Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Summary of Consolidated Financial Results For the Fiscal Year Ended June 30, 2026 [Japan GAAP]

August 12, 2026

Name of Company: MEDIUS HOLDINGS Co., Ltd.
Stock Code: 3154 URL: https://www.medius.co.jp/
Stock Exchange Listing: Tokyo Stock Exchange, Prime Market
Representative Title: President and Representative Director Name: Hiroyuki Akutagawa
Contact Person Title: General Manager of Management Promotion Department Name: Yuki Ina
Phone: +81-(0)3-6811-2958

Date of general shareholders' meeting: September 29, 2026 (tentative)
Date of commencement of dividend payment: September 30, 2026 (tentative)
Date of filing of annual securities report: September 28, 2026 (tentative)
Supplementary explanatory documents: Available
Earnings presentation: Yes (for institutional investors and analysts)

(Yen in millions, rounded down)

1. Financial results for the fiscal year ended June 2026 (July 1, 2025 - June 30, 2026)

(1) Results of Operations (Consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY6/26	302,336	4.7	1,780	(5.1)	2,306	(4.8)	944	(31.4)
FY6/25	288,689	11.1	1,875	41.3	2,422	38.4	1,375	22.3

(Note) Comprehensive income: FY6/26: 704 million yen [(39.9)%] FY6/25: 1,172 million yen [(20.5)%]

	Earnings per share	Earnings per share fully diluted	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
FY6/26	42.45	42.38	4.6	2.0	0.6
FY6/25	61.91	61.85	6.8	2.1	0.6

(Reference) Equity in earnings of affiliated companies: FY6/26: - million yen FY6/25: - million yen

(2) Financial Position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2026	112,594	20,746	18.4	932.55
As of June 30, 2025	113,024	20,478	18.1	920.89

(Reference) Shareholders' equity: As of Jun. 30, 2026: 20,737 million yen
As of Jun. 30, 2025: 20,478 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 year-end
	Million yen	Million yen	Million yen	Million yen
FY6/26	374	(1,264)	(3,397)	10,033
FY6/25	7,011	(2,505)	(3,468)	14,320

2. Dividends

	Dividend per share					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY6/25	—	0.00	—	20.00	20.00	444	32.3	2.2
FY6/26	—	0.00	—	20.00	20.00	444	47.1	2.2
FY6/27 (estimated)	—	0.00	—	20.00	20.00		31.8	

3. Forecast for the fiscal year ending June 2027 (Consolidated, July 1, 2026 - June 30, 2027)

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	325,000	7.5	2,000	12.3	2,400	4.1	1,400	48.3	62.95

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (REPS Corp.)
Excluded: 1 company (NOAH INTERNATIONAL co., ltd.)

(Note) For details, please see "3. Consolidated Financial Statements and Important Notes (5) Notes to consolidated financial statements (Changes in the scope of consolidation or the scope of application of the equity method)

(2) Changes in accounting principles and estimates, and retrospective restatement
(a) Changes in accounting principles due to revision of accounting standards: None
(b) Changes in accounting principles other than in (a): None
(c) Changes in accounting estimates: None
(d) Retrospective restatement: None

(3) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury shares)	End of FY6/26:	22,238,217	End of FY6/25:	22,238,217
(b) Treasury shares	End of FY6/26:	958	End of FY6/25:	958
(c) Average number of shares outstanding	End of FY6/26:	22,237,259	End of FY6/25:	22,214,640

(Reference) Summary of Non-consolidated Financial Results

1. Financial results for the fiscal year ended June 2026 (July 1, 2025 - June 30, 2026)

(1) Results of Operations (Non-consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY6/26	2,971	(1.6)	366	38.5	542	12.5	281	(40.7)
FY6/25	3,020	3.1	264	(42.2)	481	(31.9)	474	(26.9)

	Earnings per share	Earnings per share fully diluted
	Yen	Yen
FY6/26	12.66	12.64
FY6/25	21.36	21.33

(2) Financial Position (Non-consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2026	25,466	9,348	36.7	420.39
As of June 30, 2025	26,145	9,895	37.8	444.98

(Reference) Shareholders' equity: As of Jun. 30, 2026: 9,348 million yen
As of Jun. 30, 2025: 9,895 million yen

* Financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Cautionary statement regarding forecasts of operating results and special notes

(Cautionary statement on forward-looking statements and others)

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons. For more information about the forecasts, please see "1. Overview of Operating Results (4) Future outlook" on page 6 of Supplementary Information.

Index for Supplementary Information

1. Overview of Operating Results, etc. 2
(1) Overview of operating results for the fiscal year under review 2
(2) Overview of financial position for the fiscal year under review 3
(3) Overview of cash flows for the fiscal year under review 4
(4) Future outlook 6
(5) Basic policy on profit distribution and dividends for the fiscal year under review and the next fiscal year 7
2. Basic Policy on Selection of Accounting Standards 7
3. Consolidated Financial Statements and Important Notes 8
(1) Consolidated balance sheet 8
(2) Consolidated statements of income and comprehensive income 10
(Consolidated statement of income) 10
(Consolidated statement of comprehensive income) 12
(3) Consolidated statements of changes in net assets 13
(4) Consolidated statements of cash flows 15
(5) Notes to consolidated financial statements 18
(Notes on going concern assumptions) 18
(Changes in the scope of consolidation or the scope of application of the equity method) 18
(Notes on segment information, etc.) 18
(Per share information) 23
(Significant subsequent events) 23
4. Other 24
(1) Changes in executive officers 24

