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Consolidated Financial Statements for the Second Quarter of the Fiscal Year Ending March 31, 2026 [Japanese GAAP]



November 14, 2025

Company name: **VITAL KSK HOLDINGS, INC.** Stock exchange listing: Tokyo Stock Exchange
 Code number: 3151 URL: <https://www.vitalksk.co.jp/english/>
 Representative: (Title) President & CEO (Name) Taisuke Murai
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 Scheduled date of filing semi-annual report: November 14, 2025 Scheduled date of commencing dividend payments: December 3, 2025
 Preparation of supplementary explanatory materials : Yes
 Financial results briefing : Yes (for institutional investors and analysts)

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

1. Consolidated Results for the Second Quarter of the Fiscal Year Ending March 31, 2026 (April 1, 2025 - September 30, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Core operating profit		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	300,234	1.1	2,233	-	1,641	(42.9)	5,042	38.6	4,968	105.2
Six months ended September 30, 2024	297,079	1.0	-	-	2,876	0.3	3,637	4.6	2,420	3.1

(Note) Comprehensive income: Six months ended September 30, 2025 3,485 million (45.2) % Six months ended September 30, 2024 6,361 million 28.5 %

	Basic interim earnings per share	Diluted interim earnings per share
	Yen	Yen
Six months ended September 30, 2025	102.84	-
Six months ended September 30, 2024	48.75	-

(Note) Regarding core operating profit, please refer to “1. Qualitative Information on Semi-annual Financial Results, Explanation of Operating Results.”

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Six months ended September 30, 2025	313,615	109,750	34.5
Year ended March 31, 2025	299,426	107,306	35.4

(Reference) Equity Six months ended September 30, 2025 108,329 Million yen Year ended March 31, 2025 105,913 Million yen

2. Cash Dividends

	Cash dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	-	21.00	-	24.00	45.00
Year ending March 31, 2026	-	34.00			
Year ending March 31, 2026 (Forecast)			-	34.00	68.00

(Note) 1. Revision to the forecast for dividends announced most recently :None

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2025 (April 1, 2025 - March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Core operating profit		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	
Full year	604,000	0.6	5,100	-	3,900	(31.7)	7,700	10.5	7,400	1.2	Yen 153.07

(Note) Revision to the forecast of consolidated results announced most recently : Yes

For the consolidated financial forecast, please refer to the “Notice of Regarding Revision of Consolidated Financial Forecast for Fiscal Year 2025” announced today (November 14, 2025).

* Notes:

(1) Major changes in the scope of consolidation during the period under review : None

(2) Accounting policies adopted specially for the preparation of semi-annual consolidated financial statements : Yes

* For details, please see “(4) Notes to Semi-annual Consolidated Financial Statements (Accounting policies adopted specially for the preparation of semi-annual consolidated financial statements)” on page 10 of the attached materials.

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

(1) Changes in accounting policies due to the revision of accounting standards : None

(2) Changes in accounting policies other than (1) above : None

(3) Changes in accounting estimates : None

(4) Retrospective restatement : None

(4) Total number of outstanding shares (common shares)

(1) Total number of outstanding shares at the end of the period (including treasury stocks)	Six months ended September 30, 2025	51,902,976 shares	Year ended March 31, 2025	51,902,976 shares
(2) Total number of treasury stocks at the end of the period	Six months ended September 30, 2025	3,525,884 shares	Year ended March 31, 2025	3,628,047 shares
(3) Average number of shares during the period (six months)	Six months ended September 30, 2025	48,312,867 shares	Six months ended September 30, 2024	49,661,749 shares

* These semi-annual financial results are outside the scope of review by certified public accountants or audit corporations.

* Explanation of the proper use of performance forecast and other notes

The earnings forecast and other forward-looking statements herein are based on the information currently available and certain assumptions deemed reasonable by the Company, and thus actual results may differ significantly from these forecasts due to a wide range of factors. The Company plans to hold a financial results briefing for institutional investors and analysts on November 18, 2025. The presentation materials to be used at the briefing will be posted on the Company's website immediately after the briefing.

