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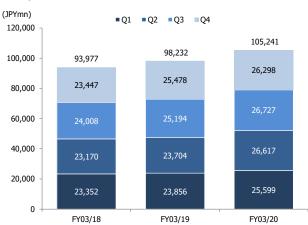
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On May 8, 2020, Medical System Network Co., Ltd. announced earnings results for full-year FY03/20.

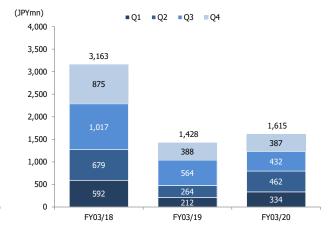
Cumulative		FY03,				FY03			FY03/20				
(JPYmn)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	% of FY	FY Est.			
Sales	23,856	47,560	72,754	98,232	25,599	52,216	78,943	105,241	100.2%	105,000			
YoY	2.2%	2.2%	3.2%	4.5%	7.3%	9.8%	8.5%	7.1%		6.9%			
Gross profit	9,079	17,887	27,527	37,271	9,839	19,819	30,225	40,214					
YoY	0.1%	-1.2%	0.0%	1.8%	8.4%	10.8%	9.8%	7.9%					
GPM	38.1%	37.6%	37.8%	37.9%	38.4%	38.0%	38.3%	38.2%					
SG&A expenses	8,867	17,410	26,487	35,842	9,504	19,022	28,997	38,599					
YoY	4.6%	3.4%	5.0%	7.2%	7.2%	9.3%	9.5%	7.7%					
SG&A ratio	37.2%	36.6%	36.4%	36.5%	37.1%	36.4%	36.7%	36.7%					
Operating profit	212	476	1,040	1,428	334	796	1,228	1,615	105.6%	1,530			
YoY	-64.2%	-62.5%	-54.5%	-54.9%	57.5%	67.2%	18.1%	13.1%		7.1%			
OPM	0.9%	1.0%	1.4%	1.5%	1.3%	1.5%	1.6%	1.5%		1.5%			
Recurring profit	192	438	1,010	1,501	323	784	1,208	1,560	104.0%	1,500			
YoY	-67.5%	-65.6%	-56.7%	-53.8%	68.2%	79.0%	19.6%	3.9%		-0.1%			
RPM	0.8%	0.9%	1.4%	1.5%	1.3%	1.5%	1.5%	1.5%		1.4%			
Net income	101	119	372	462	97	218	326	-895	-	-250			
YoY	-65.1%	-67.2%	-60.6%	-54.8%	-4.0%	83.2%	-12.4%	-		-			
Net margin	0.4%	0.3%	0.5%	0.5%	0.4%	0.4%	0.4%	-		-			
Quarterly		FY03				FY03							
(JPYmn)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
Sales	23,856	23,704	25,194	25,478	25,599	26,617	26,727	26,298					
YoY	2.2%	2.3%	4.9%	8.7%	7.3%	12.3%	6.1%	3.2%					
Gross profit	9,079	8,808	9,640	9,744	9,839	9,980	10,406	9,989					
YoY	0.1%	-2.6%	2.5%	7.2%	8.4%	13.3%	7.9%	2.5%					
GPM	38.1%	37.2%	38.3%	38.2%	38.4%	37.5%	38.9%	38.0%					
SG&A expenses	8,867	8,543	9,077	9,355	9,504	9,518	9,975	9,602					
YoY	4.6%	2.2%	8.2%	13.8%	7.2%	11.4%	9.9%	2.6%					
SG&A ratio	37.2%	36.0%	36.0%	36.7%	37.1%	35.8%	37.3%	36.5%					
Operating profit	212	264	564	388	334	462	432	387					
YoY	-64.2%	-61.1%	-44.5%	-55.7%	57.5%	75.0%	-23.4%	-0.3%					
OPM	0.9%	1.1%	2.2%	1.5%	1.3%	1.7%	1.6%	1.5%					
Recurring profit	192	246	572	491	323	461	424	352					
YoY	-67.5%	-63.9%	-46.1%	-46.4%	68.2%	87.4%	-25.9%	-28.3%					
RPM	0.8%	1.0%	2.3%	1.9%	1.3%	1.7%	1.6%	1.3%					
Net income	101	18	253	90	97	121	108	-1,221					
YoY	-65.1%	-75.7%	-56.5%	15.4%	-4.0%	572.2%	-57.3%	-					
Net margin	0.4%	0.1%	1.0%	0.4%	0.4%	0.5%	0.4%	-					

