January 8, 2025

Financial Results Briefing for The Second Quarter of The Fiscal Year Ending May 2025

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KUSURI NO AOKI HOLDINGS CO., LTD.

1. Balance Sheet (consolidated)

(Unit: Million Yen)

	FY May 2021 At the end of 2Q	FY May 2022 At the end of 2Q	FY May 2023 At the end of 2Q	FY May 2024 At the end of 2Q	FY May 2025 At the end of 2Q
Assets					
Cash and deposits	13,708	20,516	31,307	41,888	77,038
Merchandise	40,008	41,231	43,039	46,639	52,201
Total current assets	67,970	78,287	97,960	112,550	162,717
Total property, plant and equipment	90,127	113,642	132,581	142,883	153,886
Total intangible assets	1,167	3,835	4,199	5,008	9,451
Total non-current assets	111,345	134,217	154,260	166,704	185,237
Total assets	179,316	212,505	252,220	279,255	347,955
Liabilities and Net assets					
Accounts payable	37,168	42,906	50,723	53,110	59,849
Current portion of long-term borrowings	6,200	8,230	9,900	11,217	14,609
Current portion of lease liabilities	1,183	1,689	2,242	2,439	2,391
Total current liabilities	64,560	70,135	83,898	89,061	99,995
Long-term borrowings	32,988	47,936	58,227	66,352	83,424
Lease liabilities	4,051	5,297	6,992	6,779	6,229
Total non-current liabilities	42,221	60,102	73,855	82,319	99,564
Total liabilities	106,782	130,238	157,753	171,380	199,559
Total net assets	72,533	82,266	94,467	107,874	148,395
Total liabilities and net assets	179,316	212,505	252,220	279,255	347,955

	As of May 20, 2021	As of May 20, 2022	As of May 20, 2023	As of May 20, 2024	As of May 20, 2025
Assets					
Cash and deposits	15,734	26,348	42,870	49,125	-
Merchandise	40,275	39,673	45,498	47,792	-
Total current assets	71,994	86,547	113,740	125,787	-
Total property, plant and equipment	104,294	126,404	136,648	148,054	-
Total intangible assets	3,658	4,075	4,896	7,842	-
Total non-current assets	123,923	147,653	160,561	177,665	-
Total assets	195,917	234,201	274,301	303,453	-
Liabilities and Net assets					
Accounts payable	38,990	41,701	52,526	54,242	-
Current portion of long-term borrowings	7,686	9,742	11,080	12,264	-
Current portion of lease liabilities	1,378	2,029	2,328	2,372	-
Total current liabilities	66,320	72,781	90,669	98,050	-
Long-term borrowings	40,564	59,907	69,106	70,795	-
Lease liabilities	4,765	6,447	6,982	6,398	-
Total non-current liabilities	51,927	74,489	85,086	87,982	-
Total liabilities	118,248	147,270	175,755	186,032	-
Total net assets	77,669	86,930	98,546	117,420	-
Total liabilities and net assets	195,917	234,201	274,301	303,453	-

2. Income Statement (consolidated)

(Unit: Million Yen)

	FY May 2021 At the end of 2Q	FY May 2022 At the end of 2Q	FY May 2023 At the end of 2Q	FY May 2024 At the end of 2Q	FY May 2025 At the end of 2Q
Net sales	150,716	161,192	184,281	215,622	242,826
Cost of sales	106,056	117,381	132,355	156,785	178,469
Gross profit	44,660	43,810	51,925	58,836	64,356
Selling, general and administrative expenses	36,178	37,004	43,647	52,016	51,704
Operating profit	8,481	6,805	8,278	6,820	12,651
Total non-operating income	364	448	3,161	517	798
Total non-operating expenses	97	116	184	354	538
Ordinary profit	8,748	7,137	11,255	6,983	12,911
Total extraordinary income	0	17	59	51	1
Total extraordinary losses	5	159	320	13	128
Profit before income taxes	8,743	6,995	10,993	7,021	12,784
Total income taxes	2,307	2,300	3,069	3,599	4,161
Profit attributable to owners of parent	6,435	4,694	7,924	3,422	8,622
Gross profit margin	29.6%	27.2%	28.2%	27.3%	26.5%
SGA ratio	24.0%	23.0%	23.7%	24.1%	21.3%
Operating profit margin	5.6%	4.2%	4.5%	3.2%	5.2%
Ordinary profit margin	5.8%	4.4%	6.1%	3.2%	5.3%
Net profit margin	4.3%	2.9%	4.3%	1.6%	3.6%

