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April 9, 2026

To Whom It May Concern

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Name of representative: Jun Tsuruha, President and Representative Director  
(Securities code: 3391, Tokyo Stock Exchange (Prime Market))  
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**Notice Regarding the Formulation of the Medium-Term Management Plan  
(Fiscal Years Ending February 2027 to February 2029)**

We hereby announce that we have formulated a new Medium-Term Management Plan covering the fiscal years ending February 2027 through February 2029, and provide an overview of the plan as outlined below.

1. Background and Vision for the Formulation of the Medium-Term Management Plan

The drugstore market surrounding our company has established its position as part of the daily living infrastructure, while competition across different retail formats has intensified, bringing the industry into a period of significant transformation. Under these conditions, our company possesses key strengths, including the No.1 domestic store network built through business integration, an extensive product lineup, and the customer data derived from these assets.

This Medium-Term Management Plan clarifies the direction in which we will create value for customers and society as Japan's largest drugstore group by integrating these strengths and evolving them into a "customer-centric network." We position this plan as "Phase 1: Building the Foundation for Value Creation" toward realizing LIFE STORE, an infrastructure that supports customers throughout their daily lives, and will advance concrete strategies accordingly.

(Note) “LIFE STORE,” the vision we advocate, refers to an infrastructure-like platform that goes beyond conventional retailing. It provides touchpoints anytime and anywhere across Japan (accessibility), offers a full lineup of essential daily-life products (comprehensiveness), and delivers personalized proposals tailored to each individual by leveraging professional expertise (customization).

## 2. Medium-Term Management Plan and Target Management Indicators (Fiscal Year Ending February 2029)

For the fiscal year ending February 2029, which is the final year of this plan, we aim to achieve the following numerical targets. In particular, EBITDA is positioned as the most important indicator, as it reflects the company’s underlying earning power during this period in which upfront investments will play a critical role. In addition, as we evolve into Japan’s largest drugstore group through integration, we have set ROE as an indicator of capital efficiency.

Management Indicators	Numerical Targets (FY2029)
Net Sales	¥2.7 trillion
<b>EBITDA</b>	<b>¥202.5 billion</b>
<b>EBITDA Margin</b>	<b>7.5%</b>
Operating Income	¥135.0 billion
Operating Margin	5.0%
<b>ROE</b>	<b>7.0%</b>

Details of this Medium-Term Management Plan are available on our corporate website.

URL : <https://www.tsuruha-hd.co.jp/ir/vision/>



Tokyo Stock Exchange Prime Listed  
Securities Code: 3391

**TSURUHA  
HOLDINGS**

# Medium-Term Management Plan (FY2/27-FY2/29)

**TSURUHA HOLDINGS INC.**

**April 9, 2026**

The Company's plans, earnings forecasts, and strategies appearing in this presentation are based on the judgement of the Company's management from information obtainable as of the date of this presentation. Please be aware that these correspond to forward-looking statements and that actual results could vary greatly due to various risks and uncertainties outlined below.

Intense price competition in the marketplace, changes in economic trends surrounding the business environment, significant volatility in capital markets, and various other elements of uncertainty.



## Contents

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- 1. Group Vision (Vision)**
- 2. Numerical Targets (Commitment)**
- 3. Key Strategies (Action)**
- 4. Finance Strategy (Capital Allocation)**
- 5. Human Capital Strategy (Human Capital)**
- 6. ESG Strategy (Sustainability)**

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# **1. Group Vision (Vision)**

2. Numerical Targets (Commitment)

3. Key Strategies (Action)

4. Finance Strategy (Capital Allocation)

5. Human Capital Strategy (Human Capital)

6. ESG Strategy (Sustainability)

# 1 Our Assessment of the Market Environment

Drugstores have established their positions as essential social infrastructure in a market that has grown in both scale and quality.

## Changes in drugstore (DgS) industry

**Urban-style growth phase**  
(until mid-'90s)

In the market once dominated by local, private stores, an urban-style **DgS format has emerged.**

**Suburban expansion phase**  
(until the end of the '00s)

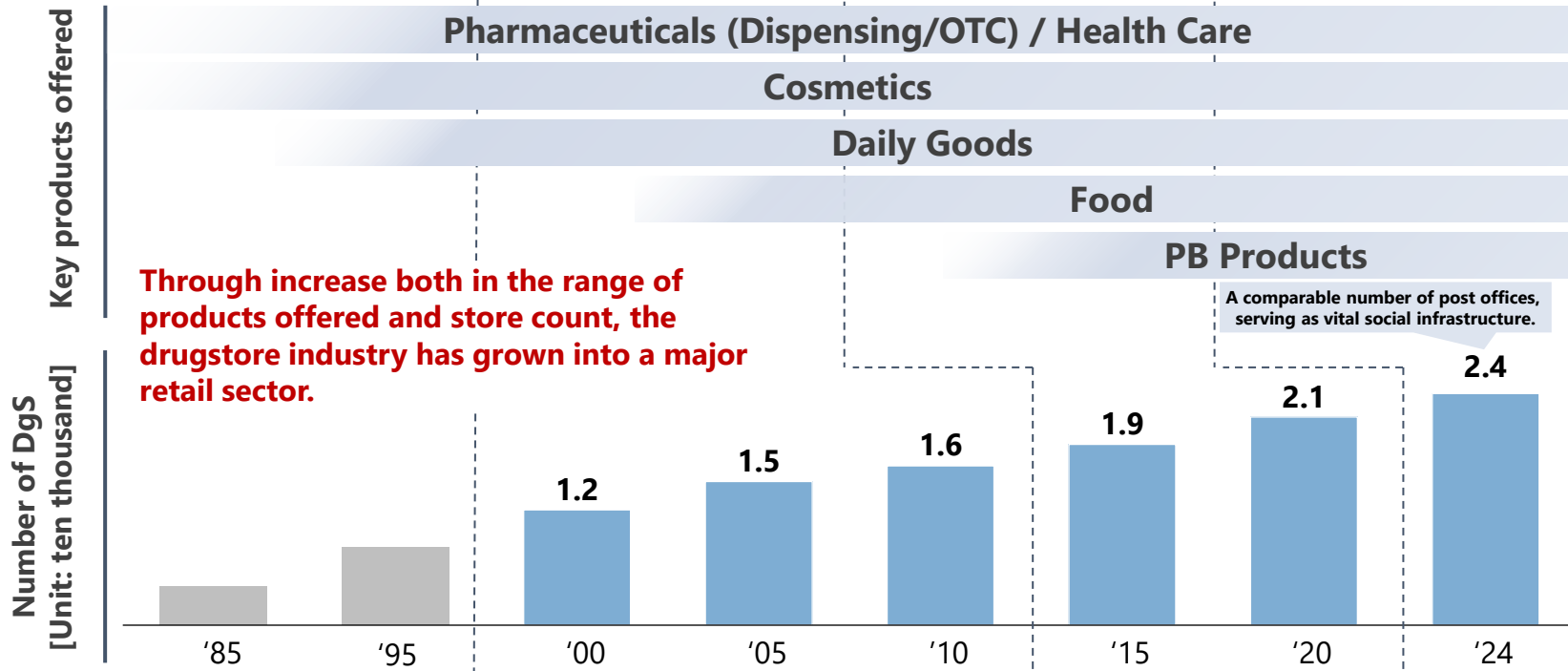
The repeal of the Large-Scale Retail Stores Law **accelerated the expansion of large-format stores** with broader product range.

**Intensified competition phase**  
(until the end of the '10s)

Dominant market strategy intensified **territorial competition** and accelerated **industry consolidation.**

