

# Third Quarter of Fiscal Year Ending March 2026 Financial results briefing materials

MEDICAL SYSTEM NETWORK Co., Ltd.

( Securities Code : 4350 )



# Earnings Highlights

The number of pharmacies supported by our support services has steadily increased, but profits declined due to rising personnel costs and a decrease in patients with acute illnesses.

**Net Sales**

**98.68<sup>\*</sup> billion yen**

Progress rate : 78.6 %

YoY change

**+7.4 %**

( +6.78 billion yen )

- ◆ Saw contribution from new pharmacies opened in the previous term within the community pharmacy division
- ◆ Steady expansion of business partners base for the pharmaceutical manufacturing and sales division and the pharmaceutical logistics division (commenced operations in the previous fiscal year).

**Operating Profit**

**2.37<sup>\*</sup> billion yen**

Progress rate : 69.8 %

YoY change

**( 7.8 % )**

( 0.2 billion yen )

- ◆ Activities supported by our pharmacy support businesses, including the Pharmaceutical Network business, are steadily expanding.
- ◆ Although influenza was prevalent, the overall number of acute illnesses was significantly lower than the previous year.

\* Percentage of progress toward the full-year earnings forecast at the end of the third quarter

# KPI Highlights

Community Pharmacy	No. of New Pharmacy Openings Confirmed	17	Plan Achievement Rate	68.0 %	Annual Plan	25
	No. of medical institutions confirmed for recruitment	17	Plan Achievement Rate	170.0 %	Annual Plan	10

## Pharmacy Support Businesses

Pharmaceuticals Network	No. of affiliates	11,769	YoY	+ 9.6 %	Annual Plan	12,000
Digital Shift	No. of installed pharmacies	6,549	YoY	+ 12.5 %	Annual Plan	6,850

Manufacture and Market Pharmaceuticals	No. of transacting pharmacies <sup>*</sup>	8,560	YoY	+ 30.4 %	Annual Plan	9,000
Pharmaceutical Logistics	No. of transacting pharmacies	3,406		—	Annual Plan	3,700

<sup>\*</sup> No. of affiliates that have actually transacted business since April of each year

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## Chapter 1

# Business Performance

## FY3/2026 3Q : Consolidated Results

Revenue increased due to contributions from pharmacies opened in the first half, but profits decreased due to factors such as rising personnel costs and a decrease in patients with acute illnesses.

	(Unit: million yen) The second line is profit margin				
	FY3/2025 3Q (Results)	FY3/2026 3Q (Results)	YoY Change (%)	FY3/2026 (Forecast)	Progress rate
Net Sales	91,891	98,680	+ 7.4%	125,500	78.6%
EBITDA *	5,098 5.5%	4,919 5.0%	(3.5%)	6,890 5.5%	71.4%
Operating Profit	2,573 2.8%	2,373 2.4%	(7.8%)	3,400 2.7%	69.8%
Ordinary Profit	2,623 2.9%	2,255 2.3%	(14.0%)	3,200 2.5%	70.5%
Profit attributable to owners of parent	1,445 1.6%	1,010 1.0%	(30.1%)	1,300 1.0%	77.7%
Earnings per share (Yen)	49.44	34.56	—	44.48	—

\* Calculated as "Operating income + Depreciation and amortization + Amortization of goodwill"



# FY3/2026 3Q : Results by Segment

## ■ Net Sales

(Unit: million yen)

	FY3/2025 3Q (Results)	FY3/2026 3Q (Results)	Change	Change (%)
<b>Net Sales</b>	<b>91,891</b>	<b>98,680</b>	+ 6,788	+ 7.4%
Community Pharmacy Network Segment *	<b>87,815</b>	<b>94,849</b>	+ 7,033	+ 8.0%
Leasing and Facility Related Segment Meals Catering Segment Home Visit Nursing Segment	<b>4,654</b>	<b>4,499</b>	(154)	(3.3%)
Adjustments	<b>(578)</b>	<b>(668)</b>	(90)	—

## ■ Operating Profit

(Unit: million yen) The second line is profit margin

<b>Segment Profit</b>	<b>2,573</b> 2.8%	<b>2,373</b> 2.4%	(200) (0.4pt)	(7.8%)
Community Pharmacy Network Segment *	<b>4,420</b> 5.0%	<b>4,329</b> 4.6%	(91) (0.5pt)	(2.1%)
Leasing and Facility Related Segment Meals Catering Segment Home Visit Nursing Segment	<b>172</b> 3.7%	<b>108</b> 2.4%	(64) (1.3pt)	(37.2%)
Adjustments	<b>(2,019)</b> —	<b>(2,064)</b> —	(45) —	—

\* Community Pharmacy Business, Pharmacy Support Businesses(Pharmaceutical Network Business, Digital Shift Business, Manufacture and Market Pharmaceuticals Business, Pharmaceutical Logistics Business)

# FY3/2026 3Q – Consolidated Balance Sheet

As a result of total assets expanding due to an increase in accounts receivable, the equity ratio temporarily declined.

