First Quarter Business Results for Fiscal 2026

August 6, 2026
TSUMURA &CO.

Overview of financial results for the first quarter of fiscal year 2026

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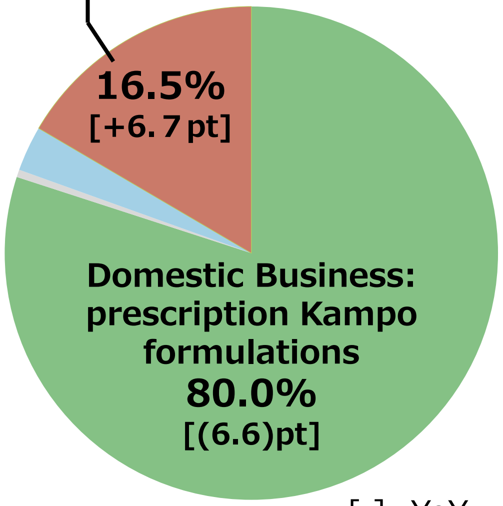
[billion yen]	FY2025 1Q results	FY2026 1Q results	YoY Amount	YoY Rate of increase/ decrease	FY2026 First Half Plan	Progress rate (Compared to the first half plan)
Sales	**43.0**	**49.7**	**+6.6**	**+15.3%**	**102.5**	**48.5%**
Domestic Business	38.8	41.4	+2.6	+6.7%	81.7	50.8%
China Business	4.2	8.2	+4.0	+94.8%	20.8	39.6%
Operating profit	**7.7**	**7.8**	**+0.1**	**+2.1%**	**17.2**	**45.8%**
Domestic Business	7.9	7.4	△0.4	△6.0%	16.3	46.0%
China Business	△0.2	0.3	+0.6	—	0.9	42.5%
Ordinary profit	**6.1**	**9.7**	**+3.5**	**+57.8%**	**16.4**	**59.5%**
Profit attributable to owners of parent	**4.3**	**6.4**	**+2.0**	**+47.8%**	**11.1**	**58.2%**

Sales Composition Ratio



[ ]: YoY

Domestic Business: Healthcare products (OTC Kampo medicine, etc.) 3.0% [(0.2)pt]

Domestic Business: Other prescriptions 0.5% [+0.1pt]

Key Points in Performance

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Sales	49.7	billion yen	YoY	+15.3%	Progress rate (vs. 1H plan)	48.5%

- Domestic Business: Total sales for 129 prescriptions Kampo formulations: 39.7 billion yen, up 6.8% YoY
  Total sales of healthcare products (OTC Kampo medicine, etc.) : 1.4 billion yen, up 6.9% YoY
- China Business: Raw material crude drug , drug pieces , health products: 8.2 billion yen, up 94.8% YoY

Operating profit	7.8	billion yen	YoY	+2.1%	Progress rate (vs. 1H plan)	45.8%
Operating profit margin	15.9	%	YoY	(2.0)pt		

- Cost rate:54.5% YoY +2.1pt : Increase driven by foreign exchange effects and a higher sales contribution from the China business
- SG&A expense ratio: 29.6% YoY (0.1)pt : Increase in SG&A expenses remained within the growth in sales

Ordinary profit	9.7	billion yen	YoY	+57.8%	Progress rate (vs. 1H plan)	59.5%

- Foreign exchange gain on loans to overseas subsidiaries: 2.1 billion yen
- Foreign exchange loss in the same period of the previous fiscal year: 1.6 billion yen

Profit attributable to owners of parent	6.4	billion yen	YoY	+47.8%	Progress rate (vs. 1H plan)	58.2%

Factors for changes in operating profit (YoY)

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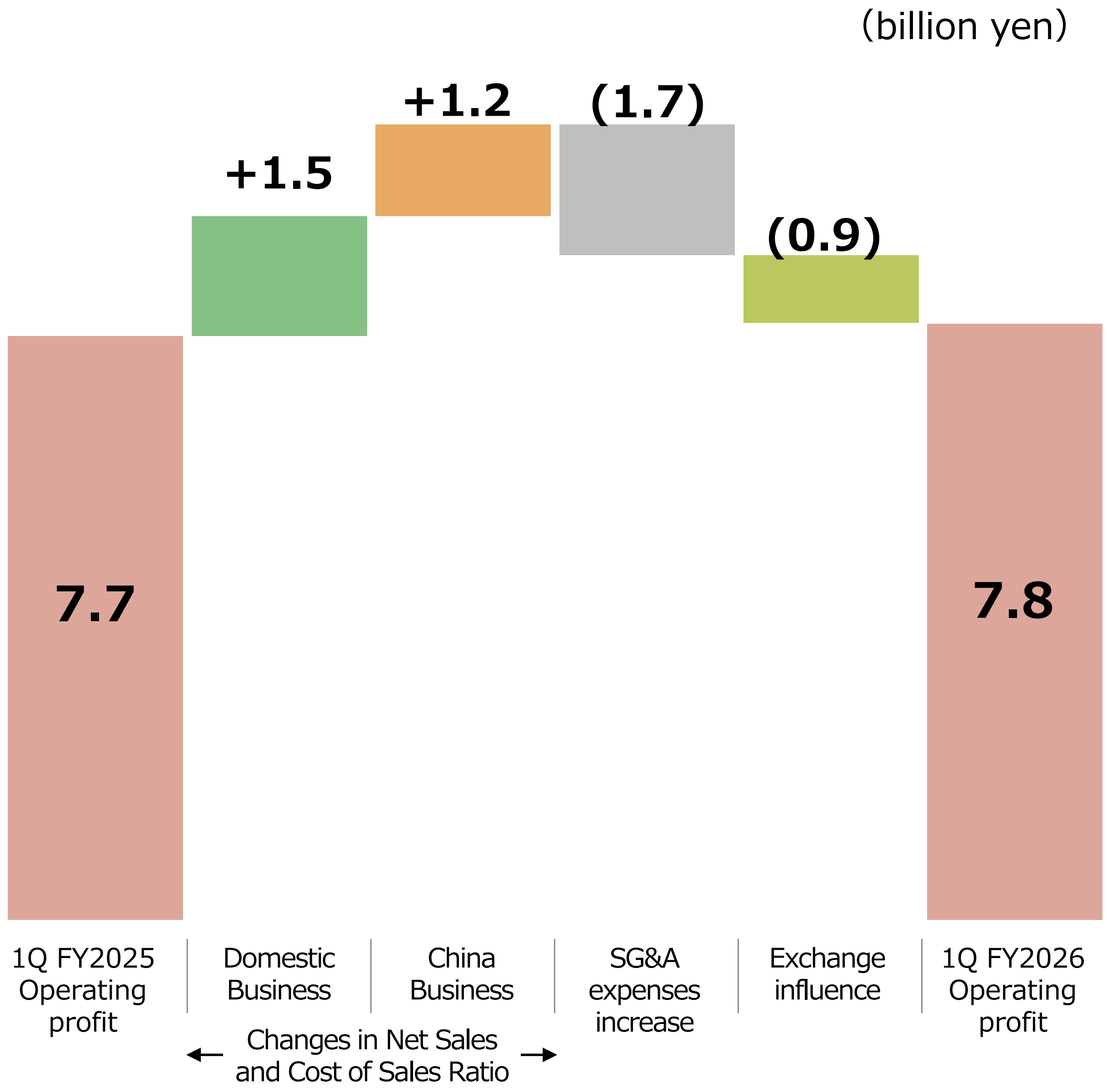

