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May 13, 2026

**Consolidated Financial Results for the Fiscal Year Ended March 31, 2026
(Under Japanese GAAP)**

Company name: TOHO HOLDINGS CO.,LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 8129
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 Scheduled date of annual general meeting of shareholders: June 26, 2026
 Scheduled date to commence dividend payments: June 5, 2026
 Scheduled date to file annual securities report: June 24, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for Institutional Investors and Analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	1,553,364	2.3	16,601	-12.3	16,631	-19.7	17,327	-12.7
March 31, 2025	1,518,495	2.8	18,936	-2.0	20,716	-4.9	19,844	-3.9

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥18,665 million [15.5%]
 For the fiscal year ended March 31, 2025: ¥16,160 million [-21.9%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2026	271.18	260.98	6.6	2.3	1.1
March 31, 2025	313.20	284.22	7.8	2.8	1.2

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2026: ¥-1,936 million

For the fiscal year ended March 31, 2025: ¥-189 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	740,781	271,560	36.6	4,193.25
March 31, 2025	722,805	256,897	35.5	4,099.71

Reference: Equity

As of March 31, 2026: ¥271,310 million

As of March 31, 2025: ¥256,654 million

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	19,243	822	-16,346	83,286
March 31, 2025	-26,675	-4,180	-20,364	78,226

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	—	25.00	—	40.00	65.00	4,140	20.8	1.6
Fiscal year ended March 31, 2026	—	45.00	—	120.00	165.00	10,710	60.8	4.0
Fiscal year ending March 31, 2027 (Forecast)	—	90.00	—	90.00	180.00		90.3	

3. Consolidated financial forecast for fiscal year ending March 31, 2027(from April 1, 2026 to March 31, 2027)

(Percentages indicate the rate of change compared with the preceding fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First Half	797,000	3.8	6,300	-13.2	7,200	-13.6	4,200	-32.7	64.91
Full year	1,601,000	3.1	14,800	-10.9	16,600	-0.2	12,900	-25.6	199.38

* **Notes**

- (1) Changes in significant subsidiaries during the period: Yes
 Newly included: 1 company (K-CREATE Inc.)
 Excluded: — companies
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 (ii) Changes in accounting policies due to other reasons: None
 (iii) Changes in accounting estimates: None
 (iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2026	73,025,942 shares
As of March 31, 2025	73,025,942 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2026	8,324,319 shares
As of March 31, 2025	10,422,804 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	63,898,547 shares
Fiscal year ended March 31, 2025	63,360,661 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2026	16,031	2.8	6,882	-1.5	7,330	-4.2	14,502	4.6
March 31, 2025	15,597	24.6	6,983	83.4	7,648	56.6	13,861	5.7

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	226.93	218.33
March 31, 2025	218.73	198.34

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	245,913	161,455	65.6	2,493.03
March 31, 2025	242,556	150,444	62.0	2,400.68

Reference: Equity As of March 31, 2026: ¥161,331 million As of March 31, 2025: ¥150,317 million

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

* Proper use of earnings forecasts, and other special matters

- Any forward-looking statements contained in this report, including performance projections, are based on information currently available to the Company as well as certain assumptions that the Company considers rational at the time of the release of this report, and does not indicate that the Company undertakes to achieve such results. Actual results may differ significantly from the projections above, due to a variety of factors. As for precautions regarding the use of the Performance Projections and the conditions underlying the assumptions for the Performance Projections, refer to Section "1. Summary of Management Results (4) Projections for the Next Fiscal Year" on Page 5 of the Attached Document.

- The Company plans to hold a briefing on the financial results for institutional investors and analysts on the web on May 15, 2026. The Company also intends to provide a record of the progress of the session and the outline of the briefing (voice recording), together with the briefing material, on its website promptly after the briefing.

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1. Summary of Management Results

(1) Summary of Management Results for the Current Fiscal Year

In the pharmaceutical industry during the consolidated fiscal year under review, the interim-period NHI drug price revisions were implemented in April for 53% of all products. In addition, special measures were applied to recalculate unprofitable products and minimum NHI drug prices were raised.

Additionally, with the amendment of the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices in May, deregulation of over-the-counter drug sales, reinforcement of the stable supply system for prescription pharmaceuticals, and enhancement of pharmacy functions, including partial outsourcing of dispensing operations, will be implemented in a phased manner. These developments are expected to further accelerate the transformation of healthcare delivery systems and pharmaceutical distribution. The prescription pharmaceuticals market grew faster than in the corresponding period of the previous year thanks to robust sales of cancer drugs, specialty pharmaceuticals, diabetes medications and herpes zoster vaccines, despite a decrease in sales of COVID-19 related products.

Under these circumstances, as the final year of the Medium-Term Management Plan 2023-2025 "Create the Next Generation," the Group promoted the following measures based on the action plan announced in November 2024.

• **Initiatives for Business Transformation**

We focused on developing the reagents market through the integration of pharmaceutical and reagent operations by our pharmaceutical MSs (Marketing Specialists). At the same time, we further strengthened our business foundation by enhancing management functions through digital transformation (DX), establishing an optimal delivery system through the visualization of distribution costs, and promoting a strategic approach focused on high-profit areas. Starting this April, we have been transitioning to a more agile organizational structure, building on the foundation we established during the Medium-Term Management Plan period.

• **Strengthening of logistics functions and specialty areas**

In addition to commencing construction of "TBC Tokai" (scheduled to become operational in fiscal 2027), a multifunctional logistics center that integrates manufacturer and wholesaler logistics warehouses, we obtained new ISO 9001 certification to further enhance our quality control system and implemented thorough and strengthened internal training on Good Distribution Practice (GDP). In response to the growing specialty areas, we are preparing for the start of operations at the "Haneda Packaging Center," a secondary packaging facility for pharmaceuticals. At the same time, we are participating in new projects utilizing the regenerative medicine ecosystem through collaboration with TEIJIN REGENETCO., LTD. and ITOCHU Corporation. Furthermore, we invested in Ishin Pharma Co., Ltd. in May 2025, and in Surv BioPharma Inc. in January 2026. We also launched "LIMON," a patient home delivery service for specialty products, as part of our efforts to build a comprehensive full-line service for specialty products.

• **Improvement of customer support business**

In June 2025, we entered into a capital and business alliance agreement with Pharmo Co., Ltd. and began handling "EveryPick," the company's cloud-based picking audit system. Furthermore, we are collaborating with Pharmo Co., Ltd. and the Japan Pharmaceutical Association to develop "N-Bridge," a pharmacy DX infrastructure service, and "NB station," a prescription information transmission terminal. Furthermore, in the area of medical appointment systems, we newly released "LXMATE HeLios cloud" and focused our efforts on sales promotion activities. In addition, we are working to integrate AI capabilities into our existing systems and enhance our promotional efforts.

