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## Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]



August 14, 2025

Company name: SUNDRUG CO., LTD.  
Stock exchange listing: Tokyo Stock Exchange  
Code number: 9989  
URL: <https://www.sundrug.co.jp>  
Representative: Hiroshi Sadakata, CEO and Representative Director  
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Scheduled date to commence dividend payments: -  
Preparation of supplementary material on financial results: Yes  
Holding of financial results briefing: None

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2025	207,698	6.7	12,276	12.4	12,147	14.1	7,944	9.0
June 30, 2024	194,565	6.8	10,919	10.3	10,643	5.3	7,290	5.6

(Note) Comprehensive income: Three months ended June 30, 2025: ¥7,952 million [8.6%]

Three months ended June 30, 2024: ¥7,322 million [5.8%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	67.92	—
June 30, 2024	62.33	—

(Note) Diluted earnings per share are not stated because there were no dilutive shares.

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2025	442,269	270,063	61.1
As of March 31, 2025	444,007	269,713	60.7

(Reference) Equity: As of June 30, 2025: ¥270,063 million

As of March 31, 2025: ¥269,713 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	65.00	—	65.00	130.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		65.00	—	66.00	131.00

(Note) Revision to the forecast for dividends announced most recently: None

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	419,200	6.0	23,100	8.9	22,350	7.3	15,350	7.6	131.24
Full year	850,000	6.0	47,300	6.3	46,000	4.9	31,700	3.1	271.03

(Note) Revision to the financial results forecast announced most recently: None

### \* Notes:

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2025: None
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes  
(Note) For details, please see “2. Quarterly Consolidated Financial Statements and Primary Notes, (3) Notes to the Quarterly Consolidated Financial Statements, (Notes on Special Accounting Treatments for Quarterly Consolidated Financial Statements)” on page 8 of the appendix.
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: None
  - 2) Changes in accounting policies other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Retrospective restatement: None
- (4) Total number of issued shares (common shares)
  - 1) Total number of issued shares at the end of the period (including treasury shares):  
June 30, 2025: 119,331,184 shares  
March 31, 2025: 119,331,184 shares
  - 2) Total number of treasury shares at the end of the period:  
June 30, 2025: 2,363,857 shares  
March 31, 2025: 2,363,857 shares
  - 3) Average number of shares during the period:  
Three months ended June 30, 2025: 116,967,327 shares  
Three months ended June 30, 2024: 116,951,661 shares

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

\* Explanation of the proper use of financial results forecast and other notes

(Note on forward-looking statements)

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and the Company does not in any way guarantee the achievement of the forecasts. Actual results may differ significantly from these forecasts due to a wide range of factors. Please refer to “1. Overview of Business Results, etc., (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 for the assumptions underlying the forecasts and precautions when using the forecasts.

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## 1. Overview of Business Results, etc.

### (1) Overview of Business Results for the Period Under Review

The Japanese economy during the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025) recovered gradually, although there were uncertainties due to U.S. trade policies and other factors. While the improved employment and income environment and a growing number of international visitors to Japan, among other factors, are expected to continue to support this recovery, economic downturn risks are recognized, such as the impact of persistently rising prices on consumer spending. In addition, in the drugstore industry, the operating environment surrounding the Company has become even more challenging due to competition with companies in the same industry in terms of store openings, industry restructuring chiefly among major companies, and competition with companies in other business categories.

In these circumstances, the Company and its group companies (collectively, the “Group”), continued to open new stores and renovate stores in a well-planned manner under the key phrase, “Provide safety, reliance, and convenience,” to further increase expertise and improve the service level required and desired by customers. In terms of expenses, the Group pursued initiatives such as digitalization (labor-saving) to further enhance productivity, and continued to make efforts to promote environmental management.

As for the status of the Group’s store openings during the three months ended June 30, 2025, we opened nine new stores and revitalized existing stores by renovating 32 stores and closing five stores.

As a result, the total number of the Group’s stores as of the end of the first quarter of the fiscal year under review reached 1,546 stores, consisting of 1,127 stores for the Drugstore Business (862 directly-managed stores, 85 stores operated by Seikodo Pharmacy Corporation, 77 stores operated by Sundrug Plus Co., Ltd., 65 stores operated by Daiya Inc., and 38 franchise stores) and 419 stores for the Discount Store Business (419 stores operated by DIREX CORPORATION).

