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## Consolidated Financial Statements for Fiscal Year Ended March 31, 2025 [Japanese GAAP]



May 13, 2025

Name of listed company: SHIP HEALTHCARE HOLDINGS, INC.  
 Shares listed on: Tokyo Stock Exchange  
 Code: 3360 URL <https://www.shiphd.co.jp/en/>  
 Representative: (Title) President (Name) Futoshi Ohashi  
 Contact: (Title) Executive Director (Name) Hiroshi Yokoyama Tel.: +81-6-6369-0130  
 Scheduled date for Ordinary General Meeting of Shareholders: June 27, 2025  
 Scheduled start date for dividend payments: June 30, 2025  
 Scheduled date for filing securities report: June 27, 2025  
 Supplementary briefing materials on results: Yes  
 Briefing on results: Yes (for institutional investors and analysts)

(All figures are rounded down to the nearest million yen.)

### 1. Consolidated financial results for the fiscal year ended March 31, 2025

(April 1, 2024 – March 31, 2025)

#### (1) Consolidated operating results

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	(Million yen)	%	(Million yen)	%	(Million yen)	%	(Million yen)	%
FY ended March 2025	678,229	7.5	24,779	1.0	26,023	3.2	15,128	9.6
FY ended March 2024	630,988	10.3	24,539	16.1	25,219	22.4	13,799	14.4

Note: Comprehensive income: FY ended March 2025: ¥ 13,988 million ((9.0)%); FY ended March 2024: ¥ 15,374 million (14.4 %)

	Net income per share	Diluted net income per share	Return on equity	Return on assets	Operating margin
	(Yen)	(Yen)	%	%	%
FY ended March 2025	160.34	—	10.5	6.8	3.7
FY ended March 2024	146.26	—	10.3	6.6	3.9

Reference: Share of profit (loss) of entities accounted for using equity method: FY ended March 31, 2025: ¥ 1,091 million;  
 FY ended March 31, 2024: ¥ 725 million

Note:

- Diluted net income per share are not stated because there are no outstanding potential shares.
- Provisional accounting treatment related to corporate combinations have been conducted in FY ended March 2025.  
 The consolidated financial results FY ended March 2024 reflect the finalized provisional accounting treatment.

#### (2) Consolidated financial condition

	Total assets	Net assets	Equity capital ratio	Net assets per share
	(Million yen)	(Million yen)	%	(Yen)
FY ended March 2025	381,702	150,280	39.1	1,580.05
FY ended March 2024	387,562	142,226	36.0	1,478.82

Reference: Equity: FY ended March 2025: ¥149,077 million; FY ended March 2024: ¥139,527 million

Note: Provisional accounting treatment related to corporate combinations have been conducted in FY ended March 2025.

The consolidated financial condition FY ended March 2024 reflects the finalized provisional accounting treatment.

#### (3) Consolidated cash flows

	Net cash from operating activities	Net cash from investing activities	Net cash from financing activities	Cash and cash equivalents at end of period
	(Million yen)	(Million yen)	(Million yen)	(Million yen)
FY ended March 2025	20,384	(4,025)	(24,622)	74,857
FY ended March 2024	31,609	(7,202)	(20,482)	83,128

## 2. Dividends

	Annual dividends					Total annual dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	End Q1	End Q2	End Q3	Year-end	Total			
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)	(Million yen)	%	%
FY ended March 2024	—	0.00	—	50.00	50.00	4,717	34.2	3.5
FY ended March 2025	—	0.00	—	58.00	58.00	5,472	36.2	3.8
FY ending March 2026 (forecast)	—	0.00	—	60.00	60.00		36.5	

Note: Dividend breakdown for the fiscal year ended March 31, 2024:

Ordinary dividends ¥45.00 Commemorative dividends ¥5.00

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026  
(April 1, 2025 – March 31, 2026)

(Percentages represent changes from the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	(Million yen)	%	(Million yen)	%	(Million yen)	%	(Million yen)	%	(Yen)
Cumulative through second quarter	315,000	1.6	8,000	3.3	8,500	1.0	5,500	(0.7)	58.29
Full-year	700,000	3.2	26,000	4.9	26,500	1.8	15,500	2.5	164.28

Notes

(1) Significant changes made in the scope of consolidation during this fiscal year under review: Yes

New inclusion: 1 company (Note), Elimination: 10 companies (Note)

(Note) Details are in page 19 “Changes in the scope of consolidation or of application of equity method”

(2) Changes made in accounting policies, accounting estimates, and/or restatements:

(i) Changes in accounting policies associated with changes in accounting standards, etc.: Yes

(ii) Any changes in accounting policies other than those under (i) above: None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(3) Number of shares issued and outstanding (common stocks)

(i) Number of shares issued and outstanding at the end of the period (including treasury stock)	FY ended March 2025	101,669,400 shares	FY ended March 2024	101,669,400 shares
(ii) Number of treasury stock at the end of the period	FY ended March 2025	7,319,266 shares	FY ended March 2024	7,319,175 shares
(iii) Average number of shares during the period	FY ended March 2025	94,350,162 shares	FY ended March 2024	94,350,225 shares

Reference: Overview of non-consolidated financial results

1. Non-consolidated financial results for fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)

(1) Non-consolidated operating results

(Percentages represent year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Net income	
	(Million yen)	%	(Million yen)	%	(Million yen)	%	(Million yen)	%
FY ended March 2025	7,815	(12.3)	6,097	(15.6)	5,938	(17.5)	5,729	(16.0)
FY ended March 2024	8,913	10.5	7,228	11.6	7,197	10.8	6,822	8.6

	Net income per share	Diluted net income per share
	(Yen)	(Yen)
FY ended March 2025	60.73	—
FY ended March 2024	72.31	—

Note: Diluted net income per share in FY ended March 2025 are not stated because there are no outstanding potential shares.

