

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Consolidated Financial Results for the Fiscal Year Ended February 28, 2026 (Under Japanese GAAP)

April 9, 2026

Company name: TSURUHA HOLDINGS INC.
 Listing: Tokyo Stock Exchange (Prime Market)
 Securities code: 3391
 URL: <https://www.tsuruha-hd.com>
 Representative: Tsuruha Jun, President and Representative Director
 Inquiries: Miyake Ryutaro, Executive Officer and General Manager of Accounting and Finance Division
 Telephone: +81-11-783-2755
 Scheduled date of annual general meeting of shareholders: May 22, 2026
 Scheduled date to file annual securities report: May 21, 2026
 Scheduled date to commence dividend payments: May 8, 2026
 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 year ended February 28, 2026 (March 1, 2025–February 28, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		EBITDA		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2026	1,450,585	–	93,262	–	63,037	–	63,086	–	42,670	–
February 28, 2025	845,603	–	52,944	–	37,894	–	37,840	–	17,207	–

(Note) Comprehensive income: For the fiscal year ended February 28, 2026: ¥39,742 million [–%]
 For the fiscal year ended February 28, 2025: ¥17,081 million [–%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
February 28, 2026	144.55	144.08	7.4	5.7	4.3
February 28, 2025	70.73	70.55	6.1	6.7	4.5

(Reference) Share of profit (loss) of entities accounted for using the equity method:

For the fiscal year ended February 28, 2026: ¥(473) million

For the fiscal year ended February 28, 2025: ¥– million

- (Notes)
- EBITDA = Operating income + depreciation and amortization of goodwill
 - TSURUHA HOLDINGS INC. (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 for the fiscal year ended February 28, 2026 and the fiscal year ended February 28, 2025.
 - The Company implemented a five-for-one stock split of its common shares on September 1, 2025. Accordingly, basic earnings per share and diluted earnings per share have been calculated on the assumption that the said stock split was implemented at the beginning of the fiscal year ended February 28, 2025 (the previous fiscal year).

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
February 28, 2026	1,647,981	895,706	53.1	1,932.16
February 28, 2025	583,362	306,377	48.2	1,155.78

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

As of February 28, 2026: ¥875,223 million

As of February 28, 2025: ¥281,236 million

(Note) The Company implemented a five-for-one stock split of its common shares on September 1, 2025. Net assets per share have been calculated on the assumption that the said stock split was implemented at the beginning of the previous fiscal year.

(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
February 28, 2026	84,582	(19,787)	(39,047)	201,309
February 28, 2025	64,643	(19,713)	(10,872)	92,605

2. Dividends

	Annual dividends per share					Total annual dividends	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 February 28, 2025	–	155.00	–	112.00	267.00	12,994	75.5	4.6
Fiscal year ended February 28, 2026	–	133.50	–	23.00	–	16,958	34.4	3.2
Fiscal year ending February 28, 2027 (Forecast)	–	24.00	–	24.00	48.00		52.4	

(Note) The Company implemented a five-for-one stock split of its common shares on September 1, 2025. The dividends per share for the fiscal year ended February 28, 2025 and for the second quarter-end of the fiscal year ended February 28, 2026 represent the actual dividend amounts before the said stock split. The year-end dividend per share for the fiscal year ended February 28, 2026 represents the amount after the stock split. The total annual dividends per share for the fiscal year ended February 28, 2026 is not presented as a simple aggregation is not possible due to the stock split. If the stock split were not taken into account, the year-end dividend would be ¥115.00 per share and the annual dividends would be ¥248.50 per share.

3. Consolidated financial results forecast for the fiscal year ending February 28, 2027 (March 1, 2026–February 28, 2027)

(Percentages represent year-on-year changes.)

