

January 7, 2026

# **Financial Results Briefing for The Second Quarter of The Fiscal Year Ending May 2026**

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**KUSURI NO AOKI HOLDINGS CO., LTD.**

## 1. Balance Sheet (consolidated)

(Unit: Million Yen)

	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	FY May 2026 At the end of 2Q
<b>Assets</b>					
Cash and deposits	20,516	31,307	41,888	77,038	57,998
Merchandise	41,231	43,039	46,639	52,201	62,248
Total current assets	78,287	97,960	112,550	162,717	160,499
Total property, plant and equipment	113,642	132,581	142,883	153,886	183,465
Total intangible assets	3,835	4,199	5,008	9,451	15,918
Total non-current assets	134,217	154,260	166,704	185,237	225,292
Total assets	212,505	252,220	279,255	347,955	385,792
<b>Liabilities and Net assets</b>					
Accounts payable	42,906	50,723	53,110	59,849	68,494
Current portion of long-term borrowings	8,230	9,900	11,217	14,609	19,844
Current portion of lease liabilities	1,689	2,242	2,439	2,391	2,922
Total current liabilities	70,135	83,898	89,061	99,995	118,425
Long-term borrowings	47,936	58,227	66,352	83,424	110,886
Lease liabilities	5,297	6,992	6,779	6,229	7,259
Total non-current liabilities	60,102	73,855	82,319	99,564	134,163
Total liabilities	130,238	157,753	171,380	199,559	252,589
Total net assets	82,266	94,467	107,874	148,395	133,203
Total liabilities and net assets	212,505	252,220	279,255	347,955	385,792

	As of May 20, 2022	As of May 20, 2023	As of May 20, 2024	As of May 20, 2025	As of May 20, 2026
<b>Assets</b>					
Cash and deposits	26,348	42,870	49,125	47,731	-
Merchandise	39,673	45,498	47,792	56,811	-
Total current assets	86,547	113,740	125,787	145,368	-
Total property, plant and equipment	126,404	136,648	148,054	168,879	-
Total intangible assets	4,075	4,896	7,842	13,679	-
Total non-current assets	147,653	160,561	177,665	207,096	-
Total assets	234,201	274,301	303,453	352,464	-
<b>Liabilities and Net assets</b>					
Accounts payable	41,701	52,526	54,242	63,602	-
Current portion of long-term borrowings	9,742	11,080	12,264	14,912	-
Current portion of lease liabilities	2,029	2,328	2,372	2,591	-
Total current liabilities	72,781	90,669	98,050	107,049	-
Long-term borrowings	59,907	69,106	70,795	78,317	-
Lease liabilities	6,447	6,982	6,398	6,090	-
Total non-current liabilities	74,489	85,086	87,982	99,655	-
Total liabilities	147,270	175,755	186,032	206,705	-
Total net assets	86,930	98,546	117,420	145,759	-
Total liabilities and net assets	234,201	274,301	303,453	352,464	-

## 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	FY May 2026 At the end of 2Q
Net sales	150,716	161,192	184,281	215,622	242,826	279,808
Cost of sales	106,056	117,381	132,355	156,785	178,469	206,144
Gross profit	44,660	43,810	51,925	58,836	64,356	73,664
Selling, general and administrative expenses	36,178	37,004	43,647	52,016	51,704	60,169
Operating profit	8,481	6,805	8,278	6,820	12,651	13,494
Total non-operating income	364	448	3,161	517	798	964
Total non-operating expenses	97	116	184	354	538	851
Ordinary profit	8,748	7,137	11,255	6,983	12,911	13,607
Total extraordinary income	0	17	59	51	1	21
Total extraordinary losses	5	159	320	13	128	124
Profit before income taxes	8,743	6,995	10,993	7,021	12,784	13,504
Total income taxes	2,307	2,300	3,069	3,599	4,161	3,865
Profit attributable to owners of parent	6,435	4,694	7,924	3,422	8,622	9,639
Gross profit margin	29.6%	27.2%	28.2%	27.3%	26.5%	26.3%
SGA ratio	24.0%	23.0%	23.7%	24.1%	21.3%	21.5%
Operating profit margin	5.6%	4.2%	4.5%	3.2%	5.2%	4.8%
Ordinary profit margin	5.8%	4.4%	6.1%	3.2%	5.3%	4.9%
Net profit margin	4.3%	2.9%	4.3%	1.6%	3.6%	3.4%

