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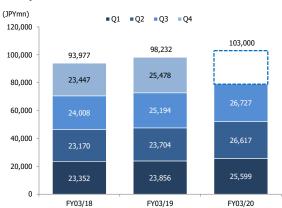
This PDF document is an updated note on the company. A comprehensive version of the report on the company, including this latest update, is available on our website and various professional platforms.

On February 6, 2020, Medical System Network Co., Ltd announced earnings results for Q3 FY03/20.

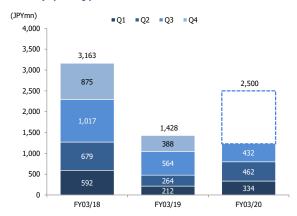
Cumulative		FY03	/18			FY03	/19			FY03/20		FY03	/ 20
(JPYmn)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	% of FY	FY Est.
Sales	23,352	46,522	70,530	93,977	23,856	47,560	72,754	98,232	25,599	52,216	78,943	76.6%	103,000
YoY	8.6%	7.2%	6.5%	5.8%	2.2%	2.2%	3.2%	4.5%	7.3%	9.8%	8.5%		4.9%
Gross profit	9,069	18,109	27,515	36,607	9,079	17,887	27,527	37,271	9,839	19,819	30,225		
YoY	11.0%	10.0%	8.6%	7.2%	0.1%	-1.2%	0.0%	1.8%	8.4%	10.8%	9.8%		
GPM	38.8%	38.9%	39.0%	39.0%	38.1%	37.6%	37.8%	37.9%	38.4%	38.0%	38.3%		
SG&A expenses	8,476	16,837	25,226	33,444	8,867	17,410	26,487	35,842	9,504	19,022	28,997		
YoY	6.5%	5.8%	4.8%	4.3%	4.6%	3.4%	5.0%	7.2%	7.2%	9.3%	9.5%		
SG&A ratio	36.3%	36.2%	35.8%	35.6%	37.2%	36.6%	36.4%	36.5%	37.1%	36.4%	36.7%		
Operating profit	592	1,271	2,288	3,163	212	476	1,040	1,428	334	796	1,228	49.1%	2,500
YoY	179.2%	131.5%	80.7%	49.7%	-64.2%	-62.5%	-54.5%	-54.9%	57.5%	67.2%	18.1%		75.1%
OPM	2.5%	2.7%	3.2%	3.4%	0.9%	1.0%	1.4%	1.5%	1.3%	1.5%	1.6%		2.4%
Recurring profit	590	1,272	2,334	3,250	192	438	1,010	1,501	323	784	1,208	50.3%	2,400
YoY	196.5%	134.7%	84.4%	54.1%	-67.5%	-65.6%	-56.7%	-53.8%	68.2%	79.0%	19.6%		59.9%
RPM	2.5%	2.7%	3.3%	3.5%	0.8%	0.9%	1.4%	1.5%	1.3%	1.5%	1.5%		2.3%
Net income	289	363	944	1,022	101	119	372	462	97	218	326	50.2%	650
YoY	-	450.0%	185.2%	79.0%	-65.1%	-67.2%	-60.6%	-54.8%	-4.0%	83.2%	-12.4%		40.7%
Net margin	1.2%	0.8%	1.3%	1.1%	0.4%	0.3%	0.5%	0.5%	0.4%	0.4%	0.4%		0.6%
Quarterly		FY03,				FY03,				FY03/20			
(JPYmn)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3		
Sales	23,352	23,170	24,008	23,447	23,856	23,704	25,194	25,478	25,599	26,617	26,727		
YoY	8.6%	5.8%	5.2%	3.5%	2.2%	2.3%	4.9%	8.7%	7.3%	12.3%	6.1%		
Gross profit	9,069	9,040	9,406	9,092	9,079	8,808	9,640	9,744	9,839	9,980	10,406		
YoY	11.0%	9.1%	6.0%	2.9%	0.1%	-2.6%	2.5%	7.2%	8.4%	13.3%	7.9%		
GPM	38.8%	39.0%	39.2%	38.8%	38.1%	37.2%	38.3%	38.2%	38.4%	37.5%	38.9%		
SG&A expenses	8,476	8,361	8,389	8,218	8,867	8,543	9,077	9,355	9,504	9,518	9,975		
YoY	6.5%	5.2%	2.8%	2.9%	4.6%	2.2%	8.2%	13.8%	7.2%	11.4%	9.9%		
SG&A ratio	36.3%	36.1%	34.9%	35.0%	37.2%	36.0%	36.0%	36.7%	37.1%	35.8%	37.3%		
Operating profit	592	679	1,017	875	212	264	564	388	334	462	432		
YoY	179.2%	101.5%	41.8%	3.3%	-64.2%	-61.1%	-44.5%	-55.7%	57.5%	75.0%	-23.4%		
OPM	2.5%	2.9%	4.2%	3.7%	0.9%	1.1%	2.2%	1.5%	1.3%	1.7%	1.6%		
Recurring profit	590	682	1,062	916	192	246	572	491	323	461	424		
	405 -01				-67.5%	-63.9%	-46.1%	-46.4%	68.2%	87.4%	-25.9%		
YoY	196.5%	98.8%	46.7%	8.7%									
RPM	2.5%	2.9%	4.4%	3.9%	0.8%	1.0%	2.3%	1.9%	1.3%	1.7%	1.6%		
RPM Net income		2.9% 74	4.4% 581	3.9% 78	0.8% 101	1.0% 18	253	90	97	121	108		
RPM	2.5%	2.9%	4.4%	3.9%	0.8%	1.0%							

Source: Shared Research based on company data
Note: Figures may differ from company materials due to differences in rounding methods.