	Net sale		EBITDA		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	%	Millions of yen	%	
First six months	1,279,300	129.3	83,200	120.1	52,600	84.9	51,900	80.1	27,200	33.6	60.05
Full year	2,555,000	76.1	162,300	74.0	99,400	57.7	98,100	55.5	41,500	(2.7)	91.62

Notes

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 18 companies (Company name) WELCIA HOLDINGS CO., LTD. and 17 other companies
Excluded: - companies (Company name) -

(2) 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

(3) Number of shares issued (common shares)

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

As of February 28, 2026	454,308,990 shares
As of February 28, 2025	247,785,340 shares

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

As of February 28, 2026	1,331,029 shares
As of February 28, 2025	4,454,775 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended February 28, 2026	295,202,654 shares
Fiscal year ended February 28, 2025	243,263,544 shares

(Notes) 1. The Company implemented a five-for-one stock split of its common shares on September 1, 2025. The total number of shares issued at the end of the period, the number of treasury shares at the end of the period, and the average number of shares outstanding during the period have been calculated on the assumption that the said stock split was implemented at the beginning of the previous fiscal year.
2. The number of treasury shares at the end of the period includes the Company's shares held by the stock-granting Employee Stock Ownership Plan Trust (the "ESOP Trust") (1,304,465 shares as of February 28, 2026). In addition, the average number of shares outstanding during the period is calculated after deducting the average number of the Company's shares held by the ESOP Trust during the period.

[Reference] Non-consolidated financial results

Non-consolidated results for the year ended February 28, 2026 (March 1, 2025–February 28, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2026	20,616	–	6,434	–	6,331	–	6,529	–
February 28, 2025	23,317	–	15,705	–	15,652	–	16,123	–

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
February 28, 2026	22.09	22.02
February 28, 2025	66.28	66.11

(Notes) 1. 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 for the fiscal year ended February 28, 2026 and the fiscal year ended February 28, 2025.
2. The Company implemented a five-for-one stock split of its common shares on September 1, 2025. Accordingly, basic earnings per share and diluted earnings per share have been calculated on the assumption that the said stock split was implemented at the beginning of the previous business year.

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
February 28, 2026	848,513	708,563	83.4	1,558.43
February 28, 2025	169,307	134,220	78.8	548.04

(Reference) Equity (Shareholders' equity + Valuation and translation adjustments):

As of February 28, 2026: ¥707,967 million

As of February 28, 2024: ¥133,353 million

(Note) The Company implemented a five-for-one stock split of its common shares on September 1, 2025. Net assets per share have been calculated on the assumption that the said stock split was implemented at the beginning of the previous business year.

* Financial results reports are not subject to audit by certified public accountants or an audit firm.

* Note on use of financial forecasts and other special items

The forward-looking statements in this document, including forecasts, are based on information available at the time of disclosure and on certain assumptions deemed to be reasonable by the Company. As such, it is not intended to be a promise by the Company to achieve such results. Actual results may differ materially from forward-looking statements due to a number of factors. For more details about these assumptions and other conditions that form the basis of these forecasts, please refer to page 4 of the supplementary materials, “1. Summary of Consolidated Financial Results, etc., (4) Business Forecasts.”

(Access to financial results briefing materials)

Financial results briefing materials are disclosed on the Company’s website on the same day as the briefing (Japanese version only).

Contents of supplementary materials

1. Summary of Consolidated Financial Results, etc.....	2
(1) Summary of Consolidated Financial Results for the Fiscal Year Ended February 28, 2026.....	2
(2) Summary of Consolidated Financial Position for the Fiscal Year Ended February 28, 2026	3
(3) Summary of Consolidated Statement of Cash Flows for the Fiscal Year Ended February 28, 2026	3
(4) Business Forecasts	4
(5) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years.....	4
2. Basic Approach to the Selection of Accounting Standards	4
3. Consolidated Financial Statements and Notes	5
(1) Consolidated Balance Sheets	5
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	7
(Consolidated Statements of Income)	7
(Consolidated Statements of Comprehensive Income)	8
(3) Consolidated Statements of Changes in Equity	9
(4) Consolidated Statements of Cash Flows	11
(5) Notes on Consolidated Financial Statements.....	13
(Going Concern Assumption)	13
(Segment Information, etc.).....	13
(Per Share Information)	14
(Significant Subsequent Events).....	15
4. Other	16
(1) Purchases and Sales	16

1. Summary of Consolidated Financial Results, etc.

(1) Summary of Consolidated Financial Results for the Fiscal Year Ended February 28, 2026

In connection with a change in the fiscal year-end, 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 previous fiscal year.

