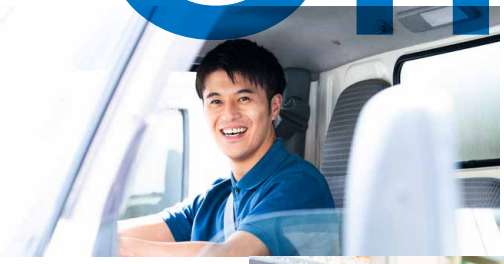
SUZUKEN

One Team Report














Integrated Report

2026

Suzuken Group **Today**:Supporting Society

A comprehensive approach to medical and health-related businesses

Logistics | Development & manufacturing | Marketing | Sales

Pharmaceutical & medical device manufacturing

Distribution | Sales & consulting | Supply-demand adjustment | Information supply & financing

Pharmaceutical wholesale

Dispensing | Nursing care | Community collaboration

Community healthcare and nursing care support

Business Portfolio

Comprehensive Business Operations

A Group with Health Creation as its business domain that comprehensively operates businesses extending beyond the wholesale of prescription pharmaceuticals, including pharmaceutical R&D and manufacturing, support for pharmaceutical manufacturers, operations of pharmacies, and nursing care.

Business Domain

Health Creation

Capability Portfolio

Health Creation Enterprise

A Group that contributes to Health Creation for all by addressing various social issues.

Suzuken Group **Tomorrow**: Building the Future

Develop new services that combine capabilities to address social issues and needs

Society



Healthcare manufacturers



Patients and their families



Healthcare and nursing care professionals



Vision

As a Health Creation business, Suzuken Group is committed to generating new value across diverse healthcare fields, aiming to be an indispensable partner that brings smiles to everyone.

Mission

As a Health Creation business, Suzuken Group brings together its collective wisdom to continue contributing to richer lives filled with smiles for everyone.

Value

SMILE

We are a company that embodies
Sincerity and
Morality, leverages a unique
Identity, continuously
Learns from our customers, and strives for
Evolution.

Group Philosophy

Our founding spirit: “For Society, For People” and “Learning from Our Customers”

Scenario for Growth

Suzuken Group has established a new Medium-Term Management Plan, building on the foundation for change laid by the previous Plan, as a three-year period for transforming into a Health Creation Enterprise by FY2030.

Our five-year vision

(FY2030)

Health Creation Enterprise

A Group that contributes to Health Creation for all by addressing various social issues

Backcasting

New Medium-Term Management Plan

FY2026-FY2028

A Third Beginning

Change Inspires Innovation
Innovation Drives Change



Previous Medium-Term Management Plan

FY2023-FY2025

Ambidextrous Management

Pillars of reform

Build a foundation for change through proactive deployment of digital technology

Evolving into a next-generation wholesaler that goes beyond the conventional wholesale model

1 Evolve into a next-generation wholesaler

We aim to resolve customer issues and create value by expanding our conventional wholesaler capabilities and commercializing those capabilities. Through the value we provide, we aim to become a next-generation wholesaler that supports a sustainable and resilient pharmaceutical distribution infrastructure and creates new added value.

2 Reconfigure the business portfolio

We will reconfigure our business portfolio by redefining our value proposition and rebuilding alliances. By evolving into a next-generation wholesaler and transforming our manufacturing, pharmacy, nursing care, and other businesses, we aim to maximize earnings across the whole Group.

3 Strengthen the management foundation

We will build a robust management foundation by optimizing our cost structure through AI and other means. To drive this transformation, we will focus on developing next-generation leaders and talent in Digital Transformation (DX) and AI Transformation (AX) fields to support our evolution into the Health Creation Enterprise we aim to become.

Initiatives to Achieve Our Vision of Becoming a Health Creation Enterprise

Suzuken Group is pursuing transformation aimed at becoming a Health Creation Enterprise by combining a diverse range of capabilities across Group and partner companies based on the concept of a Capability Portfolio, to create new businesses and services.

Digital

We are developing and promoting the adoption of COLLABO Portal, a comprehensive healthcare DX platform and hub for connecting pharmaceutical manufacturers with healthcare and nursing care professionals, patients, and their families. We are expanding our digital business by connecting individual healthcare and nursing care professionals and providing diverse services.



Key digital services

- Cubixx
- COLLABO Portal
- medimo

Human Capital Development

We are developing DX talent with comprehensive solution-proposal capabilities through a company-wide reskilling program, including the acquisition of IT certifications and in-house development of DX Ambassadors.



Key initiatives

- DX reskilling program
- DX Ambassadors
- Selective AI training

Logistics

We are using digital technology to drive efficiency, optimization, and automation of pharmaceutical distribution through a healthcare distribution platform that extends from pharmaceutical manufacturers onwards. By leveraging the Greater Tokyo Distribution Center as well as the contract logistics services for pharmaceutical manufacturers (Manufacturer Logistics) capabilities we have pioneered in the industry, we aim to optimize distribution inventories across the pharmaceutical supply chain, from upstream through downstream, reduce losses from pharmaceutical disposal, and contribute to lower social costs.





Capabilities & services

- Healthcare distribution platform
- Automated distribution center
- J-ENTRY Consortium

Introduction

2 Health Creation Enterprise: Our Vision and Philosophy
3 Scenario for Growth
4 Initiatives to Achieve Our Vision
5 Contents & Editorial Policy
6 Message from the President
10 At a Glance
11 Our Value Creation Process

Chapter 01 What Do We Aspire to Become?

13 Long-Term Management Plan
14 Our External Environment
15 Social Issues and the Value We Provide
16 Materiality

Chapter 02 What Strengths Have We Developed?

19 Our Story So Far
20 Our Strengths and Competitive Advantages
21 Management Capital
22 Business Overview

Chapter 03 What Is Our Plan to Achieve Our Vision?

27 Medium-Term Management Plan
31 Financial and Capital Strategy

Chapter 04 What Business Strategies Will We Pursue?

35 Pharmaceutical Distribution
37 Digital
39 Logistics
40 Healthcare Product Development
41 Community Healthcare and Nursing Care Support
42 Other Related Businesses and Equity-Method Affiliates

Chapter 05 How Will We Strengthen the Foundations and Talent That Support Our Business Strategies?

44 DX Foundation
45 Logistics Foundation
46 Human Capital

Chapter 06 How Will We Strengthen the Foundations for Sustainable Growth?

50 Sustainability Management
51 Supply Chain Management
52 Social Contribution Initiatives
53 Environmental Conservation Initiatives
54 Addressing Climate Change
55 Director Roundtable
58 Directors and Officers
59 Corporate Governance
65 Compliance & Risk Management

Chapter 07 Data Section

69 11 Years of Financial Highlights (Consolidated)
70 Non-Financial Highlights (Consolidated)
71 Stock Data & Corporate Data

Spotlight for FY2026

In our Integrated Report, we provide an overview of the Group's strengths and the specific challenges that we are pursuing as part of our transformation into a Health Creation Enterprise.

Point 1
Start of New Medium-Term Management Plan
We announced our new Suzuken Group Medium-Term Management Plan in 2026. In this Integrated Report, we spotlight the new Plan and describe our growth story toward becoming a Health Creation Enterprise.

Point 2
Our Strengths and Competitive Advantages
We outline the strengths and competitive advantages across Suzuken Group built up since the Group was founded, as well as the strengths and management capital of each business.

Point 3
The Foundations and Talent that Underpin Our Business Strategies
We spotlight moves to strengthen the DX Foundation, Logistics Foundation, and Human Capital that underpin our business strategies, and outline specific initiatives.

Editorial Policy

Since 2016, Suzuken Group has combined the content previously included in our Annual Report and CSR Report into an Integrated Report, which presents both financial and non-financial information. It is our hope that this report will help our shareholders, investors, and all our stakeholders to gain a deeper understanding of the Group.
The performance and financial data in this report are based on the annual securities report.

Scope of reporting

SUZUKEN CO., LTD.
and 38 consolidated subsidiaries

April 1, 2025 – March 31, 2026
(Includes some activity outside the reporting period)

Forward-looking statements

This report contains forecasts regarding the future of the Group based on assumptions, expectations, and plans that Suzuken's management considered reasonable as of the date of the report. Being based on such assumptions, these forecasts are subject to risks and uncertainties, and actual results may differ depending on social and economic conditions.

Embracing change and shaping the future together as One Team across Suzuken Group

A new start: Taking on new challenges to become a Health Creation Enterprise

Top Message



Shigeru Asano

President and
Chief Executive Officer
SUZUKEN CO., LTD.

Our heritage assets and the challenges we face

Drawing strength from our history to drive a Third Beginning

In December 2025, Yoshiki Bessho, former Chairman of Suzuken, passed away. After becoming President in June 1983, Bessho led Suzuken Group through its stock market listing and nationwide expansion, driving dramatic growth. He could rightly be called our "second founder". One message he repeated to employees during his lifetime was "Our history is not a burden, but a foundation from which to draw strength."

Since its founding in 1932, Suzuken Group has held fast to its founding spirit of "For Society, For People" and "Learning from Our Customers", while growing through the challenges taken on by those who came before us. We will not be daunted by the major structural changes affecting society and healthcare, but will take up the baton handed down to us by Bessho and the others that came before us, facing up to new challenges as we pass the baton on to the next generation.

The management philosophy established by Bessho, the strong relationships of trust built up over time with our customers, and our employees' high expertise and commitment: these make up our irreplaceable heritage assets, and underpin the strengths that support growth at Suzuken Group. However, precisely because we are in a period of rapid change, we risk losing these strengths if we neglect to

refine these heritage assets. We must continue to change ourselves in order to raise the added value of our heritage assets and connect it to the future of Suzuken Group. I will, of course, take the lead as we enter a new era for Suzuken Group as One Team.

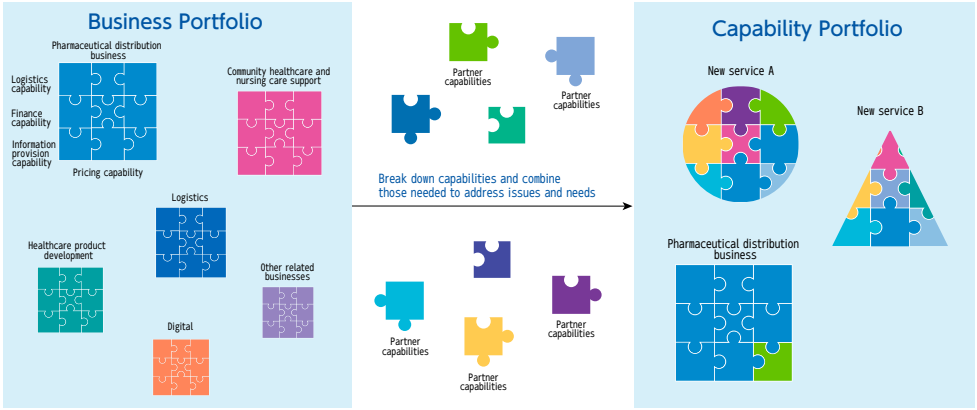
Our Vision to be a Health Creation Enterprise

Leveraging our heritage assets to create new value

I view FY2026, which marks the start of our new Medium-Term Management Plan, as the start of a Third Beginning for Suzuken Group. Our First Beginning (the company founding) established our foundation as a pharmaceutical wholesaling business; our Second Beginning marked our nationwide distribution network and diversification with Health Creation as our business domain. Now we are progressing towards our Third Beginning, which builds on our heritage assets to drive our transformation into a Health Creation Enterprise.

It is our Capability Portfolio that holds the key to this vision. As an independent wholesaler with no affiliation to any particular manufacturer, Suzuken Group has cultivated various capabilities, including distribution, information management, talent, and digital technologies while working with our customers to address their issues. This unique expertise across multiple capabilities is our key strength. By further refining the value we provide, and creating new value through combinations of capabilities optimized to address our customers' issues, I am confident we will be able to achieve both corporate growth and the resolution of social issues.

What I emphasize to employees at strategy briefings and other opportunities is that Suzuken cannot accomplish this alone. It is essential that we take on this challenge as One Team, bringing together the diverse capabilities of Group and partner companies.



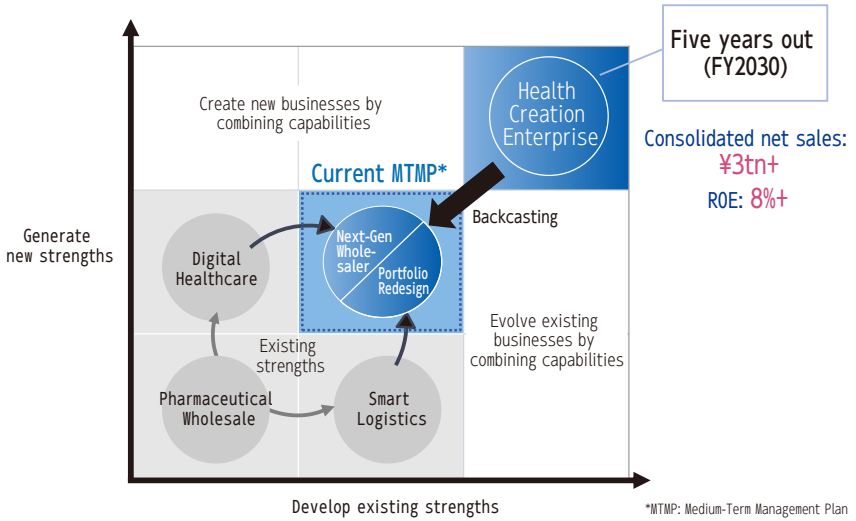
Evaluation of the previous Medium-Term Management Plan and formulation of the new Plan

Seizing the opportunities provided by changes in the environment to accelerate our Third Beginning

In FY2025, the final year of the previous Medium-Term Management Plan, we recorded growth in consolidated net sales to ¥2,486.6 billion and in consolidated operating profit to ¥36.3 billion. We largely achieved the management targets we had set. Under the previous Medium-Term Management Plan, we sought both to strengthen existing businesses and create new businesses under the concept of Ambidextrous Management. At the same time, we positioned DX as a management priority, and worked on delivering new value through initiatives such as Cubixx and COLLABO Portal.

Meanwhile, our external environment is changing significantly, driven by factors such as social security reform and rising costs due to rapid inflation, narrowing margins from pharmaceutical manufacturers and growing demand to reduce distribution costs, as well as accelerating consolidation among pharmacies.

During engagement with institutional investors, we are sometimes asked whether these social changes represent headwinds for Suzuken Group, but I do not see them this way. This is because the more pronounced the changes in the social environment and the greater the issues faced, the more our customers expect us to deliver and the greater the role we have to play. We face head-on the challenges confronting our customers—medical institutions, pharmacies, pharmaceutical manufacturers, and healthcare and nursing care professionals, as well as patients, local residents, and communities—and create new value by helping to resolve those challenges. I believe this is the very foundation of the Health

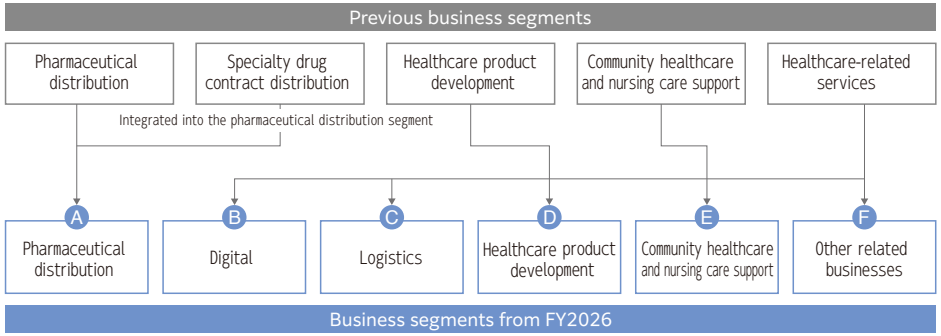


Creation Enterprise we aim to become.
Based on this understanding, we formulated our new Medium-Term Management Plan by backcasting from our long-term vision of becoming a Health Creation Enterprise. We thereby reassessed our current issues and, through internal discussion, identified three pillars: Evolving into a next-generation wholesaler, reconfiguring our business portfolio, and strengthening our management foundation. Our slogan "Change Inspires Innovation, Innovation Drives Change" encapsulates our commitment to seizing the opportunities for growth presented by change and carving out our future path through innovation. By taking on these challenges, we plan to grow consolidated net sales to ¥3 trillion by FY2030, and ROE from business earnings to 8%.

Medium-Term Management Plan pillar: Evolve into a next-generation wholesaler

Redefining the value of wholesale, driving growth by commercializing our capabilities

Pharmaceutical distribution, a core operation for Suzuken Group, fulfills the role of providing stable supply of pharmaceuticals, a vital social infrastructure. However, from our position between pharmaceutical manufacturers on the one hand and medical institutions and pharmacies on the other, we face the structural issue of struggling to pass on to customers the uptrend in distribution and labor costs. The proportion of products we handle that are high-priced and require strict management, including innovative new drugs such as specialty drugs and regenerative medicine, is also increasing. However, this is not enough to offset rising costs, and it is becoming increasingly difficult for the conventional margin-based business model alone to drive sustainable growth while maintaining our role as social infrastructure.
Against this backdrop, I believe we must radically review and redefine the value provided by our Group's pharmaceutical distribution business. This is what we mean by evolving into a next-generation wholesaler—one of the pillars of our new Medium-Term Management Plan.
To date, we have developed a wide range of capabilities through our relationships with customers. These include the provision of information combining physical and digital channels, global-standard logistics compliant with Good Distribution Practice (GDP) Guidelines,, and customer support provided by qualified personnel and employees with specialist expertise. Going forward, we will develop each into a source of value in its own right rather than treating them simply as functions within the distribution business, and commercialize them in combinations tailored to customer needs. In this way, we aim to establish new revenue models. These efforts are now moving into the practical implementation phase toward commercialization, focusing primarily on the digital business and logistics domains. For example, we are making steady progress establishing new fee-earning models, such as the provision of information services based on our COLLABO Portal, distribution inventory optimization using Cubixx, and the establishment of Collabo CREATE, which offers comprehensive proposals to address social issues related to the distribution of healthcare products. Suzuken Group was ahead of the broader industry in positioning digital channels at the core of operations, and has built up proprietary digital foundations such as COLLABO Portal and Cubixx. By leveraging our strengths, we will further accelerate the commercialization of capabilities such as information provision and distribution. In addition, to provide greater clarity on the results of these initiatives, we revised our business segments from the current fiscal year based on our management approach, and established Digital and Logistics as new segments.



Medium-Term Management Plan pillar: Reconfigure the business portfolio

Creating value by bringing together our Group strengths and combining our capabilities

Suzuken Group aims to commercialize our capabilities under the concept of a Capability Portfolio, extending operations beyond the pharmaceutical distribution business. The social issues surrounding our company are becoming more complex, and it is becoming more difficult to address them simply by offering a single business or service. Our business portfolio strategy extends beyond simple business prioritization. I believe it is crucial that we create value by combining our capabilities. To become a Health Creation Enterprise, it is vital that we provide new value by organically combining the capabilities held across the Group, including manufacturing, wholesale, pharmacy, nursing care, digital channels, and logistics.
In the healthcare product development business, we will strengthen drug discovery at our Group company Sanwa Kagaku Kenkyusho, and also step up support for companies seeking to enter the Japanese market by working with the company and other partner companies to help resolve drug loss issues (where drugs available overseas are not approved in Japan). We will also pursue initiatives to support the stable supply of generic drugs.
In the community healthcare and nursing care support business, we will go beyond simply supplying drugs to strengthen our capabilities for bolstering comprehensive community care systems through support offered to local

pharmacies. Moreover, for overseas business, we aim to cooperate with partner companies in South Korea and elsewhere to expand growth opportunities while combining each company's capabilities.

We target consolidated ordinary profit of at least ¥40 billion during the period of the new Medium-Term Management Plan, premised on the combination of these capabilities to create value and evolve into a next-generation wholesaler.

Medium-Term Management Plan pillar: Strengthen the management foundation

Talent development is the engine of the Health Creation Enterprise

My mission at the helm of Suzuken Group is to continue refining and fleshing out our vision of becoming a Health Creation Enterprise.

I believe the engine that will drive this mission steadily forward is the development of the talent that will lead Suzuken Group into the next generation. Suzuken Group is seeing a steady increase in employees who embrace challenges and take the initiative. More employees are stepping up in areas such as digital business and new businesses, working across Group companies to create new value. Our efforts to promote the adoption and expansion of digital services such as Cubixx, COLLABO Portal, and medimo are the tangible outcomes of these initiative-taking employees. I believe we are starting steadily to nurture the talent who will support our Third Beginning.

I believe developments such as advances in AI and digital technology will drive considerable change in the type of talent needed in the future. We need personnel who are able to combine value across businesses and organizational barriers, while incorporating AI and digital technologies into specialist knowledge built up in areas such as sales, distribution, digital channels, manufacturing, pharmacy, and nursing care. I have publicly committed to increasing opportunities for employees across Suzuken Group to build up diverse experience through job rotation and next-generation leadership training programs. We position the various initiatives set out in the new Medium-Term Management Plan as opportunities to foster next-generation talent, and will develop our people through hands-on participation in Group-wide projects and new businesses.

The AI and digital technologies we are introducing across the Group are intended to further unlock the potential of each individual and enable them to create value, rather than simply replacing employees. We intend to redirect the time and human resources freed up through productivity improvements using generative AI and other technologies toward new areas of value creation with an eye to the future. In an era of rapid change, the greatest risk is standing still for fear of failure. Part of Bessho's legacy to us were the words "fail boldly". I believe developing talent that can generate new value will help us become a Health Creation Enterprise, and I will take responsibility as President of Suzuken Group to support people who embrace challenges. To this end, we will pursue cross-Group initiatives to further entrench a challenge-positive culture, while also increasing support for self-development and self-directed learning, including DX/AX reskilling and the Chienowa Group proposal platform.

To all our stakeholders

Delivering on your expectations by creating value as One Team

Suzuken Group will embark on a new phase under the new Medium-Term Management Plan. Personally, I do not view this Plan as merely three years of management targets.

Our Third Beginning is an attempt to evolve Suzuken Group in preparation for the next era, and is the path to becoming a Health Creation Enterprise. Even in an era of rapid change, we will hold firm to our founding mission of supporting the health of all in society and our strong commitment to embracing change and the challenges it brings to generate new value. At Suzuken Group, we will work with our customers, shareholders, investors, and partner companies, pursuing unity among all our employees to both achieve sustained growth in corporate value and resolve social issues. In this way, we will build our future as One Team, continuously driving ourselves to become a Health Creation Enterprise. We thank all our stakeholders for your ongoing support.



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

浅野 茂

At a Glance

Group information

Years in business
94

Group companies
38

Group employees
12,717

Business overview

Domestic share of prescription pharmaceuticals (NHI drug price basis)
21.6%

Wholesale distribution centers
15 nationwide

Pharmaceutical distribution business sales offices
192 nationwide

Share of specialty drug products under contract distribution
Over **50%**

Facilities adopting Cubixx solution
621

COLLABO Portal registrations
Around **450,000**

Pharmacies
515

Nursing care business sites
184

Financial information

Net sales
¥2,486.6bn

Consolidated operating profit
¥36.3bn

ROE
9.3%

3y avg total payout ratio
98.1%

Non-financial information

CO_2 emission reduction
20.7%
vs. FY2020

Pharmaceutical waste reduction
¥7.8bn

DX talent
1,046
people with a DX certification score of 600+

DX talent
1,153
people certified in Information Security Management

Proportion of women in management
15.2%

Note: Data as of FY2025

Our Value Creation Process

Suzuken Group aims to become a Health Creation Enterprise, based on our founding spirit.
We will leverage our Capability Portfolio, built on relationships of trust with our customers and our diverse management capital, to create new value by commercializing our capabilities, thereby helping to address social issues and reduce social costs.

Capital inputs

Heritage assets
- Relationships of trust with customers
- The founding spirit at the heart of 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 that supports community healthcare

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

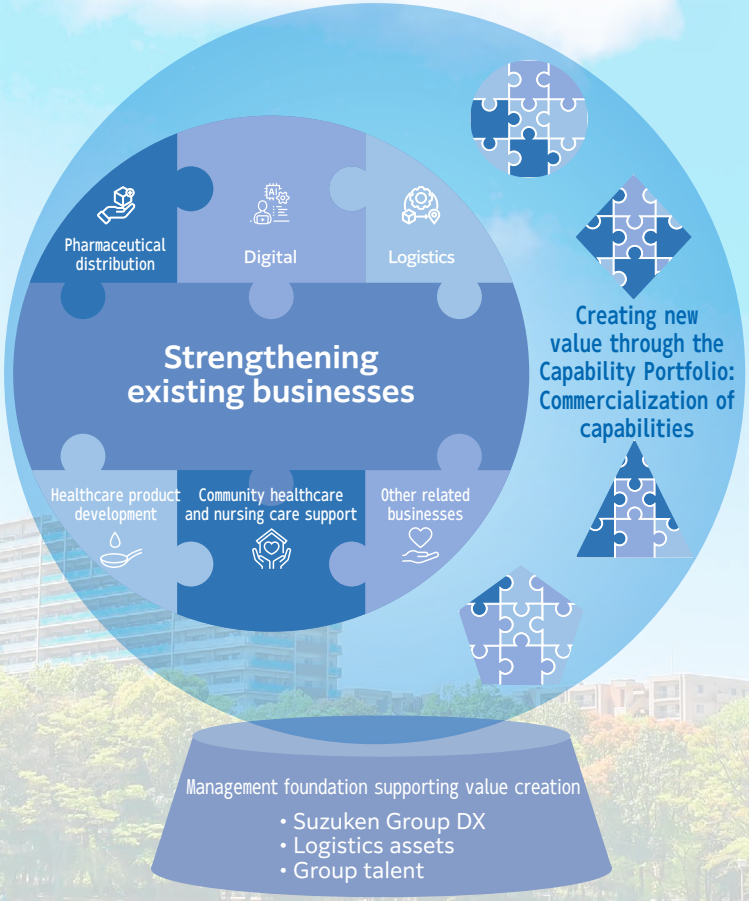
Social and relationship capital
- New connections with individual medical and nursing care professionals
- Collaboration with local governments

Human capital
- Diverse Group human resources

Natural capital
- Efficient use of resources necessary for business operations

Business model

Capability Portfolio that delivers new value by strengthening existing businesses and combining capabilities and services



Strategy

Three key initiatives

1. Evolve into a next-generation wholesaler
2. Reconfigure the business portfolio
3. Strengthen the management foundation

FY2026-FY2028 MTMP* Change Inspires Innovation Innovation Drives Change

Materiality (Material Issues)

E
- Environmental conservation initiatives
- Minimizing social costs in the medical and healthcare fields

S
- Safe, secure, and reliable pharmaceutical distribution
- Improving access to healthcare and nursing care services and enhancing patient QOL
- Group talent development
- Realizing diverse, flexible work styles
- Contributing to local communities

G
- Group governance
- Compliance
- Risk management

Value we provide to society

Creating new services and businesses based on customer needs

A sustainable growth foundation supporting solutions to social issues and new value creation

Stable pharmaceutical supply and reduced social costs

Creating new information services and solutions using healthcare and distribution data

Evolving into a new Health Creation Enterprise

Addressing social issues and creating new value through co-creation with diverse stakeholders

Developing talent able to advance the Capability Portfolio and create new value

Reducing environmental impact and building a sustainable business foundation

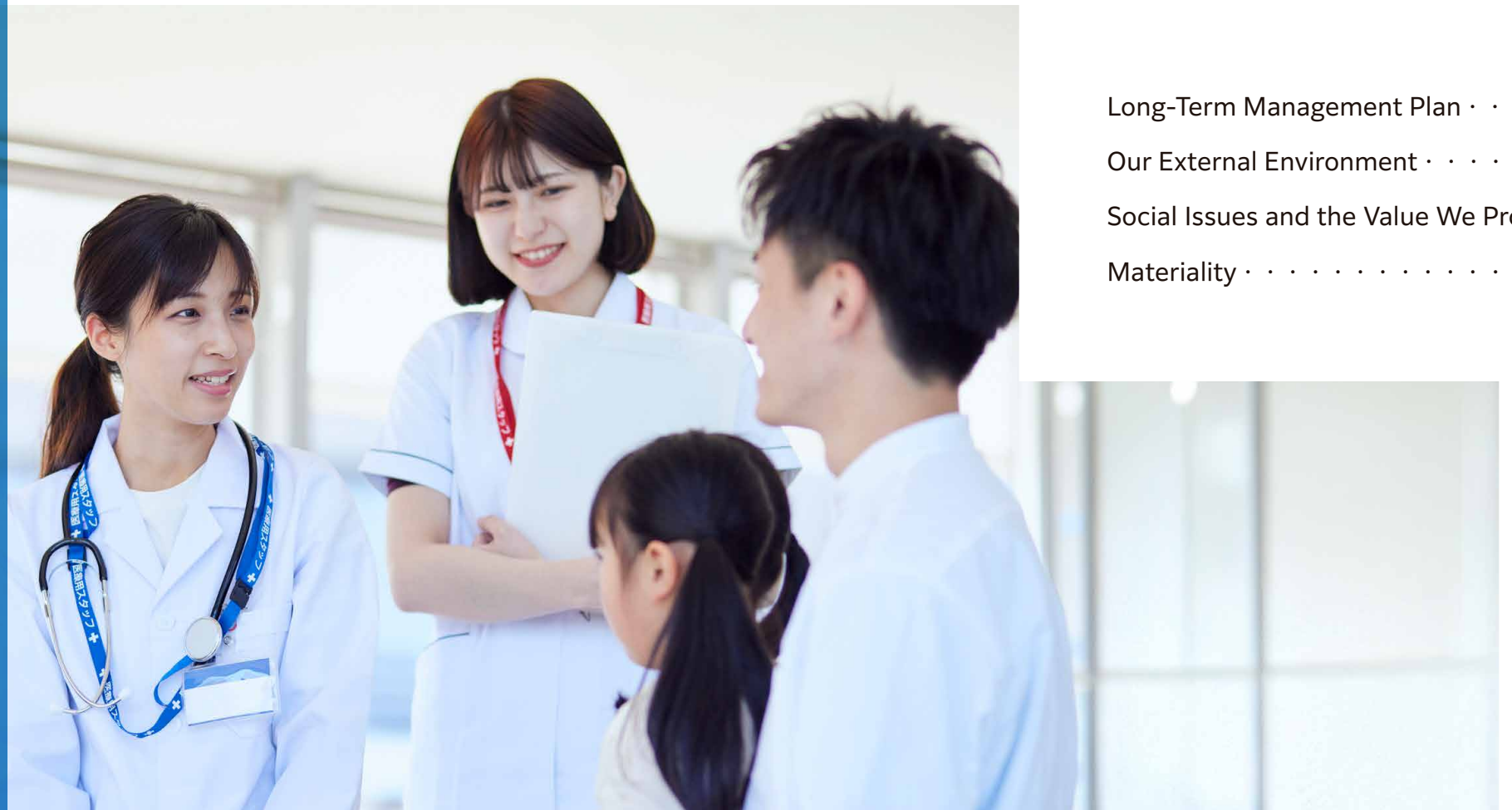
*MTMP: Medium-Term Management Plan

Operating environment

- Emergencies and other contingencies
- Escalating social security costs
- Growth of the specialty drug market
- Development of the comprehensive community care systems
- Staff shortages and rising workloads among healthcare and nursing care professionals
- Addressing drug loss
- Distribution of counterfeit drugs

Chapter

01 What Do We Aspire to Become?



Long-Term Management Plan · · · · · · 13

Our External Environment · · · · · · · · 14

Social Issues and the Value We Provide · 15

Materiality · · · · · · · · · · · · · · · · · 16

Long-Term Management Plan

Evolving into a Health Creation Enterprise

Suzuken Group is transforming from an enterprise with pharmaceutical distribution as the core business, to a Health Creation Enterprise that defines Health Creation as its business domain and provides services that contribute to the health of all people and society as a whole by resolving various social issues.

