



*This document is an English translation of a statement written originally in Japanese. The Japanese original should be considered as the primary version.*

## Consolidated Financial Results for the Fiscal Year Ended May 31, 2025 (Japanese GAAP)

July 14, 2025

Name of Listed Company: CREATE SD HOLDINGS CO., LTD.

Listing: Tokyo Stock Exchange

Securities code: 3148

URL: <https://www.createsdhd.co.jp/English/tabid/129/Default.aspx>

Representative: Taizo Hirose, Representative Director and President

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Scheduled date of the Ordinary General Meeting of Shareholders:  
August 22, 2025

Scheduled date of start of dividend payment:  
August 25, 2025

Scheduled filing date of Securities Report: August 21, 2025

Supplementary materials for the financial results: Yes

Financial results briefing sessions: Yes (For securities analysts and institutional investors)

(Figures are rounded down to the nearest million yen)

### 1. Consolidated Results for Fiscal Year Ended May 31, 2025 (June 1, 2024 to May 31, 2025)

#### (1) Consolidated Operating Results

(Figures in percentages denote the year-on-year change)

|                                | Net sales       |      | Operating profit |      | Ordinary profit |      | Profit attributable to owners of parent |      |
|--------------------------------|-----------------|------|------------------|------|-----------------|------|-----------------------------------------|------|
|                                | Millions of yen | %    | Millions of yen  | %    | Millions of yen | %    | Millions of yen                         | %    |
| Fiscal year ended May 31, 2025 | 457,093         | 8.2  | 22,625           | 11.9 | 23,414          | 12.1 | 15,685                                  | 14.6 |
| Fiscal year ended May 31, 2024 | 422,330         | 10.9 | 20,227           | 7.0  | 20,882          | 7.5  | 13,691                                  | 5.9  |

(Note) Comprehensive income:

Fiscal year ended May 31, 2025: ¥15,868 million (13.6%)

Fiscal year ended May 31, 2024: ¥13,967 million (6.5%)

|                                | Earnings per share | Diluted earnings per share | Return on equity | Return on assets | Operating margin |
|--------------------------------|--------------------|----------------------------|------------------|------------------|------------------|
|                                | Yen                | Yen                        | %                | %                | %                |
| Fiscal year ended May 31, 2025 | 242.82             | —                          | 11.5             | 10.3             | 4.9              |
| Fiscal year ended May 31, 2024 | 215.61             | 215.61                     | 11.1             | 10.2             | 4.8              |

(Reference) Share of profit of entities accounted for using equity method:

Fiscal year ended May 31, 2025: ¥— million

Fiscal year ended May 31, 2024: ¥— million

#### (2) Consolidated Financial Position

|                    | Total assets    | Total net assets | Equity ratio | Net assets per share |
|--------------------|-----------------|------------------|--------------|----------------------|
|                    | Millions of yen | Millions of yen  | %            | Yen                  |
| As of May 31, 2025 | 236,561         | 142,720          | 60.3         | 2,209.23             |
| As of May 31, 2024 | 216,481         | 130,243          | 60.2         | 2,027.07             |

(Reference) Net assets: As of May 31, 2025: ¥142,720 million

As of May 31, 2024: ¥130,224 million

#### (3) Consolidated Cash Flows

|                                | Net cash provided by operating activities | Net cash used in investing activities | Net cash used in financing activities | Cash and cash equivalents at end of period |
|--------------------------------|-------------------------------------------|---------------------------------------|---------------------------------------|--------------------------------------------|
|                                | Millions of yen                           | Millions of yen                       | Millions of yen                       | Millions of yen                            |
| Fiscal year ended May 31, 2025 | 23,625                                    | (20,700)                              | (3,390)                               | 37,346                                     |
| Fiscal year ended May 31, 2024 | 21,034                                    | (20,207)                              | (140)                                 | 37,812                                     |

## 2. Dividend Payments

|                                            | Dividends per share |                |               |          |        | Total dividends paid (annual) | Dividend payout ratio (consolidated) | Dividend on equity ratio (consolidated) |
|--------------------------------------------|---------------------|----------------|---------------|----------|--------|-------------------------------|--------------------------------------|-----------------------------------------|
|                                            | First quarter       | Second quarter | Third quarter | Year-end | Annual |                               |                                      |                                         |
|                                            | Yen                 | Yen            | Yen           | Yen      | Yen    | Millions of yen               | %                                    | %                                       |
| Fiscal year ended May 31, 2024             | —                   | 27.00          | —             | 37.00    | 64.00  | 4,083                         | 29.7                                 | 3.3                                     |
| Fiscal year ended May 31, 2025             | —                   | 34.00          | —             | 44.00    | 78.00  | 5,038                         | 32.1                                 | 3.7                                     |
| Fiscal year ending May 31, 2026 (forecast) | —                   | 45.00          | —             | 45.00    | 90.00  |                               | 35.7                                 |                                         |