In the drugstore sector, the business environment remained challenging, due in part to intensifying competition driven by an increase in the number of stores and changes in the conditions in trade areas. In addition, the quality of competition has become more sophisticated due to progress in restructuring both within and beyond the industry as well as the collaboration across industries and types of business. On the other hand, the range of offerings by drugstores has expanded by the capture of demand in the dispensing field against the backdrop of ongoing population aging and the expansion of offerings in the food field, and the market size continues to expand.

Under these circumstances, TSURUHA Group (the “Group”) has worked to improve profitability and competitiveness through the promotion of drugstores with dispensing pharmacies, expansion of sales of private brand (PB) offerings, proper control of selling, general and administrative expenses, and other factors.

In addition, following the business integration with WELCIA HOLDINGS CO., LTD. and AEON CO., LTD. on December 1, 2025, the Company has been advancing the establishment of its organizational structure, strengthening collaboration toward the integration of product strategies (private brands and national brands) and merchandising, and promoting initiatives to create synergies through the establishment of a data utilization infrastructure, the collaboration of store development functions, and other factors.

In terms of store development, our basic policy is to establish even more dominant positions in existing areas. We have been promoting store development with an emphasis on the quality of new store openings. Furthermore, to enhance the competitiveness of existing stores, we have been actively implementing renovations and reviewing unprofitable stores. As a result, during the period under review, we have carried out 117 new store openings and closed 90 stores, and with the addition of 2,991 stores associated with stores acquired, etc., the total number of directly managed stores reached 5,676 as of the end of the period under review.

TSURUHA Group: Store Openings and Closures

(Number of stores)

	Beginning number of stores (Mar. 1, 2025)	Openings	Acquired, etc.	Closures	Net change	Ending number of stores (Feb. 28, 2026)	Of which, dispensing pharmacies
Hokkaido	437	16	8	8	16	453	152
Tohoku	593	25	201	22	204	797	299
Kanto	447	20	1,380	21	1,379	1,826	1,346
Chubu	274	9	585	12	582	854	628
Kinki	76	9	532	8	533	611	463
Chugoku	374	15	165	10	170	544	240
Shikoku	225	4	68	4	68	293	101
Kyushu, Okinawa	232	19	52	5	66	298	90
Total for Japan	2,658	117	2,991	90	3,018	5,676	3,319

(The figures above exclude 35 overseas stores.)

*In connection with the integration, the store area classification has been changed, and “Store Openings and Closures” have been prepared by retroactively applying the changed classification to the beginning number of stores.

As a result of the above, for the period under review, TSURUHA Holdings reported net sales of ¥1,450,585 million, operating income of ¥63,037 million, ordinary income of ¥63,086 million, and net income attributable to owners of the parent of ¥42,670 million.

(2) Summary of Consolidated Financial Position for the Fiscal Year Ended February 28, 2026

(Assets, Liabilities, and Net Assets)

Due in part to the business integration with WELCIA HOLDINGS CO., LTD. on December 1, 2025, the amounts of each component of the financial position as of the end of the period under review increased compared with those as of the previous fiscal year-end.

As of the end of the period under review, assets totaled ¥1,647,981 million, an increase of ¥1,064,619 million compared with the previous fiscal year-end.

Current assets totaled ¥679,409 million, an increase of ¥376,597 million compared with the previous fiscal year-end. This was mainly due to increases of ¥109,390 million in cash and deposits and ¥158,833 million in merchandise.

