

Fiscal Year 2025 Q3 Financial Results Briefing

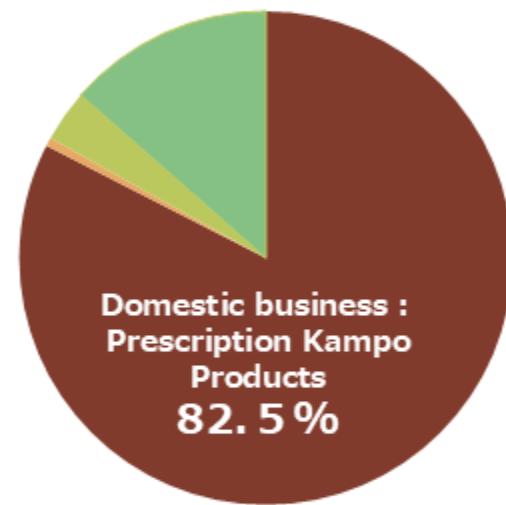
February 6, 2026
TSUMURA &CO.

Third Quarter Business Results for Fiscal 2025

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[Million yen]	3Q FY 2024 Results	3Q FY 2025 Results	YoY	
			Amount	Rate of Increase/ Decrease
Sales	136,773	145,176	+8,402	+6.1%
Domestic business	122,880	125,543	+2,662	+2.2%
China business	13,892	19,632	+5,739	+41.3%
Operating profit	32,380	28,862	(3,518)	(10.9) %
Domestic business	32,568	28,211	(4,357)	(13.4) %
China business	(187)	651	+838	—
Ordinary profit	35,151	31,907	(3,244)	(9.2) %
Profit attributable to owners of parent	26,567	23,151	(3,416)	(12.9) %

Ratio to total sales



- China Business: Crude drug platform 13.5%
- Domestic Business: Healthcare products (OTC Kampo medicine, etc.) 3.4%
- Domestic Business: Others 0.6%

Net Sales **145,176** million yen **YoY** **+6.1%**

- Domestic business Total sales for the 129 prescription Kampo formulations: 119,816 million yen, up 1.6% year on year
- China business Total sales of healthcare products(OTC Kampo medicine,etc) : 4,919 million yen, up 21.8% year on year
- China business Raw material crude drugs, drug pieces, health products, etc.: 19,632million yen, up 41.3% year on year

Operating profit **28,862** million yen **YoY** **(10.9) %**

Operating profit margin **19.9** % **YoY** **(3.8) pt**

- Cost ratio: 52.2% +3.2pt YoY
YoY: Temporary increase in unrealized profits, increase in the sales ratio of the China business
- SG&A expense ratio: 27.9% +0.5pt YoY
YoY: increase in salaries and allowances, costs related to information provision

Ordinary profit **31,907** million yen **YoY** **(9.2) %**

- Foreign exchange gain primarily related to loans to overseas subsidiaries: 2,926 million yen, +991 million yen YoY

*Foreign exchange gain not factored into earnings forecast

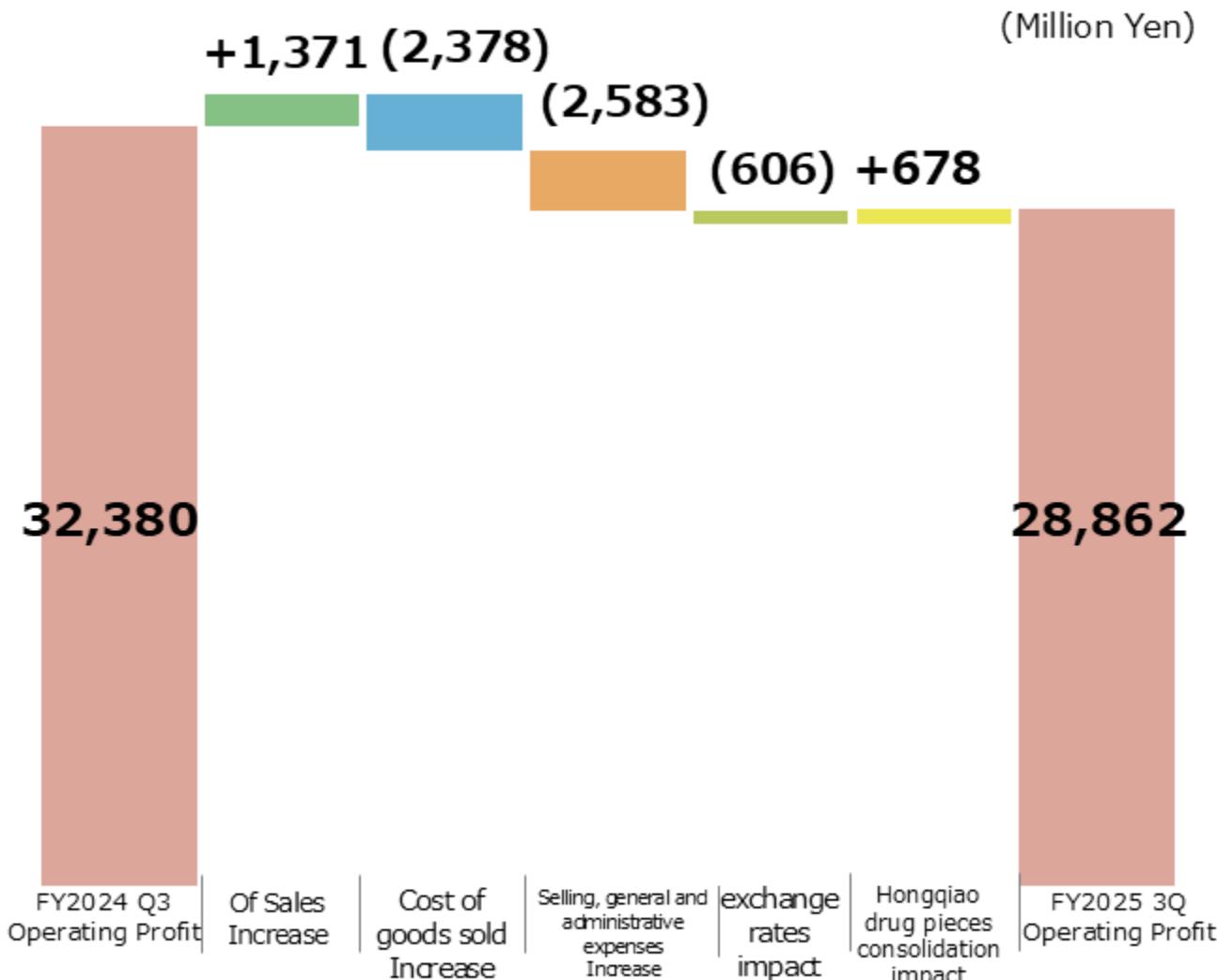
Profit attributable to owners of parent **23,151** million yen **YoY** **(12.9) %**

- Gain on sale of cross-shareholdings : 2,193 million yen, (757) million yen YoY

*Gain on sales of cross-shareholdings from the third quarter onward are not factored into earnings forecast

Factors for changes in operating profit (compared to the same period last year)

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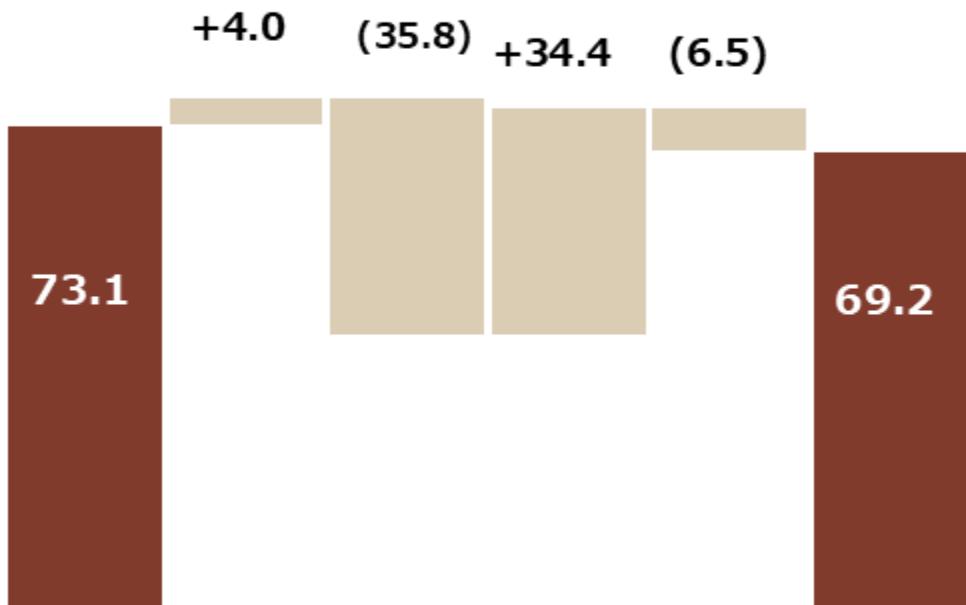
← Excluding
Hongqiao drug pieces →

Increase in Sales: +1,371 million yen		
Domestic Business (Sales Volume, Sales Composition)		+1,136
China Business		+234
Increase in cost of goods sold: (2,378) million yen		
Domestic business	Crude drug cost	Domestic cost of crude drug (of which unrealized profit was (1,604))
		Cost of crude drug contained in Chinese extract powder.
	Raw material costs	(161)
Processing costs	Domestic processing costs	(420)
	Processing costs for Chinese extract powder	+3
China Business	Increase in sales composition ratio	
Increase in Selling, General and Administrative Expenses (2,583) million yen		
salaries and allowances		(1,466)
Outsourcing expenses (strengthening the foundation related to information provision, etc.)		(245)
Selling and promotional expenses (increase in costs related to information provision, etc.)		(197)
Others		(675)
Impact of exchange rates (606) million yen		
Hongqiao drug pieces consolidation impact +678 million yen		