## 3. Consolidated Financial Forecast (From June 1, 2025 to May 31, 2026)

(Figures in percentages denote the year-on-year change)

|                                     | Net sales       |     | Operating profit |     | Ordinary profit |     | Profit attributable to owners of parent |      | Earnings per share |
|-------------------------------------|-----------------|-----|------------------|-----|-----------------|-----|-----------------------------------------|------|--------------------|
|                                     | Millions of yen | %   | Millions of yen  | %   | Millions of yen | %   | Millions of yen                         | %    |                    |
| Six months ending November 30, 2025 | 240,700         | 7.1 | 11,260           | 7.6 | 11,660          | 7.9 | 7,900                                   | 12.5 | 122.29             |
| Full-year                           | 491,500         | 7.5 | 24,100           | 6.5 | 24,900          | 6.3 | 16,300                                  | 3.9  | 252.31             |

### Notes

(1) Significant changes of subsidiaries in the fiscal year ended May 31, 2025: None

Newly consolidated: — companies (company name(s)); Deconsolidated: — companies (company name(s))

(2) Changes in accounting policies, changes of accounting estimates and restatement

(i) Changes in accounting policies due to amendments to accounting standards: Yes

(ii) Other changes in accounting policies: None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(3) Issued shares (common shares)

(i) Issued shares (including treasury shares) at period-end:

|                                |                   |                                |                   |
|--------------------------------|-------------------|--------------------------------|-------------------|
| Fiscal year ended May 31, 2025 | 66,819,342 shares | Fiscal year ended May 31, 2024 | 66,819,342 shares |
| Fiscal year ended May 31, 2025 | 2,217,058 shares  | Fiscal year ended May 31, 2024 | 2,576,458 shares  |
| Fiscal year ended May 31, 2025 | 64,595,671 shares | Fiscal year ended May 31, 2024 | 63,500,165 shares |

(ii) Treasury shares at period-end:

(iii) Average issued shares during period:

Note on issued shares

(Reference) Overview of Non-Consolidated Results

1. Non-Consolidated Results for Fiscal Year Ended May 31, 2025 (June 1, 2024 to May 31, 2025)

(1) Non-Consolidated Operating Results

(Figures in percentages denote the year-on-year change)

|                                | Net sales       |     | Operating profit |     | Ordinary profit |     | Profit attributable to owners of parent |      |
|--------------------------------|-----------------|-----|------------------|-----|-----------------|-----|-----------------------------------------|------|
|                                | Millions of yen | %   | Millions of yen  | %   | Millions of yen | %   | Millions of yen                         | %    |
| Fiscal year ended May 31, 2025 | 8,968           | 9.4 | 8,442            | 9.5 | 8,555           | 9.8 | 7,963                                   | 10.1 |
| Fiscal year ended May 31, 2024 | 8,195           | 3.9 | 7,709            | 4.7 | 7,794           | 5.8 | 7,232                                   | 5.7  |

  

|                                | Earnings per share | Diluted earnings per share |
|--------------------------------|--------------------|----------------------------|
|                                | Yen                | Yen                        |
| Fiscal year ended May 31, 2025 | 123.29             | —                          |
| Fiscal year ended May 31, 2024 | 113.90             | 113.90                     |

(2) Non-Consolidated Financial Position

|                    | Total assets    | Total net assets | Equity ratio | Net assets per share |
|--------------------|-----------------|------------------|--------------|----------------------|
|                    | Millions of yen | Millions of yen  | %            | Yen                  |
| As of May 31, 2025 | 65,951          | 65,181           | 98.8         | 1,008.96             |
| As of May 31, 2024 | 60,760          | 60,607           | 99.7         | 943.13               |

(Reference) Net assets: As of May 31, 2025: ¥65,181 million

As of May 31, 2024: ¥60,589 million

This financial summary is not subject to audits by certified public accountants or audit firms.

Cautionary statement regarding business results forecasts and special notes

The financial forecasts and other forward-looking statements contained herein are based on currently available information and certain assumptions considered by the Company to be reasonable. Actual financial results may differ materially due to various factors. Refer to “1. Operating Results (4) Future Outlook” on page 4 of the supplementary material for the underlying assumptions and proper use of the forecasts.

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## 1. Operating Results

### (1) Operating Results for the Fiscal Year under Review

During the fiscal year ended May 31, 2025 (June 1, 2024 to May 31, 2025), the Japanese economy showed a gradual recovery trend, supported by improvements in employment and income conditions, as well as an increase in the number of foreign visitors to Japan, signaling progress in the normalization of economic and social activities. However, uncertainties about the future persist due to concerns over a slowdown in personal consumption caused by ongoing price increases, heightened geopolitical risks, and fluctuations in financial and capital markets.

In the drug store industry, the environment surrounding the Company has become increasingly challenging due to the intensified competition from the opening of stores by competitors across different sectors and business models, heightened price competition, and the trend toward industry consolidation and scale expansion through M&A among major players.

Under these circumstances, the Group is promoting comprehensive health care support for regional contribution in the domains of daily life, prevention, medical care, and nursing care as we continue to strengthen our dominant position in existing areas, mainly in in-store prescription drug stores, to achieve the Medium-term Management Plan.

#### **Drug Stores**

The drug store business faced a further strengthening of the tendency among households to seek money savings and consume selectively. In response, we continued to promote our everyday low prices (EDLP) strategy offering affordable prices at all times, thus acting as a lifeline to support the health and lifestyles of local customers and patients. We also continued our efforts to realize quick, one-stop shopping by promoting in-store prescription drug stores and improving convenience and expertise in small trade areas by expanding the lineup of fresh foods and other food products.