1. Overview of Operating Results, etc.

(1) Overview of operating results for the fiscal year under review

In the environment surrounding the MEDIUS Group during the fiscal year under review, there are concerns that the medical system will continue to face intermittent strain, mainly because of the increase in the elderly population due to advances in medical technology, “Work Style Reform for Doctors” implemented since 2024, deteriorating operating results for medical institutions due to salary increases for medical care professionals beyond the amount set in the revision although the medical fee revision for 2026 allowed partial wage increases for them. As a result, medical institutions are called on to build a more efficient medical care supply system through the promotion of medical digital transformation (DX), such as online medical consultations and the application of AI in medical care.
Meanwhile, the outlook for the medical sector remains uncertain, as it continues to face challenges such as rising prices and labor costs, the ongoing depreciation of the yen, and increasing interest rates, compounded by soaring raw material costs on the back of the situation in Iran.
In this business environment, the MEDIUS Group is conducting business activities based on the policy of ensuring a stable supply of products while resolving customer issues in order to build a sustainable medical system.
During the fiscal year under review, net sales and gross profit increased compared to the previous fiscal year, primarily due to an increase in sales following an increase in the number of surgical operations and the acquisition of new customers, mainly in the cardiovascular and orthopedic fields.
Selling, general and administrative expenses increased compared to the previous year due to factors such as higher labor costs stemming from personnel hiring and improved working conditions associated with business expansion at major subsidiaries, as well as increased outsourcing expenses resulting from higher logistics costs driven by rising distribution prices and higher distribution volumes, among other factors. Additionally, impairment losses for non-current assets and goodwill at some subsidiaries, among others, were recorded as extraordinary losses. Due to these circumstances, operating profit, ordinary profit, and profit attributable to owners of parent decreased compared to the previous fiscal year.
As a result, in the current fiscal year, net sales increased 4.7% from a year earlier to 302,336 million yen, operating profit decreased 5.1% to 1,780 million yen, ordinary profit decreased 4.8% to 2,306 million yen, and profit attributable to owners of parent decreased 31.4% to 944 million yen.

Business segment performance was as follows.

(i) Medical Device

Sales of replacement supplies increased in line with an increase in the number of surgical operations and progress in the acquisition of new customers, mainly in the cardiovascular and orthopedic fields, as well as due to an increase in demand for making purchases before prices increase following on from the soaring prices of raw materials on the back of the situation in Iran, etc. For medical equipment, although there were sales of large-sized radiotherapy devices and artificial heart-lung machines during the period, net sales declined compared to the previous fiscal year due mainly to the impact of special demand projects in the previous fiscal year. Nevertheless, net sales and gross profit for the segment as a whole increased compared to the previous fiscal year.
In addition, selling, general and administrative expenses rose due to business expansion, soaring logistics costs, and other factors, resulting in a decrease in segment income.
As a result, net sales increased 4.7% from a year earlier to 296,023 million yen, gross profit increased 3.8% to 33,334 million yen, and segment income (operating profit) decreased 7.5% to 9,668 million yen.

(ii) Welfare Device

Net sales increased due to factors including the accumulation of contracts in the rental business, by maintaining a low cancellation rate, and bulk purchases ahead of price increases. Despite the ongoing surge in costs, gross profit increased, as the high-margin rental business for nursing care equipment performed strongly, among other factors.

In addition, despite rising labor costs, only a moderate rise in selling, general and administrative expenses overall was reported against the increase in gross profit. Accordingly, operating profit increased.

As a result, net sales increased 5.2% from a year earlier to 6,313 million yen, gross profit increased 6.6% to 2,499 million yen, and segment income (operating profit) increased 13.9% to 587 million yen.

(Note) The business segments of the MEDIUS Group consist of the following activities.

Medical Device

(Medical Device Sales Business)

Sale of medical devices (including equipment and replacement supplies) that are purchased from manufacturers, sales agents, trading companies and other companies in Japan to hospitals and other medical institutions in Japan. This is the core business of the MEDIUS Group.

(Medical Device Repair and Maintenance Business)

Repair and after-sales services for medical devices sold by the MEDIUS Group to hospitals and other medical institutions and maintenance services for all medical devices of a hospital or other medical institution based on a maintenance contract.

Welfare Device

Sale of nursing care and welfare products (including equipment and replacement supplies) that are purchased from manufacturers, sales agents, trading companies and other companies in Japan and other countries to hospitals and other medical institutions, nursing care facilities, medical device sales companies, as well as individuals in Japan. This business also rents nursing care and welfare products to individuals.

(2) Overview of financial position for the fiscal year under review

A. Assets

Total assets were 112,594 million yen at the end of the fiscal year under review, 430 million yen less than at the end of the previous fiscal year.

Current assets increased 1,043 million yen to 90,095 million yen. This increase was mainly the result of increases of 3,841 million yen in notes and accounts receivable - trade, 187 million yen in electronically recorded monetary claims – operating, 717 million yen in merchandise and finished goods, and 541 million yen in other current assets, respectively, despite a decrease of 4,282 million yen in cash and deposits.

