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Consolidated Financial Statements for the Fiscal Year Ended March 31, 2026 [Japanese GAAP]



May 14, 2026

Company name	VITAL KSK HOLDINGS, INC.	Stock exchange listing:	Tokyo Stock Exchange
Code number	3151	URL:	https://www.vitalksk.co.jp/
Representative	(Title) President & CEO	(Name)	Taisuke Murai
Contact	(Title) Director of Accounting & Finance	(Name)	Isao Kita (TEL) +81-3-5787-8565
Scheduled date of annual general meeting of shareholders	June 25, 2026	Scheduled date of commencing dividend payments	June 4, 2026
Scheduled date of filing annual securities report	June 19, 2026		
Preparation of supplementary explanatory materials	: Yes		
Financial results briefing	: Yes	((for institutional investors and analysts))	

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

1. Consolidated Results for the Fiscal Year Ending March 31, 2026 (April 1, 2025 - March 31, 2026)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Core operating profit		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal Year 2026	610,497	1.7	5,307	-	4,027	(29.4)	7,822	12.2	7,362	0.7
Year ended March 31, 2025	600,370	2.2	-	-	5,706	2.7	6,970	6.3	7,308	25.1

(Note) Comprehensive income Fiscal Year 2026 14,089 Million yen (137.6%) Year ended March 31, 2025 5,931 Million yen (39.2%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal Year 2026	152.29	-	6.6	2.5	0.7
Year ended March 31, 2025	149.02	-	6.9	2.3	1.0

(Reference) Share of profit (loss) of entities accounted for using equity method Fiscal Year 2026 89 Million yen Year ended March 31, 2025 25 Million yen

(Note) Regarding core operating profit, please refer to "1. Overview of Operating Results, etc. (1) Overview of Operating Results for the Current Fiscal Year."

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal Year 2026	320,568	118,707	36.6	2,423.12
Year ended March 31, 2025	299,426	107,306	35.4	2,193.96

(Reference) Equity Fiscal Year 2026 117,223 Million yen Year ended March 31, 2025 105,913 Million yen

(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
	Million yen	Million yen	Million yen	Million yen
Fiscal Year 2026	4,833	(1,071)	(4,399)	19,437
Year ended March 31, 2025	(8,024)	3,516	(6,543)	20,074

2. Cash Dividends

	Cash Dividends					Total dividends (Total)	Payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended March 31, 2025	-	21.00	-	24.00	45.00	2,187	30.2	2.1
Fiscal Year 2026	-	34.00	-	36.00	70.00	3,386	46.0	3.0
Fiscal Year Ending March 31, 2027 (Forecast)	-	35.00	-	35.00	70.00		45.2	

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2027 (April 1, 2026 - March 31, 2027)

(% indicates changes from the previous period.)

	Net sales		Core operating profit		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	
Full year	620,000	1.6	5,700	7.4	4,100	1.8	5,000	(36.1)	7,500	1.9	Yen 155.03

(Note) Regarding core operating profit, please refer to "1. Qualitative Information on Financial Results, (4) Future Outlook."

* Notes

- (1) Major changes in the scope of consolidation during the period under review : None
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- (1) Changes in accounting policies due to the revision of accounting standards : None
- (2) Changes in accounting policies other than (1) above : None
- (3) Changes in accounting estimates : None
- (4) Retrospective restatement : None

(3) Total number of outstanding shares (common shares)

(1) Total number of outstanding shares at the end of the period (including treasury stocks)	Fiscal Year 2026	51,902,976 shares	Year ended March 31, 2025	51,902,976 shares
(2) Total number of treasury stocks at the end of the period	Fiscal Year 2026	3,525,894 shares	Year ended March 31, 2025	3,628,047 shares
(3) Average number of shares during the period	Fiscal Year 2026	48,344,889 shares	Year ended March 31, 2025	49,044,074 shares

(Reference) Summary of Non-consolidated Results

1. Non-consolidated Results for the Fiscal Year Ending March 31, 2026 (April 1, 2025 - March 31, 2026)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal Year 2026	5,614	(27.2)	4,764	(29.3)	4,672	(30.0)	4,690	(29.1)
Year ended March 31, 2025	7,715	(12.7)	6,740	(16.0)	6,675	(16.0)	6,617	(16.7)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal Year 2026	97.03	-
Year ended March 31, 2025	134.93	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal Year 2026	74,918	56,241	75.1	1,162.56
Year ended March 31, 2025	75,182	54,226	72.1	1,123.29

(Reference) Equity Fiscal Year 2026 56,241 Million yen Year ended March 31, 2025 54,226 Million yen

* Financial results are outside the scope of audit by certified public accountants or audit corporations.

* Explanation of the proper use of performance forecast and other notes

- The earnings forecast and other forward-looking statements herein are based on the information currently available and certain assumptions deemed reasonable by the Company, and thus actual results may differ significantly from these forecasts due to a wide range of factors. For the assumptions underlying the earnings forecast and precautions for using the earnings forecast, please refer to page 2 of the attached materials, "Overview of Operating Results for the Current Period."

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Current Fiscal Year

During the current fiscal year, the global economic outlook has become increasingly uncertain due to concerns over rising resource distribution and logistics costs accompanying heightened tensions in the Middle East, including the situation in Iran, as well as trends in U.S. trade policy. In the Japanese economy, although there are signs of improvement in corporate earnings and wage increases, uncertainty in the business environment has reached unprecedented levels due to a wide range of concerns, including exchange rate fluctuations and interest rate trends associated with the normalization of monetary policy. Overall, the economic outlook remains extremely difficult to predict.

In the pharmaceutical wholesale industry, which is the Group's main business, although drug prices were lowered due to the April 2025 drug price revision, it is expected that discussions will intensify toward a drastic reform of policies and systems related to people's lives and health, such as the social security system and the drug price system, and the policy of curbing drug costs is expected to continue.

In addition, while major drug patents are expiring and the use of generic drugs is being promoted, the focus of new drugs being launched is shifting to specialty pharmaceuticals. In the pharmaceutical wholesale business, there is a growing demand for advanced information-provision and logistics capabilities.

Under these circumstances, VITAL KSK HOLDINGS, INC. launched the "Medium-Term Management Plan 2027 -Move on to the Next Stage-" (FY2025–FY2027) in April 2025. As a company listed on the Tokyo Stock Exchange Prime Market, VITAL KSK HOLDINGS, INC. has fully adopted the concept of group management with a focus on capital cost, aiming to achieve sustainable growth for the Group and enhance corporate value over the medium to long term. To this end, VITAL KSK HOLDINGS, INC. is working on strengthening the profitability of existing businesses, reviewing the businesses themselves, and making aggressive investments for growth. Among these initiatives, one of the Group's major challenges is the "Pharmaceutical Business (business of supporting introduction of unapproved drugs)," for which VITAL KSK HOLDINGS, INC. newly established MEDLEAP PHARMA COMPANY LIMITED (a consolidated subsidiary of VITAL KSK HOLDINGS, INC.) on September 16, 2025. Progress has been made in research and development, such as its new drug candidate "ferric maltol (development code: ST10)" proceeding to Phase 2 trials.