(2) Non-consolidated financial condition

	Total assets	Net assets	Equity capital ratio	Net assets per share
	(Million yen)	(Million yen)	%	(Yen)
FY ended March 2025	115,277	57,321	49.7	607.54
FY ended March 2024	102,150	56,865	55.7	602.71

Reference: Equity: FY ended March 31, 2025: ¥ 57,321 million; FY ended March 31, 2024: ¥ 56,865 million

\* This financial results is not subject to review by a Certified Public Accountant or an audit firm.

\* Information on appropriate use of financial forecasts and other special notes:

- The number of outstanding shares (excluding treasury stock) as of March 31, 2025 is used for the average number of shares during the period, which is the basis for calculating net income per share in the consolidated financial forecast for the fiscal year ending March 31, 2026.
- The forecasts of financial results and other forward-looking statements provided herein are based on information available at the time this document was prepared and certain assumptions considered reasonable. Actual results may differ significantly from forecasts due to various factors. For assumptions underlying forecasts of financial results, notes on use of forecasts of financial results, and other related information, please refer to “Future outlook” on page 5 of the Attached Materials.
- The Company is a holding company and the bulk of its revenue consists of dividends received from subsidiaries and revenues from their operating income. Detailed information on non-consolidated financial forecasts is omitted since information is not important for investment information and business indicators.

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## 1. Qualitative information on business results

### (1) Description of business results

The Japanese economy during the current consolidated accounting period, showed signs of gradual recovery in business condition due to improvement in employment, income conditions and the impact of various policies. However, ongoing inflation and the depreciation of yen have significantly driven up consumer prices, and future economic prospects remain uncertain.

Healthcare industry in which the Group belongs, numerous reforms have commenced, including the simultaneous revision of medical and long-term care fees, the implementation of 8<sup>th</sup> Medical Care Plan, the 4<sup>th</sup> phase of the Medicare Cost Optimization Plan and workstyle reforms for doctors. These initiatives continue to emphasize the need to establish an efficient, effective, and high-quality medical care system. Furthermore, under inflationary economic conditions, rising labor and material costs have sharply increased the overall cost of medical services, and hospital management now faces one of the most challenging environments in recent years.

Under such conditions, the Group achieved results exceeding the previous fiscal year, mainly due to the steady progress of large projects in Total Pack Produce business particularly in university hospitals. On the other hand, in both Total Pack Produce business and Medical Supply business, the challenging hospital management environment led to a noticeable delay in the timing of medical equipment than in previous years. As a result, performance especially from short-term projects, fell short of initial plans.

In addition, this fiscal period marks the final term of the medium-term management plan "SHIP VISION 2024," the Group continued to promote the four core strategies initially set forth "Further high growth of core business", "Further expand value", "Functional organization enhancement strategy", and "Activities for sustainability". The Group has made efforts to enhance corporate value and shareholder value by expanding the value for "making environment for people to live better" based on "Creating environments for medical professionals", creating new business including Well-Being, promoting intra-group reorganization and integration and expanding shareholder return.

For FY ended March 2025, the various factors noted above resulted in net sales of 678,229 million yen (up 7.5% YoY), operating profit of 24,779 million yen (up 1.0% YoY), ordinary profit of 26,023 million yen (up 3.2% YoY), and profit attributable to owners of the parent of 15,128 million yen (up 9.6% YoY).

The Company conducted provisional accounting treatment related to a corporate combination, which has now been finalized during the consolidated accounting period. Accordingly, for comparisons and analysis with the previous fiscal year, the Company has used the revised figures reflecting this finalized treatment.

Business results by segment are summarized below.

#### (i) Total Pack Produce business

In Total Pack Produce business, profit increased due to successful execution of multiple large projects particularly in university hospitals as planned, the completion of a new type of project involving the sale of senior condominiums, the strong performance of the medical information solutions business, and the increase in the number of treatments at the heavy ion cancer therapy center for areas where insurance was expanded in April 2022 and June 2024. As a result, this segment recorded net sales of 133,167 million yen (down 0.4% YoY) and segment profit (operating profit) of 12,017 million yen (up 1.8% YoY).

#### (ii) Medical Supply business

In Medical Supply business, although there were increased upfront costs associated with investments in new SPD facilities and future logistics plans, as well as the impact of rising raw material prices and labor costs, the Group achieved increased revenue and profit. This was due to the commencement of operations at multiple new large-scale SPD contracted facilities, exceeding initial plans, and the full-year contribution in the current fiscal period from the orthopedic equipment dealer that joined the Group in the fourth quarter of the previous fiscal year. In addition, five group companies were reorganized and integrated in the Medical Supply business on October 1<sup>st</sup>, 2024. As a result, this segment recorded net sales of 474,919 million yen (up 10.8% YoY) and segment profit (operating profit) of 6,970 million yen (up 6.9% YoY).