(Unit: million yen)	End of FY3/2025	End of FY3/2026 3Q	From the end of the previous FY
<b>Assets</b>	<b>70,586</b>	<b>82,316</b>	+ 11,729
<b>Current assets</b>	<b>22,627</b>	<b>33,382</b>	+ 10,755
Cash and deposits	5,053	14,422	+ 9,369
<b>Fixed assets</b>	<b>47,959</b>	<b>48,934</b>	+ 974
Goodwill	9,063	9,057	(5)
<b>Liabilities</b>	<b>54,241</b>	<b>65,261</b>	+ 11,019
<b>Current liabilities</b>	<b>24,377</b>	<b>37,281</b>	+ 12,904
Short-term loans <sup>*</sup>	6,184	16,571	+ 10,386
<b>Fixed liabilities</b>	<b>29,863</b>	<b>27,979</b>	(1,884)
Long-term loans	18,085	15,902	(2,183)
<b>Net assets</b>	<b>16,345</b>	<b>17,055</b>	+ 709
<b>Equity ratio</b>	<b>23.0%</b>	<b>20.6%</b>	(2.5pt)

▸ Scheme for early conversion of accounts receivable into cash (debt securitization) temporarily suspended

▸ As a temporary increase to adjust the timing of fund recovery following the suspension of debt securitization

▸ Reduction due to repayment

<sup>\*</sup> Includes long-term loans that will be repaid within one year



## FY3/2026 3Q – Consolidated Cash Flows

The temporary suspension of debt securitization delayed incoming payments, resulting in negative operating cash flow.

(Unit: million yen)	FY3/2025 3Q	FY3/2026 3Q	YoY
Cashflows from operating activities	3,476	(4,282)	(7,758)
Cashflows from investing activities	(2,580)	(3,442)	(862)
Cashflows from financing activities	1,554	7,445	+ 5,891
Net Increase/Decrease in Cash and Cash Equivalents	2,450	(278)	(2,729)
Cash and cash equivalents at the beginning of the year	8,242	8,431	+ 188
Cash and cash equivalents at the end of the interim	10,693	8,152	(2,541)

### ■ YoY change factors

(Unit: million yen)

<b>Operating Cash Flow</b>	<b>(4,282)</b>
EBITDA *	+ 4,919
Increase in accounts receivable **	(9,173)
<b>Investment Cash Flow</b>	<b>(3,442)</b>
Opening of new pharmacies costs M&A	(2,617)
Renovation Costs for Existing Pharmacies	(761)
<b>Financial Cash Flow</b>	<b>+ 7,445</b>
Changes in borrowings	+ 8,154
Dividend payments	(355)

\* Calculated by "operating profit + depreciation + amortization of goodwill"

\*\* This is a result of delayed payment timings due to the temporary suspension of debt securitization, not due to a deterioration in business activities.

## Chapter 2

# Core Strategies ▪ Business Summary

# Core Strategies for the FY3/2026

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Segments	Core Strategies and Numerical Targets
Community Pharmacy Business	<ul style="list-style-type: none"> <li>Foster a stronger medical mindset and provide high-quality drug treatment</li> <li>Existing store prescription volume +2.4% YoY</li> <li>25 pharmacy openings, mainly in medical malls, 10 doctor invitations</li> <li>Increased productivity through appropriate cost controls</li> </ul>
<b>&lt; Pharmacy Support Businesses &gt;</b>	
Community Pharmacy Network Business	<ul style="list-style-type: none"> <li>12,000 affiliates at the end of March 2026 (+997)</li> <li>Promote distribution improvement (deliver once a day on weekdays, no deliveries on Saturdays, and reduce urgent deliveries)</li> <li>Expansion of services (training &amp; new service dev.)</li> <li>Building area networks (shared inventory system)</li> </ul>
Digital Shift Business	<ul style="list-style-type: none"> <li>Onboarded pharmacies 6,850 by the end of March 2026 (+830)</li> <li>Continued enhancement of functionality</li> </ul>
Manufacture and Market Pharmaceuticals Business	<ul style="list-style-type: none"> <li>Maintaining stable supply</li> <li>Increasing the No. of transacting pharmacies At the end of fiscal year: 9,000 (+1,819)</li> </ul>
Pharmaceutical Logistics	<ul style="list-style-type: none"> <li>Maintaining stable supply</li> <li>Increasing the No. of transacting pharmacies At the end of fiscal year: 3,700 (+2,128)</li> </ul>
Leasing and Facility related Segment	<ul style="list-style-type: none"> <li>Achieved 91.8% (+1.6pt) occupancy rate and stable operation in Wisteria</li> <li>Profitability improvement (measures against rising rents, management costs, and inflation)</li> </ul>
Meal Catering Segment, Home Visit Nursing Segment	<ul style="list-style-type: none"> <li>Measures against inflation and raising the breakeven point</li> <li>Review of unprofitable divisions</li> </ul>
Finance, ESG and Health Management	<ul style="list-style-type: none"> <li>Company-wide implementation of cost control</li> <li>Ensure profitability and strengthen capital base</li> </ul>

【Pharmacies openings and target number of pharmacies】



【Generic drug purchases by network affiliates】



# Community Pharmacy Business – Trends in No. of Pharmacies

The number of new pharmacy openings is expected to fall short of the plan, but the recruitment of medical institutions has significantly exceeded the plan.

## ■ Number of in-house developments

	Forecasted No *	Full Year Plan
No. of openings	17 (12)	25
No. of prospects connected to Medical Institutions	17 (16)	10

\* Figures in parentheses represent pharmacy store openings and tenant recruitment completed as of December 31, 2025.

## ■ New Opening・M&A



(11/1/2025)  
Nanohana Pharmacy  
Sapporo nishimachi kita  
New Opening  
(Hokkaido)



(12/1/2025)  
Nanohana Pharmacy  
Friend Town Moriyama  
New Opening  
(Kinki)