In addition, as one of the initiatives for business portfolio management, which is a key measure of the Medium-Term Management Plan, VITAL KSK HOLDINGS, INC. has indicated a policy of making concentrated investments in the nursing care rental business, which has high capital profitability, to expand the business. As part of this effort, KSK CO., LTD., a consolidated subsidiary of VITAL KSK HOLDINGS, INC., acquired 100% of the shares of Yachiyo Care Holdings Co., Ltd., making it a subsidiary. By adding Yachiyo Care Support Co., Ltd., a wholly owned subsidiary of Yachiyo Care Holdings Co., Ltd., VITAL KSK HOLDINGS, INC. will further promote dominant expansion, mainly in the Keihanshin area, thereby further enhancing the profitability and growth potential of the nursing care rental business in the Group.

*Yachiyo Care Support Co., Ltd. merged with Yachiyo Care Holdings Co., Ltd. on March 31, 2026, and succeeded to all of its rights and obligations.

Regarding the performance for the current fiscal year, net sales were 610,497 million yen (101.7% of the previous year), and operating profit was 4,027 million yen (70.6% of the previous year). In addition, core operating profit*, which is before deducting "research and development expenses" in the new pharmaceutical business (business of supporting introduction of unapproved drugs), was 5,307 million yen (93.0% of operating profit for the previous year). In addition, as announced on August 13, 2025, VITAL KSK HOLDINGS, INC. and the MIJ Healthcare No. 1 Investment Limited Partnership, in which the Group invests, tendered their shares in the tender offer for CareNet, Inc. by Curie 1 Inc. As a result, VITAL KSK HOLDINGS, INC. recorded 2,742 million yen as non-operating income, including the gain on sale of CareNet shares by the MIJ Healthcare No. 1 Investment Limited Partnership, resulting in an ordinary profit of 7,822 million yen (112.2% of the previous year). Furthermore, as a result of recording a gain on sale of investment securities of 4,080 million yen from the sale of cross-shareholdings held by the Group as extraordinary income, profit attributable to owners of parent was 7,362 million yen (100.7% of the previous year).

*Starting this fiscal year, in addition to the conventional "operating profit," VITAL KSK HOLDINGS, INC. will calculate "core operating profit," which is before deducting "research and development expenses," as an indicator of the profitability of its ongoing

business.

Performance by segment is as follows.

(1) Pharmaceutical Wholesale Business

In the pharmaceutical wholesale business, although there were negative impacts from factors such as the drug price revision and a decrease in sales in limited segments in localized areas due to competitive bidding, sales increased as efforts to focus on the sale of products eligible for the price maintenance premium, mainly anticancer drugs, and seasonal products such as influenza vaccines and anti-allergy drugs outweighed the decrease in revenue. On the profit side, however, profit decreased due to the impact of the aforementioned sales decline from competitive bidding and an increase in selling, general and administrative expenses against the backdrop of rising prices.

As a result of the above, net sales were 572,860 million yen (101.5% of the previous year), and segment profit (operating profit) was 4,920 million yen (95.3% of the previous year).

(2) Pharmacy Business

In the pharmacy business, although the number of prescriptions decreased, revenue increased due to efforts to increase income from dispensing technical fees and pharmaceutical management fees. On the profit side, profit increased slightly due to efforts to calculate dispensing fees related to family pharmacy functions and to manage costs. As a result of the above, net sales were 19,960 million yen (102.1% of the same period of the previous year), and segment profit (operating profit) was 252 million yen (100.3% of the same period of the previous year).

(3) Veterinary Drug Wholesale Business

In the Veterinary Drug Wholesale Business, revenue increased, partly due to the consolidation of Arrow Medical Co., Ltd., which offset the negative impact of a changeover in products as some products began to be sold directly by the manufacturer. On the profit side, however, profit decreased as the effect of the increase in revenue was not enough to absorb the increase in costs resulting from the consolidation. As a result of the above, net sales were 12,627 million yen (108.6% of the same period of the previous year), and segment profit (operating profit) was 304 million yen (97.0% of the same period of the previous year).

(4) Pharmaceutical Business (business of supporting introduction of unapproved drugs)

The Pharmaceutical Business (business of supporting introduction of unapproved drugs) is a new business launched in the current fiscal year, and no sales were posted in the current consolidated fiscal year, while expenses necessary for business activities including research and development expenses came to 1,312 million yen, and segment loss amounted to the same amount of 1,312 million yen.

(5) Nursing Care-related Rental and Other Business

In the Nursing Care-related Rental and Other Business, revenue increased due to factors including the consolidation of Kyowa Transportation Co., Ltd. in April 2025 and Yachiyo Care Holdings Co., Ltd. in December 2025. On the profit side, the segment loss increased, as increases in selling, general and administrative expenses due to price rises, including personnel and fuel costs, could not be absorbed. As a result, net sales were 5,048 million yen (110.3% of the same period of the previous year), and segment loss (operating loss) was 102 million yen (segment loss for the same period of the previous year was 78 million yen).

(2) Overview of Financial Position for the Current Fiscal Year

Total assets at the end of the current consolidated fiscal year increased by 21,141 million yen from the end of the previous consolidated fiscal year to 320,568 million yen. The breakdown was 194,905 million yen in current assets and 125,662 million yen in non-current assets.

The main components of current assets were 22,953 million yen in cash and deposits, 121,233 million yen in notes and accounts receivable - trade, 33,283 million yen in inventories, and 12,825 million yen in accounts receivable - other. Current assets increased by 7,009 million yen compared to the end of the previous consolidated fiscal year, mainly due to an increase of 4,289 million yen in notes and accounts receivable - trade.

The breakdown of non-current assets was 50,990 million yen in property, plant and equipment, 6,887 million yen in intangible assets, and 67,785 million yen in investments and other assets. Non-current assets increased by 14,132 million yen compared to the end of the previous consolidated fiscal year, mainly due to increases of 7,926 million yen in investment securities, 2,766 million yen in buildings and structures, and 2,717 million yen in retirement benefit asset.

Liabilities increased by 9,741 million yen from the end of the previous fiscal year to 201,861 million yen. The breakdown was 183,219 million yen in current liabilities and 18,642 million yen in non-current liabilities.

The main components of current liabilities were notes and accounts payable - trade of 169,767 million yen and provision for bonuses of 1,579 million yen. Current liabilities increased by 8,339 million yen compared to the end of the previous fiscal year, primarily due to a 7,274 million yen increase in notes and accounts payable - trade.

The main components of non-current liabilities were deferred tax liabilities of 12,617 million yen, long-term borrowings of 3,893 million yen, and lease liabilities of 952 million yen. Non-current liabilities increased by 1,402 million yen compared to the end of the previous fiscal year, as a 3,005 million yen increase in deferred tax liabilities outweighed a 956 million yen decrease in long-term borrowings.