Financial condition and cash flow

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	(Million yen)				
	FY2024 (End of March 2025)	FY2025 3Q	Increase/ Decrease Amount	Including, Hongqiao Consolidation Impact	(billion yen)
Total Assets	464,380	549,684	85,304	23,753	+4.0
Current Assets	295,709	331,558	35,848	16,640	(35.8)
Fixed Assets	168,670	218,126	49,455	7,113	+34.4
Total Liabilities	134,270	211,040	76,770	19,060	(6.5)
Current liabilities	61,913	125,058	63,145	6,126	
Long-term Liabilities	72,357	85,982	13,624	12,933	
Total Net Assets	330,110	338,643	8,533	4,692	69.2
Equity Ratio	64.7%	55.5%	(9.2)pt		



	FY2024 (End of March 2025)	FY2025 3Q	Amount of increase/ decrease	Of which, foreign exchange
Total inventory assets	133,784	150,837	17,054	(3,290)
Merchandise and Products	14,939	21,761	6,822	(270)
Work in Progress	20,197	24,509	4,312	(163)
Raw materials and stored goods	98,647	104,567	5,920	(2,857)

Cash and cash equivalents
Beginning balance

Operating activities

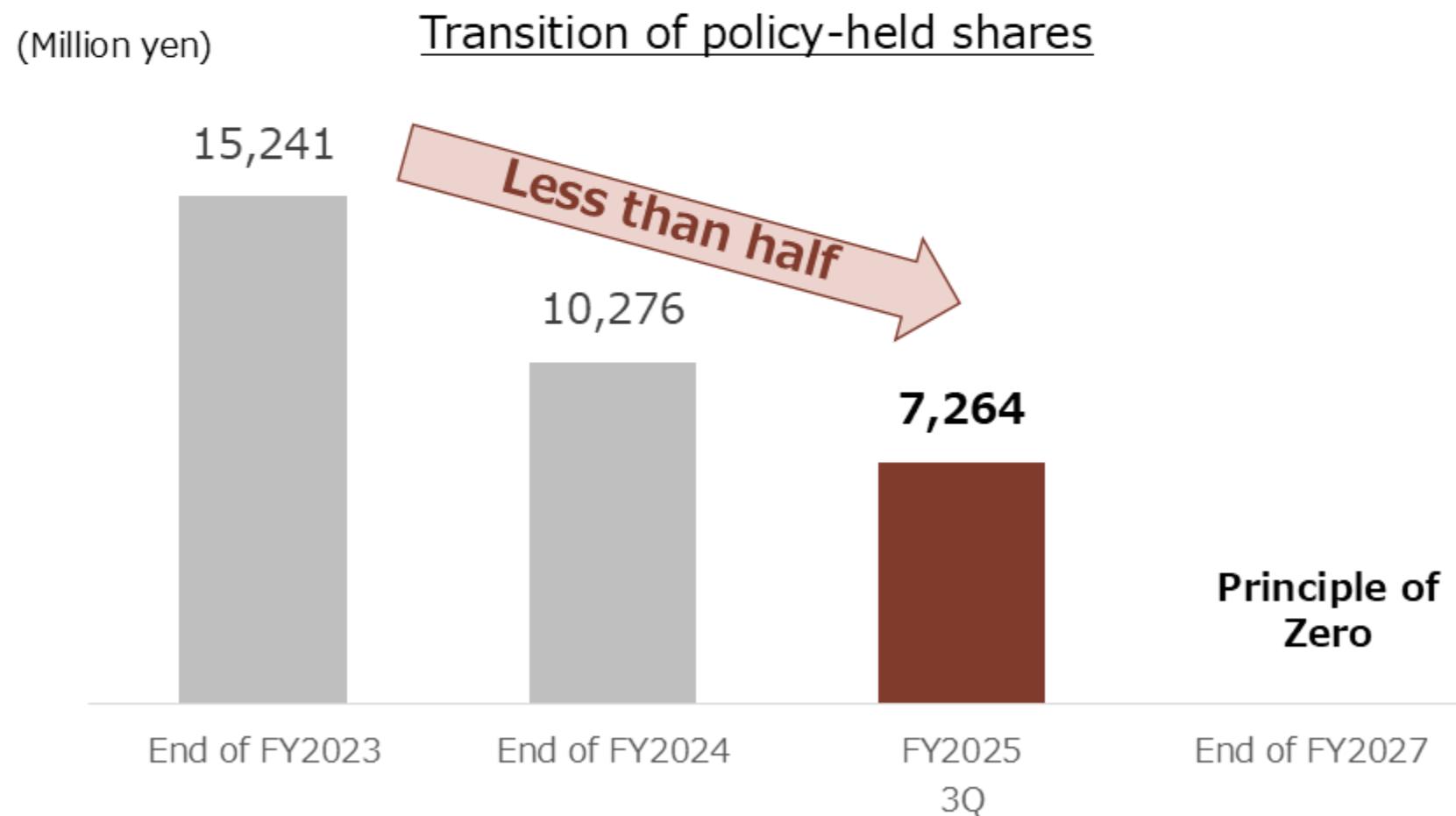
Investing activities

Financing activities

Foreign exchange differences, etc.

Cash and cash equivalents
Ending balance

Policy shareholdings have been halved (compared to the end of fiscal FY 2023), and continuous reduction will be carried out going forward.



Domestic business: Sales by prescription of prescription Kampo formulations

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(Million yen)

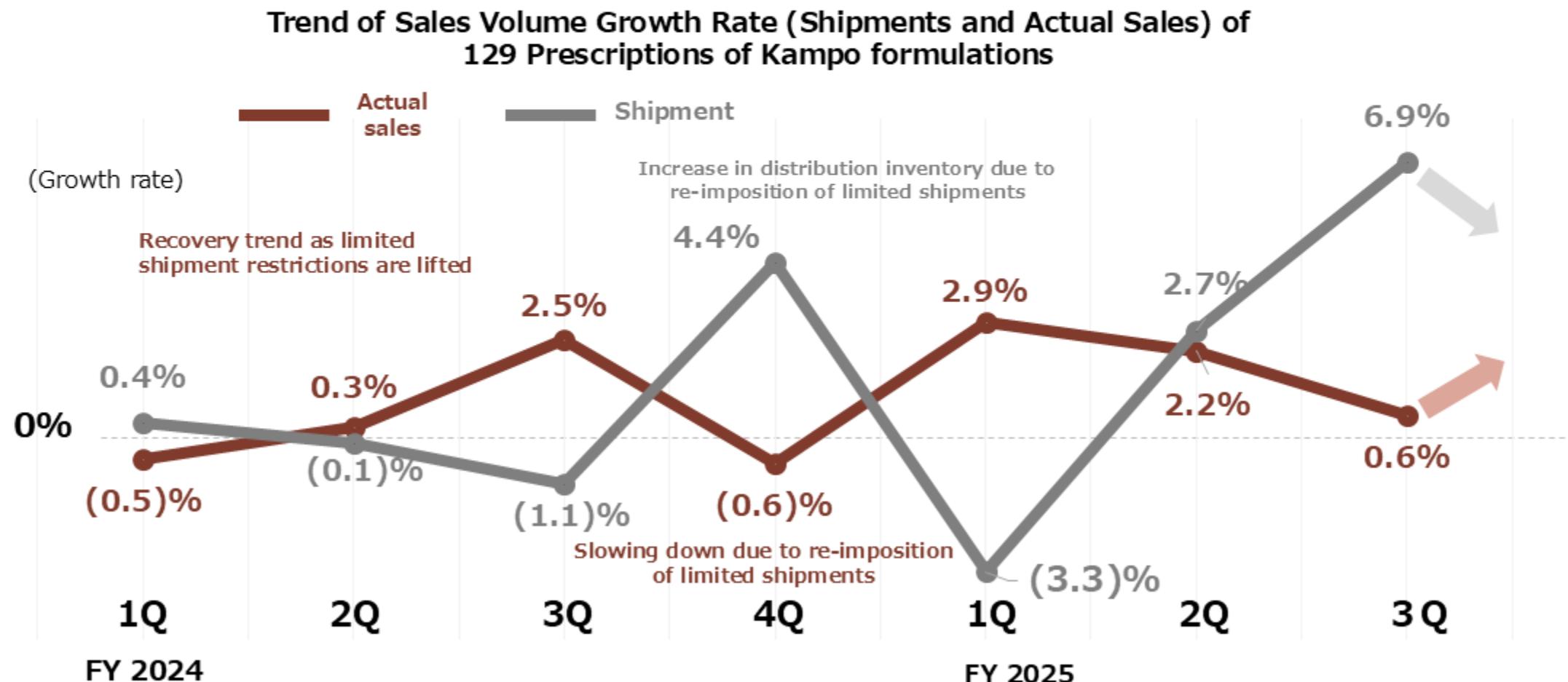
	Sales Ranking	Product No. / Formulation Name	FY2024 3Q	FY 2025 3Q	Year-on-Year Comparison		[Reference: Actual Sales Volume*] YoY		
Drug-fostering program formulations	1	100 Daikenchuto	11,367	11,426	+58	+0.5%	+1.9%		
	2	54 Yokukansan	8,602	8,629	+27	+0.3%	+2.7%		
	5	43 Rikkunshito	5,486	5,626	+140	+2.6%	+0.8%		
	7	107 Goshajinkigan	4,281	4,347	+66	+1.5%	+2.6%		
	24	14 Hangeshashinto	1,113	1,198	+85	+7.7%	+5.4%		
	Total of drug-fostering program formulations		30,852	31,229	+377	+1.2%	+2.1%		
“Growing” formulations	3	17 Goreisan	5,751	6,526	+775	+13.5%	+15.4%		
	4	41 Hochuekkito	5,879	5,970	+91	+1.6%	(0.9) %		
	9	24 Kamishoyosan	3,786	3,958	+171	+4.5%	+2.2%		
	17	137 Kamikihito	1,740	1,908	+167	+9.6%	+6.7%		
	19	108 Ninjin'yoeito	1,645	1,636	(8)	(0.5) %	(4.5) %		
	Total of “growing” formulations		18,803	20,001	+1,197	+6.4%	+6.3%		
Total of 119 prescriptions excluding Drug-fostering program formulations and “Growing” formulations			68,248	68,585	+336	+0.5%	+0.7%		
Total of 129 prescription Kampo formulations			117,904	119,816	+1,912	+1.6%	+1.9%		

*Actual sales quantity refers to the quantity delivered from pharmaceutical agents and wholesalers to medical institutions.