Quarterly sales



Quarterly operating profit



Source: Shared Research based on company data





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Quarterly results

By segment (cumulative) (JPYmn)	01	FY03/				01	FY03/19 Q2 retro	03 :		FY03/20		FY03/:	
Sales	Q1 23,856	Q2 47,560	Q3 72,754	Q4 98,232	Sales	Q1 retro 23,856	47,560	Q3 retro 25,599	Q1 25,599	Q2 52,216	Q3 78,943	% of FY 76.6%	FY Est. 103,000
YoY	2.2%	2.2%	3.2%	4.5%	YoY	2.2%	2.2%	7.3%	7.3%	9.8%	8.5%	70.070	4.9%
Pharmaceuticals Network	955	1,818	2,897	3,951	Pharmaceuticals Network	22,564	44,717	24,224	24,224	49,290	74,636		
YoY	9.1%	5.2%	8.3%	8.6%	YoY	-	-	7.4%	7.4%	10.2%	9.1%		
% of total	3.9%	3.7%	4.0%	3.9%	% of total	94.1%	94.7%	94.1%	94.1%	93.6%	93.8%		
Dispensing Pharmacy	22,222	44,035	67,291	90,706									
YoY % of total	3.2% 90.3%	2.7% 89.8%	3.2% 91.8%	4.1% 89.5%									
Leasing and Facility-related	600	1,508	2,382	3,320	Leasing and Facility-related	600	1,508	760	760	1,829	2,659		
YoY	15.2%	38.9%	52.6%	63.5%	YoY	15.2%	38.9%	26.7%	26.7%	21.3%	11.6%		
% of total	2.4%	3.1%	3.3%	3.3%	% of total	2.5%	3.1%	3.0%	3.0%	3.5%	3.3%		
Food Service	788	1,586	2,382	3,161	Food Service	788	1,586	730	730	1,434	2,128		
YoY	-31.8%	-31.0%	-27.4%	-23.0%	YoY	-31.8%	-31.0%	-7.4%	-7.4%	-9.6%	-10.7%		
% of total	3.2%	3.2%	3.3%	3.1%	% of total	3.3%	3.2%	2.8%	2.8%	2.7%	2.7%		
Other	33	91	166	261	Other	33	91	38	38	79	122		
YoY	0.0%	71.7%	133.8%	183.7%	YoY	0.0%	71.7%	15.2%	15.2%	-13.2%	-26.5%		
% of total	0.1% -743	0.2% -1,479	0.2% -523	0.3% -3,167	% of total	0.1%	0.2% 320	0.1% -154	0.1% -154	0.2% -417	0.2%		
Segment sales adjustments Operating profit	212	476	1,040		Segment sales adjustments Operating profit	-130 212	476	334	334	796	-603 1,228	49.1%	2,500
YoY	-64.2%	-62.5%	-54.5%	-54.9%	YoY	-64.2%	-62.5%	57.5%	57.5%	67.2%	18.1%	49.170	75.1%
Pharmaceuticals Network	554	1,060	1,697	2,331	Pharmaceuticals Network	642	1,227	825	825	1,736	2,764		75.270
YoY	17.6%	13.5%	17.5%	19.6%	YoY	-	-,	28.5%	28.5%	41.5%	18.5%		
OPM	58.0%	58.3%	58.6%	59.0%	OPM	2.8%	2.7%	3.4%	3.4%	3.5%	3.7%		
Dispensing Pharmacy	130	202	712	1,068									
YoY	-78.0%	-83.4%	-67.8%	-65.1%									
OPM	0.6%	0.5%	1.1%	1.2%									
Leasing and Facility-related	-32	10	-51	-84	Leasing and Facility-related	-32	10	-8	-8	68	67		
YoY OPM	F 20/	0.7%	-2.1%	2 50/	YoY OPM	-5.3%	0.70/	1 10/	1 10/	580.0%	-		
Food Service	-5.3% 1	18	-2.1% 28	-2.5% 34	Food Service	-5.3%	0.7% 18	-1.1% -12	-1.1% -12	3.7% -34	-38		
YoY	-80.0%	-47.1%	-42.9%	-24.4%	YoY	-80.0%	-47.1%	-	- 12	-	-		
OPM	0.1%	1.1%	1.2%	1.1%	OPM	0.1%	1.1%	-1.6%	-1.6%	-2.4%	-		
Other	-36	-57	-82	-136	Other	-29	-57	-21	-21	-39	-56	-	
YoY	-	-	-	-	YoY	-	-	-	-	-	-		
OPM	-109.1%	-62.6%	-49.4%	-52.1%	OPM	-87.9%	-62.6%	-55.3%	-55.3%	-49.4%			
Segment profit adjustments	-405	-721	-1,186	-1,784	Segment profit adjustments	-369	-721	-447	-447	-934	-1,508		
By segment (quarterly)		FY03/	19				FY03/19			FY03/20			
1DV\	01	00	02	04		01	02	02	01	00	02		
	Q1	Q2	Q3	Q4	Salac	Q1 retro	Q2 retro	Q3 retro	Q1	Q2	Q3		
iales	23,856	23,704	25,194	25,478		23,856	23,704	25,599	25,599	26,617	26,727		
YoY	23,856 2.2%		25,194 4.9%	25,478 8.7%	YoY	23,856 2.2%	23,704 2.3%	25,599 7.3%	25,599 7.3%	26,617 12.3%	26,727 6.1%		
iales	23,856	23,704 2.3%	25,194	25,478		23,856	23,704	25,599	25,599	26,617	26,727		
YoY Pharmaceuticals Network	23,856 2.2% 955	23,704 2.3% 863	25,194 4.9% 1,079	25,478 8.7% 1,054	YoY Pharmaceuticals Network	23,856 2.2%	23,704 2.3%	25,599 7.3% 24,224	25,599 7.3% 24,224	26,617 12.3% 25,066	26,727 6.1% 25,346		
YoY Pharmaceuticals Network YoY	23,856 2.2% 955 9.1%	23,704 2.3% 863 1.2%	25,194 4.9% 1,079 13.9%	25,478 8.7% 1,054 9.3%	YoY Pharmaceuticals Network YoY	23,856 2.2% 22,564	23,704 2.3% 22,153	25,599 7.3% 24,224 7.4%	25,599 7.3% 24,224 7.4%	26,617 12.3% 25,066 13.1%	26,727 6.1% 25,346 2249.0%		
Figure 2 Parmaceuticals Network YoY % of total Dispensing Pharmacy YoY	23,856 2.2% 955 9.1% 4.4% 22,222 3.2%	23,704 2.3% 863 1.2% 3.5% 21,813 2.2%	25,194 4.9% 1,079 13.9% 4.5% 23,256 4.0%	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6%	YoY Pharmaceuticals Network YoY	23,856 2.2% 22,564	23,704 2.3% 22,153	25,599 7.3% 24,224 7.4%	25,599 7.3% 24,224 7.4%	26,617 12.3% 25,066 13.1%	26,727 6.1% 25,346 2249.0%		
Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total	23,856 2.2% 955 9.1% 4.4% 22,222 3.2% 103.2%	23,704 2.3% 863 1.2% 3.5% 21,813 2.2% 89.3%	25,194 4.9% 1,079 13.9% 4.5% 23,256 4.0% 95.9%	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83.3%	YoY Pharmaceuticals Network YoY % of total	23,856 2.2% 22,564 - 94.1%	23,704 2.3% 22,153 - 95.3%	25,599 7.3% 24,224 7.4% 107.3%	25,599 7.3% 24,224 7.4% 107.3%	26,617 12.3% 25,066 13.1% 93.3%	26,727 6.1% 25,346 2249.0% 94.2%		
Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related	23,856 2.2% 955 9.1% 4.4% 22,222 3.2% 103.2% 600	23,704 2.3% 863 1.2% 3.5% 21,813 2.2% 89.3% 908	25,194 4.9% 1,079 13.9% 4.5% 23,256 4.0% 95.9% 874	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83.3% 938	YoY Pharmaceuticals Network YoY % of total Leasing and Facility-related	23,856 2.2% 22,564	23,704 2.3% 22,153	25,599 7.3% 24,224 7.4% 107.3%	25,599 7.3% 24,224 7.4% 107.3%	26,617 12.3% 25,066 13.1% 93.3%	26,727 6.1% 25,346 2249.0% 94.2%		