**High value-added phase**  
(until the end of the '20s)

Pursuing **new differentiation strategies by strengthening PB and EC.**



## Our unique strengths

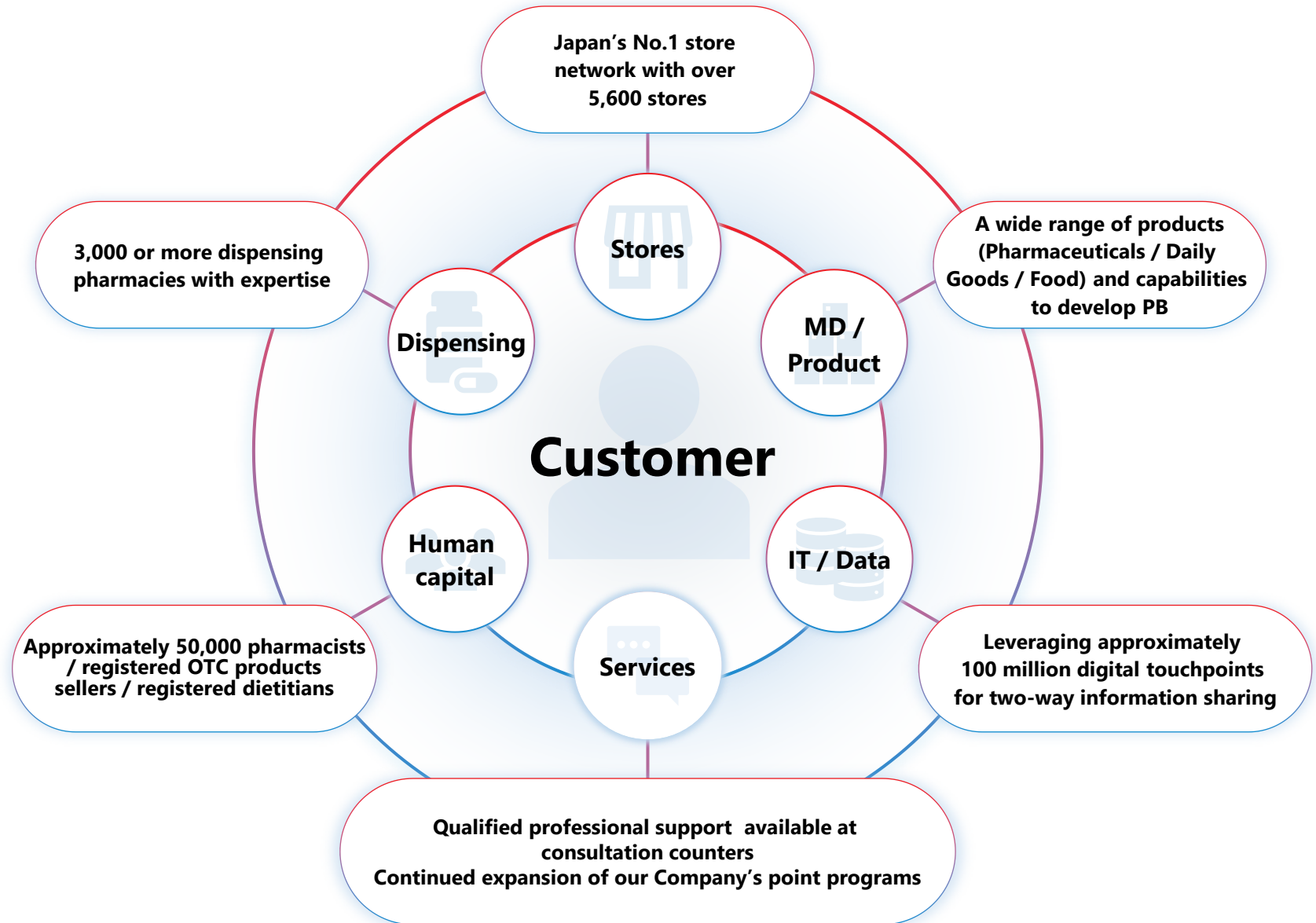
### Customers' life infrastructure

The largest, nationwide store network in Japan  
(Not region-specific)

A wide range of good-quality product lineup  
(Not a product-focused and price-driven discounter)

# Our Strengths

Leveraging extensive assets,  
we uniquely support customers  
across every aspect of their lives.



1

# Target Outcome: Life Store

## GROUP VISION

# LIFE STORE

Stores that “stay close to the very lives of customers” in and outside of Japan  
Infrastructure that contributes to solving social issues through healthy and vibrant living

### Personalization

Enabling customers to choose the products and services that best fit their life stage and individual needs



