

# INTEGRATED REPORT 2025

 KUSURI NO AOKI HOLDINGS CO., LTD.



KUSURI NO AOKI HOLDINGS CO., LTD.  
5180 Yokoemachi, Hakusan-shi,  
Ishikawa Prefecture 924-8510, Japan  
<https://www.kusuri-aoki-hd.co.jp>



Aiming to be a company that  
contributes to society through  
the provision of health, beauty,  
and hygiene



クスリのアオキ

青果 鮮魚 精肉 惣菜 ベーカリー

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### Editorial Policy

The editorial objective of this Integrated Report 2025 has been to create a concise, comprehensible report that enables readers to understand matters such as the status of initiatives relating to each item herein, including the Company's business activities, medium- to long-term management strategy, and sustainability.

We will utilize this report to engage in constructive dialogues with all our stakeholders, including shareholders and investors, and to advance initiatives that further enhance the information we provide.

#### [Scope of report]

KUSURI NO AOKI HOLDINGS CO., LTD. and its operating companies

#### [Period covered]

May 21, 2024 to May 20, 2025

Reporting about business activities contains some information relating to the period after May 20, 2025.

#### [Publication date]

November 2025

#### [Note regarding forecasts]

Content included in the Integrated Report 2025 has been compiled based on content assessed from information obtainable by the Company as of the publication date.

Please also be aware that due to risks and uncertain factors arising from future economic trends, individual consumption, changes to the market environment, etc., actual results for all performance-related information included in this report may differ from forecasts.



### Management Philosophy

## Contributing to society through health, beauty, and hygiene

The KUSURI NO AOKI Group traces its roots to an herbal medicine apothecary who established a neighborhood pharmacy in 1869. His pharmacy was a place where local residents could get advice and medicine for everything from minor ailments to injuries. To carry on that spirit, our enduring management philosophy is “Contributing to society through health, beauty, and hygiene.”

### Vision 2026

## Making daily life easier and bringing more smiles

We aim to be a drugstore in every town that helps make life easier and supports health, bringing people more smiles.

### Logo



The KUSURI NO AOKI Group logo features a motif of a man and woman stepping forward to touch each other's hand, representing health and beauty—two core themes in our corporate philosophy. The design integrates the letter “A,” the first initial of AOKI, and centers the focus on people, embodying our aspiration to be cherished by customers and each local community.

# Management Philosophy

## Message from the President

We aim to provide to communities a *convenient, nearby store with a community pharmacy*

The KUSURI NO AOKI management philosophy is: *The Company shall contribute to society through health, beauty, and hygiene and operate drugstores and dispensing pharmacies that are trusted by local customers.* Guided by this philosophy, the Group has undertaken challenges and advanced initiatives to become an indispensable presence in every community and region we serve, supporting customers in seeking healthy, fulfilling lives. In the fiscal year ended May 2025—our 40th anniversary year—we achieved our medium-term management plan target of ¥500 billion in net sales one year ahead of schedule, set for the fiscal year ending May 2026, and surpassed the milestone of 1,000 stores. And we have no intention of slowing down. Rather, we plan to create new value and strengthen our business foundation further to drive sustainable growth.

Our mission as a retailer is to deliver essentials to the people who need them. We believe the Group’s role is to provide to communities a *convenient, nearby store with a community pharmacy* that supports the health of customers and earns their trust.

The environment surrounding the drugstore industry has been changing rapidly in recent years, and customer needs are diversifying. As a result, more personalized services are needed to respond to rising health awareness and lifestyle shifts. Our Group is attuned to these trends. We will not be content with our existing business model but will continue to pursue new value.

Amid persistent inflation and sharp increases in the price of rice and other staples, consumers now expect higher levels of service and value from retailers. To support daily living in these circumstances, we continue to invest in the food category, selling government-stockpiled rice and expanding our private brand “A&,” to both enhance our product lineups and offer affordability. At the same time, by expanding the number of stores with dispensing pharmacies, we aim to create true one-stop shopping opportunities where customers can take care of all of their shopping needs in a single location.

Drugstores are also expected to serve as a community healthcare access point, making it essential to strengthen professional expertise. To fulfill the role of a community pharmacy and provide both convenience and peace of mind to patients, we are committed to creating an environment where patients feel at ease and comfortable consulting our pharmacists about their medications and health. We will also be expanding our store network to further improve customer satisfaction.

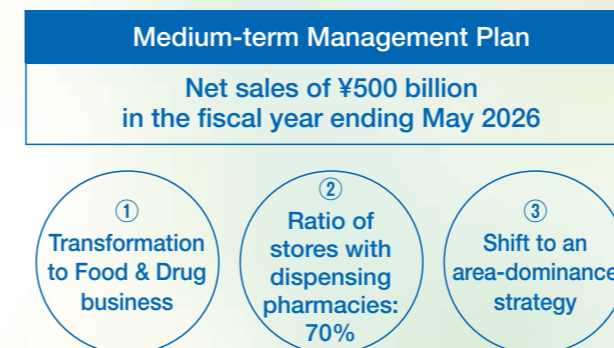
Against the backdrop of social issues such as a declining birthrate, an aging population, and rising healthcare costs, drugstores have an increasingly important role to play. At the same time, the competitive environment has intensified as competitors open new stores, restructuring takes place through industry M&As, and deregulation brings cross-industry players into the competitive arena. These trends are only expected to continue. To differentiate ourselves and expand the Group’s market presence going forward, we believe the keys will be to offer convenience and build trust based on our *convenient, nearby store with a community pharmacy* policy.



Hironori Aoki  
Representative Director and President  
KUSURI NO AOKI HOLDINGS CO., LTD.

### Medium-Term Management Plan

In July 2021, the KUSURI NO AOKI Group formulated its third medium-term management plan, “Vision 2026 (FY May 2021–FY May 2026),” as a new five-year management guideline for the next stage of growth. The financial target we set under this plan was ¥500 billion in net sales for the fiscal year ending May 2026. We also established three priority measures to fulfill Vision 2026, and have been building a new organizational structure in support.



The first priority measure is to implement the transformation to a Food & Drug business format. In the wake of the COVID-19 pandemic and rising prices, demand for affordable and convenient shopping is higher than ever. To deliver the ultimate one-stop shopping that combines food products (including fresh foods) with dispensing pharmacy functions, we are aiming to create stores that are easier than ever for customers to shop at. This is to be accomplished by promoting EDLP (a stable “everyday low price” strategy), establishing a new store format that enables multi-store rollout,

and remodeling existing stores to introduce a fresh food section.

The second priority measure is raising the ratio of stores with dispensing pharmacies (co-location ratio) to 70%. We are putting in place a system to support rapid pharmacy openings that includes strengthening pharmacist recruitment and revising our training programs. In parallel with increasing the co-location ratio, we are expanding the functions needed to serve as a community pharmacy and to support patients’ health and well-being, including self-medication support, comprehensive medication management by a personal pharmacist, guidance through home visits, and advice on at-home nursing care.

The third priority measure is to shift to an area-dominance strategy. As of May 20, 2025, the Group operated 1,036 stores across 27 prefectures. In the drugstore industry, where store service areas are becoming increasingly compact, we are shifting to an area-dominance strategy through concentrated store development in our existing market areas. This strategy will not only strengthen our business foundation but also further expand our regional market share in existing areas of operation and provide customers with the convenience of having one of our stores nearby.

Thanks to steady progress across these three priority measures, we achieved our medium-term management plan target of ¥500 billion in net sales a full year ahead of schedule in FY May 2025—our 40th anniversary year—and surpassed the 1,000-store milestone. For making such achievements possible, I would like to express my sincere gratitude to our customers for their continued patronage, to our employees for their dedicated efforts, and to our business partners for their support.

## Message from the President

### Summary of the Fiscal Year Ended May 2025 (FY May 2025)

The Japanese economy is showing signs of a moderate recovery, supported by growing inbound tourism demand and an improving employment and income environment, driven by wage increases. However, the imposition of the so-called Trump tariffs is expected to have a significant impact on the global economy and exert downward pressure on Japan's GDP. Meanwhile, a nationwide rice shortage continues to keep rice prices high, and political affairs are affecting the economy, including the protracted Russia-Ukraine conflict and the Bank of Japan's decision to raise interest rates further, as well as concerns about exchange rate volatility. As a result, our overall business outlook remains uncertain.

The drugstore industry now faces heightened competition, both within the sector and from cross-industry entrants, leading to fierce rivalry over new store openings and price strategies. At the same time, industry consolidation is accelerating, particularly with business integrations and M&A-driven expansion among the top players. This trend toward oligopoly is not expected to abate anytime soon. Also, as some of the values and lifestyle patterns newly formed during the COVID-19 pandemic increasingly take hold, retailers are being challenged to adapt appropriately to those changes in consumer behavior.

FY May 2025 was the fifth and final year of our third medium-term management plan. During the year, we completed the remodeling of all existing stores to introduce

a fresh food section (excluding small stores), a project we have been working on for two years. Sales performance has been strong, demonstrating how this move has created new reasons for customers to visit our stores.

We are also targeting a 70% ratio of stores with dispensing pharmacies (co-location ratio) by FY May 2026. In FY May 2025, the ratio reached 66.1%, showing steady progress toward our goal. Dispensing pharmacy functions are one of the Group's core strengths, and particularly in rural areas facing declining birthrates and population aging, we view the co-location ratio as a critical indicator for fulfilling our mission as a drugstore that supports community health.

In addition, to strengthen our fresh food merchandising and secure properties in favorable locations, we are strategically pursuing mergers and acquisitions. To date, we have welcomed a total of 19 companies and 134 stores into the Group. By bringing local supermarkets under our umbrella, we are able to share knowledge, talent, and other management resources, creating synergies to broaden our business foundation and enhance corporate value.

The KUSURI NO AOKI Group will continue to advance its drugstore business, dedicated to *making daily life easier and bringing more smiles*.

### Sustainability

We recognize the great importance of sustainability initiatives as we work to achieve the future our Group aims for and enhance our corporate value over the medium to long term. In 2023, we identified four material issues as key priorities for contributing to a sustainable society.

### Material Issues

1. Environmental Conservation
2. Supporting Convenient Living and Healthy Lifestyles
3. Providing a Supportive and Inclusive Workplace
4. Establishing Sound Governance

#### 1. Environmental Conservation

The KUSURI NO AOKI Group recognizes the impact of climate change and greenhouse gas emissions, and we are committed to minimizing these impacts while contributing to the realization of a sustainable society. As part of this effort, we are promoting a transition to renewable energy by installing solar power systems, beginning with the phased installation of rooftop photovoltaic panels at our stores in 2023. These active sustainability investments are designed to tackle two major challenges: reducing environmental impacts and responding to the growing instability of energy supply.

#### 2. Supporting Convenient Living and Healthy Lifestyles

As a retailer that provides essential daily services and healthcare infrastructure, it is our mission to support convenient living and healthy lifestyles for all. In addition to offering daily necessities and food products, our drugstores provide dispensing pharmacy services and pharmaceutical products that require professional expertise. We not only sell the products customers need but also address their concerns and provide them with appropriate information and guidance. It is essential for us to build relationships of trust with local customers and create an environment where they feel comfortable seeking advice. Equally vital is equipping our employees with the professional expertise and skills needed to provide appropriate guidance in response to customer concerns. We strive to create stores that are more user-friendly and that provide professional service to customers in each community.

#### 3. Providing a Supportive and Inclusive Workplace

Our Group is built on the efforts of every employee working at one of our stores or at the head office, and each person's growth drives our corporate growth. To continue to be the drugstore of choice for customers, it is essential that all employees understand our management philosophy and vision, and think and act independently to help put them into practice.

We are committed to providing a supportive and inclusive working environment by investing in educational opportunities for our employees that complement the knowledge and skills needed for better store operations, and by proactively creating a workplace environment that accommodates diverse lifestyles.

#### 4. Establishing Sound Governance

We believe that establishing sound governance is vital to achieving sustainable growth and enhancing corporate value on an ongoing basis. As part of these efforts, in December 2023, we introduced enhanced sustainability-related disclosures and established a voluntary Nomination and Compensation Committee. We are currently working to further improve our governance structure as we strive to earn the trust and confidence of all our stakeholders.

### To Our Shareholders and Investors

The KUSURI NO AOKI Group aims to enhance corporate value over the medium to long term through proactive growth investments, including new store openings, remodelings, and M&A. We also view shareholder returns as a key management priority. While maintaining an appropriate balance with strategic investments, our basic policy is to provide stable, sustainable dividends and to set dividend levels in line with improvements in earnings performance.

In addition, starting on October 4, 2024, we implemented a share repurchase program to improve capital efficiency and enhance shareholder returns.

We will continue to engage in constructive dialogue with our shareholders, investors, and other stakeholders as we work to increase corporate value. We sincerely appreciate your continued support.



## Interview with the Director for Administration

We will prioritize growth investments while delivering steady shareholder returns.

Ryoichi Yahata  
Director for Administration  
KUSURI NO AOKI HOLDINGS CO., LTD.

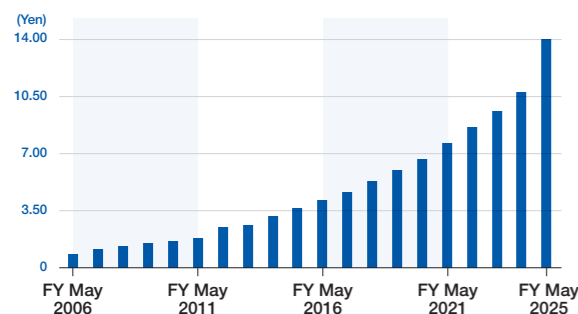


### Shareholder Returns

— In October 2024, the Company approved its first share repurchase authorization. How are you approaching shareholder returns?

Since our listing in February 2006, our shareholder return policy has focused solely on dividends, with a commitment to stable and sustainable dividends. A look at our dividend per share trend over the long term will show how consistently we have upheld this policy. Even in FY May 2010, when we recorded our first earnings decline since the Company's founding, we increased the dividend to ¥22 per

Trend in Dividends per Share



• Data for fiscal years prior to FY May 2017 are presented on a non-consolidated basis.  
• The Company implemented a 2-for-1 stock split for its common stock on May 21, 2015.  
• The Company implemented a 2-for-1 stock split for its common stock on May 21, 2016.  
• The Company implemented a 3-for-1 stock split for its common stock on November 21, 2023.  
• Amounts are shown after adjusting for the most recent stock split.

share (before the three stock splits implemented in 2015, 2016, and 2023).

Ever since our listing, we have generated profits and strengthened our equity base thanks to the continued support of our shareholders, as well as customers in our operating regions and business partners.

By FY May 2024, shareholders' equity reached ¥110,557 million, with an equity ratio of 36.4%. As a result, we have reached a point where shareholder returns can extend beyond dividends to include share repurchases. In appreciation of our shareholders' support, we therefore decided to implement a share repurchase program in October 2024.

Subsequently, with consolidated net sales for FY May 2025 reaching ¥501,470 million—achieving the ¥500-billion target under our third medium-term management plan a full year ahead of schedule—we recognized the need to further expand shareholder returns. So, in July 2025, we approved an increase to our share repurchase authorization.\*  
\* Procedurally, this entailed canceling the existing authorization and approving a new one. For details, please refer to the press release issued on July 3, 2025: "Notice Concerning Discontinuation of Purchase of Treasury Shares and Determination of Matters Related to New Purchase of Treasury Shares (Purchase of Treasury Shares Pursuant to the Provisions of Article 459, Paragraph (1) of the Companies Act)."

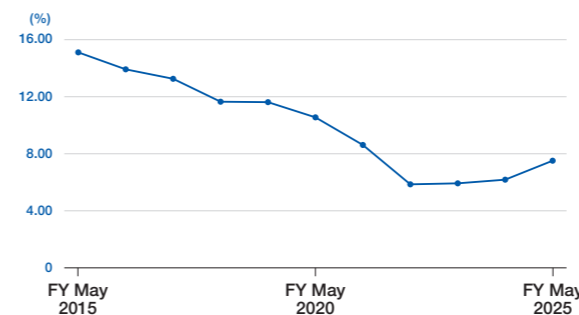
### Capital Efficiency

— How do you view capital efficiency and the disclosure of capital costs, which investors are increasingly focusing on?

One key metric used to evaluate capital efficiency is Return on Invested Capital (ROIC), while Return on Equity (ROE) is widely viewed as a financial indicator of particular importance to shareholders. Our ROE is higher than that of other listed companies in the drugstore sector. From FY May 2012 through FY May 2020, ROE exceeded 20%. In subsequent years, however, ROE has fallen below 20% as profits have accumulated and shareholders' equity has increased. Most recently, in FY May 2025, ROE stood at 13.9%. Given the increase in equity and our commitment to improving capital efficiency, we approved and are implementing a share repurchase program.

As for capital costs, this is something that we do not disclose. However, our ROIC for FY May 2025 was 7.5%, a level that we believe significantly exceeds our estimated cost of capital and demonstrates a sufficiently strong return on invested capital.

ROIC



Formula:  
After-tax operating profit ÷ (Shareholders' equity + Interest-bearing debt, including lease obligations)  
Note: The effective tax rate applied is 30.5%.

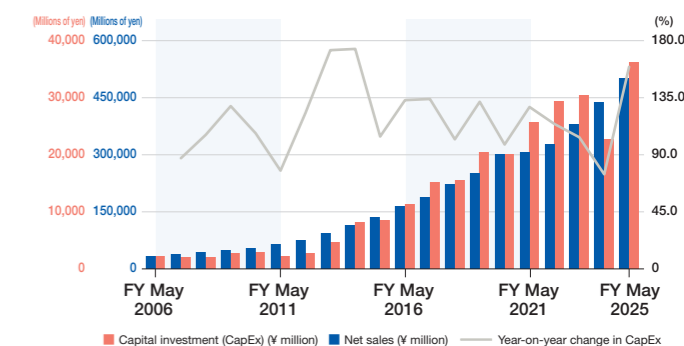
### Improvement of Return on Assets (ROA) and Optimal Capital Structure

— How do you approach balance sheet management?

In our store investment model, we typically lease store sites from the landowners while owning the store buildings. By contrast, companies that establish stores mainly in the Tokyo metropolitan area or in large commercial complexes generally do not acquire store assets such as land and buildings. As a result, our balance sheet tends to expand on the assets side, thereby increasing both liabilities and net assets. For this reason, the key to our balance sheet management lies in how effectively we can reduce the cost

of capital on the liabilities and net assets side. We consider this to be essentially the same as lowering overall capital costs. During the second and third medium-term management plans, our growth strategy was to maintain a proactive investment stance. Benefiting from the Bank of Japan's monetary easing and a prolonged low-interest-rate environment, we actively used borrowings from financial institutions to take advantage of favorable market conditions and work toward an optimal capital structure.

