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May 28, 2025

Company name: Fuso Pharmaceutical Industries, Ltd.
Representative: Mikio Toda, President and Representative Director
(Securities code: 4538, Tokyo Stock Exchange Prime Market)
Inquiries: Corporate Communication Office, Corporate Planning Division
(Telephone (main): +81-6-6969-1131)

(Corrections / Corrections of Numerical Data) Notice Concerning Partial Corrections of the “Non-consolidated Financial Results for the Year Ended March 31, 2025[Japanese GAAP]” regarding adjusting events after the reporting period

Fuso Pharmaceutical Industries, Ltd. (the “Company”) hereby announces partial corrections to the content of the “Non-consolidated Financial Results for the Year Ended March 31, 2025[Japanese GAAP],” released on May 9, 2025. In addition, the numerical data has been corrected, and we are providing the revised data accordingly.

1. Reason for corrections

As per the "Notice regarding the Appeal Court Decision in the Patent Infringement Lawsuit Against Us" published on May 27, 2025, the Company will record a provision for litigation losses of 8,744 million yen as an extraordinary loss for fiscal year 2024 as adjusting events after the reporting period in the financial results for the fiscal year ended March 31, 2025.

Accordingly, the Company will make revisions to the balance sheets, statements of income, statements of changes in equity, statements of cash flows.

2. Details of corrections

There are multiple points of correction, we have attached the revised financial results, and the points of correction are indicated by underlines.

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(Revised)

Summary of Non-consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]



May 9, 2025

Company name: Fuso Pharmaceutical Industries, Ltd.

Listing: Tokyo Stock Exchange

Securities code: 4538

URL: <https://www.fuso-pharm.co.jp/en/>

Representative: Mikio Toda President and Representative Director

Inquiries: Haruhiko Furuichi Executive Officer, Acting General Manager, General Affairs Division

Telephone: +81-6-6969-1131

Scheduled date of annual general meeting of shareholders: June 25, 2025

Scheduled date to commence dividend payments: June 26, 2025

Scheduled date to file annual securities report: June 24, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (for the press)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	60,563	9.3	4,131	110.3	3,780	102.4	(3,288)	—
March 31, 2024	55,407	8.6	1,964	(11.0)	1,868	(15.7)	1,377	(14.2)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	(384.95)	—	(9.4)	4.8	6.8
March 31, 2024	159.98	—	3.8	2.5	3.5

(Reference) Share of profit (loss) of entities accounted for using equity method: Fiscal year ended March 31, 2025: ¥ - million

Fiscal year ended March 31, 2024: ¥ - million

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Book value per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	81,729	33,043	40.4	3,869.10
March 31, 2024	75,802	36,661	48.4	4,290.55

(Reference) Equity: As of March 31, 2025: ¥ 33,043 million

As of March 31, 2024: ¥ 36,661 million

(3) Non-consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	(3,305)	(3,168)	7,618	6,264
March 31, 2024	627	(3,536)	14	5,120

2. Cash dividends

	Annual dividends per share					Total dividends	Payout ratio	Ratio of dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	35.00	-	35.00	70.00	595	43.8	1.7
March 31, 2025	-	40.00	-	42.00	82.00	700	(21.3)	2.0
Fiscal year ending								
March 31, 2026 (Forecast)	-	45.00	-	45.00	90.00		33.4	

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	30,600	2.9	1,600	(34.3)	1,600	(25.4)	1,100	(28.4)	128.77
Full year	61,500	1.5	3,400	(17.7)	3,300	(12.7)	2,300	-	269.24

* Notes:

(1) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(2) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

As of March 31, 2025: 9,451,169 shares
As of March 31, 2024: 9,451,169 shares

2) Number of treasury shares at the end of the period:

As of March 31, 2025: 910,805 shares
As of March 31, 2024: 906,453 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 8,542,566 shares
Fiscal Year ended March 31, 2024: 8,610,568 shares

* These financial results are outside the scope of audits by certified public accountants or an audit firm.

* Proper use of results forecasts, and other special notes

Results forecast and other forward-looking statements in this document are based on information currently available to the Company as of the date of announcement and certain assumptions that are deemed reasonable, and are not a guarantee that they will be achieved. Actual results may differ significantly from the forecasts due to various factors.

* Access to supplementary material on financial results briefing

The Company is scheduled to hold a financial results briefing for the press on Friday, May 9, 2025. The materials to be used in this briefing will be posted on the Company's website.