Backcasting from our vision of becoming a Health Creation Enterprise in FY2030, we position the new Medium-Term Management Plan, which ends in FY2028, as the transition to a fully fledged growth phase, leveraging the foundation laid under the previous Medium-Term Management Plan. The core pillars of our business strategy are to evolve into a next-generation wholesaler that goes beyond the conventional wholesale model, to reconfigure the business portfolio in a way that redefines the value we provide, and to strengthen our management foundation. We aim to create new businesses centered on the commercialization of our capabilities and raise profitability, while optimizing capital structures, including through shareholder returns. Over the long-term, we target consolidated net sales of ¥3 trillion or more and ROE of 8%, as we work toward becoming a Health Creation Enterprise.

Overview of the plan

FY2023 – FY2025 | FY2026 – FY2028 | FY2030

	For your next heartbeat	Change Inspires Innovation Innovation Drives Change	
	Previous MTMP* (2023-2025)	New MTMP* (2026-2028)	Long-term plan
Business strategy	Evolve into a comprehensive healthcare distribution business as a social infrastructure Establish a healthcare solutions business	Evolve into a next-generation wholesaler, reconfigure the business portfolio, strengthen the management foundation	Consolidated net sales of ¥3tn+
Profit maximization	Consolidated operating profit margin of 1.5%+	Consolidated ordinary profit margin of 1.5%+	
Capital optimization	Total payout ratio of 100%+	Target total payout ratio of 100% DOE of 3.0%	ROE 8%+
ROE	5%+ (above capital cost)	7%+ (above capital cost)	

*MTMP: Medium-Term Management Plan

Become a Health Creation Enterprise

Our External Environment

Amid rapid changes in the market environment, including NHI drug price reform and industry realignment, we will fulfill our mission to serve as social infrastructure and become a Health Creation Enterprise.

Pharmaceutical distribution

In Japan, approximately 97% of prescription pharmaceuticals are supplied through pharmaceutical wholesalers to medical institutions and pharmacies nationwide, giving pharmaceutical wholesaling a critical role as social infrastructure, ensuring a stable supply of pharmaceuticals both in normal times and during emergencies. At the same time, distribution capabilities must become increasingly sophisticated to address labor shortages and surging transportation and delivery costs, as well as the need for strict temperature control and advanced security, particularly for specialty drugs. Against this backdrop, there is a growing need to reduce social costs by improving distribution efficiency while maintaining a high-quality, stable supply.

NHI drug pricing system

In Japan, the prices of prescription pharmaceuticals are set by the government as official prices (NHI drug prices), while wholesale prices for supply to medical institutions are set through free competition.
NHI drug prices are being reduced yearly owing to the upward pressure on social security costs from the aging population in recent years. As a result, it is becoming difficult to secure margins on pharmaceuticals and stable drug supply. Within this context, pharmaceutical wholesalers are required to transform their earnings structures, which comprise primary sales margins—the difference between the delivery and purchase prices—and distribution margins paid by pharmaceutical manufacturers.

Distribution Improvement Guidelines

To address longstanding issues in prescription pharmaceutical distribution, the government established the Guidelines for the Improvement of Commercial Practices for Prescription Drugs. The Guidelines are intended to eliminate "negative primary sales margins," where delivery prices fall below purchase prices; improve unfinalized pricing and provisional supply practices, where products are delivered before prices have been agreed; and promote a shift from aggregate pricing, under which multiple drugs are discounted together, to item-by-item, unit-price transactions. Pharmaceutical wholesalers are expected to safeguard healthcare infrastructure through strict compliance with these Guidelines, and the careful negotiation of appropriate prices with medical institutions and other customers based on the value of each product.

Industry realignment

Structural changes and realignment are progressing across the healthcare industry. As annual NHI drug price reductions and other factors weigh on the profit margins of pharmaceutical manufacturers and pharmacies, momentum is growing for industry consolidation, including acquisitions by investment funds.
At the same time, advances in new drug modalities, such as antibody drugs and gene therapies, together with specialization in new drug development, have led to a prominent rise in the presence of biotech startups without their own distribution networks. This is changing what is expected of pharmaceutical wholesalers, including outsourcing of functions. Wholesalers therefore need to provide new capabilities that address these diverse needs.

Accelerating DX in healthcare and nursing care

DX is advancing rapidly in healthcare and nursing care frontlines, aimed at addressing staff shortages, improving operational efficiency, and enhancing patient services. In addition to the adoption of online medical consultations and online medication guidance, new digital products such as electronic prescriptions and digital therapeutics are also gaining traction. As the comprehensive community care system continues to develop, data sharing between medical institutions and professions is also becoming increasingly important. There is now an urgent need to build digital platforms that use technology to connect fragmented information and create new value.

Our roles

We aim to optimize distribution by combining Manufacturer Logistics and wholesale logistics, while at the same time driving advances in our own distribution capabilities through global-standard quality management. We are also reducing manpower requirements by building an automated distribution center. Through these initiatives, we will support stable supply during disasters while contributing to sustainable pharmaceutical distribution.

We will evolve into a next-generation wholesaler that goes beyond the conventional wholesale model, and is no longer structurally dependent on distribution margins. We will build a new business model that is more resistant to the impact of NHI drug prices, combining expanded distribution and information provision capabilities and establishing them as fee-based businesses, while continuing to serve as social infrastructure.

In addition to complying strictly with the Guidelines and working to negotiate appropriate prices that reflect pharmaceutical value, we will improve distribution sustainability by correcting long-standing commercial practices. In this way, we will reinvest the earnings from existing operations into growth fields to drive sustainable growth.

We will address the needs of the healthcare industry through our Capability Portfolio, which combines capabilities in areas such as pharmaceutical wholesaling, manufacturing, pharmacies, and digital services. We will go beyond the provision of individual capabilities to build an end-to-end healthcare platform covering development through distribution and patient support, and so serve a central role in connecting diverse players across the industry.

We are building an information infrastructure through the growing use of digital services such as COLLABO Portal, a comprehensive healthcare DX platform connecting approximately 450,000 healthcare and nursing care professionals. By leveraging DX, we aim to reduce the workload of healthcare professionals while facilitating the integration of dispersed information, thereby contributing to stronger multidisciplinary collaboration and improved patient access to healthcare.

Social Issues and the Value We Provide

Suzuken Group will continue to provide new value to all stakeholders by addressing increasingly diverse social issues in healthcare and health and creating sustainable healthcare infrastructure.

Emergencies and other contingencies

There is a growing need to build resilient systems able to maintain a stable supply of pharmaceuticals even during emergencies such as earthquakes, floods, and outbreaks of new infectious diseases.

Growth of the specialty drug market

High-value pharmaceuticals requiring strict management, including orphan drugs, biologics, and regenerative medicine products, are increasingly prevalent, creating a need to improve distribution efficiency across the supply chain and reduce losses from product disposal.

Staff shortages and rising workloads among healthcare and nursing care professionals

Against the backdrop of severe staff shortages in nursing care and growing workloads in healthcare settings, workstyle reform and productivity improvements through digital technologies have become important challenges.

Distribution of counterfeit drugs

To prevent counterfeit products from entering the supply chain and ensure pharmaceutical safety, there is a need to ensure safe and secure pharmaceutical distribution in compliance with GDP Guidelines.

Escalating social security costs

As the population ages, national healthcare expenditure and pharmaceutical spending are increasing, making the containment of healthcare costs a major national issue.

Development of the comprehensive community care systems

Despite progress in establishing systems that provide healthcare and nursing care to older people in their local communities, issues include increasingly diverse needs across communities and ensuring healthcare services are available in regional and remote areas.

Addressing drug loss

Addressing drug loss, a situation arising when pharmaceuticals approved overseas are not available in Japan, has become a key issue, and requires a response to ensure patients have a choice of treatments available.

Social issues

The sustainability of social infrastructure that supports healthcare and health in Japan

The value provided by Suzuken Group

The creation of sustainable healthcare infrastructure

Healthcare and nursing care professionals

- Ensuring continuity of medical treatment and care through stable supply of pharmaceuticals and other products
- Improving efficiency of pharmaceutical management
- Reducing workloads through provision of operational efficiency services
- Reducing pharmaceutical waste through distribution inventory optimization

Patients and their families

- Improving access to healthcare by expanding treatment options
- Supporting daily life through dispensing, medication support, and nursing care services
- Improving convenience through digitally enabled patient support services
- Contributing to maintaining health and improving QOL
- Reducing the burden of treatment and nursing care

Healthcare manufacturers

- Stable supply of pharmaceuticals and other products
- Improving efficiency through outsourcing of logistics capabilities
- Supporting expanded sales opportunities for pharmaceuticals and other products
- Supporting overseas companies entering the Japanese market and expanding their businesses in Japan
- Providing information on market needs and frontline conditions

Partner companies

- Expanding market access by leveraging our network
- Co-creating business opportunities and supporting service development
- Providing opportunities for demonstration and deployment by leveraging connections with healthcare frontline

Shareholders and investors

- Stable and proactive shareholder returns
- Ensuring transparency through timely and appropriate disclosure
- Sustainable improvement of corporate value

Employees

- Providing opportunities for growth and new challenges
- Creating a safe and supportive work environment
- Creating rewarding workplaces

Local communities

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

Materiality

Evolution of our approach to sustainability

Suzuken Group has pursued management that emphasizes dialogue with stakeholders across its businesses and management foundation, with the aim of realizing the Group Philosophy established in 2009.
Taking into account material social issues and stakeholder expectations, we have established key themes and KPIs and are advancing initiatives across Suzuken Group as a whole.
In 2022, we established the Sustainability Committee and, building on our CSR approach developed over the years, formulated the Sustainability Policy, which aims to create both social and economic value through our businesses. Under this policy, we are advancing Group-wide initiatives aimed at both contributing to a sustainable society and enhancing corporate value.
We are also strengthening information disclosure and stakeholder communication, while promoting a deeper understanding of sustainability and its application in day-to-day business activities through initiatives such as Integrated Report reading sessions for Group employees.

Identification of ESG Material Issues (Materiality)

Suzuken Group has defined its Purpose as continuing to create new value that contributes to addressing social issues and reducing social costs, and positions ESG material issues (materiality) as management issues to be addressed in achieving its Long-Term Vision.
We identify material issues by viewing the entire value chain and considering opportunities and risks after assessing changes in the business environment and broader social trends, as well as the impacts and dependencies associated with our business activities.
Even after material issues have been identified, we review them periodically through discussion by the Sustainability Committee and reporting to the Board of Directors for further discussion. The reviews are based on international standards such as SASB and GRI and the assessment criteria of ESG rating agencies, as well as stakeholder expectations and requirements identified through engagement with investors and dialogue with customers.

Strategies and KPIs based on materiality

Suzuken Group positions its material issues as key management issues for achieving sustainable value creation and enhancing corporate value, and advances sustainability management together with its Medium-Term Management Plan.
When we reviewed material issues in FY2023, we identified 10 issues linked to the Medium-Term Management Plan business strategies. Together with the new Medium-Term Management Plan launched in FY2026, we have also reviewed the initiatives, KPIs, and quantitative targets associated with each material issue.
By advancing our materiality and business strategies in an integrated manner and managing progress from both financial and non-financial perspectives, we will drive greater momentum in our business activities. At the same time, we will accelerate sustainability initiatives Group-wide as One Team, thereby underpinning sustainable growth and enhancing corporate value.

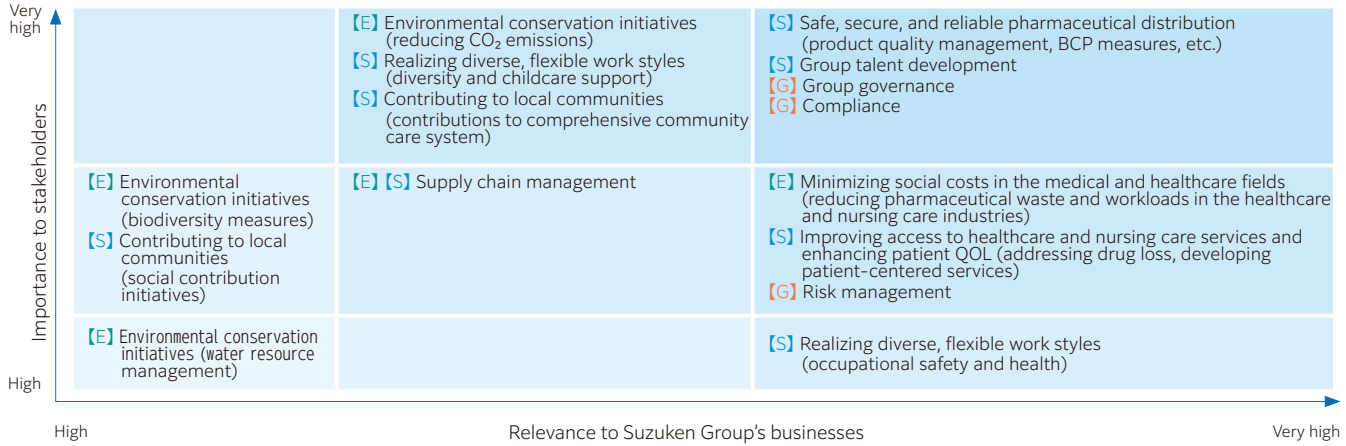
Identifying material issues

STEP 1 **Identify social issues**
We reference international frameworks and indicators such as SASB, GRI, and SDGs, as well as assessment criteria used by ESG rating agencies, to conduct periodic reviews in light of changes in social issues and stakeholder expectations and identify highly relevant social issues.

STEP 2 **Prioritize social issues**
We prioritize social issues by evaluating them together with the value Suzuken Group provides for society through its businesses and capabilities.

STEP 3 **Identify material issues**
We identify material issues based on discussions by the Sustainability Committee and subsequent reporting to the Board of Directors for discussion.

Materiality matrix



Materiality

Approaches, key initiatives, and SDGs relevant to material ESG issues

	Material ESG issues	Key initiatives	Core KPIs and achievements	Relevant SDGs
E Environment	Environmental conservation initiatives	• Reduction of CO_2 emissions • Proper management and recycling of waste • Promotion of recycling and reuse	• **CO_2 emissions (Scope 1+2)** **40%** reduction by FY2030 vs. FY2020 FY2025: 69,397 t-CO_2 (-20.7% vs. FY2020) • **Reduction of pharmaceutical waste** Reduction at medical institutions through Cubixx solutions FY2025: Approx. ¥7.8bn	12, 13
	Minimizing social costs in the medical and healthcare fields	• Reducing pharmaceutical waste • Visualization and optimization of distribution inventories • Elimination of unused medicines • Curtailment of transport and delivery costs • Reduction of burden on healthcare professionals and patients and their families		
S Social	Safe, secure, and reliable pharmaceutical distribution	• Quality management using total traceability system • Global-standard quality management (GDP, GMP) • Strengthening of healthcare distribution platform • Automation and labor-saving at distribution centers	• **Quality management system** ISO9001:2015-certified sites: All Manufacturer Logistics and wholesale logistics sites • **Basic-level GDP specialists** FY2025: 600 • **Quality Management Auditors** FY2025: 173 • **Proportion of women in management** **20%**+ by FY2030 FY2025: 15.2% • **Proportion of male employees taking childcare leave** **100%** every year FY2025: 100% • **Digital transformation (DX)/AI transformation (AX) talent** DX Certification (score of 600+): 1,046 passed Information Security Management Examination: 1,153 passed JDLA Deep Learning for GENERAL : **500** to pass by FY2028 Generative AI Passport: **2,000** to pass by FY2028	3, 5, 8, 9, 10, 11, 17
	Improving access to healthcare and nursing care services and enhancing patient QOL	• Patient support services utilizing digital technology • Initiatives to address drug loss • Patient-centered product development • Response to unmet medical needs		
	Group talent development	• Strengthening of talent development system • Development of next-generation leaders • Development of DX talent		
	Realizing diverse, flexible work styles	• Promotion of diversity • Hiring of diverse talent • Promotion of health and productivity management • Creation of a comfortable workplace environment • Strengthening of Group communication • Promotion of Group proposal platform		
	Contributing to local communities	• Initiatives for comprehensive community care system • Partnership agreements with local governments • Initiatives to maintain and promote the health of local residents • Social contribution initiatives		
G Governance	Group governance Compliance Risk management	• Strengthening of corporate governance systems • Fostering a mindset that prioritizes compliance • Strengthening of risk management systems • BCP initiatives • Maintaining and strengthening quality and safety management systems • Promoting appropriate sales information provision activities	• **Compliance training participation rate** **100%** required annually FY2025: 100% • **Internal whistleblowing reports** FY2025: 139	16

Chapter

02 What Strengths Have We Developed?



Our Story So Far · · · · · · · 19

Our Strengths and Competitive Advantages · · 20

Management Capital · · · · · 21

Business Overview · · · · · · 22

Our Story So Far

Evolving into a Health Creation Enterprise built on our historical foundation of supporting health for all people

1932
Founded in Nagoya as Suzuki Kenzo Shoten

Founder Kenzo Suzuki opened a pharmaceutical wholesaler, following his father's advice to "do something that is good for society and people."



Founded as pharmaceutical wholesaler

1953
Started pharmaceutical manufacturing

Established Sanwa Kagaku Kenkyusho Co., Ltd., adding a manufacturing division despite being a wholesaler-a first step toward diversification



1964
Changed company name to SUZUKEN CO., LTD.

Developed into an "independent wholesaler" not affiliated with any manufacturer group, growing to more than 10,000 customers and achieving the highest revenue in the industry.

1975
Launched medical device manufacturing business

Established a medical device division under the concept of Total Medical Supply



2005
First pharmaceutical wholesaler to launch contract logistics services for pharmaceutical manufacturers (Manufacturer Logistics)

The only wholesaler to build distribution systems compliant with strict quality control standards

2006
First pharmaceutical wholesaler to establish sales locations in all 47 prefectures

Built stable nationwide pharmaceutical supply network as a Locally Rooted Nationwide Wholesaler

2008
Expanded into China

Started pharmaceutical distribution business with a goal of promoting the health of people in Asia

2008
Expanded pharmacy business to help solve customers' issues



2011
Expanded nursing care business to contribute to local healthcare

2012
First pharmaceutical wholesaler to launch comprehensive support in the rare diseases field

Entered coordination business to address diverse challenges and needs of pharmaceutical companies

2016
Expanded into South Korea

Entered capital and business alliance with local partner BOKSANNICE

2017
Launched and rolled out Cubixx Solution

Achieved traceability for specialty drugs



2019
Stepped up collaboration with health-tech companies

Moved toward developing and delivering new digitally enabled solutions

2022
Developed and rolled out COLLABO Portal, a comprehensive healthcare DX platform

2024
Developed a Japan market entry support model for products affected by drug loss

Established the J-ENTRY Consortium collaboration model, starting measures to address drug loss in Japan

2026
Launched comprehensive solutions for healthcare logistics

Started cooperative comprehensive solutions with partners, to address diverse issues relating to healthcare products

Pharmaceutical distribution

Healthcare product development

Logistics

Community healthcare and nursing care support

Digital

Toward a Health Creation Enterprise

1932 First Beginning
Founded a pharmaceutical distribution business based on the vision For Society, For People

1983 Second Beginning
Expanded operations with Health Creation as our business domain

2020 Third Beginning
Creating new businesses to facilitate transformation into a Health Creation Enterprise

Our Strengths and Competitive Advantages

The source of Suzuken Group's competitive advantage is the relationships of trust built up with our customers since our founding, which we view as our heritage assets.
Built on this foundation, our strengths comprise our proprietary healthcare distribution platform, our broad customer portfolio, and our healthcare value chain.
Through the organic combination of these strengths, we are creating new value and working to become a Health Creation Enterprise.



Carrying forward our Founding Spirit, harnessing our strengths to break new ground

Hiromi Miyata
Director and Chairman
SUZUKEN CO., LTD.

Suzuken Group's mission is to support society by providing new value in the Health Creation domain. Over the 94 years since our founding, we have carried forward the Founding Spirit of "For Society, For People" and "Learning from Our Customers", creating new products and services that address social needs.
I value the concept of "Continuity and Change".
Put simply, it means we must preserve what should be preserved while boldly changing what needs to be changed.
Indeed, this concept is at the heart of Suzuken Group's story.
The relationships of trust built up over time with our customers, together with the talent and corporate culture that make them possible, make up our irreplaceable heritage assets and underpin our Group strengths.
Meanwhile, as society and the healthcare environment undergo drastic change, we will not be able to maintain future growth without taking on new challenges.
Based on the spirit and the strengths we have inherited, we will push ourselves to further develop our strengths, aiming to remain an indispensable presence as a Health Creation Enterprise.

01

Through our multi-business portfolio centered on pharmaceutical wholesale

A healthcare value chain that connects upstream (manufacturing) to downstream (pharmacy, nursing care) businesses

In addition to our core pharmaceutical distribution business, we operate a diverse range of businesses encompassing the entire healthcare value chain from upstream to downstream, including pharmaceutical and medical device manufacturing, contract logistics services for pharmaceutical manufacturers (Manufacturer Logistics), pharmacies, nursing care, and digital services.
Based on the concept of a Capability Portfolio, which combines the diverse capabilities developed through our broad business foundation with partner collaboration, we will provide solutions that go beyond business and organizational boundaries to help address social issues in healthcare and nursing care.

Group companies
38
Intellectual capital

Partner companies
40+
Manufactured capital

Six business segments
Social and relationship capital
Human capital

02

Built up over more than 90 years in business

Trusted customer base and healthcare information platform

Suzuken Group's largest heritage asset is the relationships of trust we have built up with medical institutions, pharmacies, and pharmaceutical manufacturers nationwide over more than 90 years since our founding. In addition to our network of around 160,000 trusted customers, we have expanded our customer base from connections with institutions to connections with individual healthcare and nursing care professionals through our healthcare DX platform COLLABO Portal and other assets. We are leveraging our information base, built through both physical and digital channels, to create new information businesses and solutions.

Pharmaceutical wholesale customers
160,000+
Heritage assets

COLLABO Portal registered accounts
Around **450,000**
Intellectual capital

Facilities using Cubixx
621
Social and relationship capital

03

Helping society is in our DNA

Our people and corporate culture continually learn from our customers and develop industry-first initiatives based on their needs

Our Group's greatest management resource is our people. With our Founding Spirit of "For Society, For People" and "Learning from Our Customers" as our starting point, we have fostered a corporate culture that nurtures people willing to stand out, confront the challenges facing society and our customers, and pursue new value creation. In a culture that encourages people to take bold steps without fear of failure, we promote management in which everyone plays an active role, through opportunities for personal growth such as reskilling, and our Chienowa Group proposal platform, which enables employees to propose improvements and new businesses. We will thereby continue to create new value while uniting diverse talent into One Team.

DX talent (DX Certification score of 600+)
1,046
Intellectual capital

Chienowa proposals
1,715
Human capital

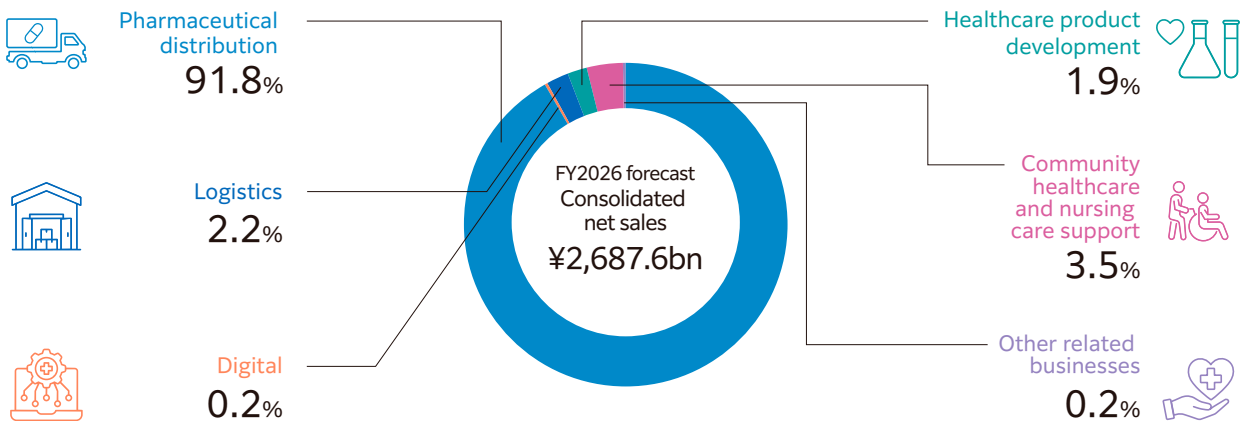
Group employees
12,717
Heritage assets

Management Capital

Suzuken Group's management capital is the source of value creation we have developed over many years in the Health Creation domain, built on the foundation of our heritage assets, namely, the relationships of trust we have with our customers. By strengthening each type of capital and organically combining them within our Capability Portfolio, we aim to further enhance our competitive advantage and become a Health Creation Enterprise.