Domestic Business　+1.5 billion yen		
Increase in Sales (Sales Volume, Sales Composition)		+1.3
Decrease in Cost of Sales Ratio		+0.2
	Domestic cost of crude drug	+0.4
	Domestic processing costs	+0.3
	China Extract Powder Costs (Crude Drug Costs and Processing Costs)	(0.3)
	Raw material costs	(0.1)

China Business　+1.2 billion yen	
Increase in Sales	+0.4
Decrease in Cost of Sales Ratio	+0.7

Increase in SG&A expenses　(1.7) billion yen	
Consolidation of Hongqiao drug pieces (including amortization of intangible assets and goodwill: (0.3))	(0.7)
Salary and allowances*	(0.3)
Research and Development Expenses*	(0.1)
Others*	(0.4)

Impact of exchange rates　(0.9) billion yen

* Excluding the impact of the consolidation of Hongqiao drug pieces

Financial condition and cash flow

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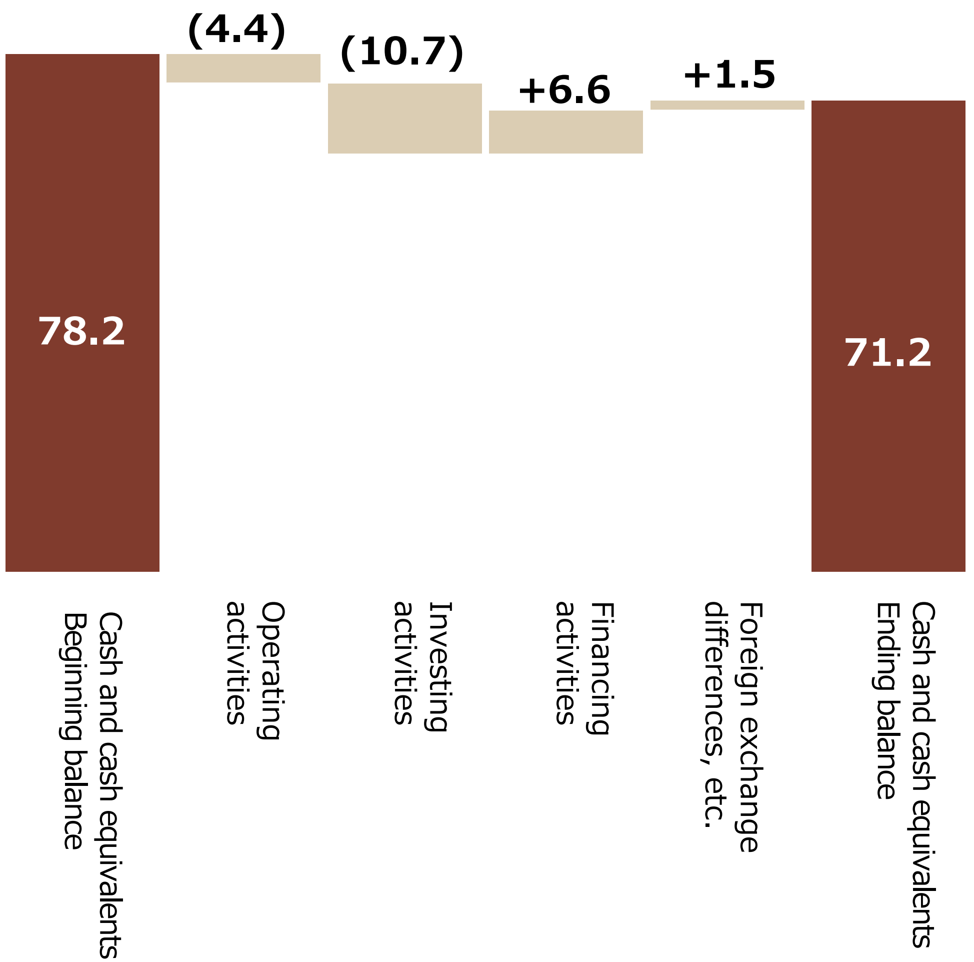
(billion yen)

	FY2025 (as of the end of March 2026)	FY2026 1Q	Amount of increase/ decrease
Total Assets	**592.7**	**602.1**	**9.3**
Current Assets	349.2	354.9	5.6
Fixed Assets	243.5	247.2	3.6
Total Liabilities	**221.1**	**223.3**	**2.1**
Current liabilities	83.2	100.0	16.7
Long-term liabilities	137.9	123.2	(14.6)
Total Net Assets	**371.6**	**378.8**	**7.2**

Equity Ratio	54.3%	54.3%	+0.0pt

	FY2025 (as of the end of March 2026)	FY2026 1Q	Amount of increase/ decrease	Of which, foreign exchange
Total inventory assets	**164.0**	**170.1**	**6.0**	3.2
Merchandise and Products	24.2	25.7	1.5	0.2
Work in Progress	25.1	29.9	4.8	0.2
Raw materials and stored goods	114.6	114.3	(0.2)	2.7

(billion yen)



