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Consolidated Financial Results for the Nine Months Ended December 31, 2025 [Japanese GAAP]



February 12, 2026

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 Nine Months Ended December 31, 2025 (April 1, 2025 to December 31, 2025)

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

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2025	635,707	5.3	50,330	6.0	36,538	4.9	36,198	5.4	24,231	1.7
December 31, 2024	603,594	6.6	47,474	7.6	34,819	4.8	34,351	1.7	23,830	4.6

(Note) Comprehensive income: Nine months ended December 31, 2025: ¥24,237 million [1.6%]

Nine months ended December 31, 2024: ¥23,863 million [4.6%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2025	207.15	—
December 31, 2024	203.75	—

(Notes)

1. EBITDA = Operating profit + Depreciation + Amortization of goodwill
2. 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 December 31, 2025	470,184	278,813	59.3
As of March 31, 2025	444,007	269,713	60.7

(Reference) Equity: As of December 31, 2025: ¥278,813 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
Fiscal year ended March 31, 2025	Yen —	Yen 65.00	Yen —	Yen 65.00	Yen 130.00
Fiscal year ending March 31, 2026	—	65.00	—		
Fiscal year ending March 31, 2026 (Forecast)				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		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	850,000	6.0	66,775	7.9	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 nine months ended December 31, 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):
December 31, 2025: 119,331,184 shares
March 31, 2025: 119,331,184 shares
 - 2) Total number of treasury shares at the end of the period:
December 31, 2025: 2,348,285 shares
March 31, 2025: 2,363,857 shares
 - 3) Average number of shares during the period:
Nine months ended December 31, 2025: 116,976,784 shares
Nine months ended December 31, 2024: 116,961,169 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 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 nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025) was affected by a mild winter, resulting in sluggish demand for cold medicine and home appliances for the winter season, particularly in the third quarter. Meanwhile, uncertainties associated with U.S. trade policies were observed in part, but the overall gradual recovery trend continued. While the improved employment and income environment and a growing number of international visitors to Japan, among other factors, are expected to support this recovery, factors that could push down the economy remain, such as the impact of persistently rising prices on consumer spending and a decline in visitors from China. 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, competition with companies in other business categories, law amendments and regulations concerning the sale of pharmaceutical products, and the prolonged money-saving mindset of consumers against the backdrop of rising prices.

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 with enhanced expertise under the key phrase, “Provide safety, reliance, and convenience,” to meet the needs and expectations of customers. In terms of expenses, the Group continued to pursue initiatives such as enhancing productivity, and also made efforts to promote environmental management.

As for the status of the Group’s store openings during the nine months ended December 31, 2025, we opened 44 new stores and closed 16 stores. In addition, we revitalized existing stores by renovating 71 stores.

As a result, the total number of the Group’s stores as of the end of the third quarter of the fiscal year under review reached 1,570 stores, consisting of 1,141 stores for the Drugstore Business (874 directly-managed stores, 85 stores operated by Seikodo Pharmacy Corporation, 76 stores operated by Sundrug Plus Co., Ltd., 68 stores operated by Daiya Inc., and 38 franchise stores) and 429 stores for the Discount Store Business (429 stores operated by DIREX CORPORATION).

As for the consolidated financial results for the nine months ended December 31, 2025, the Group recorded net sales totaling ¥635,707 million (up 5.3% from the same period of the previous fiscal year), operating profit totaling ¥36,538 million (up 4.9% from the same period of the previous fiscal year), ordinary profit totaling ¥36,198 million (up 5.4% from the same period of the previous fiscal year), and profit attributable to owners of parent totaling ¥24,231 million (up 1.7% from the same period of the previous fiscal year), 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 negative impact on net sales from a decline in winter seasonal products, mainly cold medicine, due in part to a reactionary decline following strong demand in the same period of the previous fiscal year. On the other hand, higher unit prices as a result of soaring material prices especially for food products, as well as the partial implementation of government-stockpiled rice supply, contributed to the increase in net sales. In addition, the gross profit to net sales improved by 0.2 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 ¥407,233 million (up 4.2% from the same period of the previous fiscal year), and operating profit amounted to ¥21,286 million (up 0.6% from the same period of the previous fiscal year).

< Discount Store Business >

In the Discount Store Business, the food sector remained robust, affected by factors such as higher unit prices. In addition, the gross profit to net sales improved by 0.3 percentage points mainly due to improvements in transaction conditions for drug products.