Non-current assets decreased 1,473 million yen to 22,498 million yen. This decrease was the result of decreases of 327 million yen in property, plant and equipment, 739 million yen in intangible assets, and 406 million yen in investments and other assets, respectively.

B. Liabilities

Total liabilities were 91,847 million yen at the end of the fiscal year under review, 699 million yen less than at the end of the previous fiscal year.

Current liabilities increased 343 million yen to 81,722 million yen. This increase was mainly the result of increases of 1,708 million yen in notes and accounts payable – trade, 391 million yen in

electronically recorded obligations - operating, and 314 million in other current liabilities, respectively, despite decreases of 1,949 million yen in short-term borrowings and 127 million yen in income taxes payable, respectively.
Non-current liabilities decreased 1,042 million yen to 10,125 million yen. This decrease was mainly the result of decreases of 887 million yen in long-term borrowings, 136 million yen in provision for retirement benefits for directors (and other officers), and 178 million yen in long-term unearned revenue, respectively, despite increases of 49 million yen in retirement benefit liability and 128 million yen in other non-current liabilities, respectively.

C. Net assets

Net assets were 20,746 million yen at the end of the fiscal year under review, 268 million yen more than at the end of the previous fiscal year. This increase was mainly the result of an increase of 499 million yen in retained earnings, despite a decrease of 285 million yen in valuation difference on available-for-sale securities.

(3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents totaled 10,033 million yen at the end of the fiscal year under review, 4,287 million yen less than at the end of the previous fiscal year. The following is a summary of cash flows during the fiscal year under review.

A. Operating activities

Net cash provided by operating activities was 374 million yen compared with 7,011 million yen provided a year earlier. Major sources of cash included profit before income taxes of 2,110 million yen, depreciation of 1,926 million yen, and an increase in trade payables of 2,100 million yen, which outweighed uses of cash including an increase in trade receivables of 4,046 million yen, an increase in inventories of 722 million yen, and income taxes paid of 1,159 million yen.

B. Investing activities

Net cash used in investing activities was 1,264 million yen compared with 2,505 million yen used a year earlier. Major sources of cash included proceeds from sale of investment securities of 233 million yen, which was outweighed by uses of cash that included purchase of property, plant and equipment of 747 million yen, purchase of intangible assets of 164 million yen, and purchase of long-term prepaid expenses of 548 million yen.

C. Financing activities

Net cash used in financing activities was 3,397 million yen compared with 3,468 million yen used a year earlier. Major uses of cash included a net decrease in short-term borrowings of 1,820 million yen, repayments of long-term borrowings of 1,015 million yen, and dividends paid of 443 million yen.

(Reference) Cash flow-related indicators

	FY6/22	FY6/23	FY6/24	FY6/25	FY6/26
Equity ratio (%)	18.6	19.1	17.2	18.1	18.4
Equity ratio on a fair value basis (%)	22.5	19.7	17.5	17.3	15.8
Ratio of interest-bearing debt to cash flow (%)	-	1,598.0	1,258.1	302.9	4,914.4
Interest coverage ratio (times)	-	14.4	19.5	40.2	1.6

Equity ratio: Shareholders' equity / Total assets
Equity ratio on a fair value basis: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flow: Interest-bearing debt / Cash flow
Interest coverage ratio: Cash flow / interest payments

Note 1: Each figure is calculated based on consolidated financial figures.

Note 2: Market capitalization is calculated based on the number of issued shares, excluding treasury shares

Note 3: Operating cash flows are used for calculating the cash flow-related indicators above.

Note 4: Interest-bearing debt comprises all liabilities recorded on the consolidated balance sheet on which interest is paid

Note 5: The ratio of interest-bearing debt to cash flow and interest coverage ratio for the fiscal year ended June 30, 2022 are not shown due to a negative operating cash flow.

(4) Future outlook

In Japan’s medical sector, the increasing need for medical and nursing care due to the declining birthrate and aging population has led to the development of effective and efficient medical and nursing care delivery systems under the Regional Medical Care Vision. Further, we expect a continuation of the tough environment for medical institutions as they will be required to maintain and improve the quality of medical care while also increasing operational efficiency, even amid constraints such as labor shortages associated with the introduction of the “Work Style Reform for Doctors” and rising prices in conjunction with increases in resource prices and a depreciation of the yen.

In the medical device sales industry, to which the MEDIUS Group belongs, competition among companies is intensifying in a situation where there is a demand to provide comprehensive services that can contribute to the operational efficiency and management improvement of medical institutions. There is also a trend among medical device manufacturers to consolidate their business partners into major dealers as a risk reduction measure. It is thus expected that the momentum for mergers and alliances aimed at expanding corporate sizes and business areas will further increase.

Under such operating circumstances, the MEDIUS Group upholds the management philosophy of “contributing to regional medical care” and seeks to contribute to regional communities as well as the healthy and abundant lives of all people through the swift, appropriate and stable supply of medical devices and the provision of high value-added services tailored to individual regions and cutting-edge information. Based on the ASOURCE® DATABASE, one of the largest medical supplies database in Japan that our group has independently constructed, we will promote comprehensive services that will lead to improved management at medical institutions, proposing combinations of solution tools such as SPD, the surgical room operation support program SURGELANE®, and the medical supplies price optimization support system meccul®.