• **Investment for growth**

We established a CVC fund, "TOHO Ventures," aimed at strengthening our existing businesses by promoting open innovation, as well as creating new businesses for the next generation. Focusing on the fields of drug discovery and biotechnology, as well as digital transformation in healthcare, we have been actively identifying leading startups, mainly overseas, and, in April of this year, made an investment in Metaphore Biotechnologies, Inc.

• **Strengthening of governance**

Based on the final report from the "Special Committee for Strengthening Governance," established in August 2024 as an advisory body to the Board of Directors, we have strived to further strengthen our governance. Specifically, we newly appointed a Chief Governance Officer (CGO) as the executive officer responsible for improving the corporate governance of our Group to promote effective governance. Furthermore, we are building a promotion framework by establishing the Compliance Promotion Department and the Group Governance Department.

• **Improvement of capital efficiency and enhancement of shareholder returns**

In line with our dividend policy of a "Dividend on Equity ratio (DOE) of 2% or higher," we increased the annual dividend by 100 yen from the previous fiscal year to 165 yen. At the same time, we proceeded with the acquisition of 10 billion yen of our own shares and the continuous sale of strategic shareholdings.

The Company's consolidated operating results for fiscal year ended March 31, 2026 recorded 1,553,364 million yen for net sales (an increase of 2.3% on a year-on-year basis), 16,601 million yen for operating profit (a decrease

of 12.3% on a year-on-year basis), 16,631 million yen for ordinary profit (a decrease of 19.7% on a year-on-year basis), and 17,327 million yen for profit attributable to owners of parent (a decrease of 12.7% on a year-on-year basis).

Operating results by business segment are as follows.

< Pharmaceutical wholesaling business >

While sales of COVID-19 related products continued to decline, sales grew for cancer drugs and limited-handling products for selected wholesalers such as specialty pharmaceuticals, as well as diabetes medications and herpes zoster vaccines. In terms of initiatives, we improved productivity by clarifying the roles of sales and delivery teams and introducing digital tools such as the Kyoso Mirai Portal and new delivery terminals. We also focused on various training programs, including those for customer support, aimed at enhancing the skills of our sales representatives. In addition, we conducted price negotiations in line with the Ministry of Health, Labour and Welfare's Guidelines for the Improvement of Commercial Transaction Practices of Ethical Drugs for Manufacturers, Wholesalers, and Medical Institutions / Pharmacies, and worked to visualize and optimize distribution costs for each product and customer.

On the other hand, the pharmaceutical wholesaling business was impacted by rising purchase costs. As a result, for the fiscal year under review, the segment posted net sales of 1,494,868 million yen (an increase of 2.1% on a year-on-year basis) and segment profit (operating profit) of 16,820 million yen (a decrease of 11.6% on a year-on-year basis).

< Dispensing pharmacy business >

We worked to reorganize our operating companies and reduced the number of dispensing pharmacy operating companies under PHARMA CLUSTER CO., LTD. from 24 at the end of March 2024 to four as of April 1, 2026. In addition to responding to the revisions to dispensing fees, we have established a prescription input center and are centralizing prescription input tasks from individual stores to save labor and enhance pharmacists' patient-facing duties.

In the consolidated fiscal year under review, despite the occurrence of restructuring expenses that exceeded the benefits, net sales were 100,538 million yen (an increase of 5.2% on a year-on-year basis) and segment profit (operating profit) was 1,397 million yen (an increase of 64.0% on a year-on-year basis).

< Pharmaceutical manufacturing and sales business >

In December 2025, we launched three products across one generic drug ingredient. Furthermore, the Group engaged in the stable supply of high-quality and high value-added pharmaceuticals by strictly monitoring the quality of products based on its own verification system and establishing a planned production and procurement system. At the Haneda Packaging Center, a secondary packaging facility for prescription pharmaceuticals opened within the same facility as TBC DynaBASE, preparations are underway to begin accepting orders within fiscal 2026. The pharmaceutical manufacturing and sales business posted net sales of 11,564 million yen (an increase of 0.9% on a year-on-year basis); however, segment profit (operating profit) was 282 million yen (a decrease of 61.3% on a year-on-year basis) due to factors such as rising costs of sales.

< Other peripheral businesses >

Net sales amounted to 7,048 million yen (an increase of 2.9% on a year-on-year basis) and segment profit (operating profit) was 832 million yen (an increase of 26.9 % on a year-on-year basis).

(Note) Segment sales include inter-segment transactions.

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

(i) Assets

Consolidated current assets as of the end of March 2026 increased 4.0% from the end of the previous consolidated fiscal year to 571,044 million yen, primarily due to an increase in notes and accounts receivable-trade of 14,593 million yen, and an increase in securities of 7,000 million yen.

Non-current assets as of the end of March 2026 decreased 2.4% from the end of the previous year to 169,737 million yen, primarily due to an increase in buildings and structures, net of 2,862 million yen, and a decrease in investment securities of 4,796 million yen.

As a result, consolidated total assets as of the end of March 2026 increased 2.5% from the end of the previous consolidated fiscal year to 740,781 million yen.

(ii) Liabilities

Current liabilities increased 4.2% from the end of the previous consolidated fiscal year to 441,920 million yen, primarily due to an increase in notes and accounts payable-trade of 16,520 million yen.

Non-current liabilities decreased 34.8% from the end of the previous consolidated fiscal year to 27,300 million yen with a decrease in bonds payable of 11,327 million yen.

As a result, total liabilities increased 0.7% year-on-year to 469,221 million yen.

(iii) Net Assets

Total net assets increased 5.7% from the end of the previous consolidated fiscal year to 271,560 million yen, primarily due to an increase in retained earnings of 11,445 million yen, and a decrease in treasury shares of 2,044 million yen.

(3) Summary of Cash Flows for the Current Fiscal Year

Cash and cash equivalents (hereinafter referred to as “cash”) during this consolidated fiscal year increased by 5,059 million yen from the end of the previous consolidated fiscal year. As a result, the balance at the end of this consolidated fiscal year totaled 83,286 million yen. The following describes the three categories of consolidated cash positions during this consolidated fiscal year, as well as the factors responsible.

(i) Cash Flows from Operating Activities

Cash flow from operating activities was an inflow of 19,243 million yen (an increase of 45,919 million yen from the previous fiscal year). Although inflow was secured by some positive factors such as net profit before income taxes of 26,141 million yen, and depreciation of 6,056 million yen, and an increase in trade payables of 15,764 million yen, these were somewhat offset by negative factors including an increase in trade receivables of 14,014 million yen, and income taxes paid of 7,528 million yen.