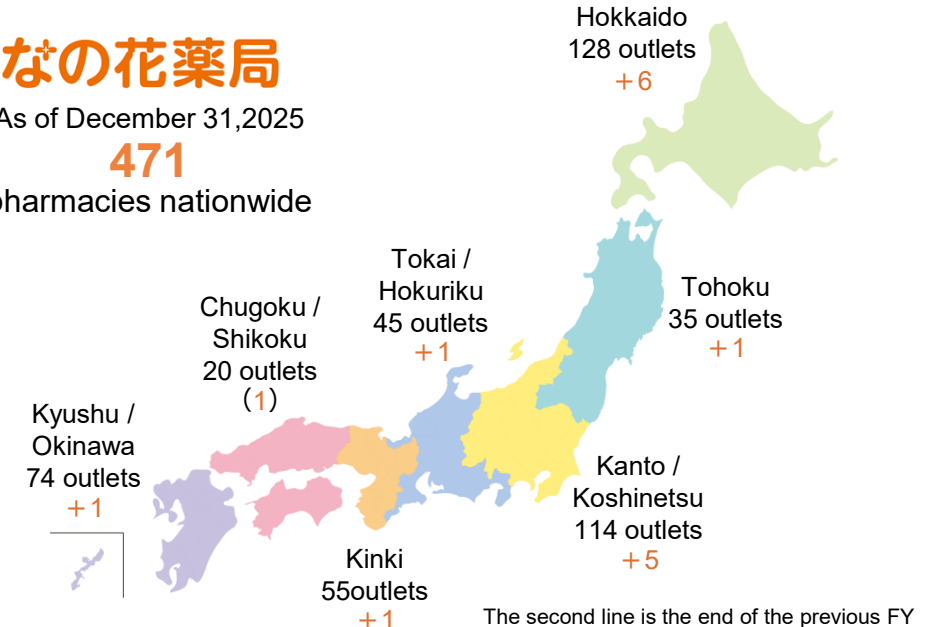
(11/21/2025)  
Kanazawa Station Front  
Heart Pharmacy  
Acquisition of Business  
1 pharmacy  
(Tokai / Hokuriku)

## なの花薬局

As of December 31, 2025

471

pharmacies nationwide

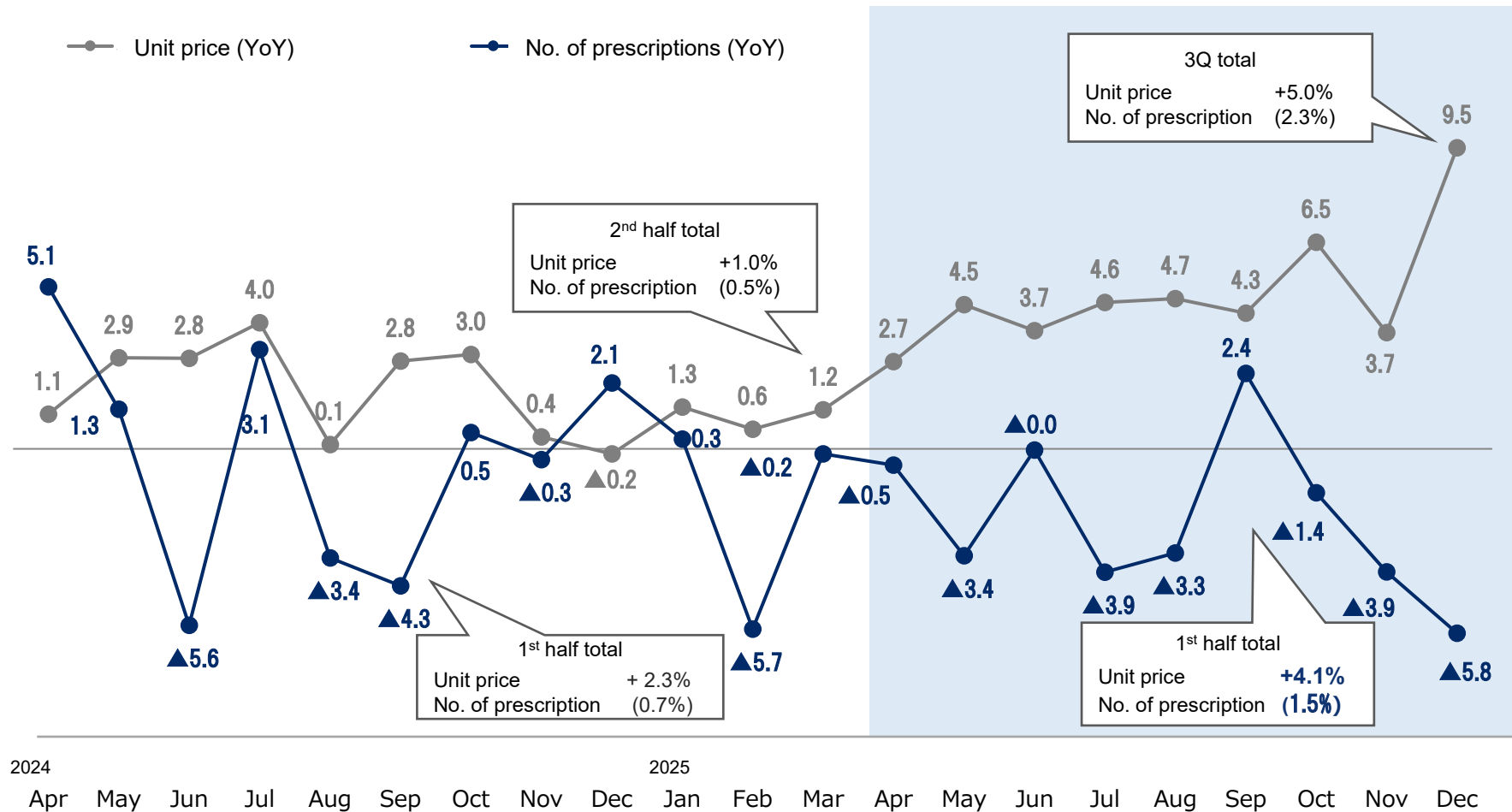


	FY3/2017	FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025	FY3/2026 3Q
Openings	8	8	5	8	7	12	8	13	21	12
Closing and transferring	▲ 4	▲ 5	▲ 14	▲ 15	▲ 13	▲ 6	▲ 7	▲ 9	▲ 15	▲ 7
M&A	20	19	30	3	6	3	2	18	1	9
No. of outlets	377	399	420	416	416	425	428	450	457	471

# Community Pharmacy Business :

## Monthly Prescription Volume and Unit Price of Existing Pharmacies (YoY)

Although the number of prescriptions per existing pharmacy decreased year on year due to fewer acute patients and longer prescription durations, the average prescription value increased significantly, driven by a higher share of long-term prescriptions and high-cost pharmaceuticals.