During the fiscal year ended May 31, 2025, the merchandise sales division continued to see steady growth in both net sales and customer numbers at existing stores driven by the sustained promotion of our EDLP strategy. In addition to opening new stores in a variety of formats, we resumed openings of "Cremo" stores specializing in enhanced beauty care, developed new stores in clinic malls in collaboration with medical institutions, and worked to strengthen the competitiveness of existing stores through initiatives such as remodeling involving a review of merchandising and floor space expansion. In the prescriptions division, efforts focused on strengthening collaboration with nearby medical institutions and enhancing the calculation of various reimbursement additions. Additionally, the division worked on establishing a system to handle electronic prescriptions and expanding prescription counters, resulting in steady progress in the number of prescriptions handled and the average prescription unit price. On the cost management front, we actively pursued workforce control measures on-site, installed solar panels on store rooftops, and began operations at a new logistics center, with an emphasis not only on cost reduction but also on promoting environmentally responsible management.

During the period, we opened 40 new drug stores. On the other hand, we closed five stores, one for renovation works, two due to expiration of contracts, and two from the standpoint of improving management efficiency. In terms of prescription drug stores, we opened 37 new stores: 36 in-store prescription drug stores and one dedicated prescription drug store.

#### **Nursing Care**

Regarding the nursing care business, amid an aging population, we operate two paid assisted living facilities characterized by delicious meals for elderly people who want to live safely and securely under the care of nursing staff, as well as 37 half-day rehabilitative adult care centers for those who want to continue living at home. For our paid assisted living facilities and adult day care services we have put every effort into customer service, which is one of the distinctive characteristics of our Group, to increase user satisfaction and improve occupancy rates.

Owing to the efforts above, the number of Group stores as of May 31, 2025, was as follows: 787 drug stores, one supermarket, and five combination drug store/fresh produce stores. The total number of prescription drug stores was 455, consisting of 38 dedicated prescription drug stores and 417 in-store prescription drug stores. The Group also has two paid assisted living facilities and 37 half-day adult care centers in the nursing care business.

As a result of the above, the financial results for the fiscal year under review were as follows: Net sales came in at 457,093 million yen (up 8.2% year on year), operating profit was 22,625 million yen (up 11.9%), ordinary profit was 23,414 million yen

(up 12.1%), and profit attributable to owners of parent was 15,685 million yen (up 14.6%).

## (2) Financial Position

Total assets were 236,561 million yen, up 20,079 million yen from the end of the previous fiscal year. The main factors were an increase of 2,080 million yen in accounts receivable - trade, 3,643 million yen in merchandise, and 15,229 million yen in non-current assets due to an increase in new and soon to be opened stores.

Total liabilities were 93,840 million yen, up 7,601 million yen from the end of the previous fiscal year. The main factors were an increase of 3,405 million yen in accounts payable - trade, 1,703 million yen in income taxes payable, and 228 million yen in long-term asset retirement obligations.

Net assets were 142,720 million yen, up 12,477 million yen from the end of the previous fiscal year. The main factors were a 4,573 million yen decrease due to dividends paid, an increase of 763 million yen in capital surplus due to exercise of share options, a decrease of 438 million yen in treasury shares, and the recording of 15,685 million yen in profit attributable to owners of parent.

## (3) Cash Flows

Cash and cash equivalents at the end of the fiscal year under review totaled 37,346 million yen, down 465 million yen from the end of the previous fiscal year.

Cash flows for the fiscal year ended May 31, 2025 were as follows:

### **Cash flows from operating activities**

Net cash provided by operating activities amounted to 23,625 million yen, up 2,590 million yen year on year. The main factors of the increase were profit before income taxes of 21,988 million yen, depreciation of 5,675 million yen, impairment losses of 950 million yen, and income tax refunds of 863 million yen, which offset cash outflows such as an increase in trade receivables of 2,080 million yen, an increase in inventories of 3,672 million yen, and income taxes paid of 5,930 million yen.

### **Cash flows from investing activities**

Net cash used in investing activities amounted to 20,700 million yen, up 493 million yen year on year. This was mainly due to 17,524 million yen of purchase of property, plant and equipment associated with the store openings, 478 million yen of loan advances, and 3,413 million yen for store openings in progress.

### **Cash flows from financing activities**

Net cash used in financing activities amounted to 3,390 million yen, up 3,249 million yen year on year. This is the result of dividends paid of 4,573 million yen and proceeds from disposal of treasury shares of 1,198 million yen.

### **Capital resources and liquidity of funds**

Regarding the Group's capital resources and liquidity of funds, cash obtained mainly from operating activities are used for capital investment for the opening of new stores.

#### (4) Future Outlook

In the next fiscal year, the Japanese economy is expected to show a moderate recovery supported by improvements in the employment and income environment and an increase in the number of foreign visitors to Japan. However, the outlook is expected to remain uncertain due to concerns over a slowdown in personal consumption resulting from continued inflation, heightened geopolitical risks, and fluctuations in financial and capital markets.

The harsh business environment in the drug store industry is expected to continue as competition further intensifies across industries, M&A and industry reorganization moves heat up, as well as with the risk of downward pressure due to revisions to medical fees and drug prices.