(ii) Cash Flows from Investing Activities

Cash flow from investing activities was an inflow of 822 million yen (an increase of 5,002 million yen from the previous fiscal year). Although inflow was secured by some positive factors such as proceeds from withdrawal of time deposits of 9,490 million yen, and proceeds from sales and redemption of securities of 3,000 million yen, and proceeds from sale of property, plant and equipment of 2,219 million yen, and proceeds from sale and redemption of investment securities of 14,826 million yen, these were somewhat offset by negative factors including payments into time deposits of 4,642 million yen, purchase of securities of 10,000 million yen, and purchases of property, plant and equipment of 6,221 million yen.

(iii) Cash Flows from Financing Activities

Cash flow from financing activities was an outflow of 16,346 million yen (an increase of 4,018 million yen from the previous fiscal year). These were primarily due to negative factors such as a purchases of treasury shares of 10,002 million yen, and dividends paid of 5,449 million yen.

(Reference) Trends in key indicators of cash flows

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Shareholder’s Equity Ratio (%)	34.3	33.9	32.2	35.5	36.6
Shareholder’s Equity Ratio at Market Value (%)	18.6	22.0	29.6	38.6	41.6
Ratio of cash flows to interest-bearing debts (%)	259.4	—	53.1	—	41.2
Interest Coverage Ratio (times)	209.5	—	961.6	—	336.7

Shareholders’ equity ratio: Shareholders’ equity / Total assets

Shareholders’ equity ratio at market value: Total market value of stock / Total assets

Ratio of cash flows to interest-bearing debts: Interest-bearing debts / Cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities / Interest paid

- All indicators are calculated using consolidated financial data.
- The total market value of stock is calculated by multiplying the closing price of stock at the end of the fiscal year by the number of shares outstanding at the end of the fiscal year (after deducting treasury shares).
- Cash flows from operating activities is the “Cash Flows from Operating Activities” in the Consolidated Statements of Cash Flows. Interest-bearing debt is all the interest-bearing debts in the Consolidated Balance Sheets. Interest paid is the interest payments in the Statements of Consolidated Cash Flows.
- Neither ratio of cash flows to interest-bearing debts of Fiscal year ended March 31, 2023 and Fiscal year ended March 31, 2025 nor interest coverage ratio is written due to negative cash flows from operating activities.

(4) Projections for the Next Fiscal Year

In the prescription pharmaceuticals market for the next fiscal year (ending March 2027), the business environment is expected to remain challenging due to the continued decline in drug prices following the NHI drug price revisions implemented in April 2026, as well as further increases in the costs of procurement from pharmaceutical companies and the persistently difficult business environment faced by medical institutions.

Against this backdrop, the “Guidelines for the Improvement of Commercial Transaction Practices of Ethical Drugs for Manufacturers, Wholesalers, and Medical Institutions/Pharmacies” revised in March 2026, aims to ensure the long-term stability of distribution functions through the unified efforts of distribution stakeholders. In accordance with the Guidelines, the Group will continue to strive to ensure appropriate pricing, promote negotiations on individual item prices, maintain a stable supply, and improve distribution efficiency. Furthermore, we have newly formulated the Medium-term Management Plan 2026-2028, titled "Soaring into the Next Generation," with the fiscal year ending March 2029 as its final year. We position the Medium-term Management Plan period as a phase for accelerating growth investments to drive profitability. By strengthening the profitability of our pharmaceutical wholesaling business and rapidly expanding our new businesses, which constitute our two key pillars, we aim to transform into a comprehensive healthcare solutions provider. For more details, please refer to the "Notice Regarding the Formulation of the Medium-term Management Plan 2026-2028: 'Soaring into the Next Generation'" disclosed on April 28.

Accordingly, for the next fiscal year ending March 31, 2027, the Company forecasts net sales of 1,601,000 million yen (an increase of 3.1% year on year), operating profit of 14,800 million yen (a decrease of 10.9% on a year-on-year basis), ordinary profit of 16,600 million yen (a decrease of 0.2% on a year-on-year basis), and profit attributable to owners of parent of 12,900 million yen (a decrease of 25.6% on a year-on-year basis).

	Fiscal year ended March 31, 2026		Fiscal year ending March 31, 2027			
	Result (Millions of yen)	% of net sales	Forecast (Millions of yen)	% of net sales	Incr. or decr. (Millions of yen)	YoY change (%)
Net sales	1,553,364		1,601,000		47,635	3.1
Gross profit	122,416	7.9	123,800	7.7	1,383	1.1
Selling, general and administrative expenses	105,815	6.8	109,000	6.8	3,184	3.0
Operating profit	16,601	1.1	14,800	0.9	-1,801	-10.9
Ordinary profit	16,631	1.1	16,600	1.0	-31	-0.2
Profit attributable to owners of parent	17,327	1.1	12,900	0.8	-4,427	-25.6

2. State of the Corporate Group

For the purposes hereof, the Group (TOHO HOLDINGS CO.,LTD. and its associated companies) or simply the “Group” consists of TOHO HOLDINGS CO.,LTD. or simply the “Company,” 43 subsidiaries, and 17 affiliates. The Group’s primary business operations and their positions, and their relationships with the segments classified by types of business operations are described below.

The following 4 divisions are the same as the categories of the segments described in “Segment Information”.

(1) Pharmaceutical Wholesaling Business

The Company’s 4 consolidated subsidiaries (TOHO PHARMACEUTICAL CO., LTD., Kyushu Toho Co., Ltd., SAYWELL inc., and KOYO Co., Ltd.), 5 unconsolidated subsidiaries and 4 affiliates (SAKAI MEDICINES CO., LTD and other 3 affiliates) purchase pharmaceuticals and health-related products, mainly from pharmaceutical manufacturers, for distribution primarily to hospitals, clinics, and dispensing pharmacies.

As for the products purchased from pharmaceutical manufacturers, etc., the consolidated subsidiaries mentioned above supply these products to 10 subsidiaries (PHARMA DAIWA, J.MIRAIMEDICAL, PHARMA MIRAI INC., Strelitzia, AOBADO, K-CREATE Inc. and other 4 subsidiaries) and 3 affiliates.

TOHO SYSTEMS SERVICE CO.,LTD. (a consolidated subsidiary) is mainly engaged in core system operations such as data processing for the Kyoso Mirai Group (the Company, affiliates which are mainly engaged in wholesale sales of pharmaceuticals, and companies that have a business tie-up with the Group). SQUARE·ONE Co., Ltd. (a consolidated subsidiary) is engaged in real estate agency business.