### Accessibility

Making touchpoints available anytime, anywhere

### Comprehensive lineup

Offering a broad range of products and services for every life stage

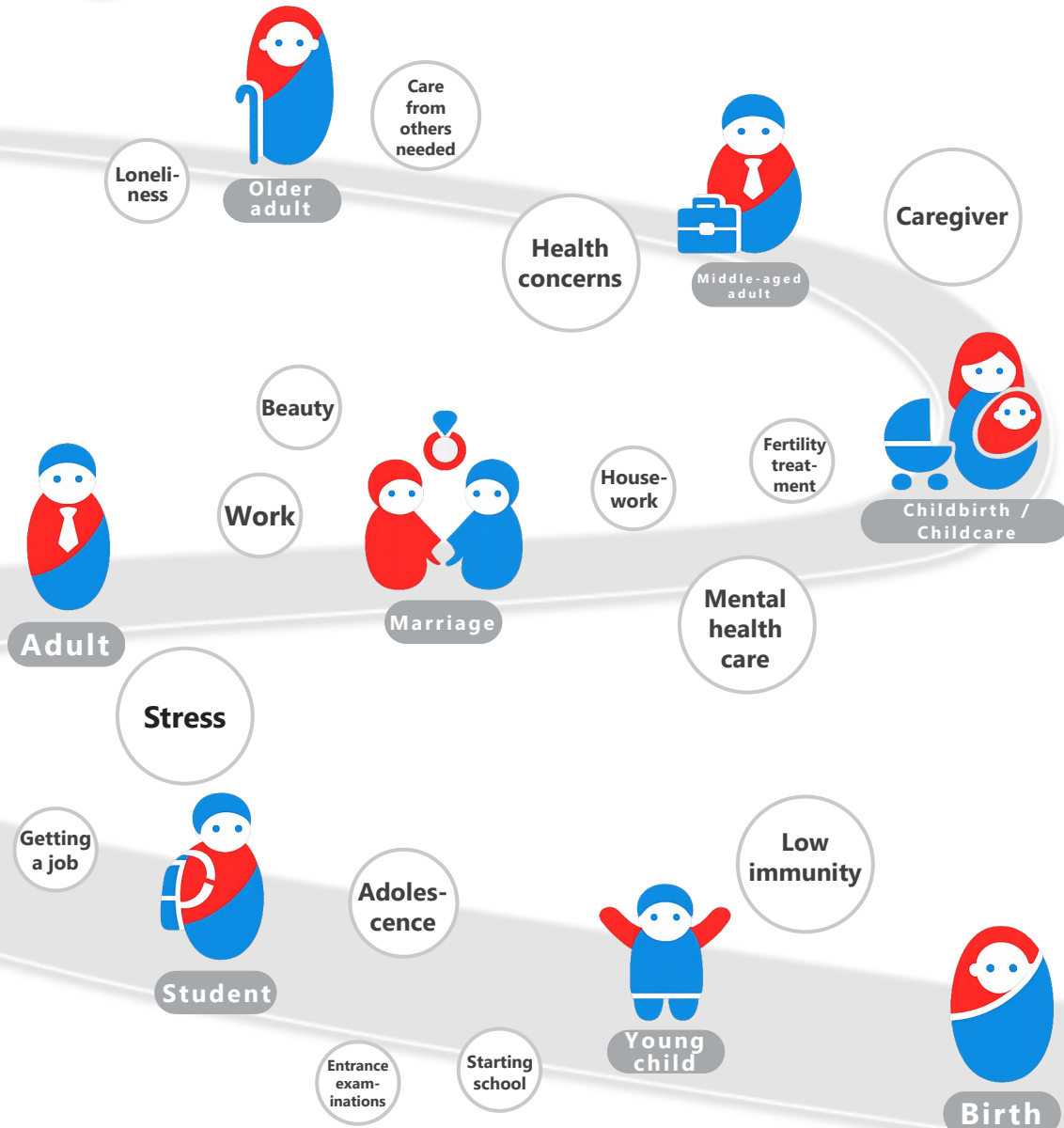
Human capital / Customer service



Brand reliability / Reassurance

1

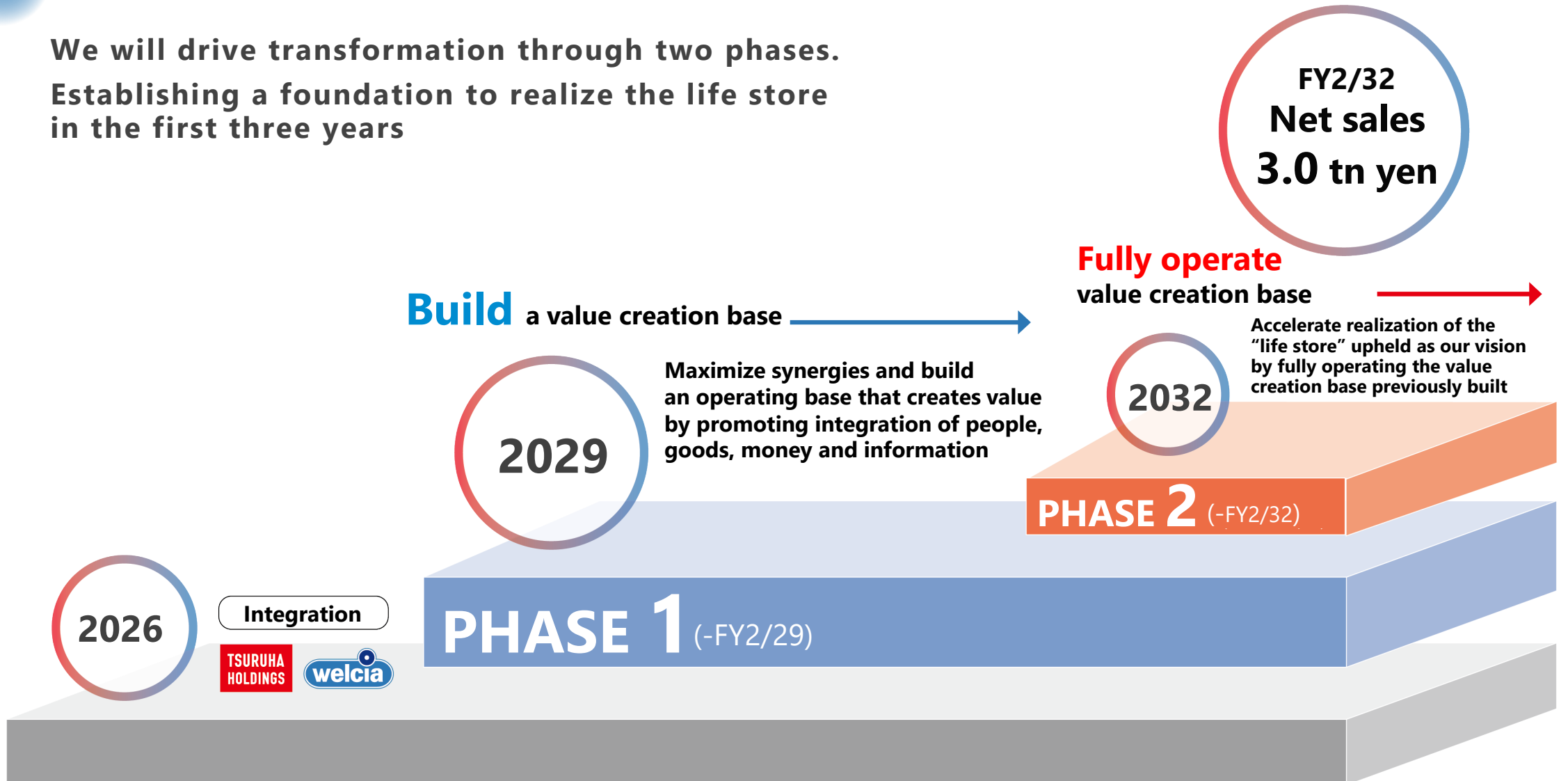
# Target Outcome: Life Store



**Supporting every life stage,  
from childbirth and child-rearing  
to elder care,  
in sickness and in health.**

# 1 Two-Phase Approach to Medium-Term Growth

We will drive transformation through two phases.  
Establishing a foundation to realize the life store  
in the first three years



## Concrete Actions in Phase 1

To build a value creation base, in Phase 1, we will promote the following actions in each area.

### Stores

- Shifting from “quantity” (scale) to “quality” in store network
- Rolling out store formats tailored to each region

### Dispensing

- Further strengthening dispensing functions
- Evolving from isolated points to a function-oriented network

### MD

- Optimizing the supply chain
- Reorganizing and enhancing PB as a part of the integration

### DX

- Enhancing customer service through operational efficiency
- Transforming customer experience by leveraging integrated data and systems

### Services

- Strengthening life support for a wide range of customers
- Expanding and enhancing our point program

### Overseas

- Strengthening ASEAN HQ (RHQ) function

- 
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## Numerical Targets for Phase 1 (until February 2029)

## Numerical targets for FY2/29

Net sales	EBITDA / EBITDA margin	Operating income / Operating income margin	ROE
<b>2.7</b> tn yen	<b>202.5</b> bn yen / <b>7.5%</b>	<b>135.0</b> bn yen / <b>5.0%</b>	<b>7.0%</b>

	TSURUHA Group		+	WELCIA Group		+	*Total goodwill amount: 443.0 billion yen Impact of the business integration (goodwill amortization amount)	=	Unit: billion yen TSURUHA HD (Consolidated)	
		Sales composition ratio			Sales composition ratio					Sales composition ratio
Net sales	1,200.0	100.0%		1,500.0	100.0%		-		2,700.0	100.0%
Operating income	74.2	6.2%		83.0	5.5%		22.2		135.0	5.0%
EBITDA	96.0	8.0%		106.5	7.1%		-		202.5	7.5%

\*EBITDA: Starting from this fiscal year-end, we have adopted EBITDA as a new management indicator to reflect our underlying earning power, taking into account the impacts of goodwill and capital expenditures associated with the business integration.

\*New lease accounting: The new lease standard, effective for fiscal years beginning on or after April 1, 2027, will be applied by the Company from the fiscal year ending February 2029 (March 1, 2028–February 28, 2029). The figures in this medium-term management plan are calculated without applying the new lease accounting standard.

# Roadmap for Creating Synergies

**Total synergies by Year 3: ¥40.0 billion**

**FY2/27**

**FY2/28**

**FY2/29**

**Eliminating / Streamlining Function Overlaps** **¥15.0 bn**

**Complementing Strengths (Products / Dispensing)** **¥15.0 bn**

**True Integration Including Infrastructure** **¥10.0 bn**

<b>Supply chain</b>	<b>Products (NB)</b>	Reduce procurement costs and improve customer satisfaction through integration of terms and conditions	Integrating MD of both companies	Negotiating to align terms and conditions with wholesalers and direct sales channels	Negotiating to align terms and conditions with multiple manufacturers	Pharmaceuticals / Daily goods / Cosmetics	Food	Reviewing various terms and conditions
	<b>Products (PB)</b>	Further emphasize value through renewal of private brand (PB) and joint development	Renewing PB (Consolidating brands) / Optimizing shelf layout (including introduction and promotion of TOPVALU)	Expanding PB lineup / reducing prices to increase customer attraction				
	<b>Logistic</b>	Reduce costs and improve customer satisfaction through integration of logistics function and routes	Improving delivery efficiency	Consolidating logistics facilities	Optimizing logistics and delivery routes, including for AEON			
<b>Indirect costs</b>	Reduce costs through integration of terms and conditions and joint procurement	Negotiating joint procurement of electricity and switch contracts						
<b>IT / Data</b>	Integrate IT and infrastructure data	Reducing costs for IT infrastructure, device purchase, and integrate product master	Reducing payment processing fees					
<b>Store development</b>	Integrate store networks and reconstruct area strategies	Improving revenue by switching store format (including renovation into drugs & foods)	Reviewing joint area strategy of new stores and store portfolio					
<b>Dispensing</b>	Establish dispensing model matched to each area	Standardizing pharmaceutical purchasing						

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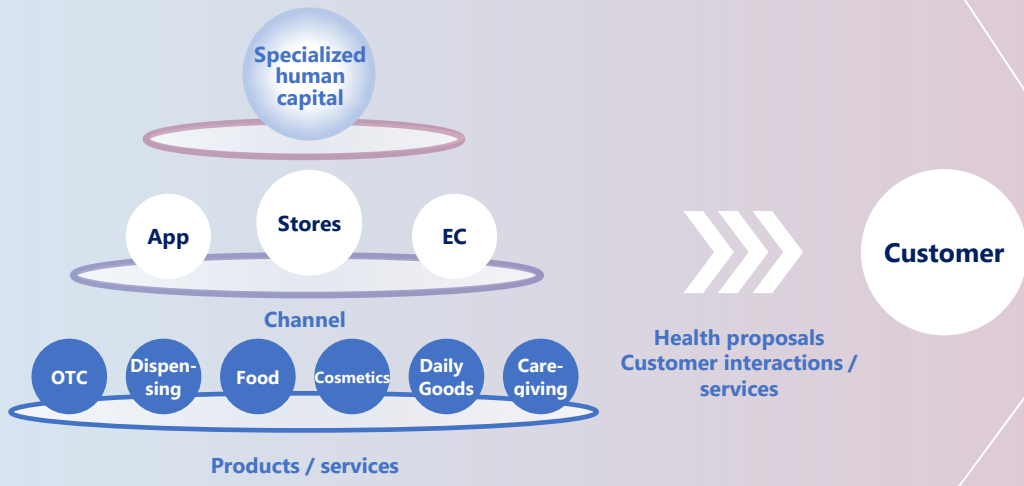
3

# Transforming Customer Experience

Specific customer experience values are mapped out below from the customer's perspective.