*(Reference) Cumulative financial results for the second quarter of the fiscal year ended May 2024 excluding the stock based compensation expenses are as follows: Selling, general and administrative expenses: 46,000million (SGA ratio: 21.3%); Operating profit: 12,836million (Operating profit margin: 6.0%); Ordinary profit: 12,999million (Ordinary profit margin: 6.0%); Net profit: 9,438million (Net profit margin: 4.4%)

*(Reference) Cumulative financial results for the second quarter of the fiscal year ending May 2025 excluding the stock based compensation expenses are as follows: Selling, general and administrative expenses: 51,311million (SGA ratio: 21.1%); Operating profit: 13,044million (Operating profit margin: 5.4%); Ordinary profit: 13,304million (Ordinary profit margin: 5.5%); Net profit: 9,015million (Net profit margin: 3.7%)

	FY May 2021 Full-Year Results	FY May 2022 Full-Year Results	FY May 2023 Full-Year Results	FY May 2024 Full-Year Results	FY May 2025 Full-Year Plans
Net sales	305,880	328,335	378,874	436,875	485,000
Cost of sales	215,766	238,572	272,767	318,784	356,214
Gross profit	90,114	89,762	106,107	118,090	128,786
Selling, general and administrative expenses	73,495	75,692	90,810	99,521	103,679
Operating profit	16,619	14,070	15,296	18,569	25,107
Total non-operating income	986	2,071	4,252	2,231	1,169
Total non-operating expenses	261	356	420	699	669
Ordinary profit	17,344	15,785	19,129	20,101	25,607
Total extraordinary income	68	390	74	109	-
Total extraordinary losses	587	1,597	2,442	639	800
Profit before income taxes	16,825	14,579	16,760	19,570	24,807
Total income taxes	4,762	4,739	4,434	7,262	6,700
Profit attributable to owners of parent	12,062	9,839	12,326	12,307	18,107
Gross profit margin	29.5%	27.3%	28.0%	27.0%	26.6%
SGA ratio	24.0%	23.1%	24.0%	22.8%	21.4%
Operating profit margin	5.4%	4.3%	4.0%	4.3%	5.2%
Ordinary profit margin	5.7%	4.8%	5.0%	4.6%	5.3%
Net profit margin	3.9%	3.0%	3.3%	2.8%	3.7%

*(Reference) Full-year results of the fiscal year ended May 2024 excluding the stock based compensation expenses are as follows: Selling, general and administrative expenses: 92,711million (SGA ratio: 21.2%); Operating profit: 25,379million (Operating profit margin: 5.8%); Ordinary profit: 26,911million (Ordinary profit margin: 6.2%); Net profit: 19,117million (Net profit margin: 4.4%)

*(Reference) Full-year plans of the fiscal year ending May 2025 excluding the stock based compensation expenses are as follows: Selling, general and administrative expenses: 103,286million (SGA ratio: 21.3%); Operating profit: 25,500million (Operating profit margin: 5.3%); Ordinary profit: 26,000million (Ordinary profit margin: 5.4%); Net profit: 18,500million (Net profit margin: 3.8%)

3. Cash Flow Statement

(Unit: Million Yen)

