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Consolidated Financial Results for the Nine Months Ended February 28, 2025 [Japanese GAAP]



April 14, 2025

Company name: COSMOS Pharmaceutical Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 3349
 URL: <https://www.cosmospc.co.jp>
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 Scheduled date of commencing dividend payments: –
 Supplementary explanatory materials on financial results: None
 Schedule of financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Nine Months Ended February 28, 2025 (June 1, 2024 - February 28, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended February 28, 2025	752,268	5.2	31,627	33.2	33,771	30.3	22,343	28.7
February 29, 2024	715,311	18.0	23,738	7.1	25,914	6.2	17,357	6.6

(Note) Comprehensive income: Nine months ended February 28, 2025: ¥22,335 million [28.7%]
 Nine months ended February 29, 2024: ¥17,354 million [6.5%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended February 28, 2025	281.91	–
February 29, 2024	219.07	–

(Note) The Company conducted a 2-for-1 stock split effective September 1, 2024. Basic earnings per share have been calculated on the assumption that such stock split took place at the beginning of the fiscal year ended May 31, 2024.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of February 28, 2025	474,101	248,822	52.5
As of May 31, 2024	476,546	231,442	48.6

(Reference) Equity: As of February 28, 2025: ¥248,822 million
 As of May 31, 2024: ¥231,442 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 May 31, 2024	–	60.00	–	60.00	120.00
Fiscal year ending May 31, 2025	–	32.50	–		
Fiscal year ending May 31, 2025 (Forecast)				32.50	65.00

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

The Company conducted a 2-for-1 stock split effective September 1, 2024. Dividends per share for the fiscal year ended May 31, 2024 are based on the number of shares before such stock split.

Annual dividends per share for the fiscal year ending May 31, 2025 (forecast), without considering the effect of such stock split, will be ¥130.00.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending May 31, 2025 (June 1, 2024 - May 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	1,037,000	7.5	31,600	0.3	34,400	0.3	24,500	0.2	309.12

(Note) Revision to the financial results forecast announced most recently: None

Basic earnings per share in the consolidated financial results forecast for the fiscal year ending May 31, 2025 take into account the effect of the stock split as noted in “2. Dividends.”

* Notes:

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

Newly included: – (Company name: –)

Excluded: – (Company name: –)

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: Yes

(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 shares (common shares)

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

February 28, 2025: 80,001,600 shares

May 31, 2024: 80,001,600 shares

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

February 28, 2025: 744,264 shares

May 31, 2024: 743,968 shares

3) Average number of shares during the period:

Nine months ended February 28, 2025: 79,257,406 shares

Nine months ended February 29, 2024: 79,233,626 shares

The Company conducted a 2-for-1 stock split effective September 1, 2024. The numbers of shares above have been calculated on the assumption that such stock split took place at the beginning of the fiscal year ended May 31, 2024.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

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

The statements about future projections contained in this document, including the outlook for financial results, are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and actual financial results etc. may significantly differ from the projections due to various factors. As for matters concerning the financial results forecast, please see “(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 2 of the attachments.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the nine months ended February 28, 2025, the Japanese economy experienced instability due to domestic issues, overseas unrest, and other factors. Despite a slight slowdown in global inflation, prices of various goods and services still have been rising in Japan.

It was exactly because of these circumstances that the Group pursued even lower cost operations and strived to offer products of high quality at the lowest prices possible. As for the store opening policy, the Group opened new stores one after another, regardless of the temporary decline in profitability caused by our own competition. At the same time, the Group also expanded its store networks in new catchment areas. As a result, the number of newly opened stores stood at 16 in the Kanto region, 21 in the Chubu region, 13 in the Kansai region, 6 in the Chugoku region, 6 in the Shikoku region, and 19 in the Kyushu region, totaling 81. Furthermore, 1 store was closed due to scrap and build. As a result, the number of stores at the end of the nine months ended February 28, 2025 became 1,570 in total.

As a result of the above measures, the Group's financial results for the nine months ended February 28, 2025 were net sales of 752,268 million yen (5.2% increase year-on-year), operating profit of 31,627 million yen (33.2% increase year-on-year), ordinary profit of 33,771 million yen (30.3% increase year-on-year), and profit attributable to owners of parent of 22,343 million yen (28.7% increase year-on-year).

Segment information is omitted because the Group is comprised of a single business segment.

