

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



February 6, 2026

Consolidated Financial Results for the Third Quarter of the Term Ending March 31, 2026 (Under Japanese GAAP)

Company name: TSUMURA & CO.
 Listing: TSE Prime Market
 Securities code: 4540
 URL: <https://www.tsumura.co.jp>
 Representative: Terukazu Kato, President Representative Director and CEO
 Inquiries: Makoto Kitamura, Head of Corporate Communications Dept.
 Telephone: +81-3-6361-7100
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and securities analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated business results for the Third quarter of the term ending March 31, 2026 (from April 1, 2025 to December 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine-month period ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	145,176	6.1	28,862	(10.9)	31,907	(9.2)	23,151	(12.9)
December 31, 2024	136,773	18.1	32,380	69.1	35,151	56.9	26,567	64.5

Note: Comprehensive income Nine-month period ended December 31, 2025: ¥18,705 million [(41.7) %]
 Nine-month period ended December 31, 2024: ¥32,062 million [9.9 %]

	Basic earnings per share	Diluted earnings per share
Nine-month period ended	Yen	Yen
December 31, 2025	309.60	—
December 31, 2024	349.88	—

(2) Consolidated financial condition

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2025	549,684	338,643	55.5
March 31, 2025	464,380	330,110	64.7

Reference: Equity
 As of December 31, 2025: ¥305,335 million
 As of March 31, 2025: ¥300,530 million

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	68.00	—	68.00	136.00
Fiscal year ending March 31, 2026	—	68.00	—		
Fiscal year ending March 31, 2026 (Forecast)				76.00	144.00

Note: Revisions to dividends projection published most recently: No

3. Projections of consolidated business results for the term ending March 31, 2026

(From April 1, 2025 to March 31, 2026)

(Figures in percentage show the rate of increase or decrease from the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	198,000	9.3	35,000	(12.8)	34,500	(18.7)	24,300	(25.1)	320.08

Note: Revisions to projections of consolidated business results published most recently: No

*** Notes**

- (1) Changes in significant subsidiaries during the quarterly period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: 1 company (Shanghai Hongqiao Traditional Chinese Drug Pieces Co., Ltd.)

Excluded: -

(Note) For details, please refer to page 12 of the attached materials, "2. Quarterly Consolidated Financial Statements and Primary Notes (4) Notes to the Quarterly Consolidated Financial Statements (Changes in significant subsidiaries during the current consolidated accounting period).

- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

- (3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2025	76,758,362 shares
As of March 31, 2025	76,758,362 shares

- (ii) Number of treasury shares at the end of the period

As of December 31, 2025	2,213,450 shares
As of March 31, 2025	1,020,752 shares

- (iii) Average number of shares outstanding during the period

Nine-month period ended December 31, 2025	74,777,055 shares
Nine-month period ended December 31, 2024	75,931,939 shares

Note: The Company has introduced the BIP (Board Incentive Plan) trust for directors' compensation and ESOP (Employee Stock Ownership Plan) trust. As a result, the shares of the Company's stock held by the trust are included in treasury shares that are deducted in calculating the number of treasury shares at the end of the period and the average number of shares outstanding.

* Review of the accompanying quarterly consolidated financial statements by a certified public accountant or audit corporation: None

***Explanation about the proper use of financial projections and other important notes**

Forward-looking statements such as financial projections, which are stated in this document, are based on information currently available to the Company and certain assumptions deemed reasonable. There is a possibility that actual results, etc., will differ materially from forecasts due to various factors. Please see "1. Qualitative information on quarterly results (3) Forward-looking statements such as consolidated business performance forecasts" on page 4 for information regarding the forecast of consolidated financial results.

○Contents of accompanying materials	
1. Qualitative information on quarterly results	2
(1) Description of operating results	2
(2) Description of financial condition	4
(3) Forward-looking statements such as consolidated business performance forecasts	4
2. Quarterly Consolidated Financial Statements and Primary Notes	5
(1) Quarterly Consolidated Balance Sheets	5
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	7
Quarterly Consolidated Statements of Income	
For the Third Quarter Consolidated Accumulative Term	7
Quarterly Consolidated Statements of Comprehensive Income	
Quarterly Consolidated Statements of Comprehensive Income (For the nine months)	8
(3) Quarterly Consolidated Statements of Cash Flows	9
(4) Notes to the Consolidated Financial Statements	11
(Notes on premise of a going concern)	11
(Notes on case of extreme change in shareholder's equity amount)	11
(Changes in significant subsidiaries during the current consolidated accounting period)	11
(Notes on Segment Information)	11

1. Qualitative information on quarterly results

(1) Description of operating results

Consolidated business results for the third quarter under review were as follows:

[Consolidated business results]

(Million yen)

		FY 3/2025 3Q	FY 3/2026 3Q	YoY Change Percent Change
Net 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%
Cost of sales		66,967	75,756	+8,739 +13.1%
Selling, general and administrative expenses		37,425	40,557	+3,131 +8.4%
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)%

Net sales increased 6.1% year on year, to 145,176 million yen.

