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## Consolidated Financial Results for the Six Months Ended September 30, 2025 (Interim) (Japanese GAAP)

November 7, 2025

Company name: Medical System Network Co., Ltd.  
Stock code: 4350

Listing: Tokyo Stock Exchange  
URL: <https://www.msnw.co.jp/eng/>

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Scheduled date for interim report submission: November 11, 2025  
Scheduled date for dividend payment: December 8, 2025  
Preparation of supplemental explanatory materials: Yes  
Results briefing to be held: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down)

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2025 (Interim) (April 1 to September 30, 2025)

#### (1) Consolidated operating results

(Percentages indicate YoY change)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six Months ended September 30, 2025	63,863	6.9	2,993	11.0	1,286	25.1	1,215	19.1	452	118.6
Six Months ended September 30, 2024	59,761	5.8	2,697	(16.9)	1,027	(40.4)	1,020	(39.7)	207	(76.0)

Note: Comprehensive income for the six months ended September 30, 2025 was 460 million yen (98.1% YoY), and comprehensive income for the six months ended September 30, 2024 was 232 million yen (-73.9% YoY)

Note: EBITDA = (operating profit + depreciation + goodwill amortization)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six Months ended September 30, 2025	15.48	—
Six Months ended September 30, 2024	7.08	—

Note: Please refer to "Appropriate use of earnings forecast and other special notes 2" for details of earnings per share calculations.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2025	71,108	16,627	23.2	565.27
As of March 31, 2025	70,586	16,345	23.0	556.31

Reference: Shareholders' equity amounted to 16,522 million yen as of September 30, 2025 and 16,260 million as of March 31, 2025.

Note: Please refer to "Appropriate use of earnings forecast and other special notes 2" for details of shareholders' equity, equity ratio, and net assets per share calculations.

## 2. Dividends

	Dividends per share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	6.00	—	6.00	12.00
Fiscal year ending March 31, 2026	—	6.00			
Fiscal year ending March 31, 2026 (forecast)			—	6.00	12.00

Note: Revisions to the Company's most recently announced dividend forecast: No

## 3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate YoY change)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	125,500	2.5	6,890	4.9	3,400	7.8	3,200	1.2	1,300	3.0	44.48

Note: Revisions to the Company's most recently announced consolidated earnings forecast: No

Note: EBITDA = (operating profit + depreciation + goodwill amortization)

**\*Notes**

(1) Changes in significant subsidiaries during the period under review: Yes

(Transfers of specified subsidiaries associated with changes in the Company's scope of consolidation)

Newly added: Yes Medico Planning, Ltd. Climber Co., Ltd.

Excluded: Yes Nagatomi Dispensing Pharmacy Co., Ltd. Tsurumaru Dispensing Pharmacy Co., Ltd.  
Hakujiji General Pharmacy Co., Ltd.

(2) Distinctive accounting methods applied when preparing interim consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates and retrospective restatements

1. Accounting policy changes due to accounting standard revisions, etc.: None

2. Other accounting policy changes: None

3. Changes in accounting estimates: None

4. Retrospective restatements: None

(4) Number of shares outstanding (common stock)

1. Shares outstanding (including treasury stock)	As of September 30, 2025	30,642,600	As of March 31, 2025	30,642,600
2. Treasury shares outstanding	As of September 30, 2025	1,414,103	As of March 31, 2025	1,414,055
3. Period-average shares outstanding (cumulative interim figures)	Six months ended September 30, 2025	29,228,512	Six months ended September 30, 2024	29,228,545

Note: Please refer to "Appropriate use of earnings forecast and other special notes 2" for details of calculation method regarding period-end treasury stock numbers and period-average shares outstanding (cumulative interim figures).

\*The financial information in this interim report is not subject to review by certified public accountants or auditing firms.

**\*Appropriate use of earnings forecast and other special notes**

1. The earnings forecasts and other forward-looking statements contained in this document are based on information currently available to the Company, and certain assumptions it considers reasonable, but are not intended to be a promise that the Company will achieve. Actual results may vary materially from forecasts due to a variety of factors. For matters concerning earnings forecasts, please refer to page 3 of the attached materials "1. Qualitative Information on Interim Financial Performance (3) Explanation of Consolidated Earnings Forecasts and Other Projections."