Management capital	Why it is important	Current situation (FY2025)	Challenges	Initiatives	Value to society
Heritage assets	Our Founding Spirit of For Society, For People and Learning from Our Customers, together with the relationships of trust we have built with our customers, is the starting point for all value creation across Suzuken Group. Even in an era of change, these remain the source of competitive advantage and help us create new businesses and services.	• 94 years in business • 38 Group companies • Relationships of trust with nationwide medical institutions, pharmacies, pharmaceutical companies	• Carry forward and deepen relationships of trust and our Founding Spirit • Build on relationships of trust with customers to create new value	• Embed Founding Spirit and management philosophy • Deepen customer understanding • Expand points of contact with diverse stakeholders, including healthcare and nursing care professionals	Create new services and businesses rooted in customer needs
Financial capital	A robust financial base is the foundation underpinning both investment in growth towards our Third Beginning and shareholder returns, and for achieving sustainable improvement in corporate value.	• Consolidated net sales of ¥2,486.6bn • Consolidated operating profit of ¥36.3bn • Total assets of ¥1,155.7bn • Shareholders' equity ¥415.8bn • ROE 9.3% • 3-year average total payout ratio 98.1%	• Strengthen management focus on capital cost and share price • Reconfigure business portfolio • Improve capital efficiency • Ensure stable funds for business investment in sustainable growth	• Strengthen growth investment • Reduce strategic shareholdings • Achieve both shareholder returns and growth investment	Foundation for sustainable growth able to support new value creation and the resolution of social issues
Manufactured capital	Our nationwide sales and logistics capabilities, together with our business foundations in areas such as healthcare product development, pharmacies, and nursing care, form important management capital supporting value creation through our Capability Portfolio.	• 192 sales offices nationwide • 15 wholesale distribution centers nationwide • 10 Manufacturer Logistics centers • 21.6% share of Japan's prescription pharmaceutical market • Pharmaceutical and medical device manufacturing sites • 515 pharmacies • 184 nursing care facilities	• Respond to structural changes in logistics, including Japan's "2024 problem" (new overtime limits for truck drivers) • Ensure a stable supply of pharmaceuticals during natural disasters and other emergencies • Respond to increasingly sophisticated specialty drug distribution requirements • Respond to changing community healthcare needs	• Automate logistics and reduce labor requirements through AI and robotics • Build a nationwide BCP network by integrating Manufacturer Logistics and wholesale logistics • Strengthen high-quality distribution systems compliant with GDP Guidelines • Build optimal regional logistics networks and promote collaboration	Stable supply of pharmaceuticals and lower social costs
Intellectual capital	The information and know-how accumulated through our healthcare distribution platform, together with insights gained from our connections with healthcare and nursing care professionals through digital services such as COLLABO Portal, are crucial management capital for creating new services and businesses.	• 47 pharmaceutical manufacturers using Manufacturer Logistics • 40 companies and 81 specialty drug products under contract distribution • Around 450,000 registered COLLABO Portal accounts • Cubixx Solution used at 621 facilities • medimo used at more than 1,000 facilities	• Maximize and commercialize the value of healthcare and distribution data • Reduce pharmaceutical waste • Leverage and implement advanced technologies such as generative AI	• Analyze and utilize healthcare and distribution data through COLLABO Portal • Optimize distribution inventories through the Cubixx Solution • Create DX solutions led by our Digital Center of Excellence (CoE)	Creation of new information services and solutions using healthcare and distribution data
Social and relationship capital	The relationships with our customers, together with expanded points of contact with healthcare and nursing care professionals, patients, and local communities, as well as our co-creation network with partner companies, are vital management capital for capturing new needs and creating value.	• Around 160,000 medical institution and pharmacy customers • Around 450,000 registered COLLABO Portal accounts • More than 40 alliance partners	• Address social issues across organizational and industry boundaries • Address drug loss and drug lag (delayed availability in Japan) • Advance the comprehensive community care systems • Maintain community healthcare delivery systems during disasters	• Strengthen strategic alliances with health-tech companies, logistics companies, and other partners • Strengthen collaboration with local governments and community healthcare stakeholders • Promote co-creation by leveraging capabilities within and outside Suzuken Group	Address social issues and create new value through co-creation with diverse stakeholders
Human capital	Human capital is how we carry forward our Founding Spirit and maintain a strong sense of mission and specialism, and provides the drive for creating new value together with diverse talent and partners without fear of making mistakes.	• Approximately 13,000 Group employees • 1,715 proposals submitted through our Chienowa Group proposal platform • 1,046 DX talent with a DX Certification score of 600+	• Develop next-generation talent to drive the Health Creation Enterprise • Further develop a culture of taking on new challenges • Expand DX and AX talent	• Promote DX and AX reskilling • Create hands-on opportunities across Group companies • Foster a culture of taking on new challenges through the Chienowa Group proposal platform and support for self-directed learning • Develop management talent through selective training and cross-boundary learning	Development of talent able to advance the Capability Portfolio and create new value
Natural capital	A foundation for sustainable growth as a Health Creation Enterprise through the effective use of finite resources.	• 20.7% reduction in CO_2 emissions vs. FY2020 • ¥7.8bn reduction in pharmaceutical waste • Adoption of renewable energy	• Reduce greenhouse gas emissions from business activities • Improve resource-use efficiency across the entire supply chain • Reduce pharmaceutical waste	• Promote the adoption of renewable energy and energy-efficient equipment • Strengthen initiatives to improve delivery efficiency and optimize distribution through smart logistics	Reduction of environmental impact and building of a sustainable business foundation

Business Overview



Pharmaceutical distribution

Net sales
¥2,468.0bn

Ordinary profit
¥31.7bn

Sources prescription pharmaceuticals, diagnostic reagents, medical devices and supplies from domestic and overseas manufacturers for sale to medical institutions and pharmacies nationwide.

Main Group 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. Collabo CO., LTD.

Logistics

Net sales
¥60.2bn

Ordinary profit
¥1.6bn

Operates wholesale pharmaceutical logistics, and provides manufacturer support services tailored to the diverse needs of domestic and overseas pharmaceutical manufacturers, including Manufacturer Logistics and contract distribution services for orphan drugs.

Main Group companies:
Collabo CREATE CO., LTD., S.D.Logi CO., LTD., CHUOUNYU CO., LTD.

Community healthcare and nursing care support

Net sales
¥95.4bn

Ordinary profit
¥1.2bn

Leverages networks with medical institutions to provide comprehensive services for pharmacies and nursing care facilities that help resolve locally rooted issues in healthcare and nursing care, and improve or maintain QOL for people in the community.

Main Group companies:
UNISMILE Co., Ltd., Sanki Wellbe Co., Ltd., S-Care Mate Co., Ltd., Medicare Collabo CO., LTD.

Digital

Net sales
¥5.9bn

Ordinary loss
¥1.1bn

Operates digital healthcare services that address challenges in the healthcare sector.

Main Group companies:
Collabo Square Co., Ltd., medimo, Inc.

Healthcare product development

Net sales
¥52.4bn

Ordinary profit
¥0.6bn

Carries out research and development, manufactures, and sells prescription pharmaceuticals, diagnostic reagents, medical devices and supplies that contribute to improving patient QOL and meet unmet medical needs.

Main Group companies:
Sanwa Kagaku Kenkyusho Co., Ltd., Kenzmedico Co., Ltd.

Other related businesses

Net sales
¥5.7bn

Ordinary profit
¥0.1bn

Mainly provides insurance agency services, sells proprietary products such as health foods, and operates shared services companies and a special subsidiary (for the employment of people with disabilities) within the Group.

Main Group companies:
Life Support Co., Ltd.

Net sales include intersegment sales
Figures are FY2026 forecasts

Chapter 02 What Strengths Have We Developed?

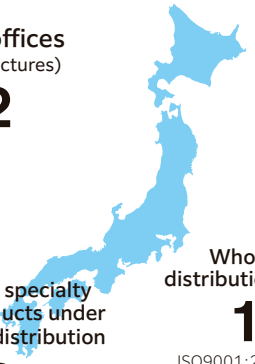
Pharmaceutical distribution business

- Built a customer base connecting around 160,000 medical institutions and pharmacies nationwide
- Built nationwide sales and distribution network to serve as social infrastructure for the stable supply of pharmaceuticals
- Expanded back-office sales support and established a sales structure combining physical with digital channels
- Established high-quality and efficient distribution framework by building new distribution centers supporting automation and workload reduction and acquiring ISO9001 certification at our wholesale distribution sites

Digital

- Built digital platform based on comprehensive healthcare DX platform COLLABO Portal
- Made healthcare AI startup medimo a subsidiary in February 2026; rolled out new digital solutions to improve quality and efficiency of operations for healthcare and nursing care professionals
- Aiming to create new products and services through data integration and utilization

Safe, reliable, and stable pharmaceutical distribution



Sales offices
(47 prefectures)
192

Share of specialty drug products under contract distribution
50% +

Wholesale distribution centers
15
ISO9001:2015 quality management system certification

Stable market share

Prescription pharmaceuticals
Domestic market share by net sales
(NHI drug price basis)
21.6%
(above 20% for 11 consecutive years)

Strong customer relationships

Medical institution, pharmacy, and other customers
160,000+ nationwide

Comprehensive healthcare DX platform based on COLLABO Portal

COLLABO Portal functions

- Delivery schedule notification service
- Medical Care Station (MCS)
- Chat support
- Information sharing
- Partner company services (order and inventory management, patient engagements, etc.)

System integration

Registered healthcare and nursing care professionals
Around **450,000**

COLLABO Portal



Provides one-stop access to various digital services with a single account

Effective and efficient sales and distribution systems

Digital technology

SUZUKEN GROUP / SUZUKEN GROUP

Delivery scheduling and order recommendation app

Strengthened back-office support

Logistics function	Deliveries Once per day
Sales support function	Sales support sites Around 50 nationwide
Customer support function	Call centers, operators



Greater Tokyo Distribution Center in operation since April 2024
Similar facilities planned for the Chubu and Kinki regions

Services connecting patients and families with local healthcare and nursing care professionals

Dedicated medical and nursing care communication tool

MedicalCare STATION



New solutions from healthcare AI startups

AI-powered medical record creation support



medimo
User facilities
1,000+

Chapter 02 What Strengths Have We Developed?

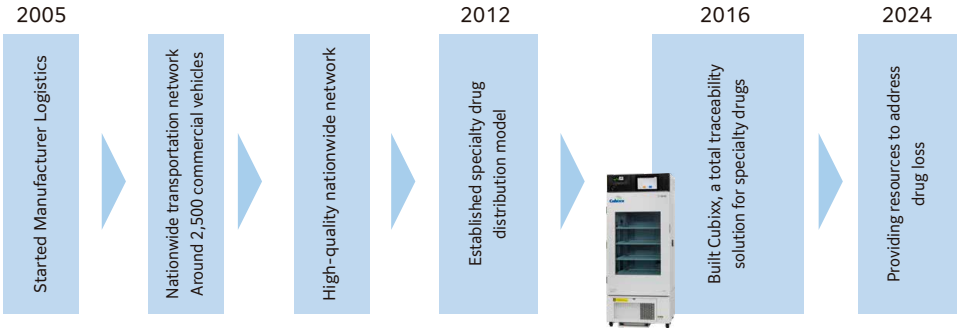
Logistics

- Built proprietary Healthcare Distribution Platform integrating Manufacturer Logistics and wholesale logistics
- Built specialty drug distribution value chain, achieving total traceability of high-value pharmaceuticals and optimization of distribution inventories
- Established industry-leading contract logistics track record and expertise through high-quality logistics services drawing on collective strengths of Suzuken Group
- Advancing development of Healthcare Logistics to design and propose optimal solutions with partner companies for diverse challenges across healthcare

Healthcare product development

- Established presence in diabetes, renal, and dialysis fields through pharmaceutical manufacturing, with broad diabetes product line-up from diagnosis through treatment
- Advanced patient-centered product development and launches, addressed unmet medical needs, and launched support for the entry into Japan of unapproved drugs (drug loss)
- Strengthening competitiveness in medical device manufacturing, centered on vital-sign measurement devices and including stethoscopes made entirely in Japan

Continually evolving healthcare distribution platform



Healthcare logistics based on combined strength of Group and partner companies

Established in April 2026

COLLABO CREATE

Combining capabilities, collaborating with partner companies

Export/import customs clearance
三井倉庫 Mitsui-Soko

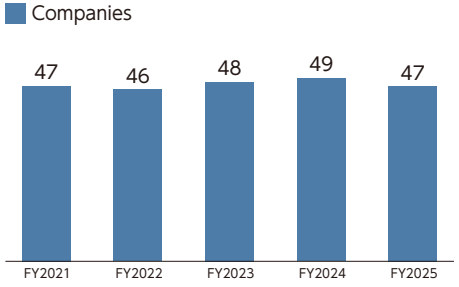
Wholesale logistics, area delivery, joint delivery
宮野医療器株式会社 Miyano Medical Instruments

Last mile
SoftBank

Manufacturer, factory distribution, warehouses
Nationwide transportation network
SEINO
YAGAMI -Human Care Company-

On-site distribution
OHKI
中央運輸株式会社 Chuounyu

Manufacturer Logistics



Broad product line-up in diabetes, renal disease, and dialysis


Diabetes treatment: SUINY tablets


Diabetes treatment: METOANA combination tablets


Treatment for secondary hyperparathyroidism: UPASITA IV Syringe for dialysis

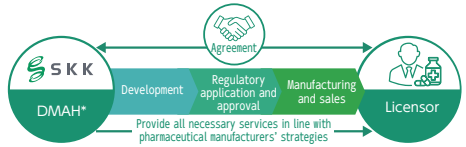


Self-monitoring blood glucose meter: Glutest Aqua

Cooperative model for supporting entry to Japan for products affected by the drug loss issue

Cooperative one-stop solutions

J-ENTRY Consortium

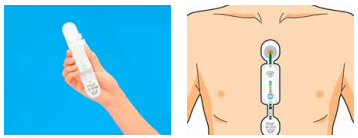


EPS Bushu Pharma SUZUKEN

*DMAH: Designated Marketing Authorization Holder

Medical device and supply manufacture through patient-centered product development and launches

Device attached


Single-use waterproof Holter monitoring kit: Simple Holter



TSphonette stethoscope Grande series No. 182



Community healthcare and nursing care support

- Provide optimal healthcare and nursing care services tailored to regional characteristics, based on the healthcare and nursing care needs of each community
- Promote development of pharmacies that patients choose through strengthening certified pharmacies and using digital tools in the pharmacy business
- Improve productivity in the nursing care business while creating a nursing care ecosystem leveraging Group network

Other related businesses and equity-method associates

- Promote collaboration in China and South Korea to strengthen business foundations by leveraging Group capabilities, insights, and expertise
- Established joint venture with local partner in China in 2008 and developed pharmaceutical distribution business; support Japanese companies entering Chinese market while promoting introduction of high-quality Chinese products and services to Japan
- Formed capital and business alliance with local company in South Korea in 2016; promote nationwide expansion of pharmaceutical distribution business in South Korea and development of healthcare-related services
- Operate other businesses, including the manufacture and sale of proprietary products, as well as Group shared services companies and a special subsidiary (for the employment of people with disabilities)

Pharmacy business that meets local healthcare needs

Pharmacies
515



Sites and certified pharmacies in pharmacy business
(As of March 31, 2026)

- Pharmacies: **515**, of which:
  - Health support pharmacies: **22**
  - Community collaboration pharmacies: **38**
  - Specialized medical institution collaboration pharmacies: **3**

Nursing care business

Nursing care facilities
184



Collaboration with Group pharmacy and nursing care business

Healthcare and nursing care professionals in Group pharmacy and nursing care business
4,000

Patients and users of Group pharmacy and nursing care services
1 million

Healthcare distribution platforms in China and South Korea

China

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

Equity-method income
Around ¥**650**mn

- Strengthen capabilities of pharmaceutical distribution platform
- Strengthen capabilities for new business models
- Build gateway function between Japan and China

South Korea

BOKSANNICE Co., Ltd.
DONGWON Group

Equity-method income
Around ¥**350**mn

- Support the enhancement of BOKSANNICE's corporate value
- Contribute to further development of South Korean pharmaceutical industry
- Nationwide rollout and capability enhancement of healthcare distribution platform

Chapter

03 What Is Our Plan to Achieve Our Vision?



Medium-Term Management Plan · · · 27

Financial and Capital Strategy · · · 31

Medium-Term Management Plan

Review of previous Medium-Term Management Plan

Under the previous Medium-Term Management Plan, which was a period for building the foundation for our transition into a Health Creation Enterprise, we pursued Ambidextrous Management focusing on both reform of existing businesses and preparation for new growth businesses.
We raised profitability in existing businesses through thorough distribution reforms and productivity improvements. In new businesses, our comprehensive healthcare DX platform COLLABO Portal saw adoption far exceeding our initial plan.
By focusing more on capital efficiency, our ROE and other financial targets generally reached their target levels, laying the foundation for evolution into a next-generation wholesaler.

Previous Medium-Term Management Plan (MTMP): Review of key initiatives and management indicators

	Overview of initiatives	Previous MTMP targets	FY2025 results	Target attainment
Consolidated	—	Consolidated operating profit margin **1.5%+**	Consolidated operating profit margin **1.46%**	
Healthcare distribution	• Strengthening back-office functions • Building a framework to increase productivity • Building physical and digital points of contact	Distribution segment Operating profit margin **1.0%+**	Distribution segment Operating profit margin **1.31%**	
Smart logistics	• Promoting Cubixx solution • Starting full operations at the Greater Tokyo Distribution Center • Building a framework to visualize and optimize distribution inventory	Net sales Specialty drugs **¥240.0bn+** Third-party logistics **¥20.0bn+**	Net sales Specialty drugs **¥436.0bn** Third-party logistics **¥34.0bn**	
Digital healthcare	• Promoting COLLABO Portal • Expanding the services offered on the platform • Establishing a new revenue model	Net sales **¥10.0bn+**	Commission for supplying sales data **¥6.0bn** Digital business-related revenue **¥3.2bn**	
Community healthcare and nursing care support	• Strengthening the management foundation of existing businesses (pharmacies and nursing care) • Rolling out care-tech businesses • Developing regional service package model	Net sales **¥110.0bn+**	Net sales **¥93.9bn**	
Healthcare product development	• First-in-class R&D to address unmet medical needs • Proprietary product development leveraging the Group's touchpoints with patients	Net sales **¥60.0bn+**	Net sales **¥51.6bn**	
Restructuring of Asian businesses	• Building a healthcare platform in China • Building a nationwide distribution network for healthcare products in South Korea	Net sales at joint ventures TBD	South Korea ¥129.0bn China ¥96.0bn	

	Previous MTMP targets		FY2025 results	Target attainment
ROE	Each fiscal year	5.0%+ (above cost of capital)	**9.3%**	
Operating profit margin	FY2025	Consolidated: 1.5%+ Distribution segment: 1.0%+	Consolidated: **1.46%** Distribution segment: 1.31%	
Investment	3-year cumulative	¥100bn+ (approval basis)	FY2025 **¥10.8bn** 3-year cumulative **¥66.7bn**	
Shareholder returns	3-year average	Maintain stable dividends Total payout ratio 100%+	FY2025 **86.2%** 3-year average **98.1%**	
Reduction in strategic shareholdings	End of FY2025	No higher than 10.0% of consolidated net assets	**12.4%** of consolidated net assets	

Overview of Medium-Term Management Plan

Viewing changes in the business environment as opportunities for growth, Suzuken Group has launched its new Medium-Term Management Plan covering FY2026 through FY2028. As part of our vision of becoming a Health Creation Enterprise, we will work to commercialize capabilities in areas including digital technology and logistics, while combining capabilities across the Group to create new value, aiming both to address social issues and achieve corporate growth.

Medium-Term Management Plan (FY2026-FY2028)

Change Inspires Innovation

Innovation Drives Change

We view changes in the environment as an opportunity for growth and continually seek new ways to innovate.

That spirit of innovation will shape the future for Suzuken Group.

1 Evolve into a next-generation wholesaler

While fulfilling our role as social infrastructure for pharmaceutical distribution, we will evolve the various wholesale capabilities we have built up over the years into standalone businesses. Through this commercialization, we will establish a new "margin + fee" earnings model and contribute to solving the challenges facing our customers and society by leveraging multiple channels, including AI and back-office functions, to enhance our information provision, sales, and logistics systems.

2 Reconfigure the business portfolio

We will organically combine the Group's diverse capabilities in areas such as wholesale, manufacturing, pharmacies, nursing care, digital technology, and logistics to create new value. By redefining the value we provide, strategic alliances, and M&A, we will promote "value creation through the combination of capabilities," seeking to maximize earnings across the Group and achieve sustainable growth.

3 Strengthen the management foundation

Through the development of next-generation leaders and efforts to empower women and older employees, we will transition into One Team Management that enables diverse talent to make the most of their strengths. We will also leverage AI to improve productivity and transform business processes, building a robust management foundation that supports sustainable growth.

Key management indicators

Indicator	Period	Target
Consolidated net sales	FY2028	¥2.7tn+
ROE	Each fiscal year	Above the cost of capital (6.0%)
	FY2028	7.0%+
Ordinary profit margin	FY2028	Consolidated: 1.5%+ Distribution segment: 1.0%+
Investment	3-year cumulative	¥60.0bn+ (M&A and strategic investments to be executed flexibly)
Shareholder returns	Each fiscal year	Maintain stable dividends (DOE to 3.0% by FY2028)
		Target total payout ratio of 100%
Reduction in strategic shareholdings	FY2028	No higher than 10.0% of consolidated net assets

Key sustainability indicators

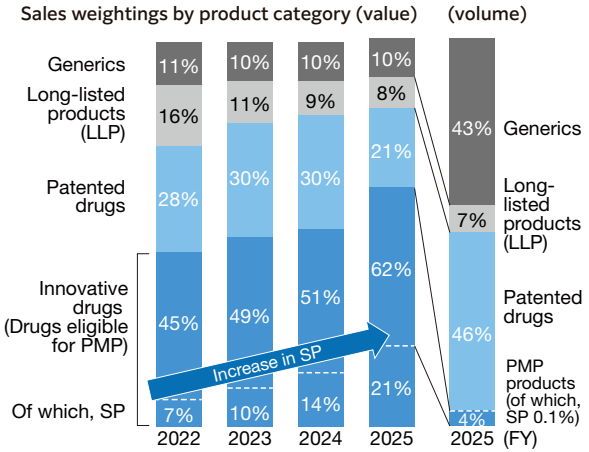
E	CO_2 emissions (Scope 1+2)	40% reduction by FY2030 vs. FY2020
S	Proportion of women in management	20%+ by FY2030
	Proportion of male employees taking childcare leave	100% every year
G	Compliance training participation rate	100% required annually

1. Evolve into a next-generation wholesaler

The need for a new revenue model for pharmaceutical wholesalers

Evolving into a next-generation wholesaler through the commercialization of our capabilities

The operating environment for pharmaceutical wholesalers remains challenging. Amid continued reductions in NHI drug prices, innovative new drugs covered by Japan's Price Maintenance Premium (PMP) scheme, including specialty pharmaceuticals, account for approximately 60% of revenue but only 4% of sales volume. In contrast, generic drugs account for approximately 10% of revenue but 43% of sales volume, indicating significant changes in the nature of pharmaceutical distribution. At the same time, logistics and personnel costs continue to rise. In addition, positioned between pharmaceutical manufacturers on one side and medical institutions and pharmacies on the other, pharmaceutical wholesalers face difficulty in fully passing on rising costs through their prices.



Specialty pharmaceuticals (SP):
Products distributed through single or limited number of wholesalers

However, the role of wholesalers will remain a crucial part of social infrastructure for ensuring stable supply of pharmaceuticals in ordinary times as well as during emergencies, we need to evolve toward a more sustainable business model.



Against this backdrop, in addition to our traditional margin-based business model, we will expand the logistics, information provision, human resources, digital, and other capabilities we have developed over many years, and promote the commercialization of these capabilities by providing them as fee-based services.

By helping to address the management issues for pharmaceutical companies and the challenges for healthcare and nursing care providers, we will build a "margin + fee" earnings model that supports both sustainable growth and a stable supply.

In addition, with inflation continuing to drive up costs, maximizing the use of digital technologies and AI to improve productivity is essential, given the structural difficulty of passing on higher costs through prices. We will further optimize SG&A costs by reviewing our logistics services, and strengthen our management foundation.

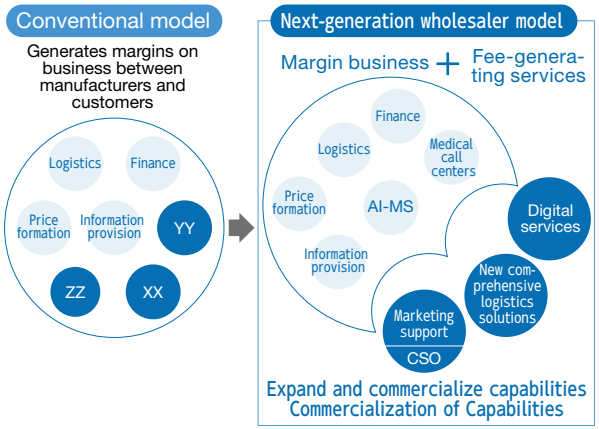
The next-generation wholesaler model

Redefining the value of wholesalers and building a "margin + fee" business model

A next-generation wholesaler is one that evolves by adopting a "margin + fee" business model that retains the conventional margin-based model as its foundation, while further developing the logistics, information provision, human resource, digital, and other capabilities we have built up over many years into standalone sources of fee-generating value.

As the challenges faced by pharmaceutical companies and healthcare and nursing care providers become increasingly diverse, we will offer solutions that combine a range of capabilities to address them. Specifically, we will support moves to raise operational efficiency and the marketing activities of pharmaceutical companies by expanding the use of digital services that support healthcare providers and pharmaceutical companies, and by providing healthcare professionals with timely, advanced information through multiple channels, including "AI-MS," which utilizes AI avatars, and the COLLABO Portal platform.

In the logistics field, we will provide new comprehensive logistics solutions tailored to the healthcare sector through Collabo CREATE, established together with partner companies. By providing optimum logistics solutions that combine the strengths of each company, we will help address social issues such as labor shortages and the need for greater logistics efficiency.



2. Reconfigure the business portfolio

Applying the Commercialization of Capabilities to all businesses

Maximize Group earnings by evolving businesses and rebuilding alliances

Commercialization of Capabilities is not limited to wholesale operations. We will review the capabilities and strengths of each of the Group businesses, including manufacturing, pharmacies and nursing care, and aim to maximize the value we provide.
Under the new Medium-Term Management Plan, we will redefine the value provided by our manufacturing, pharmacies, nursing care, and overseas businesses, and optimize the business portfolio across the Group while also pursuing M&A and strategic alliances.

Redefine the value we provide

- **Pharmacies** Enhance pharmacy support capabilities and create new services to contribute further to community healthcare
- **Manufacturing** Leverage the expertise built up in technologies and quality control, and step up measures to support pharmaceutical manufacturers' business activity (CRO, CDMO)

Rebuild strategic alliances (greater selectivity and focus)

- Reassess the strategic significance of collaboration and investment projects and promote the optimal allocation of management resources
- For equity-method affiliates, consider actions based on their contribution to the Group's growth and capital efficiency

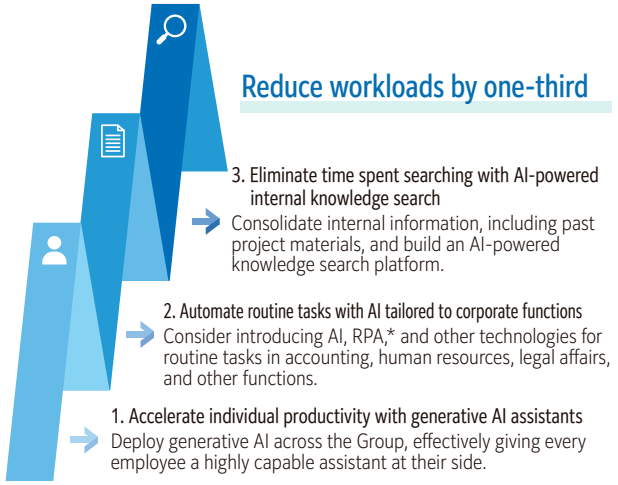
In the manufacturing business, we will expand collaborations leveraging our expertise in drug discovery, development and regulatory applications, as well as our advanced manufacturing technologies, and quality control capabilities, thereby strengthening our contribution to addressing drug loss and ensuring stable supply of pharmaceuticals. In the pharmacy and nursing care businesses, we will enhance our response to comprehensive community care and home healthcare, among other initiatives, to improve the competitiveness and earnings capacity of each business. We will also carry out a strategic review of existing alliances and investments, while seeking to expand growth opportunities through new partnerships and M&A. By combining the enhanced capabilities of each business, we will seek to maximize earnings across the Group.