#### (iii) Lifecare business

In Lifecare business, the food provision service remained steady, overcoming the surge in food prices including rice. Thanks to strategic business restructuring and the successful implementation of price adjustments. On the other hand, in nursing care services, due to a surge in utility expenses and upfront expenses related to Greenlife Nakaikagami (123 beds, newly opened in July 2024), in collaboration project with CHARM CARE CORPORATION, INC. (6062), the overall business experienced a decline in profitability. Furthermore, two group companies were reorganized and integrated within the segment on January 1<sup>st</sup>, 2025. As a result, this segment recorded net sales of 36,674 million yen (up 1.6% YoY) and segment profit (operating profit) of 2,189 million yen (down 16.0% YoY).

## (iv) Dispensing Pharmacy business

In Dispensing Pharmacy business, revenue increased due to the new store openings and small-scale M&As. However, profits decreased due to the impact of drug price revisions and rising procurement costs.

As a result, this segment recorded net sales of 33,468 million yen (up 2.3% YoY) and segment profit (operating profit) of 3,426 million yen (down 2.9% YoY).

## (2) Description of financial position

## (i) Current assets

The balance of current assets at the end of this consolidated fiscal year stood at 259,457 million yen (vs. a balance of 260,023 million yen at the end of the previous consolidated fiscal year), decrease of 566 million yen since the end of the previous consolidated fiscal year.

Major reasons included decreases of 7,569 million yen in “Cash and deposits”, 2,158 million yen in “Accounts Receivable-other”, despite increase of 11,068 million yen in “Accounts receivable-trade”.

## (ii) Non-current assets

The balance of non-current assets at the end of this consolidated fiscal year stood at 122,245 million yen (vs. a balance of 127,538 million yen at the end of the previous consolidated fiscal year), decrease of 5,293 million yen since the end of the previous consolidated fiscal year.

Major reasons included decreases of 2,818 million yen in “Real estate for rent”, 1,707 million yen in “Goodwill”, despite increases of 955 million yen in “Construction in progress”.

## (iii) Current liabilities

The balance of current liabilities at the end of this consolidated fiscal year stood at 188,013 million yen (vs. a balance of 181,165 million yen at the end of the previous consolidated fiscal year), increase of 6,848 million yen since the end of the previous consolidated fiscal year.

Major reasons included increase of 12,522 million yen in “Notes and accounts payable - trade”, despite decreases of 2,489 million yen in “Electronically recorded obligations - operating” and 740 million yen in “Current portion of long-term loans payable”.

## (iv) Non-current liabilities

The balance of non-current liabilities at the end of this consolidated fiscal year stood at 43,408 million yen (vs. a balance of 64,170 million yen at the end of the previous consolidated fiscal year), decrease of 20,762 million yen since the end of the previous consolidated fiscal year.

Major reasons included decreases of 19,839 million yen in “Long-term loans payable” and 841 million yen in “Deferred tax liabilities”.

## (v) Net assets

The balance of net assets at the end of this consolidated fiscal year stood at 150,280 million yen (vs. a balance of 142,226 million yen at the end of the previous consolidated fiscal year), increase of 8,054 million yen since the end of the previous consolidated fiscal year.

Major reasons included increase of 15,128 million yen in “Retained earnings from profit attributable to owners of parent”, despite decreases of 4,717 million yen in “Retained earnings” due to payment of dividends and 681 million yen in “Valuation differences on available-for-sale securities”.

### (3) Description of cash flows

The balance of cash and cash equivalents at the end of this consolidated fiscal year stood at 74,857 million yen, decrease 8,270 million yen from the balance of 83,128 million yen at the end of the previous consolidated fiscal year.

#### (i) Cash flow from operating activities

Cash flow proceeded from operating activities was 20,384 million yen (proceeds decreased 11,224 million yen compared to the previous consolidated fiscal year). Major contributing factors included recording of 24,328 million yen in “Profit before income taxes” and increase of 10,016 million yen in “Accounts payable-trade”, despite increase of 11,026 million yen in “Accounts receivable-trade” and recording of 6,694 million yen in “Income taxes paid”.

#### (ii) Cash flow from investing activities

Cash flow expensed in investing activities was 4,025 million yen (expenses decreased 3,177 million yen compared to the previous consolidated fiscal year). Major contributing factors included 3,836 million yen on “Purchases of property, plant and equipment” and 1,102 million yen on “Payments for time deposits”, despite expenditures of 462 million yen on “Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation”,.

#### (iii) Cash flow from financing activities

Cash flow expensed in financing activities was 24,622 million yen (proceeds increased 4,140 million yen compared to the previous consolidated fiscal year). Major contributing factors included expenditures of 19,495 million yen on “Repayment of long-term loans payable” and 4,717 million yen on “Cash dividends paid”, despite proceeds of 593 million yen from “Long-term loans payable”.

