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Consolidated Financial Results for the Six Months Ended August 31, 2026 (Under Japanese GAAP)

October 7, 2026

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 Listing: Tokyo Stock Exchange (Prime Market)
 Securities code: 3391
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 Scheduled date to file semi-annual securities report: October 14, 2026
 Scheduled date to commence dividend payments: November 2, 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 six months ended August 31, 2026 (March 1, 2026–August 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	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	%
Six months ended August 31, 2026	1,275,514	128.7	85,530	126.3	54,770	92.6	54,850	90.3	30,252	48.5
August 31, 2025	557,831	—	37,802	—	28,444	—	28,818	—	20,365	—

(Note) Comprehensive income: Six months ended August 31, 2026: ¥30,328 million [40.5%]
 Six months ended August 31, 2025: ¥21,585 million [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended August 31, 2026	66.75	66.65
August 31, 2025	83.64	83.32

(Notes) 1. EBITDA = Operating income + Depreciation and amortization of goodwill

2. 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 months included in the six-month period ended August 31, 2025 (March 1, 2025 to August 31, 2025) are different from those in the comparative period ended November 15, 2024 (May 16, 2024 to November 15, 2024). Accordingly, year-on-year changes are not presented for the six months ended August 31, 2025.

3. The Company implemented a 5-for-1 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, 2026 (the previous fiscal year).

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2026	1,588,272	917,791	56.4	1,974.05
February 28, 2026	1,647,981	895,706	53.1	1,932.16

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

As of August 31, 2026: ¥895,580 million

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

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2026	—	133.50	—	23.00	—
Fiscal year ending February 28, 2027	—	24.00			
Fiscal year ending February 28, 2027 (Forecast)			—	24.00	48.00

(Note) Revisions to the most recently announced dividend forecast: No

The Company implemented a 5-for-1 stock split of its common shares on September 1, 2025. The dividend per share for the second quarter-end of the fiscal year ended February 28, 2026 represents the actual dividend amount 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 sales		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	%	Yen
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

(Note) Revisions to the most recently announced earnings forecast: No

Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Application of the specific accounting methods for preparing the semi-annual 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 standards 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 August 31, 2026	454,659,990 shares
As of February 28, 2026	454,308,990 shares

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

As of August 31, 2026	983,568 shares
As of February 28, 2026	1,331,029 shares

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

Six months ended August 31, 2026	453,233,584 shares
Six months ended August 31, 2025	243,495,628 shares

- (Notes) 1. The Company implemented a 5-for-1 stock split of its common shares on September 1, 2025. The average number of shares outstanding during the period has 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") (956,465 shares as of August 31, 2026; 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.

* Semi-annual financial results reports are not subject to review by certified public accountants or an audit firm.

* Note on use of financial forecasts and other special items

This document contains projections of performance based on information currently available and is therefore subject to significant uncertainties. 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.

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1. Summary of Consolidated Financial Results, etc.

(1) Summary of Consolidated Financial Results for the Six Months Ended August 31, 2026

In the drugstore sector, the competitive landscape continues to intensify due in part to an increase in the number of stores across regions, including those of businesses in other industries, and to changes in the conditions in trade areas. In addition, the quality of competition has become even 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, in addition to growing healthcare demand associated with the ongoing population aging, demand in the dispensing field has been increasingly captured through the promotion of dispensing pharmacies and M&A of pharmacy chains by companies across the industry, resulting in growth in dispensing pharmacy sales for the industry as a whole. Furthermore, companies have been expanding their food category offerings with the aim of increasing customer visit frequency and meeting demand for greater convenience. Through these initiatives, the range of offerings by drugstores has expanded, and the market size continues to expand.

Under these circumstances, the Company completed its business integration with WELCIA HOLDINGS CO., LTD. on December 1, 2025, and has been promoting various initiatives to realize integration synergies and build a value creation base in the first year of its newly formulated Medium-Term Management Plan (FY2/2027–FY2/2029).

In the merchandise area, the Company has been integrating its merchandising organizations in preparation for the future integration of merchandising operations, while developing its new private brand “*Karada to Kurashi ni, +1*,” mutually introducing each company’s existing private brands, and standardizing products promoted by both companies, among other initiatives. In addition, ahead of the integration of merchandising operations in certain categories starting in the second half of the current fiscal year, the Company has been preparing to integrate product strategies and purchasing operations.

