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



October 14, 2025

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 Stock exchange listing: Tokyo Stock Exchange
 Code number: 3349
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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 Three Months Ended August 31, 2025 (June 1, 2025 - August 31, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
August 31, 2025	272,394	4.0	11,645	0.6	12,188	(0.9)	8,171	0.3
August 31, 2024	261,841	8.4	11,580	28.8	12,293	26.7	8,143	25.1

(Note) Comprehensive income: Three months ended August 31, 2025: ¥8,167 million [0.3%]

Three months ended August 31, 2024: ¥8,140 million [25.1%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
August 31, 2025	103.10	—
August 31, 2024	102.74	—

(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, 2025.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of August 31, 2025	524,305	262,658	50.1
As of May 31, 2025	524,755	257,463	49.1

(Reference) Equity: As of August 31, 2025: ¥262,658 million

As of May 31, 2025: ¥257,463 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended May 31, 2025	Yen —	Yen 32.50	Yen —	Yen 37.50	Yen 70.00
Fiscal year ending May 31, 2026	—				
Fiscal year ending May 31, 2026 (Forecast)		37.50	—	37.50	75.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending May 31, 2026 (June 1, 2025 - May 31, 2026)

(% 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
First half	525,000	3.8	20,420	0.4	21,780	0.0	14,650	1.5	184.84
Full year	1,057,000	4.5	40,500	0.2	43,200	0.1	31,000	0.1	391.13

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

* 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: None

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):

August 31, 2025: 80,001,600 shares

May 31, 2025: 80,001,600 shares

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

August 31, 2025: 744,335 shares

May 31, 2025: 744,299 shares

3) Average number of shares during the period:

Three months ended August 31, 2025: 79,257,274 shares

Three months ended August 31, 2024: 79,257,540 shares

(Note) The Company conducted a 2-for-1 stock split effective September 1, 2024. Number of shares have been calculated on the assumption that such stock split took place at the beginning of the fiscal year ended May 31, 2025.

* 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 three months ended August 31, 2025, the Japanese economy remained sluggish as consumer sentiment weakened due to the continued rise in prices of various goods and services, while wage growth failed to keep pace.

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 2 in the Kanto region, 4 in the Chubu region, 2 in the Kansai region, 1 in the Chugoku region, 2 in the Shikoku region, and 1 in the Kyushu region, totaling 12. Furthermore, 1 store was closed due to the expiration of its lease agreement. As a result, the number of stores at the end of the three months ended August 31, 2025 became 1,620 in total.

As a result of the above measures, the Group's financial results for the three months ended August 31, 2025 were net sales of 272,394 million yen (4.0% increase year-on-year), operating profit of 11,645 million yen (0.6% increase year-on-year), ordinary profit of 12,188 million yen (0.9% decrease year-on-year), and profit attributable to owners of parent of 8,171 million yen (0.3% 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 August 31, 2025 amounted to 524,305 million yen, a decrease of 449 million yen from the end of the previous fiscal year. This was mainly due to decreases of 7,499 million yen in cash and deposits and 3,153 million yen in merchandise and increases of 4,246 million yen in other under current assets (including accounts receivable – other) and 5,716 million yen in property, plant and equipment.

Total liabilities amounted to 261,647 million yen, a decrease of 5,644 million yen from the end of the previous fiscal year. This was mainly due to decreases of 3,662 million yen in income taxes payable, 2,609 million yen in other under current liabilities (including accounts payable – other), and 1,137 million yen in long-term borrowings, and an increase of 1,847 million yen in accounts payable – trade.

Total net assets amounted to 262,658 million yen, an increase of 5,194 million yen from the end of the previous fiscal year. This was mainly due to an increase in retained earnings.

(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, 2026, there is no change from the consolidated financial results forecast released on July 11, 2025.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of May 31, 2025	As of August 31, 2025
Assets		
Current assets		
Cash and deposits	57,038	49,538
Accounts receivable - trade	761	770
Merchandise	92,031	88,878
Supplies	292	287
Other	15,497	19,744
Total current assets	165,622	159,219
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	250,949	251,916
Land	53,238	56,141
Other, net	26,937	28,783
Total property, plant and equipment	331,125	336,842
Intangible assets	446	670
Investments and other assets		
Leasehold and guarantee deposits	17,038	17,141
Construction assistance fund receivables	4,460	4,397
Other	6,062	6,034
Total investments and other assets	27,561	27,573
Total non-current assets	359,133	365,086
Total assets	524,755	524,305
Liabilities		
Current liabilities		
Accounts payable - trade	177,125	178,973
Current portion of long-term borrowings	5,682	5,482
Income taxes payable	8,060	4,397
Provision for loss on store closings	52	32
Other	29,759	27,150
Total current liabilities	220,680	216,036
Non-current liabilities		
Long-term borrowings	37,202	36,064
Retirement benefit liability	1,953	2,021
Asset retirement obligations	2,206	2,232
Other	5,249	5,292
Total non-current liabilities	46,612	45,611
Total liabilities	267,292	261,647