In the near term, we expect the number of testing and surgical operations to continue to recover gradually. On the other hand, surging prices and labor costs, the yen's continuous depreciation, higher interest rates, and the effects of rising resource prices due to the turmoil in Iran are expected to be factors that will push down the group’s performance by increasing costs and curbing capital investment in medical devices.

Even in these circumstances, we are still aiming to expand our business by making comprehensive proposals to customers with a focus on solutions, and to increase our market share by providing services that meet customer needs through our consolidated subsidiaries that specialize in their respective fields in the cardiovascular and orthopedic fields, by which we expect to see an increase in sales for the next fiscal year (fiscal year ending June 2027).

Selling, general and administrative expenses are expected to increase due mainly to a rise in labor costs resulting from increased hiring spurred by the business expansion of our major subsidiaries as well as basic wage increases, and to a rise in outsourcing expenses caused by increased logistics costs accompanying higher distribution prices and larger volumes.

Based on the above, we expect the following results for the next fiscal year (fiscal year ending June 2027).

<Consolidated results forecasts>

(Million yen)

	FY6/26 Consolidated results	FY6/27 Consolidated results forecasts	Change (%)
Net sales	302,336	325,000	7.5
Operating profit	1,780	2,000	12.3
Ordinary profit	2,306	2,400	4.1
Profit attributable to owners of parent	944	1,400	48.3

(Note) SPD

SPD (supply, processing and distribution) is an outsourced system for hospitals' medical supplies management and logistics which help reduce inventories of these supplies at hospitals and reduce the need for hospital personnel to handle the procurement and storage of supplies. SPD services are provided by medical device sales companies or companies specializing in these services. At the MEDIUS Group, SPD services are provided by consolidated subsidiaries KURIBARA MEDICAL Instruments, KYOWA MEDICAL CORPORATION, MITAS Inc., Makoto Medical Systems Inc., Akita MEDICAL INSTRUMENTS Co., Ltd., MEDIUS SOLUTION Co., Ltd., and A. North Medical Inc., and by NHS Shizuoka Co., Ltd. which is an affiliated company not accounted for by the equity method.

(5) Basic policy on profit distribution and dividends for the fiscal year under review and the next fiscal year

MEDIUS HOLDINGS' basic policy is to distribute profits to shareholders in accordance with its growth while securing the internal reserves necessary to maintain stable growth over the medium to long term, with a target payout ratio of 30% or more on a consolidated basis. Internal reserves are used to prepare for business development in response to changes in the market, including industry restructuring.

Based on this policy, and taking into consideration the business environment and other factors, we will pay a year-end dividend of 20 yen per share for the fiscal year under review (fiscal year ended June 2026), in accordance with the resolution of the Board of Directors on July 22, 2026.

We plan to pay 20 yen per share for the next fiscal year (fiscal year ending June 2027).

2. Basic Policy on Selection of Accounting Standards

For the time being, the MEDIUS Group's policy is to prepare its consolidated financial statements in accordance with Japanese GAAP, taking into consideration the comparability of the consolidated financial statements from period to period and intercompany comparability.

Our policy regarding the application of International Financial Reporting Standards (IFRS) is to respond appropriately taking into consideration various conditions in Japan and overseas.

3. Consolidated Financial Statements and Important Notes

(1) Consolidated balance sheet

(Thousand yen)

	Fiscal year ended June 2025 (As of June 30, 2025)	Fiscal year ended June 2026 (As of June 30, 2026)
Assets		
Current assets		
Cash and deposits	14,333,767	10,051,053
Notes and accounts receivable - trade	54,724,057	58,565,803
Electronically recorded monetary claims - operating	3,264,793	3,452,321
Investments in leases	37,267	76,647
Merchandise and finished goods	13,600,867	14,318,178
Raw materials and supplies	10,963	14,970
Other	3,224,409	3,766,079
Allowance for doubtful accounts	(143,247)	(149,097)
Total current assets	89,052,879	90,095,957
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,107,631	10,187,897
Accumulated depreciation	(3,079,660)	(3,347,321)
Buildings and structures, net	7,027,971	6,840,576
Machinery, equipment and vehicles	1,055,200	1,070,959
Accumulated depreciation	(464,344)	(561,866)
Machinery, equipment and vehicles, net	590,856	509,092
Tools, furniture and fixtures	3,045,762	3,359,618
Accumulated depreciation	(2,000,275)	(2,341,416)
Tools, furniture and fixtures, net	1,045,486	1,018,202
Land	3,987,138	3,982,880
Construction in progress	8,415	-
Other	588,041	615,299
Accumulated depreciation	(147,626)	(193,315)
Other, net	440,415	421,983
Total property, plant and equipment	13,100,283	12,772,735
Intangible assets		
Goodwill	1,197,695	655,025
Other	1,229,985	1,032,942
Total intangible assets	2,427,681	1,687,968
Investments and other assets		
Investment securities	4,289,108	3,829,362
Long-term loans receivable	10,908	3,862
Deferred tax assets	1,970,555	1,849,247
Other	2,204,759	2,400,692
Allowance for doubtful accounts	(31,196)	(45,257)
Total investments and other assets	8,444,136	8,037,907
Total non-current assets	23,972,100	22,498,611
Total assets	113,024,980	112,594,568

(Thousand yen)