Table of Contents

1. Qualitative Information on Semi-annual Financial Results.....	2
Explanation of Operating Results.....	2
2. Semi-annual Consolidated Financial Statements and Primary Notes	4
(1) Semi-annual Consolidated Balance Sheets	4
(2) Semi-annual Consolidated Statements of Income and Comprehensive Income	6
(3) Semi-annual Consolidated Statements of Cash Flows.....	8
(4) Notes to Semi-annual Consolidated Financial Statements	10
(Notes on going concern assumption)	10
(Notes in the case of significant changes in amount of shareholders' equity)	10
(Accounting policies adopted specially for the preparation of semi-annual consolidated financial statements)	10
(Segment information)	10

1. Qualitative Information on Semi-annual Financial Results

Explanation of Operating Results

During the consolidated interim period under review, the Japanese economy has been recovering moderately, although some industries have been affected by factors such as U.S. trade policy. As for personal consumption, it is showing signs of picking up amid continued improvement in the employment and income environment. However, uncertainty in the international situation, trends in U.S. trade policy, and the impact on personal consumption through a downturn in consumer sentiment due to continued price increases pose a downside risk to the economy, and the outlook remains uncertain.

In the pharmaceutical wholesale industry, which is the Group's main business, although drug prices were lowered due to the April 2025 drug price revision, it is expected that discussions will intensify toward a drastic reform of policies and systems related to people's lives and health, such as the social security system and the drug price system, and the policy of curbing drug costs is expected to continue.

In addition, while major drug patents are expiring and the use of generic drugs is being promoted, the focus of new drugs being launched is shifting to specialty pharmaceuticals. In the pharmaceutical wholesale business, there is a growing demand for advanced information-provision and logistics capabilities.

Under these circumstances, VITAL KSK HOLDINGS, INC. launched the "Medium-Term Management Plan 2027 -Move on to the Next Stage-" (FY2025-FY2027) in April 2025. As a company listed on the Tokyo Stock Exchange Prime Market, VITAL KSK HOLDINGS, INC. has fully adopted the concept of group management with a focus on capital cost, aiming to achieve sustainable growth for the Group and enhance corporate value over the medium to long term. To this end, VITAL KSK HOLDINGS, INC. is working on strengthening the profitability of existing businesses, reviewing the businesses themselves, and making aggressive investments for growth. Among these initiatives, one of the Group's major challenges is the "Pharmaceutical Business (business of supporting introduction of unapproved drugs)," for which VITAL KSK HOLDINGS, INC. newly established MEDLEAP PHARMA COMPANY LIMITED (a consolidated subsidiary of VITAL KSK HOLDINGS, INC.) on September 16, 2025, and has begun specific business development.

Regarding the performance for the consolidated interim period under review, net sales were 300,234 million yen (101.1% of the same period of the previous year), and operating profit was 1,641 million yen (57.1% of the same period of the previous year). In addition, core operating profit*, which is before deducting "research and development expenses" in the new pharmaceutical business (business of supporting introduction of unapproved drugs), was 2,233 million yen (77.7% of operating profit for the same period of the previous year). In addition, as announced on August 13 of this year, VITAL KSK HOLDINGS, INC. and the MIJ Healthcare No. 1 Investment Limited Partnership, in which the Group invests, tendered their shares in the tender offer for CareNet, Inc. by Curie 1 Inc. As a result, VITAL KSK HOLDINGS, INC. recorded an operating profit of 2,815 million yen from the sale of CareNet shares by the MIJ Healthcare No. 1 Investment Limited Partnership as non-operating income, resulting in an ordinary profit of 5,042 million yen (138.6% of the same period of the previous year). Furthermore, as a result of recording a gain on sale of investment securities of 2,212 million yen from the sale of CareNet shares held by the Group as extraordinary income, profit attributable to owners of parent was 4,968 million yen (205.2% of the same period of the previous year).

*Starting this fiscal year, in addition to the conventional "operating profit," VITAL KSK HOLDINGS, INC. will calculate "core operating profit," which is before deducting "research and development expenses," as an indicator of the profitability of its ongoing business.

Performance by segment is as follows.

(1) Pharmaceutical Wholesale Business

In the pharmaceutical wholesale business, although there were negative impacts from factors such as the drug price revision and a decrease in sales at some facilities in localized areas due to competitive bidding, sales increased slightly as efforts to focus on the sale of products eligible for the price maintenance premium, mainly anticancer drugs, outweighed the decrease in revenue. On the profit side, however, profit decreased due to the impact of the aforementioned sales decline from competitive bidding and an increase in selling, general and administrative expenses.

As a result of the above, net sales were 281,967 million yen (100.9% of the same period of the previous year), and segment profit (operating profit) was 2,080 million yen (76.4% of the same period of the previous year).

(2) Pharmacy Business

In the pharmacy business, although the number of prescriptions received decreased, revenue increased due to efforts to increase income from dispensing technical fees and pharmaceutical management fees. On the profit side, profit increased due to efforts to calculate dispensing fees related to family pharmacy functions and to manage costs. As a result of the above, net sales were 9,870 million yen (101.5% of the same period of the previous year), and segment profit (operating profit) was 135 million yen (141.3% of the same period of the previous year).

