

SUZUKEN CO., LTD

[Stock Code: 9987]



New Medium-Term Management Plan (FY2026 to FY2028)

**Becoming a Health Creation Enterprise
in Our Third Phase of Development**
—Evolving into a Next-Generation Distributor
Beyond the Traditional Concept of Wholesaling—



May 15, 2026

**Becoming a Health Creation Enterprise in Our Third Phase of Development
—Evolving into a Next-Generation Distributor Beyond the Traditional Concept of Wholesaling—**

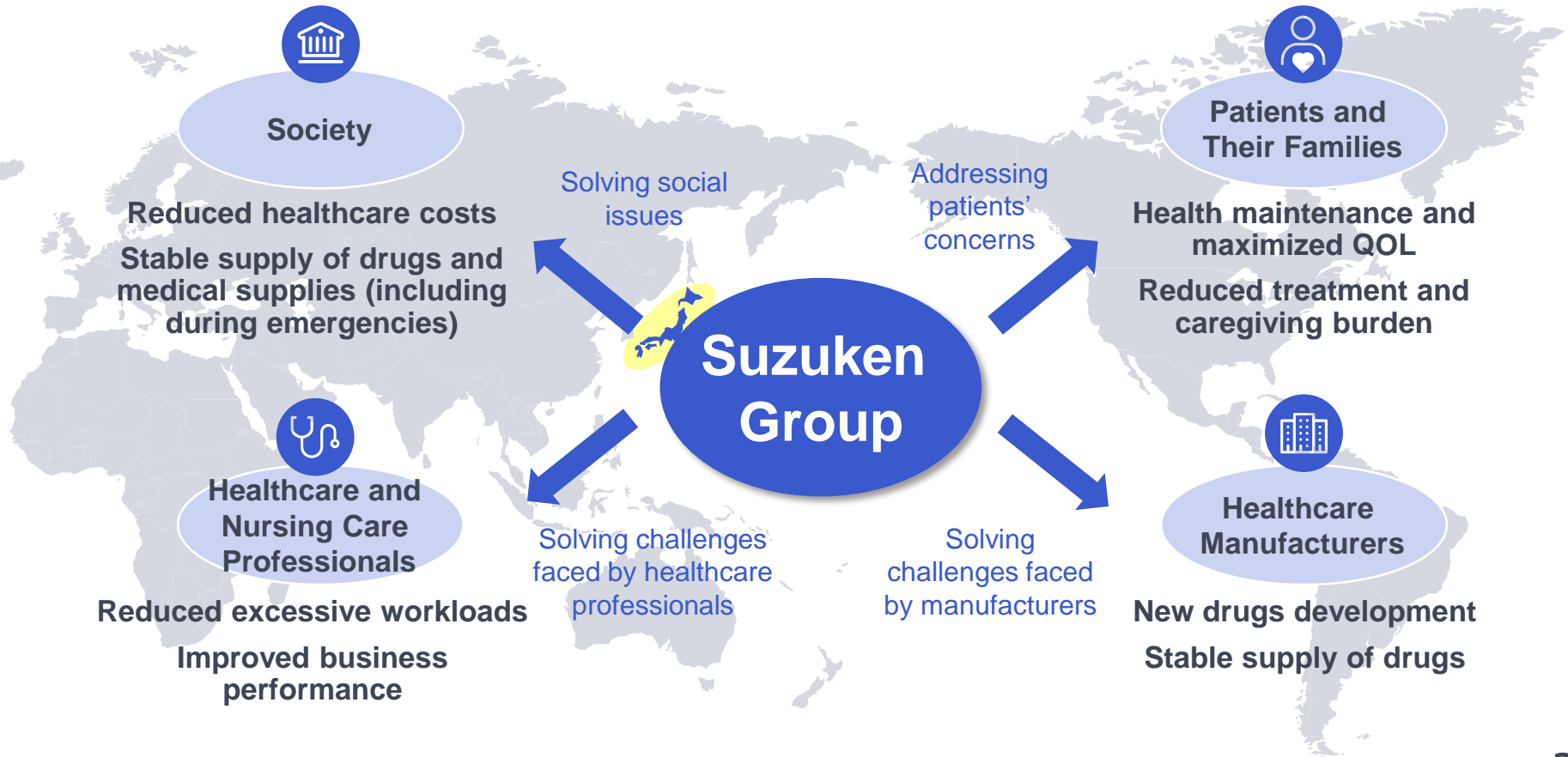
- 1. The Suzuken Group’s Vision of a “Health Creation Enterprise” P.3**
- 2. Slogan of the New Medium-Term Management Plan P.4**
- 3. Our Three-Year Target State Toward Our Five-Year Vision P.5**
- 4. Management Indicators of the New Medium-Term Management Plan P.6**
- 5. Key Principles of the New Medium-Term Management Plan P.7**
- 6. The Need for a New Revenue Model in Pharmaceutical Wholesaling P.8**
- 7. What is the Next-Generation Distribution Model? P.9**
- 8. Redesigning the Business Portfolio P.10**
- 9. New Business Segments P.11**
- 10. Reinforcing the Management Foundation P.24**
- 11. Shareholder Return Policy P.27**
- 12. Initiatives Toward Sustainability P.28**



1. The Suzuken Group's Vision of a "Health Creation Enterprise"

Health Creation Enterprise

An enterprise that helps create better health for people by addressing a wide range of social issues





2. Slogan of the New Medium-Term Management Plan

Change makes Challenge

Embrace change. Take on challenges.

