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Consolidated Financial Results for the Fiscal Year Ended September 30, 2026 [Japanese GAAP]

November 10, 2026

Listed Company Name: Fuji Pharma Co., Ltd. Listed Exchange: Tokyo

Code Number: 4554 URL https://www.fujipharma.jp/

Representative: (Title) President and CEO (Name) Shuhei Morita

Contact Person: (Title) Senior Executive Officer, General Manager of Corporate Planning Department (Name) Atsuya Mitsuhashi (TEL) 03-3556-3344

Scheduled date of annual general meeting of shareholders: December 18, 2026

Scheduled dividend payment start date: December 21, 2026

Scheduled date of submission of annual securities report: December 15, 2026

Availability of supplementary materials for financial results : Yes

Availability of financial results briefing : Yes (For institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the fiscal year ended September 2026 (October 1, 2025 – September 30, 2026)

(1) Consolidated operating results (Percentage figures indicate the change from the previous period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended September 2026	62,386	20.7	6,355	27.4	6,176	38.5	2,831	(5.6)
Fiscal year ended September 2025	51,677	12.0	4,990	28.6	4,459	0.3	3,000	(51.2)

Note: Comprehensive income Fiscal year ended September 2026 3,450million yen [58.9%] Fiscal year ended September 2025 2,171million yen [(58.9)%]

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary profit to total assets	Operating margin
	Yen	Yen	%	%	%
Fiscal year ended September 2026	111.18	-	5.7	6.4	10.2
Fiscal year ended September 2025	122.94	-	6.5	4.9	9.7

Ref.: Equity in earnings of affiliates Fiscal year ended September 2026 -million yen Fiscal year ended September 2025 -million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2026	98,287	52,451	53.4	2,007.92
As of September 30, 2025	93,405	46,908	50.2	1,917.82

Ref.: Equity Capital As of September 30, 2026 million 52,446yen As of September 30, 2025 million 46,900yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended September 2026	6,174	(3,630)	(429)	9,496
Fiscal year ended September 2025	5,801	(4,219)	954	7,245

2. Dividend status

	Annual dividends					Total dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended September 2025	-	20.00	-	25.50	45.50	1,113	37.0	2.4
Fiscal year ended September 2026	-	23.00	-	29.00	52.00	1,359	46.8	2.7
Fiscal year ending September 2027 (Forecast)	-	28.00	-	30.50	58.50		31.3	

3. Consolidated earnings forecast for the fiscal year ending September 2027 (October 1, 2026 – September 30, 2027)

(Percentage figures indicate the change from the previous period for the full year and the year-on-year change for the corresponding period for the quarter)

	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
2Q (cumulative)	32,920	10.8	2,970	(32.5)	2,720	(36.2)	1,940	172.0	74.27
Full Year	69,190	10.9	7,420	16.8	6,910	11.9	4,880	72.4	186.83

* Notes

(1) Significant changes in the scope of consolidation during the period : None

(2) Changes in accounting policies, changes in accounting estimates, and restatements

1) Changes in accounting policies due to revisions to accounting standards, etc. : None

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

3) Changes in accounting estimates : None

4) Restatements : None

(3) Number of issued shares (common stock)

1) Number of shares issued at the end of the period (including treasury shares)	Fiscal year ended September 2026	26,541,100Shares	Fiscal year ended September 2025	24,891,100Shares
2) Number of treasury shares at the end of the period	Fiscal year ended September 2026	421,339Shares	Fiscal year ended September 2025	435,865Shares
3) Average number of shares during the period	Fiscal year ended September 2026	25,464,022Shares	Fiscal year ended September 2025	24,403,211Shares

(Reference) Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended September 2026 (October 1, 2025 – September 30, 2026)

(1) Non-consolidated operating results (Percentage figures indicate the change from the previous period)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended September 2026	57,179	20.4	5,374	27.8	5,208	40.8	2,063	(15.8)
Fiscal year ended September 2025	47,491	13.3	4,205	22.6	3,700	(6.4)	2,452	(57.8)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended September 2026	81.05	-
Fiscal year ended September 2025	100.50	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2026	89,569	47,198	52.7	1,806.96
As of September 30, 2025	85,664	42,607	49.7	1,742.11

Ref.: Equity Capital As of September 30, 2026 47,197million yen As of September 30, 2025 42,603million yen

* The consolidated financial results are not subject to audit by certified public accountants or audit firms.

* Explanation regarding the appropriate use of performance forecasts and other special notes

The forward-looking statements, including performance forecasts, described in this document are based on information currently available to the Company and certain assumptions deemed reasonable. Actual performance may differ significantly due to various factors. For details regarding these forecasts, please refer to [Attached Document] P. 2, “1. Overview of operating results, etc. (1) Overview of operating results for the current period.”

The Company is scheduled to hold a briefing session for institutional investors and analysts on Friday, November 13, 2026. The materials to be distributed at this briefing session are scheduled to be posted on the Company’s website after the session is held.

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1. Overview of operating results, etc.

(1) Overview of operating results for the current period

1) Overview of the current period

During the current consolidated fiscal year, Japan's economy continued to experience a weak yen trend amid ongoing global instability and soaring raw material and energy prices.

In the pharmaceutical industry, the business environment has become increasingly challenging as drug price controls continue amid rising social security costs and annual drug price revisions. For our products, the impact of drug price increases for some items—resulting from a reassessment of unprofitable products—kept the overall drug price revision rate at negative 0.75%.