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	5,120	6,264
Notes receivable - trade	260	258
Accounts receivable - trade	24,068	26,233
Merchandise and finished goods	11,813	12,642
Work in process	49	43
Raw materials and supplies	2,340	2,256
Advance payments to suppliers	185	283
Prepaid expenses	275	275
Other	834	85
Total current assets	44,947	48,342
Non-current assets		
Property, plant and equipment		
Buildings	34,599	34,746
Accumulated depreciation	(24,792)	(25,498)
Buildings, net	9,806	9,248
Structures	2,205	2,207
Accumulated depreciation	(1,757)	(1,795)
Structures, net	448	412
Machinery and equipment	28,337	28,640
Accumulated depreciation	(24,004)	(24,876)
Machinery and equipment, net	4,332	3,763
Vehicles	73	76
Accumulated depreciation	(61)	(62)
Vehicles, net	12	14
Tools, furniture and fixtures	5,575	5,805
Accumulated depreciation	(4,830)	(5,137)
Tools, furniture and fixtures, net	745	667
Land	8,818	8,818
Construction in progress	246	174
Other	15	12
Total property, plant and equipment	24,427	23,111
Intangible assets		
Software	400	1,386
Other	200	127
Total intangible assets	600	1,514
Investments and other assets		
Investment securities	3,924	4,375
Long-term prepaid expenses	272	194
Deferred tax assets	396	2,972
Other	1,232	1,217
Total investments and other assets	5,826	8,760
Total non-current assets	30,854	33,386
Total assets	75,802	81,729

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes payable - trade	1,822	-
Electronically recorded obligations - operating	9,074	4,630
Accounts payable - trade	5,530	3,998
Short-term borrowings	2,350	18,000
Current portion of long-term borrowings	3,351	827
Accounts payable - other	1,148	1,164
Accrued expenses	376	750
Income taxes payable	270	949
Deposits received	42	48
Provision for bonuses	922	980
Provision for bonuses for directors (and other officers)	20	35
<u>Provision for loss on litigation</u>	<u>-</u>	<u>8,744</u>
Notes payable - facilities	989	-
Other	3,751	4,002
Total current liabilities	29,650	44,131
Non-current liabilities		
Long-term borrowings	7,021	2,462
Deferred tax liabilities for land revaluation	1,315	1,315
Provision for retirement benefits	736	344
Provision for retirement benefits for directors (and other officers)	153	162
Asset retirement obligations	108	108
Other	153	160
Total non-current liabilities	9,489	4,554
Total liabilities	39,140	48,685
Net assets		
Shareholders' equity		
Share capital	10,758	10,758
Capital surplus		
Legal capital surplus	10,000	10,000
Other capital surplus	4,951	4,951
Total capital surplus	14,951	14,951
Retained earnings		
Other retained earnings		
General reserve	5,300	5,300
Retained earnings brought forward	11,241	7,312
Total retained earnings	16,541	12,612
Treasury shares	(2,588)	(2,593)
Total shareholders' equity	39,662	35,728
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,634	1,950
Revaluation reserve for land	(4,635)	(4,635)
Total valuation and translation adjustments	(3,000)	(2,685)
Total net assets	36,661	33,043
Total liabilities and net assets	75,802	81,729

Non-consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales		
Net sales on medicine business	55,245	60,447
Real estate lease revenue	161	115
Total net sales	55,407	60,563
Cost of sales		
Cost of sales on medicine business	41,445	43,887
Cost of real estate lease revenue	122	143
Total cost of sales	41,568	44,030
Gross profit	13,838	16,532
Total selling, general and administrative expenses	11,874	12,401
Operating profit	1,964	4,131
Non-operating income		
Interest and dividend income	96	107
Insurance claim income	80	84
Other	55	44
Total non-operating income	232	235
Non-operating expenses		
Interest expenses	171	161
Commission expenses	-	303
Life insurance expenses	100	96
Other	56	25
Total non-operating expenses	328	586
Ordinary profit	1,868	3,780
Extraordinary income		
Gain on sale of investment securities	39	-
Total extraordinary income	39	-
Extraordinary losses		
Loss on retirement of non-current assets	20	7
Loss on valuation of investment securities	119	-
<u>Provision for loss on litigation</u>	<u>±</u>	<u>8,744</u>
Total extraordinary losses	140	8,751
<u>Profit (loss) before income taxes</u>	<u>1,767</u>	<u>(4,970)</u>
Income taxes - current	425	1,029
Income taxes - deferred	(35)	(2,711)
Total income taxes	389	(1,682)
<u>Profit (loss)</u>	<u>1,377</u>	<u>(3,288)</u>