Domestic business:
Sales by prescription of prescription Kampo formulations

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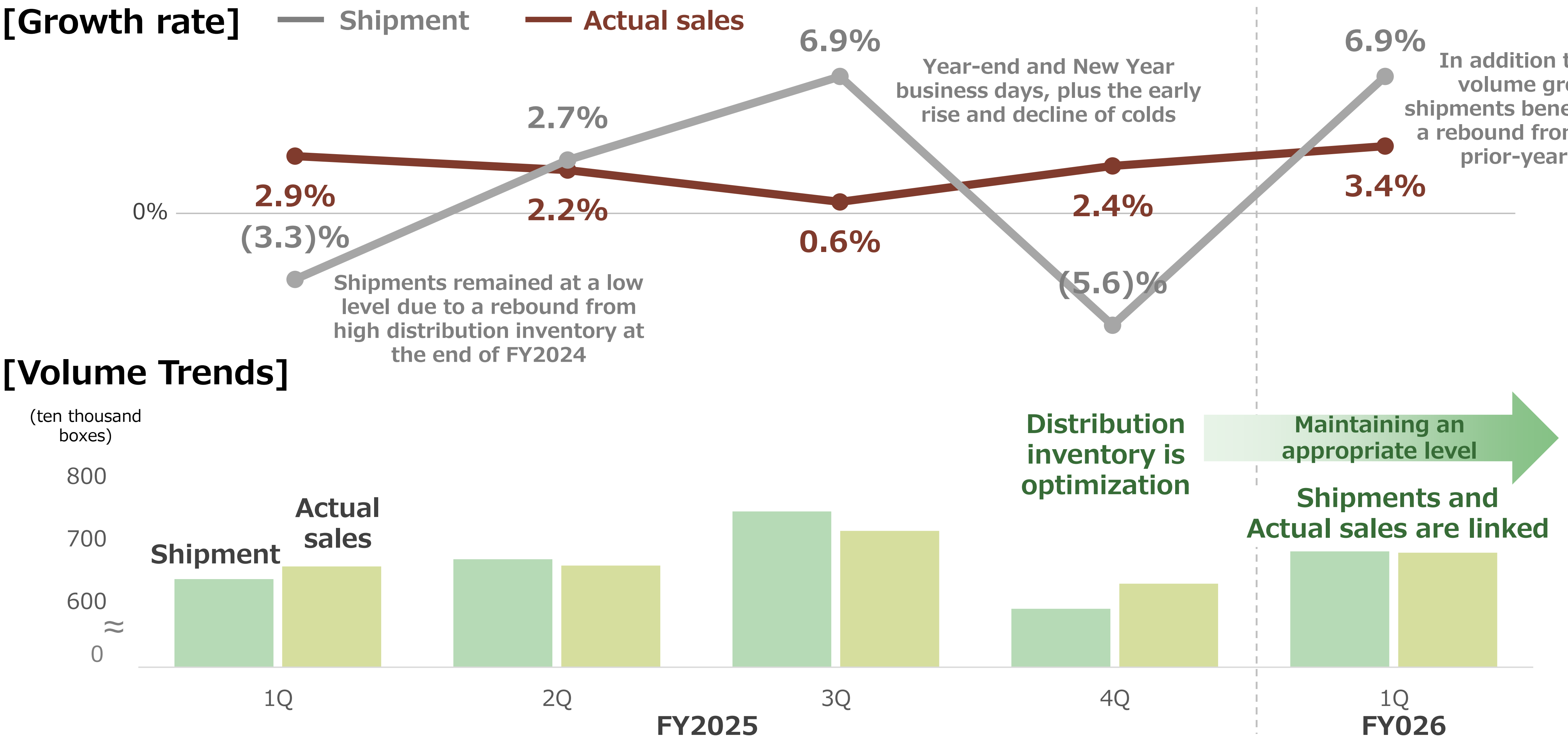
(Million yen)

	Sales Ranking	Product No. / Formulation Name	FY2025 1Q	FY2026 1Q	YoY		[Reference: Actual Sales Volume*] YoY
Drug-fostering program formulations	1	100 Daikenchuto	3,632	3,836	+204	+5.6%	+2.6%
	2	54 Yokukansan	2,763	2,863	+99	+3.6%	+1.1%
	5	43 Rikkunshito	1,725	1,857	+131	+7.6%	+1.2%
	7	107 Goshajinkigan	1,391	1,516	+125	+9.0%	+4.8%
	25	14 Hangeshashinto	366	419	+52	+14.3%	+8.3%
Total of drug-fostering program formulations			9,879	10,492	+613	+6.2%	+2.4%
"Growing" formulations	3	17 Goreisan	2,022	2,323	+300	+14.9%	+14.8%
	4	41 Hochuekkito	1,749	1,861	+111	+6.4%	(1.0)%
	9	24 Kamishoyosan	1,197	1,335	+138	+11.5%	+4.9%
	17	137 Kamikihito	577	661	+83	+14.5%	+9.5%
	20	108 Ninjin'yoeito	462	551	+89	+19.3%	+5.5%
Total of "growing" formulations			6,011	6,734	+723	+12.0%	+8.0%
Total of 119 prescriptions excluding Drug-fostering program formulations and "Growing" formulations			21,333	22,532	+1,199	+5.6%	+2.7%
Total of 129 prescription Kampo formulations			37,223	39,759	+2,535	+6.8%	+3.4%

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

Domestic Business: Trends in Shipment and Actual sales volumes

The gap between shipment and sales volume trends caused by limited shipment has been resolved, and distribution inventory remains at an appropriate level



