



Consolidated Financial Results for the First Quarter of the Fiscal Year Ending May 2026〔Japanese GAAP〕

September 19, 2025

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 Securities code: 3544 URL: <https://satudora-hd.co.jp>
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 Scheduled date of payment of dividend: -
 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of quarterly financial results explanation meeting: No

(Rounded down to the nearest million yen)

1. Consolidated financial results for the first quarter of the fiscal year ending May 2026 (May 16, 2025 - August 15, 2025)

(1) Consolidated operating results (cumulative)

(Percentages represent changes from the same period of the previous year)

| | Net sales | | Operating profit | | Ordinary profit | | Quarterly profit attributable to owners of parent | |
|--------------------|-----------------|-----|------------------|-------|-----------------|-------|---|-------|
| Three months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| August 15, 2025 | 25,478 | 1.6 | 163 | △29.1 | 153 | △36.4 | 67 | △35.2 |
| August 15, 2024 | 25,087 | 4.6 | 230 | 1.4 | 241 | 30.9 | 104 | 12.2 |

(Note) Comprehensive income Three months ended August 15, 2025: 62 million yen (△40.5%)
 Three months ended August 15, 2024: 105 million yen (3.1%)

| | Quarterly net income per share | Diluted quarterly net income per share |
|--------------------|--------------------------------|--|
| Three months ended | Yen | Yen |
| August 15, 2025 | 4.92 | — |
| August 15, 2024 | 7.55 | — |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|-----------------|-----------------|-----------------|--------------|
| As of | Millions of yen | Millions of yen | % |
| August 15, 2025 | 46,901 | 9,847 | 20.7 |
| May 15, 2025 | 46,194 | 9,922 | 21.2 |

(Note) Equity As of August 15, 2025: 9,720 million yen
 As of May 15, 2025: 9,795 million yen

2. Dividends

| | Dividend per share | | | | |
|--------------------------------|--------------------|--------|--------|----------|-------|
| | 1Q-end | 2Q-end | 3Q-end | Year-end | Total |
| Fiscal year | Yen | Yen | Yen | Yen | Yen |
| Ended May 15, 2025 | — | 0.00 | — | 10.00 | 10.00 |
| Ending May 15, 2026 | — | | | | |
| Ending May 15, 2026 (forecast) | | 0.00 | — | 12.00 | 12.00 |

(Note) Changes from the recently announced dividend forecast: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending May 2026 (May 16, 2025 - May 15, 2026)

(Percentages represent year-on-year changes)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Net income per share |
|-----------|-----------------|-----|------------------|-----|-----------------|-----|---|-----|----------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full Year | 102,000 | 1.8 | 1,800 | 7.5 | 1,700 | 3.1 | 800 | 4.2 | 58.14 |

(Note) Changes from the latest announced earnings forecast: None

※ Notes

(1) Important changes in the scope of consolidation in the current consolidated cumulative quarter: None

(2) Application of special accounting methods in preparation of the quarterly consolidated financial statement: Yes

(Note) For details, please refer to “2. Quarterly consolidated financial statements and notes, (3) Notes to quarterly consolidated financial statements

(Application of special accounting methods in preparation of the quarterly consolidated financial statement)” on page 9 of the attached materials.

(3) Changes in accounting policies and accounting-based estimates, and restatements

① Changes in accounting policies due to revisions in accounting standards : None

② Changes in accounting policies other than ① : None

③ Changes in accounting-based estimates : None

④ Restatements : None

(4) Number of shares outstanding (common shares)

| | | | | |
|--|------------------------------------|-------------------|------------------------------------|-------------------|
| ① Number of shares outstanding as of the end of the period (including treasury shares) | As of August 15, 2025 | 14,236,564 shares | As of May 15, 2025 | 14,236,564 shares |
| ② Number of treasury shares as of the end of the period | As of August 15, 2025 | 475,909 shares | As of May 15, 2025 | 475,909 shares |
| ③ Average number of shares outstanding during the period (quarterly cumulative) | Three months ended August 15, 2025 | 13,760,655 shares | Three months ended August 15, 2024 | 13,845,387 shares |

※ Review by a certified public accountant or audit firm of the attached quarterly consolidated financial statements: None

※ Cautionary statement with respect to forecasts

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to our company’s management at the time these materials were prepared but are not promises regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons.

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1. Overview of Operating Results

(1) Overview of operating results for the current quarter

In the consolidated cumulative first quarter (May 16, 2025 to August 15, 2025), the Japanese economy experienced a moderate recovery, supported by improvements in the employment and income environment as well as the effects of various policy measures. However, the outlook remains uncertain due to factors such as ongoing inflation, policy developments in the United States, and fluctuations in financial and capital markets.