# Community Pharmacy Business : Dispensing Fee Breakdown

Although the number of prescriptions per existing pharmacy decreased year on year due to fewer acute patients and longer prescription durations, the average prescription value increased significantly, driven by a higher share of long-term prescriptions and high-cost pharmaceuticals.

## ■ All pharmacies

		FY3/2025 3Q	FY3/2026 3Q	Change	Change (%)
No. of prescriptions (1,000)		7,568	<b>7,646</b>	+ 78	+ 1.0%
Unit price (yen)	Drug charge per prescription	7,813	<b>8,145</b>	+ 332	+ 4.2%
	Technical fee per prescription	2,419	<b>2,506</b>	+ 88	+ 3.6%
	Total	10,231	<b>10,651</b>	+ 420	+ 4.1%
Dispensing fee (million yen)		77,438	<b>81,446</b>	+ 4,008	+ 5.2%

## ■ Existing pharmacies

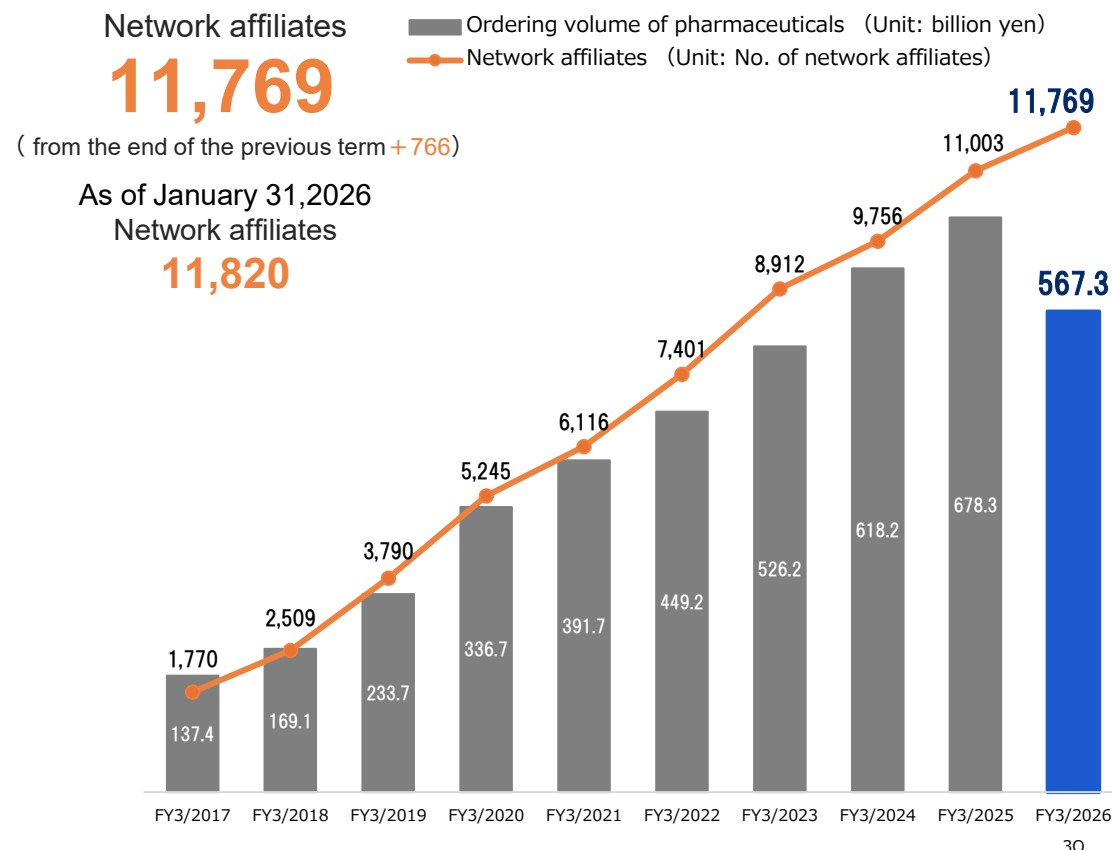
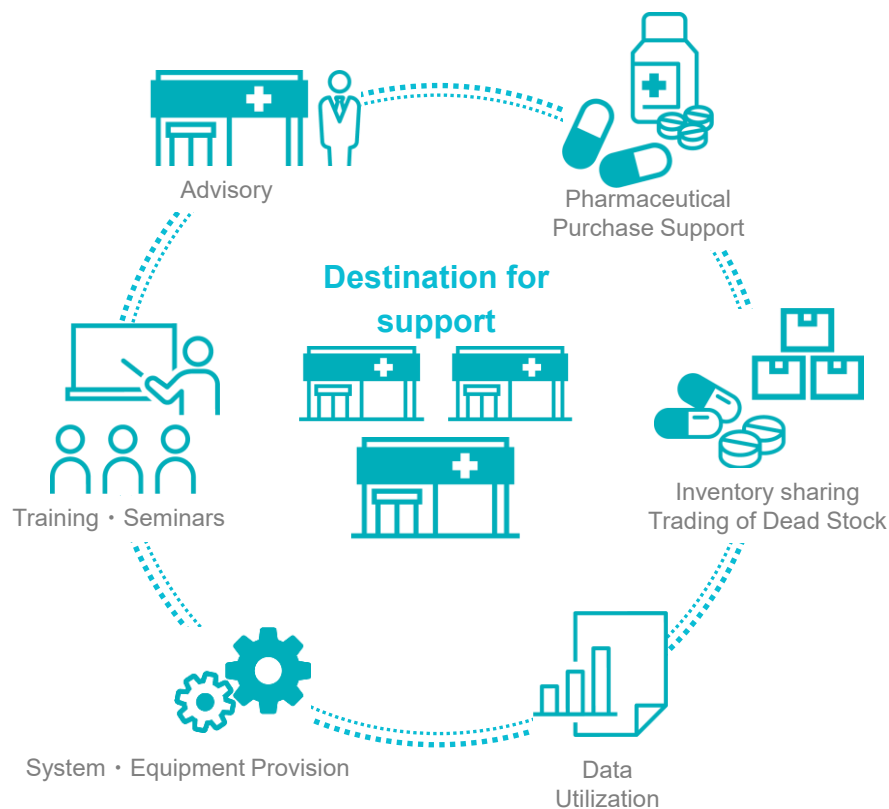
No. of prescriptions (1,000)		7,376	<b>7,209</b>	(166)	(2.3%)
Unit price (yen)	Drug charge per prescription	7,764	<b>8,169</b>	+ 405	+ 5.2%
	Technical fee per prescription	2,423	<b>2,523</b>	+ 100	+ 4.1%
	Total	10,187	<b>10,693</b>	+ 505	+ 5.0%
Dispensing fee (million yen)		75,145	<b>77,089</b>	+ 1,943	+ 2.6%