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)		FY03,	/19				FY03,	/19			FY03	/20		FY03	/20
(JPYmn)	Q1	Q2	Q3	Q4		Q1 retro		Q3 retro	Q4 retro	Q1	Q2	Q3	Q4	% of FY	FY Est.
Sales	23,856	47,560	72,754	98,232 Sa		23,856	47,560	72,754	52,216	25,599	52,216	78,943	105,241	100.2%	105,000
YoY Pharmaceuticals Network	2.2%	2.2%	3.2%	4.5%	YoY	2.2%	2.2%	3.2%	9.8%	7.3%	9.8%	8.5%	7.1%		6.9%
Pharmaceuticals Network YoY	955 9.1%	1,818 5.2%	2,897 8.3%	3,951 8.6%	Community Pharmacy Network YoY	22,564	44,717	68,408	49,290 10.2%	24,224 7.4%	49,290 10.2%	74,636 9.1%	99,617 7.9%		
% of total	3.9%	3.7%	4.0%	4.0%	% of total	94.1%	94.7%	94.4%	93.6%	94.1%	93.6%	93.8%	94.0%		
Dispensing Pharmacy	22,222	44,035	67,291	90,706	70 01 0001	3	3 70	3 1 / 0	33.070	3 1.170	33.070	33.070	31.070		
YoY	3.2%	2.7%	3.2%	4.1%											
% of total	90.3%	89.8%	91.8%	91.7%											
Leasing and Facility-related	600	1,508	2,382	3,320	Leasing and Facility-related	600	1,508	2,382	1,829	760	1,829	2,659	3,425		
YoY	15.2%	38.9%	52.6%	63.5%	YoY	15.2%	38.9%	52.6%	21.3%	26.7%	21.3%	11.6%	3.2%		
% of total	2.4%	3.1%	3.3%	3.4%	% of total	2.5%	3.1%	3.3%	3.5%	3.0%	3.5%	3.3%	3.2%		
Food Service YoY	788 -31.8%	1,586 -31.0%	2,382 -27.4%	3,161 -23.0%	Food Service YoY	788 -31.8%	1,586 -31.0%	2,382 -27.4%	1,434 -9.6%	730 -7.4%	1,434 -9.6%	2,128 -10.7%	2,797 -11.5%		
% of total	3.2%	3.2%	3.3%	3.2%	% of total	3.3%	3.2%	3.3%	2.7%	2.8%	2.7%	2.7%	2.6%		
Other	33	91	166	261	Other	33	91	166	79	38	79	122	165		
YoY	0.0%	71.7%	133.8%	183.7%	YoY	0.0%	71.7%	133.8%	-13.2%	15.2%	-13.2%	-26.5%	-36.8%		
% of total	0.1%	0.2%	0.2%	0.3%	% of total	0.1%	0.2%	0.2%	0.2%	0.1%	0.2%	0.2%	0.2%		
Segment sales adjustments	-743	-1,479	-523	-674	Segment sales adjustments	-130	320	320	-417	-154	-417	-603	-764		
Operating profit	212	476	1,040		perating profit	212	476	1,040	796	334	796	1,228	1,615	105.6%	1,530
YoY	-64.2%	-62.5%	-54.5%	-54.9%	YoY	-64.2%	-62.5%	-54.5%	67.2%	57.5%	67.2%	18.1%	13.1%		7.1%
Pharmaceuticals Network	554 17.6%	1,060 13.5%	1,697	2,331	Community Pharmacy Network	642	1,227	2,332	1,736	825	1,736	2,764	3,743		
YoY OPM	17.6% 58.0%	13.5% 58.3%	17.5% 58.6%	19.6% 59.0%	YoY OPM	2.8%	2.7%	3.4%	41.5% 3.5%	28.5% 3.4%	41.5% 3.5%	18.5% 3.7%	13.0% 3.8%		
Dispensing Pharmacy	130	202	712	1,068	OFFI	2.070	2.770	3.470	3.370	3.470	3.370	3.770	3.070		
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	-51	68	-8	68	67	45		
YoY	-	-	-	-	YoY	-	-	-	580.0%	-	580.0%	-	-		
OPM	-	0.7%	-	-	OPM	-	0.7%	-	-	-	-	-			
Food Service	1 00 00/	18	28	34	Food Service	1 00.00/	18	28	-34	-12	-34	-38	-43		
YoY OPM	-80.0% 0.1%	-47.1% 1.1%	-42.9% 1.2%	-24.4% 1.1%	YoY OPM	-80.0% 0.1%	-47.1% 1.1%	-42.9% 1.2%	-	-	-	-	-		
Other	-36	-57	-82	-101	Other	-29	-57	-82	-39	-21	-39	-56	-71		
YoY	-	-	-	-	YoY		-	-	-		-	-	-		
OPM															
	-	-	-	-	OPM	-	-	-	-	-	-	-			
Segment profit adjustments	-405	-721	-1,186	-1,733	Segment profit adjustments	-369	-721	-721	-934	-447	-934	-1,508	-2,057		
Segment profit adjustments By segment (quarterly)		FY03,	/19				-721 FY03,	/19		-447	-934 FY03	/20			
Segment profit adjustments By segment (quarterly) (JPYmn)	Q1	FY03, Q2	/19 Q3	Q4	Segment profit adjustments	Q1 retro	-721 FY03, Q2 retro	/19 Q3 retro	Q4 retro	-447 Q1	-934 FY03 Q2	7/20 Q3	Q4		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales	Q1 23,856	FY03, Q2 23,704	Q3 25,194	Q4 25,478 Sa	Segment profit adjustments	Q1 retro 23,856	-721 FY03, Q2 retro 23,704	/19 Q3 retro 25,194	Q4 retro 26,617	-447 Q1 25,599	-934 FY03 Q2 26,617	Q3 26,727	Q4 26,298		
Segment profit adjustments By segment (quarterly) (JPYnn) Sales YoY	Q1 23,856 2.2%	PY03, Q2 23,704 2.3%	Q3 25,194 4.9%	Q4 25,478 Sa 8.7%	Segment profit adjustments	Q1 retro 23,856 2.2%	-721 FY03, Q2 retro 23,704 2.3%	Q3 retro 25,194 4.9%	Q4 retro 26,617 12.3%	-447 Q1 25,599 7.3%	-934 FY03 Q2 26,617 12.3%	Q3 26,727 6.1%	Q4 26,298 3.2%		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales	Q1 23,856	FY03, Q2 23,704	Q3 25,194	Q4 25,478 Sa	Segment profit adjustments	Q1 retro 23,856	-721 FY03, Q2 retro 23,704	/19 Q3 retro 25,194	Q4 retro 26,617	-447 Q1 25,599	-934 FY03 Q2 26,617	Q3 26,727	Q4 26,298 3.2% 24,981		
Segment profit adjustments By segment (quarterly) (JPYnn) Sales YoY Pharmaceuticals Network	Q1 23,856 2.2% 955	FY03, Q2 23,704 2.3% 863	Q3 25,194 4.9% 1,079	Q4 25,478 Si 8.7% 1,054	Segment profit adjustments les YoY Community Pharmacy Network	Q1 retro 23,856 2.2%	-721 FY03, Q2 retro 23,704 2.3%	Q3 retro 25,194 4.9%	Q4 retro 26,617 12.3% 25,066	-447 Q1 25,599 7.3% 24,224	-934 FY03 Q2 26,617 12.3% 25,066	Q3 26,727 6.1% 25,346	Q4 26,298 3.2%		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY Pharmaceuticals Network YoY	Q1 23,856 2.2% 955 9.1%	PY03, Q2 23,704 2.3% 863 1.2%	Q3 25,194 4.9% 1,079 13.9%	Q4 25,478 Sa 8.7% 1,054 9.3%	Segment profit adjustments sles YoY Community Pharmacy Network YoY	Q1 retro 23,856 2.2% 22,564	-721 FY03, Q2 retro 23,704 2.3% 22,153	Q3 retro 25,194 4.9% 23,691	Q4 retro 26,617 12.3% 25,066 13.1%	-447 Q1 25,599 7.3% 24,224 7.4%	-934 FY03 Q2 26,617 12.3% 25,066 13.1%	Q3 26,727 6.1% 25,346 7.0%	Q4 26,298 3.2% 24,981 4.6%		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY	955 9.1% 4.4% 600 15.2%	PY03, Q2 23,704 2.3% 863 1.2% 3.5% 908 60.7%	Q3 25,194 4.9% 1,079 13.9% 4.5% 874 84.0%	25,478 Si 8.7% 1,054 9.3% 4.1% 938 99.6%	Segment profit adjustments les YoY Community Pharmacy Network YoY % of total Leasing and Facility-related YoY	Q1 retro 23,856 2.2% 22,564 - 94.1% 600	-721 FY03, Q2 retro 23,704 2.3% 22,153 - 95.3% 908	Q3 retro 25,194 4.9% 23,691 - 94.0% 874	Q4 retro 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7%	-447 Q1 25,599 7.3% 24,224 7.4% 96.6% 760 26.7%	-934 FY03 Q2 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7%	26,727 6.1% 25,346 7.0% 94.2% 830 -5.0%	Q4 26,298 3.2% 24,981 4.6% 94.4% 766 -18.3%		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total	91 23,856 2.2% 955 9.1% 4.4% 600 15.2% 2.8%	PY03, Q2 23,704 2.3% 863 1.2% 3.5% 908 60.7% 3.7%	Q3 25,194 4.9% 1,079 13.9% 4.5% 874 84.0% 3.6%	25,478 Si 8.7% 1,054 9.3% 4.1% 938 99.6% 3.7%	Segment profit adjustments Iles Yoy Community Pharmacy Network YoY % of total Leasing and Facility-related YoY % of total	Q1 retro 23,856 2.2% 22,564 - 94.1% 600 - 2.5%	-721 FY03, Q2 retro 23,704 2.3% 22,153 - 95.3% 908 - 3.9%	Q3 retro 25,194 4.9% 23,691 - 94.0% 874 - 3.5%	Q4 retro 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0%	-447 Q1 25,599 7.3% 24,224 7.4% 96.6% 760 26.7% 3.0%	-934 FY03 Q2 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0%	26,727 6.1% 25,346 7.0% 94.2% 830 -5.0% 3.1%	Q4 26,298 3.2% 24,981 4.6% 94.4% 766 -18.3% 2.9%		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service	91 23,856 2.2% 955 9.1% 4.4% 600 15.2% 2.8% 788	PY03, Q2 23,704 2.3% 863 1.2% 3.5% 908 60.7% 3.7% 798	Q3 25,194 4.9% 1,079 13.9% 4.5% 874 84.0% 3.6% 796	25,478 Si 8.7% 1,054 9.3% 4.1% 938 99.6% 3.7% 779	Segment profit adjustments sles YoY Community Pharmacy Network YoY % of total Leasing and Facility-related YoY % of total Food Service	Q1 retro 23,856 2.2% 22,564 - 94.1% 600	-721 FY03, Q2 retro 23,704 2.3% 22,153 - 95.3% 908	Q3 retro 25,194 4.9% 23,691 - 94.0% 874	Q4 retro 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704	-447 Q1 25,599 7.3% 24,224 7.4% 96.6% 760 26.7% 3.0% 730	-934 FY03 Q2 