	(consolidated)	(consolidated)	(consolidated)	(consolidated)	(consolidated)
	FY May 2021 2Q	FY May 2022 2Q	FY May 2023 2Q	FY May 2024 2Q	FY May 2025 2Q
Cash flows from operating activities					
Profit before income taxes	8,743	6,995	10,933	7,021	12,784
Depreciation	3,340	4,125	5,003	5,642	5,975
Amortization of goodwill	-	108	121	130	273
Share-based payment expenses	-	-	-	6,015	392
Impairment losses	-	-	295	-	3
Increase (decrease) in provision for loss on store closings	-	-	-	-	▲ 6
Increase (decrease) in provision for bonuses	▲ 1,182	▲ 862	▲ 116	▲ 1,769	▲ 1,937
Increase (decrease) in allowance for doubtful accounts	80	1	0	▲0	0
Increase (decrease) in provision for retirement benefits for directors (and other officers)	▲ 6	▲ 74	9	12	9
Increase (decrease) in provision for loss on disaster	-	-	-	-	▲ 108
Increase (decrease) in contract liabilities	-	2,319	▲ 46	▲ 89	140
Increase (decrease) in provision for point card certificates	109	▲ 2,716	▲ 17	▲ 1	7
Loss on retirement of non-current assets	4	83	0	0	16
Loss on sale of non-current assets	0	19	19	12	5
Gain on sale of non-current assets	▲0	▲ 2	▲ 15	▲ 51	▲ 1
Interest and dividends income	▲ 60	▲ 59	▲ 56	▲ 57	▲ 77
Interest expenses	52	70	115	172	294
Decrease (increase) in trade receivables	▲ 575	▲ 1,760	▲ 2,116	▲ 454	▲ 7,056
Decrease (increase) in inventories	▲ 1,805	▲ 894	▲ 3,365	▲ 1,141	▲ 4,404
Increase (decrease) in trade payables	▲ 2,589	3,688	9,022	584	5,169
Other, net	3,055	2,333	1,344	2,311	3,955
Subtotal	9,165	13,372	21,147	18,338	15,437
Interest and dividends income received	41	34	34	36	55
Interest expenses paid	▲ 52	▲ 55	▲ 115	▲ 171	▲ 297
Income taxes paid	▲ 3,080	▲ 2,359	▲ 2,999	▲ 3,660	▲ 4,074
Income taxes refund	0	0	-	270	88
Net cash provided by (used in) operating activities	6,073	10,992	18,066	14,812	11,210
Cash flows from investing activities					
Proceeds from withdrawal of time deposits	-	-	-	-	150
Purchase of investment securities	-	-	▲0	▲ 34	▲ 36
Purchase of property, plant and equipment	▲ 8,570	▲ 11,883	▲ 9,747	▲ 10,824	▲ 8,575
Proceeds from sale of property, plant and equipment	0	12	107	69	54
Purchase of intangible fixed assets	▲ 128	▲ 272	▲ 350	▲ 315	▲ 268
Payments of leasehold and guarantee deposits	▲ 424	▲ 348	▲ 132	▲ 111	▲ 469
Proceeds from refund of leasehold and guarantee deposits	6	146	56	52	614
Long-term loan advances	▲ 5,336	▲ 34	▲ 35	▲ 33	▲ 41
Proceeds from collection of long-term loans receivable	805	3	28	9	33
Payments of construction assistance fund receivables	▲ 535	▲ 243	▲ 77	▲ 167	▲ 274
Proceeds from collection of construction assistance fund receivables	-	-	-	-	1
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	-	-	-	▲ 1,372
Payments for acquisition of businesses	-	-	-	▲ 102	▲ 1,573
Other, net	▲ 253	▲ 28	▲ 25	▲ 110	868
Net cash provided by (used in) investing activities	▲ 14,436	▲ 13,065	▲ 10,176	▲ 11,567	▲ 10,889
Cash flows from financing activities					
Net increase (decrease) in short-term borrowings	-	-	-	-	▲ 5,500
Proceeds from long-term borrowings	7,000	12,000	3,500	3,000	25,439
Repayments of long-term borrowings	▲ 3,373	▲ 4,095	▲ 5,022	▲ 5,616	▲ 11,805
Repayments of lease liabilities	▲ 557	▲ 678	▲ 998	▲ 1,153	▲ 1,211
Purchase of treasury shares	▲0	▲0	-	▲0	▲ 1,110
Proceeds from issuance of shares resulting from exercise of share acquisition rights	8	-	-	-	23,908
Redemption of bonds	-	-	-	-	▲ 1,455
Dividends paid	▲ 316	▲ 370	▲ 410	▲ 457	▲ 521
Net cash provided by (used in) financing activities	2,761	6,854	▲ 2,930	▲ 4,227	27,743
Net increase (decrease) in cash and cash equivalents	▲ 5,601	4,781	4,959	▲ 982	28,063
Cash and cash equivalents at beginning of period	19,310	15,734	26,348	42,870	48,974
Cash and cash equivalents at end of period	13,708	20,516	31,307	41,888	77,038

4. Changes in Monthly Sales, Number of Customers, and Average Sale Per Customer

Year-on-year monthly results comparison for the fiscal year ending May 2025(from May 21, 2024 to May 20, 2025)

