiation of pharmacies, improve convenience for patients, expand scale through M&A, new store openings, and the promotion of the Home and Facility Dispensing Business, as well as improve productivity through DX and other means.

In the consolidated interim term under review, the Group added 6 new stores, while at the same time 13 stores were closed, amounting to a total of 941 stores. We are also reviewing our store strategy so that it is better aligned with the characteristics of each region. In October 2025, we also acquired shares of YOKOHAMA YAKUGYO SERVICE Co., Ltd., a company actively engaged in home medical care services. Going forward, by strategically promoting the Home and Facility Dispensing Business, we will continue to work to provide medical care that addresses patients' needs.

Regarding pharmacy operations, in June 2025, we joined the next-generation remote customer service platform provided by KDDI CORPORATION at booths located within Lawson stores. It enables patients to receive online medication instruction by connecting with the Group's

online specialty pharmacy “Qol Dokodemo Pharmacy,” without the need to use their own smartphones or other devices. Through this initiative, we aim to provide a new customer experience and resolve issues such as the uneven distribution of medical resources between urban and rural areas.

In addition, in October 2025, Qol Co., Ltd. signed an agreement with Yokote City in Akita Prefecture concerning the supply of goods and other support efforts in the event of a disaster. Yokote City is working to reinforce its systems to safeguard the safety and security of its citizens in preparation for a large-scale disaster. Under this agreement, we are establishing a system for promptly and accurately supplying pharmaceutical products and related materials in the event of a disaster to support the protection of the health and lives of affected individuals.

Regarding performance, the technical fee unit price increased due to progress in acquiring the Medical DX Premium and the rising proportion of generic drug usage. On the other hand, the number of prescriptions has declined due to factors such as extended prescription periods. In addition, the cost of labor has increased, reflecting the increase of salaries in response to recent price increases.

As a result, net sales in this segment amounted to ¥86,734 million (up 3.2% year on year) and operating profit was ¥4,052 million (down 4.3%).

b. BPO Contracting Businesses

In the BPO Contracting Businesses, we continue to expand the scale of the core CSO Business, CRO Business, Professional Referral Dispatch Business, and Publishing-related Business.

In the CSO Business, APO PLUS STATION Co., Ltd. has increased the number of companies utilizing its MR dispatches. As a result of it appropriately responding to this increasing demand from companies, the number of dispatches has grown. Going forward, we will strengthen our recruitment capabilities through enhanced collaboration with dispatch agencies and receive orders for sales in various areas in line with medical developments. Further, the CRO Business, which is engaged in contracted development services for pharmaceuticals and foods, will continue to expand due to an increase in orders, mainly for food testing at APO PLUS STATION Co., Ltd.

In the Professional Referral Dispatch Business, at APO PLUS CAREER Co., Ltd., the number of contracts concluded increased as a result of strengthened recruitment efforts in the previous fiscal year, which led to a rise in the number of employees, particularly with regard to pharmacist referral dispatches. On the other hand, fixed costs such as personnel expenses and advertising costs also increased. We will continue to focus on human resource development and improving productivity.

In the Publishing-related Business, Medical Qol Co., Ltd. is expanding its convention business, which manages events such as lectures for pharmaceutical manufacturers and medical organizations, and a compliance service business where it verifies that the products, etc. of pharmaceutical manufacturers comply with regulations. In July 2025, we also managed the Health Heart Symposium.

As a result, net sales in this segment were ¥7,053 million (up 4.4% year on year) and operating profit was ¥1,002 million (up 8.0%).

c. Pharmaceutical Manufacturing Business

In the Pharmaceutical Manufacturing Business, we aim to achieve further growth, centered on DAIICHI SANKYO ESPHA CO., LTD.

We will expand our product lineup with a focus on AG products, while leveraging Group expertise in the provision of MR information to deliver information from the perspectives of patients and healthcare professionals, and expand market share.

Regarding performance, the seven AG products with three ingredients launched in December 2024 have made a significant contribution, and we will continue our efforts to further expand market share. In December 2025, DAIICHI SANKYO ESPHA CO., LTD. is scheduled to launch abiraterone acetate tablets (brand name: Zytiga[®]) for the treatment of prostate cancer. By integrating this product into our existing lineup of oncology products, we aim to enhance synergy in sales and related business activities. Fujinaga Pharm Co., Ltd. is preparing to increase the number of pharmaceutical products with an eye toward collaborating with DAIICHI SANKYO ESPHA CO., LTD.

