SUZUKEN




One Team Report 2025

Suzuken Group Integrated Report







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About "One Team Report 2025"

In 2016, the Suzuken Group began to issue a One Team Report that integrates the content previously included in our Annual Report and CSR Report and presents both financial and non-financial information. It is our hope that through this report, a wide range of stakeholders including shareholders, investors, and others will gain a deeper understanding of the Group.

The performance and financial data in this report are based on the annual securities report.

In its One Team Report 2025, the Group explains the progress and outlook for its transformation into a "Health Creation Enterprise" looking ahead to its 100th anniversary in 2032. Within the medium-term management plan "For your next heartbeat — Creating a movement toward tomorrow," the report presents the Group's pursuit of "ambidextrous management," simultaneously driving the transformation of its existing businesses centered on pharmaceutical distribution and the creation of new growth businesses leveraging digital technologies. It offers a clear, reader-friendly introduction to initiatives such as reforms in healthcare distribution, smart logistics, and the development of information businesses, all aimed at solving social issues while driving corporate growth.

The report discloses KPI progress on both financial and non-financial fronts and, as part of strengthening human capital, includes messages from frontline employees alongside those from executives. From a frontline perspective, it communicates the overall scope of business activities rooted in our founding spirit—"For society and for people" and "Learning from our customers"—our mission to maintain the function of pharmaceutical distribution as social infrastructure, and our commitment to ongoing transformation.

Scope of reporting

■ Organization

Suzuken Co., Ltd. and 40 consolidated subsidiaries

This report uses the notations below to indicate the reporting scope. Item-specific differences are stated separately.

Suzuken Group / The Group / Our Group: Suzuken Co., Ltd. and 40 consolidated subsidiaries

Suzuken / The Company / Our Company: Suzuken Co., Ltd.

■ Reporting period

April 1, 2024 - March 31, 2025

However, some information from April 2025 onwards is also included.

Forward-looking statements

This report contains forward-looking statements regarding the future of the Group, based on assumptions, expectations, and plans that Suzuken's management considered appropriate at the time of preparation. However, such statements, being predicated on presuppositions, involve risks and uncertainties. Accordingly, please be aware that actual performance may differ from such statements due to changes in social and economic conditions.

IR related materials

Summaries of Financial Results
Financial Results Presentation Materials
Financial Statements
Data Book
Corporate Governance Reports
Suzuken Group Website

The very heart of our founding

For Society and for People Learning from our customers

The Group's customers include not only medical institutions, pharmacies, and pharmaceutical manufacturers, but also those working in medical and nursing care, patients, and even local residents and local communities.

Recognizing the relationships of trust that we have built with our customers thus far as a traditional asset, we deliver value that contributes to solving social issues and reducing social costs.

Corporate philosophies of the Suzuken Group

Mission
The Reason for Existence and Duty

As a "health creator," the Suzuken Group brings together the collective wisdom of the Group to continuously contribute to fulfilling lives filled with smiles for all people.

Vision
Ideal Vision of the Future

As a "health creator," the Suzuken Group is committed to pioneering new value across diverse healthcare fields, aiming to be the best partner that brings smiles to all people.

Value
Code of Conduct

SMILE

We are a company that embodies
Sincerity
and **M**orality,
leverages a unique **I**dentity,
continuously **L**earns from our customers,
and strives for **E**volution.

Message from the Suzuken Group

Design Your Smile
健康創造のスズケングループ

With "Smile" expressing key ideas of its corporate philosophies, the Suzuken Group is committed to creating healthy, prosperous lives for all people.

Business domain

Health creation

Creating healthy and prosperous lives for all people—The Suzuken Group has defined its business domain as "health creation" and is comprehensively developing medical and health-related businesses.

Yoshiki Bessho
Supreme Advisor
SUZUKEN CO., LTD.

Hiromi Miyata
Director and Chairman
SUZUKEN CO., LTD.

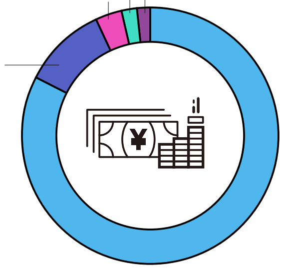
Group and Business Overview

Establishment

93rd anniversary (November 2025)

Since its founding in November 1932, the company has been supplying pharmaceuticals throughout Japan and expanding its business to meet evolving social needs.

Net sales by business



2,399.9 billion yen

As a company in the business of "health creation," we operate a broad portfolio of healthcare-related businesses, centering on the wholesale distribution of ethical drugs. Beginning in FY2024, the Specialty Drug Contract Distribution Business was newly elevated to a standalone segment, increasing the total number of business segments to five.

Note: Net sales include intersegment sales.

Number of Group companies

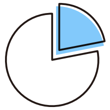
51 companies

The Suzuken Group consists of Suzuken Co., Ltd., 40 subsidiaries, and 10 affiliated companies. In addition to this, we are partnering and collaborating with a wide range of external companies.

Pharmaceutical distribution business

Domestic market share of ethical drugs (drug price basis)

21.5 %



Four companies account for 90% of Japan's ethical drug distribution market. In that context, Suzuken has maintained a market share of 20% or more for ten consecutive years.

Number of sales offices

201 nationwide

Number of distribution centers

15

We have a sales and distribution network covering all of Japan, and we are constructing a sustainable pharmaceutical distribution system as social infrastructure.

Number of Group employees

12,923

With diverse talent involved in the fields of medicine and health working together as One Team, we are taking on the challenge to create new value.

Specialty drug contract distribution business

Product share

50 % or more

We boast an industry-leading track record in handling specialty drugs that require stringent temperature, inventory, and security controls, contributing to enhanced quality in pharmaceutical distribution and lower social costs.

Number of facilities with Cubixx installed

522 facilities

Our Cubixx solution, which provides traceability for specialty drugs, is in use at approximately half of Japan's designated cancer hospitals and around 70% of national university hospitals.

Number of registrations on the COLLABO Portal

Approx. 300,000 user accounts

COLLABO Portal, a comprehensive medical digital transformation (DX) platform, provides medical and nursing care professionals with seamless, one-stop access to digital services and medical information.

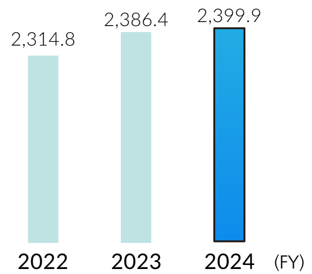
Note: Figures are for FY2024.

Financial & Non-Financial Highlights

Financial Highlights

Consolidated net sales
(billion yen)

2,399.9 billion yen

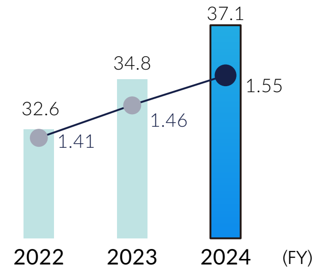


Although sales of COVID-19-related products decreased during FY2024, higher demand in the ethical drug market and sales of new specialty drugs contributed to year-on-year revenue growth.

Consolidated operating profit / Consolidated operating profit margin

Operating profit (billion yen) — Operating profit margin (%)

37.1 billion yen 1.55%

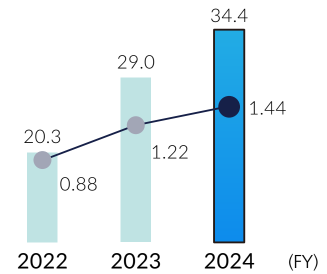


Profits increased in FY2024, due to the effect of higher revenue and continued initiatives to review and control selling, general and administrative expenses.

Profit attributable to owners of parent / Net income margin

Net income (billion yen) — Net income margin (%)

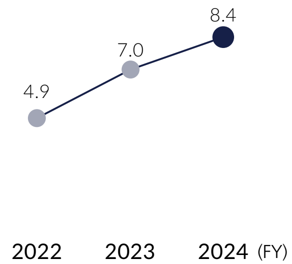
34.4 billion yen 1.44%



In terms of net income attributable to owners of parent, we reduced our cross-shareholdings (investment securities) in eight stocks and posted a profit of 13.0 billion yen from the sales of these investment securities as an extraordinary profit, contributing to an increase in overall profit.

Return on equity (ROE) (%)

8.4%

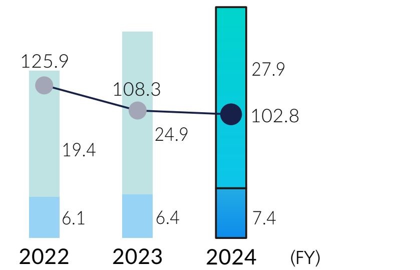


Through profit-oriented management, the implementation of a total payout ratio of at least 100%, and balance sheet reforms such as reducing cross-shareholdings, ROE improved to 8.4% for FY2024.

Total cash dividends amount / Total amount of treasury shares purchased / Total payout ratio

Total cash dividends amount + Total amount of treasury shares purchased (billion yen) — Total payout ratio (%)

35.3 billion yen 102.8%



For FY2024, we raised our annual dividend by 20 yen to 100 yen per share (interim: 50 yen, year-end: 50 yen). Combined with the repurchase of treasury shares totaling roughly 27.9 billion yen, this resulted in a total payout ratio of 102.8%.

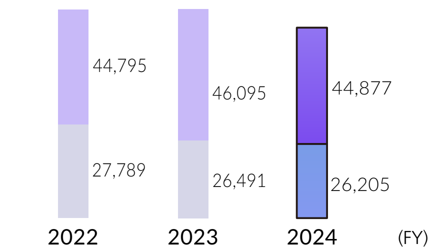
Non-Financial Highlights

*Companies included: Suzuken, Sanki, ASTIS, Shoyaku, Suzuken Okinawa Yakuhin, Nakano Yakuhin, Suzuken Iwate, S.D.Logi, Sanwa Kagaku Kenkyusho, UNISMILE, CHUOUNYU, Sanki Wellbe, S-Care Mate, Kenzmedico, S-mile

CO_2 emissions (t-CO_2)*

Scope1+ Scope2

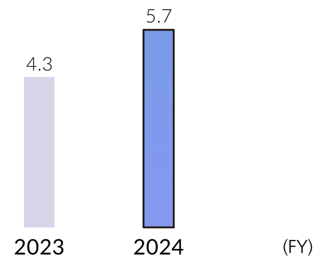
71,082 t-CO_2



CO_2 emissions in FY2024 totaled 71,082 t-CO_2, representing an 18.8% reduction relative to FY2020. We will continue to promote efforts to achieve a 40% reduction from FY2020 by FY2030.

Reduction of pharmaceutical waste (billion yen)

5.7 billion yen



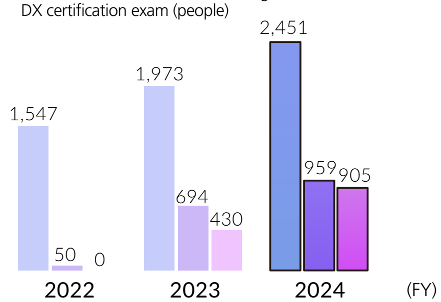
Through our Cubixx solution, which enables traceability for specialty drugs that demand rigorous inventory and quality management, we contribute to reducing expensive drug waste, a key management challenge for healthcare providers.

Holders of DX reskilling certifications

IT passport holders (people)

Information security management certification holders (people)

Individuals with scores of 600 or higher on the DX certification exam (people)

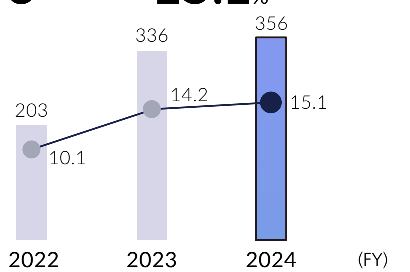


We are rolling out a reskilling program across the entire Group to enhance digital transformation literacy and strengthen our ability to propose digital products and solutions.

Number of female managers* / Percentage of female managers*

No. of female managers (people) — Percentage of female managers (%)

356 15.1%



The number of female managers grew by 20 in FY2024, bringing the percentage of women in managerial roles higher as well.
We will promote workplace reforms to help all female employees maximize their abilities, aiming to have women account for 20% or more of managers across the Group by FY2030.

Since our founding, we have expanded our capabilities in the health creation field to support the health of all people.

Founded as a pharmaceutical wholesaler

1932
Founder Kenzo Suzuki established the Suzuki Kenzo Shoten (Store) as a pharmaceutical wholesaler

Pharmaceutical distribution business

Healthcare product development business

1953
Started pharmaceutical manufacturing business as a step toward diversification

1964
Changed the company name to Suzuken Co., Ltd

1975
Launched the medical equipment manufacturing business

2005
Launched the contract distribution business for manufacturers

Became the first and only such pharmaceutical wholesaler

Healthcare-related services business

2008
Expanded the pharmacy business to help solve our customers' problems

Community healthcare and nursing care support business

2011
Expanded the nursing care business to contribute to local healthcare

Specialty drug contract distribution business

2012
Launched comprehensive support business in the field of rare diseases

First as a pharmaceutical wholesaler

2017
Developed and introduced Cubixx to enable traceability for specialty drugs

2019
Increased collaborations with health-tech companies

Toward becoming a health creation enterprise

1932 Phase 1

Founding a pharmaceutical distribution business based on the vision "For Society and for People"

1983 Phase 2

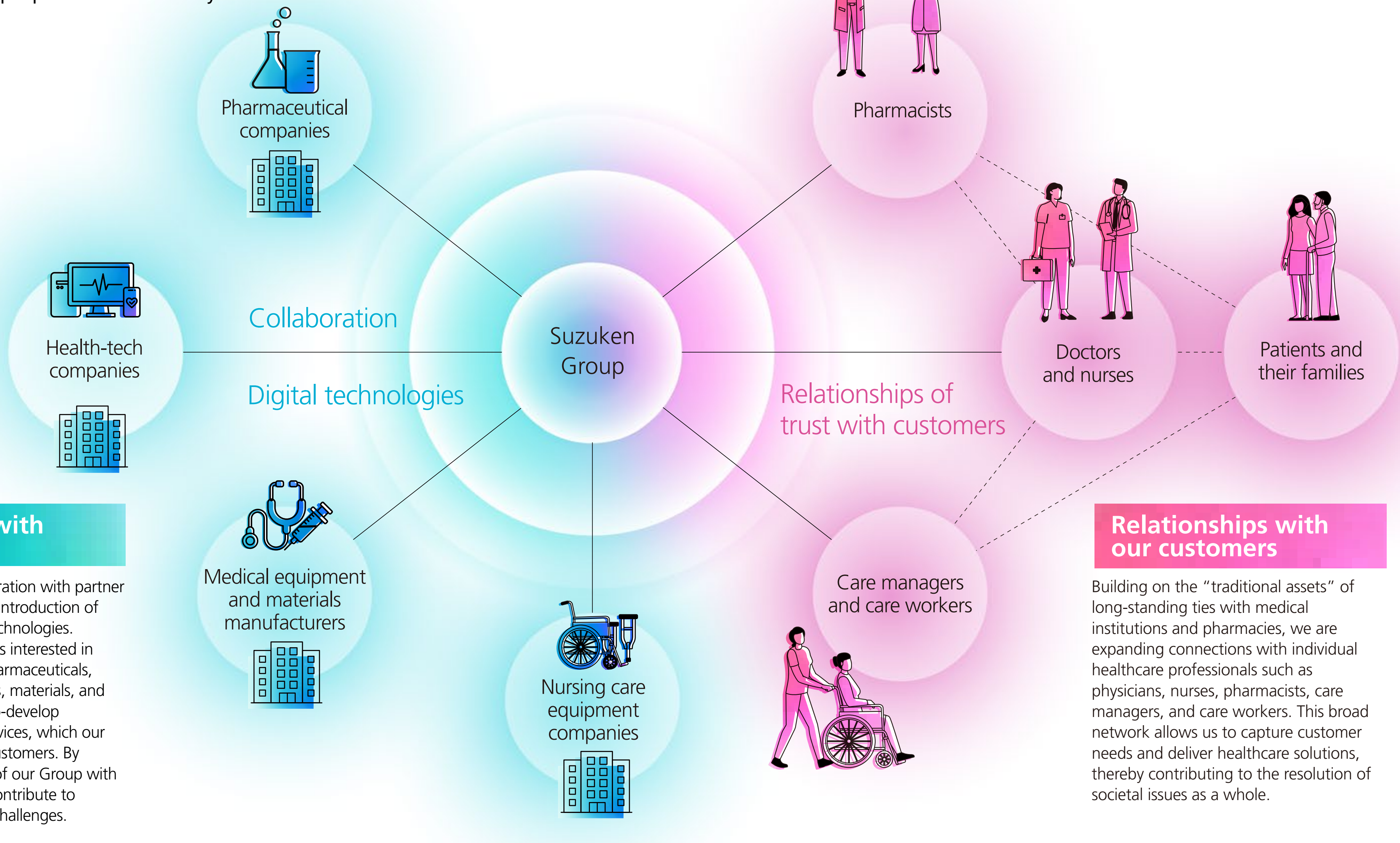
Setting "health creation" as our business domain and expanding our business

2020 Phase 3

Creating new businesses to facilitate the transition to a "health creation enterprise"

Working to connect our valued customers and partners as we strive to become a health creation enterprise contributing to both medical and nursing care

The health creation enterprise the Suzuken Group is committed to realizing is a company that maximizes the capabilities of the Group and its partner companies, together with their customer relationships, to support every stage of people's healthcare life cycle.



Relationships with our partners

We are stepping up collaboration with partner companies, primarily in the introduction of new products and digital technologies. Working with manufacturers interested in healthcare fields such as pharmaceuticals, health-tech, medical devices, materials, and nursing care supplies, we co-develop innovative products and services, which our company then delivers to customers. By integrating the capabilities of our Group with those of our partners, we contribute to addressing our customers' challenges.

Relationships with our customers

Building on the "traditional assets" of long-standing ties with medical institutions and pharmacies, we are expanding connections with individual healthcare professionals such as physicians, nurses, pharmacists, care managers, and care workers. This broad network allows us to capture customer needs and deliver healthcare solutions, thereby contributing to the resolution of societal issues as a whole.

With FY2025 being a critical year, we will lay the groundwork for growth through ambidextrous management

Shigeru Asano
President and Chief Executive Officer
SUZUKEN CO., LTD.

Review of FY2024 and the business environment

Despite sustained increases in sales and profits, the challenging business environment persists

As we approach our 100th anniversary, the Suzuken Group aims to become a health creation enterprise that generates various forms of value in the field of health creation. Our three-year medium-term management plan, which is positioned as the foundation for achieving this goal, will conclude in FY2025. In FY2024, the second year of this plan, we continued to sustain year-on-year increases in both sales and profits. Net sales reached 2,399,952 million yen (up 0.6% year-on-year), operating profit was 37,125 million yen (up 6.4%), and net income attributable to owners of the parent was 34,496 million yen (up 18.9%). We are also making steady progress toward the medium-term management plan's targets. Furthermore, we are working to manage our business in a manner that is conscious of the cost of capital and stock price. As a result of reducing cross-shareholdings and enhancing shareholder returns, our total payout ratio has exceeded 100%, and our ROE for FY2024 was 8.4%.

On the other hand, the environment surrounding the ethical drug industry remains uncertain. Reforms of Japan's drug pricing system are causing drug prices to decline annually through drug price revisions, and pharmaceutical companies are increasing their delivery prices to distributors, making it increasingly difficult to generate profit in the pharmaceutical distribution business. In addition, foreign pharmaceutical companies, in particular, are narrowing down their pharmaceutical distributors, which is a trend that is likely to intensify in the future. At the same time, there is a need to build fair and sustainable relationships with employees and partner companies. This involves enhancing employee compensation through wage increases and ensuring fair compensation for logistics and systems service providers. We believe it is our corporate responsibility to steadily adapt to this evolving business environment and give back to society.

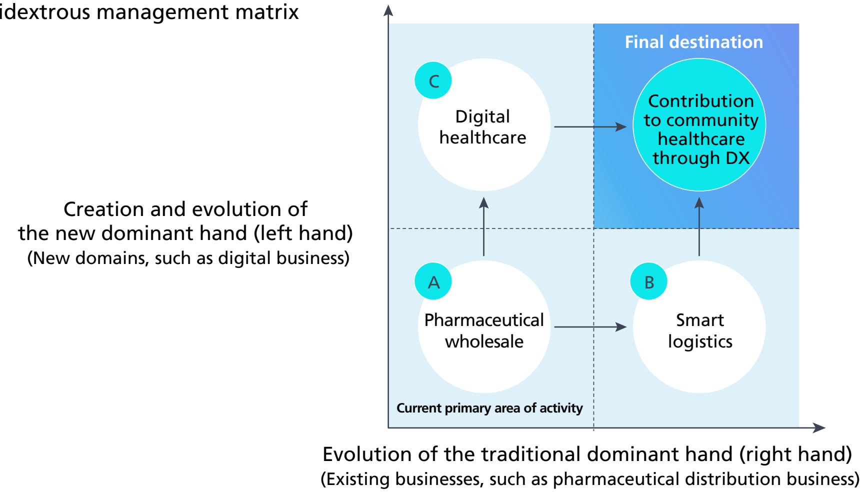
Progress of the medium-term management plan: pharmaceutical wholesaling reform

Secure fair profits and build a sustainable system as social infrastructure

Despite the persistently challenging business environment, the Group must continue to grow in order to maintain its function as a social infrastructure in the area of pharmaceutical distribution. Therefore, we are working ambidextrously, reforming existing businesses, primarily pharmaceutical wholesaling, and preparing for new growth businesses through the use of digital technology. This policy, which I established upon becoming president in FY2022, has been explained using a matrix diagram both internally and externally, and is being implemented.

First, as a pharmaceutical wholesaler, we must respond to the need to improve distribution and reform our sales operations to focus on the bottom line. In improving distribution, we strive to ensure fair profits by carefully negotiating prices that are commensurate with the value of each individual ethical drug. We have worked to reform our cost structure, including changing employee mindsets and processes from order receipt to delivery, which has resulted in improved operating profit margin, and I feel that a profit-focused approach has firmly taken root. However, an increase in selling, general, and administrative (SG&A) expenses is inevitable in the future due to inflation and increased employee compensation. Even under these circumstances, in order to continue investing for the future, we need to increase sales while maintaining our gross profit margin.

Ambidextrous management matrix



Under our medium-term management plan, we are targeting an operating profit margin of 1% or more in the pharmaceutical distribution business. Rather than simply pursuing sales, we believe it is imperative to prioritize the balance between gross profit and costs, transform our sales system into one that is more effective and efficient, and acquire new revenue by providing added value. In order to build an effective and efficient sales system, in addition to the traditional in-person touchpoints with customers through Marketing Specialists (MS), we are expanding touchpoints through the use of digital technology. We aim to expand and improve the quality of customer touchpoints, including strengthening back-end functions that digitally support and streamline in-person touchpoints. Ultimately, we aim to integrate the information accumulated through our daily work with information obtained from digital tools such as the COLLABO Portal and the Cubixx solution developed by the Group. By providing this integrated information to pharmaceutical companies and other organizations, we intend to generate new revenue streams through service fees for these functions.

Additionally, we are focusing on expanding business in Asia to strengthen our existing pharmaceutical distribution operations. In South Korea, we are working with our local partner, BOKSANNICE Co., Ltd., thereby strengthening our pharmaceutical distribution base. As part of this initiative, in May 2025, we established a new business partnership with South Korea's DONGWON Group. From our experience to date, we have realized that the capabilities and know-how we have cultivated in Japan are also valuable in pharmaceutical distribution in South Korea. We are therefore keen to contribute to the further development of the South Korean pharmaceutical industry.

Progress of the medium-term management plan: evolution toward smart logistics

Creating added value and reducing social costs through information utilization

In an effort to strengthen our foundation for pharmaceutical distribution, following the April 2024 launch of the Greater Tokyo Distribution Center, we are planning to build a new automated logistics center in Kasugai City, Aichi Prefecture, to cover the entire Chubu area. Going forward, we plan to build a similar logistics center in the Kinki area, thereby strengthening our BCP (Business Continuity Plan) capabilities for the Tokyo, Nagoya, and Osaka regions and ensuring an even more stable supply of pharmaceuticals. In turn, this will contribute to the further development of community healthcare and the revitalization of local communities by creating new jobs.

In addition, we are also working to evolve toward smart logistics. Smart logistics aims to simultaneously improve profitability and resolve social issues by combining digital technology with distribution and leveraging the resulting information. The heart of this system is Cubixx, a specialty drug traceability solution launched in 2017. It is currently being introduced at over 500 medical institutions, primarily university hospitals and designated cancer hospitals across Japan. Furthermore, in 2024, we developed Cubixx DT, which enables remote medication management for home-based patients. We are also working on developing more advanced capabilities, including initiating joint research with the Cancer Institute Hospital of JFCR. These efforts successfully reduced pharmaceutical waste by around 5.7 billion yen in FY2024.

By integrating the data on distribution, management, and usage of pharmaceuticals obtained through the Cubixx solution with customer inventory information obtained from sources such as contract distribution business for manufacturers (“manufacturer distribution”), the nationwide transportation and distribution network, wholesale distribution, and our delivery schedule and order proposal apps, we will further advance the visualization of distribution inventory. Through these efforts, we are committed to contributing to the resolution of social issues in pharmaceutical logistics, such as further improving delivery efficiency, eliminating inventory imbalances, and reducing pharmaceutical waste.

The Group possesses nationwide logistics capabilities that cover the entire supply chain, from manufacturer distribution and wholesale distribution all the way to the last mile for patients. Today, 20 years after entering the manufacturer distribution business, we are committed to evolving into a company that can provide even greater value. We aim to achieve this by further strengthening our capabilities and developing comprehensive logistics proposals and contract logistics services that combine the various capabilities of our partner companies.

Progress of the medium-term management plan: initiatives toward digital healthcare

Information business leveraging connections with individual medical and nursing care professionals

Currently, we are particularly focused on our initiatives in the new domain of digital healthcare. Under the policy of “Visualize, Connect, Change” established when we announced our medium-term management plan in 2023, we have aimed to visualize previously unobservable information through the use of digital technology, connect people and things through information sharing, and thereby transform current societal and industry challenges for the better. Central to this endeavor is the comprehensive platform for medical digital transformation, COLLABO Portal, which has successfully established connections with more than 300,000 medical and nursing care professionals in just about 18 months since its launch. In this regard, we are proud to have built an extremely valuable information platform, unparalleled by any other companies.

In addition to the Group’s traditional assets, which include a network of some 160,000 hospitals and pharmacies nationwide, we have gained connections with over 300,000 individuals. This expansion not only enables us to provide medical and nursing care professionals with information and materials that benefit the care of patients and nursing care service users, but also to provide manufacturers with a variety of marketing support targeting these professionals. Through COLLABO Portal, more than 40 projects are already underway or being considered, including seminars and digital exhibitions tailored to the attributes of medical and nursing care professionals. We have received feedback from not only pharmaceutical companies but also many other companies interested in the healthcare domain who are keen to embark on new ventures with the Group.

On the other hand, there are still challenges in organizing and utilizing information effectively. To fully capitalize on the data we collect, we are building a “Group Information Integration Platform” across the Group. This platform will enable the centralized management of both historically and future-acquired information, while also leveraging generative AI. Our strategy is built on three pillars: first, building strong connections with medical and nursing care professionals; second, carefully organizing the information we obtain in our daily operations; and third, continuously enhancing the accuracy of this information. By thoroughly implementing these three steps, I am confident that the Group can pioneer a unique information business.

Social mission and expectations for employees

Passing down our DNA and taking on new challenges

FY2025 is an important year for our growth strategy. In Japan, it also marks 30 years since the shocking events of the Great Hanshin-Awaji Earthquake and the Tokyo subway sarin gas attack. When the sarin gas attack occurred, our MS traveled from our headquarters in Nagoya to Tokyo by Shinkansen, resourcefully collecting vital antidote stock from our various branches along the route, and swiftly delivered antidotes for 230 people to medical institutions. This action was also featured on a television program aired in March of this year, providing an opportunity to reaffirm the significant role we played. Additionally, when earthquakes and other natural disasters occur, employees in each region have independently taken initiative to support community healthcare on the ground. This attitude clearly conveys our sense of mission to reliably deliver pharmaceuticals to our valued customers, as well as our DNA of contributing to society, which has been passed down through generations within the Group. It is through the cumulative efforts of each individual employee that the Group has become an indispensable presence in Japanese healthcare.

I believe that my greatest mission as a leader is to cultivate our people. The Group fosters a culture that gives opportunities to those ready to take them. I myself was given many opportunities to take on challenges, such as starting up a manufacturer distribution business at the age of 38 and being entrusted with the role of president. Drawing from my own experience, I hope that the next generation of employees will also embrace challenges to pursue their own dreams and goals, thereby achieving self-realization through their work. Certainly, taking on challenges requires both time and skill. However, our Group's employees are actively making efforts, for example, through reskilling initiatives and by submitting proposals to the Group proposal platform, "Chienowa." I truly look forward to seeing our young employees take on new challenges and grow into a vibrant Group in a few years' time.

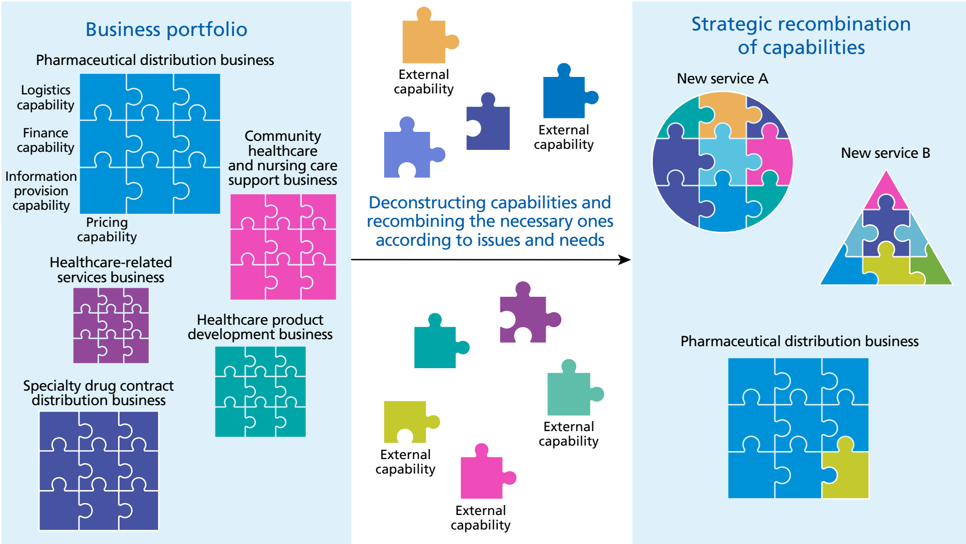
Health creation enterprise concept

Contributing to solutions to social issues through the strategic recombination of capabilities

The Group has expanded into a wide range of businesses in the healthcare domain, not only in pharmaceutical wholesaling but also in the manufacturing of pharmaceuticals, medical devices and materials, as well as pharmacies and nursing care. However, operating profit from businesses other than pharmaceutical wholesaling has fallen to less than one-third of what it was a decade ago, and this decline also underscores our conviction that transformation is essential.