Trend in Capital Investment (CapEx)



### IR Policy

— What is your policy on dialogue with investors?

Our IR activities are managed by the Corporate Planning Department. Thanks to consistent profit growth since our listing—an average annual operating profit CAGR of 15%—we have received strong investor interest, resulting in numerous requests for IR interviews and frequent telephone inquiries. We hold financial results briefings twice annually, and conduct approximately 150 small meetings and one-on-one meetings annually. In addition to these sessions, we also respond to a substantial number of inquiries by telephone.

# Business Foundation/Management Strategy

## Our History and Evolving Business Model

KUSURI NO AOKI celebrated its 40th anniversary in January 2025. Going forward, the KUSURI NO AOKI Group will continue to grow, with the goal of being a drugstore and dispensing pharmacy that supports customers in local communities.

### The Development of KUSURI NO AOKI

- 1985 KUSURI NO AOKI CO., LTD. founded  
First KUSURI NO AOKI store opens (Izumigaoka)
- 1992 Head office relocated to Hakusan City
- 1995 Newly combined Headquarters and collection and delivery center opens
- 1997 First store in Toyama Prefecture opens (Tonami)  
First store in Fukui Prefecture opens (Fukui Wakasugi)
- 2000 First Health Up seminar held
- 2001 Logo created
- 2003 Launch of the KUSURI NO AOKI point card service
- 2006 Listed on the Second Section of the Tokyo Stock Exchange
- 2007 Achieve 100 stores with the opening of our Tamaboko store (Ishikawa Prefecture)
- 2010 Formulate our first medium-term management plan
- 2011 Listed on the First Section of the Tokyo Stock Exchange
- 2012 Strengthen our store opening strategy and expand nationwide from the Hokuriku region
- 2016 Transition to a holding company structure  
KUSURI NO AOKI HOLDINGS CO., LTD. listed on the Tokyo Stock Exchange
- 2018 Achieve 500 stores with the opening of our Yoshino store (Fukui Prefecture)
- 2019 Launch of the Aoca prepaid card service  
Launch of the official KUSURI NO AOKI app service  
Construction completed of new head office building in Hakusan City, Ishikawa Prefecture
- 2025 Achieve **1,000** stores with the opening of our Umatate store (Chiba Prefecture)

#### 1985



First KUSURI NO AOKI store opens (Izumigaoka)

#### 1995



Newly combined Headquarters and collection and delivery center opens

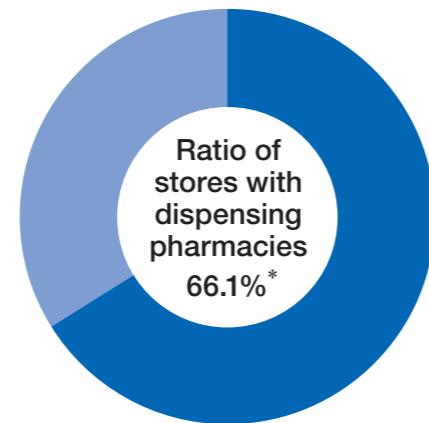
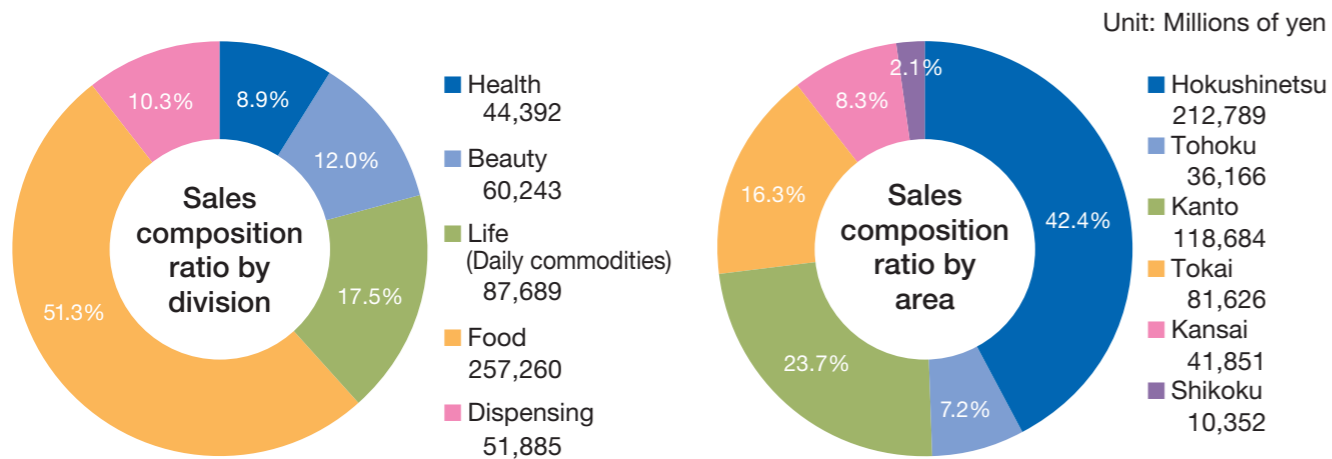
### Progress in sales and store numbers since our founding



Management Philosophy Business Foundation Sustainability Financial/Company Information

# Overview of the KUSURI NO AOKI Group

The KUSURI NO AOKI Group is progressing with the nationwide expansion of its store network, with a focus on our drugstore and dispensing businesses. We are actively investing in the food sector in order to realize our Food & Drug business concept, while aiming to improve medium- to long-term corporate value by growing our customer base and increasing the frequency of store visits.



\*This ratio is calculated from the number of drugstores excluding supermarket stores and standalone pharmacies. (As of May 20, 2025)

## Drugstore Business

Based on the KUSURI NO AOKI management philosophy of contributing to society through health, beauty, and hygiene, and while prioritizing customer convenience with pharmaceuticals and cosmetics as core products, our Group operates its drugstore business based on an extensive product lineup that also includes everyday essentials such as the daily goods, foods, accessories, and clothing familiar in our customers' daily lives.

We believe in putting convenience first by locating stores beside main and arterial roads used by customers on a daily basis—for example, when commuting—and with a focus on residential areas. Furthermore, while enhancing our product lineup, we decide on the floor area of our stores with an emphasis on enabling customers to go shopping quickly and efficiently. As such, we are developing our business format and operating in a way that increases the frequency of store visits.

We also pursue both specialization and convenience in our drugstore business. Based on the recognition that dispensing services are an essential part of drugstores that support the health of communities, we are introducing more dispensing pharmacies, creating a structure that can rapidly respond to developments in the separation of dispensing and medical practice, and promoting partnerships with local medical institutions, with the goal of being a company that gains the trust of its customers.



## Dispensing Pharmacy Business

As a way of upholding the separation of dispensing and medical practice, the KUSURI NO AOKI Group is developing its dispensing service for prescriptions issued by medical institutions. As facilities for providing healthcare under the separation of dispensing and medical practice, dispensing pharmacies attached to drugstores are expected to fulfill an increasing number of roles every year. For example, as well as prescription pharmaceuticals, they also provide medication guidance relating to over-the-counter pharmaceuticals, guidance visits for patients living at home, and nursing care advice. In this way, the Group is pursuing the services that customers and patients in the community require.

We are also actively advancing the opening of new dispensing pharmacies attached to drugstores, thereby enabling patients to collect medicines at stores where they usually go shopping—for example, near their homes and workplaces—rather than at pharmacies that directly adjoin healthcare facilities. Customers at these pharmacies can use them as reception desks for prescriptions, and consult with pharmacists regarding combining prescriptions with over-the-counter medicines or supplements, and to check the interaction of those prescriptions, over-the-counter medicines, and supplements. Our pharmacies are closely connected with people's everyday lives and handle a wide range of prescriptions from multiple medical institutions.



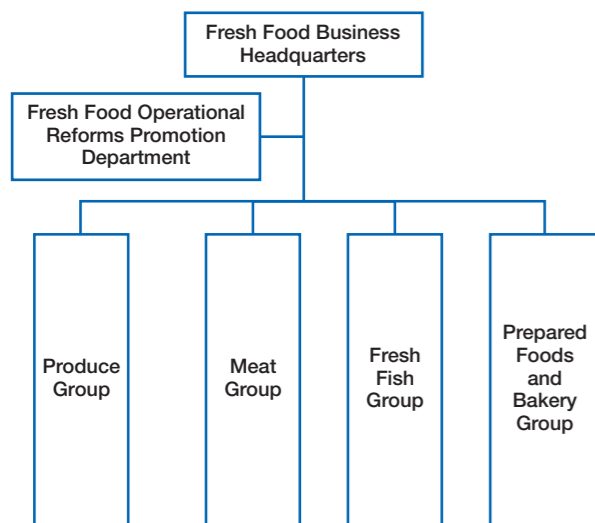
# Fresh Food Business

The KUSURI NO AOKI Group has continued to strengthen its fresh foods since FY May 2012. While promoting transformation to Food & Drug business, which was one of our three priority measures to fulfill the third medium-term management plan: Vision 2026, we have regarded this as an extremely important section.

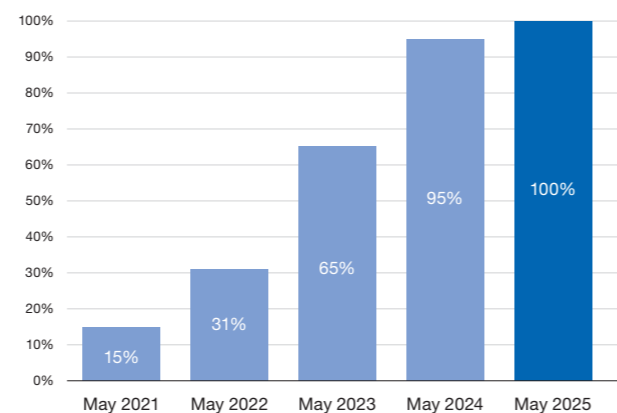
The Company's fresh food business comprises five sectors: produce, fresh fish, meat, prepared foods, and bakery. In particular, we have promoted the introduction of produce, meat, and prepared foods as key sectors, and completed their rollout at all our stores (excluding small stores) in FY May 2025.

In order to strengthen our strategy, planning, and promotional system for the fresh food business, in recent years, we have promoted and reorganized our Fresh Food Business Department to become the Fresh Food Business Headquarters, and established a new Fresh Food Operational Reforms Promotion Department within this headquarters as part of the strengthening process. Furthermore, we are acquiring know-how and human resources in the fresh food business through acquiring local supermarkets through M&A.

By actively promoting the expansion of our fresh food business, the Group is responding to the demands of a society that is changing day by day—for example, with an aging population and a growing generation of dual-income households—and endeavoring to improve the convenience of our stores. With these initiatives, we are committed to achieving one-stop shopping, and we will further fulfill our role as a drugstore that enhances the provision of foods and is also an essential infrastructure for supporting our customers' everyday lives.



Percentage of stores introducing produce and meat among total stores (excluding small stores)



## Produce

In the produce sector, we are endeavoring to establish a stable procurement system for the ongoing provision of products with a high degree of freshness at reasonable prices. We are also prepared for times when there is instability in the quantities supplied by the market, and we aim to realize sustainable supplies through direct visits to production areas by our representatives, where they engage in earnest and repeated negotiations with vendors and producers.



## Fresh Fish

In the fresh fish sector, which requires particularly high levels of professional expertise, our ability to secure and train the human resources who will uphold that expertise is a key challenge. In order to provide our customers with high-quality products, We have introduced a unique Meister System. By paving the way toward tangible career enhancement through the acquisition of professional qualifications, this system functions as an incentive for employees to work with long-term goals in mind, and ultimately helps them to stably maintain their skill levels.



## Meat

In the drugstore industry in which the KUSURI NO AOKI Group operates, the meat sector is one of the most important elements for improving our competitiveness and ability to attract customers in the field of fresh foods.

The sale of fresh foods that include meat is attracting a lot of attention within the drugstore business format.

The meat sector functions as a key aspect of realizing the Group's concept of one-stop shopping, and is also regarded as important for future business expansion.



## Prepared Foods

The prepared foods sector comprises a unique and wide-ranging product lineup that responds to changing lifestyles and societal needs, particularly those arising from an aging population and a growing generation of dual-income households. Most recently, we have completed the introduction of prepared food items to all our stores (excluding small stores), and this is making a significant contribution to enhancing our Food & Drug business concept and realizing one-stop shopping. Going forward, we will further strengthen the Group's role as lifestyle infrastructure in line with the provision of original products at low prices.



## Bakery

The bakery sector consists of a lineup of around 35 product types, approximately six of which are developed each month as new products to coincide with the seasons. Our unique business model of providing freshly baked bread in drugstores is helping increase the frequency of store visits and improve our ability to attract customers. Many of these products have been developed through collaborations with manufacturers, although we are also actively promoting in-house product development. Going forward, we will continue to invigorate this sector while capitalizing on our unique strengths as a drugstore that enhances the provision of foods.

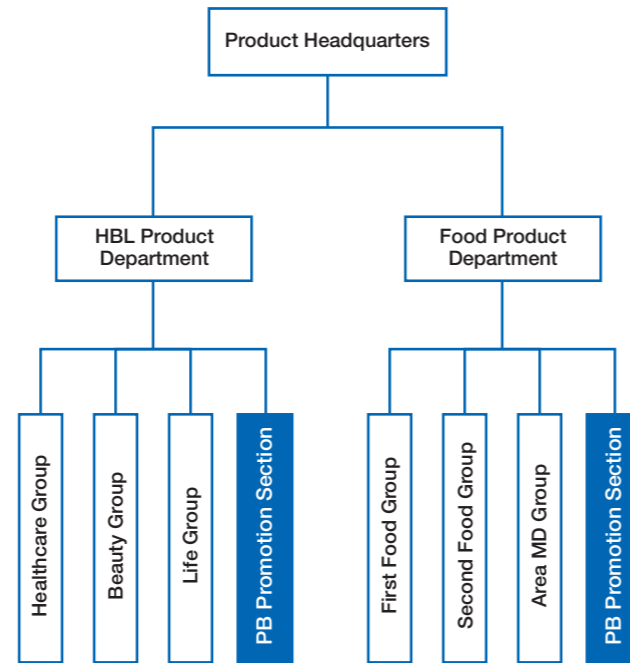


## Our A& Private Brand

The KUSURI NO AOKI Group began selling private brand (PB) products on August 21, 2021. Our own PB, A&, focuses on quality and price for everyday usability. A& products support our customers' everyday lives with the perfect balance of affordable prices and outstanding quality from collaborative development with manufacturers.

With increasing demand for PBs in recent years, we have enhanced our structure for responding to this demand more robustly, for example, by recruiting more personnel to PB Promotion Sections within our HBL Product Department and Food Product Department. We are also organizing briefings for manufacturers at our head office and vigorously expanding our business in order to increase our range of products.

Going forward, as foundations for the provision of quality assurance and price satisfaction, we will continue to advance PB product planning and help to improve quality of life for our customers and support their household budgets.



## Food Sector

We have assembled a lineup centered around essential products that can be used on an everyday basis, such as seasonings, beverages, daily delivery foods (ham, cheese, milk, natto, etc.), and frozen foods, and we support our customers' household budgets through price satisfaction. Most recently, we have introduced products in pursuit of the optimal balance between quantity and affordability, for example, by guaranteeing sufficient volume while simultaneously keeping prices low, as is the case with potato chips. Going forward, we will continue to provide a range of products based on the concept of quality assurance.

As a drugstore that enhances the provision of foods, we are actively promoting development in the food sector, and we will also endeavor to realize one-stop shopping in the development of our PB.



## Goods Sector

In this sector, we have developed a lineup centered around essential daily consumables that require regular replacement, such as tissues, toilet paper, wet wipes, plastic bags, and masks. These products are used frequently, so it is particularly important that we continue to assist with household budgets through price satisfaction. Such products encourage ongoing and habitual store visits from customers by building a stable supply system based on quality assurance.



## Pharmaceutical Sector

With the development of PB products, we are delivering an extensive lineup that gives top priority to quality assurance. Strengthening our pharmaceutical PB products is particularly effective in promoting our customers' health maintenance and self-medication.

As a business that began as an herbal medicine apothecary, our Group has cultivated the trust of its customers in local communities through the provision of pharmaceuticals. Built on the foundations of this history and our high levels of expertise and credibility as a business operator that still handles pharmaceuticals, we will continue to develop PB products that meet customer expectations.



## Product Examples

### A& potato chips



### A& freezer bags



### A& CEDEP Cough Medicine W



## The philosophy behind the A& logo

The "A" of A& is the "A" of AOKI in KUSURI NO AOKI. The logo shape, which expresses mutual rapport, is invested with a sense that KUSURI NO AOKI is a trusted partner in our customers' lives that unobtrusively supports them.

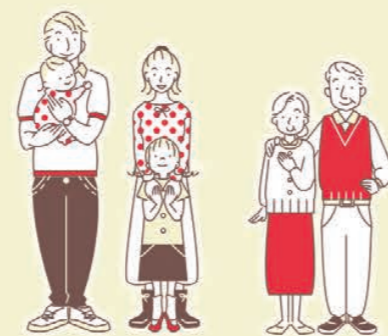


### Quality Assurance

We are uncompromising about quality because it is essential in everyday life. The Company is also comprehensively involved in everything from selecting materials and ingredients to manufacturing and production. While paying careful attention to everything up to and including the unseen aspects of our products, we only sell in our stores those that have passed rigorous checks.

### Price Satisfaction

A& provides outstanding products from a consumer-oriented perspective, with consideration for striking a balance between low prices and high quality. It leverages the advantages of in-house development and cuts interim costs as much as possible, realizing both affordable prices and quality that fulfills customer needs.