Non-current assets totaled ¥968,572 million, an increase of ¥688,021 million compared with the previous fiscal year-end. This was mainly due to increases of ¥175,764 million in property, plant and equipment and ¥434,819 million in goodwill.

Liabilities totaled ¥752,275 million, an increase of ¥475,290 million compared with the previous fiscal year-end. Main contributor includes increases of ¥236,194 million in accounts payable – trade, ¥70,939 million in long-term loans payable, ¥36,439 million in current portion of long-term loans payable, and ¥31,938 million in long-term lease obligations.

Net assets totaled ¥895,706 million, an increase of ¥589,329 million compared with the previous fiscal year-end. This was mainly due to increases of ¥566,371 in capital surplus and ¥30,709 million in retained earnings.

As a result, the equity ratio was 53.1%, up 4.9 points from the previous fiscal year-end.

(3) Summary of Consolidated Statement of Cash Flows for the Fiscal Year Ended February 28, 2026

In connection with a change in the fiscal year-end, 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 previous fiscal year.

As of the end of the period under review, cash and cash equivalents (net cash) totaled ¥201,309 million. This reflected net cash provided by operating activities of ¥84,582 million, offset by net cash used in investing activities of ¥19,787 million and in financing activities of ¥39,047 million, as well as an increase of ¥82,950 million in increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation.

The Group's cash flow position and their factors at the end of the period under review are as follows:

(Cash Flows from Operating Activities)

Net cash provided by operating activities totaled ¥84,582 million. This mainly reflected income before income taxes of ¥66,326 million, and other positive factors were an increase of depreciation of ¥22,416 million and impairment loss of ¥10,776 million. The main negative factors were gain on step acquisitions of ¥10,583 million and income taxes paid of ¥13,716 million.

(Cash Flows from Investing Activities)

Net cash used in investing activities totaled ¥19,787 million. This was mainly due to purchase of property, plant and equipment of ¥24,897 million for new store openings and other factors.

(Cash Flows from Financing Activities)

Net cash used in financing activities totaled ¥39,047 million. This was mainly due to purchase of treasury shares of ¥78,408 million, cash dividends paid of ¥11,944 million, and purchase of shares of subsidiaries not resulting in change in scope of consolidation of ¥19,834 million, which were partly offset by proceeds from long-term borrowings of ¥90,000 million.

(4) Business Forecasts

In the drugstore industry, the market continues to expand supported by growing demand for dispensing and the strengthening of the food category. On the other hand, the earnings environment has become increasingly challenging mainly due to rising personnel and logistics expenses, increasing the importance of productivity improvements and expense control.

Under these circumstances, under its group strategy based on the business integration, the Group will work to improve productivity and strengthen profitability by revitalizing existing stores, promoting the drugstores with dispensing pharmacies, strengthening PB products, and advancing digital transformation (DX). For details on the Group's growth strategy, please refer to the Medium-Term Management Plan announced today.

Based on the above, our consolidated financial results forecasts for the fiscal year ending February 28, 2027 are net sales of ¥2,555,000 million, EBITDA of ¥162,300 million, operating income of ¥99,400 million, ordinary income of ¥98,100 million, and net income attributable to owners of the parent of ¥41,500 million.

(5) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years

The Group's basic policy is focused on shareholder returns through the payment of stable dividends while taking into account the need for funds to reinforce the operating base and support future business development. The Group has used the dividend payout ratio as a benchmark for the distribution of profits to shareholders.

In accordance with the above policy, for the second quarter of the current fiscal year, the Group paid an interim dividend of ¥133.50 per share as planned. Although the Company implemented a five-for-one stock split of its common shares on September 1, 2025, the dividends per share for the second quarter-end represent the amounts before the said stock split. At the end of the fiscal year, the Group has decided to pay a year-end dividend of ¥23.00 per share as initially planned based on the financial results for the period under review. If the stock split were not taken into account, the year-end dividend would be ¥115.00 per share and the annual dividends would be ¥248.50 per share.

