



MEDICAL  
SYSTEM  
NETWORK  
GROUP

MEDICAL SYSTEM NETWORK Co., Ltd.

Interim of Fiscal Year Ending March 2025

Earnings Report

Standard Market of Tokyo Stock Exchange;

Securities Code: 4350

## About contents covered

- \* The contents of this report pertaining future earnings described are based on information the company has held, and on certain assumptions supervising rational judgement, and are not what the company promises to achieve. There are numerous factors that may cause actual earnings to differ. Caution is given to the accuracy of information, and we do not take responsibility for loss etc., as a result of misinformed information.
- \* Furthermore, this report is not prepared for the purposes of investment solicitation. Readers are responsible for their own judgement in any decision regarding investments.

**Please see the following link for our English information.**



<https://www.msnw.co.jp/eng/>

## Net Sales

	YoY change	Progress rate vs. FY
<b>59,761</b> million yen	<b>+ 5.8%</b> (3,300 million yen)	<b>49.0%</b>

## Operating Profit

	YoY change	Progress rate vs. FY
<b>1,027</b> million yen	<b>- 40.0%</b> (-684 million yen)	<b>25.7%</b> *

\* Percentage of progress toward the full-year forecast before revision announced on May 10, 2024

### Net sales increased year-on-year and progressed well against the plan.

- Saw contributions from new openings and M&A of community pharmacies in the last period.
  - Number of prescriptions at all pharmacies: +3.6% YoY change
- The number of pharmaceutical network member pharmacies grew steadily, surpassing 10,000.

### Operating income decreased due to sluggish growth in the number of prescriptions, higher purchase prices, wage increases, and preparation expenses related to the launch of logistics business.

- Rebound from the outbreak of multiple respiratory tract infections in the previous year.
  - Number of prescriptions at existing pharmacies: -2.7% compared to plan
  - Unit price of prescriptions at existing pharmacies: +3.2% compared to plan

## Community Pharmacy Network Segment

- Community Pharmacy **452** pharmacies (+2)
- Prescription Unit price(All pharmacies) **10,228** yen (+195 yen)\*
- No. of prescriptions (All pharmacies) **4,947K** (+3.6%)\*
- No. of prescriptions (Existing pharmacies) **4,617K** (-0.8%)\*

### ~ Pharmacy Support Businesses ~

#### < Pharmaceutical Network Business >

- No. of affiliates **10,435** affiliates (+679)

#### < Manufacture and Market Pharmaceuticals Business >

- No. of ingredients **49** ingredients \*\*
- No. of products **113** products (+10)
- No. of affiliates **5,700** affiliates (+1,806)\*

#### < Digital Shift Business >

- No. User registrations **1.25MN** (+20K)
- No. Installed pharmacies **5,576** pharmacies (+894)

## Leasing and Facility related Segment

### < Wisteria >

- Occupancy rate of all 5 facilities **83.7%** (+0.7%)

Indicate changes from the end of the previous FY in brackets

\* YoY

\*\* No comparison with previous year due to change in counting method

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## Earnings Highlight

# FY3/2025 Interim : Consolidated Results

(Unit: million yen)	FY3/2024 Interim (Results)	FY3/2025 Interim (Plan)	FY3/2025 Interim (Results)	YoY		Progress rate vs. forecast <sup>**</sup>	
				Change	Change (%)	Difference	Difference (%)
Net Sales	56,461	59,500	59,761	+ 3,300	+ 5.8 %	+ 261	100.4 %
EBITDA * Profit margin	3,247 5.8 %	3,260 5.5 %	2,697 4.5 %	(549)	(16.9) %	(562)	82.8 %
Operating Profit Profit margin	1,712 3.0 %	1,600 2.7 %	1,027 1.7 %	(684)	(40.0) %	(572)	64.2 %
Ordinary Profit Profit margin	1,692 3.0 %	1,590 2.7 %	1,020 1.7 %	(672)	(39.7) %	(569)	64.2 %
Profit attributable to owners of parent Profit margin	861 1.5 %	785 1.3 %	207 0.3 %	(654)	(76.0) %	(577)	26.4 %
Earnings per share (Yen)	28.54	26.86	7.08	(21.46)	—	(19.78)	—

\* Calculated as "Operating income + Depreciation and amortization + Amortization of goodwill"

\*\* Percentage of achievement against the revised interim earnings forecast announced on May 10, 2024

# FY3/2025 Interim : Results by Segment

■ Net Sales		FY3/2024 Interim (Results)	FY3/2025 Interim (Results)	Change	Change (%)
(Unit: million yen)					
Net Sales		56,461	59,761	+ 3,300	+ 5.8 %
Community Pharmacy Network Segment *		53,765	57,074	+ 3,308	+ 6.2 %
Leasing and Facility Related Segment Meals Catering Segment Home Visit Nursing Segment		3,032	3,081	+ 49	+ 1.6 %
Adjustments		(336)	(394)	(57)	—

## ■ Operating Profit

(Unit: million yen) The second line is profit margin

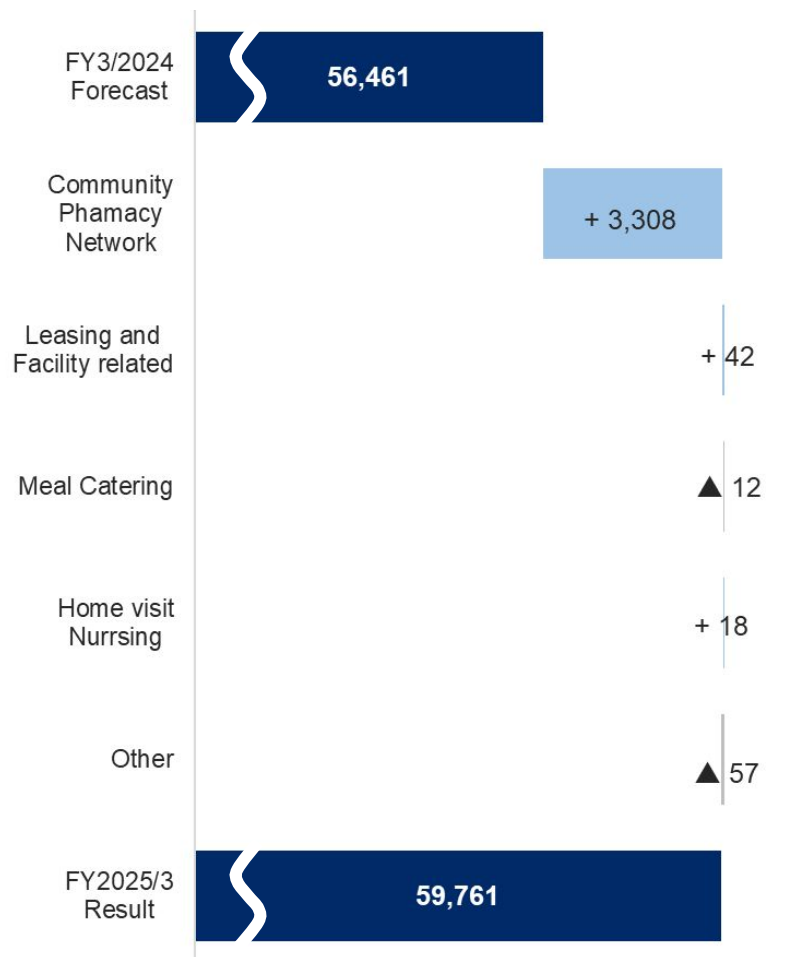
Segment Profit		1,712 3.0 %	1,027 1.7 %	(684) (1.3) pt	(40.0) %
Community Pharmacy Network Segment *		2,947 5.5 %	2,241 3.9 %	(706) (1.6) pt	(24.0) %
Leasing and Facility Related Segment Meals Catering Segment Home Visit Nursing Segment		26 0.9 %	79 2.6 %	+ 53 1.7 pt	+ 203.6 %
Adjustments		(1,261) —	(1,293) —	(32)	—

\* Community Pharmacy Business, Pharmaceutical Network Business, Manufacture and Market Pharmaceuticals Business, Pharmaceutical Logistics Business and Digital Shift Business