## Overview of Stores

### Store Network

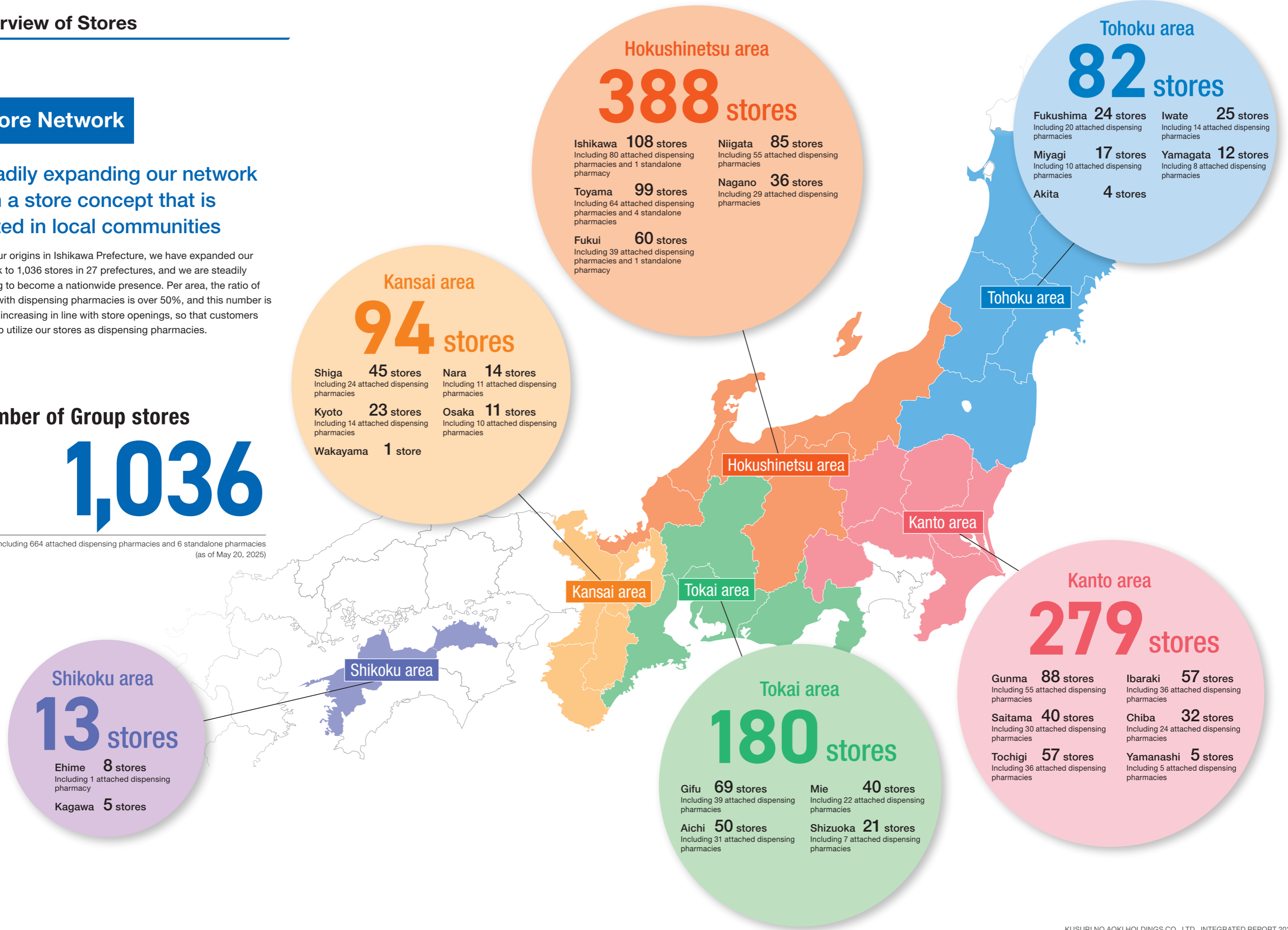
Steadily expanding our network with a store concept that is rooted in local communities

From our origins in Ishikawa Prefecture, we have expanded our network to 1,036 stores in 27 prefectures, and we are steadily evolving to become a nationwide presence. Per area, the ratio of stores with dispensing pharmacies is over 50%, and this number is quickly increasing in line with store openings, so that customers can also utilize our stores as dispensing pharmacies.

### Number of Group stores

# 1,036

Including 664 attached dispensing pharmacies and 6 standalone pharmacies (as of May 20, 2025)



# Overview of Stores

## M&A Results

Acquiring local supermarkets by M&A to expand our store network and secure know-how in the fresh food business

Since FY May 2021, we have advanced M&A with a focus on local supermarkets, with the aim of strengthening fresh food merchandising (MD) in each area and securing well-located properties. In the current fiscal period, we have acquired seven companies by M&A and succeeded in entering the Shikoku area for the first time.

As of May 20, 2025, we had acquired 19 companies by M&A, whose scale prior to becoming subsidiaries totaled 134 stores and net sales of ¥93.3 billion.

Going forward, we will unite as a Group, build a complete local management structure, and further advance our area-dominance strategy in the industry.

### Number of companies acquired by M&A

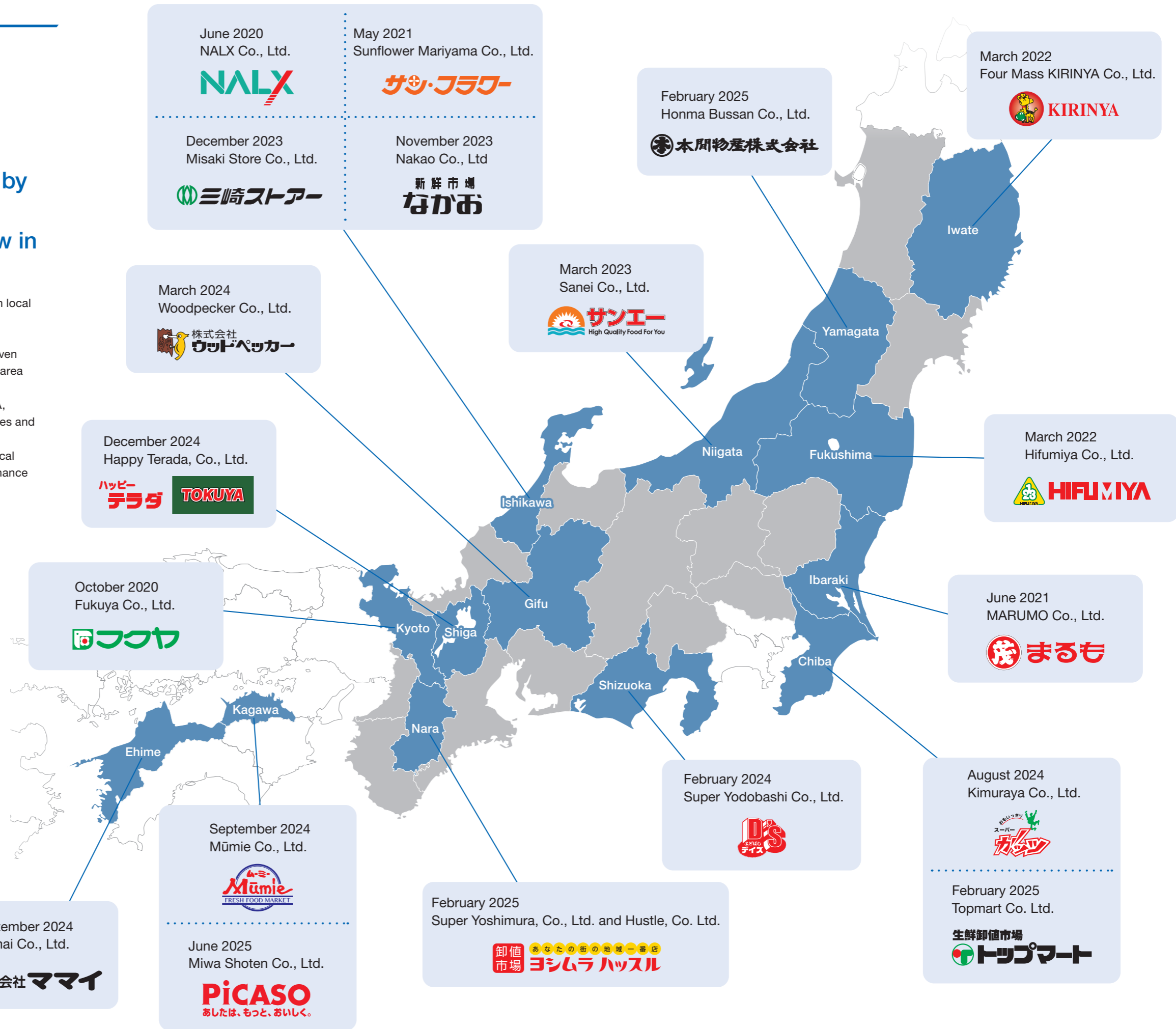
# 19

Totals based on information already disclosed as of May 20, 2025

### Total net sales of companies acquired by M&A

# ¥93.3 billion

Totals based on information already disclosed as of May 20, 2025  
(Scale prior to becoming subsidiaries)

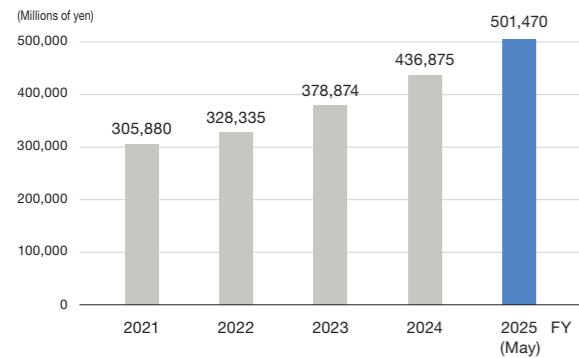


# Financial and Non-financial Highlights

## Financial Highlights

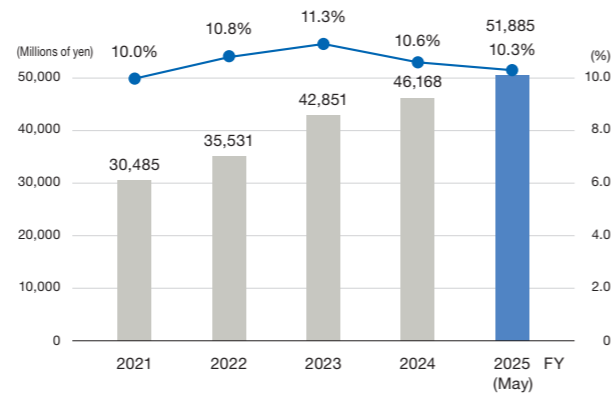
### Net Sales

¥501,470 million



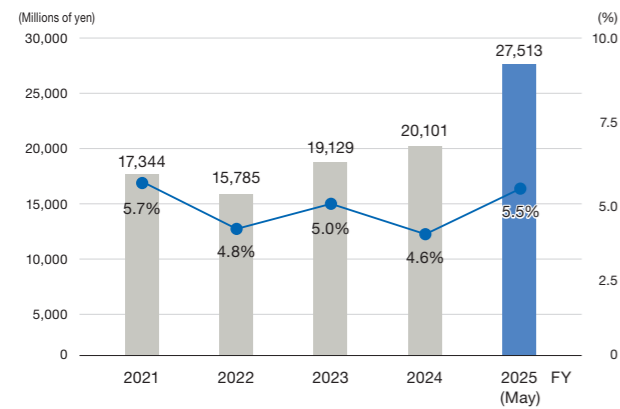
### Dispensing Sales / Sales Composition Ratio

¥51,885 million / 10.3%



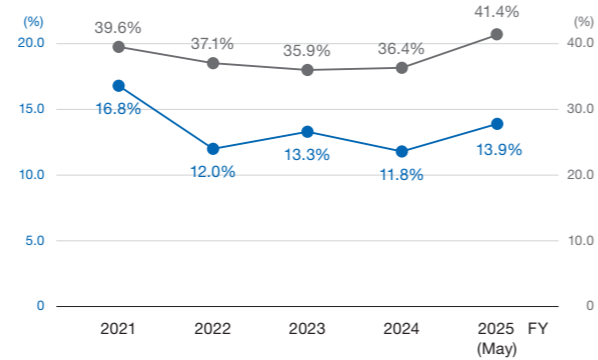
### Ordinary Profit / Ordinary Profit Margin

¥27,513 million / 5.5%



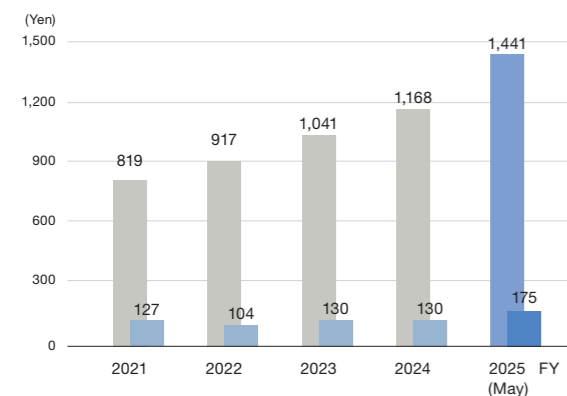
### Return on Equity (ROE) / Equity Ratio

13.9% / 41.4%



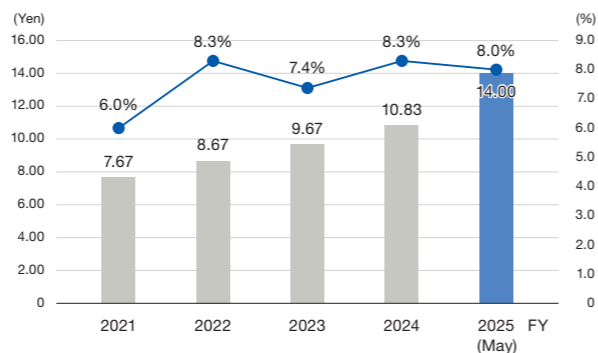
### Amount of Net Assets / Amount of Net Profit (Per Share)

¥1,441 / ¥175



### Dividend / Payout Ratio (Per Share)

¥14.00\* / 8.0%

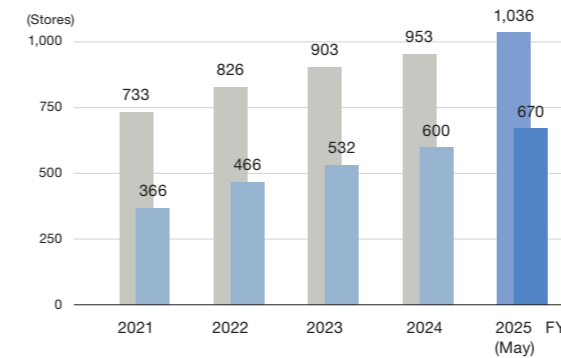


\*The Company conducted a 3-for-1 stock split for its common stock on November 21, 2023. Therefore, for periods prior to FY May 2024, amounts are shown based on the most recent post-split basis.

## Non-financial Highlights

### Number of Stores / Number of Stores with Dispensing Pharmacies

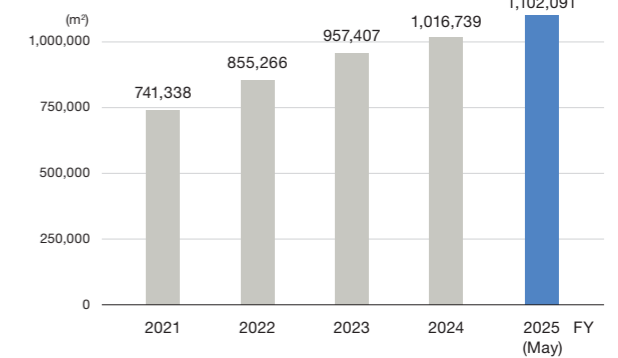
1,036 stores / 670 stores



The number of stores and the number of stores with dispensing pharmacies include standalone pharmacies.

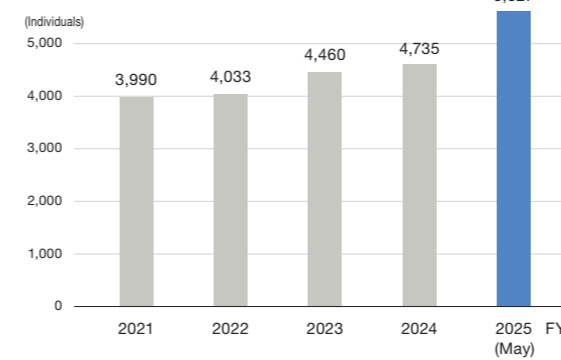
### Sales Floor Area

1,102,091 m<sup>2</sup>



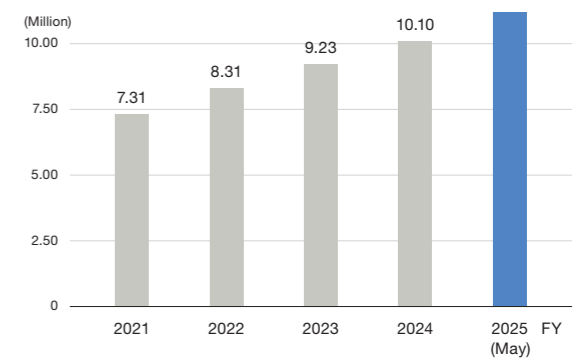
### Number of Regular Employees

5,627 individuals



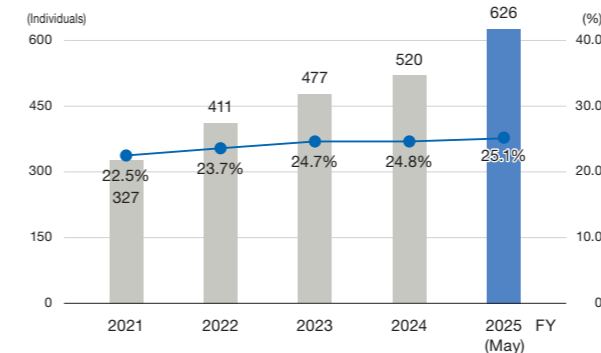
### Total Number of Point Cards Issued

11.22 million



### Number of Female Managers / Female Manager Ratio

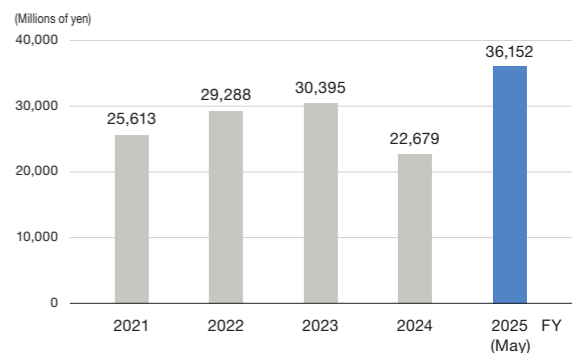
626 individuals / 25.1%



Female managers: Individuals in managerial positions, including store managers and pharmacy managers, who are responsible for supervising and managing employees in departments or stores in charge.