Amid these conditions, the Group is currently formulating a new Medium-term Management Plan beginning in the fiscal year ending May 31, 2026, with details scheduled to be announced on July 17, 2025.

As part of our commitment to enhancing long-term corporate value, the new Medium-term Management Plan will focus on three key pillars: (1) Growth Strategy, (2) Financial Strategy, and (3) Promotion of Sustainability Management.

Under the growth strategy, the Group will work to expand its top line through organic growth by deepening its dominant position in existing areas, expanding into new store locations, promoting diverse store formats, enhancing the product lineup including fresh foods, and pursuing scrap-and-build redevelopment of existing stores, while also actively pursuing scale expansion through M&A.

Under the financial strategy, while maintaining financial soundness, we aim to clarify our cash allocation policy by balancing proactive growth investments for sustainable growth and enhanced shareholder returns. Through this approach, we will strive to improve management transparency and maximize corporate value.

In promoting sustainability management, we will advance initiatives in the areas of environment (E), society (S), and governance (G), with the goal of achieving both sustainable corporate value enhancement and the realization of a sustainable society.

Based on the above, we forecast the financial results for the fiscal year ending May 31, 2026 as follows:

Consolidated Financial Forecast (From June 1, 2025 to May 31, 2026)

|           | Net sales                  | Operating profit          | Ordinary profit           | Profit attributable to owners of parent |
|-----------|----------------------------|---------------------------|---------------------------|-----------------------------------------|
| Full-year | Millions of yen<br>491,500 | Millions of yen<br>24,100 | Millions of yen<br>24,900 | Millions of yen<br>16,300               |

(Reference) Forecast earnings per share: 252.31 yen, average number of shares during the forecast period: 64,602,284 shares

(Note) The above forecasts, which include risks and uncertainties, are made by the Company based on information available at the time. Actual results may differ from these forecasts due to various factors.

## 2. Basic Concept of Selecting Accounting Standards

The Group presently intends to prepare consolidated financial statements based on Generally Accepted Accounting Principles in Japan (Japanese GAAP), taking into account the comparability of consolidated financial statements over the period and the comparability between companies.

Regarding the application of International Financial Reporting Standards (IFRS), we will take appropriate measures in consideration of domestic and overseas circumstances.



### 3. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheet

(Millions of yen)

|                                     | FY2023<br>(As of May 31, 2024) | FY2024<br>(As of May 31, 2025) |
|-------------------------------------|--------------------------------|--------------------------------|
| <b>Assets</b>                       |                                |                                |
| Current assets                      |                                |                                |
| Cash and deposits                   | 38,212                         | 37,746                         |
| Accounts receivable - trade         | 15,431                         | 17,512                         |
| Merchandise                         | 42,015                         | 45,659                         |
| Supplies                            | 115                            | 144                            |
| Other                               | 11,415                         | 10,978                         |
| Total current assets                | 107,191                        | 112,041                        |
| Non-current assets                  |                                |                                |
| Property, plant and equipment       |                                |                                |
| Buildings and structures            | 60,300                         | 73,734                         |
| Accumulated depreciation            | (23,806)                       | (26,761)                       |
| Buildings and structures, net       | 36,493                         | 46,973                         |
| Land                                | 27,274                         | 33,034                         |
| Construction in progress            | 3,019                          | —                              |
| Other                               | 29,582                         | 32,440                         |
| Accumulated depreciation            | (24,189)                       | (26,104)                       |
| Other, net                          | 5,392                          | 6,336                          |
| Total property, plant and equipment | 72,180                         | 86,344                         |
| Intangible fixed assets             |                                |                                |
| Goodwill                            | 372                            | 294                            |
| Other                               | 770                            | 650                            |
| Total intangible assets             | 1,142                          | 944                            |
| Investments and other assets        |                                |                                |
| Investment securities               | 182                            | 175                            |
| Long-term loans receivable          | 10,024                         | 10,324                         |
| Deferred tax assets                 | 6,878                          | 7,924                          |
| Leasehold and guarantee deposits    | 11,939                         | 12,303                         |
| Other                               | 7,002                          | 6,562                          |
| Allowance for doubtful accounts     | (60)                           | (60)                           |
| Total investments and other assets  | 35,967                         | 37,231                         |
| Total non-current assets            | 109,290                        | 124,520                        |
| <b>Total assets</b>                 | <b>216,481</b>                 | <b>236,561</b>                 |