Domestic Business: Trends in Growth Rates of Shipment Volume and Actual Sales Volume

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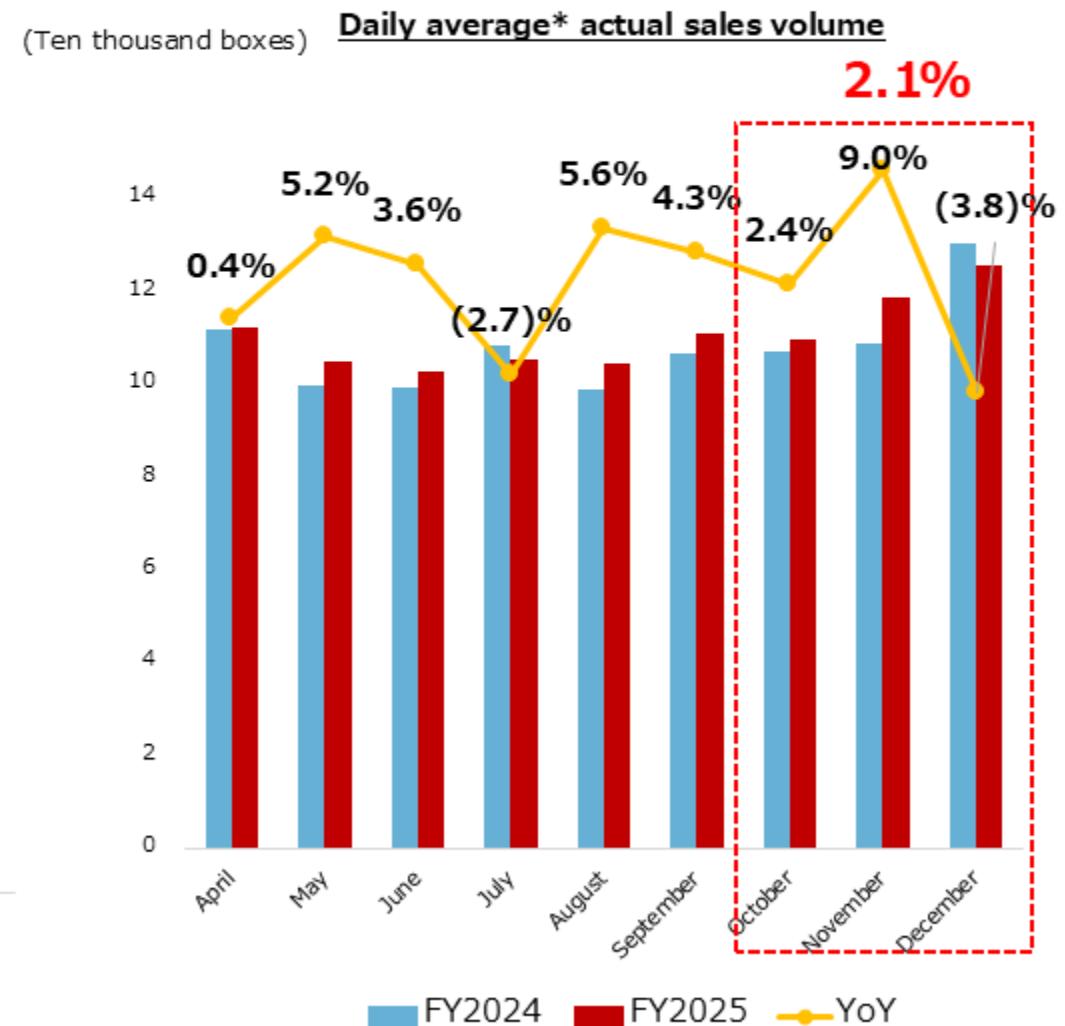
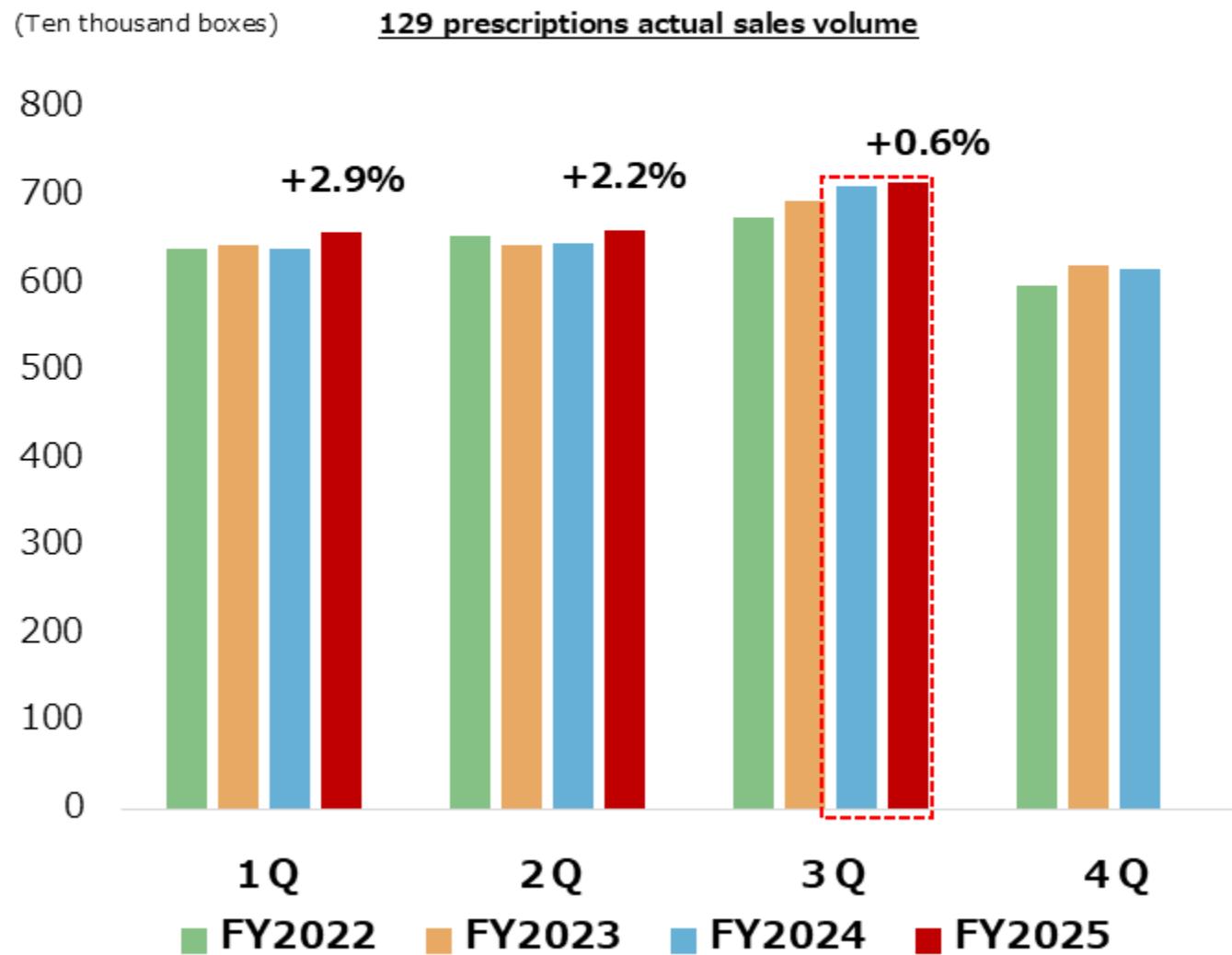
Along with the business days at the end of the year and the beginning of the new year, the distribution inventory remains at a high level due to the lower-than-expected spread of infectious diseases.



Domestic business: Actual sales volume trends for 129 prescription Kampo formulations

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Year-on-year growth continues, with daily average actual sales sales volume up 2.1%



*Calculated considering the number of business days per month

Domestic Business: Actual Sales Volume Trends (Daikenchuto, Yokukansan)

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(Ten thousand boxes)

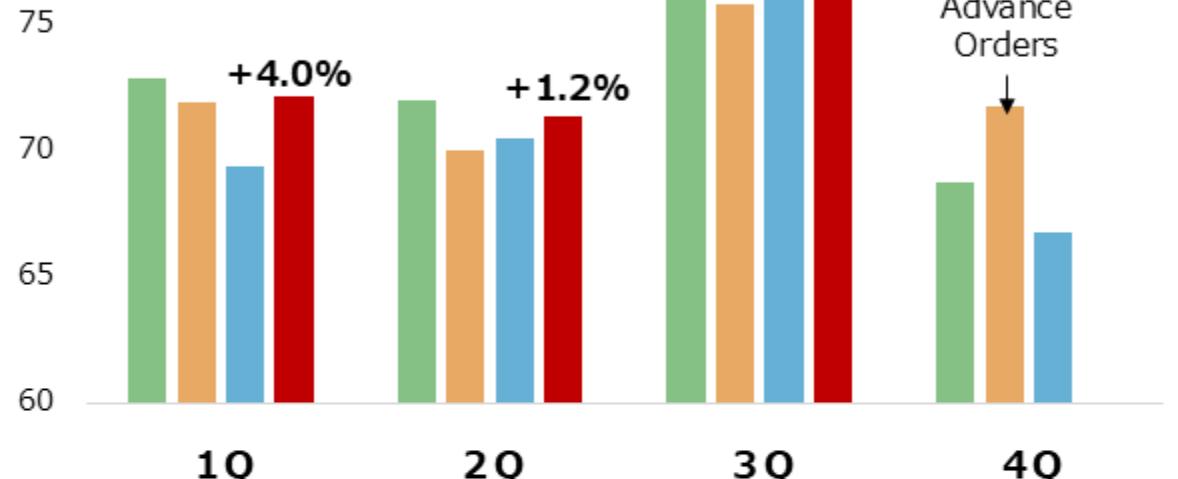
■ FY2022 ■ FY2023 ■ FY2024 ■ FY2025

80

#100 Daikenchuto

+0.5%

Advance
Orders
↓



1Q

2Q

3Q

4Q

Limited shipment period: None

FY2022–2023: Flat due to fewer surgeries affected by COVID-19 and limited shipments of other prescriptions.

FY2024: Considering the impact of advance orders in Q4 of FY2023 due to the NHI drug price revision, the volume is almost flat.