2. In the interim consolidated balance sheets, the Company's shares held as trust assets of the Board Benefit Trust (BBT) are recorded as treasury stock. They are included in treasury stock in calculations of earnings per share, equity ratio, net assets per share, shareholders' equity, period-end treasury stock numbers, and period-average shares outstanding (cumulative interim figures).

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## 1. Qualitative Information on Interim Financial Performance

### (1) Explanation of Operating Results

In the first six months of the fiscal year ending March 31, 2026 (April 1–September 30, 2025), the Japanese economy continued to recover gradually, supported by improvements in employment and income conditions. However, the outlook remains uncertain due to persistent inflation, developments in U.S. trade policy, and volatility in the financial and capital markets.

Under these economic conditions, the Group unveiled its long-term vision, *Machino Akari Vision 2035*, in October 2025. We aim to contribute to the well-being of all by serving as *Machino Akari*—a beacon of light in the community—while building medical infrastructure that enables everyone to live safely, comfortably, and authentically throughout their lives.

During the six months under review, performance was supported by steady growth in network affiliates in the Pharmaceutical Network Business, despite higher personnel expenses resulting from rising salary levels. As a result, net sales totaled 63,863 million yen (+6.9% YoY), operating profit 1,286 million yen (+25.1% YoY), ordinary profit 1,215 million yen (+19.1% YoY), and profit attributable to owners of parent 452 million yen (+118.6% YoY).

Results by segment were as follows. Sales in each segment include intersegment sales.

#### 1) Community Pharmacy Network Segment

In this segment, the Group's goal is to provide value throughout the entire pharmaceutical supply chain. To this end, we operate community pharmacies; support pharmacy management through our pharmaceutical network; support pharmacies transition to family pharmacies through the use of the LINE app; and manufacture, market, and distribute pharmaceuticals.

In the Community Pharmacy Business, we continued to focus on opening new pharmacies. During the six months under review, we opened seven community pharmacies, including five located in medical malls, and acquired eight additional community pharmacies. Meanwhile, we closed or sold three pharmacies. As a result, as of September 30, 2025, we operated 469 community pharmacies, one In-Home care plan support center, and nine drug stores.

In the Pharmaceutical Network Business, we prioritized expanding our service lineup, offering a region-specific pharmaceutical inventory information sharing service and various training programs, among others. New network affiliates steadily increased, and as of September 30, 2025, pharmaceutical network affiliates totaled 11,511, up 508 from March 31, 2025, consisting of 469 Group pharmacies and 11,042 general affiliates.

In the Digital Shift Business, the Group is working to expand its customer base by delivering successful experiences to both patients and pharmacies. As of September 30, 2025, the number of pharmacies that had adopted the Group's services totaled 6,339, an increase of 319 from March 31, 2025.

In the Manufacture and Market Pharmaceutical Business, the number of partner pharmacies increased steadily, driven by efforts to cultivate new partnerships. As of September 30, 2025, the Group had business relationships with 7,823 partner companies, an increase of 2,123 from March 31, 2025. As of the same date, the Group's product lineup comprised 120 products across 52 active ingredients (APIs), of which shipments of 11 products covering six APIs were under adjustment.

In the Pharmaceutical Logistics Business, the Group is working to expand its network of partner pharmacies. The number of partner pharmacies grew steadily, reaching 3,064 as of September 30, 2025, up 1,492 from March 31, 2025.

As a result, segment sales for the six months ended September 30, 2025 were 61,407 million yen (+7.6% YoY), and operating profit was 2,557 million yen (+14.1% YoY).

#### 2) Leasing and Facility-related Segment

In this segment, the Group is engaged in site development for pharmacies, as well as leasing and management of pharmacy buildings; support for clinic openings for physicians; the development, design and construction supervision, and operation of medical facilities; and the operation of serviced residences for the elderly.

Due to the absence of a large project that had boosted results in the same period of the previous fiscal year, segment sales declined to 1,457 million yen (-15.7% YoY), and operating profit fell to 41 million yen (-58.1% YoY).

