August 6, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

Company name: TSUMURA & CO.
Listing: Tokyo Stock Exchange
Securities code: 4540
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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 financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	49,704	15.3	7,881	2.1	9,753	57.8	6,457	47.8
June 30, 2025	43,094	(1.4)	7,719	(27.0)	6,181	(56.2)	4,367	(60.9)

Note: Comprehensive income Three-month period ended June 30, 2026: ¥ 13,159 million [- %]
Three-month period ended June 30, 2025: ¥ (4,184) million [- %]

	Basic earnings per share	Diluted earnings per share
Three-month period ended	Yen	Yen
June 30, 2026	86.63	―
June 30, 2025	58.16	―

(2) Consolidated financial condition

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	602,148	378,846	54.3
March 31, 2026	592,766	371,603	54.3

Reference: Equity
As of June 30, 2026: ¥326,863 million
As of March 31, 2026: ¥321,729 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, 2026	–	68.00	–	79.00	147.00
Fiscal year ending March 31, 2027	–				
Fiscal year ending March 31, 2027 (Forecast)		79.00	–	79.00	158.00

Note: Revisions to dividends projection published most recently: None

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Figures in percentage show the rate of increase or decrease from the previous fiscal year for full-year and from the second quarter of the previous fiscal year for second quarter (aggregate).)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	102,500	14.0	17,200	0.5	16,400	(0.1)	11,100	(11.0)	148.90
Full year	213,600	10.9	37,500	6.5	35,500	(11.3)	26,200	(6.8)	351.46

Note: Revisions to projections of consolidated business results published most recently: None

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(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 June 30, 2026	76,758,362 shares
As of March 31, 2026	76,758,362 shares

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

As of June 30, 2026	2,212,210 shares
As of March 31, 2026	2,212,906 shares

(iii) Average number of shares outstanding during the period

Three-month period ended June 30, 2026	74,545,980 shares
Three-month period ended June 30, 2025	75,096,746 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.

* This Consolidated Financial Results is not subject to audit procedures performed by a certified public accountant or audit corporation.

*Explanation about the proper use of financial projections and other important notes
(Note about forward-looking information)
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

(1) Description of operating results

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

[Consolidated business results]

(Million yen)

		FY 3/2026 1Q	FY 3/2027 1Q	YoY Change Percent Change
Net sales		43,094	49,704	＋6,609 ＋15.3%
	Domestic business	38,871	41,475	＋2,604 ＋6.7%
	China business	4,223	8,228	＋4,005 ＋94.8%
Cost of sales		22,576	27,107	＋4,531 ＋20.1%
Selling, general and administrative expenses		12,798	14,715	＋1,917 ＋15.0%
Operating profit		7,719	7,881	＋161 ＋2.1%
	Domestic business	7,981	7,498	(482) (6.0) %
	China business	(261)	382	＋644 —
Ordinary profit		6,181	9,753	＋3,571 ＋57.8%
Profit attributable to owners of parent		4,367	6,457	＋2,089 ＋47.8%

Net sales increased 15.3% year on year, to 49,704 million yen.

Net sales of the domestic business increased 6.7% year on year, to 41,475 million yen.

Sales of 129 prescription Kampo formulations increased 6.8% year on year to 39,759 million yen, as prescriptions related to edema and headache/dizziness continued to grow and information-provision activities aligned with the needs of healthcare professionals were implemented.

In addition, actual demand, or sales volume (deliveries from pharmaceutical agents and wholesalers to medical institutions) increased 3.4% 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 3/2026 1Q	FY 3/2027 1Q	YoY Change/ Percent Change		Reference: Actual sales volume/ YoY Change
"Drug fostering" program formulations *1	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 *2	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			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 %

In addition, sales of healthcare products (such as OTC Kampo medicines) increased 6.9% year on year, to 1,471 million yen, due to an expansion in the number of stores handling these products.

Sales in the China business increased 94.8% year on year, to 8,228 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 2.1 percentage points year on year to 54.5% due to the impact of exchange rates and the rise in the sales ratio of the China business, among other factors.

Selling, general and administrative expenses increased 15.0% year on year to 14,715 million yen due to the consolidation of Shanghai Hongqiao Traditional Chinese Drug Pieces Co., Ltd. and the impact of exchange rates, among other factors, and the SG&A ratio fell by 0.1 percentage points year on year to 29.6%.