3. Strengthen the management foundation

To support our transition into a Health Creation Enterprise

Build a robust management foundation by optimizing cost structures and developing next-generation leaders

To ensure the effective execution of the strategies within the new Medium-Term Management Plan and support talent recruitment and increased investment in AI, we will build a robust management foundation by optimizing cost structures while developing next-generation leaders.
To optimize our cost structures, we will implement structural reforms aimed at achieving the highest possible performance with a lean workforce. Focusing primarily on office-based operations at the Head Office and indirect functions, we will promote the use of generative AI and business process transformation, seeking to reduce workloads by one-third and improve productivity across the Group.



*RPA：Robotic Process Automation



Productivity Enhancement Committee in deliberations

At the same time, we will prioritize the allocation of management resources to new areas by rigorously applying greater selectivity and focus in line with our business strategies, and by tightening investment criteria. We will also redeploy human resources freed up through productivity improvements to growth areas, creating greater added value.
We will create an environment in which diverse talent, including women and older employees, can thrive. We will also accelerate the development of leaders for future management roles by advancing succession planning with the involvement of outside directors and external experts, developing the next generation of executive candidates, and promoting personnel exchanges with Group companies and alliance partners.
By promoting One Team Management that encourages each individual to take initiative, we will build a robust management foundation capable of responding to changes in the operating environment.

Financial and Capital Strategy

Message from the Executive in Charge

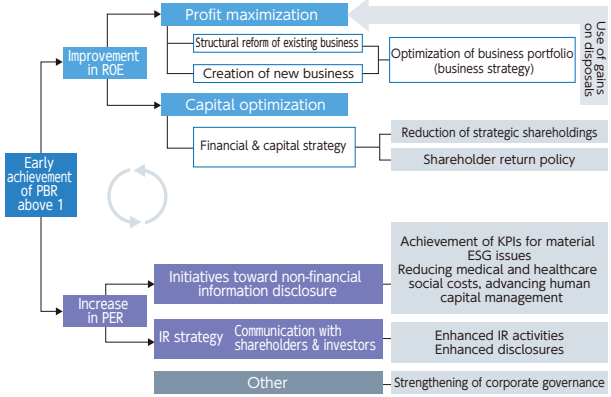
We will appropriately allocate funds to growth investments and shareholder returns by further strengthening our earnings capacity, thereby enhancing corporate value.



Yuichi Yamamoto

Executive Officer
Senior General Manager of Corporate Headquarters

Overall framework for sustainable growth and enhancing corporate value over the medium to long term



Review of previous Medium-Term Management Plan

Under the previous Medium-Term Management Plan, our financial and capital strategy emphasized balance among growth investment, shareholder returns, and improved capital efficiency. We utilized cash generated to invest a cumulative ¥66.7 billion over the three years in capital expenditures and business investments that contributed to the continuation and expansion of our businesses, based on assessments of both strategic necessity and profitability. These investments strengthened our business foundation for future growth. In terms of shareholder returns, in addition to maintaining stable dividends, we conducted share repurchases totaling approximately ¥79.0 billion over the three years, resulting in an average total payout ratio of 98.1%. We also sold approximately ¥42.6 billion of strategic shareholdings on a cumulative basis over the three years, reducing the ratio of strategic shareholdings to consolidated net assets to 12.4%.
By reducing strategic shareholdings and carrying out proactive shareholder returns, we pursued balance sheet reform and improved capital efficiency while steadily investing in growth. As a result, ROE improved from 4.9% prior to the launch of the previous Medium-Term Management Plan to 9.3%, significantly exceeding our target of 5.0% or higher.

Long-term target

Indicator	Period	Target
Consolidated net sales	FY2030	¥3tn+
ROE		8.0%+

Financial and capital strategies under the new Medium-Term Management Plan

Under the new Medium-Term Management Plan, we have set long-term targets through FY2030 and key management indicators for FY2028, the final year of the plan. Our market valuation at a PBR of below 1.0x remains a major issue. Institutional and individual investors expect Suzuken Group to further strengthen its capabilities and reinforce its role as social infrastructure by delivering on its growth story, while also enhancing shareholder returns and improving profitability to achieve ROE above the cost of capital.
To meet these expectations, we will pursue growth investments, shareholder returns, and the reduction of strategic shareholdings in an integrated manner to further improve capital efficiency. With respect to shareholder returns, we have also newly adopted DOE (dividend on equity ratio) as a target indicator, while maintaining a target total payout ratio of 100%. We will work to progressively raise DOE to around 3%, while maintaining stable and progressive dividends. In addition, we will conduct a two-for-one stock split effective October 1, 2026. By lowering the investment unit, we aim to make our shares more accessible to a broader range of investors.

Key management indicators in Medium-Term Management Plan

Indicator	Period	Target
Consolidated net sales	FY2028	¥2.7tn+
ROE	Each fiscal year	Above cost of capital (6.0%)
	FY2028	7.0%+
Ordinary profit margin	FY2028	Consolidated: 1.5%+ Distribution segment: 1.0%+
Investment	3-year cumulative	¥60.0bn+ (M&A and strategic investments to be executed flexibly)
Shareholder returns	Each fiscal year	Maintain stable dividends (DOE to 3.0% by FY2028)
		Target total payout ratio of 100%
Reduction in strategic shareholdings	FY2028	No higher than 10.0% of consolidated net assets

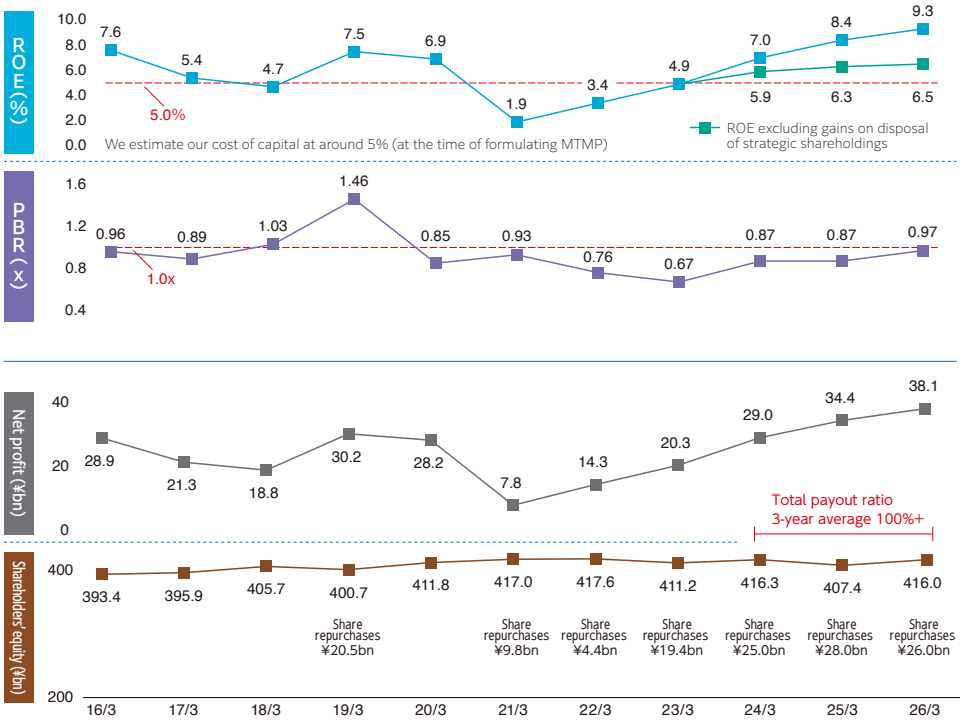
Financial and Capital Strategy

We compiled a Q&A based on questions frequently asked by investors.

Q1.ROE has recently improved to the 9% range, but under the new Medium-Term Management Plan, the ROE target has been set at "above the cost of capital (6.0%), and 7.0% for FY2028," which is below the most recent result. How should we understand the rationale and background behind this target?

A1. ROE has recently risen to 9.3%, partly due to gains on the sale of strategic shareholdings. However, we believe that our ROE target should be one that can be achieved sustainably, rather than reflecting temporary factors. We have therefore set the target for each fiscal year at a level above the cost of capital (6.0%).

Management focused on ROE and PBR (our ROE and PBR trends)



Q2.The plan calls for investment of more than ¥60.0 billion over the next three years. In what specific areas do you envisage allocating these funds?

A2. We expect capital expenditures and maintenance investments over the next three years of more than ¥60.0 billion, mainly for maintenance, renewal, and refurbishment of existing facilities, as well as maintenance and renewal of core systems and IT infrastructure. Specifically, we believe it is essential to invest in maintaining and upgrading our distribution infrastructure to ensure stable supply, and in automating logistics to address labor shortages and rising costs. Strategic investments for growth, including new logistics centers in the Chubu and Kinki regions and the digital business, are considered separately from the ¥60.0 billion above. Investment decisions will be made flexibly on a project-by-project basis. Depreciation is expected to increase as a result of investments in systems, facilities, and other areas, but this should be offset by earnings growth over the medium to long term.

Q3.What specifically does reconfiguring the business portfolio entail?

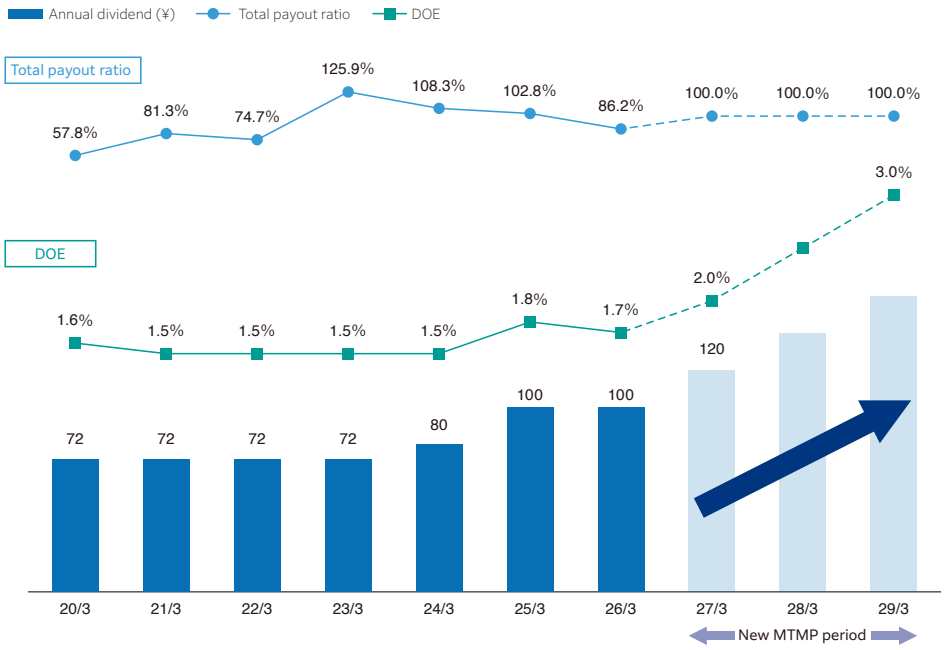
A3. Under the new Medium-Term Management Plan, the concept of Commercialization of Capabilities applies not only to the pharmaceutical distribution business, but to all Group businesses, including manufacturing, pharmacy, and nursing care business. From the perspective of our financial and capital strategy, we position redefining the value provided by each business and reviewing strategic alliances as initiatives to improve capital efficiency.

Specifically, we will continuously assess each business in terms of profitability, growth potential, capital efficiency, and returns on invested capital, and optimize the allocation of management resources accordingly. We will balance focused investment in growth areas with moves to strengthen the earnings capacity of existing businesses. At the same time, we will improve selectivity and focus by reviewing collaboration and investment projects, while also considering M&A and strategic alliances, to build an optimized business portfolio. Through these initiatives, we aim to improve capital efficiency across the Group, keep ROE above the cost of capital, and sustainably enhance corporate value.

Financial and Capital Strategy

Q4.In addition to the total payout ratio used previously, you have now introduced DOE as a management indicator. Could you explain the background to this review of your approach to shareholder returns?

A4. Under the previous Medium-Term Management Plan, we targeted an average total payout ratio of 100% or higher over the three-year period and repurchased shares totaling approximately ¥79.0 billion. We also progressively increased the dividend by a total of ¥28. At the same time, we have received feedback that our dividend remains low relative to other companies. Under the new Medium-Term Management Plan, we will maintain our target total payout ratio at 100% but have introduced DOE (dividend on equity ratio) as an indicator to provide more stable dividends, and will work toward a DOE of around 3% for FY2028. For FY2026, we plan to conduct a two-for-one stock split and increase the dividend. While preventing an excessive accumulation of net assets, we will seek to improve capital efficiency and flexibly repurchase shares, taking into account the dividend level and share price.



Q5.You have made progress in reducing strategic shareholdings. Do you intend to continue reducing them going forward, and what level are you targeting?

A5. Our basic policy on strategic shareholdings is to hold shares in companies where doing so contributes to enhancing Suzuken Group's corporate value, as one means of building, maintaining, and strengthening business and collaborative relationships. The Board of Directors assesses the rationale for each strategic holding, and we have sold shares in companies where the holding could not be expected to contribute to enhancing corporate value, taking into account timing and other factors. Under the previous Medium-Term Management Plan, we worked to reduce strategic shareholdings, targeting 10% or less of consolidated net assets by the end of FY2025. However, we did not achieve this target due to share price appreciation.
We will continue working to reduce strategic shareholdings to no more than 10% of consolidated net assets by the end of FY2028, the last year of the new Medium-Term Management Plan.

Previous MTMP targets			FY2023 (results)	FY2024 (results)	FY2025 (results)
Reduction in strategic shareholdings	End of FY2025	No higher than 10.0% of consolidated net assets	15.0% Sold ¥9.2bn (8 stocks)	12.6% Sold ¥14.4bn (6 stocks)	12.4% Sold ¥19.0bn (11 stocks)

Q6.Could you explain your approach to enhancing communication with investors and information disclosure?

A6. We actively communicate with investors in Japan and overseas through financial results briefings, small meetings, one-on-one meetings, and other opportunities. Drawing on insights gained through these dialogues, we continuously communicate and update our management policies and corporate value enhancement initiatives. We also pass on the views received to management and relevant departments and reflect them in our operations.
In light of the increase in dialogue concerning Suzuken Group's sustainability activities and growing societal expectations and interest regarding ESG and SDGs, we are also strengthening the disclosure of non-financial information and communication on how our businesses address social issues.



Chapter

04

Pharmaceutical Distribution · · 35
Digital · · · · · · · · · · · · 37
Logistics · · · · · · · · · · · 39
Healthcare Product Development · 40
Community Healthcare and Nursing Care Support · · · · · 41
Other Related Businesses and Equity-Method Affiliates · · · 42

What Business Strategies Will We Pursue?

Relevant pillars in Medium-Term Management Plan (MTMP)
1. Evolve into a next-generation wholesaler

FY2026 ordinary profit forecast
¥31.7bn

MTMP target
FY2028 ordinary profit
¥32.0bn+

Main Group 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. Collabo Co., Ltd.

Pharmaceutical Distribution

Transforming healthcare distribution by building next-generation infrastructure

Message from the Executive in Charge

Evolving into a next-generation wholesaler through enhanced wholesale capabilities and new revenue streams

Suzuken Group aims to transform into a new kind of wholesaler, by building on the healthcare distribution platform, one of our Group strengths, through both strengthening our conventional wholesale capabilities and creating new revenue streams.
In sales, in addition to the in-person activities of our marketing specialists (MSs), we will further enhance our customer touchpoints through a multichannel approach that combines remote and digital channels. We will also strengthen our logistics capabilities while working to improve the accuracy and quality of purchasing and inventory management. By ensuring rigorous temperature control and centralized nationwide inventory management, we will support stable supply throughout the market and further enhance our capabilities to become the partner of choice for manufacturers.
To develop new revenue streams, we will further expand our digital services, aiming to improve the efficiency of sales activities and achieve business growth.

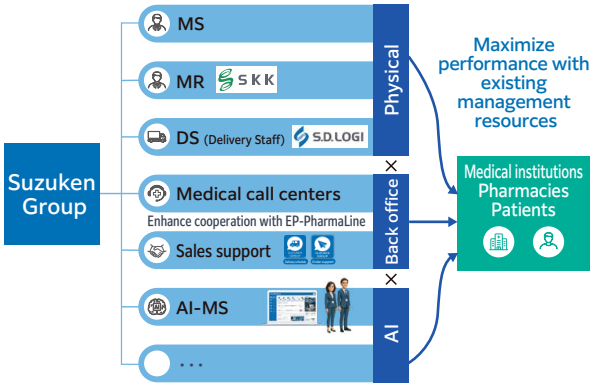


Hirofumi Tanaka

Executive Managing Director
Senior General Manager
of Healthcare Distribution
Business Headquarters

Building a next-generation wholesale sales structure by enhancing customer touchpoints through a multichannel approach

Through a multichannel approach combining physical, remote, and digital channels, we are maximizing and enhancing customer touchpoints as we build a new sales structure to underpin our next-generation wholesale business. Centered on the activities of our MSs, who engage with customers every day, we are integrating back-office functions such as logistics, sales support, and medical call centers to enable even more efficient and attentive customer service.
From a sales perspective, with the COLLABO Portal as the gateway, we are creating new points of contact with customers through applications that support inquiry handling, information provision, ordering, and delivery. In May 2026, we strengthened collaboration with EP-PharmaLine's call center, which is staffed by approximately 500 qualified professionals, enabling prompt and accurate responses backed by a high level of expertise.
In addition, as part of our efforts to enhance the quality of conversations with customers, we have implemented AI-MS on the COLLABO Portal, a feature through which AI avatars provide information tailored to customer needs. DX Ambassadors, who propose ways to utilize our digital tools, and logistics personnel responsible for deliveries also maintain day-to-day contact with customers. Through coordination among these diverse functions, we are creating optimal customer touchpoints tailored to local characteristics, including market conditions and customer needs.
These initiatives are further strengthening relationships with customers even with limited staffing, while freeing up time for MSs to focus on their core sales activities. These efforts are also contributing to improved productivity and the transition to a sustainable sales model.
By combining these functions and establishing a distinctive approach, we aim to build a sales structure that makes us the partner of choice for our customers.



COLLABO Portal: comprehensive healthcare DX platform



AI-MS: AI avatars that provide information tailored to customer needs



Pharmaceutical Distribution

Supporting the stable supply of pharmaceuticals through supply chain enhancement

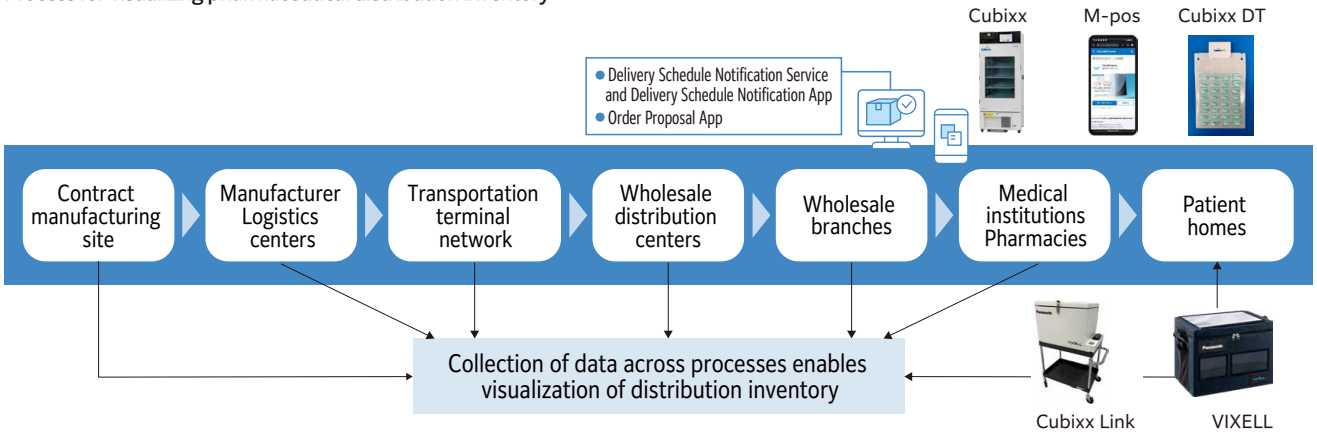
We are working to enhance our supply chain capabilities by building on our unique healthcare distribution platform, which integrates Manufacturer Logistics and wholesale logistics. By increasing the visibility of inventory information and strengthening supply-demand coordination capabilities, we are reducing inventory imbalances and excess inventory, thereby improving the efficiency of pharmaceutical distribution and reducing costs for society as a whole. We are also working to improve the accuracy of demand forecasting and optimize the location of procurement hubs, aiming to build a more sophisticated and efficient supply chain. Our central management system for nationwide inventory is another strength of our Group that differentiates us from other wholesalers. By enhancing these distribution capabilities, we aim to establish ourselves as a partner of choice for pharmaceutical companies and secure appropriate recognition and compensation. Together, these initiatives are helping us build a framework for the reliable and stable supply of pharmaceuticals.

For specialty pharmaceuticals, the Cubixx solution centrally integrates and visualizes inventory information from wholesale logistics through to medical institutions, enabling optimal inventory allocation. The solution has been adopted by 60% or more of designated cancer hospitals and over 80% of national university hospitals, contributing to an annual reduction of approximately ¥7.0 billion in losses from pharmaceutical disposal. In October 2026, we plan to launch Cubixx Link, which enables products to be traced through their transportation routes even within medical institutions, further enhancing total traceability in compliance with GDP guidelines. We are working to make greater use of information obtained in healthcare settings through M-pos.
By having hospital staff enter information such as clinical departments and patients receiving prescriptions through COLLABO Mobile, we enable highly accurate case tracking, helping to identify patterns of pharmaceutical use and provide information to pharmaceutical companies.

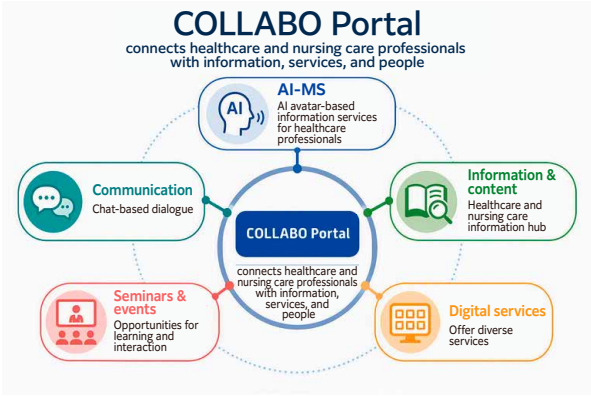
Building a sustainable value creation platform through a digitally centered sales transformation

We are pursuing sales transformation centered on digital technologies, with the aim of simultaneously establishing new revenue models and improving productivity. We have worked to expand the adoption of digital services such as the COLLABO Portal, Medical Care Station (MCS), and Cubixx, with COLLABO Portal registrations now exceeding 450,000.
In addition to helping customers improve operational efficiency through the adoption of medimo, which became a member of our Group in February 2026, these digital services are also laying the foundation for creating new revenue models through the use of the data they accumulate.
Going forward, we will combine the capabilities of our pharmaceutical distribution business with digital services such as COLLABO Portal to develop new data businesses and services.

Process for visualizing pharmaceutical distribution inventory



Main capabilities of COLLABO Portal



Relevant pillars in Medium-Term Management Plan (MTMP)
1. Evolve into a next-generation wholesaler

FY2026 ordinary profit forecast
-¥1.1bn

MTMP target
FY2028 ordinary profit
¥3.0bn+

Main Group companies: Collabo Square Co., Ltd., medimo, Inc.

Digital

Resolving healthcare issues and creating new value through use of data and AI

Message from the Executive in Charge

Creating value with data and AI centered on our heritage asset of customer relationships

In healthcare settings, rising workloads and worsening labor shortages are further increasing the need to support frontline operations through greater operational efficiency. Pharmaceutical companies also need to respond to the increasing sophistication of clinical trials and development, as well as of marketing activities. To address these social issues, we are working to create new value using data and generative AI, building on the customer relationships we have cultivated over many years—which we count among our heritage assets.
By using generative AI, we will help improve operational efficiency and advance workstyle reform for healthcare professionals. At the same time, by further accelerating the utilization of data and the development of AI services, we aim to create services that help address the challenges faced by healthcare providers and pharmaceutical companies, and to establish a sustainable revenue base.



Yuichiro Daikoku

Managing Executive Officer
Senior General Manager of the Digital Solutions Headquarters

Evolution of COLLABO Portal, the foundation for new value creation

Suzuken Group developed the COLLABO Portal, a comprehensive healthcare DX platform, in 2023 and has since worked to expand its adoption. It now has around 450,000 registered accounts among healthcare and nursing care professionals, providing users with access to a wide range of functions in one place, including digital services from partner companies and information tailored to user attributes. We have also expanded the COLLABO Portal's functions to include digital exhibitions, product information from participating manufacturers, and information and materials useful for the care of patients and users of nursing care services.
Through these initiatives, we are strengthening COLLABO Portal's role as a digital platform connecting manufacturers with healthcare and nursing care professionals. In June 2025, we also launched COLLABO Research, a marketing support service that leverages our unique customer base and data, enabling us to deliver new value to customers and partner companies.

Marketing support using digital technologies

Planning and implementation of market research services → Planning and implementation of marketing activities → Verification of marketing activities → Establishment and rollout of an optimal distribution model

COLLABO Research: a new sub-function on the COLLABO Portal

COLLABO Research

- Direct collection and analysis of healthcare and nursing care professionals' feedback by area, occupation, and facility attributes in line with research objectives
- Proposals for initiatives to promote product and service adoption based on research findings

Healthcare setting transformation and new business creation through generative AI

In February 2026, we made medimo (a health-tech company that develops and provides AI software for medical institutions) a subsidiary, accelerating the rollout of services that use generative AI. medimo uses AI to automatically generate medical records and medication histories in approximately five seconds based on conversations with patients, and is expected to reduce the workload of physicians and medical administrative staff. It has already been adopted by over 1,000 facilities, and has started a full-scale rollout aiming for expansion to 10,000 facilities by FY2028. These initiatives are intended to advance workstyle reforms for healthcare professionals and lift productivity at healthcare sites overall, while also expanding the areas in which the Group can provide new value.
In addition, by leveraging patient and healthcare professional feedback obtained through medimo and the knowledge accumulated, we are considering the creation and development of new information businesses, and in parallel, advancing the in-house development of generative AI capabilities within the Group.

medimo: AI medical record generation service

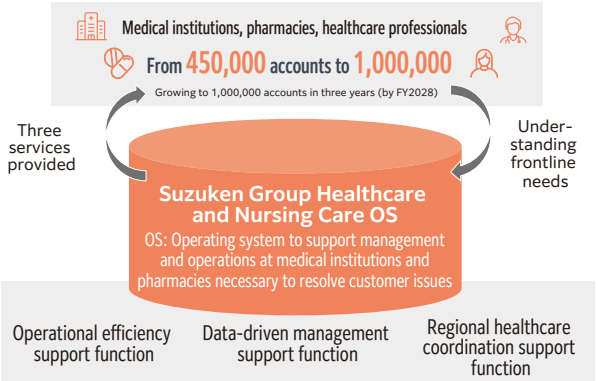


Digital

Building information infrastructure to address challenges in healthcare and nursing care

By expanding our reach to healthcare and nursing care professionals through the COLLABO Portal from around 450,000 currently to around one million by FY2028, we aim to establish it as a Healthcare and Nursing Care OS—information infrastructure that supports healthcare and nursing care in Japan.
By utilizing accumulated data, we are providing advanced marketing support and conducting prevention and awareness activities together with local governments, thereby expanding the value we provide. As well as enhancing operational support for healthcare and nursing care professionals, we are also working to create services that deliver new value to patients.
At the same time, the relationships of trust that MSs have built with customers are an important asset underpinning our next-generation wholesaler vision. Building on this strength, we will use digital technologies to support and enhance some of our problem-solving capabilities, enabling more sophisticated customer service. By creating value through both in-person activities and digital technologies, we will further increase our contribution to healthcare and nursing care settings and patients.