Domestic business:
Actual sales volume for 129 prescription Kampo formulations

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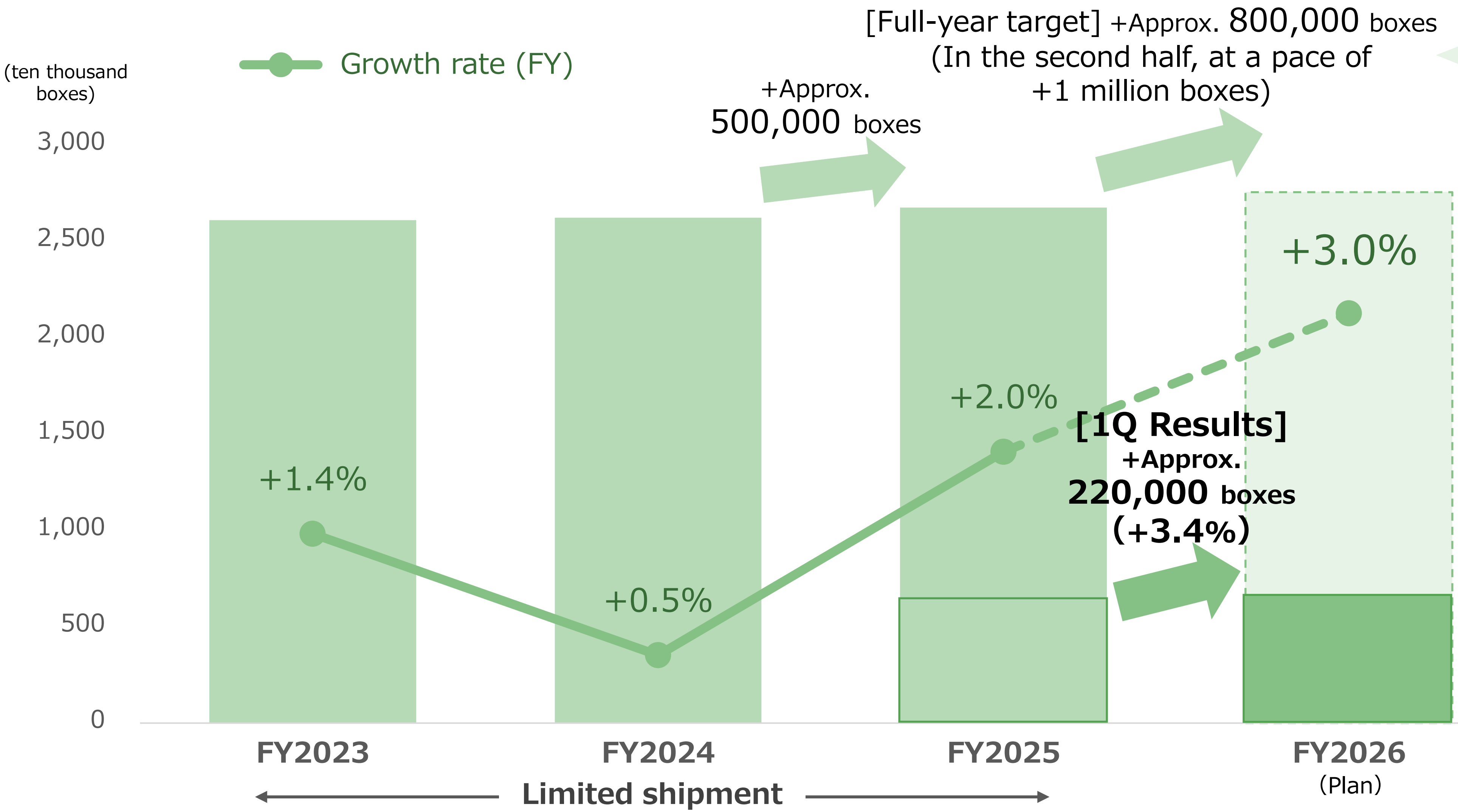
Growth driven by the normalization of limited shipment and continued implementation of existing measures



1.FY Growth pace Existing measures

+Approx.
500,000 boxes

\+

2.Effect of new measures

+Approx.
300,000 boxes

[1Q Results]

1. Existing measures

+Approx.
200,000 boxes

2.New measures

+Approx.
20,000 boxes

Domestic business: Growth of Existing Measures in Important domains

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In addition to the growth of Goreisan, existing measures focused on Important domains contributed to sales volume growth

Top 20 Prescriptions by Sales Volume Growth in 1Q (YoY)

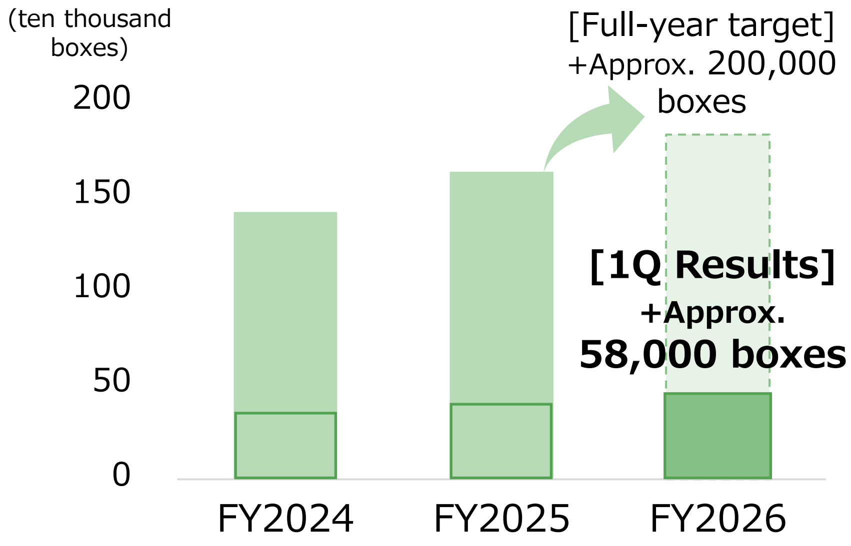
Cancer-related prescriptions | Women's health-related prescriptions

1	Goreisan	11	Keishikashakuyakuto
2	Hachimijiogan	12	Kamikihito
3	Daikenchuto	13	Bouiougito
4	Kamishoyosan	14	Keishibukuryogan
5	Goshajinkigan	15	Yokukansan
6	Keishibukuryogankayokuinin	16	Choreito
7	Mashiningan	17	Saikokaryukotsuboreito
8	Ryokeijutsukanto	18	Hangeshashinto
9	Hangekoubokuto	19	Yokukansan-Ka-chinpi-hange
10	Shakuyakukanzoto	20	Sokeikakketsuto

Growth of Goreisan

Strengthening promotional activities focused on weather-related illnesses (headaches and dizziness)

Goreisan actual sales volume trends



Domestic business: Strengthened promotion of Rikkunshito for gastrointestinal symptoms associated with Functional Dyspepsia

