



CREATE SD HOLDINGS

Financial Results for FYE May 2025

July 17, 2025

The earnings forecasts in this document are based on the business environment as of the time of writing. Actual results may differ from projections due to a variety of factors. Note also that inquiries should be submitted in Japanese. Inquiries: Ozaki or Ryota Kimura (hdinfo@create-sd.co.jp), Corporate Planning Office.

FYE May 2025 Results

- 1. Consolidated Financial Highlights**
- 2. Consolidated Statement of Income**
- 3. Consolidated Balance Sheet**
- 4. Consolidated Statements of Cash Flows**
- 5. Store Openings/Closings**
- 6. Performance Highlights**

FYE May 2026 Plan

- 1. FYE May 2026 Plan (Consolidated)**

FYE May 2025 Results

1. Consolidated Financial Highlights

Consolidated Results for FYE May 2025

Net sales

457.0 billion yen
(108.2% YoY)

Ordinary profit

23.4 billion yen
(112.1% YoY)

Ordinary profit margin: 5.1%

Business Overview

- ◆ OTC: Continued promotion of everyday low price (EDLP) strategy led to strong performance in sales and **customer numbers at existing stores**
- ◆ Prescriptions: The increase in the number of stores and enhanced calculation of various additional fees set by the Ministry of Health, Labour and Welfare contributed to stable growth in both the number of prescriptions filled and prescription unit prices
- ◆ **Achieved increased sales and profit, reaching record-high earnings** through control of SG&A expenses including personnel expenses

2. Consolidated Statement of Income for FYE May 2025

	FYE May 2024 Results		FYE May 2025 Results			
	(Millions of yen)	Share (%)	(Millions of yen)	Share (%)	YoY change (%)	Vs plan (%)
Net sales	422,330	100.0	457,093	100.0	108.2	99.9
Gross profit	110,187	26.1	119,220	26.1	108.2	100.1
SG&A expenses	89,959	21.3	96,594	21.1	107.4	99.5
Operating profit	20,227	4.8	22,625	4.9	111.9	102.8
Ordinary profit	20,882	4.9	23,414	5.1	112.1	104.5
Profit attributable to owners of parent	13,691	3.2	15,685	3.4	114.6	108.9

Net sales

- Continued promotion of EDLP strategy resulted in strong performance in sales and **customer numbers at existing stores**
- In Q3, lower average temperatures compared to the previous year boosted sales of seasonal products
- In Q4, a high pollen count led to increased performance in the health segment, including prescriptions

Gross profit

- Although the proportion of food sales increased, the higher proportion of prescriptions helped maintain gross profit at a level similar to previous year

SG&A expenses

- SG&A expenses, including personnel expenses, were kept under control, resulting in a **YoY decrease of 0.2 points**

Profit attributable to owners of parent

- ◆ Increased by 1,993 million yen YoY, achieving higher sales and profit, and a record-high profit

3. Consolidated Balance Sheet for FYE May 2025

May 31, 2024		May 31, 2025	
Total assets		Total assets	
216,481		236,561	
		(+20,079)	
Current assets	Total liabilities	Current assets	Total liabilities
107,191	86,238	112,041	93,840
		(+4,850)	(+7,601)
Non-current assets	Total net assets	Non-current assets	Total net assets
109,290	130,243	124,520	142,720
		(+15,229)	(+12,477)

(Millions of yen)

■ Current assets +4,850

Increase in accounts receivable	+2,080
Increase in merchandise	+3,643
Decrease in cash and deposits	−465

■ Non-current assets +15,229

Land	+5,759
Buildings and structures	+10,479

■ Total liabilities +7,601

Increase in accounts payable	+3,405
Increase in accrued income taxes	+1,703

■ Total net assets +12,477

Retained earnings	+11,111
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4. Consolidated Cash Flows for FYE May 2025

■ Consolidated Statements of Cash Flows

	FYE May 2024	FYE May 2025	
	(Millions of yen)	(Millions of yen)	Change
Net cash provided by operating activities	21,034	23,625	+2,590
Net cash used in investing activities	-20,207	-20,700	-493
Net cash used in financing activities	-140	-3,390	-3,249
Net increase (decrease) in cash and cash equivalents	686	-465	-1,152
Cash and cash equivalents at end of period	37,812	37,346	-465

■ Depreciation and amortization

	FYE May 2024	FYE May 2025	
	(Millions of yen)	(Millions of yen)	Change
Capital investment	21,143	21,908	+765
Depreciation and amortization	4,847	5,436	+589

5. Store Openings/Closings

■ Store openings/closings and renovations

No. of store openings in FYE May 2025		Kanagawa	Tokyo	Shizuoka	Chiba	Aichi	Other	Annual
Store opening	Drug stores	17	6	2	6	5	4	40
	Prescription drug stores	27	5	1	3	0	1	37

- Store closings: **5 drug stores** (2 scrap and build, 2 after completion of contract, and 1 to improve management efficiency)
- Renovations: **28 stores** (1 expansion/renovation, 13 revised merchandising, 2 prescription area expansion, 12 newly equipped with in-store pharmacies)