In the systems and digital transformation (DX) area, the Company has been integrating the organizations and implementation frameworks of both companies in preparation for the future integration of core systems and has been building a common infrastructure, including core systems, product master data, customer ID, and customer database. In addition, the Company has been preparing to introduce a joint point program and a unified app, and developing cross-group customer touchpoints and data utilization infrastructure.

In store development, the Company has divided Japan into six regional blocks and has been conducting cross-group store development and management under this structure, while strengthening dominant market areas by leveraging the Group’s nationwide store network, opening quality-focused new stores, reviewing unprofitable stores, and renovating existing stores. In addition, with the aim of increasing customer visit frequency and expanding trade areas, the Company has been rolling out its Drug & Food model, which features an expanded food category, in areas where demand is expected.

As a result, during the six-month period under review, the Group opened 53 new stores and closed 77 stores, bringing the total number of directly managed stores of the Group in Japan to 5,652 as of August 31, 2026.

TSURUHA Group: Store Openings and Closures in Japan

(Number of stores)

	Number of stores at previous fiscal year-end (Feb. 28, 2026)	Openings	Closures	Net change	Number of stores at second quarter-end (August 31, 2026)	of which: prescription dispensing stores
Hokkaido	453	1	2	(1)	452	153
Tohoku	797	9	14	(5)	792	301
Kanto	1,826	20	22	(2)	1,824	1,354
Chubu	854	2	9	(7)	847	626
Kinki	611	10	11	(1)	610	465
Chugoku	544	4	11	(7)	537	248
Shikoku	293	3	3	–	293	103
Kyushu and Okinawa	298	4	5	(1)	297	88
Total for Japan	5,676	53	77	(24)	5,652	3,338

(The figures above exclude 36 overseas stores.)

As a result of the above, for the six-month period under review, TSURUHA Holdings reported net sales of ¥1,275,514 million (up 128.7% year on year), operating income of ¥54,770 million (up 92.6% year on year), ordinary income of ¥54,850 million (up 90.3% year on year), and net income attributable to owners of the parent of ¥30,252 million (up 48.5% year on year).

(2) Summary of Consolidated Financial Position for the Six Months Ended August 31, 2026

(Assets, Liabilities, and Net Assets)

As of the end of the second quarter under review, assets totaled ¥1,588,272 million, a decrease of ¥59,708 million compared with the previous fiscal year-end. Current assets totaled ¥627,964 million, a decrease of ¥51,445 million compared with the previous fiscal year-end. This was mainly due to a decrease of ¥60,692 million in cash and deposits, partly reflecting the impact of the previous fiscal year-end falling on a non-business day for financial institutions, and an increase of ¥16,151 million in accounts receivable – trade. Non-current assets totaled ¥960,308 million, a decrease of ¥8,263 million compared with the previous fiscal year-end. This was mainly due to decreases of ¥12,312 million in goodwill and ¥2,287 million in investment securities, partly offset by an increase of ¥7,233 million in property, plant and equipment, mainly for new store openings and renovations to enhance the competitiveness of existing stores.

Liabilities totaled ¥670,481 million, a decrease of ¥81,794 million compared with the previous fiscal year-end. Main contributor includes a decrease of ¥70,986 million in accounts payable – trade.

Net assets totaled ¥917,791 million, an increase of ¥22,085 million compared with the previous fiscal year-end. This was mainly due to an increase of ¥30,252 million in retained earnings as a result of net income attributable to owners of the parent, partly offset by cash dividends paid of ¥10,448 million.

As a result, the equity ratio was 56.4%, up 3.3 percentage points from the previous fiscal year-end.

(Cash Flows)

As of the end of the second quarter under review, cash and cash equivalents (net cash) totaled ¥140,694 million, a decrease of ¥60,615 million compared with the previous fiscal year-end, partly due to the impact of the previous fiscal year-end falling on a non-business day for financial institutions.

The Group's cash flow position and their factors during the six-month period under review are as follows:

(Cash Flows from Operating Activities)

For the six-month period under review, net cash used in operating activities totaled ¥17,015 million (compared with net cash provided by operating activities of ¥47,100 million in the same period of the previous fiscal year). This was mainly due to negative factors, including a decrease of ¥71,682 million in notes and accounts payable – trade, income taxes paid of ¥22,611 million, and an increase of ¥16,129 million in notes and accounts receivable – trade, which outweighed positive factors, including income before income taxes of ¥54,986 million, depreciation of ¥18,972 million, and amortization of goodwill of ¥12,344 million.

(Cash Flows from Investing Activities)

For the six-month period under review, net cash used in investing activities totaled ¥19,901 million (up 213.8% year on year). This was mainly due to purchase of property, plant and equipment of ¥18,342 million for new store openings and renovations to enhance the competitiveness of existing stores and other factors.

