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Consolidated Financial Results for the Six Months Ended August 31, 2025 [Japanese GAAP]



October 8, 2025

Company name: WELCIA HOLDINGS CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 3141

URL: <https://www.welcia.co.jp/>

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Scheduled date of filing semi-annual securities report: October 8, 2025

Scheduled date of commencing dividend payments: November 10, 2025

Availability of supplementary briefing material on financial results: Available

Schedule of financial results briefing session: Scheduled (for institutional investors)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended August 31, 2025 (March 1, 2025 - August 31, 2025)

(1) Consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
August 31, 2025	678,793	7.6	22,809	20.8	25,418	21.6	15,923	35.9
August 31, 2024	630,585	3.2	18,882	(23.7)	20,902	(22.0)	11,716	(27.8)

(Note) Comprehensive income: Six months ended August 31, 2025: ¥16,074 million [39.3%]

Six months ended August 31, 2024: ¥11,541 million [(29.9)%]

	Net income per share	Diluted net income per share
Six months ended	Yen	Yen
August 31, 2025	76.62	76.60
August 31, 2024	56.65	56.61

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of August 31, 2025	649,561	268,109	40.4
As of February 28, 2025	579,985	254,486	42.8

(Reference) Equity: As of August 31, 2025: ¥262,103 million

As of February 28, 2025: ¥248,500 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2025	—	18.00	—	18.00	36.00
Fiscal year ending February 28, 2026	—	18.00			
Fiscal year ending February 28, 2026 (Forecast)			—	—	—

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2026 (March 1, 2025 - February 28, 2026)

The full-year financial results forecast for the fiscal year ending February 28, 2026 is not provided as the Company plans to integrate its operations with TSURUHA Holdings Inc. and is scheduled to be delisted on November 27, 2025.

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: – (), Excluded: – ()

(2) Accounting methods adopted particularly for the preparation of semi-annual consolidated financial statements:
None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued and outstanding shares (common shares)

1) Total number of issued and outstanding shares at the end of the period (including treasury stock):

August 31, 2025: 209,822,860 shares

February 28, 2025: 209,713,800 shares

2) Total number of treasury stock at the end of the period:

August 31, 2025: 1,679,999 shares

February 28, 2025: 2,130,801 shares

3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):

Six months ended August 31, 2025: 207,816,563 shares

Six months ended August 31, 2024: 206,830,523 shares

(Note) The number of shares of the Company held in the Stock Benefit Trust (Employee Stock Ownership Association Purchase-type; February 28, 2025: 1,702,100 shares; August 31, 2025: 1,382,700 shares) and the number of shares of the Company held in the Directors' Remuneration BIP Trust (February 28, 2025: 417,743 shares; August 31, 2025: 295,747 shares) were included in the total number of treasury stock at the end of the period. The number of shares of the Company held in the Stock Benefit Trust (Employee Stock Ownership Association Purchase-type) and the Directors' Remuneration BIP Trust was included in the number of treasury stock, which was to be deducted from the calculation of the average number of shares outstanding during the period (August 31, 2024: 2,843,255 shares; August 31, 2025: 1,927,984 shares).

* These semi-annual consolidated financial results are outside the scope of review by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements provided herein are based on information available to the Company and certain assumptions deemed reasonable, and the Company does not promise the achievement of those forecasts. Actual results may differ significantly from these forecasts due to a wide range of factors. For the assumptions underlying the forecasts and the notes on the use of the forecasts, please refer to "1. Qualitative Information on Semi-annual Financial Results (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" on page 4 of the attached document.

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1. Qualitative Information on Semi-annual Financial Results

(1) Explanation of Operating Results

During the six months ended August 31, 2025 (from March 1, 2025 to August 31, 2025), consumer spending made a minor recovery due to such factors as improvements in the employment and income situation, and an increase in the number of foreign visitors to Japan. In addition, real wages temporarily increased due in part to the impact of summer bonuses. However, the outlook for the Japanese economy remains uncertain as inflation weighs heavily on consumption.