As of September 30, 2025, the occupancy rate at the four serviced residences for the elderly under management was 87.5%.

#### 3) Meal Catering Segment

In this segment, the Group is providing contracted meal services to hospitals and welfare facilities.

We introduced fully prepared meals to address the chronic labor shortage and worked to improve profitability through price revisions and other measures. However, these efforts were insufficient to offset rising material and personnel costs. As a result, segment sales were 1,161 million yen (-1.4% YoY), and the operating loss widened to 8 million yen

(compared with a loss of 7 million yen in the same period of the previous fiscal year).

#### 4) Other Segment

In the Other Segment, the Group provides home-visit nursing care.

Supported by improved efficiency of sales activities, segment sales totaled 169 million yen (-2.8% YoY), and the operating loss narrowed to 10 million yen (from a loss of 12 million yen in the same period of the previous fiscal year).

## (2) Explanation of Financial Position

As of September 30, 2025, total assets stood at 71,108 million yen, an increase of 521 million yen from March 31, 2025.

Current assets were 22,494 million yen, down 132 million yen from March 31, 2025, primarily due to decreases in cash and deposits and consumption tax refunds receivable included in other current assets, despite increases in accounts receivable—trade and merchandise. Non-current assets were 48,613 million yen, up 653 million yen from March 31, 2025. This mainly reflected increases in land, guarantee deposits, and deferred tax assets.

Total liabilities amounted to 54,480 million yen, an increase of 239 million yen from March 31, 2025. Current liabilities were 26,769 million yen, up 2,392 million yen from March 31, 2025. This was primarily due to an increase in short-term borrowings, offsetting decreases in the current portion of long-term borrowings, income taxes payable, and provision for bonuses. Non-current liabilities were 27,710 million yen, down 2,152 million yen from March 31, 2025, mainly reflecting a decrease in long-term borrowings.

Net assets totaled 16,627 million yen, an increase of 281 million yen from March 31, 2025. This was primarily due to an increase in retained earnings.

#### (Status of Cash flows)

Cash and cash equivalents on a consolidated basis as of September 30, 2025 amounted to 6,464 million yen, down 1,966 million yen from March 31, 2025. The status of cash flows during the six months ended September 30, 2025 is as follows.

#### (Cash flows from operating activities)

Net cash provided by operating activities was 259 million yen (compared with 517 million yen in the six months ended September 30, 2024). This was primarily due to profit before income taxes of 1,066 million yen, partially offset by 806 million yen in income taxes paid.

#### (Cash flows from investing activities)

Net cash used in investing activities totaled 2,486 million yen (versus 785 million yen in the six months ended September 30, 2024). This mainly reflected 1,397 million yen in the purchase of property, plant and equipment, 568 million yen in payments for the acquisition of businesses, and 427 million yen in payments of guarantee deposits.

#### (Cash flows from financing activities)

Net cash provided by financing activities totaled 260 million yen (versus 685 million yen in the six months ended September 30, 2024). This was mainly due to a 675 million yen increase in borrowings, despite 237 million yen in repayments of lease obligations.

## (3) Explanation of Consolidated Earnings Forecasts and Other Projections

The Company has made no changes to its first half and full-year earnings forecasts for the financial year ending March 31, 2026, which were announced on May 9, 2025.

## 2. Interim Consolidated Financial Statements and Primary Notes

## (1) Consolidated Balance Sheet

(Millions of yen)

	Fiscal year ended March 31, 2025 (as of March 31, 2025)	Six months ended September 30, 2025 (as of September 30, 2025)
<b>Assets</b>		
Current assets		
Cash and deposits	8,461	6,464
Accounts receivable - trade	5,053	6,080
Unearned revenue from sale of accounts receivable	1,054	1,036
Purchased receivables - dispensing fees	475	440
Merchandise	6,112	7,158
Raw materials	16	17
Work in process	24	49
Supplies	83	70
Other	1,363	1,196
Allowance for doubtful accounts	(18)	(19)
Total current assets	22,627	22,494
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,705	12,543
Land	9,378	9,732
Construction in progress	89	268
Other	6,299	6,302
Total property, plant and equipment	28,473	28,846
Intangible assets		
Goodwill	9,063	9,116
Software	778	838
Other	66	61
Total intangible assets	9,908	10,017
Investments and other assets		
Investment securities	702	634
Guarantee deposits	4,456	4,578
Deferred tax assets	3,432	3,602
Other	1,006	955
Allowance for doubtful accounts	(20)	(21)
Total investments and other assets	9,578	9,749
Total non-current assets	47,959	48,613
Total assets	70,586	71,108

