KUSURI NO AOKI HOLDINGS CO., LTD.

Financial Results Briefing for the Fiscal Year Ended May 2026

July 7, 2026

Hironori Aoki, Representative Director and President

(TSE Standard Market　NSE Main Market Code: 3549)

Financial Results Briefing for the Fiscal Year Ended May 2026

Store Opening/Closing Results

	No. of stores at end of FY May 2025	Store opening and closing results FY May 2026									No. of stores at end of FY May 2026
		Hokushinetsu	Tohoku	Kanto	Tokai	Kansai	Shikoku	Opening total	M&A (SM)	Closing	
[1] Drugstores	1,004	26	17	20	11	18	19	111	-	8	1,107
[2] Attached dispensing pharmacies	664	4	4	16	5	7	1	37	-	9	692
[3] Supermarket stores	26	-	-	-	-	-	-	-	37	-	31
[4] Attached dispensing pharmacies	0	-	-	1	-	-	-	1	-	-	1
[5] Dispensing pharmacies	6	-	-	-	-	-	-	-	-	-	6
Total number of stores ([1] + [3] + [5])	1,036	26	17	20	11	18	19	111	37	8	1,144

* Ratio of stores with dispensaries is calculated based on the number of drugstores (excluding SM and dispensing pharmacies).

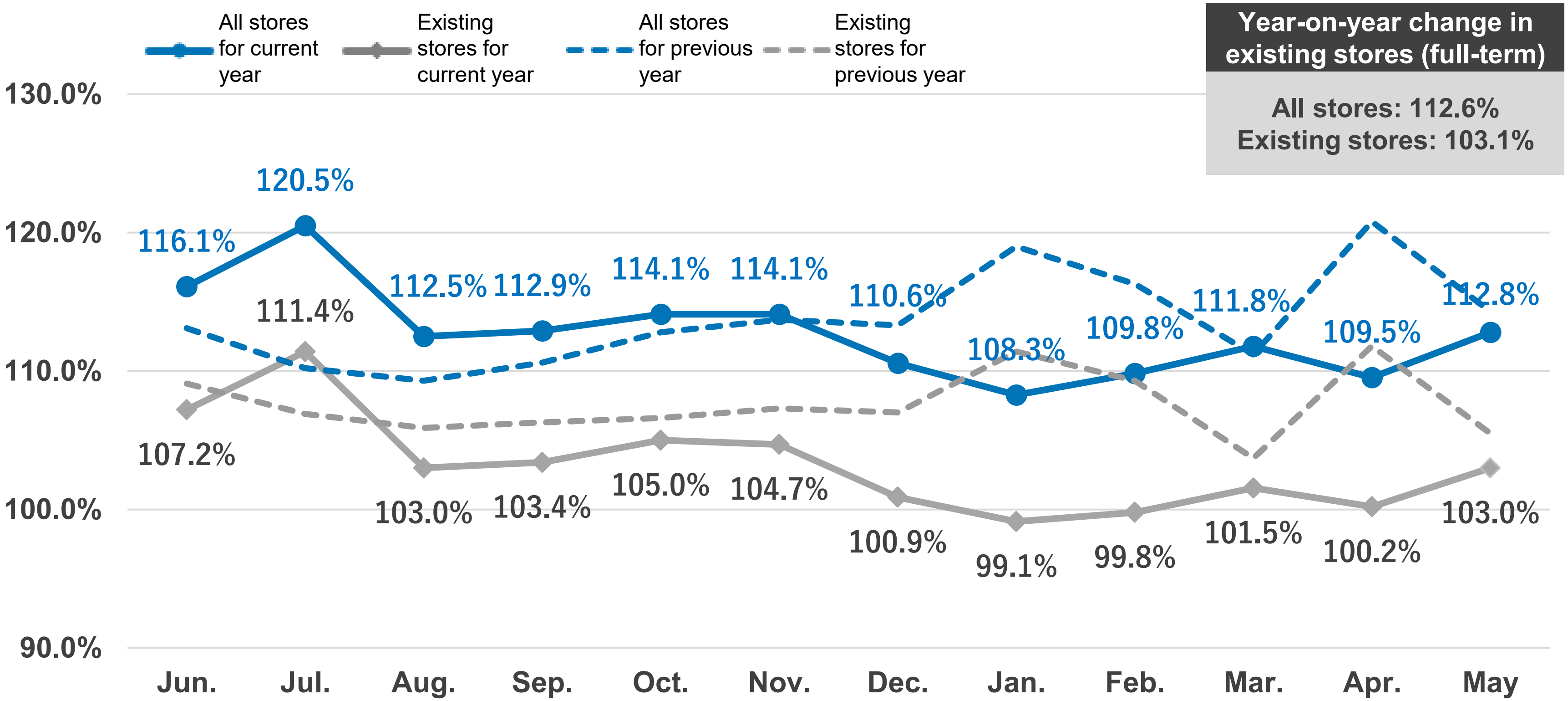
Ratio of stores with dispensaries
62.5%

Point

- Number of stores opened/closed in FY May 2026: 111/8
- Number of dispensing pharmacies opened/closed in FY May 2026: 38/9 (Only 1 of 38 pharmacies attached to supermarket stores)
  The ratio of stores with dispensaries is 62.5% (66.1% at the end of FY May 2025).
- 37 supermarket stores acquired by M&A in FY May 2026 (5 stores of Miwa Shoten, 20 stores of Spot, and 12 stores of CUPID)

* Of the 37 supermarket stores above, some have already been converted into drug stores in FY May 2026 while others were temporarily closed for renovation

Year-on-Year Change in Sales by Month



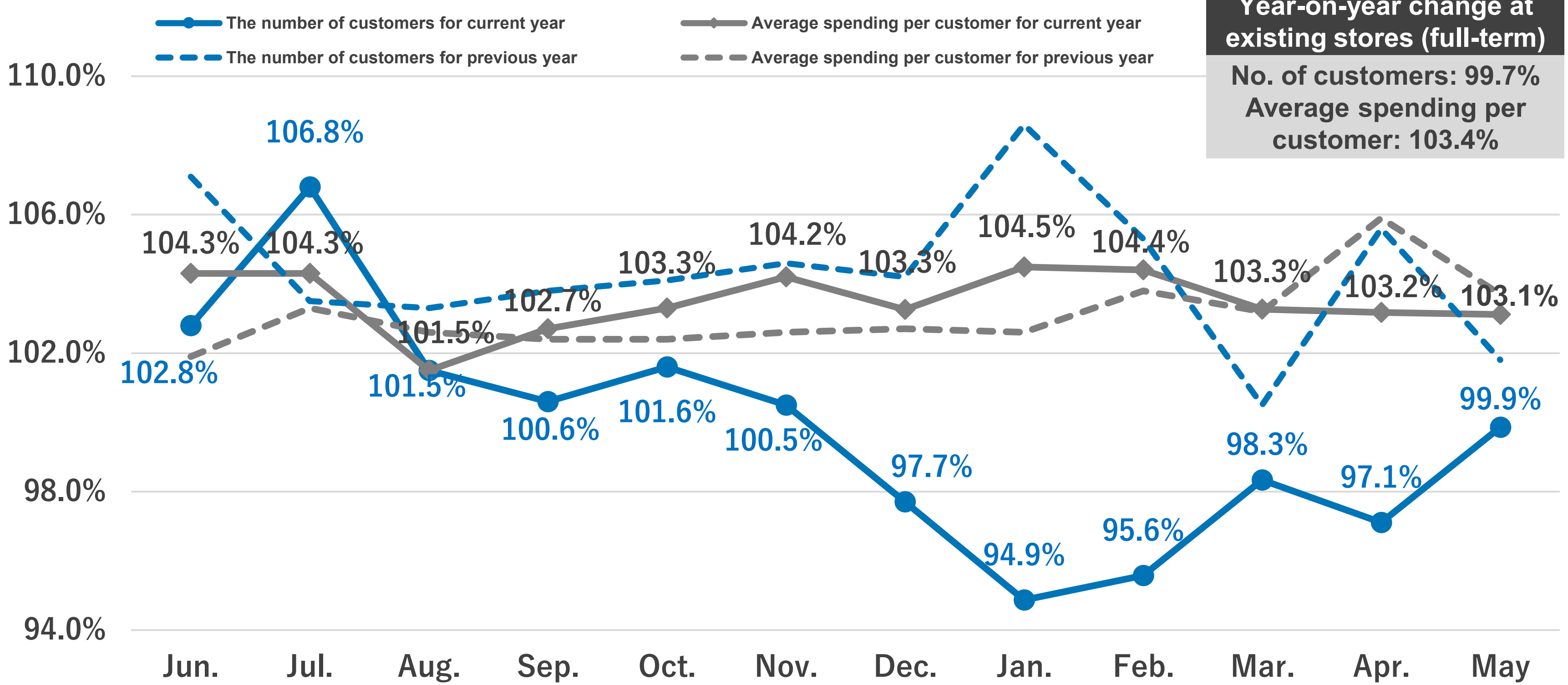
Year-on-year change in existing stores (full-term)

All stores: 112.6%
Existing stores: 103.1%

Point

- **Strong sales of summer seasonal products in the 1st half driven by extreme heat and prolonged summer temperatures**
- **High sales level of winter seasonal products in the 2nd half due to the previous year's influenza outbreak and strong demand for hay fever products**
- **The impact of waning effect of fresh food renovation initiatives at existing stores becoming more evident in the 2nd half**
- **One additional double-points promotion day year on year in July and May, and one fewer in September**

Year-on-Year Change in the Number of Customers and Average Spending per Customer by the Month at Existing Stores



Year-on-year change at existing stores (full-term)

