

April 24, 2025

Consolidated Financial Results for the Fiscal Year Ended March 15, 2025 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
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 Scheduled date of annual general meeting of shareholders: June 11, 2025
 Scheduled date to commence dividend payments: June 12, 2025
 Scheduled date to file annual securities report: June 12, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (For Securities Analysts and Institutional Investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 15, 2025 (from March 16, 2024 to March 15, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 15, 2025	287,816	0.6	7,461	(1.8)	8,340	(3.1)	4,884	3.6
March 15, 2024	285,960	1.5	7,601	15.0	8,609	12.2	4,713	12.8

Note: Comprehensive income For the fiscal year ended March 15, 2025: ¥4,902 million [3.6%]
 For the fiscal year ended March 15, 2024: ¥4,732 million [12.8%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 15, 2025	218.72	218.48	4.3	4.2	2.6
March 15, 2024	211.03	210.79	4.3	4.4	2.7

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 15, 2025	199,601	114,410	57.3	5,120.32
March 15, 2024	196,119	111,295	56.7	4,980.82

Reference: Equity
 As of March 15, 2025: ¥114,358 million
 As of March 15, 2024: ¥111,242 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 15, 2025	7,481	(4,515)	(1,915)	36,674
March 15, 2024	6,402	(5,291)	(3,937)	35,623

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 15, 2024	-	0.00	-	80.00	80.00	1,786	37.9	1.6
Fiscal year ended March 15, 2025	-	0.00	-	80.00	80.00	1,786	36.6	1.6
Fiscal year ending March 15, 2026 (Forecast)		0.00		80.00	80.00		36.5	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from March 16, 2025 to March 15, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 15, 2025	149,100	1.2	4,500	9.6	4,900	7.8	3,200	17.8	143.28
Fiscal year ending March 15, 2026	292,000	1.5	7,800	4.5	8,700	4.3	4,900	0.3	219.39

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: Yes
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 15, 2025	24,583,420 shares
As of March 15, 2024	24,583,420 shares

(ii) Number of treasury shares at the end of the period

As of March 15, 2025	2,249,173 shares
As of March 15, 2024	2,249,173 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 15, 2025	22,334,247 shares
Fiscal year ended March 15, 2024	22,334,273 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information available to the Company and on certain assumptions deemed to be reasonable. Actual financial results may differ from the results anticipated in the statements due to various factors. For the conditions on which earnings forecasts are predicated and precautions for using earnings forecasts, please refer to "1. Please refer to "Summary of Operating Results for the Current Fiscal Year" (1) Summary of Operating Results for the Current Fiscal Year.

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1. Overview of Results of Operations, etc.

(1) Overview of Results of Operations for the Current Fiscal Year

(Results of operations for the current fiscal year)

During the current fiscal year under review, the Japanese economy showed a moderate recovery trend due in part to improvements in the employment and income situation. On the other hand, the outlook remained uncertain due to the continued impact of rising commodity prices and exchange rate fluctuations, as well as concerns about a downside risk to the economy due to the impact of U.S. trade policy.

As for personal consumption, although it has been on a gradual recovery trend due to an increase in the flow of people in Japan and overseas, wages have not increased in excess of the increase in prices, and the desire to save money has increased further.

In the drugstore industry to which the Group belongs, the number of prescriptions dispensed is growing in line with the increase in the elderly population and the recovery trend in beauty-related products and other products due to an increase in the flow of people. However, the business environment remains challenging as retailers and competitors continue to open stores, and measures are being taken to stimulate demand to respond to the decline in purchases and other factors due to continued price increases for various products, and the competition across business categories has become even more intense. Under these circumstances, we are striving to open new stores with dispensing pharmacies as a way to enhance our expertise, and expanding products such as health foods from the perspective of preventive medicine. Also, the Group focused on revising sales prices by taking advantage of its logistics framework for central buying, etc. to maintain a relative advantage in the face of successive price increases, and focused on counseling sales and other efforts to increase the number of regular customers.

In terms of new store openings, the Group opened a total of eight stores: six in Ibaraki, and one each in Aomori and Fukushima, all of which are areas in which it currently operates. It also opened a total of six dispensing pharmacies: five in Ibaraki and one in Fukushima, all of which are in existing stores. The Group closed a total of three stores, one in Aomori (in-store dispensing pharmacy type), and one each in Iwate and Tokyo, and closed one dispensing pharmacy.

Accordingly, the Group has a total of 380 stores (of which 156 have an in-store dispensing pharmacy).