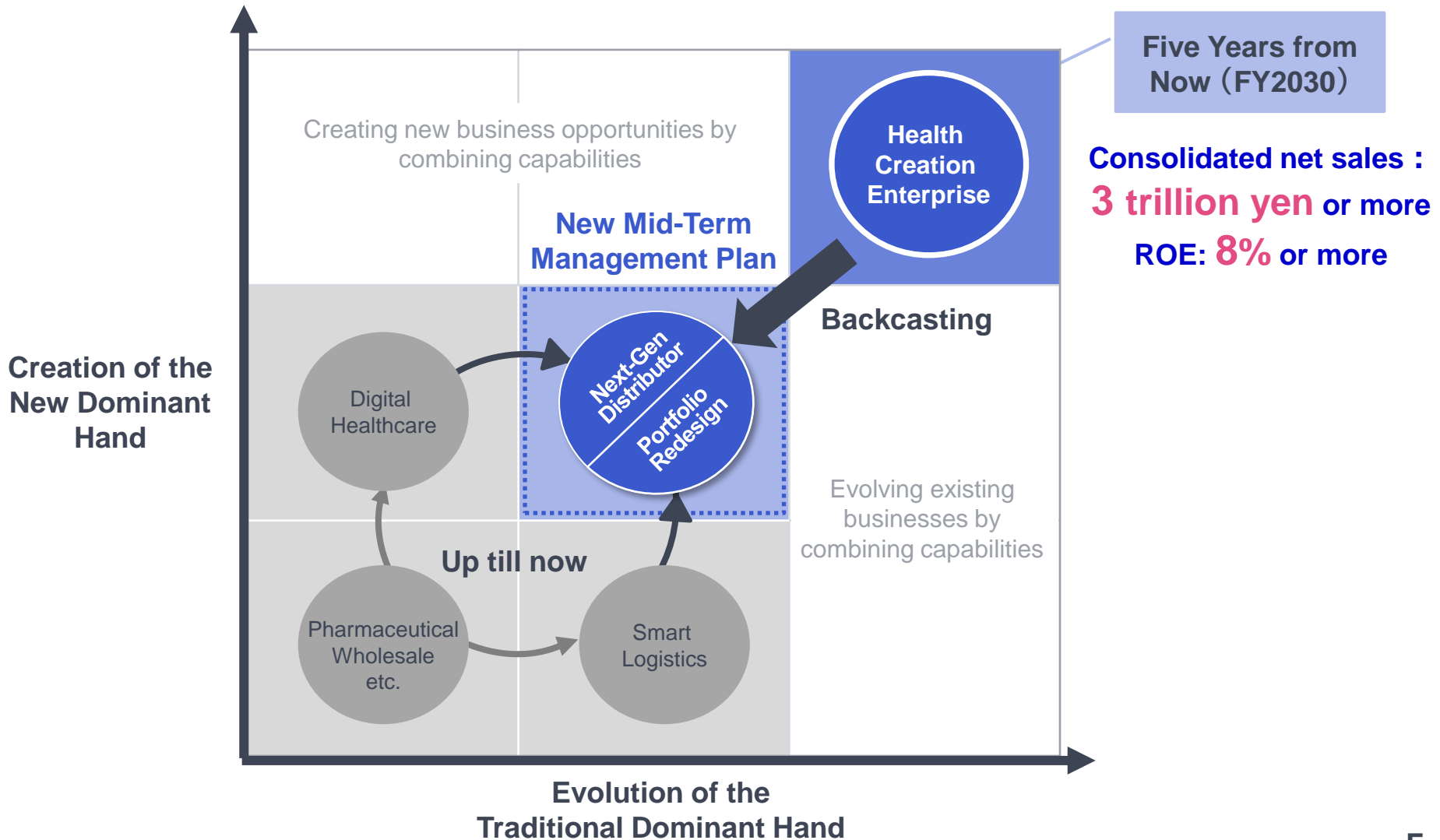
Challenge makes Change

Our challenges shape the future of the Suzuken Group



3. Our Three-Year Target State Toward Our Five-Year Vision

Toward achieving *consolidated net sales of 3 trillion yen*
and an *ROE of 8% in five years*





4. Management Indicators of the New Medium-Term Management Plan

■ Long-term targets [five-year horizon: FY2030]

Item	Term	Target
Consolidated net sales	FY2030	¥3 trillion or more
ROE		8.0% or more

■ Key management indicators under the medium-term management plan (FY2026 to FY2028)

Item	Term	Target
Consolidated net sales	FY2028	¥2.7 trillion or more
ROE	Each fiscal year	Levels above cost of capital (6.0%)
	FY2028	7.0% or more
Ordinary profit margin	FY2028	Consolidated: 1.5% or more Distribution segment: 1.0% or more
Investment	3-year cumulative total	¥60 billion or more (M&A and strategic investments will be executed flexibly)
Shareholder returns	Each fiscal year	Continuation of stable dividends (DOE of 3.0% by FY2028)
		Total payout ratio: Implemented with 100% as the guideline
Reduction of cross-shareholdings	FY2028	10.0% or less of consolidated net assets



5. Key Principles of the New Medium-Term Management Plan

**FY2026~
FY2028**

(Fiscal years ending
March 2027 through
March 2029)

**Toward the
Third Phase of
Development**



1. Evolving into a Next-Generation Distributor



2. Rebuilding of the Business Portfolio



3. Strengthening of the Management Foundation



**Consolidated Revenue of ¥3 Trillion or more,
and an ROE of 8% or more**

By FY2030

(Fiscal year ending
March 2031)

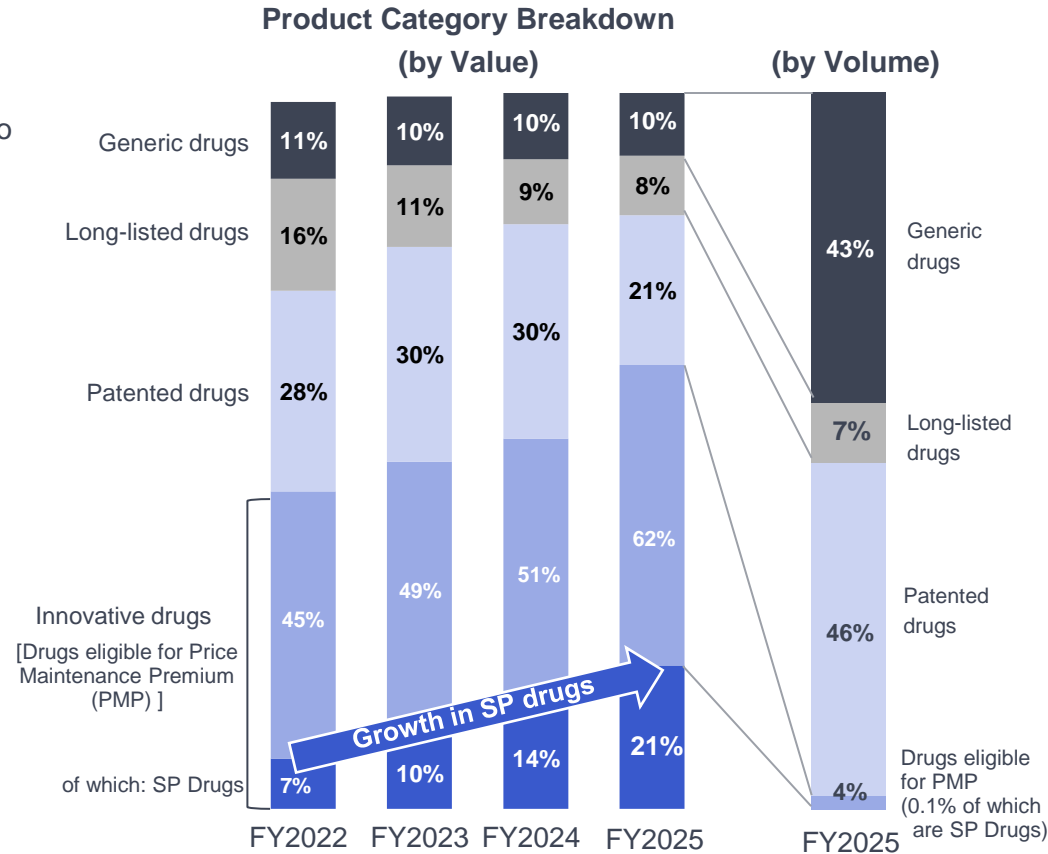
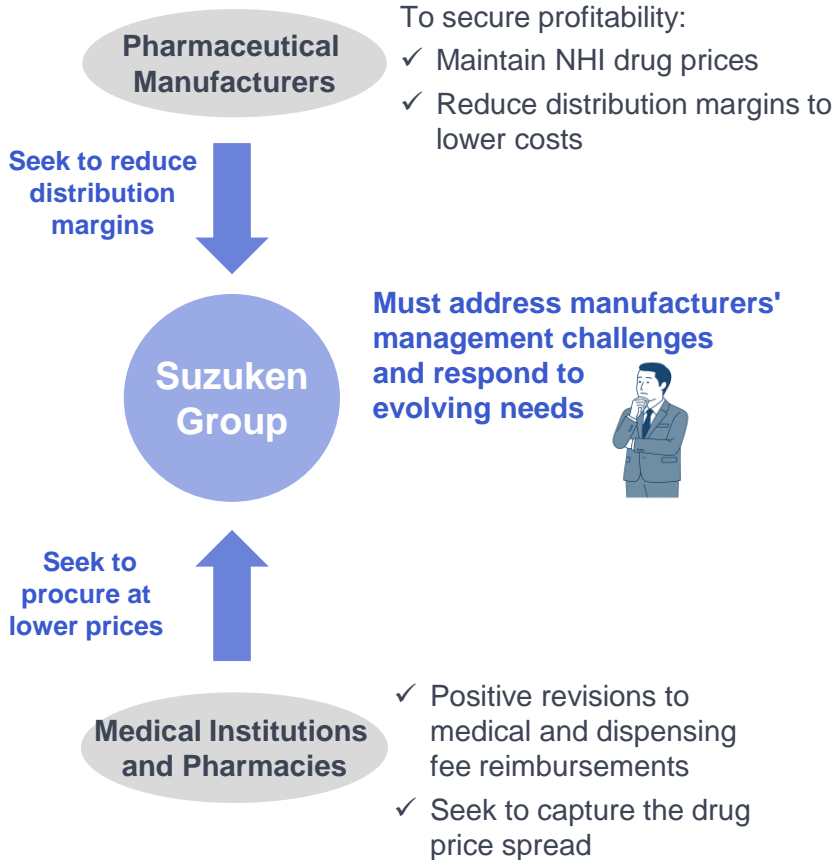
Five-year horizon