Pharmaceuticals Network YoY Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related YoY	23,856 2.2% 955 9.1% 4.4% 22,222 3.2% 103.2% 600 15.2%	23,704 2.3% 863 1.2% 3.5% 21,813 2.2% 89.3% 908 60.7%	25,194 4.9% 1,079 13.9% 4.5% 23,256 4.0% 95.9% 874 84.0%	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83.3% 938 99.6%	Pharmaceuticals Network YOY % of total Leasing and Facility-related YOY	23,856 2.2% 22,564 - 94.1%	23,704 2.3% 22,153 - 95.3%	7.3% 24,224 7.4% 107.3% 760 26.7%	25,599 7.3% 24,224 7.4% 107.3% 760 26.7%	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7%	26,727 6.1% 25,346 2249.0% 94.2% 830 -5.0%		
Pharmaceuticals Network YoY Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related YoY % of total	23,856 2.2% 955 9.1% 4.4% 22,222 3.2% 103.2% 600 15.2% 2.8%	23,704 2.3% 863 1.2% 3.5% 21,813 2.2% 89.3% 908 60.7% 3.7%	25,194 4.9% 1,079 13.9% 4.5% 23,256 4.0% 95.9% 874 84.0% 3.6%	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83.3% 938 99.6% 3.3%	YoY Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total	23,856 2.2% 22,564 - 94.1% 600 - 2.5%	23,704 2.3% 22,153 - 95.3% 908 - 3.9%	7.3% 24,224 7.4% 107.3% 760 26.7% 3.4%	7.3% 24,224 7.4% 107.3% 760 26.7% 3.4%	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0%	26,727 6.1% 25,346 2249.0% 94.2% 830 -5.0% 3.1%		
Pharmaceuticals Network YoY Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related YoY	23,856 2.2% 955 9.1% 4.4% 22,222 3.2% 103.2% 600 15.2%	23,704 2.3% 863 1.2% 3.5% 21,813 2.2% 89.3% 908 60.7%	25,194 4.9% 1,079 13.9% 4.5% 23,256 4.0% 95.9% 874 84.0%	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83.3% 938 99.6%	Pharmaceuticals Network YOY % of total Leasing and Facility-related YOY	23,856 2.2% 22,564 - 94.1%	23,704 2.3% 22,153 - 95.3%	7.3% 24,224 7.4% 107.3% 760 26.7%	25,599 7.3% 24,224 7.4% 107.3% 760 26.7%	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7%	26,727 6.1% 25,346 2249.0% 94.2% 830 -5.0%		
Pharmaceuticals Network YoY Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related YoY % of total Food Service	23,856 2.2% 955 9.1% 4.4% 22,222 3.2% 103.2% 600 15.2% 2.8% 788	23,704 2.3% 863 1.2% 3.5% 21,813 2.2% 89.3% 908 60.7% 3.7% 798	25,194 4.9% 1,079 13.9% 4.5% 23,256 4.0% 95.9% 874 84.0% 3.6% 796	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83.3% 938 99.6% 3.3% 779	Pharmaceuticals Network YOY % of total Leasing and Facility-related YOY % of total Food Service	23,856 2.2% 22,564 - 94.1% 600 - 2.5%	23,704 2.3% 22,153 - 95.3% 908 - 3.9%	760 26.7% 3.4% 760 26.7% 3.4% 730	760 26.7% 3.4% 24,224 7.4% 107.3%	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704	830 -5.0% 3.1% 6.1% 25,346 2249.0% 94.2%		
Fales YoY Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related YoY % of total Food Service YoY	23,856 2.2% 955 9.1% 4.4% 22,222 3.2% 103.2% 600 15.2% 2.8% 788 -31.8%	23,704 2.3% 863 1.2% 3.5% 21,813 2.2% 89.3% 908 60.7% 3.7% 798	25,194 4.9% 1,079 13.9% 4.5% 23,256 4.0% 95.9% 874 84.0% 3.6% 796 -18.9%	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83.3% 938 99.6% 3.3% 779 -5.5%	Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY	23,856 2.2% 22,564 - 94.1% 600 - 2.5% 788	23,704 2.3% 22,153 - 95.3% 908 - 3.9% 798	760 26.7% 3.4% 7.4% 107.3%	7.3% 24,224 7.4% 107.3% 760 26.7% 3.4% 730 -7.4%	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8%	830 -5.0% 31.1% 830 -5.0% 3.1% 694 -12.8%		
Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total	23,856 2.2% 955 9.1% 4.4% 22,222 3.2% 103.2% 600 15.2% 2.8% 788 -31.8% 3.7%	23,704 2.3% 863 1.2% 3.5% 21,813 2.2% 89.3% 908 60.7% 3.7% 798 -30.1%	25,194 4.9% 1,079 13.9% 4.5% 23,256 4.0% 95.9% 874 84.0% 3.6% 796 -18.9% 3.3%	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83.3% 938 99.6% 3.3% 779 -5.5% 2.8%	Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total	23,856 2.2% 22,564 - 94.1% 600 - 2.5% 788 - 3.3%	23,704 2.3% 22,153 - 95.3% 908 - 3.9% 798 - 3.4%	75,599 7.3% 24,224 7.4% 107.3% 760 26.7% 3.4% 730 -7.4% 3.2%	7.3% 24,224 7.4% 107.3% 760 26.7% 3.4% 730 -7.4% 3.2%	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6%	26,727 6.1% 25,346 2249.0% 94.2% 830 -5.0% 3.1% 694 -12.8% 2.6%		
Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total	23,856 2.2% 955 9.1% 4.4% 22,222 3.2% 103.2% 600 15.2% 2.8% 788 -31.8% 3.7%	23,704 2.3% 863 1.2% 3.5% 21,813 2.2% 89.3% 908 60.7% 3.7% 798 -30.1% 3.3%	25,194 4.9% 1,079 13.9% 4.5% 23,256 4.0% 95.9% 874 84.0% 3.6% 796 -18.9% 3.3%	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83.3% 93.68 93.68 779 -5.5% 2.8%	Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total	23,856 2.2% 22,564 - 94.1% 600 - 2.5% 788 - 3.3%	23,704 2.3% 22,153 - 95.3% 908 - 3.9% 798 - 3.4%	75,599 7.3% 24,224 7.4% 107.3% 760 26.7% 3.4% 730 -7.4% 3.2%	7.3% 24,224 7.4% 107.3% 760 26.7% 3.4% 730 730 3.2%	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6%	830 -5.0% 3.1% 830 -5.0% 3.1% 694 -12.8% 43		
Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments	23,856 2.2% 955 9.1% 4.4% 22,222 3.2% 600 15.2% 2.8% 788 3.1.8% 3.7% 33 0.00% 0.2% 2.3%	23,704 2.3% 863 1.2% 3.5% 21,813 2.2% 69.3% 908 60.7% 3.7% 798 -30.1% 3.3% 58 190.0% 0.2%	25,194 4.9% 1,079 13.9% 4.5% 23,256 4.0% 95.9% 874 84.0% 3.6% 796 -18.9% 3.3% 75 316.7% 0.3%	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83.3% 93.8 99.6% 3.33% 779 -5.5% 2.8% 0.3% 0.3%	Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments	23,856 2.2% 22,564 94.1% 600 - 2.5% 788 - 3.3% 33 - 0.1%	23,704 2.3% 22,153 - 95,3% 908 - 3,9% 798 - 3,4% 58 - 0,2% 450	7.3% 24,224 7.4% 107.3% 760 26.7% 3.4% 730 -7.4% 3.2% 0.2% 0.2%	25,599 7.3% 24,224 7.4% 107.3% 760 26.7% 3.4% 730 3.2% 38 15.2% 0.2% 3,013	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 41 -29.3% 0.2%	830 -5.0% 3.1% 830 -5.0% 3.1% 694 -12.8% 2.6% 43 -42.7% 0.2%		