(Millions of yen)

	Fiscal year ended March 31, 2025 (as of March 31, 2025)	Six months ended September 30, 2025 (as of September 30, 2025)
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	11,480	11,665
Short-term borrowings	588	3,788
Current portion of long-term borrowings	5,596	5,408
Income taxes payable	864	585
Provision for bonuses	1,768	1,537
Provision for bonuses for directors (and other officers)	-	14
Other	4,079	3,771
Total current liabilities	24,377	26,769
Non-current liabilities		
Long-term borrowings	18,085	15,799
Provision for retirement benefits for directors (and other officers)	557	534
Provision for share awards for directors (and other officers)	299	316
Retirement benefit liability	4,666	4,876
Other	6,255	6,183
Total non-current liabilities	29,863	27,710
Total liabilities	54,241	54,480
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,128	2,128
Capital surplus	946	946
Retained earnings	14,001	14,274
Treasury shares	(891)	(891)
Total shareholders' equity	16,184	16,458
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	34	21
Deferred gains or losses on hedges	4	2
Remeasurements of defined benefit plans	37	40
Total accumulated other comprehensive income	75	63
Non-controlling interests	85	105
Total net assets	16,345	16,627
<b>Total liabilities and net assets</b>	<b>70,586</b>	<b>71,108</b>



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

## Interim Consolidated Statement of Income

	(Millions of yen)	
	Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)	Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)
Net sales	59,761	63,863
Cost of sales	35,097	37,617
Gross profit	24,664	26,246
Selling, general and administrative expenses	23,636	24,959
Operating profit	1,027	1,286
Non-operating income		
Interest and dividend income	3	8
Outsourcing service income	32	32
Rental income from facilities	68	79
Subsidy income	33	34
Miscellaneous income	42	42
Total non-operating income	180	196
Non-operating expenses		
Loss on sale of receivables	43	67
Interest expenses	130	148
Share of loss of entities accounted for using equity method	-	43
Miscellaneous losses	13	8
Total non-operating expenses	187	267
Ordinary profit	1,020	1,215
Extraordinary income		
Gain on sale of non-current assets	10	12
Gain on sale of businesses	40	2
Other	5	-
Total extraordinary income	56	14
Extraordinary losses		
Loss on sale of non-current assets	0	5
Loss on retirement of non-current assets	6	2
Impairment losses	223	142
Loss on store closings	6	12
Other	2	1
Total extraordinary losses	239	164
Profit before income taxes	837	1,066
Income taxes - current	517	549
Income taxes - deferred	98	44
Total income taxes	615	593
Profit	221	472
Profit (loss) attributable to non-controlling interests	14	19
Profit (loss) attributable to owners of parent	207	452

## Interim Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)	Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)
Profit	221	472
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	(12)
Deferred gains or losses on hedges	0	(2)
Remeasurements of defined benefit plans, net of tax	13	2
Total other comprehensive income	11	(11)
Comprehensive income	232	460
(Breakdown)		
Comprehensive income attributable to owners of parent	218	440
Comprehensive income attributable to non-controlling interests	14	19