Under these circumstances, the Fuji Pharma Group has formulated its Long-term Vision 2035 as a blueprint to continuously create value in the future by ensuring the continuous cycle of its management philosophies of "growth" and "contribution." To realize Long-term Vision 2035, the Group is advancing its medium-term management plan by the fiscal year ending September 2029 through four growth strategies—"expanding contributions in women's healthcare," "expanding contributions through the biosimilar business," "earnings contribution through the global CMO business," and "preparation and evaluation of the next growth driver"—along with three initiatives to strengthen its management base: "human resource enhancement," "organizational function enhancement," and "digitalization promotion."

For the current consolidated fiscal year, net sales reached 62,386 million yen (an increase of 20.7% year-on-year).

In the women's healthcare segment, the new drugs in particular—Alyssa Combination Tablets for dysmenorrhea and Fmeno Capsules 100mg (a natural-type progesterone preparation)—have been performing steadily.

In the biosimilar segment, the lineup of Ustekinumab biosimilar products was expanded following the acquisition of manufacturing and marketing approval for Ustekinumab biosimilar intravenous infusion 130mg "F" in September 2026, establishing a system to provide treatment options ranging from induction therapy to maintenance therapy for moderate to severe active Crohn's disease. Regarding Aflibercept in the ophthalmology field, sales commenced in January 2026 through a sales alliance with Nitto Medic Co., Ltd. Regarding Golimumab, a treatment for rheumatoid arthritis, and Denosumab, a treatment for bone lesions due to multiple myeloma, these were listed on the drug price list in May, and sales commenced in July for Golimumab and August for Denosumab, respectively. These initiatives are progressing steadily toward the expansion of the biosimilar business, one of the pillars of the medium-term management plan.

The global CMO segment is progressing as planned, centered on OLIC (Thailand) Limited, its Thai subsidiary. In other areas, growth in product sales in hematology and gastroenterology contributed.

Operating profit increased to 6,355 million yen (a 27.4% increase year-on-year), driven by an increase in gross profit accompanying the rise in net sales, despite higher SG&A expenses such as R&D expenses and personnel expenses.

Ordinary profit was 6,176 million yen (a 38.5% increase year-on-year), while profit attributable to owners of parent amounted to 2,831 million yen (a 5.6% decrease year-on-year) due to the recording of a loss on valuation of investment securities and impairment losses on long-term advance payments.

As our group operates solely in the pharmaceutical business segment, segment information is not disclosed.

2) Forecast for the next fiscal year

For the next fiscal year, we forecast net sales of 69,190 million yen (a 10.9% increase compared to the previous fiscal year), operating profit of 7,420 million yen (a 16.8% increase compared to the previous fiscal year), ordinary profit of 6,910 million yen (an 11.9% increase compared to the previous fiscal year), and profit attributable to owners of parent of 4,880 million yen (a 72.4% increase compared to the previous fiscal year).

Regarding domestic net sales, in the women's healthcare area, in addition to the continued growth of the aforementioned Alyssa® Combination Tablets, we expect contributions from the aforementioned Aflibercept, Ustekinumab biosimilar products, and Golimumab in the biosimilar area. Regarding overseas net sales, we will also proceed with the further expansion of manufacturing and sales businesses centered on the oral contraceptive Nextstellis™ in the ASEAN region by OLIC (Thailand) Limited.

In terms of profit, while R&D expenses are expected to increase significantly, we expect operating profit, ordinary profit, and profit attributable to owners of parent to increase by appropriately managing expenses.

(2) Overview of financial position for the current period

1) Status of assets, liabilities, and net assets

Regarding assets at the end of the current consolidated fiscal year, total assets amounted to 98,287 million yen, an increase of 4,882 million yen compared to the end of the previous fiscal year. Net assets amounted to 52,451 million yen, and the equity ratio was 53.4%.

In the assets section, current assets amounted to 54,383 million yen, an increase of 6,469 million yen compared to the end of the previous fiscal year due to an increase in accounts receivable and cash and deposits. Non-current assets amounted to 43,904 million yen, a decrease of 1,587 million yen compared to the end of the previous fiscal year, as investment securities and long-term advance payments decreased, while deferred tax assets increased.

In the liabilities section, current liabilities amounted to 32,992 million yen, an increase of 2,004 million yen compared to the end of the previous fiscal year, due to factors such as an increase in provision for bonuses, while notes and accounts payable - trade decreased. Non-current liabilities amounted to 12,843 million yen, a decrease of 2,664 million yen compared to the end of the previous fiscal year, due to factors such as a decrease in long-term debt and bonds payable.

In the net assets section, while deferred gains or losses on hedges decreased, net assets amounted to 52,451 million yen due to factors such as increases in capital stock and capital surplus, representing an increase of 5,543 million yen compared to the end of the previous fiscal year.

2) Status of cash flows

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the current consolidated fiscal year increased by 2,250 million yen compared to the end of the previous fiscal year, amounting to 9,496 million yen.

The status of the respective cash flows for the current consolidated fiscal year and their factors are as follows.

(Cash flows from operating activities)

While there were items such as profit before income taxes of 3,155 million yen, depreciation of 4,207 million yen, and loss on valuation of investment securities of 2,000 million yen, there were also an increase in notes and accounts receivable-trade of 2,528 million yen and income taxes paid of 1,638 million yen, etc., resulting in cash inflows from operating activities of 6,174 million yen (an increase in inflow of 372 million yen year-on-year).

(Cash flows from investing activities)

Due to expenditures such as 2,092 million yen for the purchase of property, plant and equipment and 1,806 million yen for the purchase of intangible assets, net cash used in investing activities was 3,630 million yen (a decrease in cash used of 589 million yen year-on-year).

(Cash flows from financing activities)

While there were proceeds of 3,300 million yen from issuance of shares resulting from exercise of share acquisition rights, etc., net cash used in financing activities was 429 million yen (compared to net cash provided of 954 million yen in the same period of the previous year) due to expenditures such as 1,281 million yen for repayments of long-term loans payable and 1,225 million yen for dividends paid.