Pharmaceuticals Network YoY Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Operating profit	23,856 2.2% 955 9.11% 4.4% 22,222 3.2% 103.2% 600 15.2% 788 -31.8% 3.7% 33 0.0% 0.2% 2,320	23,704 2.3% 863 1.2% 3.5% 21,813 2.2% 89.3% 908 60.7% 3.7% 798 -30.1% 3.3% 58 190.0% 0.2%	25,194 4,9% 1,079 13,9% 4,5% 23,256 4,0% 95,9% 874 84,0% 3,6% 796 -18,9% 3,3% 75 316,7% 0,3% 956	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83.3% 938 99.6% 3.33% 779 -5.5% 2.8% 95 352.4% 0.3% -2,644	Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Operating profit	23,856 2.2% 22,564 94.1% 600 	23,704 2.3% 22,153 95.3% 908 - 3.9% 798 - 3.4% 58 - 0.2% 450 264	75,599 7.3% 24,224 7.4% 107.3% 760 26.7% 3.4% 730 7-1.4% 3.2% 3.8 15.2% 3,013 334	7.3% 24,224 7.4% 107.3% 760 26.7% 3.4% 730 3.2% 38 15.2% 0.203 3.013	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 41 -29.3% 0.2%	830 -5.0% 31.1% 830 -5.0% 3.1% 694 -12.8% 2.6% 43 -42.7% 0.2%		
Pharmaceuticals Network YoY Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments	23,856 2,2% 955 9,11% 4,4% 22,222 3,2% 103,2% 600 15,2% 788 -31,8% 3,7% 3,0% 0,0% 0,2% 2,320 2,232 2,232 2,242 64,2%	23,704 2.3% 863 1.2% 3.5% 21,813 2.2% 89.3% 90.88 60.7% 3.7% 798 -30.1% 58 190.0% 0.2% -736 264 -61.1%	25,194 4.9% 1,079 13.9% 4.5% 23,256 4.0% 95.9% 874 84.0% 3.6% 796 -18.9% 0.3% 0.3% 5564 -44.5%	25,478 8.7% 1,054 9.3% 3.77% 23,415 6.69% 83.3% 93.88 99.69% 3.3% 779 -5.5% 2.88% 0.3% -2.644 388 -55.7%	Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Other YoY Se of total Segment sales adjustments Operating profit	23,856 2.2% 22,564 - 94.1% 600 - 2.5% 788 - 3.3% 33 - 0.1% 130 212 	23,704 2.3% 22,153 95.3% 908 - 3.9% 798 - 3.4% 58 - 0.2% 450 264 -61.1%	7.3% 24,224 7.4% 107.3% 760 26.7% 3.4% 730 -7.4% 3.2% 0.2% 3.013 334 57.5%	7.3% 24,224 7.4% 107.3% 760 26.7% 3.4% 730 -7.4% 3.2% 0.2% 3,013 334 57.5%	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 41 -29.3% 0.2% -263 462 75.0%	830 -5.0% 31.4% 830 -5.0% 3.1% 694 -12.8% 43 -42.7% 0.2% -186 43 -42.4%		
Pharmaceuticals Network YoY Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Operating profit YoY Pharmaceuticals Network	23,856 2.2% 955 9.1% 4.4% 22,222 3.2% 600 15.2% 2.8% 788 -31.8% 0.0% 0.2% 2.320 2.320 2.320 2.320 2.320 5.54	23,704 2.3% 863 1.2% 21,813 2.2% 89.3% 908 3.7% 798 -30.1% 5.8 190.0% 0.2% -736 264 -61.1%	25,194 4.9% 1,079 13.9% 4.5% 23,256 4.0% 95.9% 874 84.0% 3.6% 796 -18.9% 3.3% 0.3% 956 556 4.44.5%	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83.3% 93.8 99.6% 3.3% 779 -5.5% 2.8% 0.3% -2,644 388 -55.7%	Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Operating profit YoY Pharmaceuticals Network	23,856 2.2% 22,564 94.1% 600 	23,704 2.3% 22,153 95.3% 908 - 3.9% 798 - 3.4% 58 - 0.2% 450 264	760 26,7% 736 24,224 7.4% 107.3% 760 26,7% 3.4% 730 -7.4% 3.2% 0.2% 3,013 334 57.5% 825	7.3% 24,224 7.4% 107.3% 760 26.7% 3.4% 730 -7.4% 3.8 15.2% 0.2% 3,013 334 57.5% 825	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 41 -29.3% 0.2% -263 462 75.0%	830 -5.0% 31.1% 694 -12.8% -43 -42.7% 0.2% -186 43 -42.7% 1.28% 1.28% 1.28% 1.28% 1.28% 1.28%		
Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Pharmaceuticals Network YoY	23,856 2.2% 955 9.1% 4.4% 22,222 3.2% 600 15.2% 62.8% 788 3.7% 33 0.00% 0.2% 2,320 212 64.2% 554 17.6%	23,704 2.3% 863 1.2% 3.5% 21,813 2.2% 998 60.7% 3.7% 798 -30.1% 3.3% 58 190.0% -736 264 -61.1% 506 9.3%	25,194 4.9% 1,079 13.9% 4.5% 23,256 4.0% 95.9% 874 84.0% 3.6% 796 -18.9% 3.3% 75 316.7% 0.3% 956 564 -44.5%	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83.3% 938 99.6% 2.8% 95 352.4% 0.3% -2,644 388 -55.7% 634 25.5%	Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Operating profit YoY Pharmaceuticals Network YoY	23,856 2.2% 22,564 94.1% 600 - 2.5% 788 - 3.3% - 130 -130 212 -64.2%	23,704 2.3% 22,153 95.3% 908 3.9% 798 3.4% 58 450 264 -61.1% 585	760 26.7% 3.4% 107.3% 760 26.7% 3.4% 730 7.4% 3.2% 3.2% 3.013 334 57.5% 825 28.5%	760 26.7% 3.4% 7.4% 107.3% 760 26.7% 3.4% 730 7.4% 3.2% 38 15.2% 0.2% 3.013 334 57.5% 825 28.5%	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 41 -29.3% 0.2% -263 462 75.0%	830 -5.0% 31.1% 830 -5.0% 3.1% 694 -12.8% 43 -42.7% -186 432 -23.4% 61.4%		
Pharmaceuticals Network YoY Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Operating profit YoY Pharmaceuticals Network YoY OPM	23,856 2.2% 955 9.1% 4.4% 22,222 3.2% 600 15.2% 2.8% 788 -31.8% 0.0% 0.2% 2.320 2.320 2.320 2.320 2.320 5.54	23,704 2.3% 863 1.2% 3.5% 21,813 2.2% 89.3% 60.7% 3.7% 798 7-30.1% 3.3% 58 190.0% 0.2% 6-61.1% 506 9.3% 58.6%	25,194 4,9% 1,079 13,9% 4,5% 23,256 4,0% 95,9% 874 84,0% 3,6% 796 -18,9% 3,3% 75 316,7% 0,3% 956 564 -44,5% 637 24,9% 59,0%	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83.3% 99.6% 3.3% 779 -5.5% 2.8% 95 352.4% 0.3% -2,644 388 -55.7% 634 25.5% 60.2%	Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Operating profit YoY Pharmaceuticals Network	23,856 2.2% 22,564 - 94.1% 600 - 2.5% 788 - 3.3% 33 - 0.1% 130 212 	23,704 2.3% 22,153 95.3% 908 - 3.9% 798 - 3.4% 58 - 0.2% 450 264 -61.1%	760 26,7% 736 24,224 7.4% 107.3% 760 26,7% 3.4% 730 -7.4% 3.2% 0.2% 3,013 334 57.5% 825	7.3% 24,224 7.4% 107.3% 760 26.7% 3.4% 730 -7.4% 3.8 15.2% 0.2% 3,013 334 57.5% 825	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 41 -29.3% 0.2% -263 462 75.0%	830 -5.0% 31.1% 694 -12.8% -43 -42.7% 0.2% -186 43 -42.7% 1.28% 1.28% 1.28% 1.28% 1.28% 1.28%		
Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Pharmaceuticals Network YoY	23,856 2.2% 9.15 9.11% 4.4% 22,222 3.2% 103.2% 600 15.2% 2.8% 788 -31.8% 3.7% 0.0% 0.2% 2,320 2.12 -64.2% 55.4% 58.0%	23,704 2.3% 863 1.2% 3.5% 21,813 2.2% 998 60.7% 3.7% 798 -30.1% 3.3% 58 190.0% -736 264 -61.1% 506 9.3%	25,194 4.9% 1,079 13.9% 4.5% 23,256 4.0% 95.9% 874 84.0% 3.6% 796 -18.9% 3.3% 75 316.7% 0.3% 956 564 -44.5%	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83.3% 938 99.6% 2.8% 95 352.4% 0.3% -2,644 388 -55.7% 634 25.5%	Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Operating profit YoY Pharmaceuticals Network YoY	23,856 2.2% 22,564 94.1% 600 - 2.5% 788 - 3.3% - 130 -130 212 -64.2%	23,704 2.3% 22,153 95.3% 908 3.9% 798 3.4% 58 450 264 -61.1% 585	760 26.7% 3.4% 107.3% 760 26.7% 3.4% 730 7.4% 3.2% 3.2% 3.013 334 57.5% 825 28.5%	760 26.7% 3.4% 7.4% 107.3% 760 26.7% 3.4% 730 7.4% 3.2% 38 15.2% 0.2% 3.013 334 57.5% 825 28.5%	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 41 -29.3% 0.2% -263 462 75.0%	830 -5.0% 31.1% 830 -5.0% 3.1% 694 -12.8% 43 -42.7% -186 432 -23.4% 61.4%		
Pharmaceuticals Network YoY Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Pharmaceuticals Network YoY OPM Dispensing Pharmacy	23,856 2.2% 955 9.11% 4.4% 22,222 3.2% 103.2% 600 15.2% 788 -31.8% 3.7% 33 0.0% 0.2% 2.320 2.12 -64.2% 554 17.6% 58.0%	23,704 2.3% 863 1.2% 3.5% 21,813 2.2% 89.3% 908 60.7% 3.7% 798 3.3% 58 190.0% 0.2% 61.1% 506 9.3% 58.6% 72	25,194 4,9% 1,079 13,9% 4,5% 23,256 4,0% 95,9% 874 84,0% 3,6% 796 -18,9% 0,3% 956 516,7% 0,3% 956 564 -44,5% 637 24,9% 59,0%	25,478 8.7% 1,054 9.3% 3.79% 23,415 6.69% 83.3% 99.69% 3.33% 779 -5.59% 2.88% 95 352.49% 0.39% -2,644 388 -55.79% 634 25.59% 60.29% 336	Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Operating profit YoY Pharmaceuticals Network YoY	23,856 2.2% 22,564 94.1% 600 - 2.5% 788 - 3.3% - 130 -130 212 -64.2%	23,704 2.3% 22,153 95.3% 908 3.9% 798 3.4% 58 450 264 -61.1% 585	760 26.7% 3.4% 107.3% 760 26.7% 3.4% 730 7.4% 3.2% 3.2% 3.013 334 57.5% 825 28.5%	760 26.7% 3.4% 7.4% 107.3% 760 26.7% 3.4% 730 7.4% 3.2% 38 15.2% 0.2% 3.013 334 57.5% 825 28.5%	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 41 -29.3% 0.2% -263 462 75.0%	830 -5.0% 31.1% 830 -5.0% 3.1% 694 -12.8% 43 -42.7% -186 432 -23.4% 61.4%		
Pharmaceuticals Network YoY Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Other YoY % of total Segment sales adjustments Operating profit YoY Pharmaceuticals Network YoY OPM Dispensing Pharmacy YoY	23,856 2,2% 955 9,11% 4,4% 22,222 3,2% 103,2% 600 15,2% 788 -31,8% 3,7% 33 0,0% 0,2% 2,320 212 -64,2% 554 17,6% 58,0%	23,704 2.3% 863 1.2% 21,813 2.2% 89.3% 90.38 60.7% 3.7% 798 -30.1% 58 190.0% 0.2% -736 -61.1% 506 9.3% 58.6%	25,194 4.9% 1,079 13.9% 4.5% 23,256 4.0% 95.9% 874 84.0% 3.6% 796 -18.9% 0.3% 956 54 -44.5% 637 24.9% 59.0%	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83.3% 93.8 99.6% 3.3% 779 -5.5% 62.8% 95 352.4% 0.3% -2,644 388 -55.7% 634 25.5% 60.2% 356 -58.1%	Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Operating profit YoY Pharmaceuticals Network YoY	23,856 2.2% 22,564 94.1% 600 	23,704 2.3% 22,153 95.3% 908 3.9% 798 3.4% 58 450 264 -61.1% 585	760 26.7% 3.4% 107.3% 760 26.7% 3.4% 730 7.4% 3.2% 3.2% 3.013 334 57.5% 825 28.5%	760 26.7% 3.4% 7.4% 107.3% 760 26.7% 3.4% 730 7.4% 3.2% 38 15.2% 0.2% 3.013 334 57.5% 825 28.5%	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 41 -29.3% 0.2% -263 462 75.0%	830 -5.0% 31.1% 830 -5.0% 3.1% 694 -12.8% 43 -42.7% -186 432 -23.4% 61.4%		
Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Pharmaceuticals Network YoY OPM Dispensing Pharmacy YoY OPM	23,856 2.2% 955 9.1% 4.4% 22,222 3.2% 600 15.2% 600 15.2% 2.8% 3.7% 3.7% 3.7% 3.7% 5.4% 1.5% 5.54 17.6% 5.80% 1.30 -7.8.0% 0.6%	23,704 2.3% 663 1.2% 55% 21,813 2.2% 89.3% 908 60.7% 3.7% 798 -30.1% 3.3% 58 190.0% 6.2% -736 264 -61.1% 506 9.3% 58.6% 7.3%	25,194 4.9% 1,079 13.9% 4.5% 23,256 4.0% 95,9% 874 84.0% 3.6% 796 -18.9% 3.3% 75 316.7% 637 24.9% 550 564 -44.5% 510 -48.5% 2.2%	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83.3% 99.6% 3.3% 779 -5.5% 0.3% -2,644 388 -55.7% 60.2% 356 -58.1%	Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Other YoY % of total Segment sales adjustments Operating profit YoY Pharmaceuticals Network YoY OPM	23,856 2,2% 22,564 94.1% 600 - 2.5% 788 - 3.3% 33 - 0.1% -130 212 -64.2% 642 - 2.8%	23,704 2.3% 22,153 95.3% 908 - 3.9% 798 - 3.4% 58 450 264 -61.1% 585 - 2.6%	760 26.7% 107.3% 760 26.7% 3.4% 730 730 730 730 2.2% 3.29 3.013 334 57.5% 825 28.5% 3.4%	25,599 7.3% 24,224 7.4% 107.3% 107.3% 760 26.7% 3.4% 730 -7.4% 3.2% 38 15.2% 0.2% 3,013 334 57.5% 825 28.5% 3.4%	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 41 -29.3% 0.2% -263 462 75.0% 911 80.0% 3.6%	830 -5.0% 94.2% 830 -5.0% 3.1% 694 -12.8% 43 -42.7% 0.2% -186 432 -23.4% 4.1%		