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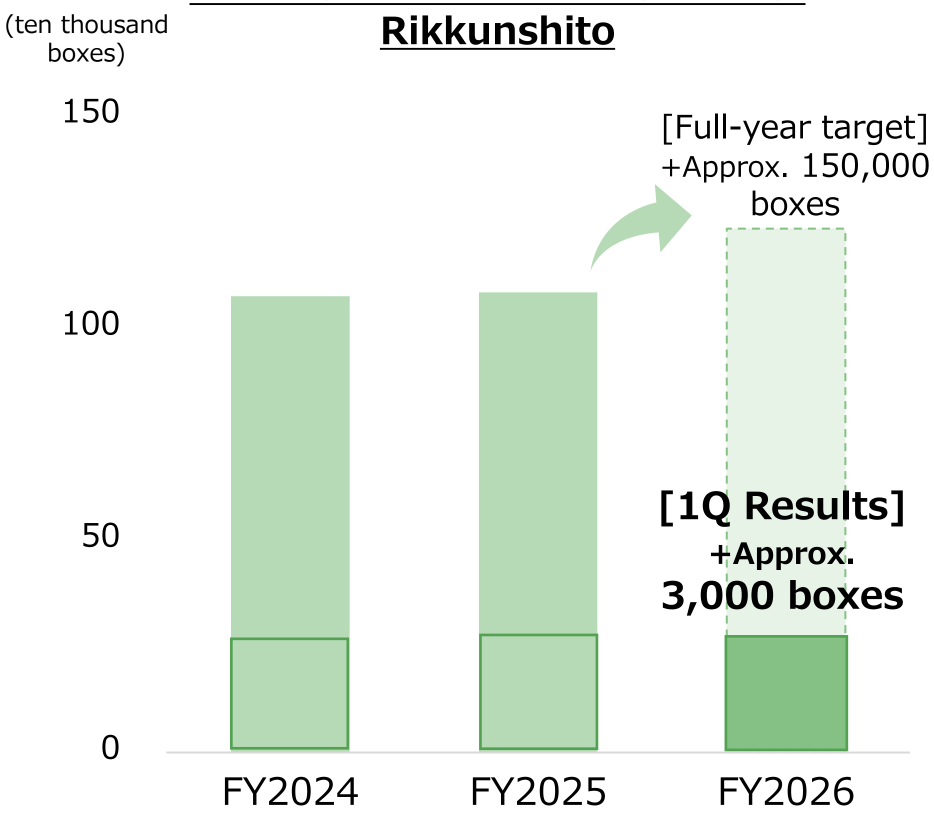
Limited growth in 1Q, while measures progressed as planned; effects expected to materialize in 2H

Trend of actual sales volume of Rikkunshito



Measures Implemented

[1Q]

- Continued inclusion in ROME V (May)
- Promotion of the benefits for gastrointestinal symptoms associated with Functional Dyspepsia
  + Re-emphasized its positioning in the Functional Gastrointestinal Disorders Guidelines and the unique characteristics of Kampo medicine

[From 2Q onward]

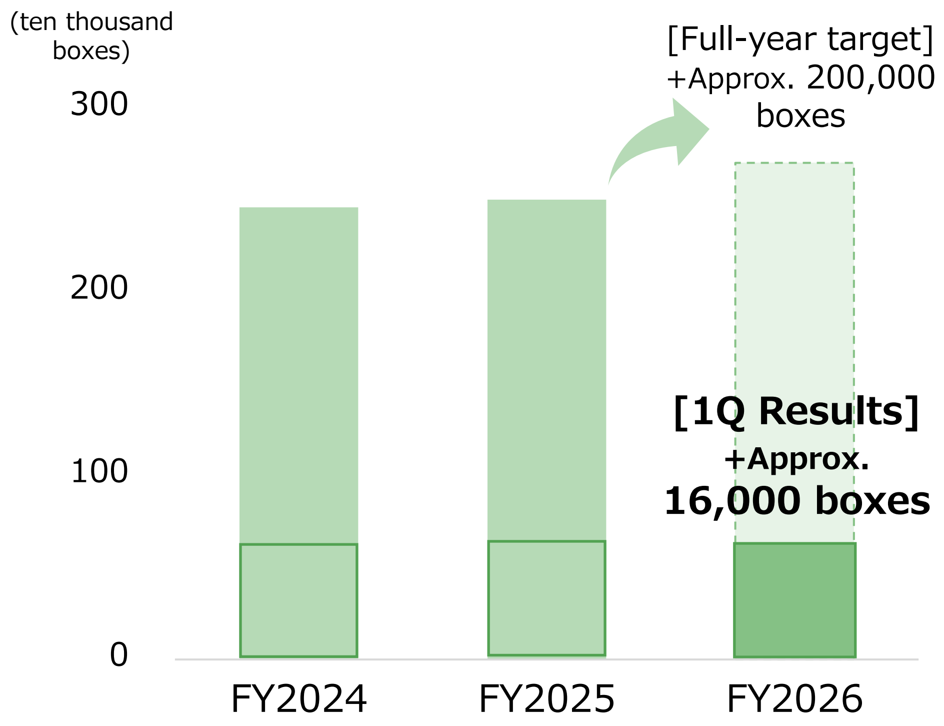
- Deployment of new materials for healthcare professionals and patients
- Specialist-led seminars and large-scale lectures to be held sequentially from August

▶ **Improved awareness and expanded prescribing opportunities**

Domestic business: Expansion of Kampo treatment for sleep disorders

Enhanced information-sharing activities on the benefits of Kampo medicine for sleep disorders, with gradual growth expected

Trends in actual sales quantity of four sleep-related prescriptions



Measures Implemented

[1Q]

- Addition of “Sleep Disorders” to Recognized Medical Specialties
- Promotion of the benefits of Kampo medicine for sleep disorders
  > Expected to improve QOL through the alleviation of associated symptoms
- Expansion of adoption among board-certified sleep medicine specialists and instructors

[From 2Q onward]

- Development of new evidence-based materials
- Continued implementation of seminars and other educational programs

▶ Expansion of prescribing opportunities for sleep disorders

Domestic business: Healthcare Products

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- **Sales of Healthcare Products increased 6.9% YoY**
- **Acquisition of Yomeishu Seizo progressing as planned; building the strategic and organizational foundation for future business growth**