6. The Need for a New Revenue Model in Pharmaceutical Wholesaling

In light of changes in the business environment, a transformation to a new business model is required

How should we respond to rising costs in an inflationary environment?

How should we respond to shifts in the product mix?



* Specialty Pharmaceuticals (SP drugs): Products distributed through a single wholesaler or limited distribution channels



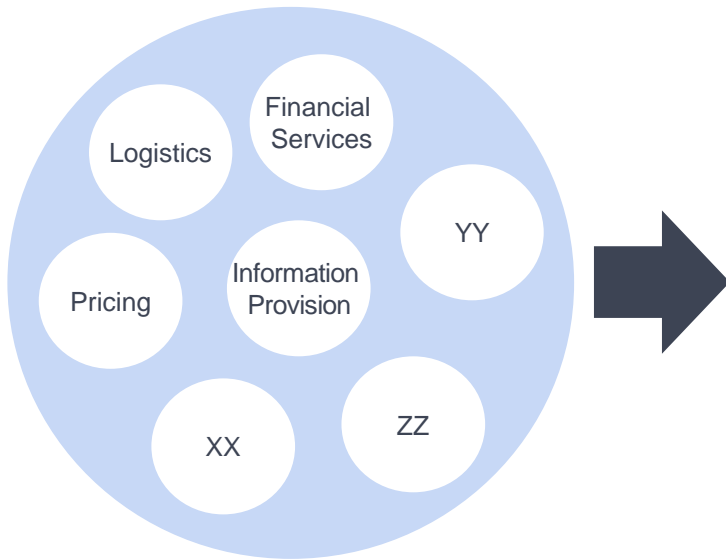
7. What is the Next-Generation Distribution Model?

Expanding our capabilities to build standalone fee-based businesses

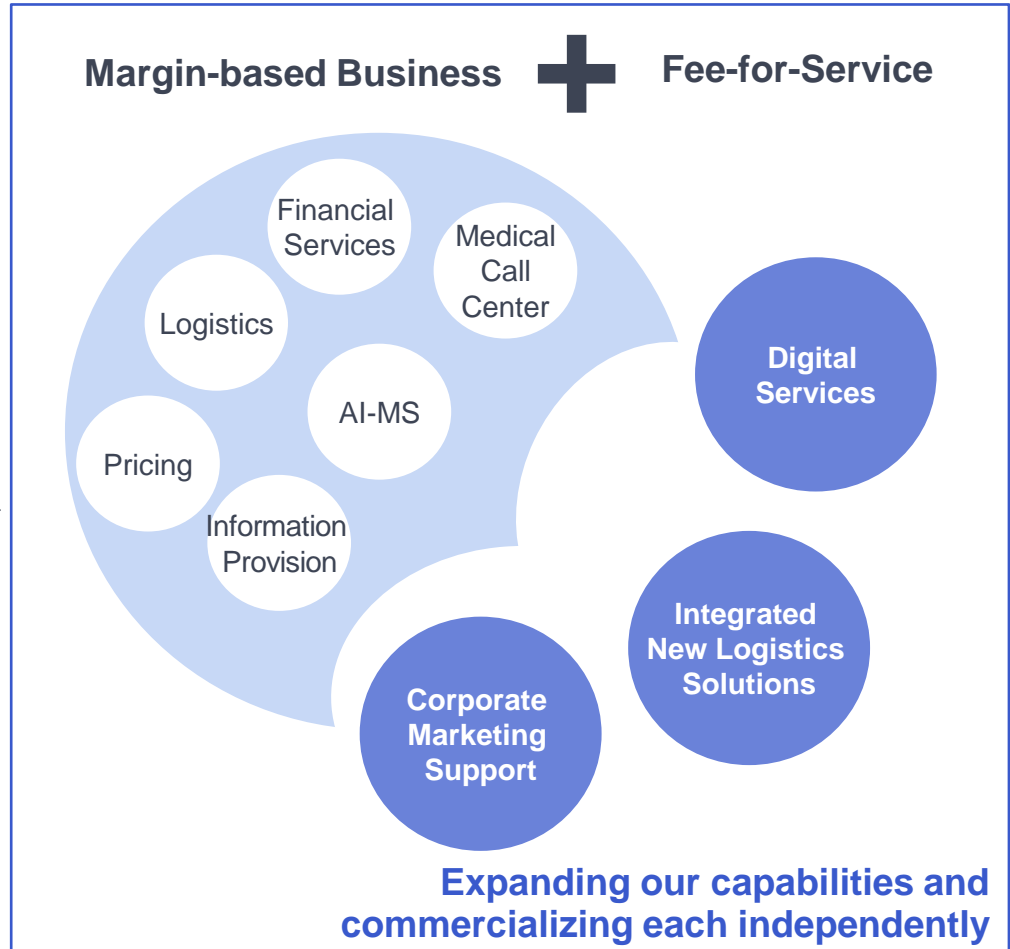
The Next-Generation Distribution Model

Until Now

Margin-based business with manufacturers and customers



Margin-based Business + Fee-for-Service



— Commercialization of Capabilities —

Redesigning our business portfolio by redefining our value proposition and realigning our alliances



Redefining Our Value Proposition

- ❑ **Pharmacy:** Establish a pharmacy support business model to contribute to community-based healthcare
- ❑ **Manufacturing:** Expand beyond in-house R&D and manufacturing to build a full-scale CRO/CDMO business, providing our development, regulatory, manufacturing, and quality management capabilities to external companies