Fales YoY Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Poperating profit YoY Pharmaceuticals Network YoY OPM Dispensing Pharmacy YOY OPM Leasing and Facility-related YOY OPM	23,856 2.2% 955 9.11% 4.4% 22,222 3.2% 600 15.2% 600 15.2% 3.7% 33 0.0% 0.2% 2.320 212 -64.2% 554 17.6% 58.0% 130 -78.0% 0.6% -3.2%	23,704 2.3% 863 1.2% 3.5% 21,813 2.2% 89.3% 908 60.7% 3.7% 798 -30.1% 58 190.0% 0.2% 61.1% 506 9.3% 58.6% 72 -88.6% 0.3% 42 - 4.6%	25,194 4,9% 1,079 13,9% 4,5% 23,256 4,0% 95,9% 874 84.0% 3,6% 796 -18,9% 0,33% 75 316,7% 0,3% 656 564 -44.5% 637 24,9% 510 -48,5% 2,2% -61 -7,0%	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83.3% 99.6% 3.3% 779 -5.5% 62.8% 95 352.4% 60.2% 634 25.5% 60.2% 61.5% 61.5% 636 -58.1% -336 -335%	Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Operating profit YoY Pharmaceuticals Network YOY OPM Leasing and Facility-related YoY OPM	23,856 2.2% 22,564 - 94.1% 600 - 2.5% 788 - 3.3% - 0.1% 642 - 2.8%	23,704 2.3% 22,153 95.3% 908 - 3.9% 798 - 3.4% 58 - 0.2% 450 264 -61.1% 585 - 2.6%	25,599 7.3% 24,224 7.4% 107.3% 760 26.7% 3.4% 730 -7.4% 3.2% 38 15.2% 0.2% 3,013 334 57.5% 825 28.5% 3,4% -8 -1.1%	25,599 7.3% 24,224 7.4% 107.3% 760 26.7% 3.4% 730 -7.4% 3.2% 0.2% 0.2% 3.013 334 57.5% 825 28.5% 3.4%	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 41 -29.3% 0.2% 911 80.0% 3.6%	26,727 6.1% 25,346 2249.0% 94.2% 830 -5.0% 3.1% 694 -12.8% 43 -42.7% 0.2% 1,028 61.4% 4.1%		
For the second of the second o	23,856 2.2% 955 9.1% 4.4% 22,222 3.2% 600 15.2% 600 15.2% 2.8% 3.7% 33 0.0% 0.2% 2.320 212 -64.2% 554 17.6% 58.0% 130 -78.0% 0.6% -32 -5.3%	23,704 2.3% 863 1.2% 853 1.2% 89.3% 908 60.7% 3.7% 798 -30.1% 0.2% -736 264 -61.1% 506 9.3% 58.6% 72 -88.6% 0.3% 42 -4.6% 17	25,194 4.9% 1,079 13.99 4.5% 23,256 4.0% 95,9% 874 84.0% 3.6% 796 -18.9% 3.3% 75 316.7% 637 24.9% 59.0% 510 -48.5% 2.2% -61 -7.0% 10	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83.3% 938 99.6% 3.39% 779 -5.5% 2.8% 95 352.4% 0.3% -2,644 388 -55.7% 60.2% 356 -58.1% -333 -3.5% 6	Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Operating profit YoY Pharmaceuticals Network YoY OPM Leasing and Facility-related YoY OPM Food Service	23,856 2.2% 22,564 94.1% 600 -2.5% 788 -3.3% -130 212 -64.2% 642 -2.8%	23,704 2.3% 22,153 95.3% 908 3.9% 798 3.4% 58 - 0.2% 450 264 -61.1% 585 2.6%	760 26,7% 107.3% 760 26,7% 3.4% 730 740 730 740 730 740 730 749 3.2% 3.2% 3.2% 3.2% 3.2% 3.4% 3.2% 3.4% 3.4%	25,599 7.3% 24,224 7.4% 107.3% 760 26.7% 3.4% 730 -7.4% 3.2% 38 15.2% 0.2% 3,013 334 57.5% 825 28.5% 3.4%	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 41 -29.3% 462 75.0% 911 80.0% 3.6%	830 -5.0% 94.2% 830 -5.0% 3.1% 694 -12.8% 43 -42.7% 0.2% -186 432 -23.4% 4.1%		
Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related YoY % of total Leasing and Facility-related YoY % of total Cother YoY % of total Segment sales adjustments Deperating profit YoY Pharmaceuticals Network YoY OPM Dispensing Pharmacy YoY OPM Leasing and Facility-related YoY OPM Leasing and Facility-related YoY OPM Food Service YoY	23,856 2.2% 955 9.1% 4.4% 22,222 3.2% 600 15.2% 600 15.2% 2.8% 788 -31.8% 3.7% 2.320 212 -64.2% 554 17.6% 58.0% 130 -78.0% 0.6% 0.5% 110 -78.0% 110 -78.0% 110 -78.0% 110 -78.0% 110 -78.0%	23,704 2.3% 863 1.2% 3.5% 21,813 2.2% 89.3% 908 60.7% 3.7% 78 -30.1% 3.3% 58 190.0% -736 264 -61.1% 506 72 -88.6% 72 -88.6% 42 4.6% 17 -41.4%	25,194 4.9% 1,079 13.9% 4.5% 23,256 4.0% 95.9% 874 84.0% 3.6% 75 316.7% 956 564 -44.5% 59.0% 510 -48.5% 2.2% -61 -7.0% 10 -33.3%	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83.3% 99.6% 3.39% 779 9-5.5% 2.8% 95 352.4% 0.3% -2,644 388 -55.7% 634 25.5% 60.2% 356 -58.1% 1.5% 633 -333 -35% 6 -250.0%	Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Operating profit YoY Pharmaceuticals Network YoY OPM Leasing and Facility-related YOY OPM Food Service YoY	23,856 2.2% 22,564 94.1% 600 2.5% 788 - 3.3% -130 212 -64.2% 642 - 2.8%	23,704 2.3% 22,153 95.3% 908 3.9% 798 6.3.4% 58 450 264 -61.1% 585 - 2.6%	760 26,7% 107.3% 760 26,7% 3.4% 730 3.2% 3.2% 3.2% 3.2% 3.4% 5.2% 3.2% 3.44 5.5% 3.44 5.5% 3.44 5.17 8.25 28.5% 3.4%	25,599 7.3% 24,224 7.4% 107.3% 107.3% 760 26.7% 3.4% 730 3.2% 3.2% 3.34 5.7.5% 3.4% 3.2% 3.44 4.57.5% 3.44% 4.57.5% 3.44% 4.57.5% 4.67	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 41 -29.3% 0.2% -263 462 75.0% 911 80.0% 3.6% 76 - 7.1% - 7.1% - 222 -229.4%	26,727 6.1% 25,346 2249.0% 94.2% 830 -5.0% 3.1% 69.4 -12.8% 43 -42.7% 0.2% -186 432 -23.4% 1,028 61.4% 4.1%		
Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Operating profit YoY Pharmaceuticals Network YoY OPM Dispensing Pharmacy YoY OPM Leasing and Facility-related YoY OPM Food Service YoY OPM	23,856 2.2% 9.55 9.1% 4.4% 22,222 3.2% 103.2% 600 15.2% 2.8% 788 -31.8% 3.7% 0.2% 2,320 212 -64.2% 55.4% 17.6% 58.0% 130 -78.0% 0.5% -325.3% 1 -80.0% 0.1%	23,704 2.3% 863 1.2% 3.5% 21,813 2.2% 89.3% 60.7% 3.7% 798 3.3% 58 190.0% 0.2% 6-7.36 264 -61.1% 506 72 -88.6% 0.3% 42 - 4.6% 17 -41.4% 2.1%	25,194 4,9% 1,079 13,9% 4,5% 23,256 4,0% 95,9% 874 84,0% 3,6% 796 -18,9% 3,3% 75 316,7% 0,3% 956 564 -44,5% 637 24,9% 59,0% 510 -48,5% 2,2% 611 -7,0% 10 -33,3% 13,3%	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83.3% 99.6% 3.39% 779 -5.5% 6.2.8% -2,644 388 -55.7% 60.2% 356 -58.1% 1.55% -3333.5% 6 -250.0% 0.8%	Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Operating profit YoY Pharmaceuticals Network YoY OPM Leasing and Facility-related YoY OPM Food Service YoY OPM	23,856 2.2% 22,564 - 94.1% 600 - 2.5% 788 - 3.3% - 130 212 -64.2% 642 - 2.8% - 32 5.3% 1	23,704 2.3% 22,153 95.3% 908 - 3.9% 798 - 3.4% 450 264 -61.1% 585 - 2.6% 42 - 4.6% 17 - 2.1%	760 26,7% 3.4% 107.3% 760 26,7% 3.4% 730 7.4% 3.2% 3.15,2% 0.2% 3,013 334 57.5% 825 28.5% 3.4%	25,599 7.3% 24,224 7.4% 107.3% 760 26.7% 3.4% 730 -7.4% 3.2% 38 15.2% 0.2% 3.013 334 57.5% 825 28.5% 3.4% -1.1% -1.6%	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 41 -29.3% 0.2% -263 462 75.0% 911 80.0% 3.6% 76 -7.1% -22 -229.4% -3.1%	26,727 6.1% 25,346 2249.0% 94.2% 830 -5.0% 3.1% 694 -12.8% 2.6% 43 -42.7% 0.2% -186 432 -23.4% 4.1%		