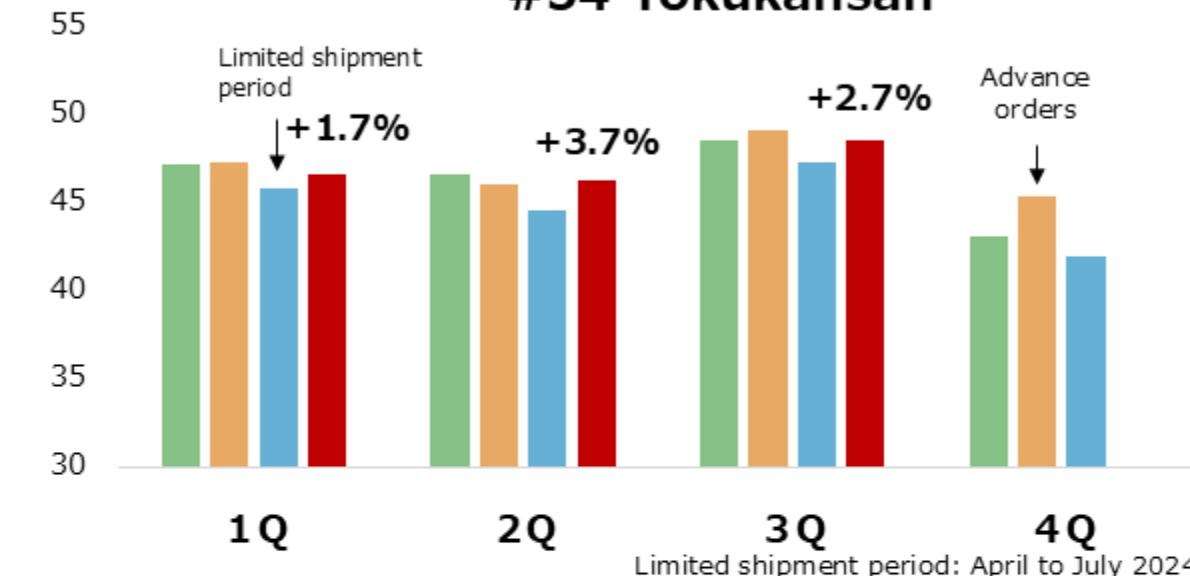
FY 2025: In the 3Q, the quantity has recovered compared to the same period in FY2022. In the 4Q, we aim to exceed the same period in FY2022 (approximately +4% YoY) by strengthening information provision activities at cancer treatment collaboration hospitals and other facilities.

(Ten thousand boxes)

#54 Yokukansan

+2.7%

Advance
orders
↓



1Q

2Q

3Q

4Q

Limited shipment period: April to July 2024

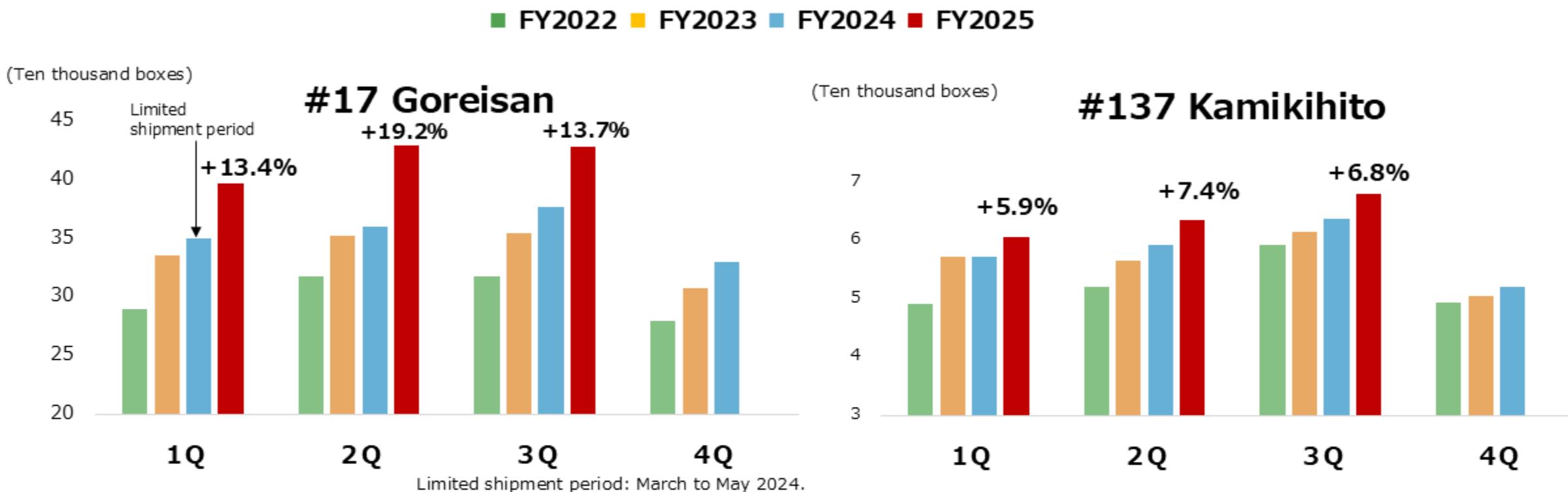
FY 2023: Continued growth but decreased due to limited shipments.

FY 2024: Decrease due to advance orders before limited shipments and switching to other prescriptions. Recovery is delayed due to some prescriptions being re-limited for shipment.

FY 2025: In addition to the psychiatric and neurological symptoms associated with dementia, symptoms such as insomnia and irritability are also emerging in other clinical areas. In the 3Q, the quantity has recovered to the same level as the same period in FY2022. In the 4Q, we aim to exceed the same period in FY2022 (approximately +4% YoY).

Domestic Business: Actual Sales Volume Trends (Goreisan, Kamikihito)

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FY 2023: Continued growth in neurosurgery and otolaryngology due to symptoms such as edema, dizziness, and headache.

FY 2024: Growth stagnated during the restricted shipment period but recovered after the restriction was lifted.

FY 2025: Focusing on edema in the cardiovascular area as well. In the 4Q, we aim for growth at the same level as in the 3Q.

FY 2022 to 2023: Increased demand due to anxiety and insomnia related to post-COVID-19 syndrome.

FY 2024: Recognition as a prescription for anxiety and insomnia spreads, leading to continuous growth.

FY 2025: Expanding the differentiation for premenstrual syndrome and premenstrual dysphoric disorder-related anxiety to increase the growth margin. In the 4Q, we aim for growth at the same level as in the 3Q.

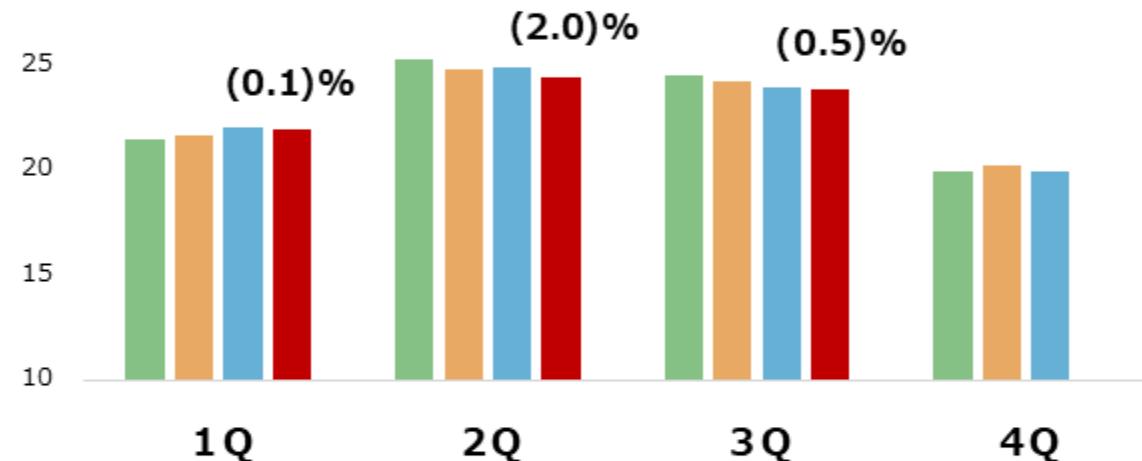
Domestic Business: Actual Sales Volume Trends (Hochuekkito, Ninjin'yoeito)

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■ FY2022 ■ FY2023 ■ FY2024 ■ FY2025

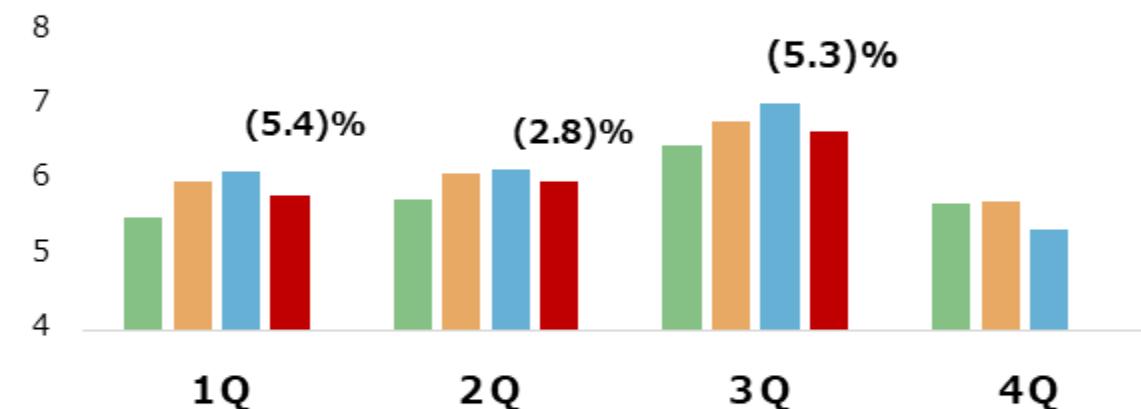
(Ten thousand boxes)

#41 Hochuekkito



(Ten thousand boxes)

#108 Ninjin'yoeitoito



Limited Shipping Period: December 2024 to January 2025

FY2022-2023: Demand for fatigue related to post-COVID syndrome increased, resulting in growth.

FY2024: Also used for summer weight loss, demand remains flat.

FY2025: Demand declined due to the backlash against post-COVID demand. In the cancer area, we are strengthening activities at cancer centers by selecting target prescriptions for the cancer caravan.