(Millions of yen)

|                                                          | FY2023<br>(As of May 31, 2024) | FY2024<br>(As of May 31, 2025) |
|----------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Liabilities</b>                                       |                                |                                |
| Current liabilities                                      |                                |                                |
| Accounts payable - trade                                 | 56,357                         | 59,763                         |
| Contract liabilities                                     | 3,600                          | 3,760                          |
| Accrued income taxes                                     | 3,444                          | 5,148                          |
| Accrued bonuses                                          | 387                            | 384                            |
| Provision for bonuses for directors (and other officers) | 157                            | 150                            |
| Provision for point card certificates                    | 160                            | 190                            |
| Asset retirement obligations                             | 6                              | 19                             |
| Provision for loss on store closings                     | 36                             | —                              |
| Provision for losses on cancellation                     | —                              | 132                            |
| Other                                                    | 13,374                         | 15,119                         |
| Total current liabilities                                | 77,524                         | 84,668                         |
| Non-current liabilities                                  |                                |                                |
| Net defined benefit liability                            | 3,234                          | 3,263                          |
| Asset retirement obligations                             | 3,925                          | 4,153                          |
| Provision for loss on subleasing                         | 24                             | 17                             |
| Provision for losses on cancellation                     | —                              | 238                            |
| Other                                                    | 1,529                          | 1,497                          |
| Total non-current liabilities                            | 8,714                          | 9,171                          |
| Total liabilities                                        | 86,238                         | 93,840                         |
| Net assets                                               |                                |                                |
| Equity capital                                           |                                |                                |
| Share capital                                            | 1,000                          | 1,000                          |
| Capital surplus                                          | 2,945                          | 3,709                          |
| Retained earnings                                        | 129,019                        | 140,131                        |
| Treasury shares                                          | (3,144)                        | (2,705)                        |
| Total shareholders' equity                               | 129,821                        | 142,134                        |
| Accumulated other comprehensive income                   |                                |                                |
| Valuation difference on available-for-sale securities    | 39                             | 50                             |
| Remeasurements of defined benefit plans                  | 363                            | 536                            |
| Total accumulated other comprehensive income             | 403                            | 586                            |
| Share options                                            | 18                             | —                              |
| Total net assets                                         | 130,243                        | 142,720                        |
| Liabilities and net assets                               | 216,481                        | 236,561                        |

## (2) Consolidated Statements of Income and Comprehensive Income

## Consolidated Statement of Income

(Millions of yen)

|                                                           | FY2023<br>(From June 1, 2023<br>to May 31, 2024) | FY2024<br>(From June 1, 2024<br>to May 31, 2025) |
|-----------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| Net sales                                                 | 422,330                                          | 457,093                                          |
| Cost of sales                                             | 312,143                                          | 337,873                                          |
| Gross profit                                              | 110,187                                          | 119,220                                          |
| Selling, general and administrative expenses              |                                                  |                                                  |
| Provision for point card certificates                     | 160                                              | 190                                              |
| Salaries and allowances                                   | 36,131                                           | 38,808                                           |
| Provision of allowance for doubtful accounts              | 21                                               | —                                                |
| Provision for bonuses                                     | 387                                              | 762                                              |
| Provision for directors' bonuses                          | 153                                              | 146                                              |
| Retirement benefit expenses                               | 777                                              | 706                                              |
| Depreciation and amortization                             | 4,847                                            | 5,436                                            |
| Land/office rent                                          | 17,385                                           | 18,312                                           |
| Other                                                     | 30,095                                           | 32,230                                           |
| Total selling, general and administrative expenses        | 89,959                                           | 96,594                                           |
| Operating profit                                          | 20,227                                           | 22,625                                           |
| Non-operating profit                                      |                                                  |                                                  |
| Interest income                                           | 85                                               | 123                                              |
| Dividend income                                           | 1                                                | 1                                                |
| Gain on receipt of donated non-current assets             | 30                                               | 26                                               |
| Rent income                                               | 364                                              | 544                                              |
| Subsidy income                                            | 166                                              | —                                                |
| Other                                                     | 186                                              | 353                                              |
| Total non-operating income                                | 835                                              | 1,049                                            |
| Non-operating expenses                                    |                                                  |                                                  |
| Provision of allowance for doubtful accounts              | 1                                                | 2                                                |
| Compensation expenses                                     | 5                                                | 1                                                |
| Rental expenses                                           | 163                                              | 254                                              |
| Other                                                     | 10                                               | 2                                                |
| Total non-operating expenses                              | 180                                              | 260                                              |
| Ordinary profit                                           | 20,882                                           | 23,414                                           |
| Extraordinary profit                                      |                                                  |                                                  |
| Subsidy income                                            | 73                                               | 208                                              |
| Other                                                     | 1                                                | 1                                                |
| Total extraordinary income                                | 74                                               | 210                                              |
| Extraordinary losses                                      |                                                  |                                                  |
| Loss on sale of non-current assets                        | 26                                               | 2                                                |
| Impairment losses                                         | 1,284                                            | 950                                              |
| Provision for loss on store closings                      | 36                                               | —                                                |
| Loss on retirement of non-current assets                  | 165                                              | 15                                               |
| Loss on tax purpose reduction entry of non-current assets | 73                                               | 208                                              |
| Loss on valuation of investment securities                | —                                                | 20                                               |
| Provision for losses on cancellation losses               | —                                                | 371                                              |
| Other                                                     | 18                                               | 67                                               |
| Total extraordinary losses                                | 1,604                                            | 1,635                                            |

|                                                  | (Millions of yen)                                |                                                  |
|--------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
|                                                  | FY2023<br>(From June 1, 2023<br>to May 31, 2024) | FY2024<br>(From June 1, 2024<br>to May 31, 2025) |
| Profit before income taxes                       | 19,352                                           | 21,988                                           |
| Income taxes - current                           | 6,250                                            | 7,433                                            |
| Income taxes - deferred                          | (588)                                            | (1,129)                                          |
| Total income taxes                               | 5,661                                            | 6,303                                            |
| Profit                                           | 13,691                                           | 15,685                                           |
| Profit attributable to non-controlling interests | —                                                | —                                                |
| Profit attributable to owners of parent          | 13,691                                           | 15,685                                           |