OTC Drugs / Quasi-drugs

Expansion of the number of retail outlets and product lineup for OTC Kampo formulations

OTC Kampo Formulations

Bath Herb

Yakushoku Dogen products

- **Developed and launched Yakushoku Dogen Products leveraging high-quality crude drugs**
- **Strategically invested in advertising to expand awareness and strengthen value communication**

Ginellia

Throat Candy: Takameru Throat Candy

Fureika Soup

Yojun Soup

Yomeishu Seizo Co., Ltd. (Planned acquisition of shares)

Yomeishu

Koken Seisai

Yomeishu Kuromoji Cough Drops

Meguri no Osu

Clasuwa Herbal Porridge

Yojo Soup

Wa-Yojo Nyumen

China business: Crude drug platform

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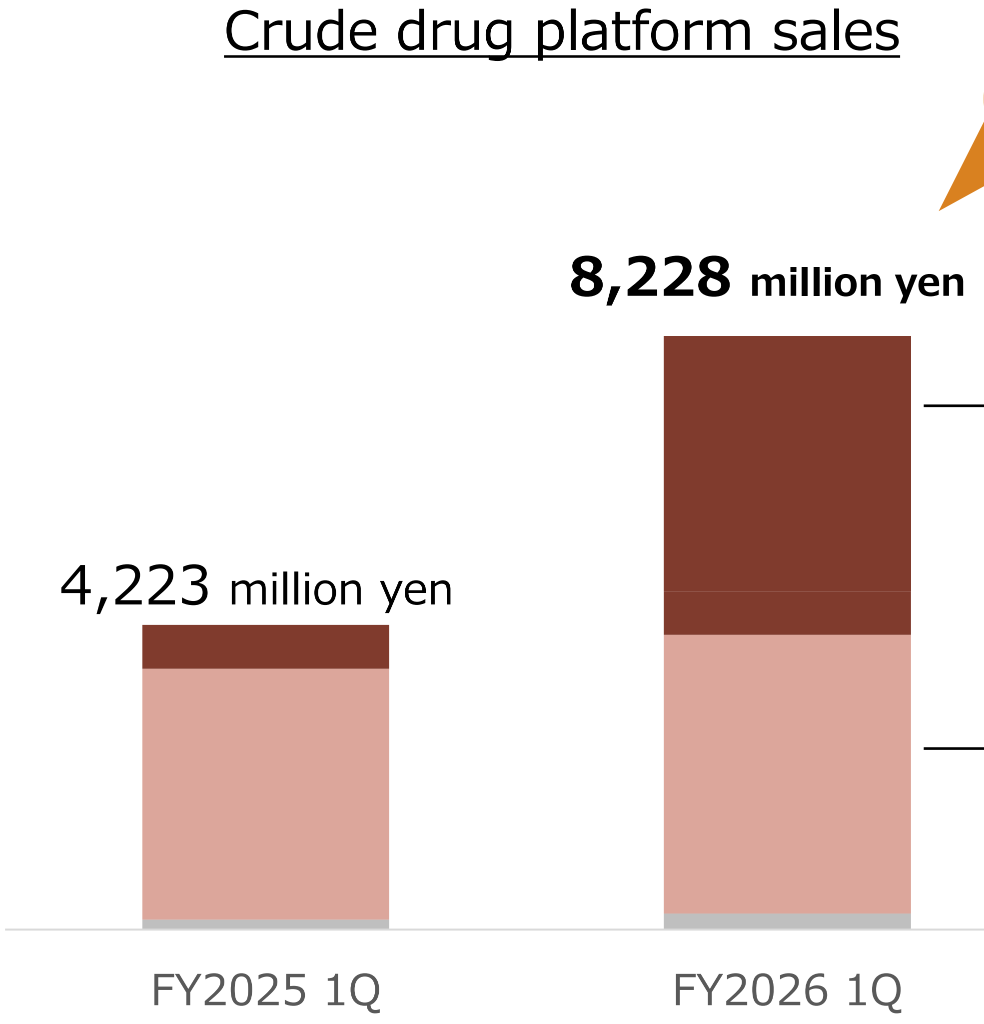
- Sales of the crude drug platform increased for both raw crude drugs and drug pieces
- Sales of drug pieces rose significantly following the consolidation of Hongqiao drug pieces



drug pieces

raw material crude drug

China business: Operating profit

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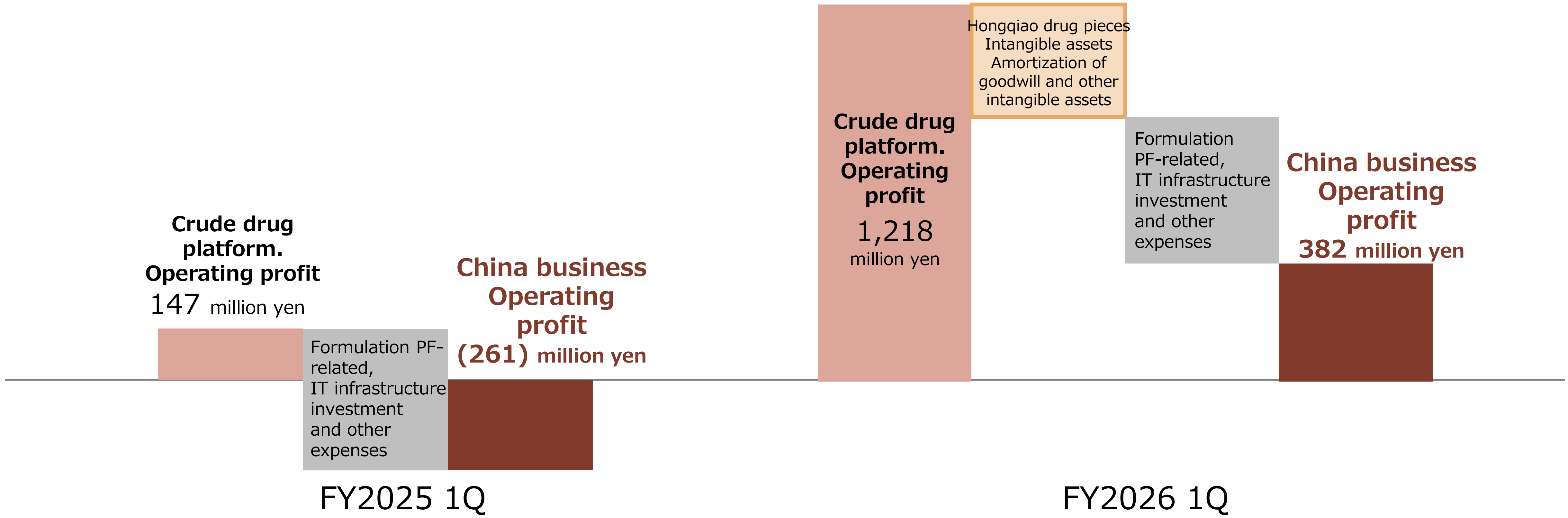
China business turned profitable, driven by a significant increase in operating profit of the Crude drug platform following the consolidation of Hongqiao drug pieces