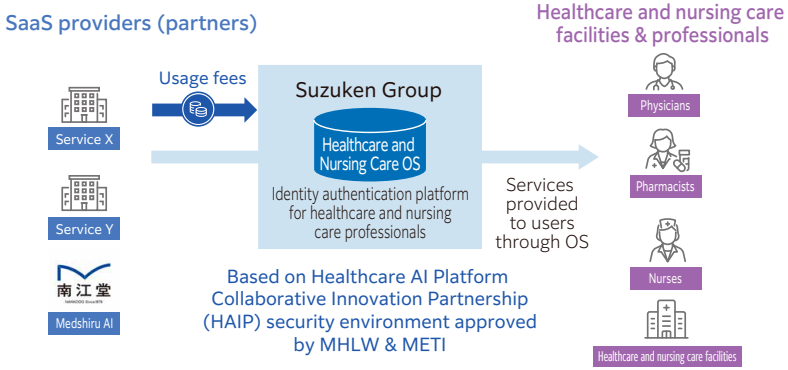
Suzuken Group's Healthcare and Nursing Care OS and services provided



Establish revenue model for Healthcare and Nursing Care OS based on user authentication function

User authentication capabilities are crucial for digital services, and will be key to establishing a revenue model for the Healthcare and Nursing Care OS. However, building and operating reliable authentication infrastructure separately for each service would require significant time and cost.
Our COLLABO ID system incorporates the security environment of HAIP, a technological research group approved by the Ministry of Health, Labour and Welfare and the Ministry of Economy, Trade and Industry. We are thereby developing a platform with a high level of security and reliability, and have a patent application currently pending.
By utilizing COLLABO ID, our authentication and customer management platform, we are helping to expand the adoption of digital services while also creating new revenue streams through research support related to these services and the utilization of data accumulated on the Group's information infrastructure.
In May 2026, we began collaborating with Nankodo and started providing COLLABO ID as the customer authentication platform for Medshiru AI, while also developing an environment that enables seamless access from the COLLABO Portal.
Strengthening and integrating the Group's digital infrastructure will be essential to accelerate the adoption of the Healthcare and Nursing Care OS. We will expand new communication capabilities such as clinical decision support and AI-MS, centered on generative AI technologies, working to reduce inefficiencies and burdens between companies and healthcare and nursing care professionals, and among the professionals themselves.
In parallel, we are also contributing to more advanced security measures through collaboration with HAIP, which promotes the social implementation of medical AI.
Through these initiatives, we will continue to accumulate and expand valuable information assets unique to Suzuken Group.

Authentication platform and revenue model
Patents pending



Business model

1. COLLABO ID usage fees
- Usage fee income based on COLLABO ID authentication function

2. Digital service sales (including e-commerce)
- Provision of healthcare products and digital services to healthcare professionals

3. Information provision services
- Information provision services using data accumulated through Healthcare and Nursing Care OS and other sources

Relevant pillars in Medium-Term Management Plan (MTMP)
1. Evolve into a next-generation wholesaler

FY2026 ordinary profit forecast
¥1.6bn

MTMP target
FY2028 ordinary profit
¥2.0bn+

Main Group companies:
Collabo CREATE CO., LTD., S.D.Logi CO., LTD., CHUOUNYU CO., LTD.

Logistics

Building next-generation healthcare logistics systems through co-creation

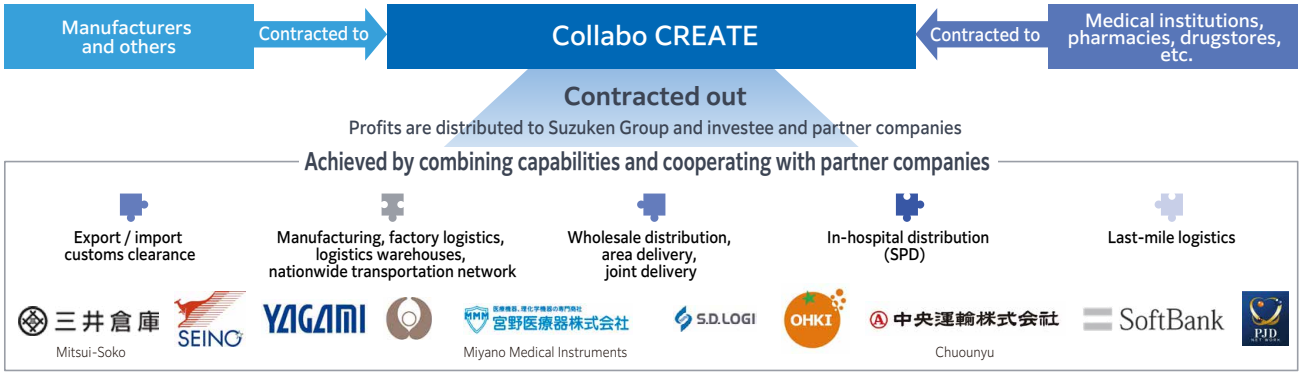
Evolving healthcare logistics through co-creation with partner companies

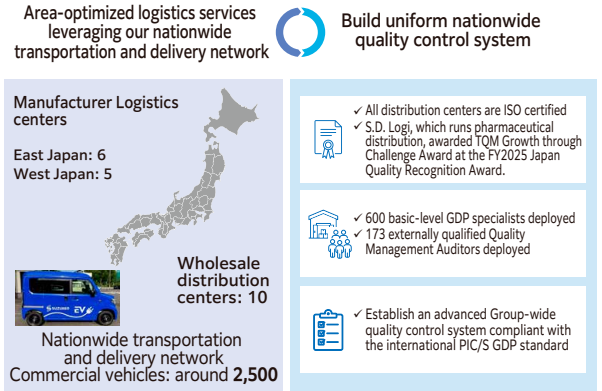
Since beginning to provide contract logistics services for manufacturers (Manufacturer Logistics) in 2005, we have built a framework that supports the industry's entire value chain by providing a range of capabilities spanning logistics through to marketing. As of March 2026, we provided Manufacturer Logistics for 47 manufacturers at 11 locations nationwide, ranking first in Japan in terms of the number of contracts for the distribution of specialty pharmaceuticals. S.D. Logi has played the central role in warehousing, as does CHUOUNYU in transportation. Together, they have developed a nationwide logistics network that meets GDP guidelines, enabling the Group as a whole to ensure both quality and stable supply.
Under this framework, we have strengthened our BCP measures and established a system capable of providing stable, high-quality services both in normal times and in emergencies, including by securing transportation means combining air, sea, and rail. In high-value-added areas such as regenerative medicine products, we have also built up capabilities for transportation during emergencies as well as environmentally friendly transportation methods. In April 2026, we established Collabo CREATE together with multiple partner companies, building on our strengths in pharmaceutical logistics to operate a healthcare logistics business aimed at addressing social issues. The scope extends beyond pharmaceuticals to include healthcare-related products such as OTC pharmaceuticals, medical devices, and diagnostic reagents. By combining the assets and expertise of the participating companies, we aim to combine previously fragmented logistics and data and thereby create new value.
By organically combining the capabilities and resources of our Group and our partner companies, we will broaden the range of solutions we can offer and realize our vision of becoming a healthcare logistics business platform that addresses social issues.

Rebuilding logistics networks for high-quality nationwide logistics management system

Through the activities of Collabo CREATE, we are working to build a framework that enables us to undertake logistics contracts from non-Group companies, in addition to our wholesale distribution functions. Achieving this requires further advancing and streamlining our logistics capabilities.
Specifically, we will reorganize our nationwide network of sites into eight blocks centered on our logistics subsidiary S.D. Logi, building flexible and efficient logistics systems tailored to the needs of each region. In terms of quality, we will establish a uniform nationwide quality control system, thereby expanding our high-quality logistics network across Japan.
We are also considering a nationwide rollout of delivery vehicles in our signature blue brand color as a symbol of safe and reliable pharmaceutical distribution, further raising recognition of our corporate brand.

Establishment of Collabo CREATE





Relevant pillars in Medium-Term Management Plan (MTMP)
2. Reconfigure the business portfolio

FY2026 ordinary profit forecast
¥0.6bn

MTMP target
FY2028 ordinary profit
¥2.0bn+

Main Group companies:
Sanwa Kagaku Kenkyusho Co., Ltd.,
Kenzmedico Co., Ltd.

Healthcare Product Development

Enhancing pharmaceutical development and supply structures to help resolve social issues

Helping resolve pharmaceutical access issues through the twin pillars of R&D and contract manufacturing

Sanwa Kagaku Kenkyusho, which is responsible for pharmaceutical manufacturing, is leveraging the knowledge and expertise in development and commercialization that it has cultivated as a pharmaceutical company to address unmet medical needs. Phase II/III clinical trials have been completed for Paltusotine (development code: SK-5307), a treatment for acromegaly and neuroendocrine tumors, and an application for marketing approval was submitted on April 15, 2026.

We are also engaged in joint research with universities, as well as a strategic alliance with Nissan Chemical in nucleic acid drug discovery. Through these industry-academia collaborations, we are stepping up our efforts to create innovative pharmaceuticals. In May 2024, we began collaborating with Bushu Pharma and EPS Holdings. Together, we established the J-ENTRY Consortium, a collaborative model that provides one-stop support for Japanese market entry and the launch of drugs not yet approved in Japan, without the need for upfront investment.

By establishing a framework that provides end-to-end support spanning development, manufacturing, sales, and logistics for overseas licensors without a presence in Japan, we are helping to address the social issue of drug loss in the Japanese market, while also expanding treatment options for patients and improving access to pharmaceuticals in Japan.

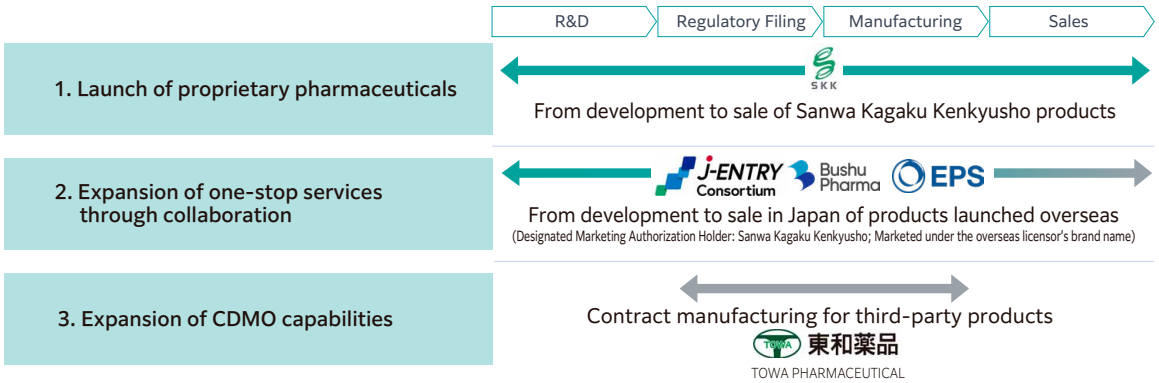
We are currently pursuing specific initiatives, including participating in the Ministry of Health, Labour and Welfare's open call for companies to develop drugs and indications not yet approved in Japan.

We are also working to strengthen our contract development and manufacturing organization (CDMO) capabilities, further deepening our collaboration with Bushu Pharma while also launching a new contract manufacturing collaboration with Towa Pharmaceutical. Through this initiative, we will strengthen our production infrastructure, including the addition of manufacturing lines at Sanwa Kagaku Kenkyusho's Kumamoto Plant, while expanding contract manufacturing for Towa Pharmaceutical to level out production and improve efficiency.

We will also leverage the track record we have built in providing Manufacturer Logistics and integrate our manufacturing and logistics capabilities to enhance our framework for the stable supply of pharmaceuticals, including generics, while helping optimize the entire supply chain. We will also leverage our dual strengths in manufacturing and logistics to deliver services that set us apart.

By building on these initiatives, we will organically combine the management resources of Sanwa Kagaku Kenkyusho with the capabilities of Suzuken Group as a whole, thereby helping resolve social issues—eliminating drug loss and ensuring the stable supply of pharmaceuticals.

Our three business models in Healthcare Product Development




Sanwa Kagaku Kenkyusho Kumamoto Plant

Relevant pillars in Medium-Term Management Plan (MTMP)
2. Reconfigure the business portfolio

FY2026 ordinary profit forecast
¥1.2bn

MTMP target
FY2028 ordinary profit
¥2.0bn+

Main Group companies:
UNISMILE Co., Ltd.,
Sanki Wellbe Co., Ltd.,
S-Care Mate Co., Ltd.,
Medicare Collabo CO., LTD.

Community Healthcare and Nursing Care Support

Leveraging our frontline capabilities in pharmacy and nursing care to contribute to sustainable community healthcare and nursing care

Message from the Executive in Charge

Systematizing frontline-driven value creation, building new capabilities to support community healthcare and nursing care

Building on direct points of contact through pharmacies, nursing care facilities, and other settings that reach approximately one million consumers and 4,000 healthcare and nursing care professionals, we are working to address the challenges facing community healthcare and nursing care.
In the pharmacy business, we are developing a new platform that combines expertise, efficiency, and community support with a focus on enhancing the value of pharmacists' patient-facing services, while also strengthening contact with consumers, with the aim of becoming a Community Health Creation Hub. In the nursing care business, we will create new markets by performing functions on behalf of manufacturers, such as vaccination and disease awareness activities.
By systematizing the insights and outcomes generated on the frontlines across the Group and creating capabilities and services based on community feedback, we will enhance Group value and contribute to the sustainable development of community healthcare and nursing care.



Chie Takahashi

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

Deepening ties between pharmacies and nursing care to support the sustainability of community healthcare and nursing care

Suzuken Group runs around 500 pharmacies, along with nursing care businesses, nationwide. Recognizing the issues that have become visible through our operations, we are building new capabilities to support community healthcare and nursing care services.
One related initiative is the establishment of a foundation for supporting local pharmacies by combining logistics and pharmacy capabilities. To address the challenges facing community pharmacies, such as staff shortages and increasing workloads, we will combine the expertise we have accumulated with our logistics and distribution capabilities to support the stable supply of pharmaceuticals and more efficient inventory management, thereby helping to create an environment in which pharmacies can better perform their intended role.
We are also strengthening our capabilities in disease-specific pharmacies and specialty pharmaceuticals, developing aseptic dispensing facilities and training specialist pharmacists, and building a framework for meeting increasingly sophisticated healthcare needs.
Furthermore, by utilizing Cubixx for pharmacies and the Musubi AI inventory management system, we will increase the visibility of supply and demand and enhance inventory management, helping to create an environment in which pharmacists, not only at our Group's pharmacies but also in the community, can better deploy their expertise. In the nursing care field, we aim to improve the QOL of care recipients and contribute to community healthcare and nursing care by linking challenges identified in nursing care settings to initiatives such as collaboration with pharmacies and medical institutions and disease prevention.
We have also developed Linéa, a malnutrition assessment support system, and provide solutions that support the adoption and application of the GLIM criteria (Global Leadership Initiative on Malnutrition), an international standard for diagnosing malnutrition. We will expand its use beyond nutritional management in healthcare settings to support health promotion at pharmacies and in nursing care settings.
We will continue to share the knowledge we have accumulated with local communities, contributing to the realization of a society in which people can continue to live with peace of mind in the communities they call home.

Specialty pharmaceutical dispensing



Musubi: AI inventory management system



Cubixx for pharmacies

リネア
Linéa



Malnutrition assessment support system

Relevant pillars in Medium-Term Management Plan (MTMP)
2. Reconfigure the business portfolio

FY2026 ordinary profit forecast
¥0.1bn

MTMP target
FY2028 ordinary profit
¥1.0bn+
Includes income from equity-method investments

Main Group companies: Life Support Co., Ltd.

Other Related Businesses and Equity-Method Affiliates

Expanding pharmaceutical distribution networks in Asia through co-creation with partners

Enhancing our business base overseas through co-creation with partners in Asia

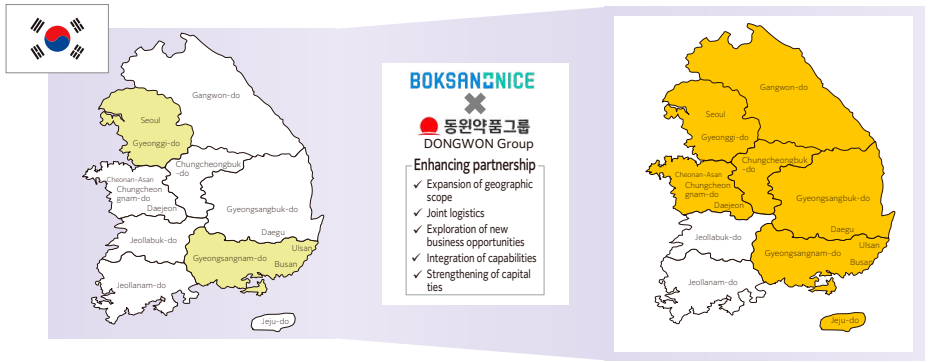
Since becoming the first Japanese pharmaceutical wholesaler to expand into Singapore in 1974, Suzuken Group has continued to develop our overseas operations for more than half a century.
In China, we established a joint venture in Shanghai in 2008 and have since been operating a pharmaceutical distribution business. In 2016, we entered into a capital and business alliance with EPS Ekishin, leveraging the research, clinical trial, manufacturing, sales, distribution, and other capabilities of both companies to meet customers' service needs on a one-stop basis.
In South Korea, we entered into capital and business alliances with BOKSANNICE in 2016 and the DONGWON Group in 2025, respectively. Building on partnerships with leading local companies, we have worked to expand our local pharmaceutical distribution business.

In China, we will pursue steady growth from a medium- to long-term perspective while closely monitoring market trends. In South Korea, we will further deepen our collaboration with BOKSANNICE and the DONGWON Group, expanding the geographic scope of our operations and further enhancing the local distribution platform. Through these initiatives, we will improve delivery efficiency, increase the volume and quality of information we handle, and optimize inventory, thereby enhancing the value of pharmaceutical distribution as a whole.
We aim to generate stable contributions to the consolidated performance of Suzuken Group as a whole through the steady growth of these partner companies.
Overseas operations also play an important role in globally expanding the strengths we have built up in Japan.

Strengthening relationships with key partner companies through equity-method investment

We entered into capital and business alliances with several Japanese companies and have deepened our relationships with them as equity-method affiliates. In November 2023, we entered into a capital and business alliance with Pharmarise Holdings, a holding company that operates dispensing pharmacy businesses. We are collaborating to improve the quality and strengthen the foundations of the pharmacy business and create new value for pharmacies as healthcare hubs.
We have also partnered with EP-PharmaLine, which provides contact center and BPO services specializing in pharmaceuticals, medical devices, and healthcare. By leveraging highly specialized remote support provided by approximately 500 qualified professionals, we are also strengthening our ability to meet medical institutions' needs.
Through collaboration with these partner companies, we will expand the Group's capabilities as a whole and strengthen our revenue base.

Expanding the geographic scope of operations through collaboration with South Korean partner companies



Improved delivery efficiency	Stronger negotiating power with manufacturers	Increased volume and quality of information	Optimized inventory



Collaboration with the DONGWON Group commenced in May 2025



How Will We Strengthen the Foundations and Talent That Support Our Business Strategies?

Chapter 05

DX Foundation · · · · · · · · · · · 44
Logistics Foundation · · · · · · · · 45
Human Capital · · · · · · · · · · · 46

DX Foundation

Suzuken Group positions DX as a core pillar of management, and is working to transform our business models based on the needs of customers and society through DX, while also pushing ourselves to transform our organization, business processes, corporate culture, and organizational climate.

The vision for our DX strategy

Visualize, Connect, Transform
Become a healthcare data platform provider

By visualizing data from healthcare and nursing care settings and logistics operations, and connecting people, information, and services through digital services, we will enhance pharmaceutical distribution, address regional healthcare challenges, and create new value.

The value we provide

- Advanced pharmaceutical distribution
- Regional healthcare and nursing care collaboration
- Promotion of digital healthcare
- Reduction of social costs

Our DX strategy

Visualize

Expand the adoption and use of digital services, collect and analyze various data generated in healthcare and nursing care settings and logistics operations, and visualize previously unidentified customer needs and social issues.

Expand adoption and use of digital services

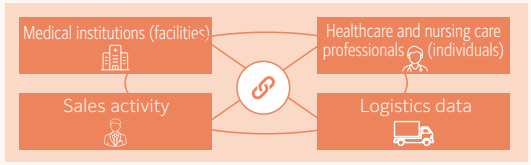
COLLABO Portal	medimo	MCS	Digital services accessible with COLLABO Portal accounts



Connect

Leverage digital services and a common ID platform to connect medical institutions, pharmaceutical companies, and healthcare and nursing care professionals, enabling seamless information sharing.

Build a Group Information Integration Platform



Transform

Create new information businesses through the analysis and deployment of data assets, to help advance healthcare distribution and resolve social issues.

Data analysis and deployment (information business)

Account users	Data sales	Digital service sales

The foundation underpinning our DX strategy

Security

Build an environment that supports the secure use of data in the healthcare and nursing care settings

Key initiatives

- Build a secure environment for using generative AI in collaboration with HAIP*1 and AIHOBS*2
- Raise awareness of Guidelines for the Use of Generative AI in the Medical and Healthcare Fields, Second Edition
- Support customers' security measures

Generative AI technology

Use generative AI to promote customer value creation and productivity improvements

Key initiatives

- Use medimo's voice AI technology
- Develop and deploy generative AI capabilities through our CoE team

DX & AX talent

Develop talent able to propose and promote value creation and business operational improvements using digital technology

Key initiatives

- DX & AX reskilling
- DX and generative AI training for executives
- DX Ambassador certification

*1 HAIP: Healthcare AI Platform Collaborative Innovation Partnership

*2 AIHOBS (AI Health Orchestration Beyond Sites): A company established by HAIP in April 2025 to put its research outcomes into practical use in society.

Logistics Foundation

Logistics foundation serving as social infrastructure

Suzuken Group leverages logistics assets, including our nationwide transportation and delivery network and distribution centers, to serve as social infrastructure supporting the stable supply of pharmaceuticals. Through the advancement of our healthcare distribution platform, founded on the integration of contract logistics services for pharmaceutical manufacturers (Manufacturer Logistics) and wholesale logistics, we are working to improve distribution quality, strengthen stable supply, and reduce social costs.

High-quality and stable pharmaceutical distribution capabilities

Building on a nationwide logistics network and advanced quality control systems, we ensure high-quality and stable pharmaceutical distribution. We support an uninterrupted and stable supply under both normal and emergency conditions by providing visibility into distribution operations through our traceability system.

Global-standard quality management through our proprietary healthcare distribution platform

In 2005, we became the first pharmaceutical wholesaler to provide Manufacturer Logistics, and went on to build a proprietary healthcare distribution platform that covers both Manufacturer Logistics and wholesale logistics end to end. We are working to apply the quality control expertise gained through Manufacturer Logistics to wholesale logistics, thereby achieving high distribution quality and building a robust supply system. In addition, we are promoting GDP compliance at Manufacturer Logistics and wholesale logistics sites nationwide, while building a quality control framework that integrates people and systems through ISO 9001:2015 certification, the use of standardized companywide systems, and the operation of our internal GDP Specialist certification program.

Nationwide deployment of internally certified GDP Specialists

- Basic-level GDP Specialists: 600
- Externally qualified Quality Management Auditors: 173

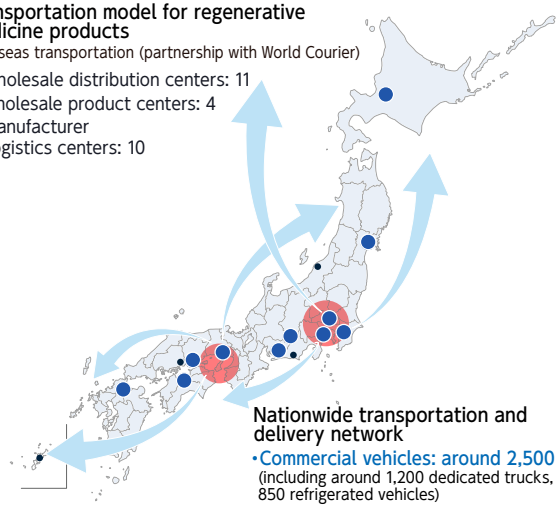
Awarded TQM Practice Award for quality excellence

- S.D.Logi awarded TQM Growth through Challenge Award under the 2025 Japan Quality Recognition Awards

Transportation model for regenerative medicine products

Overseas transportation (partnership with World Courier)

- Wholesale distribution centers: 11
- Wholesale product centers: 4
- Manufacturer Logistics centers: 10



Nationwide transportation and delivery network

- Commercial vehicles: around 2,500 (including around 1,200 dedicated trucks, 850 refrigerated vehicles)
- ISO 9001:2015 certified sites: 28 (certified at all distribution centers)

GDP-compliant quality & transportation management

- Dock shelters and refrigerated receiving rooms installed at distribution centers
- Wireless temperature data loggers installed in ambient-temperature storage areas and introduction of a 24/7/365 remote monitoring system
- Real-time wireless data loggers deployed during transportation, and VIXELL temperature-controlled pharmaceutical transport box used for temperature-controlled products (also supports pallet and container configurations)





Dock shelters prevent outside air from entering through gaps between facility openings and vehicles



VIXELL

Nationwide BCP system to support healthcare during emergencies

In addition to a logistics network centered on the Tokyo, Nagoya, and Osaka areas, we have established a backup system utilizing multiple distribution centers to ensure the continued stable supply of pharmaceuticals even in the event of a disaster. In April 2024, we started operations at the Greater Tokyo Distribution Center , which is fully equipped with disaster preparedness facilities, as part of efforts to strengthen our nationwide BCP infrastructure. We are also working to develop a transportation network utilizing aircraft, Shinkansen (bullet) trains, and ships.

Main BCP measures

Nationwide transportation and delivery network	We have a nationwide network linking Manufacturer Logistics and wholesale logistics, which enables the transportation of products owned by other companies in the event of a disaster, through cooperation with other transportation operators.
Core system redundancy	In an emergency, communication can be switched from the Nagoya head office to servers in Hokkaido.
On-site power generation	Equipment capable of continuous 72-hour operation: seven wholesale logistics sites (other logistics sites are also equipped with on-site power generation equipment and small generators).
Seismic isolation systems	Wholesale logistics sites: Meinan, Greater Tokyo area Logistics sites: Higashi Nihon, Nishi Nihon, Rokko, Tsukuba
Transport fuel stockpiling	Fuel is stockpiled at five sites nationwide to cover approximately one week of joint delivery in eastern Japan.
Satellite and priority phones	Satellite phones: all sales departments and distribution centers Priority phones: all branches.
Employee safety confirmation system	The safety of all employees across the Group can be confirmed remotely.
Disaster relief agreements with local governments	Agreements have been concluded on the supply of pharmaceuticals and related items during disasters.
Emergency delivery facilities	Helipads have been installed at four locations: the Chiba, Meinan, and Hanshin wholesale distribution centers and the Kochi branch. Landing and takeoff training is also conducted with the Japan Self-Defense Forces.
New GDP-compliant transportation network	A system has been established to use aircraft, Shinkansen, and ships to provide a high-quality, stable supply during disasters and for emergency transportation.

Human Capital

Human resources strategy

Suzuken Group positions our people as the most important management capital for realizing our vision of becoming a Health Creation Enterprise. People with diverse expertise come together as One Team, aiming to create new value for customers and society through talent development and organizational culture transformation.