In the drugstore industry, the primary area of the Group's business, the competitive environment is intensifying due to such factors as the competition for new store sites with competitors including those from other industries, major players expanding their scales of business through mergers and acquisitions, the acceleration of alliances and consolidations, and the expansion of customer services involving players from across different industrial sectors and business formats.

Under such circumstances, the Group strove to provide products and services in response to customer needs. In the sales of goods, the Group focused on the expansion of the use of the WAON POINT service and the development of its PB products. With a focus on the WAON POINT service, the Group has been able to increase the number of Welcia members, the Group's point members, to 14.09 million, by stepping up its measures to attract customers through improvement in the penetration rate of its point card and app. The Group continued to focus on the product development of its PB products with an emphasis on improving their functions, quality, and eco-friendly features and made efforts to expand the sales of Karada Welcia and Kurashi Welcia. The private-label lineup included 451 products as of August 31, 2025. In the dispensing division, the number of prescriptions handled increased due primarily to an increase in the number of stores with dispensing pharmacies (2,287 stores as of August 31, 2025). As a result, sales of goods and dispensing services at existing stores remained solid compared with the previous year. In addition, the Group focused on controlling selling, general, and administrative expenses by improving the efficiency of store operations with the introduction of productivity improvement tools.

The Group aims to become the "No. 1 health station in the community" by 2030 and has been promoting "Welcia 2.0" as the Group's management policy. As part of the Product strategy, the Group is developing PB products and implementing digital marketing initiatives, such as leveraging social media to reach Generation Z consumers. When it comes to the Medical care strategy, the Group launched "Care Capsule," a comprehensive healthcare service brand, at AEON TOWN Makuharinishi in March 2025. The brand has been performing well, driven by the popularity of pre-disease prevention counseling provided by registered dietitians, along with various testing and health assessment services. In July, we established a Home Care Support Office at Hitachi Motomiya Store and began collaboration with our drugstore operations and specialized long-term care companies. As for the Region strategy, Inashiki Kamai Store and Tsukuba Oguki Store have been renovated and reopened by the end of August as evolved drug & food model stores. Going forward, the Group will strive to further provide services that closely support local customers in addressing health issues, as well as to improve the convenience of everyday shopping. To address local issues, the Group offers the Welcafe local collaborative community space, the "Uetan-go" mobile sales vehicles, and the newly launched nursing care taxi service by WELCIA CARE TRANSPORT CO., LTD Through such activities, the Group will continue to fulfill its role in providing local communities with infrastructure that offers safety and peace of mind.

As for store openings and closures, the Group as a whole opened 26 stores and closed 37 stores, for a total of 3,002 stores Group-wide as of August 31, 2025.

(Unit: No. of stores)

	No. of stores as of February 28, 2025	Increase/decrease due to business transfer	Openings	Closures	No. of stores as of August 31, 2025
WELCIA YAKKYOKU ^(Note 1)	2,243	(9)	19	16	2,237
Kokumin	159	–	2	1	160
Welpark	143	–	1	4	140
Pupule Himawari	134	–	2	13	123
Marudai Sakurai Pharmacy	102	–	1	1	102
Shimizu Yakuhin	73	–	–	–	73
Marue Wellness Stores	56	–	–	2	54
FUKUYAKUHIN	23	–	–	–	23
Yodoya	26	–	–	–	26
French	2	–	–	–	2
MASAYA ^(Note 1)	40	9	1	–	50
Total in Japan	3,001	–	26	37	2,990
WELCIA SINGAPORE	12	–	–	–	12
Total	3,013	–	26	37	3,002

- (Notes) 1. Effective July 1, 2025, MASAYA Co., Ltd. succeeded to nine stores of the NARCIS business of WELCIA YAKKYOKU CO., LTD. through an absorption-type company split, with WELCIA YAKKYOKU as the splitting company and MASAYA as the successor company.
2. Of the number of stores as of August 31, 2025, 1,967 stores of WELCIA YAKKYOKU, 78 stores of Kokumin, 37 stores of Welpark, 46 stores of Pupule Himawari, 49 stores of Marudai Sakurai Pharmacy, 51 stores of Shimizu Yakuhin, 34 stores of Marue Wellness Stores, 11 stores of FUKUYAKUHIN, and 14 stores of Yodoya, or a total of 2,287 stores have dispensing pharmacies.