As a result, the Group recorded net sales of 287,816 million yen (year-on-year increase of 0.6%) on a consolidated basis for the current fiscal year under review. The Group recorded operating profit of 7,461 million yen (year-on-year decrease of 1.8%), ordinary profit of 8,340 million yen (year-on-year decrease of 3.1%), and profit attributable to owners of parent of 4,884 million yen (year-on-year increase of 3.6%).

(Sales)

The Group's net sales by segment are as follows.

Segment	Previous consolidated fiscal year (From March 16, 2023 to March 15, 2024)		Current consolidated fiscal year (From March 16, 2024 to March 15, 2025)		YoY comparison (%)
	Amount (Mil. yen)	(%)	Amount (Mil. yen)	(%)	
Pharmaceuticals	52,262	18.4	52,189	18.2	99.9
Cosmetics	22,573	7.9	23,204	8.1	102.8
Sundries	78,724	27.6	79,368	27.7	100.8
General food	131,452	46.1	132,119	46.0	100.5
Total	285,013	100.0	286,881	100.0	100.7

(Notes) 1. Number of units sold is omitted because the Company has an extensive product range.

2. Amounts above do not include rent revenue from real estate.

(Outlook for the next fiscal year)

For the fiscal year ending March 15, 2026, the Japanese economy is predicted to recover moderately in terms of economic activity against a backdrop of an increase in the flow of people in Japan, an increase in the number of foreign visitors to Japan, and other factors. On the other hand, the outlook is predicted to remain uncertain mainly due to the impact of U.S. trade policy, and prices are predicted to continue to rise moderately mainly due to heightened geopolitical risks and the impact of exchange rates. The consumer spending environment is expected to remain severe due to economic circumstances and uncertainty about the future on the back of rising prices and cost-of-living expenses, which have caused consumers to be more aware of protecting their current lifestyles.

In these circumstances, in order to cope with the rapidly changing business environment, the Group will promote systemization and mechanization to improve overall productivity in order to further strengthen its business infrastructure, as well as implement measures such as renovation and demand stimulation to cope with changes in lifestyles and sluggish consumption.

Further, as a differentiation measure against increasingly fierce competition, we will continue to open dispensing pharmacies in our new stores. At the same time, we will make progress with measures for enhancing our expertise in prevention and consumer health care by strengthening functions that enable qualified specialists to provide counseling in order to maintain and step up people's health, including disease prevention and beauty, and extend their healthy life expectancy. At the same time, we will enhance our prevention-related product lineup catering for people's growing health awareness as a measure to enhance their health and beauty care. In addition, we will make every effort to improve the quality of consumers' living and customer satisfaction by making further progress in building local community-based stores with functions as local infrastructure. We will do this while focusing on offering products that value safety at reasonable prices in an effort to respond to the consumption environment where people are increasingly conscious about protecting their living.

Regarding new store openings and closings, the Group plans to open six stores mainly in the areas where it currently operates. Furthermore, to further make progress in measures for expertise enhancement, the Group plans to launch four in-store dispensing pharmacies at new stores.

From the above, the Group forecasts, for the fiscal year ending March 2026, net sales will be 292,000 million yen, operating profit will be 7,800 million yen, ordinary profit will be 8,700 million yen, and profit attributable to owners of parent will be 4,900 million yen.

(2) Overview of Financial Position for the Current Fiscal Year

1) Assets, liabilities and net assets

Assets increased 3,481 million yen compared with the end of the previous fiscal year, to 199,601 million yen. This was due primarily to an increase in accounts receivable-trade.

Liabilities increased 366 million yen compared with the end of the previous fiscal year, to 85,190 million yen.

Net assets increased 3,115 million yen compared with the end of the previous fiscal year, to 114,410 million yen. This was due primarily to an increase in retained earnings.

Equity ratio increased to 57.3% (year-on-year increase of 0.6 points).

2) Cash flows

Cash and cash equivalents (hereinafter referred to as "funds") as of the end of the fiscal year under review amounted to 36,674 million yen (1,050 million yen increase compared with the end of the previous fiscal year).

(Cash flow from operating activities)

Net cash provided by operating activities amounted to 7,481 million yen (year-on-year increase of 1,079 million yen). This was due primarily to an increase in trade receivables of 4,270 million yen (year-on-year decrease of 418 million yen), despite profit before income taxes of 6,827 million yen (year-on-year decrease of 325 million yen), and depreciation of 4,494 million yen (year-on-year increase of 187 million yen).

(Cash flow from investing activities)

Net cash used in investing activities amounted to 4,515 million yen (year-on-year decrease of 776 million yen). This was due primarily to the fact that purchases of property, plant and equipment associated with the opening of new stores amounted to 4,079 million yen (year-on-year decrease of 756 million yen).