The Group consists of approximately 50 subsidiaries and around 13,000 employees, and we also have partnerships with many other companies. We value the idea of "One Team," where these people and organizations operate together as a cohesive unit. With this in mind, the future I envision is a Group that contributes to solving social issues through its strategic recombination of capabilities. This involves deconstructing and recombining the capabilities accumulated within the

Strategic recombination of capabilities—an approach that creates services through the novel combination of our strengths



Group during our transformation to provide new and optimized solutions for the challenges faced by pharmaceutical companies, medical and nursing care professionals, and local communities.

Our next medium-term management plan, which will begin in FY2026, will be a phase of growth toward realizing our goal of becoming a health creation enterprise. Therefore, in order to ensure growth, we need to establish a strong foundation, and FY2025, the final year of the current medium-term management plan, will be a critical year in building that foundation.

Leveraging new businesses born from our unique and unparalleled strategic recombination of capabilities, we will respond to various social needs and contribute to solving problems. I am confident that the new solutions we have developed in this way will become a treasure trove intrinsically linked to the management philosophy of "learning from our customers," which is deeply rooted in the Group. We are excited for you to witness the new world that the Suzuken Group will create.

Shigeru Asano
President and Chief Executive Officer
SUZUKEN CO., LTD.
浅野 茂

The Suzuken Group's management capital, based on the "traditional assets" of trust built with customers over many years, serves as the driving force for value creation, accumulated through our businesses in the field of health creation. Embracing the concept of strategic recombination of capabilities, we strengthen and combine various forms of capital to create new value. Through this approach, we aim to become a health creation enterprise that supports the health of all people.

Initiatives to strengthen management capital

Capital (data for FY2024)			Initiatives to strengthen
Traditional asset	**Relationships of trust with customers** **The very heart of our founding firmly rooted in the Suzuken Group**	• Relationships of trust built with medical institutions, pharmacies, and pharmaceutical companies over the 90 years since our founding • The very heart of our founding: "For society and for people" and "Learning from our customers" • Management philosophy: "Management by all," "Shooting for the moon," and "Fostering nails that stick out"	In addition to the connections we have cultivated with medical institutions and pharmacies through our pharmaceutical distribution business, we will also strengthen our connections with medical and nursing care professionals, patients, and their families, building even stronger relationships of trust. Furthermore, we will use the very heart of our founding and the trust we have built with our customers as the source of our growth, and will strive to promote the understanding and adoption of our corporate philosophies and management approach while carrying out our business activities, aiming to increase corporate value and achieve sustainable growth.
Financial capital	**Sound financial base**	• Total assets: 1,113.8 billion yen • Shareholders' equity: 407.2 billion yen • ROE: 8.4% • Total payout ratio: 102.8%	To achieve sustainable growth and increase corporate value over the medium to long term, we are pursuing a financial strategy that emphasizes a balance between shareholder returns and growth investments while ensuring financial soundness.
Manufactured capital	**Nationwide sales and distribution network**	• 201 sales offices • Distribution centers: 15 for wholesale operations and 11 for manufacturer distribution	With sales and logistics bases nationwide, we have established an effective and efficient sales and logistics system that ensures a stable supply of pharmaceuticals with high distribution quality, functioning as social infrastructure. This structure realizes a sustainable pharmaceutical distribution system.
	Healthcare product development that meets patient needs	• Two pharmaceutical development and manufacturing bases (Mie and Kumamoto) • One medical equipment manufacturing plant (Gunma)	Leveraging our strong presence in the fields of diabetes, kidney disease, and dialysis, our pharmaceutical manufacturing division collaborates with partner companies to address unmet medical needs. Concurrently, we are developing medical equipment that integrates the Group's diverse capabilities, with a particular focus on the manufacture of stethoscopes made entirely in Japan (domestic market share of approx. 40%).
	Pharmacy and nursing care business supporting community-based healthcare	• 534 pharmacies and 182 nursing care facilities • Comprehensive care-tech distribution company	Harnessing our privileged access to patients, their families, and medical and nursing care professionals, we are working to create new products and services that are rooted in the needs of the local community and patients. To achieve this, we are working with the most suitable partners in each region.
Intellectual capital	**Global-standard pharmaceutical distribution system based on a healthcare distribution platform**	• 64,000 items handled in the pharmaceutical distribution business • 49 client companies for manufacturer distribution service • 39 client companies and 70 products for specialty drug distribution service (over 50% market share on a product basis) • 522 facilities with Cubixx installed (installed at 44% of designated cancer hospitals)	We became the first pharmaceutical wholesaler to start providing manufacturer distribution services, and by synergizing these with our wholesale distribution functions, we have built a unique healthcare distribution platform in the industry. In the distribution of specialty drugs, which require strict temperature control, our deployment of the Cubixx solution helps optimize distribution inventory and contributes to reducing social costs such as pharmaceutical waste.
Social and relationship capital	**Newly cultivated connections with individual medical and nursing care professionals** **Collaboration with local governments**	• Over 160,000 customers in the pharmaceutical distribution business • Over 300,000 user accounts registered by medical and nursing care professionals on COLLABO Portal • Connections with health-tech companies and other industries that create a variety of digital transformation solutions • 108 cooperation agreements with local governments	By providing the COLLABO Portal, a comprehensive platform for medical digital transformation, we are building new touch points with individual medical and nursing care professionals in addition to our traditional relationships with facilities such as medical institutions and pharmacies. In the future, we will develop a Group Information Integration Platform to integrate these diverse connections and utilize them for information businesses. We are also working to maintain and improve the health of local residents by supplying pharmaceuticals in emergencies, raising disease awareness, and promoting early medical consultation.
Human capital	**Diverse Group human resources**	• 12,923 Group employees • Digital transformation talents (959 with information security management qualifications and 905 with scores of 600 or higher on DX Certification Exam)	Aiming to create new value through diverse human resources in the fields of medicine and health, we are promoting the development of digital transformation talents and nurturing the next generation. Simultaneously, we provide employees with opportunities for challenge and growth through an internal proposal platform and selective training programs based on employee reports.
Natural capital	**Efficient use of resources necessary for business operations**	• Energy usage Electricity: 117,262,000 kWh Gasoline: 7,011 kL	In addition to introducing renewable energy and switching to energy-saving equipment, we are contributing to the reduction of environmental impacts by implementing modal shift initiatives and promoting smart logistics to improve delivery efficiency and reduce pharmaceutical waste.

Business environment

- Occurrence of emergencies
- Escalation of social security costs
- Expansion of the specialty drug market
- Advancement of the comprehensive community care system
- Advancement of DX and digitalization in the healthcare field
- Drug loss and drug lag
- Circulation of counterfeit pharmaceuticals

Capital to invest

Traditional asset
- Relationships of trust with customers
- The very heart of our founding firmly rooted in the Suzuken Group

Financial capital
- Sound financial base

Manufactured capital
- Nationwide sales and distribution network
- Healthcare product development that meets patient needs
- Pharmacy and nursing care business supporting community-based healthcare

Intellectual capital
- Global-standard pharmaceutical distribution system based on a healthcare distribution platform

Social and relationship capital
- Newly cultivated connections with individual medical and nursing care professionals
- Collaboration with local governments

Human capital
- Diverse Group human resources

Natural capital
- Efficient use of resources necessary for business operations

Value chain, strategies, and material issues

Material Issues

See p.15

Development & manufacturing
In-licensing development contract manufacturing, in-licensing planning support

Logistics
Investigational new drug distribution, manufacturer distribution, orphan drug distribution support

Distribution
High-quality distribution infrastructure, nationwide network

Marketing & consulting
Management support services and various digital products according to needs

Procurement & storage
Inventory management support (Cubixx, operational support systems), ordering support, rentals of nursing care items

Medical exams & treatment
Diagnostic support and business efficiency support tool (COLLABO Portal, etc.)

Presymptomatic disease
Prevention and health maintenance support

Diagnosis
Early diagnosis support

Healthcare Platform

Digital platform

Pharmaceutical companies | Pharmaceutical wholesalers | Medical institutions, pharmacies, nursing facilities, Medical and nursing care professionals | Patients and their families

Healthcare distribution platform

Marketing
Medical-related studies

Sales
Pharmaceutical sales support

Supply & demand adjustment
Optimization of distribution inventory

Provision of information
Sales promotion, support for activities to promote proper use of products

Finance
Credit and debt management

Dispensing
Medication guidance, online support

Nursing care services
Diverse services according to needs

Community partnerships
Support for building community partnership systems, in-home medical and nursing care support

Treatment
Drug discovery, distribution & dispensing support

Prognosis
Nursing care and terminal stage support

Providing value to diverse customers in the value chain

Medium-Term Management Plan

See p.18

Value to society

- Protecting the health of local residents
- Reducing social waste through optimized supply and demand management
- Fostering human resources capable of creating future value

Evolving into a pioneering health creation enterprise

Aiming to create new value together with stakeholders

Medical and nursing care professionals

- Stable supply of pharmaceuticals
- Optimizing distribution inventory throughout Japan
- Providing business efficiency improvement services
- Reducing pharmaceutical waste

Pharmaceutical waste reduction achievements (FY2024)

Approx. 5.7 billion yen

Patients and their families

- Expanding treatment options
- Dispensing, medication support, and nursing care services
- Patient support services utilizing digital technology

Pharmaceutical companies

- Outsourcing of logistics
- Expanding sales opportunities for pharmaceuticals
- Creating business opportunities for foreign companies in Japan
- Sharing of market needs

Domestic market share of ethical drugs (FY2024; drug price basis)

21.5%

Partner companies
(health-tech companies, etc.)

- Sales channels for products and services
- Creating new business opportunities

COLLABO Portal registered users (FY2024)

Over 300,000 user accounts

Shareholders and investors

- Proactive shareholder returns
- Timely and pertinent disclosure of information
- Sustainable improvement of corporate value

Total payout ratio (FY2024)

102.8%

Employees

- Opportunities for growth and challenges
- Safe and comfortable working environment
- Creating rewarding workplaces

Percentage of female managers (FY2024)

15.1%

Local communities

- Maintaining and improving health
- Reducing social costs
- Addressing environmental issues
- Supporting development of the next generation
- Preserving nature and culture

Evolution of our sustainability initiatives

The Suzuken Group has defined the achievement of its Group Corporate Philosophies, established in 2009, as its CSR Vision. We have identified stakeholders relevant to our business activities and management base, set priority themes and KPIs, and worked to ensure a shared understanding among all employees: to meet stakeholder expectations through continuous dialogue.

In response to a changing business environment and emerging social challenges, we launched the Sustainability Committee in April 2022. Upholding the principles of the previous CSR Vision, we formulated a Sustainability Policy that aims to increase corporate value while simultaneously contributing to greater social sustainability through value creation in our business activities.

Guided by this policy, we are enhancing transparency and communication both internally and externally. In FY2024, for instance, we held the "Integrated Report Reading Session" for Group employees to deepen their understanding of our initiatives.

Identifying critical ESG themes (material issues)

The Group sees its purpose as continually creating new value that will contribute to solving social issues and reducing social costs. We have positioned critical ESG themes (material issues) as the foundation underpinning the creation of new value. We identify social issues that need to be addressed by looking across the entire value chain and taking into account changes in business-related circumstances and social trends. We then classify high-priority social issues under ESG themes, and identify material issues after considering both opportunities and risks.

Even after identifying these themes, we regularly review them, referring to international standards such as SASB and GRI, the evaluation criteria of ESG rating agencies, and stakeholders' views, among other factors. The review process involves discussions in the Sustainability Committee, which includes the general managers of each business division and administrative department. Decisions are then made following reports and deliberations with the Board of Directors.

Enhancing our response to material issues

The Group is working to strengthen sustainability through material issues and the business strategies outlined in its medium-term management plan.

In FY2023, we reviewed our material issues and identified ten key ESG issues linked to both the foundation for the business strategies of the medium-term management plan and six strategic pillars. We also set corresponding KPIs and numerical targets.

By managing progress from both financial and non-financial perspectives within the framework of the medium-term management plan and material issues, we aim to accelerate the rollout of sustainability activities for the entire Group and make them a driving force for business activities. In order to continue creating new value and growing sustainably, we will also promote new initiatives in response to social changes.

Process for identifying material issues

STEP 1 — Identify social issues

Identify relevant social issues by referring to SASB, GRI, SDGs, and other international indices, along with survey items from ESG rating agencies

STEP 2 — Prioritize social issues

Prioritize social issues by evaluating them in combination with the value our Group creates for society through its collective businesses and functions

STEP 3 — Identify material issues

Identify material issues based on discussions in the Sustainability Committee, as well as reports to and deliberations by the Board of Directors

Material issue matrix

Importance to stakeholders ↓ / Significance for Suzuken Group's business →	High		Very high
Very high		[E] Environmental conservation efforts (reducing CO_2 emissions) [S] Realizing diverse, flexible work styles (diversity and childcare support) [S] Contributing to local communities (contributions to comprehensive community care system)	[S] Safe, secure, and stable distribution of pharmaceuticals (product quality management, BCP measures, etc.) [S] Group human resource development [G] Group governance [G] Compliance
	[E] Environmental conservation efforts (biodiversity measures) [S] Contributing to local communities (social contribution activities)	[S] Supply chain management	[E] Reducing social costs in the medical and healthcare fields (reducing pharmaceutical waste and workloads in the medical and nursing care industries) [S] Contributing to improving access to medical and nursing care services and patients' quality of life (addressing drug loss, developing patient-centered services) [G] Risk management
High	[E] Environmental conservation efforts (water resource management)		[S] Realizing diverse, flexible work styles (occupational safety and health)

Approaches, main efforts, and relevant SDGs on critical ESG themes (material issues)

	Critical ESG themes (material issues)	Main efforts	Core KPIs and achievements	Relevant SDGs	Relevant key initiative of the medium-term management plan
E **Environment**	**Environmental protection initiatives**	• Reducing CO_2 emissions See p.40 • Proper management and recycling of waste • Promotion of recycling and reuse	• **CO_2 emissions (Scope 1+2)** Aiming for 40% reduction by FY2030 compared to FY2020 FY2024 results: 71,082 t-CO_2 (-18.8% compared to FY2020) • **Reduction of pharmaceutical waste** Reduction at medical institutions through installation of Cubixx FY2024 results: Approx. 5.7 billion yen	12, 13	Initiative 1 Healthcare distribution reform Initiative 3 Smart logistics Initiative 4 Digital healthcare
	Minimizing social costs in the medical and healthcare fields	• Reducing pharmaceutical waste See p.23 • Visualization and optimization of distribution inventory See p.23 • Elimination of unused medicines See p.23 • Curtailment of transport and delivery costs See p.29 • Reduction of burden on medical professionals and patients and their families See p.27			
S **Social**	**Safe, secure, and reliable pharmaceutical distribution**	• Quality management using total traceability system See p.29 • Quality control that meets global standards (GDP, GMP) See pp.29, 63 • Strengthening of healthcare distribution platform See pp.29, 50 • Automation and labor-saving at distribution centers See p.43	• **Number of locations with ISO 9001:2015 quality management system certification** FY2024 results: 10 centers, 3 departments • **Number of internally certified GDP specialists positioned nationwide** FY2024 results: 389 • **Percentage of female managers** Aiming for 20% or more by FY2030 FY2024 results: 15.1% • **Percentage of male employees taking childcare leave** Aiming for 100% by FY2025 FY2024 results: 90.6% • **Number of next-generation leaders** Aiming for 100 or more Conducting training programs • **Number of DX talents** **Information Security Management certified personnel** Aiming for 1,000 or more FY2024 results: 959 **Number of employees scoring 600 or higher on the DX certification exam** Aiming for 800 or more FY2024 results: 905	3, 5, 8, 9, 10, 11, 17	Initiative 1 Healthcare distribution reform Initiative 2 Restructuring of Asian (Chinese and South Korean) businesses Initiative 3 Smart logistics Initiative 4 Digital healthcare
	Contributing to improving access to medical and nursing care services and enhancing patient QOL	• Patient support services utilizing digital technology See p.27 • Initiatives to address drug loss See p.46 • Patient-centered product development See p.25 • Response to unmet medical needs See p.45			Initiative 4 Digital healthcare Initiative 5 Community healthcare and nursing care support Initiative 6 Healthcare product development
	Group human resource development	• Strengthening of human resource development system See p.36 • Development of next-generation leaders See p.37 • Development of DX talents See p.37			**Mechanisms for realizing strategies** Developing human resources
	Realizing diverse, flexible work styles	• Promotion of diversity See p.38 • Hiring of diverse human resources See p.36 • Promotion of health and productivity management See p.38 • Creation of a comfortable workplace environment See p.38 • Strengthening of Group communication See p.37 • Promotion of Group proposal platform See p.37			**Mechanisms for realizing strategies** Developing human resources Cooperating as "One Team"
	Contributing to local communities	• Initiatives for comprehensive community care system See p.25 • Cooperation agreements with local governments See pp.39, 64 • Initiatives to maintain and promote the health of local residents See p.39 • Social contribution activities See p.39			Initiative 5 Community healthcare and nursing care support
G **Governance**	**Group governance** **Compliance** **Risk management**	• Strengthening of Group governance and compliance systems See p.55 • Fostering awareness of compliance as a top concern See p.61 • Strengthening of risk management systems See p.61 • BCP initiative See p.64 • Maintaining and strengthening quality and safety management systems See p.63 • Promoting appropriate sales information provision activities See p.61	• **Compliance training participation rate** 100% required each year FY2024 results: 100% • **Number of internal whistleblowing reports** FY2024 results: 122	16	**Mechanisms for realizing strategies** Cooperating as "One Team" Strengthening business management

Toward the realization of a health creation enterprise

As the Suzuken Group approaches its 100th anniversary in 2032, we are transitioning from an enterprise centered around pharmaceutical distribution to a health creation enterprise providing services that contribute to the entire healthcare life cycle, from patients' health maintenance to diagnosis, treatment, and prognosis. The current medium-term management plan, which ends in FY2025, is a period for building the foundations for the next medium-term management plan, which is set to be a growth phase starting from FY2026. Through our strategic recombination of capabilities (See p.11), we are working on both the reform of existing businesses and the preparation for new growth businesses.

Within our existing businesses, we are driving profitability enhancements by strengthening our social infrastructure function and increasing productivity. Meanwhile, we are actively investing in new businesses and incubating new businesses with a view to strategically restructuring our business portfolio for the future. In the medium to long term, we aim for an ROE of 8% or more by maximizing profit through business reforms and optimizing our capital structure through balance sheet reforms.

Panorama view of the plan

FY2023 → FY2025 → FY2032

For your next heartbeat

	Medium-term management plan 2023–2025	Long-term plan
Business strategy	Evolve into a comprehensive healthcare distribution business as a social infrastructure Establish healthcare solutions business	Complete business portfolio restructuring
Profit maximization	Achieve a consolidated operating profit margin of 1.5% or more Build up profit by reducing cross shareholdings	Reach a level where new businesses contribute to profit, enabling an ROE of 8% or more solely through business profit
Capital optimization	Total payout ratio of 100% or more Prevent growth of shareholders' equity	Realize optimal capital structure by carefully evaluating and formulating appropriate shareholder return policies and strategic use of debt
ROE	5% or more (above capital cost)	8% or more

100th anniversary

Realize a health creation enterprise

For your next heartbeat

Steady progress with the medium-term management plan, "For your next heartbeat"

We adopted the slogan "For your next heartbeat—Creating a movement toward tomorrow" for our current medium-term management plan, which started in FY2023. This reflects our desire to be an entity that continually delivers new solutions and hope to the healthcare industry. Through the provision of innovative ideas and solutions and the active involvement of our human resources, we want to break through societal stagnation and to contribute to opening up prospects for a brighter future. The numerical targets in the medium-term management plan were set by backcasting from our long-term plan, which aims to realize a health creation enterprise. The plan overall has five indicators, and we have set targets for each of the key initiatives to monitor progress.

In the plan's second year, FY2024, our ROE rose to 8.4%, and our consolidated operating profit margin reached over 1.50% (1.38% in the pharmaceutical distribution business segment), indicating steady progress toward our targets. Regarding the reduction of cross-shareholdings, although we have not yet reached our target due to the appreciation in market value of our holdings, we plan to continue divesting them.

For FY2025, the final year of the medium-term management plan, we expect an ROE of 8.2% and a three-year average total payout ratio of 100% or more, indicating that we will generally be able to achieve our target management indicators. However, our publicly disclosed forecast for consolidated operating profit margin is 1.36% (1.24% for the pharmaceutical distribution business segment). We are in a difficult situation where an increase in the selling, general and administrative expense ratio is unavoidable due to inflation, wage increases to improve employee compensation, and other social demands. Nevertheless, we will work together as a Group to achieve our targets.

Promoting reform of existing businesses and creation of new business through ambidexterity

Under the current medium-term management plan, we are simultaneously pursuing the reform of existing businesses and the preparation for new growth businesses through ambidextrous management. In addition to ensuring stable profits, we are also focusing on creating new businesses that can generate new profits. Furthermore, in order to realize management that is conscious of the cost of capital and stock price, we are working to optimize capital structure by maximizing profits and enhancing shareholder returns, with the aim of improving ROE.

Regarding the reform of existing businesses, we are strengthening our distribution model for specialty drugs and thoroughly negotiating prices based on product value. In addition, the rollout of the Cubixx pharmaceutical traceability solution to 522 facilities nationwide, including designated cancer hospitals and university hospitals, has contributed to reducing waste of high-cost pharmaceuticals (approx. 5.7 billion yen). In the area of preparation for new growth businesses, we promoted the widespread adoption of the COLLABO Portal, which serves as a touch point with new customers, thereby establishing connections with more than 300,000 medical and nursing care professionals

Indicators of the medium-term management plan

	Targets	FY2022	Medium-term management plan: FY2023 (first year)	FY2024	FY2025 (final year) forecast
ROE	5% or more each fiscal year Levels above capital costs	4.9%	7.0%	8.4%	8.2%
Operating profit margin	1.5% or more in FY2025 Pharmaceutical distribution business: 1.0% or more	1.41%	1.46% Pharmaceutical distribution business segment: 1.32%	1.55% Pharmaceutical distribution business segment: 1.38%	1.36% Pharmaceutical distribution business segment: 1.24%
Investment	3-year cumulative total of 100 billion yen or more	Approx. 30.0 billion yen	38.1 billion yen	Single year: 17.7 billion yen Two-year total: 55.9 billion yen	Single year: 10.7 billion yen Three-year total: 66.7 billion yen
Total payout ratio	3-year average of 100% or more	125.9%	108.3%	102.8%	100.4%
Cross-shareholdings	10% or less of consolidated net assets ratio as of the end of FY2025	14.8%	15.0%	12.6%	10.0% or less

through the collaborative efforts of our entire Group.

The current plan includes six initiatives and various efforts are underway to achieve the quantitative targets for each. Additionally, we have outlined "developing human resources," "cooperating as One Team," and "strengthening business management" as mechanisms for strategy implementation that are necessary for our transformation to a health creation enterprise. As for developing human resources, we are focusing in particular on the development of digital transformation talents and next generation leaders.

Changing the organizational structure as a way to strengthen the foundation for ambidextrous management

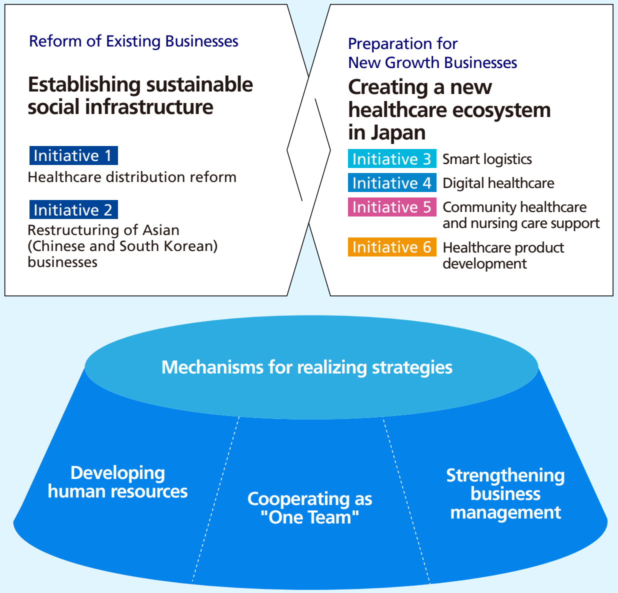
In April 2025, we undertook an organizational restructuring to accelerate our initiatives aimed at achieving our current medium-term management plan, formulating our next medium-term management plan, and realizing a health creation enterprise in preparation ahead of our 100th anniversary.

The previous Digital Platform Business Headquarters has been abolished, and a new Digital Solution Headquarters has been established to oversee the development, operation, and maintenance of solutions. In addition, we established the new Digital Promotion Department within the Healthcare Distribution Business Headquarters to promote the further expansion of the COLLABO Portal and the development of solutions to increase profits. By strengthening collaboration with sales representatives who are responsible for deploying digital tools such as the COLLABO Portal, and by implementing a cycle of collecting customer needs and developing services through information management and analysis, we aim to generate new revenue leveraging information.

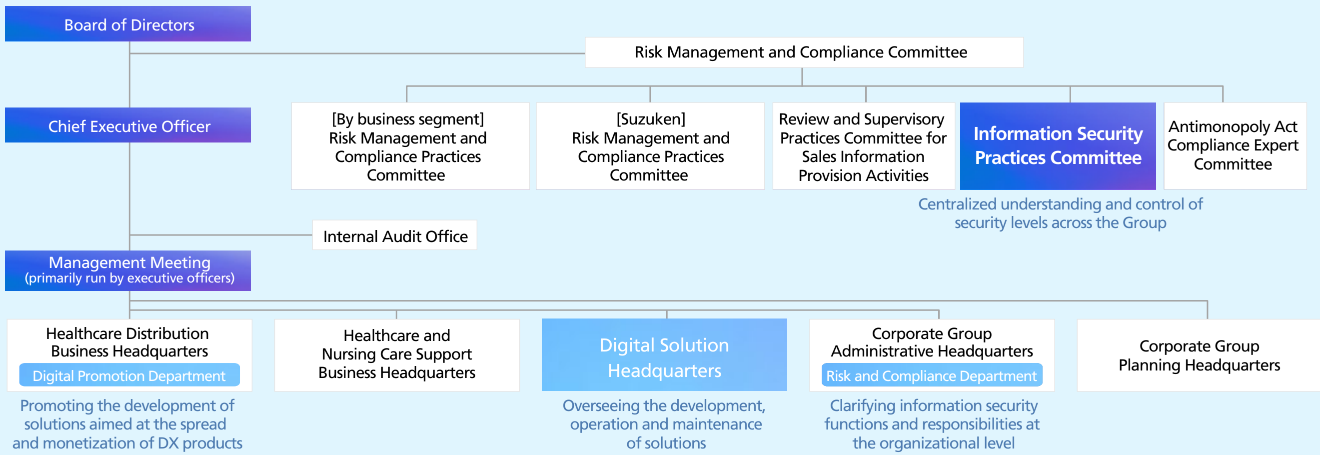
Going forward, we will position Group information, logistics functions, and human resources development as the foundations that support our growth strategy. Our business strategy will be centered on two pillars: the reform of existing businesses within our healthcare distribution business and community healthcare and nursing care support business, and the creation of new business based on the concept of strategic recombination of capabilities. Regarding Group information, we have established the Group Information Integration Committee to assess the value of information and to analyze and verify information using generative AI thereby building the foundation for turning this information into a business. We have also established the Productivity Improvement Committee with the aim of raising the productivity of indirect functions, examining the possibility of substituting AI and the latest tools for certain tasks, and considering the allocation of personnel to areas that need strengthening.

Additionally, in order to strengthen information security governance, we have established the Information Security Practices Committee as a working-level committee reporting to the Risk Management and Compliance Committee, which operates under the supervision of the Board of Directors.

Overview of the medium-term management plan



Organizational diagram after restructuring



Reform of Existing Businesses — Establishing a sustainable social infrastructure

The Suzuken Group's vision | **Main measures** | **Outcomes** | **Numerical targets for FY2025** | **Results for FY2022 to FY2024** | **Forecast for FY2025**

Initiative 1 Healthcare distribution reform

The Suzuken Group's vision

Establishing the "Hold-fast sales function" as the foundational element of healthcare distribution within social infrastructure, as well as the "New sales function" that provides new value

Main measures

- Strengthening back-office functions
- Creating mechanisms to increase productivity
- Building physical and digital points of contact

Outcomes

- Maintaining a stable supply of pharmaceuticals
- Reducing social costs

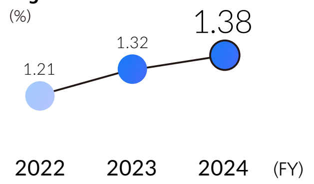
Numerical targets for FY2025

Operating profit margin for pharmaceutical distribution business segment

1.0 % or more

Results for FY2022 to FY2024

Operating profit margin for pharmaceutical distribution business segment



Forecast for FY2025

Operating profit margin for pharmaceutical distribution business segment

1.24 %

Initiative 2 Restructuring of Asian (Chinese and South Korean) businesses

The Suzuken Group's vision

Evolving collaborations to contribute to strengthening business foundations and developing medical industries in these countries

Main measures

- Building a medical platform in China
- Building a nationwide distribution network for healthcare products in South Korea

Outcomes

- Improving medical infrastructure quality in China and South Korea

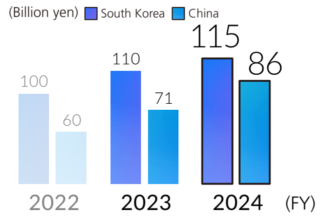
Numerical targets for FY2025

Net sales by joint ventures

Undecided due to geopolitical influences

Results for FY2022 to FY2024

Net sales by joint ventures



Forecast for FY2025

Net sales by South Korean joint venture

120 billion yen

Net sales by Chinese joint venture

89 billion yen

Preparation for New Growth Businesses — Creating a new healthcare ecosystem in Japan

The Suzuken Group's vision | **Main measures** | **Outcomes** | **Numerical targets for FY2025** | **Results for FY2022 to FY2024** | **Forecast for FY2025**

Initiative 3 Smart logistics

The Suzuken Group's vision

Reducing social costs by building a healthcare distribution platform utilizing digital technologies

Main measures

- Promoting the Cubixx solution
- Starting operations at the Greater Tokyo Distribution Center
- Creating a mechanism to visualize and optimize distribution inventory

Outcomes

- Reducing pharmaceutical waste
- Reducing CO_2 emissions through efficient shipping

Numerical targets for FY2025

Net sales of specialty drugs

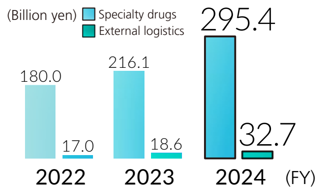
240 billion yen or more

Net sales of external logistics

20 billion yen or more

Results for FY2022 to FY2024

Net sales of specialty drugs and external logistics



Forecast for FY2025

Net sales of specialty drugs

326.9 billion yen

Net sales of external logistics

34.6 billion yen

Preparation for New Growth Businesses **Creating a new healthcare ecosystem in Japan**

Initiative 4 Digital healthcare

The Suzuken Group's vision

Deploy the COLLABO Portal together with health-tech companies to deliver valuable services to our customers

Main measures

- Promoting the COLLABO Portal
- Expanding the services offered on the platform
- Establishing a profit model

Outcomes

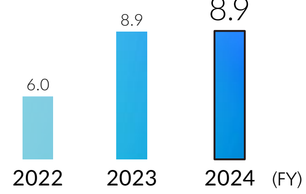
- Expanding the adoption of medical and nursing care-related tools and services
- Improving response to patient needs

Numerical targets for FY2025

Net sales
10 billion yen or more

Results for FY2022 to FY2024

Net sales
(Billion yen)



Forecast for FY2025

Net sales
10 billion yen
Commission for supplying sales data:
6.0 billion yen
Digital business-related revenue
4.0 billion yen

Initiative 5 Community healthcare and nursing care support

The Suzuken Group's vision

Provide services based on the needs of patients in each community, and coordinate health for community residents

Main measures

- Stabilizing profits of existing businesses
- Rolling out care-tech businesses
- Developing regional service package model

Outcomes

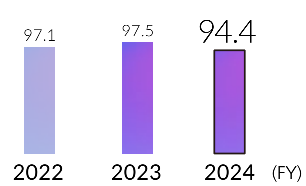
- Improving patients' convenience and quality of life (QOL)
- Solving each community's medical and nursing care problems

Numerical targets for FY2025

Net sales
110 billion yen or more

Results for FY2022 to FY2024

Net sales
(Billion yen)



Forecast for FY2025

Net sales
93.7 billion yen or more

Initiative 6 Healthcare product development

The Suzuken Group's vision

Develop proprietary medical and nursing care devices, etc. that leverage the Suzuken Group's functions

Main measures

- First-in-class R&D to answer unmet medical needs
- Proprietary product development by the Group leveraging direct touchpoints with patients

Outcomes

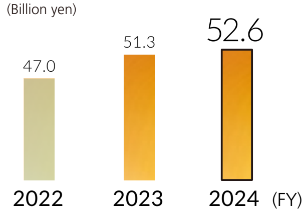
- Expanding treatment options
- Improving lifestyles

Numerical targets for FY2025

Net sales
60 billion yen or more

Results for FY2022 to FY2024

Net sales
(Billion yen)



Forecast for FY2025

Net sales
52.7 billion yen or more

By combining in-person and digital solutions, we aim to achieve sustainable growth and resolve social issues

Message from the executive officer in charge

Aiming to evolve into efficient, high-value-added pharmaceutical distribution

Harnessing our healthcare distribution platform, we aim to maintain our pharmaceutical distribution functions as part of the social infrastructure, while striving to create new value through smart logistics. In FY2025, to position our next medium-term management plan as a growth phase, we are evolving our physical sales and logistics functions into efficient, high-value-added functions by integrating digital technologies such as COLLABO Portal and Cubixx. We are also working to build an organization and infrastructure that enable these functions to work in coordination. The information generated through the connection of these functions is an essential asset for generating new profit. As we move to the next stage, we seek to be the company of choice for medical institutions, pharmacies, and pharmaceutical companies, while at the same time helping to resolve social issues.