(Reference) Cash flow related indicators

	Fiscal year ended September 2024	Fiscal year ended September 2025	Fiscal year ended September 2026
Equity ratio (%)	50.6	50.2	53.4
Equity ratio on a market value basis (%)	34.4	40.5	47.5
Cash flow to interest-bearing debt ratio (%)	486.5	534.6	460.8
Interest coverage ratio (times)	30.6	17.6	15.4

• Equity ratio: Equity Capital / Total assets

• Equity ratio on a market value basis: Market capitalization / Total assets

• Cash flow to interest-bearing debt ratio: Interest-bearing debt / Operating cash flow

• Interest coverage ratio: Operating cash flow / Interest expenses

(Note) 1. All figures are calculated on a consolidated basis.
2. Market capitalization is calculated as the closing stock price at the end of the period multiplied by the number of issued shares at the end of the period (after deducting treasury shares).
3. Interest-bearing debt includes all liabilities reported on the consolidated balance sheet that are subject to interest payments.
4. For operating cash flow, “Cash flows from operating activities” reported in the statement of cash flows is used, and for interest expenses, “Interest expenses” stated in the consolidated statement of income is used.
5. A dash (-) is shown where the figure is negative.

(3) Basic policy on profit distribution and dividends for the current and next fiscal years

Our group’s policy regarding profit distribution is to consider stable and continuous dividend payments as a key management priority, while simultaneously aiming to enhance internal reserves in preparation for future business developments and comprehensively taking into account performance for each period, dividend payout ratios, and other factors.

Regarding internal reserves, we intend to allocate these funds to capital requirements such as research and development expenditures aimed at strengthening the management structure and increasing corporate value, capital expenditures for improving production capacity and efficiency, and the expansion and strengthening of our sales structure.

Regarding dividends for the current fiscal year, an interim dividend of 23.00 yen per share, a year-end dividend of 29.00 yen per share, and a consolidated dividend payout ratio of 46.8% are planned.

Regarding dividends for the next fiscal year, by comprehensively taking into account the performance forecasts and future business developments, the Company plans to pay 58.50 yen per share (interim dividend of 28.00 yen and year-end dividend of 30.50 yen).

In addition, we have introduced a progressive dividend policy from the current medium-term management plan.

Future dividends will be increased or maintained depending on business performance, and we will continue to maintain a dividend payout ratio of 30% or more, excluding special factors.

2. Basic approach regarding the selection of accounting standards

Our group adopts Japanese GAAP.

Regarding the application of IFRS, our policy is to respond appropriately after considering various domestic and international circumstances.

3. Consolidated financial statements and major notes

(1) Consolidated balance sheet

(Unit: million yen)

	Previous consolidated fiscal year (as of September 30, 2025)	Current consolidated fiscal year (as of September 30, 2026)
Assets		
Current assets		
Cash and deposits	7,245	9,496
Notes receivable	3,241	3,386
Accounts receivable	14,746	17,145
Merchandise and finished goods	6,566	6,672
Work in process	3,233	4,680
Raw materials and supplies	11,416	11,207
Advance payments to suppliers	35	233
Accounts receivable - other	296	454
Other	1,130	1,107
Allowance for doubtful accounts	(0)	(0)
Total current assets	47,913	54,383
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,553	19,109
Accumulated depreciation	(9,034)	(9,807)
Buildings and structures, net	9,519	9,302
Machinery, equipment, and vehicles	15,111	16,571
Accumulated depreciation	(11,124)	(12,165)
Machinery, equipment, and vehicles, net	3,987	4,405
Land	1,340	1,348
Leased assets	5,868	5,868
Accumulated depreciation	(1,567)	(2,106)
Leased assets, net	4,301	3,761
Construction in progress	907	566
Other	2,458	2,824
Accumulated depreciation	(1,598)	(1,848)
Others, net	859	975
Total property, plant and equipment	20,914	20,360
Intangible assets		
Sales rights	13,279	12,601
Other	661	1,090
Total intangible assets	13,941	13,692
Investment and other assets		
Investment securities	5,094	3,815
Long-term advance payments	1,794	1,032
Deferred tax assets	2,327	3,810
Other	1,419	1,193
Total investment and other assets	10,635	9,851
Total non-current assets	45,491	43,904
Total assets	93,405	98,287

(Unit: million yen)

	Previous consolidated fiscal year (as of September 30, 2025)	Current consolidated fiscal year (as of September 30, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,570	3,709
Short-term debt	15,300	15,300
Current portion of bonds payable	700	700
Current portion of long-term debt	1,281	1,198
Lease liabilities	582	600
Income taxes payable	963	1,365
Provision for bonuses	1,093	1,683
Provision for bonuses for directors (and other officers)	12	86
Other	6,485	8,348
Total current liabilities	30,988	32,992
Non-Current liabilities		
Bonds payable	1,750	1,050
Long-term debt	7,202	6,004
Lease liabilities	4,122	3,521
Retirement benefit liability	2,215	2,103
Other	218	164
Total non-current liabilities	15,508	12,843
Total liabilities	46,496	45,836
Net assets		
Share capital		
Capital stock	3,904	5,555
Capital surplus	4,511	6,163
Retained earnings	36,219	37,824
Treasury shares	(498)	(480)
Total share capital	44,137	49,063
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(500)	-
Deferred gains or losses on hedges	16	(49)
Foreign currency translation adjustment	3,135	3,262
Remeasurements of defined benefit plans	112	170
Total accumulated other comprehensive income	2,763	3,383
Share acquisition rights	3	0
Non-controlling interests	3	4
Total net assets	46,908	52,451
Total liabilities and net assets	93,405	98,287