# FY3/2025 Interim : Comparison to previous FY

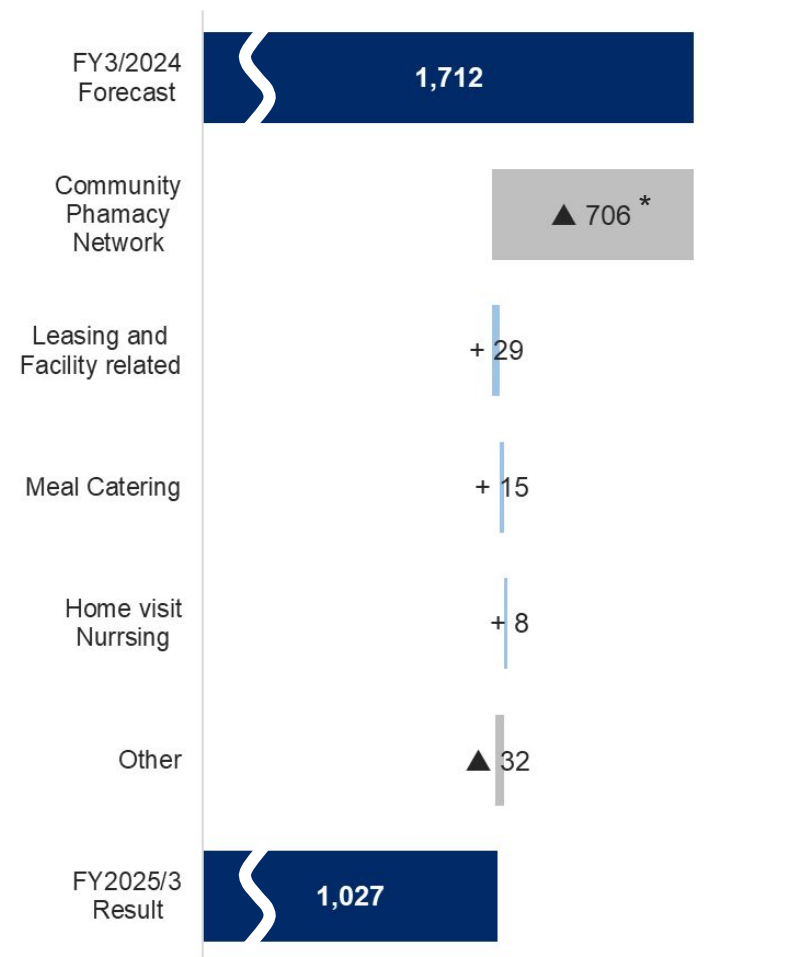
## ■ Net sales

(Unit: million yen)



## ■ Operating profit

(Unit: million yen)



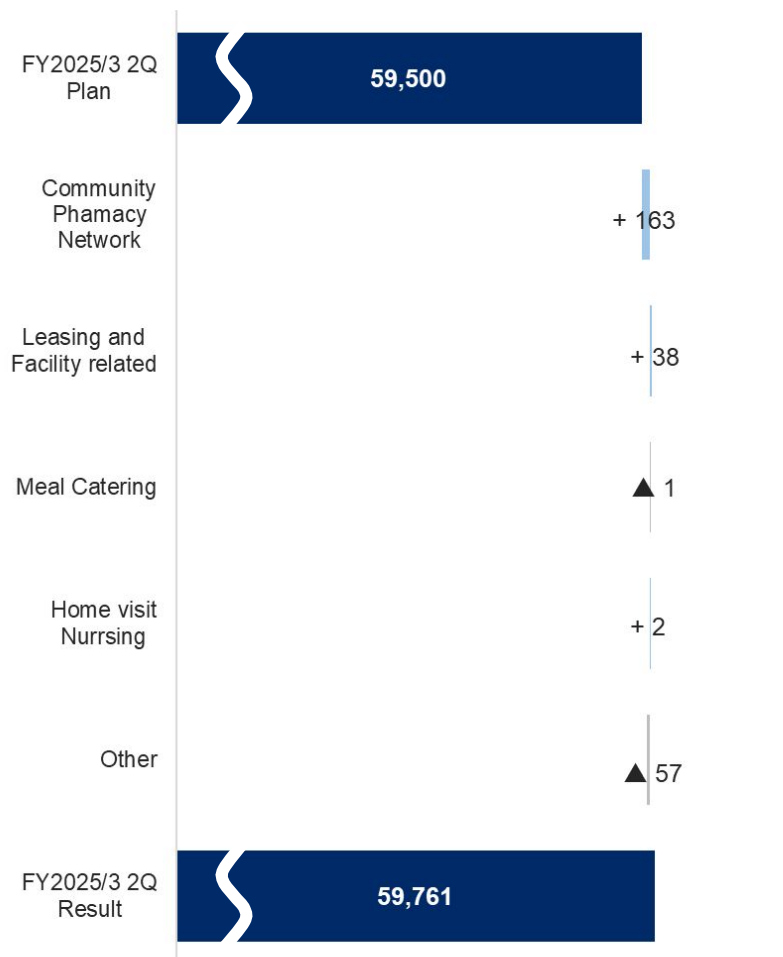
\* Existing Pharmacies: No. of prescriptions (0.8)%, unit price +2.3% compared to forecast / pharmacies opened during the period: (291) million yen  
In addition to the above, effects of higher procurement prices, wage increases, etc.



# FY3/2025 Interim : Comparison to Forecast \*

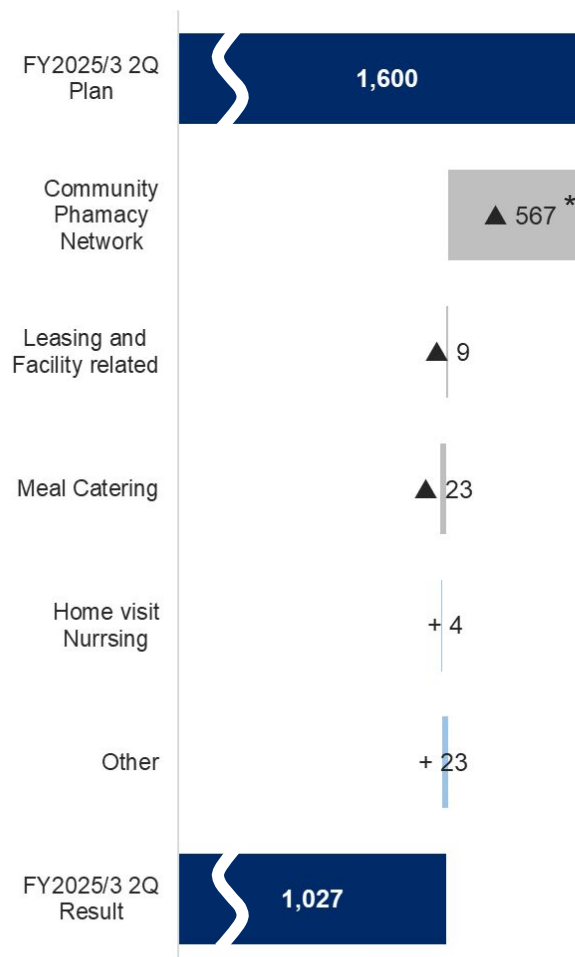
## ■ Net sales

(Unit: million yen)



## ■ Operating profit

(Unit: million yen)



\* Comparison with the revised interim earnings forecast announced on May 10, 2024

\*\* Existing Pharmacies: No. of prescriptions (2.7)%, unit price +3.2% compared to plan In addition to the above, impact of higher procurement prices, etc.

# FY3/2025 Interim : Consolidated Balance Sheet

## ■End of FY3/2024

(Unit: million yen)

<b>Assets</b>	<b>68,149</b>	<b>Liabilities</b>	<b>52,930</b>
<b>Current assets</b>	<b>20,773</b>	<b>Current liabilities</b>	<b>23,213</b>
Cash and deposits	8,273	Short-term loans *	5,710
		<b>Fixed liabilities</b>	<b>29,716</b>
<b>Fixed assets</b>	<b>47,376</b>	Long-term loans	18,309
Tangible fixed assets	28,336	<b>Net assets</b>	<b>15,219</b>
Intangible fixed assets	11,281	Share capital	2,128
Goodwill	10,613	Capital surplus	937
Investments and other assets	7,759	Retained earnings	13,100
		Treasury shares	(882)
<b>Total assets</b>	<b>68,149</b>	<b>Total liabilities and net assets</b>	<b>68,149</b>
<b>Equity ratio</b>			22.3 %

(Equity ratio with taking into account net cash \*\* 25.3 %)

\* Includes long-term loans that will be repaid within one year

\*\* Own capital / (Total assets – Cash and deposits)

## ■End of FY3/2025 Interim

(Unit: million yen)

<b>Assets</b>	<b>69,976</b>	<b>Liabilities</b>	<b>54,708</b>
<b>Current assets</b>	<b>22,173</b>	<b>Current liabilities</b>	<b>28,048</b>
Cash and deposits	8,689	Short-term loans *	9,906
		<b>Fixed liabilities</b>	<b>26,659</b>
<b>Fixed assets</b>	<b>47,803</b>	Long-term loans	15,188
Tangible fixed assets	28,987	<b>Net assets</b>	<b>15,268</b>
Intangible fixed assets	10,726	Share capital	2,128
Goodwill	9,944	Capital surplus	946
Investments and other assets	8,090	Retained earnings	13,124
		Treasury shares	(891)
<b>Total assets</b>	<b>69,976</b>	<b>Total liabilities and net assets</b>	<b>69,976</b>
<b>Equity ratio</b>			21.7 %