(2) Dispensing Pharmacy Business

The Company’s 6 consolidated subsidiaries (PHARMA DAIWA, J.MIRAIMEDICAL, PHARMA MIRAI INC., Strelitzia, AOBADO, and K-CREATE Inc.), 4 unconsolidated subsidiaries and 3 affiliates are primarily engaged in health insurance dispensing pharmacies business.

PHARMA CLUSTER CO., LTD. (a consolidated subsidiary) is engaged in the management of the dispensing pharmacies business.

(3) Pharmaceutical Manufacturing and Sales Business

The Company’s 1 consolidated subsidiary (KYOSOMIRAI PHARMA CO., LTD.) and 2 affiliates (AYUMI Pharmaceutical Holdings, AYUMI Pharmaceutical Corporation) manufacture and sell pharmaceuticals.

KYOSOMIRAI PHARMA CO., LTD. (a consolidated subsidiary) manufactures and sells generic drugs and produces injection drugs on consignment. Generic drugs are mainly supplied to TOHO PHARMACEUTICAL CO., LTD. (our consolidated subsidiary)

(4) Other Peripheral Businesses

The Company’s 5 consolidated subsidiaries (Tokyo Research Center of Clinical Pharmacology Co., Ltd., ALF.Inc, Nextit Research Institute, Inc., eKenkoshop Corporation and K.K.eHealthcare), 15 unconsolidated subsidiaries and 8 affiliates are engaged in peripheral businesses related to the above businesses.

3. Business Management Policy

Setting “Total Commitment to Good Health” as our corporate slogan and under the mission statement, “We shall live in harmony with society and our customers; together, we shall create new values through the provision of original service; and we shall contribute to the medical care and well-being of people around the world”, the Group always places ultimate priority on people who wish to be healthy, makes efforts to create customer value in order to increase customer satisfaction, and aims to improve corporate value and establish a corporate brand in the market.

In Japan today, various measures are being introduced to curb medical costs with the aim of developing and maintaining sustainable social security systems amidst extending healthy life expectancy, a super-aging society, and a declining total population. These include the annual revision of NHI drug prices, the introduction of "selective treatment" fees for long-term listed products, and ongoing discussions regarding additional co-payments for drugs similar to over-the-counter (OTC) medicines. At the same time, efforts to promote medical DX and build a "Community-based Integrated Care System" are accelerating to ensure the provision of high-quality medical services and care. Furthermore, in recent years, pharmaceutical modalities have diversified with the emergence of high-priced drugs that require strict management, such as gene therapy and regenerative medical products. Consequently, establishing sales and logistics systems capable of responding to these changes has become an urgent priority.

Amidst the further accelerating environmental changes in the medical and pharmaceutical industries, we newly formulated the Medium-term Management Plan 2026-2028, "Soaring into the Next Generation," with fiscal 2028 as the final year, in order to continue to be a company that contributes to society by providing added value to all our stakeholders, including medical institutions and people wishing for good health. We position the period of this Medium-term Management Plan as a "monetization phase" built on the "foundation" for the next generation established during the previous plan. We will implement strategies and measures focused on achieving a discontinuous leap in operating profit through further investment aimed at growth. Along with strengthening the

profitability of the pharmaceutical wholesaling business, which is our core business, we will transform into a "Comprehensive Healthcare Solutions Provider" that creates and provides new value to all stakeholders involved in the healthcare business through the rapid expansion of new businesses by actively executing alliances. Through evolution into a value-creating organization led by self-reliant employees who are unafraid of challenges, we will make a powerful leap into the rapidly changing next generation and realize sustainable growth and the enhancement of corporate value over the medium to long term.

In addition, with the aim of achieving stable and long-term corporate growth and a sustainable society, the Group identifies issues in the areas of the environment, society, governance, and compliance, and promotes sustainability management to resolve them. As a company responsible for the distribution of pharmaceuticals and other products, we regard balancing environmental conservation with our business activities as one of our highest priorities. Accordingly, we have established medium- and long-term targets for reducing greenhouse gas emissions. We are committed to these goals through proactive measures such as improving delivery efficiency to reduce mileage, and switching to renewable energy by installing solar panels at our business sites. In addition to these internal initiatives, we are also working to reduce our environmental impact across the entire supply chain through collaboration with other companies.

Regarding the utilization of human resources, based on our philosophy that employees are the company's assets, or "human assets," we actively appoint a diverse range of individuals regardless of gender, nationality, disability, age, or values. We will implement system reforms to foster the growth of each employee and strengthen our organization; introduce appropriate talent allocation and training systems aligned with our management strategy; and transform our corporate culture with a focus on psychological safety. Through these efforts, we aim to cultivate self-directed talent who are unafraid to take on challenges, thereby evolving into an organization that creates value.

Furthermore, to ensure management transparency and fairness, we will establish a robust governance framework by strengthening the Board of Directors' oversight functions and implementing an effective internal control system. We will maintain the soundness of our management by establishing a risk management framework to accurately identify and assess risks, thereby preventing losses and minimizing their impact. Furthermore, all executives and employees will act with "compliance with relevant laws and regulations" as their top priority, and we will practice disciplined management to build strong trust with our stakeholders.

In addition, in recognition of its public nature as a medical and health-related company and its mission as a social infrastructure, the Company will continue to invest in measures against earthquakes and pandemics, and other measures necessary for the stable supply of pharmaceuticals, based on the trust and sympathy of each stakeholder, in order to sustain the medical care system even in an emergency.

Through the implementation of the above-mentioned measures, we will strive to become a corporate group relied upon and continuously supported by all stakeholders including people who wish to be healthy, customers, local communities, shareholders and employees.

4. Basic Idea for Selection of Accounting Standards

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

The Group will appropriately apply international accounting standards, while taking domestic and overseas situations into account.

5. Consolidated Financial Statements and Major Notes
(1) Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	86,533	87,361
Notes receivable - trade	1,828	1,595
Accounts receivable - trade	330,663	345,489
Securities	—	7,000
Merchandise and finished goods	90,787	89,823
Raw materials and supplies	207	152
Purchase rebates receivable	11,781	11,648
Other	27,531	28,262
Allowance for doubtful accounts	-385	-288
Total current assets	548,946	571,044
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	34,220	37,082
Machinery, equipment and vehicles, net	184	179
Furniture and fixtures, net	7,417	6,497
Land	41,592	40,666
Leased assets, net	1,343	1,800
Construction in progress	2,086	2,914
Total property, plant and equipment	86,844	89,140
Intangible assets		
Goodwill	193	89
Other	5,893	7,989
Total intangible assets	6,087	8,079
Investments and other assets		
Investment securities	64,095	59,298
Long-term loans receivable	1,159	1,054
Deferred tax assets	3,254	2,216
Other	13,959	11,299
Allowance for doubtful accounts	-1,541	-1,352
Total investments and other assets	80,927	72,517
Total non-current assets	173,858	169,737
Total assets	722,805	740,781