In the drugstore industry, in which the Group mainly operates, while market size has expanded due to aggressive store openings and increased product range among a variety of companies, the business environment surrounding the Group continues to be challenging due to intensifying competition across industry boundaries, competition to open new stores among existing companies, oligopolistic consolidation through M&As, and increasing frugality due to price hikes and declining real wages.

In response to these circumstances, the Group has formulated a medium-term management plan covering the fiscal years ending May 2026 through May 2028. Under the theme of “Building a Structure to Generate Profits Locally,” the plan promotes four key initiatives: “improving gross profit margin,” “controlling selling, general and administrative expenses,” “enhancing capital efficiency,” and “strengthening shareholder returns.” While refining existing businesses and looking ahead to increased investments three years from now, we aim to achieve an ROE of over 10% through profit improvement and control of invested capital.

With respect to “improving gross profit margin,” we are working to build stores that customers choose by offering a distinctive line of competitively priced products under our pricing strategy. At the same time, we are striving to enhance profitability through fair pricing on par with market levels and by curbing unnecessary discounts, thereby improving gross profit margins. Furthermore, as a foundation to support this pricing strategy, we are strengthening digital marketing initiatives through the Satudora app. Since its release in January 2022, the app has surpassed a cumulative total of 1.1 million downloads and has contributed to increased customer visits and enhanced customer engagement by serving as a convenient and enjoyable tool for everyday shopping.

With respect to “controlling selling, general and administrative expenses,” despite the impact of rising personnel and material costs, we have established a dedicated department to drive business process reforms and are promoting company-wide digital transformation initiatives to enhance operational efficiency and reduce costs. As part of these efforts, we have implemented an integrated collaboration tool across the entire organization, consolidating previously fragmented internal communications and administrative procedures. Building on these initiatives, we aim to secure stable profitability for the entire Group.

With respect to “enhancing capital efficiency,” we are selecting and concentrating business resources, and in the current fiscal year, we closed two underperforming stores. At the same time, in growth areas, we are promoting the development of e-commerce and working to establish a new revenue model that enables high profitability with limited capital investment in collaboration with physical stores.

With respect to “strengthening shareholder returns,” we have adopted a policy of maintaining an annual dividend of at least 10 yen per share and, over the longer term, aim to achieve a consolidated dividend payout ratio of 30%, thereby ensuring stable and continuous dividend payments. Furthermore, as part of our corporate governance initiatives, at the Board of Directors meeting held on June 4, 2025, we partially revised the policy on determining individual compensation for directors and reviewed the executive compensation system. To ensure that management remains committed to enhancing corporate value over the medium to long term, the system has been designed to reflect both short-term performance and long-term value creation, thereby enhancing its effectiveness.

In addition, the Group’s strength lies in its strong ties with local communities and its business foundation for sustainable growth. A symbol of this is Hokkaido’s common point card, “EZOCA.” Its membership has surpassed 2.3 million, and the number of affiliated stores has exceeded 300 (1,100 outlets), demonstrating the continued expansion of the EZOCA economic zone. Furthermore, in July 2025, we introduced “Hidaka EZOCA,” our fourth point card that gives back to the local community. Implementing systems that return a portion of shopping expenses to the town is part of our effort toward sustainable community development support through collaboration between the government, the private sector, and local shopping districts.

As a result of the above, consolidated net sales for the first quarter of the current fiscal year were 25,478 million yen (up 1.6%, or

390 million yen, year on year), operating profit was 163 million yen (down 29.1%, or 67 million yen, year on year), ordinary profit was 153 million yen (down 36.4%, or 87 million yen, year on year), and profit attributable to owners of parent was 67 million yen (down 35.2%, or 36 million yen, year on year).

An overview of the segment performance is as follows.

Beginning with the end of the previous consolidated fiscal year, the classification of reportable segments has been revised. Accordingly, comparisons with the same period of the previous fiscal year are based on figures restated in accordance with the new segment classification. For details, please refer to “(3)Notes to quarterly consolidated financial statements (Notes on segment information, etc)” under “2.Quarterly consolidated financial statements and notes .”

<Retail Business>

Our operations center on drugstore format stores aimed at becoming a dominant player primarily in Hokkaido and dispensing pharmacies, as well as inbound format stores in tourist areas that many foreign visitors to Japan frequent. As for dispensing pharmacies, in addition to the operation of standalone pharmacies, we have also established them within drugstores.