(Equity ratio with taking into account net cash \*\* 24.8 %)

# FY3/2025 Interim : Consolidated Cash Flows

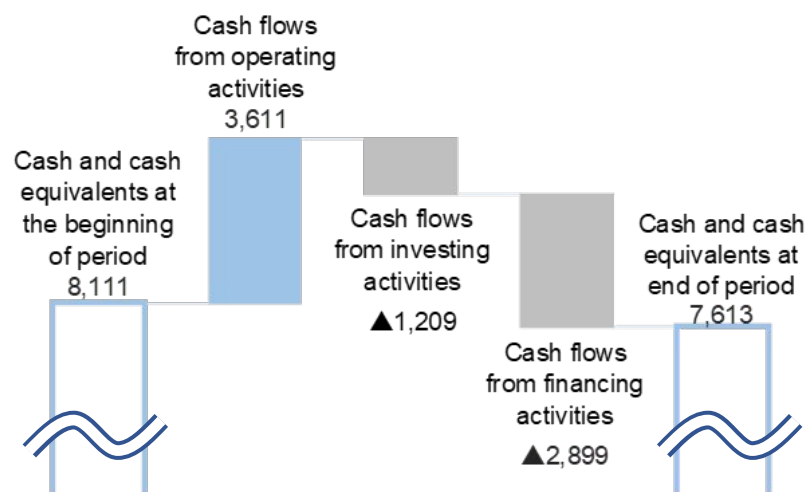
Cashflows from operating activities	517 million yen	EBITDA *	2,697 million yen
		Payment of income taxes	(1,014) million yen
		Changes in working capital	(1,125) million yen
Cashflows from investing activities	(785) million yen	Opening of new pharmacies and M&A (share acquisition) cost	(1,551) million yen
		Existing pharmacies renovation costs, etc.	(466) million yen
		Proceeds from transfer of business **	1,547 million yen
Cashflows from financing activities	685 million yen	Increase in loan amount	1,074 million yen
		Repayment of lease obligations	(212) million yen
		Payment of dividends	(177) million yen

\* Calculated by "operating profit + depreciation + amortization of goodwill"

\*\* Transfer of Wisteria Senri-Chuo and 5 pharmacies

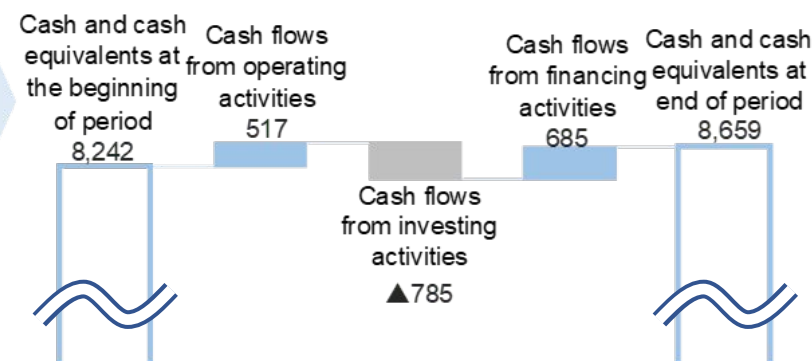
## ■FY3/2024 2Q

(Unit: million yen)



## ■FY3/2025 2Q

(Unit: million yen)





# 2

## Core Strategies ▪ Business Summary

		Focused measures for the current period and Target value
	Community Pharmacy Business	<ul style="list-style-type: none"> <li>■ Fostering a medical mindset and providing high-quality drug treatment</li> <li>■ Steady response to medical DX ; Number of existing pharmacies YOY +1.8%</li> <li>■ Development of new 20 pharmacies, mainly in medical malls</li> <li>■ Increased productivity through appropriate cost controls</li> </ul>
	3 pharmacy support business	
Community Pharmacy Network Segment	Pharmaceuticals Network Business	<ul style="list-style-type: none"> <li>■ 10,756 affiliates at the end of March 2025 (+1,000 )</li> <li>■ Promote distribution improvement; Our pharmacies Deliver once a day on weekdays, no deliveries on Saturdays, and reduce urgent deliveries</li> <li>■ Core system renovation and renewal</li> <li>■ Expansion of services; Establishment of an area network beyond the confines of the Member pharmacies</li> </ul>
	Manufacture and Market Pharmaceuticals Business	<ul style="list-style-type: none"> <li>■ Stable supply</li> <li>■ No. of transaction pharmacies including network affiliates: 7,000 (+2,002)</li> </ul>
	Digital Shift Business	<ul style="list-style-type: none"> <li>■ Expansion of pharmacies with official LINE account ; No. of installed pharmacies: 5,700 (+1,018), 1.4 million user registrations (+350K)</li> <li>■ Continued enhancements</li> </ul>
Leasing and Facility related Segment		<ul style="list-style-type: none"> <li>■ Achieved 87.8% occupancy rate and stable operation in Wisteria</li> <li>■ Appropriate cost control and Implementation of effective advertising</li> </ul>
Meal Catering Segment, Home Visit Nursing Segment		<ul style="list-style-type: none"> <li>■ Countermeasures against price increases and addressing profitability</li> </ul>
Investment and Financial Strategies		<ul style="list-style-type: none"> <li>■ Pharmaceutical logistics company MEDI LOGI NET is launched as a new business</li> <li>■ Secure profit and build up capital through cost control</li> </ul>

# Community Pharmacy Business : Trends in No. of Pharmacies

The number of new pharmacy openings is expected to reach a record high of 22, mainly due to the opening of medical mall-type pharmacies.

	FY3/2025 (As of September 30)	
	Fixed No. / Results in Interim	Full Year Plan
No. of openings	<b>22 / 11</b>	20
No. of prospects connected to Medical Institutions	<b>11 / 2</b>	10

- Medical Mall-  
**Nanohana Pharmacy Front of Omiya station**



- Dermatology
- Ophthalmology
- Internal Medicine

Kyushu / Okinawa

71  
outlets

-Medical Mall-  
**Nanohana Pharmacy Toyonaka Ebisu**



- Artificial Dialysis Internal Medicine
- Internal Medicine
- Breast Surgery

Chugoku / Shikoku

22  
outlets

Tokai / Hokuriku

44  
outlets

Tohoku

31  
outlets

Hokkaido

123  
outlets

-Medical Mall-  
**Nanohana Pharmacy Front of Shin-Koshigaya Station**



- Psychosomatic Medicine
- Orthopedics
- Ophthalmology (planned)
- Internal Medicine/Pediatrics (planned)