(Unit: million yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable-trade	397,722	414,243
Short-term borrowings	122	80
Current portion of long-term borrowings	1,595	394
Lease liabilities	590	714
Income taxes payable	5,879	6,443
Contract liabilities	162	105
Accrued expenses	2,997	2,639
Provision for bonuses	3,583	3,795
Provision for bonuses for directors	42	49
Asset retirement obligations	—	19
Other	11,311	13,434
Total current liabilities	424,008	441,920
Non-current liabilities		
Bonds payable	13,081	1,753
Long-term borrowings	4,478	5,282
Lease liabilities	1,394	1,667
Deferred tax liabilities	10,648	10,974
Provision for loss on guarantees	286	566
Deferred tax liabilities for land revaluation	721	651
Retirement benefit liability	2,764	2,847
Asset retirement obligations	2,958	3,003
Provision for loss on Antimonopoly Act	4,849	—
Other	715	554
Total non-current liabilities	41,899	27,300
Total liabilities	465,907	469,221
Net assets		
Shareholders' equity		
Share capital	10,649	10,649
Capital surplus	45,212	45,212
Retained earnings	218,932	230,378
Treasury shares	-28,819	-26,775
Total shareholders' equity	245,975	259,465
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,089	16,417
Revaluation reserve for land	-4,409	-4,572
Total accumulated other comprehensive income	10,679	11,844
Share acquisition rights	126	123
Non-controlling interests	116	126
Total net assets	256,897	271,560
Total liabilities and net assets	722,805	740,781

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

(Unit: million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	1,518,495	1,553,364
Cost of sales	1,396,847	1,430,947
Gross profit	121,648	122,416
Selling, general and administrative expenses		
Remuneration, salaries and allowances for directors	44,547	45,649
Provision for bonuses	3,615	3,878
Provision for bonuses for directors	42	49
Retirement benefit expenses	435	439
Welfare expenses	8,043	8,333
Vehicle expenses	1,007	969
Provision of allowance for doubtful accounts	239	-147
Depreciation	5,499	5,562
Amortization of goodwill	150	104
Rent expenses	7,975	8,171
Taxes and dues	2,070	2,052
Non-deductible temporary paid consumption tax expense	6,791	7,227
Other	22,293	23,523
Total selling, general and administrative expenses	102,711	105,815
Operating profit	18,936	16,601
Non-operating income		
Interest income	93	192
Dividend income	1,068	984
Rental income from real estate	814	816
Other	671	798
Total non-operating income	2,646	2,792
Non-operating expenses		
Interest expense	46	56
Share of loss of entities accounted for using equity method	189	1,936
Commitment fees	12	13
Real estate lease expenses	179	174
Provision for loss on guarantees	138	280
Other	300	301
Total non-operating expenses	866	2,762
Ordinary profit	20,716	16,631

(Unit: million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Extraordinary income		
Gain on sales of non-current assets	2,193	1,454
Gain on sale of investment securities	6,388	9,492
Other	30	670
Total extraordinary income	8,612	11,617
Extraordinary losses		
Loss on disposal of non-current assets	149	293
Impairment losses	54	201
Loss on sale of investment securities	132	—
Loss on valuation of investment securities	903	1,612
Other	31	0
Total extraordinary losses	1,271	2,107
Profit before income taxes	28,056	26,141
Income taxes - current	9,092	8,032
Income taxes - deferred	-892	770
Total income taxes	8,199	8,802
Net profit	19,856	17,338
Profit attributable to non-controlling interests	12	10
Profit attributable to owners of parent	19,844	17,327

Consolidated Statement of Comprehensive Income

(Unit: million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net profit	19,856	17,338
Other comprehensive income		
Valuation difference on available-for-sale securities	-3,624	1,285
Revaluation reserve for land	-15	-1
Share of other comprehensive income of entities accounted for using equity method	-56	42
Total other comprehensive income	-3,696	1,326
Comprehensive income	16,160	18,665
(breakdown)		
Comprehensive income attributable to owners of parent	16,148	18,654
Comprehensive income attributable to non-controlling interests	12	10

(3) Consolidated Statement of Changes in Equity
 Previous fiscal year (From April 1, 2024 to March 31, 2025)

(Unit: million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,649	45,212	209,746	-30,907	234,701
Changes during period					
Dividends of surplus			-3,017		-3,017
Profit attributable to owners of parent			19,844		19,844
Purchase of treasury shares				-15,004	-15,004
Disposal of treasury shares		1,371		7,652	9,024
Cancellation of treasury shares		-1,371	-8,067	9,439	—
Change in scope of consolidation			—		—
Change due to merger with unconsolidated subsidiary			314		314
Reversal of revaluation reserve for land			111		111
Net changes in items other than shareholders' equity					
Total changes during period	—	—	9,185	2,088	11,273
Balance at end of period	10,649	45,212	218,932	-28,819	245,975

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total accumulated other comprehensive income			
Balance at beginning of period	18,770	-4,283	14,486	144	104	249,437
Changes during period						
Dividends of surplus						-3,017
Profit attributable to owners of parent						19,844
Purchase of treasury shares						-15,004
Disposal of treasury shares						9,024
Cancellation of treasury shares						—
Change in scope of consolidation						—
Change due to merger with unconsolidated subsidiary						314
Reversal of revaluation reserve for land						111
Net changes in items other than shareholders' equity	-3,680	-126	-3,807	-17	12	-3,812
Total changes during period	-3,680	-126	-3,807	-17	12	7,460
Balance at end of period	15,089	-4,409	10,679	126	116	256,897

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

(Unit: million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,649	45,212	218,932	-28,819	245,975
Changes during period					
Dividends of surplus			-5,449		-5,449
Profit attributable to owners of parent			17,327		17,327
Purchase of treasury shares				-10,002	-10,002
Disposal of treasury shares			-703	12,047	11,344
Cancellation of treasury shares					—
Change in scope of consolidation			-6		-6
Change due to merger with unconsolidated subsidiary			114		114
Reversal of revaluation reserve for land			161		161
Net changes in items other than shareholders' equity					
Total changes during period	—	—	11,445	2,044	13,490
Balance at end of period	10,649	45,212	230,378	-26,775	259,465

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total accumulated other comprehensive income			
Balance at beginning of period	15,089	-4,409	10,679	126	116	256,897
Changes during period						
Dividends of surplus						-5,449
Profit attributable to owners of parent						17,327
Purchase of treasury shares						-10,002
Disposal of treasury shares						11,344
Cancellation of treasury shares						—
Change in scope of consolidation						-6
Change due to merger with unconsolidated subsidiary						114
Reversal of revaluation reserve for land						161
Net changes in items other than shareholders' equity	1,327	-162	1,164	-3	10	1,172
Total changes during period	1,327	-162	1,164	-3	10	14,662
Balance at end of period	16,417	-4,572	11,844	123	126	271,560

