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Consolidated Financial Results for the Three Months Ended May 31, 2025 (Under Japanese GAAP)

July 10, 2025

Company name: TSURUHA HOLDINGS INC.
 Listing: Tokyo Stock Exchange (Prime Market)
 Securities code: 3391
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and financial analysts)

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

1. Consolidated financial results for the three months ended May 31, 2025 (March 1, 2025–May 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended May 31, 2025	272,530	—	12,467	—	13,059	—	11,112	—
August 15, 2024	273,213	5.2	15,291	8.4	15,279	7.6	9,207	11.3

(Note) Comprehensive income: Three months ended May 31, 2025: ¥9,999 million [—%]
 Three months ended August 15, 2024: ¥9,858 million [(18.6%)]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended May 31, 2025	228.31	227.47
August 15, 2024	189.31	188.75

(Note) The Company has changed its fiscal year-end (business year-end) from May 15 to the end of February, starting with the fiscal year ended February 28, 2025. Following this change, the months included in the three-month period ended May 31, 2025 (March 1, 2025 to May 31, 2025) are different from those in the comparative period ended August 15, 2024 (May 16, 2024 to August 15, 2024). Accordingly, year-on-year changes are not presented for the three months ended May 31, 2025.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2025	609,883	310,876	46.8	5,857.31
February 28, 2025	583,362	306,377	48.2	5,778.90

(Reference) Equity (Shareholders' equity + Accumulated other comprehensive income):

As of May 31, 2025: ¥285,190 million
 As of February 28, 2025: ¥281,236 million

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2025	—	155.00	—	112.00	267.00
Fiscal year ending February 28, 2026	—				
Fiscal year ending February 28, 2026 (Forecast)		133.50	—	—	—

(Note) Revisions to the most recently announced dividend forecast during the period: Yes

The fiscal year-end dividend forecast for the fiscal year ending February 28, 2026, is yet to be determined. For details, please refer to the “Notice Concerning Revisions to Full-Year Consolidated Earnings Forecast and Dividend Forecast” announced today.

3. Consolidated financial results forecast for the fiscal year ending February 28, 2026 (March 1, 2025–February 28, 2026)

(Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months	556,600	—	25,600	—	25,200	—	15,300	—	314.39
Full year	—	—	—	—	—	—	—	—	—

(Note) Revisions to the most recently announced earnings forecast during the period: Yes

The Company has changed its fiscal year-end (business year-end) from May 15 to the end of February, starting with the fiscal year ended February 28, 2025. Following this change, the fiscal year ended February 28, 2025 has become a transitional period for the fiscal year-end change covering 9.5 months only. Accordingly, year-on-year changes are not presented in the consolidated financial forecasts for the first six months.

As for the full-year consolidated financial forecast, we have not presented the figures as it is difficult to make reasonable forecast at this time. For details, please refer to the “Notice Concerning Revision to Full-Year Consolidated Earnings Forecast and Dividend Forecast” announced today.

Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Application of the specific accounting methods for preparing the quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and restatement
 - (i) Changes in accounting policies due to revision of accounting standard and other regulations: None
 - (ii) Changes in accounting policies other than (i): None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

- (4) Number of shares issued (common shares)

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

As of May 31, 2025	49,580,668 shares
As of February 28, 2025	49,557,068 shares

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

As of May 31, 2025	890,955 shares
As of February 28, 2025	890,955 shares

- (iii) Average number of shares outstanding during the period

Three months ended May 31, 2025	48,673,115 shares
Three months ended August 15, 2024	48,637,009 shares

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

* Note on use of financial forecasts and other special items

- (1) This document contains projections of performance based on information currently available. Actual results may differ from

the above figures due to changes in business conditions. Please refer to page 3 of the supplementary materials for further details about the above financial forecasts.

- (2) Quarterly consolidated financial results with an interim review report attached will be disclosed on July 14, 2025, after the audit firm's review is completed.

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1. Summary of Consolidated Financial Results, etc.

(1) Summary of Consolidated Financial Results for the Three Months Ended May 31, 2025

In connection with a change in the fiscal year-end, the fiscal year ended February 28, 2025 (the previous fiscal year) was an irregular fiscal year (May 16, 2024–February 28, 2025) covering 9.5 months only. Therefore, we do not present year-on-year percentage changes for the first three months.

During the first three months of the current fiscal year (March 1, 2025 to May 31, 2025), the economy saw a recovery in capital investment and an upward trend in corporate earnings, but consumer sentiment remained weak due to continued inflation exceeding wage increases. In addition, uncertainties about the future remain high due to factors such as the increase in tariffs by the United States and instability in the Middle East.

In the drugstore sector, we continue to face challenging conditions, such as a decline in the population in the trade areas due to an increase in the number of stores. However, sales in the field of dispensing and food products remain strong, and the market is expanding.