Net assets increased by 11,400 million yen from the end of the previous fiscal year to 118,707 million yen. The main factors were the recording of 7,362 million yen in profit attributable to owners of parent, a 4,813 million yen increase in valuation difference on available-for-sale securities, a 2,809 million yen decrease due to dividend payments, and a 1,819 million yen increase in remeasurements of defined benefit plans.

(3) Overview of Cash Flows for the Current Period

Cash and cash equivalents (hereinafter "funds") on a consolidated basis at the end of the current fiscal year were 19,437 million yen (compared to 20,074 million yen at the end of the previous fiscal year).

(i) Cash flows from operating activities

In the current fiscal year, net cash provided by operating activities was 4,833 million yen (compared to 8,024 million yen used in the previous fiscal year). This was due to increasing factors such as a 7,235 million yen increase in trade payables (compared to a 16,879 million yen decrease in the previous fiscal year) and a 3 million yen increase in inventories (compared to a 1,795 million yen increase in the previous fiscal year), which offset decreasing factors such as a 3,166 million yen decrease in retirement benefit liability (compared to a 561 million yen increase in the previous fiscal year), a 4,116 million yen increase in trade receivables (compared to a 1,227 million yen decrease in the previous fiscal year), and a 761 million yen increase in accounts receivable - other (compared to a 4,272 million yen decrease in the previous fiscal year).

(ii) Cash flows from investing activities

In the current fiscal year, net cash used in investing activities was 1,071 million yen (compared to 3,516 million yen provided by the previous fiscal year). This was due to decreasing factors such as 3,722 million yen for the purchase of property, plant and equipment (compared to 2,563 million yen in the previous fiscal year) and 14 million yen in proceeds from collection of loans receivable (compared to 1,128 million yen in the previous fiscal year), which offset increasing factors such as 844 million yen in proceeds from sale of property, plant and equipment (compared to 3 million yen in the previous fiscal year) and 354 million yen for the purchase of investment securities (compared to 782 million yen in the previous fiscal year).

(iii) Cash flows from financing activities

In the current fiscal year, net cash used in financing activities was 4,399 million yen (compared to 6,543 million yen used in the previous fiscal year). This was due to decreasing factors such as 2,809 million yen in dividends paid (compared to 2,183 million yen in the previous fiscal year) and 984 million yen for the repayments of long-term borrowings (compared to 970 million yen in the previous fiscal year).

(4) Future Outlook

Starting from Fiscal Year 2026, a new three-year medium-term management plan, "Medium-Term Management Plan 2027 -Move on to the Next Stage-" (FY2025-FY2027), has been launched. In accordance with this plan, as a company listed on the Tokyo Stock Exchange Prime Market, VITAL KSK HOLDINGS, INC. has fully adopted the concept of group management with a focus on capital cost. To achieve sustainable growth for the Group and enhance corporate value over the medium to long term, the Company is working on strengthening the profitability of existing businesses and reviewing the businesses themselves, in addition to making aggressive investments for growth.

Regarding the outlook for the next fiscal year, although there will be impacts from the April 2026 drug price revision, the pharmaceutical market is expected to show firm movement due to the continued launch of new drugs.

Under these circumstances, the Company will comply with the revised distribution improvement guidelines issued by the Ministry of Health, Labour and Welfare and continue unit price negotiations for individual items, excluding excluded items. At the same time, the Company will strive to improve operational efficiency and reduce costs by promoting DX in transactions, such as digitizing delivery-related operations including product receipt at customers and promoting EOS for orders, with a policy of improving contribution profit by customer.

Next, in terms of area-specific strategies, the Company will actively develop sales activities tailored to market conditions in urban and rural areas (such as the development of women's healthcare solutions and "Okusuri Aun") and logistics strategies (strengthening the logistics contracting business, reviewing bases, and establishing an efficient logistics network). In terms of customer-specific strategies, the Company will concentrate its management resources on the hospital market, which is the main market for promising new drugs (especially anticancer drugs) and related diagnostic reagents and testing equipment. Furthermore, the Company is taking on new challenges, such as developing digital marketing to replace the functions of decreasing manufacturer MRs and tapping into the health-related product market based on partnership agreements with local governments.

In the Medium-Term Management Plan 2027, the Company has decided to expand the scope of its logistics contracting business centered on 3PL as a new business. Meanwhile, as mentioned above, the Company has decided to enter the pharmaceutical business (business of supporting introduction of unapproved drugs) and established "MEDLEAP PHARMA COMPANY LIMITED" (a consolidated subsidiary of the Company) on September 16, 2025. Progress has been made in research and development, such as its new drug candidate "ferric maltol (development code: ST10)" proceeding to Phase 2 trials. The company will acquire licenses for promising pharmaceuticals that have been approved in Europe and the United States but are not yet approved in Japan. Through obtaining pharmaceutical approval and distribution in Japan, the company will expand its business toward resolving drug loss and drug lag, which are social issues in Japan.

Regarding financial strategy and capital policy, the Company plans to reduce the ratio of cross-shareholdings to consolidated net assets to less than 10% by the fiscal year ending March 31, 2030. In addition, as disclosed in the "Notice Concerning Acquisition of Treasury Shares" dated May 14, 2026, the Company will acquire treasury shares with a maximum total acquisition price of 4.0 billion yen and a maximum number of shares to be acquired of 2.0 million shares during the period from May 15, 2026 to March 24, 2027.

Regarding the consolidated earnings forecast for the next fiscal year, the Company expects net sales of 620,000 million yen (101.6% of the previous year), core operating profit of 5,700 million yen (107.4% of the previous year), operating profit of 4,100 million yen (101.8% of the previous year), ordinary profit of 5,000 million yen (63.9% of the previous year), and profit attributable to owners of parent of 7,500 million yen (101.9% of the previous year).

(5) Basic policy on profit distribution and dividends for the current and next fiscal years

The Company positions the return of profits to shareholders as an important management issue. In order to provide continuous and stable dividends, as mentioned above, the Company has adopted a dividend on equity ratio (DOE) that is less susceptible to the impact of single-year performance fluctuations as its dividend policy, setting it at "DOE of 3% or more."

In accordance with this policy, the Company has decided to pay an annual dividend of 70 yen per share for the current fiscal year, consisting of an interim dividend of 34 yen per share, which has already been paid, and a year-end dividend of 36 yen per share.

Regarding dividends for the next fiscal year, based on the policy for shareholder return measures in the Medium-Term Management Plan 2027, the Company plans to pay an interim dividend of 35 yen per share and a year-end dividend of 35 yen per share, for an annual dividend of 70 yen per share.