Hirofumi Tanaka

Executive Managing Director
Senior General Manager of Healthcare Distribution Business Headquarters

Reform of Existing Businesses | Initiative 1: Healthcare distribution reform

Maximizing customer touchpoints by combining digital means with back-office functions

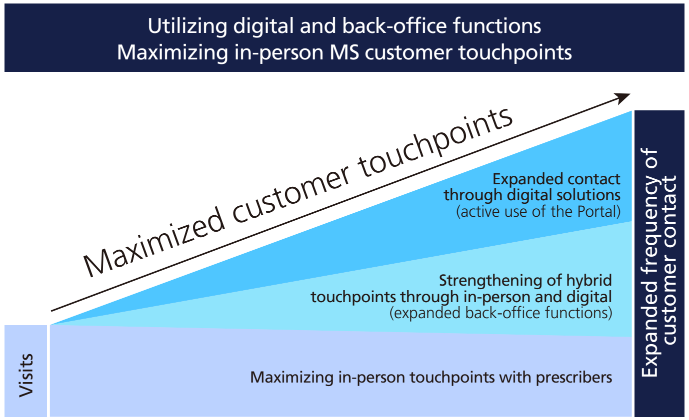
Background: Faced with a challenging business environment, we are building a new sales structure to strengthen trust with customers and achieve sustainable growth, while maintaining our function as part of the social infrastructure with limited personnel.

While maintaining the traditional number of visits by MSs, who serve as sales representatives in the pharmaceutical distribution business, we are increasing the frequency of customer contacts by utilizing digital technologies and expanding back-office functions.

Through digital initiatives, we are creating new customer touchpoints, such as responding to inquiries via the chat function of COLLABO Portal and supporting delivery date confirmation and ordering of pharmaceutical products through our Delivery Schedule Notification app and Order Proposal app. Additionally, by establishing back-office functions that encompass logistics, sales support, and customer service, we have reduced the lead time for initial responses to customers from 30 minutes to 5 minutes and reduced the number of inquiries to our call centers by around 60%.

The implementation of these frameworks has enabled us to create more time for MS sales activities and improve operational efficiency, thereby contributing to the maximization of customer satisfaction.

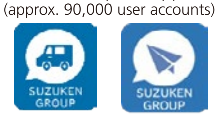
Initiatives to maximize customer touchpoints



New digital connections

COLLABO Portal
(approx. 300,000 user accounts)

Delivery Schedule Notification and Order Proposal apps
(approx. 90,000 user accounts)



Back-office functions

Logistics functions	Sales support functions	Customer functions
Number of deliveries Once a day	Sales support staff base Approx. 50 nationwide	Operator handling volume (per person per day) Approx. 40 ➡ Approx. 145
		Missed contact rate Approx. 10% ➡ Approx. 2%

Reform of Existing Businesses Initiative 3: Smart logistics

Strengthening healthcare distribution platform functions and optimizing distribution inventory to resolve social issues

Background: Amid the demand to curb healthcare costs, pharmaceutical waste of expensive drugs due to inventory imbalance has become a serious issue. There is an urgent need to establish a system that enables better visibility into pharmaceutical distribution channels and inventory levels to prevent such waste.

The Suzuken Group has been rolling out the Cubixx solution since 2017, which utilizes digital technologies such as RFID to provide total traceability in transportation and inventory management, along with 24/7 monitoring. This makes it possible to determine whether or not pharmaceuticals can be resold and to adjust inventory, contributing to more efficient inventory management at medical institutions and pharmacies; thus, reducing pharmaceutical waste.

Furthermore, we are promoting the integration of upstream data from contract manufacturing and manufacturer distribution with data acquired from the Cubixx solution. We aim to contribute to resolving social issues through smart logistics that visualize and optimize inventory status across the entire pharmaceutical supply chain from upstream to downstream, while reducing social costs and environmental impact.

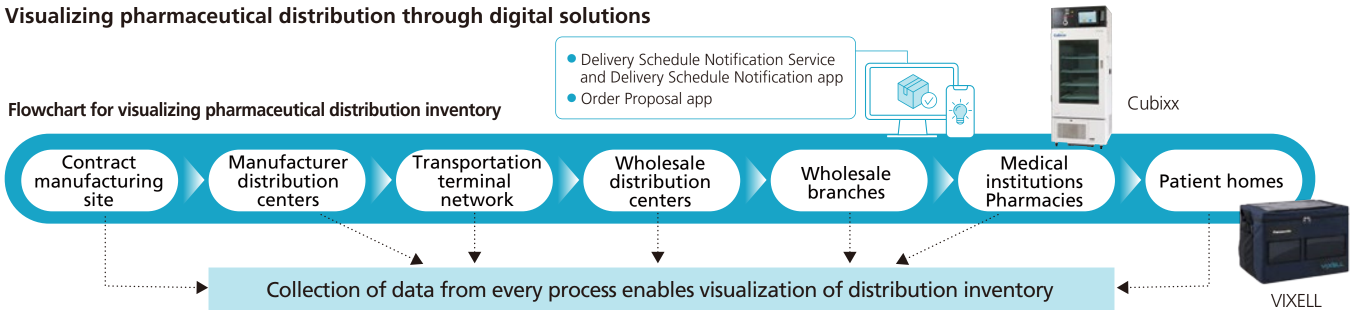
Cubixx track record and pharmaceutical waste reduction amount

Track record	522 facilities and 618 units (representing 44% of designated cancer hospitals and 70% of national university hospitals)
Waste reduction amount	5.7 billion yen

In FY2024, we developed Cubixx DT, a solution that enables remote management of medication status for patients receiving care at home, and initiated joint research with the Cancer Institute Hospital of JFCR. This will help to improve patient medication adherence and treatment outcomes, while also helping to eliminate leftover or missed doses of medication.

Visualizing pharmaceutical distribution through digital solutions

Flowchart for visualizing pharmaceutical distribution inventory

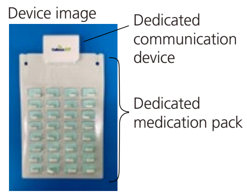


Mari Takagi
Pharmacy Director
Osaka International Cancer Institute

Strict medication management provides peace of mind to patients

The pharmaceuticals used at our institute are mainly anti-cancer drugs, which require cold storage. We also had to respond to emergency orders, which significantly increased our pharmacists' workload. Since introducing Cubixx, we have been able to confidently maintain inventory thanks to features such as redistribution of slow-moving stock and automatic ordering. Within six months of rollout, emergency orders had dropped to zero, and we have seen and felt the benefits. We hope that this will not only streamline pharmacists' work, but also serve as a system that ensures the safe and reliable provision of medicines to patients.

A closer look at the Cubixx DT medication management system



Event data when a patient takes out their medication is automatically sent to a dedicated server. Healthcare providers can check this data at any time from the management screen of the dedicated portal site and remotely monitor patients' medication status.

Creation of New Business | Initiative 4: Digital healthcare

Aiming to create a new pharmaceutical distribution business by combining sales, logistics, and digital functions

Background: The business environment surrounding pharmaceutical distribution business is challenging, symbolized by drug price cuts and rising distribution costs. We aim to strengthen each of our functions and realize a new model as a pharmaceutical wholesaler using an effective and efficient collaborative system that combines in-person and digital solutions.

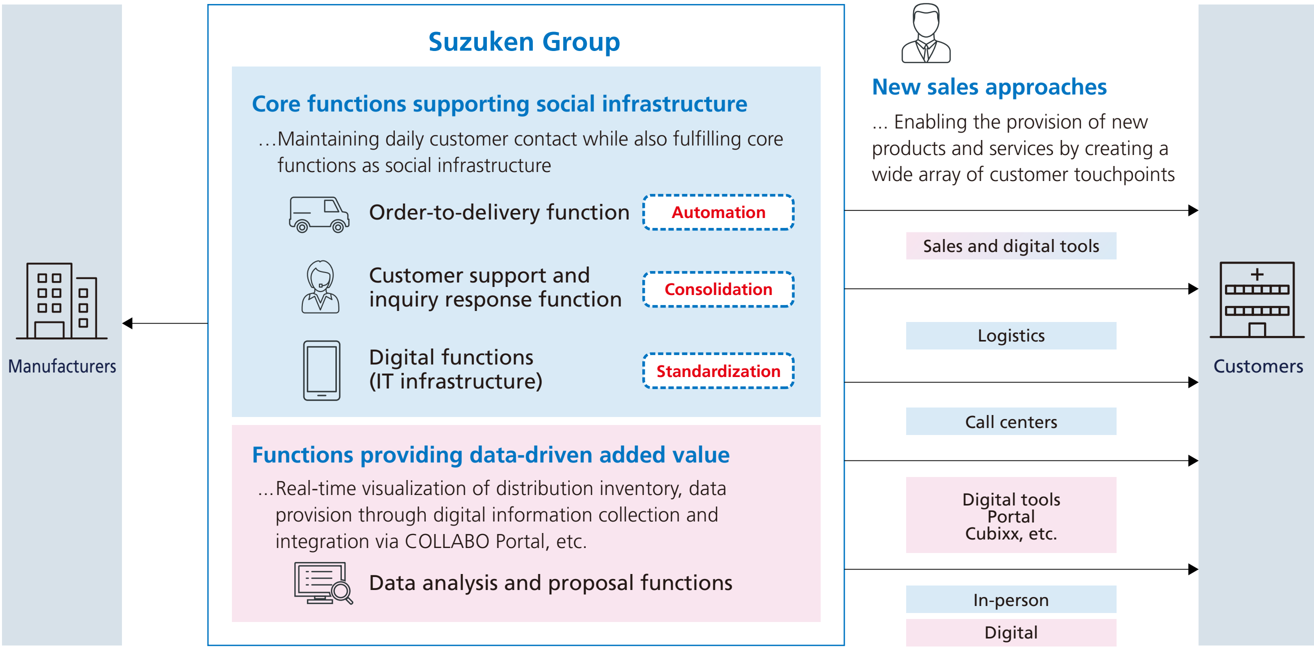
To help resolve social issues while maintaining pharmaceutical distribution, which is a part of social infrastructure, we believe it is essential to build a solid foundation and create new value that leads to profits.

In sales, logistics, and back-office operations, considered core functions of pharmaceutical distribution, we are strengthening our functions through the use of digital technology. This involves automating operations from order to delivery by utilizing digital tools such as COLLABO Portal, our Delivery Schedule Notification app, and Order Proposal app. Simultaneously, we are consolidating our sales support system, which handles inquiries from customers and provides information. These efforts will streamline MS duties and allow them to devote their time to strengthening in-person customer touchpoints. By leveraging a variety of customer touchpoints that combine in-person and digital, we will create a sales structure that can propose new products and services to our customers.

To create new added value, we have begun developing a system that integrates and analyzes information accumulated from diverse sources: daily sales activities, digital customer touchpoints, real-time distribution inventory data from solutions such as Cubixx, and other information obtained from digital tools such as COLLABO Portal. By providing this data as added value, we hope to generate new sources of profit, such as function fees.

With our field-based MS at the core, we will simultaneously improve productivity and customer satisfaction by enhancing the functions of sales, logistics, back-office operations and digital initiatives, and establishing a collaborative system. Furthermore, we aim to realize a new business model for pharmaceutical distribution that will generate revenue through new added value.

Vision for the pharmaceutical distribution business



Business Strategy
Creating New Services Based on Medical and Nursing Care Needs

Creating new services that meet community needs through digital technology and collaboration

Message from the executive officer in charge

Making progress with business sustainability and the creation of new services

During the two years of the current medium-term management plan, we have strengthened the earnings base of our existing pharmacy and nursing care businesses, while working to develop new businesses with a focus on sustainability and the perspectives of patients and nursing care facility users.

In the pharmacy business, we are strengthening our primary care functions and at the same time working to create a new vision that supports community pharmacies. Toward this end, we are stepping up digital transformation and supporting shift from medication-centered to patient-centered services. In the nursing care business, we will speed up our efforts to build a nursing care ecosystem in which the entire community supports each other in collaboration with nursing care providers, medical institutions, and local government. We will make the most of the Suzuken Group's functions and management resources as we move forward as One Team.

Chie Takahashi

Director, Senior Executive Officer
Senior General Manager of Healthcare and Nursing Care Support Business Headquarters

Creation of New Business | Initiative 5: Community healthcare and nursing care support

Supporting the shift from medication-centered to patient-centered services at pharmacies

Background: Pharmacies are facing a challenging business environment due to revisions to dispensing fees and other factors. They are also expected to shift from medication-centered operations to patient-centered services that allow pharmacists to fully apply their professional expertise.

In our pharmacy business, we are strengthening our touchpoints with patients and improving operational efficiency through the use of digital technology. As part of this initiative, we have introduced COLLABO Mobile, which comes standard with the functions of COLLABO Portal, across our Group's pharmacies. The availability of digital services in home medical and nursing care settings has enabled pharmacists to provide timely information to doctors about symptoms identified through interactions with patients. This technology also helps improve patient engagement and operational efficiency through online medication guidance. In the future, we plan to develop in-app content as a tool to support the operations of community pharmacies.

Creation of New Business | Initiative 5: Community healthcare and nursing care support

Contributing to sustainable nursing care by improving operational efficiency and supporting the introduction of new equipment

Background: The nursing care industry is facing labor shortages while demand is increasing due to the aging population. Consequently, there is a need for services that contribute to reducing workloads.

In our nursing care business, we are working to achieve both operational efficiency and high-quality care by leveraging our strengths, including traditional know-how in operating nursing care facilities, digital transformation through the introduction of care-tech, and the sharing of information and distribution of pharmaceuticals and care products via COLLABO Portal. At the same time, we are promoting work style reforms with the aim of ensuring sustainable nursing care.

Medicare Collabo CO., LTD., a joint venture with YAGAMI CO., LTD., which operates a welfare equipment rental and distribution business, is engaged in a broad-based distribution business for care-tech products. It offers tailored proposals for introducing these products according to needs and provides post-implementation support services.

Features of COLLABO Mobile

Screenshot of the COLLABO Portal interface accessed via COLLABO Mobile

Security
- Security design in accordance with Guidelines for Safety Management of Healthcare Information Systems, Version 6.0
- Dedicated help desk available 24 hours a day, 365 days a year to prevent the risk of information leakage due to malfunction, loss, etc.

Package
- Packaging only the necessary plans for business smartphones helps simplify the contracting process
- No initial setup required, allowing the device to be used immediately upon purchase

Applications
- Applications are made available on the COLLABO Square dedicated store, making it possible to check and download frequently used applications in the industry

Creation of New Business | Initiative 5: Community healthcare and nursing care support

Providing new value from the perspective of patients and users

Background: Medical and nursing care issues and needs vary from region to region. Therefore, pharmacies and nursing care facilities are expected to diversify their support services so that patients can receive the necessary medical and nursing care services in the communities they are accustomed to.

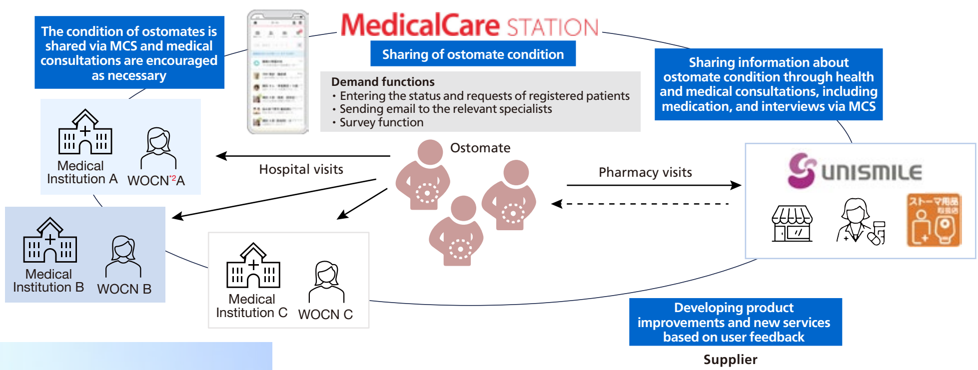
In our new initiatives for community healthcare and nursing care support, we aim to create services and functions that can support patients and their families and offer compassionate care by leveraging the connections we have fostered with our own pharmacists, nutritionists, care managers, caregivers, nursing care facility managers, and local governments through our business operations to date.

One such initiative involves creating pharmacies that specialize in specific diseases, leveraging pharmacists' expertise. We work closely with local medical institutions, providing support from pharmacists with the Japan Rheumatism Foundation and implementing strict management of rheumatoid arthritis medications using Cubixx. We also contribute to community health by holding public lectures for local residents. In addition, we have begun providing support for ostomates*1 through Medical Care Station (MCS), a communication tool exclusively for medical and nursing care. Pharmacists and certified nurses in wound, ostomy and continence nursing work together through MCS to provide health and medical consultations.

Our nursing care facilities have also launched pilot vaccination awareness programs for care workers in collaboration with pharmaceutical companies. By connecting pharmaceutical companies with nursing care facility users and caregivers, we aim to raise awareness of the importance of vaccination, help prevent the elderly from becoming seriously ill, and ultimately contribute to the marketing efforts of pharmaceutical companies.

*1 Ostomate: A person who has a stoma (artificial anus/artificial bladder) formed in their abdomen to allow for the discharge of bodily waste due to various illnesses or accidents.

Supporting community collaboration through Medical Care Station (MCS)



*2 WOCN: Certified nurses in wound, ostomy and continence nursing certified by the Japanese Nursing Association

Contributing to community healthcare collaboration by supporting rheumatoid arthritis patients

UNISMILE Pharmacy Iruka Store, located in Kashiwa City, Chiba Prefecture, excels in supporting patients with rheumatoid arthritis. The pharmacy provides detailed explanations and consultations regarding prescriptions and works in cooperation with rheumatologists and nearby medical institutions. Specialist pharmacists can provide instructions on self-injection and manage the patient's physical condition during the initial period of medication, and by providing the medication immediately after instruction, this system also reduces the number of visits to medical institutions by the patient. Furthermore, the pharmacy has also introduced Cubixx, allowing it to stock a wide variety of biologics, including self-injectable biological products and high-priced medications. This enables the pharmacy to address situations where nearby medical institutions or pharmacies are out of stock. As a result, the pharmacy has received feedback that this has expanded treatment options. UNISMILE Pharmacy Iruka Store strives to be a pharmacy chosen by both patients and medical institutions by engaging closely with the community and providing accurate information.

Connecting medical and nursing care professionals with manufacturers through digital functions

Message from the executive officer in charge

Creating digital solutions using unique data assets and strategic collaboration

I was appointed General Manager of the Digital Solutions Headquarters, which was newly established in April 2025. The growing COLLABO Portal is now a platform used by more than 300,000 medical and nursing care professionals. I have reaffirmed that the Suzuken Group's greatest value lies in its ability to collect individual-level information on medical and nursing care professionals, which is not available to other companies, in addition to the data on medical and nursing care facilities that we obtain through our distribution business. Leveraging this data and strong partnerships with other companies, we will be a pioneer in developing new digital solutions based on our digital platform that support pharmaceutical companies, companies new to the healthcare industry, medical and nursing care professionals, and patients and their families.

Yuichiro Daikoku

Managing Executive Officer
Senior General Manager of the Digital Solutions Headquarters

Creation of New Business | Initiative 4: Digital healthcare

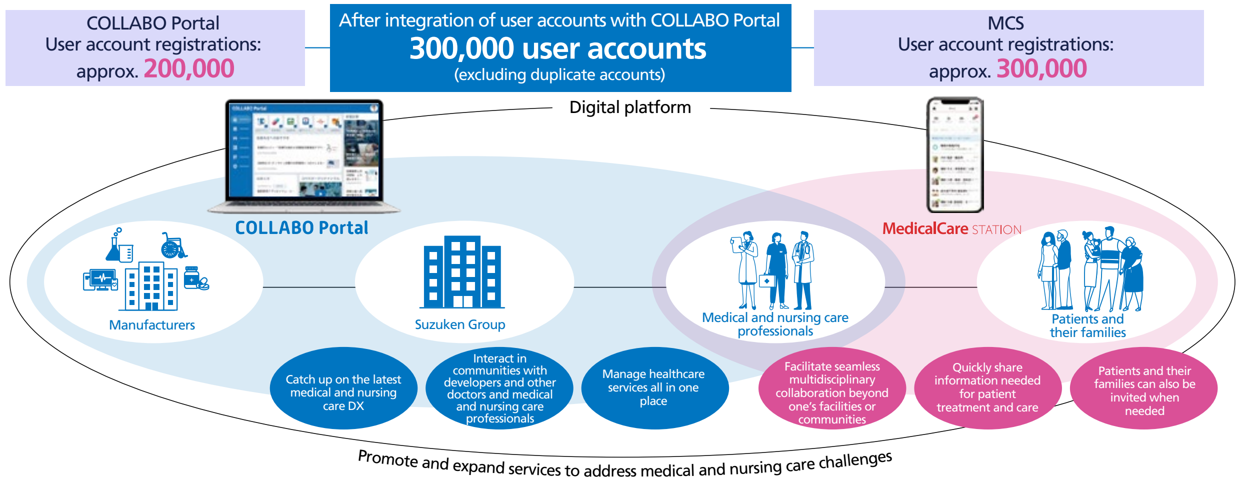
Connecting medical and nursing care professionals with manufacturers to deliver new products and services

Background: Innovative digital services are being developed in the medical and healthcare sectors. However, many of these services struggle to gain recognition and widespread adoption. Therefore, to address this challenge, the Group is working to solve issues in the medical and nursing care fields by providing a digital platform built by the Group, which has connections with medical and nursing care professionals.

The Group has built COLLABO Portal, a comprehensive platform for medical digital transformation, and has been promoting its adoption since 2023. In FY2024, the number of registered user accounts on the platform increased to approximately 300,000 after integrating user accounts from Medical Care Station (MCS), a medical and nursing care-specific communication tool.

COLLABO Portal allows users to access the digital services by the Group and its partner companies in one place using a single user account. It also offers a wide range of functions, such as providing information tailored to the attributes of medical and nursing care professionals, introducing products from participating manufacturers, and hosting seminars that are useful for patient treatment and care. Inquiries and requests received from customers via the chat function are also collected as user needs and utilized to support a variety of manufacturers to develop new products and services.

Growth of user account registrations on the COLLABO Portal



Creation of New Business | Initiative 4: Digital healthcare

Preparing a new marketing support service leveraging our unique customer base

Background: We aim to help improve access to medical and nursing care services and quality of life for patients and their families. This is achieved by helping pharmaceutical companies reach potential patients and by promoting the products and services of companies entering or expanding in the healthcare sector.

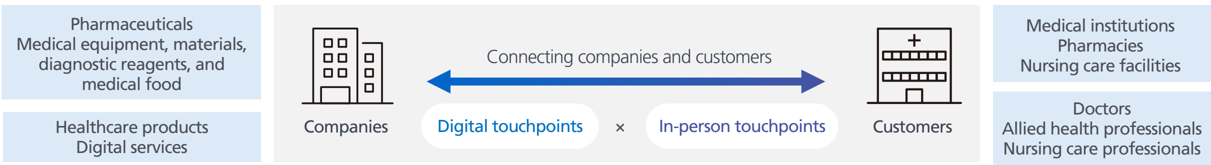
By establishing connections with individual medical and nursing care professionals through COLLABO Portal, we have made it possible to combine these personal-level connections with our existing relationships with facilities such as hospitals, clinics, pharmacies, and nursing homes, enabling us to provide marketing support that integrates both perspectives.

In FY2024, on COLLABO Portal, we began hosting seminars tailored to the attributes of medical and nursing care professionals, presenting digital exhibitions, and providing information and materials related to the care of patients and users of nursing care services.

In April 2025, we also began disseminating information through our website to help raise awareness and promote understanding of a new disease concept announced by the Japan Society for the Study of Obesity known as Female Underweight/Undernutrition Syndrome (FUS). As seen in this disease awareness initiative, we aim to contribute to addressing social issues by supporting pharmaceutical companies and other businesses interested in the healthcare field in their efforts to reach individuals.

Going forward, we will continue to develop the Group information integration platform, which brings together data from approximately 160,000 medical institutions nationwide—our valued customers as a pharmaceutical wholesaler—and approximately 300,000 medical and nursing care professionals with whom we have newly established connections. Through this platform, we aim to take on the challenge of creating new revenue-generating businesses by leveraging information more effectively.

Marketing support service



New marketing support service utilizing digital technology

Atsuro Tsuchiya
Director
Tsuchiya Clinic,
SOUSEIKAI Medical Corporation

Promoting digital transformation based on face-to-face relationships

I use MCS as a tool for multidisciplinary collaboration in home medical care settings and for sharing information with clinic staff. The ability to quickly share patient information among medical professionals—such as doctors, nurses, and pharmacists—and nursing care professionals— such as care managers and care workers—has helped reduce anxiety for patients and their families. MCS also enables direct communication with patients and their families, bringing us closer together. Looking ahead, I am hopeful that the greater linkage of MCS and COLLABO Portal will bring new applications and features that will support daily medical operation, such as responding to inquiries via chat.

I believe digital transformation is only possible through trusted, face-to-face relationships. While continuing to value these real-world connections, I look forward to simultaneously promoting digital transformation.

Fulfilling our mission with a robust logistics infrastructure contributing to the stable supply of pharmaceuticals

Creation of New Business | Initiative 3: Smart logistics

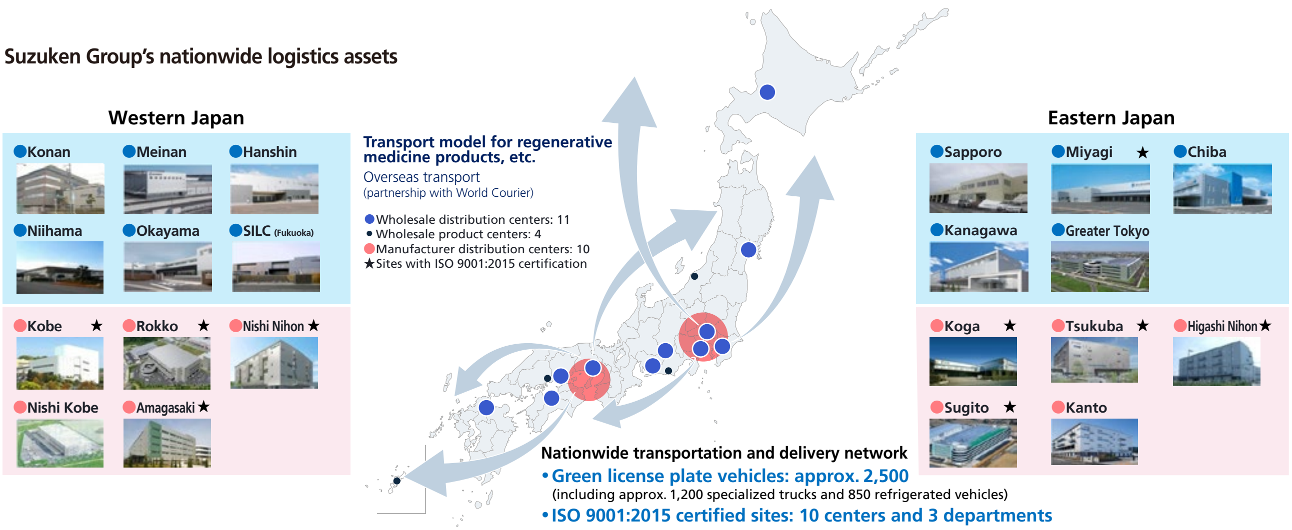
Building a system that can consistently provide high-quality logistics nationwide

Background: Pharmaceutical wholesalers' mission is to serve as part of social infrastructure by ensuring a stable supply of pharmaceuticals even during natural disasters and other contingencies. They are also required to comply with Good Distribution Practice (GDP) Guidelines to prevent counterfeit medicines from reaching the market and maintain the safety of pharmaceuticals.

Since 2005, the Suzuken Group has been building a healthcare distribution platform that handles both contract distribution business for manufacturers ("manufacturer distribution") and wholesale distribution. By applying globally standardized quality control expertise developed in manufacturer distribution to our wholesale distribution, we ensure high distribution quality and strengthen the capabilities of our nationwide logistics network. Furthermore, this logistics infrastructure has enabled us to build a robust BCP system that ensures stable supply even in the event of a disaster.

With the Greater Tokyo Distribution Center, the industry's first integrated logistics center, which began operation in 2024, and new automated logistics centers planned for the Chubu and Kinki regions in the future, we will establish a more effective and efficient distribution system, contributing to an even more stable supply of pharmaceuticals nationwide while also reducing social costs.

Suzuken Group's nationwide logistics assets



Makoto Karita
President and CEO
S.D.Logi CO., LTD.

For patients beyond the frontline of healthcare

When the Noto Peninsula earthquake occurred on January 1, 2024, I was engaged in on-site response operation as General Manager of Suzuken's Kanazawa Sales Department. Thanks to the prompt assistance of nearby employees who rushed to the office, we were able to get our operations in order by the next day. By coordinating with the emergency response headquarters at our Nagoya headquarters and local governments, we were able to resume normal business operations on January 4. I will never forget and remain extremely proud of the sight of Suzuken employees, even while being affected by the disaster themselves, proactively identifying and acting on what was needed to deliver essential medicines to those in need as quickly as possible.