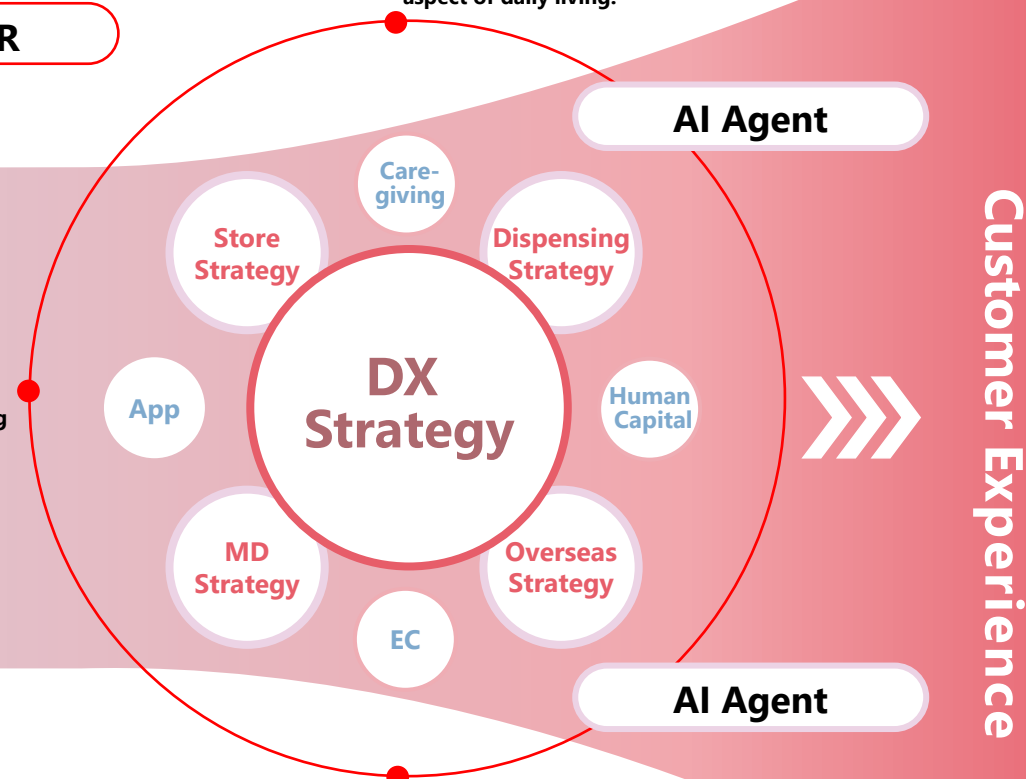
**BEFORE**

**AFTER**



**Accessibility**  
 The convenience of having stores nationwide and being able to seek advice or place orders anytime through our app and e-commerce platform.

**Comprehensive lineup**  
 The convenience of having access to the products and services needed for every stage of life and every aspect of daily living.



**Personalization**  
 The reassurance of receiving attentive support from professionals and recommendations tailored to individual needs.

Through our DX strategy, we will transform separate channels and services into an integrated network across approximately 6,000 stores nationwide, aiming to provide the highest level of convenience in Japan.

3

## Key Strategies (1) Store Strategy

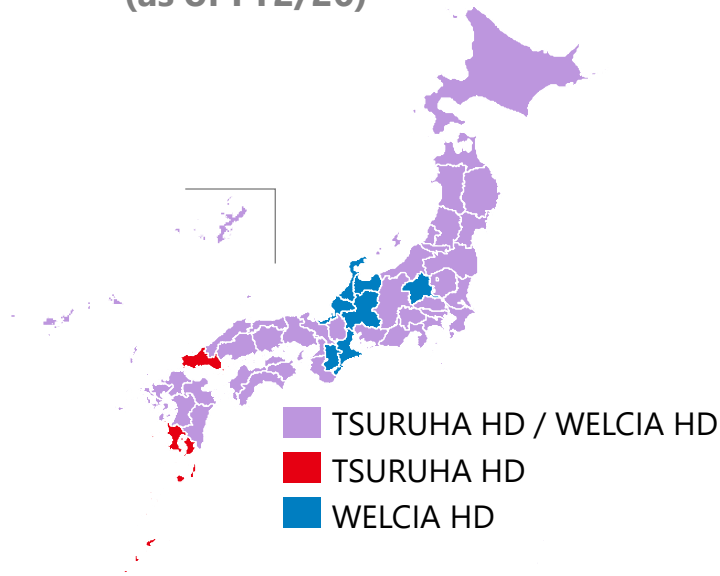
We will focus on developing store formats while shifting our priority to renovation and our strategic focus from store “quantity” to “quality.”

### Where we stand

- Having built Japan’s No.1 nationwide store network with a scale unmatched by competitors through business integration.
- Competition is intensifying not just with drugstores but also with retailers as a whole, e.g. convenience stores and supermarkets.

The number of stores in Japan: **5,676** stores

(as of FY2/26)



### Where we are heading strategically

## Shifting from “quantity” to “quality”

Shifting our focus from new store openings to renovations while developing store formats tailored to each region

### A Shifting store opening strategy

- Shifting from new store openings to renovations and scrap-and-build, along with store consolidation
- Expanding store openings into densely populated residential areas across **Greater Tokyo area and Kansai area**
- Opening stores over three years: 450 total, net increase of 220 (5,896 stores as of the end of FY2/2029)

### B Developing store formats tailored to regional characteristics

- Modifying product assortment and store layout by region
- Establishing our organizational structure (to develop and manage stores under a six-region nationwide framework)
- Promoting the co-location of early-stage caregiving consultation services with drugstores

### Rolling out drugs & food (D&F)-type stores

- Maximizing customer traffic and everyday customer touchpoints



**KPI Renovations over 3 years:**

**over 1,500 stores (Total store investment: 15%→30%)**

3

# Key Strategies (1) Store Strategy

## Strengthening store openings in priority regions and keeping stores up to date

Priority regions for store expansion

Strengthening store openings in suburban areas of major cities, especially in the Tokyo metropolitan area, while taking future demographic trends into account

**Regions** Greater Tokyo area and Kansai area

**Sales floor** Appx. 200–300 tsubo (660–990 m<sup>2</sup>)

**Store location** Densely populated residential areas in major cities



Store image

Keeping stores up to date

Keeping stores up to date and promoting store development aligned with customer needs

Average store age (excluding specialized dispensing pharmacy)

	End of FY2/26	End of FY2/29
2-company average	7.7 yrs	<b>KPI</b> 7.5 yrs
	6.5 yrs	
	8.8 yrs	

## Expanding collaboration between drugstores and the caregiving services

Serving as a community concierge, expanding caregiving consultation counters and strengthening the assortment of caregiving products



Store image

## Establishing the drug & food store format



Strengthening customers' motivation to visit stores by enhancing the assortment of food (fresh food and prepared meals) consumed daily  
 Reinforcing employee-initiated customer interaction (for health advice)

**KPI** Transition to the D&F format: **400** stores in Phase 1  
 Effect of renovating drug & food-type stores  
 Food sales: +25% Customer count: +10%

### 3 Key Strategies (2) Dispensing Strategy

We aspire to be the first point of contact for health concerns and establish ourselves as a continuous, trusted support infrastructure, embedding primary care in society.

#### Where we stand

Stepping up our initiatives, leveraging our dispensing store network of over 3,000 outlets.

#### Social issues

- Population aging, rising social security costs, and regional disparities in medical resource
- The long-standing issue of "inadequate primary care" \*

Proposing solutions contained in LIFE STORE concept

**Accessibility**

**Personalization**


**Comprehensive lineup**

\* We define primary care as "serving as the first point of contact providing support as needed, and helping customers find their own ways of managing their health."