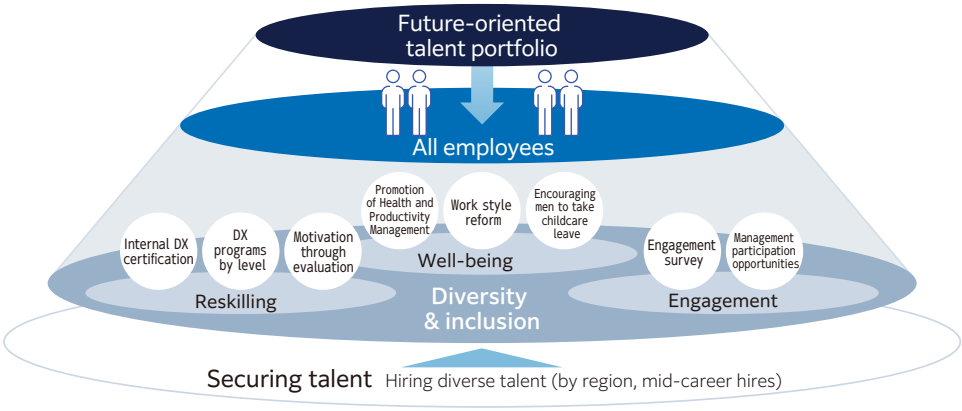
Message from the Executive in Charge

As the environment surrounding healthcare reaches a major turning point, it is essential that we continue creating new value, unconstrained by conventional frameworks, in order to achieve sustainable growth. The driving force behind this is our people. In addition to helping employees hone their expertise, we are developing talent who can take on challenges by leveraging digital technologies and data and combining diverse knowledge and experience. Through the development of DX talent, reskilling, and the fostering of a One Team culture that crosses over organizational and business boundaries, we are promoting the growth of our people and organization.
We will continue to maximize the potential of each individual through investment in our people and the transformation of our organizational culture, linking this to the creation of customer and social value and thereby achieving sustainable growth and enhancing corporate value.



Tatsuya Kato
Executive Officer
General Manager of Human Resources and General Affairs Department

Overview of human resources strategy



Human resources strategy: issues, key initiatives, and indicators

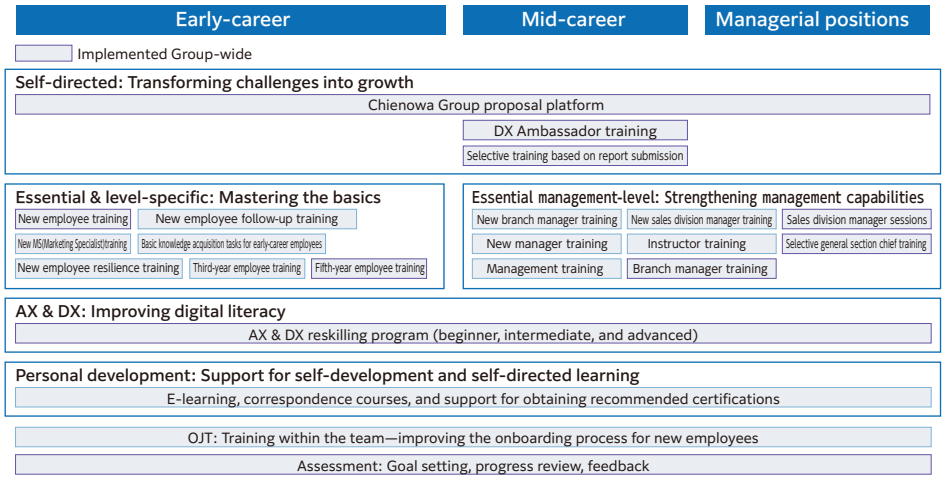
Theme	Input (issues)	Action (key initiatives)	Key indicators and results (FY2025)	Targets	Outcome	
Securing talent	Securing and retaining the talent to drive business growth	• Recruitment activity rooted in local characteristics • Enhance mid-career hiring • Support diverse work styles	—	Build stable recruitment systems	Achieve a talent portfolio that supports sustainable growth	Contribute to the resolution of social issues by becoming a Health Creation Enterprise
Reskilling	Develop talent to support the evolution into a Health Creation Enterprise (DX & AX talent, next-generation leaders)	• DX & AX reskilling programs • DX Ambassador program • Next-generation leader training • Succession planning • Support for self-directed learning and self-development • Intra-group personnel exchanges & training for selected employees	• Information Security Management Examination: 1,153 passed • DX Certification (score of 600+): 1,046 passed	Develop talent to drive DX & AX and take on next-generation management roles • JDLA Deep Learning for GENERAL: 500 to pass by FY2028 • Generative AI Passport: 2,000 to pass by FY2028	Establish a talent base to support business transformation and sustainable growth	
Engagement	Foster a companywide management mindset and a culture of taking on challenges	• Chienowa Group proposal platform • Employee attitude and satisfaction survey • Enhance Group communication	• Number of proposals: 1,715	Foster a corporate culture that encourages new challenges and employee proposals	Achieving frontline-led improvements and value creation	
Well-being	Create a safe, secure, and employee-friendly workplace	• Promote health and productivity management • Appropriate management of working hours • Encourage use of paid leave • Occupational health and safety initiatives	• Group companies designated as Certified Health & Productivity Management Outstanding Organizations: 11 • Average monthly overtime: 8.6 hours • Paid leave utilization rate: 64.9%	Create a supportive workplace that promotes physical and mental well-being • Increase the paid leave utilization rate • Appropriate management of working hours	Improve employee health and job satisfaction	
Diversity & inclusion	Enable diverse talent to demonstrate their capabilities, and expand opportunities to thrive	• Promote the advancement of women • Next-generation support programs • Encourage male employees to take childcare leave • Promote employment of people with disabilities • Active career program	• Proportion of women in management: 15.2% • Proportion of male employees taking childcare leave: 100% • Employment rate of people with disabilities: 2.59%	Create a work environment where diverse talent can thrive • Proportion of women in management: 20%+ by FY2030 • Proportion of male employees taking childcare leave: 100% every year	Create an organization where diverse talent can demonstrate their capabilities	

Human Capital

Reskilling

Developing self-directed talent

To strengthen the human capital that supports sustainable growth, our basic policy is to develop self-directed talent who learn, think, and act on their own initiative. We provide diverse learning opportunities and development programs, as well as opportunities to grow by putting knowledge into practice. We also assess the effectiveness of our development initiatives in light of changes in our management strategy and business environment, and continuously review their content based on gaps in our talent portfolio. Participation in training and e-learning is also increasing each year, helping to foster a culture of self-directed learning.



Developing DX & AX talent

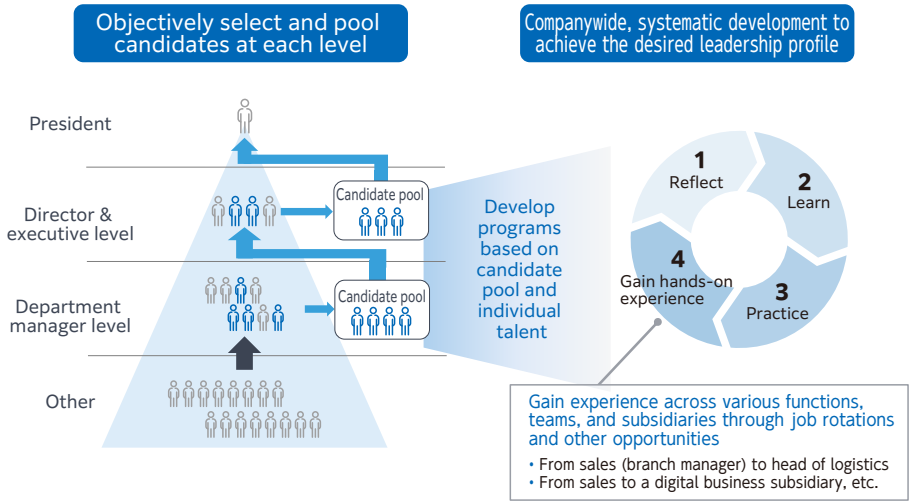
Building on the DX talent development initiatives under the previous Medium-Term Management Plan, we are developing AX talent to drive business transformation and value creation through the use of generative AI. Through training and e-learning, we support employees in acquiring knowledge of generative AI and learning about examples of use. We are also assigning personnel for promoting its use in all workplaces to encourage the deployment of generative AI in operations.

Indicators and targets

JDLA Deep Learning for GENERAL	500 to pass by FY2028
Generative AI Passport	2,000 to pass by FY2028

Developing next-generation leaders

We position the development and succession of next-generation leaders as an important management priority. Through job rotations beyond business and organizational boundaries, we are developing people who can cultivate a broad perspective and management mindset while bringing together diverse areas of expertise.
By building on these experiences, we will develop leaders who drive value creation across the Group, contributing to our vision of becoming a Health Creation Enterprise.



Engagement

Improving employee engagement

Suzuken Group conducts an attitude and satisfaction survey of the approximately 10,000 members of the Suzuken Group Labor Union. Through this survey, labor and management work closely together to regularly identify and analyze trends in employee attitudes and satisfaction regarding their work and workplace.
The results are shared with senior management and the heads of each organizational unit and are used to improve organizational management, system design, and workplace culture, as well as to inform future talent development. Through these initiatives, we are creating a supportive and rewarding workplace.

Human Capital

Engagement

Fostering a culture that embraces challenge through the Chienowa Group proposal platform

We launched the Chienowa Group proposal platform in April 2022, through which ideas proposed by individual Group employees are leveraged in management and business initiatives, from operational improvements through new business creation. Under our concept of "management by all", we have received over 10,000 proposals, of which around 50 have been implemented. By sharing knowledge through idea contests and cross-Group discussions, we are fostering a corporate culture that embraces challenges and deepening awareness of the One Team philosophy.

Examples of implemented proposals

- Foaming version of Suzuken Pure Soap, an additive-free, low-irritation soap
- Companywide rollout of customer-facing promotional flyers for the COLLABO Portal
- Upgrades and additional functionality for the sales support system
- Discontinuation of automatic form output



Foaming version of Suzuken Pure Soap

Initiatives to support employees take on challenges

- Idea contests for developing new COLLABO Portal functions and improving products in the medical device manufacturing business
- Opportunities for Group employees to learn from one another and share knowledge
  Topics covered: Integrated Report reading group; Investor relations learning sessions; Global business development

Chienowa initiatives rolled out across Group companies

- ASTIS Co., Ltd.
  Promoting One Team Meeting, a unique cross-functional forum for implementing proposals
- Suzuken Okinawa Yakuhin Co., Ltd.
  Holding cross-functional meetings to consider and implement operational improvements across department and job boundaries. Also rolled out to other business sites
- S.D.Logi CO., LTD.
  Since FY2021, awards have been given for employee-led initiatives that use frontline ideas and ingenuity to improve operational efficiency and quality, with all employees eligible



Astis One Team Meeting



Suzuken Okinawa Yakuhin cross-functional meeting



S.D.Logi Internal Improvement Awards Program

Well-being

Suzuken Group is publicly committed to Health and Productivity Management, aiming to maintain and promote the physical and mental health of our employees and their families. We have established a health counseling office staffed by full-time public health nurses, as an organizational unit specializing in health management. We are also building a collaborative framework for related departments, occupational health physicians, and the health insurance society. As part of our commitment to our employees' mental health, we conduct regular stress assessments and 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. In addition, through training for managers, we are working to deepen understanding and improve the workplace environment. As a result of these efforts, Suzuken and its Group companies, together with the Suzuken Health Insurance Society, have been designated as Certified Health & Productivity Management Outstanding Organizations.

Large enterprise category:
Suzuken, Sanki, Astis, Shoyaku, Sanwa Kagaku Kenkyusho

Small and medium-sized enterprise category:
S.D.Logi, Suzuken Health Insurance Society, Suzuken Iwate, Suzuken Business Associe, Suzuken Okinawa Yakuhin, Nakano Yakuhin

Diversity & Inclusion

Promoting women's advancement

We are increasing the employment of women and actively appointing them to management positions and new projects. We are also building flexible working arrangements and leave programs to help employees balance work with life events such as marriage, childbirth, and childcare.

Employment of people with disabilities

Through our special subsidiary Suzuken JoinUs, we are proactively hiring people with disabilities, and are working to develop roles that are matched to their individual situations. As of June 2025, the employment rate for persons with disabilities was 2.59%, above the statutory threshold.

Employment of older workers

We have established an environment in which employees can remain in active employment until age 70, providing opportunities for older talent with specialist knowledge and extensive experience and personal networks to continue deploying their capabilities.

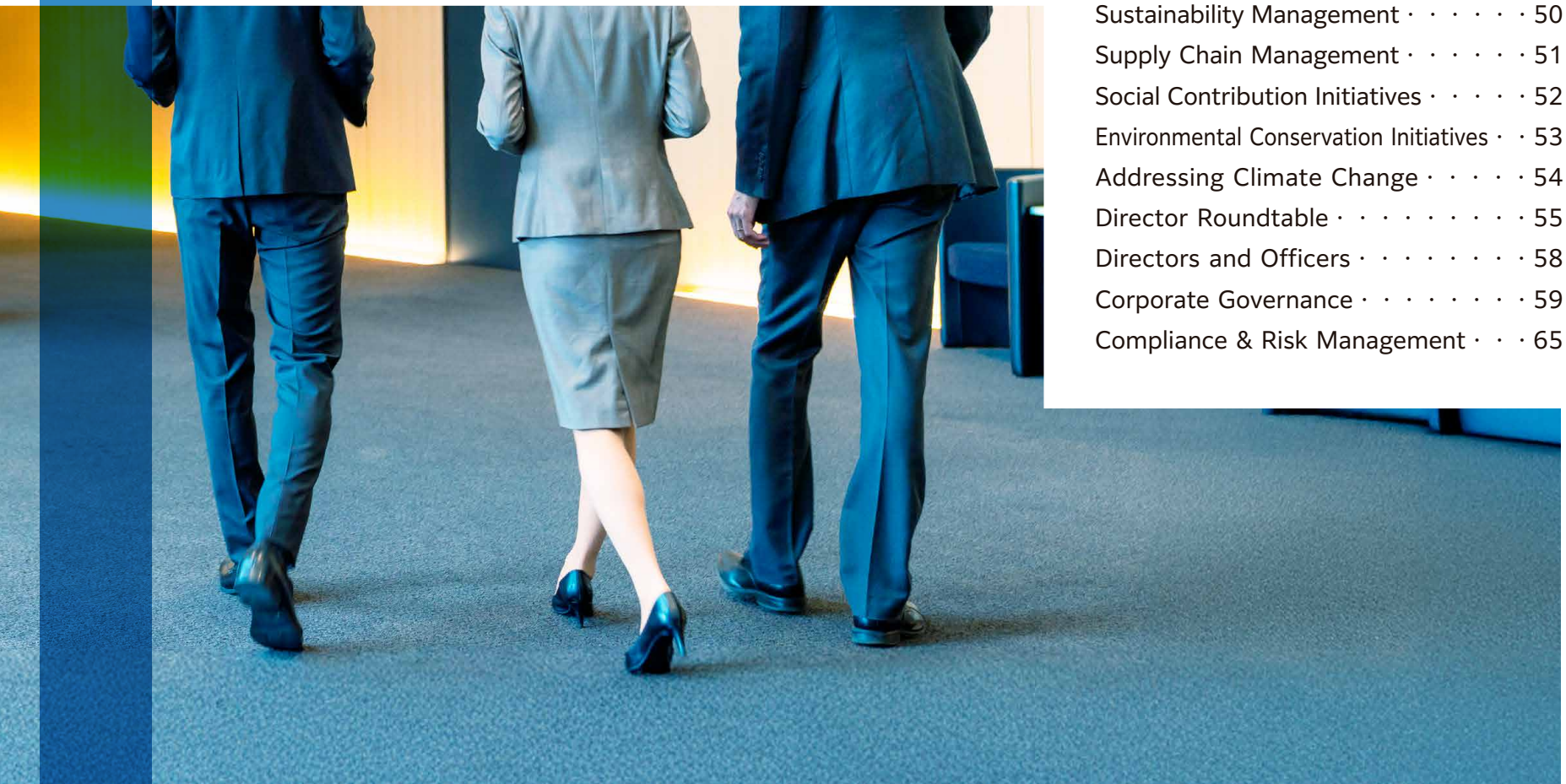
Eruboshi (level 3) certification for S.D.Logi

Platinum Kurumin certification for S.D.Logi

Aichi Women's Advancement Company certification obtained by Suzuken

Chapter

06 How Will We Strengthen the Foundations for Sustainable Growth?



Sustainability Management · · · · · · 50
Supply Chain Management · · · · · · 51
Social Contribution Initiatives · · · · · 52
Environmental Conservation Initiatives · · 53
Addressing Climate Change · · · · · 54
Director Roundtable · · · · · · · · · 55
Directors and Officers · · · · · · · · 58
Corporate Governance · · · · · · · · 59
Compliance & Risk Management · · · 65

Sustainability Management

Basic sustainability policy

Suzuken Group has defined its Purpose as continuously creating new value that can help resolve social issues and reduce social costs within the Health Creation business domain. Working together with the various stakeholders across the value chain is crucial to value creation, and we believe it is vital that we pursue our business activities while cultivating relationships of trust. With this understanding, we aim to create new business opportunities and reduce risks through our business activities, thereby underpinning sustainable growth and enhancing corporate value.

Promoting sustainability management

We recognize addressing sustainability issues as one of our key management priorities. To realize our Purpose, we are working to resolve social issues through our business activities, while seeking to both contribute to the realization of a sustainable society and enhance corporate value over the medium to long term.
Taking into account changes in the business environment as well as expectations and requests received through dialogue with stakeholders, we have identified key issues for the Group (material issues) and promote initiatives in alignment with our management strategies.
We also view the business strategies under our Medium-Term Management Plan and our material issues in an integrated manner. Based on both financial and non-financial indicators, we will accelerate sustainability initiatives across the Group while strengthening the momentum of our business activities.

Sustainability promotion framework

We view addressing sustainability-related risks and opportunities as an important management priority. As a Group-wide framework for promoting sustainability initiatives, we have established a Sustainability Committee that reports directly to the President.
The Committee is chaired by an executive officer from the Corporate Division and comprises the senior general managers of each headquarters and the general manager of the Human Resources and General Affairs Department. In principle, it meets at least once a year.
The Committee assesses both the impact of material sustainability issues on the Group's business activities and the status of measures taken to address them, while also monitoring progress toward KPIs and quantitative targets.
Initiatives relating to the identified material issues are also reviewed periodically in light of changes in the external environment and dialogue with stakeholders.
The Committee's discussions are reported periodically to the Board of Directors, which oversees the Group's response to sustainability-related risks and opportunities.

Sustainability promotion framework



Stakeholder engagement

We believe that collaboration with diverse stakeholders across our value chain is essential to creating new value that helps solve social issues and to achieving sustainable growth. We therefore strive to enhance communication with them. We will actively use the feedback we receive to advance 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 FY2025

Meetings held	3
Main discussions	• Sharing of challenges in sustainability management • Review of progress on KPIs, numerical targets, and initiatives relating to material issues • Sharing of sustainability initiatives across the Group • Response to sustainability disclosure requirements

Supply Chain Management

Our approach to supply chain management

As a corporate group supporting the medical and healthcare fields, the Suzuken Group works through our business activities to ensure the safe, secure, and stable distribution of pharmaceuticals, while also enhancing sustainability throughout the supply chain.
We emphasize collaboration and mutual prosperity with the business partners that make up our supply chain, and in March 2024, we published our "Declaration of Partnership Building (Japanese)." By building fair and highly transparent relationships with our business partners, we are working to strengthen partnerships that lead to mutual growth and value creation. We are also integrating digital technologies into our unique Healthcare Distribution Platform, which connects pharmaceutical companies, medical institutions, and patients. Through this platform, we are working to prevent imbalanced distribution of pharmaceuticals by adjusting supply and demand and to reduce losses from pharmaceutical disposal, while also contributing to more efficient logistics and reduced environmental impact. Furthermore, we are strengthening our systems for the stable supply of pharmaceuticals through measures including quality control compliant with the Guidelines on Good Distribution Practice (GDP) for pharmaceuticals and disaster response through the establishment of a nationwide BCP network.
In recent years, the environmental and social issues surrounding supply chains have become increasingly diverse, and companies are expected to address areas including respect for human rights, reduction of environmental impact, and strict compliance. We recognize these issues as management priorities and seek to both reduce risks and create value through dialogue and collaboration with our business partners.
Going forward, we will work to identify and address supply chain risks related to social issues, including human rights, labor practices, and compliance, as well as environmental issues. Through dialogue and collaboration with our business partners, we aim to build a sustainable and responsible supply chain.

Declaration of Partnership Building (Japanese)

Supply chain management (environment)

As a corporate group responsible for pharmaceutical distribution, we view addressing environmental issues such as climate change, resource circularity, and biodiversity conservation as an important management priority. We are working to improve efficiency throughout the supply chain, aiming to ensure a stable supply of pharmaceuticals while reducing environmental impact.
In pharmaceutical distribution, we are switching to energy-efficient vehicles and reducing energy consumption at our business sites. We are also improving the efficiency of transportation and delivery by establishing optimal delivery systems tailored to customer needs and by reducing frequent and emergency deliveries through proposals to customers on inventory optimization. We are also promoting a modal shift, including the use of Shinkansen and aircraft, thereby reducing the environmental impact of logistics.
In addition, taking into account the impact on biodiversity, we are working to reduce pharmaceutical waste throughout the supply chain.
We will continue to enhance disclosures in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, while promoting initiatives that take into account risks and opportunities related to climate change and natural capital.

Supply chain management (social)

We work to create value together with a wide range of stakeholders, including medical institutions, pharmacies, pharmaceutical manufacturers, healthcare and nursing care professionals, patients and their families, local residents and communities, and employees, thereby enhancing both social and economic value.

Our approach to human rights

We regard respect for human rights as a foundation of our business activities. Our Corporate Ethics Charter sets out our commitment to creating a safe and secure workplace and a rewarding work environment. We have also established the Suzuken Group Human Rights Policy, which applies to all employees. We also encourage our business partners and other relevant parties to understand and respect this policy. At the same time, we are developing systems to prevent human rights violations and identify them at an early stage, including by establishing internal regulations and setting up hotlines. Going forward, we will work to identify, prevent, and mitigate adverse impacts on human rights through human rights due diligence, thereby enhancing the effectiveness of our efforts to respect human rights.

Suzuken Group Human Rights Policy

Improving access to healthcare and nursing care, and contributing to local communities

We work to create new services based on feedback from patients and local residents obtained through our pharmacy and nursing care businesses. We are also developing services that help resolve issues in community healthcare and nursing care by using digital platforms to connect information between manufacturers and healthcare and nursing care professionals. Furthermore, we are working to reduce social costs by optimizing pharmaceutical distribution, to reduce the workload of healthcare and nursing care professionals through digital technologies, and to improve convenience for patients and their families. In addition, we are promoting initiatives in collaboration with local communities through partnerships with local governments.

Social Contribution Initiatives

Our basic approach

Suzuken Group's customers include medical institutions, pharmacies, pharmaceutical manufacturers, healthcare and nursing care professionals, patients, and even local communities. Leveraging the trust we have built with our valued customers through our business activities, we will continue to engage in social contribution initiatives in collaboration with our stakeholders, focusing on the three areas of 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, our pharmacies and nursing care facilities across the country provide health consultations for local residents and host seasonal events that residents, care recipients, and their families can enjoy together. In addition, Medicare Collabo, 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

Looking out for local seniors and supporting their health

Each of the Group's pharmaceutical distributors has entered into partnership agreements with local governments to support the well-being and promote the health of local seniors. By engaging in joint support activities with relevant parties, we are working to create more comfortable and sustainable communities.

Initiatives for World Diabetes Day

In support of the United Nations' designation of November 14th as World Diabetes Day, we participate in awareness campaigns to promote the prevention, treatment, and management of diabetes. Every November, Sanwa Kagaku Kenkyusho and the Group's pharmaceutical distribution companies take part in initiatives such as wearing Blue Circle lapel pins, the symbol of diabetes awareness.

Environment 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 Gujo in Gifu Prefecture, and to contribute to regional revitalization, Suzuken Group has been hosting a Shiratori Odori event every year since 2015 at Koju Takasu, its employee 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 since 2001. These lectures invite leading experts from various fields to explore the nature of society and how we should live. In FY2025, a total of 41 sessions were held.

These initiatives were recognized as outstanding corporate cultural activities and selected for This is MECENAT 2026 by the Association for Corporate Support of the Arts.


Joining local residents in the Shiratori Odori circle dance (2026)

THIS IS MECENAT 2026

Development of the next generation

Support for medical students

Kenzmedico, a manufacturer of medical equipment and supplies, supports the International Federation of Medical Students' Associations and contributes to the education and training of medical students by producing a dedicated website and brochures on the history and correct use of its own stethoscopes.

Initiatives for training dementia care 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, which operates a pharmacy business, 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

Environmental Conservation Initiatives

Our basic approach

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 “an indispensable partner that helps maintain a healthy planet and contributes to healthy, fulfilling lives filled with smiles for everyone," we promote environmental conservation initiatives integrated with our business operations to help realize a sustainable society. We also view minimizing social costs, including pharmaceutical disposal losses and unused medicines, as a key management priority.

Environmental management framework

Under the Group’s environmental policy, we implement the PDCA cycle and take steps to deepen environmental awareness among all employees. In addition, by improving our business activities, we work continuously and systematically to reduce our resource and energy consumption.
To help realize a sustainable society, our Sustainability Committee oversees initiatives on key issues such as environmental conservation, including CO_2 emissions reductions, and the reduction of social costs. It also manages risks that climate change and other factors pose to our business activities.

Initiatives to reduce CO_2 emissions

Implementing smart logistics

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

Modal shift initiatives

S.D. Collabo, which operates a specialty drug contract distribution business, is promoting a modal shift. This effort leverages its nationwide transport network and high-quality logistics coordination expertise cultivated in Manufacturer Logistics.
We are helping to reduce 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 configurations for freight transport, enabling specialty drugs to be transported under strict temperature control.
In addition, we are working to reduce our environmental footprint and social costs through initiatives such as establishing new pharmaceutical transportation networks using the Shinkansen, 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 87.7% conversion by the end of March 2026. We are also introducing electric vehicles, installing additional solar panels at business sites and distribution centers, and replacing equipment with energy-saving alternatives such as LED lighting and high-efficiency air-conditioning systems.
In 2025, we further reduced CO_2 emissions by adopting green power at the Greater Tokyo Distribution Center and replacing multifunction printers with energy-saving models.



Solar panels newly installed at the Miyagi Distribution Center



EVs for delivery

Biodiversity

Our approach to biodiversity

We view 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 contribute to maintaining and conserving it. 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 is to be "an indispensable partner that helps maintain a healthy planet and contributes to healthy, fulfilling lives filled with smiles for everyone." Under this policy, we aim to achieve a sustainable society and manage the risks of climate change factors in our business activities.

Strategy

We conduct qualitative and quantitative assessments and analyses of the financial impacts of anticipated climate change-related risks and opportunities on our business activities, based on multiple scenarios published by the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA), and the Network for Greening the Financial System (NGFS). For the scenario analysis, we use two scenarios: a "below 2°C" scenario in which the increase in temperature from pre-industrial levels is limited to below 2°C, in line with the long-term goal of the Paris Agreement, and a "4°C" scenario in which efforts to reduce CO_2 emissions are insufficient.