Sales by category were as indicated below.

(Unit: Million yen)

Category	For the six months ended August 31, 2024	For the six months ended August 31, 2025	Year-on-year change (%)
OTC products	115,602	119,604	103.5
Cosmetics	101,370	109,371	107.9
Household goods	85,867	91,314	106.3
Food products	146,474	160,553	109.6
Others	43,963	45,386	103.2
Total sales of goods other than dispensing	493,277	526,230	106.7
Dispensing	136,818	152,104	111.2
Subtotal	630,096	678,334	107.7
Commission income	489	458	93.8
Total	630,585	678,793	107.6

As a result of the above, the consolidated operating results for the six months ended August 31, 2025 were ¥678,793 million in net sales (an increase of 7.6% year-on-year), ¥22,809 million in operating income (an increase of 20.8% year-on-year), ¥25,418 million in ordinary income (an increase of 21.6% year-on-year), and ¥15,923 million in net income attributable to owners of parent (an increase of 35.9% year-on-year).

(2) Explanation of Financial Position

(Assets)

Total assets as of August 31, 2025 increased by ¥69,576 million compared to the end of the previous fiscal year to ¥649,561 million. This was primarily due to increases of ¥56,470 million in cash and deposits and ¥19,298 million in accounts receivable - trade, and contract assets, despite decreases of ¥2,924 million in merchandise and ¥2,035 million in goodwill.

(Liabilities)

Total liabilities as of August 31, 2025 increased by ¥55,953 million compared to the end of the previous fiscal year to ¥381,451 million. This was primarily due to increases of ¥56,865 million in accounts payable - trade and ¥4,280 million in accounts payable - other, despite decreases of ¥4,532 million in short-term loans payable and ¥5,359 million in long-term loans payable.

(Net assets)

Net assets as of August 31, 2025 increased by ¥13,623 million compared to the end of the previous fiscal year to ¥268,109 million. This was primarily due to the recording of net income attributable to owners of parent of ¥15,923 million, despite a decrease of ¥3,774 million in retained earnings due to the dividends of surplus.

(Status of cash flows)

Cash and cash equivalents (hereinafter referred to as “cash”) as of August 31, 2025 totaled ¥90,931 million, an increase of ¥56,527 million compared to the end of the previous fiscal year.

The status and factors of cash flows in each activity in the six months ended August 31, 2025 are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥81,385 million (an inflow of ¥71,435 million for the same period a year earlier).

This was mainly attributable to inflow factors of depreciation of ¥11,213 million, which is a non-cash expense, a decrease in inventories of ¥3,141 million, and an increase in trade payables of ¥56,851 million, and to outflow factors of a decrease in provision for bonuses of ¥1,199 million, an increase in trade receivables and contract assets of ¥19,296 million, and income taxes paid of ¥6,783 million, against net income before income taxes of ¥25,032 million.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥6,906 million (an outflow of ¥3,989 million for the same period a year earlier).

This was mainly due to an outflow of ¥5,321 million for purchase of property, plant and equipment, and an outflow of ¥1,524 million for payments of leasehold deposits.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥17,970 million (an outflow of ¥15,303 million for the same period a year earlier).

This was mainly due to ¥4,400 million in net decrease in short-term loans payable, ¥400 million in proceeds from long-term loans payable, ¥5,892 million in repayments of long-term loans payable, ¥3,773 million in dividends paid, ¥5,622 million in repayments of finance lease obligations, and ¥1,172 million in proceeds from sale of treasury shares.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The full-year financial results forecast for the fiscal year ending February 28, 2026 is not provided as the Company plans to integrate its operations with TSURUHA Holdings Inc. and is scheduled to be delisted on November 27, 2025.