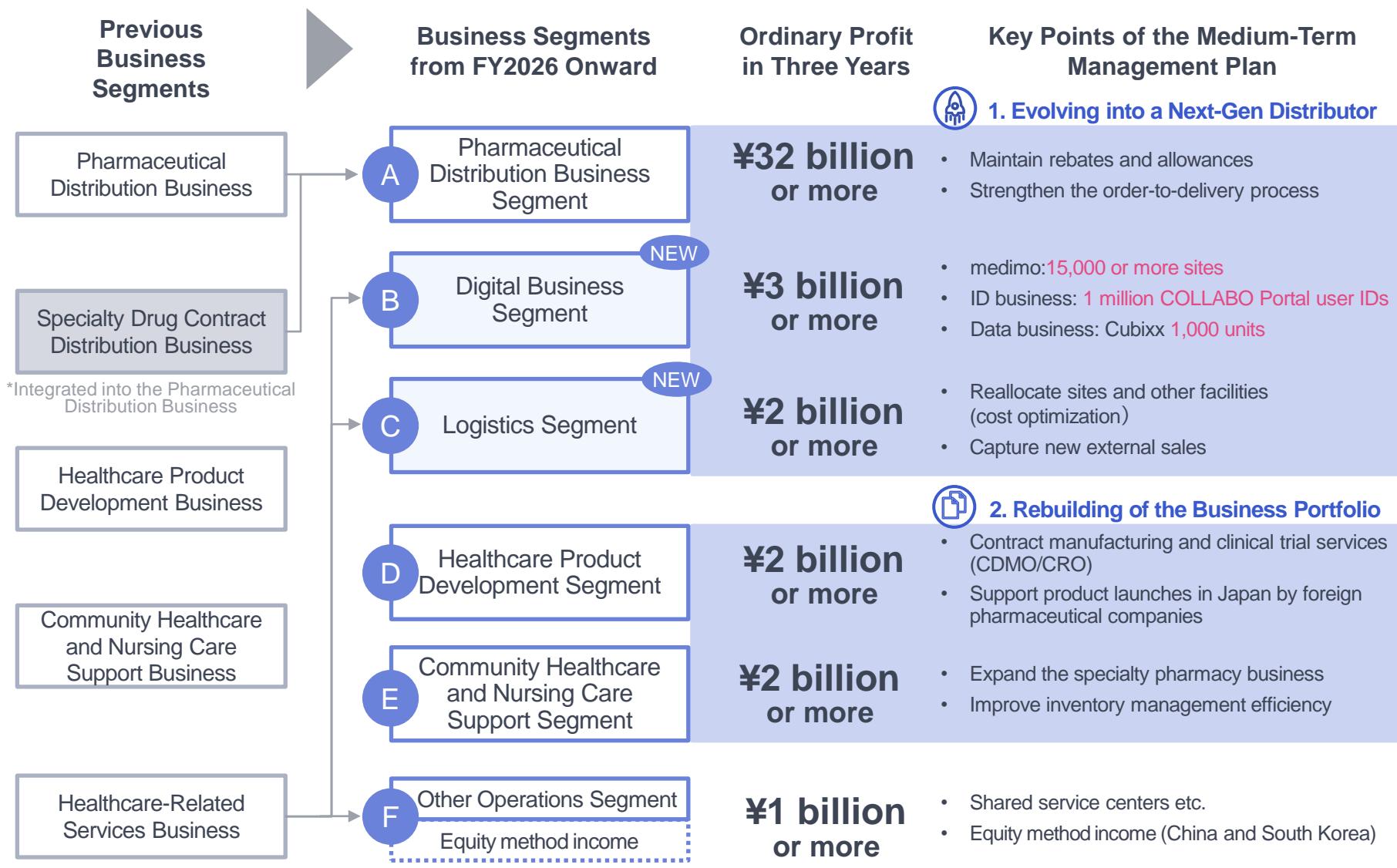


Realigning Strategic Alliances (Selection and Prioritization)

- ❑ Conduct a comprehensive review of all alliances and investments to assess their relevance to the Suzuken Group's growth
- ❑ Assess equity-method affiliates based on their contribution to future growth and capital efficiency
- ❑ Reevaluate the use of the equity method for other companies



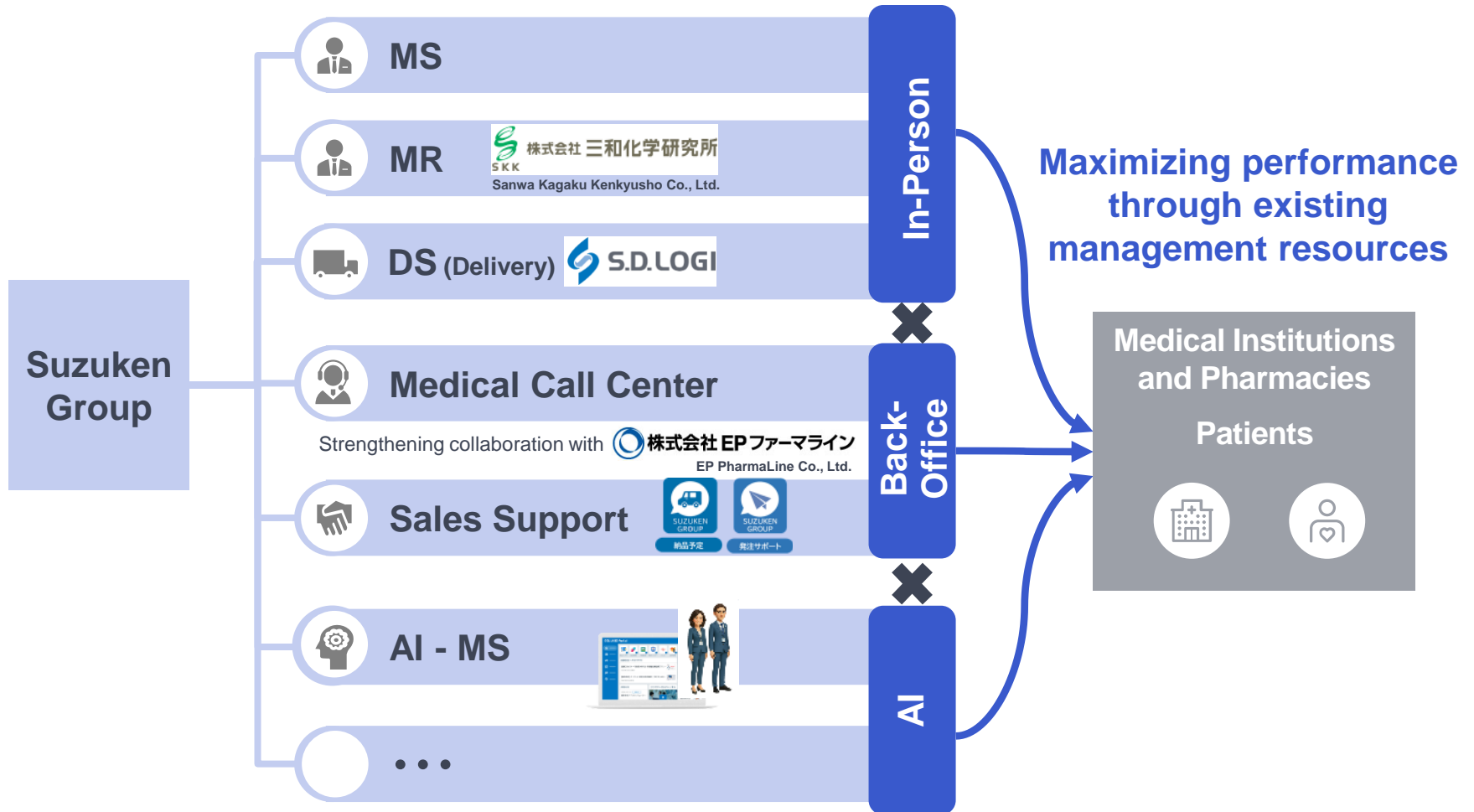
9. New Business Segments



FY2028 Consolidated Ordinary Profit: ¥40 billion* or more

Delivering information tailored to customer needs through the effective use of our existing management resources

[Multi-Channel]





A

Pharmaceutical
Distribution

Promotion Activities Using AI-MS

Leveraging AI avatars to deliver information aligned with customer needs. Enhancing EP Pharmaline's call center functions and expanding the overall support infrastructure.