No. of customers: 99.7%
Average spending per customer: 103.4%

Point

- Customer traffic slowed in the 2nd half following price increases on fresh food products to market levels from the 2nd quarter
- Price increases pushed up average spending per customer.
- Fresh food pricing initiatives reinforced again from the 4th quarter
  As a result, customer traffic gradually recovered

Consolidated Profit and Loss Statement

	Full-year results of FY May 2025		Full-year plan of FY May 2026		Full-year results of FY May 2026			
	Million yen	Sales ratio	Million yen	Sales ratio	Million yen	Sales ratio	vs. Plan	YoY change
Sales	501,470	100.0%	560,000	100.0%	566,865	100.0%	101.2%	113.0%
Gross profit	132,956	26.5%	144,263	25.8%	149,497	26.4%	103.6%	112.4%
SGA expenses	106,354	21.2%	121,263	21.7%	122,400	21.6%	100.9%	115.1%
Operating income	26,601	5.3%	23,000	4.1%	27,096	4.8%	117.8%	101.9%
Ordinary income	27,513	5.5%	22,700	4.1%	27,722	4.9%	122.1%	100.8%
Net income	17,786	3.5%	15,500	2.8%	17,133	3.0%	110.5%	96.3%

Point

Sales: 101.2% vs Plan, 113.0% year-on-year

Gross profit margin: +0.6 pt vs Plan, –0.1 pt year-on-year

SGA ratio: –0.1 pt vs Plan, +0.4 pt year-on-year

Operating income margin: +0.7 pt vs Plan, –0.5 pt year-on-year

Consolidated Profit and Loss Statement * Excluding stock-based compensation expenses

	Full-year results of FY May 2025 (Excluding stock-based compensation expenses)		Full-year plan of FY May 2026		Full-year results of FY May 2026			
	Million yen	Sales ratio	Million yen	Sales ratio	Million yen	Sales ratio	vs. Plan	YoY change
Sales	501,470	100.0%	560,000	100.0%	566,865	100.0%	101.2%	113.0%
Gross profit	132,956	26.5%	144,263	25.8%	149,497	26.4%	103.6%	112.4%
SGA expenses	105,962	21.1%	121,263	21.7%	122,400	21.6%	100.9%	115.5%
Operating income	26,994	5.4%	23,000	4.1%	27,096	4.8%	117.8%	100.4%
Ordinary income	27,906	5.6%	22,700	4.1%	27,722	4.9%	122.1%	99.3%
Net income	18,179	3.6%	15,500	2.8%	17,133	3.0%	110.5%	94.2%

* No stock-based compensation expenses weren’t recorded in FY May 2026.

Point

Sales: 101.2% vs Plan, 113.0% year-on-year

Gross profit margin: +0.6 pt vs Plan, –0.1 pt year-on-year

SGA ratio: –0.1 pt vs Plan, +0.5 pt year-on-year

Operating income margin: +0.7 pt vs Plan, –0.6 pt year-on-year

Results by Area

	Full-year results of FY May 2025				Full-year results of FY May 2026				
	Million yen	Composi-tion ratio	Number of stores	Ratio of stores with dispensaries	Million yen	Composi-tion ratio	YoY change	Number of stores	Ratio of stores with dispensaries
Hokushinetsu	212,789	42.4%	388	70.1%	228,151	40.2%	107.2%	429	67.2%
Tohoku	36,166	7.2%	82	66.7%	47,583	8.4%	131.6%	97	59.6%
Kanto	118,684	23.7%	279	67.9%	131,455	23.2%	110.8%	295	66.3%
Tokai	81,626	16.3%	180	55.3%	88,752	15.7%	108.7%	189	54.5%
Kansai	41,851	8.3%	94	69.4%	50,473	8.9%	120.6%	104	64.1%
Shikoku	10,352	2.1%	13	14.3%	20,447	3.6%	197.5%	30	8.0%
Total	501,470	100.0%	1,036	66.1%	566,865	100.0%	113.0%	1,144	62.5%

* Ratio of stores with dispensaries is calculated based on the number of drugstores (excluding SM and dispensing pharmacies).

Point

- Sales composition of areas outside Hokushinetsu increased 2.2 pt, from 57.6% at the end of FY 2025 year-end to 59.8%
- Sales remained strong in all areas.

Results by Product Division

	FY May 2025		FY May 2026			
	Full-year results		Full-year results			
	Million yen	Composition ratio	Million yen	Composition ratio	Difference in composition ratio	YoY change
Health	44,392	8.9%	46,367	8.2%	–0.7%	104.4%
Beauty	60,243	12.0%	64,412	11.4%	–0.6%	106.9%
Daily commodities	87,689	17.5%	94,726	16.7%	–0.8%	108.0%
Food	257,260	51.3%	301,526	53.2%	1.9%	117.2%
Of which, fresh food	58,837	11.7%	71,409	12.6%	0.9%	121.4%
Dispensing	51,885	10.3%	59,831	10.6%	0.3%	115.3%
Total	501,470	100.0%	566,865	100.0%	-	113.0%

Point

Health: Sales growth despite high prior-year sales of influenza and hay fever products
Beauty: Strong sales of summer seasonal products; sales growth also supported by higher average selling prices
Daily commodities: Sales growth driven by higher average selling prices due to larger pack sizes for detergents and other products
Food (including fresh food): Sales growth driven by new store openings despite the impact of waning effect of fresh food renovation initiatives
Dispensing: Sales growth driven by an increase in the number of pharmacy openings

Results of SGA Expenses

	Full-year results of FY May 2025		Full-year plan of FY May 2026		Full-year results of FY May 2026			
	Million yen	Sales ratio	Million yen	Sales ratio	Million yen	Sales ratio	vs. Plan	YoY change
Labor cost	46,590	9.3%	53,974	9.6%	54,223	9.6%	100.5%	116.4%
Sales promotion cost	2,925	0.6%	3,122	0.6%	2,957	0.5%	94.7%	101.1%
Real estate cost	32,457	6.5%	36,755	6.6%	37,157	6.5%	101.1%	114.5%
Other expenses	24,381	4.9%	27,411	4.9%	28,062	4.9%	102.4%	115.1%
SGA expenses	106,354	21.2%	121,263	21.7%	122,400	21.6%	100.9%	115.1%

Point

Labor cost ratio: ±0.0 pt vs Plan, +0.3 pt year-on-year

Sales promotion cost ratio: –0.1 pt vs Plan, –0.1 pt year-on-year

Real estate cost ratio: ±0.0 pt vs Plan, +0.1 pt year-on-year

Other expenses ratio: +0.1 pt vs Plan, +0.1 pt year-on-year

Results of SGA Expenses * Excluding stock-based compensation expenses

	Full-year results of FY May 2025 (Excluding stock-based compensation expenses)		Full-year plan of FY May 2026		Full-year results of FY May 2026			
	Million yen	Sales ratio	Million yen	Sales ratio	Million yen	Sales ratio	vs. Plan	YoY change
Labor cost	46,198	9.2%	53,974	9.6%	54,223	9.6%	100.5%	117.4%
Sales promotion cost	2,925	0.6%	3,122	0.6%	2,957	0.5%	94.7%	101.1%
Real estate cost	32,457	6.5%	36,755	6.6%	37,157	6.5%	101.1%	114.5%
Other expenses	24,381	4.9%	27,411	4.9%	28,062	4.9%	102.4%	115.1%
SGA expenses	105,962	21.1%	121,263	21.7%	122,400	21.6%	100.9%	115.5%

* No stock-based compensation expenses weren’t recorded in FY May 2026.

Point

Labor cost ratio: ±0.0 pt vs Plan, +0.4 pt year-on-year

Sales promotion cost ratio: –0.1 pt vs Plan, –0.1 pt year-on-year

Real estate cost ratio: ±0.0 pt vs Plan, +0.1 pt year-on-year

Other expenses ratio: +0.1 pt vs Plan, +0.1 pt year-on-year

Consolidated Balance Sheet

			As of May 20, 2025		As of May 20, 2026			
			Million yen	Composition ratio	Million yen	Composition ratio	Change from May 20, 2025	Increase/ Decrease
		Cash and deposits	47,731	13.5%	58,931	14.3%	123.5%	11,200
		Inventory assets	56,811	16.1%	63,778	15.5%	112.3%	6,967
	Current assets		**145,368**	**41.2%**	**164,033**	**39.9%**	**112.8%**	**18,665**
		Tangible fixed assets	168,879	47.9%	196,278	47.8%	116.2%	27,399
		Intangible fixed assets	13,679	3.9%	18,906	4.6%	138.2%	5,227
	Non-current assets		**207,096**	**58.8%**	**246,903**	**60.1%**	**119.2%**	**39,807**
Assets			**352,464**	**100.0%**	**410,937**	**100.0%**	**116.6%**	**58,473**
		Notes and accounts payable	63,602	18.0%	71,330	17.4%	112.2%	7,728
		Short-term borrowings	-	-	150	0.0%	-	150
		Current portion of long-term loans payable	14,912	4.2%	21,888	5.3%	146.8%	6,976
		Current portion of lease obligations	2,591	0.7%	3,409	0.8%	131.6%	818
	Current liabilities		**107,049**	**30.4%**	**124,610**	**30.3%**	**116.4%**	**17,561**
		Long-term loans payable	78,317	22.2%	119,901	29.2%	153.1%	41,584
		Lease obligations	6,090	1.7%	7,835	1.9%	128.7%	1,745
	Non-current liabilities		**99,655**	**28.3%**	**145,287**	**35.4%**	**145.8%**	**45,632**
	Net assets		**145,759**	**41.4%**	**141,038**	**34.3%**	**96.8%**	**▲ 4,721**
Liabilities and net assets			**352,464**	**100.0%**	**410,937**	**100.0%**	**116.6%**	**58,473**