#### Reference: Trends in cash flow indices

	FY ended March 2021	FY ended March 2022	FY ended March 2023	FY ended March 2024	FY ended March 2025
Equity capital ratio (%)	33.3	35.3	33.5	36.0	39.1
Mark-to-market equity capital ratio (%)	87.7	56.0	60.2	51.2	49.5
Years of debt redemption (years)	3.4	5.1	5.4	1.9	1.9
Interest coverage ratio (times)	61.1	43.7	33.1	70.8	40.7

\* Equity capital ratio = equity capital/total assets

Mark-to-market equity capital ratio = total market capitalization/total assets

Years of debt redemption = interest-bearing debt/operating cash flows

Interest coverage ratio = operating cash flows/interest paid

#### Notes:

1. All indices are calculated from consolidated-basis financial data.
2. Total market capitalization is calculated by multiplying the closing stock price at the end of the fiscal year by total number of shares issued and outstanding (after subtracting treasury stock) as of the end of the fiscal year.
3. Calculations of operating cash flows are based on cash flows from operating activities on the Consolidated Cash Flow Statement. Interest-bearing debt consists of all debt on the Consolidated Balance Sheet for which interest is paid. The amount of interest paid is based on interest paid as shown on the Consolidated Cash Flow Statement.

#### (4) Future outlook

As the baby boom generation aging and low birth rates rapidly proceed, it is indicated that Japan Government will continue to save and reduce the unit price, and restraints on remuneration for medical and nursing care costs. In addition, as measures relating medical policies based on the above prediction, the reforms to improve working conditions for doctors and consideration for general reforms of in the structure of providing medical care towards 2040.

Given these conditions and drawing on advanced capabilities, the Group will seek to create Well-Being society by “Preserving Nature” as well as providing comprehensive and optimal solutions in “Medical”, “Healthcare”, “Welfare”, “Nursing care”, and “Services”, based on the SHIP philosophy and Group mission to “Creating environments for medical professionals”.

The Group has formulated the medium-term management plan “SHIP VISION 2030” for the five-year period from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2030.

“Portfolio Management through the Optimization of Group Management Resources ” is set as the basic policy, the Group plans to achieve 5% of Sales Growth Ratio (CAGR) in five-year average, 4% of Operating Profit Margin in the fiscal year ending March 31, 2030 and 12% of ROE in the fiscal year ending March 31, 2030.

The business performance projected for the next fiscal year (FY ending March 2026) is expected as follows.

<Projected consolidated results>

(Unit: Million yen, %)

	FY ending March 2026 (projected)			FY ended March 2025 (actual)	
		Profit margin	YoY change		Profit margin
Net sales	700,000	—	3.2	678,229	—
Operating profit	26,000	3.7	4.9	24,779	3.7
Ordinary profit	26,500	3.8	1.8	26,023	3.8
Profit attributable to owners of parent	15,500	2.2	2.5	15,128	2.2

The projected amount of (year-end) dividends per share in FY ending March 2026 is 60 yen.

## 2. Basic approach in selecting accounting standards

To facilitate comparisons from period to period and between entities, the Group for the time being will continue to prepare its consolidated financial statements based on J-GAAP.

The Group will duly address the application of International Financial Reporting Standards (IFRS) after taking into account various circumstances both in Japan and abroad.

## 3. Consolidated financial statements and notes thereto

## (1) Consolidated balance sheet

(Unit: Million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	85,072	77,502
Notes receivable - trade	1,893	1,065
Accounts receivable - trade	121,689	132,758
Electronically recorded monetary claims - operating	6,230	6,236
Lease investment assets	2,953	2,508
Merchandise and finished goods	21,032	23,575
Work in process	3,763	3,363
Raw materials and supplies	1,979	1,920
Short-term loans receivable	2,775	1,694
Other	12,683	8,863
Allowance for doubtful accounts	(49)	(31)
Total current assets	260,023	259,457
Non-current assets		
Property, plant, and equipment		
Buildings and structures	44,256	44,130
Accumulated depreciation	(21,272)	(22,600)
Buildings and structures, net	22,984	21,529
Machinery, equipment and vehicles	9,357	9,299
Accumulated depreciation	(5,476)	(5,896)
Machinery, equipment and vehicles, net	3,881	3,402
Land	18,163	18,162
Real estate for rent	15,240	12,498
Accumulated depreciation	(4,341)	(4,417)
Real estate for rent, net	10,899	8,080
Construction in progress	21	976
Other	22,246	22,604
Accumulated depreciation	(14,891)	(15,796)
Other, net	7,355	6,808
Total property, plant, and equipment	63,305	58,960
Intangible assets		
Goodwill	9,121	7,414
Other	5,734	5,316
Total intangible assets	14,855	12,731
Investments and other assets		
Investment securities	29,414	29,381
Long-term loans receivable	9,775	10,351
Net defined benefit asset	1,090	1,070
Deferred tax assets	4,362	4,140
Claims provable in bankruptcy, claims provable in rehabilitation and other	60	57
Guarantee deposits	5,141	5,394
Other	1,312	3,393
Allowance for doubtful accounts	(1,780)	(3,236)
Total investments and other assets	49,377	50,553
Total non-current assets	127,538	122,245
Total assets	387,562	381,702