In April 2025, I became President of S.D.Logi, which is responsible for both manufacturer and wholesale distribution. I feel a much stronger sense of responsibility in handling products directly related to people's lives such as pharmaceuticals and supporting the lives and health of patients. Going forward, we will continue to create added value that is unique to our Group and remain committed to ensuring a stable supply under all circumstances.

Creation of New Business | Initiative 3: Smart logistics

Establishing a value chain for specialty drug distribution

Background: Amid growth in the market for specialty drugs, which are expensive and require strict management, there is a need to improve the efficiency of distribution in the supply chain and reduce social costs such as waste.

In 2005, the Suzuken Group became the first pharmaceutical wholesaler to launch a manufacturer distribution business. Since then, we have responded to the outsourcing needs of pharmaceutical companies and contributed to reducing social costs by consolidating the logistics operations previously handled by each company, thereby improving delivery efficiency and optimizing distribution inventory. As a pioneer in the industry, we have been steadily building a track record by leveraging the strength of our personnel, who possess a wealth of experience and know-how. Our current manufacturer distribution business has grown to handle pharmaceuticals worth 2.6 trillion yen per year on a drug price basis.

In 2012, we became the first pharmaceutical wholesaler to launch a comprehensive support business in the rare disease field. In 2016, we began logistics for clinical trials of regenerative medicine products, and have expanded our services to meet the increasingly sophisticated and diverse needs of pharmaceutical companies.

Additionally, in 2017 we developed Cubixx. By achieving total traceability for specialty pharmaceuticals, Cubixx helps streamline ordering and inventory management at medical institutions while addressing social issues such as reducing drug waste.

Furthermore, to address the social issue of drug loss and drug lag in the Japanese market, Suzuken, Sanwa Kagaku Kenkyusho Co., Ltd. (our pharmaceutical manufacturing arm), and our partners, Bushu Pharmaceuticals Ltd. and EPS Holdings, Inc., formed a partnership to launch the J-ENTRY Consortium. This initiative supports new manufacturers entering the Japanese market, helping to expand treatment options for patients.

Value chain for specialty drug distribution

2005 onward

Manufacturer distribution → Nationwide transportation and delivery network → Nationwide high-quality network →

2012 onward

Establishment of specialty drug distribution model

- Contract distribution track record
  Item share: 50% or more

Stable supply of high-priced pharmaceuticals
Optimized distribution inventory

2016 onward

Development of the Cubixx solution

- Related patents: 19
- Users: 522 institutions/618 units
- Waste reduction: approx. 5.7 billion yen (FY2024)

Streamlining of ordering and inventory management
Waste reduction

2024 onward

Providing domestic infrastructure to manufacturers new to the Japanese market

- One-stop service for overseas pharmaceutical manufacturers
- The industry's first integrated distribution center begins operation

Elimination of drug loss and lag

Providing new, integrated logistics functions, contributing to smart logistics

The Greater Tokyo Distribution Center, which began operations in April 2024, is the largest automated center within the Group. The center aims to automate over 90% of all warehouse operations, achieve a shipping accuracy of 99.99999% (seven nines) or higher, and provide new logistics functions that meet customer needs, such as packaged delivery*. At the start of operations, the automation presented unprecedented logistics challenges. However, the members from Suzuken and S.D.Logi, along with TRANCOM Co., Ltd., our long-standing partner in warehouse operations, quickly shared the issues and established a collaborative system to work together as a team toward solutions. We will maximize the center's industry-first capabilities in smart logistics and fulfill our mission of delivering safe, secure, and high-quality products to our customers at low cost.

* Packaged delivery: The process that involves automatically sealing products and delivery slips in foldable containers for delivery to each customer

Higuchi, Center Manager, Suzuken Greater Tokyo Distribution Center (center); Matsumura, Deputy Manager, S.D. Logi (right); and Otake, Section Manager of TRANCOM EX East Japan (left)

Financial / Capital Strategy

Message from the executive officer in charge

Aiming to further improve corporate value through management that is conscious of the cost of capital

To achieve management that is conscious of the cost of capital and stock price, we are promoting balance sheet reforms while ensuring financial soundness. In FY2024, the second year of our medium-term management plan, we accelerated the reduction of cross-shareholdings and continued to implement proactive shareholder return measures, resulting in a total payout ratio of over 100%.

Strategic investment is essential for our sustainable growth. We will implement strategic investments of over 100 billion yen, including capital investments to build new distribution centers and investments in partnerships for the establishment of a digital transformation platform. In addition to these measures, we will also strengthen engagement with shareholders and investors, including enhancing the disclosure of non-financial information and expanding investor relations activities, with the aim of further improving corporate value.

Yuichi Yamamoto
Executive Officer
Senior General Manager of Corporate Planning Headquarters

Sustainable growth and an improvement in medium- to long-term corporate value

Toward management that is conscious of the cost of capital

To achieve sustainable growth and improve medium- to long-term corporate value, the Suzuken Group is advancing initiatives toward realizing management that is conscious of the cost of capital and stock price.

We are implementing a capital policy that emphasizes a balance between returns and investment, with our financial strategy focused on ensuring financial soundness. In our medium-term management plan, running from FY2023 to FY2025, we aim to maximize profits through the structural reform of existing businesses and by creating new businesses, while improving ROE by curbing any increases in shareholders' equity. To optimize shareholders' equity, we are reducing our cross-shareholdings and enhancing shareholder returns.

Improvement in ROE

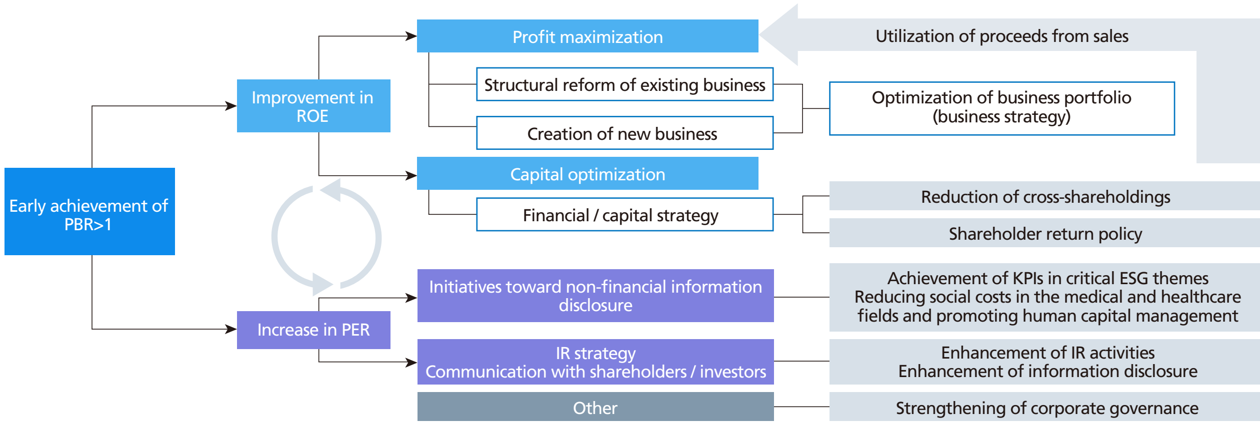
Maximizing profit by optimizing our business portfolio

The target ROE for each fiscal year of the medium-term management plan is set at 5% or higher (a level above the cost of capital). In addition, we are striving to achieve an ROE of 8% or higher by FY2032, marking our 100th anniversary.

Through contributions from a profit-oriented approach in the pharmaceutical distribution business, gains from the reduction of cross-shareholdings, and proactive shareholder returns, we achieved ROE of 7.0% for FY2023 and 8.4% for FY2024, both surpassing the original target. We forecast ROE to be 8.2% in FY2025.

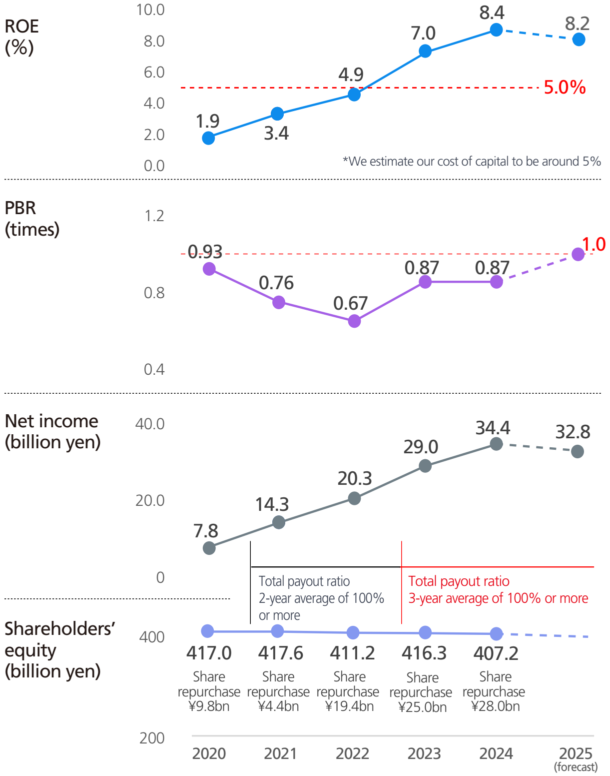
However, the effect of reducing cross-shareholdings is temporary. Therefore, with an eye on FY2032, we will ambidextrously advance the structural reforms of existing businesses and the creation of new businesses, aiming to optimize our business portfolio and maximize profit.

Overall picture for sustainable growth and an improvement in medium- to long-term corporate value



In our existing businesses, we are building a more effective and efficient sales system by fostering a profit-oriented mindset among employees, thoroughly negotiating prices based on product value, utilizing digital tools, including COLLABO Portal, Delivery Schedule Notification app, and Order Proposal app, and strengthening back-office functions. In addition, through proposal activities aimed at resolving issues, such as deploying

Trends in ROE, PBR, profits, and shareholders' equity



* ROE: Return on equity

Cubixx to reduce waste of high-priced pharmaceuticals, we will improve customer satisfaction and increase productivity, thereby stabilizing and improving profit margins.

The profits generated from existing businesses will be invested in alliances with partner companies and the development of a digital transformation platform. By doing so, we aim to monetize our information businesses and new businesses under a demand chain concept driven by the needs of medical and nursing care professionals.

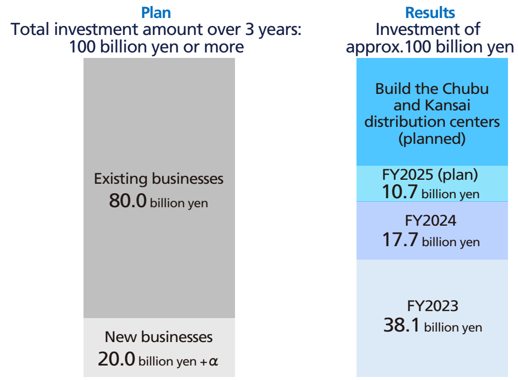
Implementing proactive strategic investments

To achieve a consolidated operating profit ratio of 1.5% or higher, as targeted in our medium-term management plan, it is essential to expand our business resources. Based on considerations of both necessity and profitability, we are implementing capital and business investments that support business continuity and expansion. In terms of initial targets during the three-year period of the medium-term management plan, we intend to invest more than 100 billion yen in total (subject to final approval), with 80 billion yen allocated to strengthening existing businesses and over 20 billion yen to creating new businesses.

The cumulative investment amount for the two years up to FY2024 was 55.9 billion yen, including capital investment in the Greater Tokyo Distribution Center, which began operations in April 2024 (approximately 20 billion yen), and investments in Welby, Inc. and Pharmarise Holdings Corporation. We plan to invest 10.7 billion yen in FY2025, bringing the cumulative investment amount for the medium-term management plan period to an estimated 66.7 billion yen.

As for future investments, we plan to build distribution centers in the Chubu and Kansai regions that are comparable in scale to the Greater Tokyo Distribution Center, featuring automation and labor-saving operations enabled by the latest robotics technology. In May 2025, we signed a provisional agreement with Kasugai City to purchase land for a logistics center, with the aim of building the Chubu Distribution Center (tentative name) covering the surrounding region. In addition, as a way to create new businesses, we expect to increase investment in health-tech companies aiming to develop new products and services on our digital platform.

Investment plan in the medium-term management plan (FY2023–FY2025) and results



Optimizing capital structure through balance sheet reform

To optimize the capital structure, we will accelerate the reduction of cross-shareholdings and work to curb increases in shareholders' equity by implementing proactive measures aimed at enhancing shareholder returns, such as a consistent increase in the level of dividend payout and flexible acquisition of treasury shares. Looking ahead, we will also consider the prudent use of debt, and continue reforms to realize our ideal balance sheet structure.

Accelerating cross-shareholdings reduction

Our target for reducing cross-shareholdings is to lower their ratio to 10% or less of consolidated net assets by the end of FY2025.

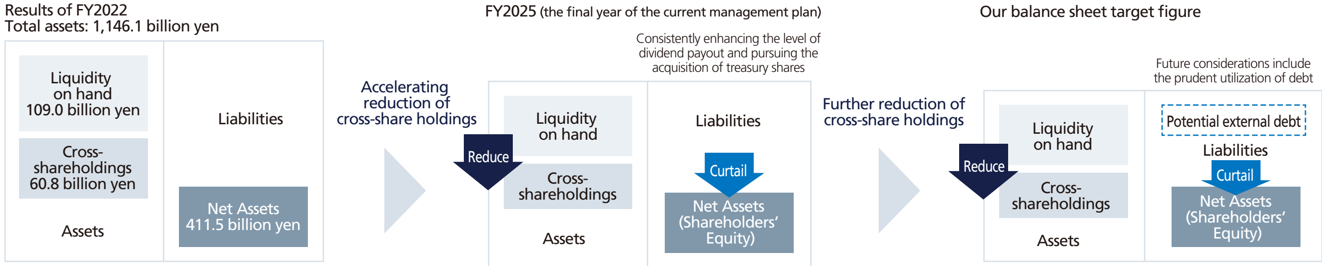
Decisions regarding the sale of shares are made by the Board of Directors after evaluating the appropriateness of holding each individual cross-shareholding and considering factors such as timing. In FY2023, we sold holdings in eight stocks worth approximately 9.2 billion yen and in FY2024, we sold holdings in another eight stocks worth approximately 13.0 billion yen. Since announcing the cross-shareholdings reduction policy in May 2021, we have reduced our holdings in 33 stocks, totaling around 35.2 billion yen. We will continue this reduction, and our policy is to continue it in the medium to long term, even after we reach the reduction target of 10% or less.

3-year average total payout ratio of 100% or more

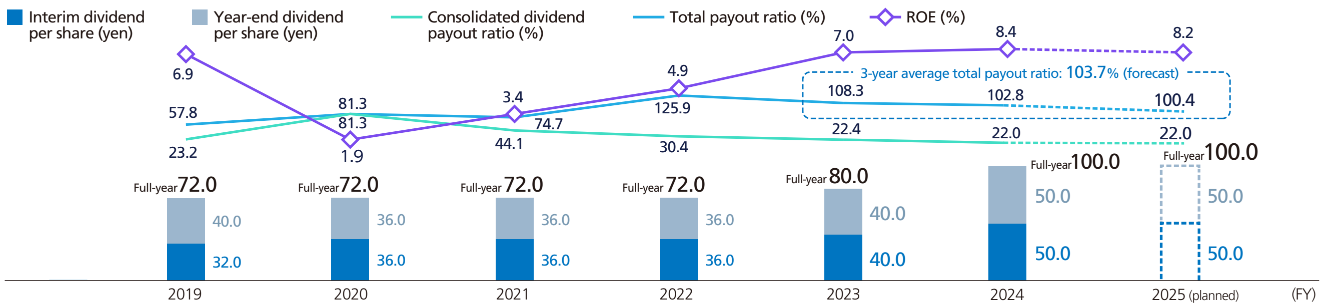
To curb the increase in shareholders' equity, we have committed to achieving an average total payout ratio of 100% or more during the medium-term management plan covering FY2023 to FY2025. In FY2023, we conducted share repurchase of 24.9 billion yen and paid dividends totaling approximately 6.4 billion yen, resulting in a total payout ratio of 108.3%. In FY2024, we implemented share repurchases of 27.9 billion yen and paid dividends of approximately 7.4 billion yen, resulting in a total payout ratio of 102.8%, with each year exceeding 100%.

In FY2025, we announced share repurchases of up to 26 billion yen in May 2025, bringing the cumulative share repurchase amount during this medium-term management plan to approximately 79 billion yen. We plan to pay an annual dividend of 100 yen per share, which will result in an average total payout ratio of 103.7% over the three years.

Envisioned balance sheet reforms targeted for the medium to long term



Dividends per share, Consolidated dividend payout ratio, Total payout ratio, Total amount of share repurchase, ROE



Total amount of share repurchase	2019	2020	2021	2022	2023	2024	2025 (planned)
	9.8 billion yen	—	4.4 billion yen	19.4 billion yen	24.9 billion yen	27.9 billion yen	Maximum of 26.0 billion yen

Note: 1. We implemented a commemorative dividend of 4 yen in FY2019.
2. The total payout ratio shows the ratio between a) the total dividend payment amount plus the total amount of treasury shares acquired and b)net income attributable to owners of the parent. It is calculated using the following formula: a) ÷ b) × 100.

Increase in PER

Enriching our communication with investors and our information disclosure

We actively communicate with domestic and international investors through financial results briefings, small meetings, individual interviews, and other means. Based on these dialogues, we continuously share and update our management policies and initiatives to improve corporate value. We also provide feedback to management and relevant departments to incorporate the opinions we receive into our management practices.

In light of the increase in dialogues about the Suzuken Group's sustainability activities, as well as heightened social demands and interest in ESGs and SDGs, we will also strengthen the disclosure of our non-financial information and actively highlight our efforts to address social issues through our business operations.

Sustainability

Sustainability Management

Basic concepts

Under the corporate philosophy of "continuing to contribute to fulfilling lives filled with smiles for all people," the Suzuken Group believes that we will enhance our corporate value by carrying out our mission as social infrastructure in the business domain of health creation and by providing new value—through our businesses—that contributes to solving social issues. Partnering with a wide variety of stakeholders across the value chain is indispensable to value creation. We will aim for sustained growth while nurturing relationships of trust with stakeholders and producing great value that solves social issues.

Promoting sustainability management

Our Group is implementing a three-year medium-term management plan, "For your next heartbeat — Creating a movement toward tomorrow," covering FY2023 through FY2025. Under this plan, we aim to become a "health creation enterprise" that continuously provides new solutions and hope to an evolving healthcare ecosystem.

Based on the business strategies outlined in the medium-term management plan, we are developing and delivering businesses and services that contribute to every stage of patients' healthcare life cycles. Through these initiatives, our sustainability activities aim to both expand business opportunities and mitigate risks. We believe that our Group's value creation process constitutes sustainable growth and the delivery of value to all stakeholders, including local communities and employees. By continuously creating new value, we will contribute to further enhancing corporate value and solving social issues.

Sustainability promotion structure

In April 2022, to promote sustainability management across the Suzuken Group, we established the Sustainability Committee under the direct control of the president. The Committee is chaired by the executive officer of the Planning Division and comprises all senior general managers of the Administrative Headquarters and of each business, as well as the general manager of Human Resources and General Affairs. In principle, it meets at least once a year. The Committee identifies and deliberates on social issues pertinent to our diverse Group businesses and sustainability activities conducted through our businesses. It also sets numerical targets for our critical ESG themes (material issues) and monitors their progress.

The Committee reports its discussions to the Board of Directors. The Board of Directors then exchanges views on the Group's sustainability issues and oversees the implementation of Group-wide sustainability activities.

Sustainability promotion structure

Board of Directors

↑ Reporting

President and Chief Executive Officer

↑ Reporting

Sustainability Committee

Members
Chair: Executive Officer of Planning Division
Committee members: Senior general managers of the Administrative Headquarters of each Business Headquarters and the general manager of the Human Resources and General Affairs

↕ Partnering

Group companies

Stakeholder engagement

In order to create new value that contributes to solving social issues and to strive for sustainable growth, we believe that cooperation with diverse stakeholders across our value chain is essential, and thus we are committed to enhancing communication. We actively utilize the views and ideas that we receive in pursuing our Group's sustainability activities.

Our policies and specific initiatives are published in our Multi-Stakeholder Policy, our Integrated Report, and on our website.

Multi-Stakeholder Policy (Japanese)

Sustainability Initiatives

Sustainability Committee meetings in FY2024

Meetings held	4
Main discussion content	• Shared challenges involving sustainability management • Reviewed critical ESG themes (material issues), and considered KPIs and numerical targets • Checked progress on KPIs, numerical targets, and initiatives relating to material issues • Shared information about sustainability activities within the Group • Addressed disclosure of information based on TCFD recommendations

Sustainability Management

Supply chain management

The Suzuken Group operates numerous businesses spanning pharmaceutical manufacturing, distribution, pharmacies, and nursing care. Through these businesses, we provide various functions and services to society and have built diverse supply chains. As a key participant in these supply chains, we announced our "Declaration of Partnership Building" in March 2024. This initiative aims to establish new partnerships by fostering collaboration and mutual prosperity with partners within the supply chain and businesses focused on value creation.

As part of efforts to achieve mutual prosperity, we are promoting "Smart Logistics," which incorporates digital technology into a proprietary healthcare distribution platform that reaches from pharmaceutical companies to medical institutions and patients. By adjusting supply and demand, this initiative helps to prevent maldistribution of pharmaceuticals and reduce waste. In addition, we are striving to maintain safe, secure, and reliable pharmaceutical distribution through quality control in accordance with the Good Distribution Practice (GDP) guidelines for pharmaceuticals, and by building a nationwide BCP network for disaster response.

We recognize environmental and social risks within the supply chain and will practice sustainable pharmaceutical distribution by contributing to solving related supply chain challenges through our business activities.

Declaration of Partnership Building (Japanese)

Promotion of human capital management

Human resources are an important asset in the Suzuken Group. To achieve our vision of becoming a health creation enterprise that supports patients throughout their entire healthcare life cycle, we believe it is essential to foster human resources equipped with diverse ideas to adapt to the evolving landscape. The diverse human resources across the Group and our partner companies work as One Team to contribute to society through our business activities. Through these efforts, we are managing human capital in ways designed to leverage each individual's growth and capabilities to the fullest (See p.36).

Environmental protection initiatives

Enhancing the overall efficiency of pharmaceutical distribution is crucial for both reducing society's CO_2 emissions and ensuring a stable, reliable supply of medicines. We are, therefore, switching to energy-saving vehicles and working to reduce electricity use. We are also enhancing delivery efficiency through efforts such as constructing an optimal delivery system based on customer needs and reducing frequent and express deliveries by proposing improved inventory management. We are also promoting modal shifts to transportation methods such as bullet trains and aircraft. Furthermore, through our smart logistics initiatives, we will contribute to lowering social costs and environmental impact by enabling real-time visualization and optimization of distribution. Additionally, we are disclosing these initiatives and their related indicators in accordance with the TCFD recommendations.

Regarding biodiversity conservation, we are working to reduce pharmaceutical waste in the supply chain as an environmental risk (See p.40).

Reducing social costs

Our Group is working to reduce social costs within the supply chain, including optimizing distribution to cut transportation and delivery costs and reducing pharmaceutical waste. At the same time, we are developing functions and services leveraging digital technology to lessen the workload of medical and nursing care professionals, ease the burden on users of medical and nursing care services and their families, and enhance convenience.

Major functions and services that contribute to reducing social costs

- Healthcare distribution platform (improving delivery efficiency)
- Cubixx solution (reducing pharmaceutical waste and workload)
- Cubixx DT (reducing unused medicines through medicine management)
- COLLABO Portal (reducing workload)

Contributing to improving access to medical and nursing care services and enhancing patient QOL

We are working to create new services by leveraging the needs identified through direct interactions with patients in the Group's pharmacy and nursing businesses. In addition, through our COLLABO Portal-based digital platform, also involving partner companies, we play a role in connecting manufacturers with medical and nursing care professionals. This enables us to develop a diverse range of services that contribute to solving regional healthcare and nursing care challenges.

Contributing to local communities

We are working to strengthen cooperation with local governments on initiatives such as comprehensive community care system, community-based healthcare collaboration, and the supply of medicines in the event of natural disasters.

We also engage in social contribution activities in collaboration with local communities, including monitoring the well-being of residents and patients, maintaining and promoting health, preserving nature and culture, and cultivating the next generation (See p.39).

Human Capital Management

Message from the executive officer in charge

Creating an organizational culture where diverse talent comes together to contribute to society as "One Team"

Takahiro Kuroyanagi
Senior Executive Officer
Senior General Manager of the Corporate Group Administrative Headquarters

In order to realize the Suzuken Group's vision of becoming a "Health Creation Enterprise," it is essential to develop talent with diverse perspectives and the ability to adapt to change. Since the launch of our digital transformation (DX) reskilling initiatives in FY2023, many employees have actively engaged in the program, surpassing our target number of certified employees. We will continue to refine our systems and foster a culture where individuals can learn, think independently, take initiative, and experience tangible growth. We will also practice human capital management, uniting diverse talents as "One Team" to contribute to society through our business.

HR strategy overview

Our HR strategy promotes workforce revitalization and portfolio enhancement through five approaches: securing human resources, reskilling, engagement, diversity and inclusion, and well-being. With digital transformation as a key part of our business strategy, we are currently developing digital transformation talents.

Securing human resources

As work style needs become more diverse, we are incorporating regional recruitment to enhance the range of options available. In securing digital transformation talents, we provide internal training while also actively promoting mid-career recruitment.

Reskilling

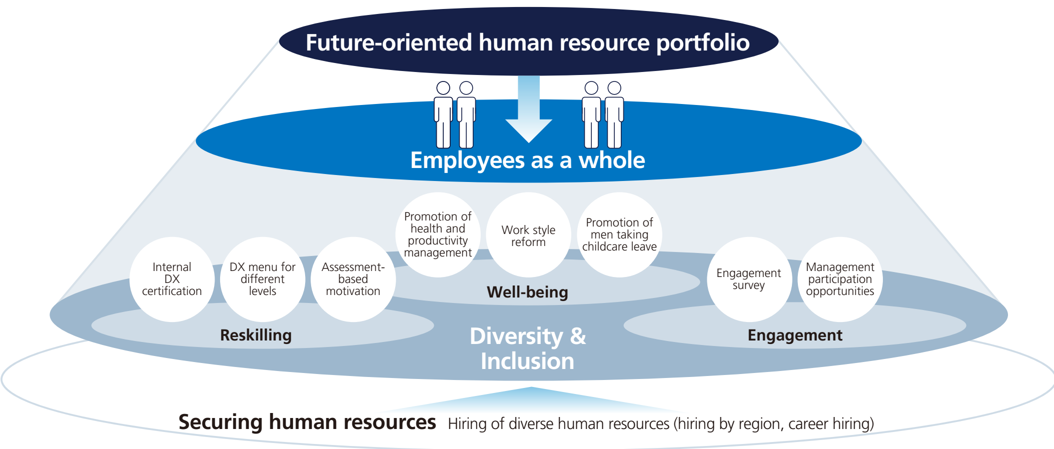
Developing self-directed talent

We have established a talent development framework centered on the concept of cultivating self-directed individuals. We offer a wide range of training systems and programs tailored to employees at all levels, including young and mid-career employees, as well as those in managerial positions. Going forward, we will provide growth opportunities that enable employees to translate acquired knowledge into practice. This includes promoting the acquisition of newly recommended certifications, enriching curricula, and facilitating business improvements and new business proposals through our Group proposal system and selective training programs.

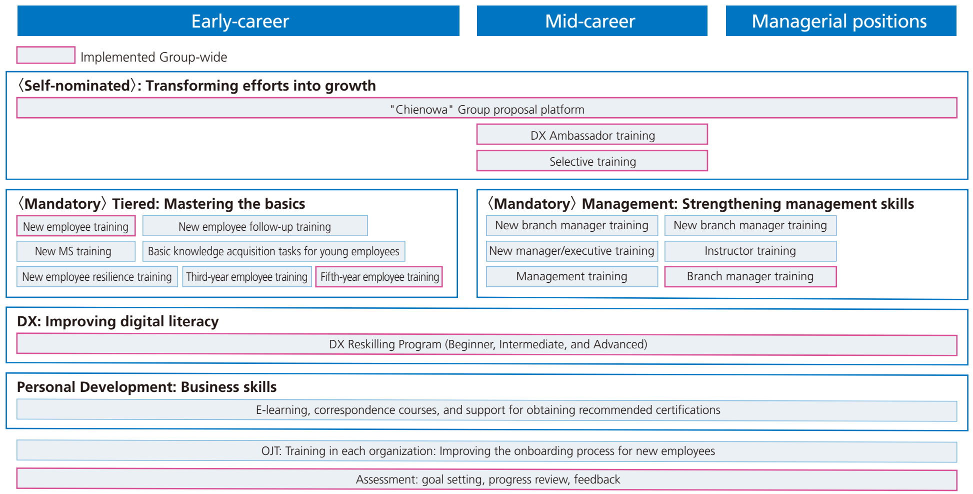
Developing digital transformation talents

To cultivate digital transformation talents, we are implementing a tiered "DX Reskilling Program" that combines e-learning and certification acquisition. Additionally, with the aim of enhancing employees' ability to propose digital solutions to customers and meet their needs, as well as developing leaders who can drive digital transformation at the frontline, we also run a proprietary skills development program called the DX Ambassador Development Program. Fifty certified DX Ambassadors from

Overall image of our human resources strategy



Human resource development system



Human Capital Management

this program have been deployed nationwide to elevate the capabilities of our sales staff.

In FY2025, we will further strengthen organizational digital transformation capabilities by implementing executive-level training programs focused on AI, as well as hands-on branch manager training.

Developing next-generation leaders

We are fostering next-generation business leaders who will not only shape the future of our businesses, but also lead the creation and growth of new ventures and promote collaboration with external partners. Through Group-wide personnel exchanges, secondments to other companies, and proactive opportunities for young and female employees, we are advancing the selection and promotion of talent beyond organizational and employment boundaries—discovering, nurturing, and giving them platforms to succeed across diverse business fields.

Improving engagement

Promoting the "Chienowa" Group proposal platform

We have been implementing the "Chienowa" Group proposal platform since April 2022. In addition to establishing a new corporate culture in which new business ideas are solicited from all Group employees and developed into commercial ventures, we are enhancing Group-wide communication by gathering feedback that leads to new initiatives and by sharing knowledge. It also serves as a platform for employees to feel involved in management, contributing to higher levels of engagement.

Initiatives to create new functions and services

- Idea contest for developing new features for COLLABO Portal
- Product improvement idea contest for the medical equipment manufacturing business
- Group discussions regarding growth strategies, and proposals to executives

Internal development program for developing digital transformation talents and next-generation leaders

Knowledge acquisition: DX reskilling program

Beginners' course

STEP1
Fundamentals of DX

STEP2
Take designated e-learning course (Beginners)

STEP3
Pass the IT Passport exam

Intermediate course

STEP1
Fundamentals of data literacy

STEP2
Take designated e-learning course (Intermediate)

STEP3
Pass the Information Security Management exam

STEP4
Score of 600 or higher on the DX Certification Exam

Advanced course

STEP1
Take designated e-learning course (Advanced)

STEP2
Take external training

STEP3
Score of 700 or higher on the DX Certification Exam

Online classes & e-learning 197 courses

Developing next-generation leaders

- Intermediate DX reskilling program
- Business administration program
- Understanding of corporate philosophies

Skill acquisition through the DX Ambassador Development Program

Goal: Minimum one ambassador per region, with a total of 50 nationwide

Role of DX Ambassadors

- Sales activities
- Explaining our DX business and answering questions from doctors, pharmacists and other medical professionals
- Promoting DX initiatives and activities, etc.