(2) Explanation of Financial Position

Total assets as of February 28, 2025 amounted to 474,101 million yen, a decrease of 2,445 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 29,536 million yen in cash and deposits and increases of 1,978 million yen in merchandise and 24,244 million yen in property, plant and equipment.

Total liabilities amounted to 225,278 million yen, a decrease of 19,825 million yen from the end of the previous fiscal year. This was mainly due to decreases of 22,730 million yen in accounts payable - trade and 2,861 million yen in long-term borrowings, and increases of 4,000 million yen in short-term borrowings and 1,105 million yen in income taxes payable.

Total net assets amounted to 248,822 million yen, an increase of 17,380 million yen from the end of the previous fiscal year. This was mainly due to an increase of 17,389 million yen in retained earnings resulting from a report of profit attributable to owners of parent.

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

Regarding the consolidated financial results forecast for the fiscal year ending May 31, 2025, there is no change from the consolidated financial results forecast released on July 12, 2024.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of May 31, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	52,301	22,765
Accounts receivable - trade	637	672
Merchandise	85,821	87,799
Supplies	352	260
Other	15,219	15,365
Total current assets	154,333	126,863
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	226,514	241,138
Land	42,111	48,305
Other, net	27,173	30,599
Total property, plant and equipment	295,798	320,043
Intangible assets	497	431
Investments and other assets		
Leasehold and guarantee deposits	16,172	16,855
Construction assistance fund receivables	4,382	4,428
Other	5,363	5,478
Total investments and other assets	25,917	26,762
Total non-current assets	322,213	347,237
Total assets	476,546	474,101
Liabilities		
Current liabilities		
Accounts payable - trade	179,549	156,818
Short-term borrowings	–	4,000
Current portion of long-term borrowings	4,581	4,006
Income taxes payable	5,572	6,677
Provision for loss on store closings	112	44
Other	23,413	24,116
Total current liabilities	213,229	195,664
Non-current liabilities		
Long-term borrowings	23,385	20,523
Retirement benefit liability	1,751	1,914
Asset retirement obligations	2,141	2,177
Other	4,596	4,998
Total non-current liabilities	31,874	29,614
Total liabilities	245,104	225,278

(Million yen)

	As of May 31, 2024	As of February 28, 2025
Net assets		
Shareholders' equity		
Share capital	4,178	4,178
Capital surplus	5,101	5,101
Retained earnings	222,284	239,674
Treasury shares	(225)	(227)
Total shareholders' equity	231,339	248,727
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1	1
Remeasurements of defined benefit plans	101	93
Total accumulated other comprehensive income	102	95
Total net assets	231,442	248,822
Total liabilities and net assets	476,546	474,101

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Nine Months Ended February 29, 2024 and Nine Months Ended February 28, 2025

(Million yen)

	For the nine months ended February 29, 2024	For the nine months ended February 28, 2025
Net sales	715,311	752,268
Cost of sales	575,647	593,060
Gross profit	139,664	159,208
Selling, general and administrative expenses	115,925	127,580
Operating profit	23,738	31,627
Non-operating income		
Interest income	33	36
Commission income	1,050	1,062
Rental income from real estate	890	889
Gain on receipt of donated non-current assets	389	376
Other	394	452
Total non-operating income	2,758	2,816
Non-operating expenses		
Interest expenses	53	145
Rental costs on real estate	344	344
Other	185	182
Total non-operating expenses	583	672
Ordinary profit	25,914	33,771
Extraordinary income		
Gain on sale of non-current assets	75	–
Insurance claim income	–	8
Compensation income	403	–
Total extraordinary income	478	8
Extraordinary losses		
Loss on retirement of non-current assets	337	381
Loss on disaster	10	159
Loss on store closings	83	30
Provision for loss on store closings	18	22
Total extraordinary losses	450	593
Profit before income taxes	25,942	33,186
Income taxes	8,584	10,842
Profit	17,357	22,343
Profit attributable to owners of parent	17,357	22,343

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended February 29, 2024 and Nine Months Ended February 28, 2025

(Million yen)

	For the nine months ended February 29, 2024	For the nine months ended February 28, 2025
Profit	17,357	22,343
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(0)
Remeasurements of defined benefit plans, net of tax	(3)	(7)
Total other comprehensive income	(2)	(7)
Comprehensive income	17,354	22,335
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,354	22,335