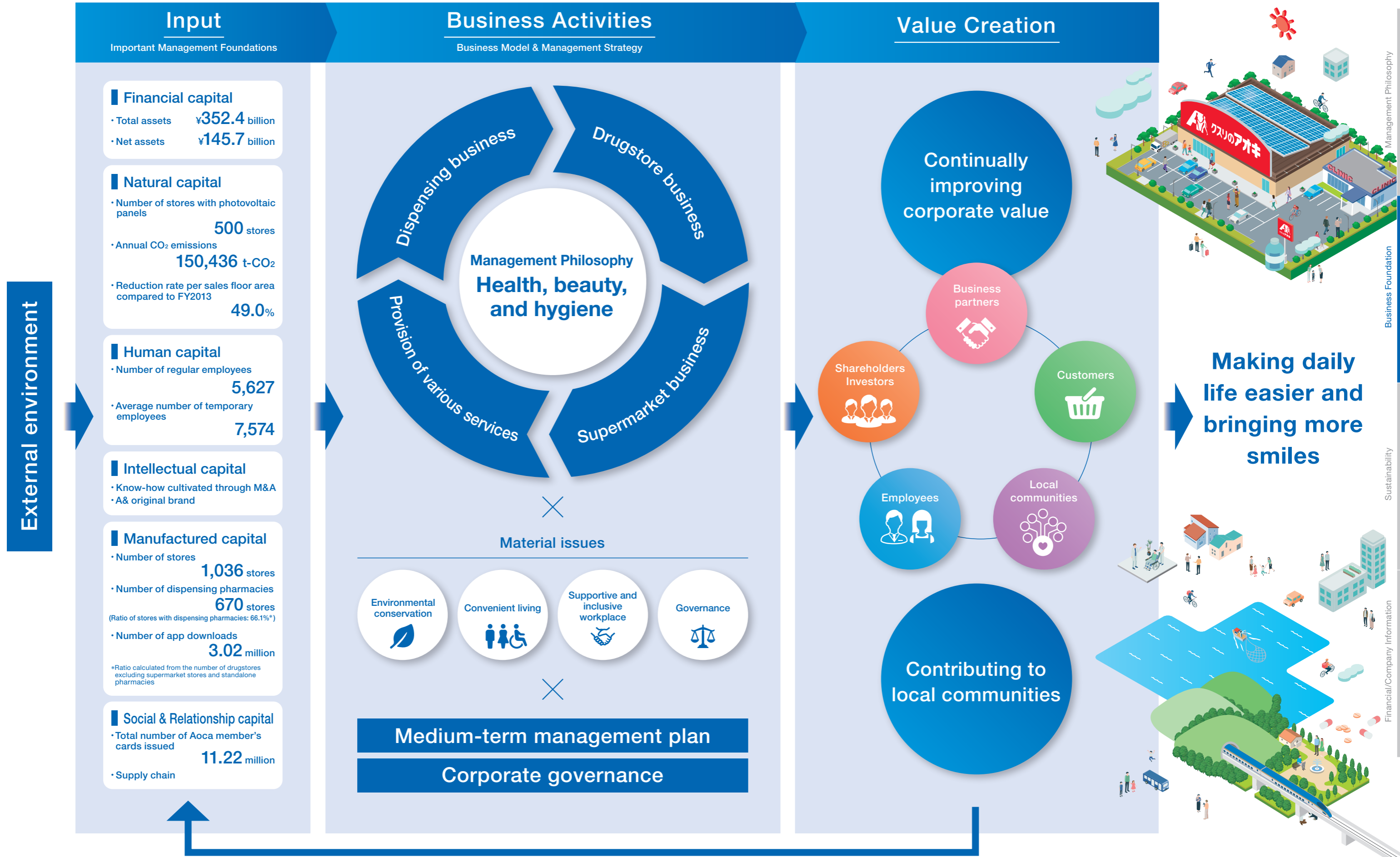
### Amount of Capital Investment

¥36,152 million



We will establish competitive supremacy by refining the KUSURI NO AOKI business model in response to the needs of the times, and we will create new value as a drugstore that supports life in the community.

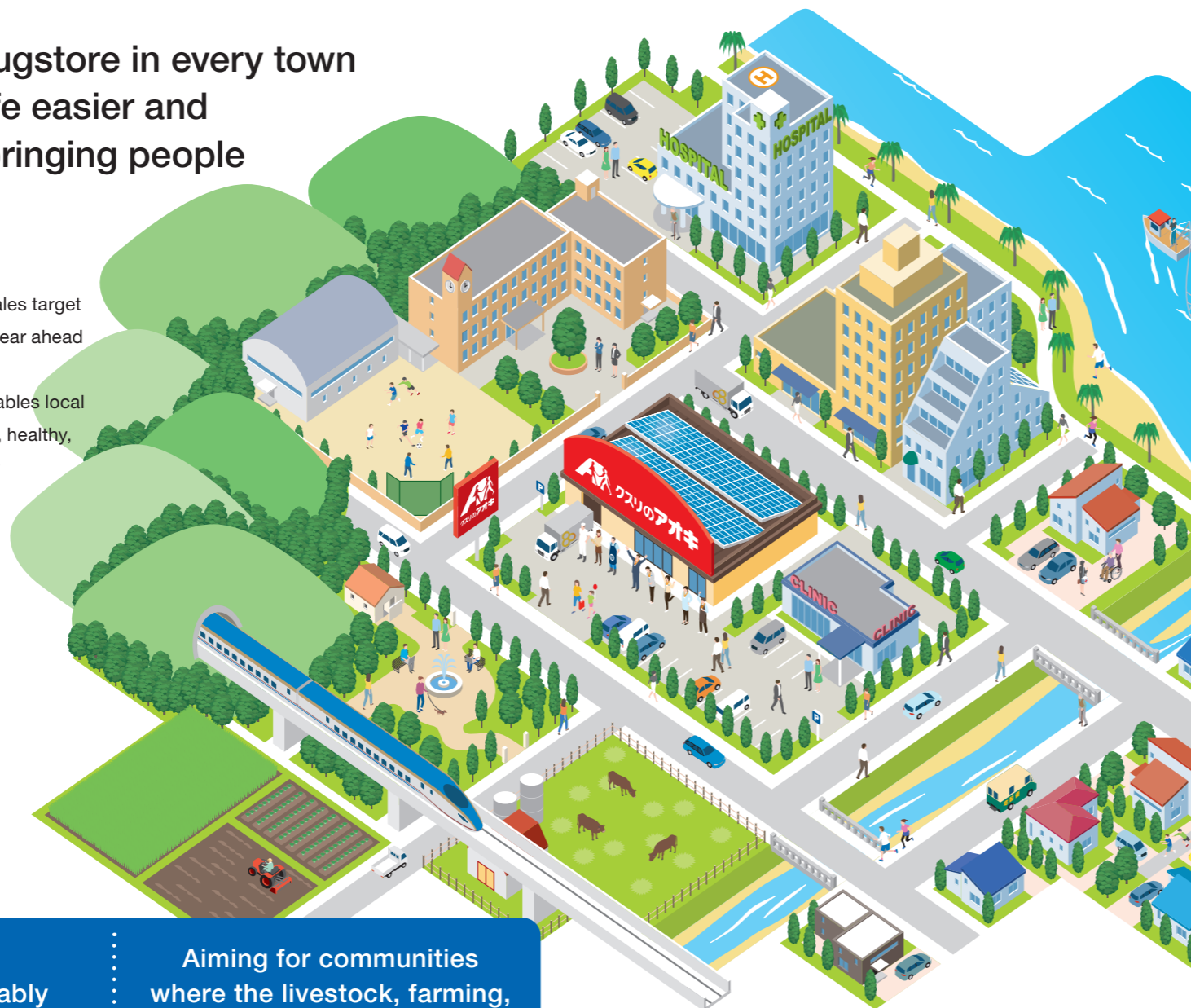
# Value Creation Process



# Making daily life easier and bringing more smiles

We aim to be a drugstore in every town that helps make life easier and supports health, bringing people more smiles.

We achieved our FY May 2026 net sales target of ¥500 billion in FY May 2025, one year ahead of schedule.  
Our goal is to be a drugstore that enables local residents to live plentiful, convenient, healthy, and happy lives, and to support their communities.



Aiming for an affordably priced, extensive product lineup with a focus on foods.

Aiming for communities where the livestock, farming, and fishing industries flourish by introducing local products.

## Vision 2026

Improving health in communities and facilitating preventive medicine, treatment, and at-home nursing care by opening dispensing pharmacies.

Providing workplaces that are supported by local residents.

## Third Medium-term Management Plan

Vision 2026: Net sales of ¥500 billion

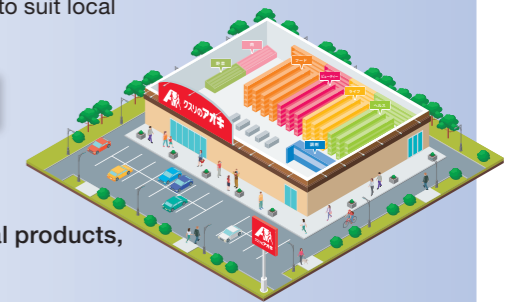
### Transformation to Food & Drug business

#### Switching to a mainstay 400-tsubo format

We aim to enhance fresh foods, strengthen products to suit local characteristics, and pursue low prices.

##### Advantages of the 400-tsubo medium-size store format

- Store openings in smaller business regions
- Enables multi-store rollout
- Ensures sales floor space for fresh foods, local products, and PB products



### Higher ratio of stores with dispensing pharmacies

#### Aiming for a 70% ratio of stores with dispensing pharmacies by May 2026

##### Advantages of stores with dispensing pharmacies

- Supports self-medication
- Comprehensive medication management by personal pharmacists
- Guidance through home visits and advice on at-home nursing care

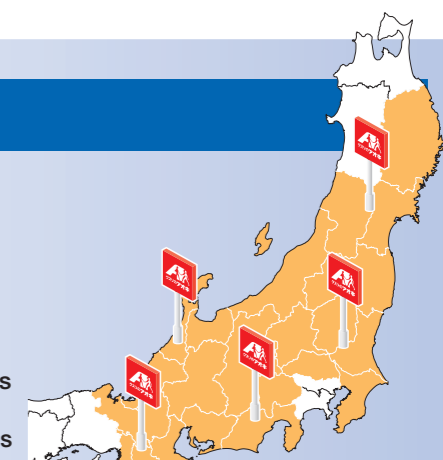


### Greater area dominance

#### Shifting from area expansion to greater area dominance

##### Advantages of area-dominance strategy

- Provides convenience through proximity
- Expands regional market share in existing areas of operation
- Compatible with communities where the business region has a population of 5,000 individuals



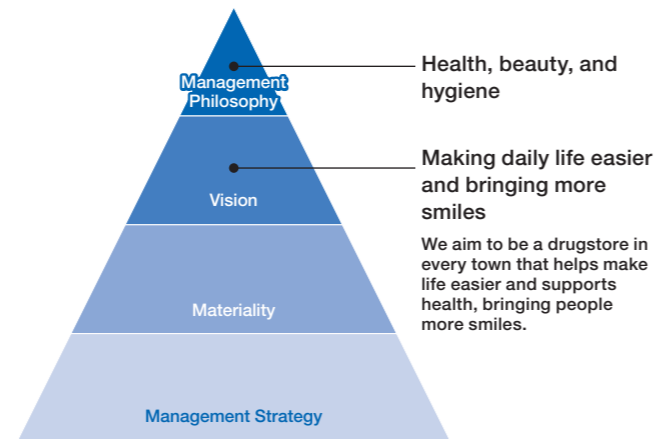
# Sustainability

## KUSURI NO AOKI Group Sustainability

### Basic Approach to Sustainability

The KUSURI NO AOKI Group's management philosophy is to build a company that is relied on by society through health, beauty, and hygiene. We will contribute to society through our business activities, giving our full attention to the various challenges faced by the environment and society and advancing initiatives toward the realization of a sustainable society.

To realize our management philosophy, we aim to be a drugstore that helps make life easier and a dispensing pharmacy that supports people's healthy living by offering medical services. We will work not only to create stores that are highly convenient for our customers but also to enhance sustainable corporate value to meet the expectations of all our stakeholders.



### Sustainability Promotion Framework

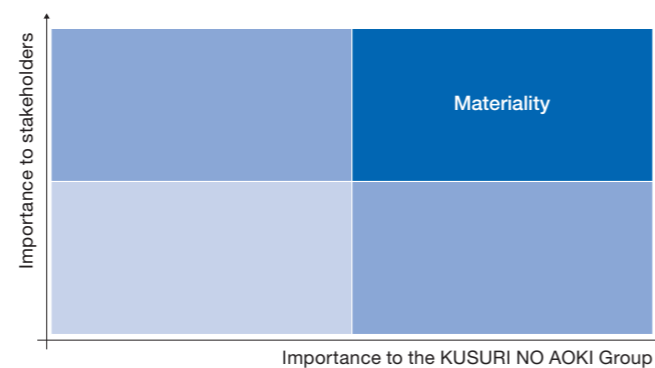
With the Corporate Planning Department serving as the department in charge, we are promoting sustainability initiatives through collaboration with other departments as needed. To bolster these initiatives, seeing sustainability-related risks as a type of risk the Group should be aware of, we have set up a Group Risk Management Committee. Based on this framework, we will continue to advance our sustainability initiatives.

### Materiality Identification Process

We have identified material issues after thorough discussions and considerations based on the KUSURI NO AOKI Group's management philosophy according to the process below. The identified material issues will be reviewed as necessary, in view of changes in our business activities, the external environment, and social demands.

#### STEP 1: Understanding and organizing issues

We worked to understand and organize social issues based on international guidelines and details from research conducted by sustainability assessment organizations. We then conducted identification, comprehensive evaluation, and prioritization of these issues from the two perspectives of ① their importance to the KUSURI NO AOKI Group and ② their importance to the KUSURI NO AOKI Group stakeholders.



#### STEP 2: Candidate selection

Based on the content reviewed in STEP 1, four material issues were selected after repeated consideration from two perspectives: issues underpinning our business activities and issues underlying management aimed at realizing our management philosophy.

#### STEP 3: Identifying materiality

The Board of Directors deliberated and reviewed the appropriateness of the materiality, confirmed its validity, and finally determined the selected issues as materiality for our Group following the Board's approval.

### Materiality

The KUSURI NO AOKI Group has set the following material issues as its goals for realizing a sustainable society. As a company closely connected to the lives of local residents, the KUSURI NO AOKI Group is committed to solving these issues.



Business Activities						
Materiality	Environmental Conservation			Supporting Convenient Living and Healthy Lifestyles		
What We Aim for	Realizing a sustainable society through reduction of environmental impact			Contributing to society through health, beauty, and hygiene in our efforts to be a drugstore and dispensing pharmacy trusted by our local customers		
Key Initiatives	Realizing a decarbonized society			Supporting customers' health and beauty		
	<input type="checkbox"/> Transition to renewable energy <input type="checkbox"/> Introduce energy-saving equipment <input type="checkbox"/> Reduce greenhouse gas emissions			<input type="checkbox"/> Realize our management philosophy <input type="checkbox"/> Expand services through new store/pharmacy openings <input type="checkbox"/> Improve convenience and expertise		
	Realizing a recycling-oriented society			Supporting community life and healthcare		
ESG Area	<input type="checkbox"/> Reduce waste loss			<input type="checkbox"/> Provide essential services that support people's lives <input type="checkbox"/> Contribute to communities as medical infrastructure		
	E	S	G	E	S	G
Related SDGs						

Business Foundation						
Materiality	Providing a Supportive and Inclusive Workplace			Establishing Sound Governance		
What We Aim for	Becoming a company that makes its employees feel rewarded and that grows alongside them			Becoming a trusted company with enhanced management efficiency and transparency		
Key Initiatives	Promoting human resource development and diversity			Establishment of a governance system		
	<input type="checkbox"/> Enhance the training system <input type="checkbox"/> Make the ability-based personnel evaluation system more effective			<input type="checkbox"/> Increase the effectiveness of the Board of Directors <input type="checkbox"/> Ensure strict compliance		
	Creating a comfortable workplace environment and enhancing employee benefits			Risk management		
ESG Area	<input type="checkbox"/> Enhance employee benefits <input type="checkbox"/> Promote health maintenance and enhancement			<input type="checkbox"/> Enhance personal information protection <input type="checkbox"/> Strengthen risk management systems		
	E	S	G	E	S	G
Related SDGs						

## Environmental Conservation Initiatives

### Addressing Climate Change Issues

#### | Basic approach

Climate change is the phenomenon of long-term shifts in climate patterns and climate elements (such as temperature, precipitation, and wind) caused by various factors including natural fluctuation and human activities.

One of the factors contributing to climate change is global warming caused by anthropogenic greenhouse gas (GHG) emitted by economic activities. Results such as rising average temperatures and sea levels as well as extreme weather events have raised concerns about their potential influence on our lives and social environment.

Addressing climate change requires both mitigation measures to curb GHG emissions through renewable energy use and other means as well as adaptation measures that will help avoid or mitigate the impacts of climate change, to build a sustainable society.

With environmental conservation set as one of our material issues, the KUSURI NO AOKI Group recognizes the risks posed by climate change and will move forward with the initiatives to turn a sustainable society into a reality.

### Realizing a Recycling-oriented Society

#### | Reduction of waste loss

Aiming to reduce waste loss, we have implemented an automated ordering system for placing orders of required quantity based on demand forecast, enabling proper inventory management. Ordering has also been automated even for products with short shelf lives, which makes demand forecasting difficult. We are making ongoing efforts for further enhancement of efficiency and accuracy.



#### | Reduction of plastic usage

The KUSURI NO AOKI Group is working together with customers to reduce plastic bag usage. To decrease plastic bag usage, we now charge for them and are striving to reduce plastic waste by encouraging shoppers to use reusable bags.

Additionally, for supplies used in our stores, we are using materials made from recycled plastic waste products as part of our efforts to reduce plastic usage.



### Realizing a Decarbonized Society

#### | Transition to renewable energy

Toward the transition to renewable energy, we are introducing power generation systems using photovoltaic panels installed on store rooftops. Starting from 2023, we have been installing photovoltaic panels sequentially, with the medium-to-long-term goal of completion across all stores where the panels are installable. Furthermore, as of May 2025, subsidy for the Project for Promotion of Price Reduction of Photovoltaic Power Generation Equipment, etc. to Achieve Storage Parity has been utilized at 84 stores (70 stores in 2023, 14 stores in 2024).



#### Number of stores with photovoltaic panels installed

As of May 20, 2025

As of May 20, 2026 (Plan)

Total of **500** stores

Total of **700** stores

#### | Introduction of energy-saving equipment

We are striving to reduce electricity consumption and CO<sub>2</sub> emissions by introducing energy-saving equipment such as LED lighting and downlights in our stores.

Moreover, we are working on initiatives to reduce electricity usage through appropriate management of temperature settings in our stores and head office, introduction and replacement of highly environmentally friendly refrigeration and freezing equipment, and regular air conditioning cleaning.