(3) Veterinary Drug Wholesale Business

In the Veterinary Drug Wholesale Business, revenue increased, partly due to the consolidation of Arrow Medical Inc., which offset the negative impact of a changeover in products as some products began to be sold directly by the manufacturer. On the profit side, however, profit decreased as the effect of the increase in revenue was not enough to absorb the increase in costs resulting from the consolidation. As a result, net sales were ¥6,178 million (109.4% of that of the same period of the previous year), and segment profit (operating profit) was ¥108 million (75.1% of that of the same period of the previous year).

(4) Pharmaceutical Business (business of supporting introduction of unapproved drugs)

The Pharmaceutical Business (business of supporting introduction of unapproved drugs) is a new business launched in the current fiscal year, and no sales were posted in the consolidated six-month period, while research and development expenses came to ¥592 million, and segment loss (operating loss) amounted to the same amount of ¥592 million.

(5) Nursing Care-related Rental and Other Business

In the Nursing Care-related Rental and Other Business, revenue increased due to factors including the consolidation of Kyowa Transportation Co., Ltd. in April 2025. On the profit side, the segment loss increased, as increases in selling, general and administrative expenses due to price rises, including personnel and fuel costs, could not be absorbed. As a result, net sales were ¥2,217 million (102.4% of that of the same period of the previous year), and segment loss (operating loss) was ¥122 million (segment loss for the same period of the previous year was ¥88 million).

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheets

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2025)	Current interim consolidated accounting period (As of September 30, 2025)
Assets		
Current assets		
Cash and deposits	23,099	23,775
Notes and accounts receivable - trade	116,944	126,365
Inventories	33,253	33,482
Accounts receivable - other	12,025	14,350
Other	2,627	3,632
Allowance for doubtful accounts	(55)	(48)
Total current assets	187,896	201,558
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,085	18,647
Land	25,281	25,237
Other, net	5,801	4,860
Total property, plant and equipment	49,168	48,744
Intangible assets		
Goodwill	615	667
Other	3,675	4,136
Total intangible assets	4,291	4,803
Investments and other assets		
Investment securities	45,131	45,535
Other	13,534	13,495
Allowance for doubtful accounts	(595)	(523)
Total investments and other assets	58,070	58,507
Total non-current assets	111,529	112,054
Total assets	299,426	313,615

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2025)	Current interim consolidated accounting period (As of September 30, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	162,492	174,719
Short-term borrowings	900	900
Current portion of long-term borrowings	970	984
Income taxes payable	1,605	2,725
Provision for bonuses	1,696	1,561
Other	7,215	7,425
Total current liabilities	174,880	188,316
Non-current liabilities		
Long-term borrowings	4,850	4,385
Other provisions	439	289
Retirement benefit liability	876	580
Other	11,074	10,293
Total non-current liabilities	17,240	15,547
Total liabilities	192,120	203,864
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	5,293	5,302
Retained earnings	76,460	80,267
Treasury shares	(4,074)	(3,960)
Total shareholders' equity	82,678	86,609
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22,624	21,173
Remeasurements of defined benefit plans	609	545
Total accumulated other comprehensive income	23,234	21,719
Non-controlling interests	1,393	1,421
Total net assets	107,306	109,750
Total liabilities and net assets	299,426	313,615

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income

(Million yen)

	Previous interim consolidated accounting period (From April 1, 2024 to September 30, 2024)	Current interim consolidated accounting period (From April 1, 2025 to September 30, 2025)
Net sales	297,079	300,234
Cost of sales	273,264	276,404
Gross profit	23,814	23,829
Selling, general and administrative expenses	20,938	22,188
Operating profit	2,876	1,641
Non-operating income		
Gain on investments in investment partnerships	-	2,841
Interest income	23	23
Dividend income	361	346
Share of profit of entities accounted for using equity method	42	29
Rental income	130	129
Gain on redemption of securities	239	-
Other	69	129
Total non-operating income	867	3,500
Non-operating expenses		
Interest expenses	44	32
Rental expenses	25	28
Loss on investments in investment partnerships	30	20
Other	5	17
Total non-operating expenses	105	98
Ordinary profit	3,637	5,042
Extraordinary income		
Gain on sale of non-current assets	1	9
Gain on sale of investment securities	115	2,518
Other	4	54
Total extraordinary income	120	2,581
Extraordinary losses		
Loss on sale of non-current assets	28	-
Impairment losses	39	89
Other	14	7
Total extraordinary losses	83	96
Profit before income taxes	3,675	7,527
Income taxes	1,211	2,527
Profit	2,464	5,000
Profit attributable to non-controlling interests	43	31
Profit attributable to owners of parent	2,420	4,968