Evolving from a conventional portal site to a platform where trusted partners are built in

AI-MS Exclusively for Healthcare Professionals



Please give me one minute to walk you through the key points!

Key Features of AI-MS (Examples)

- ✓ Delivers key information via video presentations
- ✓ Generates digest videos of portal content
- ✓ Enables simultaneous, quality-consistent promotional outreach nationwide



On May 14, 2026, Suzuken and EP Pharmaline signed a memorandum of understanding to further deepen our strategic partnership.



B

Digital

Contributing to Improved Operational Efficiency and Workstyle Transformation for Healthcare Professionals

Accelerating the adoption of medimo to help reduce the workload of healthcare professionals



(Became a wholly owned subsidiary in February 2026)



【Key Features of medimo】

- AI creates medical records and medication histories in approximately five seconds from conversations with patients
- Implemented at more than 1,000 facilities
*Initiatives are being implemented with a target of expanding adoption to 10,000 facilities within the fiscal year.



Contributing to reduced workload for physicians and medical administrative staff (Supporting **workstyle reform**)

Contributing to **in-house Generative AI capability development** at Suzuken Group

Contributing to the creation of opportunities for **secondary use of data**

Utilizing raw conversational data between patients and physicians

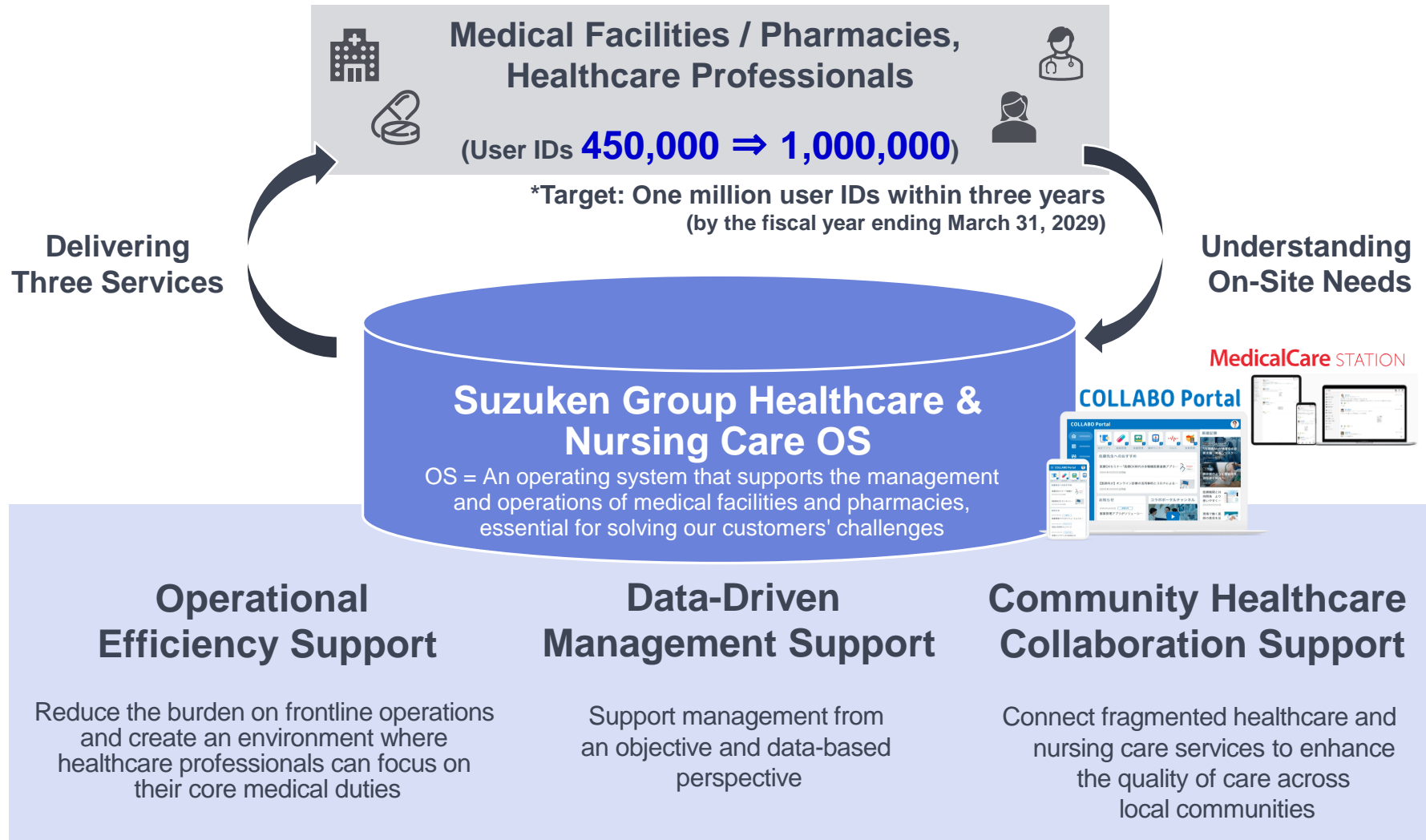


B

Digital

Contributing to the Advancement of Healthcare Together with One Million Healthcare Professionals

Building an OS that helps solve our customers' challenges and contributes to the advancement of healthcare in Japan





B

Digital

Business Model for the Healthcare & Nursing Care OS

Allowing seamless user authentication for generative AI-centered healthcare digital services through the COLLABO Portal ID is expected to create new revenue-generating business opportunities

*Patents related to this seamless user authentication are pending.



Building and operating a highly reliable identity authentication platform in-house requires significant cost and time

Business Alliance Between Nankodo and Collabo Square (Announced on May 14, 2026)

- COLLABO Portal ID will serve as Medshiru AI's customer authentication platform, enabling seamless access from COLLABO Portal and MCS

< Business Model >

① ID Usage Fees

- Usage fee revenue generated from providing COLLABO Portal ID-based user authentication functions, etc.

② Sales of Digital Services (including EC)

- Provision of digital services and healthcare-related products for healthcare professionals

③ Data Sales

- Information services utilizing accumulated data from the Healthcare & Nursing Care OS

The Digital CoE serves as the engine to deliver new solutions to the world

Digital CoE

(Center of excellence: In-house expert team)

Members nominated within the Group

Healthcare Distribution Business HQ

Healthcare and Nursing Care Support Business HQ

Corporate HQ

Subsidiaries & Business Units

...

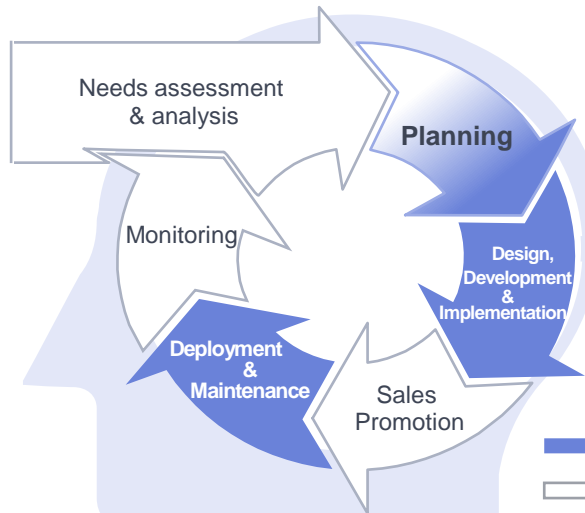
Internal Assignment

Dedicated CoE Members

- 5 full-time members
- Skills: Physicians, pharmacists, individuals with corporate management experience, etc.