	Fiscal year ended June 2025 (As of June 30, 2025)	Fiscal year ended June 2026 (As of June 30, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	42,775,058	44,484,022
Electronically recorded obligations - operating	17,335,330	17,727,043
Short-term borrowings	16,755,998	14,806,736
Current portion of bonds payable	8,000	-
Income taxes payable	682,884	555,089
Contract liabilities	147,101	187,278
Provision for bonuses	62,779	66,685
Provision for bonuses for directors (and other officers)	168,633	137,749
Other	3,443,495	3,758,168
Total current liabilities	81,379,281	81,722,773
Non-current liabilities		
Long-term borrowings	4,471,997	3,584,736
Deferred tax liabilities	923,814	854,405
Provision for retirement benefits for directors (and other officers)	157,000	20,300
Provision for loss on guarantees	106,478	136,808
Provision for share-based payments	21,837	29,237
Retirement benefit liability	1,543,990	1,593,116
Asset retirement obligations	162,335	175,589
Long-term unearned revenue	3,114,030	2,935,819
Other	666,084	795,003
Total non-current liabilities	11,167,568	10,125,015
Total liabilities	92,546,850	91,847,789
Net assets		
Shareholders' equity		
Share capital	1,380,877	1,380,877
Capital surplus	2,879,912	2,879,703
Retained earnings	14,206,045	14,705,392
Treasury shares	(450)	(450)
Total shareholders' equity	18,466,385	18,965,523
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,944,633	1,659,556
Remeasurements of defined benefit plans	67,110	112,333
Total accumulated other comprehensive income	2,011,744	1,771,889
Non-controlling interests	-	9,366
Total net assets	20,478,129	20,746,779
Total liabilities and net assets	113,024,980	112,594,568

(2) Consolidated statements of income and comprehensive income

(Consolidated statement of income)

(Thousand yen)

	Fiscal year ended June 2025 (Jul. 1, 2024 — Jun. 30, 2025)	Fiscal year ended June 2026 (Jul. 1, 2025 — Jun. 30, 2026)
Net sales	288,689,338	302,336,775
Cost of sales	254,248,764	266,520,271
Gross profit	34,440,574	35,816,504
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	16,295	26,682
Provision for share-based payments	12,134	8,829
Salaries and allowances	13,211,922	13,843,279
Employees' bonuses	3,113,490	3,288,800
Provision for bonuses	62,779	74,650
Provision for bonuses for directors (and other officers)	168,694	134,411
Retirement benefit expenses	618,408	648,485
Legal welfare expenses	2,579,910	2,682,864
Depreciation	1,143,888	1,121,568
Rent expenses	2,421,574	2,516,458
Outsourcing expenses	2,585,914	2,825,101
Other	6,629,811	6,864,525
Total selling, general and administrative expenses	32,564,825	34,035,657
Operating profit	1,875,749	1,780,846
Non-operating income		
Interest income	3,675	10,364
Dividend income	65,211	77,915
Purchase discounts	340,673	339,491
Commission income	90,592	101,994
Reversal of provision for loss on guarantees	7,118	-
Subsidy income	186,201	199,847
Other	60,355	143,942
Total non-operating income	753,828	873,556
Non-operating expenses		
Interest expenses	173,764	232,360
Provision for loss on guarantees	-	30,330
Other	33,350	85,308
Total non-operating expenses	207,114	347,999
Ordinary profit	2,422,462	2,306,403
Extraordinary income		
Gain on sale of non-current assets	19,799	8,656
Gain on sale of investment securities	-	181,372
Total extraordinary income	19,799	190,029
Extraordinary losses		
Loss on sale of non-current assets	131	126
Loss on retirement of non-current assets	5,739	37,323
Impairment losses	44,682	348,406
Total extraordinary losses	50,553	385,856
Profit before income taxes	2,391,709	2,110,576

(Thousand yen)

	Fiscal year ended June 2025 (Jul. 1, 2024 — Jun. 30, 2025)	Fiscal year ended June 2026 (Jul. 1, 2025 — Jun. 30, 2026)
Income taxes - current	1,009,732	1,006,719
Income taxes - deferred	6,550	159,607
Total income taxes	1,016,282	1,166,327
Profit	1,375,426	944,249
Profit attributable to non-controlling interests	-	156
Profit attributable to owners of parent	1,375,426	944,092

(Consolidated statement of comprehensive income)

(Thousand yen)

	Fiscal year ended June 2025 (Jul. 1, 2024 — Jun. 30, 2025)	Fiscal year ended June 2026 (Jul. 1, 2025 — Jun. 30, 2026)
Profit	1,375,426	944,249
Other comprehensive income		
Valuation difference on available-for-sale securities	(191,449)	(285,077)
Remeasurements of defined benefit plans, net of tax	(11,642)	45,222
Total other comprehensive income	(203,092)	(239,854)
Comprehensive income	1,172,334	704,394
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,172,334	704,237
Comprehensive income attributable to non-controlling interests	-	156

(3) Consolidated statements of changes in net assets

Fiscal year ended June 2025 (Jul. 1, 2024 — Jun. 30, 2025)

(Thousand yen)