As a result, net sales in this segment were ¥48,443 million (up 42.7% year on year) and operating profit was ¥4,042 million (up 47.4%).

EBITDA = Operating profit + Depreciation + Amortization of goodwill

CSO: Contract Sales Organization

CRO: Contract Research Organization

MR: Medical Representative

AG: Authorized Generic

Reference: Reporting Segments

| | | Six months ended September 30 | | Change (%) |
|---------------------------------------|----------------|-------------------------------|---------------------------|---------------|
| | | 2024 (Millions of yen) | 2025 (Millions of yen) | |
| Pharmacy Business | Net sales | 84,080 | 86,734 | 3.2 |
| | Segment profit | 4,232 | 4,052 | (4.3) |
| BPO Contracting Business | Net sales | 6,755 | 7,053 | 4.4 |
| | Segment profit | 928 | 1,002 | 8.0 |
| Pharmaceutical Manufacturing Business | Net sales | 33,936 | 48,443 | 42.7 |
| | Segment profit | 2,742 | 4,042 | 47.4 |
| Total | Net sales | 124,771 | 142,230 | 14.0 |
| | Segment profit | 7,904 | 9,098 | 15.1 |

(Note) Sales in each segment do not include internal sales between segments.

(2) Overview of Financial Position at September 30, 2025

a. Assets

As of September 30, 2025, total assets amounted to ¥152,369 million, down ¥7,299 million from March 31, 2025.

This was primarily due to an increase of ¥4,800 million in notes receivable, accounts receivable, and contract assets, offset by decreases of ¥8,424 million in cash and deposits, ¥2,102 million in goodwill and ¥1,756 million in other current assets.

b. Liabilities

As of September 30, 2025, total liabilities amounted to ¥96,069 million, down ¥1,461 million from March 31, 2025.

This was largely due to an increase of ¥3,701 million in accounts payable - trade offset by decreases of ¥3,868 million in long-term loans payable and ¥1,326 million in refund liabilities.

c. Net Assets

As of September 30, 2025, total net assets amounted to ¥56,299 million, down ¥5,838 million from March 31, 2025.

This was mainly due to the additional acquisition of shares of DAIICHI SANKYO ESPHA CO., LTD., a consolidated subsidiary of the Company, resulting in decreases of ¥5,569 million in capital surplus and ¥3,077 million in non-controlling interests, while retained earnings increased by ¥2,898 million.

d. Cash Flows

Cash flows from operating activities amounted to an inflow of ¥6,186 million, cash flows from investing activities amounted to an outflow of ¥1,017 million, and financing activities amounted to an outflow of ¥13,683 million. As a result, the balance of cash and cash equivalents at the end of the consolidated fiscal year under review decreased ¥8,515 million from the end of the previous consolidated fiscal year, to ¥17,863 million.

The cash flow conditions and underlying factors during the first six months of the consolidated fiscal year under review are as described below.

Cash flows from operating activities

Net cash provided by operating activities was ¥6,186 million (compared with an inflow of ¥477 million in the same period of the previous fiscal year), resulting from profit before income taxes of ¥7,141 million, an increase of ¥4,800 million in trade receivables, and an increase of ¥3,701 million in trade payables.

Cash flows from investing activities

Net cash used in investing activities was ¥1,017 million (compared with an inflow of ¥265 million in the same period of the previous fiscal year), with outflows of ¥555 million from the purchase of property, plant and equipment and ¥491 million from the purchase of intangible assets.

Cash flows from financing activities

Net cash used in financing activities was ¥13,683 million (compared with an outflow of ¥6,196 million in the same period of the previous fiscal year), with outflows of ¥7,250 million from the purchase of shares of subsidiaries not resulting in change in scope of consolidation, ¥4,600 million from the repayment of long-term debt, and ¥2,010 million from the payment of dividends to non-controlling shareholders.

(3) Consolidated Financial Forecast

There are no changes to the consolidated financial forecast announced on May 9, 2025.

2. SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS AND PRIMARY NOTES

(1) Semi-Annual Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2025 | As of September 30, 2025 |
|--|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 26,727 | 18,303 |
| Notes and accounts receivable - trade, and contract assets | 21,377 | 26,177 |
| Merchandise and finished goods | 4,505 | 5,061 |
| Work in process | 211 | 177 |
| Raw materials and supplies | 4,162 | 5,460 |
| Other | 3,366 | 1,610 |
| Allowance for doubtful accounts | (3) | (3) |
| Total current assets | 60,348 | 56,788 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 8,749 | 8,775 |
| Tools, furniture and fixtures, net | 1,693 | 1,629 |
| Land | 6,943 | 6,836 |
| Other, net | 754 | 558 |
| Total property, plant and equipment | 18,141 | 17,801 |
| Intangible assets | | |
| Goodwill | 39,395 | 37,293 |
| Business right | 29,366 | 27,737 |
| Software | 1,027 | 992 |
| Other | 549 | 1,138 |
| Total intangible assets | 70,338 | 67,161 |
| Investments and other assets | | |
| Investment securities | 143 | 155 |
| Leasehold and guarantee deposits | 4,174 | 4,345 |
| Deferred tax assets | 2,418 | 2,183 |
| Retirement benefit asset | 2,136 | 2,299 |
| Other | 1,990 | 1,656 |
| Allowance for doubtful accounts | (21) | (21) |
| Total investments and other assets | 10,841 | 10,618 |
| Total non-current assets | 99,321 | 95,581 |
| Total assets | 159,669 | 152,369 |

| | As of March 31, 2025 | As of September 30, 2025 |
|---|----------------------|--------------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 30,715 | 34,416 |
| Short-term borrowings | 13,500 | 14,400 |
| Current portion of long-term borrowings | 8,369 | 7,636 |
| Accounts payable - other | 5,149 | 5,019 |
| Income taxes payable | 2,761 | 2,273 |
| Provision for bonuses | 2,436 | 2,995 |
| Refund liabilities | 7,082 | 5,756 |
| Other | 4,187 | 3,602 |
| Total current liabilities | 74,202 | 76,100 |
| Non-current liabilities | | |
| Long-term borrowings | 19,202 | 15,334 |
| Deferred tax liabilities | 302 | 1,060 |
| Provision for retirement benefits for directors (and other officers) | 156 | 114 |
| Retirement benefit liability | 885 | 891 |
| Asset retirement obligations | 1,175 | 1,175 |
| Other | 1,605 | 1,392 |
| Total non-current liabilities | 23,328 | 19,968 |
| Total liabilities | 97,531 | 96,069 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 5,786 | 5,786 |
| Capital surplus | 11,301 | 5,732 |
| Retained earnings | 41,988 | 44,886 |
| Treasury shares | (1,959) | (2,058) |
| Total shareholders' equity | 57,116 | 54,347 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 6 | 14 |
| Total accumulated other comprehensive income | 6 | 14 |
| Non-controlling interests | 5,014 | 1,937 |
| Total net assets | 62,138 | 56,299 |
| Total liabilities and net assets | 159,669 | 152,369 |

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

Semi-Annual Consolidated Statements of Income

For the six months ended September 30, 2025

(Millions of yen)

| | For the six months ended September 30, 2024 | For the six months ended September 30, 2025 |
|--|--|--|
| Net sales | 124,771 | 142,230 |
| Cost of sales | 105,722 | 122,110 |
| Gross profit | 19,049 | 20,119 |
| Selling, general and administrative expenses | 12,953 | 12,936 |
| Operating profit | 6,096 | 7,182 |
| Non-operating income | | |
| Rental income from buildings | 72 | 159 |
| Commission income | 30 | 35 |
| Surrender value of insurance policies | 25 | - |
| Subsidy income | 3 | 4 |
| Guarantee commission income | 29 | 29 |
| Subsidy income(other) | 81 | 67 |
| Other | 57 | 97 |
| Total non-operating income | 300 | 394 |
| Non-operating expenses | | |
| Interest expenses | 97 | 177 |
| Commission expenses | 21 | 38 |
| Rental expenses | 35 | 36 |
| Other | 22 | 66 |
| Total non-operating expenses | 176 | 319 |
| Ordinary profit | 6,220 | 7,257 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 6 | 54 |
| Total extraordinary income | 6 | 54 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 42 | 59 |
| Loss on sale of non-current assets | 4 | 42 |
| Retirement benefits for directors (and other officers) | 957 | 7 |
| Loss on step acquisitions | 214 | - |
| Loss on liquidation of business | - | 59 |
| Other | 6 | 1 |
| Total extraordinary losses | 1,225 | 171 |
| Profit before income taxes | 5,001 | 7,141 |
| Income taxes | 2,667 | 2,980 |
| Profit | 2,334 | 4,161 |
| Profit attributable to non-controlling interests | 1,122 | 614 |
| Profit attributable to owners of parent | 1,211 | 3,547 |