Semi-annual Consolidated Statements of Comprehensive Income

(Million yen)

	Previous interim consolidated accounting period (From April 1, 2024 to September 30, 2024)	Current interim consolidated accounting period (From April 1, 2025 to September 30, 2025)
Profit	2,464	5,000
Other comprehensive income		
Valuation difference on available-for-sale securities	3,545	(1,499)
Remeasurements of defined benefit plans, net of tax	(210)	(64)
Share of other comprehensive income of entities accounted for using equity method	562	49
Total other comprehensive income	3,897	(1,514)
Comprehensive income	6,361	3,485
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	6,320	3,453
Comprehensive income attributable to non-controlling interests	41	31

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	Previous interim consolidated accounting period (From April 1, 2024 to September 30, 2024)	Current interim consolidated accounting period (From April 1, 2025 to September 30, 2025)
Cash flows from operating activities		
Profit before income taxes	3,675	7,527
Depreciation	1,777	1,826
Impairment losses	39	89
Amortization of goodwill	64	72
Increase (decrease) in allowance for doubtful accounts	(22)	(79)
Increase (decrease) in provision for bonuses	(139)	(135)
Increase (decrease) in retirement benefit liability	(291)	(209)
Interest and dividend income	(376)	(369)
Rental income	(130)	(129)
Interest expenses	44	32
Share of loss (profit) of entities accounted for using equity method	(42)	(29)
Loss (gain) on sale and valuation of investment securities	(85)	(2,518)
Loss (gain) on sale and retirement of property, plant and equipment	32	(7)
Decrease (increase) in trade receivables	(5,387)	(9,420)
Decrease (increase) in inventories	(4,209)	(228)
Decrease (increase) in accounts receivable - other	248	(126)
Decrease (increase) in guarantee deposits	(11)	43
Increase (decrease) in trade payables	(2,063)	12,223
Other	(1,696)	(3,153)
Subtotal	(8,576)	5,407
Interest and dividends received	376	368
Interest paid	(44)	(32)
Income taxes paid	(1,381)	(1,433)
Income taxes refund	15	4
Other	(64)	5
Cash flows from operating activities	(9,673)	4,319

(Million yen)

	Previous interim consolidated accounting period (From April 1, 2024 to September 30, 2024)	Current interim consolidated accounting period (From April 1, 2025 to September 30, 2025)
Cash flows from investing activities		
Net decrease (increase) in time deposits	12	(550)
Purchase of property, plant and equipment	(1,788)	(1,017)
Proceeds from sale of property, plant and equipment	2	25
Purchase of intangible assets	(1,074)	(1,034)
Purchase of investment securities	(531)	(351)
Proceeds from sale of investment securities	728	877
Proceeds from redemption of investment securities	804	-
Loan advances	(19)	(219)
Proceeds from collection of loans receivable	215	6
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(103)	(172)
Other	120	230
Cash flows from investing activities	(1,634)	(2,205)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	(20)
Repayments of long-term borrowings	(485)	(492)
Repayments of lease liabilities	(443)	(453)
Purchase of treasury shares	(1,644)	(0)
Dividends paid	(1,155)	(1,157)
Other	(4)	(4)
Cash flows from financing activities	(3,732)	(2,127)
Net increase (decrease) in cash and cash equivalents	(15,040)	(14)
Cash and cash equivalents at beginning of period	31,125	20,214
Cash and cash equivalents at end of period	16,084	20,200

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

For the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

Not applicable.

(Notes in the case of significant changes in amount of shareholders' equity)

For the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

Not applicable.

(Accounting policies adopted specially for the preparation of semi-annual consolidated financial statements)

Calculation of tax expenses

Tax expenses are calculated by the method in which the effective tax rate on profit before income taxes for the current consolidated fiscal year after application of tax effect accounting is reasonably estimated, and profit before income taxes for the interim period is multiplied by the estimated effective tax rate.

(Segment information)

(Segment information)

1. Overview of reportable segments

The Group's reportable segments are components of the Group about which separate financial information is available. These segments are subject to periodic examinations to enable the company's Board of Directors to decide how to allocate resources and assess performance.