		June	July	Aug.	Sept.	Oct.	Nov.	1st Half
Sales	All stores	113.1%	110.2%	109.3%	110.6%	112.8%	113.7%	111.6%
(%)	Existing stores	109.1%	106.9%	105.9%	106.3%	106.6%	107.3%	107.0%
Number of customers	All stores	111.6%	107.3%	107.2%	108.6%	110.9%	111.8%	109.6%
(%)	Existing stores	107.1%	103.5%	103.3%	103.8%	104.1%	104.6%	104.4%
Average sale per customer	All stores	101.3%	102.7%	102.0%	101.8%	101.7%	101.7%	101.8%
(%)	Existing stores	101.9%	103.3%	102.6%	102.4%	102.4%	102.6%	102.5%

Year-on-year monthly results comparison for the fiscal year ended May 2024 (from May 21, 2023 to May 20, 2024)

		June	July	Aug.	Sept.	Oct.	Nov.	1st Half
Sales	All stores	117.9%	120.6%	113.3%	117.8%	116.3%	116.9%	117.1%
(%)	Existing stores	111.1%	113.5%	107.2%	111.4%	110.3%	111.0%	110.7%
Number of customers	All stores	113.9%	115.7%	112.4%	114.8%	114.9%	115.2%	114.5%
(%)	Existing stores	106.6%	108.3%	106.2%	108.2%	108.7%	109.1%	107.9%
Average sale per customer	All stores	103.5%	104.3%	100.8%	102.6%	101.2%	101.5%	102.3%
(%)	Existing stores	104.2%	104.7%	100.9%	102.9%	101.4%	101.8%	102.6%

		Dec.	Jan.	Feb.	Mar.	Apr.	May	2nd Half	Full Year
Sales	All stores	116.6%	109.9%	113.9%	116.1%	111.6%	115.9%	113.9%	115.5%
(%)	Existing stores	111.0%	104.7%	108.6%	111.9%	107.2%	111.2%	109.0%	109.8%
Number of customers	All stores	116.8%	110.4%	113.0%	113.2%	110.2%	113.7%	112.8%	113.6%
(%)	Existing stores	110.5%	104.7%	107.2%	108.3%	105.4%	108.7%	107.4%	107.6%
Average sale per customer	All stores	99.8%	99.6%	100.8%	102.5%	101.3%	102.0%	101.0%	101.6%
(%)	Existing stores	100.4%	100.0%	101.4%	103.3%	101.7%	102.3%	101.5%	102.0%

Year-on-year monthly results comparison for the fiscal year ended May 2023 (from May 21, 2022 to May 20, 2023)

		June	July	Aug.	Sept.	Oct.	Nov.	1st Half
Sales	All stores	112.6%	116.3%	117.0%	114.5%	113.5%	118.3%	115.4%
(%)	Existing stores	100.3%	105.0%	105.1%	102.8%	102.0%	107.0%	103.7%
Number of customers	All stores	111.7%	114.3%	114.3%	113.0%	111.2%	114.7%	113.2%
(%)	Existing stores	98.6%	102.1%	101.5%	100.4%	98.8%	102.7%	100.7%
Average sale per customer	All stores	100.8%	101.8%	102.3%	101.3%	102.0%	103.1%	101.9%
(%)	Existing stores	101.7%	102.8%	103.5%	102.4%	103.2%	104.2%	103.0%

		Dec.	Jan.	Feb.	Mar.	Apr.	May	2nd Half	Full Year
Sales	All stores	115.6%	119.8%	111.9%	116.7%	115.2%	119.0%	116.3%	115.9%
(%)	Existing stores	104.8%	108.9%	102.0%	107.6%	106.9%	109.3%	106.5%	105.2%
Number of customers	All stores	112.4%	117.0%	110.9%	115.0%	113.1%	115.3%	113.9%	113.6%
(%)	Existing stores	101.0%	105.5%	100.4%	105.2%	104.3%	105.6%	103.6%	102.2%
Average sale per customer	All stores	102.8%	102.4%	101.0%	101.5%	101.9%	103.3%	102.1%	102.0%
(%)	Existing stores	103.8%	103.2%	101.6%	102.2%	102.5%	103.5%	102.8%	102.9%

5. Efficiency Indices

Changes in the cumulative Q2 results

		FY May 2021 At the end of 2Q	FY May 2022 At the end of 2Q	FY May 2023 At the end of 2Q	FY May 2024 At the end of 2Q	FY May 2025 At the end of 2Q
Share capital	(million yen)	1,167	1,167	1,167	1,167	16,749
Total number of shares *	(shares)	31,532,560	31,532,560	31,532,560	94,597,680	105,097,680
Average number of shares during the period *	(shares)	31,531,569	31,532,287	31,532,098	94,595,990	99,808,480
Amount of net assets	(million yen)	72,533	82,266	94,467	107,874	148,395
Amount of total assets	(million yen)	179,316	212,505	234,201	279,255	347,955

*KUSURI NO AOKI HOLDINGS CO., LTD. (the "Company") conducted a 3-for-1 share split of its common shares on November 21, 2023. Total number of issued shares at the end of the period and average number of shares for the second quarter of the fiscal year ended May 2024 are calculated on the assumption that said share split was conducted at the beginning of the previous fiscal year.