Utilizing specialized digital transformation skills to improve business efficiency

Masahiro Makino
General Section Chief
Kanazawa Branch,
Kanazawa Sales Department
SUZUKEN CO., LTD.

Thanks to digital transformation reskilling, I now have more opportunities to apply the knowledge I've gained—for instance, engaging in more specialized discussions with important clients. Being seen as a role model by some of my colleagues is a great source of motivation, and I've also seen positive effects in my management work. In the future, I hope to develop advanced data science skills and take on challenges to help both our clients and our internal teams operate more efficiently.

Connecting local healthcare providers with Suzuken to help solve problems

Daiki Takamoto
Marketing Specialists (MS)
Tomakomai Branch,
Aiseikan Sales Department
SUZUKEN CO., LTD.

In my role as a DX Ambassador, I am dedicated to driving digital transformation. Collaborating with our digital partner companies has been a rich learning experience, expanding my own expertise and creating opportunities to interact with university hospital professors and senior management. I want to contribute to solving problems by connecting local healthcare providers with Suzuken through the promotion of digital transformation, while supporting the needs of stakeholders from diverse backgrounds.

Human Capital Management

Conducting employee attitude and satisfaction surveys

The Suzuken Group regularly conducts employee attitude and satisfaction surveys for members of the Suzuken Group Labor Union (approximately 10,000 members). These surveys are carried out through close collaboration between Labor and management to regularly monitor and analyze trends in employees' attitudes and satisfaction regarding their work and workplace. The findings are shared with executives and organizational leaders, and are leveraged to enhance organizational structures, systems, workplace culture, and support future talent development initiatives.

Promoting well-being

Promoting health and productivity management

Through our Health-Conscious Management Declaration, we are committed to fostering the physical and mental wellness of our employees and their families. As part of this initiative, we have established a health counseling office staffed by full-time public health nurses, serving as an organization specializing in health management, and also built a collaborative framework involving related departments, occupational health physicians, and the health insurance society. To support employees' mental health, we conduct regular stress assessments and provide access to professional counseling. Additionally, we have introduced the online health consultation service HELPO, which enables employees to consult with medical specialists 24 hours a day, 365 days a year. As a result of these efforts, Suzuken, its Group companies, and the Suzuken Health Insurance Society have been designated as Certified Health & Productivity Management Outstanding Organizations.

(Large enterprise category)
Suzuken: 6th consecutive year
Sanki: 4th consecutive year
Shoyaku: 3rd consecutive year
ASTIS: 2nd consecutive year
Sanwa Kagaku Kenkyusho: 2nd consecutive year

(Small and medium-sized enterprise category)
S.D.Logi: 6th consecutive year
Suzuken Health Insurance Society: 6th consecutive years
Suzuken Iwate: Certified for the first time (2025)
Suzuken Business Associe: Certified for the first time (2025)

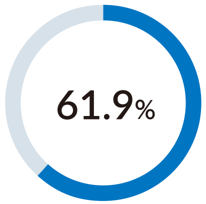
Building a safe, secure, and employee-friendly workplace

With a focus on reducing total working hours, we promote flexible work styles aimed at both improving and maintaining customer satisfaction. Measures include introducing work arrangements such as a variable work hour system, direct commuting to and from work sites using mobile devices and other IT tools, developing rules for remote work and establishing related guidelines, and improving the paid leave usage rate.

In addition, to prevent accidents and illnesses that may occur in the course of business operations, we have established the Health and Safety Management Rules. Safety managers, health officers, fire prevention managers, driving safety supervisors, labor union representatives, and occupational physicians meet monthly as a committee to ensure employee health and safety and to create an employee-friendly workplace.

Overtime work (monthly average)

Paid leave usage rate



Note: Figures represent Suzuken on a non-consolidated basis

Diversity & Inclusion

We are committed to creating work environments where all employees can exercise their capabilities to the fullest. As a result of initiatives to promote women's advancement that include strengthening the hiring of women, selecting them for training programs, and appointing them to key projects, women now account for 15.1% of management positions across the Group. In addition, as part of our commitment to supporting the next generation, we are also building and promoting systems that enable employees to continue working even as they go through major life events.

Eruboshi (level 3) certification for S.D.Logi

Platinum Kurumin certification for S.D.Logi

With regard to the employment of people with disabilities, we established the special subsidiary, Suzuken JoinUs Co., Ltd., in December 2013, and have maintained an employment rate of 2.6%, exceeding the legally mandated threshold. In addition, in April 2023, we introduced a new active career system under which employees can continue working after retirement age, up until age 70.

Our commitment to human rights

We have stipulated in our Corporate Ethics Charter a commitment to creating a safe, secure, and fulfilling workplace environment—one in which employees feel a sense of contribution to society and personal growth. In line with this commitment, we respect the human rights of each and every employee in the course of our business activities. To that end, we are developing internal regulations and establishing systems such as hotlines to ensure an environment that safeguards these rights.

In addition, we have formulated the Suzuken Group Human Rights Policy, which applies to all employees. We also encourage our business partners and other stakeholders to respect this policy. Going forward, we will conduct human rights due diligence to identify, prevent, and mitigate any adverse impacts on human rights associated with our business activities.

Suzuken Group Human Rights Policy

Social Contribution Activities

Basic concepts

The Suzuken Group's customers include not only medical institutions, pharmacies, and pharmaceutical manufacturers, but also those working in medical and nursing care, patients, and even local communities. Leveraging the trust we have built with our valued customers through our corporate activities, we actively engage in social contribution initiatives in collaboration with stakeholders, focusing on community engagement, environmental and cultural preservation, and development of the next generation.

Community engagement

Health promotion initiatives in collaboration with local communities

As part of our contribution to building communities where residents can live with peace of mind, the Suzuken Group pharmacies and nursing care facilities across the country provide health consultations for local residents and host seasonal events that residents, users, and their families can enjoy together. In addition, Medicare Collabo CO., LTD., which operates our care-tech distribution business, is advancing initiatives such as e-sports experiences in collaboration with local governments.

Sanki Group's "Health and Smile Festival"

Support for watching over and promoting the health of local seniors

Each of the Group's wholesalers has signed partnership agreements with local governments regarding watching over and promoting the health of local seniors. By engaging in joint support activities with relevant parties, we are dedicated to creating more comfortable and sustainable communities.

Initiatives for World Diabetes Day

In alignment with the United Nations' designation of November 14th as World Diabetes Day, we actively participate in awareness campaigns to promote the prevention, treatment, and management of diabetes. Every November, Sanwa Kagaku Kenkyusho Co., Ltd. and the Group's wholesale companies take part in initiatives that include wearing the symbolic Blue Circle pin badges.

Nature and cultural preservation

Contributing to regional revitalization and cultural preservation

To help preserve and promote Shiratori Odori, a traditional dance passed down for generations in the town of Shiratori, located in the city of Gujoin Gifu Prefecture, the Suzuken Group has been hosting "Shiratori Odori in Koju Takasu" every year since 2015 at its retreat facility. In addition, driven by a desire to support not only physical health but also mental well-being through the promotion of arts and culture, we have been co-hosting the Suzuken Public Lecture Series with the NHK Culture Center, Inc. since 2001. These lectures invite leading experts from various fields to explore profound topics concerning society and the human condition. In FY2024, a total of 53 sessions were held.

These initiatives were recognized as outstanding corporate cultural activities and selected for This is MECENAT 2025, by the Association for Corporate Support of the Arts.

Joining local residents in the Shiratori Odori circle dance (2025)

THIS IS MECENAT 2025

Development of the next generation

Support for medical students

Kenzmedico Co., Ltd., a company engaged in the manufacture of medical equipment and supplies, supports the International Federation of Medical Students' Associations. We contribute to the education and training of medical students through the development of a dedicated website and informational brochures, which detail the history and demonstrate the correct use of our in-house produced stethoscopes.

Initiatives for training dementia supporters

The Group's nursing care companies hold Dementia Supporter Training Courses in response to requests from local residents, businesses, schools, and other organizations. These courses are taught by our certified instructors and advisors.

Supporting athletes through sports pharmacists*

UNISMILE Co., Ltd., which operates dispensing pharmacy businesses, has launched the UNISMILE Athlete Support Team (UAST). UAST supports athletes and everyone involved in sports through consultations with sports pharmacists on doping-related matters and anti-doping awareness activities.

* Sports pharmacist: A pharmacist who provides guidance to athletes on the proper use of medications and conducts educational and awareness raising activities related to drugs.

Contribution to local communities

Addressing Climate Change

Basic concepts

The Suzuken Group sees conservation of the global environment as one of the most important issues for the 21st century. Guided by our environmental policy of being the "best partner that contributes to the health of the earth and to healthy, fulfilling lives filled with smiles for all people," we promote environmental conservation activities integrated with our business operations to help foster greater social sustainability.

We also view the reduction of social costs, such as waste from discarded or unused medicines, as a key management priority.

Environmental management structure

As part of the Group's environmental policies, we implement the PDCA cycle and take steps to deepen environmental consciousness among all employees. In addition, by improving our business activities, we also work continuously and systematically to reduce our resource and energy consumption.

Toward the goal of realizing a sustainable society, our Sustainability Committee works to reduce CO_2 emissions and address other important issues such as environmental protection and the reduction of social costs. It also manages risks that climate change poses to our business activities.

Initiatives to reduce CO_2 emissions

Implementing smart logistics

Through our smart logistics initiative in the pharmaceutical distribution business, we are working to ensure a stable supply of pharmaceuticals while reducing CO_2 emissions. We are also working to improve delivery efficiency by constructing an optimal delivery system based on customer needs, with a view to joint distribution and joint shipping, and by reducing frequent and express deliveries through inventory management proposals. In addition, we are conducting efforts aimed at real-time visualization and optimization of pharmaceutical distribution inventory.

Modal shift initiatives

S.D. Collabo Co., Ltd., which operates a specialty drug distribution business, is advancing the modal shift initiative. This effort leverages its nationwide transport network and high-quality logistics coordination expertise we have cultivated through manufacturer distribution. We are contributing to reducing environmental impact, including CO_2 emissions, by switching from conventional truck transportation to rail freight using JR containers. Building on the VIXELL temperature-controlled box we co-developed with Panasonic Corporation, we are developing new pallet- and container-type models for rail freight, enabling the strict temperature management required for transporting specialty pharmaceuticals. In addition, we are working to reduce our environmental footprint and social costs through initiatives such as establishing new pharmaceutical logistics networks using bullet train (Shinkansen) rail, air, and marine transport to ensure delivery even during disasters or emergencies.

Transition to renewable energy and energy-efficient systems

To curb environmental impact, we are steadily transitioning our sales and delivery fleet to hybrid and compact vehicles, reaching 88.6% conversion by the end of March 2025. We are also introducing electric vehicles, adding solar panels to offices and logistics centers, and replacing equipment with energy-saving alternatives such as LED lighting and high-efficiency air-conditioning systems. In 2024, we further reduced CO_2 emissions by adopting green power at the Greater Tokyo Distribution Center and replacing multifunction printers with energy-saving models.

Newly implemented delivery EVs


Additional solar panels installed at the Miyagi Distribution Center

Commitment to biodiversity

The Group views the preservation of a healthy and rich environment for future generations as a key priority. We strive to minimize environmental risks that could affect biodiversity and actively support the maintenance and conservation of biodiversity. We are especially mindful that pharmaceutical waste generated during manufacturing, transportation, storage, and handling within the supply chain can potentially impact ecosystems.

In response to the increasing distribution of specialty drugs, we contribute to reducing pharmaceutical waste and improving distribution quality by achieving comprehensive supply-chain traceability.

Addressing Climate Change

Following the TCFD recommendations

Governance

Governance relating to climate change is embedded in our governance framework for sustainability management. Our environmental policy expresses our aim "to be the best partner that contributes to the health of the earth and to healthy, fulfilling lives filled with smiles for all people." Under this policy, we aim to achieve a sustainable society and manage the risks of climate change factors in our business activities.

Strategy

Based on various scenarios publicized by the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA), and the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), the Suzuken Group has assessed and analyzed, both qualitatively and quantitatively, the financial impact of potential climate change risks and opportunities on our business activities. We have envisioned two scenarios: one in which the temperature rise compared to pre-industrial levels is kept under 2°C, in line with the long-term target of the Paris Agreement, and another with a 4°C rise, where CO_2 reduction efforts fall short.

(1) Envisioned scenarios

Under 2°C	• Increase in business operation costs to cope with climate change • Rising energy costs • Emergence of new business opportunities due to rise in environmental awareness • Praise from market for companies addressing environmental burden
4°C	• Loss of business opportunities due to natural disasters becoming more frequent and intense • Increased tightening of corporate and consumption activities • Rising energy costs • Emergence of health risks for employees and the increase in response costs • Market's culling of companies that cannot address environmental burden

(2) Overview of risks and opportunities, impact on finances

Category			Overview	Impact on Finances: Under 2°C	Impact on Finances: 4°C
Risks	Transition risks	Regulations	Cost increase due to carbon tax, other new taxation schemes	Small	Small
		Technology & market	Cost increase from transition to renewable energy	Medium	Small
			Cost increase from transition to low-carbon technology products	Medium	Small
			Cost increase due to rising fuel prices stemming from geopolitical risks	Small	Small
		Reputation	Loss of trust from stakeholders due to inadequacy of climate change countermeasures	Small	Small
	Physical risks	Acute	Cost increase due to natural disasters becoming more frequent and intense	Small	Small
		Chronic	Increased health risks for employees and loss of business opportunities due to increase in infectious diseases and heat stroke	Small	Small
			Increased response costs due to rise in average temperature and changes in weather patterns	Small	Small
Opportunities		Resource optimization	Reduction of CO_2 emissions due to reform of distribution process	Small	Small
		Products & services	Opportunities to provide new services due to rise in market's environmental awareness	Small	Small
			Increased need in market for vaccines and medicines due to the increase of infectious diseases and heat strokes	Small	Medium
		Resilience	Gaining recognition from stakeholders for contributing to climate change measures	Small	Small

Risk management

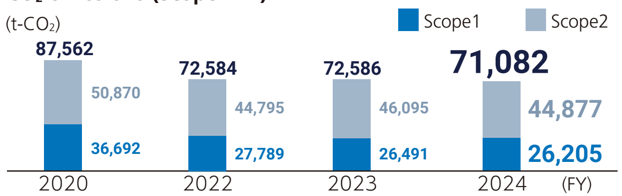
Based on the sustainability promotion framework, the Sustainability Committee will discuss the impact of climate change on the Suzuken Group and report to the Board of Directors on relevant proposals under consideration. Also, we view maintaining our social infrastructure function of "safe, secure, and reliable pharmaceutical distribution" as a critical theme in terms of risk management. In addition to total traceability and quality improvements in accordance with global standards, we are promoting countermeasures to enable uninterrupted distribution even when incidents such as natural disasters occur, through efforts such as building a nationwide BCP network based on the Tokyo-Nagoya-Osaka foundation through collaboration between manufacturer and wholesale distribution.

Indicators and targets

The Suzuken Group has endorsed the pledge to be carbon neutral by 2050, and the Group as a whole has adopted a CO_2 emissions reduction target of 40% (compared to FY2020) by FY2030 for Scope 1 and Scope 2.

We also consider Scope 3 initiatives important, and by improving efficiency across the entire supply chain, we aim to help reduce CO_2 emissions in society as a whole.

CO_2 emissions (Scope 1+2)



Companies included: Suzuken, Sanki, ASTIS, Shoyaku, Suzuken Okinawa Yakuhin, Suzuken Iwate, Nakano Yakuhin, S.D.Logi, Sanwa Kagaku Kenkyusho, UNISMILE, S-mile, S-Care Mate, CHUOUNYU, Sanki Wellbe, Kenzmedico

Pharmaceutical Distribution Business

Major companies

SUZUKEN CO., LTD., Sanki Corporation, ASTIS Co., Ltd., Shoyaku Co., Ltd., Suzuken Okinawa Yakuhin Co., Ltd., Nakano Yakuhin Co., Ltd., Suzuken Iwate Co., Ltd., S.D.Logi CO., LTD.

Related medium- to long-term strategy

Material issues:
Safe, secure, and reliable pharmaceutical distribution
Minimizing social costs in the medical and healthcare fields

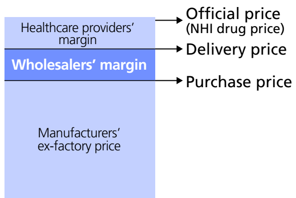
Key initiatives of the medium-term management plan:
Initiative 1: Healthcare distribution reform
Initiative 3: Smart logistics

Business environment

Japan's drug pricing system

Under Japan's National Health Insurance (NHI) drug pricing system, the drug costs (drug prices) that public health insurance associations pay to medical institutions and pharmacies are set as official prices. In contrast, the prices at which pharmaceutical wholesalers supply to medical institutions and pharmacies are determined by free market competition.

Distribution pricing structure for ethical drugs in Japan



Role of pharmaceutical wholesalers

In Japan, approximately 96% of ethical drugs are distributed through pharmaceutical wholesalers to medical institutions, pharmacies, and other healthcare providers nationwide. Unlike their counterparts overseas—whether pharmaceutical wholesalers or general distribution companies— pharmaceutical wholesalers in Japan perform unique functions and play a critical role as part of the social infrastructure that supports the country's public healthcare services.

Five functions of pharmaceutical wholesalers in Japan

Physical distribution	Basic logistics functions, including procurement, storage, quality control, and delivery
Sales	Functions similar to those of manufacturers' Medical Representatives (MRs), including sales promotion, sales management, and the promotion of proper use
Information	Functions to manage and provide fair and unbiased information, independent of pharmaceutical companies
Financial function	Functions to manage receivables and payables including payment collection
Supply and demand adjustment	Functions to allocate products according to overall supply and demand conditions

Opportunities and risks

Opportunities

- Expansion of the specialty drug market
- Expansion of generic drug usage
- Spread of digital technologies in the medical and nursing care field
- Increase in digital health services
- Promotion of community-based healthcare collaboration and comprehensive community care systems

Risks

- Stagnant market growth due to controls over increases in national healthcare spending
- Changes in pharmaceutical distribution and sales activities (in response to / in compliance with the guidelines*)
- Increased complexity of distribution inventory management (uneven inventories and pharmaceutical waste)
- The 2024 problem in logistics
- Growing competition due to market entrants from other industries
- Circulation of counterfeit pharmaceuticals
- Natural disasters and pandemics

*Guidelines for the Improvement of Commercial Transaction Practices:
Guidelines for those involved in pharmaceuticals distribution, created by the Ministry of Health, Labour and Welfare in January 2018 to accelerate distribution reform initiatives addressing key issues in pharmaceutical distribution, such as improving unfinalized pricing and provisional supply practices, promoting item-by-item pricing contracts, and eliminating negative primary sales margins. (Revised November 2021 and March 2024)

Suzuken Group strengths

Safe, secure, and reliable pharmaceutical distribution system

- Nationwide sales and logistics networks with a distribution quality that meets global standards
- Nationwide BCP network anchored in Tokyo, Nagoya, and Osaka
- Unification of sales and distribution systems for all Group-affiliated wholesale companies
- Development and placement of GDP specialists

Effective and efficient sales and distribution systems

- Expansion of back-office functions for sales (approximately 50 locations with sales support staff)
- Automation and labor-saving through the use of robot technology and AI
- Cubixx solution, a new digital-based distribution model

Solid customer relationships

- Network with medical institutions, pharmacies, and medical professionals
- Development and deployment of digital transformation talent
- Stable share of the ethical drug market (based on drug prices)....21.5%

Overview of sales and distribution sites and commercial vehicle fleet in the pharmaceutical distribution business

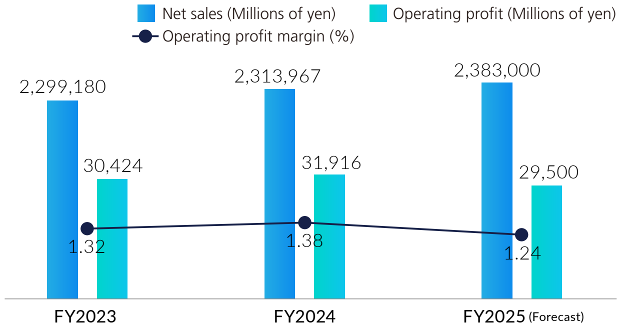
(As of March 31, 2025)

- Sales offices....201
- Wholesale distribution centers....15
- Commercial vehicles....Approx. 2,500
- ISO 9001:2015 certified locations:
....Miyagi Distribution Center, Osaka office

Pharmaceutical Distribution Business

Review of FY2024 and forecast for FY2025

Net sales / Operating profit / Operating profit margin



Net sales for FY2024 reached 2,313.9 billion yen driven by factors such as the expansion of the market for anti-cancer drugs and increased sales of new drugs, including specialty drugs, despite a decline in demand for COVID-19-related products. Operating profit increased due to higher revenue, as well as our continued efforts to comply with the Guidelines for the Improvement of Commercial Transaction Practices and to review and control selling, general and administrative expenses.

In FY2025, we anticipate increased sales, resulting from the increase in contracts for specialty drugs and other products. Operating profit is expected to decrease due to wage increases in response to societal demands, and increases in various outsourcing costs, maintenance costs, and system investments due to inflation. By continuing to comply with the Guidelines for the Improvement of Commercial Transaction Practices and securing proper profits, we aim to improve our gross profit margin and achieve an operating profit margin of 1% or higher.

Main efforts

Initiatives to improve distribution and productivity

We are promoting healthcare distribution reform with the aim of securing the appropriate profits necessary to maintain the functioning of social infrastructure. In this context, we are adhering to the Guidelines for the Improvement of Commercial Transaction Practices and working on cost structure reforms, including promoting a shift in employee mindset toward profit-oriented management. In addition, as part of establishing a sales system that combines real-world and digital elements, we are promoting the use of COLLABO Portal, the Delivery Schedule Notification Service and Delivery Schedule Notification app, and the Order Proposal app. We are also expanding back-office functions, in order to maximize the real-world customer touchpoints for which MS are responsible and to improve productivity.

Launch of the Greater Tokyo Distribution Center with industry-first features

In April 2024, we began operations at the Greater Tokyo Distribution Center, which combines a wholesale logistics base with a contract manufacturing and manufacturer distribution area. We are using AI-based character and image recognition technology and robotics technology to automate data entry for incoming goods, inventory counting, and on-site transportation, thereby reducing the number of workers required. We aim to achieve an automation rate of over 90% for all warehousing activities and are targeting a shipping accuracy rate of 99.99999% (seven nines) or more by assigning people to tasks requiring high quality assurance.


Greater Tokyo Distribution Center


Depalletizer


Automated guided vehicles (AGV)

Evolving into “smart logistics” that combines Group functions and connects goods and information

We are advancing our logistics functions that cover the last mile to patients from manufacturer distribution through wholesale distribution. We are promoting “smart logistics” that will enable real-time visualization and optimization of pharmaceutical distribution. To achieve this, we combine pharmaceutical shipment and inventory information collected during the distribution process from existing systems with information obtained from digital services. This will help to resolve issues in pharmaceuticals distribution, such as further improving delivery efficiency, eliminating uneven inventory distribution, and reducing pharmaceutical waste. Furthermore, we aim to generate profits by using the information we acquire as new functions.

Global Business

Related medium- to long-term strategy

Material issues:
Safe, secure, and reliable pharmaceutical distribution

Key initiatives of the medium-term management plan:
Initiative 2: Restructuring of Asian (Chinese and South Korean) businesses

Further strengthening our Chinese and South Korean businesses

South Korea

BOKSANNICE Co., Ltd.
DONGWON Group

- Supporting the increased corporate value of BOKSANNICE
- Contributing to the further development of the South Korean pharmaceutical industry

China

SPH Suzuken Huzhong (Shanghai) Pharmaceutical Co., Ltd
Suzuken (Shenzhen) Pharmaceutical Co., Ltd.

- Strengthening functions of pharmaceutical distribution platform
- Enhancing the functionality of new business models

Main efforts

Establishing a one-stop support system for companies entering the Chinese market

In China, SPH Suzuken Huzhong (Shanghai) Pharmaceutical Co., Ltd, a joint venture established with a local partner in 2008, is responsible for pharmaceutical distribution. In 2016, we entered into a capital and business alliance with EPS EKISHIN Co., Ltd., and are building a pharmaceutical distribution platform that will provide customers with the one-stop service they need, leveraging the research, clinical trials, manufacturing, sales, and distribution functions of both companies. Additionally, Suzuken (Shenzhen) Pharmaceutical Co., Ltd., a joint venture between the two companies, supports Japanese pharmaceutical companies and other healthcare product manufacturers in expanding into the Chinese market. By utilizing the network we have cultivated so far, we aim to function as a gateway connecting Japan and China, with an eye toward supporting the entry of Chinese products into the Japanese market.

Collaboration to strengthen business foundation in South Korea

In South Korea, we entered into a capital and business alliance with BOKSANNICE Co., Ltd. in 2016. Leveraging the expertise that the Suzuken Group has cultivated in the field of health creation, we are promoting the nationwide expansion of BOKSANNICE's pharmaceutical distribution business in South Korea, as well as promoting joint research and development in medical-related businesses.

Additionally, we support the company in improving its corporate value by conducting annual joint projects aimed at strengthening its logistics functions and management base, and by promoting personnel exchanges.

Building a new network for further development of the South Korean pharmaceutical industry

In May 2025, we entered into a business alliance with DONGWON Group, which operates a pharmaceutical distribution business in South Korea, and a capital and business alliance with KYONGNAM DONGWON Pharmaceutical Wholesale Co., Ltd., a subsidiary of the same group. Through collaboration between BOKSANNICE and DONGWON Group, which stems from our alliances, the two companies will share their procurement and logistics functions, expand into the untapped southwestern region of South Korea, and build a network that delivers healthcare products across the country.

By advancing initiatives together with local partners who share our vision to contribute to resolving social issues, the Group will continue contributing to the growth and development of South Korea's pharmaceutical-related industry.

Signing ceremony between Suzuken, DONGWON Group and BOKSANNICE

Healthcare Product Development Business

Major companies

Sanwa Kagaku Kenkyusho Co., Ltd.,
Kenzmedico Co., Ltd.

Related medium- to long-term strategy

Material issues:
Contributing to improving access to medical and nursing care services and patients' quality of life

Key initiatives of the medium-term management plan:
Initiative 6: Healthcare product development

Business environment

The expanding diabetes market

According to the International Diabetes Federation, it is estimated that more than 5% of the population in developed countries has diabetes. In Japan, the prevalence of diabetes among adults is on the rise due to an aging population and rising obesity rates.
According to the Yano Research Institute, Japan's diabetes market in FY2025 is forecast to reach 700 billion yen across the two markets of glucose self-monitoring devices and related products, and antidiabetic agents.

Diversification of drug discovery modalities

In recent years, a variety of drug discovery modalities, including antibody drugs, nucleic acid drugs, gene therapy drugs, and cell therapy, have emerged, and their development is accelerating worldwide. The diversification of drug discovery modalities is also indicated in the Ministry of Health, Labour and Welfare's Pharmaceutical Industry Vision 2021 as a treatment approach transcending traditional concept of pharmaceuticals. It serves as a key element in responding to unmet medical needs, thereby contributing to a stable supply of various pharmaceuticals.

Initiatives to address drug loss

In March 2025, the Ministry of Health, Labour and Welfare published a list of 14 drugs with a particularly high development needs, addressing the issue of "drug loss"—a term used in Japan to describe drugs that are approved overseas but not yet approved domestically. Of these, the government has announced a policy to resolve drug loss under its leadership, requesting Japanese companies to develop six of the drugs, including treatments for rare cancer, and announcing a public call for drug development companies.

Opportunities and risks

Opportunities

- Change in disease patterns due to aging population and other factors (growth of the market for antidiabetic agents)
- Response to unmet medical needs
- Growing demand for outsourcing among pharmaceutical companies
- Increase in diverse startups and new outsourcing service providers
- Diversifying needs for in-home medical care and nursing care
- Advancement of digitalization
- Diversification of drug discovery modalities

Risks

- Cuts in drug prices driven by rising medical costs
- Advancement of globalization
- Growing competition due to market entrants from other industries
- Compliance with guidelines for provision of sales information
- Environmental risks in research and development activities
- Drug loss and drug lag in Japan

Suzuken Group strengths

Efficient and high-quality production technology

- Presence in the fields of diabetes, kidney diseases, and dialysis treatment
- Track record of development and manufacturing of pharmaceuticals, diagnostic reagents, and diagnostic devices
- Supply chain management system that ensures a stable supply of high-quality products
- Advanced drug production system that is compliant with international GMP standards
- Track record in contract manufacturing for major pharmaceutical companies
- OSDrC (One-Step Dry Coating) business utilizing proprietary formulation technology
- 100% domestic stethoscope manufacturing (domestic market share: approx. 40%)
- Obtained ISO 13485 certification for the quality management system of medical devices
- Extensive track record in the OEM business for medical devices

Comprehensive support system to help pharmaceutical companies place products on the market

- J-ENTRY Consortium, a one-stop service for overseas pharmaceutical manufacturers entering the Japanese market
- Networks with overseas pharmaceutical companies and other entities

Locations of the healthcare product development business

(As of March 31, 2025)

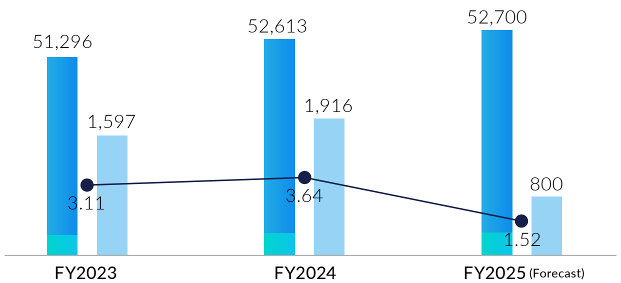
- Pharmaceutical manufacturing plant (Kumamoto)
- Pharmaceutical research laboratory (Mie)
- Medical equipment manufacturing plant (Gunma)

Healthcare Product Development Business

Review of FY2024 and forecast for FY2025

Net sales / Operating profit / Operating profit margin

Net sales (Millions of yen) / Pharmaceutical manufacturing / Medical equipment and materials manufacturing
Operating profit (Millions of yen) / Operating profit margin (%)



Net sales for FY2024 increased due to contributions from the pharmaceutical manufacturing division, including UPASITA IV Injection Syringe for Dialysis (“UPASITA”), a treatment for secondary hyperparathyroidism, LAGNOS NF JELLY, a physiological intestinal function improver and hyperammonemia treatment, and Darbepoetin Alfa BS Injection (“Darbepoetin”), a long-acting erythropoiesis-stimulating agent. Operating profit increased due to the effect of increased revenue and other factors.

Although sales for FY2025 will be affected by drug price revisions in the pharmaceutical manufacturing division, we expect a slight increase in revenue due to increased prescriptions of UPASITA and Darbepoetin, as well as growth in contract manufacturing. Operating profit is expected to decrease due to higher R&D expenses associated with product development progress, and due to increased sales expenses aimed at the early maximization of UPASITA, both within the pharmaceutical manufacturing division.