## Consolidated Statement of Comprehensive Income

(Millions of yen)

|                                                       | FY2023<br>(From June 1, 2023<br>to May 31, 2024) | FY2024<br>(From June 1, 2024<br>to May 31, 2025) |
|-------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| Profit                                                | 13,691                                           | 15,685                                           |
| Other comprehensive income                            |                                                  |                                                  |
| Valuation difference on available-for-sale securities | 0                                                | 10                                               |
| Remeasurements of defined benefit plans, net of tax   | 275                                              | 172                                              |
| Total other comprehensive income                      | 276                                              | 183                                              |
| Comprehensive income:                                 | 13,967                                           | 15,868                                           |
| Comprehensive income attributable to:                 |                                                  |                                                  |
| Owners of parent                                      | 13,967                                           | 15,868                                           |
| Non-controlling interests                             | —                                                | —                                                |

### (3) Consolidated Statements of Changes in Equity

FY2023 (June 1, 2023 to May 31, 2024)

(Millions of yen)

|                                                      | Equity capital |                 |                   |                 |                            |
|------------------------------------------------------|----------------|-----------------|-------------------|-----------------|----------------------------|
|                                                      | Share capital  | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period                       | 1,000          | 934             | 118,741           | (4,393)         | 116,282                    |
| Changes during period                                |                |                 |                   |                 |                            |
| Dividends of surplus                                 |                |                 | (3,413)           |                 | (3,413)                    |
| Profit attributable to owners of parent              |                |                 | 13,691            |                 | 13,691                     |
| Purchase of treasury shares                          |                |                 |                   | (0)             | (0)                        |
| Exercise of share options                            |                | 2,011           |                   | 1,249           | 3,261                      |
| Net changes in items other than shareholders' equity |                |                 |                   |                 |                            |
| Total changes during period                          | —              | 2,011           | 10,277            | 1,249           | 13,538                     |
| Balance at end of period                             | 1,000          | 2,945           | 129,019           | (3,144)         | 129,821                    |

|                                                      | Accumulated other comprehensive income                |                                         |                                              | Share options | Total net assets |
|------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|----------------------------------------------|---------------|------------------|
|                                                      | Valuation difference on available-for-sale securities | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |               |                  |
| Balance at beginning of period                       | 39                                                    | 87                                      | 126                                          | —             | 116,409          |
| Changes during period                                |                                                       |                                         |                                              |               |                  |
| Dividends of surplus                                 |                                                       |                                         |                                              |               | (3,413)          |
| Profit attributable to owners of parent              |                                                       |                                         |                                              |               | 13,691           |
| Purchase of treasury shares                          |                                                       |                                         |                                              |               | (0)              |
| Exercise of share options                            |                                                       |                                         |                                              |               | 3,261            |
| Net changes in items other than shareholders' equity | 0                                                     | 275                                     | 276                                          | 18            | 295              |
| Total changes during period                          | 0                                                     | 275                                     | 276                                          | 18            | 13,833           |
| Balance at end of period                             | 39                                                    | 363                                     | 403                                          | 18            | 130,243          |

FY2024 (June 1, 2024 to May 31, 2025)

(Millions of yen)

|                                                      | Equity capital |                 |                   |                 |                            |
|------------------------------------------------------|----------------|-----------------|-------------------|-----------------|----------------------------|
|                                                      | Share capital  | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period                       | 1,000          | 2,945           | 129,019           | (3,144)         | 129,821                    |
| Changes during period                                |                |                 |                   |                 |                            |
| Dividends of surplus                                 |                |                 | (4,573)           |                 | (4,573)                    |
| Profit attributable to owners of parent              |                |                 | 15,685            |                 | 15,685                     |
| Purchase of treasury shares                          |                |                 |                   |                 | —                          |
| Exercise of share options                            |                | 763             |                   | 438             | 1,201                      |
| Net changes in items other than shareholders' equity |                |                 |                   |                 |                            |
| Total changes during period                          | —              | 763             | 11,111            | 438             | 12,313                     |
| Balance at end of period                             | 1,000          | 3,709           | 140,131           | (2,705)         | 142,134                    |

|                                                      | Accumulated other comprehensive income                |                                         |                                              | Share options | Total net assets |
|------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|----------------------------------------------|---------------|------------------|
|                                                      | Valuation difference on available-for-sale securities | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |               |                  |
| Balance at beginning of period                       | 39                                                    | 363                                     | 403                                          | 18            | 130,243          |
| Changes during period                                |                                                       |                                         |                                              |               |                  |
| Dividends of surplus                                 |                                                       |                                         |                                              |               | (4,573)          |
| Profit attributable to owners of parent              |                                                       |                                         |                                              |               | 15,685           |
| Purchase of treasury shares                          |                                                       |                                         |                                              |               | —                |
| Exercise of share options                            |                                                       |                                         |                                              |               | 1,201            |
| Net changes in items other than shareholders' equity | 10                                                    | 172                                     | 183                                          | (18)          | 160              |
| Total changes during period                          | 10                                                    | 172                                     | 183                                          | (18)          | 12,477           |
| Balance at end of period                             | 50                                                    | 536                                     | 586                                          | —             | 142,720          |