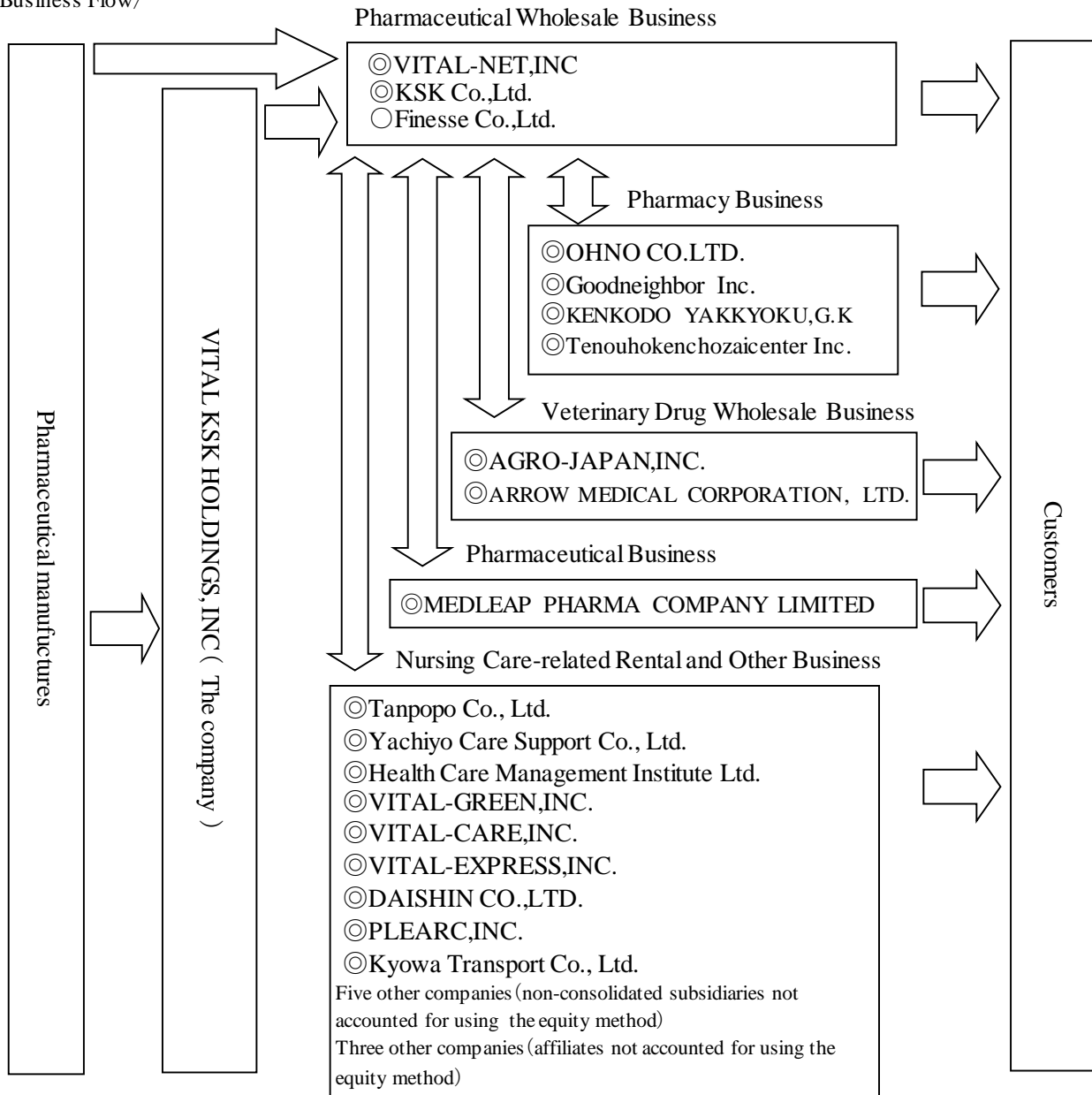
2. Status of the Corporate Group

The Group (the Company and its affiliates) consists of the Company, 23 subsidiaries, and 4 affiliates. It is primarily engaged in businesses related to five segments: Pharmaceutical Wholesale Business, Pharmacy Business, Veterinary Drug Wholesale Business, Pharmaceutical Business, and Nursing Care-related Rental and Other Business. In the Nursing Care-related Rental and Other Business, the Group is engaged in business activities such as the retail of pharmaceuticals, etc., the wholesale of agricultural chemicals, etc., the transport business, the nursing care service business, the consulting business for medical institutions, the non-life insurance agency business, the real estate brokerage business, and the parking lot business.

Name of business type	Affiliated companies
Pharmaceutical Wholesale Business	The Company, Vital-Net, Inc., KSK CO., LTD., FINESS CO., LTD.
Pharmacy Business	Ohno Co., Ltd., Good Neighbor Co., Ltd., Kenkodo Pharmacy Co., Ltd., Tenno Hoken Chozai Center Co., Ltd.
Veterinary Drug Wholesale Business	Agro Japan Co., Ltd., Arrow Medical Co., Ltd.
Pharmaceutical Business	MEDLEAP PHARMA COMPANY LIMITED
Nursing Care-related Rental and Other Business	Tanpopo Co., Ltd., Yachiyo Care Support Co., Ltd., Medical Management Research Institute Co., Ltd., Vital Green Co., Ltd., Vital Care Co., Ltd., Vital Express Co., Ltd., Daishin Tsusho Co., Ltd., Prearc Co., Ltd., Kyowa Transportation Co., Ltd. and 8 other companies

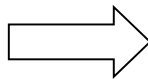
The matters described above are shown in the business flow chart as follows.

〈Business Flow〉



◎: Consolidated Subsidiaries

○: Equity method affiliates



Flow of products and services

3. Management Policy

(1) Basic Management Policy

On April 1, 2009, the Group established the joint holding company "VITAL KSK HOLDINGS, INC." through a share transfer between Vitalnet, Inc. and KSK CO., LTD., and 16 years have passed since it started as the Vital KSK Group.

The Group has established its purpose as "supporting regional healthcare so that people can live healthy lives with peace of mind," and toward its realization, it works daily on "speeding up management and strengthening market development," "fusion and evolution of the use of IT technology and pharmaceutical distribution technology cultivated over many years," and "improving profitability by demonstrating synergies."

(2) Target Management Indicators

o Desired state of Long-Term Vision 2035 (Composition ratio of net sales and operating profit by business)

The Group has set the following composition ratio targets for net sales and operating profit by business as its desired state for fiscal year 2035 (fiscal year ending March 31, 2036).

Item	FY2022 (Fiscal Year Ended March 31, 2023) (Note 1)	FY2035 (Fiscal Year Ending March 31, 2036)
Net sales	Ethical Pharmaceutical Wholesale Business 94% Medical-related Business 6%	Ethical Pharmaceutical Wholesale Business 80% Medical-related Business 20%
Operating profit	Ethical Pharmaceutical Wholesale Business 83% Medical-related Business 17%	Ethical Pharmaceutical Wholesale Business 60% Medical-related Business 40%

(Note 1) The fiscal year immediately preceding the formulation of Long-Term Vision 2035.

o Main management indicators of Medium-Term Management Plan 2027 (FY2025-FY2027)

The Group has set the following quantitative targets in the "Medium-Term Management Plan 2027," which is a three-year plan from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028.