	Shareholders' equity					Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,344,769	2,843,805	13,334,463	(450)	17,522,588	2,136,083	78,753	2,214,837	-	19,737,425
Changes during period										
Issuance of new shares	36,107	36,107			72,215					72,215
Dividends of surplus			(465,077)		(465,077)					(465,077)
Sale of shares of consolidated subsidiaries					-					-
Profit attributable to owners of parent			1,375,426		1,375,426					1,375,426
Increase or decrease due to change in fiscal year of consolidated subsidiaries			(38,767)		(38,767)					(38,767)
Net changes in items other than shareholders' equity						(191,449)	(11,642)	(203,092)	-	(203,092)
Total changes during period	36,107	36,107	871,581	-	943,796	(191,449)	(11,642)	(203,092)	-	740,704
Balance at end of period	1,380,877	2,879,912	14,206,045	(450)	18,466,385	1,944,633	67,110	2,011,744	-	20,478,129

Fiscal year ended June 2026 (Jul. 1, 2025 — Jun. 30, 2026)

(Thousand yen)

	Shareholders' equity					Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,380,877	2,879,912	14,206,045	(450)	18,466,385	1,944,633	67,110	2,011,744	-	20,478,129
Changes during period										
Issuance of new shares					-					-
Dividends of surplus			(444,745)		(444,745)					(444,745)
Sale of shares of consolidated subsidiaries		(209)			(209)					(209)
Profit attributable to owners of parent			944,092		944,092					944,092
Increase or decrease due to change in fiscal year of consolidated subsidiaries					-					-
Net changes in items other than shareholders' equity						(285,077)	45,222	(239,854)	9,366	(230,488)
Total changes during period	-	(209)	499,347	-	499,137	(285,077)	45,222	(239,854)	9,366	268,649
Balance at end of period	1,380,877	2,879,703	14,705,392	(450)	18,965,523	1,659,556	112,333	1,771,889	9,366	20,746,779

(4) Consolidated statements of cash flows

(Thousand yen)

	Fiscal year ended June 2025 (Jul. 1, 2024 — Jun. 30, 2025)	Fiscal year ended June 2026 (Jul. 1, 2025 — Jun. 30, 2026)
Cash flows from operating activities		
Profit before income taxes	2,391,709	2,110,576
Depreciation	1,871,896	1,926,962
Amortization of goodwill	329,379	299,379
Impairment losses	44,682	348,406
Increase (decrease) in retirement benefit liability	77,604	118,757
Increase (decrease) in allowance for doubtful accounts	16,989	19,911
Increase (decrease) in provision for bonuses	2,985	3,906
Increase (decrease) in provision for bonuses for directors (and other officers)	51,016	(30,884)
Increase (decrease) in provision for share-based compensation	(67,257)	7,399
Increase (decrease) in provision for retirement benefits for directors (and other officers)	-	(136,700)
Increase (decrease) in provision for loss on guarantees	(7,118)	30,330
Interest and dividend income	(68,887)	(88,280)
Interest expenses	173,764	232,360
Share issuance costs	399	-
Loss (gain) on sale of non-current assets	(19,668)	(8,530)
Loss on retirement of non-current assets	5,739	37,323
Decrease (increase) in trade receivables	121,687	(4,046,255)
Decrease (increase) in inventories	(814,299)	(722,237)
Decrease (increase) in investments in leases	50,173	121,675
Decrease (increase) in other current assets	225,710	(497,776)
Increase (decrease) in trade payables	28,793	2,100,676
Loss (gain) on sale of investment securities	-	(181,372)
Subsidy income	(186,201)	(199,847)
Increase (decrease) in accrued consumption taxes	328,377	(2,504)
Increase (decrease) in other current liabilities	(113,950)	235,950
Other, net	48,632	(4,814)
Subtotal	4,492,157	1,674,412
Interest and dividends received	70,907	87,248
Interest paid	(174,261)	(232,508)
Income taxes paid	(879,322)	(1,159,135)
Income taxes refund	188,965	4,217
Subsidies received	3,315,083	-
Payments of retirement benefits for directors (and other officers)	(2,000)	-
Net cash provided by (used in) operating activities	7,011,529	374,233

(Thousand yen)

	Fiscal year ended June 2025 (Jul. 1, 2024 — Jun. 30, 2025)	Fiscal year ended June 2026 (Jul. 1, 2025 — Jun. 30, 2026)
Cash flows from investing activities		
Payments into time deposits	(34,614)	(39,400)
Proceeds from withdrawal of time deposits	60,010	34,800
Purchase of property, plant and equipment	(1,754,229)	(747,947)
Proceeds from sale of property, plant and equipment	101,995	25,728
Payments for retirement of property, plant and equipment	(896)	(34,854)
Purchase of intangible assets	(311,174)	(164,320)
Purchase of investment securities	(54,050)	(8,038)
Proceeds from sale of investment securities	-	233,385
Proceeds from collection of loans receivable	6,769	6,906
Purchase of long-term prepaid expenses	(535,013)	(548,024)
Payments of leasehold and guarantee deposits	(84,794)	(118,724)
Proceeds from refund of leasehold and guarantee deposits	99,965	75,259
Purchase of insurance funds	(29,688)	(31,351)
Proceeds from cancellation of insurance funds	36,011	39,018
Other, net	(5,421)	13,307
Net cash provided by (used in) investing activities	(2,505,130)	(1,264,255)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,820,000)	(1,820,524)
Proceeds from long-term borrowings	1,450,000	-
Repayments of long-term borrowings	(1,619,949)	(1,015,998)
Redemption of bonds	-	(8,000)
Proceeds from issuance of shares	71,815	-
Repayments of lease liabilities	(85,796)	(117,867)
Dividends paid	(464,889)	(443,903)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	-	9,000
Net cash provided by (used in) financing activities	(3,468,819)	(3,397,293)