# Environmental Conservation Initiatives

## Disclosures Based on TCFD Recommendations

The KUSURI NO AOKI Group recognizes addressing climate change as a critical management issue and will work to enhance disclosure on the financial impact of climate-related risks and opportunities in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

### Task Force on Climate-related Financial Disclosures (TCFD)

TCFD is a task force established by the Financial Stability Board (FSB) in 2015 to examine how climate-related information should be disclosed and addressed. TCFD recommendations refer to the importance of recognizing risks and opportunities arising from climate change and taking action to handle them. They recommend organizations to disclose financial impacts in the areas of “governance,” “strategy,” “risk management,” and “metrics and targets.”

### Governance

We have set up a Group Risk Management Committee, an advisory body to the Board of Directors, to deliberate and review our basic climate-related policies and important matters, as well as to manage associate risks.

The Committee reports its deliberations to the Board of Directors (at least twice a year). The Board deliberates and decides on climate-related key policies and matters for consideration, while also overseeing progress on various KPIs and implementation plans. Chaired by the Director for Administration, the Committee will drive forward our climate change countermeasures.

Organization / Department	Roles
Board of Directors	<ul style="list-style-type: none"> <li>Oversight of the Group Risk Management Committee</li> <li>Deliberation and decision-making on key policies and matters for consideration regarding climate change</li> <li>Oversight of progress and implementation plans for various KPIs</li> </ul>
Group Risk Management Committee	<ul style="list-style-type: none"> <li>Progress management and reporting on climate change response</li> <li>Reporting and providing recommendations to the Board of Directors (at least twice a year)</li> <li>Analysis of climate change responses, as well as deliberation, assessment, and risk management</li> </ul>
Corporate Planning Department and related departments	<ul style="list-style-type: none"> <li>Analysis of climate-related risks and opportunities</li> <li>Assessment of impacts on business strategy</li> <li>Examination of climate-related countermeasures and information disclosure</li> </ul>

### Strategy

Climate change and environmental issues may have direct impacts on the business strategy and financial performance of the KUSURI NO AOKI Group, and we recognize that addressing these issues is one of the Group’s material issues. The Group is identifying risks and opportunities that may arise from climate change across its supply chain and analyzing how they affect our business strategy. Climate-related risks and opportunities are divided into two categories: those stemming from the “transition” to a low-carbon society where greenhouse gas (GHG) emissions are regulated; and those stemming from climate-related “physical” changes like intensified weather disasters.

The KUSURI NO AOKI Group has classified the impact of these risks and opportunities on its business strategy as follows.

#### Risk and Opportunity Assessment

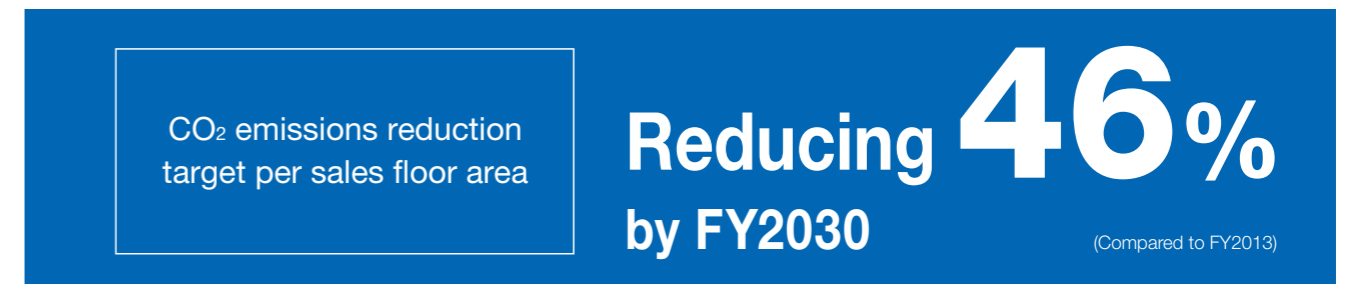
Category	Risk	Financial Impacts
Transition risks	Tighter environmental regulations	<ul style="list-style-type: none"> <li>Increase in store operating costs</li> <li>Increase in raw material procurement costs</li> </ul>
	Rising electricity costs	<ul style="list-style-type: none"> <li>Increase in energy costs</li> <li>Increase in manufacturing costs</li> </ul>
	Tighter fluorocarbon regulations	Increase in investment costs associated with non-fluorocarbon equipment installation in stores
	Shift in consumption trends	Damage to brand image due to falling behind in environmental consideration
Physical risks	Occurrence of weather disasters	<ul style="list-style-type: none"> <li>Damage to store facilities</li> <li>Decrease in sales due to store closures</li> <li>Increase in store repair costs, etc.</li> </ul>
	Rise in average temperature	Increase in store operating costs
Opportunities	Tighter environmental regulations	Cost reduction using low-emission energy
	Installation of energy-saving equipment	Cost reduction using energy-saving equipment
	Shift in consumption trends	Increase in consumers’ desire for eco-friendly products driven by heightened environmental awareness

### Risk management

The KUSURI NO AOKI Group has established a permanent Group Risk Management Committee, with the Sustainability Committee and Compliance Committee as its subordinate bodies. In accordance with the Risk Management Regulations, the Group Risk Management Committee swiftly responds to risks related to compliance, the environment, disasters, quality, and information security when they arise. Should a new risk occur for which no countermeasures have been discussed and said risk exerts a significant impact, the Committee promptly reports it to the Board of Directors. The Board appoints a responsible officer to ensure prompt and appropriate handling of the new risk.

### Metrics and targets

The KUSURI NO AOKI Group, a company operating 1,036 stores nationwide (as of May 20, 2025), recognizes the importance of addressing environmental issues, including climate change and GHG emissions, and has set a target to reduce CO<sub>2</sub> emissions by 46% by FY2030 compared to those per sales floor area recorded in 2013. We will implement initiatives aligned with the target and aim to realize a decarbonized society and a recycling-oriented society.



### CO<sub>2</sub> emissions (Scope 1 and 2)

Fiscal year	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Emissions [t-CO <sub>2</sub> ]	57,288	61,911	66,177	82,506	86,219	105,777
Total sales floor area [m <sup>2</sup> ]	207,353	246,535	294,201	358,690	438,027	519,418
Average emissions per sales floor area [t-CO <sub>2</sub> /m <sup>2</sup> ]	0.28	0.25	0.22	0.23	0.20	0.20
Reduction rate versus FY2013	—	9.1%	18.6%	16.7%	28.8%	26.3%

Fiscal year	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Emissions [t-CO <sub>2</sub> ]	122,708	138,593	153,039	161,099	155,475	150,436
Total sales floor area [m <sup>2</sup> ]	600,713	692,792	841,805	938,322	987,933	1,068,050
Average emissions per sales floor area [t-CO <sub>2</sub> /m <sup>2</sup> ]	0.20	0.20	0.18	0.17	0.16	0.14
Reduction rate versus FY2013	26.1%	27.6%	34.2%	37.9%	43.0%	49.0%

• The fiscal year runs from April 1 to March 31 of the following year.  
 • The figures for the total sales floor area are as of the Group’s fiscal year end during the GHG emissions calculation period.

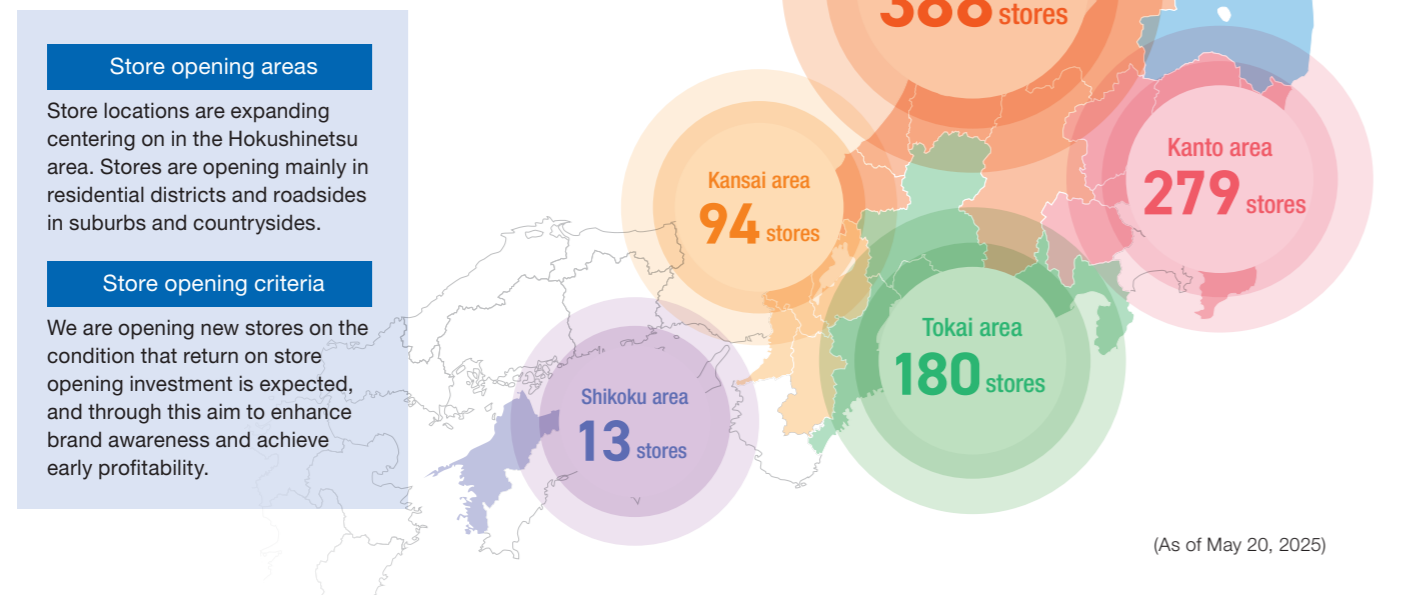
## Contribution to Local Communities

### Building a Supply Chain Through New Store Openings

We aim to steadily and continuously open new stores that support the lives of local residents as a drugstore with a full range of daily necessities and medicines, and as a dispensing pharmacy serving as healthcare infrastructure.

We believe that providing convenience by opening new stores that deal with daily necessities in proximity will enhance customers' quality of life while also contributing to establishing stable lifelines in regions with shrinking and aging populations with fewer children.

Since FY May 2021, we have been executing M&As with a focus on local supermarkets, and alongside our own store openings, we are establishing a stable store opening framework.



### Store Formats

The KUSURI NO AOKI Group utilizes three types of formats according to location and surrounding environment. Currently, we are investing primarily in the food category to transform to a Food & Drug business, aiming to further enhance convenience.

**300 tsubo**  
(Approx. 990 m<sup>2</sup>)



Our flagship format dominates a large part of our store portfolio. Minor remodelings are sequentially underway to introduce a fresh food section to all stores. (Excluding some small stores)

**400 tsubo**  
(Approx. 1,320 m<sup>2</sup>)



A new format developed under the third medium-term management plan. This intermediate format combines the advantages of 300-tsubo format and 450-tsubo concessionary format, enabling multi-store rollout.

**450 tsubo concessionary**  
(Approx. 1,490 m<sup>2</sup>)



Our largest format, featuring broad-ranging products with an abundant variety of food items and dispensing pharmacy. It features a fresh food lineup (produce, meat, prepared foods, fresh fish) comparable to supermarkets.

### Membership Base of the KUSURI NO AOKI Group

The KUSURI NO AOKI Group aims to not only provide products our customers need, but also create added value tailored to each customer's lifestyle and residential area, thereby offering a more satisfying and delightful shopping experience. To this end, we are increasing efforts in product development and digital marketing by utilizing customer data. In FY2025, the total number of point cards issued across the Group exceeded 11 million, and the number of official app downloads reached the 3 million mark. We will proceed with initiatives aimed at further expanding our membership base.



FY2025  
Total number of point cards issued  
**11.22 million**



FY2025  
Number of app downloads  
**3.02 million**

(As of May 20, 2025)

### Enhancement of app features

We will enhance the features of the official KUSURI NO AOKI app to provide our customers with even more convenient daily shopping.

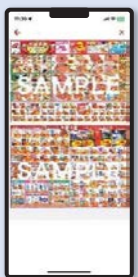
#### 1. Enhancement of app features

Our app can be used as a point card. By simply charging the prepaid card, customers can complete the entire payment process within the app.



#### 2. Store and flyer search

With the app, customers can easily search for and view flyers from their favorite stores.



#### 3. App coupons

Customers can shop at a great value with app-exclusive coupons.



#### 4. Campaigns

We run app-exclusive campaigns.



#### 5. Prescription reception

Prescriptions can be submitted via the app, reducing waiting time.



#### 6. Medication record book

The app can also be used as a medication record book.  
• The app features an alarm to prevent missing a dose.



## Contribution to Local Communities

### Building Healthcare Infrastructure Through a Dispensing Pharmacy

With the goal of becoming a trusted *community pharmacy* that people in the neighborhood can use with peace of mind, the KUSURI NO AOKI Group is striving to increase the ratio of stores with dispensing pharmacies and enhance professional expertise.

In step with an aging population, at-home medical care and community pharmacies are becoming increasingly vital. The KUSURI NO AOKI Group supports patients not only through our dispensing pharmacies but also by working with medical institutions to safeguard the healthy lives of local residents as healthcare infrastructure. We also promote health and cultural awareness-raising activities through industry-government-academia collaboration.

### Community pharmacy (Three functions)

#### Improving safety through comprehensive medication management

Comprehensive management of information on all medications patients take, including prescriptions and over-the-counter medicines, enables to prevent adverse effects of medicine duplication or co-administered medicines. We continuously monitor medication efficacy and check for side effects to support safe and secure treatment. After providing prescription medication, we may continue to monitor progress and adjust prescription volume based on remaining medication.

For more accurate medication management, we recommend that patients use the medication record book and keep a record of their medication status.

#### Creating an environment where patients can get help anytime

We provide telephone consultation service about medication usage, side effects, and other medicine-related inquiries outside of pharmacy operating hours, including on holidays and at night. When necessary, we dispense medications based on prescriptions on holidays and at night.

For the elderly and other patients who have difficulty going out, we provide at-home medical care support by visiting their homes.

#### Collaboration with medical institutions

We review prescription details and check to see changes in patients' health conditions, consulting with doctors and making recommendations as necessary. We also provide consultations on not medication alone, but a wide range of health matters, and in some cases, we recommend visiting medical institutions.

To offer better support to patients, we collaborate with local medical institutions seeking to build relationships of trust.



### Enhanced pharmacy functions with electronic medication record books

The official KUSURI NO AOKI app provides an electronic medication record book feature, enabling centralized management of medication history. It also has an alarm function to prevent missing a dose.

### Enhanced pharmacist functions using the My Number Card

In October 2021, the online eligibility verification system began, allowing the My Number Card to be used as a health insurance card. Pharmacists can now view past medication history and specific health checkup information with the patient's consent. With the effective use of information obtained through this feature and continuous medication management, we are committed to enhancing our role as a community pharmacy.

#### Online eligibility verification

The information system enabling accurate and prompt verification of patient eligibility information (e.g., health insurance coverage and out-of-pocket maximum) at medical institutions and pharmacies is called "online eligibility verification."

## Supporting Community Life and Healthcare

### Dispensing pharmacies attached to drugstores

As a community pharmacy, we aim to be a reliable healthcare hub for residents and commuters in the neighborhood. Additionally, because dispensing pharmacies are located within our drugstores, patients can shop while their prescriptions are being filled and pick up medications with no waiting time.



### Attracting medical institutions

By attracting medical institutions to the premises of our drugstore, we can provide more specialized services in collaboration with the institutions, in addition to the currently available pharmacy functions.



### Promoting antigen tests during the COVID-19 pandemic

During the COVID-19 pandemic that had spread globally since 2020, we established a system to promote antigen testing at our dispensing pharmacies as part of the regional healthcare infrastructure, contributing to preventing infection and providing antigen tests to meet the needs of local residents. While free-of-charge antigen testing ended in May 2023, we continue to meet demand by offering antigen test kits for sale.

## Health Promotion Activities Through Collaboration with Government Agencies, Medical Institutions, and Universities

### Promotion of health awareness activities

As a drugstore pursuing to *make daily life easier and bring more smiles*, we position activities aimed at improving quality of life for everyone as crucial initiatives directly linked to our business foundation. In line with this policy, we collaborate with government agencies and other parties to support disease prevention and improvement of ill health before symptoms appear.

On our YouTube channel, KUSURI NO AOKI Health Up TV [Official], medical experts, including university hospital professors, deliver the latest and highly reliable information on various health issues and lifestyle-related diseases.

Additionally, we help motivating people and encouraging health promotion practices through sponsorship of the litoko Hakusan Asagao Marathon and other initiatives.



KUSURI NO AOKI Health Up TV [Official] YouTube channel  
<https://www.youtube.com/@TV-yw3tj>

### Promotion of cultural awareness activities

Our Company was founded in Hakusan City, Ishikawa (formerly Matto City), which has its own unique local culture and characteristics. We believe these diverse cultural resources and characteristics are at the root of our corporate identity. This drives us to promote awareness-raising in collaboration with the local government, preventing the regional culture from fading and preserving this charming city forever.

Jointly with Hakusan City, we host cultural lectures themed on local history and great figures, inviting renowned experts as lecturers and offering opportunities for residents to deepen their understanding of their hometown.



白山市・クスリのアオキ  
文化創生プロジェクト

# Human Capital Initiatives

## Respect for Human Rights

Our business activities are sustained by the support of our customers, business partners, shareholders, local communities, employees, and all other stakeholders. To realize the KUSURI NO AOKI Group's management philosophy: *Contributing to society through health, beauty, and hygiene in our efforts to be a drugstore and dispensing pharmacy trusted by our local customers*, we consider it one of our vital missions to contribute to creating a better social environment through business activities that respect human rights and other rights of all people.

In this context, we have established a Human Rights Policy\* to help understand and comply with human rights norms set forth in the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work; to uphold international principles and standards including the UN Guiding Principles on Business and Human Rights; to respect the human rights of all people; to ensure their physical and mental health, security, and safety; and to pursue continuous improvement.

\*Please visit our website to see the full text of our Human Rights Policy.

(The English version will be released soon.)

### Human rights due diligence

Based on the KUSURI NO AOKI Group Human Rights Policy, we are establishing a framework to carry out human rights due diligence to respect the human rights of all individuals involved in our business activities. The Group Risk Management Committee set up in February 2024 identifies, prevents, mitigates, and reports on human rights issues and adverse human rights impacts.



## Human Resource Development

### Basic policy

The KUSURI NO AOKI Group is committed to fostering human resources through training programs tailored to individual duties and positions. We strive to create a corporate culture that facilitates the acquisition of knowledge and skills that each employee needs to enhance their expertise.

### Training system

At the KUSURI NO AOKI Group, we verify each employee's learning and mastery levels through tiered training programs and tests on internal manuals to ensure they can acquire the knowledge and skills necessary for their respective positions.