#### Target outcome

#### Strengthening regional strategies

- Optimizing business hours by region
- Promoting co-location with drugstores

**KPI** Dispensing co-location rate groupwide:  
 58% -> **62%**  
 Dispensing net sales: **600.0 bn yen**

#### Supporting individuals' personal decision-making

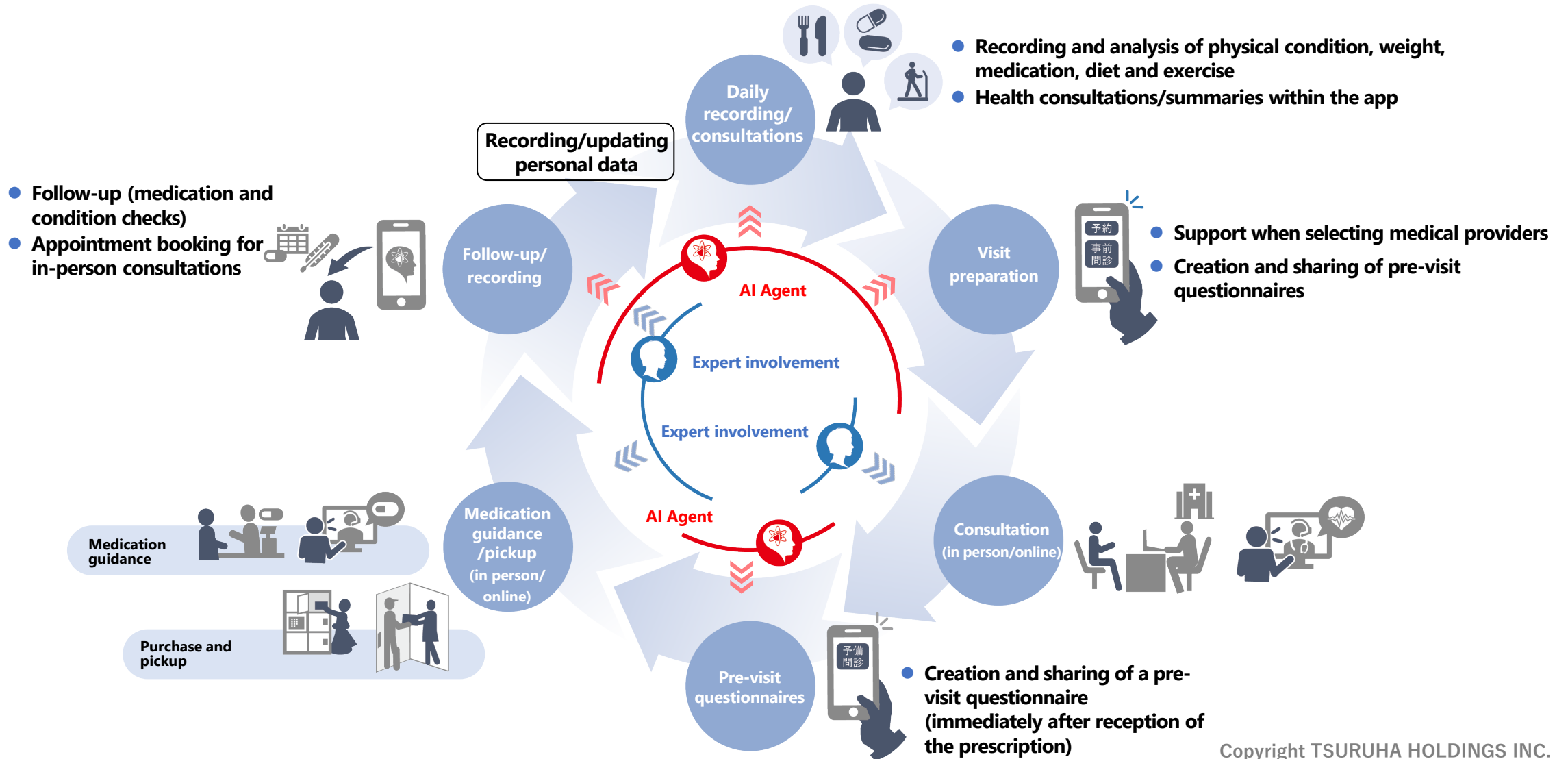
- Personal optimization enabled by data strategies/AI agent development
- Enhancing consultation quality by strengthening "family" functions

#### Offering options

- Offering advanced, specialized support at every stage, from initial consultations to home care
- Proposing "new ways to use pharmacies" by combining online, deliveries and lockers

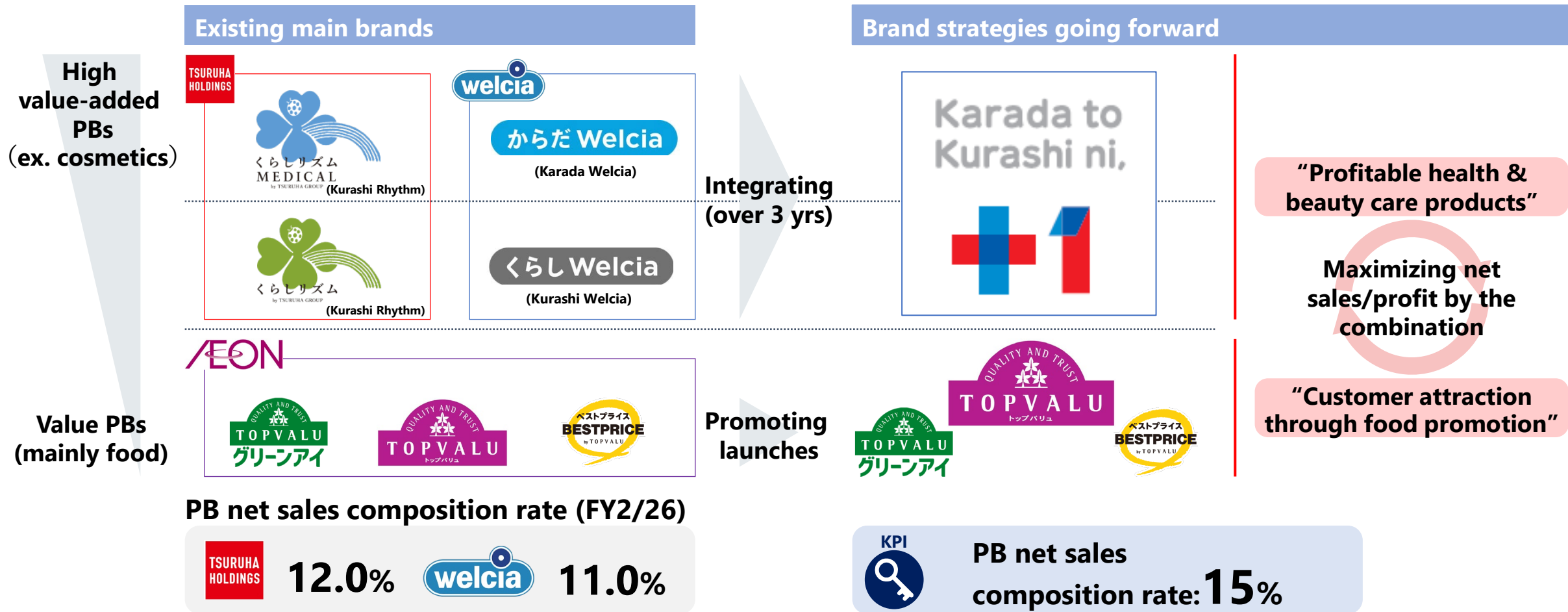
### 3 Key Strategies (2) Dispensing Strategy

AI agents accompany customers before and after consultations, and during treatment, supporting their self-care.



### 3 Key Strategies (3) MD Strategy - PB

Maximizing net sales and profit by combining high value-added new PBs and price-competitive TOPVALU



- Building a broad PB lineup through integration
- Aiming to expand PB, the source of future profit

# 3 Key Strategies (4) DX Strategy - A Transforming Customer Experience

**TSURUHA HOLDINGS**

From March 2027,

**TSURUHA Group's point service**

will be introduced to

**WELCIA Group** as the joint point program!

**Enhancing customer returns by implementing double-point incentives**

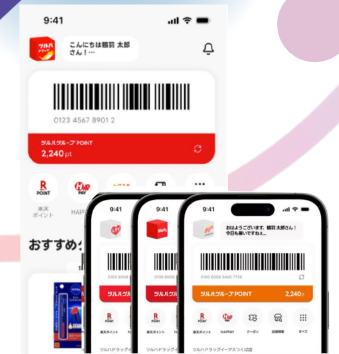
A shared TSURUHA Group point program will be introduced to WELCIA Group. WAON POINT has also been introduced across the TSURUHA Group. A new unified app under development will further enhance customers' convenience.



Customers will be able to earn and use TSURUHA Group points by making a purchase at WELCIA Group!

A wholly new app shared with WELCIA Group will be launched! More accessible! More convenient!

**Integrated ID Customer database**



\*WAON POINT and other external companies' point programs will also continue to be available.

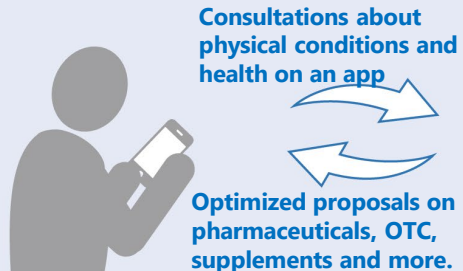
\*The image shows the service under development.

## Key Strategies (4) DX Strategy - A Transforming Customer Experience

By leveraging our new integrated health care database, we will achieve health and beauty counseling and a seamless purchase experience powered by AI agents.

### Health and beauty proposals by AI agent

- Consultation available on an app around the clock.
- Using purchase and prescription histories, etc. enables us to provide advice and proposals that fit customers' health and daily-life needs, including product recommendations.
- Installing in-store beauty counseling records will enable customers to seek counseling both for health and beauty.