As for the consolidated financial results for the three months ended June 30, 2025, the Group recorded net sales totaling ¥207,698 million (up 6.7% from the same period of the previous fiscal year), operating profit totaling ¥12,276 million (up 12.4% from the same period of the previous fiscal year), ordinary profit totaling ¥12,147 million (up 14.1% from the same period of the previous fiscal year), and profit attributable to owners of parent totaling ¥7,944 million (up 9.0% from the same period of the previous fiscal year) due to an increase of income taxes-deferred for factors such as the impact of using equity method, posting increases in sales and profit.

Overview of business segment operating results is as follows.

#### < Drugstore Business >

The Drugstore Business recorded a year-on-year increase in net sales despite a slightly slow start for summer goods due to the impact of rainy weather and other factors. This is because of higher unit prices especially for food products as a result of soaring material prices, as well as the continued gradual recovery of demand from international visitors to Japan. As for gross profit, the gross profit to net sales improved by 0.4 percentage points mainly due to improvements in transaction conditions since the end of the previous fiscal year.

As a result, net sales for the Drugstore Business segment amounted to ¥133,218 million (up 5.5% from the same period of the previous fiscal year), and operating profit amounted to ¥6,840 million (up 6.7% from the same period of the previous fiscal year).

#### < Discount Store Business >

In the Discount Store Business, where food products account for a larger part than in the Drugstore Business, net sales were robust due to the impact of higher unit prices in the market. In terms of expenses, strong net sales pushed down the selling, general and administrative expenses ratio, resulting in an improvement of 0.1 percentage

points compared with the same period of the previous fiscal year.

As a result, net sales for the Discount Store Business segment amounted to ¥89,960 million (up 8.9% from the same period of the previous fiscal year), and operating profit amounted to ¥5,435 million (up 20.6% from the same period of the previous fiscal year).

## (2) Overview of Financial Position for the Period Under Review

Total assets as of the end of the first quarter of the fiscal year under review decreased by ¥1,738 million from the previous fiscal year end to ¥442,269 million. This is mainly attributable to a decrease in cash and deposits.

Total liabilities decreased by ¥2,087 million from the previous fiscal year end to ¥172,205 million. This is mainly attributable to a decrease in income taxes payable.

Total net assets increased by ¥349 million from the previous fiscal year end to ¥270,063 million.

## (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

We have made no revision to the full-year consolidated financial results forecast, which was announced on May 15, 2025.

(Note) The consolidated financial results forecast herein is based on certain assumptions that the Company deems reasonable at the time of announcement. Actual results may differ significantly from these forecasts.

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of June 30, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	64,956	62,980
Accounts receivable - trade	29,994	28,643
Merchandise	98,413	101,876
Supplies	261	277
Other	23,153	21,195
Total current assets	216,777	214,973
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	97,106	97,024
Other, net	39,599	40,681
Total property, plant and equipment	136,706	137,705
Intangible assets		
Goodwill	1,440	1,412
Other	7,228	7,119
Total intangible assets	8,669	8,531
Investments and other assets		
Investment securities	34,013	33,765
Leasehold and guarantee deposits	28,411	28,251
Other	19,433	19,041
Allowance for doubtful accounts	(4)	(0)
Total investments and other assets	81,853	81,058
Total non-current assets	227,229	227,295
<b>Total assets</b>	<b>444,007</b>	<b>442,269</b>

(Million yen)

	As of March 31, 2025	As of June 30, 2025
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	79,731	78,095
Short-term borrowings	1,000	1,500
Current portion of long-term borrowings	3,800	4,400
Income taxes payable	8,180	4,110
Provision for bonuses for directors (and other officers)	98	44
Other	35,696	33,710
Total current liabilities	128,507	121,861
Non-current liabilities		
Long-term borrowings	33,866	38,315
Provision for retirement benefits for directors (and other officers)	281	284
Retirement benefit liability	2,102	2,150
Asset retirement obligations	7,029	7,089
Other	2,505	2,503
Total non-current liabilities	45,785	50,344
Total liabilities	174,293	172,205
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,931	3,931
Capital surplus	7,533	7,533
Retained earnings	263,754	264,096
Treasury shares	(3,868)	(3,868)
Total shareholders' equity	271,350	271,692
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17	26
Revaluation reserve for land	(1,782)	(1,782)
Remeasurements of defined benefit plans	128	127
Total accumulated other comprehensive income	(1,636)	(1,628)
Total net assets	269,713	270,063
<b>Total liabilities and net assets</b>	<b>444,007</b>	<b>442,269</b>

