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Consolidated Financial Results for the Nine Months Ended December 31, 2025 (Japanese GAAP)

February 6, 2026

Company name:	Medical System Network Co., Ltd.	Listing: Tokyo Stock Exchange
Stock code:	4350	URL: https://www.msnw.co.jp/eng/
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Scheduled date for dividend payment:	—	
Preparation of supplemental explanatory materials:	Yes	
Results briefing to be held:	None	

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2025 (April 1 to December 31, 2025)

(1) Consolidated operating results

(Percentages indicate YoY change)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine Months ended December 31, 2025	98,680	7.4	4,919	(3.5)	2,373	(7.8)	2,255	(14.0)	1,010	(30.1)
Nine Months ended December 31, 2024	91,891	6.6	5,098	(5.7)	2,573	(16.1)	2,623	(13.8)	1,445	(14.7)

Note: Comprehensive income for the nine months ended December 31, 2025 was 1,067 million yen (-29.0% YoY), and comprehensive income for the nine months ended December 31, 2024 was 1,502 million yen (-13.2% YoY)

Note: EBITDA = (operating profit + depreciation + goodwill amortization)

	Earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Nine Months ended December 31, 2025	34.56	—	—	—
Nine Months ended December 31, 2024	49.44	—	—	—

Note: Please refer to "Appropriate use of earnings forecast and other special notes 2" for details of earnings per share calculations.

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
As of December 31, 2025		82,316		17,055		20.6		579.58
As of March 31, 2025		70,586		16,345		23.0		556.31

Reference: Shareholders' equity amounted to 16,940 million yen as of December 31, 2025 and 16,260 million as of March 31, 2025.

Note: Please refer to "Appropriate use of earnings forecast and other special notes 2" for details of shareholders' equity, equity ratio, and net assets per share calculations.

2. Dividends

	Dividends per share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
Fiscal year ended March 31, 2025	Yen —	Yen 6.00	Yen —	Yen 6.00	Yen 12.00
Fiscal year ending March 31, 2026	—	6.00	—		
Fiscal year ending March 31, 2026 (forecast)			—	6.00	12.00

Note: Revisions to the Company's most recently announced dividend forecast: No

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate YoY change)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	125,500	2.5	6,890	4.9	3,400	7.8	3,200	1.2	1,300	3.0	44.48

Note: Revisions to the Company's most recently announced consolidated earnings forecast: No

Note: EBITDA = (operating profit + depreciation + goodwill amortization)

*Notes

(1) Changes in significant subsidiaries during the period under review: Yes

(Transfers of specified subsidiaries associated with changes in the Company's scope of consolidation)

Newly added: Yes Medico Planning, Inc., Climber Co., Ltd., Akamaru Co., Ltd.

Excluded: Yes Nagatomi Dispensing Pharmacy Co., Ltd., Tsurumaru Dispensing Pharmacy Co., Ltd., Hakujyu General Pharmacy Co., Ltd., Medico Planning, Inc.

(2) Distinctive accounting methods applied when preparing quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates and retrospective restatements

1. Accounting policy changes due to accounting standard revisions, etc.: None

2. Other accounting policy changes: None

3. Changes in accounting estimates: None

4. Retrospective restatements: None

(4) Number of shares outstanding (common stock)

1. Shares outstanding (including treasury stock)	As of December 31, 2025	30,642,600	As of March 31, 2025	30,642,600
2. Treasury shares outstanding	As of December 31, 2025	1,414,103	As of March 31, 2025	1,414,055
3. Period-average shares outstanding (cumulative quarterly figures)	Nine months ended December 31, 2025	29,228,507	Nine months ended December 31, 2024	29,228,545

Note: Please refer to "Appropriate use of earnings forecast and other special notes 2" for details of calculation method regarding period-end treasury stock numbers and period-average shares outstanding (cumulative quarterly figures).

*Review of the consolidated financial statements included

in the quarterly report by a certified public accountant or an auditing firm: None

*Appropriate use of earnings forecast and other special notes

1. The earnings forecasts and other forward-looking statements contained in this document are based on information currently available to the Company, and certain assumptions it considers reasonable, but are not intended to be a promise that the Company will achieve. Actual results may vary materially from forecasts due to a variety of factors. For matters concerning earnings forecasts, please refer to page 3 of the attached materials "1. Qualitative Information on Quarterly Financial Performance (3) Explanation of Consolidated Earnings Forecasts and Other Projections."