Main management indicators	Period	Target	FY2024 Results
Net sales	Fiscal Year Ending March 31, 2028	660 billion yen	600.3 billion yen
Core operating profit margin (Note 2)	Fiscal Year Ending March 31, 2028	1.15% or more	0.95%
Adjusted ROE (Note 3)	Fiscal Year Ending March 31, 2028	8.0% or more	6.9%
Earnings per share	Fiscal Year Ending March 31, 2028	167 yen or more	149.02 yen
Investment	3-year cumulative	20 billion yen (FY2025-2027)	17.7 billion yen (FY2022-2024)
Ratio of cross-shareholdings to consolidated net assets	Fiscal Year Ending March 31, 2028	Less than 20% (Note 4)	37.5%

Shareholder return policy	Every year	<p>DOE 3% or more</p> <ul style="list-style-type: none"> - Dividend payout ratio of approximately 40-45% - No policy on total return ratio - Flexible acquisition of treasury shares 	<p>DOE 2% or more</p> <p>Total return ratio 50% or more</p>
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(Note 2) Value obtained by dividing operating profit before deducting research and development expenses of the pharmaceutical business by net sales.

(Note 3) Value obtained by dividing net income before deducting research and development expenses of the pharmaceutical business by equity.

(Note 4) The plan to reduce this to less than 10% is scheduled for the fiscal year ending March 31, 2030.

(3) Medium- to Long-Term Management Strategy

o Long-Term Vision 2035

The Group formulated "Long-Term Vision 2035" in May 2023, but following the decision to "enter the pharmaceutical business" as a new business in the formulation of the current "Medium-Term Management Plan 2027," it has changed the implementation issues of "Long-Term Vision 2035" as follows.

[Long-Term Vision 2035]

"Beyond medicine, beyond barriers Innovating the future of medical care by being a ‘connector’"

[Main Practical Issues]

- Sophistication of logistics functions
 - Innovation of the ethical pharmaceutical wholesale business
 - Expanding sales of medical-related products
 - **Entry into the pharmaceutical business (Note 5)**
 - Strengthening the rental business
 - Collaboration with government and local municipalities
 - **Strengthening the pharmacy business and veterinary drug wholesale business (Note 5)**
 - **Development of the life support business (Note 5)**
- (Note 5) Bold text indicates changes. The final item, "Development of the life support business," was originally "Enhancement of life support," but will be changed to the former expression going forward.

o Medium-Term Management Plan 2027 -Move on to the Next Stage- (FY2025–FY2027)

The Group has recently formulated the "Medium-Term Management Plan 2027 -Move on to the Next Stage-," covering the three-year period from the fiscal year ending March 31, 2026, to the fiscal year ending March 31, 2028. The outline of the medium-term management plan is as follows.

[Medium-Term Vision]

"Innovation of Business Models Looking Toward the Next Generation — Phase 2 -"

[Aims of Medium-Term Management Plan 2027]

As a company listed on the Tokyo Stock Exchange Prime Market, the Company has fully adopted the concept of group management with a focus on capital cost. To achieve sustainable growth for the Group and enhance corporate value over the medium to long term, we intend to implement "innovation of business models" that steps up even further than the previous medium-term management plan. This will be achieved by making aggressive investments for growth, in addition to strengthening the profitability of existing businesses and reviewing the businesses themselves. To this end, we have set the medium-term vision for the Medium-Term Management Plan 2027 as "Innovation of Business Models Looking Toward the Next Generation — Phase 2 -" and will implement the following three priority measures.

[Three Priority Measures]

Key Initiatives	Details
1. Business Portfolio Management	To achieve sustainable growth and enhance corporate value over the medium to long term with a focus on capital cost, we have established a basic policy for our business portfolio and periodically evaluate and monitor each business. Specifically, at least once a year, we evaluate the profitability and growth potential of existing businesses, primarily focusing on ROIC and CAGR (five-year average sales growth rate). Based on these evaluations, we make decisions regarding the continuation of investments, business downsizing or withdrawal, as well as investments in new businesses and M&A to realize our long-term vision.
2. Financial Strategy and Capital Policy	We will manage our balance sheet with an awareness of the optimal capital structure that balances financial soundness and capital efficiency. At the same time, we have established a cash flow allocation policy to allocate cash in a balanced manner between investments that lead to sustainable growth and shareholder returns.
3. Strengthening the Group Management System	We will strengthen our governance system to be appropriate for a company listed on the Tokyo Stock Exchange Prime Market. We will also enhance sustainability-related initiatives to contribute to the realization of a sustainable society while linking these efforts to our own growth.

[Main Practical Issues]

1. Business Portfolio Management

□ Strategy by Business Segment

(1) Pharmaceutical Wholesale Business Segment

In order to improve ROIC and generate stable free cash flow, we will boldly tackle the following practical challenges.

1) Improvement of management structure

- Taking the lead in following distribution improvement guidelines and ensuring thorough contribution margin management
- Establishing efficient and effective delivery systems tailored to the regional characteristics of urban and rural areas
- Improving operational efficiency and productivity through the use of DX and AI

2) Strengthening profitability of pharmaceutical distribution

- Acquiring new revenue through the strengthening of digital marketing
- Focusing on distinctive pharmaceutical distribution such as cancer, vaccines, women's healthcare, and regional cooperation
- Strengthening hospital MS activities to a new dimension through MAPs and the Lab Access Department

3) Expansion of core business areas

- Expanding the business area of "Okusuri Aun," which connects patients with intractable diseases to specialists and pharmacists, etc.

(2) Pharmacy Business Segment

Aiming to achieve ROIC exceeding the hurdle rate, we will tackle the following practical challenges.

1) Management integration of consolidated and non-consolidated subsidiaries

2) Improving ROIC by eliminating excess capital

3) Development of new store openings and M&A

(3) Veterinary Drug Wholesale Business Segment

In order to improve ROIC and generate stable free cash flow, we will tackle the following practical challenges.

1) Maximizing business synergies with the competitor acquired last year

2) Expansion of the pet food business, a new business

(4) Pharmaceutical Business (business of supporting introduction of unapproved drugs) segment

In order to contribute to the resolution of drug lag and drug loss in Japan, while also contributing to the sustainable growth and medium- to long-term enhancement of corporate value of the Group, we will enter the business of supporting the introduction of promising pharmaceuticals that are approved in Europe and the United States but not yet approved in Japan.

1) Medium-Term Management Plan 2027 is allocated as a research and development period. Invest research and development expenses as far in advance as possible, aiming for early approval

(5) Nursing Care-related Rental and Other Business segment

The name of the former "Other Business segment" has been changed to the "Nursing Care-related Rental and Other Business segment," and we will aim to expand the nursing care rental business and the logistics contracting business, while withdrawing from or downsizing other peripheral businesses and strengthening profitability, thereby improving ROIC and CAGR.