		FY May 2021 At the end of 2Q	FY May 2022 At the end of 2Q	FY May 2023 At the end of 2Q	FY May 2024 At the end of 2Q	FY May 2025 At the end of 2Q
Dividend per share*1	(yen)	11.25	13.00	14.50	16.00	7.00
Earnings per share *2	(yen)	68.03	49.63	83.77	36.18	86.39
Equity ratio	(%)	40.4%	38.7%	37.4%	36.5%	42.6%

*1 Dividend per share for the second quarter of the fiscal year ending May 2025 is the amount after the stock split.

*2 The Company conducted a 3-for-1 share split of its common shares on November 21, 2023. Earnings per share is calculated on the assumption that said share split was conducted.

Trends in full-year results

		FY May 2021	FY May 2022	FY May 2023	FY May 2024	FY May 2025
Share capital	(million yen)	1,167	1,167	1,167	1,167	-
Total number of shares *	(shares)	31,532,560	31,532,560	31,532,560	94,597,680	-
Average number of shares during the period *	(shares)	31,531,938	31,532,218	31,532,066	94,595,913	-
Amount of net assets	(million yen)	77,669	86,930	98,546	117,420	-
Amount of total assets	(million yen)	195,917	234,201	274,301	303,453	-

* KUSURI NO AOKI HOLDINGS CO., LTD. (the "Company") conducted a 3-for-1 share split of its common shares on November 21, 2023. Total number of issued shares at the end of the period and average number of shares for the fiscal year ended May 2024 are calculated on the assumption that said share split was conducted at the beginning of the previous fiscal year.

		FY May 2021	FY May 2022	FY May 2023	FY May 2024	FY May 2025
Net asset value per share*1	(thousand yen)	819.99	917.94	1,041.20	1,168.74	-
Dividend per share*2	(yen)	23.00	26.00	29.00		-
Earnings per share*1	(yen)	127.52	104.02	130.31	130.11	-
Dividend payout ratio	(%)	6.0%	8.3%	7.4%	8.3%	-
Equity ratio	(%)	39.6%	37.1%	35.9%	36.4%	-
ROA (Return on assets)	(%)	9.5%	7.3%	7.5%	7.0%	-
ROE (Return on equity)	(%)	16.8%	12.0%	13.3%	11.8%	-

*1 The Company conducted a 3-for-1 share split of its common shares on November 21, 2023. Net asset value per share and earnings per share are calculated on the assumption that said share split was conducted.

*2 Dividends per share for the fiscal year ended May 2024 are not shown because simple totals are not possible due to the stock split.

