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November 9, 2026

Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

Company name: TSUMURA & CO.
Listing: Tokyo Stock Exchange
Securities code: 4540
URL: https://www.tsumura.co.jp
Representative: Terukazu Kato, President Representative Director and CEO
Inquiries: Makoto Kitamura, Head of Corporate Communications Dept.
Telephone: +81-3-6361-7100
Scheduled date to file semi-annual securities report: November 10, 2026
Scheduled date to commence dividend payments: December 4, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

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

1. Consolidated financial results for the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	103,441	15.1	18,848	10.1	20,316	23.7	16,203	29.9
September 30, 2025	89,897	0.9	17,119	(18.8)	16,419	(29.8)	12,477	(28.7)

Note: Comprehensive income For the six months ended September 30, 2026: ¥ 30,047million [-%]
For the six months ended September 30, 2025: ¥ 1,319million [(95.9)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	217.36	-
September 30, 2025	166.65	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	657,399	395,788	51.7
March 31, 2026	592,766	371,603	54.3

Reference: Equity
As of September 30, 2026: ¥ 340,050 million
As of March 31, 2026: ¥ 321,729 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	-	68.00	-	79.00	147.00
Fiscal year ending March 31, 2027	-	79.00			
Fiscal year ending March 31, 2027 (Forecast)			-	79.00	158.00

Note: Revisions to the forecast of cash dividends most recently announced:None

Note: Breakdown of the second quarter dividend for the fiscal year ending March 31, 2027 :

Commemorative dividend - yen

Special dividend - yen

3. 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 attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	218,500	13.4	38,400	9.0	36,400	(9.1)	29,300	4.2	393.03

Note: Revisions to the financial result forecast most recently announced:None

Regarding the revision to the consolidated earnings forecast announced on October 28, 2026, please refer to page 5 of the attached materials, “1. Qualitative information on semi-annual results (3) Description of projections of consolidated business results.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company (YOMEISHU SEIZO CO., LTD.)

Excluded: - companies

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

(3) 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: Yes

(iv) Restatement: None

Note: For details, please see page 13 of the attached document, “2. Semi-annual Consolidated Financial Statements and Key Notes (4) Notes to the semi-annual Consolidated Financial Statements (Changes in Accounting Estimates).”

(4) 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	76,758,362shares
As of March 31, 2026	76,758,362shares

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

As of September 30, 2026	2,206,328shares
As of March 31, 2026	2,212,906shares

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

Six months ended September 30, 2026	74,546,872shares
Six months ended September 30, 2025	74,876,544shares

Note: The Company has introduced the BIP（Board Incentive Plan) trust for directors' compensation and ESOP（Employee Stock Ownership Plan） trust. As a result, the shares of the Company’s stock held by the trust are included in treasury shares that are deducted in calculating the number of treasury shares at the end of the period and the average number of shares outstanding.

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

*Explanation about the proper use of financial projections and other important notes

(Note about forward-looking information)

Forward-looking statements such as financial projections, which are stated in this document, are based on information currently available to the Company and certain assumptions deemed reasonable. There is a possibility that actual results, etc. will differ materially from forecasts due to various factors. Please see “1. Qualitative information on semi-annual results (3) Description of projections of consolidated business results” on page 5 for information regarding the forecast of consolidated financial results.

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1. Qualitative information on semi-annual results

(1) Description of operating results

Consolidated business results for the six months under review were as follows:

[Consolidated business results]

(Million yen)

		FY 3/2026 2Q	FY 3/2027 2Q	YoY Change Percent Change
Net sales		89,897	103,441	＋13,543 ＋15.1%
	Domestic business	79,539	83,945	＋4,405 ＋5.5%
	China business	10,357	19,495	＋9,138 ＋88.2%
Cost of sales		46,418	54,826	＋8,408 ＋18.1%
Selling, general and administrative expenses		26,359	29,766	＋3,407 ＋12.9%
Operating profit		17,119	18,848	＋1,728 ＋10.1%
	Domestic business	17,135	17,377	＋241 ＋1.4%
	China business	(15)	1,471	＋1,486 ―
Ordinary profit		16,419	20,316	＋3,897 ＋23.7%
Profit attributable to owners of parent for the six months		12,477	16,203	＋3,725 ＋29.9%

Net sales increased 15.1% year on year to 103,441 million yen.