Cash Flow Statement

(Unit: Million yen)

	As of May 20, 2025	As of May 20, 2026	Increase/ Decrease
Cash flows from operating activities	22,167	37,321	15,154
Cash flows from investing activities	–31,079	–42,883	–11,804
Cash flows from financing activities	7,668	16,486	8,818
Cash and cash equivalents at the end of the period	47,731	58,654	10,923

Free cash flow	–8,912	–5,562	3,350

Financial Results Briefing for the Fiscal Year Ended May 2026

Store Opening/Closing Plan

	No. of stores at end of FY May 2026	Store opening/closing plan for FY May 2027									No. of stores at end of FY May 2027
		Hokushinetsu	Tohoku	Kanto	Tokai	Kansai	Shikoku	Opening total	M&A (SM)	Closing	
[1] Drugstores	1,107	30	12	17	12	5	14	90	-	12	1,185
[2] Attached dispensing pharmacies	692	7	7	3	1	6	7	31	-	19	704
[3] Supermarket stores	31	-	-	-	-	-	-	-	-	-	14
[4] Attached dispensing pharmacies	1	-	-	-	-	-	-	-	-	-	1
[5] Dispensing pharmacies	6	-	-	-	-	-	-	-	-	1	5
Total number of stores ([1] + [3] + [5])	1,144	30	12	17	12	5	14	90	-	13	1,204

* Ratio of stores with dispensaries is calculated based on the number of drugstores (excluding SM and dispensing pharmacies).

Ratio of stores with dispensaries
59.4%

Point

- 90 stores are planned to be opened and 12 stores are planned to be closed.
- 31 dispensing pharmacies are to be opened and 20 are to be closed.
  (The ratio of stores with dispensaries at the FY end is expected to reach 59.4%.)

Capital Investment Plan

(Unit: Million yen)

	Full-year results of FY May 2026	Full-year plan of FY May 2027	YoY change
Development Investment	27,418	23,585	86.0%
Strategic Investment	17,015	13,265	78.0%
Other	4,184	7,011	167.6%
Total	48,617	43,861	90.2%

Depreciation	14,418	17,058	118.3%

* Others includes renovation, PC, system, and solar power costs
* Depreciation indicates the amount actually depreciated including those reclassified to non-operating expenses (rent cost).
* Depreciation represents the amount excluding the portion associated with asset retirement obligations.

Consolidated Earnings Forecast

	Full-year results of FY May 2026		Full-year plan of FY May 2027		
	Million yen	Sales ratio	Million yen	Sales ratio	YoY change
Sales	566,865	100.0%	640,000	100.0%	112.9%
Gross profit	149,497	26.4%	167,317	26.1%	111.9%
SGA expenses	122,400	21.6%	135,317	21.1%	110.6%
Operating income	27,096	4.8%	32,000	5.0%	118.1%
Ordinary income	27,722	4.9%	30,800	4.8%	111.1%
Net income	17,133	3.0%	19,000	3.0%	110.9%

Point

Sales:	112.9% year-on-year
Gross profit margin:	–0.3 pt year-on-year
SGA ratio:	–0.5 pt year-on-year
Operating income margin:	+0.2 pt year-on-year

Consolidated Earnings Forecast (1st Half/2nd Half)

	1H plan of FY May 2027			2H plan of FY May 2027		
	Million yen	Sales ratio	YoY change	Million yen	Sales ratio	YoY change
Sales	318,000	100.0%	113.6%	322,000	100.0%	112.2%
Gross profit	82,940	26.1%	112.6%	84,376	26.2%	111.3%
SGA expenses	67,440	21.2%	112.1%	67,876	21.1%	109.1%
Operating income	15,500	4.9%	114.9%	16,500	5.1%	121.3%
Ordinary income	14,900	4.7%	109.5%	15,900	4.9%	112.6%
Net income	10,600	3.3%	110.0%	8,400	2.6%	112.1%

Point

Sales growth assumptions of existing stores for FY May 2027

1st half: 102. 9%

2nd half: 105. 4%

Full year: 104. 1%

Plan by Area

	Full-year results of FY May 2026				Full-year plan of FY May 2027				
	Million yen	Composition ratio	Number of stores	Ratio of stores with dispensaries	Million yen	Composition ratio	YoY change	Number of stores	Ratio of stores with dispensaries
Hokushinetsu	228,151	40.2%	429	67.2%	267,954	41.9%	117.4%	435	64.5%
Tohoku	47,583	8.4%	97	59.6%	55,000	8.6%	115.6%	109	59.4%
Kanto	131,455	23.2%	295	66.3%	137,578	21.5%	104.7%	308	60.9%
Tokai	88,752	15.7%	189	54.5%	94,056	14.7%	106.0%	200	49.5%
Kansai	50,473	8.9%	104	64.1%	57,049	8.9%	113.0%	110	66.1%
Shikoku	20,447	3.6%	30	8.0%	28,361	4.4%	138.7%	42	23.7%
Total	566,865	100.0%	1,144	62.5%	640,000	100.0%	112.9%	1,204	59.4%

* Ratio of stores with dispensaries is calculated based on the number of drugstores (excluding SM and dispensing pharmacies).

Point

- Due to the M&A of Spot (small and medium enterprise in Niigata Prefecture), sales composition of the Hokushinetsu area is expected to increase by 1.7 pt.

Plan by Product Division

		FY May 2026		FY May 2027			
		Full-year results		Full-year plan			
		Million yen	Composition ratio	Million yen	Composition ratio	Difference in composition ratio	YoY change
Health		46,367	8.2%	48,632	7.6%	▲0.6%	104.9%
Beauty		64,412	11.4%	68,519	10.7%	▲0.7%	106.4%
Daily commodities		94,726	16.7%	102,139	16.0%	▲0.8%	107.8%
Food		301,526	53.2%	354,222	55.3%	2.1%	117.5%
	Of which, fresh food	71,409	12.6%	93,615	14.6%	2.0%	131.1%
Dispensing		59,831	10.6%	66,487	10.4%	▲0.2%	111.1%
Total		566,865	100.0%	640,000	100.0%	-	112.9%

Point

- **Due to the strengthened fresh food offerings, sales composition of food is expected to increase by 2.1 pt.**

SGA Plan

	Full-year results of FY May 2026		Full-year plan of FY May 2027		
	Million yen	Sales ratio	Million yen	Sales ratio	YoY change
Labor cost	54,223	9.6%	59,903	9.4%	110.5%
Sales promotion cost	2,957	0.5%	2,505	0.4%	84.7%
Real estate cost	37,157	6.5%	41,641	6.5%	112.1%
Other expenses	28,062	4.9%	31,268	4.9%	111.4%
SGA expenses	122,400	21.6%	135,317	21.1%	110.6%

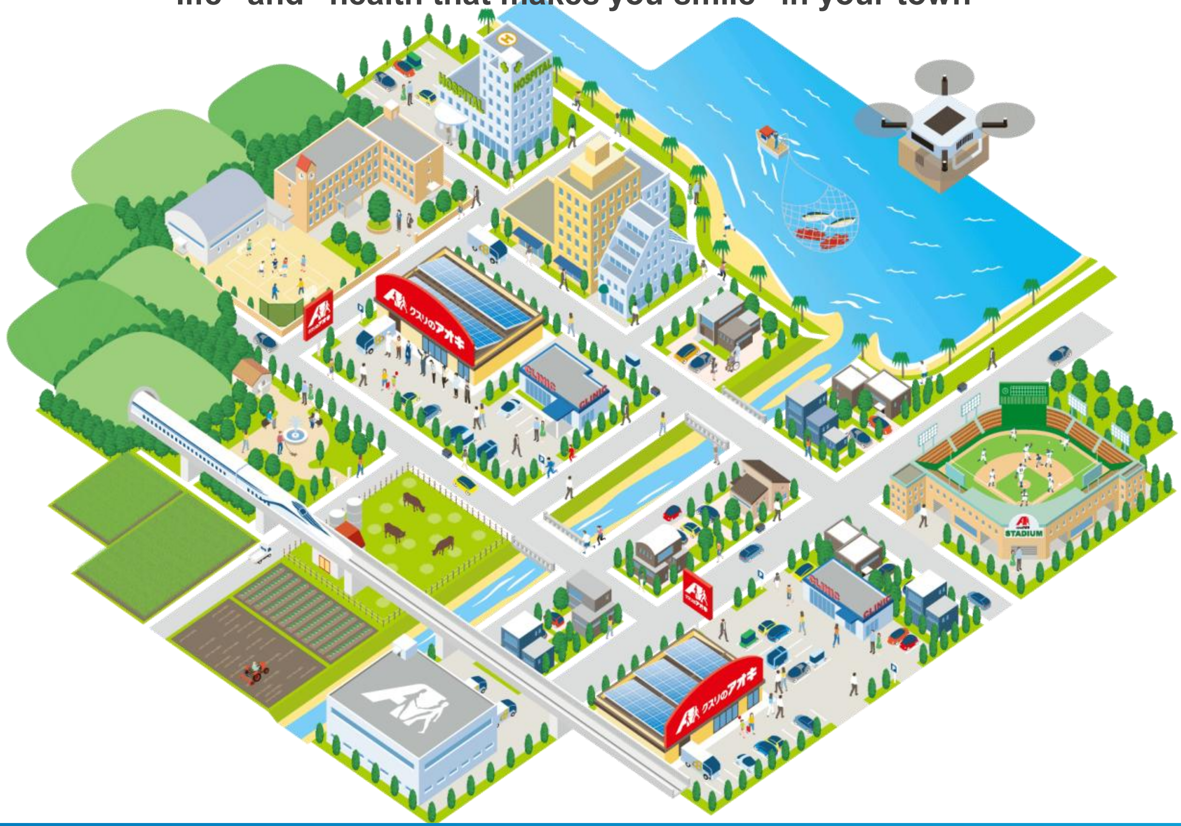
Point

- Personnel expenses are expected to reach 110. 5% of FY May 2025 due to strengthening of new graduate recruitment, the impact of M&A, and other factors
- Real estate expenses are expected to reach 112. 1% of FY May 2025 reflecting an expansion in store size, even though the number of new store openings will decrease compared with FY May 2025.