As a result of the above, operating profit increased 2.1% year on year to 7,881 million yen, and the operating profit ratio decreased 2.0 percentage points year on year to 15.9%. Ordinary profit increased 57.8% year on year to 9,753 million yen, due in part to the recording of foreign exchange gains related to loans to overseas subsidiaries, and quarterly net income attributable to owners of parent increased 47.8% year on year to 6,457 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 formulations 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

(2) Description of financial condition

The financial position at the end of the first quarter under review was as follows:
Total assets at the end of the first quarter increased 9,382 million yen from the end of the previous fiscal year to 602,148 million yen. Current assets increased 5,692 million yen from the end of the previous fiscal year, mainly due to an increase in inventories. Non-current assets increased 3,690 million yen from the end of the previous fiscal year, mainly due to an increase in property, plant and equipment.
Total liabilities amounted to 223,302 million yen, an increase of 2,139 million yen compared to the end of the previous consolidated fiscal year, mainly due to an increase in short-term borrowings. Furthermore, 15,000 million yen of bonds that were previously classified as non-current liabilities and are scheduled to be redeemed within one year have been reclassified to current liabilities.
Net assets totaled 378,846 million yen, mainly due to an increase of 7,243 million yen from the end of the previous fiscal year. Shareholders' equity increased 511 million yen from the end of the previous fiscal year, mainly due to an increase in retained earnings. Accumulated other comprehensive income increased 4,622 million yen from the end of the previous fiscal year, chiefly due to an increase in foreign currency translation adjustment. Non-controlling interests increased 2,108 million yen from the end of the previous fiscal year.
As a result, the equity ratio remained at 54.3%, the same as at the end of the previous consolidated fiscal year.

Cash flows in the first quarter under review were as follows:
Cash and cash equivalents as of the end of the first quarter under review were 71,205 million yen, a decrease of 7,056 million yen from the end of the previous fiscal year. Cash flows in the first quarter under review and year-on-year changes in cash flows were as follows.
Cash used in operating activities was 4,444 million yen. Looking at the breakdown, a major cash inflow item was profit before income taxes of 9,762 million yen, and depreciation expenses of 3,427 million yen, while major cash outflow items were a decrease in trade payables of 4,141 million yen and corporate tax payments of 4,842 million yen. Compared to a year ago, cash outflow increased 3,275 million yen.
Cash used in investing in activities was 10,771 million yen. Looking at the breakdown, a major cash outflow item was the purchase of property, plant and equipment of 9,933 million yen, compared to a year ago, cash outflow increased 7,714 million yen.
Cash used in financing activities was an inflow of 6,611 million yen. Looking at its breakdown, a major cash inflow from short-term borrowings was 12,465 million yen and expenditures of 5,824 million yen due to dividend payments. Compared to a year ago, cash inflow decreased 10,630 million yen.

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

The projections of consolidated business results for the fiscal year ending March 30, 2027, which were published on May 13, 2026, remain unchanged.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	84,079	77,284
Notes and accounts receivable - trade	72,250	76,378
Merchandise and finished goods	24,262	25,763
Work in process	25,115	29,957
Raw materials and supplies	114,629	114,379
Other	29,347	31,618
Allowance for doubtful accounts	(471)	(476)
Total current assets	349,212	354,904
Non-current assets		
Property, plant and equipment		
Buildings and structures	118,939	120,526
Machinery, equipment and vehicles	89,362	90,685
Construction in progress	60,290	62,069
Other	31,658	32,144
Accumulated depreciation	(133,311)	(136,696)
Total property, plant and equipment	166,940	168,730
Intangible assets		
Goodwill	17,665	17,981
Other	32,716	33,571
Total intangible assets	50,381	51,553
Investments and other assets		
Investment securities	7,478	7,379
Retirement benefit asset	6,603	6,702
Other	12,150	12,878
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	26,231	26,960
Total non-current assets	243,553	247,244
Total assets	592,766	602,148
Liabilities		
Current liabilities		
Notes and accounts payable - trade	31,534	28,385
Short-term borrowings	3,329	15,794
Current portion of bonds payable	-	15,000
Current portion of long-term borrowings	9,377	9,377
Income taxes payable	5,491	4,138
Other	33,525	27,326
Total current liabilities	83,257	100,021
Non-current liabilities		
Bonds payable	45,000	30,000
Long-term borrowings	77,454	77,903
Long-term income taxes payable	192	192
Retirement benefit liability	586	612
Allowance for employee share benefits	564	724
Provision for share awards for directors (and other officers)	165	203
Other	13,941	13,644

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Total non-current liabilities	137,904	123,280
Total liabilities	221,162	223,302