We visualize the knowledge and skills they have gained through training and provide each employee with opportunities for knowledge updates and reskilling so they can complement the specific knowledge and skills they need. Viewing our employees as capital, we will actively invest in talent to enhance corporate value.

## KUSURI NO AOKI Human Resource Training System

Position	Common	Management training		Technical training						
		Tiered training		Job-specific training						
		Headquarters	Pharmacist	Registered seller	Cosmetics	Fresh food				
Executive	Management philosophy and business strategy	Work rules	Internal compliance	Management and policy research seminar						
Department manager					Industry research seminar					
Section manager				Section manager training						
Assistant manager					Mid-career development seminar					
SV (Supervisor)				SV training						
SV candidate				SV candidate training	Fresh food training (DG)					
Store manager / Pharmacy manager				Store manager/ pharmacy manager training						
				New store manager/ pharmacy manager training						
Regular employee				Store manager candidate training	Follow-up training					
				New employee training						
Part-time employee	OJT video training and skill verification test									

In addition to the above, there are many other internal and external training opportunities.

### Tiered training

Tiered training is conducted to help employees recognize their respective roles and acquire the skills and mindset required at each level. We are actively helping human resources develop from new hires to future executive candidates through a series of training programs that include those targeting new employees and follow-up sessions, store managers and pharmacy managers, and section managers.

### Meister qualification

We have introduced the Meister Qualification System to clarify employee career paths, achieve high retention rates, and train and secure specialists.

This system targets corporate employees and store staff with three levels—basic, intermediate, and advanced—set based on skill level. A qualification allowance is paid to certification holders at each level.

### Job-specific training

Job-specific training programs are designed to train specialists in each job type, such as pharmacists, registered sellers, and personnel in charge of cosmetics or fresh food.

# Human Capital Initiatives

## Promoting Diversity and Enhancing Employee Benefits

### Basic policy

The KUSURI NO AOKI Group is promoting diversity and inclusion initiatives based on the belief that it is important to actively incorporate diverse values and appoint diverse talent in its business operations, regardless of gender, age, nationality, and the like. We strive to create a comfortable working environment for our employees by enhancing welfare benefits and developing systems that suit their lifestyles. Various initiatives are underway to allow all employees to work without anxiety, both physically and mentally.

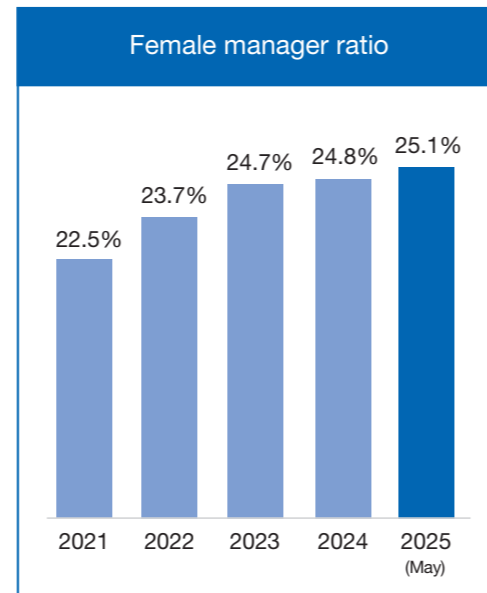
### Promoting women's active participation

The KUSURI NO AOKI Group has set a goal of maintaining a female manager\* ratio (based on our standards) of 25% or higher and is advancing initiatives to promote women's participation in the workplace. To achieve women's advancement, it is essential to create an environment where life events and work can be balanced. From this perspective, we are developing systems that allow individual employees to choose workplace environments suited to their life stages and encouraging the use of paternity leave to promote men's involvement in childrearing as well.

Our effort in establishing various systems that enable these flexible workstyles resulted in a Groupwide female manager ratio of 25.1% for FY May 2025.

We will continue to foster an environment where all employees can work with peace of mind.

\* Female managers: Individuals in managerial positions, including store managers and pharmacy managers, who are responsible for supervising and managing employees in departments or stores in charge.



Gender wage gap	FY2025
Groupwide	81.1%

Paternity leave utilization rate	FY2025
Groupwide	59.0%

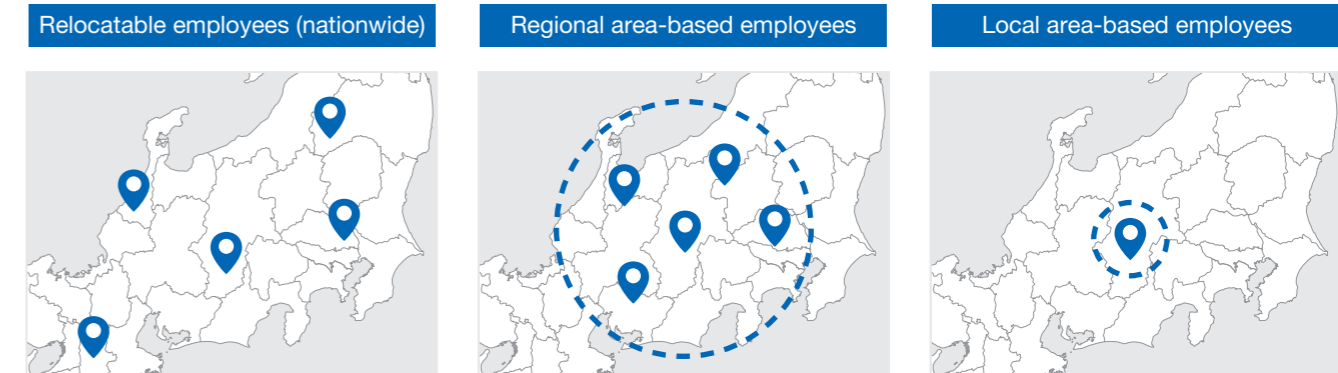
### Childcare and caregiving support

We are establishing various support systems for childcare and caregiving, striving to create an environment that helps balance work with childrearing and caregiving.

- Childcare leave system (until children reach age 3)**  
Maternity leave is structured as 14 weeks of pre-birth and post-birth leave, allowing for a period exceeding the legally mandated standard.
- Shortened work hour system (until children reach age 12)**  
A system allowing the daily scheduled working hours stipulated in work rules to be shortened to up to 6 hours
- Fixed early shift system**  
A system that sets limits on working hours, allowing employees to have fixed early shifts (Selectable regardless of the child's age, for reasons such as childcare or caregiving)
- Caregiver leave**  
In addition to paid leave, caregiver leave is granted for child care or caregiving. (Up to 5 days annually per child, or up to 10 days annually for two or more children)
- Caregiving leave/time off**  
A system allowing taking time off for caregiving and taking a leave of absence for a specified period (up to a total of 93 days)

## Work location selection system

To support employees' work styles tailored to their diverse lifestyles, the KUSURI NO AOKI Group has adopted an area selection system, a work arrangement that allows employees to choose the geographical area within which they can accept relocation. Employees can review their assigned area at the time of annual regular application, enabling flexible work styles according to their current circumstances.



## Summer vacation system

The KUSURI NO AOKI Group has adopted a summer vacation system allowing employees to take a six-day consecutive holiday between June and September every year. We encourage utilizing this system for employees and their families to revitalize their minds and bodies. The utilization rate for 2024 reached 99.5%.

## Health maintenance support measures

The Safety and Health Committee meets to discuss issues related to safety and health across the Group, including measures to prevent excessive workloads, reports on occupational accidents, and measures to prevent recurrence.

The content discussed at the committee meetings is regularly distributed internally to raise safety and health awareness.

### Health issues

To maintain and promote employee health, we will work to address the following challenges:

- 1 Increase the regular health checkup attendance rate
- 2 Increase the follow-up examination rate for individuals with abnormal findings
- 3 Enhance the health awareness of individual employees by utilizing training and development opportunities

## Establishment of a healthcare consultation desk

We have a system in place where employees can feel safe consulting with us at any time, no matter what it is.

## Obtaining Kurumin Certification

On July 10, 2024, we obtained Kurumin Certification as a company dedicated to supporting childrearing. This certification was granted in recognition of our efforts to encourage employees to use paid leave through enhanced internal systems, including the summer vacation system, which allows consecutive paid leave. The KUSURI NO AOKI Group will continue advancing initiatives aimed at enhancing our childrearing support systems.



• What is Kurumin Certification?  
Under the Act on Advancement of Measures to Support Raising Next-Generation Children, companies that have formulated an action plan, and if they meet certain requirements such as achieving the goals set forth in the plan, may apply for certification as a "childcare support company" by the Minister of Health, Labour and Welfare (delegated to the Director of the Prefectural Labour Bureau).

# Governance

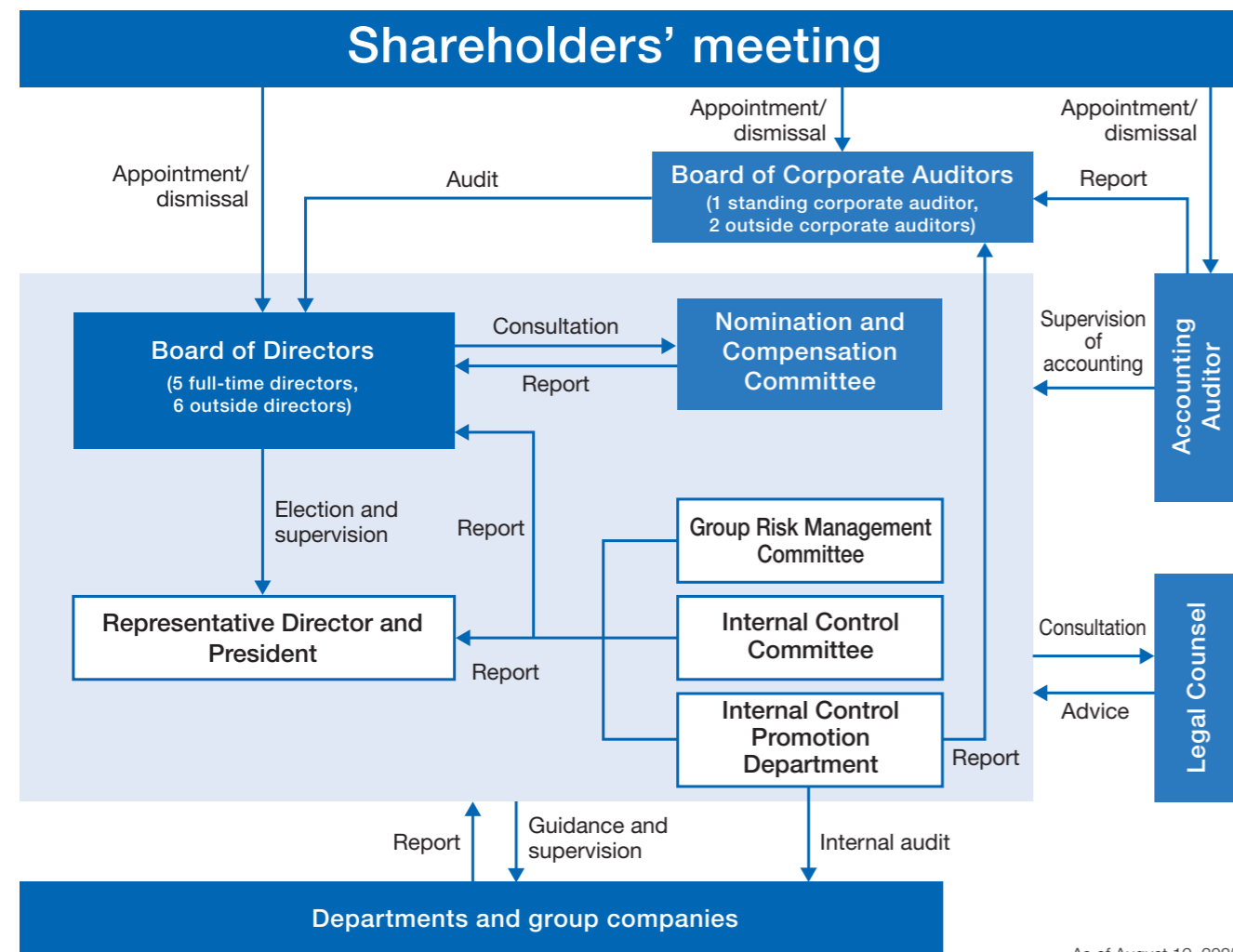
## Basic Approach

We believe that establishing corporate governance is essential for achieving sustainable growth and enhancing corporate value over the medium to long term. We will build an organizational structure enabling us to respond flexibly and swiftly to changes in the business environment, ensuring sound and transparent business management as a listed company by developing an appropriate corporate governance framework with the aim to become a trustworthy and dependable company from a stakeholder perspective.

## Corporate Governance Framework

We have chosen to base our corporate governance framework on a corporate auditor system. In addition to the Board of Directors comprising 11 members (including six outside directors) and the Board of Corporate Auditors, we have established a voluntary Nomination and Compensation Committee to enhance the fairness, transparency, and objectivity of procedures concerning nomination and compensation of directors, thereby strengthening our corporate governance.

### Corporate governance structure



As of August 19, 2025

## Board of Directors

### Role of the Board of Directors

The Board of Directors, as a corporate decision-making body for business management, deliberates and makes decisions on matters requiring Board resolutions in accordance with laws, regulations, and the Articles of Incorporation, as well as on important management matters such as management policies and business plans. The Board of Directors meets once a month in principle and holds extraordinary board meetings as necessary.

Additionally, to clarify the management responsibilities of directors, the term of office for directors is set at one year.

### Composition of the Board of Directors

The Articles of Incorporation of the Company clearly state its policy to limit the number of directors on the Board of Directors to 11 or less and, to ensure the effectiveness of the oversight function of the Board, at least one-third of the directors shall be independent outside directors.

Currently, the Board consists of 11 directors (including six outside directors) and makes decisions on important management matters and oversees business execution. The number of directors is maintained at a level deemed appropriate under the provisions of the Articles of Incorporation to facilitate vigorous deliberation as well as accurate and prompt decision-making at Board meetings.

## Board of Corporate Auditors

### Role of the Board of Corporate Auditors

The Board of Corporate Auditors determines audit policies in accordance with the Audit Standards for Auditors, states opinions and makes reports as required, and audits the execution of duties by directors. The Board meets once a month in principle and receives reports on audit findings from auditors. Additionally, one substitute corporate auditor has been appointed to be ready to fill a vacant position should the number of corporate auditors fall below the number required by laws and regulations.

### Composition of the Board of Corporate Auditors

Our Articles of Incorporation clearly state that the number of members of the Board of Corporate Auditors shall be five or less and, in principle, more than half of the members shall be outside corporate auditors to ensure the effectiveness of the audit function. Currently, the Board consists of one standing corporate auditor and two outside corporate auditors.

The Board of Corporate Auditors receives annual audit reports from the accounting auditor, as well as reports on the status of audits and internal controls following each accounting audit. Additionally, through attendance at important meetings such as Board of Directors meetings, the Board has put in place a system to monitor directors' decision-making and the fulfillment of their oversight duties.

## Group Risk Management Committee

In accordance with the Risk Management Regulations, the Group Risk Management Committee promptly responds to risks related to compliance, the environment, disasters, quality, and information security when they arise. The Committee shall promptly report to the Board of Directors when new risks arise for which countermeasures have not been discussed, and the impact of such risks is significant. The Board of Directors shall then appoint a responsible officer to address said risks swiftly and appropriately. During the current fiscal year, the Committee held three meetings to discuss potential risks and reported its findings to the Board of Directors.

# Governance

## Board Members' Career Summary and Reasons for Appointment

(As of August 19, 2025)