With respect to dividends for the next fiscal year, the Company's basic policy is to provide stable and progressive dividends while balancing the reinforcement of the operating base through the business integration and growth investments. The Company will deliver shareholder returns by taking into account its financial results and other factors, with a target consolidated dividend payout ratio of 35% or more. For the fiscal year ending February 28, 2027, the Group plans to pay an annual dividend of ¥48 per share.

2. Basic Approach to the Selection of Accounting Standards

The Group applies Japanese accounting standards. We will take appropriate measures regarding the adoption of International Financial Reporting Standards (IFRS), considering the circumstances in Japan and overseas.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2025	As of February 28, 2026
Assets		
Current assets		
Cash and deposits	92,739	202,130
Accounts receivable – trade	41,180	122,481
Merchandise	149,090	307,924
Raw materials and supplies	104	682
Other	19,770	46,294
Allowance for doubtful accounts	(73)	(103)
Total current assets	302,811	679,409
Non-current assets		
Property, plant and equipment		
Buildings and structures	138,979	354,073
Accumulated depreciation	(55,366)	(165,139)
Buildings and structures, net	83,612	188,934
Tools, furniture and fixtures	71,097	112,321
Accumulated depreciation	(55,570)	(93,017)
Tools, furniture and fixtures, net	15,527	19,303
Land	16,011	39,724
Leased assets	25,119	112,600
Accumulated depreciation	(5,677)	(50,164)
Leased assets, net	19,442	62,436
Construction in progress	3,348	3,035
Other	47	789
Accumulated depreciation	(47)	(517)
Other, net	0	272
Total property, plant and equipment	137,942	313,706
Intangible assets		
Goodwill	19,773	454,593
Software	7,276	12,364
Other	1,245	2,699
Total intangible assets	28,295	469,657
Investments and other assets		
Investment securities	31,942	24,845
Deferred tax assets	6,632	36,384
Retirement benefit asset	209	438
Guarantee deposits	71,076	119,518
Other	4,506	4,224
Allowance for doubtful accounts	(54)	(202)
Total investments and other assets	114,312	185,208
Total non-current assets	280,550	968,572
Total assets	583,362	1,647,981

(Millions of yen)

	As of February 28, 2025	As of February 28, 2026
Liabilities		
Current liabilities		
Accounts payable – trade	139,398	375,592
Short-term loans payable	5,000	–
Current portion of long-term loans payable	4,950	41,389
Accounts payable – other	10,517	29,869
Lease obligations	1,896	12,302
Income taxes payable	6,396	25,437
Contract liability	18,849	20,779
Provision for bonuses	6,672	13,162
Provision for directors' bonuses	461	816
Provision for point card certificates	296	269
Provision for loss on store closings	745	1,979
Other	11,461	25,967
Total current liabilities	206,646	547,566
Non-current liabilities		
Long-term loans payable	27,925	98,864
Lease obligations	23,993	55,932
Deferred tax liabilities	2,279	911
Retirement benefit liability	1,324	10,397
Asset retirement obligations	7,554	28,215
Provision for loss on store closings	2,707	3,902
Other	4,553	6,485
Total non-current liabilities	70,338	204,708
Total liabilities	276,984	752,275
Net assets		
Shareholders' equity		
Capital stock	11,626	12,300
Capital surplus	21,541	587,912
Retained earnings	232,706	263,416
Treasury shares	(5,315)	(3,402)
Total shareholders' equity	260,558	860,225
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,503	14,724
Foreign currency translation adjustment	–	(38)
Remeasurements of defined benefit plans	175	311
Total accumulated other comprehensive income	20,678	14,997
Share acquisition rights	866	596
Non-controlling interests	24,273	19,886
Total net assets	306,377	895,706
Total liabilities and net assets	583,362	1,647,981