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704	26,727 6.1% 25,346 7.0% 94.2% 830 -5.0% 3.1% 694	24,298 3.2% 24,981 4.6% 94.4% 766 -18.3% 2.9% 669		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY	91 23,856 2.2% 955 9.1% 4.4% 600 15.2% 2.8% 788 -31.8%	863 1.2% 908 60.7% 3.7% 798 -30.1%	25,194 4.9% 1,079 13.9% 4.5% 874 84.0% 3.6% 796 -18.9%	25,478 Si 8.7% 1,054 9.3% 4.1% 938 99.6% 3.7% 779 -5.5%	Segment profit adjustments siles YoY Community Pharmacy Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY	Q1 retro 23,856 2.2% 22,564 - 94.1% 600 - 2.5% 788	-721 FY03, Q2 retro 23,704 2.3% 22,153 - 95.3% 908 - 3.9% 798	25,194 4.9% 23,691 - 94.0% 874 - 3.5% 796	Q4 retro 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8%	-447 Q1 25,599 7.3% 24,224 7.4% 96.6% 760 26.7% 3.0% 730 -7.4%	-934 PY03 Q2 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8%	26,727 6.1% 25,346 7.0% 94.2% 830 -5.0% 3.1% 694 -12.8%	24,298 3.2% 24,981 4.6% 94.4% 766 -18.3% 2.9% 669 -14.1%		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total	Q1 23,856 2.2% 955 9.1% 4.4% 600 15.2% 2.8% 788 -31.8% 3.7%	23,704 2.3% 863 1.2% 3.5% 908 60.7% 3.7% 798 -30.1%	25,194 4.9% 1,079 13.9% 4.5% 874 84.0% 3.6% 796 -18.9% 3.3%	25,478 Sa 8.7% 1,054 9.3% 4.1% 938 99.6% 3.7% 779 -5.5% 3.0%	Segment profit adjustments sles YoY Community Pharmacy Network YoY % of total Leasing and Facility-related YoY % of total Food Service	Q1 retro 23,856 2.2% 22,564 - 94.1% 600 - 2.5% 788 - 3.3%	-721 PY03, Q2 retro 23,704 2.3% 22,153 - 95.3% 908 - 3.9% 798 - 3.4%	23,691 - 94.0% 874 - 3.5% 796 - 3.2%	Q4 retro 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6%	-447 Q1 25,599 7.3% 24,224 7.4% 96.6% 760 26.7% 3.0% 730	-934 FY03 Q2 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704	26,727 6.1% 25,346 7.0% 94.2% 830 -5.0% 3.1% 694	24,298 3.2% 24,981 4.6% 94.4% 766 -18.3% 2.9% 669		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY	91 23,856 2.2% 955 9.1% 4.4% 600 15.2% 2.8% 788 -31.8%	863 1.2% 908 60.7% 3.7% 798 -30.1%	25,194 4.9% 1,079 13.9% 4.5% 874 84.0% 3.6% 796 -18.9%	25,478 Si 8.7% 1,054 9.3% 4.1% 938 99.6% 3.7% 779 -5.5%	Segment profit adjustments sles YoY Community Pharmacy Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total	Q1 retro 23,856 2.2% 22,564 - 94.1% 600 - 2.5% 788	-721 FY03, Q2 retro 23,704 2.3% 22,153 - 95.3% 908 - 3.9% 798	25,194 4.9% 23,691 - 94.0% 874 - 3.5% 796	Q4 retro 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8%	-447 Q1 25,599 7.3% 24,224 7.4% 96.6% 760 26.7% 3.0% 730 -7.4% 2.9%	-934 PY03 Q2 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 7.0% 94.2% 830 -5.0% 3.1% 694 -12.8% 2.6%	24, 26, 298 3.2% 24, 981 4.6% 94.4% 766 -18.3% 669 -14.1% 2.5%		
Segment profit adjustments By segment (quarterly) (JPYmm) Sales YoY Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Cother	Q1 23,856 2.2% 955 9.1% 4.4% 600 15.2% 2.8% 788 -31.8% 3.7%	PY03, Q2 23,704 2.3% 863 1.2% 3.5% 908 60.7% 798 -30.1% 3.3%	75 Q3 25,194 4.9% 1,079 13.9% 4.5% 87.4 84.0% 796 -18.9% 3.3%	25,478 Si 8.7% 1,054 9.3% 4.1% 938 99.6% 3.7% 779 -5.5% 3.0% 95	Segment profit adjustments ales Yoy Community Pharmacy Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other	Q1 retro 23,856 2.2% 22,564 - 94.1% 600 - 2.5% 788 - 3.3%	-721 PY03, Q2 retro 23,704 2.3% 22,153 - 95.3% 908 - 3.9% 798 - 3.4%	23,691 - 94.0% 874 - 3.5% 796 - 3.2%	24 retro 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6%	-447 Q1 25,599 7.3% 24,224 7.4% 96.6% 760 26.7% 3.0% 730 -7.4% 2.9%	-934 PY03 Q2 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 7.0% 94.2% 830 -5.0% 3.1% 694 -12.8% 2.6%	24, 26, 298 3.2% 24, 981 4.6% 94.4% 766 -18.3% 669 -14.1% 2.5% 43		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY 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% 955 9.1% 4.4% 600 15.2% 2.8% -31.8% 3.7% 3.3 0.0% 0.2% 2,320	23,704 2.370 863 1.2% 3.5% 908 60.7% 798 -30.1% 3.3% 58 190.0% 0.2%	25,194 4.9% 1,079 13.9% 4.5% 874 84.0% 3.6% 796 -18.9% 3.3% 75 316.7% 0.3%	Q4 25,478 S: 8.7% 1,054 9.3% 4.1% 938 99.6% 3.7% 779 -5.5% 3.0% 95 352.4% 0.4% -151	Segment profit adjustments Illes YoY Community Pharmacy Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments	Q1 retro 23,856 2.2% 22,564 94.1% 600 2.5% 788 - 3.3% 33 - 0.1%	-721 FY03 Q2 retro 23,704 2.3% 22,153 - 95.3% 908 - 3.9% 798 - 3.4% 58 - 0.2% 450	719 Q3 retro 25,194 4.9% 23,691 - 94.0% 874 - 3.5% 796 - 0.3%	Q4 retro 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	-447 Q1 25,599 7.3% 24,224 7.4% 96.6% 760 26.7% 3.0% 730 -7.4% 2.9% 38 15.2% 0.2%	-934 PY03 Q2 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%	26,227 6.1% 25,346 7.0% 94.2% 830 -5.0% 3.1% 694 -12.8% 2.6% 43 -42.7% 0.2%	24,298 3.2% 24,981 4.6% 94.4% 766 -18.3% 669 -14.1% 2.5% 43 -54.7% 0.2% -161		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY 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	Q1 23,856 2,2% 955 9,1% 4,4% 600 15,2% 788 -31,8% 3,7% 3,0,0% 0,2% 2,320 2,2320	908 60.7% 3.3% 60.7% 908 60.7% 3.7% 798 -30.1% 3.3% 58 190.0% 0.2% -736	25,194 4.996 1,079 13.9% 4.5% 874 84.0% 3.6% 796 -18.9% 3.3% 75 316.7% 0.3%	24 25,478 S: 8.7% 1,054 9.3% 4.1% 938 99.6% 3.7% 779 -5.5% 3.0% 95 352.4% 0.4% 0.4%	Segment profit adjustments Ales YoY Community Pharmacy Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Derating profit	Q1 retro 23,856 2,2% 22,564 - 94,1% 600 - 2,5% 788 33% - 0,1% -130 212	-721 FY03, Q2 retro 23,704 2.3% 22,153 - 95.3% 908 - 3.9% 798 - 3.4% 58 - 0.2% 450	719 Q3 retro 25,194 4.996 23,691 - 94.0% 874 - 3.5% 796 - 3.2% 75 - 0.3% - 564	Q4 retro 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% 0.263	-447 Q1 25,599 7.3% 24,224 7.4% 96.6% 750 26.7% 3.0% 730 -7.4% 2.9% 38 15.2% 0.2%	-934 FY03 Q2 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 4.1 2.6% 41 -29.3% 0.2% -263	26,727 6.1% 25,346 7.0% 94.2% 830 3.1% 694 -12.8% 43 -42.7% 0.2%	26,298 3.2% 24,981 4.6% 94.4% 766 -18.3% 6.59 -14.1% 4.5% 4.3 -54.7% 0.2% -161 387		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY 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	Q1 23,856 2.2% 955 9.1% 4.4% 600 15.2% 2.8% 3.7% 3.7% 0.0% 0.2% 2.320 2.320	PY03, Q2 23,704 2.3% 863 1.2% 3.5% 908 60.7% 3.7% 798 -30.1% 58 190.0% 0.2% -736 264 -61.1%	719 Q3 25,194 4,9% 4,9% 4,5% 874 84.0% 3.6% 796 -18.9% 3.3% 75 316.7% 0.3% 956 -564 -44.5%	Q4 25,478 S: 8.7% 1,054 9.3% 4.1% 938 4.1% 936 3.7% 779 -5.5% 352.4% 0.4% -151 388 O -55.7%	Segment profit adjustments sles YoY Community Pharmacy Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments perating profit YoY	Q1 retro 23,856 2.2% 22,564 - 94.1% 600 - 2.5% 788 8 - 3.3% - 1.30 -1.30 -1.2 -64.2%	-721 FY03, Q2 retro 23,704 2.3% 22,153 - 95.3% 908 - 3.9% 798 - 3.4% 58 - 0.2% 450 456 - 61.1%	719 Q3 retro 25,194 4.9% 23,691 94.0% 874 - 3.5% 796 - 0.3% 75 - 0.3% 444.5%	Q4 retro 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%	-447 Q1 25,599 7.3% 24,224 7.4% 96.6% 760 26.7% 3.0% 2.9% 6.29% 5.20 3344 57.5%	-934 FY03 Q2 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 4.1 -29.3% 0.2% -63 462 75.0%	26,727 6.1% 25,246 7.0% 94.2% 830 -5.0% 3.1% 694 -12.8% 2.6% 43 -42.7% 0.2% -186 432 -23.4%	24,298 3.2% 24,981 4.6% 94,4% 766 -18.3% 669 -14.1% 2.5% 43 -54.7% 0.2% -161 387 -0.3%		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Pharmaceuticals Metwork	Q1 23,856 