(Thousand yen)

	Fiscal year ended June 2025 (Jul. 1, 2024 — Jun. 30, 2025)	Fiscal year ended June 2026 (Jul. 1, 2025 — Jun. 30, 2026)
Net increase (decrease) in cash and cash equivalents	1,037,578	(4,287,314)
Cash and cash equivalents at beginning of period	13,544,776	14,320,367
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	42,959	-
Decrease in cash and cash equivalents resulting from change of fiscal term of subsidiaries	(304,947)	-
Cash and cash equivalents at end of period	14,320,367	10,033,053

(5) Notes to consolidated financial statements

(Notes on going concern assumptions)

None

(Changes in the scope of consolidation or the scope of application of the equity method)

REPS Corp., a new company established as of July 1, 2025 by KURIBARA MEDICAL Instruments, a consolidated subsidiary of the Company, is included in the scope of consolidation from the fiscal year under review.

Additionally, NOAH INTERNATIONAL co., ltd., formerly a consolidated subsidiary of the Company, is excluded from the scope of consolidation from the fiscal year under review, as it became an absorbed company in an absorption-type merger as of October 1, 2025, with Active Medical Co., Ltd., a consolidated subsidiary of the Company, as the surviving company. The surviving company, Active Medical Co., Ltd., as of the same date, has changed its trade name to A. North Medical Inc.

(Notes on segment information, etc.)

[Segment information]

1. Overview of reporting segments

(1) Method for determining reporting segments

The reporting segments in the Group are those constituent units of the Group for which separate financial information is available and which the Board of Directors periodically reviews in order to determine the allocation of management resources and to assess financial results.

(2) Types of products and services belonging to each reporting segment

The products and services offered by the Group belong to individual business divisions. Each of these business divisions develops comprehensive strategies for the products and services they handle, which serve as the basis for their business activities.

Accordingly, the Group is comprised of segments for each product and service based on these business divisions, with two reporting segments in place: “Medical Device” and “Welfare Device.”

The Medical Device segment sells medical devices and provides repair and maintenance services for medical devices. The Welfare Device segment sells and rents welfare devices.

2. Method for calculating net sales, income (loss), assets, liabilities, and other items by reporting segment

The accounting method used for the reporting segments is consistent with that used for preparing the consolidated financial statements.

The figures stated as “Segment income” reflect the figures used for operating profit.

The figures stated as “Intersegment sales or transfers” are based on the actual market prices.

3. Information about net sales, income (loss), assets, liabilities and other items by reporting segment

Fiscal year ended June 2025 (July 1, 2024 - June 30, 2025)

(Thousand yen)

	Reporting segments			Adjustment	Amount on the consolidated statement of income
	Medical Device	Welfare Device	Total		
Net sales					
Sales to outside customers	282,688,195	6,001,143	288,689,338	-	288,689,338
Intersegment sales or transfers	21,903	-	21,903	(21,903)	-
Total	282,710,099	6,001,143	288,711,242	(21,903)	288,689,338
Segment income	10,446,731	515,881	10,962,613	(9,086,864)	1,875,749
Segment assets	68,317,119	1,533,410	69,850,529	43,174,450	113,024,980
Others					
Depreciation	616,501	527,644	1,144,145	727,750	1,871,896
Increases in property, plant and equipment and intangible assets	1,858,178	433,151	2,291,330	475,131	2,766,461

(Notes) 1. The following adjustments have been made:

1) The 9,086,864 thousand yen negative adjustment for segment income includes 40,198 thousand yen for intersegment transaction eliminations, 329,379 thousand yen deduction for amortization of goodwill and 8,797,683 thousand yen deduction for corporate expenses that cannot be assigned to specific segments. Corporate expenses are primarily operating expenses of parent company and general and administrative expenses that do not belong to specific segments.

2) Adjustments to segment assets, depreciation, and increases in property, plant and equipment and intangible assets are corporate assets, depreciation, and increases in property plant and equipment and intangible assets that are not assigned to specific segments.

2. The segment income matches operating profit in the consolidated statement of income.

Fiscal year ended June 2026 (July 1, 2025 - June 30, 2026)

(Thousand yen)

	Reporting segments			Adjustment	Amount on the consolidated statement of income
	Medical Device	Welfare Device	Total		
Net sales					
Sales to outside customers	296,023,222	6,313,552	302,336,775	-	302,336,775
Intersegment sales or transfers	17,248	15	17,263	(17,263)	-
Total	296,040,471	6,313,567	302,354,039	(17,263)	302,336,775
Segment income	9,668,095	587,475	10,255,571	(8,474,724)	1,780,846
Segment assets	78,461,328	1,723,270	80,184,599	32,409,969	112,594,568
Others					
Depreciation	749,904	534,766	1,284,671	642,291	1,926,962
Increases in property, plant and equipment and intangible assets	844,087	495,046	1,339,134	231,603	1,570,738

(Notes) 1. The following adjustments have been made:

1) The 8,474,724 thousand yen negative adjustment for segment income includes 26,003 thousand yen for intersegment transaction eliminations, 299,379 thousand yen deduction for amortization of goodwill and 8,201,348 thousand yen deduction for corporate expenses that cannot be assigned to specific segments. Corporate expenses are primarily operating expenses of parent company and general and administrative expenses that do not belong to specific segments.