Net sales of domestic business increased 2.2% year on year, to 125,543 million yen.

Sales of 129 prescription Kampo preparations, while some prescriptions experienced a delayed recovery after the lifting of shipment restrictions, hybrid information-providing activities that combined e-promotion and MR activities boosted prescriptions related to edema, headaches, dizziness, anxiety, and insomnia, resulting in a 1.6% increase compared to the same period of the previous year, amounting to 119,816 million yen. In addition, the actual demand, represented by the actual sales volume (deliveries from pharmaceutical agents and wholesalers to medical institutions), increased 1.9% compared to the same period last year.

Sales of “Drug fostering” program formulations and “Growing” formulations (unit: millions of yen)

	Ranking in sales	No. / Product Name	FY 3/2025 3Q	FY 3/2026 3Q	YoY Change/ Percent Change		Reference: Actual sales volume/ YoY Change
Drug-fostering program formulations *1	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 *2	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 products			117,904	119,816	+1,912	+1.6 %	+1.9 %

In addition, sales of healthcare products (such as OTC Kampo medicines) increased by 21.8% compared to the same period last year, reaching 4,919 million yen, due to an expansion in the number of stores handling these products.

Sales in the China business increased by 41.3% compared to the same period of the previous year to 19,632 million yen due to the consolidation of Shanghai Hongqiao Traditional Chinese Drug Pieces Co., Ltd. and the growth in sales of raw material crude drug and drug pieces (chopped crude drugs) at Ping An Tsumura Pharma Inc. and SHENZHEN TSUMURA MEDICINE CO., LTD., among others. The cost of sales ratio increased by 3.2 points compared to the same period last year, reaching 52.2%, due to a temporary rise in costs from the strategic buildup of raw material crude drug inventory in Japan and the consolidation of Shanghai Hongqiao Traditional Chinese Drug Pieces Co., Ltd.

Selling, general and administrative expenses increased 8.4% compared to the same period of the previous year, reaching 40,557 million yen, mainly due to higher costs related to salaries and allowances, increased expenses for strengthening information provision activities, DX-related costs, and the impact of consolidating Shanghai Hongqiao Traditional Chinese Drug Pieces Co., Ltd. The SGA ratio rose 0.5 points compared to the same period of the previous year, reaching 27.9%.

As a result, operating profit decreased 10.9% compared to the same period last year, amounting to 28,862 million yen, and the operating profit margin declined 3.8 points from the same period last year to 19.9%. Ordinary profit decreased 9.2% compared to the same period last year, totaling 31,907 million yen, and net profit attributable to owners of parent for the quarter decreased 12.9% compared to the same period last year, amounting to 23,151 million yen.

*1 “Drug fostering” program formulations:

Formulations the Company is addressing by looking hard at the structure of diseases in recent years, targeting diseases that are difficult to treat with new drugs for which prescription Kampo preparations prove specifically effective in domains where demand for medical treatment is high, and calling the establishment of evidence “drug fostering”

*2 Growing formulations:

Growth drivers aimed at registration in clinical practice guidelines as strategic formulations after five drug fostering program formulations by constructing evidence (such as data on safety and effectiveness) in domains where the degree of satisfaction with medical treatment and the degree of drug contribution are low

[Situation of limited shipments]

Shipments of 129 prescription Kampo products, all prescriptions were lifted on April 11, 2025.

(2) Description of financial condition

The financial position at the end of the third quarter under review was as follows:

Total assets at the end of the third quarter increased 85,304 million yen from the end of the previous fiscal year to 549,684 million yen. Current assets increased 35,848 million yen compared to the end of the previous consolidated fiscal year, mainly due to increases in notes and accounts receivable, merchandise and finished goods, and raw materials and supplies. Non-current assets increased 49,455 million yen compared to the end of the previous consolidated fiscal year, primarily due to increases in property, plant and equipment and intangible assets such as goodwill.