FY2026 Earnings Forecast (Announced on May 13)

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[million yen]	FY 2025 Results	FY 2026 prediction	YoY change	
			Amount	Rate of increase/decrease
Sales	**192,615**	**213,600**	**+20,984**	**+10.9%**
Domestic Business	161,172	167,600	+6,427	+4.0%
China Business	31,442	46,000	+14,557	+46.3%
Operating profit	**35,219**	**37,500**	**+2,280**	**+6.5%**
Domestic Business	35,024	34,800	(224)	(0.6)%
China Business	195	2,700	+2,504	+1,281.4%
Ordinary Profit	**40,036**	**35,500**	**(4,536)**	**(11.3)%**
Profit attributable to owners of parent	**28,117**	**26,200**	**(1,917)**	**(6.8)%**

ROE	**9.0%**	**8.0%**
EPS	**376.28yen**	**351.46yen**

(Note)
Among non-operating income and expenses, foreign exchange gains related to loans and other receivables to overseas subsidiaries are not included in the earnings forecast, as it is difficult to make a reasonable estimation due to fluctuations in foreign exchange rates.
With regard to extraordinary income, a portion of gains on sales of investment securities is included.

Company-wide and Company-specific ROIC: Planning Approach

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Define ROIC target-setting scope according to business maturity and growth stage

Scope of Current ROIC Target Setting and Disclosure

Prescription pharmaceuticals Company

Prescription Kampo formulations, chopped crude drugs, and others

China business Company

Crude Drug PF, External Sales

- Raw material crude drug and drug pieces
- Health products (health foods)

ROIC target setting and disclosure following the consolidation of Yomeishu Seizo

Healthcare Company

OTC Drugs / Quasi-drugs

- OTC Kampo medicines
- Crude drug preparations (Chujoto)
- Quasi-drugs (Bath Herbs, etc.)

No ROIC targets planned in the near term

Healthcare Company

Yakushoku Dogen products

- Ginellia, Yojun Soup, Throat Candy, etc.

Focus on Sales Growth

No ROIC Targets

China business Company

For Prescription pharmaceuticals Company

- Crude Drugs and Kampo Extracts

Aligned with the Prescription pharmaceuticals Company

Yomeishu

Yomeishu products (Herbal Porridge, etc.)

Yomeishu Seizo Co., Ltd.

Company-wide and Company-specific ROIC: Financial Targets

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Establish company-specific ROIC targets and build a framework to improve capital efficiency

ROIC Calculation Unit		Business Positioning and Strategic Direction	FY2026 plan	FY2027 Second medium-term management plan	FY2031 Target level
Entire company consolidated (entire group)		-	**6.2%**		**High-8% to around 9%**
Prescription pharmaceuticals Company		**Stable Growth and Profit Expansion**	**7.1%**		**High-7% to around 8%**
Healthcare Company	**OTC Drugs / Quasi-drugs**	**Strategic Growth Driver** • Expansion of Points of Sale • Yomeishu Value Reinvention, Customer & Channel Transformation, and Business Portfolio Transformation	**ROIC target setting and disclosure following the consolidation of Yomeishu Seizo**		
	Yakushoku Dogen products	**Upfront Investment and Strategic Development** • Development of Products and Services Supporting Lifelong Health • Synergies with Yomeishu Seizo's product development function	For the time being, focus on sales growth No ROIC Targets Planned		
China Business Company	For Prescription pharmaceuticals Company	• Supply of Crude Drugs and Kampo Extract Powder to the Prescription Pharmaceuticals Company (Aligned with the Prescription Pharmaceuticals Company)	No ROIC Targets		
	Crude Drug PF, External Sales	**Crude Drug and Decoction Piece Business: Key Growth Driver** • Expansion of sales and profit in the Drug Pieces Business through "Personalized Medicine"	**3.2%** (Reference) Excluding amortization of goodwill **4.0%**		**Around 10%**
		Health Products Business: Strategic Development • Expanded Product Lineup and Sales Channels for Food and Other Products			

Launch of the "Quality Is Our Promise" video series

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- Produced a video series showcasing Tsumura's quality initiatives that support value creation
- Introduced Tsumura's integrated efforts to ensure quality, from crude drug cultivation and procurement through manufacturing and information provision

＊Currently available only in Japanese

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IR Relations Group

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Notes regarding this material

- The information provided in this material includes so-called "forward-looking statements." Whether these forward-looking statements can be realized is affected by various risks and uncertainties. Therefore, please be aware that actual results may differ significantly from these forward-looking statements.
- If regulations related to healthcare administration, such as medical insurance systems and drug prices, are changed by the Japanese government and other foreign governments, or if interest rates or exchange rates fluctuate, our business results and financial condition may be affected.
- If any of our currently marketed major products are discontinued or their sales significantly decline due to product defects, unforeseen side effects, or other causes, our business results and financial condition would be materially affected.
- This document includes information about pharmaceuticals (including items under development), but it is not intended as advertising or medical advice.
- The materials and information provided in this document may be changed, added to, or deleted without notice.