Net sales in the domestic business increased 5.5% year on year to 83,945 million yen.

Sales of the129 prescription Kampo formulations increased 4.7% year on year to 79,843 million yen, driven by continued growth in prescriptions for conditions such as edema, headache, and dizziness, as well as information-provision activities tailored to the needs of healthcare professionals. In addition, actual demand, defined as sales volume from pharmaceutical distributors and wholesalers to medical institutions, increased 3.2% year on year.

Sales of Drug-fostering program formulations and “Growing” formulations (unit: millions of yen)

	Ranking in sales	No. / Product Name		FY 3/2026 2Q	FY 3/2027 2Q	YoY Change/ Percent Change		Reference: Actual sales volume/ YoY Change
Drug-fostering program formulations *1	1	100	Daikenchuto	7,361	7,684	＋322	＋4.4%	＋3.3 %
	2	54	Yokukansan	5,600	5,755	＋154	＋2.8%	＋1.1 %
	5	43	Rikkunshito	3,600	3,792	＋192	＋5.3%	＋2.8 %
	7	107	Goshajinkigan	2,783	2,999	＋215	＋7.8%	＋5.3 %
	25	14	Hangeshashinto	759	837	＋78	＋10.3%	＋7.7 %
Total of Drug-fostering Program formulations				20,105	21,069	＋963	＋4.8%	＋3.0 %
“Growing” formulations *2	3	17	Goreisan	4,299	4,949	＋649	＋15.1%	＋16.2 %
	4	41	Hochuekkito	3,866	3,875	＋9	＋0.2%	(1.6) %
	9	24	Kamishoyosan	2,513	2,719	＋206	＋8.2%	＋5.0 %
	17	137	Kamikihito	1,207	1,345	＋137	＋11.4%	＋9.0 %
	20	108	Ninjin`yoeito	1,003	1,089	＋86	＋8.6%	＋2.5 %
Total of “Growing” formulations				12,889	13,978	＋1,088	＋8.4%	＋8.3 %
Total of 119 prescriptions excluding Drug-fostering program formulations and “Growing” formulations				43,277	44,796	＋1,518	＋3.5%	＋2.1 %
Total of 129 prescription Kampo products				76,273	79,843	＋3,570	＋4.7%	＋3.2 %

In addition, sales of healthcare products, including OTC Kampo medicines, in the domestic business increased 32.8% year on year to 3,610 million yen, mainly due to the consolidation of YOMEISHU SEIZO CO., LTD. and the expansion in the number of stores handling OTC Kampo medicines and other products.

Sales in the China business increased 88.2% year on year to 19,495 million yen, mainly due to the consolidation of Shanghai Hongqiao Traditional Chinese Drug Pieces Co., Ltd.

The cost of sales ratio increased 1.4 percentage points year on year to 53.0%, mainly due to the impact of foreign exchange rates and an increase in the proportion of sales accounted for by the China business

Selling, general and administrative expenses increased by 3,407 million yen year on year to 29,766 million yen, mainly due to the consolidation of Shanghai Hongqiao Traditional Chinese Drug Pieces Co., Ltd., the impact of foreign exchange rates, and an increase in research and development expenses. The ratio of SG&A expenses to net sales decreased 0.5 percentage points year on year to 28.8%, reflecting the increase in net sales.

As a result, operating profit increased by 1,728 million yen year on year to 18,848 million yen. The operating profit margin decreased by 0.8 percentage points year on year to 18.2%. Ordinary profit increased by 3,897 million yen year on year to 20,316 million yen, mainly due to the recording of foreign exchange gains on loans to overseas subsidiaries. Profit attributable to owners of parent for the six months increased by 3,725 million yen year on year to 16,203 million yen, mainly due to the recording of a gain on bargain purchase arising from the acquisition of shares of YOMEISHU SEIZO CO., LTD. as an extraordinary income.