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Net assets		
Shareholders' equity		
Share capital	30,142	30,142
Capital surplus	13,473	13,473
Retained earnings	247,010	247,520
Treasury shares	(8,120)	(8,117)
Total shareholders' equity	282,506	283,018
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,531	3,467
Deferred gains or losses on hedges	5,678	6,275
Revaluation reserve for land	2,638	2,638
Foreign currency translation adjustment	26,071	30,186
Remeasurements of defined benefit plans	1,302	1,277
Total accumulated other comprehensive income	39,222	43,844
Non-controlling interests	49,874	51,983
Total net assets	371,603	378,846
Total liabilities and net assets	592,766	602,148

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income / For the First Quarter Consolidated Accumulative Term

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	43,094	49,704
Cost of sales	22,576	27,107
Gross profit	20,518	22,597
Selling, general and administrative expenses	12,798	14,715
Operating profit	7,719	7,881
Non-operating income		
Interest income	94	69
Dividend income	148	129
Foreign exchange gains	-	2,143
Other	92	132
Total non-operating income	334	2,475
Non-operating expenses		
Interest expenses	147	547
Foreign exchange losses	1,698	-
Other	25	55
Total non-operating expenses	1,871	602
Ordinary profit	6,181	9,753
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	-	19
Total extraordinary income	0	19
Extraordinary losses		
Loss on sale of non-current assets	0	-
Loss on retirement of non-current assets	29	11
Total extraordinary losses	29	11
Profit before income taxes	6,152	9,762
Income taxes	1,710	3,039
Profit	4,441	6,723
Profit attributable to non-controlling interests	73	265
Profit attributable to owners of parent	4,367	6,457

Quarterly Consolidated Statements of Comprehensive Income / For the First Quarter Consolidated Accumulative Term

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit	4,441	6,723
Other comprehensive income		
Valuation difference on available-for-sale securities	59	(64)
Deferred gains or losses on hedges	(536)	597
Foreign currency translation adjustment	(8,165)	5,928
Remeasurements of defined benefit plans, net of tax	16	(25)
Total other comprehensive income	(8,625)	6,436
Comprehensive income	(4,184)	13,159
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,240)	11,080
Comprehensive income attributable to non-controlling interests	(1,943)	2,079

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Cash flows from operating activities		
Profit before income taxes	6,152	9,762
Depreciation	2,827	3,427
Amortization of goodwill	137	271
Increase (decrease) in allowance for doubtful accounts	16	(9)
Interest and dividend income	(242)	(199)
Interest expenses	147	547
Loss (gain) on sale and retirement of property, plant and equipment	29	10
Decrease (increase) in trade receivables	4,169	(3,267)
Decrease (increase) in inventories	(4,722)	(2,869)
Increase (decrease) in trade payables	(5,875)	(4,141)
Loss (gain) on sale of short-term and long-term investment securities	-	(19)
Decrease (increase) in retirement benefit asset	(82)	(133)
Increase (decrease) in retirement benefit liability	(5)	3
Other, net	3,170	(2,787)
Subtotal	5,722	593
Interest and dividends received	252	219
Interest paid	(93)	(415)
Income taxes paid	(7,050)	(4,842)
Net cash provided by (used in) operating activities	(1,168)	(4,444)
Cash flows from investing activities		
Decrease (increase) in time deposits	(6)	(17)
Purchase of property, plant and equipment	(2,373)	(9,933)
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	(540)	(588)
Purchase of short-term and long-term investment securities	(837)	(906)
Proceeds from sale and redemption of short-term and long-term investment securities	837	930
Other, net	(137)	(257)
Net cash provided by (used in) investing activities	(3,057)	(10,771)
Cash flows from financing activities		
Proceeds from short-term borrowings	21,368	12,465
Repayments of short-term borrowings	(1,000)	-
Proceeds from long-term borrowings	3,408	-
Purchase of treasury shares	(4,091)	(0)
Proceeds from share issuance to non-controlling shareholders	2,686	-
Dividends paid	(5,098)	(5,824)
Other, net	(30)	(28)
Net cash provided by (used in) financing activities	17,242	6,611
Effect of exchange rate change on cash and cash equivalents	(3,949)	1,547
Net increase (decrease) in cash and cash equivalents	9,066	(7,056)
Cash and cash equivalents at beginning of period	73,135	78,261
Cash and cash equivalents at end of period	82,201	71,205

(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.

(Notes on Segment Information)

[Segment Information]

1. Three-months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)

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

2. Three-months ended June 30, 2026 (From April 1, 2026 to June 30, 2026)

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