1) Drive business expansion of the nursing care rental business, which has high capital profitability, through M&A.

2) Expand the scope of business through M&A of companies engaged in the warehouse and transportation industries necessary for the expansion of the 3PL business

3) Determine whether to restructure or withdraw from businesses and divisions with low capital profitability.

2. Financial Strategy and Capital Policy

(1) Balance sheet management with awareness of optimal capital structure

In order to manage the balance sheet with an awareness of the optimal capital structure that balances financial soundness and capital efficiency, we will establish and execute policies for fund procurement, shareholder returns, and asset acquisition and reduction.

(2) Cash flow allocation policy

Toward the realization of the business portfolio the Company aims for, we will implement a well-balanced combination of investments in businesses to focus on and for future growth, and shareholder returns.

3. Strengthening the Group Management System

In addition to strengthening the governance system appropriate for a company listed on the Tokyo Stock Exchange Prime Market, we will also strengthen sustainability-related initiatives. To contribute to the realization of a sustainable society while also leading to our own growth, we will set and execute tasks for each of E (Environment), S (Social), and G (Governance).

As stated above, the overview of the Medium-Term Management Plan 2027 has been described. For details, please refer to our website (<https://www.vitalksk.co.jp/ir/management/plan2027/>).

4. Basic Policy on Selection of Accounting Standards

To ensure comparability between companies and over time, the Group prepares its consolidated financial statements in accordance with the "Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (excluding Chapters 7 and 8)" (Ministry of Finance Order No. 28 of 1976).

Regarding the application of International Financial Reporting Standards (IFRS), the Group's policy is to respond appropriately after considering various domestic and international circumstances.

5. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	23,099	22,953
Notes and accounts receivable - trade	116,944	121,233
Inventories	33,253	33,283
Accounts receivable - other	12,025	12,825
Other	2,627	4,662
Allowance for doubtful accounts	(55)	(52)
Total current assets	187,896	194,905
Non-current assets		
Property, plant and equipment		
Buildings and structures	50,544	54,084
Accumulated depreciation	(32,459)	(33,233)
Buildings and structures, net	18,085	20,851
Machinery, equipment and vehicles	2,079	2,471
Accumulated depreciation	(1,631)	(1,986)
Machinery, equipment and vehicles, net	448	485
Land	25,281	24,651
Leased assets	7,992	8,330
Accumulated depreciation	(5,397)	(6,099)
Leased assets, net	2,595	2,231
Construction in progress	1,660	1,278
Other	4,814	5,575
Accumulated depreciation	(3,717)	(4,082)
Other, net	1,096	1,492
Total property, plant and equipment	49,168	50,990
Intangible assets		
Goodwill	615	2,646
Software	2,925	3,291
Other	749	949
Total intangible assets	4,291	6,887
Investments and other assets		
Investment securities	45,131	53,057
Long-term loans receivable	321	553
Retirement benefit asset	9,438	12,155
Deferred tax assets	361	346
Other	3,413	2,255
Allowance for doubtful accounts	(595)	(583)
Total investments and other assets	58,070	67,785
Total non-current assets	111,529	125,662
Total assets	299,426	320,568

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	162,492	169,767
Short-term borrowings	900	950
Current portion of long-term borrowings	970	984
Income taxes payable	1,605	2,537
Provision for bonuses	1,696	1,579
Other	7,215	7,401
Total current liabilities	174,880	183,219
Non-current liabilities		
Long-term borrowings	4,850	3,893
Lease liabilities	979	952
Deferred tax liabilities	9,611	12,617
Provision for retirement benefits for directors (and other officers)	255	128
Provision for share-based remuneration for directors (and other officers)	92	64
Provision for share-based remuneration	91	38
Retirement benefit liability	876	427
Other	483	520
Total non-current liabilities	17,240	18,642
Total liabilities	192,120	201,861
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	5,293	5,302
Retained earnings	76,460	81,013
Treasury shares	(4,074)	(3,960)
Total shareholders' equity	82,678	87,355
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22,624	27,438
Remeasurements of defined benefit plans	609	2,429
Total accumulated other comprehensive income	23,234	29,867
Non-controlling interests	1,393	1,483
Total net assets	107,306	118,707
Total liabilities and net assets	299,426	320,568

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

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	600,370	610,497
Cost of sales	551,155	560,915
Gross profit	49,214	49,581
Selling, general and administrative expenses	43,508	45,553
Operating profit	5,706	4,027
Non-operating income		
Interest income	34	54
Dividend income	702	678
Share of profit of entities accounted for using equity method	25	89
Rental income	261	257
Gain on investments in investment partnerships	1	2,742
Gain on redemption of securities	239	-
Other	205	250
Total non-operating income	1,471	4,071
Non-operating expenses		
Interest expenses	81	68
Rental expenses	52	69
Loss on investments in investment partnerships	53	101
Other	19	37
Total non-operating expenses	207	277
Ordinary profit	6,970	7,822
Extraordinary income		
Gain on sale of non-current assets	2	81
Gain on sale of investment securities	4,268	4,080
Other	6	56
Total extraordinary income	4,276	4,219
Extraordinary losses		
Loss on sale of non-current assets	28	19
Impairment losses	353	194
Loss on valuation of investment securities	63	129
Loss on valuation of shares of subsidiaries and associates	-	168
Demolition costs	64	-
Other	45	27
Total extraordinary losses	556	539
Profit before income taxes	10,691	11,502
Income taxes - current	2,909	3,755
Income taxes - deferred	379	289
Total income taxes	3,288	4,045
Profit	7,402	7,456
Profit attributable to non-controlling interests	93	94
Profit attributable to owners of parent	7,308	7,362

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	7,402	7,456
Other comprehensive income		
Valuation difference on available-for-sale securities	(491)	3,602
Remeasurements of defined benefit plans, net of tax	(1,335)	1,825
Share of other comprehensive income of entities accounted for using equity method	355	1,205
Total other comprehensive income	(1,470)	6,633
Comprehensive income	5,931	14,089
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	5,837	13,995
Comprehensive income attributable to non-controlling interests	93	94

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2025

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,000	5,272	71,339	(1,653)	79,958
Changes during period					
Dividends of surplus			(2,187)		(2,187)
Profit attributable to owners of parent			7,308		7,308
Purchase of treasury shares				(2,505)	(2,505)
Disposal of treasury shares		20		81	102
Disposal of treasury shares for stock benefit trust				1	1
Change in scope of consolidation					-
Net changes in items other than shareholders' equity					
Total changes during period	-	20	5,121	(2,421)	2,719
Balance at end of period	5,000	5,293	76,460	(4,074)	82,678