In the first quarter of the consolidated fiscal year under review, the drugstore format saw a decline in the number of items purchased per customer and in customer traffic, reflecting heightened consumer awareness of household budget constraints amid rising prices. On the other hand, due to higher average unit prices and growth in the food and beauty care categories, net sales for the drugstore format exceeded those of the same period in the previous year.

As for the inbound format, net sales exceeded those of the same period in the previous year, reflecting the capture of demand from inbound tourists and the implementation of campaigns and customer referral initiatives targeting this segment.

As for dispensing pharmacies, increased revenue from stores with dispensing facilities opened in the previous fiscal year and other factors led to higher sales compared to the same period last year.

As a result of the above, sales in the retail business segment amounted to 25,038 million yen (up 1.4%, or 345 million yen year on year), and segment profit amounted to 109 million yen (down 49.3%, or 106 million yen year on year), reflecting higher electricity costs following the termination of subsidy programs as well as increased personnel-related expenses due to base wage increases and labor shortages.

The status of store openings and closures is as shown in the table below.

(Status of store openings and closures)

| Store classification | Format classification | As of May15, 2025 | Openings | Closures | As of August 15, 2025 |
|-----------------------|---|-------------------|----------|----------|-----------------------|
| Drugstores | Drugstore format | 180 stores | - | 2 stores | 178 stores |
| | (Dispensing pharmacies within drugstores) | (22 stores) | (-) | (-) | (22 stores) |
| | Inbound format | 10 stores | - | - | 10 stores |
| Standalone pharmacies | Standalone pharmacies | 9 stores | - | - | 9 stores |
| Total | | 199 stores | - | 2 stores | 197 stores |

<Marketing Business>

The Group is engaged in the regional marketing and payment service business, primarily utilizing Hokkaido's common point card “EZOCA.” The membership of “EZOCA” has surpassed 2.3 million, with over 300 affiliated stores (1,100 outlets), and the EZOCA economic zone continues to grow. In the payment service business, performance remained solid, primarily driven by domestic cashless payment.

As a result, net sales in the marketing business totaled 498 million yen (up 8.7%, or 39 million yen year on year), while segment profit amounted to 2 million yen (down 86.6%, or 15 million yen year on year), reflecting the impact of development costs for our proprietary payment service, “EZOPay.”

<Other Businesses>

The Group is engaged in the development and sales of POS applications aimed at solving issues from the user's perspective, as well as a CVC service that seeks to generate synergies with existing businesses and create new business opportunities.

The net sales of other businesses amounted to 51 million yen (up 16.8%, or 7 million yen, year on year), while segment profit was 10 million yen (up 77.8%, or 4 million yen, year on year).

(2) Overview of financial position for the current quarter

At the end of the first quarter of the consolidated fiscal year under review, total assets amounted to 46,901 million yen, an increase of 706 million yen from the end of the previous consolidated fiscal year. This primarily reflected increases of 379 million yen in cash and deposits and 477 million yen in merchandise.

Total liabilities amounted to 37,054 million yen, an increase of 781 million yen from the end of the previous consolidated fiscal year. This primarily reflected increases of 891 million yen in accounts payable and 808 million yen in accrued expenses, despite decreases of 200 million yen in short-term borrowings and 438 million yen in long-term borrowings (including the current portion of long-term borrowings).

Total net assets were 9,847 million yen, a decrease of 75 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 137 million yen in retained earnings due to dividend payments, despite the increase of 67 million yen in retained earnings due to quarterly net profit attributable to owners of parent.

(3) Explanation of consolidated financial forecasts and other forward-looking statements

There are no changes to the forecast of consolidated financial results for the fiscal year ending May 15, 2026 from the forecast released on June 20, 2025.

2. Quarterly consolidated financial statements and notes

(1) Quarterly consolidated balance sheet

| | (Millions of yen) | |
|--|--------------------|-----------------------|
| | As of May 15, 2025 | As of August 15, 2025 |
| Assets | | |
| Current assets | | |
| Cash and deposits | 2,669 | 3,049 |
| Accounts receivable-trade | 3,336 | 3,214 |
| Merchandise | 10,467 | 10,945 |
| Other | 5,222 | 5,222 |
| Total current assets | 21,696 | 22,431 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 9,086 | 8,912 |
| Land | 4,048 | 4,048 |
| Other, net | 1,669 | 1,756 |
| Total property, plant and equipment | 14,804 | 14,718 |
| Intangible assets | 946 | 1,019 |
| Investments and other assets | | |
| Leasehold and guarantee deposits | 6,462 | 6,406 |
| Other | 2,295 | 2,337 |
| Allowance for doubtful accounts | △11 | △11 |
| Total investment and other assets | 8,746 | 8,732 |
| Total non-current assets | 24,498 | 24,470 |
| Total assets | 46,194 | 46,901 |