The total liabilities amounted to 211,040 million, an increase of 76,770 million yen compared to the end of the previous consolidated fiscal year. Current liabilities increased by 63,145 million yen compared to the end of the previous consolidated fiscal year due to an increase in short-term borrowings and long-term borrowings scheduled for repayment within one year. Non-current liabilities increased 13,624 million yen compared to the end of the previous consolidated fiscal year, due to an increase in long-term borrowings. Net assets totaled 338,643 million yen, an increase of 8,533 million yen from the end of the previous fiscal year. Shareholders' equity increased 7,685 million yen compared to the previous consolidated fiscal year-end due to factors such as an increase in retained earnings. Accumulated other comprehensive income decreased 2,881 million yen compared to the end of the previous consolidated fiscal year due to a decrease in the foreign currency translation adjustment account and other factors. Non-controlling interests increased 3,729 million yen from the end of the previous fiscal year.

As a result, the equity ratio decreased 9.2 points to 55.5%.

Cash flows in the three quarters under review were as follows:

Cash and cash equivalents as of the end of the third quarter under review were 69,237 million yen, a decrease of 3,897 million yen from the end of the previous fiscal year. Cash flows in the first nine months under review and year-on-year changes in cash flows were as follows.

Cash provided by operating activities was 4,046 million yen. Looking at the breakdown, there were profits before income taxes of 33,224 million yen, an increase in trade receivables of 9,080 million yen and an increase in inventories of 13,967 million yen.

Compared to the same period last year, income has decreased 18,425 million yen.

Cash used in investing activities was 35,822 million yen. The main breakdown consists of expenditures of 24,489 million yen for the acquisition of tangible fixed assets and 14,763 million yen for the purchase of shares of subsidiaries resulting in change in scope of consolidation. Compared to the same period of the previous year, expenditure increased 24,147 million yen.

Cash provided by financing activities was 34,458 million yen. Looking at its breakdown, major cash flow items were proceeded from short-term borrowings of 48,368 million yen and dividends paid of 10,282 million yen. Compared to the same period of the previous year, income increased 42,968 million yen.

(3) Forward-looking statements such as consolidated business performance forecasts

The projections of consolidated business results for the fiscal year ending March 31, 2026, which were published on November 10, 2025, remain unchanged.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	73,227	69,478
Notes and accounts receivable - trade	68,017	85,970
Merchandise and finished goods	14,939	21,761
Work in process	20,197	24,509
Raw materials and supplies	98,647	104,567
Other	21,006	25,723
Allowance for doubtful accounts	(325)	(453)
Total current assets	295,709	331,558
Non-current assets		
Property, plant and equipment		
Buildings and structures	100,818	115,805
Other	149,508	170,650
Accumulated depreciation	(122,080)	(129,470)
Total property, plant and equipment	128,246	156,985
Intangible assets		
Goodwill	8,512	28,501
Other	9,729	9,166
Total intangible assets	18,241	37,668
Investments and other assets		
Investment securities	10,276	7,264
Retirement benefit asset	5,328	5,646
Other	6,577	10,562
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	22,182	23,473
Total non-current assets	168,670	218,126
Total assets	464,380	549,684
Liabilities		
Current liabilities		
Notes and accounts payable - trade	24,314	27,027
Short-term borrowings	5,285	54,012
Current portion of long-term borrowings	-	9,377
Income taxes payable	7,577	3,802
Provision for employee stock ownership plan trust	908	-
Provision for share awards for directors (and other officers)	306	-
Other	23,522	30,839
Total current liabilities	61,913	125,058
Non-current liabilities		
Bonds payable	45,000	45,000
Long-term borrowings	20,051	27,016
Long-term income taxes payable	240	-
Retirement benefit liability	597	602
Provision for employee stock ownership plan trust	-	423
Provision for share awards for directors (and other officers)	-	123
Other	6,468	12,815
Total non-current liabilities	72,357	85,982

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Total liabilities	134,270	211,040

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Net assets		
Shareholders' equity		
Share capital	30,142	30,142
Capital surplus	13,749	13,473
Retained earnings	229,202	242,044
Treasury shares	(3,242)	(8,121)
Total shareholders' equity	269,852	277,538
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,690	3,385
Deferred gains or losses on hedges	240	4,302
Revaluation reserve for land	2,638	2,638
Foreign currency translation adjustment	23,533	16,849
Remeasurements of defined benefit plans	574	621
Total accumulated other comprehensive income	30,677	27,796
Non-controlling interests	29,579	33,308
Total net assets	330,110	338,643
Total liabilities and net assets	464,380	549,684

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income / For the Third Quarter Consolidated Accumulative Term