Pharmaceuticals Network YoY Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Pharmaceuticals Network YoY OPM Dispensing Pharmacy YoY OPM Leasing and Facility-related YoY OPM Leasing and Facility-related YoY OPM Food Service YoY OPM Food Service YoY OPM Other	23,856 2.2% 955 9.1% 4.4% 22,222 3.2% 600 15.2% 600 15.2% 2.8% 788 -31.8% 3.7% 2.320 212 -64.2% 554 17.6% 58.0% 130 -78.0% 0.6% 0.5% 110 -78.0% 110 -78.0% 110 -78.0% 110 -78.0% 110 -78.0%	23,704 2.3% 863 1.2% 3.5% 21,813 2.2% 89.3% 908 60.7% 3.7% 78 -30.1% 3.3% 58 190.0% -736 264 -61.1% 506 72 -88.6% 72 -88.6% 42 4.6% 17 -41.4%	25,194 4.9% 1,079 13.9% 4.5% 23,256 4.0% 95.9% 874 84.0% 3.6% 75 316.7% 956 564 -44.5% 59.0% 510 -48.5% 2.2% -61 -7.0% 10 -33.3%	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83.3% 99.6% 3.39% 779 9-5.5% 2.8% 95 352.4% 0.3% -2,644 388 -55.7% 634 25.5% 60.2% 356 -58.1% 1.5% 633 -333 -35% 6 -250.0%	Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Operating profit YoY Pharmaceuticals Network YoY OPM Leasing and Facility-related YoY OPM Food Service YoY OPM Other	23,856 2.2% 22,564 94.1% 600 2.5% 788 - 3.3% -130 212 -64.2% 642 - 2.8%	23,704 2.3% 22,153 95.3% 908 3.9% 798 6.3.4% 58 450 264 -61.1% 585 - 2.6%	760 26,7% 107.3% 760 26,7% 3.4% 730 3.2% 3.2% 3.2% 3.2% 3.4% 5.2% 3.2% 3.44 5.5% 3.44 5.5% 3.44 5.17 8.25 28.5% 3.4%	25,599 7.3% 24,224 7.4% 107.3% 107.3% 760 26.7% 3.4% 730 3.2% 3.2% 3.34 5.7.5% 3.4% 3.2% 3.44 6.2% 3.013 344 5.7.5% 3.4% 6.2% 6.2.11 6.2% 6.2.11 6.2% 6.2.11 6.2% 6.2.11 6.2% 6.2.11 6.2% 6.2.11 6.2% 6.2% 6.2% 6.2% 6.2% 6.2% 6.2% 6.2%	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 41 -29.3% 0.2% -263 462 75.0% 911 80.0% 3.6% 76 - 7.1% - 7.1% - 222 -229.4%	26,727 6.1% 25,346 2249.0% 94.2% 830 -5.0% 3.1% 69.4 -12.8% 43 -42.7% 0.2% -186 432 -23.4% 1,028 61.4% 4.1%		
Fales YoY Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related YoY % of total Leasing and Facility-related YoY % of total Other YoY % of total Segment sales adjustments Operating profit YoY OPM Dispensing Pharmacy YoY OPM Leasing and Facility-related YoY OPM Food Service YoY OPM Food Service YoY OPM Other YoY OPM Other YoY OPM	23,856 2.2% 955 9.1% 4.4% 22,222 3.2% 600 15.2% 600 15.2% 2.8% 3.7% 33 0.0% 0.2% 2.320 212 -64.2% 554 17.6% 58.0% 130 -78.0% 0.6% -32 -5.3% 1 -80.0% 0.1%	23,704 2.3% 663 1.2% 55% 21,813 2.2% 89,3% 908 60.7% 3.7% 798 -30.1% 3.3% 58 190.0% 506 9.3% 55.6% 736 264 -61.1% 506 9.3% 42 -4.6% 17 -41.4% 2.1%	25,194 4.9% 1,079 13.9% 4.5% 23,256 4.0% 95,9% 874 84.0% 3.6% 756 -18.9% 3.3% 75 316.7% 637 24.9% 59.0% 510 -44.5% 2.2% -61 -7.0% 10 -33.3% 1.3% -7.0% 10 -33.3%	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83,3% 938 99.6% 3.3% 779 -5.5% 2.8% 95 352.4% 0.3% -2,644 388 -55.7% 634 25.5% 60.2% 356 -58.1% 6 -250.0% 0.8% -54	Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Operating profit YoY Pharmaceuticals Network YoY OPM Leasing and Facility-related YoY OPM Food Service YoY OPM	23,856 2,2% 22,564 94.1% 600 - 2.5% 788 - 3.3% - 130 212 -64.2% 642 - 2.8% - 3.2 - 2.8%	23,704 2.3% 22,153 95.3% 908 - 3.9% 798 3.4% 58 - 0.2% 450 264 -61.1% 585 - 2.6% 42 - 4.6% 17 - 2.1% -28	760 26.7% 107.3% 760 26.7% 3.4% 730 -7.4% 3.2% 3.013 334 57.5% 825 28.5% 3.4%	25,599 7.3% 24,224 7.4% 107.3% 107.3% 760 26.7% 3.4% 730 -7.4% 3.2% 3.013 334 57.5% 825 28.5% 3.4% -8 -1.1% -121.6% -21	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 41 -29.3% 60.2% -263 462 75.0% 911 80.0% 3.6% 76 -7.1% -22 -229.4% -3.1% -18	830 -5.0% 94.2% 830 -5.0% 3.1% 694 -12.8% 43 -42.7% 0.2% -186 432 -23.4% 4.1%		
Pharmaceuticals Network YoY Pharmaceuticals Network YoY % of total Dispensing Pharmacy YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Pharmaceuticals Network YoY OPM Dispensing Pharmacy YoY OPM Leasing and Facility-related YoY OPM Leasing and Facility-related YoY OPM Food Service YoY OPM Food Service YoY OPM Other	23,856 2.2% 9.55 9.1% 4.4% 22,222 3.2% 103.2% 600 15.2% 2.8% 788 -31.8% 3.7% 0.2% 2,320 212 -64.2% 55.4% 17.6% 58.0% 130 -78.0% 0.5% -325.3% 1 -80.0% 0.1%	23,704 2.3% 863 1.2% 3.5% 21,813 2.2% 89.3% 60.7% 3.7% 798 3.3% 58 190.0% 0.2% 6-7.36 264 -61.1% 506 72 -88.6% 0.3% 42 - 4.6% 17 -41.4% 2.1%	25,194 4,9% 1,079 13,9% 4,5% 23,256 4,0% 95,9% 874 84,0% 3,6% 796 -18,9% 3,3% 75 316,7% 0,3% 956 564 -44,5% 637 24,9% 59,0% 510 -48,5% 2,2% 611 -7,0% 10 -33,3% 13,3%	25,478 8.7% 1,054 9.3% 3.7% 23,415 6.6% 83.3% 99.6% 3.39% 779 -5.5% 6.2.8% -2,644 388 -55.7% 60.2% 356 -58.1% 1.55% -3333.5% 6 -250.0% 0.8%	Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY Se of total Other YoY Pharmaceuticals Network YoY OPM Leasing and Facility-related YoY OPM Copy Copy Copy Copy Copy Copy Copy Cop	23,856 2.2% 22,564 - 94.1% 600 - 2.5% 788 - 3.3% - 130 212 -64.2% 642 - 2.8% - 32 5.3% 1	23,704 2.3% 22,153 95.3% 908 - 3.9% 798 - 3.4% 450 264 -61.1% 585 - 2.6% 42 - 4.6% 17 - 2.1%	760 26,7% 3.4% 107.3% 760 26,7% 3.4% 730 7.4% 3.2% 3.15,2% 0.2% 3,013 334 57.5% 825 28.5% 3.4%	25,599 7.3% 24,224 7.4% 107.3% 760 26.7% 3.4% 730 -7.4% 3.2% 38 15.2% 0.2% 3.013 334 57.5% 825 28.5% 3.4% -1.1% -1.6%	26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 41 -29.3% 0.2% -263 462 75.0% 911 80.0% 3.6% 76 -7.1% -22 -229.4% -3.1%	26,727 6.1% 25,346 2249.0% 94.2% 830 -5.0% 3.1% 694 -12.8% 2.6% 43 -42.7% 0.2% -186 432 -23.4% 4.1%		

