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Non-consolidated Financial Results for the Six Months Ended September 30, 2026 [Under Japanese GAAP]

November 11, 2026

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, Senior Executive Officer, General Manager, General Affairs Div., Head of General Affairs Dept. and Head of Accounting Dept.
Telephone: +81-6-6969-1131
Scheduled date to file semi-annual securities report: November 11, 2026
Scheduled date to commence dividend payments: December 2, 2026
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 six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(1) Non-consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	32,395	3.7	1,743	39.7	1,434	26.8	1,041	25.2
September 30, 2025	31,229	5.0	1,247	(48.8)	1,131	(47.2)	831	(45.8)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	122.03	-
September 30, 2025	97.40	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	91,284	36,639	40.1
March 31, 2026	90,323	35,057	38.8

Reference: Equity

As of September 30, 2026: ¥ 36,639 million
As of March 31, 2026: ¥ 35,057 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	45.00	-	45.00	90.00
Fiscal year ending March 31, 2027	-	45.00			
Fiscal year ending March 31, 2027 (Forecast)			-	46.00	91.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

For details regarding the revision to our dividend forecasts, please refer to the document titled "Notice Concerning Revisions to Financial Result Forecasts and Dividend Forecasts for the Fiscal Year Ending March 31, 2027," which was released today (November 11, 2026).

3. Non-consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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
Full year	64,800	4.0	2,400	(9.1)	1,800	(23.4)	1,500	(25.4)	175.73

Note: Revisions to the financial result forecast most recently announced: Yes

For details regarding the revision to the full-year earnings forecasts, please refer to the document titled "Notice Concerning Revisions to Financial Result Forecasts and Dividend Forecasts for the Fiscal Year Ending March 31, 2027," which was released today (November 11, 2026).

*** Notes**

(1) Adoption of accounting treatment specific to the preparation of semi-annual non-consolidated financial statements: None

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None
(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of September 30, 2026	9,451,169 shares
As of March 31, 2026	9,451,169 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2026	916,086 shares
As of March 31, 2026	914,118 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2026	8,536,050 shares
Six months ended September 30, 2025	8,539,498 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings 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.

*Methods for obtaining supplementary materials and content of financial results disclosure meeting

The Company plans to hold a financial results disclosure meeting for the press on Wednesday, November 11, 2026. The handouts for the disclosure meeting will be made available on the Company’s website.

Table of Contents - Attachments

1. Overview of Operating Results, etc. 2
(1) Overview of Operating Results for the Six Months under Review 2
(2) Overview of Financial Position for the Six Months under Review 2
(3) Explanation of Non-consolidated Financial Results Forecast and Other Forward-looking Information 3
2. Semi-annual Non-consolidated Financial Statements and Principal Notes 4
(1) Semi-annual Non-consolidated Balance Sheets 4
(2) Semi-annual Non-consolidated Statements of Income 6
(3) Semi-annual Non-consolidated Statements of Cash Flows 7
(4) Notes to Semi-annual Non-consolidated Financial Statements 8
Notes on going concern assumption 8
Notes in case of significant changes in shareholders' equity 8
Additional information 8
Notes on segment information, etc. 8

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Six Months under Review

During the six months ended September 30, 2026, the Japanese economy continued to see a moderate recovery due to elements such as improvements in employment and income situations. However, due to the surge in energy and raw material prices occurring against the backdrop of a volatile global situation (including the situation in the Middle East), frequent natural disasters, and the continuing rises in commodity prices, as well as developments related to United States trade policies 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 six months ended September 30, 2026, net sales increased by 3.7%, or ¥1,165 million year on year to ¥32,395 million. This was mainly due to the effects of sales promotion activities, which offset a negative impact on the sales of generic drugs exerted by the NHI price revisions. As for profit, due to an increase in net sales resulting from the absence of milestone payments associated with the start of the clinical trial for DMX-200 in Japan (which was recorded for the same period of the previous fiscal year) during the six months ended September 30, 2026, operating profit increased by 39.7%, or ¥495 million year on year to ¥1,743 million, ordinary profit increased by 26.8%, or ¥303 million year on year to ¥1,434 million, and profit increased by 25.2%, or ¥209 million year on year to ¥1,041 million.