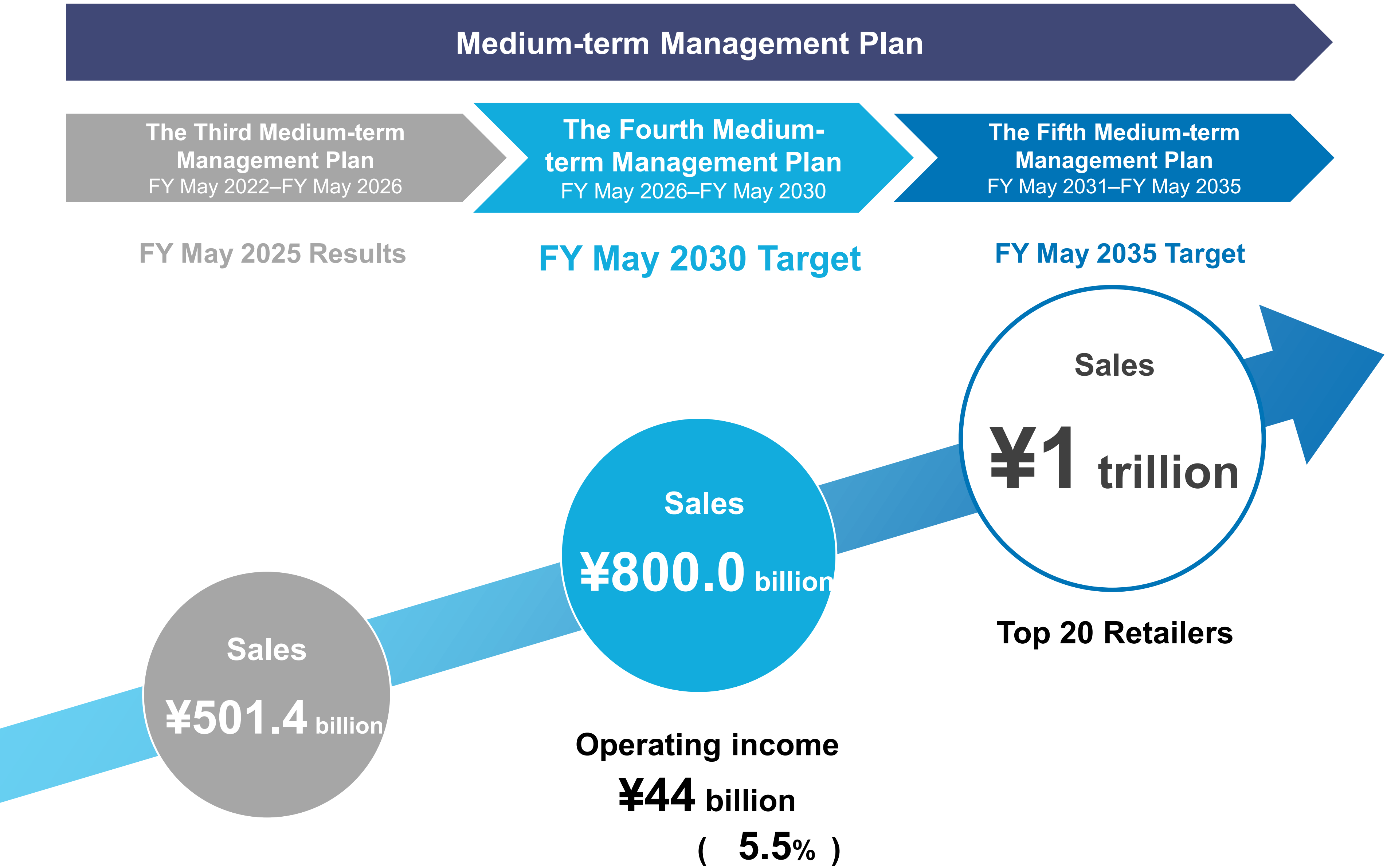
Progress Status of the Fourth Medium-term Management Plan (for Five Years)

Make Life More Convenient, Smile All the Times

Aiming to become a drugstore that supports "convenient life" and "health that makes you smile" in your town



Numerical Target: Sales of ¥1 trillion for FY May 2035 (Top 20 Retailers)


Medium-term Management Plan
The Third Medium-term Management Plan
FY May 2022–FY May 2026
The Fourth Medium-term Management Plan
FY May 2026–FY May 2030
The Fifth Medium-term Management Plan
FY May 2031–FY May 2035
FY May 2025 Results
FY May 2030 Target
FY May 2035 Target
Sales
¥501.4 billion
Sales
¥800.0 billion
Sales
¥1 trillion
Top 20 Retailers
Operating income
¥44 billion
(5.5%)

Fourth Medium-term Management Plan (FY May 2026–FY May 2030)

- Since our founding, we have been pursuing convenience of the store, aiming to become a drugstore and dispensing pharmacy that supports local customers.
- The Third Medium-term Management Plan is achieved one year ahead of schedule, with the 50th Anniversary Vision formulated to contribute to regional communities and drive sustainable growth
- Under the Fourth Medium-term Management Plan, we aim to achieve continued growth with a CAGR of 10% for both sales and operating income.

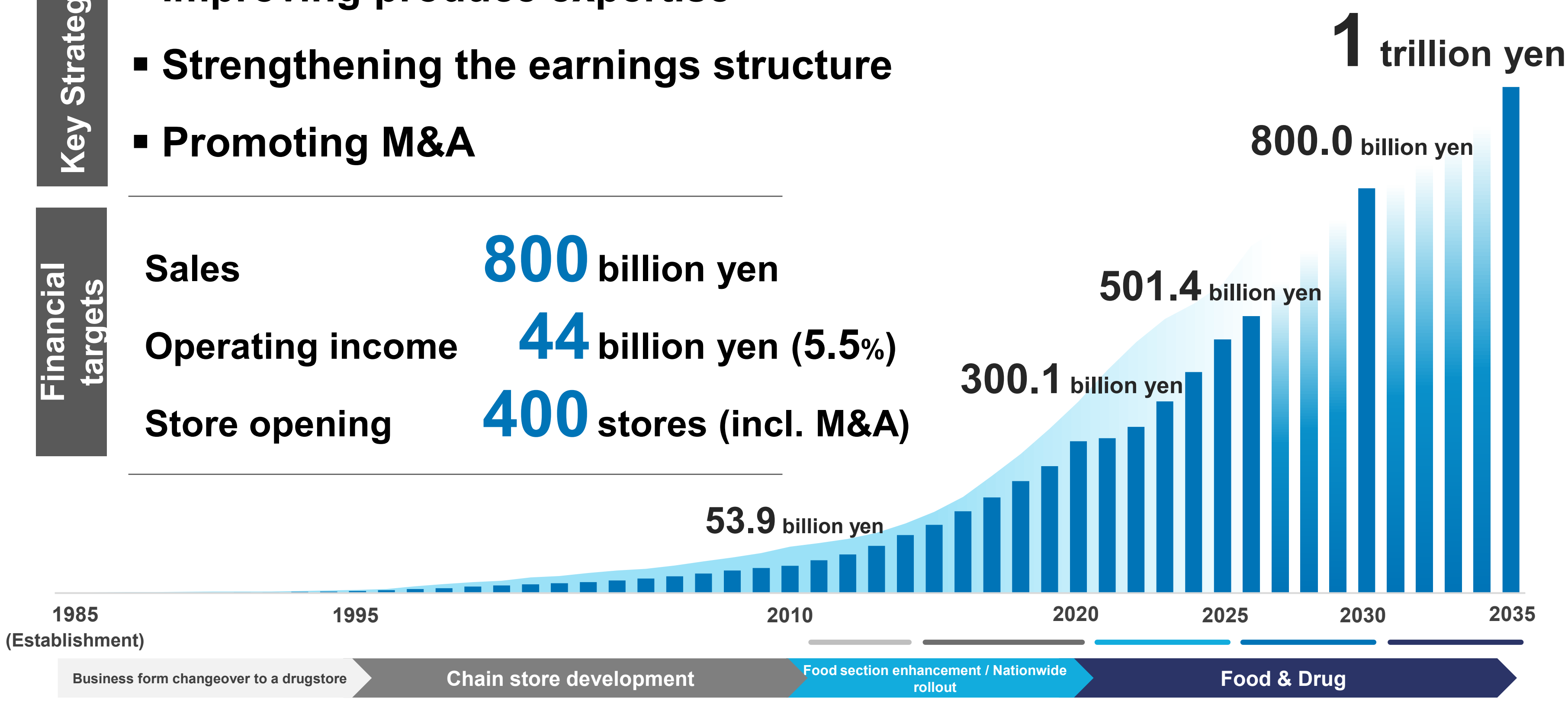
Policy Evolution of Food & Drug + Dispensing

Key Strategies

- Improving produce expertise
- Strengthening the earnings structure
- Promoting M&A

Financial targets

Sales	800 billion yen
Operating income	44 billion yen (5.5%)
Store opening	400 stores (incl. M&A)



Key Strategies of the Medium-term Management Plan

Policy Evolution of Food & Drug + Dispensing

1

Improving produce expertise

- Increase in format size
- Enhancement of merchandizing and operational capabilities
- Establishment of three new process centers and restructuring of logistics network

→ Maximizing customer traffic and improving profitability

2

Strengthening the earnings structure (excluding fresh food)

- EDLP & low-cost operations
- Expanding dispensing sales (¥100 billion) and bolstering collaboration
- Private Brand (PB) ratio of 10.0% (¥80 billion)

3

Promoting M&A

- Opening 400 stores (including M&A), with 30% (120 stores) through M&A

[1] Improving produce expertise - Increase in format size -

- Standard store format has been changed from 300 to 400 tsubo in 2020, with broader fresh food and food assortments and a parallel thorough implementation of on-site productivity improvements.
- Company's own store opening strategy has been revised. Shift from "high-speed opening with 300-tsubo stores" to a "profitability-focused approach centering on 400-tsubo and 500-tsubo stores."
- Large-format stores have been standardized at 500 tsubo since 2025, aiming to establish fresh food merchandising and operational capabilities comparable to those of supermarkets.