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

(Consolidated statement of income)

(Unit: million yen)

	Previous consolidated fiscal year (from October 1, 2024 to September 30, 2025)	Current consolidated fiscal year (from October 1, 2025 to September 30, 2026)
Net sales	51,677	62,386
Cost of sales	30,914	38,065
Gross profit	20,763	24,321
SG&A expenses		
Salaries and bonuses	3,782	3,937
Provision for bonuses	532	867
Provision for bonuses for directors (and other officers)	12	86
Retirement benefit expenses	221	154
R&D expenses	3,344	4,059
Depreciation	1,382	1,548
Amortization of goodwill	90	-
Other	6,406	7,312
Total SG&A expenses	15,773	17,966
Operating profit	4,990	6,355
Non-operating income		
Foreign exchange gains	35	43
Insurance claim income	42	0
Subsidy income	69	266
Other	40	77
Total non-operating income	187	387
Non-operating expenses		
Interest expenses	330	400
Loss on valuation of derivatives	322	126
Other	65	38
Total non-operating expenses	718	565
Ordinary profit	4,459	6,176
Extraordinary losses		
Impairment losses	394	762
Loss on tax purpose reduction entry of non-current assets	60	258
Loss on valuation of investment securities	-	2,000
Losses on disasters	3	-
Total extraordinary losses	458	3,021
Profit before income taxes	4,000	3,155
Income taxes - current	1,330	2,026
Income taxes - deferred	(608)	(1,702)
Taxes paid due to corrections or decisions on income taxes	278	-
Total income taxes	1,000	324
Profit	3,000	2,831
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	3,000	2,831

(Consolidated statement of comprehensive income)

(Unit: million yen)

	Previous consolidated fiscal year (from October 1, 2024 to September 30, 2025)	Current consolidated fiscal year (from October 1, 2025 to September 30, 2026)
Profit	3,000	2,831
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,386)	500
Deferred gains or losses on hedges	6	(66)
Foreign currency translation adjustment	470	127
Remeasurements of defined benefit plans, net of tax	80	57
Total other comprehensive income	(828)	619
Comprehensive income	2,171	3,450
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,171	3,450
Comprehensive income attributable to non-controlling interests	0	0

(3) Consolidated statement of changes in equity

Previous consolidated fiscal year (from October 1, 2024 to September 30, 2025)

(Unit: million yen)

	Share capital				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total share capital
Balance at beginning of current period	3,799	4,406	34,256	(505)	41,956
Changes during current period					
Dividends of surplus			(1,037)		(1,037)
Issuance of new shares (exercise of share acquisition rights)	105	105			210
Profit attributable to owners of parent			3,000		3,000
Disposal of treasury shares				6	6
Purchase of treasury shares				(0)	(0)
Net changes in items other than share capital					
Total changes during current period	105	105	1,962	6	2,180
Balance at end of current period	3,904	4,511	36,219	(498)	44,137

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	885	10	2,665	32	3,592	10	3	45,563
Changes during current period								
Dividends of surplus								(1,037)
Issuance of new shares (exercise of share acquisition rights)								210
Profit attributable to owners of parent								3,000
Disposal of treasury shares								6
Purchase of treasury shares								(0)
Net changes in items other than share capital	(1,386)	6	470	80	(829)	(6)	0	(835)
Total changes during current period	(1,386)	6	470	80	(829)	(6)	0	1,344
Balance at end of current period	(500)	16	3,135	112	2,763	3	3	46,908

Current consolidated fiscal year (from October 1, 2025 to September 30, 2026)

(Unit: million yen)

	Share capital				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total share capital
Balance at beginning of current period	3,904	4,511	36,219	(498)	44,137
Changes during current period					
Dividends of surplus			(1,225)		(1,225)
Issuance of new shares (exercise of share acquisition rights)	1,651	1,651			3,302
Profit attributable to owners of parent			2,831		2,831
Disposal of treasury shares				18	18
Purchase of treasury shares					-
Net changes in items other than share capital					
Total changes during current period	1,651	1,651	1,605	18	4,926
Balance at end of current period	5,555	6,163	37,824	(480)	49,063

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	(500)	16	3,135	112	2,763	3	3	46,908
Changes during current period								
Dividends of surplus								(1,225)
Issuance of new shares (exercise of share acquisition rights)								3,302
Profit attributable to owners of parent								2,831
Disposal of treasury shares								18
Purchase of treasury shares								-
Net changes in items other than share capital	500	(66)	127	57	619	(2)	0	616
Total changes during current period	500	(66)	127	57	619	(2)	0	5,543
Balance at end of current period	-	(49)	3,262	170	3,383	0	4	52,451

(4) Consolidated statement of cash flows

(Unit: million yen)