FY2024: Due to limited shipping, some customers switched to other companies' products.

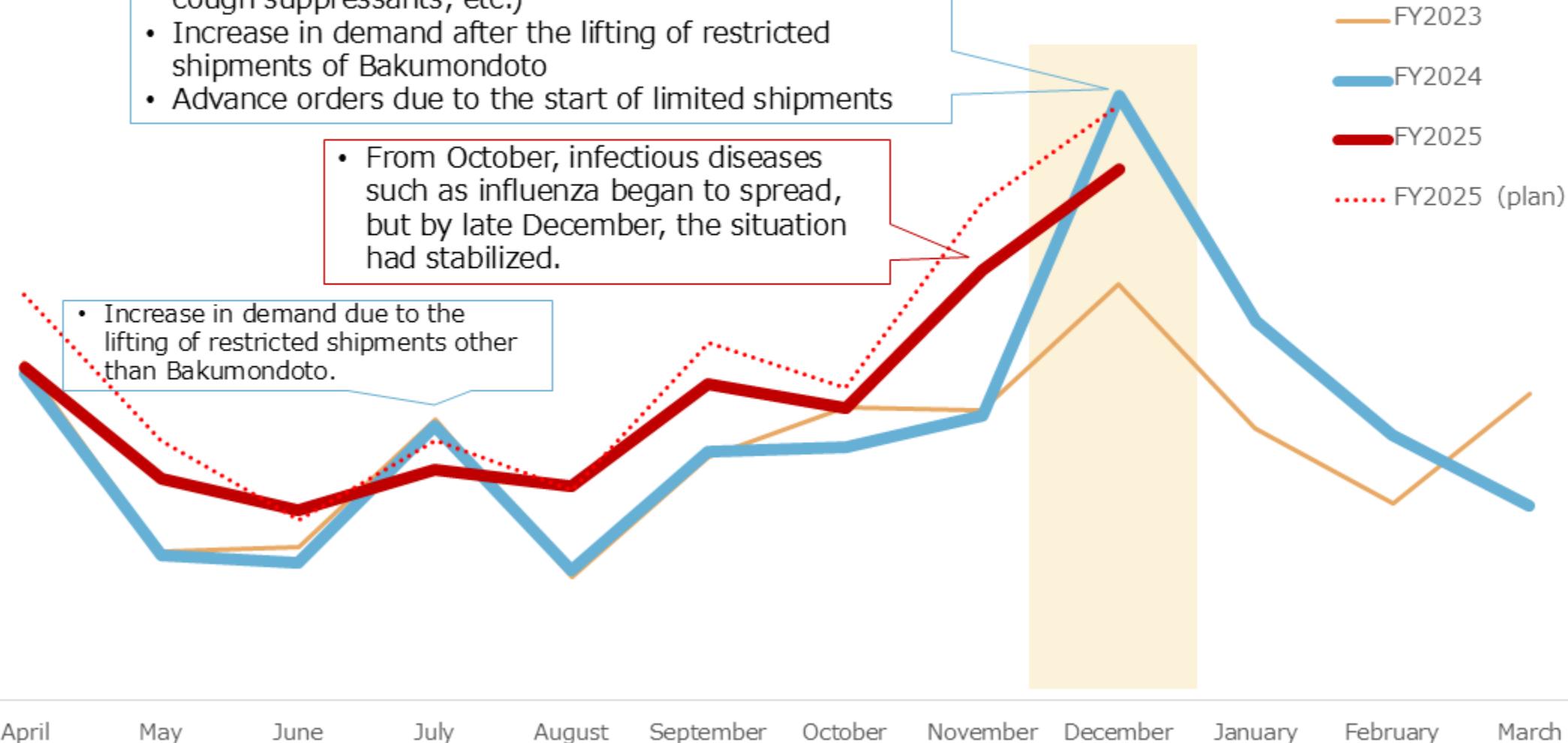
FY2025: Since limited shipping was just lifted in the 1Q, recovery will take time. In addition to approaching target facilities such as elderly care centers, we have also selected target prescriptions for the cancer caravan. We will steadily engage in activities to achieve positive recovery compared to the same period last year

While the growth pace compared to the previous year is accelerating, it is falling short of the plan.

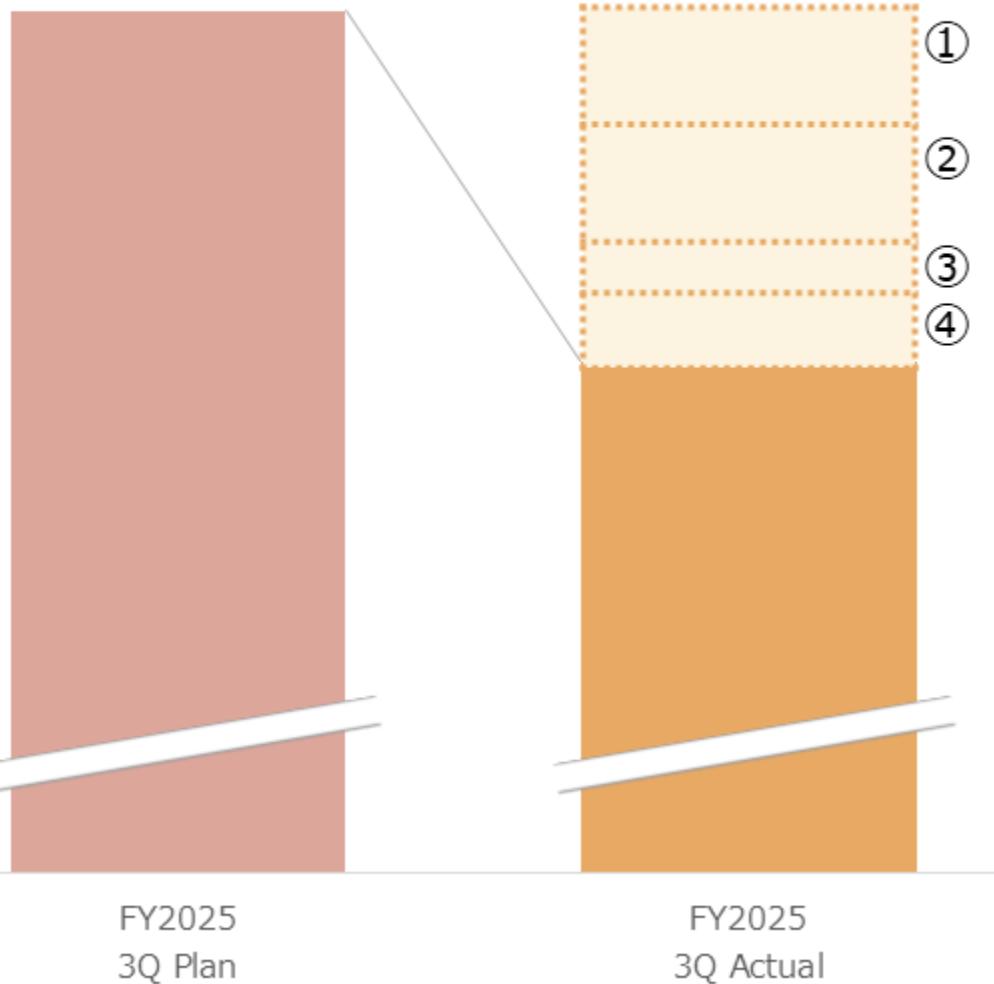
- Outbreak of infectious diseases (supply shortages of cough suppressants, etc.)
- Increase in demand after the lifting of restricted shipments of Bakumondoto
- Advance orders due to the start of limited shipments

- From October, infectious diseases such as influenza began to spread, but by late December, the situation had stabilized.

- Increase in demand due to the lifting of restricted shipments other than Bakumondoto.



Analysis of factors for failure to meet targets



- ① Cold associated formulations
In addition to the outbreak of infectious diseases being lower than expected, impact of recovery in the supply of antitussives, expectorants, etc.
- ② Limited shipment prescriptions
(implemented since Q3 of last fiscal year)
The recovery of prescriptions that were limited shipment in the same period last year is slower than expected.
- ③ Gynecology associated formulations
Impact of expansion of competitive new drugs
- ④ Others (strategic formulations, etc.)

Women's health

Project to consult about menstrual issues

Total number of supporting facilities for the project

Over 1,700 facilities



Implementation Details

Started in October: Collaborating with gynecological medical institutions to promote consultations and visits through the display of posters and stickers.

Prescription Trends

Tokishakuyakusan and Keishibukuryogan are struggling due to the impact of competing new drugs. Kamishoyosan and Kamikihitō are showing growth.

Future Developments

We will promote activities to increase prescription opportunities alongside the expansion of supporting facilities.

Cancer (supportive care)

Cancer Caravan 2025

Total number of participating physicians

Over 10,000 people each time

Implementation status

5 of 6 sessions completed

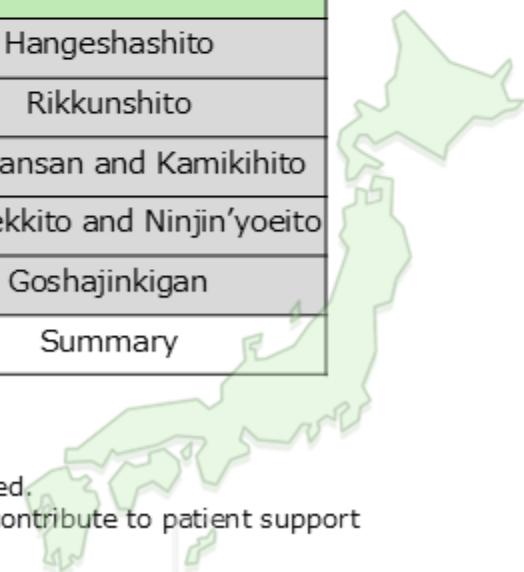
Approximately 300 satellite venues were set up

Times	Theme	Main formulations
1	Oral Mucositis	Hangeshashito
2	Loss of appetite, Nausea and vomiting	Rikkunshito
3	Psychiatric symptoms	Yokukansan and Kamikihitō
4	General malaise and fatigue	Hochuekkito and Ninjin'yoeito
5	Peripheral neuropathy	Goshajinkigan
6	Comprehensive review, side mechanisms of action.	Summary