*1 Drug-fostering program formulations:

Formulations the Company is addressing by looking hard at the structure of diseases in recent years, targeting diseases that are difficult to treat with new drugs for which prescription Kampo preparations prove specifically effective in domains where demand for medical treatment is high, and calling the establishment of evidence “drug-fostering”

*2 “Growing” formulations:

Growth drivers aimed at registration in clinical practice guidelines as strategic formulations after five drug-fostering program formulations by constructing evidence (such as data on safety and effectiveness) in domains where the degree of satisfaction with medical treatment and the degree of drug contribution are low

(2) Description of financial condition

The financial position in the first half under review was as follows:

Total assets at the end of the interim period amounted to 657,399 million yen, an increase of 64,632 million yen from the end of the previous fiscal year. Current assets increased 39,002 million yen, mainly due to increases in cash and deposits, work in process, and raw materials and supplies. Non-current assets increased by 25,630 million yen, mainly due to an increase in property, plant and equipment.

Total liabilities amounted to 261,611 million yen, an increase of 40,448 million yen from the end of the previous fiscal year. Current liabilities increased 35,614 million yen, mainly due to the reclassification of bonds from non-current liabilities to current liabilities as their scheduled redemption dates fell within one year. Non-current liabilities increased 4,833 million yen, mainly due to an increase in long-term borrowings.

Net assets amounted to 395,788 million yen, an increase of 24,184 million yen from the end of the previous fiscal year. Shareholders' equity increased by 10,280 million yen, mainly due to an increase in retained earnings. Accumulated other comprehensive income increased 8,040 million yen, mainly due to an increase in the foreign currency translation adjustment. In addition, non-controlling interests increased by 5,862 million yen.

As a result, the equity ratio decreased 2.6 percentage points to 51.7%.

Cash flows in the first half under review were as follows:

Cash and cash equivalents as of the end of the first half under review amounted to 91,582 million yen, an increase of 13,321 million yen from the end of the previous fiscal year. Cash flows in the first half under review and changes from the same period of the previous year were as follows.

Cash flows from operating activities

Net cash provided by operating activities amounted to 17,620 million yen. The main factors were interim net income before income taxes and other adjustments of 23,427 million yen, depreciation of 6,926 million yen, a gain on bargain purchase of 1,765 million yen, an increase in inventories of 1,564 million yen, and a gain on the sale of securities and investment securities of 1,368 million yen. Compared with the same period of the previous year, net cash provided by operating activities increased by 7,707 million yen.

Cash flows from investing activities

Net cash used in investing activities amounted to 20,531 million yen.

The main factors were 13,664 million yen in purchases of property, plant and equipment, 6,492 million yen in purchases of shares of subsidiaries resulting in a change in the scope of consolidation, 5,075 million yen in purchases of securities and investment securities, and 4,460 million yen in proceeds from the sale and redemption of securities and investment securities. Compared with the same period of the previous year, net cash used in investing activities decreased by 3,081 million yen.

Cash flows from financing activities

Net cash provided by financing activities amounted to 10,763 million yen.

The main factors were 19,900 million yen in proceeds from long-term borrowings, 15,226 million yen in proceeds from short-term borrowings, 9,377 million yen in repayments of long-term borrowings, and 9,000 million yen in repayments of short-term borrowings. Compared with the same period of the previous year, net cash provided by financing activities decreased by 8,165 million yen.

(3) Description of projections for consolidated business results

Regarding the consolidated earnings forecast for the fiscal year ending March 2027, we revised it as follows in the “Notice of Revisions to Consolidated Financial Forecasts for the First Half and the Full Year of the Fiscal Year Ending March 31, 2027” announced on October 28, 2026.

1.Revision of projections of consolidated business results for the fiscal year ending March 31, 2027
(from April 1, 2026 to March 31, 2027)

	Net sales	Domestic business	China business	Operating profit	Domestic business	China business	Ordinary profit	Profit attributable to owners of parent	Profit per share
	Million yen	Million yen	Million yen	Million yen	Million yen	Million yen	Million yen	Million yen	yen
Previous forecast (A)	213,600	167,600	46,000	37,500	34,800	2,700	35,500	26,200	351.46
Revised forecast (B)	218,500	174,400	44,100	38,400	35,600	2,800	36,400	29,300	393.03
Change (B - A)	4,900	6,800	(1,900)	900	800	100	900	3,100	
Percentage change (%)	2.3%	4.1%	(4.1) %	2.4%	2.3%	3.7%	2.5%	11.8%	
(Reference) Results for the previous fiscal year	192,615	161,172	31,442	35,219	35,024	195	40,036	28,117	376.28