(1) Envisioned scenarios

Below 2°C	•Increase in business operation costs to address climate change •Rising energy costs •Emergence of new business opportunities due to rise in environmental awareness •Positive market appraisals for companies addressing environmental burden
4°C	•Loss of business opportunities due to more frequent and intense natural disasters •Tighter restrictions on business and consumer activities •Rising energy costs •Emergence of health risks for employees and the increase in related costs •Market squeeze-out of companies unable to reduce environmental burden

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

Category			Overview	Impact on finances	
				Below 2°C	4°C
Risks	Transition risks	Policy & legal	Cost increases due to carbon tax and other new taxation schemes	Low	Low
		Technology & market	Cost increases from transition to renewable energy	Medium	Low
			Cost increases from transition to low-carbon technology products	Medium	Low
			Cost increases due to rising fuel prices stemming from geopolitical risks	Low	Low
		Reputation	Loss of trust from stakeholders due to inadequacy of climate change countermeasures	Low	Low
	Physical risks	Acute	Cost increases due to more frequent and intense natural disasters	Low	Low
		Chronic	Increased health risks for employees and loss of business opportunities due to increase in infectious diseases and heat stroke	Low	Low
			Increased response costs due to rise in average temperature and changes in weather patterns	Low	Low
Opportunities		Resource efficiency	Reduction of CO_2 emissions through improvements to distribution processes	Low	Low
		Products & services	Opportunities to provide new services due to rise in market's environmental awareness	Low	Low
			Increased need in market for vaccines and medicines due to the increase of infectious diseases and heat stroke	Low	Medium
		Resilience	Greater recognition from stakeholders for helping to address climate change	Low	Low

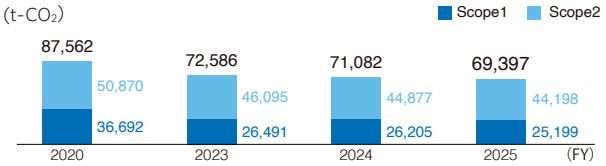
Risk management

Based on the sustainability promotion framework, the Sustainability Committee discusses the impact of climate change on the Group and reports the results of its deliberations to the Board of Directors in accordance with their significance.
We also view maintaining our function as social infrastructure for the safe, secure, and stable distribution of pharmaceuticals as an important risk management priority. We are working to ensure total traceability and improve distribution quality based on global standards. We have also established a nationwide BCP network centered on the Tokyo, Nagoya, and Osaka areas, under which Manufacturer Logistics and wholesale logistics work together in the event of natural disasters and other emergencies. Through these initiatives, we are strengthening collaboration and cooperation with local communities and other stakeholders, while promoting optimization and greater efficiency throughout the supply chain.

Metrics and targets

Suzuken Group supports the declaration of carbon neutrality by 2050 and has set a Group-wide target of reducing Scope 1 and Scope 2 emissions by 40% by FY2030 compared with FY2020.
We also recognize the importance of addressing Scope 3 emissions and will work to reduce CO_2 emissions throughout the supply chain.

CO_2 emissions (Scope 1+2)



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

Director Roundtable

Enhancing Group-wide corporate value through governance that both drives growth and manages risk



Expected roles and initiatives to enhance board effectiveness

Tomita: First, I would like to ask each of you what roles you believe are expected of the Board of Directors and of yourselves. In my case, as a full-time member of the Audit and Supervisory Committee, I believe my role is to accurately gather information from within Suzuken Group and maintain close communication with the executive management, while drawing on the knowledge and networks I have built up in oversight functions such as internal audit and human resources.

Kondo: As a Certified Public Accountant and Tax Accountant, I see my role as expressing opinions from the perspectives of corporate accounting, finance, and taxation. Looking back over the past fiscal year, three agenda items in particular stood out to me. The first was a report on the outcomes of compliance concerns raised and self-reported by employees. I felt it reflected Suzuken's character, which places emphasis on creating an environment in which employees feel free to raise any concerns. The second was an important accounting and finance matter. The careful and sound approach to decision-making, based on an appropriate assessment of the risks, gave me a sense of Suzuken's healthy management culture. The third was the acquisition of shares in medimo. I was impressed by the transparency and care in the decision-making process, in which we were provided with an explanation in advance and a resolution was passed only after sufficient discussion of questions and concerns. This also enabled me to understand the importance of the acquisition for the future development of the digital business.

Nakagaki: Drawing on my professional experience, I hope to contribute by offering perspectives that differ from those within the Company, while remaining mindful of the role the Group should play in the healthcare delivery system and local communities. Like Mr. Kondo, the discussion that particularly stood out to me last fiscal year was the one on the acquisition of medimo. Through the series of explanations and discussions, I sensed the executive team's strong commitment to this business.
I felt this was a highly significant initiative, as it demonstrated the Group's intention to contribute more broadly to people's health and the healthcare delivery system by leveraging digital technologies, while also fulfilling its role in the pharmaceutical distribution business.

Shimizu: As Chair of the Audit and Supervisory Committee, I believe my role is to oversee the Group to ensure that appropriate decision-making processes are in place. From the perspective of human capital management, which is key to sustainable growth, I also see my role as making recommendations aimed at creating an environment in which diverse talent can thrive and incorporating diverse perspectives into management. What particularly stood out to me were the Group's proactive efforts to promote digital transformation (DX) in the pharmaceutical industry and to advance smart logistics. The Group is taking on new challenges that go beyond the conventional pharmaceutical distribution business, including the investments and organizational changes needed to support these efforts, and I have seen a significant transformation taking place.

Ogasawara: I hope to draw on my many years of experience as an executive responsible for risk and compliance during my banking career to provide advice on risk management and crisis management systems across Suzuken Group. I see my role as an outside director as ensuring "defensive" governance, which in turn supports sound risk-taking by management, thereby contributing to the sustainable enhancement of corporate value. Last fiscal year, for one investment proposal, we received an advance briefing not only on its significance and future potential, but also on where the risks lay and how they would be mitigated. This enabled us to have more in-depth discussions at the Board meeting. I feel that the accumulation of these careful processes is further improving the quality of deliberations and leading to more effective decision-making.

Tomita: I also feel that the quality of deliberations is steadily improving. Going forward, I believe it is important to continue efforts to further enhance the effectiveness of the Board, such as creating an environment where outside directors can engage in discussions based on sufficient information.

Ogasawara: Advance briefings and the provision of information to outside directors have also improved significantly over the past few years. As the Group expands its initiatives in DX and new growth businesses alongside the pharmaceutical distribution business, the themes and issues that need to be discussed by the Board will also change. In light of these changes in the business environment, I believe it is important to continuously review the matters brought before the Board and how discussions are conducted, thereby further enhancing the effective-ness of the Board.

Shimizu: To further enhance the Board's effectiveness, advance briefings are essential, as is ensuring that outside directors are familiar with industry practices and terminology. For individual agenda items, I believe deeper discussions would be possible if we were given not only the details of each proposal but also what it means for the Group, along with its expected benefits, associated risks, points requiring attention, and measures to address them.

Nakagaki: I would welcome more opportunities to hear directly from the executive officers about their views. If we can better understand the challenges they see and the background to their decisions, I believe this will lead to deeper discussions at Board meetings. Especially now, with the environment surrounding health and healthcare changing significantly, sharing the realities and challenges on the ground will, I believe, lead to better decision-making.

Achieving the targets of the new Medium-Term Management Plan

Tomita: The Group is currently transforming its business portfolio as it works towards becoming a Health Creation Enterprise. I believe a key challenge under the new Medium-Term Management Plan will be how we carry forward our strong sense of mission to serve society and patients, while translating that mission into new businesses and earnings and, ultimately, enhanced corporate value. In that context, the talent and organizational structure needed to achieve our evolution into a Health Creation Enterprise are also topics I would like the Board to discuss.

Ogasawara: During the previous Medium-Term Management Plan, everyone worked together to drive growth while managing risks despite the challenging environment, leading to improved business performance and enhanced shareholder returns. I view these achievements positively. In formulating the new Medium-Term Management Plan, the President personally pro-vided detailed explanations at informal meetings with directors and on other occasions, enabling us as outside directors to participate in the discussions with a full understanding of the plan and its rationale. I would like to further support the enhancement of corporate value by continuously monitoring whether the initiatives and investments set out in the plan are delivering the expected results.

Kondo: What I see as particularly important to achieving our targets is adding fee-generating businesses to our traditional margin-based businesses, especially through the development of the digital business. From an ac-counting and financial perspective as well, diversifying our earnings base and developing businesses with strong growth potential are important initiatives for enhancing corporate value, and I have high expectations for our progress in these areas.

Tomita: In the digital business, it will be important to determine how the new connections established with healthcare and nursing care professionals through COLLABO Portal and other services can be translated into new value creation and earnings. We also need to demonstrate the results of these initiatives more concretely both inside and outside the Company. How we leverage AI technology, along with securing and developing the necessary talent, will also be an important challenge going forward.

Nakagaki: I agree. It is crucial that, in addition to delivering results during the period of the Medium-Term Management Plan, we also clearly demonstrate the path beyond it. We need to steadily build the foundations needed to con-tinue fulfilling our role in society, while sharing a common vision of where we want to be in the future.

Shimizu: When I attended the Management Planning Meeting, I got a real sense that the situation surrounding the Company and our direction were being clearly communicated to officers and senior employees, including those at Group companies. It is crucial that we use opportunities like this to get the whole Group facing the same direction. Rather than simply communicating the plan externally, it is essential that its purpose and significance are clearly understood throughout the organization so that employees understand the rationale and translate it into action. This is vital for achieving our targets.

Suzuken Group's strengths

Tomita: Where do you think the Group's strengths lie? For me, above all, it is our people. During my many years working in human resources, I was con-stantly amazed by our employees' desire to contribute to society and serve our customers and patients, and by the enthusiasm and initiative that naturally stem from that desire.

Kondo: Seeing the Group from the inside has significantly changed the impression I had of it from the outside. I have found it to be a company with a strong compliance culture, meticulous internal controls, and a sound management foundation. I also see the Group's broadening business portfolio as a major strength. In addition to a nationwide logistics network and highly automated logistics infrastructure, our operations now extend to the manufacture of pharmaceuticals and medical devices, the operation of pharmacies and nursing care facilities, and the digital business.

Ogasawara: I believe one of our major strengths is that we are moving forward together as One Team. With the goal of evolving beyond the pharmaceutical distribution business to become a Health Creation Enterprise, we are pur-suing new initiatives in areas including logistics and digital under man-agement's strong leadership. Going forward, from a human capital per-spective, I believe enhancing expertise in areas such as pharmaceuticals, logistics, systems, and DX will further strengthen the Group's competi-tiveness. As the use of generative AI becomes more widespread, I also believe the knowledge and expertise to properly assess its outputs will be increasingly necessary for everyone across the organization, including officers.

Shimizu: I sense a deep attachment to the Group among both officers and em-ployees. Pride in the social role they fulfill and in being part of the Group brings our people together. At the same time, if we are to grow beyond the conventional boundaries of the pharmaceutical distribution business, a homogeneous organization will inevitably have blind spots and miss im-portant perspectives. I believe the key to our future growth will be bringing together people with diverse experiences and values who can stimulate one another and combine strengths.

Nakagaki: I believe one of the Group's major strengths is our contribution to maintaining and improving health both nationwide and in local commu-nities across a broad range of healthcare and nursing care fields, centered on the pharmaceutical distribution business. At the same time, as we make greater use of DX and AI, it will be important to raise capabilities across the organization without leaving anyone behind. The pharmaceutical dis-tribution business plays an important role in supporting the healthcare delivery system, but there are relatively few opportunities for that value to be widely recognized. I therefore believe it is also important to com-municate this role on various occasions, thereby fostering pride and mo-tivation among employees.

Governance priorities and expectations for the Group

Tomita: Governance is an essential foundation for enhancing corporate value and minimizing risk across the Group, while we work as One Team to become a Health Creation Enterprise. Governance is often confused with compliance and risk management, but it is more than these: it also provides the foundation for sharing strategies and values across the Group and working together to put them into action. We aim to build an autonomous governance framework in which common policies are embedded throughout the Group, and transparency is maintained.

Ogasawara: The Audit and Supervisory Committee now has systems in place that give us visibility into a wide range of information from Group companies and enable us to understand the situation at each company. Risk management initiatives at individual companies have also progressed, and I feel that Group governance is steadily becoming stronger. Rather than simply responding to issues after they arise, we need to dig deeply into their background and root causes and develop preventative mechanisms. This will help protect the Company and further strengthen governance. The Group's activities in pharmaceutical distribution, logistics, DX, and other areas all play important roles in society. I hope that by actively com-municating this value outside the Group, we can deepen stakeholders' understanding while also fostering pride among employees and attracting the talent who will lead the Group in the future.

Kondo: Through my meetings with the presidents and corporate auditors of individual Group companies, I have seen that governance frameworks are steadily being put in place. The Group brings together companies with different histories and cultures, both in Japan and in countries including China and South Korea. I hope that we will continue to develop Group governance further while maintaining the strong foundation that arises from a shared commitment to the business.

Shimizu: I feel that the Group has now entered a new stage. Precisely because we are in a period of major transformation, it is important to ensure not only that decisions are lawful and appropriate, but also that the decision-making process itself is appropriate, including the discussions and deliberations that lead to each conclusion. I hope that all employees will come together and thrive as we move into this new stage while preserving our valued corporate culture.

Nakagaki: I believe it is important to communicate to employees in a timely and accurate manner the issues recognized by the President and other senior management, and the specific initiatives being taken to address them. The external environment is changing significantly, but I hope that the Group will continue to develop into one that makes an even greater contribution to improving the health of people throughout Japan. We will also strive to do our part to support that progress.

Tomita: As everyone has noted, Suzuken Group has strengths and a corporate culture that have been cultivated over many years. At the same time, taking on new challenges will be essential to realizing our vision of becoming a Health Creation Enterprise. As the Board of Directors, we intend to further enhance the effectiveness of governance by supporting the Group in taking on new challenges while appropriately managing risks, thereby contributing to enhanced corporate value across the Group.

Message from Newly Appointed Director



Contributing to New Initiatives with a Sense of Mission to Support Social Infrastructure

Tomohiko Ono
Outside Director

Throughout my career, I have been involved in the electric power supply and electrical installation businesses. Electricity and pharmaceuticals have one thing in common: both are essential to social infrastructure, and if supplies were interrupted, people's daily lives and economic activity could not continue. When I learned how Suzuken Group worked to supply pharmaceuticals to areas affected by the Great East Japan Earthquake, I was struck by the importance of the Group's mission to society. Suzuken Group has strong front-line capabilities, underpinned by relationships of trust with customers, as well as a history and culture of boldly taking on new challenges as a pioneer, without fear of failure. As the declining birthrate leads to both lower demand and a shrinking workforce, it will be important to ensure a smooth transfer of knowledge and expertise from experienced employees to younger generations, and to generate results from new health-related businesses. Drawing on my experience, I hope to contribute to Suzuken Group as it takes on these new challenges.

Directors and Officers

Directors








Name	Shigeru Asano	Hiromi Miyata	Hirofumi Tanaka	Chie Takahashi	Hideaki Nakagaki	Tomohiko Ono
Position	President and Chief Executive Officer	Director and Chairman	Executive Managing Director	Director, Senior Executive Officer	Outside Director	Outside Director
Years in office*1	11 years	14 years	4 years	6 years	2 years	Newly appointed
Number of shares held	35,000	46,000	20,000	13,000	—	—
Attendance at Board of Directors meetings (FY2025)	17/17	17/17	17/17	17/17	17/17	—

Audit and Supervisory Committee Member






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)
Years in office*1	1 year	5 years	3 years	2 years
Number of shares held	7,000	—	—	—
Attendance at Board of Directors meetings (FY2025)	14/14*2	17/17	17/17	17/17

*1 Years in office refers to the total number of years serving as officers (Directors, or Directors who are Audit and Supervisory Committee members) of SUZUKEN CO., LTD. as of the end of FY2025.

*2 Asako Tomita was appointed at the 79th Annual General Meeting of Shareholders held on June 25, 2025. Attendance therefore only relates to meetings of the Board of Directors held on or after that date.

Name	Director / Audit & Supervisory Committee Member	Inside / Outside	Male / Female	Corporate Management	Sales / Marketing	Logistics / Supply Chain Management (SCM)	Finance / Accounting	Legal Affairs / Risk Management / Compliance	Business Development	Government Experience	Management experience at other companies (including international experience)
Shigeru Asano	Director	Inside	Male	★		★	★		★		
Hiromi Miyata	Director	Inside	Male	★	★	★			★		
Hirofumi Tanaka	Director	Inside	Male		★	★					
Chie Takahashi	Director	Inside	Female					★	★		
Hideaki Nakagaki	Director	Outside	Male							★	
Tomohiko Ono	Director	Outside	Male		★						★
Asako Tomita	Audit & Supervisory Committee Member	Inside	Female					★			
Takeshi Ogasawara	Audit & Supervisory Committee Member	Outside	Male				★	★			★
Toshimichi Kondo	Audit & Supervisory Committee Member	Outside	Male				★				
Ayako Shimizu	Audit & Supervisory Committee Member	Outside	Female					★			

Note: The matrix shows up to four areas in which each director is particularly expected to contribute. The absence of a mark does not mean that the director lacks knowledge or expertise in that area.

Corporate Governance

Our basic approach

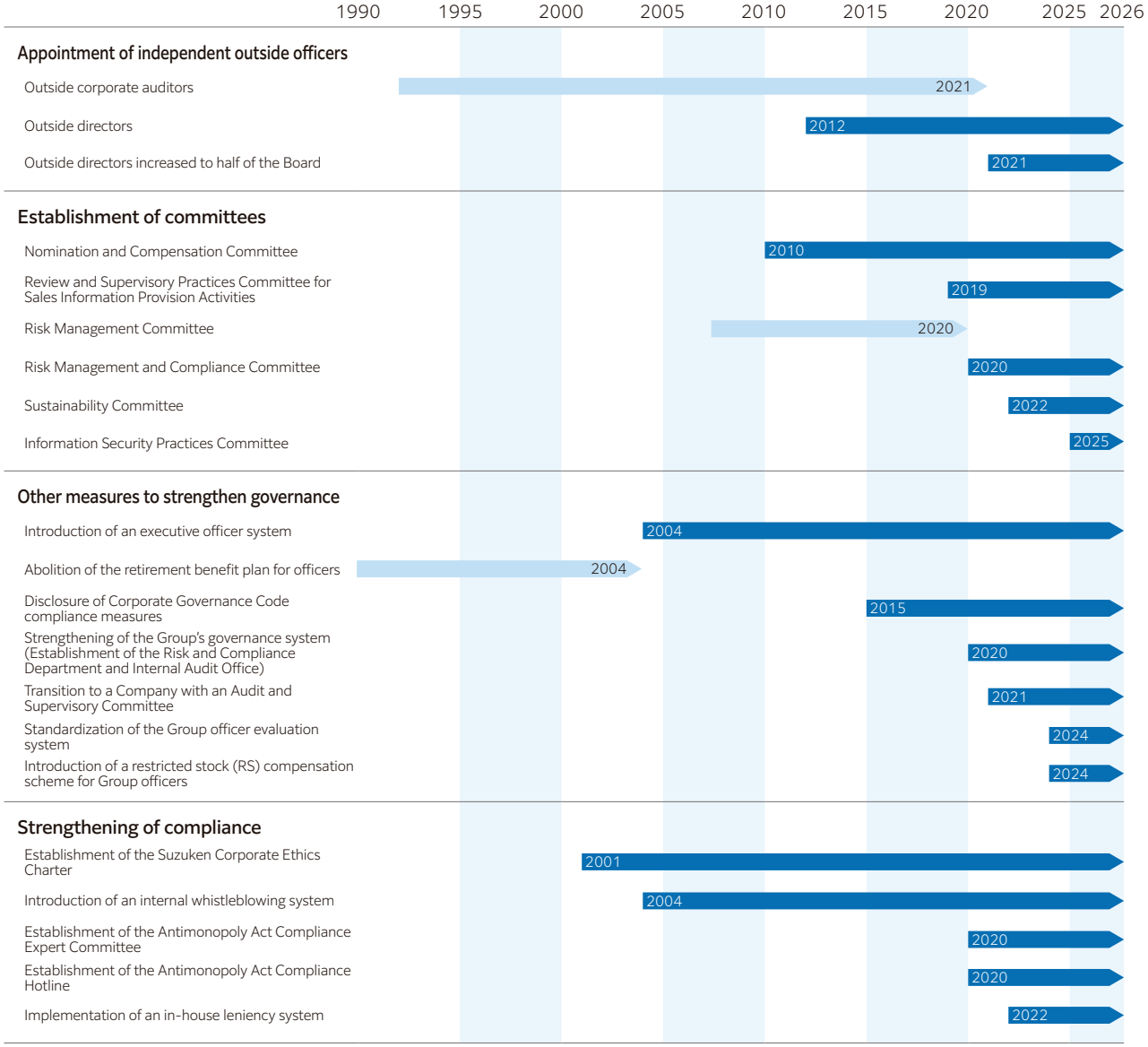
Suzuken Group positions the strengthening of corporate governance as a key management priority. Through efforts focused on strengthening our management structure, reinforcing our risk management systems, and enhancing disclosure and accountability, we aim to foster greater stakeholder trust in our Group and achieve sustainable and sound development.

Corporate governance framework

Strengthening management structure

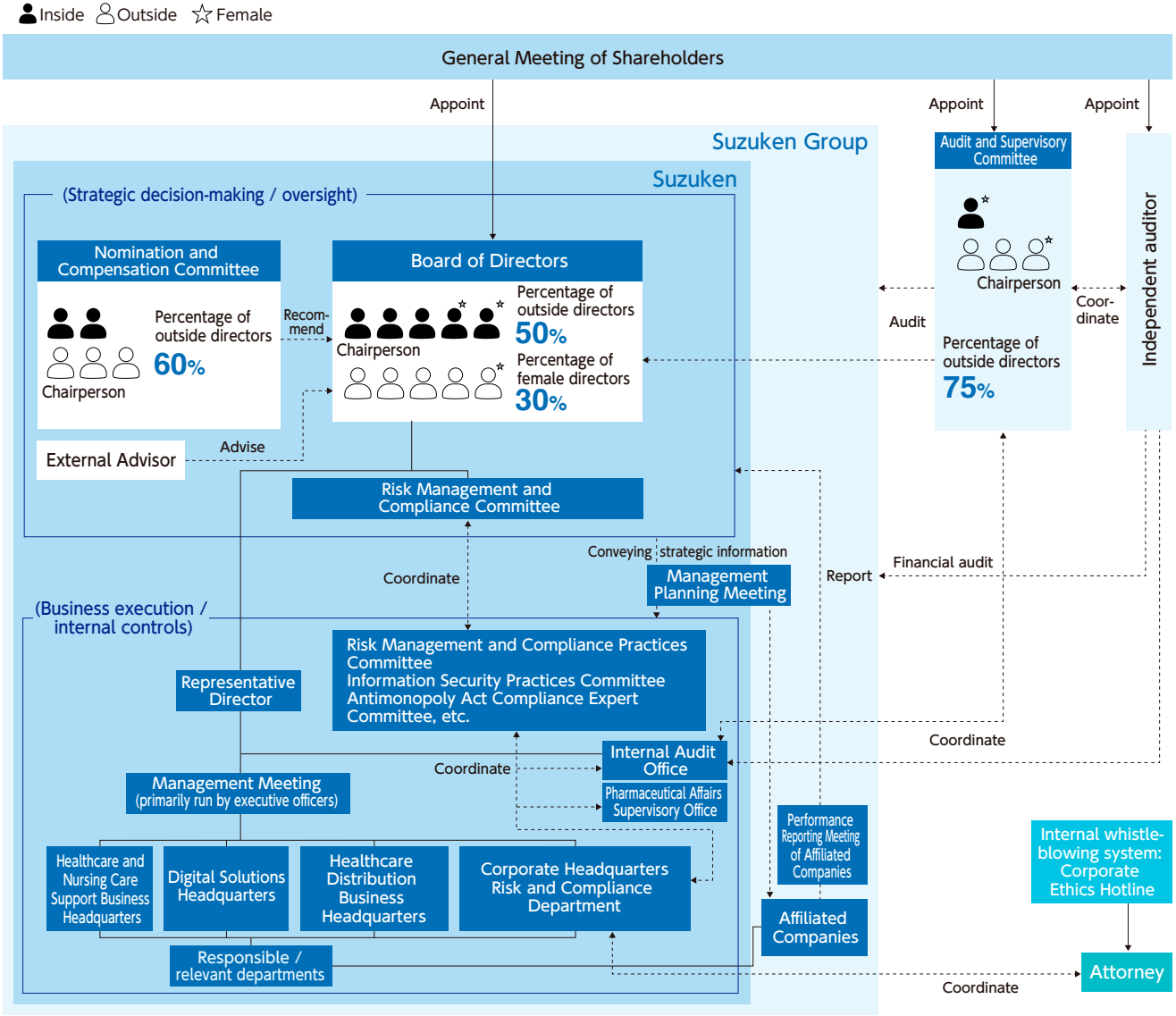
Suzuken employs a framework in which the directors are responsible for overseeing management and making decisions, while the executive officers are responsible for carrying out business operations. To date, we have abolished the retirement benefit plan for officers, reduced the maximum number of directors, and introduced an officer compensation system 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 officers and employees. The primary measures include dispatching Suzuken personnel to serve as directors or corporate auditors of the subsidiaries, establishing systems for reporting to and obtaining approval from Suzuken in compliance with affiliated company management rules, and conducting regular audits of each subsidiary by Suzuken's Audit and Supervisory Committee, Internal Audit Office, and independent auditor. Furthermore, we provide guidance on the development of transparent internal control systems, tailored to the characteristics of each subsidiary.
In addition, to strengthen Group governance, we have established a framework in which the executive and audit functions fulfill their respective roles while also working in close cooperation, thereby promoting integrated Group-wide management.

Progress in strengthening corporate governance



Corporate Governance

Overview of corporate governance framework



Diversity of the Board of Directors

Suzuken's Board of Directors is composed of inside 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 size. With this balanced composition, the Board of Directors carries out decision-making, supervision, and oversight from multiple perspectives.

Reasons for selecting skill areas

Expertise and experience (skill areas)	Reasons for selection
Corporate Management	Broad knowledge and experience needed for formulating and executing medium- to long-term growth strategies and overseeing their effectiveness
Sales / Marketing	Needed to develop and provide optimal products and services that help solve customer issues effectively
Logistics / Supply Chain Management (SCM)	Needed to advance our functions as social infrastructure supporting pharmaceutical distribution and optimize distribution through digital technologies
Finance / Accounting	Broad knowledge and experience needed to formulate and execute financial strategies, as well as improve capital efficiency
Legal Affairs / Risk Management / Compliance	Needed to ensure legal and regulatory compliance, appropriately manage diverse risks such as natural disasters and business risks, and strengthen the Group's foundation
Business Development	Needed to create new profit-generating businesses for the early realization of a Health Creation Enterprise
Government Experience	Broad knowledge and experience concerning medical regulations and government policy trends needed to develop businesses related to health and healthcare
Management experience at other companies (including international experience)	Multifaceted knowledge and experience gained from actual corporate management needed to expand across a wide range of businesses

Corporate Governance

Activities of the Board and committees

Board of Directors	**Overview** 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 makes decisions about matters prescribed by law and important matters concerning management. In addition, directors and executive officers report to the Board, enabling mutual supervision and monitoring of the appropriateness and efficiency of the execution of duties. To ensure the appropriateness of the Board's decisions and the legality and propriety of the execution of duties, the Audit and Supervisory Committee members attend all Board meetings, express their opinions, and provide oversight from multiple perspectives.	**FY2025 Board of Directors meetings** **Members and composition** • Chairperson: President and CEO • 10 members (5 inside directors, 5 outside directors) **Frequency and attendance** • 17 meetings • Attendance: Inside directors 100%, outside directors 100% **Key topics** • Matters concerning budgets, investment plans, and financial results • Matters concerning shareholders' meetings • Matters concerning personnel and organizational structure • Matters concerning capital policy, investment proposals, and contract approvals
Audit and Supervisory Committee	**Overview** 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 and the annual auditing policy and audit plan, attends Board meetings and other important meetings, and audits the status of business operations and assets, as well as whether internal control systems, including compliance and risk management systems, are properly established and operated at the headquarters, major business sites, and subsidiaries. This is conducted by receiving reports from directors, executive officers, the internal audit division, and others on the execution of duties and by reviewing important approval documents. Reports are also received from subsidiaries as necessary.	**FY2025 Audit and Supervisory Committee meetings** **Members and composition** • Chairperson: Outside director • 4 members (1 inside director, 3 outside directors) **Frequency and attendance** • 14 meetings • Attendance: Inside directors 100%, outside directors 100%
Nomination and Compensation Committee	**Overview** 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 inside director, and three outside directors, all appointed by the Board of Directors. Outside directors make up the majority of the Committee to ensure the transparency and objectivity of its deliberations.	**FY2025 Nomination and Compensation Committee meetings** **Members and composition** • Chairperson: Outside director • 5 members (1 representative director, 1 inside director, 3 outside directors) **Frequency and attendance** • 2 meetings • Attendance: Inside directors 100%, outside directors 100%

Internal audits

Internal audits are performed by the Internal Audit Office, which reports directly to the President. The Office audits whether internal controls are functioning effectively, with an emphasis on thorough compliance and risk management, at Suzuken's business sites 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 onsite 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.