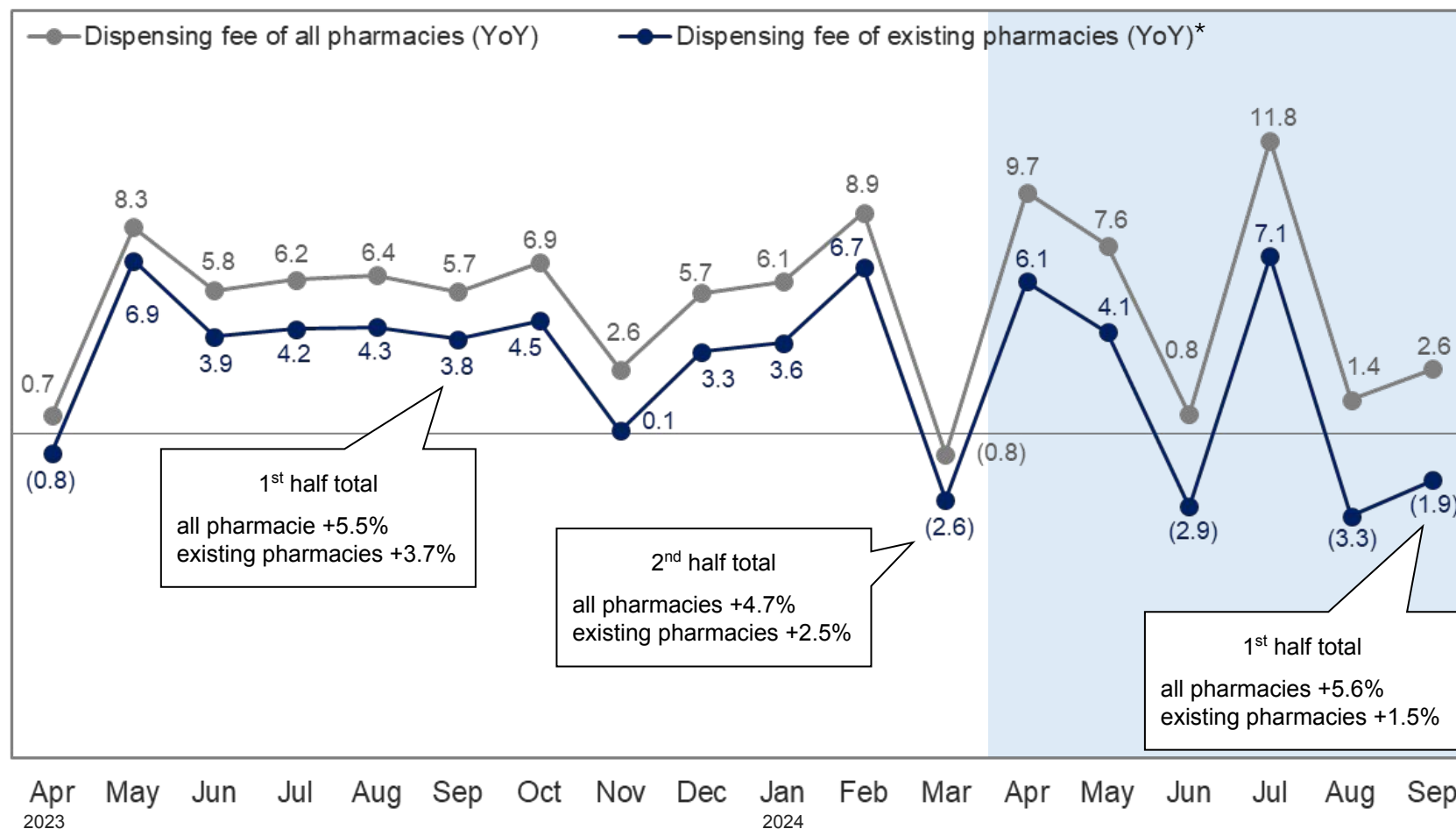
Kanto / Koshinetsu

106  
outlets

	FY3/2023	FY3/2024	FY3/2025 Interim
Openings	8	13	11
Closing and transferring	▲ 7	▲ 9	▲ 10
M&A	2	18	1
No. of outlets	428	450	452



# Community Pharmacy Business : Monthly Dispensing Fee (YoY)

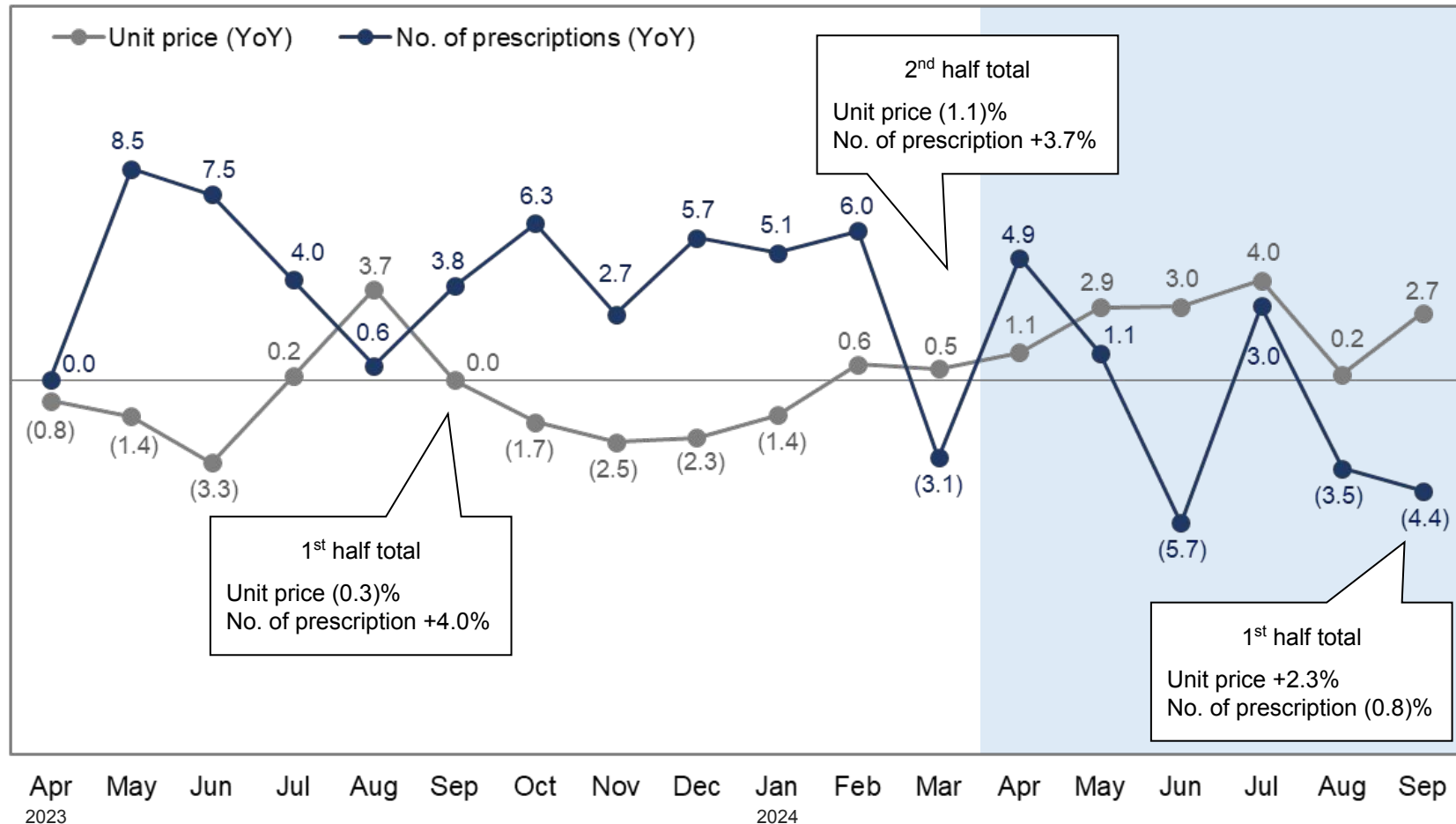


\* Existing pharmacies: Pharmacies that have been continuously open since April 1, 2022 for the previous fiscal year and since April 1, 2023 for the current fiscal year

# Community Pharmacy Business :

## Monthly Prescription Volume and Unit Price of Existing Pharmacies (YoY)

Although the number of prescriptions decreased in reaction to the outbreak of multiple respiratory infections in the previous fiscal year, the unit price of prescriptions rose due to rise in the unit price of drug charges.





# Community Pharmacy Business : Dispensing Fee Breakdown

## ■ All pharmacies

		FY3/2024 Interim	FY3/2025 Interim	Change	Change (%)
No. of prescriptions (1,000)		4,777	4,947	+ 169	+ 3.6 %
Unit price (yen)	Drug charge per prescription	7,687	7,828	+ 140	+ 1.8 %
	Technical fee per prescription	2,346	2,400	+ 54	+ 2.3 %
	Total	10,033	10,228	+ 195	+ 1.9 %
Dispensing fee (million yen)		47,935	50,600	+ 2,664	+ 5.6 %

## ■ Existing pharmacies

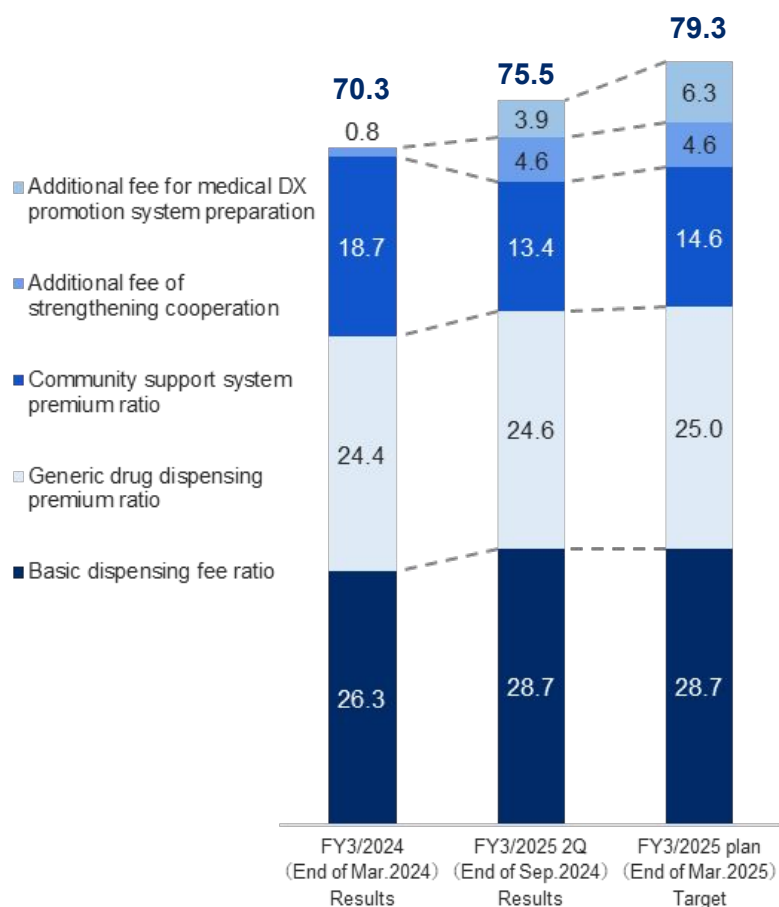
No. of prescriptions (1,000)		4,655	4,617	(38)	(0.8) %
Unit price (yen)	Drug charge per prescription	7,767	7,934	+ 167	+ 2.1 %
	Technical fee per prescription	2,353	2,419	+ 66	+ 2.8 %
	Total	10,120	10,353	+ 233	+ 2.3 %
Dispensing fee (million yen)		47,116	47,805	+ 688	+ 1.5 %