2.Reason for revision

Regarding the full-year consolidated earnings forecast for the fiscal year ending March 2027, we have revised our previous forecast to reflect the consolidation of YOMEISHU SEIZO and other factors.
Net sales are forecast to be 218.5 billion yen, an increase of 4.9 billion yen from the previous forecast. In the domestic business, net sales are expected to increase, mainly due to the consolidation of YOMEISHU SEIZO CO., LTD. In the China business, on the other hand, net sales are expected to fall below the previous forecast, mainly due to lower-than-planned sales of traditional Chinese drug pieces on the crude drug platform.

Operating profit is forecast to be 38.4 billion yen, an increase of 0.9 billion yen from the previous forecast, mainly due to the consolidation of YOMEISHU SEIZO CO., LTD. and a review of selling, general and administrative expenses.
Net profit attributable to owners of the parent is forecast to be 29.3 billion yen, an increase of 3.1 billion yen from the previous forecast, mainly due to the recognition of a gain on bargain purchase.

3.Dividend Forecast

There is no change to the dividend forecast for the fiscal year ending March 2027 as a result of this revision to the earnings forecast. If any revisions to the dividend forecast become necessary in the future, we will promptly disclose them.

(Note) The above earnings forecast is based on information available as of the date of publication of this document. Actual results may differ from the forecast due to various factors.

2. Semi-annual Consolidated Financial Statements and Key Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	84,079	96,195
Notes and accounts receivable - trade	72,250	76,569
Securities	-	3,341
Merchandise and finished goods	24,262	23,560
Work in process	25,115	30,949
Raw materials and supplies	114,629	119,221
Other	29,347	38,870
Allowance for doubtful accounts	(471)	(493)
Total current assets	349,212	388,214
Non-current assets		
Property, plant and equipment		
Buildings and structures	118,939	139,468
Machinery, equipment and vehicles	89,362	106,955
Construction in progress	60,290	63,175
Other	31,658	35,319
Accumulated depreciation	(133,311)	(153,740)
Total property, plant and equipment	166,940	191,178
Intangible assets		
Goodwill	17,665	18,287
Other	32,716	34,423
Total intangible assets	50,381	52,710
Investments and other assets		
Investment securities	7,478	5,434
Retirement benefit asset	6,603	7,643
Other	12,150	12,224
Allowance for doubtful accounts	(0)	(6)
Total investments and other assets	26,231	25,295
Total non-current assets	243,553	269,184
Total assets	592,766	657,399
Liabilities		
Current liabilities		
Notes and accounts payable - trade	31,534	34,423
Short-term borrowings	3,329	9,555
Current portion of bonds payable	-	15,000
Current portion of long-term borrowings	9,377	-
Income taxes payable	5,491	6,346
Other	33,525	53,547
Total current liabilities	83,257	118,872
Non-current liabilities		
Bonds payable	45,000	30,000
Long-term borrowings	77,454	98,257
Long-term income taxes payable	192	-
Retirement benefit liability	586	645
Provision for employee stock ownership plan trust	564	888
Provision for share awards for directors (and other	165	226

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
officers)		
Other	13,941	12,720
Total non-current liabilities	137,904	142,738
Total liabilities	221,162	261,611

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Net assets		
Shareholders' equity		
Share capital	30,142	30,142
Capital surplus	13,473	13,475
Retained earnings	247,010	257,266
Treasury shares	(8,120)	(8,097)
Total shareholders' equity	282,506	292,787
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,531	2,962
Deferred gains or losses on hedges	5,678	4,423
Revaluation reserve for land	2,638	2,638
Foreign currency translation adjustment	26,071	35,986
Remeasurements of defined benefit plans	1,302	1,252
Total accumulated other comprehensive income	39,222	47,263
Non-controlling interests	49,874	55,737
Total net assets	371,603	395,788
Total liabilities and net assets	592,766	657,399

(2) Semi-annual Consolidated Statements of Income and semi-annual Consolidated Statements of Comprehensive Income