\*(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 Results	FY May 2026 Full-Year Plans
Net sales	305,880	328,335	378,874	436,875	501,470	560,000
Cost of sales	215,766	238,572	272,767	318,784	368,514	415,737
Gross profit	90,114	89,762	106,107	118,090	132,956	144,263
Selling, general and administrative expenses	73,495	75,692	90,810	99,521	106,354	121,263
Operating profit	16,619	14,070	15,296	18,569	26,601	23,000
Total non-operating income	986	2,071	4,252	2,231	2,032	1,349
Total non-operating expenses	261	356	420	699	1,120	1,648
Ordinary profit	17,344	15,785	19,129	20,101	27,513	22,700
Total extraordinary income	68	390	74	109	1	-
Total extraordinary losses	587	1,597	2,442	639	2,162	1,100
Profit before income taxes	16,825	14,579	16,760	19,570	25,352	21,600
Total income taxes	4,762	4,739	4,434	7,262	7,565	6,100
Profit attributable to owners of parent	12,062	9,839	12,326	12,307	17,786	15,500
Gross profit margin	29.5%	27.3%	28.0%	27.0%	26.5%	25.8%
SGA ratio	24.0%	23.1%	24.0%	22.8%	21.2%	21.7%
Operating profit margin	5.4%	4.3%	4.0%	4.3%	5.3%	4.1%
Ordinary profit margin	5.7%	4.8%	5.0%	4.6%	5.5%	4.1%
Net profit margin	3.9%	3.0%	3.3%	2.8%	3.5%	2.8%

\*(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 results of the fiscal year ending May 2025 excluding the stock based compensation expenses are as follows: Selling, general and administrative expenses: 105,962million (SGA ratio: 21.1%); Operating profit: 26,994million (Operating profit margin: 5.4%); Ordinary profit: 27,906million (Ordinary profit margin: 5.6%); Net profit: 18,179million (Net profit margin: 3.6%)

### 3. Cash Flow Statement

(Unit: Million Yen)

