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

May 9, 2025

Company name: Fuso Pharmaceutical Industries, Ltd.
Listing: Tokyo Stock Exchange
Securities code: 4538
URL: https://www.fuso-pharm.co.jp/en/
Representative: Mikio Toda President and Representative Director
Inquiries: Haruhiko Furuichi Executive Officer, Acting General Manager, General Affairs Division
Telephone: +81-6-6969-1131
Scheduled date of annual general meeting of shareholders: June 25, 2025
Scheduled date to commence dividend payments: June 26, 2025
Scheduled date to file annual securities report: June 24, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for the press)

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

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

(1) Non-consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	60,563	9.3	4,131	110.3	3,780	102.4	2,780	101.8
March 31, 2024	55,407	8.6	1,964	(11.0)	1,868	(15.7)	1,377	(14.2)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	325.44	—	7.3	4.9	6.8
March 31, 2024	159.98	—	3.8	2.5	3.5

(Reference) Share of profit (loss) of entities accounted for using equity method: Fiscal year ended March 31, 2025: ¥ - million
Fiscal year ended March 31, 2024: ¥ - million

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Book value per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	79,053	39,112	49.5	4,579.67
March 31, 2024	75,802	36,661	48.4	4,290.55

(Reference) Equity: As of March 31, 2025: ¥ 39,112 million
As of March 31, 2024: ¥ 36,661 million

(3) Non-consolidated Cash Flows

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

2. Cash dividends

	Annual dividends per share					Total dividends	Payout ratio	Ratio of dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	35.00	-	35.00	70.00	595	43.8	1.7
March 31, 2025	-	40.00	-	42.00	82.00	700	25.2	1.8
Fiscal year ending March 31, 2026 (Forecast)	-	45.00	-	45.00	90.00		33.4	

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	30,600	2.9	1,600	(34.3)	1,600	(25.4)	1,100	(28.4)	128.77
Full year	61,500	1.5	3,400	(17.7)	3,300	(12.7)	2,300	(17.3)	269.24

* Notes:

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(2) Number of issued shares (common shares)

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

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

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

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

As of March 31, 2025: 910,805 shares

As of March 31, 2024: 906,453 shares

3) Average number of shares outstanding during the period:

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

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

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

* Proper use of results forecasts, and other special notes

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

*** Access to supplementary material on financial results briefing**

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

Table of Contents - Attachments

1. Overview of Operating Results, etc. 2
(1) Overview of Operating Results for the Fiscal Year under Review 2
(2) Overview of Financial Position for the Fiscal Year under Review 2
(3) Overview of Cash Flows for the Fiscal Year under Review 2
(4) Future Outlook 3
2. Basic Policy on Selection of Accounting Standards 3
3. Non-consolidated Financial Statements and Principal Notes 4
(1) Non-consolidated Balance Sheets 4
(2) Non-consolidated Statements of Income 6
(3) Non-consolidated Statements of Changes in Equity 7
(4) Non-consolidated Statements of Cash Flows 9
(5) Notes to Non-consolidated Financial Statements 10
Notes on going concern assumption 10
Segment information, etc. 10
Share of profit (loss) of entities accounted for using equity method 10
Per share information 10
Subsequent events 10
4. Other 11
Change of officers 11

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended March 31, 2025 (the "fiscal year under review"), the Japanese economy showed signs of a moderate recovery with improvement in employment and income situations and increased demand from inbound tourists. However, due to the prolonged situation in Ukraine and in the Middle East, the surge in resource and raw material prices, rises in commodity prices, trade policies in the United States, and fluctuations in financial and capital markets, the economic outlook remains uncertain.

In the pharmaceutical industry, policies to control medical expenses continue to be promoted through measures such as reforming the NHI drug price system and promoting the use of generic drugs. While all these trends call for companies in the industry to strengthen their management capabilities, the earnings environment has become increasingly harsh as R&D expenses rise and development risks expand.