Semi-annual Consolidated Statements of Income

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Net sales	89,897	103,441
Cost of sales	46,418	54,826
Gross profit	43,479	48,614
Selling, general and administrative expenses	26,359	29,766
Operating profit	17,119	18,848
Non-operating income		
Interest income	224	188
Dividend income	219	209
Foreign exchange gains	-	2,029
Other	194	242
Total non-operating income	637	2,671
Non-operating expenses		
Interest expenses	346	1,069
Foreign exchange losses	789	-
Other	202	133
Total non-operating expenses	1,338	1,203
Ordinary profit	16,419	20,316
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	1,976	1,368
Gain on bargain purchase	-	1,765
Total extraordinary income	1,977	3,135
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	48	23
Loss on valuation of investment securities	499	-
Total extraordinary losses	548	24
Profit before income taxes	17,848	23,427
Income taxes	4,912	5,719
Profit	12,935	17,707
Profit attributable to non-controlling interests	457	1,503
Profit attributable to owners of parent	12,477	16,203

Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Profit	12,935	17,707
Other comprehensive income		
Valuation difference on available-for-sale securities	(277)	(568)
Deferred gains or losses on hedges	984	(1,254)
Foreign currency translation adjustment	(12,355)	14,214
Remeasurements of defined benefit plans, net of tax	32	(50)
Total other comprehensive income	(11,615)	12,340
Comprehensive income	1,319	30,047
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,240	24,244
Comprehensive income attributable to non-controlling interests	(2,920)	5,803

(3) Semi-annual Consolidated Statements 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	17,848	23,427
Depreciation	5,663	6,926
Amortization of goodwill	267	552
Gain on bargain purchase	-	(1,765)
Increase (decrease) in allowance for doubtful accounts	(16)	(8)
Interest and dividend income	(443)	(398)
Interest expenses	346	1,069
Loss (gain) on sale and retirement of property, plant and equipment	47	23
Decrease (increase) in trade receivables	324	(873)
Decrease (increase) in inventories	(7,343)	(1,564)
Increase (decrease) in trade payables	(2,472)	630
Loss (gain) on sale of short-term and long-term investment securities	(1,976)	(1,368)
Decrease (increase) in retirement benefit asset	(164)	(286)
Increase (decrease) in retirement benefit liability	(10)	17
Other, net	4,911	(2,733)
Subtotal	16,981	23,647
Interest and dividends received	445	414
Interest paid	(343)	(988)
Income taxes paid	(7,169)	(5,452)
Other, net	-	(0)
Net cash provided by (used in) operating activities	9,912	17,620
Cash flows from investing activities		
Decrease (increase) in time deposits	1	1,597
Purchase of property, plant and equipment	(10,582)	(13,664)
Proceeds from sale of property, plant and equipment	0	2
Purchase of intangible assets	(796)	(1,067)
Purchase of short-term and long-term investment securities	(1,635)	(5,075)
Proceeds from sale and redemption of short-term and long-term investment securities	5,555	4,460
Proceeds from collection of loans receivable	68	77
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(15,016)	(6,492)
Other, net	(1,207)	(370)
Net cash provided by (used in) investing activities	(23,612)	(20,531)
Cash flows from financing activities		
Proceeds from short-term borrowings	26,368	15,226
Repayments of short-term borrowings	(2,000)	(9,000)
Proceeds from long-term borrowings	3,408	19,900
Repayments of long-term borrowings	-	(9,377)
Purchase of treasury shares	(6,130)	(0)
Proceeds from share issuance to non-controlling shareholders	2,686	-
Dividends paid	(5,184)	(5,940)
Dividends paid to non-controlling interests	-	(0)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(776)	-
Other, net	558	(44)
Net cash provided by (used in) financing activities	18,929	10,763

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Effect of exchange rate change on cash and cash equivalents	(6,684)	5,468
Net increase (decrease) in cash and cash equivalents	(1,454)	13,321
Cash and cash equivalents at beginning of period	73,135	78,261
Cash and cash equivalents at end of period	71,680	91,582

(4) Notes to the semi-annual Consolidated Financial Statements
(Notes on premise of a going concern)
No relevant items.

(Notes on case of extreme change in shareholder's equity amount)
No relevant items.