	Previous consolidated fiscal year (from October 1, 2024 to September 30, 2025)	Current consolidated fiscal year (from October 1, 2025 to September 30, 2026)
Cash flows from operating activities		
Profit before income taxes	4,000	3,155
Depreciation	3,875	4,207
Impairment losses	394	762
Amortization of goodwill	90	-
Increase (decrease) in allowance for doubtful accounts	0	0
Increase (decrease) in provision for bonuses	542	589
Increase (decrease) in provision for bonuses for directors (and other officers)	3	73
Increase (decrease) in retirement benefit liability	133	(64)
Interest and dividend income	(5)	(4)
Interest expenses	330	400
Foreign exchange losses (gains)	(51)	(104)
Loss (gain) on valuation of derivatives	322	126
Loss (gain) on valuation of investment securities	-	2,000
Decrease (increase) in trade receivables	525	(2,528)
Decrease (increase) in inventories	(3,078)	(1,294)
Increase (decrease) in trade payables	356	(895)
Other	883	1,896
Subtotal	8,321	8,320
Interest and dividends received	5	4
Interest paid	(327)	(393)
Income taxes paid	(2,197)	(1,757)
Cash flows from operating activities	5,801	6,174
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,981)	(2,092)
Proceeds from sale of property, plant and equipment	2	5
Purchase of intangible assets	(1,873)	(1,806)
Decrease (increase) in long-term advance payments	(474)	-
Other	106	263
Cash flows from investing activities	(4,219)	(3,630)
Cash flows from financing activities		
Proceeds from long-term Loans Payable	9,000	-
Repayments of long-term Loans Payable	(7,099)	(1,281)
Proceeds from issuance of bonds payable	987	-
Redemption of bonds payable	(650)	(700)
Dividends paid	(1,036)	(1,225)
Repayments of lease obligations	(451)	(522)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	210	3,300
Other	(6)	-
Cash flows from financing activities	954	(429)
Effect of exchange rate change on cash and cash equivalents	123	135
Net increase (decrease) in cash and cash equivalents	2,660	2,250
Cash and cash equivalents at beginning of period	4,585	7,245
Cash and cash equivalents at end of period	7,245	9,496

(5) Notes to consolidated financial statements

(Notes on the going concern assumption)

There are no applicable items.

(Significant accounting policies for the preparation of consolidated financial statements)

1. Matters concerning the scope of consolidation

• Number of consolidated subsidiaries: 1 company

• Name of consolidated subsidiary: OLIC (Thailand) Limited

2. Matters concerning the application of the equity method

There are no applicable items.

3. Matters concerning the fiscal year, etc. of consolidated subsidiaries

The fiscal year end of consolidated subsidiaries coincides with the consolidated fiscal year end.

4. Matters concerning accounting policies

(1) Standards and methods for valuation of significant assets

1) Securities

Available-for-sale securities

• Securities other than shares, etc. without market prices

The market value method is applied (all valuation differences are reported as a direct increase or decrease in net assets, and the cost of securities sold is calculated using the moving-average method).

• Shares, etc. without market prices

The cost method using the moving-average method is applied.

2) Derivatives

The market value method is applied.

3) Inventories

The Company applies the cost method using the weighted average method (the carrying amount on the balance sheet is calculated by reducing the book value due to a decline in profitability) for merchandise and finished goods, and primarily the cost method using the first-in, first-out method (the carrying amount on the balance sheet is calculated by reducing the book value due to a decline in profitability) for items other than merchandise and finished goods; foreign consolidated subsidiaries primarily apply the cost method using the moving-average method.

(2) Depreciation methods for significant depreciable assets

1) Property, plant and equipment (excluding leased assets)

The straight-line method is applied.

The main useful lives are as follows.

Buildings and structures: 5 years to 50 years

Machinery, equipment, and vehicles: 3 years to 20 years

2) Intangible assets (excluding leased assets)

• Software for internal use

The straight-line method is applied based on the period available for internal use (3 to 5 years).

• Sales rights

The straight-line method is applied based on the period over which the effect lasts (5 to 25 years).

• Other intangible assets

The straight-line method is applied.

3) Leased assets

• Leased assets related to the Company's finance lease transactions

Regarding leased assets related to non-ownership transfer finance lease transactions, the straight-line method is adopted, using the lease term as the useful life and assuming zero residual value.

• Leased assets related to finance lease transactions of foreign consolidated subsidiaries

The straight-line method is adopted, using the lease term as the useful life and assuming zero residual value.

(3) Standards for recording significant provisions

1) Allowance for doubtful accounts

To prepare for losses due to the uncollectibility of receivables, for general receivables, an amount representing the estimated uncollectible amount is recorded based on the actual loss rate, and for specific receivables such as doubtful accounts, the estimated uncollectible amount is recorded by individually considering collectibility.

2) Provision for bonuses

To fund the payment of employee bonuses, the estimated amount to be borne in the current consolidated fiscal year out of the total estimated payment amount is recorded.

3) Provision for bonuses for directors (and other officers)

To fund the payment of bonuses for directors (and other officers), the estimated amount to be borne in the current consolidated fiscal year is recorded.

(4) Standards for recording significant revenue and expenses

Our group earns revenue through the manufacture and sale of pharmaceuticals and contract manufacturing.

The main contents of performance obligations related to revenue arising from contracts with customers and the normal timing of satisfaction of such performance obligations (the normal timing of revenue recognition) are, in principle, determined by judging that control is transferred to the customer and the performance obligation is satisfied at the time of delivery of products, goods, and contract-manufactured items, and revenue is recognized at that time. When there is no significant difference between the time of shipment and the time of delivery, the alternative treatment specified in Paragraph 98 of the "Implementation Guidance on Accounting Standard for Revenue Recognition" is applied, and revenue is recognized at the time of shipment.

Revenue arising from the sale of products, goods, and contract-manufactured items is calculated as the amount within a range in which it is highly probable that a significant reversal of revenue will not occur, by deducting from the consideration promised in contracts with customers estimated returns, rebates, sales incentives, etc. based on past results.

(5) Accounting methods for retirement benefits

1) Method of allocating estimated retirement benefits to periods

In calculating retirement benefit obligations, the method of allocating estimated retirement benefits to the period up to the end of the current consolidated fiscal year is based on the benefit formula method.