2. In the quarterly consolidated balance sheets, the Company's shares held as trust assets of the Board Benefit Trust (BBT) are recorded as treasury stock. They are included in treasury stock in calculations of earnings per share, equity ratio, net assets per share, shareholders' equity, period-end treasury stock numbers, and period-average shares outstanding (cumulative quarterly figures).

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1. Qualitative Information on Quarterly Financial Performance

(1) Explanation of Operating Results

In the first nine months of the fiscal year ending March 31, 2026 (April 1, 2025 to December 31, 2025), the Japanese economy continued to recover gradually, supported by improvements in employment and income conditions. However, the outlook remains uncertain due to persistent inflation, developments in U.S. trade policy, and volatility in the financial and capital markets.

Under these economic conditions, the Group unveiled its long-term vision, *Machino Akari Vision 2035*, in October 2025. We aim to contribute to the well-being of all by serving as *Machino Akari*—a beacon of light in the community—while building medical infrastructure that enables everyone to live safely, comfortably, and authentically throughout their lives.

During the nine months under review, the number of new network affiliates steadily increased in the Pharmaceutical Network Business. However, personnel expenses rose due to higher salary levels, and in the Community Pharmacy Business, the number of prescriptions filled at existing pharmacies declined year-on-year due to a decrease in patients with acute illnesses. As a result, net sales amounted to 98,680 million yen (+7.4% YoY), operating profit was 2,373 million yen (-7.8% YoY), ordinary profit was 2,255 million yen (-14.0% YoY), and profit attributable to owners of parent was 1,010 million yen (-30.1% YoY).

Results by segment were as follows. Sales in each segment include intersegment sales.

1) Community Pharmacy Network Segment

In this segment, the Group's goal is to provide value throughout the entire pharmaceutical supply chain. To this end, we operate community pharmacies; support pharmacy management through our pharmaceutical network; support pharmacies transition to family pharmacies through the use of the LINE app; and manufacture, market, and distribute pharmaceuticals.

In the Community Pharmacy Business, we continued to focus on opening new pharmacies. During the nine months under review, we opened 12 community pharmacies, including 10 located in medical malls, and acquired nine additional community pharmacies. Meanwhile, we closed or sold seven pharmacies. As a result, as of December 31, 2025, we operated 471 community pharmacies, one In-Home care plan support center, and eight drug stores.

In the Pharmaceutical Network Business, we prioritized expanding our service lineup, offering a region-specific pharmaceutical inventory information sharing service and various training programs, among others. New network affiliates steadily increased, and as of December 31, 2025, pharmaceutical network affiliates totaled 11,769, up 766 from March 31, 2025, consisting of 471 Group pharmacies and 11,298 general affiliates.

In the Digital Shift Business, the Group is working to expand its customer base by delivering successful experiences to both patients and pharmacies. As of December 31, 2025, the number of pharmacies that had adopted the Group's services totaled 6,549, an increase of 529 from March 31, 2025.

In the Manufacture and Market Pharmaceutical Business, the number of partner pharmacies increased steadily, driven by efforts to cultivate new partnerships. As of December 31, 2025, the Group had business relationships with 8,560 partner companies, an increase of 1,998 from March 31, 2025. As of the same date, the Group's product lineup comprised 125 products across 54 active ingredients (APIs), of which shipments of 16 products covering eight APIs were under adjustment.

In the Pharmaceutical Logistics Business, the Group is working to expand its network of partner pharmacies. The number of partner pharmacies grew steadily, reaching 3,406 as of December 31, 2025, an increase of 1,834 from March 31, 2025.

As a result, segment sales for the nine months ended December 31, 2025 totaled 94,849 million yen (+8.0% YoY), and operating profit was 4,329 million yen (-2.1% YoY).

2) Leasing and Facility-related Segment

In this segment, the Group is engaged in site development for pharmacies, as well as leasing and management of pharmacy buildings; support for clinic openings for physicians; the development, design and construction supervision,

and operation of medical facilities; and the operation of serviced residences for the elderly.

Due to the absence of a large project that had boosted results in the same period of the previous fiscal year, segment sales were 2,508 million yen (-4.5% YoY), and operating profit was 129 million yen (-31.5% YoY).

As of December 31, 2025, the occupancy rate at the four serviced residences for the elderly under management was 90.5%.

3) Meal Catering Segment

In this segment, the Group is providing contracted meal services to hospitals and welfare facilities.