\* Dispensing fees are calculated based on the number of prescriptions x unit price of prescriptions

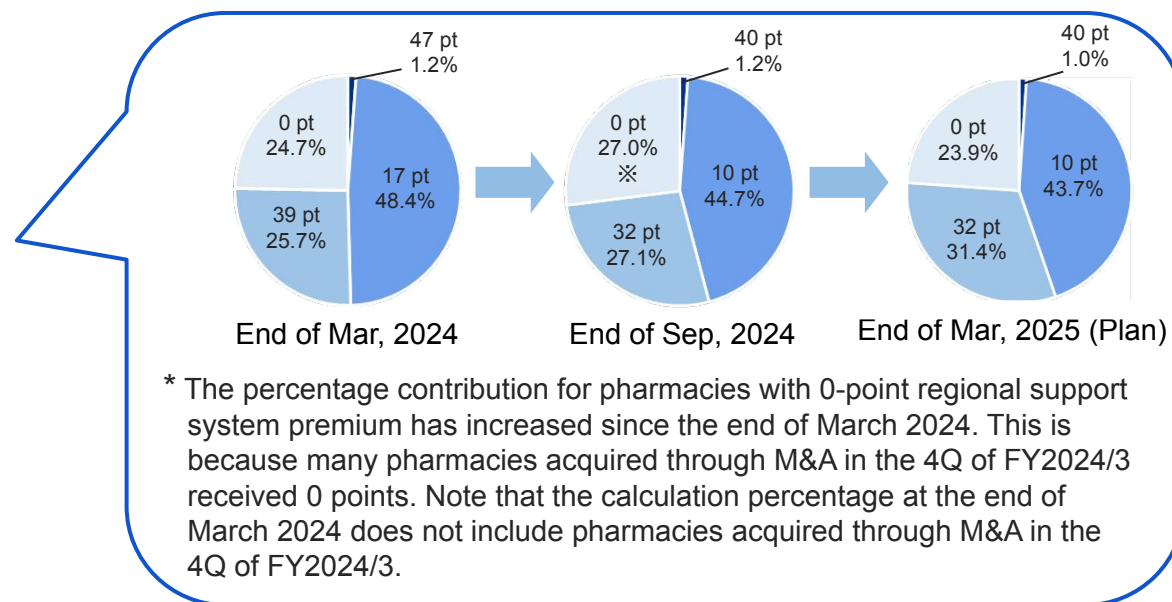
# Community Pharmacy Business : Dispensing Fee Revision

Although the revision of dispensing fees in FY2024 resulted in a decrease in the additional points for the community support system, the weighted average points increased over the previous year due to enhanced personal services and the acquisition of the additional medical DX points.

## ■ Weighted average number of points (points)



## ■ Community support system premium ratio



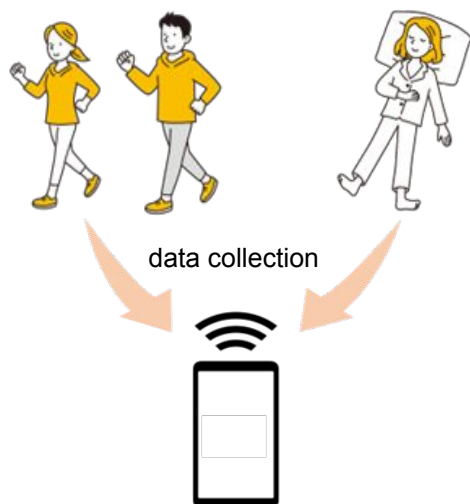
## ■ Main contents of the FY2025 revision of dispensing fees

- Basic dispensing fee: flat +3 pt
- Community support system premium: flat -7 pt
- Additional fee of strengthening cooperation: 2 pt ⇒ 5 pt (+3 pt)
- Additional fee for medical DX promotion system preparation : New (4~7 pt)

Promoted “Local Pharmacy” through a demonstration project of medication follow-up initiatives with NTT Docomo, Inc., Japan’s largest mobile phone operator. This is the first initiative of this type for NTT Docomo to work with Community Pharmacies.

- Utilizing DOCOMO's healthcare estimation AI \* to identify health-related risks based on patients' daily life information.
- Encourage patients to seek medical examinations by following up on medications in line with changes in lifestyle. This engagement in people's daily lives helps promote early detection of diseases and prevention of serious illnesses.
- By having a local pharmacy for patients, we are able to receive more additional points and in general, pharmacists become more accessible.

**1** Collecting information about patients' lives using a smartphone app. \*\*



**2** Estimating risk through health care estimation AI provided by docomo.

Health care estimation AI  
provided by docomo

- Score Results
- Lifestyle trends as a basis for calculation

Nanohana pharmacies  
**なの花薬局**

**3** Medication follow-up via message app, phone, and in person.

Provide medication follow-up to patients by combining lifestyle thoughts and medication information.



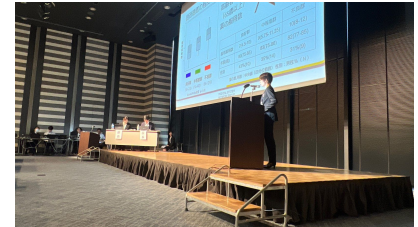
**Started demonstration  
at 17 Nanohana pharmacies**

\* A function that estimates and predicts various health risks by utilizing lifestyle information acquired from smartphones based on user consent

\*\* Medication follow-up in this demonstration is available to patients who are using “Tsunagaru Pharmacy” (demonstration period: June 21, 2024 - October 31, 2024)

To improve the quality of medical care and operations, the Company hosts an internal academic conference called “Nanohana Forum”.

- 5th Annual Conference Theme “From CHANGE to CHALLENGE: The Challenge of Making a True Contribution to the Community
- A total of 971 employees participated, 17 verbal and 46 written presentations.
- These become first steps toward academic presentations at conferences



### The 12th Annual Meeting of the Japanese Society for Drug Discovery and Diabetes Research Best Presentation Award

- Experience of insurance pharmacy pharmacists in applying the “Algorithm of Pharmacotherapy for Type 2 Diabetes Mellitus” to their patients and exploration of related factors: a cross-sectional study
- Received by Pharmacist at Nanohana Pharmacy Shin-Kurashiki Ekimae (Nanohana Nishinohon Co., Ltd.)

### The 83rd Kyushu-Yamaguchi Pharmaceutical Conference Conference Award

- Relationship between the Degree of Word Hearing and Polypharmacy in the Elderly
- Received by Pharmacist at Nagatomi Dispensing Pharmacy Hasama (Nagatomi Dispensing Pharmacy Co., Ltd.)

**Become the pharmacy of choice by improving the quality of pharmacy care, our top priority**

# Pharmacy Support Businesses\* : Performance Summary

Supporting community pharmacies with Pharmaceutical Networks at the core, Manufacture and Market Pharmaceuticals, and our Digital Shift and Pharmaceutical Logistics Initiatives.