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Net sales	845,603	1,450,585
Cost of sales	588,063	1,006,596
Gross profit	257,540	443,989
Selling, general and administrative expenses		
Employees' salaries and allowances	79,042	139,898
Employees' bonuses	6,286	7,305
Provision for bonuses	6,672	10,324
Provision for directors' bonuses	461	652
Retirement benefit expenses	1,088	1,899
Expenses for rents	43,199	71,282
Provision of reserve for loss on subleasing business	170	—
Other	82,721	149,589
Total selling, general and administrative expenses	219,645	380,952
Operating income	37,894	63,037
Non-operating income		
Interest income	88	386
Dividend income	245	256
Subsidy income	256	338
Gain on donation of equipment	400	509
Rent income	252	346
Compensation income	123	671
Other	416	1,038
Total non-operating income	1,784	3,548
Non-operating expenses		
Interest expenses	1,451	2,510
Share of loss of entities accounted for using equity method	—	473
Other	386	515
Total non-operating expenses	1,837	3,499
Ordinary income	37,840	63,086
Extraordinary income		
Gain on sales of non-current assets	48	63
Gain on reversal of share acquisition rights	1,165	—
Gain on sales of investment securities	3,830	6,742
Gain on termination of retirement benefit plan	278	—
Gain on step acquisitions	—	10,583
Other	—	203
Total extraordinary income	5,323	17,592
Extraordinary losses		
Loss on retirement of non-current assets	85	97
Loss on sale of non-current assets	3	8
Impairment losses	10,743	10,776
Provision for loss on store closings	3,110	2,929
Other	840	541
Total extraordinary losses	14,782	14,353
Income before income taxes	28,381	66,326
Income taxes – current	13,236	25,271
Income taxes – deferred	(3,469)	(4,301)
Total income taxes	9,767	20,969
Net income	18,613	45,356
Net income attributable to non-controlling interests	1,406	2,686
Net income attributable to owners of the parent	17,207	42,670

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Net income	18,613	45,356
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,639)	(5,713)
Foreign currency translation adjustment	–	(38)
Remeasurements of defined benefit plans	107	137
Total other comprehensive income	(1,532)	(5,613)
Comprehensive income	17,081	39,742
Comprehensive income attributable to		
Owners of the parent	15,527	36,989
Non-controlling interests	1,553	2,753

(3) Consolidated Statements of Changes in Equity
Fiscal year ended February 28, 2025

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of the period	11,535	21,449	229,535	(5,314)	257,205
Change of items during the period					
Issuance of new shares	91	91			182
Dividends of surplus			(14,035)		(14,035)
Net income attributable to owners of the parent			17,207		17,207
Purchase of treasury shares				(1)	(1)
Net changes of items other than shareholders' equity					
Total change of items during the period	91	91	3,171	(1)	3,352
Balance at end of the period	11,626	21,541	232,706	(5,315)	260,558

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of the period	22,150	207	22,358	2,017	23,715	305,297
Change of items during the period						
Issuance of new shares						182
Dividends of surplus						(14,035)
Net income attributable to owners of the parent						17,207
Purchase of treasury shares						(1)
Net changes of items other than shareholders' equity	(1,647)	(32)	(1,679)	(1,150)	558	(2,272)
Total change of items during the period	(1,647)	(32)	(1,679)	(1,150)	558	1,080
Balance at end of the period	20,503	175	20,678	866	24,273	306,377

Fiscal year ended February 28, 2026

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of the period	11,626	21,541	232,706	(5,315)	260,558
Change of items during the period					
Issuance of new shares	673	570,254			570,928
Dividends of surplus			(11,960)		(11,960)
Net income attributable to owners of the parent			42,670		42,670
Purchase of treasury shares				(78,408)	(78,408)
Disposal of treasury shares		3,815		84,095	87,910
Change in scope of consolidation				(3,774)	(3,774)
Purchase of shares of consolidated subsidiaries		(7,698)			(7,698)
Net changes of items other than shareholders' equity					
Total change of items during the period	673	566,371	30,709	1,913	599,667
Balance at end of the period	12,300	587,912	263,416	(3,402)	860,225

