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NEWS RELEASE

Company name: TSUMURA & CO.
Listing: TSE Prime Market
Securities code: 4540
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Notice Regarding Revision of Earnings Forecast and Revision of Dividend Forecast (Dividend Increase)

TSUMURA & CO. (the “Company”) announces the revision of its earnings forecast and dividend forecast for the fiscal year ending March 31, 2026, which was announced on May 12, 2025 based on recent performance trends. Details are as follows.

1. Revision of earnings forecast

1) Revision of projections of consolidated business results for the fiscal year ending March 31, 2026
(from April 1, 2025 to March 31, 2026)

	Net sales			Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
		Domestic business	China business				
	Million yen	Million yen	Million yen	Million yen	Million yen	Million yen	Million yen
Previous forecast (A)	188,000	167,900	20,100	34,200	34,000	23,000	302.95
Revised forecast (B)	198,000	167,900	30,100	35,000	34,500	24,300	320.08
Change (B - A)	10,000	−	10,000	800	500	1,300	
Percentage change (%)	5.3 %	−	49.8 %	2.3%	1.5%	5.7%	
(Reference) Results for previous fiscal year(ended March 31, 2025)	181,093	160,459	20,633	40,125	42,446	32,428	427.15

2) Reason for revision
Regarding net sales, due to the consolidation of Shanghai Hongqiao Traditional Chinese Drug Pieces Co., Ltd. (hereinafter, “Hongqiao Traditional Chinese Drug Pieces”), which was acquired through equity participation, the figure is expected to reach 198,000 million yen, exceeding the previously announced forecast by 10,000 million yen.
Regarding operating profit, the impact of consolidating Hongqiao Traditional Chinese Drug Pieces as a subsidiary is expected to be minor due to goodwill amortization and expenses related to acquisition-specific accounting treatments in the first year. Meanwhile, factors such as a reduction in processing costs and control of selling, general, and administrative expenses are projected to result in operating profit exceeding the previously announced forecast by 800 million yen, reaching 35,000 million yen.
Regarding ordinary profit and net profit attributable to the parent company's shareholders for the current term, in addition to the upward revision of operating profit, due to the sale of policy-held shares and other factors, ordinary profit is expected to exceed the previous forecast by 500 million yen to 34,500 million yen, and net profit attributable to the parent company's shareholders is expected to exceed the previous forecast by 1,300 million yen to 24,300 million yen.

2. Revision of Dividend forecast

1) Revision of dividend forecast for the fiscal year ending March 2026

	Dividend per share			
	End of 2nd quarter	Year-end	Total	Consolidated payout ratio
Previous forecast (Announced on May 12, 2025)	Yen 68.00	Yen 68.00	Yen 136.00	% 44.9
Revised forecast		76.00	144.00	45.0
Results for current period	68.00			
Dividend paid for FY ended March 31, 2025	68.00	68.00	136.00	31.8

2) Reason for revision

Since the profit attributable to owners of parent for the fiscal year ending March 31, 2026 is expected to exceed the previously announced forecast, based on our shareholder return policy (target DOE rate of 5% by fiscal 2031), the DOE will be revised from the initially expected 3.4% to 3.6%, the same level as the actual performance of the previous fiscal year. As a result, the annual dividend for the fiscal year ending March 2026 will be increased by 8 yen per share to 144 yen (of which the interim dividend is 68 yen and the year-end dividend is 76 yen).

(Note) The above earnings forecast has been prepared based on information available as of the date of publication of this document, and actual results may differ from the forecast figures due to various factors in the future.