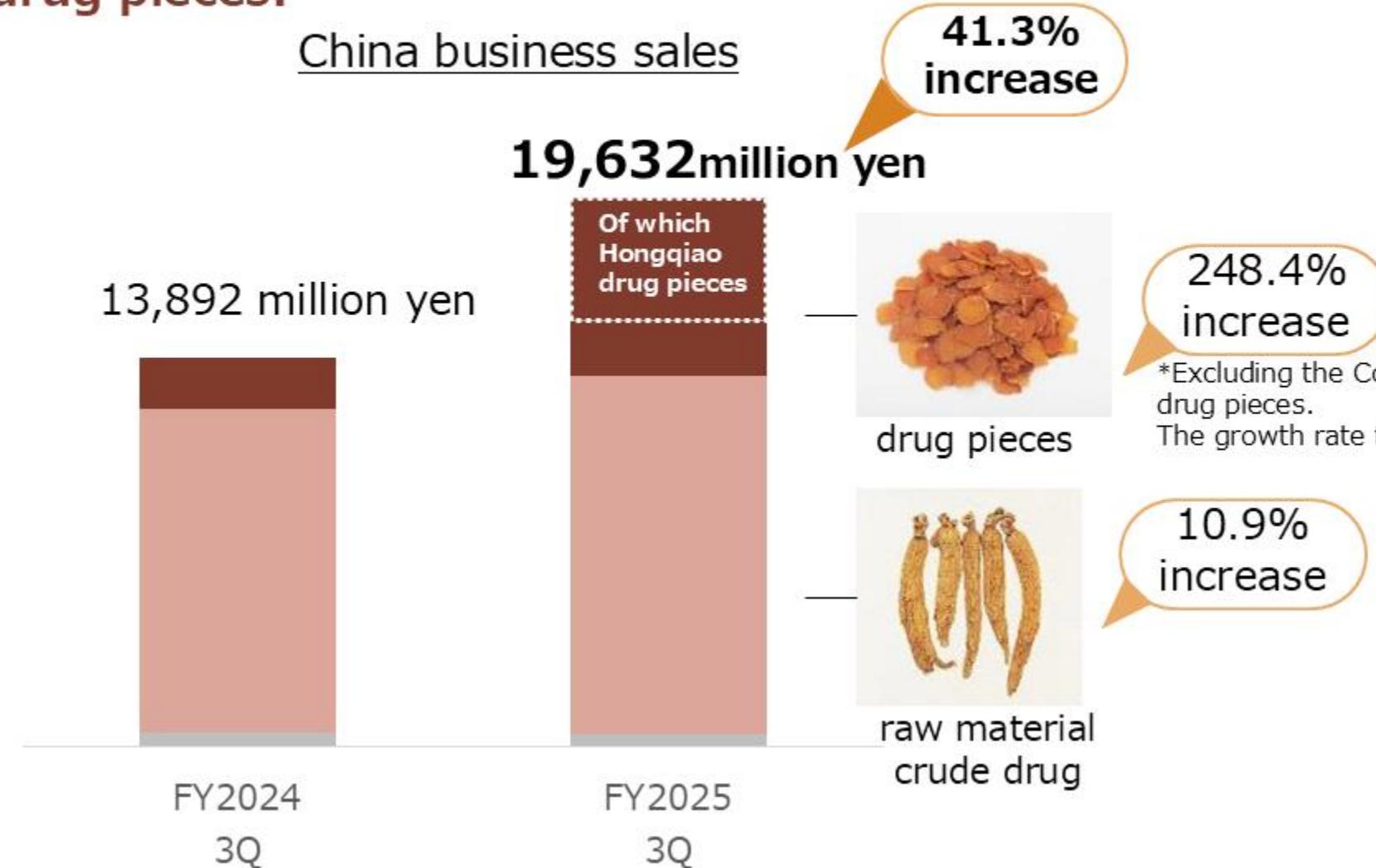
Future developments

The next FY event has also been decided.

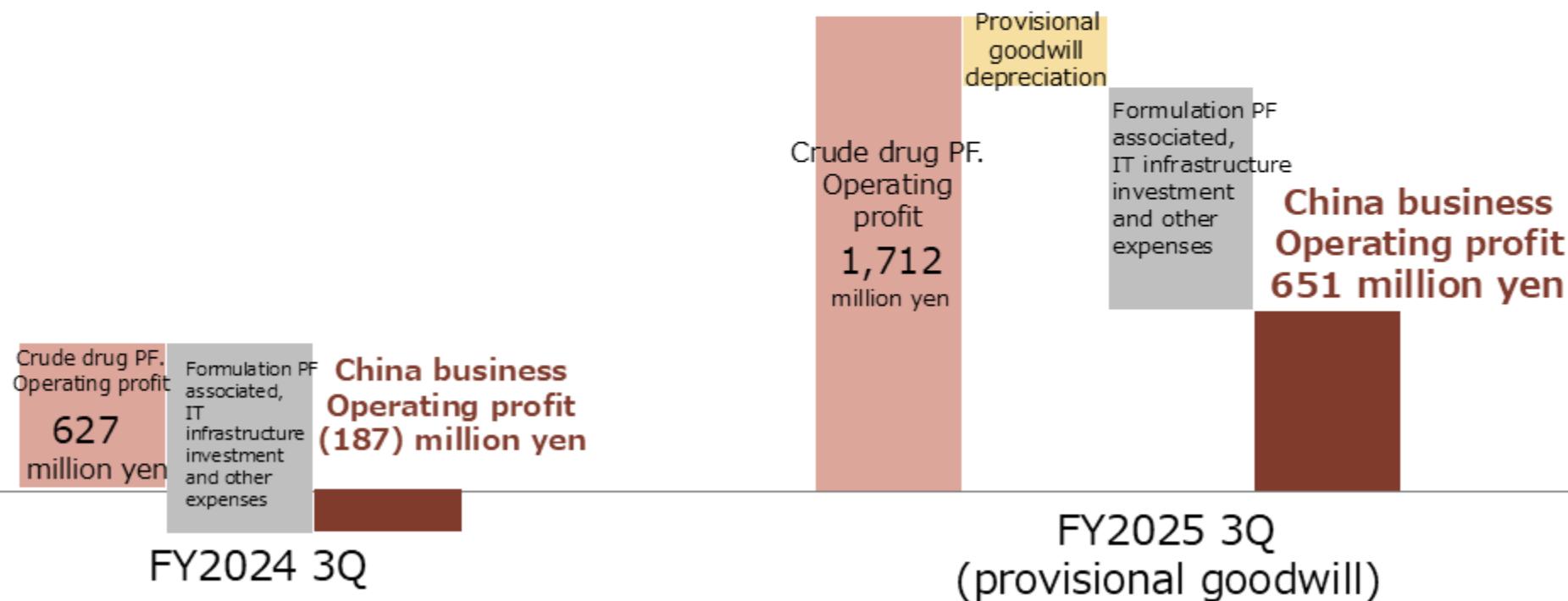
Continue proposing formulations that contribute to patient support



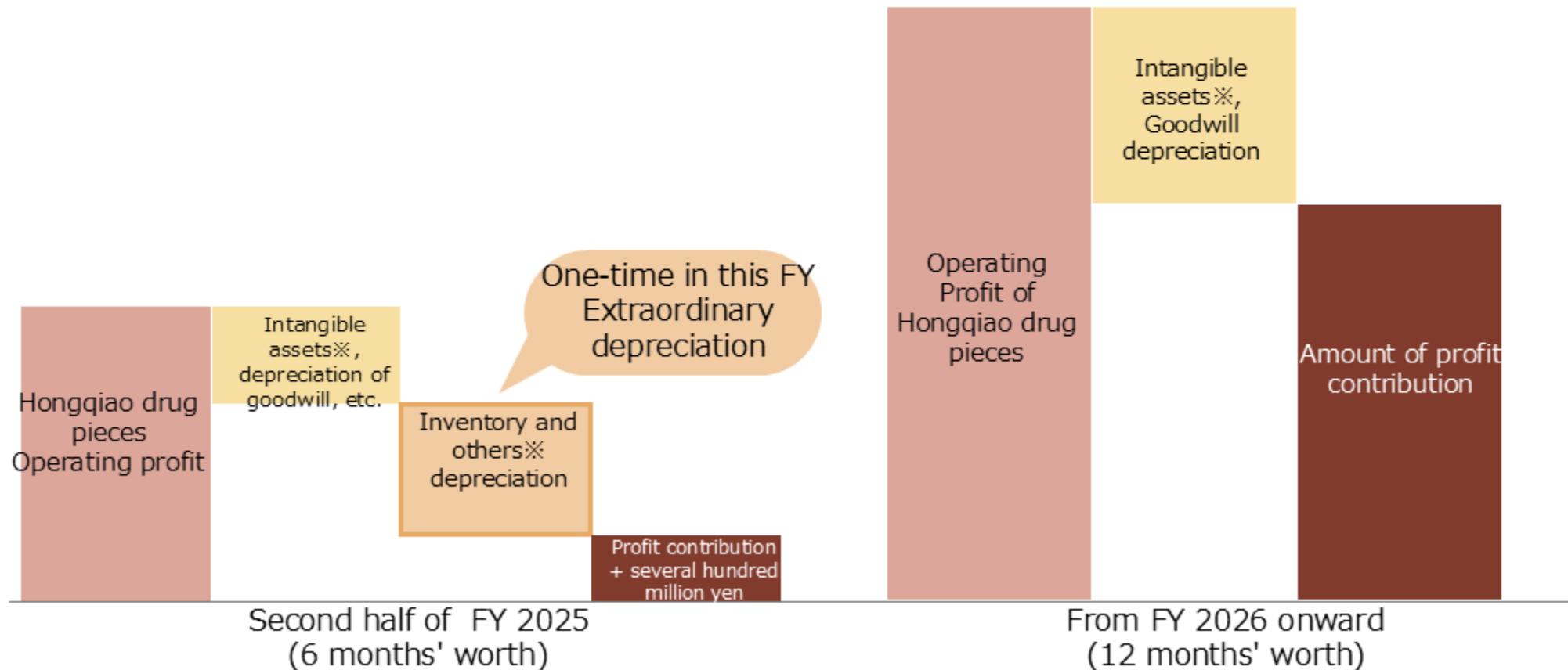
Sales of the crude drug medicine platform increased for both raw material crude drug and drug pieces.