6. Number of Stores at Year End, Sales Floor Area, Number of Employees, Capital Investment and Depreciation

		FY May 2021		FY May 2022		FY May 2023		FY May 2024		FY May 2025 2Q	
		Number of Stores	Composition Ratio	Number of Stores	Composition Ratio	Number of Stores	Composition Ratio	Number of Stores	Composition Ratio	Number of Stores	Composition Ratio
Ishikawa	Standalone drug stores	24		25		25		24		23	
	Drug stores with dispensaries	62		67		71		76		80	
	Dispensing pharmacies	1		1		1		1		1	
	Ishikawa total	87	11.9%	93	11.3%	97	10.7%	101	10.6%	104	10.7%
Toyama	Standalone drug stores	27		29		31		34		29	
	Drug stores with dispensaries	44		51		55		58		64	
	Dispensing pharmacies	4		4		4		4		4	
	Toyama total	75	10.2%	84	10.2%	90	10.0%	96	10.1%	97	9.9%
Fukui	Standalone drug stores	24		22		24		21		20	
	Drug stores with dispensaries	26		32		33		38		39	
	Dispensing pharmacies	1		1		1		1		1	
	Fukui total	51	7.0%	55	6.7%	58	6.4%	60	6.3%	60	6.2%
Niigata	Standalone drug stores	29		30		27		31		29	
	Drug stores with dispensaries	36		42		50		51		53	
	Niigata total	65	8.9%	72	8.7%	77	8.5%	82	8.6%	82	8.4%
Nagano	Standalone drug stores	3		5		6		5		6	
	Drug stores with dispensaries	24		25		28		29		29	
	Nagano total	27	3.7%	30	3.6%	34	3.8%	34	3.6%	35	3.6%
Gunma	Standalone drug stores	48		40		37		38		33	
	Drug stores with dispensaries	26		40		46		48		53	
	Gunma total	74	10.1%	80	9.7%	83	9.2%	86	9.0%	86	8.8%
Saitama	Standalone drug stores	19		13		13		10		10	
	Drug stores with dispensaries	19		26		26		29		29	
	Saitama total	38	5.2%	39	4.7%	39	4.3%	39	4.1%	39	4.0%
Tochigi	Standalone drug stores	26		22		24		22		23	
	Drug stores with dispensaries	14		22		27		30		30	
	Tochigi total	40	5.5%	44	5.3%	51	5.6%	52	5.5%	53	5.4%
Ibaraki	Standalone drug stores	35		36		33		26		27	
	Drug stores with dispensaries	9		16		20		28		29	
	Ibaraki total	44	6.0%	52	6.3%	53	5.9%	54	5.7%	56	5.7%
Chiba	Standalone drug stores	5		5		5		6		7	
	Drug stores with dispensaries	11		15		18		20		23	
	Chiba total	16	2.2%	20	2.4%	23	2.5%	26	2.7%	30	3.1%
Yamanashi	Standalone drug stores	1		1		1		1		1	
	Drug stores with dispensaries	0		1		2		4		4	
	Yamanashi total	1	0.1%	2	0.2%	3	0.3%	5	0.5%	5	0.5%
Gifu	Standalone drug stores	44		35		32		29		28	
	Drug stores with dispensaries	22		31		34		37		38	
	Gifu total	66	9.0%	66	8.0%	66	7.3%	66	6.9%	66	6.8%
Aichi	Standalone drug stores	22		18		19		15		15	
	Drug stores with dispensaries	16		24		26		30		30	
	Aichi total	38	5.2%	42	5.1%	45	5.0%	45	4.7%	45	4.6%
Mie	Standalone drug stores	14		17		18		19		14	
	Drug stores with dispensaries	10		11		14		16		22	
	Mie total	24	3.3%	28	3.4%	32	3.5%	35	3.7%	36	3.7%
Shizuoka	Standalone drug stores	5		8		13		12		13	
	Drug stores with dispensaries	2		4		5		7		7	
	Shizuoka total	7	1.0%	12	1.5%	18	2.0%	19	2.0%	20	2.1%
Shiga	Standalone drug stores	9		14		15		14		14	
	Drug stores with dispensaries	16		18		21		23		23	
	Shiga total	25	3.4%	32	3.9%	36	4.0%	37	3.9%	37	3.8%
Nara	Standalone drug stores	3		4		6		3		4	
	Drug stores with dispensaries	5		7		8		9		9	
	Nara total	8	1.1%	11	1.3%	14	1.6%	12	1.3%	13	1.3%
Kyoto	Standalone drug stores	5		9		7		7		5	
	Drug stores with dispensaries	5		5		8		12		14	
	Kyoto total	10	1.4%	14	1.7%	15	1.7%	19	2.0%	19	1.9%
Osaka	Standalone drug stores	0		2		3		5		2	
	Drug stores with dispensaries	0		1		3		5		8	
	Osaka total	0	0.0%	3	0.4%	6	0.7%	10	1.0%	10	1.0%
Fukushima	Standalone drug stores	8		7		12		6		4	
	Drug stores with dispensaries	5		8		11		18		20	
	Fukushima total	13	1.8%	15	1.8%	23	2.5%	24	2.5%	24	2.5%
Miyagi	Standalone drug stores	4		5		2		1		2	
	Drug stores with dispensaries	4		6		9		10		10	
	Miyagi total	8	1.1%	11	1.3%	11	1.2%	11	1.2%	12	1.2%
Iwate	Standalone drug stores	10		11		16		13		10	
	Drug stores with dispensaries	3		5		6		9		12	
	Iwate total	13	1.8%	16	1.9%	22	2.4%	22	2.3%	22	2.3%
amaga	Standalone drug stores	2		2		2		2		1	
	Drug stores with dispensaries	1		3		5		7		8	
	Yamagata total	3	0.4%	5	0.6%	7	0.8%	9	0.9%	9	0.9%
Ehime	Standalone drug stores	0		0		0		9		10	
	Drug stores with dispensaries	0		0		0		0		0	
	Ehime total	0	0.0%		0.0%	0	0.0%	9	0.9%	10	1.0%
Kagawa	Standalone drug stores	0		0		0		0		5	
	Drug stores with dispensaries	0		0		0		0		0	
	Kagawa total	0	0.0%	0	0.0%	0	0.0%	0	0.0%	5	0.5%
Total	Standalone drug stores	362	49.4%	359	43.5%	370	41.0%	342	35.9%	317	32.5%
	Drug stores with dispensaries	360	49.1%	460	55.7%	526	58.3%	594	62.3%	634	65.0%
	Dispensing pharmacies	6	0.8%	6	0.7%	6	0.7%	6	0.6%	6	0.6%
	Supermarket stores	5	0.7%	1	0.1%	1	0.1%	11	1.2%	18	1.8%
		733	100%	826	100%	903	100%	953	100%	975	100%