## (4) Consolidated Statements of Cash Flows

(Millions of yen)

|                                                                                 | FY2023<br>(From June 1, 2023<br>to May 31, 2024) | FY2024<br>(From June 1, 2024<br>to May 31, 2025) |
|---------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| Cash flows from operating activities                                            |                                                  |                                                  |
| Profit before income taxes                                                      | 19,352                                           | 21,988                                           |
| Depreciation and amortization                                                   | 4,995                                            | 5,675                                            |
| Impairment losses                                                               | 1,284                                            | 950                                              |
| Increase (decrease) in allowance for doubtful accounts                          | 19                                               | (0)                                              |
| Increase (decrease) in provision for bonuses                                    | 8                                                | (3)                                              |
| Increase (decrease) in provision for bonuses for directors (and other officers) | 12                                               | (7)                                              |
| Increase (decrease) in provision for point card certificates                    | (10)                                             | 29                                               |
| Increase (decrease) in provision for loss on subleasing                         | (6)                                              | (6)                                              |
| Increase (decrease) in provision for losses on cancellation                     | —                                                | 371                                              |
| Increase (decrease) in provision for loss on store closings                     | 36                                               | —                                                |
| Increase (decrease) in retirement benefit liability                             | 322                                              | 281                                              |
| Interest and dividend income                                                    | (87)                                             | (124)                                            |
| Decrease (increase) in trade receivables                                        | (2,118)                                          | (2,080)                                          |
| Decrease (increase) in inventories                                              | (3,578)                                          | (3,672)                                          |
| Increase (decrease) in trade payables                                           | 5,872                                            | 3,405                                            |
| Increase (decrease) in advances received                                        | 240                                              | (17)                                             |
| Other                                                                           | 924                                              | 1,872                                            |
| Subtotal                                                                        | 27,268                                           | 28,663                                           |
| Interest and dividends received                                                 | 3                                                | 28                                               |
| Income taxes paid                                                               | (7,074)                                          | (5,930)                                          |
| Income taxes refund                                                             | 837                                              | 863                                              |
| Net cash provided by operating activities                                       | 21,034                                           | 23,625                                           |
| Cash flows from investing activities                                            |                                                  |                                                  |
| Purchase of property, plant and equipment                                       | (15,772)                                         | (17,524)                                         |
| Purchase of intangible assets                                                   | (45)                                             | (129)                                            |
| Long-term loan advances                                                         | (792)                                            | (478)                                            |
| Proceeds from collection of long-term loans receivable                          | 1,076                                            | 1,094                                            |
| Proceeds from sale of investment securities                                     | 2                                                | 3                                                |
| Purchase of long-term prepaid expenses                                          | (338)                                            | (210)                                            |
| Payments of leasehold and guarantee deposits                                    | (233)                                            | (152)                                            |
| Proceeds from refund of leasehold and guarantee deposits                        | 177                                              | 125                                              |
| Payments for store openings in progress                                         | (3,960)                                          | (3,413)                                          |
| Payments into deposit money                                                     | (310)                                            | (9)                                              |
| Other                                                                           | (10)                                             | (6)                                              |
| Net cash used in investing activities                                           | (20,207)                                         | (20,700)                                         |
| Cash flows from financing activities                                            |                                                  |                                                  |
| Dividends paid                                                                  | (3,413)                                          | (4,573)                                          |
| Purchase of treasury shares                                                     | (0)                                              | —                                                |
| Proceeds from disposal of treasury shares                                       | 3,250                                            | 1,198                                            |
| Other                                                                           | 22                                               | (15)                                             |
| Net cash used in financing activities                                           | (140)                                            | (3,390)                                          |
| Net increase (decrease) in cash and cash equivalents                            | 686                                              | (465)                                            |
| Cash and cash equivalents at beginning of period                                | 37,126                                           | 37,812                                           |
| Cash and cash equivalents at end of period                                      | 37,812                                           | 37,346                                           |



## (5) Notes to Consolidated Financial Statements

### Going concern assumption

Not applicable

### Changes to accounting policies

Application of accounting standard for current income taxes, etc.

The Accounting Standard for Current Income Taxes, etc. (Accounting Standard No. 27, issued on October 28, 2022) has been applied from the beginning of the first quarter of the fiscal year ending May 31, 2026.

There is no impact on the consolidated financial statements as a result of this application.

### Segment information

Since the Group has a high proportion of drug store business which is considered to be of little importance as disclosed information, segment information has been omitted.