2.2% 955 9.1% 4.4% 600 15.2% 2.8% 788 3.7% 3.7% 0.0% 0.2% 2,320 2,320 212 -64.2%	23,704 2.3%0 863 1.2% 3.5% 908 60.7% 3.7% 798 -30.1% 3.3% 0.2% -736 264 -61.1%	719 Q3 25,194 4.9% 1,079 13.9% 4.5% 874 84.0% 3.6% 796 -18.9% 3.3% 75 316.7% 0.3% 956 -44.5% 637	24 25,478 Si 8.7% 1,054 9.3% 4.1% 938 99.6% 3.7% 779 75.5% 3.0% 95 352.4% 0.4% -151 388 Q -55.7% 634	Segment profit adjustments sales YoY Community Pharmacy Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments perating profit YoY Community Pharmacy Network	Q1 retro 23,856 2,2% 22,564 - 94,1% 600 - 2,5% 788 33% - 0,1% -130 212	-721 FY03, Q2 retro 23,704 2.3% 22,153 - 95.3% 908 - 3.9% 798 - 3.4% 58 - 0.2% 450	719 Q3 retro 25,194 4.996 23,691 - 94.0% 874 - 3.5% 796 - 3.2% 75 - 0.3% - 564	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	-447 21, 25, 599 7.3% 24,224 7.4% 96.6% 760 26.7% 3.0% 730 -7.4% 2.9% 38 15.2% 0.2% 520 334 57.5% 825	-934 PY03 Q2 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	26,727 6.1% 25,346 7.0% 94.2% 830 -5.0% 3.1% 694 12.8% 43 -42.7% 0.2% -186 432 -23.4% 1,028	26,298 3.2% 24,981 4.6% 94.4% 766 -18.3% 6.59 -14.1% 4.5% 4.3 -54.7% 0.2% -161 387		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY 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 Other YoY % of total Segment sales adjustments Operating profit YoY Pharmaceuticals Network YOY	23,856 2.2% 955 9.1% 600 15.2% 2.8% 600 3.7% 3.37% 3.0.0% 0.2% 2.320 212 -64.2% 17.6%	23,704 2.3704 2.3704 863 1.2% 3.5% 908 60.7% 3.7% 798 -30.1% 58 190.0% 0.2% -736 264 -61.1% 506 9.3%	719 Q3 25,194 4.9% 1,079 13.9% 4.5% 874 84.0% 3.6% 796 3.3% 75 316.7% 956 564 -44.5%	25,478 St 8.7% 8.7% 1.054 9.3% 4.1% 938 99.6% 3.7% 3.0% 3.5% 95 352.4% 0.4% -151 388 O -55.7% 6.5%	Segment profit adjustments Ales YoY Community Pharmacy Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments perating profit YoY Community Pharmacy Network YoY	Q1 retro 23,856 2.2% 22,564	-721 PY03, Q2 retro 23,704 2.3% 22,153 908 3.9% 798 - 3.4% 58 - 0.2% 450 264 -61.1%	719 Q3 retro 25,194 4,9% 23,691 - 94.0% 874 - 3.5% 796 - 3.2% 75 - 0.3% - - -	24 retro 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 41 -29.3% 0.29% 0.29% -263 462 75.0% 911 80.0%	-447 Q1 25,599 7.3% 24,224 7.4% 96.6% 760 26.7% 3.0% 3.0 2.4% 2.9% 38 15.2% 0.2% 5.5% 825 28.5%	-934 PY05 Q2 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% 462 75.0% 911 80.0%	26,727 6.1% 25,346 7.0% 94.2% 830 -5.0% 3.1% 694 -12.8% 2.6% 43 -42.7% 0.2% -186 432 -23.4%	24,298 3.2% 24,981 4.6% 94,4% 766 -18.3% 669 -14.1% 2.5% 43 -54.7% 0.2% -161 387 -0.3%		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total	Q1 23,856 2.2% 955 9.1% 4.4% 600 15.2% 2.8% 788 3.7% 3.7% 0.0% 0.2% 2,320 2,320 212 -64.2%	23,704 2.3%0 863 1.2% 3.5% 908 60.7% 3.7% 798 -30.1% 3.3% 0.2% -736 264 -61.1%	719 Q3 25,194 4.9% 1,079 13.9% 4.5% 874 84.0% 3.6% 796 -18.9% 3.3% 75 316.7% 0.3% 956 -44.5% 637	24 25,478 Si 8.7% 1,054 9.3% 4.1% 938 99.6% 3.7% 779 75.5% 3.0% 95 352.4% 0.4% -151 388 Q -55.7% 634	Segment profit adjustments sales YoY Community Pharmacy Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments perating profit YoY Community Pharmacy Network	Q1 retro 23,856 2.2% 22,564 - 94.1% 600 - 2.5% 788 8 - 3.3% - 1.30 -1.30 -1.2 -64.2%	-721 FY03, Q2 retro 23,704 2.3% 22,153 - 95.3% 908 - 3.9% 798 - 3.4% 58 - 0.2% 450 456 - 61.1%	719 Q3 retro 25,194 4.9% 23,691 94.0% 874 - 3.5% 796 - 0.3% 75 - 0.3% 444.5%	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% 911	-447 21, 25, 599 7.3% 24,224 7.4% 96.6% 760 26.7% 3.0% 730 -7.4% 2.9% 38 15.2% 0.2% 520 334 57.5% 825	-934 PY03 Q2 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	26,727 6.1% 25,346 7.0% 94.2% 830 -5.0% 3.1% 694 12.8% 43 -42.7% 0.2% -186 432 -23.4% 1,028	24,298 3.2% 24,981 4.6% 94,4% 766 -18.3% 669 -14.1% 2.5% 43 -54.7% 0.2% -161 387 -0.3%		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY 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 Other YoY % of total Segment sales adjustments Operating profit YoY Pharmaceuticals Network YOY	23,856 2.2% 955 9.11% 600 15.2% 62.8% 3.1.8% 3.7% 3.20 2.22 -64.2% 554 17.6% 58.0%	23,704 2.3,704 2.3,704 863 1.2% 3.5% 908 60.7% 3.7% -30.1% 3.3% 58 190.0% 0.2% -736 264 -61.1% 506 9.3,% 58.6%	79 Q3 25,194 4.9% 4.9% 1,079 13.9% 874 84.0% 3.6% 796 -18.9% 0.3% 956 554 -44.5% 637 24.9% 59.0%	25,478 Si 8.7% 1,054 9.38 99.6% 3.7% -5.5% 3.0% -151 388 Q -55.7% 634 25.5% 60.2%	Segment profit adjustments Ales YoY Community Pharmacy Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments perating profit YoY Community Pharmacy Network YoY	Q1 retro 23,856 2.2% 22,564	-721 PY03, Q2 retro 23,704 2.3% 22,153 908 3.9% 798 - 3.4% 58 - 0.2% 450 264 -61.1%	719 Q3 retro 25,194 4,9% 23,691 - 94.0% 874 - 3.5% 796 - 3.2% 75 - 0.3% - - -	24 retro 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 41 -29.3% 0.29% 0.29% -263 462 75.0% 911 80.0%	-447 Q1 25,599 7.3% 24,224 7.4% 96.6% 760 26.7% 3.0% 3.0 2.4% 2.9% 38 15.2% 0.2% 5.5% 825 28.5%	-934 PY05 Q2 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% 462 75.0% 911 80.0%	26,727 6.1% 25,346 7.0% 94.2% 830 -5.0% 3.1% 694 -12.8% 2.6% 43 -42.7% 0.2% -186 432 -23.4%	24,298 3.2% 24,981 4.6% 94,4% 766 -18.3% 669 -14.1% 2.5% 43 -54.7% 0.2% -161 387 -0.3%		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY 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 Dispensing Pharmacy	23,856 2.2% 955 9.1% 4.4% 600 15.2% 2.8% 3.7% 3.3% 0.0% 0.2% 2,320 2.464.2% 554 17.6% 130	23,704 2.3% 863 1.2% 863 1.2% 3.5% 908 60.7% 3.7% 3.3% 58.6% 190.0% -736 264 -61.1% 506 9.3% 58.6% 72	799 Q3 25,194 4.9% 4.9% 1,079 13.9% 4.5% 874 84.0% 3.6% 796 -18.9% 0.3% 956 554 -44.5% 637 24.9% 59.0% 510	25,478 Si 8,7% 1,054 9,3% 4,1% 4,1% 938 99,6% 3,7% 5,5% 3,0% 95 352,4% 0,4% -151 388 O 60,2% 356	Segment profit adjustments Ales YoY Community Pharmacy Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments perating profit YoY Community Pharmacy Network YoY	Q1 retro 23,856 2.2% 22,564	-721 PY03, Q2 retro 23,704 2.3% 22,153 908 3.9% 798 - 3.4% 58 - 0.2% 450 264 -61.1%	719 Q3 retro 25,194 4,9% 23,691 - 94.0% 874 - 3.5% 796 - 3.2% 75 - 0.3% - - -	24 retro 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 41 -29.3% 0.29% 0.29% -263 462 75.0% 911 80.0%	-447 Q1 25,599 7.3% 24,224 7.4% 96.6% 760 26.7% 3.0% 3.0 2.4% 2.9% 38 15.2% 0.2% 5.5% 825 28.5%	-934 PY05 Q2 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% 462 75.0% 911 80.0%	26,727 6.1% 25,346 7.0% 94.2% 830 -5.0% 3.1% 694 -12.8% 2.6% 43 -42.7% 0.2% -186 432 -23.4%	24,298 3.2% 24,981 4.6% 94,4% 766 -18.3% 669 -14.1% 2.5% 43 -54.7% 0.2% -161 387 -0.3%		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY 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 Dispensing Pharmacy YoY	21. 