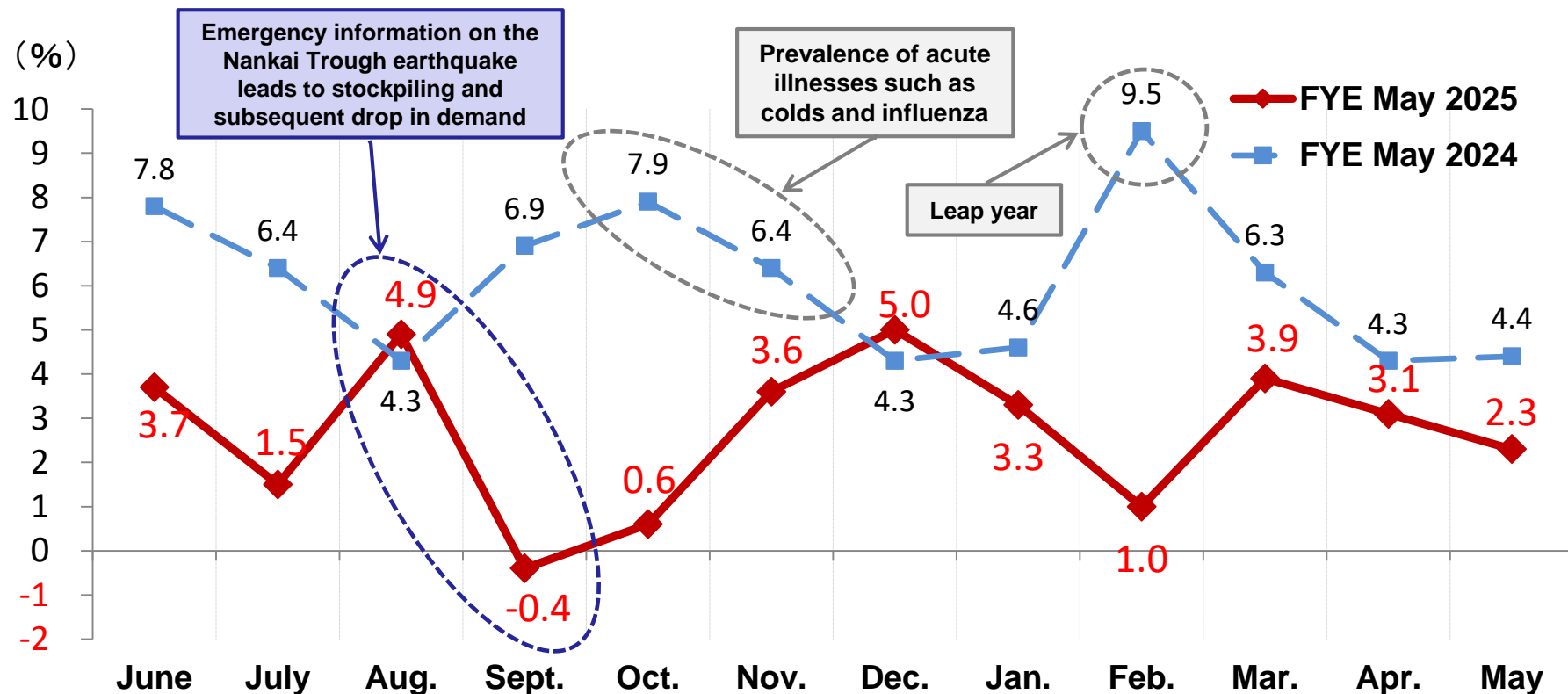
■ No. of stores at year end

	Kanagawa	Tokyo	Shizuoka	Chiba	Aichi	Other	Annual
Drug stores	434	119	98	70	28	38	787
<i>In-store pharmacies</i>	251	60	36	41	18	11	417
<i>Rate of in-store pharmacies</i>	57.8%	50.4%	36.7%	58.6%	64.3%	28.9%	53.0%
Dedicated prescription drug stores	28	7	0	2	0	1	38
(Supermarkets / Fresh produce stores)	6	0	0	0	0	0	6
Total no. of stores	468	126	98	72	28	39	831

6. Performance Highlights

■ YoY net sales comparison at all existing stores: **102.7%** (H1: 102.3%; H2: 103.2%)

└ OTC:**101.8%** Prescriptions:**109.6%**



FYE May 2025

Strong results in summer seasonal products due to heat wave

Poor performance of winter seasonal products due to lingering summer heat/mild winter

Strong results in winter seasonal products due to severe winter

Peak pollen count

FYE May 2024

More people going out and greater movement with reclassification of COVID-19 as a Class 5 disease

Prevalence of acute illnesses such as colds and influenza

Leap year

Pollen count lower than usual

6. Performance Highlights

■ Net sales by segment

	FYE May 2024 Results		FYE May 2025 Results		
	Net sales (Millions of yen)	Share (%)	Net sales (Millions of yen)	Share (%)	YoY change (%)
Medical and health products	111,686	26.7	119,079	26.3	106.6
OTC	61,169	14.6	61,867	13.7	101.1
Prescriptions	50,517	12.1	57,211	12.6	113.3
Cosmetics	47,768	11.4	50,107	11.1	104.9
Food products	176,791	42.3	195,835	43.3	110.8
Daily products	62,070	14.9	66,225	14.6	106.7
Other*	19,787	4.7	21,066	4.7	106.5
Total	418,104	100.0	452,313	100.0	108.2