Supermarket stores are included in the Standalone drug stores in the number of stores by prefectuure.

	FY May 2021 Results	FY May 2022 Results	FY May 2023 Results	FY May 2024 Results	FY May 2025 2Q Results
Ratio of stores with dispensaries (%) ※	49.9%	56.2%	58.7%	62.8%	66.7%
Ratio of stores with dispensaries = Stores with dispensaries/(Standalone drug stores + Drug stores with dispensaries)					
Total sales floor area at year end (m^2)	741,338	855,266	957,407	1,016,739	1,046,820
Number of employees (persons)	3,990	4,033	4,460	4,605	4,698
Average number of temporary employees (persons) (converted to 8-hour workday)	5,634	5,474	5,842	6,218	7,060

Capital Investment and Depreciation

		FY May 2021 Results	FY May 2022 Results	FY May 2023 Results	FY May 2024 Results	FY May 2025 2Q Results
Capital investment	Investment to stores (new opening)	22,410	26,819	25,832	5,671	4,620
	Investment to stores (renovation)	376	839	2,257	1,671	68
	System	790	660	389	260	165
	Other	2,037	970	1,916	3,768	6,137
	Total	25,613	29,288	30,395	11,370	10,991
Depreciation		7,058	8,645	11,374	5,610	5,876

※ Lease refers to the amount of lease asset worth 3 million yen or more.

※ Depreciation indicates the amount actually depreciated including those reclassified to non-operating expenses (rent cost) but excluding asset retirement obligations.

7. Trends in Sales by Area

(Unit: Million Yen)

	FY May 2021 2Q		FY May 2022 2Q		FY May 2023 2Q		FY May 2024 2Q		FY May 2025 2Q	
	Results	Composition Ratio	Results	Composition Ratio	Results	Composition Ratio	Results	Composition Ratio	Results	Composition Ratio
Hokushinetsu	80,592	53.5%	80,649	50.0%	87,722	47.6%	99,255	46.0%	105,342	43.4%
Touhoku	1,966	1.3%	6,361	4.0%	11,370	6.2%	14,544	6.8%	16,940	7.0%
Kantou	37,683	25.0%	39,958	24.8%	44,518	24.1%	50,647	23.5%	57,265	23.6%
Toukai	23,384	15.5%	25,186	15.6%	28,191	15.3%	35,436	16.4%	39,942	16.4%
Kansai	7,090	4.7%	9,036	5.6%	12,478	6.8%	15,737	7.3%	19,229	7.9%
Shikoku	-	-	-	-	-	-	-	-	4,105	1.7%
Total	150,716	100.0%	161,192	100.0%	184,281	100.0%	215,622	100.0%	242,826	100.0%