	(Unit: Million yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	109,144	121,667
Electronically recorded obligations - operating	37,959	35,470
Short-term loans payable	708	698
Current portion of long-term loans payable	6,763	6,022
Income taxes payable	4,728	5,932
Provision for bonuses	2,990	3,135
Other	18,870	15,086
Total current liabilities	181,165	188,013
Non-current liabilities		
Long-term loans payable	50,459	30,620
Net defined benefit liability	3,462	3,531
Deferred tax liabilities	3,952	3,111
Asset retirement obligations	1,175	1,190
Other	5,120	4,953
Total non-current liabilities	64,170	43,408
Total liabilities	245,335	231,421
<b>Net assets</b>		
Shareholders' equity		
Capital stock	15,553	15,553
Capital surplus	23,585	23,575
Retained earnings	109,996	120,407
Treasury stock	(15,526)	(15,527)
Total shareholders' equity	133,607	144,008
Accumulated other comprehensive income		
Valuation differences on available-for-sale securities	5,863	5,182
Deferred gains or losses on hedges	2	2
Foreign currency translation adjustments	(42)	(215)
Remeasurements of defined benefit plans	95	99
Total accumulated other comprehensive income	5,919	5,068
Non-controlling interests	2,699	1,203
Total net assets	142,226	150,280
Total liabilities and net assets	387,562	381,702

## (2) Consolidated statement of income and consolidated statement of comprehensive income

## Consolidated statement of income

(Unit: Million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	630,988	678,229
Cost of sales	565,380	611,486
Gross profit	65,607	66,743
Sales, general, and administrative expenses		
Directors' compensation	1,837	1,801
Salaries and allowances	13,734	13,854
Bonuses	1,823	1,576
Retirement benefit expenses	545	550
Provision for bonus	1,404	1,480
Other	21,722	22,701
Total sales, general, and administrative expenses	41,068	41,964
Operating profit	24,539	24,779
Non-operating profit		
Interest income	330	319
Dividend income	274	271
Equity gains of affiliated companies	725	1,091
Reversal of allowance for doubtful accounts	-	12
Other	507	435
Total non-operating profit	1,838	2,131
Non-operating expenses		
Interest expenses	449	499
Foreign exchange loss	452	244
Provision for doubtful accounts	94	0
Commission paid	34	32
Other	126	111
Total non-operating expenses	1,158	887
Ordinary profit	25,219	26,023
Extraordinary profit		
Gains on sales of non-current assets	47	9
Subsidy income	-	353
Gains on sales of investment securities	783	79
Gains on negative goodwill	3	-
Reversal of allowance for doubtful accounts	-	1,600
Other	0	37
Total extraordinary profit	833	2,079
Extraordinary losses		
Losses on sales of non-current assets	2	8
Losses on retirement of non-current assets	31	63
Impairment loss	2,689	409
Losses on sales of subsidiaries and affiliates' stocks	1,261	0
Provision for allowance for doubtful accounts	-	3,070
Other	204	223
Total extraordinary losses	4,189	3,775
Profit before income taxes	21,863	24,328
Income taxes - current	8,265	9,780
Income taxes - deferred	(149)	(427)
Total income taxes	8,116	9,353
Profit	13,747	14,974
Losses attributable to non-controlling interests	(52)	(153)
Profit attributable to owners of parent	13,799	15,128

## Consolidated statement of comprehensive income

	(Unit: Million yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	13,747	14,974
Other comprehensive income		
Valuation differences on available-for-sale securities	2,885	(684)
Foreign currency translation adjustments	(1,308)	(309)
Remeasurements of defined benefit plans	58	(0)
Share of other comprehensive income of entities accounted for using equity method	(8)	8
Total other comprehensive income	1,626	(986)
Comprehensive income	15,374	13,988
(Breakdown)		
Comprehensive income attributable to owners of parent	15,399	14,277
Comprehensive income attributable to non-controlling interests	(25)	(289)

### (3) Consolidated statement of changes in shareholders' equity

Previous consolidated fiscal year (April 1, 2023–March 31, 2024)

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	15,553	23,533	100,158	(15,526)	123,718
Changes of items during current period					
Dividends of surplus			(3,962)		(3,962)
Profit attributable to owners of parent			13,799		13,799
Purchase of treasury stock					—
change in scope of consolidation		137			137
Capital increases (decrease) by consolidated subsidiaries					—
Interests increase (decrease) by capital increase of consolidated subsidiaries		(85)			(85)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	52	9,837	—	9,889
Balance at end of current period	15,553	23,585	109,996	(15,526)	133,607

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Differed gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,978	1	1,305	32	4,319	3,077	131,115
Changes of items during period							
Dividends of surplus							(3,962)
Profit attributable to owners of parent							13,799
Purchase of treasury stock							—
change in scope of consolidation							137
Capital increases(decrease) by consolidated subsidiaries							—
Interests increase (decrease) by capital increase of consolidated subsidiaries							(85)
Net changes of items other than shareholders' equity	2,885	0	(1,348)	62	1,600	(378)	1,221
Total changes of items during period	2,885	0	(1,348)	62	1,600	(378)	11,111
Balance at end of current period	5,863	2	(42)	95	5,919	2,699	142,226