<p><b>Yasutoshi Aoki</b> Director and Top Adviser</p> <p>■ Attendance at the Board of Directors Meetings 13/13 meetings</p>	<p><b>Career summary</b></p> <p>June 1976 Established Aoki Nikaido Yakkyoku, Ltd., and served as Auditor</p> <p>Mar. 1981 Representative Director of Sanwa Yakusho, Ltd.</p> <p>Jan. 1985 Established KUSURI NO AOKI CO., LTD. and served as Representative Senior Managing Director</p> <p>June 1999 Representative Director and Vice President</p> <p>Aug. 2003 Representative Director and President</p> <p>May 2012 Representative Director, President and Chief Executive Officer</p> <p>May 2014 Director and Top Adviser</p> <p>Nov. 2016 Director and Top Adviser of the Company (current position)</p>
<p><b>Hironori Aoki</b> Representative Director and President</p> <p>■ Attendance at the Board of Directors Meetings 13/13 meetings</p>	<p><b>Career summary</b></p> <p>Apr. 1996 Joined Otsuka Pharmaceutical Co., Ltd.</p> <p>Feb. 2003 Joined KUSURI NO AOKI CO., LTD.</p> <p>July 2006 Executive Officer and General Manager of the Administration Department</p> <p>May 2007 Executive Officer and General Manager of the Human Resources and Training Department</p> <p>Nov. 2008 Executive Officer and General Manager of the Dispensing Business Division</p> <p>May 2010 Executive Officer, General Manager of the Sales Division and Head of the Sales Promotion Department</p> <p>June 2010 Representative Director and President of Aoki Nikaido, Ltd.</p> <p>Aug. 2010 Representative Senior Managing Director, General Manager of the Sales Division and Head of the Sales Promotion Department of KUSURI NO AOKI CO., LTD.</p> <p>May 2012 Representative Director, Senior Managing Executive Officer and General Manager of the Sales Division</p> <p>May 2014 Representative Director and President (current position)</p> <p>Nov. 2016 Representative Director, President and Chief Executive Officer of the Company</p> <p>June 2018 Representative Director and President (current position)</p> <p><b>Significant concurrent positions outside the Company</b> Representative Director and President of KUSURI NO AOKI CO., LTD.</p>
<p><b>Takanori Aoki</b> Director and Vice President</p> <p>■ Attendance at the Board of Directors Meetings 13/13 meetings</p>	<p><b>Career summary</b></p> <p>Apr. 1997 Joined Tokyo Electron Ltd.</p> <p>Apr. 2004 Joined Otsuka Pharmaceutical Co., Ltd.</p> <p>Apr. 2008 Joined KUSURI NO AOKI CO., LTD.</p> <p>Nov. 2008 Executive Officer and General Manager of the IT and Operational Reform Division</p> <p>May 2010 Executive Officer and General Manager of the Merchandise Department</p> <p>May 2012 Senior Managing Executive Officer, Chief General Manager of the Business Administration Department and General Manager of the IT and Logistics Promotion Department</p> <p>May 2012 Director of A2LOGI Ltd. (current position)</p> <p>May 2014 Senior Managing Executive Officer and General Manager of the Store Management Division of KUSURI NO AOKI CO., LTD.</p> <p>Nov. 2016 Senior Managing Executive Officer for Group Store Management of the Company</p> <p>May 2017 Senior Managing Executive Officer for Group Development</p> <p>May 2017 Director, Senior Managing Executive Officer and General Manager of the Development Division of KUSURI NO AOKI CO., LTD.</p> <p>June 2018 Director, Vice President and General Manager of the Development Division</p> <p>May 2021 Director and Vice President (current position)</p> <p>Aug. 2021 Director and Vice President of the Company (current position)</p> <p><b>Significant concurrent positions outside the Company</b> Director and Vice President of KUSURI NO AOKI CO., LTD. / Director of A2LOGI Ltd.</p>
<p><b>Hitoshi Iijima</b> Managing Director Nomination and Compensation Committee Member</p> <p>■ Attendance at the Board of Directors Meetings 13/13 meetings</p>	<p><b>Career summary</b></p> <p>May 2003 Joined KUSURI NO AOKI CO., LTD.</p> <p>May 2012 General Manager of the Dispensing Administration Department</p> <p>June 2018 General Manager of the Store Administration Division and General Manager of the Dispensing Business Department</p> <p>Aug. 2020 Director for Sales Management of the Company</p> <p>Aug. 2020 Director, General Manager of the Store Administration Division and Chief Manager for Drugstore Businesses of KUSURI NO AOKI CO., LTD.</p> <p>May 2021 Director for Sales Management and General Manager of the Kanto and Tohoku Regional Headquarters of the Company</p> <p>May 2021 Director, General Manager of the Store Administration Division of KUSURI NO AOKI CO., LTD.</p> <p>June 2022 Director of Japan Association of Chain Drug Stores (current position)</p> <p>May 2024 Managing Director for Sales and Management Strategies of the Company (current position)</p> <p>May 2024 Managing Director, General Manager of the Store Administration Division and for the Development of the Kanto and Tohoku Regional Headquarters of KUSURI NO AOKI CO., LTD.</p> <p>June 2025 Managing Director, General Manager of the Store Administration Division (current position)</p> <p><b>Significant concurrent positions outside the Company</b> Managing Director, General Manager of the Store Administration Division of KUSURI NO AOKI CO., LTD. / Director of Japan Association of Chain Drug Stores</p>
<p><b>Ryoichi Yahata</b> Director</p> <p>■ Attendance at the Board of Directors Meetings 13/13 meetings</p>	<p><b>Career summary</b></p> <p>Apr. 1989 Joined World Co., Ltd.</p> <p>July 2004 Joined KUSURI NO AOKI CO., LTD.</p> <p>May 2012 Managing Executive Officer and General Manager of the Administration Division</p> <p>May 2013 Managing Executive Officer and Head of the Finance, Planning and IR Department</p> <p>Aug. 2014 Director, Managing Executive Officer and General Manager of the Administration Division</p> <p>Aug. 2016 Director of the Company</p> <p>Nov. 2016 Director and Managing Executive Officer for Group Administration</p> <p>June 2018 Director for Administration and Head of the Corporate Planning Department</p> <p>June 2018 Director of KUSURI NO AOKI CO., LTD.</p> <p>May 2020 Director for Administration of the Company</p> <p>May 2021 Director for Administration and Head of the Accounting Department</p> <p>May 2021 Director and General Manager of the Accounting Department of KUSURI NO AOKI CO., LTD.</p> <p>May 2023 Director for Administration of the Company (current position)</p> <p>May 2023 Director of KUSURI NO AOKI CO., LTD. (current position)</p> <p><b>Significant concurrent position outside the Company</b> Director of KUSURI NO AOKI CO., LTD.</p>

<p><b>Motoya Okada</b> Director</p> <p>■ Attendance at the Board of Directors Meetings 13/13 meetings</p>	<p><b>Career summary</b></p> <p>Mar. 1979 Joined JUSCO Co., Ltd. (currently AEON Co., Ltd.)</p> <p>May 1990 Director</p> <p>Feb. 1992 Managing Director</p> <p>May 1995 Senior Managing Director</p> <p>June 1997 Representative Director and President</p> <p>May 2003 Director, President and Representative Executive Officer of AEON Co., Ltd.</p> <p>Nov. 2005 Outside Director &amp; Advisor of TSURUHA HOLDINGS INC.</p> <p>Aug. 2014 Outside Director of KUSURI NO AOKI CO., LTD.</p> <p>Nov. 2014 Director of WELCIA HOLDINGS CO., LTD. (current position)</p> <p>Nov. 2016 Outside Director of the Company (current position)</p> <p>Mar. 2020 Chairman and Representative Executive Officer of AEON Co., Ltd. (current position)</p> <p><b>Significant concurrent positions outside the Company</b> Chairman and Representative Executive Officer of AEON Co., Ltd. / Director of WELCIA HOLDINGS CO., LTD.</p> <p><b>Reasons for appointment</b> Motoya Okada holds the office of Chairman and Representative Executive Officer of AEON Co., Ltd. The Company proposes his reelection with the expectation that he will give advice beneficial to the Company's business based on his abundant experience, track record, and insight as a management executive and help increase our corporate value.</p>
<p><b>Naoki Yanagida</b> Director</p> <p>■ Attendance at the Board of Directors Meetings 13/13 meetings</p>	<p><b>Career summary</b></p> <p>Apr. 1987 Registered as a lawyer</p> <p>Apr. 1987 Joined Yanagida &amp; Nomura (currently Yanagida &amp; Partners)</p> <p>Jan. 2001 Partner (current position)</p> <p>June 2004 Outside Auditor of Nippon Paper Industries Co., Ltd.</p> <p>June 2014 Outside Auditor of Alpine Electronics, Inc.</p> <p>June 2014 Outside Auditor of Somo Japan Nipponkoa Holdings, Inc. (currently Somo Holdings, Inc.)</p> <p>June 2016 Outside Director and Audit and Supervisory Committee Member of Alpine Electronics, Inc.</p> <p>June 2016 Outside Auditor of YKK Corporation</p> <p>June 2019 Outside Director of Somo Holdings, Inc.</p> <p>Aug. 2019 Outside Director of the Company (current position)</p> <p><b>Significant concurrent position outside the Company</b> Partner of Yanagida &amp; Partners</p> <p><b>Reasons for appointment</b> Naoki Yanagida has professional perspectives and insights as a lawyer and has also been involved in the management of multiple companies as outside director or outside auditor. In order to increase the Company's corporate value based on his beneficial advice for our business backed up by his extensive experience, track record, and insight, the Company proposes his reelection.</p>
<p><b>Yoshiko Inoue</b> Director</p> <p>■ Attendance at the Board of Directors Meetings 13/13 meetings</p>	<p><b>Career summary</b></p> <p>Apr. 1997 Joined Kao Corporation</p> <p>Feb. 2000 Joined Johnson &amp; Johnson K.K.</p> <p>July 2005 Joined Goldman Sachs Japan Co., Ltd.</p> <p>Jan. 2008 Joined Medtronic Japan Co., Ltd.</p> <p>Oct. 2014 Joined CooperVision Japan Inc.</p> <p>Oct. 2015 Executive Officer</p> <p>Oct. 2018 Director</p> <p>May 2019 Representative Director and President</p> <p>Aug. 2021 Outside Director of the Company (current position)</p> <p>June 2023 Director and Vice President of Novo Nordisk Pharma Ltd.</p> <p>Jan. 2025 Managing Director of Teleflex Medical Japan, Ltd. (current position)</p> <p><b>Significant concurrent position outside the Company</b> Managing Director of Teleflex Medical Japan, Ltd.</p> <p><b>Reasons for appointment</b> Yoshiko Inoue has abundant experience and insight as a management executive of a pharmaceutical manufacturer, as well as a multifaceted perspective beneficial for increasing the corporate value of the Company. The Company proposes her reelection with the expectation that the functions of the Board of Directors will be enhanced through her oversight of management, utilizing her experience and knowledge from an independent position.</p>
<p><b>Hiromitsu Fujii</b> Director</p> <p>■ Attendance at the Board of Directors Meetings 13/13 meetings</p>	<p><b>Career summary</b></p> <p>July 2002 Joined DRUG STORE MORI Co., Ltd. (currently Natural Holdings Co., Ltd.)</p> <p>Oct. 2007 Joined KUSURI NO AOKI CO., LTD.</p> <p>Apr. 2008 Retired from KUSURI NO AOKI CO., LTD.</p> <p>May 2008 Joined ZAG ZAG Co., Ltd. Director</p> <p>June 2015 Representative Director of taion365 Co., Ltd. (current position)</p> <p>Aug. 2017 Representative Director of TAION HOLDINGS Co., Ltd. (current position)</p> <p>Oct. 2017 Representative of TAION Scholarship Foundation (current position)</p> <p>Aug. 2023 Outside Director of the Company (current position)</p> <p><b>Significant concurrent position outside the Company</b> Representative Director of TAION HOLDINGS Co., Ltd.</p> <p><b>Reasons for appointment</b> Hiromitsu Fujii has abundant experience and insight as a management executive in the field of nursing care and home-specific dispensing pharmacies, as well as expertise in the drugstore industry. The Company believes that his ability to oversee the Company's management from an independent position and to advise the Board of Directors will help continue to increase corporate value. The Company therefore proposes his reelection.</p>
<p><b>Toshiaki Takeuchi</b> Director</p> <p>■ Attendance at the Board of Directors Meetings 10/10 meetings</p>	<p><b>Career summary</b></p> <p>Apr. 1981 Joined Kao Corporation</p> <p>June 2012 Executive Officer</p> <p>Mar. 2014 Representative Director, Managing Executive Officer</p> <p>Mar. 2014 Representative Director, President and Executive Officer of Kao Customer Marketing Co., Ltd.</p> <p>Jan. 2016 Representative Director, Senior Managing Executive Officer of Kao Corporation</p> <p>Jan. 2016 Representative Director, President and Executive Officer of Kao Group Customer Marketing Co., Ltd.</p> <p>Mar. 2023 Retired from Representative Director, Senior Managing Executive Officer of Kao Corporation</p> <p>Mar. 2023 Retired from Representative Director, President and Executive Officer of Kao Group Customer Marketing Co., Ltd.</p> <p>Apr. 2024 Outside Director of CROSS PLUS INC. (current position)</p> <p>Aug. 2024 Outside Director of the Company (current position)</p> <p><b>Reasons for appointment</b> The Company expects that the advice of Toshiaki Takeuchi to the Company's Board of Directors, based on his experience, knowledge, and track record as a representative director of a major consumer goods manufacturer, will contribute to appropriately responding to changing customer needs and strengthening the Company's governance. Having also judged that this will lead to continuously increasing the Company's corporate value, the Company proposes his reelection as Outside Director.</p>

# Governance

## Board Members' Career Summary and Reasons for Appointment (As of August 19, 2025)

<p><b>Reiko Kinoshita</b> Director <b>Outside Independent</b></p> <ul style="list-style-type: none"> <li>Attendance at the Board of Directors Meetings 10/10 meetings</li> </ul>	<p><b>Career summary</b></p> <table border="0"> <tr> <td>Apr. 1987</td> <td>Joined The Industrial Bank of Japan, Limited (currently Mizuho Financial Group, Inc.)</td> <td>June 2018</td> <td>Representative Director of Higashinohshinpan.co., LTD. (current position)</td> </tr> <tr> <td>Apr. 2000</td> <td>Vice President of Lehman Brothers Japan Inc.</td> <td>June 2020</td> <td>Outside Director of Helios Techno Holding Co., Ltd. (current position)</td> </tr> <tr> <td>Oct. 2002</td> <td>Senior Vice President of The Tokyo Star Bank, Limited</td> <td>Feb. 2021</td> <td>Representative Director of UNY FINANCE Co., Ltd. (current position)</td> </tr> <tr> <td>Nov. 2004</td> <td>Managing Director of SBI Capital Co., Ltd.</td> <td>May 2022</td> <td>Representative Director of Truck Leasing Co., Ltd. (current position)</td> </tr> <tr> <td>June 2006</td> <td>Representative Director of SBI Capital Solutions Co., Ltd. (currently Admiral Capital Co., Ltd.) (current position)</td> <td>June 2022</td> <td>Outside Director of PHOENIX Electric Co., Ltd. (current position)</td> </tr> <tr> <td>May 2011</td> <td>Representative Director of Do Financial Service Co., Ltd. (current position)</td> <td>Mar. 2023</td> <td>Director of Green Service Co., Ltd (current position)</td> </tr> <tr> <td></td> <td></td> <td>Aug. 2024</td> <td>Outside Director of the Company (current position)</td> </tr> <tr> <td></td> <td></td> <td>June 2025</td> <td>Outside Director of DAIICHI SANKYO COMPANY, LIMITED (current position)</td> </tr> </table> <p><b>Significant concurrent position outside the Company</b> Representative Director of Admiral Capital Co., Ltd.</p> <p><b>Reasons for appointment</b> Reiko Kinoshita has abundant experience and a track record as a management executive, as well as a broad range of perspectives, having served as Director of a company in which the Company has invested. The Company believes that she will help increase the sustainable corporate value of the Company by promoting M&amp;A, which the Company is proactively pursuing, and contributing to the Company's growth strategy with her abundant knowledge of M&amp;A. The Company therefore proposes her reelection as Outside Director.</p>	Apr. 1987	Joined The Industrial Bank of Japan, Limited (currently Mizuho Financial Group, Inc.)	June 2018	Representative Director of Higashinohshinpan.co., LTD. (current position)	Apr. 2000	Vice President of Lehman Brothers Japan Inc.	June 2020	Outside Director of Helios Techno Holding Co., Ltd. (current position)	Oct. 2002	Senior Vice President of The Tokyo Star Bank, Limited	Feb. 2021	Representative Director of UNY FINANCE Co., Ltd. (current position)	Nov. 2004	Managing Director of SBI Capital Co., Ltd.	May 2022	Representative Director of Truck Leasing Co., Ltd. (current position)	June 2006	Representative Director of SBI Capital Solutions Co., Ltd. (currently Admiral Capital Co., Ltd.) (current position)	June 2022	Outside Director of PHOENIX Electric Co., Ltd. (current position)	May 2011	Representative Director of Do Financial Service Co., Ltd. (current position)	Mar. 2023	Director of Green Service Co., Ltd (current position)			Aug. 2024	Outside Director of the Company (current position)			June 2025	Outside Director of DAIICHI SANKYO COMPANY, LIMITED (current position)
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<p><b>Masahiro Mikamori</b> Standing Corporate Auditor</p> <ul style="list-style-type: none"> <li>Attendance at the Board of Directors Meetings 10/10 meetings</li> <li>Attendance at the Board of Corporate Auditors Meetings 10/10 meetings</li> </ul>	<p><b>Career summary</b></p> <table border="0"> <tr> <td>July 2002</td> <td>Joined KUSURI NO AOKI CO., LTD.</td> <td></td> <td></td> </tr> <tr> <td>Nov. 2016</td> <td>Regional Manager of the Store Administration Department</td> <td></td> <td></td> </tr> <tr> <td>May 2019</td> <td>Seconded to UA Zenzen/KUSURI NO AOKI Union Full-time Committee Chairperson</td> <td></td> <td></td> </tr> <tr> <td>Nov. 2023</td> <td>Seconded to UA Zenzen/KUSURI NO AOKI Union Full-time Secretary General</td> <td></td> <td></td> </tr> <tr> <td>May 2024</td> <td>Regional Manager of the Store Administration Department of KUSURI NO AOKI CO., LTD. (current position)</td> <td></td> <td></td> </tr> <tr> <td>Aug. 2024</td> <td>Corporate Auditor of the Company (current position)</td> <td></td> <td></td> </tr> </table> <p><b>Reasons for appointment</b> Masahiro Mikamori has a long history with the Company and extensive experience in the field as a manager of the Store Administration Department, being very knowledgeable about the drugstore industry. He also has experience as a full-time chairperson and secretary general of the Company's labor union, which gives him a multifaceted perspective, including knowledge of human capital. The Company proposes his reelection as a Standing Corporate Auditor to utilize his knowledge toward strengthening the Company's auditing system.</p>	July 2002	Joined KUSURI NO AOKI CO., LTD.			Nov. 2016	Regional Manager of the Store Administration Department			May 2019	Seconded to UA Zenzen/KUSURI NO AOKI Union Full-time Committee Chairperson			Nov. 2023	Seconded to UA Zenzen/KUSURI NO AOKI Union Full-time Secretary General			May 2024	Regional Manager of the Store Administration Department of KUSURI NO AOKI CO., LTD. (current position)			Aug. 2024	Corporate Auditor of the Company (current position)										
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<p><b>Toshiaki Kuwajima</b> Corporate Auditor <b>Outside Independent</b></p> <ul style="list-style-type: none"> <li>Attendance at the Board of Directors Meetings 12/13 meetings</li> <li>Attendance at the Board of Corporate Auditors Meetings 14/15 meetings</li> </ul>	<p><b>Career summary</b></p> <table border="0"> <tr> <td>Apr. 1974</td> <td>Joined MITSUI &amp; CO., LTD.</td> <td>Sept. 2013</td> <td>Joined ATOM Transportation Co., Ltd.</td> </tr> <tr> <td>July 1984</td> <td>Joined Kanakan Inc.</td> <td>Nov. 2013</td> <td>Director and Vice President</td> </tr> <tr> <td>Apr. 1990</td> <td>Director</td> <td>Aug. 2014</td> <td>Outside Corporate Auditor of KUSURI NO AOKI CO., LTD.</td> </tr> <tr> <td>Apr. 2000</td> <td>Representative Director and President of Kanakan Inc.</td> <td>Nov. 2015</td> <td>Director and CEO of K &amp; Associates Co., Ltd. (current position)</td> </tr> <tr> <td>June 2010</td> <td>Joined Coca-Cola Customer Marketing Company, Limited.</td> <td>Mar. 2016</td> <td>Outside Director of GRN Co., Ltd. (current position)</td> </tr> <tr> <td>Apr. 2011</td> <td>Executive Officer and General Manager of Trading Marketing Department</td> <td>Nov. 2016</td> <td>Outside Corporate Auditor of the Company (current position)</td> </tr> <tr> <td>Jan. 2012</td> <td>Executive Officer and General Manager of Sales Division 2</td> <td></td> <td></td> </tr> </table> <p><b>Significant concurrent positions outside the Company</b> Director and CEO of K &amp; Associates Co., Ltd. / Outside Director of GRN Co., Ltd.</p> <p><b>Reasons for appointment</b> The Company proposes the reelection of Toshiaki Kuwajima in the expectation that he will assess and monitor the Company's management from an objective and neutral standpoint, leveraging his broad expertise cultivated with extensive experience and his track record in corporate management.</p>	Apr. 1974	Joined MITSUI & CO., LTD.	Sept. 2013	Joined ATOM Transportation Co., Ltd.	July 1984	Joined Kanakan Inc.	Nov. 2013	Director and Vice President	Apr. 1990	Director	Aug. 2014	Outside Corporate Auditor of KUSURI NO AOKI CO., LTD.	Apr. 2000	Representative Director and President of Kanakan Inc.	Nov. 2015	Director and CEO of K & Associates Co., Ltd. (current position)	June 2010	Joined Coca-Cola Customer Marketing Company, Limited.	Mar. 2016	Outside Director of GRN Co., Ltd. (current position)	Apr. 2011	Executive Officer and General Manager of Trading Marketing Department	Nov. 2016	Outside Corporate Auditor of the Company (current position)	Jan. 2012	Executive Officer and General Manager of Sales Division 2						
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<p><b>Akiko Nakamura</b> Corporate Auditor <b>Outside Independent</b></p> <ul style="list-style-type: none"> <li>Attendance at the Board of Directors Meetings 13/13 meetings</li> <li>Attendance at the Board of Corporate Auditors Meetings 15/15 meetings</li> </ul>	<p><b>Career summary</b></p> <table border="0"> <tr> <td>Apr. 1992</td> <td>Registered as a lawyer</td> <td>Aug. 2014</td> <td>Outside Corporate Auditor of KUSURI NO AOKI CO., LTD.</td> </tr> <tr> <td>Apr. 1992</td> <td>Joined Wakakusa Law Office</td> <td>Nov. 2016</td> <td>Outside Corporate Auditor of the Company (current position)</td> </tr> <tr> <td>Feb. 1994</td> <td>Hiromu Matsumoto Law Office (currently Akiko Nakamura Law Office) (current position)</td> <td>June 2022</td> <td>Part-time Auditor of Ishikawa Prefecture of Fisheries Co-operative Associations (current position)</td> </tr> <tr> <td>Mar. 2014</td> <td>Outside Corporate Auditor of THE HOKKOKU SHINBUN (current position)</td> <td>June 2024</td> <td>Outside Audit &amp; Supervisory Board Member of Hokuriku Electric Power Company (current position)</td> </tr> </table> <p><b>Significant concurrent positions outside the Company</b> Lawyer of Akiko Nakamura Law Office / Outside Corporate Auditor of THE HOKKOKU SHINBUN / Outside Audit &amp; Supervisory Board Member of Hokuriku Electric Power Company</p> <p><b>Reasons for appointment</b> The Company proposes the election of Akiko Nakamura, as we believe that she has extensive expertise and experience as a lawyer, as well as sufficient insight to audit corporate management.</p>	Apr. 1992	Registered as a lawyer	Aug. 2014	Outside Corporate Auditor of KUSURI NO AOKI CO., LTD.	Apr. 1992	Joined Wakakusa Law Office	Nov. 2016	Outside Corporate Auditor of the Company (current position)	Feb. 1994	Hiromu Matsumoto Law Office (currently Akiko Nakamura Law Office) (current position)	June 2022	Part-time Auditor of Ishikawa Prefecture of Fisheries Co-operative Associations (current position)	Mar. 2014	Outside Corporate Auditor of THE HOKKOKU SHINBUN (current position)	June 2024	Outside Audit & Supervisory Board Member of Hokuriku Electric Power Company (current position)																
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# Skill Sets for Directors