# Pharmaceuticals Network Business

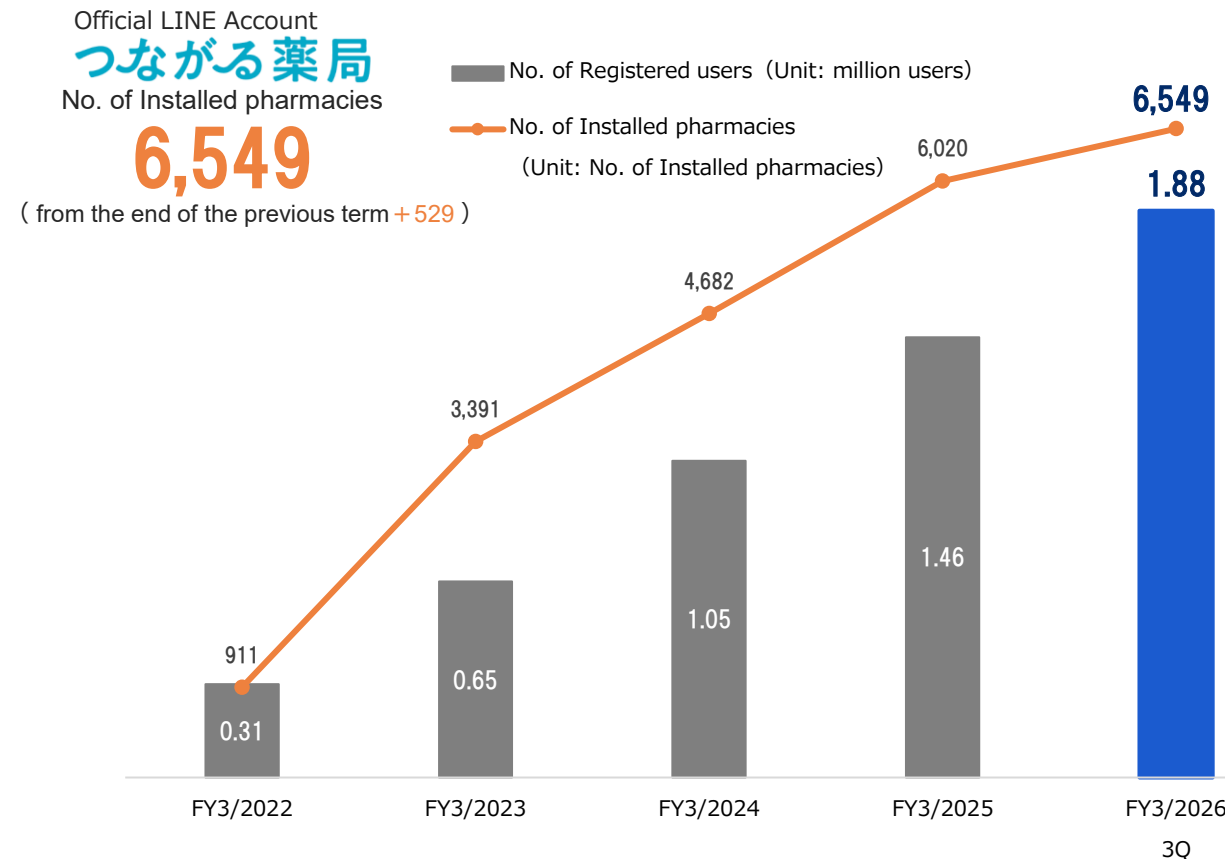
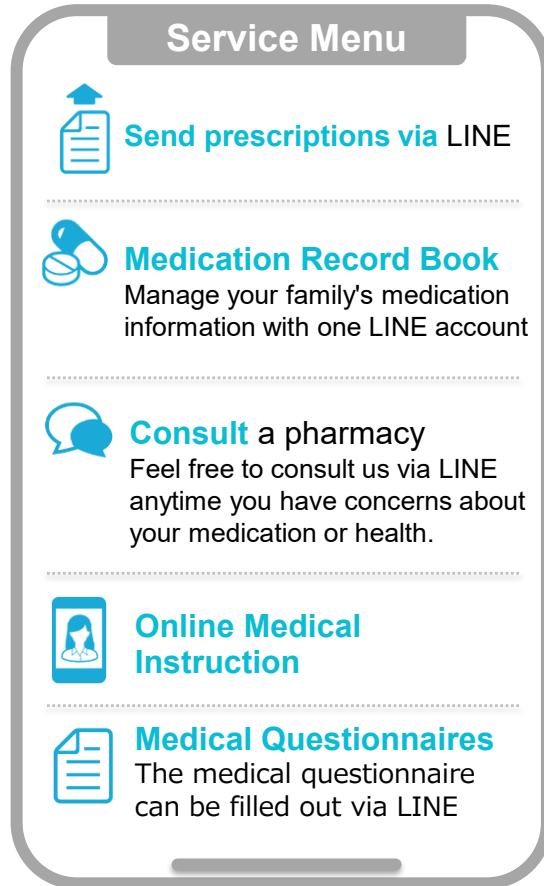
Comprehensively supporting pharmacy operations to achieve both contributions to community healthcare and stable pharmacy management