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	22,749	1,956	24,705	1,276	105,940
Changes during period					
Dividends of surplus					(2,187)
Profit attributable to owners of parent					7,308
Purchase of treasury shares					(2,505)
Disposal of treasury shares					102
Disposal of treasury shares for stock benefit trust					1
Change in scope of consolidation				28	28
Net changes in items other than shareholders' equity	(124)	(1,346)	(1,470)	89	(1,381)
Total changes during period	(124)	(1,346)	(1,470)	117	1,366
Balance at end of period	22,624	609	23,234	1,393	107,306

For the fiscal year ended March 31, 2026

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,000	5,293	76,460	(4,074)	82,678
Changes during period					
Dividends of surplus			(2,809)		(2,809)
Profit attributable to owners of parent			7,362		7,362
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		9		109	118
Disposal of treasury shares by stocks payment trust				5	5
Net changes in items other than shareholders' equity					
Total changes during period	-	9	4,553	114	4,677
Balance at end of period	5,000	5,302	81,013	(3,960)	87,355

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	22,624	609	23,234	1,393	107,306
Changes during period					
Dividends of surplus					(2,809)
Profit attributable to owners of parent					7,362
Purchase of treasury shares					(0)
Disposal of treasury shares					118
Disposal of treasury shares by stocks payment trust					5
Net changes in items other than shareholders' equity	4,813	1,819	6,633	90	6,723
Total changes during period	4,813	1,819	6,633	90	11,400
Balance at end of period	27,438	2,429	29,867	1,483	118,707

(4) Consolidated Statements of Cash Flows

(Million 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	10,691	11,502
Depreciation	3,658	3,852
Impairment losses	353	194
Amortization of goodwill	128	197
Increase (decrease) in allowance for doubtful accounts (() indicates decrease)	(54)	(14)
Increase (decrease) in provision for bonuses (() indicates decrease)	2	(139)
Increase (decrease) in retirement benefit liability and assets (() indicates decrease)	561	(3,166)
Interest and dividend income	(737)	(733)
Rental income	(261)	(257)
Interest expenses	81	68
Loss (gain) on investments in investment partnerships (() indicates gain)	53	(2,640)
Share of loss (profit) of entities accounted for using equity method (() indicates profit)	(25)	(89)
Loss (gain) on sale and valuation of investment securities (() indicates gain)	(4,173)	(3,951)
Loss (gain) on sale and retirement of property, plant and equipment (() indicates gain)	45	(43)
Decrease (increase) in trade receivables (() indicates increase)	1,227	(4,116)
Decrease (increase) in inventories (() indicates increase)	(1,795)	(3)
Decrease (increase) in accounts receivable - other (() indicates increase)	4,272	(761)
Decrease (increase) in guarantee deposits (() indicates increase)	(56)	688
Increase (decrease) in trade payables (() indicates decrease)	(16,879)	7,235
Other	(2,558)	(868)
Subtotal	(5,466)	6,953
Interest and dividends received	736	733
Interest paid	(80)	(68)
Income taxes paid	(2,923)	(2,961)
Income taxes refund	15	3
Other	(305)	173
Cash flows from operating activities	(8,024)	4,833

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from investing activities		
Net decrease (increase) in time deposits (() indicates increase)	610	(490)
Purchase of property, plant and equipment	(2,563)	(3,722)
Proceeds from sale of property, plant and equipment	3	844
Purchase of intangible assets	(1,774)	(1,546)
Purchase of investment securities	(782)	(354)
Proceeds from sale of investment securities	6,085	5,598
Proceeds from refund of investment securities	1	23
Proceeds from redemption of investment securities	804	-
Loan advances	(39)	(247)
Proceeds from collection of loans receivable	1,128	14
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(103)	(1,943)
Other	145	751
Cash flows from investing activities	3,516	(1,071)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings (() indicates decrease)	10	30
Repayments of long-term borrowings	(970)	(984)
Repayments of lease liabilities	(890)	(630)
Purchase of treasury shares	(2,505)	(0)
Dividends paid	(2,183)	(2,809)
Other	(4)	(4)
Cash flows from financing activities	(6,543)	(4,399)
Net increase (decrease) in cash and cash equivalents (() indicates decrease)	(11,050)	(636)
Cash and cash equivalents at beginning of period	31,125	20,074
Cash and cash equivalents at end of period	20,074	19,437

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in presentation)

Not applicable.

(Changes in accounting estimates)

Not applicable.

(Segment information)

(Segment information)

1. Overview of reportable segments

The Group's reportable segments are components of the Group about which separate financial information is available. These segments are subject to periodic examinations to enable the company's Board of Directors to decide how to allocate resources and assess performance.

The Group's segment is categorized based on the business of its operating company, and thus its main segments, the "Pharmaceutical Wholesale Business," the "Pharmacy Business," the "Veterinary Drug Wholesale Business," the "Pharmaceutical Business," and the "Nursing Care-related Rental and Other Business" comprise the Group's reportable segments.

The "Pharmaceutical Wholesale Business" is engaged in sales of drugs, diagnostic products, medical devices, materials, etc. to medical institutions, such as hospitals, clinics, and pharmacies. The "Pharmacy Business" is engaged in sales of drugs, medical devices and equipment, and hygiene materials, etc. to general consumers. The "Veterinary Drug Wholesale Business" is engaged in sales of veterinary drugs, feeds, etc. to farms, ranches, veterinary hospitals, clinics, etc. In the "Pharmaceutical Business," the Company engages in providing support, etc. for the introduction of new drugs that are not yet approved in Japan but have been approved in Europe and the United States. The "Nursing Care-related Rental and Other Business" includes nursing care-related rental business, nursing care service business, wholesale business handling agricultural chemicals, etc., transport business, sports-related facility operating business and consulting business for medical institutions.

2. Method of measurement for the amounts of net sales, profit (loss), assets and other items for each reportable segment

The method of accounting for the reportable business segments is generally the same as those stated in "Basis for the Presentation of the Consolidated Financial Statements."

Profit in the reportable segments is based on operating profit.

Inter-segment revenues and transfers are calculated at prevailing market prices.

3. Information on net sales, profit (loss), assets and other items by reportable segment

Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)

(Million yen)

	Reportable segment					
	Pharmaceutical Wholesale Business	Pharmacy Business	Veterinary Drug Wholesale Business	Pharmaceutical Business	Nursing Care-related Rental and Other Business	Total
Net sales						
Net sales to outside customers	564,614	19,552	11,626	-	4,577	600,370
Inter-segment net sales or transfers	10,782	12	0	-	2,739	13,534
Total	575,396	19,564	11,626	-	7,317	613,904
Segment profit (loss) ((□))	5,163	251	314	-	(78)	5,650
Segment assets	279,356	9,380	5,795	-	12,807	307,338
Other items						
Depreciation	3,233	157	18	-	248	3,658
Amortization of goodwill	3	116	8	-	-	128
Increase in property, plant and equipment and intangible assets	3,006	88	3	-	120	3,219

	Adjustment (Note 1 and 2)	Amount recorded in Consolidated Financial Statements (Note 3)
Net sales		
Net sales to outside customers	-	600,370
Inter-segment net sales or transfers	(13,534)	-
Total	(13,534)	600,370
Segment profit (loss) ((□))	55	5,706
Segment assets	(7,912)	299,426
Other items		
Depreciation	-	3,658
Amortization of goodwill	-	128
Increase in property, plant and equipment and intangible assets	-	3,219

(Note) 1. Adjustment of sales of (13,534) million yen was mainly due to the elimination of intersegment transactions.