Non-consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	10,758	10,000	5,009	15,009
Changes during period				
Dividends of surplus				
<u>Profit (loss)</u>				
Purchase of treasury shares				
Disposal of treasury shares			(58)	(58)
Net changes in items other than shareholders' equity				
Total changes during period	-	-	(58)	(58)
Balance at end of period	10,758	10,000	4,951	14,951

	Shareholders' equity				
	Retained earnings			Treasury shares	Total shareholders' equity
	Other retained earnings		Total retained earnings		
	General reserve	Retained earnings brought forward			
Balance at beginning of period	5,300	10,511	15,811	(2,173)	39,405
Changes during period					
Dividends of surplus		(646)	(646)		(646)
<u>Profit (loss)</u>		1,377	1,377		1,377
Purchase of treasury shares				(652)	(652)
Disposal of treasury shares				237	179
Net changes in items other than shareholders' equity					
Total changes during period	-	730	730	(414)	256
Balance at end of period	5,300	11,241	16,541	(2,588)	39,662

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	879	(4,635)	(3,756)	35,649
Changes during period				
Dividends of surplus				(646)
<u>Profit (loss)</u>				1,377
Purchase of treasury shares				(652)
Disposal of treasury shares				179
Net changes in items other than shareholders' equity	755	-	755	755
Total changes during period	755	-	755	1,012
Balance at end of period	1,634	(4,635)	(3,000)	36,661

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	10,758	10,000	4,951	14,951
Changes during period				
Dividends of surplus				
<u>Profit (loss)</u>				
Purchase of treasury shares				
Disposal of treasury shares				
Net changes in items other than shareholders' equity				
Total changes during period	-	-	-	-
Balance at end of period	10,758	10,000	4,951	14,951

	Shareholders' equity				
	Retained earnings			Treasury shares	Total shareholders' equity
	Other retained earnings		Total retained earnings		
	General reserve	Retained earnings brought forward			
Balance at beginning of period	5,300	11,241	16,541	(2,588)	39,662
Changes during period					
Dividends of surplus		(640)	(640)		(640)
<u>Profit (loss)</u>		<u>(3,288)</u>	<u>(3,288)</u>		<u>(3,288)</u>
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	-	<u>(3,929)</u>	<u>(3,929)</u>	(4)	<u>(3,933)</u>
Balance at end of period	5,300	<u>7,312</u>	<u>12,612</u>	(2,593)	<u>35,728</u>

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	1,634	(4,635)	(3,000)	36,661
Changes during period				
Dividends of surplus				(640)
<u>Profit (loss)</u>				<u>(3,288)</u>
Purchase of treasury shares				(4)
Disposal of treasury shares				
Net changes in items other than shareholders' equity	315	-	315	315
Total changes during period	315	-	315	<u>(3,617)</u>
Balance at end of period	1,950	(4,635)	(2,685)	<u>33,043</u>

Non-consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
<u>Profit (loss) before income taxes</u>	1,767	(4,970)
Depreciation	2,263	2,354
Loss (gain) on sale of investment securities	(39)	-
Loss on retirement of non-current assets	20	7
Loss on valuation of investment securities	119	-
<u>Provision for loss on litigation</u>	-	8,744
Increase (decrease) in provision for bonuses	(8)	58
Increase (decrease) in provision for retirement benefits	(142)	(392)
Interest and dividend income	(96)	(107)
Interest expenses	171	161
Commission expenses	-	303
Decrease (increase) in trade receivables	(2,587)	(2,163)
Decrease (increase) in inventories	(1,751)	(739)
Increase (decrease) in trade payables	1,746	(7,798)
Other, net	(183)	1,649
Subtotal	1,280	(2,893)
Interest and dividends received	96	107
Interest paid	(170)	(143)
Income taxes paid	(578)	(374)
Net cash provided by (used in) operating activities	627	(3,305)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,245)	(2,122)
Purchase of intangible assets	(343)	(976)
Proceeds from sale of investment securities	84	-
Other, net	(32)	(70)
Net cash provided by (used in) investing activities	(3,536)	(3,168)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	15,650
Proceeds from long-term borrowings	4,900	1,300
Repayments of long-term borrowings	(3,587)	(8,382)
Commission fee paid	-	(303)
Purchase of treasury shares	(652)	(4)
Dividends paid	(645)	(638)
Other, net	(0)	(3)
Net cash provided by (used in) financing activities	14	7,618
Net increase (decrease) in cash and cash equivalents	(2,894)	1,144
Cash and cash equivalents at beginning of period	8,014	5,120
Cash and cash equivalents at end of period	5,120	6,264