

February 7, 2024

VITAL KSK HOLDINGS, INC.

Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2024 (the 15th term)

1. Financial Highlights for the First Nine Months of the Fiscal Year Ending March 31, 2024

Summary of Income

(Million yen, %)

	FY2022 Apr.-Dec. 2022 Results		FY2023 Apr.-Dec. 2023 Results			
	Amount	Ratio to net sales	Amount	Ratio to net sales	YoY (Note 1)	Achievement rate (Note 2)
Net sales	444,384	—	448,909	—	—	76.9
Operating profit	3,061	0.69	5,658	1.26	—	108.8
Ordinary profit	4,302	0.97	6,506	1.45	151.2	103.3
Profit attributable to owners of parent	2,433	0.55	5,054	1.13	207.7	91.9

(Note 1) The Group previously recognized income from the provision of sales information to manufacturers as administrative service fee income under non-operating income but changed to the method of including this income in net sales from the fiscal year under review. As a result of this change, year-on-year comparisons are omitted.

(Note 2) The progress (%) is calculated by dividing the actual result by the revised full-year forecast announced on February 7, 2024.

Profit by Segment

Prescription drugs 101.5%
Reagents and medical devices 94.3%
OTC drugs 87.4%

(Million yen, %)

	Pharmaceutical Wholesale Business* ¹			Pharmacy Business* ²		Veterinary Drug Wholesale Business* ³		Other Businesses* ⁴	
	Results	Ratio to net sales	Results for the same period a year earlier	Results	Results for the same period a year earlier	Results	Results for the same period a year earlier	Results	Results for the same period a year earlier
Net sales	423,218	—	419,449	14,295	13,769	8,472	8,164	2,922	3,000
Gross profit	30,548	7.22	29,267	3,592	3,571	1,247	1,272	2,961	2,825
Selling, general and administrative expense	25,337	5.99	26,457	3,333	3,494	958	988	3,124	3,061
Operating profit	5,211	1.23	2,810	259	77	288	283	-162	-236

*1: VITAL KSK HOLDINGS, INC. VITAL-NET, INC., KSK Co., Ltd.

*2: OHNO CO. LTD., Goodneighbor Inc., Kenkodo Pharmacy Co., Ltd., etc.

*3: AGRO-JAPAN, Inc.

*4: Agricultural chemicals wholesale business, nursing care business etc.

*5: The sum total of the SG&A expenses and operating profit of each segment may not match the total amounts shown in the previous section as intersegment adjustments of SG&A expenses are omitted.

2. Revision to the Full-year Earnings Forecasts for the Fiscal Year Ending March 31, 2024

Revision to the Full-year Earnings Forecasts for the Fiscal Year Ending March 31, 2024

(Million yen, %)

	FY2023 initial forecasts (Announced on May 12, 2023)		FY2023 revised earnings forecasts (Announced on February 7, 2024)				FY2022 previous year's results	
	Amount	Ratio to net sales	Amount	Ratio to net sales	Change	YoY	Amount	Ratio to net sales
Net sales	576,000	—	584,000	—	8,000	—	581,327	—
Operating profit	4,700	0.82	5,200	0.89	500	—	4,024	0.69
Ordinary profit	6,000	1.04	6,300	1.08	300	105.7	5,960	1.03
Profit attributable to owners of parent	5,200	0.90	5,500	0.94	300	113.8	4,831	0.83

(Note) The Group previously recognized income from the provision of sales information to manufacturers as administrative service fee income under non-operating income but changed the method of presentation and this income is included in net sales from the first quarter of the consolidated fiscal year under review. To reflect this change in presentation methods, the financial statements for the previous fiscal year have been modified.

3. Measures to Implement Management Based on an Awareness of Cost of Capital and Stock Price

Measures to Implement Management Based on an Awareness of Cost of Capital and Stock Price

At a meeting of the Board of Directors held on December 25, 2023, we analyzed and assessed the current status of measures for the implementation of management based on an awareness of the cost of capital and the stock price, and passed a resolution on policies for improvement, targets and other matters.

For details, please see the following link.

[Measures to Implement Management Based on an Awareness of Cost of Capital and Stock Price](#)



[Status of Dialogue with Shareholders and Investors in Fiscal Year Ending March 31, 2024](#)