(Millions of yen)

| | As of May 15, 2025 | As of August 15, 2025 |
|---|--------------------|-----------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 9,871 | 10,763 |
| Short-term borrowings | 200 | — |
| Current portion of long-term borrowings | 1,732 | 1,712 |
| Accounts payable - other | 5,367 | 6,176 |
| Income taxes payable | 90 | 85 |
| Provision for bonuses | 677 | 478 |
| Other | 1,200 | 1,157 |
| Total current liabilities | 19,139 | 20,373 |
| Non-current liabilities | | |
| Long-term borrowings | 13,704 | 13,286 |
| Retirement benefit liability | 671 | 679 |
| Asset retirement obligations | 824 | 826 |
| Other | 1,932 | 1,888 |
| Total non-current liabilities | 17,132 | 16,680 |
| Total liabilities | 36,272 | 37,054 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,003 | 1,003 |
| Capital surplus | 2,107 | 2,107 |
| Retained earnings | 6,982 | 6,912 |
| Treasury shares | △337 | △337 |
| Total shareholders' equity | 9,754 | 9,685 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 3 | 3 |
| Deferred gains or losses on hedges | 13 | 14 |
| Foreign currency translation adjustment | △64 | △64 |
| Remeasurements of defined benefit plans | 88 | 80 |
| Total accumulated other comprehensive income | 40 | 35 |
| Non-controlling interests | 126 | 126 |
| Total net assets | 9,922 | 9,847 |
| Total liabilities and net assets | 46,194 | 46,901 |

(2) Quarterly consolidated statements of income and comprehensive income

Quarterly consolidated statement of income

Consolidated cumulative first quarter

(Millions of yen)

| | Three months ended August 15, 2024 | Three months ended August 15, 2025 |
|--|---------------------------------------|---------------------------------------|
| Net sales | 25,087 | 25,478 |
| Cost of sales | 18,918 | 19,086 |
| Gross profit | 6,168 | 6,391 |
| Selling, general and administrative expenses | 5,937 | 6,227 |
| Operating profit | 230 | 163 |
| Non-operating income | | |
| Interest and dividend income | 5 | 6 |
| Gain on donation of non-current assets | 1 | — |
| Subsidy income | 8 | 15 |
| Other | 36 | 37 |
| Total non-operating income | 51 | 58 |
| Non-operating expenses | | |
| Interest expenses | 40 | 63 |
| Commission expenses | 0 | 1 |
| Other | 0 | 3 |
| Total non-operating expenses | 41 | 69 |
| Ordinary profit | 241 | 153 |
| Extraordinary income | | |
| Gain on sale of shares of subsidiaries and associates | 1 | — |
| Total extraordinary income | 1 | — |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | — | 0 |
| Total extraordinary losses | — | 0 |
| Quarterly profit before income taxes | 242 | 152 |
| Total income taxes | 131 | 84 |
| Quarterly profit | 110 | 68 |
| Quarterly profit attributable to non-controlling interests | 5 | 0 |
| Quarterly profit attributable to owners of parent | 104 | 67 |

Quarterly consolidated statement of comprehensive income

Consolidated cumulative first quarter

(Millions of yen)

| | Three months ended August 15, 2024 | Three months ended August 15, 2025 |
|--|---------------------------------------|---------------------------------------|
| Quarterly profit | 110 | 68 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | △0 | 0 |
| Deferred gains or losses on hedges | △4 | 0 |
| Foreign currency translation adjustment | 0 | 0 |
| Remeasurements of defined benefit plans | △0 | △7 |
| Total other comprehensive income | △4 | △5 |
| Quarterly comprehensive income | 105 | 62 |
| Comprehensive income attributable to: | | |
| Comprehensive quarterly income attributable to owners of parent | 99 | 62 |
| Comprehensive quarterly income attributable to non-controlling interests | 5 | 0 |

(3) Notes to quarterly consolidated financial statements

(Application of special accounting methods in the preparation of the quarterly consolidated financial statement)

(Calculation of income tax expense)

Income tax expense is calculated by making a reasonable estimate of the effective tax rate after the application of tax effect accounting to the profit before income taxes for the consolidated fiscal year, including the current first quarter consolidated accounting period, and multiplying the quarterly net profit before income taxes by the relevant estimated effective tax rate.