This consolidated fiscal year (April 1, 2024–March 31, 2025)

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	15,553	23,585	109,996	(15,526)	133,607
Changes of items during period					
Dividends of surplus			(4,717)		(4,717)
Profit attributable to owners of parent			15,128		15,128
Purchase of treasury stock				(0)	(0)
change in scope of consolidation					—
Capital increases by consolidated subsidiaries		(9)			(9)
Capital increases by capital increase of consolidated subsidiaries					—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(9)	10,410	(0)	10,400
Balance at end of current period	15,553	23,575	120,407	(15,527)	144,008

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Differed gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	5,863	2	(42)	95	5,919	2,699	142,226
Changes of items during period							
Dividends of surplus							(4,717)
Profit attributable to owners of parent							15,128
Purchase of treasury stock							(0)
change in scope of consolidation							—
Capital increases by consolidated subsidiaries							(9)
Capital increases by capital increase of consolidated subsidiaries							—
Net changes of items other than shareholders' equity	(681)	0	(173)	4	(850)	(1,496)	(2,346)
Total changes of items during period	(681)	0	(173)	4	(850)	(1,496)	8,054
Balance at end of current period	5,182	2	(215)	99	5,068	1,203	150,280

## (4) Consolidated statement of cash flows

(Unit: Million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Income before income taxes	21,863	24,328
Depreciation and amortization	5,487	5,543
Impairment loss	2,689	409
Amortization of goodwill	1,948	1,826
Share of loss (profit) of entities accounted for using equity method [( ) represents profit]	(725)	(1,091)
Increase (decrease) in provision for bonuses [( ) represents decrease]	64	143
Increase (decrease) in allowance for doubtful accounts [( ) represents decrease]	293	1,448
Increase (decrease) in lease investment assets [( ) represents increase]	148	160
Increase (decrease) in net defined benefit liability [( ) represents decrease]	105	111
Loss on retirement of property, plant, and equipment	30	55
Profit (Loss) on sales of subsidiaries and affiliates' stocks	1,261	0
Interest and dividend income	(605)	(591)
Interest expenses	449	499
Decrease (increase) in notes and accounts receivable – trade [( ) represents increase]	1,436	(11,026)
Decrease (increase) in inventories [( ) represents increase]	(1,801)	(2,081)
Increase (decrease) in notes and accounts payable – trade [( ) represents decrease]	7,958	10,016
Other	(404)	(3,047)
Subtotal	40,201	26,703
Interest and dividend income received	808	876
Interest expenses paid	(446)	(501)
Income taxes paid	(8,953)	(6,694)
Cash flows from operating activities	31,609	20,384

	(Unit: Million yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Payments into time deposits	(499)	(1,102)
Proceeds from withdrawal of time deposits	459	401
Purchase of property, plant, and equipment	(3,193)	(3,821)
Proceeds from sales of property, plant, and equipment	463	237
Purchase of intangible assets	(323)	(361)
Payments of short-term loans receivable	(7)	(102)
Collection of short-term loans receivable	21	125
Payments of long-term loans receivable	(88)	(2)
Collection of long-term loans receivable	603	306
Purchase of investment securities	(221)	(348)
Proceeds from sales and redemption of investment securities	1,088	254
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,628)	(120)
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(1,911)	-
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	-	462
Other	34	44
Cash flows from investing activities	(7,202)	(4,025)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable [( ) represents decrease]	(1,095)	(10)
Proceeds from long-term loans payable	15,510	593
Repayments of long-term loans payable	(5,662)	(19,495)
Payments for redemption of bonds with share acquisition rights	(25,000)	-
Cash dividends paid	(3,962)	(4,717)
Dividends paid to non-controlling shareholders	(25)	(286)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(454)
Repayments of lease obligations	(249)	(252)
Other	4	(0)
Cash flows from financing activities	(20,482)	(24,622)
Effect of exchange rate change on cash and cash equivalents	182	(7)
Increase (decrease) in cash and cash equivalents [( ) represents decrease]	4,107	(8,270)
Cash and cash equivalents at the beginning of the period	79,020	83,128
Cash and cash equivalents at the end of the period	83,128	74,857

**(5) Notes on consolidated financial statements**

(Notes on the going concern assumption)

Not applicable

(Changes of accounting policy)

Accounting Standard for Corporate, Inhabitant and Enterprise Taxes (corporate accounting standards No.27, October 28, 2022), Accounting Standard for Presentation of Comprehensive Income (corporate accounting standards No.25, October 28, 2022), and Guidance on Accounting Standard for Tax Effect Accounting (corporate accounting standards No.28, October 28, 2022) have applied since the start of the consolidated accounting period. There are no impacts to the consolidated financial statements with the changes of accounting policy.

(Segment information)

**1 Overview of reportable segments**

The Company's reportable segments are Company components for which separate financial information is available and subject to periodic review by the Board of Directors in determining the allocation of management resources and evaluating business performance.

The Company classifies its business divisions by each service. The Company formulates comprehensive strategies reflecting the nature of the activities of each business division and subsidiary and undertakes business activities based on these strategies.