## Skills matrix

Category	Name	Position	Expertise				
			Corporate management/ Business strategies	Business knowledge/ Products	Human capital/ HR development	Finance/ Accounting	Regal affairs/ Risk management
Directors	Yasutoshi Aoki	Director and Top Adviser	●	●	●		
	Hironori Aoki	Representative Director and President	●	●	●		
	Takanori Aoki	Director and Vice President	●	●		●	
	Hitoshi Iijima	Managing Director		●	●		
	Ryoichi Yahata	Director		●		●	●
	Motoya Okada	Director (Outside)	●	●			
	Naoki Yanagida	Director (Outside)			●		●
	Yoshiko Inoue	Director (Outside)	●		●		
	Hiromitsu Fujii	Director (Outside)	●	●			
	Toshiaki Takeuchi	Director (Outside)	●	●			●
Reiko Kinoshita	Director (Outside)	●		●	●		

Note: The skills matrix above does not indicate all the knowledge and experiences each candidate has.

## Reasons for selecting skills matrix items

Item	Reasons for selection
Corporate management/ Business strategies	To realize the KUSURI NO AOKI Group's management philosophy and achieve its medium-term management plan, the Company needs directors with broad knowledge and experience in corporate management and business planning.
Business knowledge/ Products	The Company needs directors with extensive knowledge and experience who can accurately understand the business environment and consumer trends in each of the Group's core businesses, or drugstore and dispensing, and develop strategies encompassing merchandising, planning, and product development to implement concrete measures in the changing market environment.
Human capital/ HR development	To achieve the goals of the KUSURI NO AOKI Group: realizing the management plan, increasing corporate value, and achieving sustainable growth, directors with a wide range of knowledge and experience are required to promote organizational development that supports the growth of employees and supports active participation of diverse talent.
Finance/Accounting	To achieve the goals of the KUSURI NO AOKI Group: realizing the management plan, increasing corporate value, and achieving sustainable growth, directors with a wide range of knowledge and experience are required to conduct appropriate financial and investor relations activities.
Regal affairs/ Risk management	Establishing an appropriate governance framework serves as a foundation to increase corporate value and achieve sustainable growth, necessitating directors with wide-ranging and appropriate knowledge and experience in the areas of corporate governance, risk management, and compliance.

## Governance

### Board Effectiveness Evaluation

To enhance the effectiveness and functionality of its Board of Directors, the Company regularly analyzes and evaluates the Board's effectiveness. To ensure objectivity and substance through third-party involvement in evaluation, aggregation and analysis are conducted through our legal counsel. The most recent evaluation was conducted in May 2023, asking directors and corporate auditors to answer a questionnaire. The evaluation items are as follows:

#### Evaluation items

1. Composition of the Board of Directors
2. Management of the Board of Directors
3. Agenda for Board of Directors meetings
4. Board of Directors Support Structure

#### [Comment]

The questionnaire survey results found that the effectiveness of our Board of Directors is generally functioning well. On the other hand, we recognize that the following areas are challenges for the Board that need improvement. We will continue to improve while carefully examining the necessity of each item, striving to enhance the effectiveness of the Board of Directors.

#### [Future challenges]

In terms of sustainability and SDGs, while our drugstore and dispensing businesses are inherently socially beneficial, there is room for improvement in how we disseminate information on our activities. In this regard, we will review our approach.

### Compensation for Directors and Corporate Auditors

#### | Nomination and Compensation Committee

In December 2023, the Company established a voluntary Nomination and Compensation Committee to enhance the fairness, transparency, and objectivity of procedures concerning the nomination and compensation of directors, thereby strengthening corporate governance. The Committee consists of three members: Hitoshi Iijima, an inside director appointed by resolution of the Board of Directors, and independent outside directors Hiromitsu Fujii and Yoshiko Inoue. Hiromitsu Fujii serves as the Chair of the Committee. During FY May 2025, the Committee held meetings four times. Details discussed include the director composition policy and outside director candidates, with the Committee reporting the review results to the Board of Directors.

#### | Executive compensation system

Our directors' compensation system (excluding outside directors) consists of base compensation and stock options. The amount of base compensation constitutes a fixed amount based on each director's duties and responsibilities determined considering publicly available data released by external specialized institutions as well as compensation levels at peer companies and companies in different industries (fixed compensation) and an amount calculated based on the results of the previous consolidated fiscal year (performance-based compensation). The combined amount is the actual payment amount as base compensation for the current consolidated fiscal year.

As for the specific amount of individual directors' compensation, the President and Representative Director is delegated decision-making authority based on a resolution of the Board of Directors, in consultation with the Director for Administration, in line with the following criteria. Stock options are provided as non-monetary compensation on an irregular basis when deemed necessary.

- (1) Directors' fixed compensation is paid as a monthly fixed amount calculated by dividing the annual compensation amount by 12.
- (2) Performance-based compensation is determined annually based on the budget achievement rate for the consolidated ordinary profit of each fiscal year, taking into account each director's duties, responsibilities, and the degree of contribution to results.
- (3) The payment ratio of performance-based compensation relative to base compensation is determined based on discussions and opinions of the Nomination and Compensation Committee. Regarding the composition ratio of individual directors' compensation amounts, base compensation is set at 100%, of which the performance-based portion comprising 41–42% for the representative director and executive directors, with 19–26% for directors.

The compensation for outside directors consists solely of base compensation from the perspective of overseeing execution of duties from a position separate from the execution line. Their compensation levels are commensurate with the value of their duties to ensure appropriate fulfillment of their expected responsibilities. The compensation for our corporate auditors consists solely of base compensation. Considering their role, it does not include any amount calculated based on performance.

## Dialogue with Shareholders

We have established a framework to engage in constructive dialogue with investors and all other stakeholders, subsequently holding meetings.

#### | Primary contact for communication with shareholders

Opportunity	Primary contact
Financial results briefing	President and Representative Director / Director for Administration / Corporate Planning Department
IR meeting	Corporate Planning Department
Shareholders' meeting	President and Representative Director / Director for Administration
SR meeting	Corporate Planning Department

#### | Basic policy on dialogue with shareholders

1. The Corporate Planning Department is responsible for all shareholder dialogue under the supervision of IR Officer. While opportunities for dialogue with inside directors are available, those with outside directors or corporate auditors are currently not provided. Going forward, we will consider providing said opportunities as necessary.
2. To facilitate dialogue, the Corporate Planning Department plays a lead role in sharing information in collaboration with each department.
3. As an approach of dialogue other than individual meetings, we hold financial results briefings for institutional investors following annual and semi-annual closings.
4. We share valuable opinions and comments received through shareholder dialogues at our executive committee meetings and other occasions.
5. Shareholder dialogues are conducted in line with our Insider Information Management Regulations, with careful attention given to insider information. Additionally, we observe a quiet period.

#### | IR policy

##### ■ Regarding the use of IR information

The IR information published here is intended to provide the Company's financial information and management indicators. However, no representation or warranty is given as to its content.

It is not provided for the purpose of soliciting investment either. When making an actual investment, investors are advised to refrain from relying solely on the information on our website to make an investment decision and to exercise their own judgment.

##### ■ Regarding published information

While we handle the published information with the utmost care, we shall not be liable under any circumstances for any errors in the published information, or for any damage arising from third-party data falsification, data downloads, or the like, regardless of the reason.

##### ■ Future outlook

Some of the information published here includes forward-looking statements regarding future performance. These statements do not guarantee future results and involve risks and uncertainties. Please note that actual results may differ due to changes in the business environment and other factors.

##### ■ Quiet period (silent period) for IR activities

To prevent the leakage of financial results (including quarterly results) and to ensure fairness in information disclosure, the Company designates the period from the day following the fiscal year end to the day of the financial results announcement as a quiet period (silent period) in terms of IR activities. During this period, we, in principle, refrain from making comments on or responding to inquiries concerning financial results. However, in the event of situations requiring timely disclosure during this period, we will disclose information in a timely and appropriate manner.

# Financial Information

## Financial and Non-financial Data 10-year Summary

Fiscal year	FY May 2016* <sup>1</sup>	FY May 2017* <sup>1</sup>	FY May 2018* <sup>2</sup>	FY May 2019	FY May 2020	FY May 2021	FY May 2022	FY May 2023	FY May 2024	FY May 2025
Operating results (Unit: Millions of yen)										
Net sales	161,597	188,744	221,286	250,885	300,173	305,880	328,335	378,874	436,875	501,470
Gross profit	44,076	53,086	62,065	71,869	84,114	90,114	89,762	106,107	118,090	132,956
SGA expenses	35,083	42,409	50,203	57,722	67,755	73,495	75,692	90,810	99,521	106,354
Depreciation (including goodwill amortization)	3,428	4,282	4,898	5,447	6,156	7,058	8,645	11,374	11,947	12,495
Operating profit	8,992	10,676	11,862	14,147	16,359	16,619	14,070	15,296	18,569	26,601
Operating profit margin (%)	5.6	5.7	5.4	5.6	5.4	5.4	4.3	4.0	4.3	5.3
Ordinary profit	9,222	11,110	12,612	14,620	16,829	17,344	15,785	19,129	20,101	27,513
Profit attributable to owners of parent	6,475	8,181	8,823	10,648	12,416	12,062	9,839	12,326	12,307	17,786
Financial position at the end of the fiscal year (Unit: Millions of yen)										
Total assets	78,170	95,389	117,720	136,210	170,364	195,917	234,201	274,301	303,453	352,464
Net assets	27,942	35,838	44,310	54,443	66,224	77,669	86,930	98,546	117,420	145,759
Interest-bearing debt	16,921	2,070	26,305	30,205	40,744	54,395	78,127	89,498	98,785	101,910
Equity ratio (%)	35.7	37.5	37.6	39.9	38.8	39.6	37.1	35.9	36.4	41.4
ROE (Return on equity) (%)	26.0	25.7	22.1	21.6	20.6	16.8	12.0	13.3	11.8	13.9
Cash flow										
Cash flows from operating activities	10,719	8,743	18,200	11,142	21,492	13,850	20,286	31,249	26,864	22,167
Cash flows from investing activities	(12,090)	(13,049)	(16,255)	(17,867)	(18,079)	(25,528)	(27,771)	(22,260)	(21,104)	(31,079)
Cash flows from financing activities	1,892	1,826	4,769	1,618	7,763	8,102	18,098	7,533	344	7,668
Per share information (Unit: Yen)										
Net profit* <sup>3</sup>	68.74	86.74	93.41	112.62	131.27	127.52	104.02	130.31	130.11	175.42
Net assets* <sup>3</sup>	296.61	379.00	468.37	575.17	699.09	819.99	917.95	1,041.20	1,168.74	1,441.69
Dividend* <sup>4</sup>	12.50	14.00	16.00	18.00	20.00	23.00	26.00	29.00	32.50	14.00
Dividend payout ratio (%)	6.0	5.3	5.7	5.3	5.1	6.0	8.3	7.4	8.3	8.0
Non-financial data										
Number of stores	318	385	456	541	630	733	826	903	953	1,036
Sales floor area (m <sup>2</sup> )	306,741	379,327	455,946	539,357	628,653	741,338	855,266	957,407	1,016,739	1,102,091
Number of employees	1,546	1,771	2,188	2,389	3,004	3,990	4,033	4,460	4,735	5,627
Average number of temporary employees (converted to 8-hour workday)	3,364	4,318	5,330	5,270	6,613	5,634	5,474	5,843	6,432	7,574
Number of dispensing pharmacies	166	180	203	245	295	366	466	532	600	670
Female manager ratio (%)	—	—	—	—	20.0	22.5	23.7	24.7	24.8	25.1

\*1 Accounting policies were partially revised in the fiscal year ended May 2017, and all financial figures have been adjusted retrospectively.

\*2 Due to the introduction of a holding company structure for KUSURI NO AOKI CO., LTD., consolidated figures are presented for the fiscal year ended May 2018 and thereafter.

\*3 On November 21, 2023, we conducted a common stock split at a ratio of 3-for-1. Net profit per share and net assets per share have been calculated assuming this stock split occurred at the beginning of the 22nd fiscal year.

\*4 The dividend for the fiscal year ended May 2024 has been calculated to reflect the stock split effective as of the record date of November 20, 2023.

# Company Information

## Company Overview

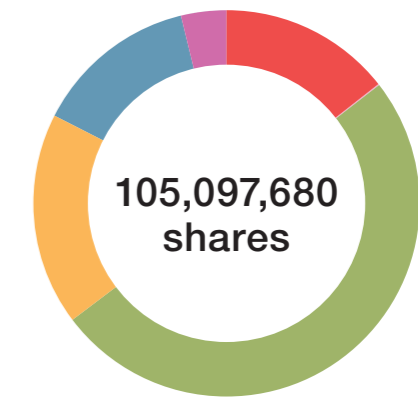
(As of May 20, 2025)

Company name	KUSURI NO AOKI HOLDINGS CO., LTD.
Head office location	5180 Yokoemachi, Hakusan-shi, Ishikawa 924-8510
Phone number	076-274-6115
Established	July 30, 1999
Capital	¥16,749 million
Representative	Hironori Aoki, Representative Director and President
Business description	Providing management strategies and management oversight for subsidiaries engaged in neighborhood retail businesses such as pharmaceuticals, cosmetics, and daily necessities in addition to dispensing operations.
Consolidated net sales	¥501,470 million
Number of Group employees (consolidated)	Regular employees: 5,627 Temporary employees (average): 7,574
Corporate website	<a href="https://www.kusuri-aoki-hd.co.jp/company/">https://www.kusuri-aoki-hd.co.jp/company/</a>

### Percentage of Issued Shares Held

(As of May 20, 2025)

Financial institutions	14.4%
Securities companies	0.1%
Other corporations	50.2%
Foreign investors	17.8%
Individuals and others	13.7%
Treasury stock	3.8%
<b>Total</b>	<b>100.0%</b>



### Shareholder Benefits

Number of shares held	Shareholder benefit details (Select one of the following)			
	Shareholder Benefit Card	Novelty Card*	Visa Gift Card	Local specialty
100 to less than 300 shares	3% discount on purchases at KUSURI NO AOKI Group stores	¥2,000 worth	¥1,500 worth	¥2,000 equivalent
300 to less than 3,000 shares	5% discount on purchases at KUSURI NO AOKI Group stores	¥5,000 worth	¥3,500 worth	¥5,000 equivalent
3,000 shares or more	7% discount on purchases at KUSURI NO AOKI Group stores	¥10,000 worth	¥7,000 worth	¥10,000 equivalent

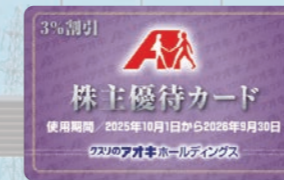
\* A Novelty Card is a gift certificate that can be used for purchases at any KUSURI NO AOKI Group store.

### Stock Information

(As of May 20, 2025)

Total number of authorized shares	240,000,000 shares
Total number of issued shares	105,097,680 shares
Total number of shareholders	29,163
Stock exchange listing	Tokyo Stock Exchange Prime Market
Securities identification code	3549

Shareholder Benefit Card (3% discount)



Novelty Card



[Teraoka Chikusan Noto Curry Assortment] Local specialty (¥2,000 equivalent)



Shareholder Benefit Card (5% discount)



Visa Gift Card



Local specialty (¥5,000 equivalent)



Shareholder Benefit Card (7% discount)



Local specialty (¥10,000 equivalent)



\* Benefit details are for FY2025.