2. Adjustment of segment profit (loss) of 55 million yen and adjustment of segment assets of (7,912) million yen refer to elimination of inter-segment transactions.

3. Adjustments are made to reconcile segment income (loss) to operating profit reported on the consolidated statements of income.

Current consolidated fiscal year (From April 1, 2025 to March 31, 2026)

(Million yen)

	Reportable segment					
	Pharmaceutical Wholesale Business	Pharmacy Business	Veterinary Drug Wholesale Business	Pharmaceutical Business	Nursing Care-related Rental and Other Business	Total
Net sales						
Net sales to outside customers	572,860	19,960	12,627	-	5,048	610,497
Inter-segment net sales or transfers	10,991	12	0	-	2,818	13,823
Total	583,852	19,972	12,627	-	7,867	624,320
Segment profit (loss) ((□))	4,920	252	304	(1,312)	(102)	4,063
Segment assets	298,930	9,298	6,149	2,199	16,090	332,668
Other items						
Depreciation	3,373	183	20	0	274	3,852
Amortization of goodwill	-	107	12	-	77	197
Increase in property, plant and equipment and intangible assets	6,013	252	37	15	144	6,464

	Adjustment (Note 1 and 2)	Amount recorded in Consolidated Financial Statements (Note 3)
Net sales		
Net sales to outside customers	-	610,497
Inter-segment net sales or transfers	(13,823)	-
Total	(13,823)	610,497
Segment profit (loss) ((□))	(35)	4,027
Segment assets	(12,099)	320,568
Other items		
Depreciation	-	3,852
Amortization of goodwill	-	197
Increase in property, plant and equipment and intangible assets	-	6,464

(Note) 1. Adjustment of sales of (13,823) million yen was mainly due to the elimination of intersegment transactions.

2. Adjustment of segment profit (loss) of (35) million yen and adjustment of segment assets of (12,099) million yen refer to elimination of inter-segment transactions.

3. Adjustments are made to reconcile segment income (loss) to operating profit reported on the consolidated statements of income.

4. Information on changes in reportable segments

Starting from the first quarter of the consolidated fiscal year, the Company has changed reporting segments by adding the Pharmaceutical Business with the launch of the business as part of the Group's future growth strategy.

Moreover, Other Businesses, which have not previously been a reporting segment, is now included in the Nursing Care-related Rental and Other Business* as the Company adopted a policy of focusing management resources on high-capital-profitability nursing care business to expand the business.

* Businesses under Nursing Care-related Rental and Other Business:

nursing care-related rental business, nursing care service business, wholesale business handling agricultural chemicals, etc., transport business, sports-related facility operating business and consulting business for medical institutions

The segment information for the previous fiscal year was prepared based on the classification of reportable segments after the change is disclosed.

[Related information]

1. Information by product and service

Information is omitted because net sales to outside customers in a single product and service category exceed 90% of net sales on the consolidated statements of income.

2. Information by region

(1) Net sales

Not applicable because there are no net sales to outside customers outside Japan.

(2) Property, plant and equipment

Not applicable because there is no property, plant and equipment located outside Japan.

3. Information by major customer

Information is omitted because no single outside customer accounts for 10% or more of net sales on the consolidated statements of income.

[Information on impairment losses on non-current assets by reportable segment]

Previous fiscal year (From April 1, 2024 to March 31, 2025)

(Million yen)

	Reportable segment						Adjustment	Amount recorded in consolidated financial statements
	Pharmaceutical Wholesale Business	Pharmacy Business	Veterinary Drug Wholesale Business	Pharmaceutical Business	Nursing Care-related Rental and Other Business	Total		
Impairment losses	353	—	—	—	—	353	—	353

For the fiscal year ended March 31, 2026

(Million yen)

	Reportable segment						Adjustment	Amount recorded in consolidated financial statements
	Pharmaceutical Wholesale Business	Pharmacy Business	Veterinary Drug Wholesale Business	Pharmaceutical Business	Nursing Care-related Rental and Other Business	Total		
Impairment losses	194	—	—	—	—	194	—	194

[Information on amortization and unamortized balance of goodwill by reportable segment]

Previous fiscal year (From April 1, 2024 to March 31, 2025)

(Million yen)

	Reportable segment						Adjustment	Amount recorded in consolidated financial statements
	Pharmaceutical Wholesale Business	Pharmacy Business	Veterinary Drug Wholesale Business	Pharmaceutical Business	Nursing Care-related Rental and Other Business	Total		
(Goodwill)								
Amortization for the period	3	116	8	—	—	128	—	128
Balance at end of period	—	561	53	—	—	615	—	615

For the fiscal year ended March 31, 2026

(Million yen)

	Reportable segment						Adjustment	Amount recorded in consolidated financial statements
	Pharmaceutical Wholesale Business	Pharmacy Business	Veterinary Drug Wholesale Business	Pharmaceutical Business	Nursing Care-related Rental and Other Business	Total		
(Goodwill)								
Amortization for the period	—	107	12	—	77	197	—	197
Balance at end of period	—	453	41	—	2,151	2,646	—	2,646

(Per share information)

	Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)	Current consolidated fiscal year (From April 1, 2025 to March 31, 2026)
Net assets per share	2,193.96 yen	2,423.12 yen
Profit per share	149.02 yen	152.29 yen

(Note) 1. Diluted earnings per share is not presented as there are no potential shares.

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

	Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)	Current consolidated fiscal year (From April 1, 2025 to March 31, 2026)
Profit per share		
Profit attributable to owners of parent (Million yen)	7,308	7,362
Amount not attributable to common shareholders (Million yen)	—	—
Profit attributable to owners of parent related to common shares (Million yen)	7,308	7,362
Average number of common shares during the period (Thousand shares)	49,044	48,344

3. The basis for calculating net assets per share is as follows.

	As of March 31, 2025	As of March 31, 2026
Total net assets (Million yen)	107,306	118,707
Amount to be deducted from total net assets (Million yen)	1,393	1,483
(Of which non-controlling interests (Million yen))	(1,393)	(1,483)
Net assets related to common shares at the end of the period (Million yen)	105,913	117,223
Number of common shares at the end of the period used to calculate net assets per share (Thousand shares)	48,274	48,377

(Note) The Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for the "Board Benefit Trust (BBT)" are included in treasury shares, which are excluded from the calculation of the average number of shares during the period for the purpose of calculating basic earnings per share (104 thousand shares for the previous consolidated fiscal year and 99 thousand shares for the current consolidated fiscal year).

(Significant subsequent events)

Not applicable.