2) Method of expensing actuarial differences and prior service costs

Regarding actuarial differences in the Company, the amount allocated by the straight-line method over a certain number of years (5 years) within the average remaining service period of employees at the time of occurrence in each consolidated fiscal year is expensed from the consolidated fiscal year following the occurrence. Regarding prior service costs, they are expensed by the straight-line method over a certain number of years (5 years) within the average remaining service period of employees at the time of occurrence. Regarding actuarial differences in foreign consolidated subsidiaries, they are expensed at the time of occurrence.

(6) Standards for translation of significant foreign currency-denominated assets or liabilities into yen

Assets and liabilities of foreign subsidiaries and other entities are translated into yen at the spot exchange rate on the consolidated balance sheet date, revenues and expenses are translated into yen at the average exchange rate during the period, and translation differences are included in the foreign currency translation adjustment account and non-controlling interests within the net assets section.

(7) Methods of significant hedge accounting

1) Methods of hedge accounting

As a general rule, deferred hedge accounting is used, but in the case of hedging foreign exchange risk, the allocation method is adopted if the requirements for the allocation method are met.

2) Hedging instruments and hedged items

• Hedging instruments: Foreign exchange forward contracts

• Hedged items: Foreign currency-denominated accounts payable and forecast transactions due to the import of raw materials

3) Hedge policy

Primarily for the import of raw materials, foreign exchange forward contracts are entered into for the purpose of avoiding foreign exchange fluctuation risks related to foreign currency-denominated accounts payable and forecast transactions within the scope of actual demand.

4) Method of evaluating hedge effectiveness

Regarding foreign exchange forward contracts, hedge effectiveness is evaluated by comparing the cumulative change in cash flows of the hedged item or market fluctuations with the cumulative change in cash flows of the hedging instrument or market fluctuations, based on the change in amounts of both. However, for foreign exchange forward contracts using the allocation method, the evaluation of effectiveness is omitted.

(8) Scope of cash and cash equivalents in the consolidated statement of cash flows

Cash and cash equivalents consist of cash on hand, deposits available for immediate withdrawal, and short-term investments that are highly liquid and carry only minimal risk of changes in value, with maturity dates within 3 months from the date of acquisition.

(Additional information)

(Regarding the stock compensation trust for directors)

The Company has introduced a performance-based stock compensation system, known as the "Stock Compensation Trust for Directors" for its directors (excluding outside directors) and executive officers who meet the beneficiary criteria specified in the stock issuance rules, with the aim of enhancing motivation to contribute to its medium- to long-term performance and corporate value. The accounting treatment for the trust contract is applied on a gross basis in accordance with the "Practical Solution on Transactions Delivering the Company's Own Stock to Employees, etc. through Trusts" (Practical Solution No. 30, March 26, 2015).

1) Overview of the transaction

This system is an equity compensation program under which the Company acquires its own stock (common stock; the same shall apply hereinafter) through a trust established with funds contributed by the Company and annually delivers the Company's stock and cash to directors, etc. through the trust, based on points awarded according to their position and performance as stipulated in the directors' equity compensation regulations established by the Board of Directors. The Board of Directors determines the base amount for point calculation each December in accordance with the directors' equity compensation regulations, and the corresponding shares are delivered in November of the following year.

2) Company's stock remaining in the trust

The Company's stock remaining in the trust is recorded as treasury shares in the net assets section at its book value under the trust (excluding incidental costs). The book value and number of shares of these treasury shares were 50 million yen and 40,222 shares in the previous consolidated fiscal year, and 32 million yen and 25,696 shares in the current consolidated fiscal year.

(Segment information, etc.)

(Segment information)

As our group operates in a single pharmaceutical business segment, the information is omitted.

(Per share information)

	Previous consolidated fiscal year (from October 1, 2024 to September 30, 2025)	Current consolidated fiscal year (from October 1, 2025 to September 30, 2026)
Net assets per share	1,917.82 yen	2,007.92 yen
Net income per share	122.94 yen	111.18 yen

(Notes) 1. In the calculation of the average number of shares during the period and the total number of shares issued at the end of the period for common stock, the Company's stock held by Sumitomo Mitsui Trust Bank, Limited (in trust account) as trust property for the Stock Compensation Trust for Directors is included in the treasury shares to be deducted.
Furthermore, the average number of shares during the period for the Company's stock held by said trust account is 41,557 shares, and the number of shares at the end of the period is 40,222 shares for the previous consolidated fiscal year; and the average number of shares during the period is 29,079 shares, and the number of shares at the end of the period is 25,696 shares for the current consolidated fiscal year.

2. The basis for calculating net income per share is as follows.

	Previous consolidated fiscal year (from October 1, 2024 to September 30, 2025)	Current consolidated fiscal year (from October 1, 2025 to September 30, 2026)
Net income per share		
Profit attributable to owners of parent (million yen)	3,000	2,831
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent related to common stock (million yen)	3,000	2,831
Average number of shares during the period (shares)	24,403,211	25,464,022
Summary of potential shares not included in the calculation of diluted net income per share because they have no dilutive effect	Share acquisition rights by resolution of the Board of Directors meeting held on July 18, 2024 Number of share acquisition rights: 24,000 (common stock: 2,400,000 shares)	Share acquisition rights by resolution of the Board of Directors meeting held on July 18, 2024 Number of share acquisition rights: 7,500 (common stock: 750,000 shares)

3. The basis for calculating net assets per share is as follows.

	Previous consolidated fiscal year (as of September 30, 2025)	Current consolidated fiscal year (as of September 30, 2026)
Total net assets (million yen)	46,908	52,451
Amount deducted from total net assets (million yen)	7	4
(of which: share acquisition rights (million yen))	(3)	(0)
(of which: non-controlling interests (million yen))	(3)	(4)
Net assets at end of period attributable to common stock (million yen)	46,900	52,446
Number of shares of common stock at end of period used to calculate net assets per share (shares)	24,455,235	26,119,761

(Significant subsequent events)

There are no applicable items.