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheets

(Million yen)

	As of February 28, 2025	As of August 31, 2025
Assets		
Current assets		
Cash and deposits	35,011	91,482
Accounts receivable - trade, and contract assets	68,376	87,674
Merchandise	149,011	146,086
Other	28,523	28,646
Allowance for doubtful accounts	(32)	(37)
Total current assets	280,890	353,853
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	108,348	107,462
Land	20,805	21,086
Leased assets, net	45,477	44,988
Other, net	6,125	6,658
Total property, plant and equipment	180,756	180,196
Intangible assets		
Goodwill	36,072	34,036
Other	6,946	6,400
Total intangible assets	43,018	40,437
Investments and other assets		
Guarantee deposits	51,110	51,199
Other	24,333	23,999
Allowance for doubtful accounts	(125)	(124)
Total investments and other assets	75,319	75,074
Total noncurrent assets	299,094	295,708
Total assets	579,985	649,561

(Million yen)

	As of February 28, 2025	As of August 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	168,758	225,624
Short-term loans payable	15,015	10,482
Lease obligations	10,446	10,412
Accounts payable - other	15,527	19,807
Income taxes payable	6,850	9,114
Provision for bonuses	5,063	3,864
Provision for bonuses for directors (and other officers)	22	56
Contract liabilities	758	810
Provision for loss on store closings	819	814
Other	13,355	18,060
Total current liabilities	236,616	299,048
Noncurrent liabilities		
Long-term loans payable	24,004	18,644
Lease obligations	31,784	30,932
Asset retirement obligations	20,401	20,362
Retirement benefits-related liabilities	8,917	9,231
Allowance for executive stock benefit	767	492
Other	3,007	2,739
Total noncurrent liabilities	88,882	82,403
Total liabilities	325,498	381,451
Net assets		
Shareholders' equity		
Capital stock	7,792	7,868
Capital surplus	51,878	51,955
Retained earnings	193,719	205,867
Treasury stock	(6,191)	(4,906)
Total shareholders' equity	247,199	260,786
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	329	365
Foreign currency translation adjustment	202	229
Accumulated adjustment related to retirement benefits	768	721
Total accumulated other comprehensive income	1,301	1,317
Subscription rights to shares	114	—
Non-controlling interests	5,871	6,006
Total net assets	254,486	268,109
Total liabilities and net assets	579,985	649,561

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statements of Income

(Million yen)

	For the six months ended August 31, 2024	For the six months ended August 31, 2025
Net sales	630,585	678,793
Cost of sales	440,939	472,006
Gross profit	189,645	206,786
Selling, general and administrative expenses	170,763	183,976
Operating income	18,882	22,809
Non-operating income		
Interest and dividend income	12	25
Rental income from real estate	769	792
Sponsorship money income	408	483
Other	1,582	2,000
Total non-operating income	2,773	3,302
Non-operating expenses		
Interest expenses	375	420
Share of loss of entities accounted for using equity method	109	85
Rent cost of real estate	157	147
Other	110	40
Total non-operating expenses	752	693
Ordinary income	20,902	25,418
Extraordinary income		
Gain on sale of noncurrent assets	5	42
Gain on sale of investment securities	2	17
Compensation income	—	100
Penalty income	—	120
Reversal of provision for loss on store closings	—	19
Total extraordinary income	7	299
Extraordinary loss		
Loss on retirement of noncurrent assets	33	42
Impairment loss	184	275
Loss on store closings	8	16
Provision for loss on store closings	—	248
Loss on transfer to defined contribution pension plan	—	82
Other	38	19
Total extraordinary losses	265	685
Net income before income taxes	20,644	25,032
Income taxes - current	6,790	8,881
Income taxes - deferred	2,345	92
Total income taxes	9,136	8,973
Net income	11,508	16,058
Profit (loss) attributable to non-controlling interests	(207)	135
Net income attributable to owners of parent	11,716	15,923