Semi-Annual Consolidated Statements of Comprehensive Income

(Millions of yen)

| | For the six months ended September 30, 2024 | For the six months ended September 30, 2025 |
|--|--|--|
| Profit | 2,334 | 4,161 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 10 | 8 |
| Remeasurements of defined benefit plans, net of tax | 490 | - |
| Total other comprehensive income | 501 | 8 |
| Comprehensive income | 2,836 | 4,169 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,473 | 3,555 |
| Comprehensive income attributable to non-controlling interests | 1,362 | 614 |

(3) Semi-Annual Consolidated Statements of Cash Flows

(Millions of yen)

| | For the six months ended September 30, 2024 | For the six months ended September 30, 2025 |
|--|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 5,001 | 7,141 |
| Depreciation | 1,649 | 2,631 |
| Amortization of goodwill | 2,195 | 2,102 |
| Increase (decrease) in provision for retirement benefits for directors (and other officers) | (8) | (42) |
| Increase (decrease) in retirement benefit liability | 2 | 6 |
| Increase (decrease) in provision for bonuses | 44 | 558 |
| Increase (decrease) in allowance for doubtful accounts | (2) | 0 |
| Increase (decrease) in refund liabilities | (1,182) | (1,326) |
| Loss (gain) on sale and retirement of non-current assets | 40 | 47 |
| Loss (gain) on step acquisitions | 214 | - |
| Loss (gain) on sale of investment securities | 0 | - |
| Surrender value of insurance policies | (25) | - |
| Interest and dividend income | (5) | (50) |
| Interest expenses | 97 | 177 |
| Decrease (increase) in inventories | (1,075) | (1,820) |
| Decrease (increase) in trade receivables | (2,026) | (4,800) |
| Decrease (increase) in accounts receivable - other | 288 | 1,563 |
| Increase (decrease) in trade payables | (2,357) | 3,701 |
| Increase (decrease) in accounts payable - other | (1,611) | (130) |
| Increase (decrease) in accrued expenses | (1,023) | (966) |
| Increase (decrease) in long-term accounts payable - other | (146) | (173) |
| Other, net | 1,459 | 139 |
| Subtotal | 1,528 | 8,759 |
| Interest and dividends received | 5 | 49 |
| Interest paid | (97) | (177) |
| Income taxes paid | (958) | (2,446) |
| Net cash provided by (used in) operating activities | 477 | 6,186 |
| Cash flows from investing activities | | |
| Payments into time deposits | (5) | (104) |
| Proceeds from withdrawal of time deposits | 26 | 13 |
| Purchase of property, plant and equipment | (997) | (555) |
| Proceeds from sale of property, plant and equipment | 53 | 121 |
| Purchase of intangible assets | (316) | (491) |
| Proceeds from redemption of investment securities | - | 10 |
| Proceeds from collection of loans receivable | 8 | 12 |
| Payments of leasehold and guarantee deposits | (59) | (68) |
| Proceeds from refund of leasehold and guarantee deposits | 88 | 59 |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (2,368) | - |
| Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation | 3,972 | - |
| Proceeds from sale of businesses | 6 | 31 |
| Other, net | (142) | (44) |
| Net cash provided by (used in) investing activities | 265 | (1,017) |

(Millions of yen)

| | For the six months ended September 30, 2024 | For the six months ended September 30, 2025 |
|---|--|--|
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (87) | 900 |
| Repayments of long-term borrowings | (4,877) | (4,600) |
| Proceeds from disposal of treasury shares | 171 | 174 |
| Purchase of treasury shares | (0) | (232) |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation | (24) | (7,250) |
| Dividends paid | (565) | (640) |
| Dividends paid to non-controlling interests | (793) | (2,010) |
| Other, net | (19) | (22) |
| Net cash provided by (used in) financing activities | (6,196) | (13,683) |
| Net increase (decrease) in cash and cash equivalents | (5,453) | (8,515) |
| Cash and cash equivalents at beginning of period | 26,944 | 26,378 |
| Cash and cash equivalents at end of period | 21,490 | 17,863 |