Accordingly, the Company organizes its segments based on its business divisions. Its four reportable segments are the Total Pack Produce business, the Medical Supply business, the Lifecare business, and the Dispensing Pharmacy business.

The Total Pack Produce segment engages in sales of medical devices and medical equipment based on bulk orders; consulting on topics including medicine, healthcare, welfare, and nursing care facilities; and leasing of real estate to medical facilities and other tenants. The Medical Supply segment engages in sales of medical examination and treatment materials and special treatment materials. The Lifecare segment operates homes for senior citizens, group homes and other facilities, and provide food service. The Dispensing Pharmacy segment operates dispensing pharmacies, among other business activities.

**2 Methods for calculating net sales, profit (loss), assets, and other amounts by reportable segment**

The accounting methods for reportable segments are same as those adopted in the "Consolidated Financial Statements. Reportable segment profit figures are based on operating profit. Intersegment revenues and transfers are based on market prices.

The Company conducted provisional accounting treatment related to a corporate combination, which has now been finalized during the consolidated accounting period. Accordingly, for numeric of the previous fiscal year, the Company has used the revised figures reflecting this finalized treatment.



### 3 Net sales, profit (loss), assets, and other amounts by reportable segment

Previous consolidated fiscal year (April 1, 2023–March 31, 2024)

(Unit: Million yen)

	Reportable segment					Adjustments*1	Amount recorded on consolidated financial statements*2
	Total Pack Produce business	Medical Supply business	Lifecare business	Dispensing Pharmacy business	Subtotal		
Net sales							
(1) Sales to outside customers	133,717	428,451	36,099	32,719	630,988	—	630,988
(2) Intersegment sales or transfers	3,007	2,096	53	112	5,269	(5,269)	—
Subtotal	136,725	430,548	36,152	32,831	636,257	(5,269)	630,988
Segment profit	11,805	6,517	2,606	3,530	24,460	78	24,539
Segment assets	138,698	166,710	41,544	34,607	381,561	6,000	387,562
Other items							
Depreciation	3,344	875	864	349	5,434	53	5,487
Amortization of goodwill	924	393	481	149	1,948	—	1,948
Impairment loss	2,635	53	—	—	2,689	—	2,689
Investment in entities accounted for using equity method	511	—	10,081	—	10,593	—	10,593
Increase in property, plant, and equipment, and intangible fixed assets	2,169	409	391	440	3,411	178	3,590

#### Notes:

1. The amounts of the various adjustments are described below.

- (1) The figure of 78 million yen in adjustments to segment profit includes (114) million yen for the cancellation of intersegment transactions and 197 million yen for companywide costs not allocated to an individual reportable segment. These companywide costs consist mainly of parent company operating expenses and sales, general, and administrative expenses not attributable to individual reportable segments.
- (2) The figure of 6,000 million yen in adjustments to segment assets includes (36,616) million yen for cancellation of intersegment transactions, and 42,531 million yen for companywide assets not allocated to an individual reportable segment. These companywide assets consist mainly of assets related to administrative sections not attributable to individual reportable segments.
- (3) The figure of 178 million yen in adjustments to increase in property, plant, and equipment, and intangible fixed assets consists mainly of capital investment related to administrative sections not attributable to individual reportable segments.

2. Segment profit is adjusted against the operating profit reported on the consolidated statement of income.

Consolidated fiscal year under review (April 1, 2024–March 31, 2025)

(Unit: Million yen)

	Reportable segment					Adjustments*1	Amount recorded on consolidated financial statements*2
	Total Pack Produce business	Medical Supply business	Lifecare business	Dispensing Pharmacy business	Subtotal		
Net sales							
(1) Sales to outside customers	133,167	474,919	36,674	33,468	678,229	—	678,229
(2) Intersegment sales or transfers	4,264	2,721	82	122	7,191	(7,191)	—
Subtotal	137,431	477,641	36,757	33,590	685,421	(7,191)	678,229
Segment profit	12,017	6,970	2,189	3,426	24,603	175	24,779
Segment assets	131,227	179,510	40,288	36,007	387,033	(5,330)	381,702
Other items							
Depreciation	3,252	1,011	846	377	5,488	55	5,543
Amortization of goodwill	726	441	481	176	1,826	—	1,826
Impairment loss	409	—	—	—	409	—	409
Investment in entities accounted for using equity method	536	—	10,858	—	11,394	—	11,394
Increase in property, plant, and equipment, and intangible fixed assets	1,996	1,502	394	474	4,368	81	4,449

Notes:

- The amounts of the various adjustments are described below.
  - The figure of 175 million yen in adjustments to segment profit includes (127) million yen for the cancellation of intersegment transactions and 298 million yen for companywide costs not allocated to an individual reportable segment. These companywide costs consist mainly of income for parent company operating expenses, general, and administrative expenses not attributable to individual reportable segments.
  - The figure of (5,330) million yen in adjustments to segment assets includes (48,301) million yen for cancellation of intersegment transactions, and 42,959 million yen for companywide assets not allocated to an individual reportable segment. These companywide assets consist mainly of assets related to administrative sections not attributable to individual reportable segments.
  - The figure of 81 million yen in adjustments to increase in property, plant, and equipment, and intangible fixed assets consists mainly of capital investment related to administrative sections not attributable to individual reportable segments.
- Segment profit is adjusted against the operating profit reported on the consolidated statement of income.