Under these circumstances, the Group has continued to pursue strategies from the previous fiscal year to review management system, including improving the accuracy of store openings, expanding dispensing and private brand (PB) sales, improving sales promotion efficiency, and enhancing store management information. In view of the business integration with WELCIA HOLDINGS CO., LTD. and AEON CO., LTD. scheduled in the fourth quarter, we have been launching projects and promoting personnel exchanges as we work to create synergies and formulate our Medium-Term Management Plan.

In terms of store development, we have worked to establish even more dominant positions in existing areas and renovated or eliminated unprofitable stores to boost competitiveness. Since the start of the fiscal year under review, we have carried out 31 new store openings and closed 10 stores. This resulted in a total of 2,679 directly managed stores as of May 31, 2025.

TSURUHA Group: Store Openings and Closures

(Number of stores)

	Beginning number of stores (Mar. 1, 2025)	Openings	Closures	Net change	Ending number of stores (May 31, 2025)	Of which, dispensing pharmacies
Hokkaido	437	3	1	2	439	149
Tohoku	593	6	2	4	597	165
Kanto, Koshinetsu	528	3	1	2	530	224
Chubu, Kansai	269	4	1	3	272	168
Chugoku	374	5	4	1	375	148
Shikoku	225	1	1	–	225	69
Kyushu, Okinawa	232	9	–	9	241	54
Total for Japan	2,658	31	10	21	2,679	977

(The figures above excludes 23 overseas stores and seven franchise stores.)

As a result of the above, for the three-month period under review, TSURUHA Holdings reported net sales of ¥272,530 million, operating income of ¥12,467 million, ordinary income of ¥13,059 million, and net income attributable to owners of the parent of ¥11,112 million.

(2) Summary of Consolidated Financial Position for the Three Months Ended May 31, 2025

As of the end of the first quarter under review, assets totaled ¥609,883 million, an increase of ¥26,520 million compared with the previous fiscal year-end. Current assets totaled ¥327,694 million, an increase of ¥24,882 million compared with the previous fiscal year-end. This was mainly due to increases of ¥7,080 million in cash and deposits, ¥12,498 in accounts receivable – trade, and ¥4,016 million in merchandise. Non-current assets totaled ¥282,188 million, an increase of ¥1,638 million compared with the previous fiscal year-end. This was mainly due to an increase of ¥4,803 million in property, plant and equipment, mainly for new store openings, which was partly offset by a decrease of ¥2,834 million in investment securities.

Liabilities totaled ¥299,006 million, an increase of ¥22,021 million compared with the previous fiscal year-end. Main contributor includes increase of ¥21,638 million in accounts payable – trade.

Net assets totaled ¥310,876 million, an increase of ¥4,498 million compared with the previous fiscal year-end. This was mainly due to an increase of ¥11,112 million in retained earnings as a result of net income attributable to owners of the parent, which was offset by cash dividends paid of ¥5,450 million.

As a result, the equity ratio was 46.8%, down 1.4 points from the previous fiscal year-end.

(3) Consolidated Financial Forecasts and Other Forward-Looking Statements

As announced in the “Notice Concerning the Execution of the Definitive Agreement on the Capital and Business Alliance among AEON CO., LTD., TSURUHA HOLDINGS INC. and WELCIA HOLDINGS CO., LTD. ” dated April 11, 2025, the Company will implement a business integration with WELCIA HOLDINGS CO., LTD. with the effective date scheduled on December 1, 2025.

For this reason, we have decided to sustain our consolidated earnings forecast and dividend forecast for the first half of the fiscal year, while leaving the full-year consolidated earnings forecast and year-end dividend forecast undetermined.

For details, please refer to the “Notice Concerning Revision to Full-Year Consolidated Earnings Forecast and Dividend Forecast” announced today.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2025	As of May 31, 2025
Assets		
Current assets		
Cash and deposits	92,739	99,819
Accounts receivable – trade	41,180	53,679
Merchandise	149,090	153,107
Raw materials and supplies	104	103
Other	19,770	21,067
Allowance for doubtful accounts	(73)	(84)
Total current assets	302,811	327,694
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	83,612	86,624
Tools, furniture and fixtures, net	15,527	15,707
Land	16,011	17,226
Leased assets, net	19,442	20,709
Construction in progress	3,348	2,477
Other, net	0	0
Total property, plant and equipment	137,942	142,745
Intangible assets		
Goodwill	19,773	19,085
Software	7,276	7,080
Other	1,245	1,656
Total intangible assets	28,295	27,822
Investments and other assets		
Investment securities	31,942	29,107
Deferred tax assets	6,632	6,660
Retirement benefit asset	209	213
Guarantee deposits	71,076	72,334
Other	4,506	3,358
Allowance for doubtful accounts	(54)	(54)
Total investments and other assets	114,312	111,620
Total non-current assets	280,550	282,188
Total assets	583,362	609,883