## (3) Interim Consolidated Statement of Cash Flows

	(Millions of yen)	
	Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)	Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)
<b>Cash flows from operating activities</b>		
Profit before income taxes	837	1,066
Depreciation	1,081	1,165
Impairment losses	223	142
Amortization of goodwill	588	541
Increase (decrease) in provision for bonuses	52	(246)
Increase (decrease) in provision for bonuses for directors (and other officers)	(72)	14
Increase (decrease) in allowance for doubtful accounts	2	0
Increase (decrease) in provision for share awards for directors (and other officers)	4	16
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(0)	(23)
Increase (decrease) in retirement benefit liability	194	210
Interest and dividend income	(3)	(8)
Interest expenses	130	148
Share of loss (profit) of entities accounted for using equity method	–	43
Loss (gain) on sale of non-current assets	(5)	(6)
Loss on retirement of non-current assets	6	2
Loss (gain) on sale of businesses	(40)	(2)
Decrease (increase) in trade receivables	(53)	(858)
Decrease (increase) in unearned revenue from sale of accounts receivable	13	18
Decrease (increase) in purchased receivables - dispensing fees	31	35
Decrease (increase) in inventories	(904)	(988)
Increase (decrease) in trade payables	(167)	(58)
Increase (decrease) in accrued consumption taxes	110	(42)
Other	(366)	38
<b>Subtotal</b>	<b>1,661</b>	<b>1,208</b>
Interest and dividends received	2	7
Interest paid	(133)	(150)
Income taxes paid	(1,014)	(806)
<b>Net cash provided by (used in) operating activities</b>	<b>517</b>	<b>259</b>

	(Millions of yen)	
	Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)	Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,456)	(1,397)
Proceeds from sale of property, plant and equipment	9	120
Purchase of intangible assets	(205)	(175)
Proceeds from sale of investment securities	-	7
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(14)	(139)
Payments for acquisition of businesses	-	(568)
Proceeds from sale of businesses	1,547	13
Loan advances	(170)	(335)
Proceeds from collection of loans receivable	0	201
Payments of guarantee deposits	(442)	(427)
Proceeds from refund of guarantee deposits	56	297
Other	(110)	(82)
Net cash provided by (used in) investing activities	(785)	(2,486)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,751	3,200
Proceeds from long-term borrowings	-	300
Repayments of long-term borrowings	(3,676)	(2,824)
Repayments of lease obligations	(211)	(237)
Purchase of treasury shares	-	(0)
Dividends paid	(177)	(178)
Net cash provided by (used in) financing activities	685	260
Net increase (decrease) in cash and cash equivalents	416	(1,966)
Cash and cash equivalents at beginning of period	8,242	8,431
Cash and cash equivalents at end of period	8,659	6,464

## (4) Notes to Interim Consolidated Financial Statements

(Notes to going concern assumptions)

None to be reported.

(Notes in the event of significant changes in shareholders' equity)

None to be reported.

(Segment information)

## I. Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

Information on sales and profit (loss) by reporting segment

(Millions of yen)

	Reporting segment					Adjustments (Note 1)	Amounts on consolidated statement of income (Note 2)
	Community Pharmacy Network	Leasing and Facility- related	Meal Catering	Other	Total		
Net sales							
Sales to external customers	57,050	1,359	1,177	174	59,761	—	59,761
Intersegment sales or transfers	23	369	0	—	394	(394)	—
Total	57,074	1,729	1,177	174	60,155	(394)	59,761
Segment profit (loss)	2,241	99	(7)	(12)	2,321	(1,293)	1,027

Notes: 1. The negative 1,293 million yen adjustment to segment profit (loss) includes 115 million yen in elimination of intersegment transactions and the 1,409 million yen in companywide expenses not allocated to reporting segments. Companywide expenses mainly refer to general expenses that do not belong to reporting segments.  
2. Segment profit (loss) is adjusted with operating profit (loss) in the interim consolidated statement of income.

## II. Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

Information on sales and profit (loss) by reporting segment

(Millions of yen)

	Reporting segment					Adjustments (Note 1)	Amounts on consolidated statement of income (Note 2)
	Community Pharmacy Network	Leasing and Facility- related	Meal Catering	Other	Total		
Net sales							
Sales to external customers	61,387	1,146	1,160	169	63,863	—	63,863
Intersegment sales or transfers	20	311	0	—	331	(331)	—
Total	61,407	1,457	1,161	169	64,195	(331)	63,863
Segment profit (loss)	2,557	41	(8)	(10)	2,579	(1,292)	1,286

Notes: 1. The negative 1,292 million yen adjustment to segment profit (loss) includes 194 million yen in elimination of intersegment transactions and 1,487 million yen in companywide expenses not allocated to reporting segments. Companywide expenses mainly refer to general expenses that do not belong to reporting segments.  
2. Segment profit (loss) is adjusted with operating profit (loss) in the interim consolidated statement of income.