Semi-annual Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended August 31, 2024	For the six months ended August 31, 2025
Net income	11,508	16,058
Other comprehensive income		
Valuation difference on available-for-sale securities	43	36
Foreign currency translation adjustment	0	26
Remeasurements of defined benefit plans	(11)	(48)
Total other comprehensive income	33	15
Comprehensive income	11,541	16,074
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,750	15,939
Comprehensive income attributable to non-controlling interests	(208)	134

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended August 31, 2024	For the six months ended August 31, 2025
Cash flows from operating activities		
Net income before income taxes	20,644	25,032
Depreciation	10,412	11,213
Impairment loss	184	275
Amortization of goodwill	1,706	2,035
Increase (decrease) in allowance for doubtful accounts	32	4
Increase (decrease) in provision for bonuses	(2,278)	(1,199)
Increase (decrease) in provision for bonuses for directors (and other officers)	(50)	34
Increase (decrease) in retirement benefits-related liabilities	340	240
Increase (decrease) in allowance for executive stock benefit	(166)	(275)
Increase (decrease) in provision for loss on store closings	—	75
Interest and dividend income	(12)	(25)
Interest expenses	375	420
Loss (gain) on sale of investment securities	(2)	(16)
Rent expenses offset by construction assistance fund receivables	615	679
Gain on sale of noncurrent assets	(5)	(42)
Loss on retirement of noncurrent assets	33	42
Gain on receipt of donated noncurrent assets	(105)	(129)
Decrease (increase) in trade receivables and contract assets	(16,157)	(19,296)
Decrease (increase) in inventories	(1,625)	3,141
Increase (decrease) in trade payables	54,035	56,851
Increase (decrease) in contract liability	(90)	51
Increase (decrease) in accrued consumption taxes	(13)	1,204
Increase (decrease) in accounts payable - other	5,336	4,278
Other, net	3,857	3,965
Subtotal	77,068	88,563
Interest and dividends received	12	25
Interest paid	(374)	(436)
Income taxes paid	(6,014)	(6,783)
Income taxes refund	743	16
Net cash provided by (used in) operating activities	71,435	81,385
Cash flows from investing activities		
Payments into time deposits	(408)	(300)
Proceeds from withdrawal of time deposits	555	356
Purchase of property, plant and equipment	(4,969)	(5,321)
Proceeds from sale of property, plant and equipment	16	152
Purchase of intangible assets	(1,273)	(421)
Payments into subsidiaries and affiliates	—	(5,000)
Collection of deposit in subsidiaries and affiliates	5,000	5,000
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,279)	—
Payments of leasehold deposits	(1,875)	(1,524)
Proceeds from refund of leasehold deposits	445	435
Other, net	(201)	(283)
Net cash provided by (used in) investing activities	(3,989)	(6,906)

(Million yen)

	For the six months ended August 31, 2024	For the six months ended August 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(2,219)	(4,400)
Proceeds from long-term loans payable	1,700	400
Repayments of long-term loans payable	(7,114)	(5,892)
Redemption of bonds	(10)	(5)
Dividends paid	(3,563)	(3,773)
Repayments of finance lease obligations	(5,631)	(5,622)
Purchase of treasury shares	(0)	(0)
Proceeds from sale of treasury shares	1,493	1,172
Proceeds from issuance of shares	44	152
Net cash provided by (used in) financing activities	(15,303)	(17,970)
Effect of exchange rate change on cash and cash equivalents	0	18
Net increase (decrease) in cash and cash equivalents	52,143	56,527
Cash and cash equivalents at beginning of period	30,065	34,404
Cash and cash equivalents at end of period	82,208	90,931

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes, etc.)

The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter, "Revised Accounting Standard 2022"), etc. have been applied since the beginning of the six months ended August 31, 2025. Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022). The changes in accounting policies had no impact on the semi-annual consolidated financial statements.

(Notes to segment information, etc.)

[Segment information]

Segment information is omitted as the Company has only one segment, namely retail business centered on OTC products, dispensing, cosmetics, etc.