(Cash flows from financing activities)

Net cash used in financing activities amounted to 1,915 million yen (year-on-year decrease of 2,021 million yen). This was due primarily to the fact that while proceeds from long-term borrowings were 7,200 million yen (year-on-year increase of 1,480 million yen), repayments of long-term borrowings were 7,329 million yen (year-on-year decrease of 1,210 million yen), and dividends paid were 1,786 million yen (year-on-year increase of 669 million yen).

(Trends of Cash Flow-related Indicators)

	FYE3/2021	FYE3/2022	FYE3/2023	FYE3/2024	FYE3/2025
Equity ratio (%)	51.9	54.5	55.3	56.7	57.3
Equity ratio on market value (%)	33.6	27.5	25.3	30.3	31.4
Ratio of interest-bearing debts to cash flows (years)	1.7	3.3	2.0	2.6	2.2
Interest coverage ratio (multiples)	246.8	138.0	235.1	181.1	205.4

Equity Ratio: Shareholders' equity/Total assets

Equity ratio on market value: Market capitalization/Total assets

Ratio of interest-bearing debt to cash flow: Interest-bearing debt/Cash flow

Interest coverage ratio: Cash flow/Interest expenses

Note 1: All figures are calculated based on consolidated financial results.

Note 2: Market capitalization is calculated based on the number of shares issued excluding treasury stock.

Note 3: Cash flows are based on operating cash flows.

Note 4: Interest-bearing debt represents debt posted on the consolidated balance sheet and accompanied by interest payments.

(3) Principles of Appropriation of Profits and Dividend Payment for the Current Fiscal Year and the Next Fiscal Year

The Group recognizes that returning profit to shareholders is a top-priority management issue, and its basic policy is to continue to pay progressive dividends while retaining the necessary internal reserves to ensure stable growth by enhancing and strengthening its management base, taking into account future business prospects.

The Group is planning to propose an ordinary dividend of 80 yen per share for the current fiscal year in the 58th Ordinary General Meeting of Shareholders scheduled to be held on June 11, 2025.

The Group also plans to distribute an ordinary dividend of 80 yen per share in the following fiscal year.

Internal reserves will be used as funds to open new stores and to make renovations and system investments, etc.

2. Basic Policy on Selecting Accounting Standards

The Group has adopted Japanese accounting standards to ensure that its operating results are comparable with competitors in Japan.

3. Consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 15, 2024	As of March 15, 2025
Assets		
Current assets		
Cash and deposits	35,623	36,674
Accounts receivable - trade	10,456	14,726
Merchandise	34,699	34,175
Supplies	30	32
Other	5,209	4,863
Total current assets	86,018	90,472
Non-current assets		
Property, plant and equipment		
Buildings and structures	117,360	117,568
Accumulated depreciation	(77,208)	(78,796)
Buildings and structures, net	40,152	38,771
Land	49,170	49,551
Construction in progress	178	441
Other	25,452	25,600
Accumulated depreciation	(22,418)	(22,563)
Other, net	3,034	3,036
Total property, plant and equipment	92,535	91,801
Intangible assets		
Other	5,387	5,155
Total intangible assets	5,387	5,155
Investments and other assets		
Investment securities	129	154
Leasehold and guarantee deposits	7,474	7,381
Deferred tax assets	4,275	4,347
Other	298	288
Total investments and other assets	12,177	12,172
Total non-current assets	110,100	109,128
Total assets	196,119	199,601

	As of March 15, 2024	As of March 15, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	42,011	41,271
Current portion of long-term borrowings	6,706	5,847
Income taxes payable	1,400	1,067
Provision for bonuses	1,351	1,224
Contract liabilities	2,096	2,218
Provision for loss on store closings	15	101
Asset retirement obligations	480	819
Other	7,613	8,308
Total current liabilities	61,675	60,858
Non-current liabilities		
Long-term borrowings	10,023	10,752
Retirement benefit liability	8,959	9,328
Asset retirement obligations	3,243	3,359
Other	922	892
Total non-current liabilities	23,148	24,332
Total liabilities	84,824	85,190
Net assets		
Shareholders' equity		
Share capital	13,001	13,001
Capital surplus	14,902	14,902
Retained earnings	87,666	90,765
Treasury shares	(4,363)	(4,363)
Total shareholders' equity	111,208	114,306
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	34	51
Total accumulated other comprehensive income	34	51
Share acquisition rights	52	52
Total net assets	111,295	114,410
Total liabilities and net assets	196,119	199,601

(2) Consolidated statements of income and comprehensive income
(Consolidated statement of income)

(Millions of yen)