23,856 2.2% 955 9.1% 600 15.2% 600 15.2% 32.7% 33 0.0% 0.2% 2,320 212 -64.2% 17.6% 58.0% 130 -78.0%	908 60.7% 798 -30.1% 3.5% 908 60.7% 798 -30.1% 3.3% 58 190.0% 0.2% 6-736 264 -61.1% 50.2%	79 Q3 25,194 4.9% 1,079 13.9% 874 84.0% 796 -18.9% 75 316.7% 0.3% 956 564 -44.5% 637 24.9% 55.0% 510 -48.5%	25,478 St 8.7% 1,054 9.3% 4.1% 938 99.6% 3.7% 779 -5.5% 352.4% 0.4151 388 O -55.7% 634 25.5% 60.2% 60.2%	Segment profit adjustments Ales YoY Community Pharmacy Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments perating profit YoY Community Pharmacy Network YoY	Q1 retro 23,856 2.2% 22,564	-721 PY03, Q2 retro 23,704 2.3% 22,153 908 3.9% 798 - 3.4% 58 - 0.2% 450 264 -61.1% 585	719 Q3 retro 25,194 4,9% 23,691 - 94.0% 874 - 3.5% 796 - 3.2% 75 - 0.3% - - -	24 retro 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 41 -29.3% 0.29% 0.29% -263 462 75.0% 911 80.0%	-447 Q1 25,599 7.3% 24,224 7.4% 96.6% 760 26.7% 3.0% 3.0 2.4% 2.9% 38 15.2% 0.2% 5.5% 825 28.5%	-934 PY05 Q2 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% 462 75.0% 911 80.0%	26,727 6.1% 25,346 7.0% 94.2% 830 -5.0% 3.1% 694 -12.8% 2.6% 43 -42.7% 0.2% -186 432 -23.4%	24,298 3.2% 24,981 4.6% 94,4% 766 -18.3% 669 -14.1% 2.5% 43 -54.7% 0.2% -161 387 -0.3%		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY 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 Other YoY Poff total Departing profit YoY Pharmaceuticals Network YoY OPM Dispensing Pharmacy YoY OPM Leasing and Facility-related YoY Leasing and Facility-related YoY	23,856 2.2% 955 9.1% 600 15.2% 2.8% 600 3.7% 3.1.8% 3.7% 3.20 2.2% 2.420 2.12 -64.2% 554 17.6% 58.0% 130 -78.0% 0.6%	908 60.7% 798 -30.1% 3.5% 908 60.7% 798 -30.1% 58 190.0% 0.2% 6-736 264 -61.1% 58.6% 72 -88.6% 0.3%	79 Q3 25,194 4.9% 4.9% 1,079 13.9% 874 84.0% 3.6% 796 -18.9% 3.3% 75 316.7% 0.3% 5564 -44.5% 59.	25,478 Si 8.7% 1,054 9.38 99.6% 3.7% -5.5% 3.0% 0.4% -151 388 Q -55.7% 634 25.5% 60.2% 356 60.2% 356 60.2%	Segment profit adjustments sales YoY Community Pharmacy Network YoY % of total Leasing and Facility-related YoY % of total Segment sales adjustments perating profit YoY Community Pharmacy Network YoY Community Pharmacy Network YoY Leasing and Facility-related YoY Leasing and Facility-related YoY	Q1 retro 23,856 2.2% 22,564 94,19% 600 2.5% 3.3% 33 3 0.11% 130 212 64,2% 642 2.8%	-721 FY03, Q2 retro 23,704 2.3% 22,153 908 - 3.9% 798 - 0.2% 450 264 -61.1% 585 - 2.6%	719 Q3 retro 25,194 4.9% 23,691 94.0% 874 - 3.5% 75 564 -44.5% 1,105 4.7%	24 retro 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 4.0% 4.0% 2.6% 41 -29.3% 0.2% 0.2% 911 80.0% 3.6%	-447 Q1 25,599 7.3% 24,224 7.4% 96.6% 760 3.0% 3.0% 38 15.2% 0.2% 5520 334 57.5% 825 28.5% 3.4%	-934 PY02 22,6617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 0.2% -263 462 75.0% 911 80.0% 3.6%	26,727 6.1% 25,346 7.0% 94.2% 830 -5.0% 3.1% 694 -12.8% 2.6% 43 -42.7% 0.2% 1.186 432 -23.4% 1.028 61.4% 4.1% -	24 26,298 3.2% 24,981 4.6% 94.4% 766 -18.3% 2.9% 669 -14.1% 0.2% -151 387 -0.3% 979		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY 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 Dispensing Pharmacy YoY OPM Leasing and Facility-related YoY OPM Leasing and Facility-related YoY OPM	23,856 2.2% 955 9.1% 600 15.2% 2.8% 788 -31.8% 3.7% 33 0.0% 0.2% 554 17.6% 58.0% 130 -78.0% 0.5% -78.0%	908 60.7% 3.7% 3.7% 3.7% 3.7% 3.7% 3.7% 3.7% 58 190.0% 6.2% 61.1% 506 62.8% 58.6% 736 42 4.6%	79 Q3 25,194 4.9% 1,079 13.9% 874 84.0% 3.6% 796 -18.9% 0.3% 5564 -44.5% 59.5%	25,478 St 8.7% 8.7% 1.054 9.3% 4.1% 938 99.6% 3.7% 779 -5.5% 5352.4% 0.4% 634 25.5% 60.2% 355.7% 6334 1.5% -333 -33	Segment profit adjustments Ales YoY Community Pharmacy Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Perating profit YoY Community Pharmacy Network YoY OPM Leasing and Facility-related YoY OPM	Q1 retro 23,856 2.2% 22,564 - 94,19% 600 - 2.59% 333 33 - 0.19% -130 212 -64,2% 642 - 2.8%	-721 FY03, Q2 retro 23,704 2.3% 22,153 908 3.9% 798 - 3.4% 58 - 0.2% 450 264 -61.1% 585 - 2.6%	/19 Q3 retro 25,194 4.9% 23,691 94.0% 874 - 3.5% 796 - 0.3% 564 -44.5% 1,105 - 4.7%	24 retro 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 4.0% 4.11.8% 2.6% 41 -29.3% 0.2% -263 462 75.0% 911 80.0% 3.6%	-447 Q1 25,599 7.3% 24,224 7.4% 96.6% 760 26.7% 3.0% 38 15.2% 0.2% 57.5% 825 28.5% 3.4%	-934 PY05 Q2 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% 402 75.0% 911 80.0% 3.6%	26,727 6.1% 25,346 7.0% 830 -5.0% 3.1% 694 -12.8% 2.6% 43 -42.7% 0.2% 432 -23.4% 1.028 61.4% 4.1% -	24,981 3.2% 24,981 4.6% 94.4% 766 -18.3% 2.9% 669 -14.1% 2.5% 43 -54.7% 0.2% -10.3% 979		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Departs ales adjustments Operating profit YoY Pharmaceuticals Network YoY OPM Dispensing Pharmacy YoY OPM Leasing and Facility-related YOY OPM Food Service	23,856 2.2% 955 9.11% 600 15.2% 4.4% 600 15.2% 33 0.0% 0.2% 2.320 212 -64.2% 554 17.6% 58.0% 130 -78.0% 0.6% -32 -1	23,704 2.3% 863 1.2% 863 1.2% 3.5% 908 60.7% 3.7% -30.1% 3.3% 58 190.0% 0.2% -736 264 -61.1% 506 72 -88.6% 0.3% 42 - 4.6% 17	79 Q3 25,194 4.9% 1,079 13.9% 4.5% 874 84.0% 3.6% 796 -18.9% 0.3% 5564 -44.5% 550 0.5 50 0.5	25,478 Si 8.7% 1,054 9.3% 4.1% 938 99.6% 3.7% -5.5% 3.0% -151 388 O -55.7% 634 25.5% 60.2% 356 -58.1% -33 6	Segment profit adjustments sales YoY Community Pharmacy Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Perating profit YoY Community Pharmacy Network YoY OPM Leasing and Facility-related YoY OPM Food Service	Q1 retro 23,856 2,2% 22,564 - 94,1% 600 - 2,5% - 3,3% 333 33 - 0,1% -130 212 -64,2% 642 - 2,8%	-721 FY03, Q2 retro 23,704 2.3% 22,153 908 - 3.9% 798 - 0.2% 450 264 -61.1% 585 - 2.6%	719 Q3 retro 25,194 4.9% 23,691 94.0% 874 - 3.5% 75 564 -44.5% 1,105 4.7%	24 retro 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 4.0% 4.0% 2.6% 41 -29.3% 0.2% 0.2% 911 80.0% 3.6%	-447 Q1 25,599 7.3% 24,224 7.4% 96.6% 760 26,7% 3.0% 3.0% 730 -7.4% 2.9% 825 520 334 57.5% 825 28.5% 3.4%	-934 PY02 22,6617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 0.2% -263 462 75.0% 911 80.0% 3.6%	26,727 6.1% 25,346 7.0% 94.2% 830 -5.0% 3.1% 694 -12.8% 2.6% 43 -42.7% 0.2% 1.186 432 -23.4% 1.028 61.4% 4.1% -	24 26,298 3.2% 24,981 4.6% 94.4% 766 -18.3% 2.9% 669 -14.1% 0.2% -151 387 -0.3% 979		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY 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 OPM Dispensing Pharmacy YoY OPM Leasing and Facility-related YoY OPM Food Service YoY OPM Food Service YoY OPM Food Service	23,856 2.2% 955 9.1% 4.4% 600 15.2% 2.8% 3.7% 3.3% 0.0% 0.2% 2,320 2.320 2.464.2% 554 17.6% 58.0% 0.5% -32.2	22,704 2.3704 2.3704 2.3704 2.370, 863 1.2% 3.570 3.706 3.776 3.376 506 9.376 506 9.376 5264 -61.1% 506 9.376 42 -4.6% 17 -41.4%	79 Q3 25,194 4.9% 1,079 13.9% 874 84.0% 3.6% 796 -18.9% 75 316.7% 0.3% 956 564 -44.5% 637 24.9% 59.0% -61 -10 -33.3%	25,478 St 8.7% 1,054 9.3% 4.1% 938 99.6% 3.7% 779 -5.5% 0.4% -151 388 O -55.7% 634 25.5% 60.2% -335 6 -250.0%	Segment profit adjustments sales YoY Community Pharmacy Network YoY % of total Leasing and Facility-related YoY % of total Other YoY % of total Segment sales adjustments perating profit YoY Community Pharmacy Network YoY Community Pharmacy Network YoY OPM Leasing and Facility-related YoY OPM Food Service YOY	Q1 retro 23,856 2.2% 22,564 - 94.1% 600 - 2.5% 788 8 3.3% - 3.1% -130 -140 - 2.8%	-721 FY03 Q2 retro 23,704 2.3% 22,153 908 -3.9% 798 3.4% 58 -0.2% 450 264 -61.1% 585 - 2.6%	/19 Q3 retro 25,194 4.9% 4.9% 23,691 94.0% 874 3.5% 796 - 3.2% 75 - 0.3% - 564 -44.5% 1,105 - 4.7%	24 retro 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 4.0% 4.11.8% 2.6% 41 -29.3% 0.2% -263 462 75.0% 911 80.0% 3.6%	-447 Q1 25,599 7.3% 24,224 7.4% 96.6% 760 26.7% 3.0% 38 15.2% 0.2% 57.5% 825 28.5% 3.4%	-934 PY05 Q2 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% 402 75.0% 911 80.0% 3.6%	26,727 6.1% 25,346 7.0% 830 -5.0% 3.1% 