Associate Members (participating on a project basis)

- Approx. 20 members per project
- Skills: Certified AI/digital specialists and business domain experts



Outcome

Solution Creation and Realization of Fee-Based Business

➔ : Digital CoE Department

➔ : Individual Departments

Acting as an engine to create new fee-based businesses, through leveraging the Suzuken Group's data and digital / AI technologies



C

Logistics

Establishment of New Company (Collabo CREATE)

A non-asset-based integrated solutions provider that works with partner companies to design and propose optimal logistics solutions for diverse needs across the healthcare sector

Certain executives and dedicated personnel are seconded from participating investor companies



This will be achieved by collaborating with partner companies and combining our respective capabilities

Export / Import customs, etc.	Manufacturing, plant logistics, logistics warehouses, and a nationwide transportation network	Wholesaler distribution, area delivery, and joint delivery	SPD (Supply Processing and Distribution)	Last-mile delivery

Focusing primarily on healthcare-related products (medical devices and materials, OTC drugs, etc.) in addition to prescription drugs



C

Logistics

Strengthening the Social Infrastructure for Stable Supply

Suzuken Group Logistics Assets



Building a Nationwide, Standardized Quality Management System

Manufacturer Logistics Centers

Western Japan area: 5

- Kobe
- Rokko
- Western Japan
- Western Kobe
- Amagasaki

Eastern Japan area: 6

- Koga
- Tsukuba
- Eastern Japan
- Sugito I
- Kanto
- Sugito II

Wholesale Distribution Centers

Sapporo Daiichi DC Niihama DC Greater Tokyo DC

Okayama DC Miyagi DC SILC (Fukuoka DC) Chiba DC

Meinan DC Kanagawa DC

Unifying the corporate brand (Nationwide transition to blue vehicles)



Nationwide Distribution Network Vehicles with green license plates:

Approx. **2,500**

(Includes trucks: approx. 1,200)

(Temperature-controlled vehicles: approx. 850)



- ✓ All distribution centers have completed ISO certification
- ✓ S.D.Logi, which is responsible for pharmaceutical distribution, received the **TQM Growth through Challenge Award** at the **FY2025 Japan Quality Recognition Awards**



- ✓ 600 entry-level GDP specialists have been assigned
- ✓ 173 personnel holding external certification as Quality Management Auditors have been assigned



- ✓ An advanced quality management framework compliant with the international PIC/S GDP standard has been established across the Group

Reorganization into 8 Regional Blocks

A transition from a *nationwide standardized service* to *regionally optimized logistics service*



D

Healthcare Product Development

Three Business Models for Healthcare Product Development

Effectively leveraging the resources and expertise of Sanwa Kagaku Kenkyusho (SKK) to address social challenges such as drug lag, drug loss, and supply stability

Three Business Models



1. Launch of Proprietary Drugs

- ✓ Filed for marketing approval of “Paltusotine” for the treatment for acromegaly and pituitary gigantism



2. Expansion of One-Stop Services through Collaboration

- ✓ Accelerating the initiatives of the J-ENTRY Consortium (SKK×Bushu Pharma×EPS Holdings), established to address drug lag and drug loss

3. Expansion of CDMO Capabilities

- ✓ Strengthening collaboration with Bushu Pharma
- ✓ Further expanding contract manufacturing clients and product lines, in addition to Towa Pharmaceutical (Announced by SKK on April 23, 2026)

Contract manufacturing services for third-party products



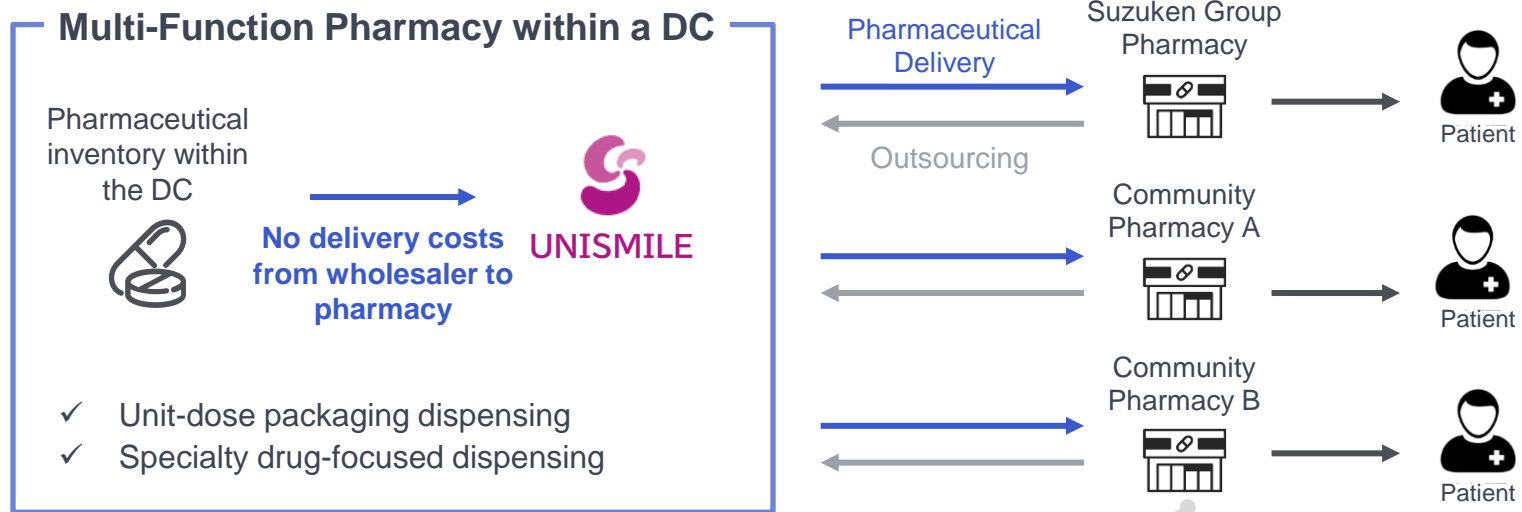
Towa Pharmaceutical is also a client for our contract logistics services. We will further strengthen this collaboration to enhance our BCP capabilities and improve overall supply chain efficiency.



Evolution of the Pharmacy Business

Enhancing dispensing efficiency by establishing pharmacies co-located with distribution centers (DCs)

<Conceptual business model for a multi-function pharmacy within a DC>



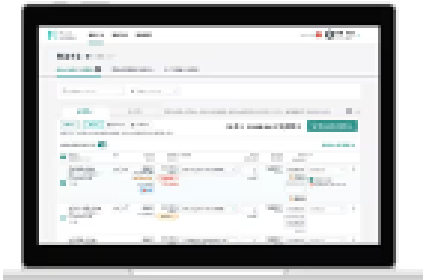
- Benefits for Outsourcing Partners (Community Pharmacies, etc.)**
- Reduced drug waste through unit-dose packaging (optimized inventory levels)
 - Lower distribution costs compared to competitors (leveraging the Group's delivery network)
 - Enabling a shift from product handling to patient-facing services (allows pharmacies to exercise their professional expertise)

Contributing to community healthcare by empowering other pharmacies



Leveraging the strengths of our Group, including contract distribution for specialty drugs and a malnutrition assessment tool, we will help address social issues in community healthcare

[Specialty drug-focused dispensing]



Musubi

AI Inventory Management



Cubixx for Pharmacies

- Broad lineup of specialty drugs
- Advanced follow-up support through aseptic dispensing rooms and specialized pharmacists
- Reduced risk of slow-moving inventory through Cubixx for pharmacies in combination with timely delivery
(Linked with Musubi, an AI-based inventory management system by KAKEHASHI)