In response to the chronic labor shortage, we introduced fully prepared food products and implemented measures to improve profitability, including price revisions. However, due to increases in material and personnel costs, segment sales amounted to 1,735 million yen (-1.8% YoY), and the segment recorded an operating loss of 9 million yen (compared with operating profit of 1 million yen in the same period of the previous fiscal year).

4) Other Segment

In the Other segment, the Group provides home-visit nursing care. Supported by improved efficiency of sales activities, segment sales totaled 255 million yen (-2.0% YoY), and the operating loss narrowed to 11 million yen (from a loss of 17 million yen in the same period of the previous fiscal year).

(2) Explanation of Financial Position

As of December 31, 2025, total assets stood at 82,316 million yen, an increase of 11,729 million yen from March 31, 2025.

Current assets were 33,382 million yen, up 10,755 million yen from March 31, 2025. This was primarily due to increases in accounts receivable—trade and merchandise, offsetting decreases in cash and deposits and unearned revenue from sale of accounts receivable. Non-current assets were 48,934 million yen, up 974 million yen from March 31, 2025. This mainly reflected increases in buildings and structures (net), land, and guarantee deposits.

Total liabilities amounted to 65,261 million yen, an increase of 11,019 million yen from March 31, 2025. Current liabilities were 37,281 million yen, up 12,904 million yen from March 31, 2025. This was primarily due to an increase in accounts payable—trade and short-term borrowings. Non-current liabilities were 27,979 million yen, down 1,884 million yen from March 31, 2025, mainly reflecting a decrease in long-term borrowings, despite an increase in retirement benefit liability.

Net assets totaled 17,055 million yen, an increase of 709 million yen from March 31, 2025, primarily due to an increase in retained earnings.

(3) Explanation of Consolidated Earnings Forecasts and Other Projections

The Company has made no changes to the full-year earnings forecasts for the financial year ending March 31, 2026, which was announced on May 9, 2025.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

		(Millions of yen)
	Fiscal year ended March 31, 2025 (as of March 31, 2025)	Nine months ended December 31, 2025 (as of December 31, 2025)
Assets		
Current assets		
Cash and deposits	8,461	8,152
Accounts receivable - trade	5,053	14,422
Unearned revenue from sale of accounts receivable	1,054	725
Purchased receivables - dispensing fees	475	479
Merchandise	6,112	7,990
Raw materials	16	21
Work in process	24	0
Supplies	83	71
Other	1,363	1,539
Allowance for doubtful accounts	(18)	(20)
Total current assets	22,627	33,382
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,705	12,837
Land	9,378	9,724
Construction in progress	89	136
Other	6,299	6,502
Total property, plant and equipment	28,473	29,200
Intangible assets		
Goodwill	9,063	9,057
Software	778	905
Other	66	59
Total intangible assets	9,908	10,022
Investments and other assets		
Investment securities	702	668
Guarantee deposits	4,456	4,593
Deferred tax assets	3,432	3,450
Other	1,006	1,020
Allowance for doubtful accounts	(20)	(21)
Total investments and other assets	9,578	9,711
Total non-current assets	47,959	48,934
Total assets	70,586	82,316

	(Millions of yen)	
	Fiscal year ended March 31, 2025 (as of March 31, 2025)	Nine months ended December 31, 2025 (as of December 31, 2025)
Liabilities		
Current liabilities		
Accounts payable – trade	11,480	14,755
Short-term borrowings	588	10,874
Current portion of long-term borrowings	5,596	5,697
Income taxes payable	864	310
Provision for bonuses	1,768	787
Provision for bonuses for directors (and other officers)	-	21
Provision for loss on store closings	-	44
Other	4,079	4,791
Total current liabilities	24,377	37,281
Non-current liabilities		
Long-term borrowings	18,085	15,902
Provision for retirement benefits for directors (and other officers)	557	546
Provision for share awards for directors (and other officers)	299	324
Retirement benefit liability	4,666	4,950
Other	6,255	6,255
Total non-current liabilities	29,863	27,979
Total liabilities	54,241	65,261
Net assets		
Shareholders' equity		
Share capital	2,128	2,128
Capital surplus	946	946
Retained earnings	14,001	14,653
Treasury shares	(891)	(891)
Total shareholders' equity	16,184	16,837
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	34	60
Deferred gains or losses on hedges	4	1
Remeasurements of defined benefit plans	37	41
Total accumulated other comprehensive income	75	103
Non-controlling interests	85	115
Total net assets	16,345	17,055
Total liabilities and net assets	70,586	82,316