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

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	194,565	207,698
Cost of sales	145,408	154,358
Gross profit	49,156	53,339
Selling, general and administrative expenses	38,236	41,063
Operating profit	10,919	12,276
Non-operating income		
Interest income	28	30
Dividend income	3	0
Guarantee commission income	71	85
Gain on receipt of donated non-current assets	68	56
Other	66	46
Total non-operating income	238	219
Non-operating expenses		
Interest expenses	20	80
Share of loss of entities accounted for using equity method	492	259
Other	1	7
Total non-operating expenses	514	348
Ordinary profit	10,643	12,147
Extraordinary income		
Gain on sale of non-current assets	–	2
National subsidies	49	21
Other	–	0
Total extraordinary income	49	24
Extraordinary losses		
Impairment losses	–	21
Loss on retirement of non-current assets	65	55
Loss on tax purpose reduction entry of non-current assets	35	–
Loss on disaster	3	–
Other	9	3
Total extraordinary losses	113	81
Profit before income taxes	10,579	12,090
Income taxes	3,289	4,145
Profit	7,290	7,944
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	7,290	7,944

# Consolidated Statements of Comprehensive Income

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	7,290	7,944
Other comprehensive income		
Valuation difference on available-for-sale securities	33	6
Remeasurements of defined benefit plans, net of tax	3	(0)
Share of other comprehensive income of entities accounted for using equity method	(4)	1
Total other comprehensive income	32	7
Comprehensive income	7,322	7,952
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,322	7,952
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes to the Quarterly Consolidated Financial Statements

(Notes on Special Accounting Treatments for Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

Tax expenses are calculated based on a reasonable estimate of the effective tax rate after applying tax effect accounting to profit before income taxes for the consolidated fiscal year including the first quarter of the fiscal year under review, and then multiplying profit before income taxes by the estimated effective tax rate.

Income taxes - deferred is included in income taxes.

(Notes to Segment Information, etc.)

I. Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

Information concerning the amount of net sales and income/loss by reportable segment and information on disaggregated revenue

(Million yen)

	Reportable segment			Adjustment (Note 1)	Amount on quarterly consolidated statements of income (Note 2)
	Drugstore Business	Discount Store Business	Total		
Net sales					
Net sales to external customers	111,990	82,574	194,565	—	194,565
Inter-segment net sales or transfers	14,309	3	14,312	(14,312)	—
Total	126,300	82,577	208,878	(14,312)	194,565
Segment income	6,411	4,507	10,919	—	10,919

Note 1: Adjustment of segment income is due to elimination of intersegment transactions.

Note 2: Segment income is adjusted according to the operating profit on the quarterly consolidated statements of income.

Note 3: Revenues other than those arising from contracts with customers are not categorized as they are of little importance.

II. Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

Information concerning the amount of net sales and income/loss by reportable segment and information on disaggregated revenue

(Million yen)

	Reportable segment			Adjustment (Note 1)	Amount on quarterly consolidated statements of income (Note 2)
	Drugstore Business	Discount Store Business	Total		
Net sales					
Net sales to external customers	117,741	89,956	207,698	—	207,698
Inter-segment net sales or transfers	15,477	3	15,480	(15,480)	—
Total	133,218	89,960	223,179	(15,480)	207,698
Segment income	6,840	5,435	12,276	—	12,276

Note 1: Adjustment of segment income is due to elimination of intersegment transactions.

Note 2: Segment income is adjusted according to the operating profit on the quarterly consolidated statements of income.

Note 3: Revenues other than those arising from contracts with customers are not categorized as they are of little importance.

(Notes in the Case of Material Changes in Shareholders' Equity)  
Not applicable

(Notes on Going Concern Assumptions)  
Not applicable

(Notes on Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the three months ended June 30, 2025 are not prepared. Depreciation, which includes amortization of intangible assets excluding goodwill, and amortization of goodwill for the three months ended June 30 are as follows:

	(Million yen)	
	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Depreciation	3,945	4,335
Amortization of goodwill	28	28