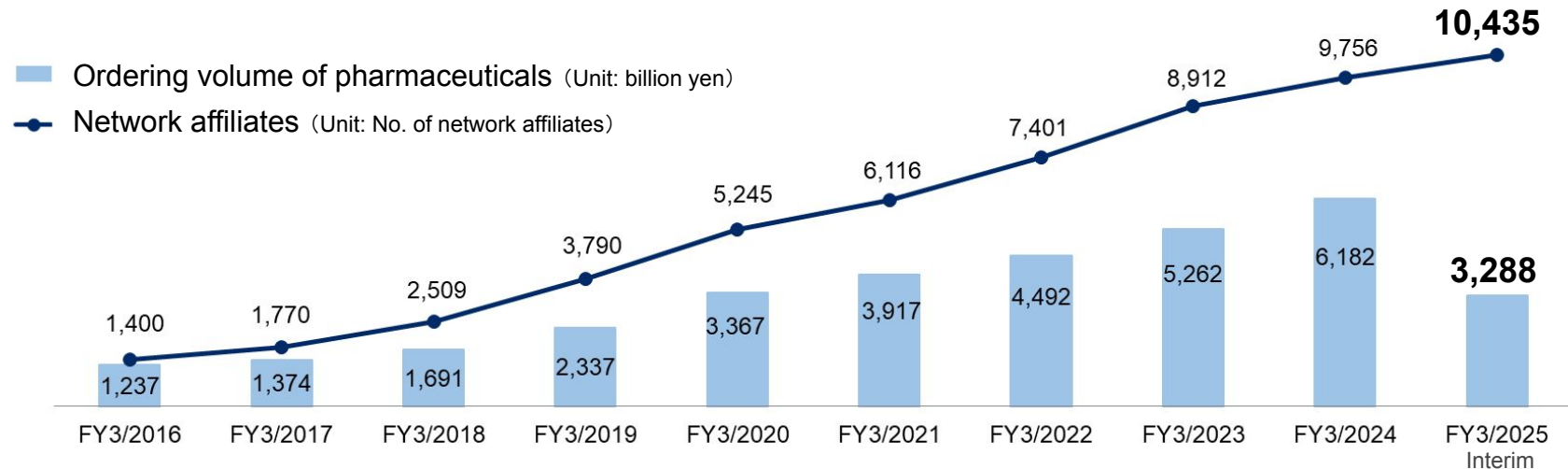
## ■ Progress against numerical targets for FY2025/3

	FY2025/3 Numerical targets	Progress (As of September 30)
<b>Pharmaceutical Network Business</b>	10,756 affiliates (+1,000 affiliates)	10,435 affiliates +679 affiliates (From the end of the previous FY)  10,538 affiliates (As of October 31)
<b>Manufacture and Market Pharmaceuticals Business</b>	7,000 transacting pharmacies (+2,002 pharmacies)	5,700 transacting pharmacies +1,806 pharmacies (YoY)
<b>Digital Shift Business</b>	5,700 installed pharmacies (+1,018 pharmacies)  1.4 million registered users (+350K users)	5,576 installed pharmacies +894 pharmacies (From the end of the previous FY)  1.25 million registered users +200K users (From the end of the previous FY)

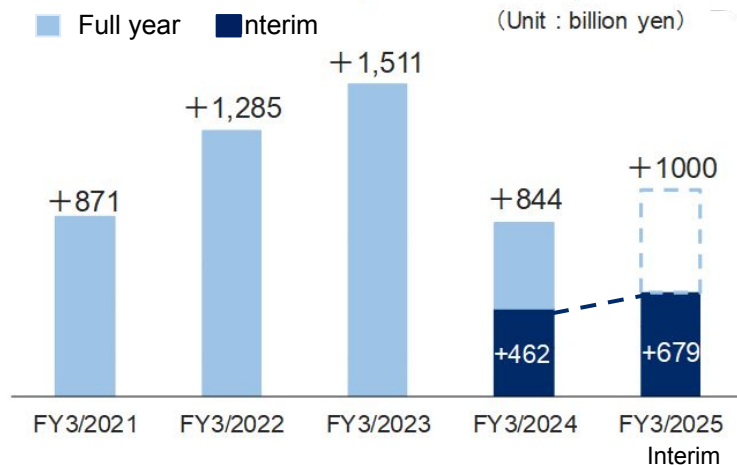
\* Pharmaceutical Network Business, Pharmaceutical Manufacturing and Distribution Business, Pharmaceutical Logistics Business, Digital Shift Business

# Pharmaceuticals Network Business : Performance Summary

The number of new affiliates increased steadily. 679 new affiliates were added during the first half of the year (compared to the full-year target of 1,000 additions), bringing the total to 10,435.



## ■ Network affiliates (Net Increase)



## ■ FY3/2025 Breakdown of network affiliates

	1Q	2Q
New	522	414
Withdrawal	(100)	(157)

➔ Steady growth in new membership, despite some large departures

## (Reference) ■ FY3/2024

	1Q	2Q	3Q	4Q	Total
New	342	307	357	369	1,375
Withdrawal	(82)	(105)	(228)	(116)	(531)



Supporting the work of each local pharmacy association, sharing the direction they should aim for, and promoting the building of area networks.

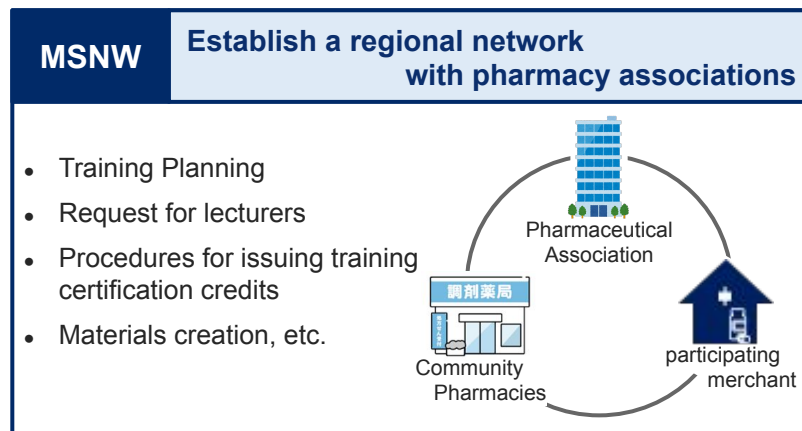
## ■ Issues with Training Support Services

### Training staff for community pharmacy association

- Difficult to organize training sessions
- Difficult to support member pharmacies
- Want to revitalize the pharmacists' association

### Member pharmacy managers and management pharmacists

- Difficult to provide training to respond to revisions
- Difficult to find outside training
- Want to obtain additional fees and have stable management



Training in response to the 2024 revision of dispensing fees: online medication guidance, cyber security, disaster preparedness and response, etc.

### Revitalizing member pharmacies and increasing the presence of the pharmacists' association

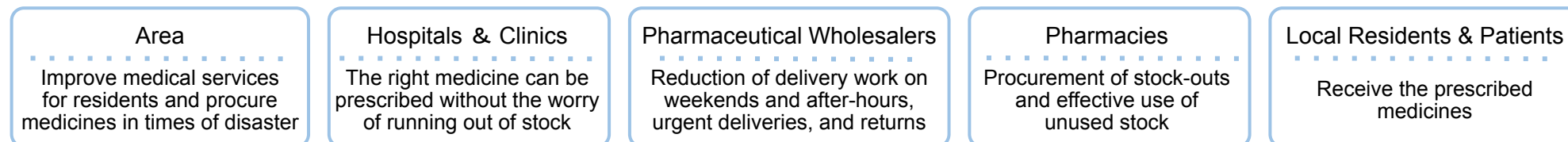
#### <Achievements>

- Co-organized with 17 national associations of pharmacists
- 2,476 pharmacists participated (as of October 10, 2024)

## ■ Dispensing results sharing system “LINCLE Chiiki Version”

Dispensing performance sharing service using the LINCLE technology, an inventory management system developed in-house.

《 Effects of introducing this service 》



➔ **Contributing to regional medical care by providing a mechanism for stable and efficient drug supply**

# Manufacture and Market Pharmaceuticals Business :

113 products / 49 ingredients (10 products were added from the end of the previous FY)



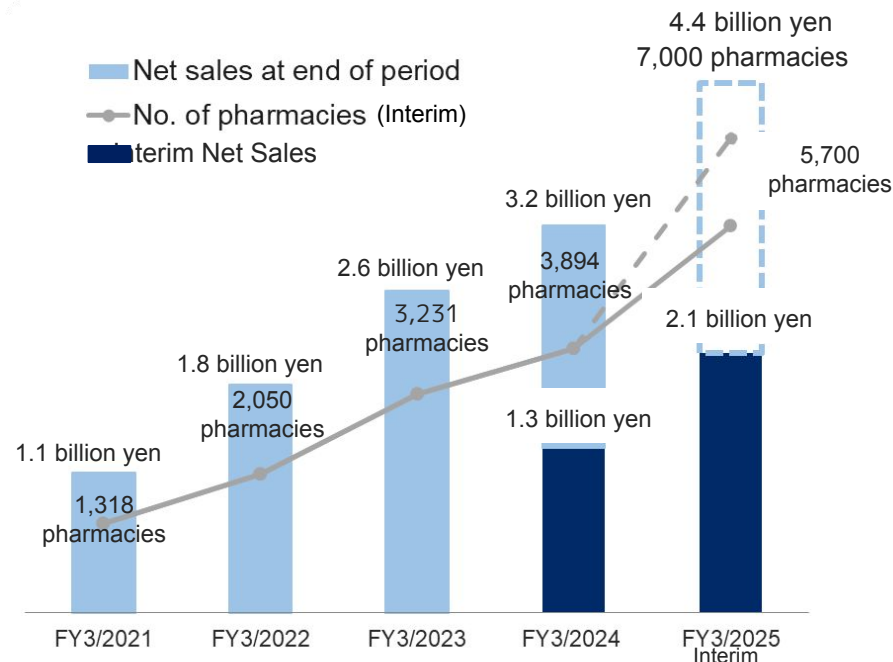
Steady increased sales channels and increased business partners.