Medical and health products

OTC

• Reactionary decline in sales of cold medicines, masks, and test kits following the outbreak of acute illnesses in FYE May 2024

Prescriptions

• Increased number of prescriptions filled from promotion of in-store pharmacies
Prescriptions as a percentage of sales **up 12.6% (+0.5 points)**

Food products

• Successful EDLP strategy amid growing consumer focus on saving and selective purchasing, leading to increased in sales volume
Percentage of sales increased to 43.3%

* "Other" includes stationery, baby products, clothing, pet products, and gardening products.

6. Performance Highlights

■ Prescription drug store department

	FYE May 2024 Results	FYE May 2025 Results	YoY change (%)
Sales at all stores (millions of yen)	50,517	57,211	113.3
No. of prescriptions (thousands)	5,491	6,166	112.3
Prescription unit price (yen)	9,032	9,113	100.9
Sales at existing stores (millions of yen)	50,444	55,265	109.6
No. of prescriptions (thousands)	5,482	5,913	107.9
Prescription unit price (yen)	9,035	9,186	101.7
Home-based dispensing sales (millions of yen)	1,420	1,444	101.7
No. of stores offering home-based dispensing services	192	202	+10
No. of prescriptions (thousands)	91	91	99.9
Gross profit margin at all stores (%)	40.7	40.4	-0.3

No. of prescriptions

- Increased number of prescriptions filled from promotion of in-store pharmacies
- Reactionary decline following the increase in acute prescriptions due to the prevalence of colds and influenza in the previous year

Prescription unit price

- Despite the impact of drug price revisions, the enhanced calculation of various additional fees set by the Ministry of Health, Labour and Welfare (DX and collaboration enhancement) and an increase in demand for high-priced prescriptions helped stabilize unit prices
- With the introduction of the elective care scheme at pharmacies in October 2024, the shift to generic drugs progressed, leading to an increase in the calculation of premiums for generic dispensing systems

Gross profit margin

- The impact of medical fee revisions had a positive effect due to the calculation of various additional fees
- Gross profit margin fell below the previous year due to the impact of drug price revisions

6. Performance Highlights

Gross profit margin / SG&A ratio

CSD Non-consolidated	FYE May 2024 Results		FYE May 2025 Results		YoY Change	
	Result (millions of yen)	Share (%)	Result (millions of yen)	Share (%)	Change (%)	YoY (%)
Amount of sales	418,104	—	452,313	—	—	108.2
Gross profit	109,531	26.2	118,524	26.2	±0.0	108.2

Gross profit margin

Although the proportion of food sales increased, the higher percentage of prescription sales and improved gross profit margins across segments helped maintain the overall gross profit margin at the same level as the previous year

CSD Non-consolidated	FYE May 2024 Results		FYE May 2025 Results		YoY Change	
	Result (millions of yen)	Share (%)	Result (millions of yen)	Share (%)	Change (%)	YoY (%)
Total personnel expenses	49,743	11.9	53,368	11.8	-0.1	107.3
Utility expenses	3,943	0.9	4,611	1.0	+0.1	116.9
Depreciation and amortization	4,768	1.1	5,358	1.2	+0.1	112.4
Commissions paid	5,104	1.2	5,538	1.2	±0.0	108.5
Land/office rent	17,332	4.1	18,259	4.0	-0.1	105.3
Selling, general and administrative expenses	90,949	21.8	97,618	21.6	-0.2	107.3

SG&A ratio

Personnel expenses

Control of personnel costs through appropriate allocation of personnel

Utility expenses

Increase due to the end of government subsidies
Note: Subsidies were still in place during part of FYE May 2025

Land/office rent

Lower percentage due to an increase in company-owned properties

FYE May 2026 Plan

1. FYE May 2026 Plan (Consolidated)

Full-year	FYE May 2025 Results		FYE May 2026 Plan			
	(Millions of yen)	Share (%)	(Millions of yen)	Share (%)	YoY change (%)	YoY change (Millions of yen)
Net sales	457,093	100.0	491,500	100.0	107.5	+34,406
Gross profit	119,220	26.1	128,200	26.1	107.5	+8,979
SG&A expenses	96,594	21.1	104,100	21.2	107.8	+7,505
Operating profit	22,625	4.9	24,100	4.9	106.5	+1,474
Ordinary profit	23,414	5.1	24,900	5.1	106.3	+1,485
Profit attributable to owners of parent	15,685	3.4	16,300	3.3	103.9	+614

Preconditions:

■ Store openings (Closings in parentheses)

OTC: **45 stores** (8 stores closed)

Prescriptions: **45 stores**

■ Existing store sales (YoY)

Company-wide: **103.0%** (H1: 102.9%, H2: 103.1%)

OTC: **102.0%** (H1: 102.0%, H2: 102.0%)

Prescriptions: **110.0%** (H1: 108.8%, H2: 111.0%)