2) Adjustments to segment assets, depreciation, and increases in property, plant and equipment and intangible assets are corporate assets, depreciation, and increases in property plant and equipment and intangible assets that are not assigned to specific segments.

2. The segment income matches operating profit in the consolidated statement of income.

[Related information]

Fiscal year ended June 2025 (July 1, 2024 - June 30, 2025)

1. Information by products and services

Because the same information is disclosed in the segment information section, it has been omitted here.

2. Information by region

(1) Net sales

Not applicable as we do not have any sales to outside customers located outside of Japan.

(2) Property, plant and equipment

Not applicable as we do not have any property, plant and equipment located outside of Japan.

3. Information by primary customers

Because we do not have any outside customers who account for at least 10% of net sales stated in our consolidated statements of income, this information is omitted.

Fiscal year ended June 2026 (July 1, 2025 - June 30, 2026)

1. Information by products and services

Because the same information is disclosed in the segment information section, it has been omitted here.

2. Information by region

(1) Net sales

Not applicable as we do not have any sales to outside customers located outside of Japan.

(2) Property, plant and equipment

Not applicable as we do not have any property, plant and equipment located outside of Japan.

3. Information by primary customers

Because we do not have any outside customers who account for at least 10% of net sales stated in our consolidated statements of income, this information is omitted.

[Information about impairment loss on non-current assets by reporting segment]

Fiscal year ended June 2025 (July 1, 2024 - June 30, 2025)

(Thousand yen)

	Reporting segments			Corporate/ Elimination	Total
	Medical Device	Welfare Device	Total		
Impairment loss	43,877	805	44,682	-	44,682

Fiscal year ended June 2026 (July 1, 2025 - June 30, 2026)

(Thousand yen)

	Reporting segments			Corporate/ Elimination	Total
	Medical Device	Welfare Device	Total		
Impairment loss	104,959	156	105,115	243,290	348,406

(Note) The amount of “Corporate/Elimination” is impairment loss on the company that do not belong to any reporting segment.

[Information about amortization and unamortized balance of goodwill by reporting segment]

Fiscal year ended June 2025 (July 1, 2024 - June 30, 2025)

(Thousand yen)

	Reporting segments			Corporate/ Elimination	Total
	Medical Device	Welfare Device	Total		
Amortization during the period	-	-	-	329,379	329,379
Balance at the end of period	-	-	-	1,197,695	1,197,695

(Note) The amount of “Corporate/Elimination” is impairment loss on the company that do not belong to any reporting segment.

Fiscal year ended June 2026 (July 1, 2025 - June 30, 2026)

(Thousand yen)

	Reporting segments			Corporate/ Elimination	Total
	Medical Device	Welfare Device	Total		
Amortization during the period	-	-	-	299,379	299,379
Balance at the end of period	-	-	-	655,025	655,025

(Note) The amount of “Corporate/Elimination” is impairment loss on the company that do not belong to any reporting segment.

[Information about gain on negative goodwill by reporting segment]

Fiscal year ended June 2025 (July 1, 2024 - June 30, 2025)

None

Fiscal year ended June 2026 (July 1, 2025 - June 30, 2026)

None

(Per share information)

	Fiscal year ended June 2025 (July 1, 2024 - June 30, 2025)	Fiscal year ended June 2026 (July 1, 2025 - June 30, 2026)
Net assets per share	920.89 yen	932.55 yen
Earnings per share	61.91 yen	42.45 yen
Earnings per share fully diluted	61.85 yen	42.38 yen

(Note) 1. The basis for calculating earnings per share and earnings per share fully diluted is as below.

	Fiscal year ended June 2025 (July 1, 2024 - June 30, 2025)	Fiscal year ended June 2026 (July 1, 2025 - June 30, 2026)
Earnings per share		
Profit attributable to owners of parent (thousand yen)	1,375,426	944,092
Amount not attributable to common shareholders (thousand yen)	—	—
Profit attributable to owners of parent related to common shares (thousand yen)	1,375,426	944,092
Average number of common shares during the period (shares)	22,214,640	22,237,259
Earnings per share fully diluted		
Adjustments to profit attributable to owners of parent (thousand yen)	—	—
Increase in number of common shares (shares)	22,666	37,481
(of which, Compensation for the common shares above through ex post facto-type share-based compensation (shares))	(22,666)	(37,481)
Summary of dilutive shares not included in the calculation of earnings per share fully diluted due to non-dilutive effect	—	—

2. The basis for calculating the net assets per share is as below.

	As of June 30, 2025	As of June 30, 2026
Total net assets (thousand yen)	20,478,129	20,746,779
Amount to be deducted from total net assets (thousand yen)	—	9,366
(of which, non-controlling interests) (thousand yen)	(—)	(9,366)
Net assets pertaining to common shares at end of period (thousand yen)	20,478,129	20,737,413
Number of common shares at end of period used to calculate net assets per share (shares)	22,237,259	22,237,259

(Significant subsequent events)

None

4. Other

(1) Changes in executive officers

A. Change in Representative Director

None

B. Changes in other officers

None