4. Non-consolidated financial statements

(1) Balance sheet

(Unit: million yen)

	Previous fiscal year (as of September 30, 2025)	Current fiscal year (as of September 30, 2026)
Assets		
Current assets		
Cash and deposits	5,448	7,795
Notes receivable	3,241	3,386
Accounts receivable	13,344	15,352
Merchandise and finished goods	5,945	6,328
Work in process	2,980	4,206
Raw materials and supplies	8,629	8,319
Advance payments to suppliers	4	208
Prepaid expenses	278	341
Accounts receivable - other	293	455
Short-term loans to subsidiaries and associates	693	703
Other	360	242
Allowance for doubtful accounts	(0)	(0)
Total current assets	41,219	47,339
Non-current assets		
Property, plant and equipment		
Buildings	13,490	13,649
Accumulated depreciation	(5,950)	(6,491)
Buildings, net	7,539	7,157
Structures	464	527
Accumulated depreciation	(297)	(322)
Structures, net	167	204
Machinery and equipment	6,659	7,598
Accumulated depreciation	(5,040)	(5,351)
Machinery and equipment, net	1,618	2,246
Vehicles	72	76
Accumulated depreciation	(60)	(65)
Vehicles, net	12	11
Tools, furniture and fixtures	2,067	2,398
Accumulated depreciation	(1,324)	(1,535)
Tools, furniture and fixtures, net	742	862
Land	813	813
Leased assets	5,864	5,864
Accumulated depreciation	(1,565)	(2,104)
Leased assets, net	4,298	3,760
Construction in progress	428	62
Total property, plant and equipment	15,622	15,118
Intangible assets		
Trademark rights	0	0
Sales rights	11,717	11,087
Software	539	467
Telephone subscription rights	7	7
Other	46	375
Total intangible assets	12,312	11,938
Investment and other assets		
Investment securities	5,094	3,815
Shares of subsidiaries and associates	6,018	6,018
Capital contributions	0	0
Long-term advance payments	1,794	514
Long-term prepaid expenses	1,131	1,039
Deferred tax assets	2,189	3,637
Other	280	147
Total investment and other assets	16,509	15,172
Total non-current assets	44,444	42,230
Total assets	85,664	89,569

(Unit: million yen)

	Previous fiscal year (as of September 30, 2025)	Current fiscal year (as of September 30, 2026)
Liabilities		
Current liabilities		
Notes payable	231	-
Accounts payable	2,797	2,584
Short-term debt	15,300	15,300
Current portion of bonds payable	700	700
Current portion of long-term debt	1,281	1,198
Lease liabilities	580	599
Accounts payable - other	3,211	3,086
Accrued expenses	1,316	1,659
Income taxes payable	963	1,365
Deposits received	90	56
Provision for bonuses	1,093	1,683
Provision for bonuses for directors (and other officers)	12	86
Advances received	165	-
Other	400	1,788
Total current liabilities	28,145	30,109
Non-Current liabilities		
Bonds payable	1,750	1,050
Long-term debt	7,202	6,004
Lease liabilities	4,120	3,521
Guarantee deposits received	77	75
Provision for retirement benefits	1,620	1,521
Long-term accounts payable - other	140	89
Total non-current liabilities	14,912	12,261
Total liabilities	43,057	42,371
Net assets		
Share capital		
Capital stock	3,904	5,555
Capital surplus		
Capital reserve	105	1,756
Other capital surplus	4,405	4,405
Total capital surplus	4,510	6,162
Retained earnings		
Legal retained earnings	491	554
Other retained earnings		
General reserve	5,000	5,000
Retained earnings brought forward	29,680	30,455
Total retained earnings	35,171	36,009
Treasury shares	(498)	(480)
Total share capital	43,088	47,247
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(500)	-
Deferred gains or losses on hedges	16	(49)
Total valuation and translation adjustments	(484)	(49)
Share acquisition rights	3	0
Total net assets	42,607	47,198
Total liabilities and net assets	85,664	89,569

(2) Statement of income

(Unit: million yen)

	Previous fiscal year (from October 1, 2024 to September 30, 2025)	Current fiscal year (from October 1, 2025 to September 30, 2026)
Net sales	47,491	57,179
Cost of sales	28,955	35,397
Gross profit	18,535	21,782
SG&A expenses		
Sales promotion expenses	197	459
Packing and transportation expenses	459	414
Entertainment expenses	23	23
Remuneration for directors (and other officers)	186	189
Salaries and bonuses	3,228	3,391
Provision for bonuses	532	867
Provision for bonuses for directors (and other officers)	12	86
Provision of allowance for doubtful accounts	0	0
Retirement benefit expenses	125	110
Employee benefits	603	654
Travel and transportation expenses	527	608
Rent expenses	572	661
Depreciation	1,318	1,459
R&D expenses	3,344	4,059
Other	3,196	3,421
Total SG&A expenses	14,329	16,407
Operating profit	4,205	5,374
Non-operating income		
Insurance claim income	42	0
Subsidy income	69	266
Foreign exchange gains	58	15
Other	43	116
Total non-operating income	213	399
Non-operating expenses		
Interest expenses	330	400
Loss on valuation of derivatives	322	126
Other	65	38
Total non-operating expenses	718	565
Ordinary profit	3,700	5,208
Extraordinary losses		
Losses on disasters	3	-
Impairment losses	394	762
Loss on tax purpose reduction entry of non-current assets	60	258
Loss on valuation of investment securities	-	2,000
Total extraordinary losses	458	3,021
Profit before income taxes	3,242	2,187
Income taxes - current	1,118	1,763
Income taxes - deferred	(607)	(1,639)
Taxes correction	278	-
Total income taxes	789	123
Profit	2,452	2,063