[Malnutrition Assessment Tool]

Linéa
Launched
on January 30, 2026



*Approximately 70% of home-care patients are at risk of malnutrition.
(From FY2027 onward, "[malnutrition](#)" will be classified as a [diagnostic name](#))

- Measures calf circumference using a digital measuring device and automatically transmits the data
- Automatically assesses malnutrition risk and supports early intervention for patients at pharmacies and nursing care sites
- Contributes to the prevention of rehospitalization and disease progression through initiatives such as seminars held in collaboration with COLLABO Portal



F

Other Related Equity-Method Investments

Strengthening the Overseas Business Platform

In the Korean market, which is expected to grow, we will strengthen collaborative relationships with partner companies and expand our business footprint



BOKSANENICE

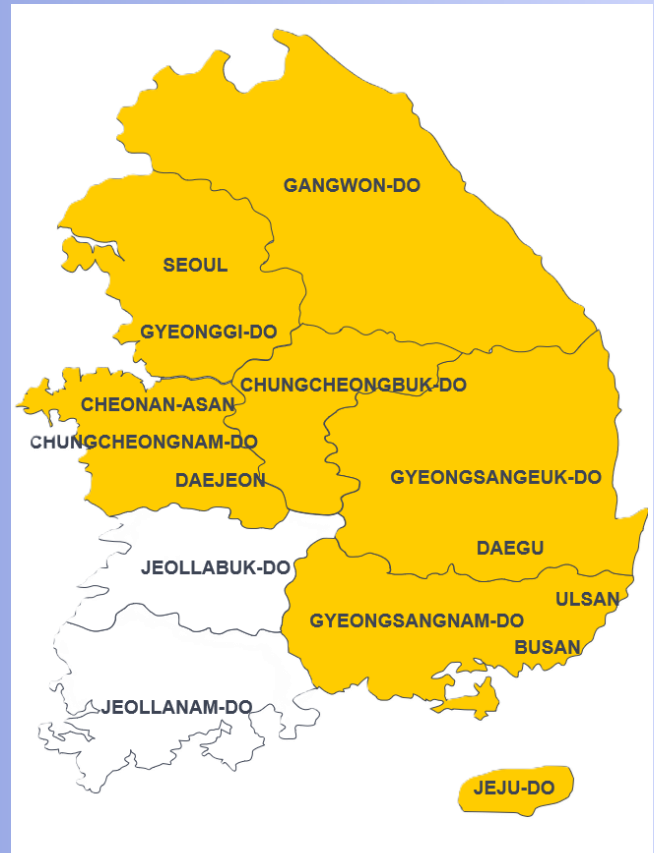


동원약품그룹

DONGWON Group

Strengthening Collaboration

- ✓ Expansion of Operating Areas
- ✓ Joint Logistics
- ✓ Exploration of New Businesses
- ✓ Integration of Functions
- ✓ Strengthening of Capital Ties



Improved Delivery Efficiency

Stronger Negotiating Power with Manufacturers

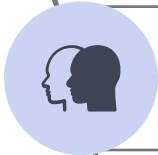
Enhanced Information Volume and Quality

Optimized Inventory Levels



10. Reinforcing the Management Foundation

Evolving into "Team Management" where each individual demonstrates leadership



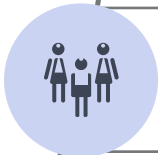
Development of Next-Generation Leaders

Designing development programs aimed at cultivating future management talent



Productivity Improvement through AI Utilization

Fundamental review of headquarters and back-office operations



Promoting Active Participation of Senior Employees and Women

Effective utilization of human resources

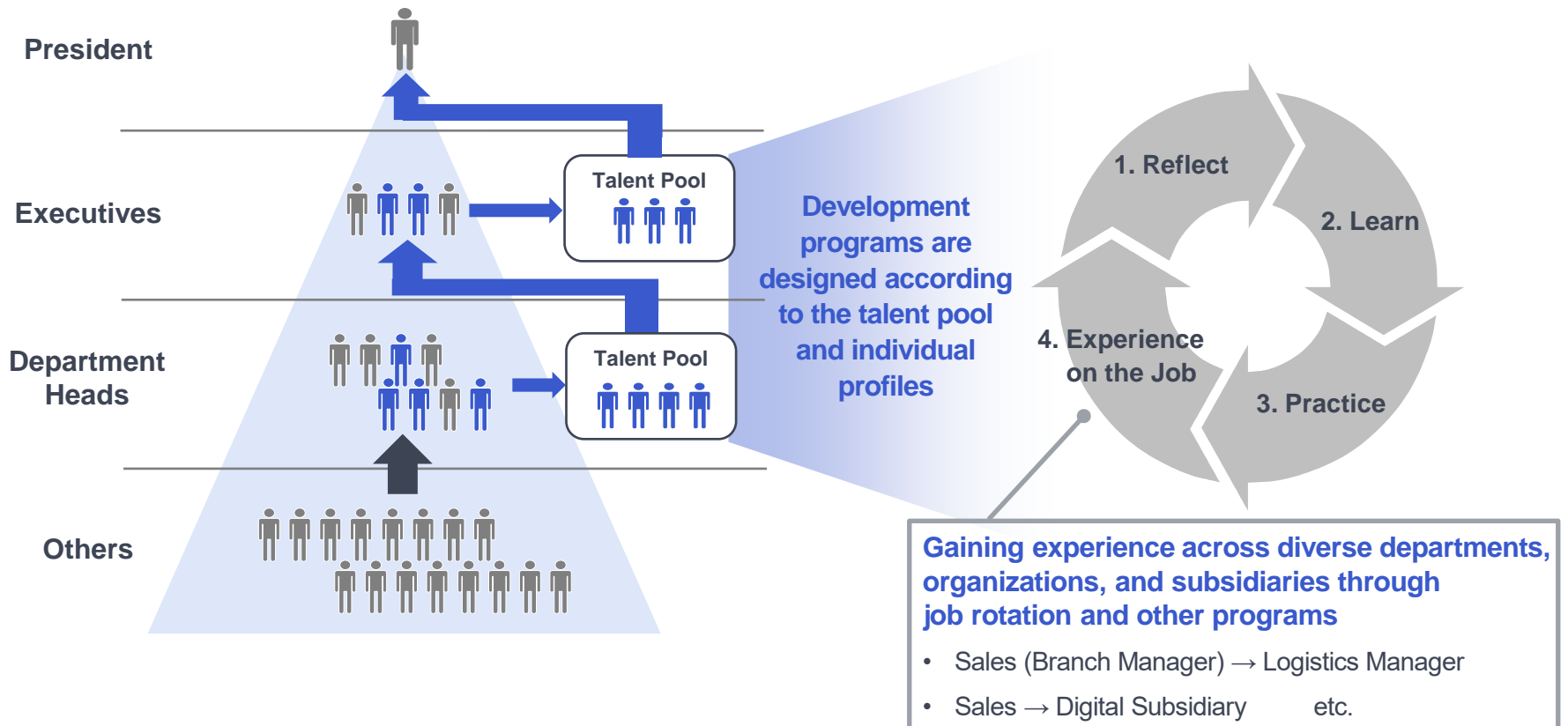


Development of Next-Generation Leaders: Succession Program

With a clear leadership model in place,
we will implement a structured development plan

Objectively selecting candidates and building talent pools at each organizational level