694 -12.8% 2.6% 43 -42.7% 0.2% 432 -23.4% 1.028 61.4% 4.1% -	24,981 3.2% 24,981 4.6% 94.4% 766 -18.3% 2.9% 669 -14.1% 2.5% 43 -54.7% 0.2% -10.3% 979		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Departs ales adjustments Operating profit YoY Pharmaceuticals Network YoY OPM Dispensing Pharmacy YoY OPM Leasing and Facility-related YOY OPM Food Service	23,856 2.2% 955 9.11% 600 15.2% 4.4% 600 15.2% 33 0.0% 0.2% 2.320 212 -64.2% 554 17.6% 58.0% 130 -78.0% 0.6% -32 -1	23,704 2.3% 863 1.2% 863 1.2% 3.5% 908 60.7% 3.7% -30.1% 3.3% 58 190.0% 0.2% -736 264 -61.1% 506 72 -88.6% 0.3% 42 - 4.6% 17	79 Q3 25,194 4.9% 1,079 13.9% 4.5% 874 84.0% 3.6% 796 -18.9% 0.3% 5564 -44.5% 550 0.5 50 0.5	25,478 Si 8.7% 1,054 9.3% 4.1% 938 99.6% 3.7% -5.5% 3.0% -151 388 O -55.7% 634 25.5% 60.2% 356 -58.1% -33 6	Segment profit adjustments sales YoY Community Pharmacy Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY % of total Segment sales adjustments Perating profit YoY Community Pharmacy Network YoY OPM Leasing and Facility-related YoY OPM Food Service	Q1 retro 23,856 2,2% 22,564 - 94,1% 600 - 2,5% - 3,3% 333 33 - 0,1% -130 212 -64,2% 642 - 2,8%	-721 FY03, Q2 retro 23,704 2.3% 22,153 908 3.9% 798 - 3.4% 58 - 0.2% 450 264 -61.1% 585 - 2.6%	/19 Q3 retro 25,194 4.9% 23,691 94.0% 874 - 3.5% 796 - 0.3% 564 -44.5% 1,105 - 4.7%	24 retro 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 4.0% 4.11.8% 2.6% 41 -29.3% 0.2% -263 462 75.0% 911 80.0% 3.6%	-447 Q1 25,599 7.3% 24,224 7.4% 96.6% 760 26,7% 3.0% 3.0% 730 -7.4% 2.9% 825 520 334 57.5% 825 28.5% 3.4%	-934 PY05 Q2 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% 402 75.0% 911 80.0% 3.6%	26,727 6.1% 25,346 7.0% 830 -5.0% 3.1% 694 -12.8% 2.6% 43 -42.7% 0.2% 432 -23.4% 1.028 61.4% 4.1% -	24,981 3.2% 24,981 4.6% 94.4% 766 -18.3% 2.9% 669 -14.1% 2.5% 43 -54.7% 0.2% -10.3% 979		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Cother YoY % of total Other YoY % of total Segment sales adjustments Coperating profit YoY Pharmaceuticals Network YoY OPM Dispensing Pharmacy YoY OPM Leasing and Facility-related YoY OPM Food Service YoY OPM Food Service YoY OPM Food Service YoY OPM	23,856 2.2% 955 9.1% 600 15.2% 2.8% 600 15.2% 2.8% 33.3 0.0% 0.2% 554 17.6% 58.0% 130% -3.2	908 60.7% 3.5% 908 60.7% 3.7% 798 -30.1% 3.3% 58 190.0% 6.2% 506 -736 264 -61.1% 506 9.3% 58.6% 7.3% 42 -4.6% 17 -41.4% 62.1%	79 Q3 25,194 4.9% 1,079 13.9% 874 84.0% 3.6% 796 -18.9% 75 316.7% 0.3% 956 564 -44.5% 637 24.9% 59.0% -61 -10 -33.3% 1.3%	25,478 St 8.7% 1,054 9.3% 4.1% 938 99.6% 3.7% -5.5% 5352.4% 0.4% -151 388 O -255.5% 60.2% 33.7% -33	Segment profit adjustments siles YoY Community Pharmacy Network YoY % of total Leasing and Facility-related YoY % of total Other YoY % of total Other YoY Community Pharmacy Network YoY OPM Leasing and Facility-related YoY OPM Food Service YoY OPM Food Service YoY OPM Food Service YoY OPM Food Service YoY OPM	Q1 retro 23,856 2.2% 22,564	-721 PY03 Q2 retro 23,704 2.3% 22,153 908 3.9% 798 3.4% 58 - 0.2% 450 264 -61.1% 585 2.6%	/19 Q3 retro 25,194	24 retro 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 4.0% 4.11.8% 2.6% 41 -29.3% 0.2% -263 462 75.0% 9111 80.0% 3.6%	-447 Q1 25,599 7.3% 24,224 7.4% 96.6% 760 26.7% 3.0% 38 15,2% 0.2% 520 334 57.5% 825 28.5% 3.4%	-934 PY05 Q2 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 6.2% 41 -29.3% 0.2% 5.0% 3.6% 76 -7.1% -22	26,727 6.1% 25,346 7.0% 830 -5.0% 3.1% 694 -12.8% 2.6% 43 -42.7% 0.2% 43.14% -1.86 43.14% -1.46 -1.46 -1.46 -1.164	24,981 3.2% 24,981 4.6% 94.4% 766 -18.3% 2.9% 669 -14.1% 2.5% 43 -54.7% 0.2% -161 387 -0.3% 979		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY Pharmaceuticals Network YoY % of total Leasing and Facility-related YoY % of total Cother 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 Food Service YoY OPM Food Service YoY OPM OPM OPM Other	23,856 2.2% 955 9.1% 600 15.2% 2.8% 600 15.2% 2.8% 33.3 0.0% 0.2% 554 17.6% 58.0% 130% -3.2	908 60.7% 3.5% 908 60.7% 3.7% 798 -30.1% 3.3% 58 190.0% 6.2% 506 -736 264 -61.1% 506 9.3% 58.6% 7.3% 42 -4.6% 17 -41.4% 62.1%	79 Q3 25,194 4.9% 1,079 13.9% 874 84.0% 3.6% 796 -18.9% 75 316.7% 0.3% 956 564 -44.5% 637 24.9% 59.0% -61 -10 -33.3% 1.3%	25,478 St 8.7% 1,054 9.3% 4.1% 938 99.6% 3.7% -5.5% 5352.4% 0.4% -151 388 O -255.5% 60.2% 33.7% -33	Segment profit adjustments sales YoY Community Pharmacy Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY Community Pharmacy Network YoY Community Pharmacy Network YoY OPM Leasing and Facility-related YoY OPM Community Pharmacy Network YOY OPM Community Pharm	Q1 retro 23,856 2.2% 22,564	-721 PY03 Q2 retro 23,704 2.3% 22,153 908 3.9% 798 3.4% 58 - 0.2% 450 264 -61.1% 585 2.6%	/19 Q3 retro 25,194	24 retro 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 4.0% 4.11.8% 2.6% 41 -29.3% 0.2% -263 462 75.0% 9111 80.0% 3.6%	-447 Q1 25,599 7.3% 24,224 7.4% 96.6% 760 26.7% 3.0% 38 15,2% 0.2% 520 334 57.5% 825 28.5% 3.4%	-934 PY05 Q2 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 6.2% 41 -29.3% 0.2% 5.0% 3.6% 76 -7.1% -22	26,727 6.1% 25,346 7.0% 830 -5.0% 3.1% 694 -12.8% 2.6% 43 -42.7% 0.2% 43.14% -1.86 43.14% -1.46 -1.46 -1.46 -1.164	24,981 3.2% 24,981 4.6% 94.4% 766 -18.3% 2.9% 669 -14.1% 2.5% 43 -54.7% 0.2% -161 387 -0.3% 979		
Segment profit adjustments By segment (quarterly) (JPYmn) Sales YoY 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 Dispensing Pharmacy YoY OPM Leasing and Facility-related YoY OPM Food Service YoY OPM Other YoY OPM Other YoY Other YoY Other YoY OPM Other YoY Other Other YoY Other YoY Other YoY Other Voy Other Other YoY Other Other YoY Other Other Voy Other Other YoY Other Other Voy Other Other Voy Other Other Voy Other Other Voy Other Other Other Other Voy Other Othe	23,856 2.2% 955 9.1% 600 15.2% 2.8% 600 15.2% 2.8% 33.3 0.0% 0.2% 554 17.6% 58.0% 130% -3.2	908 60.7% 3.5% 908 60.7% 3.7% 798 -30.1% 3.3% 58 190.0% 6.2% 506 -736 264 -61.1% 506 9.3% 58.6% 7.3% 42 -4.6% 17 -41.4% 62.1%	79 Q3 25,194 4.9% 1,079 13.9% 874 84.0% 3.6% 796 -18.9% 75 316.7% 0.3% 956 564 -44.5% 637 24.9% 59.0% -61 -10 -33.3% 1.3%	25,478 St 8.7% 1,054 9.3% 4.1% 938 99.6% 3.7% -5.5% 5352.4% 0.4% -151 388 O -255.5% 60.2% 33.7% -33	Segment profit adjustments sites YoY Community Pharmacy Network YoY % of total Leasing and Facility-related YoY % of total Food Service YoY % of total Other YoY Community Pharmacy Network YoY Leasing and Facility-related YoY % of total Segment sales adjustments Perating profit YoY Community Pharmacy Network YoY OPM Leasing and Facility-related YoY OPM OPM OHO Other YOY OPM Other	Q1 retro 23,856 2.2% 22,564 94.1% 600 2.5% 333 0.1% -130 212 -64.2% 642 2.8%	-721 PY03 Q2 retro 23,704 2.3% 22,153 908 3.9% 798 3.4% 58 - 0.2% 450 264 -61.1% 585 2.6%	/19 Q3 retro 25,194	24 retro 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 4.0% 4.11.8% 2.6% 41 -29.3% 0.2% -263 462 75.0% 9111 80.0% 3.6%	-447 Q1 25,599 7.3% 24,224 7.4% 96.6% 760 26.7% 3.0% 38 15,2% 0.2% 520 334 57.5% 825 28.5% 3.4%	-934 PY05 Q2 26,617 12.3% 25,066 13.1% 93.3% 1,069 17.7% 4.0% 704 -11.8% 2.6% 6.2% 41 -29.3% 0.2% 5.0% 3.6% 76 -7.1% -22	26,727 6.1% 25,346 7.0% 830 -5.0% 3.1% 694 -12.8% 2.6% 43 -42.7% 0.2% 43.14% -1.86 43.14% -1.46 -1.46 -1.46 -1.164	24,981 3.2% 24,981 4.6% 94.4% 766 -18.3% 2.9% 669 -14.1% 2.5% 43 -54.7% 0.2% -161 387 -0.3% 979		