	(consolidated)	(consolidated)	(consolidated)	(consolidated)	(consolidated)	(consolidated)
	FY May 2021	FY May 2022	FY May 2023	FY May 2024	FY May 2025	FY May 2026
	2Q	2Q	2Q	2Q	2Q	2Q
<b>Cash flows from operating activities</b>						
Profit before income taxes	8,743	6,995	10,933	7,021	12,784	13,504
Depreciation	3,340	4,125	5,003	5,642	5,975	6,827
Amortization of goodwill	-	108	121	130	273	621
Share-based payment expenses	-	-	-	6,015	392	-
Impairment losses	-	-	295	-	3	107
Increase (decrease) in provision for loss on store closings	-	-	-	-	▲ 6	▲ 48
Increase (decrease) in provision for bonuses	▲ 1,182	▲ 862	▲ 116	▲ 1,769	▲ 1,937	▲ 1,919
Increase (decrease) in allowance for doubtful accounts	80	1	0	▲ 0	0	▲ 0
Increase (decrease) in provision for retirement benefits for directors (and other officers)	▲ 6	▲ 74	9	12	9	▲ 80
Increase (decrease) in provision for loss on disaster	-	-	-	-	▲ 108	-
Increase (decrease) in contract liabilities	-	2,319	▲ 46	▲ 89	140	▲ 122
Increase (decrease) in provision for point card certificates	109	▲ 2,716	▲ 17	▲ 1	7	▲ 1
Loss on retirement of non-current assets	4	83	0	0	16	17
Loss on sale of non-current assets	0	19	19	12	5	-
Gain on sale of non-current assets	▲ 0	▲ 2	▲ 15	▲ 51	▲ 1	▲ 6
Interest and dividends income	▲ 60	▲ 59	▲ 56	▲ 57	▲ 77	▲ 166
Interest expenses	52	70	115	172	294	562
Decrease (increase) in trade receivables	▲ 575	▲ 1,760	▲ 2,116	▲ 454	▲ 7,056	▲ 2,784
Decrease (increase) in inventories	▲ 1,805	▲ 894	▲ 3,365	▲ 1,141	▲ 4,404	▲ 5,261
Increase (decrease) in trade payables	▲ 2,589	3,688	9,022	584	5,169	4,564
Other, net	3,055	2,333	1,344	2,311	3,955	7,337
Subtotal	9,165	13,372	21,147	18,338	15,437	23,151
Interest and dividends income received	41	34	34	36	55	144
Interest expenses paid	▲ 52	▲ 55	▲ 115	▲ 171	▲ 297	▲ 529
Income taxes paid	▲ 3,080	▲ 2,359	▲ 2,999	▲ 3,660	▲ 4,074	▲ 4,913
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	17,853
<b>Cash flows from investing activities</b>						
Proceeds from withdrawal of time deposits	-	-	-	-	150	-
Purchase of investment securities	-	-	▲ 0	▲ 34	▲ 36	▲ 0
Purchase of property, plant and equipment	▲ 8,570	▲ 11,883	▲ 9,747	▲ 10,824	▲ 8,575	▲ 15,065
Proceeds from sale of property, plant and equipment	0	12	107	69	54	6
Purchase of intangible fixed assets	▲ 128	▲ 272	▲ 350	▲ 315	▲ 268	▲ 666
Payments of leasehold and guarantee deposits	▲ 424	▲ 348	▲ 132	▲ 111	▲ 469	▲ 499
Proceeds from refund of leasehold and guarantee deposits	6	146	56	52	614	130
Long-term loan advances	▲ 5,336	▲ 34	▲ 35	▲ 33	▲ 41	▲ 37
Proceeds from collection of long-term loans receivable	805	3	28	9	33	10
Payments of construction assistance fund receivables	▲ 535	▲ 243	▲ 77	▲ 167	▲ 274	▲ 373
Proceeds from collection of construction assistance fund receivables	-	-	-	-	1	0
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	-	-	-	▲ 1,372	▲ 1,725
Payments for acquisition of businesses	-	-	-	▲ 102	▲ 1,573	-
Other, net	▲ 253	▲ 28	▲ 25	▲ 110	868	▲ 160
Net cash provided by (used in) investing activities	▲ 14,436	▲ 13,065	▲ 10,176	▲ 11,567	▲ 10,889	▲ 18,380
<b>Cash flows from financing activities</b>						
Net increase (decrease) in short-term borrowings	-	-	-	-	▲ 5,500	50
Proceeds from long-term borrowings	7,000	12,000	3,500	3,000	25,439	46,550
Repayments of long-term borrowings	▲ 3,373	▲ 4,095	▲ 5,022	▲ 5,616	▲ 11,805	▲ 11,012
Repayments of lease liabilities	▲ 557	▲ 678	▲ 998	▲ 1,153	▲ 1,211	▲ 1,379
Purchase of treasury shares	▲ 0	▲ 0	-	▲ 0	▲ 1,110	▲ 22,700
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	▲ 712
Net cash provided by (used in) financing activities	2,761	6,854	▲ 2,930	▲ 4,227	27,743	10,794
Net increase (decrease) in cash and cash equivalents	▲ 5,601	4,781	4,959	▲ 982	28,063	10,267
Cash and cash equivalents at beginning of period	19,310	15,734	26,348	42,870	48,974	47,731
Cash and cash equivalents at end of period	13,708	20,516	31,307	41,888	77,038	57,998

#### 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 2026(from May 21, 2025 to May 20, 2026)

		June	July	Aug.	Sept.	Oct.	Nov.	1st Half
Sales (%)	All stores	116.1%	120.5%	112.5%	112.9%	114.1%	114.1%	115.0%
	Existing stores	107.2%	111.4%	103.0%	103.4%	105.0%	104.7%	105.7%
Number of customers (%)	All stores	112.4%	116.6%	111.6%	110.7%	111.1%	110.3%	112.1%
	Existing stores	102.8%	106.8%	101.5%	100.6%	101.6%	100.5%	102.2%
Average sale per customer (%)	All stores	103.3%	103.3%	100.8%	102.0%	102.7%	103.5%	102.6%
	Existing stores	104.3%	104.3%	101.5%	102.7%	103.3%	104.2%	103.4%

##### 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%

		Dec.	Jan.	Feb.	Mar.	Apr.	May	2nd Half	Full Year
Sales (%)	All stores	113.3%	119.0%	116.3%	111.2%	120.8%	114.3%	115.8%	113.7%
	Existing stores	107.0%	111.4%	109.3%	103.7%	111.8%	105.5%	108.1%	107.6%
Number of customers (%)	All stores	111.6%	116.8%	113.0%	108.6%	114.9%	111.3%	112.7%	111.1%
	Existing stores	104.2%	108.6%	105.3%	100.5%	105.6%	101.8%	104.3%	104.3%
Average sale per customer (%)	All stores	101.6%	101.9%	102.9%	102.3%	105.1%	102.7%	102.8%	102.3%
	Existing stores	102.7%	102.6%	103.8%	103.2%	105.9%	103.7%	103.7%	103.1%