(Millions of yen)

	As of February 28, 2025	As of May 31, 2025
Liabilities		
Current liabilities		
Accounts payable – trade	139,398	161,036
Short-term loans payable	5,000	–
Current portion of long-term loans payable	4,950	23,325
Accounts payable – other	10,517	11,066
Lease obligations	1,896	2,159
Income taxes payable	6,396	7,129
Contract liability	18,849	18,704
Provision for bonuses	6,672	3,415
Provision for directors' bonuses	461	149
Provision for point card certificates	296	295
Provision for loss on store closings	745	819
Other	11,461	19,536
Total current liabilities	206,646	247,637
Non-current liabilities		
Long-term loans payable	27,925	7,750
Lease obligations	23,993	25,404
Deferred tax liabilities	2,279	1,449
Net defined benefit liability	1,324	1,341
Asset retirement obligations	7,554	7,632
Provision for loss on store closings	2,707	3,166
Other	4,553	4,624
Total non-current liabilities	70,338	51,369
Total liabilities	276,984	299,006
Net assets		
Shareholders' equity		
Capital stock	11,626	11,737
Capital surplus	21,541	21,652
Retained earnings	232,706	238,368
Treasury shares	(5,315)	(5,315)
Total shareholders' equity	260,558	266,443
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,503	18,581
Remeasurements of defined benefit plans	175	166
Total accumulated other comprehensive income	20,678	18,747
Share acquisition rights	866	799
Non-controlling interests	24,273	24,885
Total net assets	306,377	310,876
Total liabilities and net assets	583,362	609,883

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income)
(For the Three-month Period)

(Millions of yen)

	Three months ended August 15, 2024	Three months ended May 31, 2025
Net sales	273,213	272,530
Cost of sales	190,864	190,124
Gross profit	82,348	82,405
Selling, general and administrative expenses	67,057	69,938
Operating income	15,291	12,467
Non-operating income		
Interest income	30	31
Dividend income	87	111
Gain on donation of equipment	133	110
Rent income	65	85
Compensation income	0	421
Other	130	402
Total non-operating income	448	1,162
Non-operating expenses		
Interest expenses	410	499
Other	49	70
Total non-operating expenses	460	570
Ordinary income	15,279	13,059
Extraordinary income		
Gain on sale of non-current assets	—	2
Gain on sale of investment securities	—	6,682
Gain on termination of retirement benefit plan	27	—
Total extraordinary income	27	6,684
Extraordinary losses		
Loss on retirement of non-current assets	13	2
Loss on sale of non-current assets	3	6
Impairment losses	135	34
Provision for loss on store closings	—	794
Expenses related to corrections to annual earnings results for past fiscal years	—	241
Total extraordinary losses	152	1,078
Income before income taxes	15,155	18,665
Income taxes	5,222	6,709
Net income	9,932	11,956
Net income attributable to non-controlling interests	725	843
Net income attributable to owners of the parent	9,207	11,112

(Quarterly Consolidated Statements of Comprehensive Income)
(For the Three-month Period)

(Millions of yen)

	Three months ended August 15, 2024	Three months ended May 31, 2025
Net income	9,932	11,956
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	(1,939)
Remeasurements of defined benefit plans	(73)	(16)
Total other comprehensive income	(74)	(1,956)
Comprehensive income	9,858	9,999
(Comprehensive income attributable to)		
Owners of the parent	9,139	9,181
Non-controlling interests	718	817

(3) Notes to Quarterly Consolidated Financial Statements

(Basis of Presenting the Quarterly Consolidated Financial Statements)

The quarterly consolidated financial statements are prepared in accordance with Article 4(1) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 4(2) of the Standard) and accounting principles generally accepted in Japan.

(Note to Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements)

Calculation of Tax Expenses

Regarding tax expenses, the Group has reasonably estimated the effective tax rate on income before income taxes for the consolidated fiscal year (including the first quarter under review) after the application of tax-effect accounting, which is calculated by multiplying income before income taxes by the said estimated effective tax rate.

However, in cases where calculating tax expenses using the said estimated effective tax rate would result in a significant lack of rationality, the Group uses the statutory effective tax rate.

“Income taxes – deferred” are included under income taxes.

(Segment Information, etc.)

Information has been omitted because the Group has only a single business segment, the product sales business, which focuses on pharmaceuticals and cosmetics.

(Significant Changes in Shareholders' Equity)

Not applicable.

(Going Concern Assumption)

Not applicable.

(Notes to Quarterly Consolidated Statement of Cash Flows)

The Company has not prepared a quarterly consolidated statement of cash flows for the first quarter of the current fiscal year. Depreciation and amortization (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first quarter of the fiscal year under review are as follows.

	(Millions of yen)	
	Three months ended August 15, 2024	Three months ended May 31, 2025
Depreciation	3,629	3,999
Amortization of goodwill	709	705