Personally optimized advice/proposals are offered anytime!

Medical visit can be also encouraged through casual health consultation.



### Seamless purchasing experience (OMO)

- Integrated EC site (Consolidating the group companies' EC sites)
- Customers can freely choose how to buy and pick up products or how to seek consultation (Checking stock and ordering on an app will also become available).



Anything customers want is available anytime anywhere.

Sending buy-again and low-stock alerts (e.g. "It's time for a new toothbrush") to encourage immediate purchase!

### Integrated ID Customer database



AI analyzes large-scale data from approximately 100 million digital touchpoints.

Health and beauty AI agents, integrated with the Group's specialized professionals, provide personalized consultations and recommendations via smartphones and in-store nationwide—delivering unprecedented value to customers.

## Key Strategies (4) DX Strategy - **B** Enhancing In-Store Customer Service

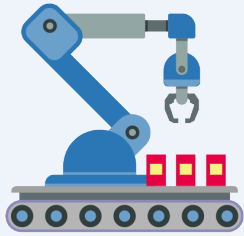
We will promote store operational and dispensing efficiency and focus our resources on interpersonal work that leverages our strength.

Focusing on interpersonal work

Investing in optimal operations while keeping SG&A expenses under control

Labor productivity improvement

Service improvement



Promoting introduction of electronic shelf labels/dispensing picking robot



Introducing demand-forecasting automatic ordering systems



Promoting introduction of intercom and business smartphone



Promoting introduction of self and semi-self checkout

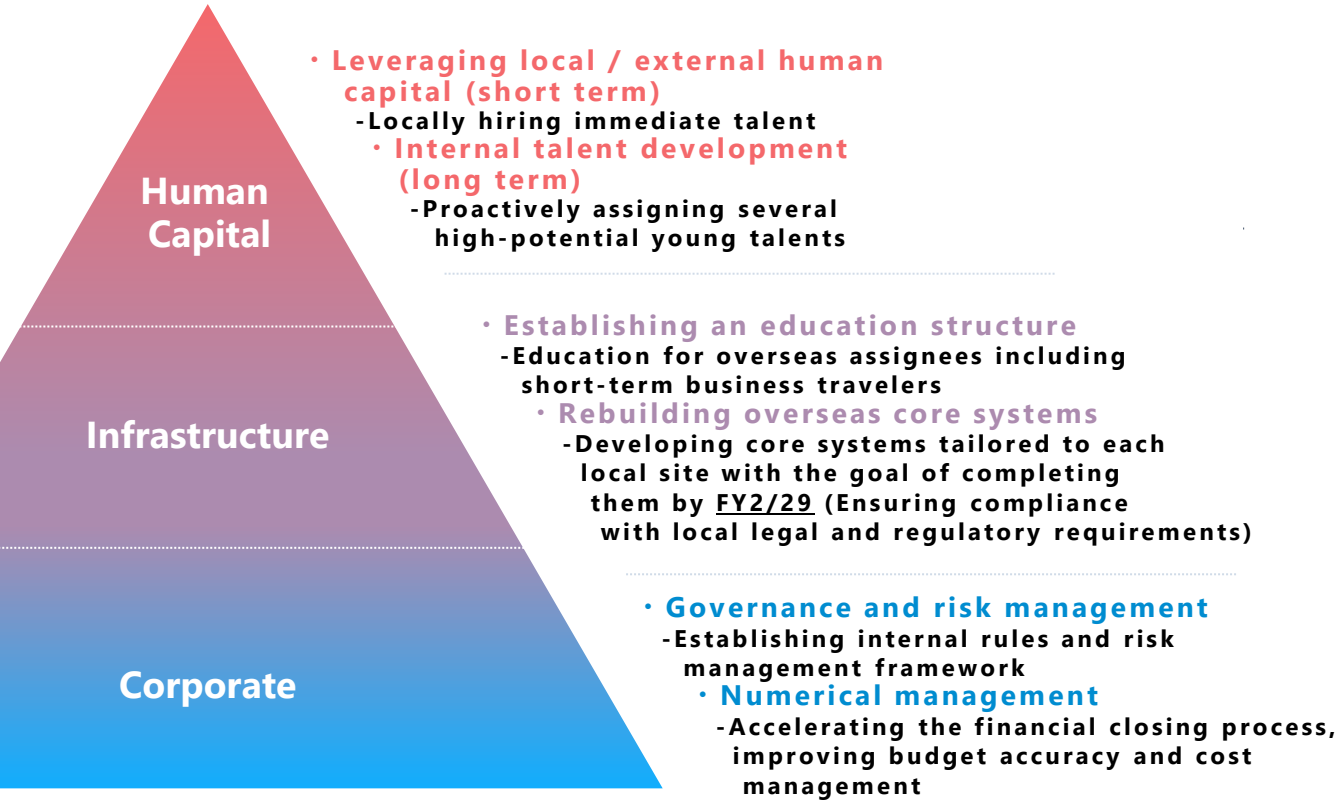
Total man-hours to be reduced in the entire Group: Shift **10 million** hours/yr to customer-facing work

# Key Strategies (5) Overseas Strategy

We will strengthen HQ functions covering human capital, infrastructure and corporate areas and rebuild our ASEAN regional foundation.