Main efforts

Pharmaceutical manufacturing division

Increasing our presence in the field of diabetes, kidney diseases, and dialysis treatment

Sanwa Kagaku Kenkyusho Co., Ltd. (“SKK”), which engages in the pharmaceutical manufacturing business, offers a wide range of products in the diabetes field, from diagnosis to treatment, and is committed to providing comprehensive support tailored to patients’ needs. In January 2024, SKK signed a co-promotion agreement with Abbott Japan LLC for the FreeStyle Libre 2 continuous glucose monitor (CGM) and related products in Japan. Through this collaboration, we aim to provide comprehensive support in the field of diabetes, including digital healthcare. Additionally, in the kidney diseases and dialysis field, we are committed to promoting market penetration of UPASITA and contributing to improved quality of life for patients.

Promotion of patient-centered new product development and introduction

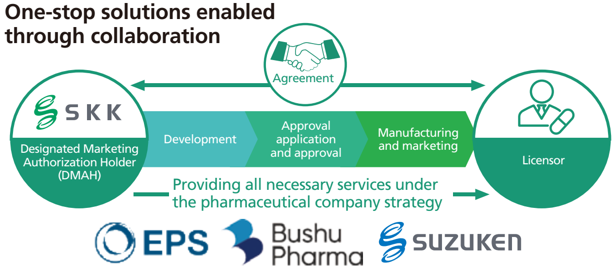
In February 2022, SKK signed a license agreement for exclusive development and commercialization rights in Japan for SK-5307 (Paltusotine), a treatment drug for acromegaly and neuroendocrine tumors. Phase I trials for SK-5307 were completed in June 2023, and a clinical trial notification for Phase II/III trials targeting patients with acromegaly and pituitary gigantism was submitted on October 31, 2023. Furthermore, we signed a strategic collaboration agreement for nucleic acid drug discovery with Nissan Chemical Corporation in April 2024, and also signed an exploratory joint research agreement with Nagoya University in April 2025. Through these and other initiatives, we aim to develop pharmaceuticals that address unmet medical needs.

Pipeline

Supporting Japanese market entry for drugs not yet approved in Japan (drug loss items)

In May 2024, we initiated a partnership with Bushu Pharmaceuticals Ltd. and EPS Holdings, Inc., establishing J-ENTRY Consortium, a collaboration model designed to support the entry of unapproved drugs (known as drug loss items) into the Japanese market. We are currently advancing our activities by, for example, introducing this service to overseas biopharmaceutical companies and submitting applications for the development of unapproved and off-label drugs with high medical needs, in response to public solicitations from the Ministry of Health, Labour and Welfare for drug development companies.

One-stop solutions enabled through collaboration



Medical equipment and materials manufacturing division

Expanding the medical equipment and materials manufacturing division and strengthening its competitiveness

Kenzmedico Co., Ltd., engaged in the medical equipment and materials manufacturing business, develops and manufactures vital signs monitoring devices such as stethoscopes, blood pressure monitors, and Holter monitors. It is the only company in Japan that manufactures stethoscopes entirely domestically, capturing around 40% of the domestic market.

Furthermore, by leveraging synergies with the Group’s pharmaceutical distribution, pharmacy, and nursing care businesses, we are developing new products and services that address the needs of patients, their families, and medical and nursing care professionals.

Community Healthcare and Nursing Care Support Business

Major companies

UNISMILE Co., Ltd.,
S-mile, Inc., Sanki Wellbe Co., Ltd.,
S-Care Mate Co., Ltd.,
Medicare Collabo CO., LTD.

Related medium- to long-term strategy

Material issues:
Contributing to improving access to medical and nursing care services and patients' quality of life
Contributing to local communities

Key initiatives of the medium-term management plan:
Initiative 5: Community healthcare and nursing care support

Business environment

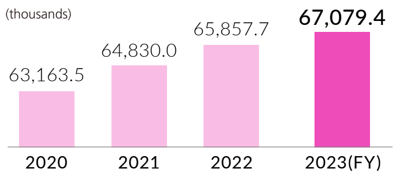
Issues in the pharmacy industry

Japan's pharmacy industry is experiencing rapid growth in demand and digitalization due to an aging population and rising medical costs. In response to the Ministry of Health, Labour and Welfare's Pharmacy Vision for Patients, the role of pharmacists is diversifying, shifting from medication-centered tasks primarily focused on dispensing and medication preparation to more patient-centered interpersonal services and health support. In addition, with growing demand for in-home medical care, accompanied by the increased need for home visits and the heightened importance of medication management guidance, pharmacists are increasingly expected to leverage their expertise. In terms of digitalization, the introduction of electronic prescriptions and online medication guidance is advancing, which requires functionality-focused pharmacy management, including compatibility with digital transformation.

Issues in the nursing care industry

As Japan's population continues to age, the number of people requiring nursing care is steadily increasing, along with the annual rise in recipients of nursing care insurance services. In response to the financial strain on the nursing care insurance system and the serious labor shortage, the nursing care industry is being called upon to improve employee treatment and working conditions, reform work styles, and increase productivity through the social implementation of nursing care technologies.

Annual cumulative total of recipients of nursing care prevention services and nursing care services



Note:
Based on the data from "FY2023 Summary Report of Statistics of Long-term Care Benefit Expenditures" by the Ministry of Health, Labour and Welfare (available only in Japanese)

Opportunities and risks

Opportunities

- Promotion of primary care pharmacists and pharmacies
- Transition to remote medical care including online medical exams and online medication instructions
- Rollout of electronic prescriptions
- Promotion of an authorized pharmacy system (pharmacies linked with local communities or with specialized medical institutions)
- Creation of new business models through deregulation
- Promotion of the development of a comprehensive community care system
- Progress in personalized medicine
- Diversifying needs for in-home medical care and nursing care
- Promotion of digital transformation in nursing care

Risks

- Revision of systems for local healthcare provision
- Legislation on monitoring medication adherence status and providing continuous medication instructions
- Regional disparity in the distribution of pharmacists
- Market entries from other industries due to deregulation
- Severe labor shortage in the nursing care market

Suzuken Group strengths

Locally focused functions and services

- Maintaining the dual functions of primary care pharmacies and health support pharmacies
- Strong connections with prescribing medical institutions
- Improving operations and providing educational support for local pharmacies
- Nursing care services tailored to the characteristics and diverse needs of each community

Partnerships within and outside of the Group to realize community-based healthcare collaboration

- Sharing information on the needs and challenges of medical and nursing care professionals and of patients and their family members
- 4,000 medical and nursing care professionals working in our pharmacies and nursing care businesses
- 500,000 patients and service users utilizing our pharmacy and nursing care services

Number of authorized pharmacies in the pharmacy division

(As of March 31, 2025)

- Number of pharmacies ...... 534 in 35 prefectures
  - Health support pharmacies 20
  - Pharmacies linked with local communities 35
  - Pharmacies linked with specialized medical institutions 3

Number of business locations in the nursing care division

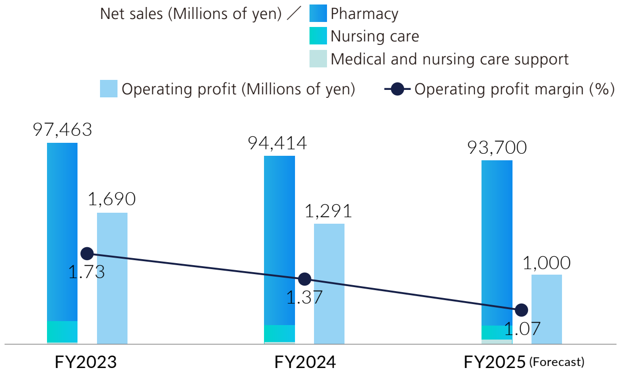
(As of March 31, 2025)

- Care facilities 182

Community Healthcare and Nursing Care Support Business

Review of FY2024 and forecast for FY2025

Net sales / Operating profit / Operating profit margin



While net sales for FY2024 increased in the nursing care division, they declined in the pharmacy division due to a decrease in the number of stores following the closure of unprofitable stores, which led to fewer prescriptions filled. Although efforts were made to optimize selling, general and administrative expenses, they were not sufficient to compensate for the decline in gross profit resulting from weaker revenue, causing a decline in operating profit.

For FY2025, we expect higher revenue and profit in the nursing care division, driven by a recovery in the utilization rate of existing facilities. However, in the pharmacy division, we expect weaker revenues due to a continued decline in the number of stores and decreased profits resulting from increased investments in responding to digitalization. Therefore, we forecast decreased revenues and profits for the segment as a whole. Additionally, in the medical and nursing care support division, we aim to achieve positive operating profit by increasing sales of care-tech and other products.

Main efforts

Providing optimal medical and nursing care services tailored to the characteristics of each community

Through the operation of our pharmacy, nursing care, and medical and nursing care support divisions, we collect feedback directly from patients, their families, and medical and nursing care professionals, thereby enhancing capability and services based on the medical and nursing care needs of each community. We aim to contribute to solving local issues by providing optimal medical and nursing care services tailored to the characteristics of each community.

Pharmacy division

Creating pharmacies of choice for the community and patients

We are strengthening two-way communication with patients by utilizing digital tools such as online medication guidance, medication consultations via LINE, and sending prescriptions electronically. We are also expanding the development of health support pharmacies that actively support local residents in maintaining and improving their own health, along with pharmacies equipped with certified nutrition care stations staffed by registered dietitians and nutritionists. Furthermore, we are endeavoring to become the pharmacy of choice occupying an indispensable presence in the community by providing medication guidance to patients at home and receiving certification as pharmacies linked with local communities[*1] and pharmacies linked with cancer specialized medical institutions[*2].

*1 Pharmacies linked with local communities: A pharmacy that works in cooperation with medical and nursing care facilities to support patients and provide seamless drug treatment.

*2 Pharmacies linked with cancer specialized medical institutions: A pharmacy that can provide care for patients receiving anti-cancer drug treatment on an outpatient basis or who require home medical care for cancer pain management.

Creating new added value through collaboration with other Group businesses

To improve operational efficiency and strengthen patient engagement, we provide all pharmacists at our Group pharmacies with COLLABO Mobile, a dedicated mobile device equipped with the comprehensive digital transformation platform for healthcare, COLLABO Portal. Additionally, we are promoting the introduction of Cubixx, the Suzuken Group's total traceability solution for specialty drugs, and Medical Care Station (MCS), a communication tool designed specifically for medical and nursing care, thereby enhancing our function as a pharmacy that supports community medical and nursing care.

Pharmacy version of Cubixx used at UNISMILE

Nursing care division/medical and nursing care support division

Creating a nursing care ecosystem using our Group's network

In the nursing care division, we are working to secure a stable workforce and improve the utilization rate of our nursing care facilities. We are also making efforts to improve productivity by introducing care-tech solutions and expanding their distribution, primarily through Medicare Collabo CO., LTD., a joint venture with Yagami Co., Ltd. Through the active use of ICT, we strive to achieve digital transformation in nursing care. Furthermore, by leveraging the Group's strengths, namely our strong ties with pharmaceutical companies, we are committed to creating a community-wide nursing care ecosystem in which nursing care facilities, medical institutions, and local governments work together to support each other, through initiatives such as promoting vaccinations for the elderly.

Specialty Drug Contract Distribution Business

Major companies

S.D. COLLABO Co., Ltd.

Related medium- to long-term strategy

Material issues:
Safe, secure, and reliable pharmaceutical distribution
Minimizing social costs in the medical and healthcare fields

Key initiatives of the medium-term management plan:
Initiative 1: Healthcare distribution reform
Initiative 3: Smart logistics

Business environment

Growth of the specialty drug market

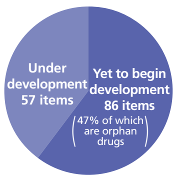
The specialty drug market, including orphan drugs, high-priced drugs, biological drugs, and regenerative medicine products, is growing. According to IQVIA's forecast, the market is expected to reach 6.2 trillion yen (accounting for 51.2% of reimbursed drugs) in FY2029. In addition, biological drugs are expected to reach 4.7 trillion yen in FY2029 (accounting for 39.1% of reimbursed drugs). Specialty drugs require strict temperature and inventory control, and waste of these drugs due to uneven inventory distribution remains a significant issue.

Addressing drug loss and drug lag

Many medicines approved overseas have yet to be approved in Japan. According to "Drug Loss: A Survey of the Actual Conditions and the Construction of Solutions," from the FY2024 Ministry of Health, Labour and Welfare Science Special Research Project, there are 143 new drugs approved in Europe and the United States that are not yet approved in Japan. Of these, 60% have not yet entered domestic development. It has also been found that the majority of the drugs that have yet to be developed are orphan drugs, pediatric drugs, and those originating from startup companies.

Situation of drug loss in Japan, Europe and the United States

Situation of development in Japan



Note:
Created based on the data from "Drug Loss: A Survey of the Actual Conditions and the Construction of Solutions," from the FY2024 Ministry of Health, Labour and Welfare Science Special Research Project (available only in Japanese)

Opportunities and risks

Opportunities

- Expansion of the specialty drug and biological drug markets
- Entry of foreign pharmaceutical companies into the Japanese market
- Formulation of optimal production and import plans based on supply and demand forecasts

Risks

- Mandatory compliance with GDP in pharmaceutical distribution
- Strict requirements for temperature, inventory, and security management
- Increased management workload at medical institutions and pharmacies
- Disposal of high-priced medicines due to inventory imbalance
- Drug loss and drug lag in Japan

Suzuken Group strengths

Know-how and track record in specialty drug distribution

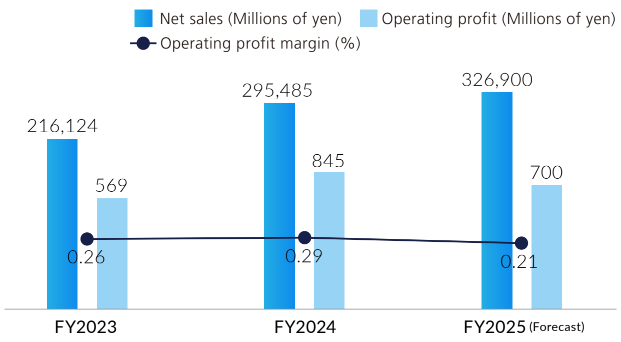
- Greater shipping efficiency and optimization of distribution inventory through shared distribution
- GDP-compliant quality management and nationwide shipping and delivery network
- Deployment of Cubixx, a comprehensive traceability solution for specialty drugs (as of March 31, 2025)
  .... 552 facilities and 618 units
  Penetration rate at designated cancer hospitals 44%
  Penetration rate at national university hospitals 70%

- Distribution platform for regenerative medicine and other products
- J-ENTRY Consortium, a one-stop service for overseas pharmaceutical companies aiming to enter the Japanese market
- Development and deployment of GDP specialists
- Specialty drug contract distribution services (As of March 31, 2025)
  .... 39 client companies and 70 items
  (Product share 50% or higher)

Specialty Drug Contract Distribution Business

Review of FY2024 and forecast for FY2025

Net sales / Operating profit / Operating profit margin



As the specialty drug contract distribution division exceeded the quantitative threshold defined by the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information, we have separated the business segment from the healthcare-related services segment and reported as a new segment starting from the FY2024 financial results. This business coordinates and undertakes the distribution of specialty drugs such as orphan drugs, with the actual distribution being handled by the pharmaceutical distribution business. Therefore, most of its sales are derived from internal transactions with the pharmaceutical distribution business.

Net sales for FY2024 increased due to market growth for existing contracted products as well as an increase in newly contracted products. For FY2025, we expect net sales to continue growing for the same reasons, while operating profit is projected to decline due to higher distribution costs.

Main efforts

Industry-leading track record and know-how utilizing our healthcare distribution platform

Our specialty drug distribution business began in 2005 when we became the first pharmaceutical wholesaler to undertake contracted distribution for manufacturers. We have built a healthcare distribution platform that handles both manufacturer and wholesale distribution. Building on this foundation, we launched a comprehensive support business in the field of rare diseases in 2012. The distribution of specialty drugs requires rigorous control over preservation and delivery. The Suzuken Group has the industry's top track record in contracting the distribution of specialty drugs, supported by personnel who have accumulated a wealth of experience and know-how over the years. Together, these form our greatest strength. In terms of quality, we comply with Good Distribution Practices (GDP), and are strengthening our GDP compliance by integrating people and systems. This includes obtaining ISO 9001:2015 certification at our logistics bases and training in-house certified GDP specialists.

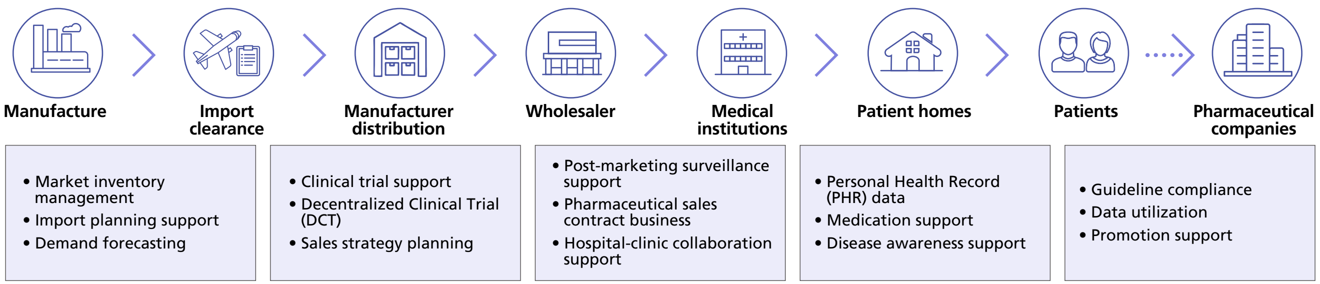
Achieving total traceability with Cubixx

We enable total traceability by using Cubixx, in operation since 2017, together with VIXELL, a temperature-controlled pharmaceutical transport box jointly developed with Panasonic Corporation. By utilizing RFID and IoT technologies, we monitor the management status of pharmaceuticals in real time, 24 hours a day, 365 days a year, from transportation and in-hospital storage, to the reverse logistics of returned products and redelivery. This contributes to reducing waste and preventing inventory imbalances in specialty drugs.

Integrated one-stop service model enabled by cross-functional Group synergy and strategic partnerships

As more overseas pharmaceutical companies seek entry into the Japanese market, we are promoting the integration of capabilities with our partner companies to meet the needs of each pharmaceutical company. For regenerative medicine products, we began distribution of clinical trial materials in 2016 and have built a global distribution platform in collaboration with World Courier. In addition, through partnerships with Bushu Pharmaceuticals Ltd. and EPS Holdings, Inc., we have established a one-stop support system for specialty drugs, from development to regulatory approval, manufacturing, sales, distribution, post-marketing surveillance, and patient support. This will lead to improved operational efficiency and optimization of distribution inventories for pharmaceutical companies through supply chain consolidation. Looking ahead, we believe this model will also serve as a platform for effective data utilization.

Integrated one-stop service model for specialty drug distribution



Healthcare-Related Services Business

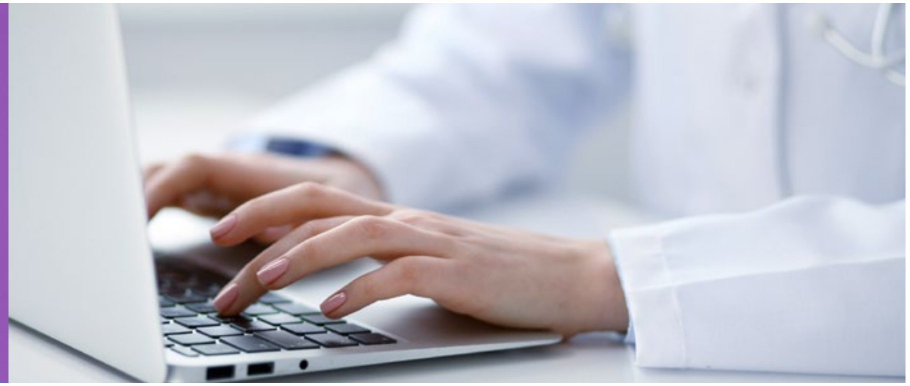
Major companies

CHUOUNYU CO., LTD.,
S.D. COLLABO Co., Ltd.
(contract distribution for pharmaceutical manufacturers),
Collabo Square Co., Ltd

Related medium- to long-term strategy

Material issues:
Safe, secure, and reliable pharmaceutical distribution
Minimizing social costs in the medical and healthcare fields

Key initiatives of the medium-term management plan:
Initiative 1: Healthcare distribution reform
Initiative 3: Smart logistics
Initiative 4: Digital healthcare

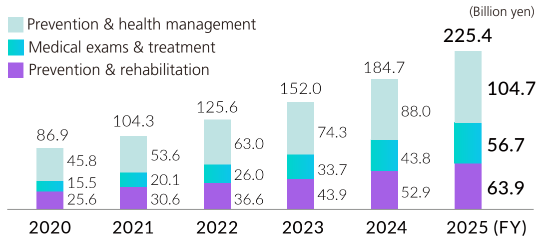


Business environment

Advances in digital transformation in the healthcare field

In recent years, there has been an increase in the development of innovative services by health-tech companies, such as therapeutic applications and software-based medical devices. While this trend is expected to continue, challenges remain in promoting their widespread adoption and ensuring effective data integration for real-world implementation.

Market size forecast for digital healthcare services in Japan



Source: Nomura Research Institute website (available only in Japanese)
(https://www.nri.com/jp/news/newsrelease/20191127_1.html)

Growing market for third-party logistics

The third-party logistics (3PL) market for pharmaceuticals and medical devices was valued at approximately 5.6 billion US dollars in 2024, and is forecast to grow to approximately 11.2 billion US dollars by 2030. The projected compound annual growth rate (CAGR) from 2025 to 2030 is 12.2%.

Source: Grand View Research
(https://www.grandviewresearch.com/horizon/outlook/pharmaceutical-third-party-logistics-3pl-market/japan?utm)

Opportunities and risks

Opportunities

- Growing demand for high quality cold chain logistics
- Growing 3PL market from the diversification of logistics needs
- Growing demand for outsourcing
- Creation of IT platforms in logistics (streamlining)
- Increase in digital health services
- Integration and utilization of healthcare data

Risks

- Mandatory compliance with GDP standards in pharmaceutical distribution
- Rising cost associated with GDP compliance
- The 2024 problem in logistics
- Growing competition due to market entrants from other industries
- Revision of Guidelines for the Improvement of Commercial Transaction Practices
- Rising costs of preparing for disasters and pandemics
- Shortage of logistics personnel and medical and nursing care professionals
- Growing demand for reducing environmental impact across the supply chain

Suzuken Group strengths

Know-how and track record in manufacturer distribution

- Supply chain based on comprehensive Group strengths
- Greater shipping efficiency and optimization of distribution inventory through shared distribution
- GDP-compliant quality management and nationwide shipping and delivery network
- Development and deployment of GDP specialists
- Expertise and track record in cold chain logistics
- Manufacturer distribution service (as of March 31, 2025) .... **49** client companies

Locations of the manufacturer distribution service

(As of March 31, 2025)

- Manufacturer distribution centers.. **11**
- ISO 9001:2015 certified business sites: Koga, Sugito, Higashi Nihon, Tsukuba, Kobe, Amagasaki, Nishi Nihon, and Rokko manufacturer distribution centers, CHUOUNYU headquarters, and Iwatsuki sales office

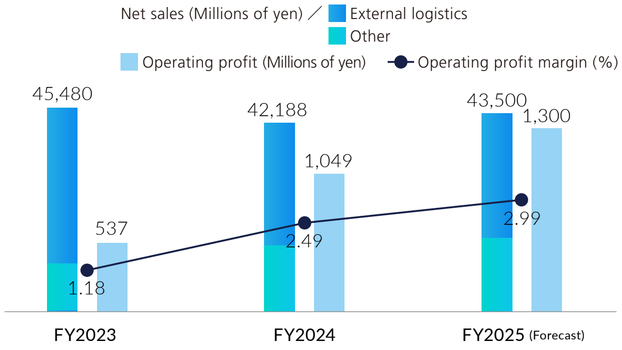
Customer support through digital technologies

- Registrations on the COLLABO Portal, a comprehensive platform for medical digital transformation
(As of March 31, 2025)........................Approx. **300,000** user accounts

Healthcare-Related Services Business

Review of FY2024 and forecast for FY2025

Net sales / Operating profit / Operating profit margin



Net sales for FY2024 declined due to factors such as lower distribution volume of regenerative medicine products in external logistics division. Operating profit increased, driven by improved profitability in the digital health division.

For FY2025, we expect net sales to increase in the external logistics division due to contributions from regenerative medicine products, while sales in other businesses are expected to decline amid the impact of the liquidation of our subsidiary engaged in publishing and other businesses. We aim to increase operating profit through factors such as improved profitability at Collabo Square Co., Ltd., which operates in the digital health division.

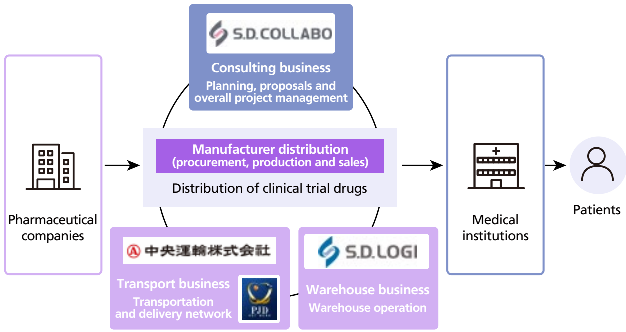
Main efforts

Providing high-quality logistics services through Group-wide capabilities

In 2005, we became the first pharmaceutical wholesaler in Japan to provide contract distribution service for manufacturers. Today, we operate 11 manufacturer distribution centers, handling pharmaceuticals and related products equivalent to 2.6 trillion yen annually (based on drug prices). By establishing an integrated system that manages both manufacturer and wholesale distribution, we have consolidated logistics services that were previously managed separately by individual pharmaceutical companies, thereby improving delivery efficiency, optimizing distribution inventory, and contributing to the reduction of social costs.

We leverage the comprehensive strengths of the Suzuken Group. These include consulting support for pharmaceutical companies provided by S.D. COLLABO Co., Ltd., warehouse operations by S.D.Logi CO., LTD., and a nationwide transportation and delivery network led by CHUOUNYU CO., LTD. Through this integrated approach, we provide high-quality services that meet needs throughout the entire supply chain and have established ourselves as the logistics partner of choice for pharmaceutical companies.

Manufacturer distribution: roles and services



Quality control in accordance with PIC/S GDP

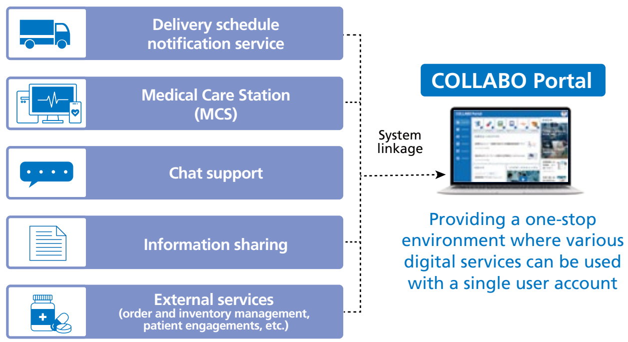
Eight of our manufacturer distribution centers have obtained ISO 9001:2015 certification and have established an advanced quality control system that complies with PIC/S GDP, an international standard. We are now expanding the expertise cultivated in our manufacturer distribution operations to our wholesale distribution centers, in an effort to strengthen end-to-end quality management.

Development of a digital platform based on the COLLABO Portal

In April 2023, we launched the COLLABO Portal, a comprehensive platform for medical digital transformation. The platform serves as a hub connecting manufacturers, medical and nursing care professionals, patients, and their families, and is currently utilized by approximately 300,000 medical and nursing care professionals. The portal enables users to access digital health services from our company and partner companies in one place, and also allows for direct inquiries within the platform. This contributes to improving the quality and efficiency of the work of medical and nursing care professionals.

Going forward, we will continue to promote further expansion of COLLABO Portal, linking and leveraging the accumulated data to support the creation of new products and services by a variety of manufacturers, including pharmaceutical companies. Ultimately, these efforts will contribute to enhancing access to medical and nursing care services and improving the quality of life for patients and their families, who benefit from these services.

COLLABO Portal functions



Directors






Name	**Shigeru Asano**	**Hiromi Miyata**	**Hirofumi Tanaka**	**Chie Takahashi**	**Shunichi Samura**	**Hideaki Nakagaki**
Position	**President and Chief Executive Officer**	**Director and Chairman**	**Executive Managing Director**	**Director, Senior Executive Officer**	**Outside Director**	**Outside Director**
Joined the Company	April 1990	April 1984	April 1985	April 2000	—	—
Career highlights	• Executive Officer • Managing Executive Officer • Senior Executive Officer • Executive Managing Director • Executive Vice President • Representative Director and Executive Vice President • President and Chief Executive Officer (current post)	• Executive Officer • Managing Executive Officer • Senior Executive Officer • Executive Managing Director • Executive Vice President • President and Chief Executive Officer • Chairman and Executive Officer • Director and Chairman (current post)	• Executive Officer • Managing Executive Officer • Managing Director • Executive Managing Director (current post) • Senior General Manager of Healthcare Distribution Business Headquarters (current post)	• Executive Officer • Director, Executive Officer • Director, Senior Executive Officer (current post) • Senior General Manager of Healthcare and Nursing Care Support Business Headquarters (current post)	• President of Matsuzakaya Holdings Co., Ltd. (current J. Front Retailing Co., Ltd.) • Chairman of J. Front Retailing Co., Ltd. • Outside Director of CHUBU-NIPPON BROADCASTING CO., LTD. (current post) • Special Advisor of J. Front Retailing Co., Ltd. (current post) • Outside Director of Suzuken Co., Ltd. (current post)	• Deputy Director-General of Office of Healthcare Policy of the Cabinet Secretariat • Director-General of Pharmaceutical Safety and Environmental Health Bureau of Ministry of Health, Labour and Welfare • Specially Appointed Professor, National University Corporation Tokyo Medical and Dental University (current Institute of Science Tokyo) • Advisor of National University Corporation Institute of Science Tokyo • Outside Director of Suzuken Co., Ltd. (current post)
Term of office*1	10 years	13 years	3 years	5 years	4 years	1 year
Number of shares held	31,881	43,655	17,994	11,330	None	None
Attendance at Board of Directors meetings (FY2024)	17 / 17	17 / 17	17 / 17	17 / 17	17 / 17	14 / 14*2
Committee membership						
Audit and Supervisory Committee						
Nomination and Compensation Committee	●	●			● (Committee chairman)	
Experience & skills						
Company Management	●	●				
Sales / Marketing		●	●		●	
Logistics / Supply Chain Management (SCM)	●	●	●			
Finance / Accounting	●					
Legal Affairs / Risk Management / Compliance				●		
Business Development	●	●		●		
Government Experience						●
Experience managing other companies (including international experience)					●	

Audit and Supervisory Committee Members

				
Name	**Asako Tomita**	**Takeshi Ogasawara**	**Toshimichi Kondo**	**Ayako Shimizu**
Position	**Director (Audit and Supervisory Committee Member)**	**Outside Director (Audit and Supervisory Committee Member)**	**Outside Director (Audit and Supervisory Committee Member)**	**Outside Director (Audit and Supervisory Committee Member)**
Joined the Company	April 1994	—	—	—
Career summary	● Executive Officer ● Director and Audit and Supervisory Committee Member (current post)	● Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (current MUFG Bank, Ltd.) ● Managing Director of The Bank of Tokyo-Mitsubishi UFJ, Ltd. ● Senior Director of The Bank of Tokyo-Mitsubishi UFJ, Ltd. ● Representative Director and Deputy President stationed in the Central Region of Japan of The Bank of Tokyo-Mitsubishi UFJ, Ltd. ● Full-time Advisor to The Bank of Tokyo-Mitsubishi UFJ, Ltd. ● Representative Director and Chairman of Misonoza Theatrical Corporation (current post) ● Advisor of MUFG Bank, Ltd. (current post) ● Outside Director of Takihyo Co., Ltd. (current post) ● Outside Director (Audit and Supervisory Committee Member) of Suzuken Co., Ltd. (current post) ● Outside Auditor of Nagoya Railroad Co., Ltd. (current post) ● Outside Auditor of Chubu-Nippon Broadcasting Co., Ltd. (current post)	● Certified Public Accountant, Tax Accountant ● Marunouchi & Co. (current Deloitte Touche Tohmatsu LLC) ● Established Kondo Toshimichi Accounting Office (current Big Bang Group Tax Corporation) (continuing) ● Outside Director (Audit and Supervisory Committee Member) of Suzuken Co., Ltd. (current post)	● Attorney ● Vice Chair of Aichi Bar Association ● Director of Chubu Federation of Bar Association ● Ishihara Law Office (continuing) ● Member of Ombuds 6 Committee Member of Nagoya Broadcasting Network Co., Ltd. (current post) ● Outside Director of Aica Kogyo Company, Limited (current post) ● Outside Director (Audit and Supervisory Committee Member) of Suzuken Co., Ltd. (current post) ● Member of the Personal Information Protection Commission of Nagoya City (current post)
Term of office*1	New	4 years	2 years	1 year
Number of shares held	6,422	None	None	None
Attendance at Board of Directors meetings (FY2024)	—	17 / 17	17 / 17	14 / 14 *2
Committee membership				
Audit and Supervisory Committee	●	● (Committee chairman)	●	●
Nomination and Compensation Committee		●	●	
Experience & skills				
Company Management				
Sales / Marketing				
Logistics / Supply Chain Management (SCM)				
Finance / Accounting		●	●	
Legal Affairs / Risk Management / Compliance	●	●		●
Business Development				
Government Experience				
Experience managing other companies (including international experience)		●		

*1 The term of office refers to total time in office as Suzuken Co., Ltd. executives (directors, or directors who are Audit and Supervisory Committee Members) as of the end of FY2024.