New transacting pharmacies +1,806 (vs. YoY)

\* No. of products adjusted for shipment as of September 30: 6 products / 3 ingredients  
(End of March 2024: 6 products / 3 ingredients)



## ■ Net Sales and No. of transacting pharmacies



\* No. of transacting pharmacies is total pharmacies that have actually transacted business since April of each year.

## ■ June 2024 New products

When to launch	Product name	products / Ingredients
April - September 2024		5 product 10 ingredients
December 2024	Tafluprost ophthalmic suspension 0.0015% "Nitten"	3 products 4 ingredients
	Vildagliptin tablet 50mg "FELDSENF"	
	Riverloxaban OD Tablets 10mg / 15mg "TCK"	

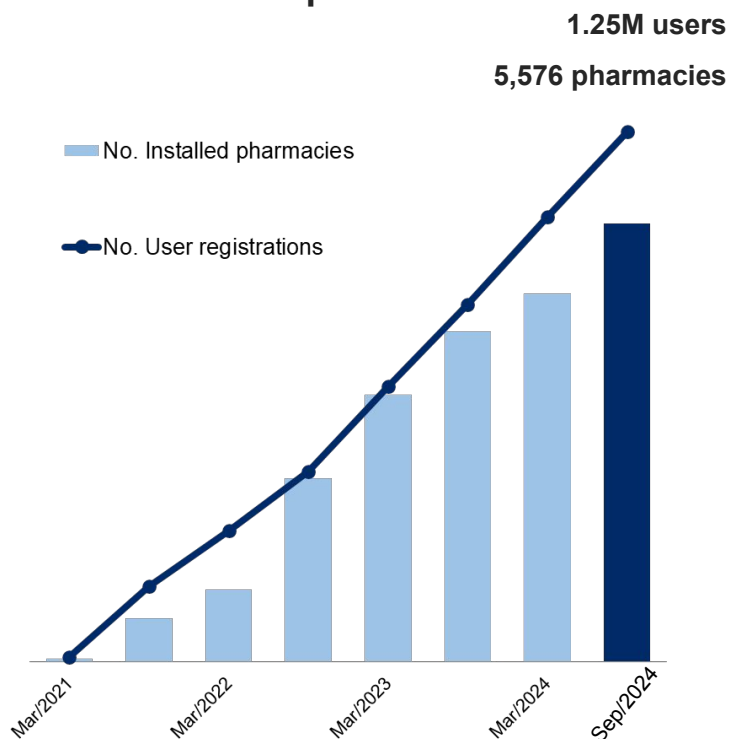




Official LINE Account

- 1.25 million users have registered and 5,576 pharmacies have installed the service.
- Response to revision of dispensing fees like Online Medical Instruction, Electronic Medication Record Book and Home Support function has a good reputation, and orders are strong.

## ■ No. of users registrations and installed pharmacies

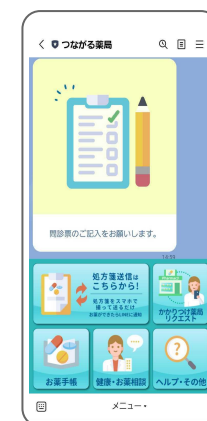


## ■ Electronic Medication Record Book Linked to Mynportal

- Medication information can now be imported into the e-Medicine Notebook (compliant with the guidelines)

## ■ Increase in friend registrations through the use of medical questionnaires

- The content of the medical questionnaire can now be freely customized for each pharmacy.
- The “medical questionnaire” can be sent on line instead of paper questionnaires.
- The system was well received by patients, leading to the registration of friends and an increase in the number of users.



## ■ Start of data linkage with electronic drug history

- Chat data from "Tsunagaru" Pharmacy can be imported into the electronic drug history system.
- Started service with some manufacturers' E-Receipts.

# Leasing and Facility related Segment

## Net sales :

1,729 million yen (YoY +2.5%)

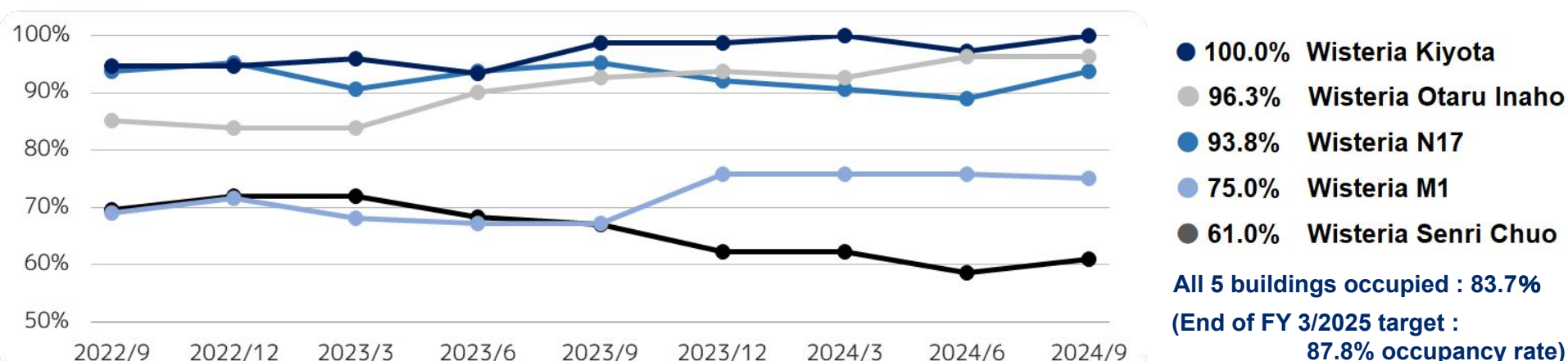
## Operating profit :

99 million yen (YoY +42.5%)

- Increase in orders received for Construction work.
- Implement effective advertising through appropriate cost control.



## Wisteria Occupancy Rate Trends



## TOPICS

- Transferred Wisteria Senri Chuo as of October 1, 2024 \*

\* The company expects to record an extraordinary gain (gain on sales of fixed assets) of 326 million yen in the consolidated financial results for the third quarter of the fiscal year ending March 31, 2025. This has already been incorporated in the consolidated earnings forecast for the full year ending March 31, 2025, which was announced on October 31, 2024.

A background image showing a business meeting. Several people in suits are gathered around a table. On the table are various documents, including a bar chart with five blue bars of increasing height, and two donut charts with segments in green, blue, orange, and yellow. One person is holding a blue pen and pointing at one of the donut charts. A green coffee cup is also visible on the table.

# 3

Earnings  
Forecast for  
FY3/2025

▪  
Interim  
Dividend

# Downwardly revised earnings forecast for the FY3/2025 :

## Consolidated Results



Considering the actual results so far in the current fiscal year, we have revised down our FY3/2025 forecasts.

(Unit: million yen)	FY3/2024 Results	FY3/2025 Initial forecast	FY3/2025 Revised forecast	Change	Change (%)
Net sales	115,361	122,000	122,000	0	0.0 %
EBITDA Profit margin	6,997 6.1 %	7,450 6.1 %	6,440 5.3 %	(1,010) (0.8) pt	(13.6) %
Operating profit Profit margin	3,832 3.3 %	4,000 3.3 %	3,000 2.5 %	(1,000) (0.8) pt	(25.0) %
Ordinary profit Profit margin	3,825 3.3 %	3,950 3.2 %	3,000 2.5 %	(950) (0.8) pt	(24.1) %
Profit attributable to owners of parent Profit margin	1,860 1.6 %	2,000 1.6 %	1,250 1.0 %	(750) (0.6) pt	(37.5) %
Earnings per share (Yen)	61.89	68.43	42.77	(25.66)	—

# Downwardly revised earnings forecast for the FY3/2025 :

## Results by Segment



### ■ Net Sales

(Unit: million yen)

	FY3/2024 Results	FY3/2025 Initial forecast	FY3/2025 Revised forecast	Change	Change (%)
Net Sales	115,361	122,000	122,000	0	0.0 %
Community Pharmacy Network Segment *	109,904	116,819	116,352	(466)	(0.4) %
Leasing and Facility Related Segment Meals Catering Segment Home Visit Nursing Segment	6,285	6,255	6,195	(60)	(1.0) %
Adjustments	(828)	(1,075)	(548)	+ 526	—