Strengthening of ASEAN HQ (RHQ) function

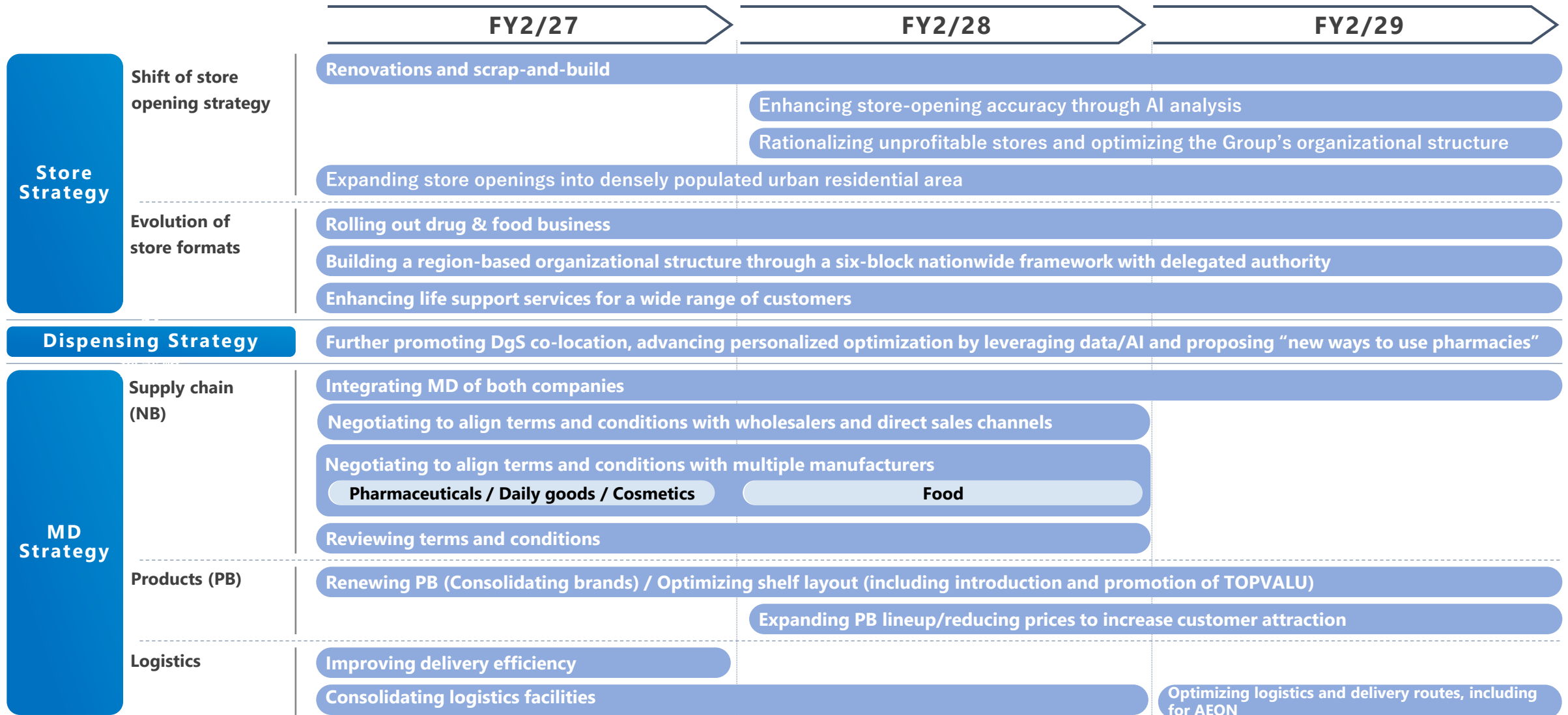
ASEAN regional strategies



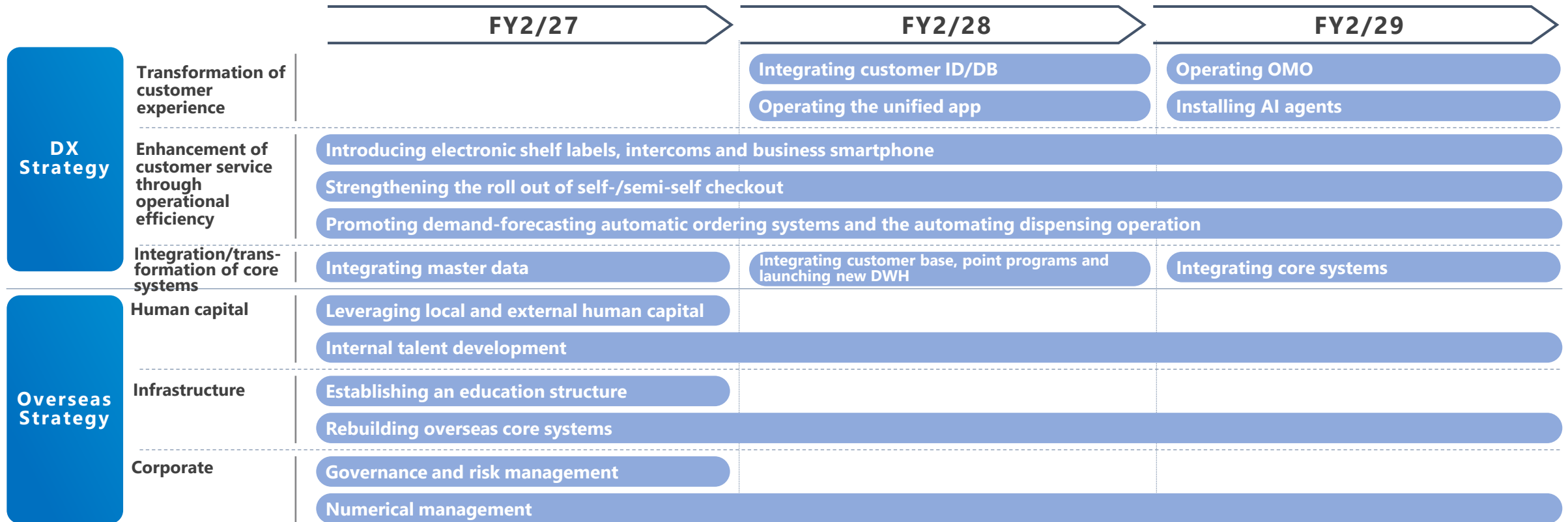
Projected investment of 30 bn yen over three years

KPI Overseas business store count: 100 stores

# Key Strategies: Roadmap for Implementation via Backcasting



# Key Strategies: Roadmap for Implementation via Backcasting

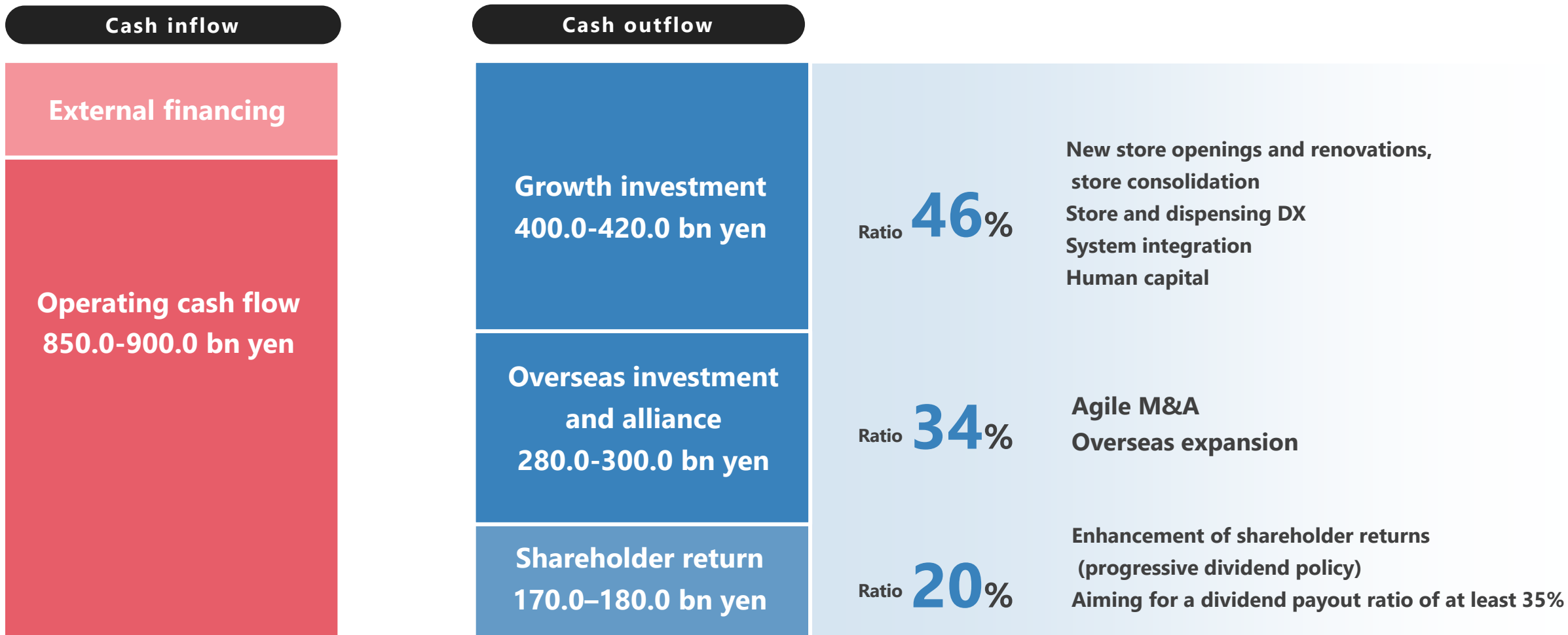


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4

# Cash Allocation (6 Years)

We will shift the cash allocation from traditional store expansion (new openings) to investments in renovations, DX, overseas growth, and human capital.