*2 Hideaki Nakagaki and Ayako Shimizu were appointed at the shareholders' general meeting held on June 25, 2024, so we have listed their attendance at board meetings held after that date.

Basic concepts

The Suzuken Group positions the strengthening of corporate governance as a key management priority. Through efforts focused on strengthening our management frameworks, fortifying our risk control systems, and advancing transparency and accountability, we aim to foster greater stakeholder trust in our Group and achieve sustainable and sound development.

Corporate governance framework

Strengthening management frameworks

Suzuken employs a framework in which the directors are responsible for overseeing management and making decisions, while executive officers are responsible for carrying out business operations. We have abolished the retirement benefit plan for executives, reduced the number of directors, and established a compensation system for executives that is linked to the company's performance and each individual's contributions. Additionally, to enhance corporate governance by strengthening the oversight and control functions of the Board of Directors, we transitioned to a Company with an Audit and Supervisory Committee in June 2021.

Regarding the management framework of our subsidiaries, we supervise and audit the execution of duties by their executives and employees. The primary measures include dispatching Suzuken personnel to serve as directors and auditors of the subsidiaries, establishing reporting and approval systems to Suzuken in compliance with affiliated company management rules, and conducting regular audits by Suzuken's Audit and Supervisory Committee, Internal Audit Office, and accounting auditors. Furthermore, we provide guidance on the development of appropriate internal control systems, tailored to the characteristics of each subsidiary.

Progress in strengthening corporate governance

Recruitment of independent outside executives	
Outside auditors	2021
Outside directors	2012
Number of outside directors increased to half of the board	2021
Establishment of committees	
Nomination and Compensation Committee	2010
Review and Supervisory Practices Committee for Sales Information Provision Activities	2019
Risk Management Committee	2020
Risk Management and Compliance Committee	2020
Sustainability Committee	2022
Information Security Practices Committee	2025
Other measures to strengthen governance	
Implementation of an executive officer system	2004
Abolition of executive retirement benefit plan	2004
Disclosure of Corporate Governance Code compliance measures	2015
Strengthening of the Group's governance system (Establishment of the Risk and Compliance Department and Internal Audit Office)	2020
Transition to a Company with Audit and Supervisory Committee	2021
Integration of Group executive evaluation system	2024
Introduction of restricted stock (RS) compensation scheme for Group executives	2024
Strengthening of compliance	
Establishment of the Suzuken Corporate Ethics Charter	2001
Introduction of the internal reporting system	2004
Establishment of the Antimonopoly Act Compliance Expert Committee	2020
Establishment of the Antimonopoly Act Compliance Hotline	2020
Implementation of an in-house leniency system	2022

In addition, to strengthen Group governance, we have established a framework in which the executive and supervisory functions fulfill their respective roles while also working in close cooperation, thereby promoting integrated Group-wide management.

Board of Directors

The Board of Directors examines important matters and reaches decisions in accordance with laws and regulations, the Articles of Incorporation, the Board of Directors Rules, and other internal rules. The board also oversees the execution of duties by directors and executive officers.

The Board of Directors makes decisions about matters prescribed by law and important matters concerning management. Furthermore, by using reports from directors and executive officers, the Board of Directors mutually supervises and oversees the suitability and efficiency of duty execution.

To ensure that directors' decisions are proper and to verify the legality and suitability of their duty execution, four Audit and Supervisory Committee members (including three outside directors) attend board meetings regularly, express their opinions, and provide multifaceted supervision and oversight.

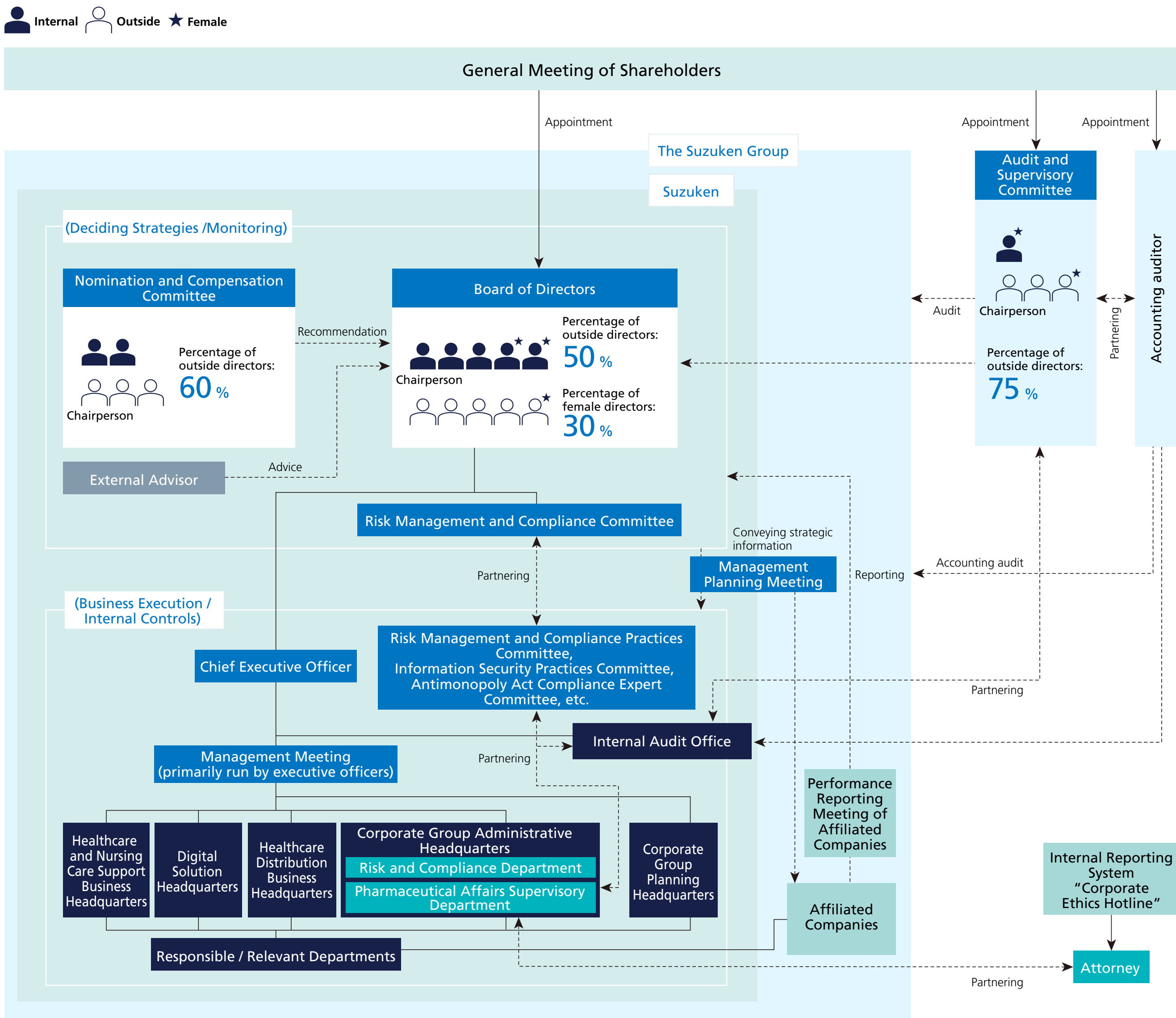
FY2024 Board of Directors meetings

Members and Composition
- Chairperson: President and CEO
- **10** members (**5** internal directors, **5** outside directors)

Frequency and Attendance
- **17** meetings
- Attendance: Internal **100**%, external **100**%

Key Topics
- Matters concerning budgeting, investment planning, and financial results
- Matters concerning shareholders' meetings
- Matters concerning personnel and organizations
- Matters concerning capital policy, investment proposals, contract approvals

Overview of corporate governance framework diagram (as of June 25, 2025)



Audit and Supervisory Committee

The Audit and Supervisory Committee meets once each month, in principle, and holds other meetings as required. Each member of the Audit and Supervisory Committee, based on the auditing standards established by the Committee, as well as the annual auditing policy and audit plan, attends board meetings and other important meetings, and audits the appropriateness and operation of internal control systems, including the status of business operations and assets, compliance with laws, and risk management systems at the headquarters, major business sites, and subsidiaries. This is conducted by receiving reports from directors, executive officers, and the internal audit division about the duty execution and by reviewing important decision-making documents. Reports are also received from subsidiaries as necessary.

In addition, to reinforce the monitoring function, Suzuken has appointed three outside directors who serve as Audit and Supervisory Committee members. These outside directors consist of an expert in law, an expert in accounting, and an individual with experience in business management. We have also appointed one internal director who has been involved in compliance, pharmaceutical affairs, and internal control departments for many years and who possesses extensive knowledge and experience related to the Company's operations.

FY2024 Audit and Supervisory Committee meetings

Members and Composition
- Chairperson: Outside director
- **4** members (**1** internal director, **3** outside directors)

Frequency and Attendance
- **15** meetings
- Attendance: Internal **100**%, external **100**%

Nomination and Compensation Committee

To discuss nominations and compensation for directors, executive officers, associate directors, and trustees, the Company has established the Nomination and Compensation Committee comprising a total of five members: one representative director, one internal director, and three outside directors, all appointed by the Board of Directors. The majority of the committee members are outside directors, for the purpose of ensuring the transparency and objectivity of the committee. The chairperson of the committee is appointed by the Board of Directors from among the committee members, and an outside director has served as the chairperson since June 25, 2024. This committee was not established in accordance with any law or regulation.

FY2024 Nomination and Compensation Committee meetings

Members and Composition
- Chairperson: Outside director
- **5** members (**1** representative director, **1** internal director, **3** outside directors)

Frequency and Attendance
- **2** meetings
- Attendance: Internal **100**%, external **100**%

Internal audits

Internal audits are performed by the Internal Audit Office, which reports directly to the president. These auditors oversee whether internal controls are functioning effectively, with an emphasis on thorough compliance and risk management, at Suzuken's business locations and subsidiaries, in accordance with internal auditing regulations.

The Internal Audit Office proposes an audit plan each year, and based on the audit plan approved by the president, it conducts an internal audit using a combination of on-site and documentation reviews. At the conclusion of an audit, an audit report is submitted to the president. When improvements are required, the applicable department is given a written improvement directive and they must prepare an improvement plan and report on the progress of its implementation in an audit improvement status report.

Diversity of the Board of Directors

Suzuken's Board of Directors is composed of internal directors with deep knowledge and experience of Suzuken's businesses, alongside outside directors with a high level of specialized knowledge and insight. The members are selected regardless of gender, age, or other personal characteristics, with a view to achieving diversity as well as an appropriate scale. With this balanced composition, the Board of Directors carries out multifaceted decision-making, supervision, and oversight.

Reasons for selecting skill areas

Specialization and experience (skill areas)	Reasons for selection
Company Management	Formulating and executing medium- to long-term growth strategies and overseeing their effectiveness requires broad knowledge and experience in corporate management
Sales / Marketing	Solving customer issues effectively requires expertise in developing and providing optimal products and services
Logistics / Supply Chain Management (SCM)	Enhancing the functions of the social infrastructure that supports pharmaceutical distribution and optimizing distribution through digital technologies requires knowledge and experience in SCM
Finance / Accounting	Formulating and executing financial strategies, as well as improving capital efficiency, requires extensive knowledge and experience in finance and accounting
Legal Affairs / Risk Management / Compliance	Strengthening the Group's foundation, along with ensuring legal compliance and managing diverse risks such as natural disasters and business-related risks, requires experience in these areas
Business Development	Accelerating the realization of a health creation enterprise requires the ability to create new profit-generating ventures
Government Experience	Developing businesses related to medical care and health requires a broad range of knowledge and experience concerning medical regulations and government policy trends
Experience managing other companies (including international experience)	Successful expansion across diverse business areas requires multifaceted knowledge and expertise derived from practical corporate management experience

Nomination and appointment of directors

The nomination of director candidates is led by the Nomination and Compensation Committee, a body in which outside directors constitute a majority, thereby ensuring a high degree of transparency and objectivity. For candidates for director (excluding those who serve as Audit and Supervisory Committee members), the committee conducts assessments of each candidate, deliberates on the results, and submits proposals for resolution by the Board of Directors. With respect to candidates for directors who will serve as Audit and Supervisory Committee members, deliberations are carried out by the Nomination and Compensation Committee with the consent of, or at the request of, the Audit and Supervisory Committee, with the final resolution made by the Board of Directors. Policies and procedures for the dismissal of directors are prescribed in the Company's Regulations related to Directors and Corporate Auditors.

Elements of director's compensation

In determining compensation for directors, the Company adheres to the basic principles of transparency, fairness, and motivation. Deliberations are conducted by the Nomination and Compensation Committee, and the Board of Directors makes resolutions with respect for the committee's opinions.

Directors (excluding those serving as Audit and Supervisory Committee members) receive a combination of "fixed compensation" and "performance-based compensation," with the latter weighted more heavily to reflect business results. This system applies to all directors except outside directors, who receive only "fixed compensation." Under this structure, "performance-based compensation" is structured as a short-term incentive consisting of two components: an "individual performance evaluation compensation," determined by achievement of performance targets; and a "ordinary profit-based compensation," based on a fixed percentage of consolidated ordinary income. In addition, "restricted stock compensation scheme" is granted as a medium- to long-term incentive. Directors who are members of the Audit and Supervisory Committee receive only fixed compensation.

Performance targets are used to determine performance-based compensation, are set for both company-wide performance and departmental performance, with higher-ranking positions receiving greater weight on company-wide results. Targets for company-wide performance are deliberated on by the Nomination and Compensation Committee and approved by the Board of Directors to ensure they most effectively contribute to achieving the medium-term management plan.

For FY2024, company-wide performance targets include consolidated market share of pharmaceuticals, consolidated net sales, and consolidated ordinary income margin, assessed against consolidated earnings forecasts. "Performance indicators for areas under the responsibility of individual directors" are set according to the roles and responsibilities of each organization. For FY2024, the total compensation for directors was as shown in the table below.

Directors' compensation system

Compensation item			Purpose of compensation	Eligible recipients	Details of compensation	Variability
Fixed compensation	Base compensation	Representative director compensation	For role and responsibility as a representative director	Chief Executive Officer	Uniform amount	Fixed amount
		Director compensation	For management oversight and decision-making roles as a director	All directors	Uniform amount	Fixed amount
		Executive officer compensation	For business execution role	Directors concurrently serving as executive officers	Amount dependent on position	Fixed amount
Performance-based compensation	Performance-based compensation for a single fiscal year	Individual performance evaluation compensation	For the results and process of business execution	Directors concurrently serving as executive officers	Amount dependent on position	Variable (individual performance evaluation results)
		Ordinary profit-based compensation	For responsibility for company-wide results	Directors concurrently serving as executive officers	A certain percentage dependent on position	Variable (consolidated ordinary income amount)
	Restricted stock compensation scheme		As an incentive for the company's sustained growth	Directors concurrently serving as executive officers	A certain percentage	A certain percentage of monetary compensation

Note: Director compensation for outside directors is determined individually.

Directors' compensation amount

Classification	Total compensation (Millions of yen)	Total amount by type of compensation (Millions of yen)			Number of applicable directors
		Basic compensation (Base compensation)	Performance-based compensation (Performance-based compensation for a single fiscal year)	Non-monetary compensation (Restricted stock compensation)	
Directors (excluding Audit and Supervisory Committee members) (of which are outside directors)	319 (22)	138 (22)	140 (—)	40 (—)	7 (3)
Directors and Audit and Supervisory Committee members (of which are outside directors)	83 (32)	83 (32)	— (—)	— (—)	5 (4)
Total (of which are outside executives)	402 (54)	221 (54)	140 (—)	40 (—)	12 (7)

Evaluation of the effectiveness of the Board of Directors

The results of the evaluation of the effectiveness of Suzuken's Board of Directors for the fiscal year that ended on March 31, 2025, are as follows:

Overview

The Board of Directors promotes effective governance across the Group through organic collaboration with various meeting bodies such as the Nomination and Compensation Committee, the Management Meeting, the Management Planning Meeting, and the Group Company Performance Reporting Meeting (hereinafter referred to as "collaborative meeting bodies").

Accordingly, the Company evaluates the effectiveness of its Board of Directors by confirming whether these collaborative meeting bodies, as illustrated in the corporate governance framework diagram (See p.56), are organically collaborating with the Board of Directors.

Persons responsible for evaluation and entities to be evaluated

In order to ensure neutrality and independence, the evaluation of the effectiveness of the Board of Directors is conducted under the leadership of five independent outside directors, with the Business Administration Department serving as the secretariat. The scope of this evaluation includes not only the monitoring of the activities of the Board of Directors itself, but also those of the collaborative meeting bodies. The independent outside directors attend these collaborative meeting bodies to the extent possible throughout the business year. In cases where attendance is not feasible, they review agenda materials and minutes, or receive relevant information from other outside directors who were in attendance. Through this process, and based on confirmation of the organic collaboration between the Board and these collaborative meeting bodies, they monitor whether the Board has functioned effectively and whether corporate governance is being appropriately implemented across the Group.

Perspectives for evaluation of the effectiveness of the Board of Directors, and evaluation results

Perspectives for evaluation in the fiscal year ended March 2025

- 1) Confirmation of progress on the medium-term management plan
- 2) Confirmation of the development status of the governance systems throughout the Group
- 3) Ongoing confirmation of the development status of legal compliance framework throughout the Group

Evaluation results for the fiscal year ended March 2025

1) The Board of Directors consists of five internal directors and five outside directors. It has been managed appropriately, primarily on a face-to-face basis, with vigorous and diverse opinions also exchanged through the online participation of executive officers.	2) The collaborative meeting bodies exchange vigorous and diverse opinions primarily through face-to-face meetings and concurrent use of the online meeting system and such, to determine matters submitted by the Board of Directors for deliberation, monitor the PDCA cycle across the Group, and confirm other matters appropriately.	3) It has been recognized that the Board of Directors is restructuring the compliance framework for the Antimonopoly Act across the Group and working to prevent the recurrence of violations. Monitoring efforts will continue.	4) It has been recognized that the Board of Directors is continuously checking the status of development of the legal compliance framework across the Group. Monitoring efforts will continue to ensure its further development.
5) It has been recognized that the Board of Directors is effectively developing a governance system through the efficient operation of the Board of Directors, the organization of the collaborative meeting bodies, and the enhancement of the Management Meeting.	6) It has been recognized that the Board of Directors has been implementing Suzuken's medium-term management plan "For your next heartbeat—Creating a movement toward tomorrow," and steadily promoting initiatives such as the establishment of new businesses for the third founding phase.	7) It has been recognized that the Board of Directors has been appropriately monitoring the Group's implementation of its medium- to long-term strategies in cooperation with the Management Meeting and other meeting bodies.	

Perspectives for evaluation in the fiscal year ending March 2026

- 1) Confirmation of progress on achieving the current medium-term management plan
- 2) Confirmation of progress on formulating the next medium-term management plan
- 3) Confirmation of the status of the governance system for the entire Group
- 4) Ongoing confirmation of the status of legal compliance framework throughout the Group

Collation of evaluation results

After the end of each business year, independent outside directors report and discuss the matters they have monitored, and consolidate the evaluation results regarding the effectiveness of the Board of Directors for the relevant year. The consolidated evaluation results are submitted to the Board of Directors as items for discussion, thereby facilitating a shared understanding with the executive directors.

These results are subsequently presented to both the Board of Directors and the Management Meeting, and are shared and confirmed by all directors and executive officers.

Policy for training directors

The Company conducts risk and compliance training for newly appointed directors. Additionally, we provide appropriate external training and in-house e-learning training necessary to properly fulfill their roles and responsibilities.

Support system for outside directors

We have established the following support system to further enhance the effectiveness with which each of our outside directors performs their duties.

1) With regard to providing information related to Board of Directors resolutions, we distribute materials in advance and provide advance explanations from the supervising department as necessary
2) We have developed an environment that enables them to obtain the same information as directors, executive officers, associate directors, trustees, and employees through Suzuken's internal communication system
3) When appropriate, we request their attendance at important internal meetings

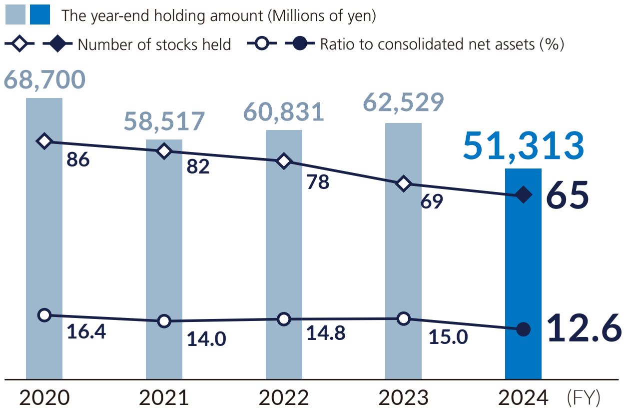
Cross-shareholdings

Suzuken's basic policy on cross-shareholdings is to hold shares of companies that contribute to enhancing corporate value, as part of its strategy to build, maintain, and strengthen transactional and collaborative relationships. The Board of Directors examines each cross-shareholding to determine its appropriateness. Shares of companies that are deemed unlikely to increase the Company's corporate value are sold, taking into account factors such as timing.

The Company formulated and disclosed its policy to reduce cross-shareholdings in May 2021. Under the current medium-term management plan, it aims to reduce cross-shareholdings to 10% or less of consolidated net assets by the end of FY2025. In FY2024, cross-shareholdings in eight stocks were reduced by about 13 billion yen. Since the policy was disclosed in May 2021, the Company has implemented a reduction in 33 stocks (including partial sales), totaling about 35.2 billion yen. Moving forward, it will continue working to curtail such holdings in accordance with the above policy.

In exercising voting rights related to cross-shareholdings, the Company makes a comprehensive judgment on each proposal, based on whether it will contribute to the enhancement of its corporate value in the medium to long term, and whether it will lead to shared benefit for the shareholders of the company concerned.

Trends in cross-shareholdings curtailment



IR-related communication

The Company has appointed an IR executive and designated the Corporate Communication Department and the Corporate Planning Department as the departments responsible for IR. In addition to accelerating the timing of disclosure on financial results and enhancing our IR-related information, we are committed to increasing transparency by not only complying with disclosure regulations, but also voluntarily adopting a proactive stance for timely disclosure.

Major communication activities in FY2024

- Dialogues with domestic and overseas institutional investors: 60 companies (total 83 times)
- Briefings for analysts and institutional investors: 2 times
- Briefings for individual investors: Conducted since 2007 (participation in the Nagoya Stock Exchange IR Expo)
- Briefings for overseas investors: Participated in conferences for institutional investors hosted by securities companies
- Publication of IR information on Suzuken's website (https://www.suzuken.co.jp/en/ir/)

Providing feedback within the Company

Comments and insights obtained from investors through dialogue are regularly reported to senior management. In addition, specific matters are discussed and considered by the Board of Directors, with these insights actively utilized to enhance our management strategies and corporate governance. Furthermore, we also provide employee IR briefings and other opportunities to promote open communication.

Main themes of dialogue and matters of interest to shareholders

- Summary of financial results
- Progress of the medium-term management plan
- Shareholder returns
- Growth strategies by business segment, and more

Basic concepts

Following the motto "Compliance comes first," the Suzuken Group is making efforts to foster an awareness of compliance in each and every employee and to realize continued improvement. All of our employees strive for "Harmony between growing the business and the interests of society" by not only upholding the law but also acting in a manner that meets the expectations and demands of stakeholders. Based on the belief that preserving company assets aligns with the expectations of all stakeholders, we have endeavored to build, maintain, and ensure the proper operation of an effective risk management system.

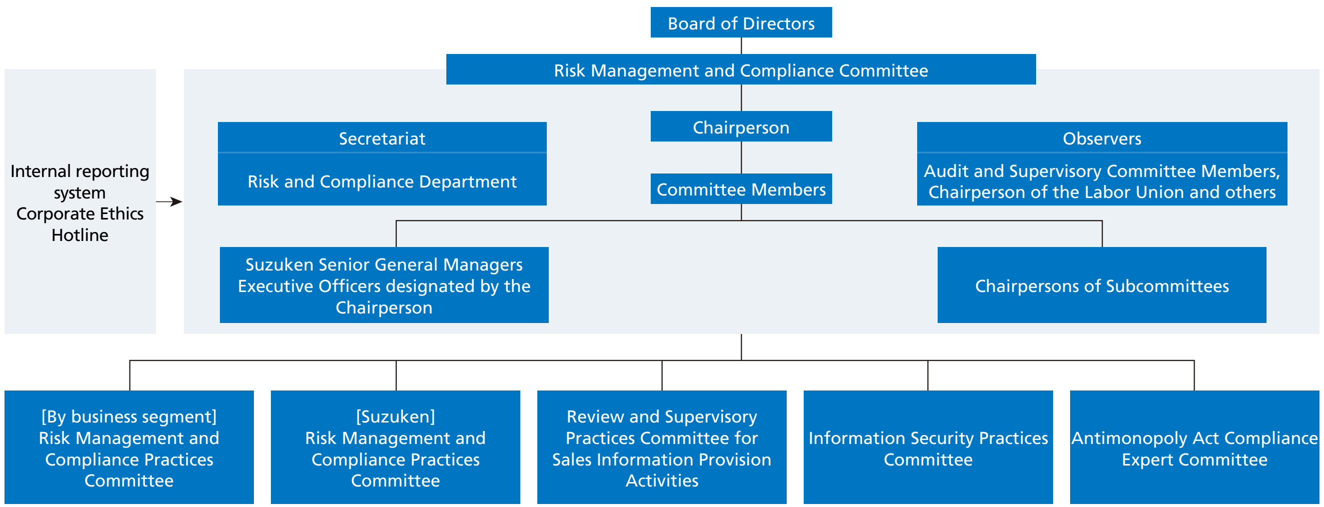
Compliance and risk management promotion framework

Compliance and risk management serve as the foundation of our business activities, and we pursue integrated management across the Group. As for compliance, with the aim of achieving sustainable growth and improving corporate value, we have built a three-lines-of-defense framework, where the Risk and Compliance Department, as an executive function, and the Internal Audit Office, as an audit function, fulfill their roles respectively while also working in close cooperation. We have also built a robust information management framework, led by the Risk and Compliance Department, to ensure the protection of information as a key management resource. And to promote effective risk management throughout the entire Group, we are working to strengthen a system that enables the Group to manage and respond to risks in an organizational, systematic, and autonomous manner.

We have established a Risk Management and Compliance Committee, under the supervision of the Board of Directors, to carry out risk management comprehensively across the organization. Under this committee, the following working-level committees have been established: the Business Segment Risk Management Practices Committee and the Risk Management and Compliance Practices Committee to effectively and efficiently manage risks; the Review and Supervisory Practices Committee for Sales Information Provision Activities, to more effectively carry out its role in reviewing and supervising the entire Group's sales information provision activities; and the Antimonopoly Act Compliance Expert Committee, to manage risk and implement compliance promotion measures specific to the Antimonopoly Act. In FY2025, the Group established an Information Security Practices Committee to strengthen the effectiveness of information security across the entire Group, and the committee is monitoring operations on an ongoing basis. In addition to these committees, we operate the Corporate Ethics Hotline, an internal reporting system that helps ensure the integrity of conduct by directors, executive officers, associate directors, trustees, and employees of Suzuken and its subsidiaries.

Moreover, as part of our Business Continuity Plan (BCP) for times of disaster such as major earthquakes, we have established a disaster response system and conduct regular drills to ensure timely and appropriate action. As a company involved in social infrastructure, we strive to build cooperative relationships with medical facilities and other stakeholders. To fulfill this responsibility, we are continuously working to build a highly effective framework.

Risk management and compliance framework



Establishment of the Suzuken Corporate Ethics Charter

We established the Suzuken Corporate Ethics Charter and Corporate Ethics Charter Guidelines to clarify the basic code of conduct that each and every employee should practice in a proactive and independent manner.

Suzuken Corporate Ethics Charter (Japanese)

Compliance training and employee pledges

As part of our efforts to instill the idea of compliance, Suzuken and its subsidiaries conduct an annual compliance training program, including e-learning, annually for executives, executive officers, associate directors, trustees, and employees. After training, each person pledges to remain constantly aware that compliance comes first and to avoid any violations. We set a 100% participation rate in compliance training as a KPI under our materiality goals, and we achieved that goal again in FY2024. We also hold workplace workshops on compliance.

Overview of compliance training

Main training themes

- Antimonopoly Act
- Copyright Act
- Road Traffic Act
- Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices
- Appropriate provision of sales information for pharmaceuticals
- Information security
- Harassment prevention

Participation rate

100%

(executives, executive officers, associate directors, trustees, and employees of Suzuken and its subsidiaries)

Initiatives to ensure compliance with the Antimonopoly Act

A criminal complaint was lodged against the Company, alleging violations of the Antimonopoly Act in the submission of a bid to the Japan Community Healthcare Organization (JCHO). In June 2021, the Tokyo District Court issued a ruling ordering us to pay a fine for the violation, and we received a cease and desist order and an order for payment of a surcharge from the Japan Fair Trade Commission in March 2022.