(4) Notes Concerning Semi-Annual Financial Statements

Note on Segment Information

I. Information regarding the amount of net sales and profits or losses for each reporting segment and breakdown of revenue (April 1, 2024 to September 30, 2024)

(Millions of yen)

| | Reporting segment | | | | Adjustment (Note 1) | Amount recorded in quarterly consolidated statements of income (Note 2) |
|---|----------------------|--------------------------------|---|---------|------------------------|---|
| | Pharmacy Business | BPO Contracting Business | Pharmaceutical Manufacturing Business | Total | | |
| Net sales | | | | | | |
| Net sales from prescription demand | 77,973 | - | - | 77,973 | - | 77,973 |
| Net sales from the pharmaceutical manufacturing | - | - | 33,936 | 33,936 | - | 33,936 |
| Other | 6,106 | 6,755 | - | 12,861 | - | 12,861 |
| Revenue from contracts with customers | 84,080 | 6,755 | 33,936 | 124,771 | - | 124,771 |
| Net sales to third parties | 84,080 | 6,755 | 33,936 | 124,771 | - | 124,771 |
| Intra-group net sales and transfers | 64 | 622 | - | 686 | (686) | - |
| Total | 84,144 | 7,377 | 33,936 | 125,458 | (686) | 124,771 |
| Segment profit (loss) | 4,232 | 928 | 2,742 | 7,904 | (1,807) | 6,096 |

(Note 1) The contents of the adjustments for segment profit (loss) are as follows.

(Millions of yen)

| | |
|--|---------|
| Eliminations of inter-segment business | 1,310 |
| Company-wide expenses* | (3,117) |
| Total | (1,807) |

* Company-wide expenses mainly comprise general administrative expenses not included in reportable segments.

(Note 2) Segment profit (loss) is adjusted from the operating income on the quarterly consolidated income statement.

(Note 3) Net sales comprise revenue recognized mainly from contracts with customers; the amount of revenue recognized from other sources is not significant.

II. Information regarding the amount of net sales and profits or losses for each reporting segment and breakdown of revenue (April 1, 2025 to September 30, 2025)

(Millions of yen)

| | Reporting segment | | | | Adjustment (Note 1) | Amount recorded in quarterly consolidated statements of income (Note 2) |
|---|----------------------|--------------------------------|---|---------|------------------------|---|
| | Pharmacy Business | BPO Contracting Business | Pharmaceutical Manufacturing Business | Total | | |
| Net sales | | | | | | |
| Net sales from prescription demand | 80,121 | - | - | 80,121 | - | 80,121 |
| Net sales from the pharmaceutical manufacturing | - | - | 48,443 | 48,443 | - | 48,443 |
| Other | 6,613 | 7,053 | - | 13,666 | - | 13,666 |
| Revenue from contracts with customers | 86,734 | 7,053 | 48,443 | 142,230 | - | 142,230 |
| Net sales to third parties | 86,734 | 7,053 | 48,443 | 142,230 | - | 142,230 |
| Intra-group net sales and transfers | 76 | 644 | - | 721 | (721) | - |
| Total | 86,810 | 7,697 | 48,443 | 142,951 | (721) | 142,230 |
| Segment profit (loss) | 4,052 | 1,002 | 4,042 | 9,098 | (1,915) | 7,182 |

(Note 1) The contents of the adjustments to segment profit are as follows.

(Millions of yen)

| | |
|--|---------|
| Eliminations of inter-segment business | 1,324 |
| Company-wide expenses* | (3,240) |
| Total | (1,915) |

* Company-wide expenses mainly comprise general administrative expenses not included in reportable segments.

(Note 2) Segment profit (loss) is adjusted from the operating income on the quarterly consolidated income statement.

(Note 3) Net sales comprise revenue recognized mainly from contracts with customers; the amount of revenue recognized from other sources is not significant.

Note on the Event of Major Change in Shareholders' Equity

As of April 1, 2025, the Company acquired an additional 29% of the shares of DAIICHI SANKYO ESPHA CO., LTD, a consolidated subsidiary. As a result, our share ownership ratio increased to 80%, and capital surplus decreased by ¥5,569 million.

Note on Assumptions for Going Concern

Not applicable.