##### 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%

## 5. Efficiency Indices

### Changes in the cumulative Q2 results

		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	FY May 2026 At the end of 2Q
Share capital	(million yen)	1,167	1,167	1,167	16,749	16,749
Total number of shares *	(shares)	31,532,560	31,532,560	94,597,680	105,097,680	95,616,980
Average number of shares during the period *	(shares)	31,532,287	31,532,098	94,595,990	99,808,480	98,645,937
Amount of net assets	(million yen)	82,266	94,467	107,874	148,395	133,203
Amount of total assets	(million yen)	212,505	234,201	279,255	347,955	385,792

\*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 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	FY May 2026 At the end of 2Q
Dividend per share*1	(yen)	13.00	14.50	16.00	7.00	8.00
Earnings per share *2	(yen)	49.63	83.77	36.18	86.39	97.71

Equity ratio	(%)	38.7%	37.4%	36.5%	42.6%	34.5%
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\*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 2022	FY May 2023	FY May 2024	FY May 2025	FY May 2026
Share capital	(million yen)	1,167	1,167	1,167	16,749	-
Total number of shares *	(shares)	31,532,560	31,532,560	94,597,680	105,097,680	-
Average number of shares during the period *	(shares)	31,532,218	31,532,066	94,595,913	101,391,584	-
Amount of net assets	(million yen)	86,930	98,546	117,420	145,759	-
Amount of total assets	(million yen)	234,201	274,301	303,453	352,464	-

\* 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 2022	FY May 2023	FY May 2024	FY May 2025	FY May 2026
Net asset value per share*1	(thousand yen)	917.94	1,041.20	1,168.74	1,441.69	-
Dividend per share*2	(yen)	26.00	29.00	-	14.00	-
Earnings per share*1	(yen)	104.02	130.31	130.11	175.42	-
Dividend payout ratio	(%)	8.3%	7.4%	8.3%	8.0%	-