### Per share information

|                            | FY2023<br>(From June 1, 2023<br>to May 31, 2024) | FY2024<br>(From June 1, 2024<br>to May 31, 2025) |
|----------------------------|--------------------------------------------------|--------------------------------------------------|
| Net assets per share       | ¥2,027.07                                        | ¥2,209.23                                        |
| Earnings per share         | ¥215.61                                          | ¥242.82                                          |
| Diluted earnings per share | ¥215.61                                          | —                                                |

Notes: 1. Diluted earnings per share not stated for the fiscal year under review because there were no diluted shares.  
2. The basis for calculating earnings per share is as follows:

|                                                                                                                                              | FY2023<br>(From June 1, 2023<br>to May 31, 2024) | FY2024<br>(From June 1, 2024<br>to May 31, 2025) |
|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| Earnings per share                                                                                                                           |                                                  |                                                  |
| Profit attributable to owners of parent (millions of yen)                                                                                    | 13,691                                           | 15,685                                           |
| Amount not attributable to ordinary shareholders (millions of yen)                                                                           | —                                                | —                                                |
| Profit attributable to owners of parent related to common shares (millions of yen)                                                           | 13,691                                           | 15,685                                           |
| Average number of common shares during period                                                                                                | 63,500,165                                       | 64,595,671                                       |
| Diluted earnings per share                                                                                                                   |                                                  |                                                  |
| Adjusted profit attributable to owners of parent (millions of yen)                                                                           | —                                                |                                                  |
| Increase in number of common shares                                                                                                          | 1,638                                            | —                                                |
| (of which, share options)                                                                                                                    | (—)                                              | (—)                                              |
| Summary of dilutive shares that are not included in the calculation of diluted earnings per share because they do not have a dilutive effect |                                                  | —                                                |

### Significant subsequent events

Not applicable

#### 4. Other

##### (1) Changes in Officers

To be disclosed when details are concluded.

##### (2) Other

Purchases and Sales

###### (i) Sales results by product division

| Product division                      | FY2024<br>(From June 1, 2024<br>to May 31, 2025) |                |
|---------------------------------------|--------------------------------------------------|----------------|
|                                       | Amount<br>(millions of yen)                      | YoY change (%) |
| Drug Stores                           |                                                  |                |
| Medical and health products           | 119,079                                          | 106.6          |
| OTC                                   | 61,867                                           | 101.1          |
| Prescription drug stores              | 57,211                                           | 113.3          |
| Cosmetics                             | 50,107                                           | 104.9          |
| Food products                         | 195,835                                          | 110.8          |
| Daily products                        | 66,225                                           | 106.7          |
| Other                                 | 20,832                                           | 106.3          |
| Subtotal                              | 452,079                                          | 108.2          |
| Supermarkets                          | 2,586                                            | 124.5          |
| Nursing Care                          |                                                  |                |
| Paid assisted living facilities       | 720                                              | 102.7          |
| Adult day care services               | 1,513                                            | 103.1          |
| Subtotal                              | 2,234                                            | 103.0          |
| Revenue from contracts with customers | 456,900                                          | 108.2          |
| Other revenue (Note)                  | 193                                              | 115.3          |
| Total                                 | 457,093                                          | 108.2          |

(Note) Other revenue includes rent income based on the Accounting Standard for Lease Transactions (ASBJ Statement No. 13).

###### (ii) Sales results by region

Sales results by region for the fiscal year ended May 31, 2025 were as follows:

|          | FY2023<br>(From June 1, 2023<br>to May 31, 2024) |           | FY2024<br>(From June 1, 2024<br>to May 31, 2025) |           |
|----------|--------------------------------------------------|-----------|--------------------------------------------------|-----------|
|          | Amount<br>(millions of yen)                      | Share (%) | Amount<br>(millions of yen)                      | Share (%) |
| Kanagawa | 258,601                                          | 61.2      | 277,843                                          | 60.8      |
| Tokyo    | 59,593                                           | 14.1      | 63,197                                           | 13.8      |
| Shizuoka | 45,988                                           | 10.9      | 48,799                                           | 10.7      |
| Chiba    | 36,540                                           | 8.7       | 42,486                                           | 9.3       |
| Other    | 21,605                                           | 5.1       | 24,766                                           | 5.4       |
| Total    | 422,330                                          | 100.0     | 457,093                                          | 100.0     |

(iii) Purchase results

Purchase results by product division for the fiscal year ended May 31, 2025 were as follows:

| Product division                                       | FY2024<br>(From June 1, 2024<br>to May 31, 2025) |                |
|--------------------------------------------------------|--------------------------------------------------|----------------|
|                                                        | Amount<br>(millions of yen)                      | YoY change (%) |
| Drug Stores                                            |                                                  |                |
| Medical and health products                            | 70,887                                           | 106.6          |
| OTC                                                    | 35,722                                           | 101.0          |
| Prescription drug stores                               | 35,164                                           | 113.1          |
| Cosmetics                                              | 32,247                                           | 105.0          |
| Food products                                          | 169,978                                          | 110.6          |
| Daily products                                         | 47,885                                           | 104.5          |
| Other                                                  | 16,434                                           | 106.2          |
| Subtotal                                               | 337,433                                          | 108.1          |
| Supermarkets                                           | 1,996                                            | 127.9          |
| Nursing Care                                           |                                                  |                |
| Paid assisted living facilities                        | —                                                | —              |
| Adult day care services                                | —                                                | —              |
| Subtotal                                               | —                                                | —              |
| Purchases for revenue from contracts<br>with customers | 339,429                                          | 108.2          |
| Other purchases                                        | —                                                | —              |
| Total                                                  | 339,429                                          | 108.2          |