300 tsubo

- Requires a small space, making it easy to open a store
- Caught in increasingly homogeneous competition, profitability has been declining year by year.

The Third Medium-term Management Plan		The Fourth Medium-term Management Plan
55%	→	20%

400 tsubo (Standard)

- New standard store format
- Hybrid type incorporating the advantages of both 300 tsubo and concessionary formats

The Third Medium-term Management Plan		The Fourth Medium-term Management Plan
35%	→	45%

500 tsubo (Large/Supermarket-type)

- Large supermarket-type format
- Enables high store sales and high profitability.
- Requires a large floor space, making it difficult to open a store.

The Third Medium-term Management Plan		The Fourth Medium-term Management Plan
10%	→	35%

* Store opening mix by format in each medium-term management plan

[1] Improving produce expertise - Enhancement of fresh food merchandising and operational capabilities -

- **We aim to shift from the traditional convenience-focused model to a "nearby and convenient" drugstore that combines the agility of convenience stores with the sense of fulfillment offered by drugstores and supermarkets.**
- **In 2025, the Fresh Food Division was elevated to a headquarters-level organization. Through the establishment of specialized training programs, we aim to develop personnel with extensive expertise in fresh food.**
- **By establishing a PC system, we aim to achieve maintaining freshness/low prices/(high profitability) simultaneously.**

300 tsubo/400 tsubo (Standard)

945 stores

- Added the 400-tsubo format as a standard store format in 2020.
- Introduced fresh food offerings and expanded the food product assortment.
- Completed renovations for fresh food offering at 700 300-tsubo stores over a three-year period




500 tsubo (Large/Supermarket-type)

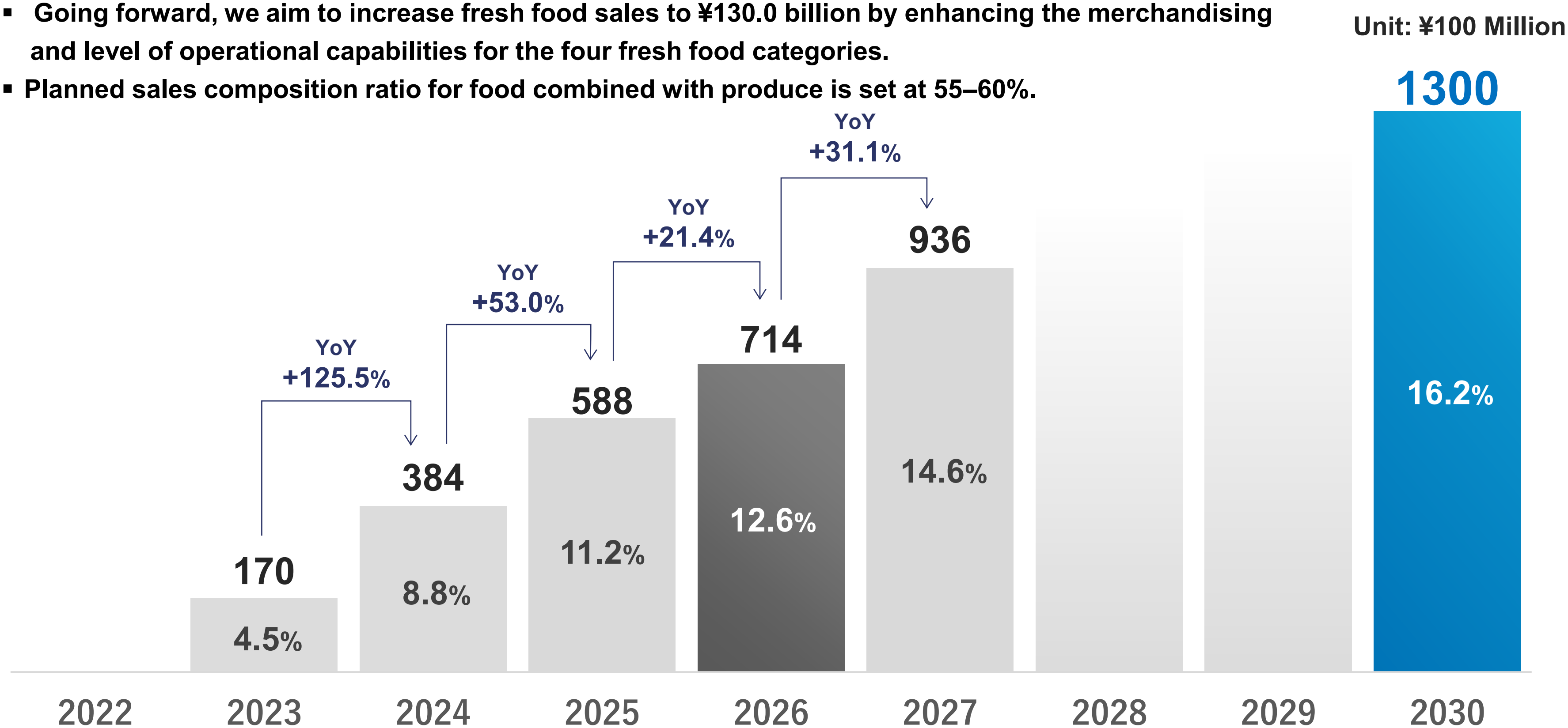
193 stores

- Company-owned new stores are based on a 500-tsubo format, while stores acquired through M&A and converted from existing premises are around 450 tsubo.
- Aim to achieve fresh food merchandising and operational capabilities comparable to those of supermarkets
- Hybrid fresh food operations combining tenants and in-house operations



[1] Improving produce expertise - Increasing produce sales -

- We implemented renovations at 700 stores to introduce fresh food offerings over the three-year period through the FY May 2025, significantly increasing fresh food sales to ¥58.8 billion.
- Going forward, we aim to increase fresh food sales to ¥130.0 billion by enhancing the merchandising and level of operational capabilities for the four fresh food categories.
- Planned sales composition ratio for food combined with produce is set at 55–60%.



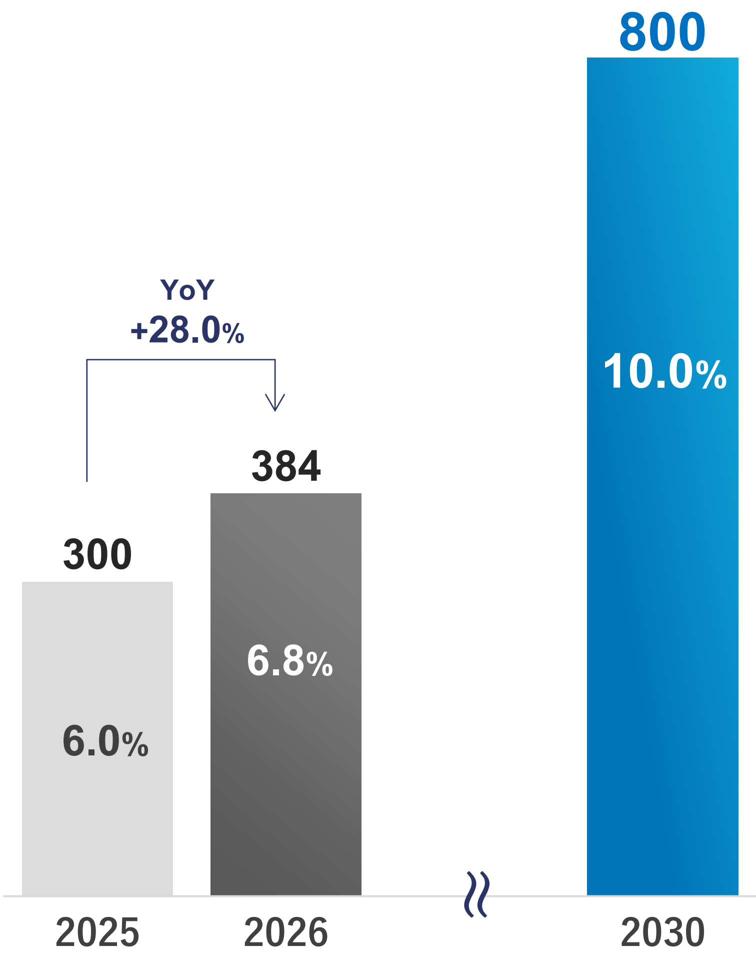
Third Medium-term Management Plan
(FY May 2022–FY May 2025)
Sales ¥58.8 billion
Composition ratio 11.7%

Fourth Medium-term Management Plan
(FY May 2026–FY May 2030)
Sales ¥130.0 billion
Composition ratio 16.2%

* Figures for FY May 2022 are excluded because the revenue recognition standard was not yet applicable (as for tenant sales, only commissions are recorded).