(4) Consolidated Statement of Cash Flows

(Unit: million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	28,056	26,141
Depreciation	5,929	6,056
Impairment losses	54	201
Amortization of goodwill	150	104
Increase (decrease) in retirement benefit liability	179	17
Increase (decrease) in provision for bonuses	-107	163
Increase (decrease) in provision for bonuses for directors (and other officers)	-0	6
Increase (decrease) in allowance for doubtful accounts	192	-285
Increase (decrease) in provision for loss on guarantees	138	280
Interest and dividend income	-1,161	-1,177
Interest expense	46	56
Loss (gain) on sales and retirement of non-current assets	-2,044	-1,161
Loss (gain) on sales and valuation of investment securities	-5,352	-7,879
Decrease (increase) in trade receivables	4,291	-14,014
Decrease (increase) in inventories	-3,489	1,378
Decrease (increase) in other assets	-570	-115
Increase (decrease) in trade payables	-40,755	15,764
Increase (decrease) in other liabilities	-1,420	-1,024
Increase (decrease) in accrued consumption taxes	-2,830	841
Other	169	992
Subtotal	-18,523	26,345
Interest and dividends received	1,114	1,134
Interest paid	-47	-57
Income taxes paid	-10,143	-7,528
Receipt of returned deposit	—	2,554
Settlement paid	—	-4,132
Other	924	926
Net cash provided by operating activities	-26,675	19,423

(Unit: million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from investing activities		
Payments into time deposits	-5,131	-4,642
Proceeds from withdrawal of time deposits	1,122	9,490
Payments into long-term time deposits	-4,000	—
Purchase of securities	—	-10,000
Proceeds from sale and redemption of securities	—	3,000
Purchases of property, plant and equipment	-4,056	-6,221
Proceeds from sale of property, plant and equipment	2,980	2,219
Purchases of intangible assets	-1,701	-3,292
Proceeds from sale of intangible assets	2	4
Purchases of investment securities	-1,536	-3,173
Proceeds from sales and redemption of investment securities	7,933	14,826
Purchase of shares of subsidiaries and associates	-934	-1,990
Payments for acquisition of businesses	-33	—
Payments for asset retirement obligations	-98	-28
Loan advances	-197	-237
Proceeds from collection of loans receivable	1,246	172
Other, net	225	695
Net cash provided by (used in) investing activities	-4,180	822
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-1,269	265
Repayments of long-term borrowings	-413	-397
Purchases of treasury shares	-15,004	-10,002
Repayments of finance lease obligations	-660	-762
Dividends paid	-3,017	-5,449
Net cash provided by (used in) financing activities	-20,364	-16,346
Net increase (decrease) in cash and cash equivalents	-51,220	3,719
Cash and cash equivalents at beginning of period	128,673	78,226
Increase in cash and cash equivalents resulting from merger	774	572
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	767
Cash and cash equivalents at end of period	78,226	83,286

(5) Notes to Consolidated Financial Statements
(Notes Concerning Premise of a Going Business)

This disclosure is not applicable.

(Change in the Presentation of Consolidated Financial Statements)

Loss on investments in investment partnerships, which was presented independently under non-operating expenses in the previous consolidated fiscal year, has been included in others from the current consolidated fiscal year because the amount was 10% or less of the total amount of non-operating expenses. To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, in the consolidated statement of income for the previous consolidated fiscal year, 144 million yen previously presented as loss on investments in investment partnership and 156 million yen previously presented as others under non-operating expenses have been reclassified as others totaling 300 million yen.

(Segment Information)

1. Outline of reportable segments

(1) Method for determining reportable segment

The reportable segments of the Company are those business units included in the Company for which separate financial information is available and which are subject to regular review by the Board of Directors so that it can make decisions about resources to be allocated to them as well as assess their business performance.

The Group has put the pharmaceutical wholesaling and dispensing pharmacies businesses under the control of respective management companies. Each management company formulates comprehensive domestic strategies, while operating companies are engaged in actual operations.

Meanwhile, in the pharmaceutical manufacturing and sales business, other peripheral businesses, the Company and respective operating companies work together in formulating comprehensive domestic strategies as well as in actual operations.

Accordingly, the Group consists of business segments that are based on sales of prescription pharmaceuticals, medical care-related products and services, etc. and has four reportable segments, namely Pharmaceutical Wholesaling, Dispensing Pharmacy, Pharmaceutical Manufacturing and Sales, and Other Peripheral Businesses.

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

The pharmaceutical wholesaling business sells pharmaceuticals, narcotics, reagents, etc., and medical devices.

The dispensing pharmacy business operates health insurance pharmacy, support home medical care services, and sells pharmaceuticals.

The pharmaceutical manufacturing and sales business manufactures and sells generic drugs, and manufactures injection drugs on consignment.

The other peripheral businesses are peripheral businesses related to the above businesses.

2. The calculation method of net sales, profits or losses, assets and other items by reportable segment

The accounting method used for the reportable segments is generally the same as that used in the preparation of the consolidated financial statements.

Reportable segment profit is based on operating profit. The inter-segment internal net sales or transfers are based on prevailing market prices.

3. Information about sales, profit or loss, asset, liabilities, and other items by reportable segment

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

(Unit: million yen)

	Reportable segments					Adjustments (Note 1)	Consolidated total (Note 2)
	Pharmaceutical Wholesaling	Dispensing Pharmacy	Pharmaceutical Manufacturing and Sales	Other Peripheral Businesses	Total		
Net sales							
(1) Sales to external customers	1,415,289	95,531	2,615	5,059	1,518,495	—	1,518,495
(2) Inter-segment sales	48,230	22	8,844	1,791	58,888	-58,888	—
Total	1,463,520	95,553	11,459	6,850	1,577,384	-58,888	1,518,495
Segment profit	19,033	852	729	655	21,270	-2,334	18,936
Segment assets	585,328	58,691	19,446	5,863	669,330	53,475	722,805
Other items							
Depreciation	2,733	891	166	308	4,100	1,829	5,929
Amortization of goodwill	49	67	—	32	150	—	150
Impairment losses	7	46	—	—	54	—	54
Investment in an affiliate accounted for by the equity method	1,893	—	10,833	—	12,726	4	12,731
Unamortized balance of goodwill	65	128	—	—	193	—	193
Capital expenditures	3,585	855	1,774	177	6,393	8	6,402

(Note) 1. Adjustments comprised the following items:

- (1) The adjustment amounts of segment profits represented the elimination of inter-segment transactions, unrealized profit, and corporate expenses not allocated to any reportable segment.
- (2) The adjustment amounts of segment assets included 129,794 million yen of the corporate assets that are not allocated to any business segment, in addition to the elimination of inter-segment transactions. The corporate assets mainly consist of surplus funds under management (cash and deposits) and long-term investment funds (investment securities and other).