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of the period	20,503	–	175	20,678	866	24,273	306,377
Change of items during the period							
Issuance of new shares							570,928
Dividends of surplus							(11,960)
Net income attributable to owners of the parent							42,670
Purchase of treasury shares							(78,408)
Disposal of treasury shares							87,910
Change in scope of consolidation							(3,774)
Purchase of shares of consolidated subsidiaries							(7,698)
Net changes of items other than shareholders' equity	(5,778)	(38)	136	(5,680)	(270)	(4,387)	(10,338)
Total change of items during the period	(5,778)	(38)	136	(5,680)	(270)	(4,387)	589,329
Balance at end of the period	14,724	(38)	311	14,997	596	19,886	895,706

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Cash flows from operating activities		
Income before income taxes	28,381	66,326
Depreciation	13,207	22,416
Impairment loss	10,743	10,776
Amortization of goodwill	2,253	8,280
Increase (decrease) in allowance for doubtful accounts	78	(14)
Increase (decrease) in provision for bonuses	(94)	3,618
Increase (decrease) in provision for directors' bonuses	(203)	242
Increase (decrease) in net defined benefit liability	(1,689)	363
Increase (decrease) in provision for point card certificates	10	(27)
Increase (decrease) in provision for loss on subleasing business	(1,109)	-
Increase (decrease) in provision for loss on store closings	3,453	1,955
Interest and dividend income	(334)	(643)
Subsidy income	(256)	(338)
Interest expenses	1,451	2,510
Share of loss (profit) of entities accounted for using equity method	-	473
Loss (gain) on step acquisitions	-	(10,583)
Gain on donation of equipment	(400)	(509)
Loss on retirement of non-current assets	85	97
Loss (gain) on sales of non-current assets	(45)	(54)
Loss (gain) on sales of investment securities	(3,830)	(6,742)
Gain on reversal of share acquisition rights	(1,165)	-
Decrease (increase) in notes and accounts receivable - trade	6,324	7,524
Decrease (increase) in inventories	(2,021)	(1,502)
Increase (decrease) in notes and accounts payable - trade	25,254	7,088
Increase (decrease) in contract liability	2,241	1,074
Increase (decrease) in accrued consumption taxes	961	215
Other	(2,432)	(12,532)
Subtotal	80,861	100,014
Interest and dividend income received	252	307
Subsidy received	256	338
Interest expenses paid	(1,426)	(2,361)
Income taxes paid	(15,300)	(13,716)
Net cash provided by (used in) operating activities	64,643	84,582

(Millions of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Cash flows from investing activities		
Purchase of property, plant and equipment	(20,110)	(24,897)
Proceeds from sales of property, plant and equipment	408	564
Purchase of software	(2,732)	(3,561)
Purchase of investment securities	(141)	–
Proceeds from sales and redemption of investment securities	3,856	6,787
Payments for guarantee deposits	(4,073)	(4,919)
Proceeds from collection of guarantee deposits	2,707	3,552
Other	372	2,685
Net cash provided by (used in) investing activities	(19,713)	(19,787)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,000	(4,960)
Proceeds from long-term borrowings	6,000	90,000
Repayments of long-term borrowings	(5,400)	(8,796)
Repayments of lease obligations	(1,439)	(5,307)
Proceeds from issuance of new shares	–	920
Purchase of treasury shares	(1)	(78,408)
Cash dividends paid	(14,035)	(11,944)
Dividends paid to non-controlling interests	(995)	(716)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(19,834)
Net cash provided by (used in) financing activities	(10,872)	(39,047)
Effect of exchange rate change on cash and cash equivalents	(7)	4
Net increase (decrease) in cash and cash equivalents	34,051	25,752
Cash and cash equivalents at beginning of the period	58,554	92,605
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	82,950
Cash and cash equivalents at end of the period	92,605	201,309

(5) Notes to Consolidated Financial Statements
(Going Concern Assumption)
Not applicable.