The Group's segment is categorized based on the business of its operating company, and thus its main segments, the "Pharmaceutical Wholesale Business," the "Pharmacy Business," the "Veterinary Drug Wholesale Business," the "Pharmaceutical Business," and the "Nursing Care-related Rental and Other Business" comprise the Group's reportable segments.

The "Pharmaceutical Wholesale Business" is engaged in sales of drugs, diagnostic products, medical devices, materials, etc. to medical institutions, such as hospitals, clinics, and pharmacies. The "Pharmacy Business" is engaged in sales of drugs, medical devices and equipment, and hygiene materials, etc. to general consumers. The "Veterinary Drug Wholesale Business" is engaged in sales of veterinary drugs, feeds, etc. to farms, ranches, veterinary hospitals, clinics, etc. In the "Pharmaceutical Business," the Company engages in providing support, etc. for the introduction of new drugs that are not yet approved in Japan but have been approved in Europe and the United States. The "Nursing Care-related Rental and Other Business" includes nursing care-related rental business, nursing care service business, wholesale business handling agricultural chemicals, etc., transport business, sports-related facility operating business and consulting business for medical institutions.

2. Method of measurement for the amounts of net sales, profit (loss), assets and other items for each reportable segment

The method of accounting for the reportable business segments is generally the same as those stated in “Basis for the Presentation of the Consolidated Financial Statements.”

Profit in the reportable segments is based on operating profit.

Inter-segment revenues and transfers are calculated at prevailing market prices.

3. Information on net sales, profit (loss), assets and other items by reportable segment

For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(Million yen)

	Reportable segment					
	Pharmaceutical Wholesale Business	Pharmacy Business	Veterinary Drug Wholesale Business	Pharmaceutical Business	Nursing Care-related Rental and Other Business	Total
Net sales						
Net sales to outside customers	279,541	9,725	5,647	-	2,165	297,079
Inter-segment net sales or transfers	5,454	6	0	-	1,341	6,802
Total	284,995	9,731	5,647	-	3,507	303,881
Segment profit (loss)	2,724	96	144	-	(88)	2,876

	Adjustment (Note 1 and 2)	Amount recorded in Semi-annual Consolidated Statements of Income (Note 3)
Net sales		
Net sales to outside customers	-	297,079
Inter-segment net sales or transfers	(6,802)	-
Total	(6,802)	297,079
Segment profit (loss)	(0)	2,876

(Notes) 1. Adjustment of sales of (6,802) million yen was mainly due to the elimination of intersegment transactions.

2. Adjustment of segment profit (loss) of (0) million yen refers to elimination of inter-segment transactions.

3. Adjustments are made to reconcile segment income (loss) to operating profit reported on the consolidated statements of income.

For the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(Million yen)

	Reportable segment					
	Pharmaceutical Wholesale Business	Pharmacy Business	Veterinary Drug Wholesale Business	Pharmaceutical Business	Nursing Care-related Rental and Other Business	Total
Net sales						
Net sales to outside customers	281,967	9,870	6,178	-	2,217	300,234
Inter-segment net sales or transfers	5,465	6	0	-	1,386	6,857
Total	287,432	9,876	6,178	-	3,603	307,092
Segment profit (loss)	2,080	135	108	(592)	(122)	1,609

	Adjustment (Note 1 and 2)	Amount recorded in Semi-annual Consolidated Statements of Income (Note 3)
Net sales		
Net sales to outside customers	-	300,234
Inter-segment net sales or transfers	(6,857)	-
Total	(6,857)	300,234
Segment profit (loss)	31	1,641

(Notes) 1. Adjustment of sales of (6,857) million yen was mainly due to the elimination of intersegment transactions.

2. Adjustment of segment profit (loss) of 31 million yen refers to elimination of inter-segment transactions.

3. Adjustments are made to reconcile segment income (loss) to operating profit reported on the consolidated statements of income.

4. Information on changes in reportable segments

Starting from the first quarter of the consolidated fiscal year, the Company has changed reporting segments by adding the Pharmaceutical Business with the launch of the business as part of the Group's future growth strategy.

Moreover, Other Businesses, which have not previously been a reporting segment, is now included in the Nursing Care-related Rental and Other Business* as the Company adopted a policy of focusing management resources on high-capital-profitability nursing care business to expand the business.

* Businesses under Nursing Care-related Rental and Other Business:

nursing care-related rental business, nursing care service business, wholesale business handling agricultural chemicals, etc., transport business, sports-related facility operating business and consulting business for medical institutions

The segment information for the previous interim consolidated accounting period was prepared based on the classification of reportable segments after the change is disclosed.