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Net sales	136,773	145,176
Cost of sales	66,967	75,756
Gross profit	69,806	69,419
Selling, general and administrative expenses	37,425	40,557
Operating profit	32,380	28,862
Non-operating income		
Interest income	445	352
Dividend income	386	298
Foreign exchange gains	1,935	2,926
Other	532	323
Total non-operating income	3,299	3,901
Non-operating expenses		
Interest expenses	375	619
Other	153	237
Total non-operating expenses	528	857
Ordinary profit	35,151	31,907
Extraordinary income		
Gain on sale of non-current assets	0	1
Gain on sale of investment securities	2,950	2,193
Total extraordinary income	2,951	2,194
Extraordinary losses		
Loss on sale of non-current assets	1	260
Loss on retirement of non-current assets	71	116
Loss on valuation of investment securities	32	499
Total extraordinary losses	106	877
Profit before income taxes	37,996	33,224
Income taxes	9,791	9,111
Profit	28,205	24,112
Profit attributable to non-controlling interests	1,638	961
Profit attributable to owners of parent	26,567	23,151

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Profit	28,205	24,112
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,080)	(305)
Deferred gains or losses on hedges	997	4,061
Foreign currency translation adjustment	4,909	(9,210)
Remeasurements of defined benefit plans, net of tax	29	47
Total other comprehensive income	3,856	(5,406)
Comprehensive income	32,062	18,705
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	30,076	20,270
Comprehensive income attributable to non-controlling interests	1,985	(1,564)

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	37,996	33,224
Depreciation	7,931	8,715
Amortization of goodwill	412	660
Increase (decrease) in allowance for doubtful accounts	46	(24)
Interest and dividend income	(832)	(651)
Interest expenses	375	619
Loss (gain) on sale and retirement of property, plant and equipment	72	329
Decrease (increase) in trade receivables	(4,499)	(9,080)
Decrease (increase) in inventories	(9,175)	(13,967)
Increase (decrease) in trade payables	176	(242)
Loss (gain) on sale of short-term and long-term investment securities	(2,950)	(2,193)
Decrease (increase) in retirement benefit asset	(312)	(250)
Increase (decrease) in retirement benefit liability	525	24
Other, net	(2,066)	(1,083)
Subtotal	27,700	16,079
Interest and dividends received	837	666
Interest paid	(333)	(563)
Income taxes paid	(5,732)	(12,136)
Net cash provided by (used in) operating activities	22,472	4,046
Cash flows from investing activities		
Decrease (increase) in time deposits	7	13
Purchase of property, plant and equipment	(14,696)	(24,489)
Proceeds from sale of property, plant and equipment	0	2
Purchase of intangible assets	(1,351)	(872)
Purchase of short-term and long-term investment securities	(2,524)	(2,460)
Proceeds from sale and redemption of short-term and long-term investment securities	7,075	7,436
Loan advances	-	(0)
Proceeds from collection of loans receivable	70	68
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(14,763)
Other, net	(256)	(757)
Net cash provided by (used in) investing activities	(11,675)	(35,822)
Cash flows from financing activities		
Proceeds from short-term borrowings	24,000	48,368
Repayments of short-term borrowings	(19,000)	(3,640)
Proceeds from long-term borrowings	10,674	3,408
Repayments of long-term borrowings	-	(389)
Redemption of bonds	(15,000)	-
Purchase of treasury shares	(1)	(6,130)
Proceeds from share issuance to non-controlling shareholders	-	2,686
Dividends paid	(9,009)	(10,282)
Dividends paid to non-controlling interests	(133)	-
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(776)
Other, net	(40)	1,214
Net cash provided by (used in) financing activities	(8,510)	34,458
Effect of exchange rate change on cash and cash equivalents	2,620	(6,580)

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Net increase (decrease) in cash and cash equivalents	4,907	(3,897)
Cash and cash equivalents at beginning of period	78,034	73,135
Cash and cash equivalents at end of period	82,942	69,237

(4) Notes to the Quarterly Consolidated Financial Statements

(Notes on premise of a going concern)

No relevant items.

(Notes on case of extreme change in shareholder's equity amount)

No relevant items.

(Changes in significant subsidiaries during the current consolidated accounting period)

During the current quarterly consolidated accounting period, our consolidated subsidiary Tsumura China Inc. acquired a 51% stake in Shanghai Hongqiao Traditional Chinese Drug Pieces Co., Ltd. and as a result, this company has been included within the scope of consolidation.

(Notes on Segment Information)

[Segment Information]

1. Nine-months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)

Segment information is not shown because the Group's operations are limited to the single segment of pharmaceutical products.

2. Nine-months ended December 31, 2025 (From April 1, 2025 to December 31, 2025)

Segment information is not shown because the Group's operations are limited to the single segment of pharmaceutical products.