[Related information]

Previous consolidated fiscal year (April 1, 2023–March 31, 2024)

1 Product and service-specific information

This information is reported under segment information and is therefore omitted here.

2 Region-specific information

(1) Net sales

This information is omitted because sales to external customers in Japan account for more than 90% of net sales on the Consolidated Statement of Income.

(2) Property, plant, and equipment

This information is omitted because property, plant, and equipment located in Japan account for more than 90% of property, plant, and equipment on the Consolidated Balance Sheet.

3 Information concerning key individual customers

Not applicable because sales to no single external customer account for 10% or more of net sales on the Consolidated Statement of Income.

This consolidated fiscal year (April 1, 2024–March 31, 2025)

1 Product and service-specific information

This information is reported under segment information and is therefore omitted here.

2 Region-specific information

(1) Net sales

This information is omitted because sales to external customers in Japan account for more than 90% of net sales on the Consolidated Statement of Income.

(2) Property, plant, and equipment

This information is omitted because property, plant, and equipment located in Japan account for more than 90% of property, plant, and equipment on the Consolidated Balance Sheet.

3 Information concerning key individual customers

Not applicable because sales to no single external customer account for 10% or more of net sales on the Consolidated Statement of Income.

[Information concerning impairment losses on fixed assets per reportable segment]

Previous consolidated fiscal year (April 1, 2023–March 31, 2024)

This information is reported under segment information and is therefore omitted here.

This consolidated fiscal year (April 1, 2024–March 31, 2025)

This information is reported under segment information and is therefore omitted here.

[Information concerning amounts of amortization of goodwill and remaining unamortized balances, per reportable segment]

Previous consolidated fiscal year (April 1, 2023–March 31, 2024)

(Unit: Million yen)

	Reportable segment					Companywide/ cancellation	Total
	Total Pack Produce business	Medical Supply business	Lifecare business	Dispensing Pharmacy business	Subtotal		
(Goodwill) Ending balance	5,044	1,433	1,702	941	9,121	—	9,121

Note: Amounts of amortization of goodwill is omitted because similar information is reported under segment information.

This consolidated fiscal year (April 1, 2024–March 31, 2025)

(Unit: Million yen)

	Reportable segment					Companywide/ cancellation	Total
	Total Pack Produce business	Medical Supply business	Lifecare business	Dispensing Pharmacy business	Subtotal		
(Goodwill) Ending balance	4,317	991	1,220	883	7,414	—	7,414

Note: Amounts of amortization of goodwill is omitted because similar information is reported under segment information.

[Information on gains on bargain purchases per reportable segment]

Previous consolidated fiscal year (April 1, 2023–March 31, 2024)

No important gains on bargain purchases occurred.

This consolidated fiscal year (April 1, 2024–March 31, 2025)

No important gains on bargain purchases occurred.

## (Per-share information)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
	(Yen)	(Yen)
Net assets per share	1,478.82	1,580.05
Net income per share	146.26	160.34

## Notes:

1. Diluted net income per share for the current consolidated fiscal year is not stated because there are no potential shares with anti-dilutive effect.
2. The Company conducted provisional accounting treatment related to a corporate combination, which has now been finalized during the consolidated accounting period. Accordingly, for Per-share information of the previous fiscal year, the Company has used the revised figures reflecting this finalized treatment.
3. "Net income per share" and "Diluted net income per share" are calculated based on the following information:

Account	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit attributable to owners of parent (million yen)	13,799	15,128
Amount not attributable to owners of common stock (million yen)	—	—
Profit attributable to owners of parent related to common stock (million yen)	13,799	15,128
Average shares of common stock during the period (shares)	94,350,225	94,350,162

4. Net assets per share were calculated based on the following information:

Account	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Total net assets (million yen)	142,226	150,280
Amount subtracted from total net assets (million yen)	2,699	1,203
[Non-controlling interests included in above (million yen)]	[2,699]	[1,203]
Ending balance of net assets related to common stock (million yen)	139,527	149,077
Ending number of shares of common stock used in calculation of net assets per share (shares)	94,350,225	94,350,134

## (Important subsequent information)

Not applicable

## (Changes in the scope of consolidation or of application of equity method)

## (Significant changes in the scope of consolidation)

In the consolidated accounting period, SHIP HEALTHCARE PHARMACY EAST CO., LTD. absorbed and merged C.M.J Ltd. and FRIENDS Ltd.. Heart Life Corporation absorbed and merged Nakajima Medical Supply Co., Ltd. and Aurum Medical Co., Ltd.. SMC Co., Ltd. absorbed and merged ORGAN MEDICAL CO., LTD., TOM MEDIC CO., LTD. and NJ MEDICAL CO., LTD.. Green Life Co., Ltd. absorbed and merged Green Life East Co., Ltd. and ALL CARE, INC. All these transactions were organizational restructurings among consolidated subsidiaries.

MONAKA CO., LTD. was newly included in the scope of consolidation by acquisition of its shares from this consolidated fiscal year. AGORA JAPAN CO., LTD. is eliminated from the scope of consolidation due to transfer of all shares.