(2) Overview of Financial Position for the Six Months under Review

1) Assets, liabilities, and net assets

Total assets at the end of the six months ended September 30, 2026 amounted to ¥91,284 million, an increase of 1.1%, or ¥961 million from the end of the previous fiscal year, mainly due to increases in property, plant and equipment (such as buildings and structures, net), and investments and other assets, which offset factors such as decreases in accounts receivable - trade.

Liabilities amounted to ¥54,645 million, a decrease of 1.1%, or ¥620 million from the end of the previous fiscal year. This was mainly due to a decrease in short-term and long-term borrowings, which offset factors such as increases in accounts payable - trade, and income taxes payable.

Net assets amounted to ¥36,639 million, an increase of 4.5%, or ¥1,581 million from the end of the previous fiscal year. This was due to increases in retained earnings and valuation difference on available-for-sale securities. The equity ratio was 40.1 %.

2) Cash flows

The balance of cash and cash equivalents at the end of the six months ended September 30, 2026 was ¥5,748 million, an increase of ¥902 million from the end of the previous fiscal year.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥7,719 million, mainly due to the recording of profit before income taxes, depreciation, and a decrease in trade receivables, which offset factors such as the decrease in trade payables.

During the same period of the previous year, an outflow of ¥5,367 million was recorded due to the impact of suspense payments of ¥8,744 million paid in compliance with an appeal court decision in the patent infringement lawsuit against us released on May 27, 2025, wherein a judgment was issued ordering the

Company to pay a total of 7,472,878,838 yen, plus late payment damages thereon to Toray Industries, Inc.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥1,259 million (compared to an outflow of ¥803 million in the same period of the previous fiscal year) due to factors such as the purchase of property, plant and equipment and intangible assets.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥5,558 million (compared to an inflow of ¥4,544 million in the same period of the previous fiscal year) due to factors such as repayments of short-term and long-term borrowings and dividends paid.

(3) Explanation of Non-consolidated Financial Results Forecast and Other Forward-looking Information

The non-consolidated financial results forecasts for the fiscal year ending March 31, 2027 have been revised from those disclosed when the non-consolidated financial results for the fiscal year ended March 31, 2026 were announced on May 12, 2026. For the details, please refer to “Notice Concerning Revisions to Financial Result Forecasts and Dividend Forecasts for the Fiscal Year Ending March 31, 2027” published today (November 11, 2026).

2. Semi-annual Non-consolidated Financial Statements and Principal Notes

(1) Semi-annual Non-consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	4,846	5,748
Accounts receivable - trade	26,897	23,731
Merchandise and finished goods	13,525	13,274
Work in process	75	87
Raw materials and supplies	2,082	2,212
Suspense payments	8,744	8,744
Other	1,164	1,314
Total current assets	57,336	55,112
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,066	9,470
Land	8,820	8,820
Other, net	4,300	5,954
Total property, plant and equipment	22,186	24,245
Intangible assets	1,352	1,223
Investments and other assets	9,447	10,704
Total non-current assets	32,987	36,172
Total assets	90,323	91,284
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	3,012	1,842
Accounts payable - trade	4,067	4,541
Short-term borrowings	26,604	21,976
Income taxes payable	103	428
Provision for bonuses	930	981
Provision for litigation loss	8,744	8,744
Other provisions	25	-
Other	8,198	12,891
Total current liabilities	51,684	51,406
Non-current liabilities		
Long-term borrowings	1,858	1,567
Other provisions	177	160
Other	1,544	1,510
Total non-current liabilities	3,581	3,238
Total liabilities	55,265	54,645

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Net assets		
Shareholders' equity		
Share capital	10,758	10,758
Capital surplus	14,951	14,951
Retained earnings	13,881	14,538
Treasury shares	(2,595)	(2,596)
Total shareholders' equity	36,995	37,651
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,736	3,662
Revaluation reserve for land	(4,674)	(4,674)
Total valuation and translation adjustments	(1,937)	(1,012)
Total net assets	35,057	36,639
Total liabilities and net assets	90,323	91,284