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

Consolidated Statement of Income

	(Millions of yen)	
	Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)	Nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)
Net sales	91,891	98,680
Cost of sales	53,713	58,518
Gross profit	38,178	40,161
Selling, general and administrative expenses	35,604	37,788
Operating profit	2,573	2,373
Non-operating income		
Interest and dividend income	5	10
Outsourcing service income	48	49
Rental income from facilities	102	113
Subsidy income	126	54
Miscellaneous income	58	54
Total non-operating income	341	282
Non-operating expenses		
Loss on sale of receivables	71	85
Interest expenses	202	237
Share of loss of entities accounted for using equity method	-	65
Miscellaneous losses	18	12
Total non-operating expenses	292	400
Ordinary profit	2,623	2,255
Extraordinary income		
Gain on sale of non-current assets	337	15
Gain on sale of businesses	40	8
Other	5	-
Total extraordinary income	382	24
Extraordinary losses		
Loss on sale of non-current assets	0	5
Loss on retirement of non-current assets	8	3
Impairment losses	223	145
Loss on store closings	7	58
Other	4	2
Total extraordinary losses	244	215
Profit before income taxes	2,761	2,064
Income taxes - current	875	845
Income taxes - deferred	414	178
Total income taxes	1,290	1,023
Profit	1,471	1,040
Profit (loss) attributable to non-controlling interests	25	30
Profit (loss) attributable to owners of parent	1,445	1,010

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)	Nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)
Profit	1,471	1,040
Other comprehensive income		
Valuation difference on available-for-sale securities	10	26
Deferred gains or losses on hedges	1	(2)
Remeasurements of defined benefit plans, net of tax	20	4
Total other comprehensive income	31	27
Comprehensive income	1,502	1,067
(Breakdown)		
Comprehensive income attributable to owners of parent	1,476	1,037
Comprehensive income attributable to non- controlling interests	25	30

(3) Notes to Quarterly Consolidated Financial Statements

(Notes to going concern assumptions)

None to be reported.

(Notes in the event of significant changes in shareholders' equity)

None to be reported.

(Segment information)

I. Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

1. Information on sales and profit (loss) by reporting segment

(Millions of yen)

	Reporting segment					Adjustments (Note 1)	Amounts on consolidated statement of income (Note 2)
	Community Pharmacy Network	Leasing and Facility- related	Meal Catering	Other	Total		
Net sales							
Sales to external customers	87,776	2,086	1,767	261	91,891	—	91,891
Intersegment sales or transfers	39	538	0	—	578	(578)	—
Total	87,815	2,625	1,768	261	92,470	(578)	91,891
Segment profit (loss)	4,420	188	1	(17)	4,593	(2,019)	2,573

Notes: 1. The negative 2,019 million yen adjustment to segment profit (loss) includes 205 million yen in elimination of intersegment transactions and 2,225 million yen in companywide expenses not allocated to reporting segments. Companywide expenses mainly refer to general expenses that do not belong to reporting segments.

2. Segment profit (loss) is adjusted with operating profit (loss) in the quarterly consolidated statement of income.

II. Nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

1. Information on sales and profit (loss) by reporting segment

(Millions of yen)

	Reporting segment					Adjustments (Note 1)	Amounts on consolidated statement of income (Note 2)
	Community Pharmacy Network	Leasing and Facility- related	Meal Catering	Other	Total		
Net sales							
Sales to external customers	94,819	1,870	1,734	255	98,680	—	98,680
Intersegment sales or transfers	30	637	0	—	668	(668)	—
Total	94,849	2,508	1,735	255	99,349	(668)	98,680
Segment profit (loss)	4,329	129	(9)	(11)	4,437	(2,064)	2,373

Notes: 1. The negative 2,064 million yen adjustment to segment profit (loss) includes 281 million yen in elimination of intersegment transactions and 2,345 million yen in companywide expenses not allocated to reporting segments. Companywide expenses mainly refer to general expenses that do not belong to reporting segments.

2. Segment profit (loss) is adjusted with operating profit (loss) in the quarterly consolidated statement of income.

(Notes to the statement of cash flows)

We have not prepared a consolidated statement of cash flows for the nine-month period under review. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill are as follows.

	Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)	Nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)
Depreciation and amortization	1,669 Millions of yen	1,787 Millions of yen
Amortization of goodwill	855 Millions of yen	759 Millions of yen