The Chinese business turned profitable due to a significant increase in operating profit of the crude drug platform from the consolidation of Hongqiao drug pieces.



- In FY2025, a one-time expense for inventories, etc. will be posted, so the profit contribution will be minor
- From FY2026 onward, as the one-time expenses disappear, the profit contribution amount is expected to increase



*Accounting-wise, it is included in the income statement of Hongqiao drug pieces (Crude drug PF).

While achieving the sales target is challenging, we aim to meet the profit target.

[Million yen]	3Q FY 2025 Results	FY2025 Plan (Revised on November 10)
Sales	145,176	198,000
Domestic business	125,543	167,900
China business	19,632	30,100
Operating profit	28,862	35,000
Domestic business	28,211	35,500
China business	651	(500)
Ordinary profit	31,907	34,500
Profit attributable to owners of parent	23,151	24,300

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Cautionary items regarding forecasts

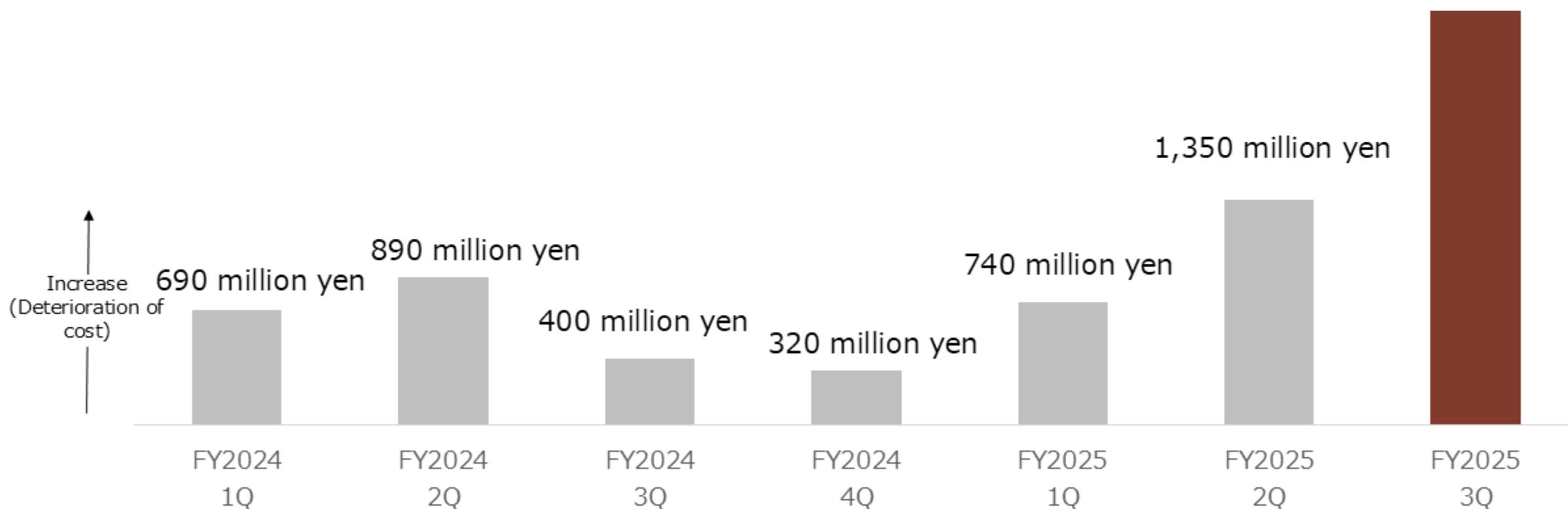
- The materials and information provided in this presentation contain so-called forward-looking statements. Readers should be aware that the realization of these statements can be affected by a variety of risks and uncertainties and that actual results could differ significantly.
- Changes in Japan or other foreign countries related to healthcare insurance systems or regulations set by medical treatment authorities on drug prices or other aspects of healthcare or in interest and foreign exchange rates could negatively impact the Company's performance or financial position.
- In the unlikely event that sales of the Company's core products currently on the market be halted or should sales substantially decline due to a defect, unforeseen side effect or some other factor, there could be a major impact on the Company's performance or financial position.

Appendix

The strategic increase in raw material crude drug inventory has temporarily boosted unrealized profits

Trends in the impact amount of unrealized profits on profit and loss.

2,490 million yen



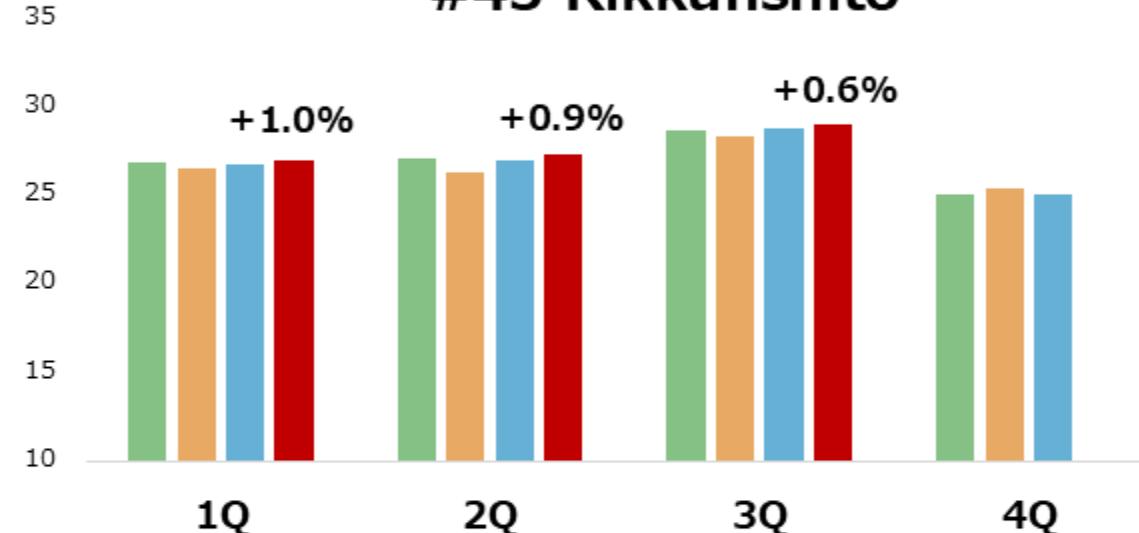
Domestic Business: Actual Sales Volume Trends (Rikkunshito, Goshajinkigan)

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■ FY2022 ■ FY2023 ■ FY2024 ■ FY2025

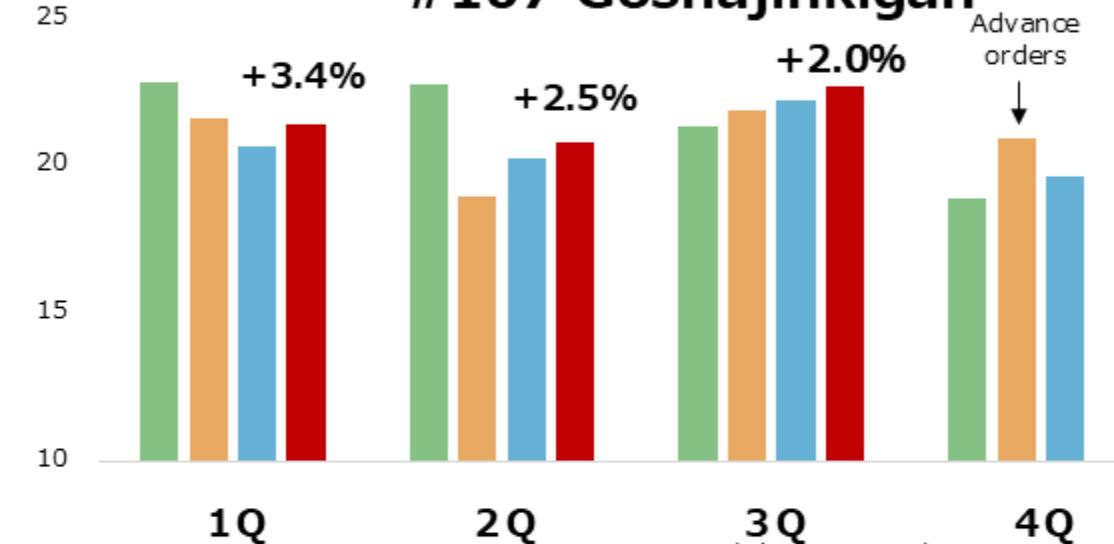
(Ten thousand boxes)

#43 Rikkunshito



(Ten thousand boxes)

#107 Goshajinkigan



Limited shipping period: August 2022 to April 2023

FY 2022-23: Despite restricting information provision during the limited shipping period and being unable to acquire new cases, the volume remained flat.

FY 2024-25: Through hospital briefings in the cancer area (supportive therapy), the Cancer Caravan 2025, and web seminars, we will address appetite loss after gastric cancer surgery. We aim to gradually increase growth by +3-4%.