Equity ratio	(%)	37.1%	35.9%	36.4%	41.4%	-
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ROA (Return on assets)	(%)	7.3%	7.5%	7.0%	8.4%	-
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ROE (Return on equity)	(%)	12.0%	13.3%	11.8%	13.9%	-
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\*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 2022		FY May 2023		FY May 2024		FY May 2025		FY May 2026 2Q		
	Number of Stores	Composition Rate	Number of Stores	Composition Rate	Number of Stores	Composition Rate	Number of Stores	Composition Rate	Number of Stores	Composition Rate	
Ishikawa	Standalone drug stores	25	25	24	27	27	27	27	27	27	
	Drug stores with dispensaries	67	71	76	80	82	82	82	82	82	
	Dispensing pharmacies	1	1	1	1	1	1	1	1	1	
	Ishikawa total	93	11.3%	97	10.7%	101	10.6%	108	10.4%	110	10.2%
Toyama	Standalone drug stores	29	31	34	31	31	31	31	31	31	
	Drug stores with dispensaries	51	55	58	64	64	64	64	64	64	
	Dispensing pharmacies	4	4	4	4	4	4	4	4	4	
	Toyama total	84	10.2%	90	10.0%	96	10.1%	99	9.6%	99	9.1%
Fukui	Standalone drug stores	22	24	21	20	22	22	22	22	22	
	Drug stores with dispensaries	32	33	38	39	39	39	39	39	39	
	Dispensing pharmacies	1	1	1	1	1	1	1	1	1	
	Fukui total	55	6.7%	58	6.4%	60	6.3%	60	5.8%	62	5.7%
Niigata	Standalone drug stores	30	27	31	30	30	30	30	30	30	
	Drug stores with dispensaries	42	50	51	55	55	55	55	55	55	
	Niigata total	72	8.7%	77	8.5%	82	8.6%	85	8.2%	86	7.9%
	Standalone drug stores	5	6	5	7	8	8	8	8	8	
Nagano	Drug stores with dispensaries	25	28	29	29	29	29	29	29	29	
	Nagano total	30	3.6%	34	3.8%	34	3.6%	36	3.5%	37	3.4%
	Standalone drug stores	40	37	38	33	35	35	35	35	35	
	Drug stores with dispensaries	40	46	48	55	55	55	55	55	55	
Gunma	Gunma total	80	9.7%	83	9.2%	86	9.0%	88	8.5%	90	8.3%
	Standalone drug stores	13	13	10	10	6	6	6	6	6	
	Drug stores with dispensaries	26	26	29	30	35	35	35	35	35	
	Saitama total	39	4.7%	39	4.3%	39	4.1%	40	3.9%	41	3.8%
Tochigi	Standalone drug stores	22	24	22	21	22	22	22	22	22	
	Drug stores with dispensaries	22	27	30	36	36	36	36	36	36	
	Tochigi total	44	5.3%	51	5.6%	52	5.5%	57	5.5%	58	5.4%
	Standalone drug stores	36	33	26	21	23	23	23	23	23	
Ibaraki	Drug stores with dispensaries	16	20	28	36	37	37	37	37	37	
	Ibaraki total	52	6.3%	53	5.9%	54	5.7%	57	5.5%	60	5.5%
	Standalone drug stores	5	5	6	8	10	10	10	10	10	
	Drug stores with dispensaries	15	18	20	24	25	25	25	25	25	
Chiba	Chiba total	20	2.4%	23	2.5%	26	2.7%	32	3.1%	35	3.2%
	Standalone drug stores	1	1	1	0	0	0	0	0	0	
	Drug stores with dispensaries	1	2	4	5	6	6	6	6	6	
	Yamanashi total	2	0.2%	3	0.3%	5	0.5%	5	0.5%	6	0.6%
Gifu	Standalone drug stores	35	32	29	30	31	31	31	31	31	
	Drug stores with dispensaries	31	34	37	39	41	41	41	41	41	
	Gifu total	66	8.0%	66	7.3%	66	6.9%	69	6.7%	72	7.2%
	Standalone drug stores	18	19	15	19	23	23	23	23	23	
Aichi	Drug stores with dispensaries	24	26	30	31	32	32	32	32	32	
	Aichi total	42	5.1%	45	5.0%	45	4.7%	50	4.8%	55	5.1%
	Standalone drug stores	17	18	19	18	17	17	17	17	17	
	Drug stores with dispensaries	11	14	16	22	23	23	23	23	23	
Mie	Mie total	28	3.4%	32	3.5%	35	3.7%	40	3.9%	40	3.7%
	Standalone drug stores	8	13	12	14	13	13	13	13	13	
	Drug stores with dispensaries	4	5	7	7	7	7	7	7	7	
	Shizuoka total	12	1.5%	18	2.0%	19	2.0%	21	2.0%	20	1.8%
Shiga	Standalone drug stores	14	15	14	21	21	21	21	21	21	
	Drug stores with dispensaries	18	21	23	24	24	24	24	24	24	
	Shiga total	32	3.9%	36	4.0%	37	3.9%	45	4.3%	45	4.2%
	Standalone drug stores	4	6	3	3	5	5	5	5	5	
Nara	Drug stores with dispensaries	7	8	9	11	12	12	12	12	12	
	Nara total	11	1.3%	14	1.6%	12	1.3%	14	1.4%	17	1.6%
	Standalone drug stores	9	7	7	9	9	9	9	9	9	
	Drug stores with dispensaries	5	8	12	14	15	15	15	15	15	
Kyoto	Kyoto total	14	1.7%	15	1.7%	19	2.0%	23	2.2%	21	1.9%
	Standalone drug stores	2	3	5	1	3	3	3	3	3	
	Drug stores with dispensaries	1	3	5	10	11	11	11	11	11	
	Osaka total	3	0.4%	6	0.7%	10	1.0%	11	1.1%	14	1.3%
Wakayama	Standalone drug stores	0	0	0	1	0	0	0	0	0	
	Drug stores with dispensaries	0	0	0	0	0	0	0	0	0	
	Osaka total	0	0.0%	0	0.0%	0	0.0%	1	0.1%	0	0.0%
	Standalone drug stores	7	12	6	4	5	5	5	5	5	
Fukushima	Drug stores with dispensaries	8	11	18	20	20	20	20	20	20	
	Fukushima total	15	1.8%	23	2.5%	24	2.5%	24	2.3%	25	2.3%
	Standalone drug stores	5	2	1	7	8	8	8	8	8	
	Drug stores with dispensaries	6	9	10	10	14	14	14	14	14	
Miyagi	Miyagi total	11	1.3%	11	1.2%	11	1.2%	17	1.6%	22	2.0%
	Standalone drug stores	11	16	13	11	11	11	11	11	11	
	Drug stores with dispensaries	5	6	9	14	14	14	14	14	14	
	Iwate total	16	1.9%	22	2.4%	22	2.3%	25	2.4%	25	2.3%
Yamagata	Standalone drug stores	2	2	2	4	4	4	4	4	4	
	Drug stores with dispensaries	3	5	7	8	8	8	8	8	8	
	Yamagata total	5	0.6%	7	0.8%	9	0.9%	12	1.2%	12	1.1%
	Standalone drug stores	0	0	0	4	4	4	4	4	4	
Akita	Drug stores with dispensaries	0	0	0	0	0	0	0	0	0	
	Yamagata total	0	0.0%	0	0.0%	0	0.0%	4	0.4%	4	0.4%
	Standalone drug stores	0	0	9	7	10	10	10	10	10	
	Drug stores with dispensaries	0	0	0	0	1	2	2	2	2	
Ehime	Ehime total	0	0.0%	0	0.0%	9	0.9%	8	0.8%	12	1.1%
	Standalone drug stores	0	0	0	5	14	14	14	14	14	
	Drug stores with dispensaries	0	0	0	0	0	0	0	0	0	
	Kagawa total	0	0.0%	0	0.0%	5	0.5%	14	1.3%	14	1.3%
Total	Standalone drug stores	359	43.5%	370	41.0%	342	35.9%	340	32.8%	369	34.1%
	Drug stores with dispensaries	460	55.7%	526	58.3%	594	62.3%	664	64.1%	687	63.5%
	Dispensing pharmacies	6	0.7%	6	0.7%	6	0.6%	6	0.6%	6	0.6%
	Supermarket stores	1	0.1%	1	0.1%	11	1.2%	26	2.5%	20	1.8%
		826	100%	903	100%	953	100%	1,036	100%	1,082	100%