(2) Semi-annual Non-consolidated Statement of Income

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Net sales	31,229	32,395
Cost of sales	23,125	24,164
Gross profit	8,104	8,230
Selling, general and administrative expenses	6,857	6,487
Operating profit	1,247	1,743
Non-operating income		
Interest and dividend income	74	94
Insurance claim income	82	91
Other	24	31
Total non-operating income	181	217
Non-operating expenses		
Interest expenses	146	215
Commission expenses	81	246
Life insurance expenses	50	51
Other	19	12
Total non-operating expenses	298	526
Ordinary profit	1,131	1,434
Extraordinary losses		
Loss on sale of investment securities	26	-
Loss on valuation of investment securities	1	-
Total extraordinary losses	28	-
Profit before income taxes	1,102	1,434
Income taxes - current	280	323
Income taxes - deferred	(9)	69
Total income taxes	270	392
Profit	831	1,041

(3) Semi-annual Non-consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	1,102	1,434
Depreciation	1,296	1,313
Loss (gain) on sale of investment securities	26	-
Loss on valuation of investment securities	1	-
Increase (decrease) in provision for bonuses	(20)	51
Interest and dividend income	(74)	(94)
Interest expenses	146	215
Commission expenses	81	246
Decrease (increase) in trade receivables	3,655	3,166
Decrease (increase) in inventories	95	109
Decrease (increase) in temporary payments	(8,744)	-
Increase (decrease) in trade payables	(972)	(694)
Other, net	(1,064)	1,953
Subtotal	(4,469)	7,701
Interest and dividends received	74	94
Interest paid	(147)	(216)
Income taxes refund (paid)	(824)	140
Net cash provided by (used in) operating activities	(5,367)	7,719
Cash flows from investing activities		
Purchase of property, plant and equipment	(701)	(1,046)
Purchase of intangible assets	(208)	(83)
Proceeds from sale of investment securities	88	-
Other, net	18	(128)
Net cash provided by (used in) investing activities	(803)	(1,259)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,500	(4,600)
Repayments of long-term borrowings	(513)	(318)
Commission fee paid	(81)	(252)
Purchase of treasury shares	(1)	(1)
Dividends paid	(357)	(383)
Other, net	(1)	(2)
Net cash provided by (used in) financing activities	4,544	(5,558)
Net increase (decrease) in cash and cash equivalents	(1,625)	902
Cash and cash equivalents at beginning of period	6,264	4,846
Cash and cash equivalents at end of period	4,638	5,748

(4) Notes to Semi-annual Non-consolidated Financial Statements

Notes on going concern assumption

Not applicable.

Notes in case of significant changes in shareholders' equity

Not applicable.

Additional information

On December 13, 2018, Toray Industries, Inc. filed a patent infringement lawsuit against us for the oral antipruritic agent Nifuroxime Hydrochloride OD Tablets 2.5μg "Fuso" [representative original product: Remitch OD Tablets 2.5μg] in the Tokyo District Court seeking injunctive relief.

The Tokyo District Court subsequently ruled to dismiss Toray Industries, Inc.'s claim, and on March 30, 2021, Toray Industries, Inc. was dissatisfied with this decision and appealed to the Intellectual Property High Court.

On May 27, 2025, the Intellectual Property High Court partially granted Toray Industries, Inc.'s claim and issued a judgment ordering the Company to pay a total of 7,472,878,838 yen plus late payment damages on the said amount.

In conjunction with this judgment, the Company has recorded provision for litigation losses of 8,744 million yen as an extraordinary loss for the fiscal year ended March 31, 2025.

We have maintained that this product does not infringe on any patent rights held by Toray Industries, Inc., but we deeply regret that our arguments were not accepted in the appeal court. On June 6, 2025, we appealed this decision to the Supreme Court, and filed a petition for acceptance of the appeal.

Notes on 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.