(Notes on segment information, etc)

【Segment Information】

I. Previous consolidated cumulative first quarter (May 16, 2024 - August 15, 2024)

1. Information on net sales and profits for each reportable segment, and information on revenue breakdown

(Millions of yen)

| | Reportable Segment | | | Other (Note) 1 | Total | Adjustments (Note)2 | Amount shown in the quarterly consolidated statement of income (Note) 3 |
|--|--------------------|-----------------------|--------|-------------------|--------|------------------------|--|
| | Retail Business | Marketing Business | Total | | | | |
| Net sales | | | | | | | |
| Drugstore | 21,781 | — | 21,781 | — | 21,781 | — | 21,781 |
| Inbound | 1,389 | — | 1,389 | — | 1,389 | — | 1,389 |
| Pharmacy | 1,122 | — | 1,122 | — | 1,122 | — | 1,122 |
| Marketing | — | 47 | 47 | — | 47 | — | 47 |
| Payment Service | — | 322 | 322 | — | 322 | — | 322 |
| Other | 204 | — | 204 | 21 | 225 | — | 225 |
| Revenue arising from contracts with customers | 24,497 | 369 | 24,867 | 21 | 24,888 | — | 24,888 |
| Other revenues | 183 | — | 183 | 14 | 198 | — | 198 |
| External sales | 24,681 | 369 | 25,051 | 36 | 25,087 | — | 25,087 |
| Inter-segment sales and transfers | 11 | 88 | 99 | 8 | 108 | △108 | — |
| Total | 24,692 | 458 | 25,151 | 44 | 25,195 | △108 | 25,087 |
| Segment profit | 215 | 18 | 233 | 5 | 239 | △8 | 230 |

(Notes)

1. The “Other” category is a business segment that is not included in the reportable segments and includes the IT Solutions business, etc.
2. The adjustments include the elimination of reportable inter-segment profit and loss transactions and expenses related to the operation of the holding company.
3. Segment profit is adjusted to be consistent with operating profit in the quarterly consolidated statement of income.

II. Current consolidated cumulative first quarter (May 16, 2025 - August 15, 2025)

1. Information on net sales and profits for each reportable segment, and information on revenue breakdown

(Millions of yen)

| | Reportable Segment | | | Other (Note) 1 | Total | Adjustments (Note)2 | Amount shown in the quarterly consolidated statement of income (Note) 3 |
|--|--------------------|-----------------------|--------|-------------------|--------|------------------------|--|
| | Retail Business | Marketing Business | Total | | | | |
| Net sales | | | | | | | |
| Drugstore | 21,978 | — | 21,978 | — | 21,978 | — | 21,978 |
| Inbound | 1,460 | — | 1,460 | — | 1,460 | — | 1,460 |
| Pharmacy | 1,271 | — | 1,271 | — | 1,271 | — | 1,271 |
| Marketing | — | 34 | 34 | — | 34 | — | 34 |
| Payment Service | — | 372 | 372 | — | 372 | — | 372 |
| Other | 131 | — | 131 | 28 | 159 | — | 159 |
| Revenue arising from contracts with customers | 24,842 | 407 | 25,249 | 28 | 25,277 | — | 25,277 |
| Other revenues | 185 | — | 185 | 15 | 200 | — | 200 |
| External sales | 25,027 | 407 | 25,434 | 43 | 25,478 | — | 25,478 |
| Inter-segment sales and transfers | 11 | 91 | 102 | 7 | 110 | △ 110 | — |
| Total | 25,038 | 498 | 25,537 | 51 | 25,588 | △ 110 | 25,478 |
| Segment profit | 109 | 2 | 111 | 10 | 121 | 41 | 163 |

(Notes)

1. The “Other” category is a business segment that is not included in the reportable segments and includes the IT Solutions business, etc.
2. The adjustments include the elimination of reportable inter-segment profit and loss transactions and expenses related to the operation of the holding company.
3. Segment profit is adjusted to be consistent with operating profit in the quarterly consolidated statement of income.

2. Matters Related to Changes in Reportable Segments

From the end of the previous consolidated fiscal year, the “Marketing Business,” which had previously been included under “Others,” has increased in quantitative significance and is now presented as a reportable segment.

In addition, the segment information for the first quarter of the previous consolidated cumulative period has been disclosed based on the segment classification applied in the first quarter of the current consolidated cumulative period.

(Notes in the event of any significant changes in the amount of shareholders' equity)

Not applicable.

(Going concern assumption)

Not applicable.

(Notes to cash flow statements)

The Company has not created a quarterly consolidated cash flow statement for the cumulative consolidated first quarter. The depreciation (including amortization of intangible assets) for the cumulative consolidated first quarter is as follows.

| | Three months ended August 15, 2024 | Three months ended August 15, 2025 |
|--------------|---------------------------------------|---------------------------------------|
| Depreciation | 316 million yen | 356 million yen |