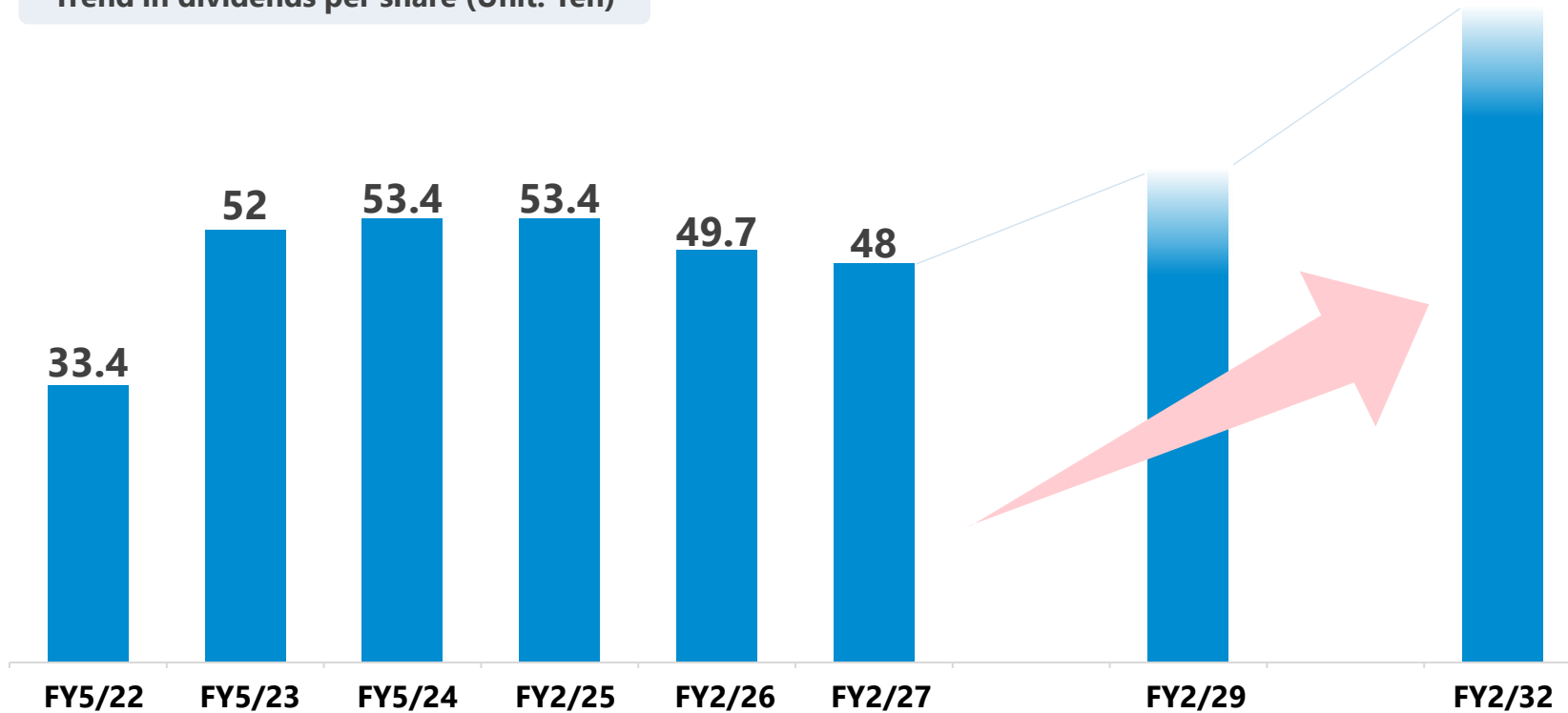


FY2/27- FY2/32

# Dividend Policy

Balancing the reinforcement of our management base through the business integration with continued growth investments, we maintain a basic policy of stable and progressive dividends and aim to deliver shareholder returns with a consolidated payout ratio of 35% or higher by considering our financial results and other factors.

Trend in dividends per share (Unit: Yen)



Progressive dividends

Payout ratio of **35%** or higher

\*The figures reflect the impact of the 1-for-5 stock split implemented effective September 1, 2025.

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## Human Capital Strategy

We are committed to invest in **human capital**, our greatest strength and capital.



The backbone of **life stores** that supports customers directly



**Over 110,000** employees  
One of Japan's largest groups of **specialized human capital**

### Growing and thriving

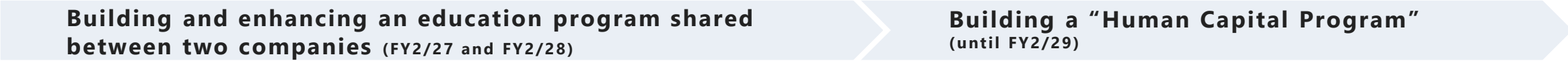
- Jointly building and enhancing **an education program** shared between two companies.
- Additionally, developing a **human capital program** to maximize the value/motivation of our human capital.

### Employee-friendliness

- **Introducing the employee survey across the Company** to understand the current state and align internal systems better with employee needs.
- **Unifying** the operating companies' basic **systems**.
- Expanding and **diversifying employee benefits and career support**.

# Human Capital Strategy - Education Program That Helps Grow and Thrive

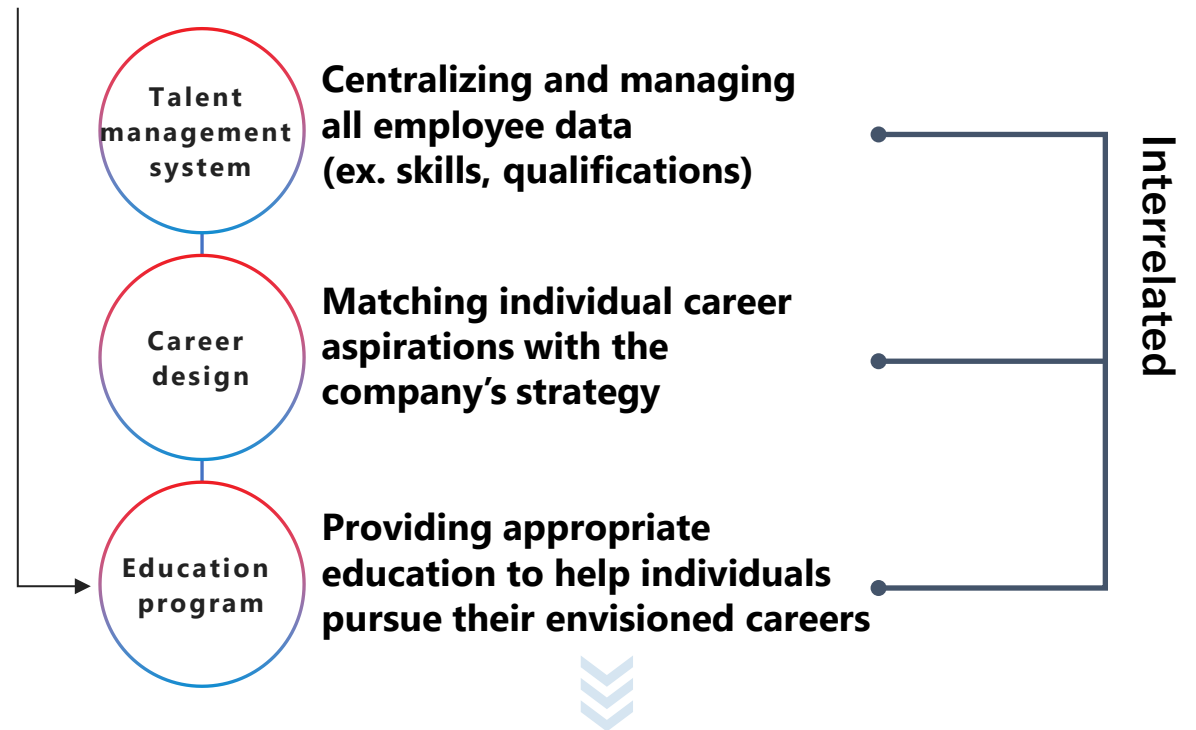
We will strive to build a “Human Capital Program” that maximizes the value of our human capital.



Co-creating an education program especially for the management and specialists of the two companies.

Existing asset and knowhow

<b>Skill</b>	<ul style="list-style-type: none"> <li>· <b>Comprehensive trainings/tools for beginners</b> In addition to offering in-class trainings and OJT, supporting tools for interactions with/proposals to customers will be obtained.</li> <li>· <b>Contents supervised by top-tier human capital</b> Human capital with strong expertise and customer-service skills will supervise more practical contents.</li> </ul>
<b>Will</b>	<ul style="list-style-type: none"> <li>· <b>Company-wide contests</b> A framework that enhances employee motivation by encouraging internal competition</li> </ul>



**Maximizing the potential/  
motivation of our human capital**

Furthermore, we will be committed to enhancing AI-powered matching (Ex. personality-based talent placement).

# Human Capital Strategy – Establishing Employee-Friendly Environment

Enhancing systems anchored in the company-wide employee survey while advancing standardization across the operating companies to promote employee-friendly work environment.



« **Enhancing and standardizing working conditions and systems** »  
Benefits, work-life balance and safety ensured, appraisal system

### Survey-based enhancement

Developing and improving measures that promote an employee-friendly environment based on employee feedback.

### Standardization

Standardizing core HR systems across the operating companies to enable flexible working style, leveraging nationwide store network.

« **Grasping the situation across the operating companies and deepening management's understanding** »

Feedback

**Introducing the employee survey across the Company**



KPI	Results as of FY2/25	Female management ratio	Paid leave utilization rate
			22.2%
		18.0%	59.0%
Group total		20.8%	59.5%
FY2/29 target		30.0%	80.0%
(Reference) National average for 2025		13.1%	66.9%

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# ESG Strategy

Taking the business integration as an opportunity, we reidentified our five materialities and established non-financial KPIs to realize the life store we envision.

## Providing customers with an enriched and flexible lifestyle

-  **Toward a life store that stays close to the lives of all customers**
-  **Renovation: 1,500 stores / Promoting rebranding of PB products "+1" label / Co-location of pharmacies (store count): 62%**

 **Target outcome**  **Non-financial KPI**



## Building a responsible supply chain

-  **A fair and transparent supply chain that grows together with our business partners**
-  **Developing the operational framework for main PB-supplier surveys**



## Providing a comfortable and rewarding work environment for each individual

-  **Supporting autonomous career development that creates growth opportunities for employees**
-  **Female management ratio: 30%**
-  **Paid leave utilization rate: 80%**

## Building a fair and integrity-based management foundation

-  **An integrity-based company consistently trusted for its transparent, fair, and autonomous management**
-  **Maintaining the independence of the Nominating and Compensation Committee (A majority of members and the chair are outside directors.)**

## Sustainable global environment and society

-  **Establishing sustainable social infrastructure (reducing energy/resource consumption)**
-  **CO2 emission amount: 37% down (vs 2013)/ Environmentally conscious PB products: 52%**

TSURUHA Group's  
**5**  
materialities

 KPI: Key performance indicator for the final year (FY2/29)

**“Let’s Build the Future Together”**



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