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

	FY May 2022	FY May 2023	FY May 2024	FY May 2025	FY May 2026 2Q
	Results	Results	Results	Results	Results
Ratio of stores with dispensaries (%) ※	56.2%	58.7%	63.5%	66.1%	65.0%
Ratio of stores with dispensaries + Stores with dispensaries/(Standalone drug stores + Drug stores with dispensaries)					
Total sales floor area at year end (m <sup>2</sup> )	855,266	957,407	1,016,739	1,102,091	1,166,083
Number of employees (persons)	4,033	4,460	4,605	5,627	5,299
Average number of temporary employees (persons) (converted to 8-hour workday)	5,474	5,842	6,218	7,574	8,409

Capital Investment and Depreciation

	FY May 2022	FY May 2023	FY May 2024	FY May 2025	FY May 2026 2Q
	Results	Results	Results	Results	Results
Investment to stores (new opening)	26,819	25,832	12,343	14,420	16,107
Investment to stores (renovation)	839	2,257	1,961	1,837	1,439
System	660	389	423	75	10
Other	970	1,916	7,952	19,820	2,930
Total	29,288	30,395	22,679	36,152	20,486
Depreciation	8,645	11,374	11,947	12,495	6,759

※ 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 2022 2Q		FY May 2023 2Q		FY May 2024 2Q		FY May 2025 2Q		FY May 2026 2Q	
	Results	Composition Ratio	Results	Composition Ratio	Results	Composition Ratio	Results	Composition Ratio	Results	Composition Ratio
Hokushinetsu	80,649	50.0%	87,722	47.6%	99,255	46.0%	105,342	43.4%	113,371	40.5%
Touhoku	6,361	4.0%	11,370	6.2%	14,544	6.8%	16,940	7.0%	23,190	8.3%
Kantou	39,958	24.8%	44,518	24.1%	50,647	23.5%	57,265	23.6%	65,733	23.5%
Toukai	25,186	15.6%	28,191	15.3%	35,436	16.4%	39,942	16.4%	44,404	15.9%
Kansai	9,036	5.6%	12,478	6.8%	15,737	7.3%	19,229	7.9%	24,941	8.9%
Shikoku	-	-	-	-	-	-	4,105	1.7%	8,168	2.9%
Total	161,192	100.0%	184,281	100.0%	215,622	100.0%	242,826	100.0%	279,808	100.0%