Group-wide, structured development to realize the defined leadership profile

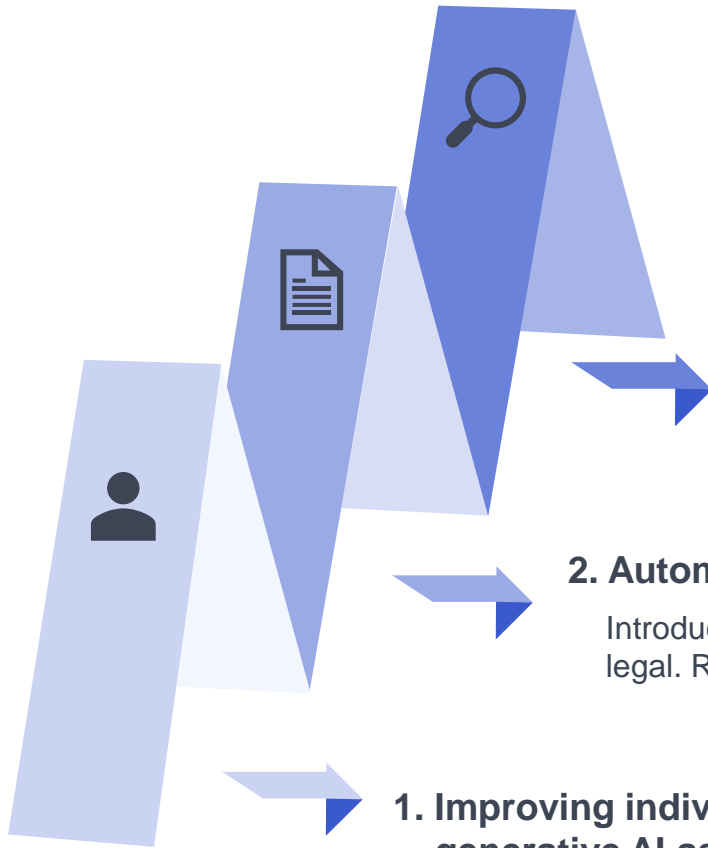




Initiatives to Improve Productivity

Leveraging generative AI and other technologies to achieve a one-third reduction in workload

Promoting initiatives to *reduce workload by one-third* as a target



3. Eliminating research time through internal knowledge search AI

Building an AI-powered search system by consolidating internal company knowledge, including corporate data and documents that were reviewed in the past.

2. Automation of routine operations through corporate-specialized AI

Introduction of AI/RPA* in routine corporate operations such as accounting, HR, and legal. Refocusing human resources toward judgment-based operations.

1. Improving individual productivity through generative AI assistants

Company-wide rollout of generative AI. Effectively placing a skilled digital assistant alongside every employee.



Productivity Enhancement Committee has been established, and deliberations have commenced



11. Shareholder Return Policy

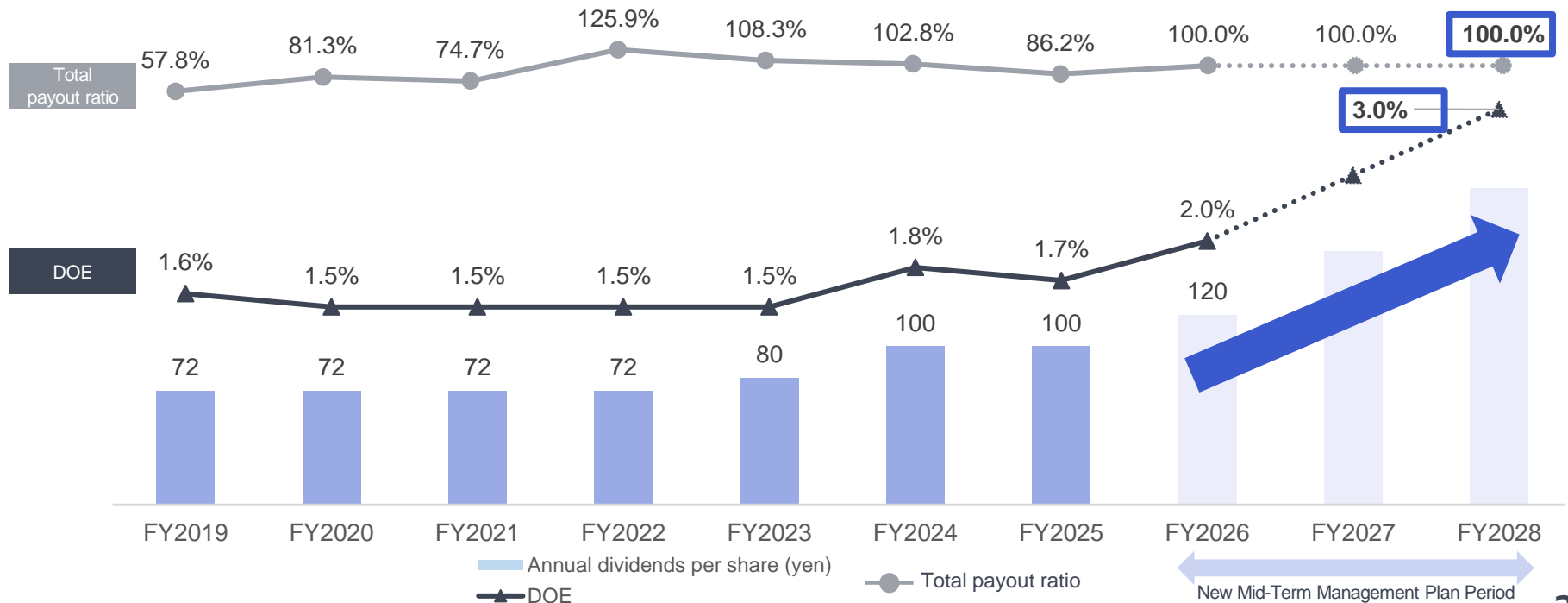
[Key Points]

■ Total payout ratio: To be implemented using 100% as a guideline

- Enhance capital efficiency while preventing the excessive accumulation of shareholders' equity
- Flexibly conduct share repurchases depending on dividends and the share price







■ Dividend policy: DOE of 3%

- Adopt dividend on equity (DOE) as a new performance indicator, targeting a DOE level of approximately 3% by the fiscal year ending March 31, 2029



S 12. Initiatives Toward Sustainability

Contributing to Stable Pharmaceutical Distribution while Reducing Social Costs

E	CO2 emissions (Scopes 1 + 2)	<p>40% reduction by FY2030 compared to FY2020</p> <ul style="list-style-type: none"> ◆ FY2020 results: 87,561t-CO2 ◆ FY2025 results: 69,397t-CO2, approx. 21% reduction 	 
S	Percentage of female managers	<p>20% or more by FY2030</p> <ul style="list-style-type: none"> ◆ FY2025 results: 15.2% 	 
	Percentage of male employees taking childcare leave	<p>100% required each year</p> <ul style="list-style-type: none"> ◆ FY2025 results: 100% 	
G	Compliance training participation rate	<p>100% required each year</p> <ul style="list-style-type: none"> ◆ FY2025 results: 100% 	

*Scope of companies: 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



*This document has been translated from the Japanese original for reference purposes only.
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.*

Information disclosed by Suzuken may include matters related to future forecasts.

These matters are based on management decisions pursuant to the information available to the company at the time of disclosure, and utilize certain assumptions in order to create future forecasts. They contain a variety of risks and uncertainties. As a result, the actual performance figures, results, and other matters may differ from the forecasts contained in disclosed information due to various future factors such as changes in business operations and the economic situation.