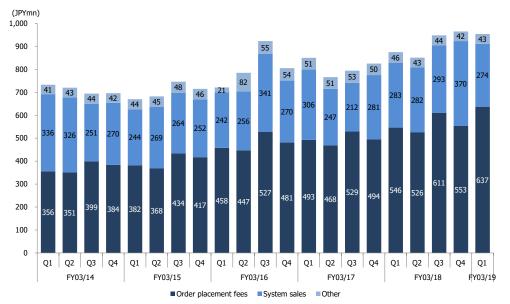
Source: Shared Research based on company data Note: Figures may differ from company materials due to differences in rounding methods.



Update Notes

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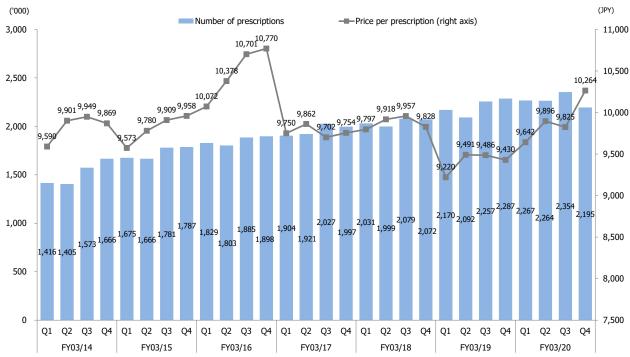
(Reference) Pharmaceuticals Network segment sales