[2] Strengthening the earnings structure - Improvement of private brand (PB) ratio -

- We launched the “A&” private brand in 2021 and fully accelerated PB development, focusing primarily on low-priced products. From the next Fiscal Year, we plan to fully transition to a new packaging design.
- We expanded the product lineup to include food, household goods, and pharmaceuticals, increasing sales to ¥38.4 billion (6.8% of total sales, 128% compared with the previous year) as of FY May 2026.
- We will discontinue the handling of third-party brands (e.g., Hapycom and TOPVALU) and further accelerate the development of the “A&” brand to supplement both quality and scale.
- Through further advancement of merchandising capabilities, we aim to achieve PB sales of ¥80.0 billion, ensuring the achievement of 10.0% of total sales, by FY ending May 2030.



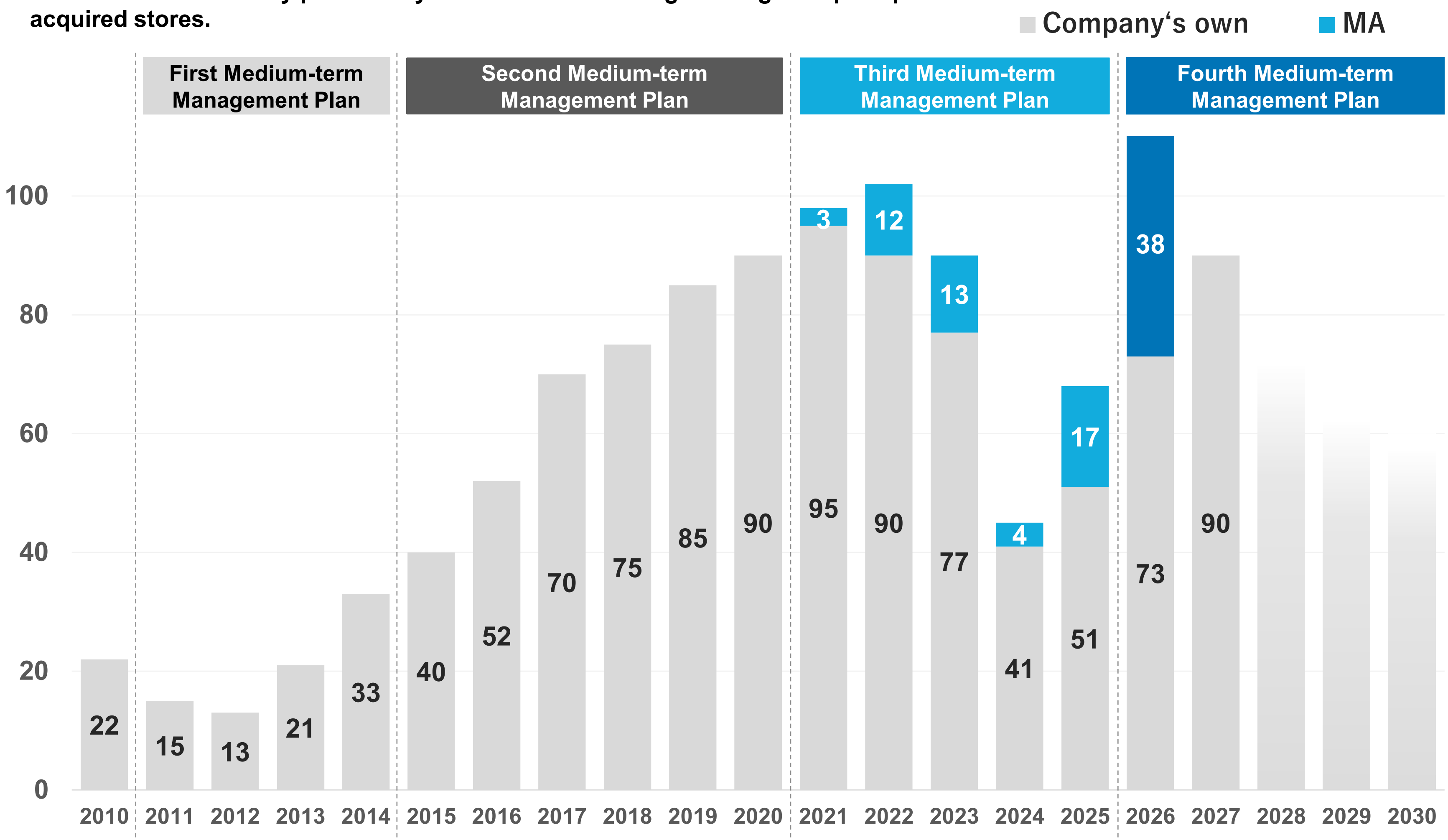
FY May 2030 (Plan)

PB sales: 80 billion yen

PB ratio: 10.0%

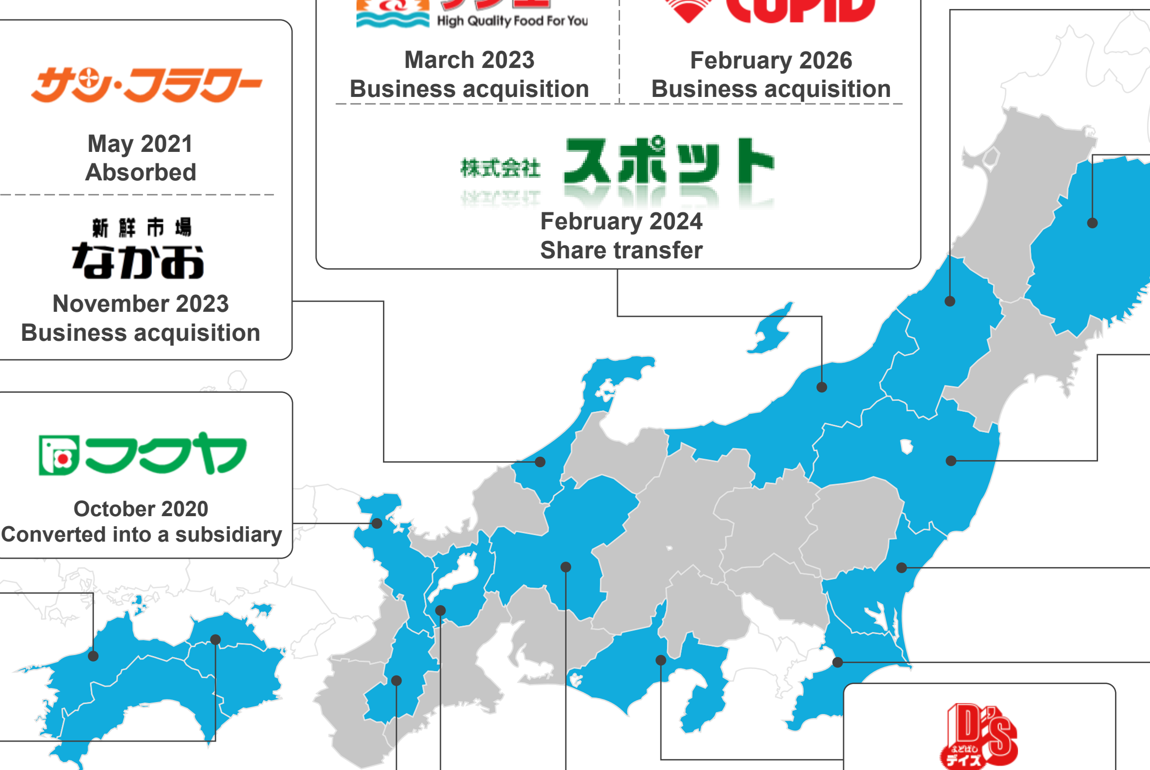
[3] Area dominance strategy

- Over the past five years (FY May 2021–FY May 2025), we opened 403 stores (354 company-owned stores and 49 M&A-acquired stores).
- To offset the slowdown in company-owned store openings, we maintained store-opening pace by flexibly combining M&A-based store acquisitions.
- In FY May 2026, we achieved a record-high 111 store openings (73 company-owned and 38 M&A-acquired), re-accelerating its growth trajectory. The total investment exceeded 48.6 billion yen, reaching a record high.
- We aim to achieve early profitability and maximize earnings through the prompt renovation and format conversion of M&A-acquired stores.



[3] Area dominance strategy - M&A Execution -

- Since FY May 2021, we have pursued M&A of local supermarket operators to build fresh food merchandising region by region and secure high-quality store locations.
- As of FY May 2026, we have executed M&A transactions involving 21 companies (totaling ¥130.3 billion in sales and 167 stores in the number of stores).



NALX
June 2020
Converted into a subsidiary

サン・フラワー
May 2021
Absorbed

三崎ストアー
December 2023
Business acquisition

新鮮市場 なかお
November 2023
Business acquisition

サンエー High Quality Food For You
March 2023
Business acquisition

CUPID
February 2026
Business acquisition

株式会社スポット
February 2024
Share transfer

本間物産株式会社
February 2025
Business acquisition

KIRINYA
March 2022
Absorbed

HIFUMIYA
March 2022
Absorbed

まるも
June 2021
Company split

フクヤ
October 2020
Converted into a subsidiary

株式会社ママイ
September 2024
Absorbed

Mumie FRESH FOOD MARKET
September 2024
Business acquisition

PiCASO あしたは、もっと、おいしく。
June 2025
Share transfer

卸値市場 あなたの街の地域一番店 ヨシムラ ハッスル
February 2025
Absorbed

ハッピーテラダ TOKUYA
December 2024
Converted into a subsidiary

株式会社ウッドペッカー
March 2024
Business acquisition

D's ディズ
February 2024
Business acquisition

スーパーカッツ
August 2024
Absorbed

生鮮卸値市場 トップマート
February 2025
Business acquisition

[3] Promoting M&A - Scheduled M&A projects in FY May 2026 -

- Acquire three companies through M&A in FY May 2026 (sales: 42.3 billion yen, number of stores: 38).
- Acquired a total of 21 companies through M&A as of 2Q of FY May 2026 (total: sales 130.3 billion yen, number of stores: 167).
- The consolidation of two Niigata-based companies made Niigata Prefecture our top sales region across all operating areas.