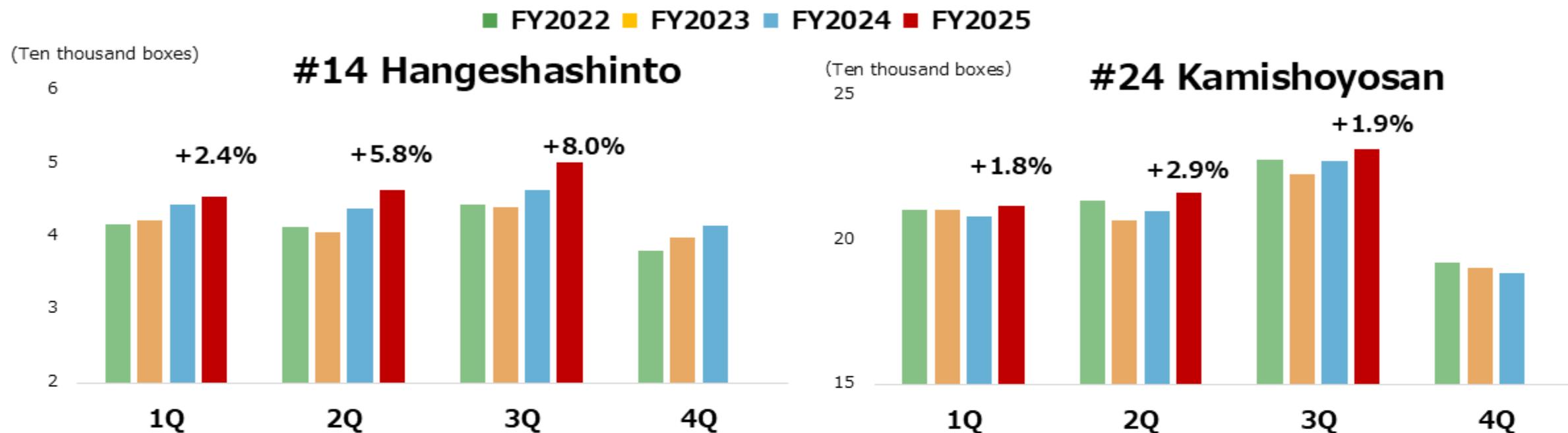
FY 2022-2023: Since the limited shipping period was long, recovery after its termination took time.

FY 2024: Q1 decreased due to the impact of advanced orders in Q4 from NHI drug price revision.

FY 2025: Growth including related prescriptions through an approach to nocturia in the elderly field. In the 4Q, we aim for a growth rate that exceeds that of the 3Q.

Domestic Business: Actual Sales Volume Trends (Hangeshashinto, Kamishoyosan)

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FY 2022 to 2023: Flat due to restrictions on information provision during the limited shipment period.

FY 2024: Steady growth due to measures addressing digestive symptoms (heartburn from reflux esophagitis, diarrhea from irritable bowel syndrome, stomatitis).

FY 2025: The first session of the Cancer Caravan 2025 (June) has been selected for target prescriptions. Effects will manifest in the 3Q. We will expand activities at universities, clinical research institutes, and cancer centers to aim for further growth.

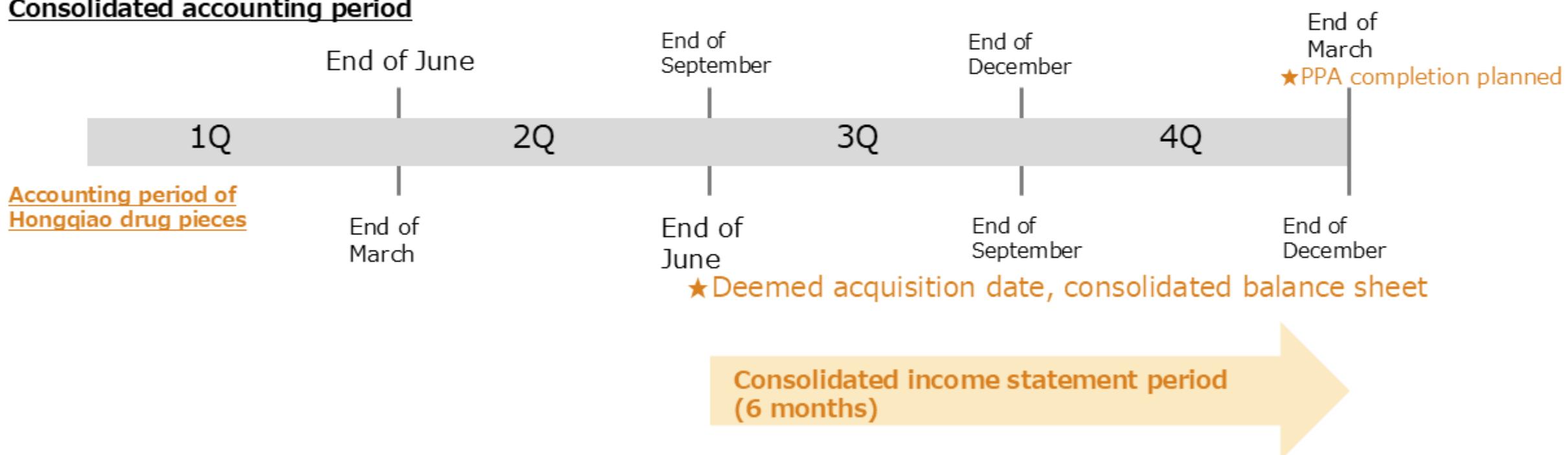
FY 2022: Growth due to symptoms of fatigue and anxiety related to post-COVID conditions.

FY 2023-24: COVID demand declined and then leveled off.

FY 2025: Expanding the differentiation for psychiatric symptoms of premenstrual syndrome (PMS) and premenstrual dysphoric disorder (PMDD) is progressing as planned. In the 4Q, we aim for further improvement in the growth rate.

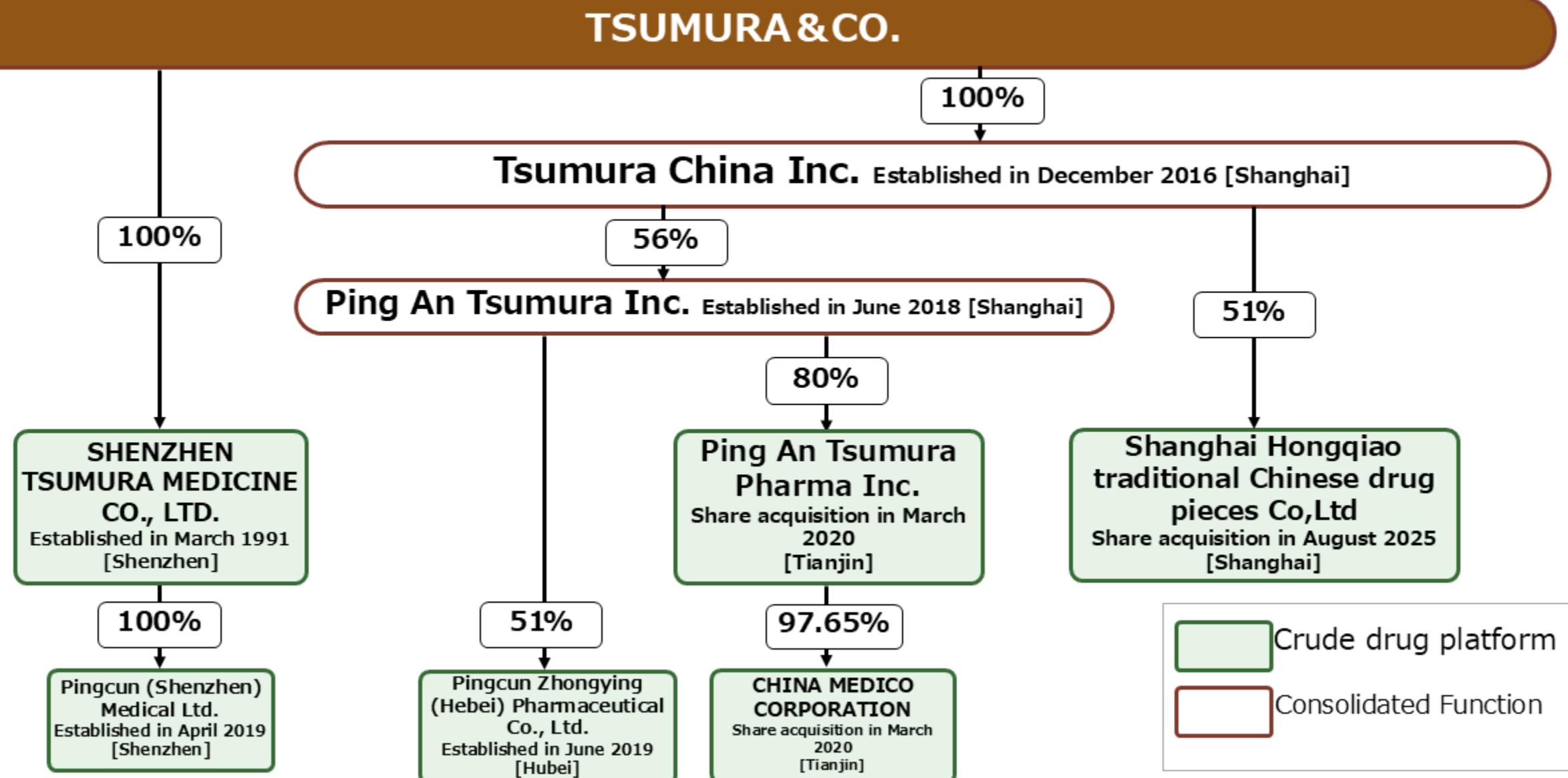
- Consolidate balance sheets at the end of 2Q FY2025, consolidate income statements from 3Q
- Conducted provisional accounting treatment for business combination in Q3 due to ongoing PPA

Consolidated accounting period



Consolidated income statement period
(6 months)

PPA (Purchase Price Allocation): allocation of acquisition cost



Exchange rate (Yen/Yuan) Period average rate: Consolidation of Profit and Loss Statement

	1Q	2Q	3Q	4Q	Plan
FY 2024	20.63	21.07	20.99	21.04	-
FY 2025	20.94	20.44	20.50	-	20.30

Exchange Rate (Yen/Yuan) at Fiscal Year-End: Consolidation of Balance Sheet,
Foreign Exchange Gain (Non-Operating Income and Expenses)

	End of March	End of June	End of September	End of December
Year 2024	20.83	22.04	20.46	21.67
Year 2025	20.59	20.19	20.88	22.36

- For imports of raw medicinal crude drug and Kampo extract powders (intermediate products), exchange contracts have already been made, so the applicable rate differs from the above.

TSUMURA VISION “Cho-WA” 2031

Business

1. Basic prescriptions: 50% of doctors prescribe all
2. Expansion of standardization and personalization of Kampo treatment
3. Science of pre-symptomatic diseases Three Preventive Measures
(Pre-symptomatic treatment · Prevention of disease progression · post-healing care)
4. Build a foundation for business in China (China business ratio of 50% or more)
5. Digital transformation of the Kampo value chain
6. Corporate Purpose management, Corporate Philosophy management, and Vision management

Finance

Capital Efficiency
ROE 10%

Shareholder Returns
DOE 5%

Roadmap to realizing TSUMURA VISION “Cho-WA” 2031

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