2. The amounts of segment profit were subsequently adjusted with the amount of operating profit in the Consolidated Statements of Income.

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

(Unit: million yen)

	Reportable segments					Adjustments (Note 1)	Consolidated total (Note 2)
	Pharmaceutical Wholesaling	Dispensing Pharmacy	Pharmaceutical Manufacturing and Sales	Other Peripheral Businesses	Total		
Net sales							
(1) Sales to external customers	1,444,698	100,535	2,654	5,475	1,553,364	—	1,553,364
(2) Inter-segment sales	50,169	2	8,909	1,572	60,654	-60,654	—
Total	1,494,868	100,538	11,564	7,048	1,614,018	-60,654	1,553,364
Segment profit	16,820	1,397	282	832	19,332	-2,731	16,601
Segment assets	597,950	61,132	17,460	6,118	682,662	58,119	740,781
Other items							
Depreciation	2,680	938	323	215	4,158	1,898	6,056
Amortization of goodwill	49	54	—	—	104	—	104
Impairment losses	148	50	—	—	198	2	201
Investment in an affiliate accounted for by the equity method	2,032	—	8,796	—	10,828	5	10,834
Unamortized balance of goodwill	15	73	—	—	89	—	89
Capital expenditures	9,375	815	958	82	11,231	-16	11,215

(Note) 1. Adjustments comprised the following items:

- (1) The adjustment amounts of segment profits represented the elimination of inter-segment transactions, unrealized profit, and corporate expenses not allocated to any reportable segment.
- (2) The adjustment amounts of segment assets included 136,769 million yen of the corporate assets that are not allocated to any business segment, in addition to the elimination of inter-segment transactions. The corporate assets mainly consist of surplus funds under management (cash and deposits) and long-term investment funds (investment securities and other).

2. The amounts of segment profit were subsequently adjusted with the amount of operating profit in the Consolidated Statements of Income.

(Amounts per Share)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net asset per share	4,099.71 yen	4,193.25 yen
Basic earnings per share	313.20 yen	271.18 yen
Diluted earnings per share	284.22 yen	260.98 yen

(Note) 1. The basis of the calculation of basic earnings per share and diluted earnings per share after adjustments on potential shares is as follows:

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Basic earnings per share		
Profit attributable to owners of parent (million yen)	19,844	17,327
Amount not attributed to shareholders of common share (million yen)	—	—
Profit attributable to owners of parent from common share (million yen)	19,844	17,327
Average number of shares of common share outstanding during the period	63,360,661	63,898,547
Diluted earnings per share		
Adjustment for profit attributable to owners of parent (million yen)	-35	-26
(Including interest income (after deducting the portion equivalent to tax) (million yen))	(-35)	(-26)
Increase in number of shares of common share	6,338,411	2,396,535
(Including share acquisition rights)	(64,156)	(59,536)
(Including bonds with share acquisition rights)	(6,274,255)	(2,336,999)
Outline of potential shares not included in calculation of diluted earnings per share after adjustments on potential shares due to no dilution effect	—	—

2. The basis of the calculation of the net asset per share is as follows:

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Total net asset on the Consolidated Balance Sheets (million yen)	256,897	271,560
Amounts deducted from total net assets (million yen)	242	250
(Including: share acquisition rights) (million yen)	(126)	(123)
(Including: non-controlling interests) (million yen)	(116)	(126)
Net assets available to owners of parent of common share (million yen)	256,654	271,310
Number of shares of common share for computation of net asset per share	62,603,138	64,701,623

(Significant Subsequent Events)

Not applicable.

6. Unconsolidated Financial Statements
(1) Balance Sheets

(Unit: million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Assets		
Current assets		
Cash and deposits	74,933	74,666
Operating accounts receivable	86	30
Securities	—	7,000
Prepaid expenses	30	125
Other accounts receivable	413	580
Short-term loans receivable	26,160	17,955
Other	10	3
Total current assets	101,635	100,361
Non-current assets		
Property, plant and equipment		
Buildings, net	20,841	23,168
Structures, net	495	579
Furniture and fixtures, net	403	391
Land	18,755	17,787
Leased assets, net	311	220
Construction in progress	1,431	2,496
Total property, plant and equipment	42,239	44,644
Intangible assets		
Leasehold interests in land	12	9
Software	831	623
Other	249	2,523
Total intangible assets	1,093	3,156
Investments and other assets		
Investment securities	43,059	39,616
Shares of subsidiaries and affiliates	45,107	48,793
Investments in capital	1,585	1,585
Long-term loans receivable	1,188	1,044
Distressed receivables	2,780	2,620
Long-term prepaid expenses	181	234
Other	5,799	5,851
Allowance for doubtful accounts	-2,113	-1,996
Total investments and other assets	97,588	97,750
Total non-current assets	140,921	145,551
Total assets	242,556	245,913

(Unit: million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Liabilities		
Current liabilities		
Lease liabilities	104	102
Accounts payable-other	202	1,271
Accrued expenses	722	524
Income taxes payable	1,896	2,801
Accrued consumption taxes	185	—
Deposits received	62,850	64,461
Provision for bonuses	81	126
Provision for bonuses for directors	23	31
Other	111	—
Total current liabilities	66,179	69,319
Non-current liabilities		
Bonds payable	13,081	1,753
Lease liabilities	238	140
Deferred tax liabilities	9,546	9,943
Deferred tax liabilities for land revaluation	721	651
Provision for retirement benefits	9	8
Provision for loss on guarantees	286	566
Asset retirement obligations	2,044	2,069
Other	3	3
Total non-current liabilities	25,933	15,138
Total liabilities	92,112	84,458
Net assets		
Shareholders' equity		
Share capital	10,649	10,649
Capital surplus		
Legal capital surplus	46,177	46,177
Total capital surplus	46,177	46,177
Retained earnings		
Legal retained earnings	664	664
Other retained earnings		
Reserve for tax purpose reduction entry of land	2,629	3,249
General reserve	6,336	6,336
Retained earnings brought forward	99,807	107,700
Total retained earnings	109,437	117,950
Treasury shares	-28,859	-26,814
Total shareholders' equity	137,405	147,962
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	17,299	17,918
Revaluation reserve for land	-4,386	-4,549
Total valuation and translation adjustments	12,912	13,369
Share acquisition rights	126	123
Total net assets	150,444	161,455
Total liabilities and net assets	242,556	245,913