### ■ Operating Profit

(Unit: million yen) The second line is profit margin

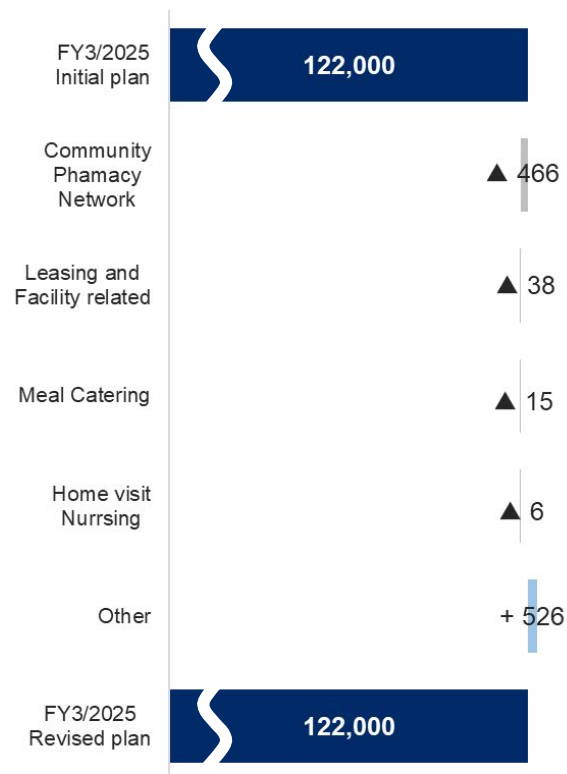
Segment Profit	3,832 3.3 %	4,000 3.3 %	3,000 2.5 %	(1,000) (0.8) pt	(25.0) %
Community Pharmacy Network Segment *	6,433 5.9 %	6,435 5.5 %	5,531 4.6 %	(904) (0.8) pt	(14.0) %
Leasing and Facility Related Segment Meals Catering Segment Home Visit Nursing Segment	70 1.1 %	228 3.7 %	200 3.2 %	(28) (0.4) pt	(12.4) %
Adjustments	(2,671) —	(2,664) —	(2,732) —	(67) —	—

\* Community Pharmacy Business, Pharmaceutical Network Business, Manufacture and Market Pharmaceuticals Business, Pharmaceutical Logistics Business and Digital Shift Business

# Forecast for the FY3/2025 : Revised Segment Performance (YOY)

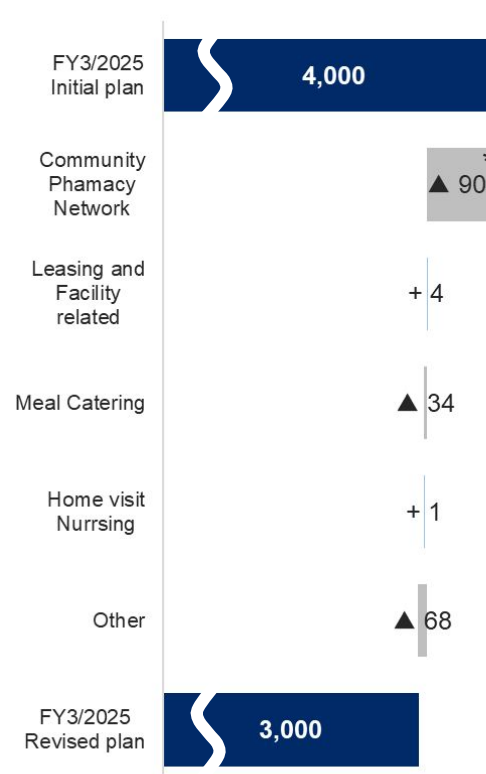
## ■ Net sales

(Unit: million yen)



## ■ Operating profit

(Unit: million yen)



\* Uncertainty over the number of prescriptions and the impact of higher purchase prices, etc.

The number of prescriptions decreased in the first half of the year, partly in reaction to the outbreak of multiple respiratory infections in the previous year. Although a recovery in the number of prescriptions is expected in the second half of the year, the initial forecast was lowered.

	1st half		2nd half		Full year	
	YoY	vs. Initial forecast	YoY	vs. Initial forecast	YoY	vs. Initial forecast
at Existing pharmacies						
No. of prescriptions	(0.8) %	(2.7) %	+ 1.2 %	(0.7) %	+ 0.2 %	(1.7) %
Unit price	+ 2.3 %	+ 3.2 %	(0.2) %	+ 1.1 %	+ 1.0 %	+ 2.2 %

# Interim dividends

For the current fiscal year, the Company plans to pay an interim dividend and a year-end dividend of 6 yen per share each, for an annual dividend of 12 yen per share.

## 【 Shareholder Return Indicators 】

### ■ Initial forecast

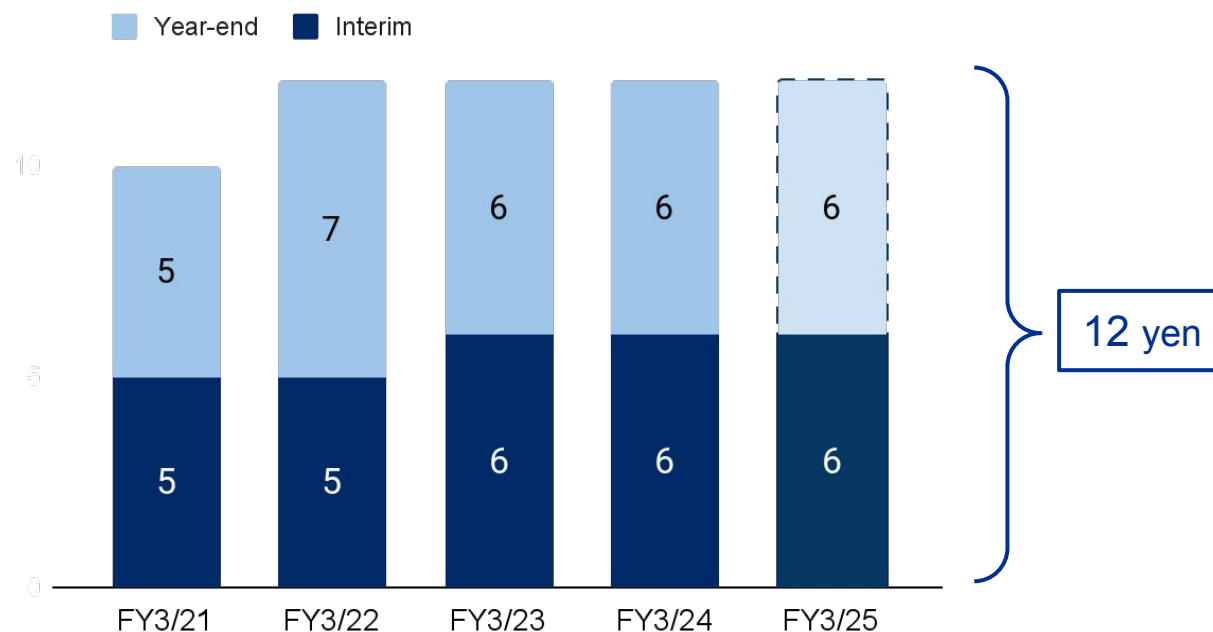
Annual dividend per share 12 yen  
Dividend payout ratio 17.5 %



### ■ Revised forecast

Annual dividend per share 12 yen  
Dividend payout ratio 28.1 %

## 15 [Annual dividend per share]



## 《Reference》

FY 3/25 interim dividend

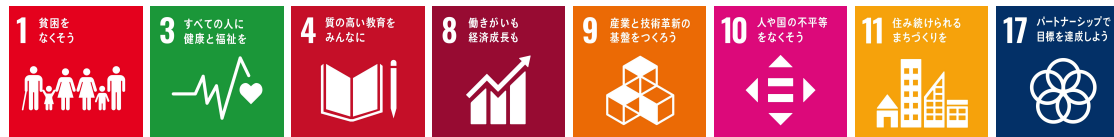
Base date: September 30, 2024

Payment: December 9, 2024

Dividend per share: 6 yen



As a company that supports the health of local residents, we support sporting events and activities in the medical and welfare fields.



## ■ Examples of Initiatives



### Participated in volunteer activities for the Hokkaido Marathon 2024

- Held on August 25, 2024.
- Activities were held on at the 30.2km water point.
- 19,450 people participated in the marathon.



### Sponsored the 43rd Hokkaido Elementary School Badminton Tournament “Nanohana Pharmacy Cup”

- Held on September 14 and 15, 2024.
- 596 elementary school students from all over Hokkaido participated in the two-day event.





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