Providing comprehensive support for the complex peripheral tasks associated with pharmacy operations to achieve operational efficiency and cost reduction. Creating an environment where pharmacy staff can focus on patient care, leading to the provision of high-quality medical services.



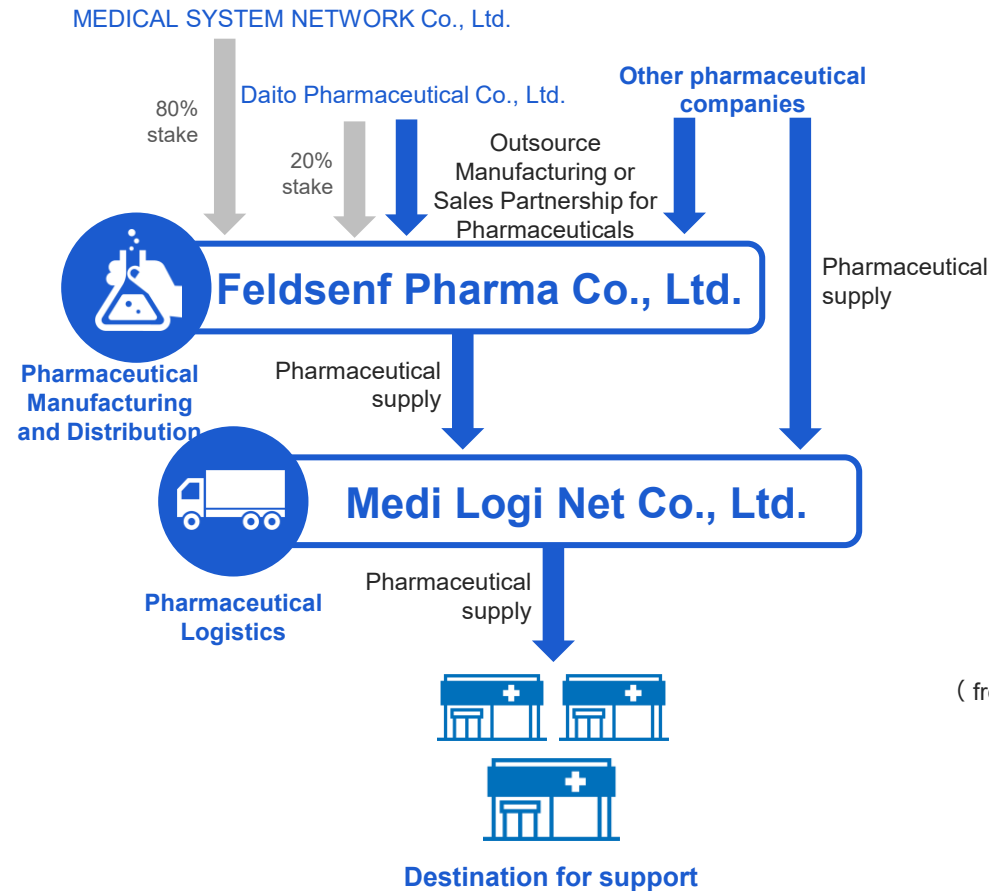
# Digital Shift Business

From sending prescriptions to pharmacies to medication consultations and managing your medication record book (all accessible through LINE), we are providing this service as pharmacy-focused SaaS.

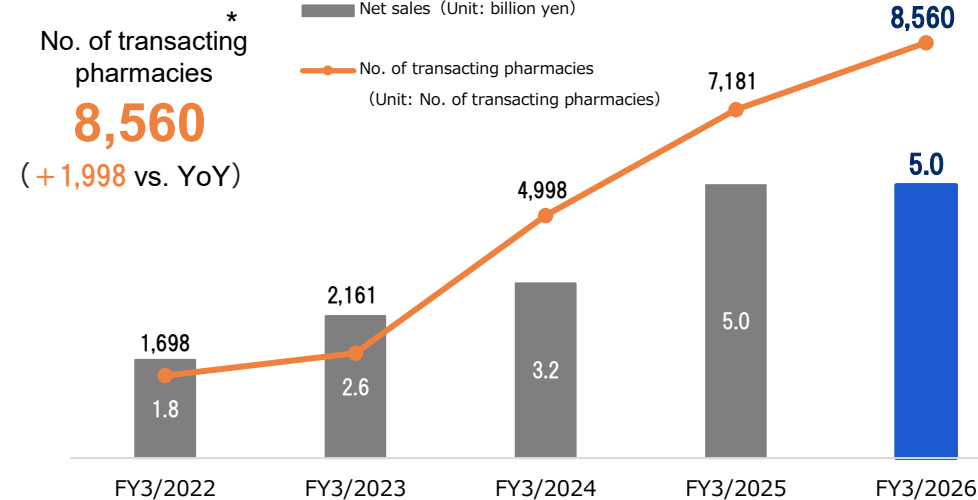


# Pharmaceutical Manufacturing and Distribution Business / Pharmaceutical Logistics Business

Contributing to people's healthy lives through the realization of safe and efficient pharmaceutical distribution