	FY May 2021		FY May 2022		FY May 2023		FY May 2024		FY May 2025	
	Full-year Results	Composition Ratio	Full-year Results	Composition Ratio	Full-year Results	Composition Ratio	Full-year Results	Composition Ratio	Full-year Plans	Composition Ratio
Hokushinetsu	161,614	52.9%	161,993	49.3%	178,733	47.2%	199,343	45.7%	210,650	43.4%
Touhoku	5,639	1.8%	14,641	4.5%	24,436	6.4%	30,032	6.9%	34,724	7.2%
Kantou	75,311	24.6%	81,817	24.9%	90,838	24.0%	102,809	23.6%	115,837	23.9%
Toukai	46,441	15.2%	50,670	15.4%	58,763	15.5%	72,022	16.5%	80,871	16.7%
Kansai	16,875	5.5%	19,215	5.9%	26,102	6.9%	32,670	7.5%	36,906	7.6%
Shikoku	-	-	-	-	-	-	-	-	6,007	1.2%
Total	305,880	100.0%	328,335	100.0%	378,874	100.0%	435,875	100.0%	485,000	100.0%

8. Trends in Sales by Product Division

(Unit: Million Yen)

	FY May 2021 2Q		FY May 2022 2Q		FY May 2023 2Q		FY May 2024 2Q		FY May 2025 2Q	
	Results	Composition Ratio	Results	Composition Ratio	Results	Composition Ratio	Results	Composition Ratio	Results	Composition Ratio
Health	17,963	11.9%	17,751	11.0%	19,380	10.5%	20,730	9.6%	21,225	8.7%
Beauty	23,767	15.8%	23,769	14.7%	26,130	14.2%	28,415	13.2%	30,563	12.6%
Daily commodities	33,499	22.2%	35,242	21.9%	37,351	20.3%	41,042	19.0%	44,593	18.4%
Food	60,729	40.3%	67,331	41.8%	80,498	43.7%	102,952	47.8%	121,382	50.0%
Dispensing	14,757	9.8%	17,096	10.6%	20,921	11.3%	22,480	10.4%	25,061	10.3%
Total	150,716	100.0%	161,192	100.0%	184,281	100.0%	215,622	100.0%	242,826	100.0%

	FY May 2021		FY May 2022		FY May 2023		FY May 2024		FY May 2025	
	Full-year Results	Composition Ratio	Full-year Results	Composition Ratio	Full-year Results	Composition Ratio	Full-year Results	Composition Ratio	Full-year Plans	Composition Ratio
Health	35,983	11.7%	36,409	11.1%	41,021	10.8%	42,410	9.6%	44,353	9.1%
Beauty	47,306	15.5%	48,241	14.7%	51,710	13.6%	56,187	12.9%	59,340	12.2%
Daily commodities	64,741	21.2%	69,091	21.0%	73,542	19.4%	80,977	18.5%	86,266	17.8%
Food	127,365	41.6%	139,059	42.4%	169,748	44.8%	211,401	48.4%	243,187	50.1%
Dispensing	30,485	10.0%	35,531	10.8%	42,851	11.3%	46,168	10.6%	51,855	10.7%
Total	305,880	100.0%	328,335	100.0%	378,874	100.0%	436,875	100.0%	485,000	100.0%

9. Breakdown of Selling, General and Administrative Expenses

(Unit: Million Yen)

	FY May 2021 2Q	FY May 2022 2Q	FY May 2023 2Q	FY May 2024 2Q	FY May 2025 2Q
Labor cost	16,085	16,743	18,419	25,654	22,675
Sales promotion cost	4,099	1,391	1,392	1,347	1,353
Real estate costs	9,824	11,838	13,696	14,397	15,769
Other costs	6,169	7,031	10,139	10,616	11,906
Total SGA	36,178	37,004	43,647	52,016	51,704

*Cumulative financial results for the second quarter of the fiscal year ended May 2024, personnel expenses include 6,015 million yen in the stock based compensation expenses.

*Cumulative financial results for the second quarter of the fiscal year ending May 2025, personnel expenses include 392 million yen in the stock based compensation expenses.

	FY May 2021 Full-year Results	FY May 2022 Full-year Results	FY May 2023 Full-year Results	FY May 2024 Full-year Results	FY May 2025 Full-year Plans
Labor cost	32,565	33,212	37,263	47,010	46,250
Sales promotion cost	7,091	2,847	2,875	2,892	3,128
Real estate costs	21,227	24,860	28,969	29,850	32,452
Other costs	12,611	14,771	21,701	20,910	21,850
Total SGA	73,495	75,692	90,810	100,662	103,679

*Full-year results of the fiscal year ended May 2024, personnel expenses include 6,810 million yen in the stock based compensation expenses.

*Full-year plans of the fiscal year ending May 2025, personnel expenses include 392 million yen in the stock based compensation expenses.