(Change in accounting estimates)
(Change in Useful Lives)
During the current interim consolidated accounting period, the Company reviewed the durability and expected future use of certain newly introduced machinery and equipment used in its domestic prescription pharmaceutical business. As a result, the Company changed the useful life of such assets to 15 years and has applied this change prospectively.

The impact of this change on operating profit, ordinary profit, and profit before income taxes for the current interim consolidated accounting period was immaterial.

(Changes in significant subsidiaries during the current consolidated accounting period)
During the interim consolidated accounting period, we acquired all shares of YOMEISHU SEIZO and consequently included the company within the scope of consolidation.

(Business Combinations and Related Matters)
Business Combination through Acquisition
Following deliberations at a meeting of the Board of Directors held on February 24, 2026, we resolved to enter into a basic transaction agreement among four parties— YOMEISHU SEIZO CO., LTD. (hereinafter, "YOMEISHU"), Reno Co., Ltd (hereinafter, the "Tender Offeror"), Yuzawa Co., Ltd. (hereinafter, "Yuzawa"), and TSUMURA & CO.—and, in connection therewith, to enter into a share transfer agreement among the Tender Offeror, Yuzawa, and our company. Now that the series of procedures has been completed, we acquired all shares of Yomeishu from Yuzawa, and Yomeishu became our consolidated subsidiary.

(1) Overview of the business combination
① Name of the acquired company and the details of its business
Name of the acquired company: YOMEISHU SEIZO CO., LTD.
Business description: Manufacture and sale of Yomeishu, alcoholic beverages, pharmaceuticals, and other products, operation of restaurants and retail stores and related activities

② Main reasons for the business combination
We have established our long-term management vision, "TSUMURA VISION 'Cho-WA' 2031," and are working toward its realization by diversifying our business portfolio and further strengthening our stable earnings base. Through this transaction, we will combine our strengths in prescription Kampo formulations with YOMEISHU SEIZO's expertise and brand value in "*Yojo*" to accelerate growth in the over-the-counter pharmaceutical and healthcare fields. At the same time, we will strengthen our health-support capabilities in the areas of "Pre-symptomatic diseases" and "*Yojo*", contributing to harmony of mind and body and enhanced well-being for each individual.Through these efforts, we aim to realize the value creation envisioned in our long-term management vision across the areas of treatment, "pre-symptomatic diseases", and "*Yojo"*.

③ Date of Business Combination
September 1, 2026

④ Legal Form of Business Combination
Acquisition of shares

⑤ Name of the Company After Combination
There are no changes.

⑥ Acquired Interest Ratio
100%

⑦　Main grounds for determining the acquiring company
This is due to our company acquiring shares in exchange for cash.

(2) Period of the acquired company's performance included in the interim consolidated financial statements
From September 1, 2026 to September 30, 2026

(3) Breakdown of acquisition cost and types of consideration for the acquired company
Consideration for acquisition: Cash: 6,800 million yen
Acquisition cost: 6,800 million yen

(4) Content and amount of major acquisition-related expenses
Remuneration and fees to advisors: 206 million yen

(5) Amount of gain on bargain purchase, cause of occurrence
① Amount of gain on bargain purchase
1,765 million yen
The amount of gain on bargain purchase at the end of the current interim consolidated accounting period is a provisional figure because the allocation of acquisition cost has not been completed.

② Cause of Occurrence
Because the fair value of the net assets at the time of the business combination exceeded the acquisition cost, the difference has been recognized as a gain on bargain purchase.

(6) Amounts of assets acquired and liabilities assumed on the business combination date and their main components
Current assets: 13,611 million yen
Non-current assets: 5,739 million yen
Total assets: 19,351 million yen
Current liabilities: 10,780 million yen
Long-term liabilities: 5 million yen
Total liabilities: 10,785 million yen

(7) Allocation of acquisition cost
Since the allocation of acquisition cost was not completed by the end of the current interim consolidated accounting period, provisional accounting treatment has been carried out based on reasonable information available at that time.

(Notes on Segment Information)

[Segment Information]
1. Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)
Segment information is not shown because the Group’s operations are limited to the single segment of pharmaceutical products.

2. Six months ended September 30, 2026 (From April 1, 2026 to September 30, 2026)
Segment information is not shown because the Group’s operations are limited to the single segment of pharmaceutical products.