	Fiscal year ended March 15, 2024	Fiscal year ended March 15, 2025
Net sales	285,960	287,816
Cost of sales	220,158	221,098
Gross profit	65,801	66,717
Selling, general and administrative expenses	58,200	59,256
Operating profit	7,601	7,461
Non-operating income		
Interest income	19	17
Dividend income	3	3
Commission income	799	785
Revenue from sales of electric power	176	177
Other	461	382
Total non-operating income	1,460	1,366
Non-operating expenses		
Interest expenses	35	36
Commission expenses	136	129
Depreciation	56	55
Loss on tax purpose reduction entry of non-current assets	59	44
Donations	-	52
Other	164	169
Total non-operating expenses	452	487
Ordinary profit	8,609	8,340
Extraordinary income		
Gain on sale of non-current assets	0	0
Insurance claim income	73	-
Gain on reversal of share acquisition rights	45	-
Other	25	6
Total extraordinary income	145	6
Extraordinary losses		
Loss on sale of non-current assets	48	-
Loss on retirement of non-current assets	27	36
Impairment losses	1,117	861
Loss on store closings	303	532
Provision for loss on store closings	-	86
Other	104	1
Total extraordinary losses	1,601	1,519
Profit before income taxes	7,153	6,827
Income taxes - current	2,437	2,023
Income taxes - deferred	2	(80)
Total income taxes	2,440	1,942
Profit	4,713	4,884
Profit attributable to owners of parent	4,713	4,884

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 15, 2024	Fiscal year ended March 15, 2025
Profit	4,713	4,884
Other comprehensive income		
Valuation difference on available-for-sale securities	19	17
Total other comprehensive income	19	17
Comprehensive income	4,732	4,902
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,732	4,902

(3) Consolidated statement of changes in equity

Fiscal year ended March 15, 2024

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	13,001	14,902	84,070	(4,362)	107,612	15	15	98	107,725
Dividends of surplus			(1,116)		(1,116)				(1,116)
Purchase of treasury shares				(0)	(0)				(0)
Profit attributable to owners of parent			4,713		4,713				4,713
Net changes in items other than shareholders' equity						19	19	(45)	(26)
Total changes during period	-	-	3,596	(0)	3,596	19	19	(45)	3,569
Balance at end of period	13,001	14,902	87,666	(4,363)	111,208	34	34	52	111,295

Fiscal year ended March 15, 2025

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	13,001	14,902	87,666	(4,363)	111,208	34	34	52	111,295
Dividends of surplus			(1,786)		(1,786)				(1,786)
Purchase of treasury shares									
Profit attributable to owners of parent			4,884		4,884				4,884
Net changes in items other than shareholders' equity			-		-	17	17	-	17
Total changes during period	-	-	3,098	-	3,098	17	17	-	3,115
Balance at end of period	13,001	14,902	90,765	(4,363)	114,306	51	51	52	114,410

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 15, 2024	Fiscal year ended March 15, 2025
Cash flows from operating activities		
Profit before income taxes	7,153	6,827
Depreciation	4,306	4,494
Impairment losses	1,117	861
Loss on store closings	303	532
Increase (decrease) in provision for loss on store closings	-	86
Loss on retirement of non-current assets	17	25
Increase (decrease) in provision for bonuses	147	(127)
Increase (decrease) in retirement benefit liability	265	369
Interest and dividend income	(23)	(20)
Interest expenses	35	36
Loss (gain) on sale of non-current assets	48	(0)
Increase (decrease) in contract liabilities	49	122
Decrease (increase) in trade receivables	(3,851)	(4,270)
Decrease (increase) in inventories	(1,735)	521
Increase (decrease) in trade payables	88	(740)
Other, net	1,256	1,189
Subtotal	9,178	9,907
Interest and dividends received	3	(20)
Interest paid	(34)	(37)
Income taxes paid	(2,744)	(2,366)
Net cash provided by (used in) operating activities	6,402	7,481
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,835)	(4,079)
Proceeds from sale of property, plant and equipment	94	8
Purchase of intangible assets	(544)	(181)
Purchase of long-term prepaid expenses	(46)	(46)
Payments of leasehold and guarantee deposits	(168)	(182)
Proceeds from refund of leasehold and guarantee deposits	209	58
Other, net	0	(92)
Net cash provided by (used in) investing activities	(5,291)	(4,515)
Cash flows from financing activities		
Proceeds from long-term borrowings	5,720	7,200
Repayments of long-term borrowings	(8,540)	(7,329)
Purchase of treasury shares	(0)	-
Dividends paid	(1,116)	(1,786)
Net cash provided by (used in) financing activities	(3,937)	(1,915)
Net increase (decrease) in cash and cash equivalents	(2,826)	1,050
Cash and cash equivalents at beginning of period	38,450	35,623
Cash and cash equivalents at end of period	35,623	36,674