PiCASO

Company name	: Miwa Shoten Co., Ltd.
Head office location	: Nakatadogun, Kagawa
Sales	: 5,296 million yen
Ordinary income	: –170 million yen
Number of stores	: 5

SPOT

Company name	: Spot Co., Ltd.
Head office location	: Nagaoka City, Niigata
Sales	: 27,461 million yen
Ordinary income	: 496 million yen
Number of stores	: 20

20th company

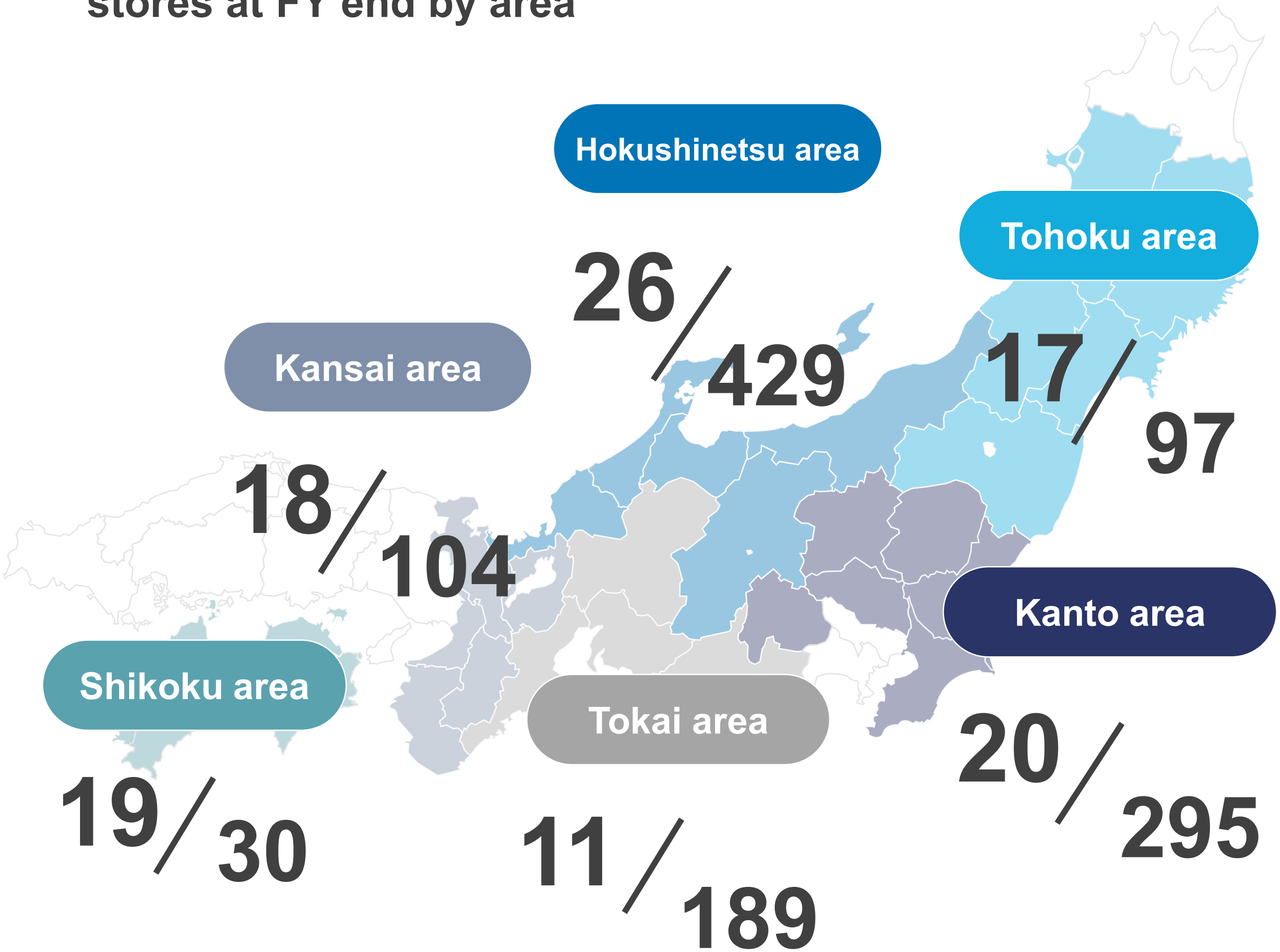
CUPID

Company name	: CUPID. Co. Ltd
Head office location	: Niigata City, Niigata
Sales	: 9,783 million yen
Ordinary income	: –299 million yen
Number of stores	: 13

Store Opening/Closing Results for FY May 2026

- Number of stores newly opened in FY ended May 2026: 111 drugstores and 38 pharmacies
- Number of stores newly closed in FY ended May 2026: 8 drugstores

FY May 2026: No. of drugstores newly opened / No. of stores at FY end by area



Drugstores

Newly Opened	Year End
111	1144
Closed: 8 stores	Including 31 supermarket stores and 6 specialty dispensing pharmacies

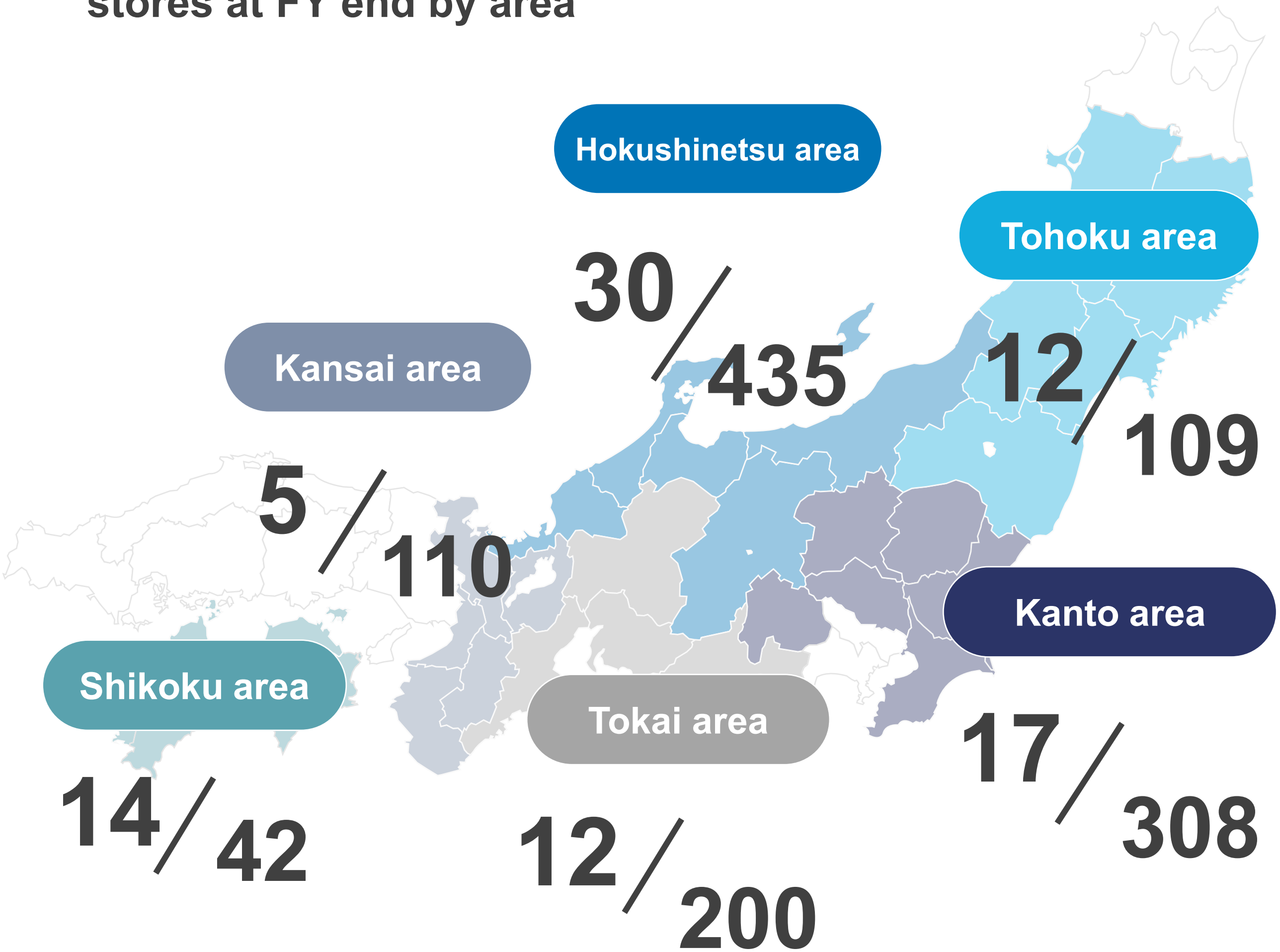
Dispensing pharmacies

Opened	Year End
38	699
Closed: 9 dispensing pharmacies Attached pharmacy ratio: 62.5%	Including 6 specialty dispensing pharmacies

Store Opening/Closing Plan for FY May 2027

- In FY ending May 2027, 90 drugstores and 31 pharmacies are planned to be newly opened.
- In FY ending May 2027, 12 drugstores are planned to be closed.