Under such circumstances, Fuso Pharmaceutical Industries, Ltd. (the "Company") strived to promote stronger penetration of dialysis-related products and infusions such as its mainstay Kindaly, a dialysate for hemodialysis, while also focusing on promoting sales of generic drugs.

As a result, for the fiscal year under review, net sales increased by 9.3%, or ¥5,155 million year on year to ¥60,563 million. This was mainly due to the impact of increased manufacturing and sales resulting from sales promotion of kidney and dialysis-related generic drugs as well as alternative supply of infusions and injections on behalf of other companies. As for profit, while raw material costs and logistics-related costs continued to surge, the impact of increased manufacturing and exceptional repricing of unprofitable products mitigated the unprofitability of infusions as a whole, which led to a slight improvement in the cost of sales ratio. Due to these factors, operating profit increased by 110.3%, or ¥2,167 million year on year to ¥4,131 million, ordinary profit increased by 102.4%, or ¥1,912 million year on year to ¥3,780 million, and profit increased by 101.8%, or ¥1,402 million year on year to ¥2,780 million.

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets at the end of the fiscal year under review amounted to ¥79,053 million, an increase of 4.3%, or ¥3,251 million from the end of the previous fiscal year. This was mainly due to increases in cash and deposits, accounts receivable - trade, and software, which offset factors such as decreases in buildings, net and machinery and equipment, net.

Liabilities amounted to ¥39,941 million, an increase of 2.0%, or ¥800 million from the end of the previous fiscal year. This was mainly due to an increase in short-term borrowings, which offset factors such as decreases in notes payable - trade, electronically recorded obligations - operating, and long-term borrowings.

Net assets amounted to ¥39,112 million, an increase of 6.7%, or ¥2,450 million from the end of the previous fiscal year. This was due to increases in retained earnings brought forward and valuation difference on available-for-sale securities. The equity ratio was 49.5%.

(3) Overview of Cash Flows for the Fiscal Year under Review

The balance of cash and cash equivalents at the end of the fiscal year under review was ¥6,264 million, an increase of ¥1,144 million from the end of the previous fiscal year.

Cash flows from operating activities

Net cash used in operating activities amounted to ¥3,305 million (compared to an inflow of ¥627 million in the previous fiscal year) mainly due to an increase in trade receivables and a decrease in trade payables, which offset factors such as the recording of profit before income taxes and depreciation. This was mainly attributable to a temporary increase in trade payables due to reduced payment deadlines to suppliers based on a multi-stakeholder policy aimed at the sustainable development of the entire supply chain.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥3,168 million (compared to an outflow of ¥3,536 million in the previous fiscal year) mainly due to the purchases of property, plant and equipment and intangible assets.

Cash flows from financing activities

Net cash provided by financing activities amounted to ¥7,618 million (compared to an inflow of ¥14 million in the previous fiscal year) due to an increase in short-term borrowings, which offset factors such as a decrease in long-term borrowings and dividends paid.

Reference: Cash flow metrics

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Equity ratio	48.4	49.5
Equity ratio based on market value	24.8	26.4
Ratio of interest-bearing debt to cash flow	11.1	-
Interest coverage ratio	8.1	-

- Equity ratio: Equity / Total assets
- Equity ratio based on market value: Market capitalization[*1] / Total assets
- Ratio of interest-bearing debt[*2] to cash flow: Interest-bearing debt / Operating cash flows[*3]
- Interest coverage ratio: Operating cash flows / Interest paid[*4]

*1: Market capitalization: Closing share price at the end of the period × Total number of issued shares at the end of the period (excluding treasury shares)
*2: Interest-bearing debt: All debt on the non-consolidated balance sheets bearing interest
*3: Operating cash flows: Cash flows from operating activities on the non-consolidated statements of cash flows (before deducting interest paid and income taxes paid)
*4: Interest paid: Interest paid on the non-consolidated statements of cash flows
*5: The ratio of interest-bearing debt to cash flow and the interest coverage ratio for the fiscal year ended March 31, 2025 are not stated due to negative operating cash flows.