(Million yen)

	As of May 31, 2025	As of August 31, 2025
Net assets		
Shareholders' equity		
Share capital	4,178	4,178
Capital surplus	5,101	5,101
Retained earnings	248,309	253,508
Treasury shares	(227)	(227)
Total shareholders' equity	257,362	262,561
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1	1
Remeasurements of defined benefit plans	99	95
Total accumulated other comprehensive income	101	97
Total net assets	257,463	262,658
Total liabilities and net assets	524,755	524,305

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended August 31, 2024 and Three Months Ended August 31, 2025

(Million yen)

	For the three months ended August 31, 2024	For the three months ended August 31, 2025
Net sales	261,841	272,394
Cost of sales	207,278	215,219
Gross profit	54,562	57,174
Selling, general and administrative expenses	42,982	45,529
Operating profit	11,580	11,645
Non-operating income		
Interest income	11	27
Commission income	348	221
Rental income from real estate	294	303
Gain on receipt of donated non-current assets	127	105
Other	139	138
Total non-operating income	920	796
Non-operating expenses		
Interest expenses	49	110
Rental costs on real estate	113	109
Other	44	33
Total non-operating expenses	207	252
Ordinary profit	12,293	12,188
Extraordinary income		
Insurance claim income	—	3
Total extraordinary income	—	3
Extraordinary losses		
Loss on retirement of non-current assets	154	74
Loss on disaster	49	24
Loss on store closings	2	4
Provision for loss on store closings	20	—
Total extraordinary losses	227	103
Profit before income taxes	12,066	12,088
Income taxes	3,922	3,916
Profit	8,143	8,171
Profit attributable to owners of parent	8,143	8,171

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended August 31, 2024 and Three Months Ended August 31, 2025

(Million yen)

	For the three months ended August 31, 2024	For the three months ended August 31, 2025
Profit	8,143	8,171
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	0
Remeasurements of defined benefit plans, net of tax	(2)	(4)
Total other comprehensive income	(2)	(4)
Comprehensive income	8,140	8,167
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,140	8,167

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

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

Not applicable.

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

(Calculation of income taxes)

Income taxes for the quarterly consolidated financial statements are calculated by applying a reasonably estimated effective tax rate to quarterly pre-tax income. This effective tax rate is based on the annual pre-tax income after applying tax effect accounting for the consolidated fiscal year.

(Notes on segment information, etc.)

[Segment information]

I. Three months ended August 31, 2024 (from June 1, 2024 to August 31, 2024)

This information is omitted since the Group operates in a single segment of retail sale of pharmaceuticals and cosmetics, etc.

II. Three months ended August 31, 2025 (from June 1, 2025 to August 31, 2025)

This information is omitted since the Group operates in a single segment of retail sale of pharmaceuticals and cosmetics, etc.

(Notes on statements of cash flows)

No quarterly consolidated statements of cash flows have been prepared for the three months ended August 31, 2025. Depreciation (including amortization of intangible assets) for the three months ended August 31, 2024 and three months ended August 31, 2025 are as shown below.

	Three months ended August 31, 2024	Three months ended August 31, 2025
Depreciation	¥5,186 million	¥5,748 million

3. Supplementary Information

Sales by product

Product	Three months ended August 31, 2024		Three months ended August 31, 2025		(Reference) Fiscal year ended May 31, 2025	
	Amount (Million yen)	Composition (%)	Amount (Million yen)	Composition (%)	Amount (Million yen)	Composition (%)
Pharmaceutical	37,948	14.5	37,207	13.6	140,639	13.9
Cosmetics	24,545	9.4	24,290	8.9	93,107	9.2
Sundry goods	38,960	14.9	37,794	13.9	150,996	14.9
General foods	158,495	60.5	171,024	62.8	619,082	61.2
Others	1,891	0.7	2,077	0.8	7,565	0.8
Total	261,841	100.0	272,394	100.0	1,011,390	100.0

Sales by region

Region	Number of stores as of August 31, 2025		Net sales (Million yen)	Year-on-year (%)
Kanto	181	(2)	26,040	115.4
Chubu	182	(4)	25,757	112.0
Kansai	229	(2)	37,188	101.3
Chugoku	224	(1)	38,412	103.7
Shikoku	153	(2)	26,116	101.6
Kyushu	651	(0)	118,879	101.7
Total	1,620	(11)	272,394	104.0

- (Notes)
1. The above amounts do not include consumption taxes.
 2. Figures in parentheses in the “Number of stores as of August 31, 2025” column represent the net change from the number of stores as of May 31, 2025.