Appendix

Domestic business: Three Important Domains

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Information provision activities centered on the three important domains, which are social issues

D Drug-fostering program formulations   G "Growing" formulations

Geriatric health

Symptoms associated with frailty
- G Ninjin'yoeito
- G Kamikihito
- G Hochuekkito
- D Goshajinkigan

+associated formulations

Psychiatric and neurological disorders
- D Yokukansan

+ associated formulations

Peripheral symptoms in patients with cardiovascular diseases
- G Goreisan

+associated formulations

Digestive system diseases
- D Daikenchuto
- D Rikkunshito

+ associated formulations

Cancer (supportive care)

Mitigation of side effects, etc.
- D Rikkunshito
- D Hangeshashinto
- D Goshajinkigan
- G Kamikihito
- G Hochuekkito

+ associated formulations

Women's health

Diseases specific to women
- G Kamishoyosan
- G Kamikihito

+ associated formulations

Other diseases and symptoms
- D Daikenchuto
- G Goreisan

+ associated formulations

China business: Consolidation of Shanghai Hongqiao traditional Chinese drug pieces Co., Ltd.

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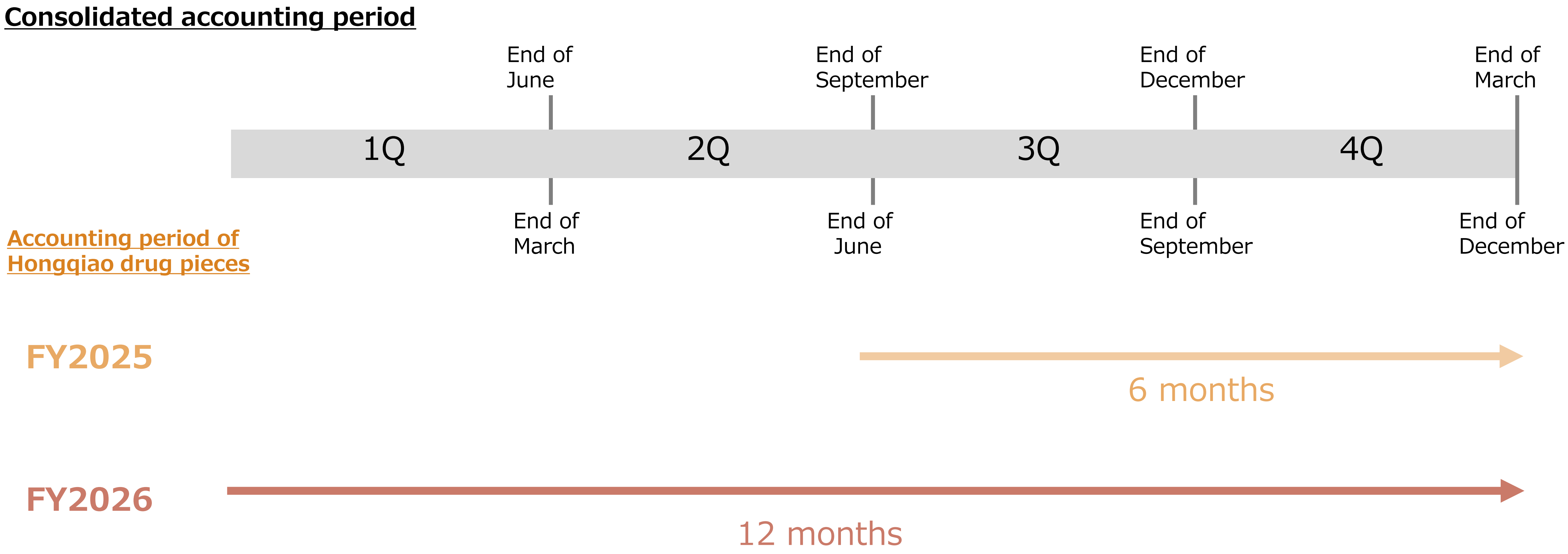
Consolidated into the income statement from FY2025 3Q



Introduction of the company system

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- Faster Decision-making through Delegation of Authority
- Clear Accountability through Independent Profit Management (ROIC)
- Accelerated Development of Management Talent
- Early Realization of a Multi-Pillar Earnings Structure

Consolidated financial statements and ROIC

Prescription pharmaceuticals Company

PL/BS/CF

ROIC

Kei Sugii, Representative Director and COO
Prescription Pharmaceuticals Company President

China business Company

Business for Japan

External sales business

PL/BS/CF

ROIC

Li Gang, Executive officer
China Business Company President, Chairman/General Manager of Tsumura China Inc.

Healthcare Company

PL/BS/CF

ROIC

Yasushi Nakagawa, Executive officer
Health Care Company President

ROIC Calculation Formula

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$$\text{ROIC} = \frac{\text{NOPAT}}{\text{Invested Capital (Working Capital + Business Fixed Assets)}}$$

[Assumptions]

- ROIC for each company is calculated on a consolidated basis for its constituent companies
- NOPAT: Profit for the latest 12 months
- Capital: Average of beginning and ending balances over the latest 12 months

Full-year plan for fiscal 2026 by company

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Company-specific results to be disclosed in 2Q and 4Q

[billion yen]	Prescription pharmaceuticals Company	Healthcare Company	China business Company	(Reference) Figures announced on 5/13	
				Domestic business	China business
Net sales	**161.0**	**6.8**	**114.3**	**167.6**	**46.0**
Operating income	**28.7**	**0.2**	**11.5**	**34.8**	**2.7**
Operating margin	17.8%	2.9%	10.1%	20.7%	5.9%

* Company-level plans include intercompany transactions

Domestic business: Intercompany Transactions

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(billion yen)

	FY2025 Results			FY2026 Results			Impact on Operating Profit
	Intercompany＊ Transactions	Unrealized Profit	In-house Gross Profit	Intercompany＊ Transactions	Unrealized Profit	In-house Gross Profit	
1Q	2.5	(0.7)	3.2	2.4	(1.6)	4.1	(0.0)
2Q	6.1	(1.3)	7.4	—	—	—	—
3Q	9.4	(2.4)	11.9	—	—	—	—
4Q	14.6	(2.7)	17.4	—	—	—	—

＊Unrealized Profit＋In-house Gross Profit

Exchange Rate Trends

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	20.81	20.30
FY 2026	22.67	-	-	-	22.60

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 Sep.	End of Dec.
Year 2024	20.83	22.04	20.46	21.67
Year 2025	20.59	20.19	20.88	22.36
Year 2026	23.11	23.87	-	-

・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.