(4) Future Outlook

For the next fiscal year, the Company expects to record net sales of ¥61,500 million, operating profit of ¥3,400 million, ordinary profit of ¥3,300 million, and profit of ¥2,300 million.

The results forecasts above are based on information currently available to the Company as of the date of announcement and actual results may differ significantly from the forecast figures due to various factors.

2. Basic Policy on Selection of Accounting Standards

The Company's policy is to prepare non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, considering it would offer better comparability of financial statements between periods and issuers.

3. Non-consolidated Financial Statements and Principal Notes

Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	5,120	6,264
Notes receivable - trade	260	258
Accounts receivable - trade	24,068	26,233
Merchandise and finished goods	11,813	12,642
Work in process	49	43
Raw materials and supplies	2,340	2,256
Advance payments to suppliers	185	283
Prepaid expenses	275	275
Other	834	85
Total current assets	44,947	48,342
Non-current assets		
Property, plant and equipment		
Buildings	34,599	34,746
Accumulated depreciation	(24,792)	(25,498)
Buildings, net	9,806	9,248
Structures	2,205	2,207
Accumulated depreciation	(1,757)	(1,795)
Structures, net	448	412
Machinery and equipment	28,337	28,640
Accumulated depreciation	(24,004)	(24,876)
Machinery and equipment, net	4,332	3,763
Vehicles	73	76
Accumulated depreciation	(61)	(62)
Vehicles, net	12	14
Tools, furniture and fixtures	5,575	5,805
Accumulated depreciation	(4,830)	(5,137)
Tools, furniture and fixtures, net	745	667
Land	8,818	8,818
Construction in progress	246	174
Other	15	12
Total property, plant and equipment	24,427	23,111
Intangible assets		
Software	400	1,386
Other	200	127
Total intangible assets	600	1,514
Investments and other assets		
Investment securities	3,924	4,375
Long-term prepaid expenses	272	194
Deferred tax assets	396	296
Other	1,232	1,217
Total investments and other assets	5,826	6,084
Total non-current assets	30,854	30,710
Total assets	75,802	79,053

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes payable - trade	1,822	-
Electronically recorded obligations - operating	9,074	4,630
Accounts payable - trade	5,530	3,998
Short-term borrowings	2,350	18,000
Current portion of long-term borrowings	3,351	827
Accounts payable - other	1,148	1,164
Accrued expenses	376	750
Income taxes payable	270	949
Deposits received	42	48
Provision for bonuses	922	980
Provision for bonuses for directors (and other officers)	20	35
Notes payable - facilities	989	-
Other	3,751	4,002
Total current liabilities	29,650	35,387
Non-current liabilities		
Long-term borrowings	7,021	2,462
Deferred tax liabilities for land revaluation	1,315	1,315
Provision for retirement benefits	736	344
Provision for retirement benefits for directors (and other officers)	153	162
Asset retirement obligations	108	108
Other	153	160
Total non-current liabilities	9,489	4,554
Total liabilities	39,140	39,941
Net assets		
Shareholders' equity		
Share capital	10,758	10,758
Capital surplus		
Legal capital surplus	10,000	10,000
Other capital surplus	4,951	4,951
Total capital surplus	14,951	14,951
Retained earnings		
Other retained earnings		
General reserve	5,300	5,300
Retained earnings brought forward	11,241	13,380
Total retained earnings	16,541	18,680
Treasury shares	(2,588)	(2,593)
Total shareholders' equity	39,662	41,797
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,634	1,950
Revaluation reserve for land	(4,635)	(4,635)
Total valuation and translation adjustments	(3,000)	(2,685)
Total net assets	36,661	39,112
Total liabilities and net assets	75,802	79,053