(2) Statements of Income

(Unit: million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Operating revenue		
Consulting fee income	1,424	1,463
Real estate lease revenue	4,283	4,649
Dividend income	9,371	9,542
Other	517	377
Total operating revenue	15,597	16,031
Operating expenses		
Real estate related expenses	3,187	3,301
General and administrative expenses		
Remuneration, salaries and allowances for directors	1,255	1,360
Provision for bonuses	81	126
Provision for bonuses for directors	23	31
Provision for retirement benefits	-0	-0
Welfare expenses	180	204
Vehicle expenses	1	1
Provision of allowance for doubtful accounts	130	-117
Depreciation	536	500
Rent expenses	717	728
Taxes and dues	455	486
Other	2,043	2,524
Total operating expenses	8,613	9,149
Operating profit	6,983	6,882
Non-operating income		
Interest income	155	244
Dividend income	996	900
Rental income from real estate	10	11
Other	237	167
Total non-operating income	1,400	1,323
Non-operating expenses		
Interest expense	370	379
Commitment fees	0	1
Provision for loss on guarantees	138	280
Loss on investments in investment partnerships	144	151
Other	6	63
Total non-operating expenses	736	875
Ordinary profit	7,648	7,330

(Unit: million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Extraordinary income		
Gain on sales of non-current assets	2,186	1,439
Gain on sales of investment securities	7,505	10,244
Other	—	1
Total extraordinary income	9,692	11,685
Extraordinary loss		
Loss on disposal of non-current assets	108	249
Impairment losses	4	—
Loss on sale of investment securities	129	—
Loss on valuation of investment securities	903	1,560
Other	5	0
Total extraordinary loss	1,150	1,809
Profit before income taxes	16,190	17,206
Income taxes-currents	1,800	2,666
Income taxes-deferred	529	37
Total income taxes	2,329	2,703
Net profit	13,861	14,502

(3) Statement of Changes in Shareholders' Equity
 Previous fiscal year (From April 1, 2024 to March 31, 2025)

(Unit: million yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	10,649	46,177	—	46,177
Changes during period				
Provision of reserve for tax purpose reduction entry of land				
Reversal of reserve for tax purpose reduction entry of land				
Adjustment to reserve due to change in tax rate				
Dividends of surplus				
Net profit				
Purchase of treasury shares				
Disposal of treasury shares			1,371	1,371
Cancellation of treasury shares			-1,371	-1,371
Reversal of revaluation reserve for land				
Net changes in items other than shareholders' equity				
Total changes during period	—	—	—	—
Balance at end of period	10,649	46,177	—	46,177

	Shareholders' equity						
	Retained earnings					Treasury shares	Total shareholder's equity
	Legal retained earnings	Other retained earnings			Total retained earnings		
Reserve for tax purpose reduction entry of land		General reserve	Retained earnings brought forward				
Balance at beginning of period	664	1,356	6,336	98,193	106,550	-30,947	132,429
Changes during period							
Provision of reserve for tax purpose reduction entry of land		1,325		-1,325	—		—
Reversal of reserve for tax purpose reduction entry of land		-18		18	—		—
Adjustment to reserve due to change in tax rate		-34		34	—		—
Dividends of surplus				-3,017	-3,017		-3,017
Net profit				13,861	13,861		13,861
Purchase of treasury shares						-15,004	-15,004
Disposal of treasury shares						7,652	9,024
Cancellation of treasury shares				-8,067	-8,067	9,439	—
Reversal of revaluation reserve for land				111	111		111
Net changes in items other than shareholders' equity							
Total changes during period	—	1,272	—	1,614	2,887	2,088	4,975
Balance at end of period	664	2,629	6,336	99,807	109,437	-28,859	137,405

(Unit: million yen)

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at beginning of period	21,740	-4,260	17,479	144	150,054
Changes during period					
Provision of reserve for tax purpose reduction entry of land					—
Reversal of reserve for tax purpose reduction entry of land					—
Adjustment to reserve due to change in tax rate					—
Dividends of surplus					-3,017
Net profit					13,861
Purchase of treasury shares					-15,004
Disposal of treasury shares					9,024
Cancellation of treasury shares					—
Reversal of revaluation reserve for land					111
Net changes in items other than shareholders' equity	-4,440	-126	-4,567	-17	-4,585
Total changes during period	-4,440	-126	-4,567	-17	390
Balance at end of period	17,299	-4,386	12,912	126	150,444

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

(Unit: million yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	10,649	46,177	—	46,177
Changes during period				
Provision of reserve for tax purpose reduction entry of land				
Reversal of reserve for tax purpose reduction entry of land				
Adjustment to reserve due to change in tax rate				
Dividends of surplus				
Net profit				
Purchase of treasury shares				
Disposal of treasury shares			—	—
Cancellation of treasury shares			—	—
Reversal of revaluation reserve for land				
Net changes in items other than shareholders' equity				
Total changes during period	—	—	—	—
Balance at end of period	10,649	46,177	—	46,177

	Shareholders' equity						
	Retained earnings					Treasury shares	Total shareholders' equity
	Legal retained earnings	Other retained earnings			Total retained earnings		
		Reserve for tax purpose reduction entry of land	General reserve	Retained earnings brought forward			
Balance at beginning of period	664	2,629	6,336	99,807	109,437	-28,859	137,405
Changes during period							
Provision of reserve for tax purpose reduction entry of land		666		-666	—		—
Reversal of reserve for tax purpose reduction entry of land		-46		46	—		—
Adjustment to reserve due to change in tax rate							—
Dividends of surplus				-5,449	-5,449		-5,449
Net profit				14,502	14,502		14,502
Purchase of treasury shares						-10,002	-10,002
Disposal of treasury shares				-703	-703	12,047	11,344
Cancellation of treasury shares							—
Reversal of revaluation reserve for land				161	161		161
Net changes in items other than shareholders' equity							
Total changes during period	—	620	—	7,892	8,512	2,044	10,557
Balance at end of period	664	3,249	6,336	107,700	117,950	-26,814	147,962

(Unit: million yen)

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at beginning of period	17,299	-4,386	12,912	126	150,444
Changes during period					
Provision of reserve for tax purpose reduction entry of land					—
Reversal of reserve for tax purpose reduction entry of land					—
Adjustment to reserve due to change in tax rate					—
Dividends of surplus					-5,449
Net profit					14,502
Purchase of treasury shares					-10,002
Disposal of treasury shares					11,344
Cancellation of treasury shares					—
Reversal of revaluation reserve for land					161
Net changes in items other than shareholders' equity	619	-162	456	-3	453
Total changes during period	619	-162	456	-3	11,010
Balance at end of period	17,918	-4,549	13,369	123	161,455