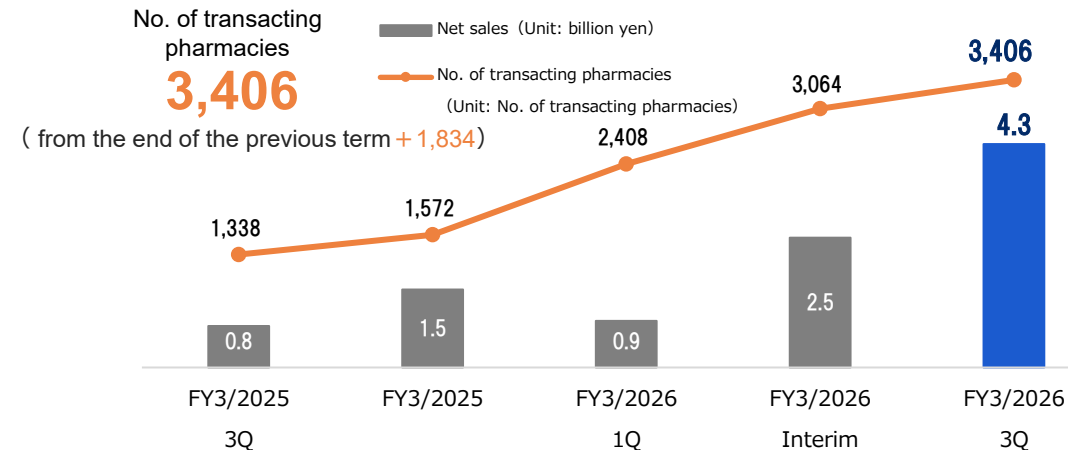


## ■ Pharmaceutical Manufacturing and Distribution Business



\* Total pharmacies that have actually transacted business since April of each year

## ■ Pharmaceutical Logistics Business



## Chapter 3

# Earnings Forecast for FY3/2026 Long-Term Vision

# Earnings Forecast for the FY3/2025 – Consolidated Forecast

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We implemented a wage increase for the fiscal year ending March 2026. That said, we anticipate increased revenue and profits through the expansion of Pharmaceutical Network membership, increase in the number of prescriptions, and the promotion of generic drugs.

(Unit: million yen) The second line is profit margin		FY3/2025 Results	FY3/2026 Forecast	Change	Change (%)
Net Sales		122,387	125,500	+ 3,112	+ 2.5%
EBITDA		6,569	6,890	+ 320	+ 4.9%
Profit margin		5.4%	5.5%	+ 0.1pt	
Operating Profit		3,154	3,400	+ 245	+ 7.8%
Profit margin		2.6%	2.7%	+ 0.1pt	
Ordinary Profit		3,162	3,200	+ 37	+ 1.2%
Profit margin		2.6%	2.5%	(0.0pt)	
Profit attributable owners of parent		1,262	1,300	+ 37	+ 3.0%
Profit margin		1.0%	1.0%	(0.0pt)	
Earnings per share		43.20	44.48	+ 1.28	—
(Yen)					

# Earnings Forecast for the FY3/2026 – Forecast by Segment

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## ■ Net Sales

(Unit: million yen)		FY3/2025 Results	FY3/2026 Forecast	Change	Change (%)
Net Sales		122,387	125,500	+ 3,112	+ 2.5%
Community Pharmacy Network Segment *		116,968	120,099	+ 3,131	+ 2.7%
Leasing and Facility Related Segment Meals Catering Segment Home Visit Nursing Segment		6,171	6,226	+ 55	+ 0.9%
Adjustments		(751)	(826)	(74)	—

## ■ Operating Profit

(Unit: million yen) The second line is profit margin

Segment Profit		3,154 2.6%	3,400 2.7%	+ 245 + 0.1pt	+ 7.8%
Community Pharmacy Network Segment *		5,626 4.8%	5,973 5.0%	+ 346 + 0.2pt	+ 6.2%
Leasing and Facility Related Segment Meals Catering Segment Home Visit Nursing Segment		171 2.8%	217 3.5%	+ 46 + 0.7pt	+ 27.0%
Adjustments		(2,644) —	(2,791) —	(146) —	—

\* Community Pharmacy Business, Pharmacy Support Businesses(Pharmaceutical Network Business, Digital Shift Business, Manufacture and Market Pharmaceuticals Business, Pharmaceutical Logistics Business)



On October 24, 2025, the “ ***Machino Akari Vision 2035*** ” was announced.

<https://www.msnw.co.jp/ir/management/vision/> \*Japanese only

## Three Key Fields for Realizing Our Vision

### Medical field 〈 B to C 〉

Community pharmacies, Home-visit nursing,  
Meal catering, Senior housing with services

Connecting healthcare and daily life,  
we support our community with  
expertise and cutting-edge technology,  
creating new pharmacy value.

### Medical support field 〈 B to B to C 〉

Pharmaceutical Network, Digital Shift

Supporting 60,000 pharmacies in Japan  
with diverse services that create value  
for both pharmacies and patients

### Medical supply field 〈 B to B 〉

Pharmaceutical manufacturing and sales,  
Pharmaceutical logistics

Medisys Network promotes the  
efficient distribution and stable  
supply of pharmaceuticals,  
contributing to the enhancement of  
value for society as a whole.