	FY May 2022		FY May 2023		FY May 2024		FY May 2025		FY May 2026	
	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	161,993	49.3%	178,733	47.2%	199,343	45.7%	212,789	42.4%	223,241	39.9%
Touhoku	14,641	4.5%	24,436	6.4%	30,032	6.9%	36,166	7.2%	47,909	8.6%
Kantou	81,817	24.9%	90,838	24.0%	102,809	23.6%	118,684	23.7%	129,356	23.1%
Toukai	50,670	15.4%	58,763	15.5%	72,022	16.5%	81,626	16.3%	88,304	15.8%
Kansai	19,215	5.9%	26,102	6.9%	32,670	7.5%	41,851	8.3%	51,947	9.3%
Shikoku	-	-	-	-	-	-	10,352	2.1%	19,239	3.4%
Total	328,335	100.0%	378,874	100.0%	435,875	100.0%	501,470	100.0%	560,000	100.0%

## 8. Trends in Sales by Product Division

(Unit: Million Yen)

	FY May 2022 2Q		FY May 2023 2Q		FY May 2024 2Q		FY May 2025 2Q		FY May 2026 2Q	
	Results	Composition Ratio	Results	Composition Ratio	Results	Composition Ratio	Results	Composition Ratio	Results	Composition Ratio
Health	17,751	11.0%	19,380	10.5%	20,730	9.6%	21,225	8.7%	22,438	8.0%
Beauty	23,769	14.7%	26,130	14.2%	28,415	13.2%	30,563	12.6%	32,538	11.6%
Daily commodities	35,242	21.9%	37,351	20.3%	41,042	19.0%	44,593	18.4%	48,075	17.2%
Food	67,331	41.8%	80,498	43.7%	102,952	47.8%	121,382	50.0%	147,785	52.8%
Dispensing	17,096	10.6%	20,921	11.3%	22,480	10.4%	25,061	10.3%	28,970	10.4%
Total	161,192	100.0%	184,281	100.0%	215,622	100.0%	242,826	100.0%	279,808	100.0%

	FY May 2022		FY May 2023		FY May 2024		FY May 2025		FY May 2026	
	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	36,409	11.1%	41,021	10.8%	42,410	9.6%	44,392	8.9%	46,806	8.4%
Beauty	48,241	14.7%	51,710	13.6%	56,187	12.9%	60,243	12.0%	64,500	11.5%
Daily commodities	69,091	21.0%	73,542	19.4%	80,977	18.5%	87,689	17.5%	95,495	17.1%
Food	139,059	42.4%	169,748	44.8%	211,401	48.4%	257,260	51.3%	295,099	52.7%
Dispensing	35,531	10.8%	42,851	11.3%	46,168	10.6%	51,885	10.3%	58,101	10.4%
Total	328,335	100.0%	378,874	100.0%	436,875	100.0%	501,470	100.0%	560,000	100.0%

## 9. Breakdown of Selling, General and Administrative Expenses

(Unit: Million Yen)

	FY May 2022 2Q	FY May 2023 2Q	FY May 2024 2Q	FY May 2025 2Q	FY May 2026 2Q
Labor cost	16,743	18,419	25,654	22,675	26,590
Sales promotion cost	1,391	1,392	1,347	1,353	1,476
Real estate costs	11,838	13,696	14,397	15,769	17,942
Other costs	7,031	10,139	10,616	11,906	14,159
<b>Total SGA</b>	<b>37,004</b>	<b>43,647</b>	<b>52,016</b>	<b>51,704</b>	<b>60,169</b>

\*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 2022 Full-year Results	FY May 2023 Full-year Results	FY May 2024 Full-year Results	FY May 2025 Full-year Results	FY May 2026 Full-year Plans
Labor cost	33,212	37,263	46,328	46,590	53,974
Sales promotion cost	2,847	2,875	2,788	2,925	3,122
Real estate costs	24,860	28,969	29,533	32,475	36,755
Other costs	14,771	21,701	20,870	24,381	27,411
<b>Total SGA</b>	<b>75,692</b>	<b>90,810</b>	<b>99,521</b>	<b>106,354</b>	<b>121,263</b>

\*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.