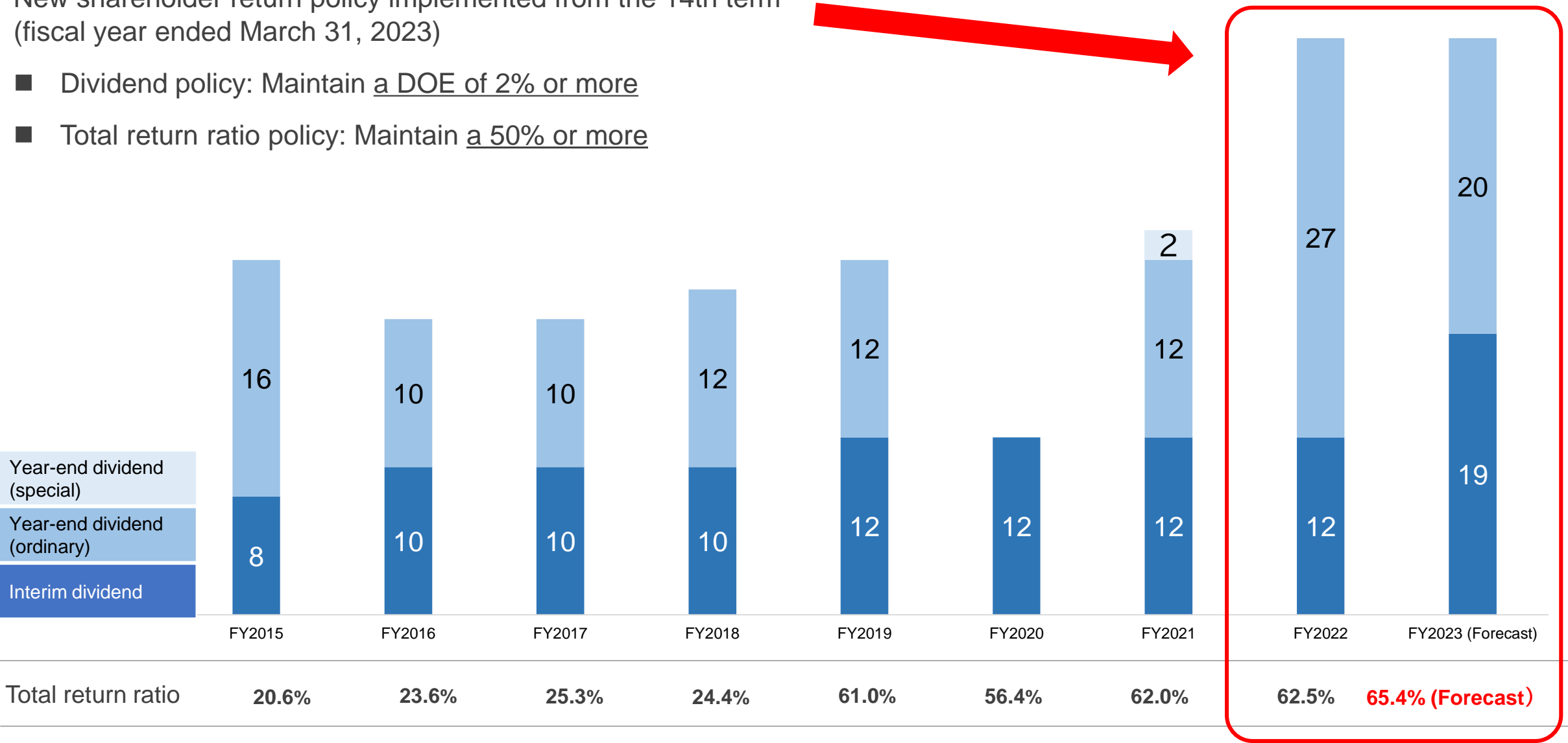
4. Shareholder Returns

Situation of Shareholder Return Policy

New shareholder return policy implemented from the 14th term (fiscal year ended March 31, 2023)

- Dividend policy: Maintain a DOE of 2% or more
- Total return ratio policy: Maintain a 50% or more

Unit: yen



5. Actions the Group Took in Response to the Noto Peninsula Earthquake on January 1, 2024

Actions the Group Took in Response to the Noto Peninsula Earthquake That Occurred in January 2024

- January 1, 2024 at 16:10 A magnitude 7.6 earthquake hit the Noto Peninsula in Ishikawa prefecture. Finese Co., Ltd. , a pharmaceutical wholesale company and an equity-method affiliate of the Company, has business sites in the area affected by the earthquake.
- January 2 On the following day, all of Finese's logistics facilities were restored except for a branch close to the epicenter.
- From January 3 Emergency supplies and disaster response vehicles from Group companies were gradually sent to affected areas.
Many of Finese's employees have been affected by the earthquake. However, the company has gradually resumed operations and is now supporting regional healthcare.



A warehouse immediately after the earthquake
Many goods have fallen and are scattered on the floor.



Nine tons of water have been sent from KSK Co., Ltd.
The water has been distributed to employees and customers affected.



A disaster response vehicle provided by VITAL-NET, INC. is carrying supplies to affected areas.

The Company's current plans, strategies, earnings forecasts and other forward-looking statements in these materials are based on information currently available to the Company, and include potential risks and uncertainties.

Please be aware that there is a possibility that actual business activities and performance will differ greatly from these outlooks due to changes in the economic situation, market conditions and various other factors.

For this reason, please do not rely entirely on these forward-looking statements alone when considering aspects of the Company such as its performance and corporate value.

Furthermore, none of the information contained in these materials is intended to induce you to buy or sell the Company's stock or recommend investment in the Company's stock.

Final decisions on investment should be made at your own discretion.

VITAL KSK HOLDINGS, INC.

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