## Management foundation supporting the business

### Digital Transformation Strategy

Improving medical access, enhancing  
the quality of pharmaceutical care,  
streamlining operations, and advancing  
management quality through advanced  
technology

### Human Resources Strategy

Developing empathetic employees who  
meet genuine needs  
Promoting diversity and enhancing job  
satisfaction

### Financial Strategy

Promoting strategic investments with a  
clear focus on capital efficiency and  
shareholder value

Based on *Machino Akari Vision 2035* , we are currently formulating our next (7th) mid-term management plan.

The Seventh Mid-Term Management Plan is scheduled for release in May 2026.

\* A beacon of light in the community



# Appendix

# Company Overview

Company name	Medical System Network Co., Ltd.
establish	September 16, 1999
Capital	2,128 million yen (as of March 31, 2025)
Representative	Representative Director Inao Tajiri
Business Activities	Community Pharmacy Business Leasing and Facility-related Business Meal Catering Business Home-visit nursing care Business Pharmaceutical Network Business Digital Shift Business Manufacture and Market Pharmaceutical Business Pharmaceutical Logistics Business
Number of employees	5,055 people (as of the end of March 2025, consolidated)
Headquarters Address	〒060-0010 3-chome, Kita 10-jo Nishi 24-chome, Chuo-ku, Sapporo AKK Building



# Group Companies and Business Fields

Company Name	Segmentation	Business Fields	Business Description	Ownership ratio
Medical System Network Co., Ltd.	Community Pharmacy Network Segment	Medical support field	Pharmaceutical Network	—
	Leasing and Facility-related Segment	Medical field	Leasing and Facility-related	
	Other Segment		Home-visit nursing care	
Hokkaido Institute for Pharmacy Benefit Co., Ltd.	Community Pharmacy Network Segment	Medical field	Data Analysis / Book Publication	100.0%
Nanohana Hokkaido Co., Ltd.	Community Pharmacy Network Segment	Medical field	Community pharmacy	100.0%
Nanohana Tohoku Co., Ltd.	Community Pharmacy Network Segment	Medical field	Community pharmacy	100.0%
Nanohana East Japan Co., Ltd.	Community Pharmacy Network Segment	Medical field	Community pharmacy	100.0%
Nanohana Central Co., Ltd.	Community Pharmacy Network Segment	Medical field	Community pharmacy	100.0%
Nanohana West Japan Co., Ltd.	Community Pharmacy Network Segment	Medical field	Community pharmacy	100.0%
Nanohana Kyusyu Co., Ltd.	Community Pharmacy Network Segment	Medical field	Community pharmacy	100.0%
	Meal Catering Segment		Meal Catering	
Sakura Foods Co., Ltd.	Meal Catering Segment	Medical field	Meal Catering	100.0%
Paltecno Co., Ltd	Leasing and Facility-related Segment	Medical field	Leasing and Facility-related	100.0%
PharmaShift Co., Ltd.	Community Pharmacy Network Segment	Medical support field	Digital Shift	100.0%
Feldsenf Pharma Co., Ltd.	Community Pharmacy Network Segment	Medical supply field	Manufacture and Market Pharmaceutical	80.0%
Medi Logi Net Co., Ltd.	Community Pharmacy Network Segment	Medical supply field	Pharmaceutical Logistics	100.0%
Agrimas Corp. *	—	Medical field	Preventive Care Day Service	77.7%



# Glossary

Appendix	—	Meaning of “Supplement” and “Attachment”	P22
B to B	Business to Business	Transactions conducted between businesses	P21
B to B to C	Business to Business to Consumer	A business model where companies deliver goods and services to general consumers through other companies.	P21
B to C	Business to Consumer	A business model where companies provide goods and services directly to individual consumers.	P21
DX	Digital Transformation	Using digital technologies to transform business models and processes, and to strengthen competitiveness.	P21
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization	An indicator measuring a company's “pure profit” or “core business profitability”	P6,9,19
SaaS	Software as a Service	Software provided via the Internet by service providers	P16

# Glossary

Medical Mind	As one who lights the “The town's beacon of light ” with the resolve of a healthcare professional to ensure the well-being of “everyone” a mindset dedicated to contributing to the community (our definition)	P11
Medical Mall	A facility where several clinics and pharmacies are located within a single building or on the same premises	P11
Area Network	A network to share inventory information, coordinate home care services, conduct joint training, and facilitate personnel exchanges at the community level as part of integrated community care	P11
Acute disease	A disease that develops rapidly and progresses over a relatively short period of time. Such as the common cold, influenza, acute gastroenteritis, acute myocardial infarction, and stroke	P2,6,13,14
Express Delivery	—	P11
Generic Drugs	Generic Drugs are manufactured and sold using the same active ingredient after the patent for the original brand-name drug expires, following review to ensure they are equivalent in quality, efficacy, and safety	P11,19
Asset Securitization	A method of transferring “receivables” such as accounts receivable and notes receivable to a special purpose company (SPC) or similar entity, and raising funds backed by those receivables	P8,9
Pharmaceutical Care	A series of care measures performed by pharmacists based on their drug expertise to optimize patients' medication therapy	P21





### About contents covered

- \* The contents of this report pertaining future earnings described are based on information the company has held, and on certain assumptions supervising rational judgement, and are not what the company promises to achieve. There are numerous factors that may cause actual earnings to differ. Caution is given to the accuracy of information, and we do not take responsibility for loss etc., as a result of misinformed information.
- \* Furthermore, this report is not prepared for the purposes of investment solicitation. Readers are responsible for their own judgement in any decision regarding investments.

Please see the following link for our English information.



<https://www.msnw.co.jp>



MEDICAL  
SYSTEM  
NETWORK  
GROUP

**MEDICAL SYSTEM NETWORK Co., Ltd.**

<https://www.msnw.co.jp/>

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[Contact us]    Corporate Management Division    E-mail : [info@msnw.co.jp](mailto:info@msnw.co.jp)