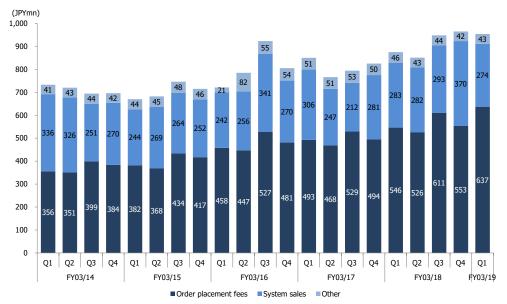
Source: Shared Research based on company data Note: Figures may differ from company materials due to differences in rounding methods.



Update Notes

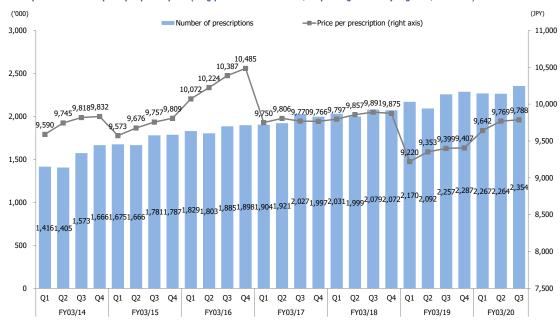
Research Coverage Report by Shared Research Inc. | https://sharedresearch.jp

(Reference) Pharmaceuticals Network segment sales



Source: Shared Research based on company data
Notes: *Undisclosed from Q2 FY03/19
*Integrated into the Community Pharmacy Network segment from FY03/20

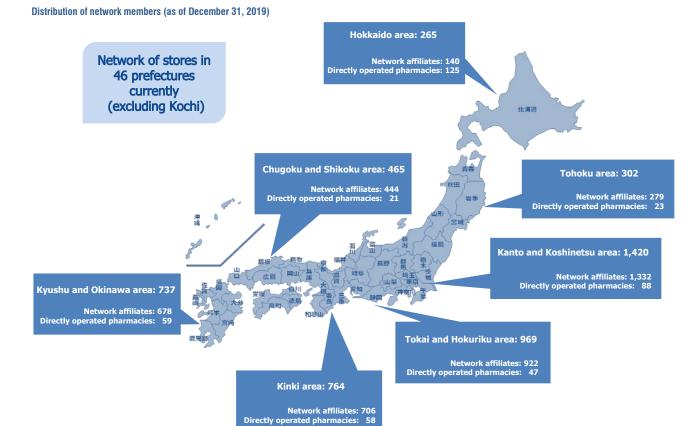
Prescription volume and price per prescription (drug price + technical fees; Dispensing Pharmacy segment; all stores)



Source: Shared Research based on company data

Note: NHI drug price and dispensing fe'e revisions were put into effect on April 1, 2014, April 1, 2016, and April 1, 2018.





Source: Shared Research based on company data

Number of dispensing pharmacies by region

Region	Directly operated pharmacies	Affiliates	Total network members
Hokkaido	125	140	265
Tohoku	23	279	302
Kanto and Koshinetsu	88	1,332	1,420
Tokai and Hokuriku	47	922	969
Kinki	58	706	764
Chugoku and Shikoku	21	444	465
Kyushu and Okinawa	59	678	737
Total	421	4,501	4,922

Source: Shared Research based on company data (December 31, 2019)



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Q3 FY03/20 earnings results (out February 6, 2020)

Overview

Cumulative Q3 FY03/20 (April-December 2019) earnings results

Sales: JPY78.9bn (+8.5% YoY)
 ○ Operating profit: JPY1.2bn (+18.1% YoY)
 ○ Recurring profit: JPY1.2bn (+19.6% YoY)
 ○ Net income*: JPY326mn (-12.4% YoY)
 *Net income attributable to owners of the parent

- No changes were made to the full-year FY03/20 earnings forecast.
- Business environment: NHI drug price and dispensing fee revisions were conducted in April 2018. Dispensing pharmacies had to streamline their management structures following the implementation of the MHLW "Guidelines for the Improvement of commercial transaction practices of ethical drugs for manufacturers, wholesalers, and medical institutions/pharmacies," whose purpose was to ensure stable supply of ethical drugs.
- Company response: The company streamlined and consolidated the Pharmaceuticals Network and Dispensing Pharmacy businesses into the Community Pharmacy Network business and began disclosure under the new segmentation from FY03/20. In cumulative Q3, sales in the Community Pharmacy Network business increased by 9.1% YoY, reflecting an increase in the number of network members and the steady sales at existing pharmacies. The segment operating profit margin was 3.7%, an improvement of 0.3pp YoY. These increases drove overall sales and profit growth for the period.

Segment performance

Community Pharmacy Network

This is a new segment that integrates the former Pharmaceuticals Network business, the Dispensing Pharmacy business, and the manufacture and market pharmaceuticals business (mainly Feldsenf Pharma) previously included in Other.

Cumulative Q3 FY03/20 (April–December 2019) segment earnings results

- Segment sales: |PY74.6bn (+9.1% YoY; includes internal sales or transfers between segments; same hereafter)
- Segment profit: JPY2.8bn (+62.9% YoY)
- Pharmaceuticals Network division: The number of new network members showed a strong increase driven by the need for improved distribution efficiency. As at end-December 2019, the number of network members was 4,922 (up 1,132 from end-FY03/19). This consisted of 421 directly operated pharmacies and 4,501 affiliates.
- Dispensing Pharmacy division: In addition to the contribution from stores acquired via M&A, sales at existing pharmacies remained steady. As at end-December 2019, there were 421 dispensing pharmacies, one care plan center, and seven drug stores.
- Manufacture and market pharmaceuticals division: This business aims to provide a stable supply of good-quality, low-priced generic drugs. The company sold 23 ingredients and 51 products as of end-September 2019.

Leasing and Facility-related

Cumulative Q3 FY03/20 (April-December 2019) segment earnings results

- Segment sales: JPY2.7bn (+11.6% YoY)
- Segment profit: JPY67mn (loss of JPY51mn in cumulative Q3 FY03/19)



Medical System Network / 4350

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The reason for sales and profit growth: Steady inflow of leasing revenue and rise in occupancy at the company's serviced elderly housing facilities contributed to earnings growth. The number of occupied units as of end-December 2019 was 63 out of 82 units total at Wisteria Senri-Chuo, and 67 out of 116 units total at Wisteria Minami Ichijo. The company continued to carry out aggressive sales activities.

Food Service

Cumulative Q3 FY03/20 (April-December 2019) segment earnings results

Segment sales: JPY2.1bn (-10.7% YoY)

Segment loss: JPY38mn (profit of 28mn in cumulative Q3 FY03/19)

Business reforms: Despite withdrawal from certain unprofitable facilities and pricing adjustments made to contracts, segment profit fell from higher labor costs as the company employed temporary resources in response to staff shortage.

Other

The main business is home-visit nursing care.

Cumulative Q3 FY03/20 (April–December 2019) segment earnings results

Segment sales: JPY122mn (-26.5% YoY)

Segment loss: JPY56mn (loss of JPY82mn in cumulative Q3 FY03/19)

This note is the most recent addition to the <u>full report</u>.



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Contact Details

Shared Research Inc.

3-31-12 Sendagi Bunkyo-ku Tokyo, Japan https://sharedresearch.jp Phone: +81 (0)3 5834-8787 Email: info@sharedresearch.jp