Corporate Governance

Nomination and appointment of directors

To ensure transparency and objectivity in the nomination of director candidates, the Company has established the Nomination and Compensation Committee, in which outside directors constitute a majority. 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.

Breakdown of officers' compensation

In determining compensation for directors, we adhere to the basic principles of transparency, fairness, and motivation. Deliberations are conducted by the Nomination and Compensation Committee, with the Board of Directors making the final decisions. 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 comprises a short-term incentive and a medium- to long-term incentive. The short-term incentive consists of individual performance evaluation compensation that reflects achievement of performance targets, and ordinary profit-based compensation based on a fixed percentage of consolidated ordinary profit. The medium- to long-term element is a restricted stock compensation scheme. Directors who are members of the Audit and Supervisory Committee receive only fixed compensation.

The performance targets used to determine performance-based compensation are set for both company-wide performance and the performance of the business units overseen by individual directors, with greater weight assigned to company-wide performance for more senior positions. Targets for company-wide performance are deliberated 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 FY2025, company-wide performance targets include consolidated market share of prescription pharmaceuticals, consolidated net sales, and the consolidated ordinary profit margin, assessed against consolidated earnings forecasts. Business unit performance indicators are set according to the roles and responsibilities of each unit. For FY2025, the total compensation for directors was as shown in the table below.

Officers' 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	Representative directors	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 profit)
	Restricted stock compensation scheme		As an incentive for the company's sustained growth	Directors concurrently serving as executive officers	A flat percentage	A certain percentage of monetary compensation

*Director compensation for outside directors is determined individually.

Directors' compensation amount

Classification	Total compensation (¥mn)	Total amount by type of compensation (¥mn)			Number of eligible 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)	314	137	138	38	6
(of which, outside directors)	(22)	(22)	(—)	(—)	(2)
Directors who are Audit and Supervisory Committee members	69	69	—	—	5
(of which, outside directors)	(33)	(33)	(—)	(—)	(3)
Total	383	206	138	38	11
(of which, outside officers)	(55)	(55)	(—)	(—)	(5)

Corporate Governance

Evaluation of the effectiveness of the Board of Directors

The results of the evaluation of the effectiveness of Suzuken's Board of Directors for FY2025 are as follows:

Overview

The Board of Directors promotes effective governance across the Group through close collaboration with various meeting bodies such as the Nomination and Compensation Committee, the Management Meeting, the Management Planning Meeting, and the Performance Reporting Meeting of Affiliated Companies ("coordination bodies").
Accordingly, Suzuken evaluates the effectiveness of its Board of Directors by confirming whether these coordination bodies, as illustrated in the corporate governance framework diagram (See p.60), are closely collaborating with the Board of Directors.

Responsibility for and scope of the evaluation

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 evaluation covers not only the activities of the Board of Directors itself but also those of the coordination bodies.
The independent outside directors attend these coordination 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 close collaboration between the Board and these coordination bodies, they monitor whether the Board has functioned effectively and whether corporate governance is being appropriately implemented across the Group.

Compilation of evaluation results

After the end of each fiscal year, the independent outside directors report on and discuss the matters they have monitored, and compile the results of their evaluation of the effectiveness of the Board of Directors for that fiscal year. The compiled results are then submitted to the Board of Directors for discussion, in order to share perspectives with the directors responsible for business execution.
The evaluation results thus compiled are submitted to the Board of Directors and the Management Meeting, for sharing with and review by all directors and executive officers.

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

Perspectives for evaluation in FY2025

- 1) Confirmation of progress toward achieving the previous Medium-Term Management Plan
- 2) Confirmation of progress in formulating the new Medium-Term Management Plan
- 3) Confirmation of the status of governance systems throughout the Group
- 4) Ongoing confirmation of the status of the legal compliance framework throughout the Group

Evaluation results for FY2025

1
The Board of Directors consists of five inside directors and five outside directors. It has been managed appropriately, primarily on a face-to-face basis, with diverse opinions also exchanged freely through the online participation of executive officers.

2
The coordination bodies primarily meet face to face while also using online meeting systems to facilitate active discussions encompassing a range of perspectives. These bodies appropriately make decisions on matters referred to them by the Board of Directors and monitor the PDCA cycle across the Group.

3
The evaluation found that the Board of Directors has rebuilt the Group-wide Antimonopoly Act compliance framework and is working to prevent the recurrence of violations. Monitoring efforts will continue.

4
The evaluation found 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
The evaluation found that the Board of Directors is effectively developing a governance system through the efficient operation of the Board of Directors, the organization of the coordination bodies, and the enhancement of the Management Meeting.

6
The evaluation found 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 Beginning.

7
The evaluation found 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 bodies.

Perspectives for evaluation in FY2026

- 1) Confirmation of progress under the new Medium-Term Management Plan
- 2) Confirmation of the status of governance systems throughout the Group
- 3) Confirmation of the status of the legal compliance framework throughout the Group

Corporate Governance

Policy for training directors

We conduct risk and compliance training for newly appointed directors. Additionally, we provide external training, in-house e-learning, and other training as appropriate to help directors properly fulfill their roles and responsibilities.

Support system for outside directors

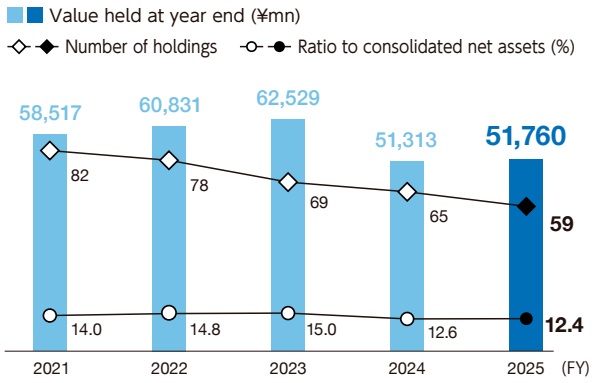
We have established the following support system to further enhance the effectiveness with which each of our outside directors performs their duties.

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 outside directors 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

Strategic shareholdings

Suzuken's basic policy on strategic 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 strategic shareholding to determine its appropriateness. Shares of companies that are deemed unlikely to increase Suzuken's corporate value are sold, taking into account factors such as timing.
We first established and disclosed a policy on reducing strategic shareholdings in May 2021 and have continued to reduce these holdings since then.
Under the previous Medium-Term Management Plan, we set a target of reducing strategic shareholdings to no more than 10% of consolidated net assets by the end of FY2025. In FY2025, we reduced our holdings in six companies, including pharmaceutical companies, by approximately ¥14.0 billion, and will continue these efforts. In exercising voting rights related to strategic shareholdings, we make a comprehensive judgment on each proposal, based on factors such as whether it will contribute to enhancing our corporate value over the medium to long term, and whether it will lead to shared benefit for the shareholders of the company concerned.

Trends in strategic shareholding reduction



IR-related communication

We have appointed an IR officer and designated the Corporate Communication Department, the Corporate Planning Department, and the Business Administration Department as the departments responsible for IR. In addition to accelerating the timing of release of 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 FY2025

- Dialogue with domestic and overseas institutional investors: 37 companies (total 65 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/)

Sharing feedback internally

Comments and insights obtained from investors through dialogue are reported to senior management as necessary. Depending on the matter, the feedback is also discussed by the Board of Directors and reflected in our management strategy and governance. We are also increasing opportunities for dialogue, such as by holding IR briefings for employees.

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, etc.

Compliance & Risk Management

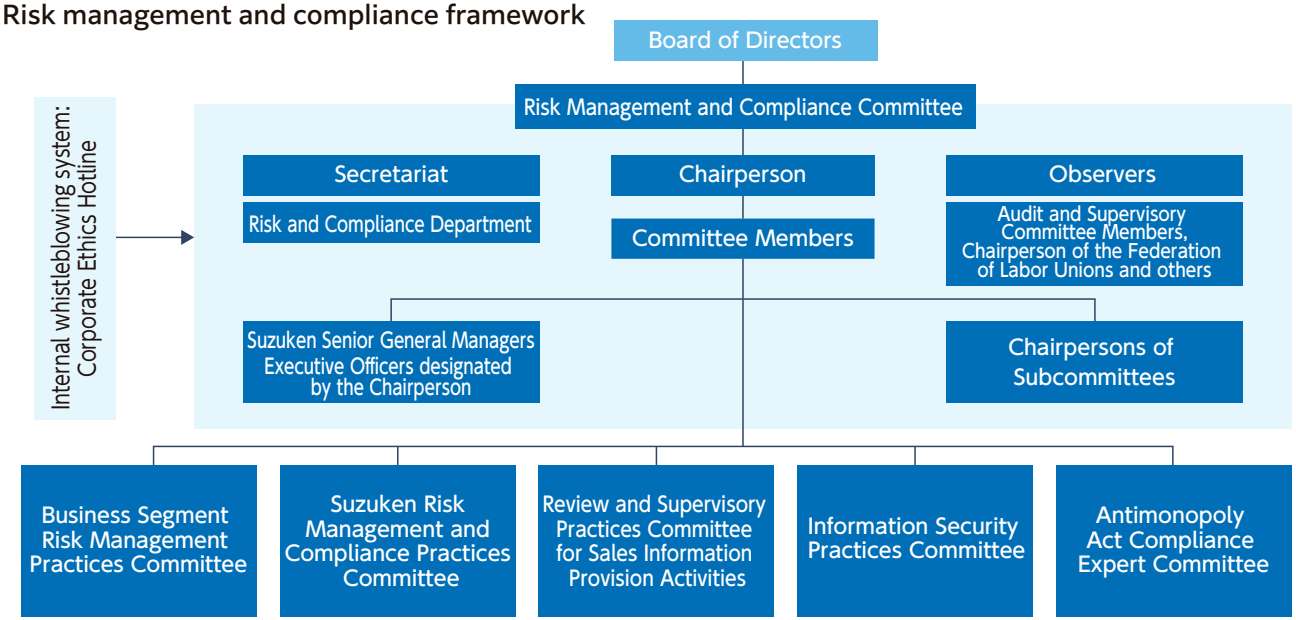
Our basic approach

Following the motto "Compliance comes first," Suzuken Group strives to foster compliance awareness in each and every employee and to continuously enhance it. 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 framework

Compliance and risk management serve as the foundation of our Group's business activities, and we pursue integrated management across the Group. In the area of compliance, with the aim of achieving sustainable growth and enhancing corporate value, we have built a three-lines-of-defense framework, where the Risk and Compliance Department, on the business execution side, and the Internal Audit Office, as an oversight function, each fulfill their respective roles while also working in close coordination. 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. To promote effective risk management throughout the entire Group, we are working to strengthen systems that enable the Group to manage and respond to risks in an organizational, systematic, and autonomous manner.
In order to further strengthen our compliance and risk management framework, we have established the Risk Management and Compliance Committee as a body reporting to the Board of Directors, to carry out cross-organizational, comprehensive risk management.
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 perform the review and supervision functions over the 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 the 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 whistleblowing system that helps ensure the integrity of conduct by directors, executive officers, associate directors, trustees, and employees of Suzuken and its subsidiaries.
During the fiscal year under review, the Risk Management and Compliance Committee met four times, the Risk Management and Compliance Practices Committee 12 times, the Business Segment Risk Management Practices Committee four times, the Review and Supervisory Practices Committee for Sales Information Provision Activities four times, the Information Security Practices Committee five times, and the Antimonopoly Act Compliance Expert Committee four times. Through these meetings, the Group analyzed and assessed risks and promoted measures to address them.

Risk management and compliance framework



Compliance & Risk Management

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 raise compliance awareness, the directors, executive officers, associate directors, trustees, and employees of Suzuken and its subsidiaries are provided with annual compliance training, including e-learning. 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 FY2025. We also hold workplace workshops on compliance.

Initiatives to ensure compliance with the Antimonopoly Act

Suzuken does not tolerate conduct that impedes fair and free competition, and ensures strict compliance with the Antimonopoly Act and other competition laws and regulations. We prohibit anticompetitive practices such as price fixing and bid rigging and strive to conduct our business fairly.
We take the Antimonopoly Act violations involving bids for the Japan Community Healthcare Organization (JCHO) by Suzuken and bids for the National Hospital Organization (NHO) by our subsidiary Shoyaku with the utmost seriousness and sincerity, and are working across the Group to prevent recurrence.
As measures to prevent recurrence, we have established rules governing contact with industry peers, prohibited inappropriate exchanges of information, and put in place a framework requiring prior confirmation and subsequent reporting when such contact occurs. We have also established a dedicated consultation and reporting hotline for Antimonopoly Act compliance, providing an environment in which employees can promptly seek advice or report concerns. In addition, we continuously provide compliance training and e-learning for employees and officers to raise awareness of legal compliance and prevent violations before they occur.

Efforts to prevent recurrence

(1) Ensuring thorough compliance
- Tightening of 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 system

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

Introduction of an internal whistleblowing system

The Suzuken Group has established the Corporate Ethics Hotline as an internal whistleblowing system to supplement its systems for ensuring sincere compliance with laws and regulations. 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 actual or planned violation of laws, regulations, or the Articles of Incorporation, or any act that would damage the Group's brand. The number of internal whistleblowing reports in FY2025 was 139, and more than half involved harassment-related concerns, including miscommunication in day-to-day workplace interactions. Through this internal whistleblowing system, risks are detected at an early stage and corrective measures are promptly taken.
In operating this system, we accept anonymous reports and have established rules to protect information concerning whistleblowers and those who cooperate with investigations and to prohibit disadvantageous treatment for making a report or raising a concern. We are thus creating an environment in which employees feel comfortable seeking advice.

Number of internal whistleblowing reports

FY2022	FY2023	FY2024	FY2025
117	115	122	139

Compliance & Risk Management

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 raising awareness of compliance among directors, executive officers, associate directors, trustees, and employees, we also regularly conduct training on anti-bribery laws in other countries.

Basic approach and framework for eliminating relationships with anti-social forces

Based on our awareness that a company is a social institution, 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 directors, executive officers, associate directors, trustees, and employees and strive to ensure their thorough understanding.
We have also established close partnerships with external specialist organizations. Through the Risk Management and Compliance Committee, we share information about anti-social forces obtained from these organizations and other sources with relevant parties, including the risk managers of subsidiaries, so that everyone can remain vigilant.
To prevent anti-social forces from becoming business partners or shareholders and making improper or unjust demands, we strive to conduct appropriate background checks on counterparties and promptly collect information from external specialist organizations and other sources.

Strengthening information security

The Group has established an Information Security Policy to appropriately protect information assets and address information security risks, and reviews the policy periodically. We have also established rules for the operation and management of information systems and networks and provide ongoing training to raise employees' awareness of information security, while working to enhance security levels across the Group.
The Group's information security framework is centered on the Risk and Compliance Department and comprises the Board of Directors, information security officers, the Risk Management and Compliance Committee, and other relevant bodies. To protect information assets from misuse and unauthorized use and minimize the impact of any incidents that may occur, we are strengthening information security measures, including cybersecurity measures.
As part of these efforts, on April 1, 2025, we established the Information Security Practices Committee as a working-level committee under the Risk Management and Compliance Committee, which reports to the Board of Directors. The Committee comprises the heads of the planning divisions of each headquarters and is responsible for promoting information security measures that take into account the business characteristics of Group companies and for strengthening controls.
The Committee also formulates and communicates Group-wide basic information security policies and management standards, identifies information security issues and considers measures to address them, and monitors the implementation status of various measures, thereby working to raise security levels across the Group.

Main information security measures

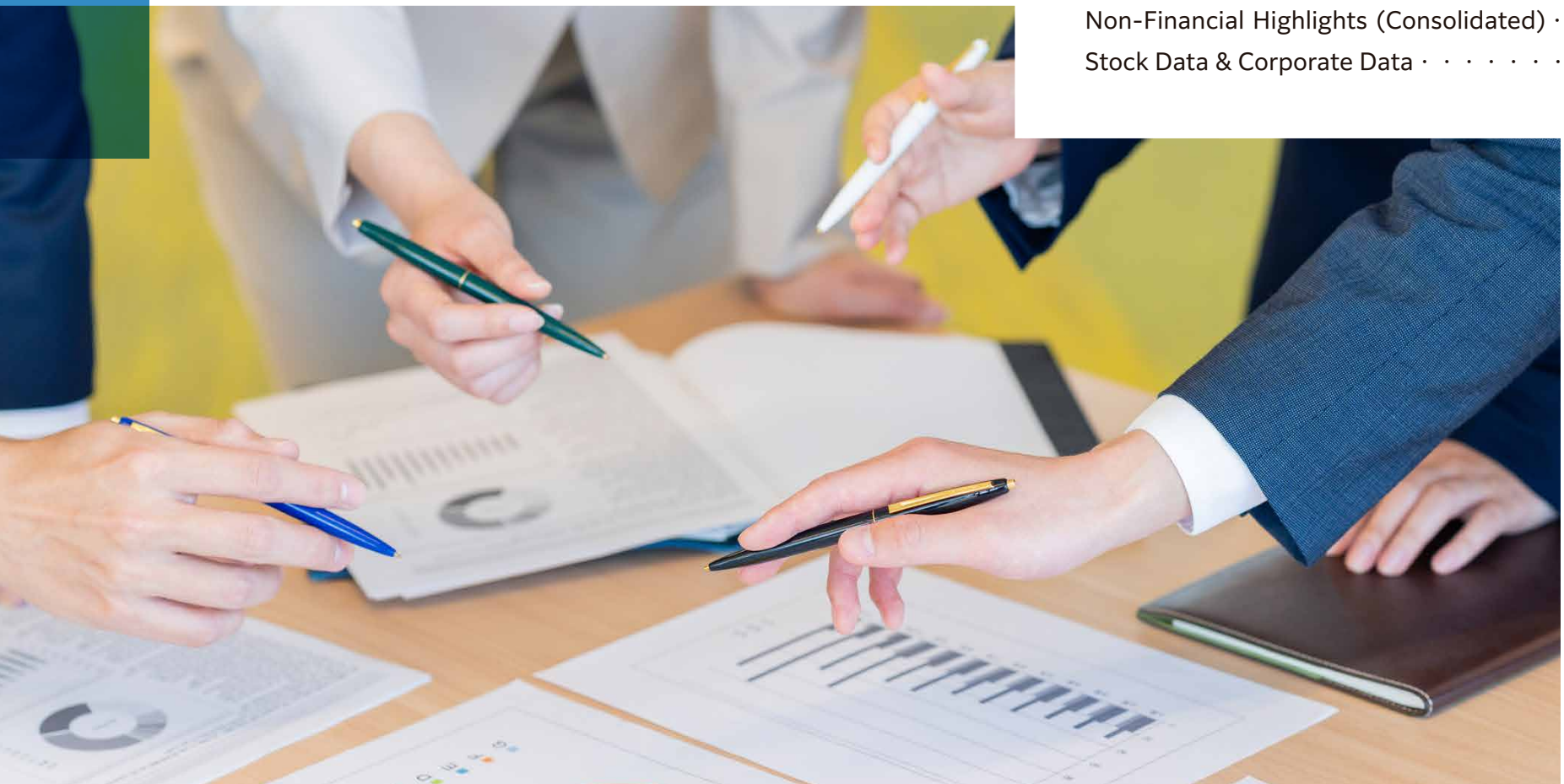
- Management of access rights to information
- Regular inventories of information assets
- Regular application of security patches
- Login controls through the introduction of biometric authentication (facial recognition) on company-issued PCs and mobile devices
- Prior security reviews when introducing external applications
- Enhanced endpoint security, including ransomware countermeasures
  (Introduction of EDR [Endpoint Detection and Response] on PCs and servers)
- Establishment of a reporting framework for information security incidents and the receipt of suspicious emails

As a result of these initiatives, there were no serious information security incidents in FY2025.

Chapter

07 Data Section

11 Years of Financial Highlights (Consolidated) · · 69
Non-Financial Highlights (Consolidated) · · · · · 70
Stock Data & Corporate Data · · · · · · · · · · · 71



11 Years of Financial Highlights (Consolidated)

Millions of yen
unless otherwise stated

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Business performance											
Net sales	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	**2,486,647**
Ordinary profit	45,721	27,764	29,019	36,154	41,467	18,272	23,418	36,376	38,351	38,830	**39,744**
Profit attributable to owners of parent	28,960	21,308	18,820	30,204	28,213	7,895	14,393	20,345	29,016	34,496	**38,136**
Comprehensive income	31,489	17,217	21,974	21,768	27,597	12,010	11,158	19,170	36,230	26,108	**41,371**
Financial position											
Net assets	393,948	396,496	406,425	401,625	412,708	417,912	418,062	411,525	416,428	407,420	**416,012**
Total assets	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	**1,155,766**
Cash flows											
Cash flows from operating activities	20,457	27,013	98,066	41,751	(25,817)	15,602	9,520	37,270	87,216	(65,079)	**33,566**
Cash flows from investing activities	(7,315)	(5,497)	894	1,938	1,199	(14,586)	1,439	(46,361)	10,350	20,378	**12,817**
Cash flows from financing activities	(7,561)	(15,567)	(12,691)	(27,261)	(17,167)	(7,393)	(11,599)	(26,219)	(31,716)	(35,483)	**(33,336)**
Cash and cash equivalents at end of period	108,414	114,345	200,609	217,025	175,215	168,818	168,215	132,872	198,745	118,567	**131,604**
Per share information (yen)											
Net assets per share	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	**6,148.58**
Basic earnings per share (EPS)	292.13	216.92	198.21	322.73	310.26	88.52	163.19	236.47	357.88	454.58	**545.54**
Management indicators											
Equity-to-asset ratio (%)	33.4	35.7	34.6	33.7	37.0	37.4	36.6	35.9	33.9	36.6	**36.0**
Return on equity (ROE) (%)	7.6	5.4	4.7	7.5	6.9	1.9	3.4	4.9	7.0	8.4	**9.3**
Price-to-earnings ratio (times)	13.1	16.8	22.2	19.9	12.7	48.9	22.2	14.1	13.0	10.9	**10.9**
Consolidated dividend payout ratio (%)	23.6	24.9	32.3	21.4	23.2	81.3	44.1	30.4	22.4	22.0	**18.3**
Number of employees (persons)	16,208	16,456	15,816	15,585	15,477	15,041	14,032	13,429	13,086	12,923	**12,717**

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 commission for supplying sales data 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.

Non-Financial Highlights (Consolidated)

Environmental data

	Unit	FY2023	FY2024	FY2025	Notes
CO_2 emissions (Scope1)	t-CO_2	26,491	26,205	25,199	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 (Scope2)	t-CO_2	46,095	44,877	44,198	
CO_2 emissions (Scope1+2)	t-CO_2	72,586	71,082	69,397	
Electricity	thousand kWh	108,228	117,262	118,592	
Gasoline	KL	7,407	7,011	6,684	
Kerosene	KL	69	68	68	
Diesel	KL	1,698	1,897	2,033	
Heavy fuel oil	KL	1,588	1,554	1,601	
City gas	thousand m^3	210	207	204	
LPG	t	37	34	35	
Pharmaceutical waste reduction	billion yen	4.3	5.7	7.8	Cost savings at medical institutions using the specialty drug traceability solution Cubixx

Social data

	Unit	FY2023	FY2024	FY2025	Notes
Consolidated employees	people	13,086	12,923	12,717	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 employees	%	53.7	54.4	54.5	
Percentage of female managers	%	14.2	15.1	15.2	
Number of female executives	people	10	10	10	
Gender wage ratio (female to male)	%	57	57	58	
Percentage of men taking childcare leave	%	73.4	90.6	100	
Percentage of new employees who are female	%	38.2	25.0	33.8	Each fiscal year, Companies included: Suzuken
Employment rate for people with disabilities	%	2.5	2.6	2.59	As of the end of June each year Companies included: Suzuken, Chuounyu, Suzuken Business Associe, Suzuken JoinUs
Percentage of annual paid leave taken	%	58.2	61.9	64.9	As of the end of each fiscal year, Companies included: Suzuken
IT Passport certification holders	people	1,973	2,451	2,569	As of the end of each fiscal year (consolidated)
Information Security Management certification holders	people	694	1,009	1,153	Each fiscal year
DX Certification (score of 600+)	people	430	905	1,046	Each fiscal year
Internally certified DX Ambassadors	people	-	50	49	Each fiscal year
Proposals through Chienowa	proposals	3,277	2,326	1,715	Each fiscal year
Internally certified GDP specialists	people	130	389	747	Each fiscal year
Sites certified with ISO 9001:2015 quality management system	sites	13	13	28	

Governance data

	Unit	FY2023	FY2024	FY2025	Notes
Total number of directors	people	10	10	10	As of the end of June each year
Percentage of outside directors	%	50	50	50	As of the end of June each year
Percentage of female directors	%	20	30	30	As of the end of June each year
Compliance training participation rate	%	100	100	100	Each fiscal year
Number of internal whistleblowing reports	cases	115	122	139	Each fiscal year

Stock Data & Corporate Data

As of March 31, 2026

Stock price

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
At year-end (Yen)	4,325	3,630	3,345	4,639	4,940	**5,935**
High (Yen)	4,600	4,410	3,985	5,137	5,549	**6,668**
Low (Yen)	3,595	2,963	3,085	3,360	4,358	**4,406**
Number of shares issued at year-end (Thousands of shares)	103,344	103,344	82,831	77,740	72,167	**72,167**
Market capitalization at year-end (Millions of yen)	446,962	375,138	277,069	360,635	356,505	**428,311**

Major shareholders

Shareholders	Number of shares held (Thousands of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	**9,900**	**14.63**
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	**2,529**	**3.73**
Custody Bank of Japan, Ltd. (Trust account)	**2,288**	**3.38**
Yoshiki Bessho	**2,128**	**3.14**
Chika Bessho	**2,128**	**3.14**
Masaki Bessho	**2,127**	**3.14**
Suzuken Memorial Foundation	**1,796**	**2.65**
Suzuken Group Employee Stock Ownership Association	**1,677**	**2.48**
NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	**1,539**	**2.27**
JP MORGAN CHASE BANK 380055	**1,467**	**2.16**

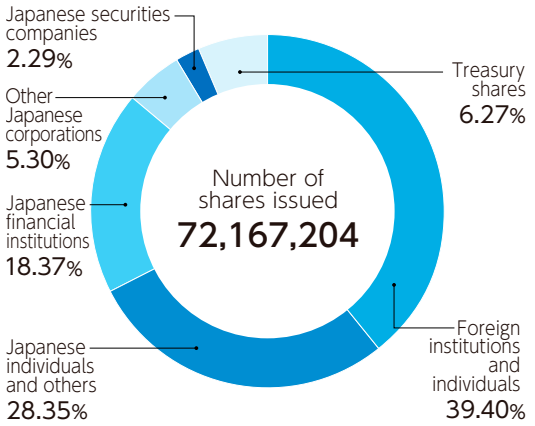
Note: Yoshiki Bessho passed away on December 8, 2025, but as the transfer of ownership has not yet been completed, his name is shown as it appears in the shareholder register.

In addition to the above, Suzuken holds 4,529 thousand treasury shares.

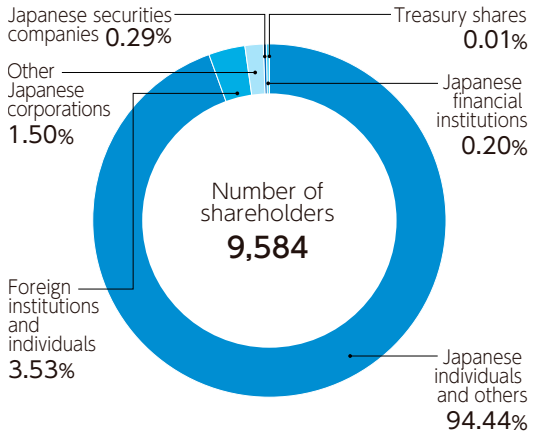
The shareholding ratio is the number of shares held as a percentage of the total number of issued shares (excluding treasury shares).

Shareholder composition

Share composition by ownership type



Shareholder composition by ownership type



Corporate data

Corporate name	SUZUKEN CO., LTD.
Headquarters	8 Higashikataha-machi Higashi-ku, Nagoya, Aichi 461-8701, Japan Phone: +81-52-961-2331
Establishment	November 1932
Capital	¥13,546 million
Number of employees	12,717 (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 and account management institution for special accounts	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.



SUZUKEN CO., LTD.

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

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