Statement of manufacturing costs

Category	Note number	Previous fiscal year (from October 1, 2024 to September 30, 2025) Amount (million yen)	Composition ratio (%)	Current fiscal year (from October 1, 2025 to September 30, 2026) Amount (million yen)	Composition ratio (%)
I. Material costs		19,011	72.4	24,225	75.1
II. Labor costs	*1	3,032	11.5	3,391	10.5
III. Expenses	*2	4,213	16.0	4,658	14.4
Total manufacturing costs for the period		26,257	100.0	32,275	100.0
Work in process inventory at beginning of period		3,302		2,980	
Total		29,560		35,256	
Work in process inventory at end of period		2,980		4,206	
Transfers to other accounts	*3	(166)		(75)	
Cost of finished goods manufactured for the period		26,746		31,124	

Cost accounting method

Simple process costing based on actual costs is adopted as the cost accounting method.

Previous fiscal year (from October 1, 2024 to September 30, 2025)

*1. Provisions included in labor costs are as follows.

Provision for bonuses	806 million yen
Retirement benefit expenses	105

*2. The main breakdown is as follows.

Depreciation	1,469 million yen
Repair expenses	927
Utilities	610
Supplies expenses	507
Commission expenses	203
Outsourced testing expenses	173
Communication expenses	119

*3. The breakdown of transfers to other accounts is as follows.

Cost of sales	(166) million yen
SG&A expenses	0
Extraordinary losses	-
Total	(166)

Current fiscal year (from October 1, 2025 to September 30, 2026)

*1. Provisions included in labor costs are as follows.

Provision for bonuses	973 million yen
Retirement benefit expenses	78

*2. The main breakdown is as follows.

Depreciation	1,536 million yen
Repair expenses	1,045
Utilities	624
Supplies expenses	541
Commission expenses	481
Outsourced testing expenses	121
Communication expenses	25

*3. The breakdown of transfers to other accounts is as follows.

Cost of sales	(80) million yen
SG&A expenses	4
Extraordinary losses	-
Total	(75)

(3) Statement of changes in equity

Previous fiscal year (from October 1, 2024 to September 30, 2025)

(Unit: million yen)

	Share capital							
	Capital stock	Capital surplus			Retained earnings			
		Capital reserve	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at beginning of current period	3,799	-	4,405	4,405	387	5,000	28,368	33,756
Changes during current period								
Dividends of surplus				-	103		(1,141)	(1,037)
Issuance of new shares (exercise of share acquisition rights)	105	105		105				
Profit				-			2,452	2,452
Disposal of treasury shares				-				-
Purchase of treasury shares								
Net changes in items other than share capital								
Total changes during current period	105	105	-	105	103	-	1,311	1,415
Balance at end of current period	3,904	105	4,405	4,510	491	5,000	29,680	35,171

	Share capital		Valuation and translation adjustments			Share acquisition rights	Total net assets
	Treasury shares	Total share capital	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of current period	(505)	41,455	885	10	895	10	42,361
Changes during current period							
Dividends of surplus		(1,037)			-		(1,037)
Issuance of new shares (exercise of share acquisition rights)		210					210
Profit		2,452			-		2,452
Disposal of treasury shares	6	6			-		6
Purchase of treasury shares	(0)	(0)					(0)
Net changes in items other than share capital			(1,386)	6	(1,380)	(6)	(1,386)
Total changes during current period	6	1,632	(1,386)	6	(1,380)	(6)	245
Balance at end of current period	(498)	43,088	(500)	16	(484)	3	42,607

Current fiscal year (from October 1, 2025 to September 30, 2026)

(Unit: million yen)

	Share capital							
	Capital stock	Capital surplus			Retained earnings			
		Capital reserve	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at beginning of current period	3,904	105	4,405	4,510	491	5,000	29,680	35,171
Changes during current period								
Dividends of surplus				-	62		(1,288)	(1,225)
Issuance of new shares (exercise of share acquisition rights)	1,651	1,651		1,651				
Profit				-			2,063	2,063
Disposal of treasury shares				-				-
Purchase of treasury shares								
Net changes in items other than share capital								
Total changes during current period	1,651	1,651	-	1,651	62	-	775	837
Balance at end of current period	5,555	1,756	4,405	6,162	554	5,000	30,455	36,009

	Share capital		Valuation and translation adjustments			Share acquisition rights	Total net assets
	Treasury shares	Total share capital	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of current period	(498)	43,088	(500)	16	(484)	3	42,607
Changes during current period							
Dividends of surplus		(1,225)			-		(1,225)
Issuance of new shares (exercise of share acquisition rights)		3,302					3,302
Profit		2,063			-		2,063
Disposal of treasury shares	18	18			-		18
Purchase of treasury shares		-					-
Net changes in items other than share capital			500	(66)	434	(2)	432
Total changes during current period	18	4,158	500	(66)	434	(2)	4,590
Balance at end of current period	(480)	47,247	-	(49)	(49)	0	47,198

(4) Notes to non-consolidated financial statements

(Additional information)

(Change in presentation method)

(Related to balance sheet)

In the previous fiscal year, “software in progress” was included in “software” under intangible assets; however, as a result of reviewing the presentation method for intangible assets, it is included in “other” under intangible assets from the current fiscal year. To reflect this change in presentation method, the financial statements for the previous fiscal year have been reclassified.

As a result, in the balance sheet for the previous fiscal year, 46 million yen of “software” under intangible assets has been reclassified to be included in “other” under intangible assets of 46 million yen.