(Segment Information, etc.)

a. Segment information

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

For information related to procurement and sales, please refer to “4. Other (1) Purchases and Sales.”

b. Related information

i. Information by product and service

Information has been omitted because the Group has only a single business segment, the product sales business, and sales to external customers in this business account for more than 90% of net sales recorded in the consolidated statements of income.

ii. Information by region

(1) Net sales

Information has been omitted because sales to external customers in Japan account for more than 90% of net sales recorded in the consolidated statements of income.

(2) Property, plant and equipment

Information has been omitted because the amount of property, plant and equipment in Japan accounts for more than 90% of the total amount recorded in the consolidated balance sheet.

iii. Information by major customer

Information has been omitted because the Group has no external customers that account for 10% or more of net sales on the consolidated statement of income.

c. Information related to impairment losses of non-current assets for each reportable segment

Information has been omitted because the Group has only a single business segment, which is the product sales business.

d. Information related to goodwill amortization and the unamortized balance for each reportable segment

Information has been omitted because the Group has only a single business segment, which is the product sales business.

e. Information related to gain on bargain purchase for each reportable segment

Not applicable.

(Per Share Information)

(Yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Net assets per share	1,155.78	1,932.16
Basic earnings per share	70.73	144.55
Diluted earnings per share	70.55	144.08

The basis for calculating the basic earnings per share and the diluted earnings per share is as follows:

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Basic earnings per share		
Net income attributable to owners of the parent (millions of yen)	17,207	42,670
Amounts not attributable to common shareholders (millions of yen)	–	–
Net income attributable to owners of the parent associated with common stock (millions of yen)	17,207	42,670
Average number of shares outstanding during the period (shares)	243,263,544	295,202,654
Diluted earnings per share		
Adjustment to net income attributable to owners of the parent (millions of yen)	–	–
Increase in the number of shares of common stock (shares)	623,389	950,553
[Of which, share acquisition rights]	[623,389]	[950,553]
Details of dilutive shares not included in the calculation of diluted earnings per share due to their anti-dilutive effect	–	–

(Note) The Company implemented a five-for-one stock split of its common shares on September 1, 2025. Accordingly, basic earnings per share and diluted earnings per share have been calculated on the assumption that the said stock split was implemented at the beginning of the fiscal year ended February 28, 2025 (the previous fiscal year).

(Significant Subsequent Events)

Not applicable.

4. Other

(1) Purchases and Sales

1) Results of purchases

Item	Fiscal year ended February 28, 2026		
	Amount (Millions of yen)	Share (%)	Year-on-year (%)
Pharmaceuticals	76,785	7.6	—
Cosmetics	123,479	12.2	—
Miscellaneous daily necessities	243,475	24.2	—
Foods	325,889	32.3	—
Other	87,602	8.7	—
Product sales total	857,232	85.0	—
Dispensing business	148,619	14.7	—
Merchandise subtotal	1,005,851	99.8	—
Real estate rent	1,065	0.1	—
Commission income, etc.	1,197	0.1	—
Total	1,008,114	100.0	—

(Notes) 1. Amounts are actual purchasing prices.

2. Other mainly comprises childcare products, health foods, and medical supplies.

3. 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.

2) Results of sales

Item	Fiscal year ended February 28, 2026		
	Amount (Millions of yen)	Share (%)	Year-on-year (%)
Pharmaceuticals	144,457	10.0	—
Cosmetics	186,248	12.8	—
Miscellaneous daily necessities	347,894	24.0	—
Foods	393,616	27.1	—
Other	136,114	9.4	—
Product sales total	1,208,331	83.3	—
Dispensing business	237,570	16.4	—
Merchandise subtotal	1,445,901	99.7	—
Real estate rent	1,724	0.1	—
Commission income, etc.	2,958	0.2	—
Total	1,450,585	100.0	—

(Notes) 1. Other mainly comprises childcare products, health foods, and medical supplies.

2. 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.