Non-consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales		
Net sales on medicine business	55,245	60,447
Real estate lease revenue	161	115
Total net sales	55,407	60,563
Cost of sales		
Cost of sales on medicine business	41,445	43,887
Cost of real estate lease revenue	122	143
Total cost of sales	41,568	44,030
Gross profit	13,838	16,532
Total selling, general and administrative expenses	11,874	12,401
Operating profit	1,964	4,131
Non-operating income		
Interest and dividend income	96	107
Insurance claim income	80	84
Other	55	44
Total non-operating income	232	235
Non-operating expenses		
Interest expenses	171	161
Commission expenses	-	303
Life insurance expenses	100	96
Other	56	25
Total non-operating expenses	328	586
Ordinary profit	1,868	3,780
Extraordinary income		
Gain on sale of investment securities	39	-
Total extraordinary income	39	-
Extraordinary losses		
Loss on retirement of non-current assets	20	7
Loss on valuation of investment securities	119	-
Total extraordinary losses	140	7
Profit before income taxes	1,767	3,773
Income taxes - current	425	1,029
Income taxes - deferred	(35)	(35)
Total income taxes	389	993
Profit	1,377	2,780

Non-consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

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

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

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

For the fiscal year ended March 31, 2025

(Millions of yen)

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

	Shareholders' equity				
	Retained earnings			Treasury shares	Total shareholders' equity
	Other retained earnings		Total retained earnings		
	General reserve	Retained earnings brought forward			
Balance at beginning of period	5,300	11,241	16,541	(2,588)	39,662
Changes during period					
Dividends of surplus		(640)	(640)		(640)
Profit		2,780	2,780		2,780
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	-	2,139	2,139	(4)	2,135
Balance at end of period	5,300	13,380	18,680	(2,593)	41,797

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	1,634	(4,635)	(3,000)	36,661
Changes during period				
Dividends of surplus				(640)
Profit				2,780
Purchase of treasury shares				(4)
Disposal of treasury shares				
Net changes in items other than shareholders' equity	315	-	315	315
Total changes during period	315	-	315	2,450
Balance at end of period	1,950	(4,635)	(2,685)	39,112

(5) Notes to Non-consolidated Financial Statements

Notes on going concern assumption

Not applicable.

Segment information, etc.

The Company engages in real estate leasing in addition to the pharmaceutical business, but segment information is omitted because it is immaterial.

Share of profit (loss) of entities accounted for using equity method

Not applicable.

Per share information

	As of and for the fiscal year ended March 31, 2024	As of and for the fiscal year ended March 31, 2025
Book value per share	¥4,290.55	¥4,579.67
Basic earnings per share	¥159.98	¥325.44

Notes: 1. Diluted earnings per share is not presented since there are no potential shares.

2. Basic earnings per share is calculated based on the following:

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit (Millions of yen)	1,377	2,780
Amount not attributable to common shareholders (Millions of yen)	-	-
Profit relating to common shares (Millions of yen)	1,377	2,780
Average number of common shares during the period (Shares)	8,610,568	8,542,566

3. Book value per share is calculated based on the following:

	As of March 31, 2024	As of March 31, 2025
Total net assets (Millions of yen)	36,661	39,112
Net assets related to common shares at fiscal year-end (Millions of yen)	36,661	39,112
Number of common shares at fiscal year-end used in the calculation of book value per share (Shares)	8,544,716	8,540,364

Subsequent events

Not applicable.

4. Other

Change of officers

(1) Change (additional appointment) of Representative Director

Name	New job title	Current job title
Mikihiro Toda	Representative Director and Senior Managing Director General Manager of Corporate Planning Division	Director and General Manager of Corporate Planning Division

(2) Change of other officers

(i) Newly appointed candidate for Director

Name	New job title	Current job title
Yukari Ikeno	Outside Director	-

(ii) Retiring Director

Name	New job title	Current job title
Minoru Sudo	-	Outside Director

The change to officers will be officially decided at the 102nd Annual General Meeting of Shareholders and a subsequent meeting of the Board of Directors, both to be held on June 25, 2025.

For details, please refer to "Notice Concerning Change (Additional Appointment) of Representative Director and Appointment of Officer" announced today (May 9, 2025).