FY May 2027: No. of drugstores newly opened/No. of stores at FY end by area



Drugstores

Newly Opened	Year End
90	1204
Closed: 12 stores	Including 14 supermarket stores and 6 specialty dispensing pharmacies

Dispensing pharmacies

Opened	Year End
31	710
Closed: 20 dispensing pharmacies Attached pharmacy ratio: 59.4%	Including 6 specialty dispensing pharmacies

Full-year Performance Summary of FY May 2026 (Excluding Stock-based Compensation Expense)

	Full-year results of FY May 2025 (Excluding stock-based compensation expenses)		Full-year plan of FY May 2026		Full-year results of FY May 2026			
	Million yen	Sales ratio	Million yen	Sales ratio	Million yen	Sales ratio	vs. Plan	YoY change
Sales	501,470	100.0%	560,000	100.0%	566,865	100.0%	101.2%	113.0%
Gross profit	132,956	26.5%	144,263	25.8%	149,497	26.4%	103.6%	112.4%
SGA expenses	105,962	21.1%	121,263	21.7%	122,400	21.6%	100.9%	115.5%
Operating income	26,994	5.4%	23,000	4.1%	27,096	4.8%	117.8%	100.4%
Ordinary income	27,906	5.6%	22,700	4.1%	27,722	4.9%	122.1%	99.3%
Net income	18,179	3.6%	15,500	2.8%	17,133	3.0%	110.5%	94.2%

Point

Newly Opened: 111 drugstores and 38 dispensing pharmacies

Sales: ¥566.8 billion (113.0% year-on-year, 103.1% for existing stores)

Gross profit margin: 26.4% (-0.1 pt year-on-year)

SGA ratio: 21.6% (+0.5 pt year-on-year)

Labor cost ratio: 9.6% (+0.4 pt year-on-year), Sales promotion cost ratio: 0.5% (-0.1 pt year-on-year), Real estate cost ratio: 6.6% (+0.1 pt year-on-year), Other expenses ratio: 5.9% (+0.1 pt year-on-year)

Operating income: ¥27.09 billion (100.4% year-on-year); Ratio to sales: 4.8% (-0.6 pt year-on-year)

Ordinary income: ¥27.72 billion (99.3% year-on-year); Ratio to sales: 4.9% (-0.7 pt year-on-year)

Net income: ¥17.13 billion (94.2% year-on-year); Ratio to sales: 3.0% (-0.6 pt year-on-year)

Earnings Forecast for the Fiscal Year Ending May 2027 (Excluding Stock-based Compensation Expense)

	Full-year results of FY May 2022		Full-year results of FY May 2023		Full-year results of FY May 2024 (Excluding stock-based compensation expenses)		Full-year results of FY May 2025 (Excluding stock-based compensation expenses)		Full-year results of FY May 2026		Full-year plan of FY May 2027		
	Million yen	Sales ratio	Million yen	Sales ratio	Million yen	Sales ratio	Million yen	Sales ratio	Million yen	Sales ratio	Million yen	Sales ratio	YoY change
Sales	328,335	100.0%	378,874	100.0%	436,875	100.0%	501,470	100.0%	566,865	100.0%	640,000	100.0%	112.9%
Gross profit	89,762	27.3%	106,107	28.0%	118,090	27.0%	132,956	26.5%	149,994	26.4%	167,317	26.1%	111.9%
Labor cost	33,212	10.1%	37,263	9.8%	39,518	9.0%	46,198	9.2%	54,223	9.6%	59,903	9.4%	110.5%
Sales promotion cost	2,847	0.9%	2,875	0.8%	2,788	0.6%	2,925	0.6%	2,957	0.5%	2,505	0.4%	84.7%
Real estate cost	24,860	7.6%	28,969	7.6%	29,533	6.8%	32,457	6.5%	37,157	6.5%	41,641	6.5%	112.1%
Other expenses	14,771	4.5%	21,701	5.7%	20,870	4.8%	24,381	4.9%	28,062	4.9%	31,268	4.9%	111.4%
SGA expenses	75,692	23.1%	90,810	24.0%	92,711	21.2%	105,962	21.1%	122,400	21.6%	135,317	21.1%	110.6%
Operating income	14,070	4.3%	15,296	4.0%	25,379	5.8%	26,994	5.4%	27,906	4.8%	32,000	5.0%	118.1%
Ordinary income	15,785	4.8%	19,129	5.0%	26,911	6.2%	27,906	5.6%	27,722	4.9%	30,800	4.8%	111.1%
Net income	9,839	3.0%	12,326	3.3%	19,117	4.4%	18,179	3.6%	17,133	3.0%	19,000	3.0%	110.9%

Cash Allocation

- Maintain allocation to active growth investments centered on store development investments (¥200 billion).
- Undertake a fundamental review of the shareholder return policy (Dividend payout ratio: 30%).

Cash In	Cash Out
Operating CF	Growth investments 67%
	Shareholder return 20%
Financing	Increase in working capital Emergency response, etc. 13%

Growth investment amount: ¥200 billion

(Cumulative forecast for the five-year period from FY May 2026 to FY May 2030)

* FY May 2021–FY May 2025: ¥155 billion

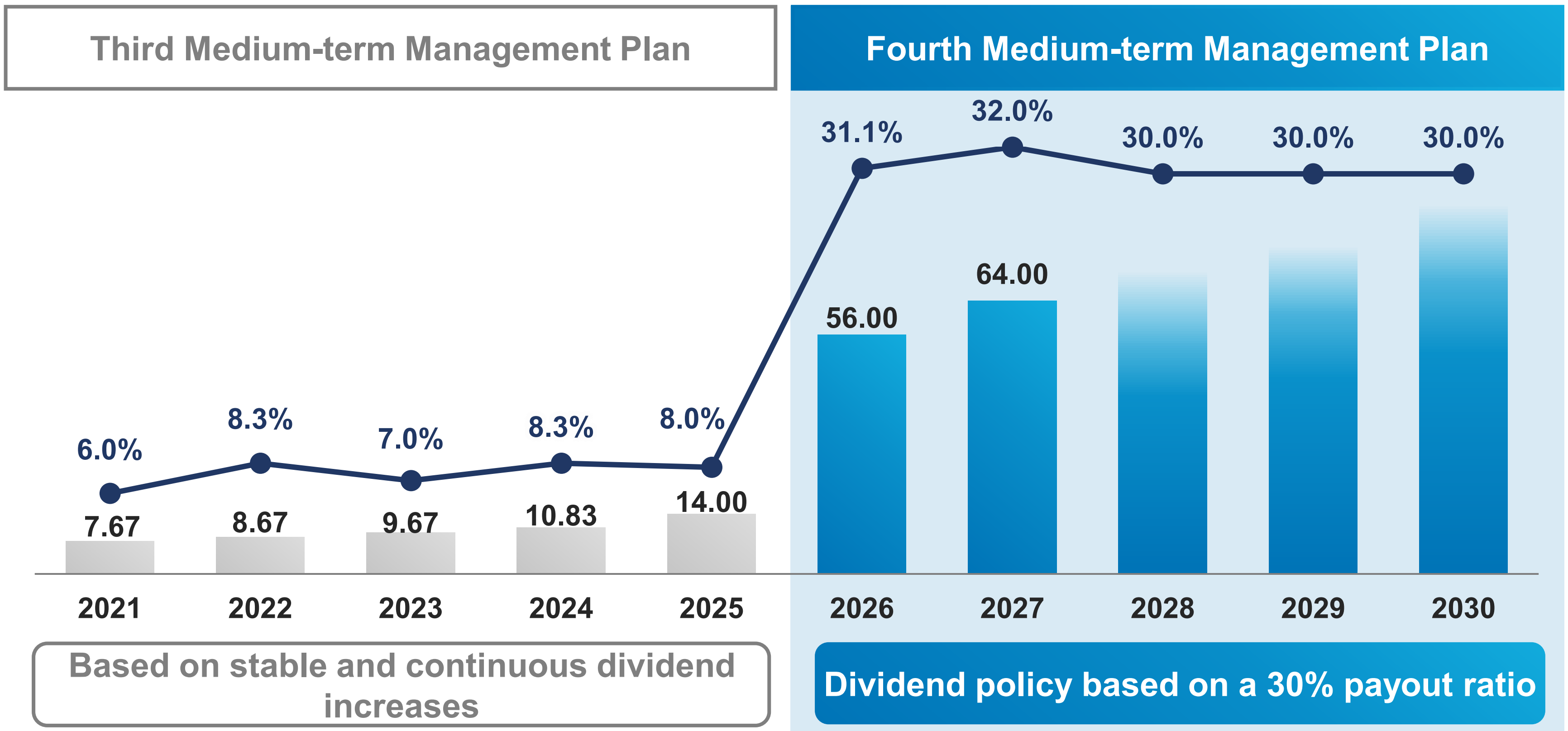
	Investment Amount	Remarks
Development Investment	50%	New stores (Company-owned)
Strategic Investment	30%	M&A (Incl. remodeling)
Other	20%	Remodeling, PC, dispensing system, PV system, etc.

Dividend payout ratio: 30%/Share buyback, etc.

Implementation of a fundamental review of the shareholder return policy

Dividend
- Increase the dividend payout ratio to 30%
- We implemented a 40th anniversary commemorative dividend (+¥40) at the end of FY May 2026 and increased the dividend payout ratio to 30%.

Share buyback
- We resolved a share buyback of up to 6 million shares (¥24.0 billion). We will strengthen shareholder returns through flexible implementation in response to the business environment.



* We conducted a three-for-one stock split of our common shares effective as of November 21, 2023. Figures for periods prior to the stock split have been recalculated on a post-split basis using approximate values.