Additionally, in March 2023, the Company's subsidiary, Shoyaku Co., Ltd., received a cease and desist order and an order for payment of a surcharge from the Japan Fair Trade Commission in regard to suspected violations of the Antimonopoly Act in the submission of a bid to the National Hospital Organization (NHO).

The Company and Shoyaku both accept with all seriousness and sincerity what has occurred and will do our utmost as a Group to regain trust by thoroughly implementing compliance measures aimed at preventing recurrence.

Efforts to prevent recurrence

(1) Ensuring thorough compliance

- Enforcement of strict rules on contacts with industry peers
- Thorough reinforcement of correct understanding of the Antimonopoly Act
- Implementation of self-declarations

(2) Organizational changes to strengthen compliance

- Establishment of the Risk and Compliance Department and the Internal Audit Office
- Establishment of the Risk Management and Compliance Committee
- Establishment of the Antimonopoly Act Compliance Expert Committee

(3) Establishment of the Antimonopoly Act Compliance Hotline

(4) Implementation of an in-house leniency

(5) Implementation of compliance training on the Antimonopoly Act and other regulations

Introduction of the internal reporting system

The Suzuken Group has established the Corporate Ethics Hotline as an internal reporting system to reinforce its commitment to legal and regulatory compliance. Employees and those involved in the Group's business activities are required to report through the Corporate Ethics Hotline when they become aware of any violation of a law, regulation, or the Articles of Incorporation, or any action that would damage the Group's brand, whether it has been conducted or is about to be conducted at the Company and the Group companies. The number of internal reports in FY2024 was 122, and more than half involved harassment issues, including minor misunderstandings in daily workplace communication. Through this internal reporting system, risks are detected at an early stage and corrective measures are promptly taken.

In administering the system, the Company fosters an environment in which employees can raise concerns by setting internal rules that provide for the protection of whistleblowers, safeguards against out-of-scope information sharing, and procedures for accepting anonymous reports.

Number of internal reports

FY2022	FY2023	FY2024
117	115	122

Initiatives to prevent corruption

In our Corporate Ethics Charter Guidelines, we have established fair, just, and transparent transactions and equal relationships, together with compliance with relevant laws and regulations, as our standards of conduct. We are committed to preventing bribery and other types of improprieties. Along with compliance training aimed at instilling the importance of compliance among executives, executive officers, associate directors, trustees, and employees, we also regularly conduct training on anti-bribery laws in other countries.

Basic ideas and approaches on excluding relationships with anti-social forces

Based on our awareness that a company is a public organ of society, and in accordance with the highest ethical standards, Suzuken has a strong commitment to fulfilling its social responsibilities. We are resolutely opposed to anti-social forces and groups that threaten public order and safety.

Our Corporate Ethics Charter and Corporate Ethics Charter Guidelines, which are important standards of conduct, define the proper attitude and specific measures for dealing with improper or illegal demands from anti-social forces and groups. We distribute our Corporate Ethics Charter handbook to all executives, executive officers, associate directors, trustees, and employees and strive to ensure their thorough understanding.

The Risk Management and Compliance Committee, which builds and manages close relationships with external expert organizations and includes the risk managers of subsidiaries among its members, studies risks associated with the Suzuken Group. This committee shares information about anti-social forces obtained from external specialized organizations and other sources so that everyone can be alert.

To prevent any damages in the event that an anti-social element becomes a client or shareholder and makes improper or unjust demands, we will endeavor to conduct appropriate investigations into these entities and promptly collect information about anti-social forces from specialized external organizations and other sources.

Strengthening information security

To properly protect its information assets and respond to risks, the Group has established and regularly revises its Information Security Policy. We are also systematically implementing information security measures to ensure the proper operational management, development, and use of information systems and networks, while enhancing employee awareness through regular training and working to improve the security level of the entire Group.

The information security organization is led by the Risk and Compliance Department and is composed of the Board of Directors, the chief information security officer, the Risk Management and Compliance Committee, and other participants. The organization works to protect information assets against improper use and abuse and strives to strengthen information security, including cybersecurity, to minimize potential losses.

As part of these strengthening measures, on April 1, 2025, we established the Information Security Practices Committee as a working-level body under the Risk Management and Compliance Committee, which in turn reports to the Board of Directors. The committee comprises the heads of the planning departments of each headquarters and is responsible for promoting controls and initiatives that reflect the business characteristics of each Group company. Looking ahead, we will continue to build on efforts to gain a comprehensive grasp of, manage, and enhance security levels across the Group.

Primary responsibilities of the Information Security Practices Committee

- Establish and communicate the Group's basic policy and management criteria for information security
- Define issues and deliberate on countermeasures concerning information security, while providing governance
- Track and review the execution of information-security measures

Personal information protection: Efforts toward fair management of personal information

Our basic concept of personal information protection is defined in the Personal Information Protection Policy, which we disclose to all stakeholders. To be of service to and earn the trust of our stakeholders, we strive to use personal information effectively, pioneer "health creation," and protect personal information appropriately.

Personal Information Protection Policy

Efforts toward safe, secure, and reliable pharmaceutical distribution

Reliable and high-quality pharmaceutical distribution function

We believe that the Group's pharmaceutical distribution function serves as a vital social infrastructure, fulfilling its mission to address societal challenges such as natural disasters, pandemics or the reduction of pharmaceutical waste. In our pharmaceutical distribution business, we are clarifying the distribution channels for all drugs with our traceability system, and we are building a network to deliver necessary drugs precisely when they are needed, under strict quality management. In terms of quality, the Pharmaceutical Affairs Supervisory Office engages in management and oversight of matters concerning pharmaceutical laws and regulations, and of the provision of pharmaceutical information. The office focuses on helping supervising pharmacists working in sales branches to comply with the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices, Guidelines for Prescription Drug Marketing Information Provision, and other regulatory and best-practice provisions. It also works to improve quality by ensuring compliance with GDP Guidelines and collaborates with Group companies to help strengthen the overall compliance framework.

Global-standard quality control

S.D.Logi CO., LTD., which is in charge of our distribution business, acquired ISO 9001 certification in 2008 and has been conducting quality management with consideration for GMP[*1] in manufacturer distribution. The company later upgraded to the FY2015 version of certification and now conducts quality management compliant with global standards PIC/S*2 and GDP*3. Currently, it is applying the expertise it has cultivated thus far to operating wholesale distribution centers and business sites, in an effort to strengthen quality management through and through.

*1 GMP (Good Manufacturing Practice): Manufacturing and quality management guidelines for pharmaceutical manufacturing
*2 PIC/S (Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme): A combination of abbreviations for two cooperation organizations in the areas of GMP and GDP that facilitate between national governments and pharmaceutical inspection authorities
*3 GDP (Good Distribution Practice): Quality control standards in the pharmaceuticals shipping, delivery, and storage process


Dock shelters that prevent the intrusion of outside air through the gaps between facility openings and vehicles

Scope of ISO 9001: 2015 certification

- S.D.Logi: Reliability Assurance Department
- Manufacturer Distribution Department: East Japan bloc
  Koga Distribution Center, Sugito Distribution Center, Higashi Nihon Distribution Center, Tsukuba Distribution Center
- Manufacturer Distribution Department: West Japan bloc
  Kobe Distribution Center, Amagasaki Distribution Center, Nishi Nihon Distribution Center, Rokko Distribution Center
- Logistics Promotion Department: Northeast bloc
  Miyagi Distribution Center
- Logistics Promotion Department: Kinki area bloc
  Osaka office
- CHUOUNYU: Headquarters, Iwatsuki Office

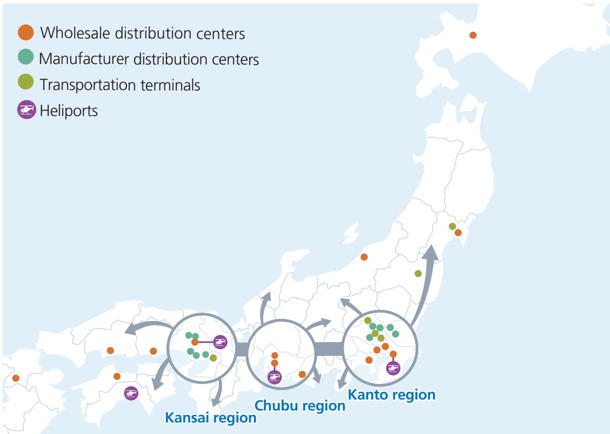
Human resource development for GDP compliance

S.D.Logi, which handles our logistics operations, assigns employees holding in-house "GDP Specialist" qualification, to each prefecture. We will continue to strengthen our GDP compliance by integrating human expertise with systematic approaches, overseeing and managing in-warehouse and delivery operations, providing training, and conducting audits in accordance with GDP standards.

Building a nationwide BCP network

Our manufacturer distribution and wholesale distribution businesses have worked together to construct a resilient nationwide distribution network with key facilities in Tokyo, Nagoya, and Osaka. In the event of natural disasters, we have systems in place to swiftly deliver essential pharmaceuticals to disaster base hospitals and other medical facilities in disaster areas, working in partnership with government bodies and pharmaceutical companies. We also maintain a multi-center backup system to ensure continuity should logistics functions be disrupted or suspended. Products collected at our distribution centers—including those owned by other companies—can be transported to medical facilities or other pharmaceutical wholesalers using the Group's commercial vehicles.
In April 2024, we opened the Greater Tokyo Distribution Center, fully equipped with disaster-prevention facilities. We are considering rolling out similarly equipped centers in the Chubu and Kansai regions to reinforce our nationwide BCP foundation. Moreover, we are expanding new transportation networks using airplanes, Shinkansen, and ships to secure stable supply that complies with GDP quality standards even during disasters or urgent deliveries.

Robust nationwide BCP network




Takeoff and landing exercises at Chiba Distribution Center


On-site power generation at Miyagi Distribution Center


Seismic isolation systems at distribution centers

Main BCP measures

Nationwide transportation and delivery network	We operate a nationwide network linking manufacturer distribution and wholesale distribution, enabling the transport of third-party products by commercial vehicles during emergencies
Core system redundancy	In an emergency, communication will be switched from the Nagoya headquarters to servers in Hokkaido
Facilities with on-site generation	Facilities designed for continuous 72-hour operation: seven wholesale distribution centers (Other distribution locations are also equipped with on-site power generation facilities and small generators)
Seismic isolator installations	Wholesale distribution bases: Meinan and the Greater Tokyo area Manufacturer distribution bases: Higashi Nihon, Nishi Nihon, Rokko, Tsukuba
Transport fuel stockpiling	Fuel is stockpiled at five locations nationwide to cover approximately one week of joint distribution in eastern Japan
Satellite and priority phone systems	Satellite phones: All sales departments and distribution centers Priority phones: Installed at all branches
Introducing employee safety confirmation systems	Remotely confirm the safety of all employees at Group companies
Disaster relief agreements with local governments	Agreements concluded regarding the supply of pharmaceuticals and related items during disasters
Emergency delivery equipment	Helipads are installed at four locations: the wholesale distribution centers in the Chiba, Meinan, and Hanshin regions, and at the Kochi branch. Joint landing/takeoff training was carried out with the Self-Defense Forces
Construction of a new transportation network aligned with GDP standards	A transport system has been established that utilize aircraft and Shinkansen to provide a high-quality, stable supply of emergency pharmaceuticals during disasters

Strengthening the management foundation in line with business transformation

Asako Tomita
Director
(Audit and Supervisory Committee Member)

Asako Tomita has been involved in internal audits, compliance, pharmaceutical affairs, human resources, among other areas. She was appointed as a director and Audit and Supervisory Committee member in June 2025.

Hideaki Nakagaki
Outside Director

Hideaki Nakagaki was involved in the licensing and approval of pharmaceuticals and the reform of the pharmacy and pharmacist system at the Ministry of Health, Labour and Welfare. He was appointed as an outside director of the company in 2024.

Takeshi Ogasawara
Outside Director
(Audit and Supervisory Committee Member)

Takeshi Ogasawara has management experience at Mitsubishi UFJ Bank, Ltd. In 2021, he was appointed as an outside director and Audit and Supervisory Committee member of the company.

As the foundation for the transformation into a "health creation enterprise" approaches its final stage and the results become increasingly visible, Asako Tomita, who was newly appointed as a director in June 2025, Hideaki Nakagaki, an outside director, and Takeshi Ogasawara, the chairman of the Audit and Supervisory Committee, sat down to discuss the future of the Suzuken Group and their respective roles.

Taking on new business challenges with our strengths in human resources and collaboration

Tomita I have worked in administrative departments such as human resources and compliance for a long time. This experience has taught me that the Suzuken Group's greatest strength is its people. I have had many interactions with employees during training and in my daily work, and found that many are eager to be of service to society, to people, and to our customers and patients. This enthusiasm and proactive spirit are something that can never be taught through a manual, and a valuable asset for the Company.

Nakagaki As someone who was involved in administration of the Ministry of Health, Labour and Welfare, I am also very aware of the profound significance of pharmaceutical wholesalers. The stable supply of pharmaceuticals is the foundation of the healthcare delivery system. The Suzuken Group has fulfilled this crucial role, even in times of immense social difficulty, such as natural disasters and pandemics. I perceive that the high ethical standards of the Company's employees, who handle pharmaceuticals that are directly related to public health and are involved in medical care and well-being, and their unwavering determination to deliver at all times, are visibly reflected in their actions.

Tomita Thank you. As we are in a period of transformation into a health creation enterprise, I believe that a major challenge going forward is to ensure this strength is not merely seen as a spiritual mission, but rather materialized into new businesses and profits, thereby improving our corporate value and performance.

Ogasawara I feel that not only the human resources within the Group, but also the strong relationships cultivated with medical institutions, pharmacies, and partner companies through our wide-ranging business development, constitute assets. The Suzuken Group calls these relationships of trust with stakeholders its "traditional assets," and it is reaffirming their value in new collaborations as it tackles the major transformation into a health creation enterprise. This applies not only to collaborations with digital companies, but also to the selection of new local partners for the Group's business expansion in Asia. I think it's an excellent strategy to expand business areas with new partners by effectively leveraging the relationships and know-how built up with existing partners.

Strengthening momentum toward the realization of a health creation enterprise

Tomita I believe that realizing a health creation enterprise is indeed a tremendous undertaking. FY2025 marks the final year of our medium-term management plan. Therefore, I believe it is crucial to show our stakeholders the results and changes we have achieved to date. For employees, this realization will have a positive impact on their career development and will also serve as a significant momentum for the Company as a whole.

Ogasawara With investment being an important part of the transformation, consideration of additional investment in digital partner companies will also be on the agenda. This is an important theme in transforming business models, but the risks and financial impact are not small. Looking at it from an outside perspective, I recognize that the Company is in a tough business environment, so it is necessary to clarify the appropriateness of investments and the basis for value creation, and to increase understanding both inside and outside the Company. I look forward to holding in-depth discussions with members of the business divisions at Board of Directors meetings.

Nakagaki When taking on new challenges, I believe it is important to overcome industry customs and precedent-based thinking. For example, all frontline staff need to always ask themselves, “Is this really the best thing to do?” rather than just following precedent because that’s what our predecessors did. I would also like to propose mechanisms that will lead to healthy corporate growth, such as reflecting an awareness of new challenges in personnel evaluations.

Tomita In terms of human resources, our digital-related businesses have been working on reskilling and developing digital transformation talents. On the other hand, I believe that how to effectively utilize AI technology remains a challenge for the future. It is crucial to design the division of roles between people and technology, rather than simply replacing human labor. Furthermore, although we tend to place emphasis on talent development in new domains, we will not narrow our business domain of “health creation”. Therefore, it is necessary to consider the balanced allocation of management resources from a medium- to long-term perspective, including in existing businesses. How to create a human resources portfolio that enables ambidextrous management is also a critical topic to consider.

Nakagaki We are currently preparing for the next medium-term management plan, and I believe that transforming the Group’s portfolio, which encompasses a wide range of businesses, into a sustainable one is what we should be working on as an ambidextrous management approach. This is my second year since assuming this position, but I have gained a deeper understanding of the business environment and frontline issues through discussions not only at the Board of Directors meetings but also at collaborative meetings such as the Management Meeting. I feel that this has led to even higher quality consideration of the next plan.

Promoting Group governance through both proactive and defensive strategies

Ogasawara The Group has established three lines of defense in which the executive and supervisory departments work closely together. I believe that this defensive governance has produced some results. The Audit and Supervisory Committee has many opportunities to hear reports from internal audits and other sources, and in order to accurately understand what is happening on the ground, we place great importance on gathering internal information and maintaining close communication with the executive side.

Nakagaki I also believe that the Group has been focusing on fostering Group-wide compliance awareness, including through strict compliance with laws and regulations in daily work and in collaborations with numerous companies. As the business environment of business partners changes, opinions from the frontlines and outside the company will become more important than ever. I believe that expanding this knowledge is also one of the roles of an outside director, so I would like to contribute by utilizing my knowledge of pharmaceutical administration.

Ogasawara In the age of social media, there is also a growing need for swift responses to incidents and scandals. I believe that it is essential to regularly collaborate with the legal department and lawyers and to establish clear response policies for each anticipated risk scenario as a crucial component of the Group’s protective governance framework. As times change, I would also like us to consider ways to improve our internal reporting system so that employees can immediately raise concerns within the Company when a problem occurs.

Tomita Group-wide governance is paramount for achieving both the maximization of corporate value and the minimization of risk. While fortifying our defensive governance, we are committed to strengthening proactive governance by optimizing resource allocation across the Group, ensuring the seamless penetration of our management strategies, and implementing measures, while working in cooperation with each Group company. Thank you for your continued support.

Millions of Yen
except per share data

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Business performance											
Net sales	¥ 1,969,689	¥ 2,228,331	¥ 2,126,993	¥ 2,123,997	¥ 2,132,362	¥ 2,213,478	¥ 2,128,218	¥ 2,239,112	¥ 2,314,828	¥ 2,386,493	**¥ 2,399,952**
Ordinary profit	30,093	45,721	27,764	29,019	36,154	41,467	18,272	23,418	36,376	38,351	**38,830**
Profit attributable to owners of parent	18,920	28,960	21,308	18,820	30,204	28,213	7,895	14,393	20,345	29,016	**34,496**
Comprehensive income	47,214	31,489	17,217	21,974	21,768	27,597	12,010	11,158	19,170	36,230	**26,108**
Financial position											
Net assets	367,798	393,948	396,496	406,425	401,625	412,708	417,912	418,062	411,525	416,428	**407,420**
Total assets	1,086,685	1,178,386	1,109,012	1,173,326	1,189,238	1,112,507	1,114,421	1,141,717	1,146,097	1,228,686	**1,113,831**
Cash flows											
Cash flows from operating activities	47,209	20,457	27,013	98,066	41,751	(25,817)	15,602	9,520	37,270	87,216	**(65,079)**
Cash flows from investing activities	(32,624)	(7,315)	(5,497)	894	1,938	1,199	(14,586)	1,439	(46,361)	10,350	**20,378**
Cash flows from financing activities	(5,585)	(7,561)	(15,567)	(12,691)	(27,261)	(17,167)	(7,393)	(11,599)	(26,219)	(31,716)	**(35,483)**
Cash and cash equivalents at end of period	102,860	108,414	114,345	200,609	217,025	175,215	168,818	168,215	132,872	198,745	**118,567**
Per share information (yen)											
Net assets per share	3,705.12	3,969.08	4,097.85	4,284.80	4,390.98	4,618.33	4,675.23	4,749.59	4,970.38	5,361.96	**5,651.56**
Basic earnings per share (EPS)	190.82	292.13	216.92	198.21	322.73	310.26	88.52	163.19	236.47	357.88	**454.58**
Management indicators											
Capital adequacy ratio (%)	33.8	33.4	35.7	34.6	33.7	37.0	37.4	36.6	35.9	33.9	**36.6**
Return on equity (ROE) (%)	5.5	7.6	5.4	4.7	7.5	6.9	1.9	3.4	4.9	7.0	**8.4**
Price-to-earnings ratio (times)	19.2	13.1	16.8	22.2	19.9	12.7	48.9	22.2	14.1	13.0	**10.9**
Consolidated dividend payout ratio (%)	28.3	23.6	24.9	32.3	21.4	23.2	81.3	44.1	30.4	22.4	**22.0**
Number of employees (persons)	15,829	16,208	16,456	15,816	15,585	15,477	15,041	14,032	13,429	13,086	**12,923**

Notes:
1. Diluted earnings per share is not stated as there are no dilutive shares.
2. The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and related standards have been applied from the beginning of FY2021. The key management indicators for FY2021 and later reflect the application of these standards.
3. Starting from FY2022, the presentation method for information revenue and related items has been changed from non-operating income to net sales. The key management indicators for FY2021 have been retrospectively adjusted to reflect this change in presentation method.

Environment data

	Unit	FY2022	FY2023	FY2024	Notes
CO_2 emissions (Scope 1)	t-CO_2	27,789	26,491	26,205	Companies included: Suzuken, Sanki, ASTIS, Shoyaku, Suzuken Okinawa Yakuhin, Suzuken Iwate, Nakano Yakuhin, S.D.Logi, Sanwa Kagaku Kenkyusho, UNISMILE, S-mile, S-Care Mate, CHUOUNYU, Sanki Wellbe, Kenzmedico
CO_2 emissions (Scope 2)	t-CO_2	44,795	46,095	44,877	
CO_2 emissions (Scope 1+2)	t-CO_2	72,584	72,586	71,082	
Electricity	thousand kWh	107,867	108,228	117,262	
Gasoline	kL	7,456	7,407	7,011	
Kerosene	kL	69	69	68	
Diesel	kL	1,614	1,698	1,897	
Heavy fuel oil	kL	2,065	1,588	1,554	
City gas	thousand m^3	160	210	207	
LPG	t	43	37	34	
Reduction of pharmaceutical waste	billion yen	-	4.3	5.7	Cost savings at medical institutions using the specialty drug traceability solution “Cubixx”

Social data

	Unit	FY2022	FY2023	FY2024	Notes
Consolidated employees	people	13,429	13,086	12,923	As of the end of each fiscal year (consolidated)
Percentage of female employees	%	54.5	53.7	54.4	As of the end of each fiscal year Companies included: Suzuken, Sanki, ASTIS, Shoyaku, Suzuken Okinawa Yakuhin, Suzuken Iwate, Nakano Yakuhin, S.D.Logi, Sanwa Kagaku Kenkyusho, UNISMILE, S-mile, S-Care Mate, CHUOUNYU, Sanki Wellbe, Kenzmedico
Percentage of female managers	%	10.1	14.2	15.1	
Number of female executives	people	7	10	10	
Gender wage ratio (Female to male)	%	56.1	57.2	57.4	
Percentage of men taking childcare leave	%	31.6	73.4	90.6	
Employment rate for people with disabilities	%	2.4	2.5	2.6	As of the end of June of each year Companies included: Suzuken, CHUOUNYU, Suzuken Business Associe, Suzuken JoinUs
Percentage of annual paid leave taken	%	60.0	58.2	61.9	As of the end of each fiscal year Companies included: Suzuken
IT passport certification holders	people	1,547	1,973	2,451	Cumulative total (consolidated)
Information security management certification holders	people	50	694	959	Cumulative total (consolidated)
Score of 600 or higher on the DX Certification Exam	people	-	430	905	Cumulative total (consolidated)
Internally certified DX Ambassadors	people	-	-	50	As of the end of each fiscal year
Proposals through “Chienowa” Group proposal platform	cases	4,916	3,277	2,326	
Internally certified GDP specialists	people	-	130	389	As of the end of each fiscal year
Locations certified with ISO 9001: 2015 quality management system	sites	13	13	13	

Governance data

	Unit	FY2022	FY2023	FY2024	Notes
Total number of directors	people	10	10	10	As of the end of June of each year
Percentage of outside directors	%	50	50	50	As of the end of June of each year
Percentage of female directors	%	10	20	30	As of the end of June of each year
Compliance training participation rate	%	100	100	100	
Number of internal whistleblowing reports	cases	117	115	122	

As of March 31, 2025

Stock price

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
At year-end (Yen)	3,935	4,325	3,630	3,345	4,639	4,940
High (Yen)	7,040	4,600	4,410	3,985	5,137	5,549
Low (Yen)	3,175	3,595	2,963	3,085	3,360	4,358
Number of shares issued at year-end (Thousands of shares)	103,344	103,344	103,344	82,831	77,740	72,167
Market capitalization at year-end (Millions of yen)	406,658	446,962	375,138	277,069	360,635	356,505

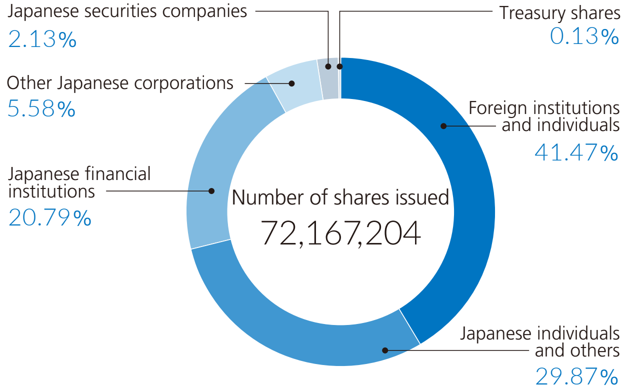
Major shareholders

Major Shareholders	Number of Shares Held (Thousands of shares)	Ownership Ratio of Issued Shares, Excluding Treasury Shares (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	11,045	15.32
Custody Bank of Japan, Ltd. (Trust account)	2,787	3.86
Yoshiki Bessho	2,128	2.95
Chika Bessho	2,128	2.95
Masaki Bessho	2,127	2.95
JP MORGAN CHASE BANK 380055	1,901	2.63
Suzuken Group Employee Stock Ownership Association	1,835	2.54
Kyoko Suzuki	1,811	2.51
Suzuken Memorial Foundation	1,796	2.49
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	1,707	2.36
Total	29,269	40.61

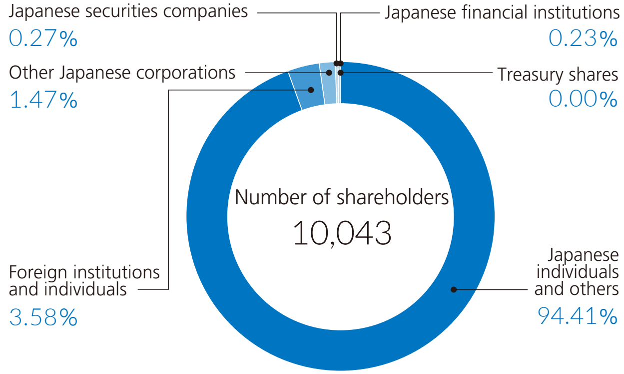
Note: Besides the shares described above, Suzuken Co., Ltd. holds 100 thousand shares.

Shareholder composition

Share composition by ownership type



Shareholder composition by ownership type



As of March 31, 2025

Corporate profile

Corporate name	SUZUKEN CO., LTD.
Headquarters	8 Higashikataha-machi Higashi-ku, Nagoya, Aichi 461-8701, Japan Phone: +81-52-961-233
Establishment	November 1932
Capital	¥13,546 million
Number of employees	12,923 (consolidated)
Ordinary general meeting of shareholders	The ordinary general meeting of shareholders is held annually in June in Nagoya, Japan
Number of share units	100 shares
Independent auditor	Deloitte Touche Tohmatsu LLC (the Japanese member firm of Deloitte Touche Tohmatsu Limited)
Shareholders' register administrator	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
Stock exchange listings	Tokyo Stock Exchange, Prime Market Nagoya Stock Exchange, Premier Market Sapporo Securities Exchange

Website information

Please visit our website for more details on IR information.

https://www.suzuken.co.jp/en/ir/

The above 2D barcode will provide easy access to our IR information.

Related companies

Consolidated Subsidiaries	Capital (Millions of Yen)	Ownership Ratio of Voting Rights (%)[*1]	Main Areas of Business	
Sanki Corporation	1,081	100.0	Pharmaceutical distribution business	Sale of pharmaceuticals in the Chugoku region
ASTIS Co., Ltd.	946	100.0	Pharmaceutical distribution business	Sale of pharmaceuticals in the Shikoku region
Shoyaku Co., Ltd.	880	100.0	Pharmaceutical distribution business	Sale of pharmaceuticals in the Kyushu region
Suzuken Okinawa Yakuhin Co., Ltd.	12	100.0	Pharmaceutical distribution business	Sale of pharmaceuticals in Okinawa Prefecture
Nakano Yakuhin Co., Ltd.	94	100.0	Pharmaceutical distribution business	Sale of pharmaceuticals in Tochigi Prefecture
Suzuken Iwate Co., Ltd.	97	100.0	Pharmaceutical distribution business	Sale of pharmaceuticals in Iwate Prefecture
S.D.Logi CO., LTD.	10	100.0	Pharmaceutical distribution business	Contract distribution operations within the Group
Sanwa Kagaku Kenkyusho Co., Ltd.[*2]	2,101	100.0	Pharmaceutical manufacturing	Manufacture of ethical drugs
Kenzmedico Co., Ltd.	10	100.0	Manufacture of medical instruments	Manufacture of medical equipment
UNISMILE Co., Ltd.	382	100.0 (100.0)	Pharmacy	Preparation of ethical drugs
Sanki Wellbe Co., Ltd.	50	100.0 (100.0)	Nursing services	Provision of nursing care services
S-Care Mate Co., Ltd.	50	100.0	Nursing services	Provision of nursing care services
Medicare Collabo CO., LTD.	40	51.0	Medical and nursing care support	Rental of welfare equipment
S.D. COLLABO Co., Ltd.[*2]	51	100.0	Specialty drug distribution	Contract distribution of specialty drugs
CHUOUNYU CO., LTD.	99	100.0	External logistics operations	Contract logistics for pharmaceutical manufacturers
Collabo PLACE CO., LTD.[*3]	10	100.0	Other	Provision of digital healthcare services
24 other companies	–	–	—	—

Subsidiaries and Affiliates Accounted for by the Equity Method	Capital	Ownership Ratio of Voting Rights (%)	Main Areas of Business	
SPH Suzuken Huzhong Pharmaceutical Co., Ltd	RMB 84 million	49.9	Pharmaceutical distribution business	Sale of pharmaceuticals in Shanghai City
EP-PharmaLine Co., Ltd.	JPY 100 million	49.0	DI service (contact center service)	Outsourcing call center operations, etc.
BOKSANNICE Co., Ltd.	KRW 3,604 million	45.0	Pharmaceutical distribution business	Sale of pharmaceuticals and other products mainly in Busan region and Seoul metropolitan area
Welby Inc.[*4]	JPY 1,166 million	20.0	My Carte Disease solutions	Deployment of PHR platforms
Pharmarise Holdings Corporation[*4]	JPY 1,961 million	20.6	Pharmacy	Preparation of ethical drugs

*1 The ownership ratio of voting rights given in parentheses ( ) refers to indirect ownership ratio included in the total. *2 Company that qualifies as a specified subsidiary.
*3 As of April 1, 2025, the company name was changed to Collabo Square Co., Ltd. *4 Companies that submit annual securities reports.

SUZUKEN CO., LTD.

8 Higashi Kataha-machi, Higashi-ku, Nagoya, Aichi 461-8701, Japan

https://www.suzuken.co.jp/en/