Source: Shared Research based on company data Notes: Undisclosed from Q2 FY03/19

Integrated into the Community Pharmacy Network segment from FY03/20

Quarterly trends in prescription volume and price per prescription (drug price + technical fees; Dispensing Pharmacy business; all stores)

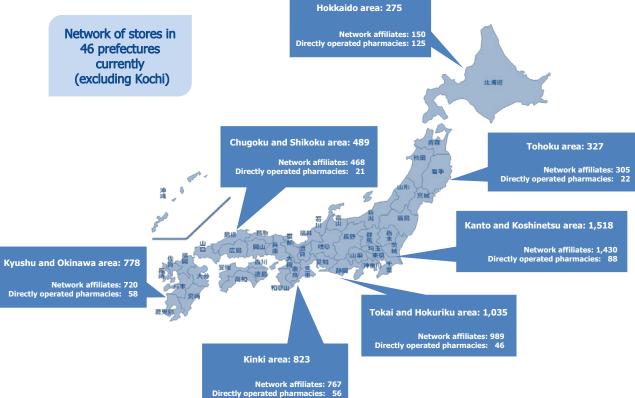


Source: Shared Research based on company data

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



Distribution of network members (as of March 31, 2020)



Source: Shared Research based on company data

Number of dispensing pharmacies by region

Region	Directly operated pharmacies	Affiliates	Total network members
Hokkaido	125	150	275
Tohoku	22	305	327
Kanto and Koshinetsu	88	1,430	1,518
Tokai and Hokuriku	46	989	1035
Kinki	56	767	823
Chugoku and Shikoku	21	468	489
Kyushu and Okinawa	58	720	778
Total	416	4,829	5,245

Source: Shared Research based on company data (March 31, 2020)





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Full-year FY03/20 earnings results (out May 8, 2020)

Overview

FY03/20 (April 2019 to March 2020) earnings results

Sales: JPY105.2bn (+7.1% YoY)
 ○ Operating profit: JPY1.6bn (+13.0% YoY)
 ○ Recurring profit: JPY1.6bn (+3.9% YoY)

Net loss*: JPY895mn (profit of JPY462mn)
*Net income/loss attributable to owners of the parent

- 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 and business conditions: Performance was strong at the core Community Pharmacy Network segment, fueled by steady expansion in the Pharmaceuticals Network business and contributions to the Dispensing Pharmacy business from pharmacies acquired in FY03/19 via M&A. There was also a rise in the average value of prescriptions filled in tandem with growth in long-term prescriptions and an increase in high-value prescriptions filled. The number of prescriptions filled, though, stagnated owing to fewer medical examinations as a result of COVID-19 and a low rate of influenza transmission compared to previous years.

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.

Full-year FY03/20 (April 2019 to March 2020) segment earnings results

- Segment sales: JPY99.6bn (+7.9% YoY; includes internal sales or transfers between segments; same hereafter)
- Segment profit: JPY3.7bn (+13.0% 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-March 2020, the number of network members was 5,245 (up 1,455 from end-FY03/19). This consisted of 416 directly operated pharmacies and 4,829 affiliates.
- Dispensing Pharmacy division: In addition to the contribution from stores acquired via M&A, sales at existing pharmacies remained steady. As at end-March 2020, there were 416 dispensing pharmacies, one care plan center, and eight cosmetic/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-March 2020.

Leasing and Facility-related

Full-year FY03/20 (April 2019 to March 2020) segment earnings results

Segment sales: JPY3.4bn (+3.2% YoY)

Segment profit: JPY45mn (loss of JPY84mn in 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-March 2020 was 67 out of 82 units total at Wisteria Senri-Chuo, and 71 out of 116 units total at Wisteria Minami Ichijo. The company continued to carry out aggressive sales activities.

Food Service

Full-year FY03/20 (April 2019 to March 2020) segment earnings results

Segment sales: JPY2.8bn (-11.5% YoY)

 \triangleright Segment loss: JPY43mn (profit of 34mn in FY03/19)

 \triangleright 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.

Full-year FY03/20 (April 2019 to March 2020) segment earnings results

Segment sales: JPY165mn (+17.1% YoY)

Segment loss: JPY71mn (loss of JPY101mn in FY03/19)

Full-year FY03/21 company forecasts

Recent performance and FY03/21 company forecasts

		FY03/18			FY03/19			FY03/20		FY03/21
(JPYmn)	1H Act.	2H Act.	FY Act.	1H Act.	2H Act.	FY Act.	1H Act.	2H Act.	FY Act.	FY Est.
Sales	46,522	47,455	93,977	47,560	50,672	98,232	52,216	53,025	105,241	103,500-105,500
YoY	7.2%	4.4%	5.8%	2.2%	6.8%	4.5%	9.8%	4.6%	7.1%	-
Cost of sales	28,413	28,957	57,370	29,673	31,288	60,961	32,397	32,630	65,027	
Gross profit	18,109	18,498	36,607	17,887	19,384	37,271	19,819	20,395	40,214	
GPM	38.9%	39.0%	39.0%	37.6%	38.3%	37.9%	38.0%	38.5%	38.2%	
SG&A expenses	16,837	16,607	33,444	17,410	18,432	35,842	19,022	19,577	38,599	
SG&A ratio	36.2%	35.0%	35.6%	36.6%	36.4%	36.5%	36.4%	36.9%	36.7%	
Operating profit	1,271	1,892	3,163	476	952	1,428	796	819	1,615	1,150-2,150
YoY	131.5%	21.0%	49.7%	-62.5%	-49.7%	-54.9%	67.2%	-14.0%	13.1%	-
OPM	2.7%	4.0%	3.4%	1.0%	1.9%	1.5%	1.5%	1.5%	1.5%	-
Recurring profit	1,272	1,978	3,250	438	1,063	1,501	784	776	1,560	1,100-2,100
YoY	134.7%	26.2%	54.1%	-65.6%	-46.3%	-53.8%	79.0%	-27.0%	3.9%	-
RPM	2.7%	4.2%	3.5%	0.9%	2.1%	1.5%	1.5%	1.5%	1.5%	-
Net income	363	659	1,022	119	343	462	218	-1,113	-895	-
YoY	450.0%	30.5%	79.0%	-67.2%	-48.0%	-54.8%	83.2%	-424.5%	-293.7%	-
Net margin	0.8%	1.4%	1.1%	0.3%	0.7%	0.5%	0.4%	-2.1%	-0.9%	-

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

- The company issued its full-year FY3/21 forecast in range form, citing uncertainty over the extent of effects from COVID-19. It is projecting full-year consolidated sales of JPY103.5-105.0bn (-1.7% to +0.2% YoY), operating profit of JPY1.2-2.2bn (-28.8% to +33.1% YoY), and recurring profit of JPY1.1-2.1bn (-29.5% to +34.6% YoY), with no forecast for net income (losses) attributable to owners of the parent.
- It targets an earnings recovery driven by growth in the number of network members at the Pharmaceuticals Network business, contributions to the Dispensing Pharmacy business from stores acquired via M&A, greatly diminished investment in dispensing pharmacy IT systems, and increased occupancy at serviced elderly housing facilities run by the Leasing and Facility-related segment. Medical System Network has chosen to issue forecasts in range form, though, as COVID-19 already has caused a



Medical System Network / 4350 Update Notes Re

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downturn in the number of prescriptions filled, and moreover it remains difficult to predict when spread of the virus will be contained.

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



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