(Cash Flows from Financing Activities)

For the six-month period under review, net cash used in financing activities totaled ¥23,869 million (up 102.9% year on year). This was mainly due to repayments of long-term borrowings of ¥50,923 million and cash dividends paid of ¥10,447 million, which were partly offset by proceeds from long-term borrowings of ¥43,000 million.

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

The consolidated earnings forecasts for the full fiscal year remain unchanged from those announced in the “Consolidated Financial Results for the Fiscal Year Ended February 28, 2026 (Under Japanese GAAP)” released on April 9, 2026.

2. Semi-annual Consolidated Financial Statements and Key Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2026	As of August 31, 2026
Assets		
Current assets		
Cash and deposits	202,130	141,437
Accounts receivable – trade	122,481	138,633
Merchandise	307,924	302,722
Raw materials and supplies	682	729
Other	46,294	44,524
Allowance for doubtful accounts	(103)	(82)
Total current assets	679,409	627,964
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	188,934	190,503
Tools, furniture and fixtures, net	19,303	19,630
Land	39,724	42,229
Leased assets, net	62,436	63,443
Construction in progress	3,035	4,883
Other, net	272	248
Total property, plant and equipment	313,706	320,939
Intangible assets		
Goodwill	454,593	442,280
Software	12,364	11,651
Other	2,699	4,050
Total intangible assets	469,657	457,982
Investments and other assets		
Investment securities	24,845	22,557
Deferred tax assets	36,384	35,039
Retirement benefit asset	438	174
Guarantee deposits	119,518	119,465
Other	4,224	4,351
Allowance for doubtful accounts	(202)	(202)
Total investments and other assets	185,208	181,386
Total non-current assets	968,572	960,308
Total assets	1,647,981	1,588,272

(Millions of yen)

	As of February 28, 2026	As of August 31, 2026
Liabilities		
Current liabilities		
Accounts payable – trade	375,592	304,606
Current portion of long-term loans payable	41,389	12,419
Accounts payable – other	29,869	24,945
Lease obligations	12,302	12,531
Income taxes payable	25,437	22,896
Contract liability	20,779	21,426
Provision for bonuses	13,162	11,752
Provision for directors' bonuses	816	479
Provision for point card certificates	269	278
Provision for loss on store closings	1,979	1,701
Other	25,967	30,975
Total current liabilities	547,566	444,014
Non-current liabilities		
Long-term loans payable	98,864	119,944
Lease obligations	55,932	56,180
Deferred tax liabilities	911	866
Retirement benefit liability	10,397	10,906
Asset retirement obligations	28,215	28,307
Provision for loss on store closings	3,902	3,818
Other	6,485	6,442
Total non-current liabilities	204,708	226,466
Total liabilities	752,275	670,481
Net assets		
Shareholders' equity		
Capital stock	12,300	12,637
Capital surplus	587,912	588,249
Retained earnings	263,416	283,086
Treasury shares	(3,402)	(2,500)
Total shareholders' equity	860,225	881,473
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,724	13,893
Foreign currency translation adjustment	(38)	193
Remeasurements of defined benefit plans	311	19
Total accumulated other comprehensive income	14,997	14,106
Share acquisition rights	596	513
Non-controlling interests	19,886	21,697
Total net assets	895,706	917,791
Total liabilities and net assets	1,647,981	1,588,272

(2) Semi-annual Consolidated Statements of Income and Semi-annual Consolidated Statements of Comprehensive Income
Semi-annual Consolidated Statements of Income

(Millions of yen)

	Six months ended August 31, 2025	Six months ended August 31, 2026
Net sales	557,831	1,275,514
Cost of sales	389,048	881,924
Gross profit	168,782	393,589
Selling, general and administrative expenses	140,338	338,818
Operating income	28,444	54,770
Non-operating income		
Interest income	67	460
Subsidy income	120	619
Gain on donation of equipment	216	266
Compensation income	428	374
Other	816	1,232
Total non-operating income	1,649	2,954
Non-operating expenses		
Interest expenses	1,017	2,349
Other	258	524
Total non-operating expenses	1,275	2,874
Ordinary income	28,818	54,850
Extraordinary income		
Gain on sale of non-current assets	2	180
Gain on sale of investment securities	6,682	1,161
Reversal of provision for loss on store closings	203	465
Other	–	223
Total extraordinary income	6,888	2,031
Extraordinary losses		
Loss on retirement of non-current assets	9	69
Loss on sale of non-current assets	6	17
Impairment losses	57	554
Provision for loss on store closings	1,610	1,172
Expenses related to corrections to annual earnings results for past fiscal years	250	–
Other	–	81
Total extraordinary losses	1,934	1,894
Income before income taxes	33,772	54,986
Income taxes	11,803	23,524
Net income	21,968	31,462
Net income attributable to non-controlling interests	1,603	1,209
Net income attributable to owners of the parent	20,365	30,252

Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended August 31, 2025	Six months ended August 31, 2026
Net income	21,968	31,462
Other comprehensive income		
Valuation difference on available-for-sale securities	(349)	(803)
Foreign currency translation adjustment	–	(18)
Remeasurements of defined benefit plans, net of tax	(33)	(311)
Total other comprehensive income	(383)	(1,133)
Comprehensive income	21,585	30,328
Comprehensive income attributable to:		
Owners of the parent	19,987	29,121
Non-controlling interests	1,597	1,207

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended August 31, 2025	Six months ended August 31, 2026
Cash flows from operating activities		
Income before income taxes	33,772	54,986
Depreciation	8,177	18,972
Impairment loss	57	554
Amortization of goodwill	1,411	12,344
Increase (decrease) in allowance for doubtful accounts	(2)	(21)
Increase (decrease) in provision for bonuses	339	(1,410)
Increase (decrease) in provision for directors' bonuses	(177)	(337)
Increase (decrease) in net defined benefit liability	59	(88)
Increase (decrease) in provision for point card certificates	(8)	(54)
Increase (decrease) in provision for loss on store closings	952	(155)
Interest and dividend income	(215)	(711)
Subsidy income	(120)	(619)
Interest expenses	1,017	2,349
Share of loss (profit) of entities accounted for using equity method	—	135
Gain on donation of equipment	(216)	(266)
Loss on retirement of non-current assets	9	69
Loss (gain) on sales of non-current assets	4	(162)
Loss (gain) on sales of investment securities	(6,737)	(1,080)
Decrease (increase) in notes and accounts receivable - trade	(15,038)	(16,129)
Decrease (increase) in inventories	1,167	6,192
Increase (decrease) in notes and accounts payable - trade	24,822	(71,682)
Increase (decrease) in contract liability	716	647
Increase (decrease) in accrued consumption taxes	(933)	2,867
Other	4,581	643
Subtotal	53,638	7,044
Interest and dividend income received	159	299
Subsidy received	120	619
Interest expenses paid	(1,015)	(2,367)
Income taxes paid	(5,802)	(22,611)
Net cash provided by (used in) operating activities	47,100	(17,015)

(Millions of yen)

	Six months ended August 31, 2025	Six months ended August 31, 2026
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,345)	(18,342)
Proceeds from sales of property, plant and equipment	216	408
Purchase of software	(1,328)	(2,956)
Purchase of investment securities	—	(44)
Proceeds from sales of investment securities	6,782	1,638
Payments for guarantee deposits	(2,774)	(2,751)
Proceeds from collection of guarantee deposits	1,569	2,537
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(10)
Other	(462)	(380)
Net cash provided by (used in) investing activities	(6,342)	(19,901)
Cash flows from financing activities		
Repayments of short-term borrowings	(5,000)	—
Proceeds from long-term borrowings	5,000	43,000
Repayments of long-term borrowings	(4,600)	(50,923)
Redemption of bonds	—	(5)
Repayments of lease obligations	(1,970)	(6,862)
Proceeds from issuance of new shares	464	467
Purchase of treasury shares	—	(1)
Proceeds from sale of treasury shares	—	903
Cash dividends paid	(5,450)	(10,447)
Dividends paid to non-controlling interests	(205)	(0)
Net cash provided by (used in) financing activities	(11,763)	(23,869)
Effect of exchange rate change on cash and cash equivalents	—	8
Net increase (decrease) in cash and cash equivalents	28,995	(60,778)
Cash and cash equivalents at beginning of the period	92,605	201,309
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	163
Cash and cash equivalents at end of the period	121,601	140,694

(4) Notes to Semi-annual Consolidated Financial Statements

Special Accounting Methods for Presenting Semi-annual Consolidated Financial Statements

Calculation of Tax Expenses

Regarding tax expenses, except for certain consolidated subsidiaries, the Group has reasonably estimated the effective tax rate on income before income taxes for the fiscal year (including the period 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” is included in “Income taxes.”

Significant Changes in Shareholders' Equity

Not applicable.

Going Concern Assumption

Not applicable.