As a result, net sales for the Discount Store Business segment amounted to ¥274,600 million (up 7.1% from the same period of the previous fiscal year), and operating profit amounted to ¥15,251 million (up 11.7% 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 third quarter of the fiscal year under review increased by ¥26,176 million from the previous fiscal year end to ¥470,184 million. This is mainly attributable to increases in merchandise and property, plant and equipment.

Total liabilities increased by ¥17,076 million from the previous fiscal year end to ¥191,370 million. This is mainly attributable to an increase in accounts payable - trade.

Total net assets increased by ¥9,099 million from the previous fiscal year end to ¥278,813 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 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 December 31, 2025
Assets		
Current assets		
Cash and deposits	64,956	70,024
Accounts receivable - trade	29,994	32,894
Merchandise	98,413	110,686
Supplies	261	264
Other	23,153	23,744
Total current assets	216,777	237,614
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	97,106	99,991
Other, net	39,599	43,828
Total property, plant and equipment	136,706	143,820
Intangible assets		
Goodwill	1,440	1,354
Other	7,228	6,935
Total intangible assets	8,669	8,290
Investments and other assets		
Investment securities	34,013	33,204
Leasehold and guarantee deposits	28,411	28,612
Other	19,433	18,643
Allowance for doubtful accounts	(4)	(0)
Total investments and other assets	81,853	80,459
Total non-current assets	227,229	232,570
Total assets	444,007	470,184

(Million yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	79,731	87,617
Short-term borrowings	1,000	2,500
Current portion of long-term borrowings	3,800	5,000
Income taxes payable	8,180	4,656
Provision for bonuses for directors (and other officers)	98	107
Other	35,696	37,919
Total current liabilities	128,507	137,802
Non-current liabilities		
Long-term borrowings	33,866	41,465
Provision for retirement benefits for directors (and other officers)	281	284
Retirement benefit liability	2,102	2,232
Asset retirement obligations	7,029	7,118
Other	2,505	2,468
Total non-current liabilities	45,785	53,568
Total liabilities	174,293	191,370
Net assets		
Shareholders' equity		
Share capital	3,931	3,931
Capital surplus	7,533	7,577
Retained earnings	263,754	272,699
Treasury shares	(3,868)	(3,843)
Total shareholders' equity	271,350	280,364
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17	24
Deferred gains or losses on hedges	—	0
Revaluation reserve for land	(1,782)	(1,702)
Remeasurements of defined benefit plans	128	127
Total accumulated other comprehensive income	(1,636)	(1,550)
Total net assets	269,713	278,813
Total liabilities and net assets	444,007	470,184

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

(Million yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Net sales	603,594	635,707
Cost of sales	450,109	472,760
Gross profit	153,484	162,947
Selling, general and administrative expenses	118,664	126,409
Operating profit	34,819	36,538
Non-operating income		
Interest income	93	144
Dividend income	9	2
Guarantee commission income	245	256
Gain on receipt of donated non-current assets	183	146
Other	287	200
Total non-operating income	819	750
Non-operating expenses		
Interest expenses	103	259
Share of loss of entities accounted for using equity method	1,179	817
Other	5	11
Total non-operating expenses	1,288	1,089
Ordinary profit	34,351	36,198
Extraordinary income		
Gain on sale of non-current assets	—	82
National subsidies	216	77
Other	60	28
Total extraordinary income	276	188
Extraordinary losses		
Loss on sale of non-current assets	6	—
Impairment losses	257	118
Loss on retirement of non-current assets	109	165
Loss on tax purpose reduction entry of non-current assets	215	31
Loss on disaster	8	2
Cancellation penalty	—	92
Other	34	17
Total extraordinary losses	631	427
Profit before income taxes	33,996	35,959
Income taxes	10,165	11,727
Profit	23,830	24,231
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	23,830	24,231

Consolidated Statements of Comprehensive Income

(Million yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Profit	23,830	24,231
Other comprehensive income		
Valuation difference on available-for-sale securities	25	4
Remeasurements of defined benefit plans, net of tax	11	(1)
Share of other comprehensive income of entities accounted for using equity method	(3)	2
Total other comprehensive income	32	5
Comprehensive income	23,863	24,237
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	23,863	24,237
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 third 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. Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 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	347,287	256,306	603,594	—	603,594
Inter-segment net sales or transfers	43,560	10	43,570	(43,570)	—
Total	390,847	256,316	647,164	(43,570)	603,594
Segment income	21,166	13,653	34,819	—	34,819

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. Nine months ended December 31, 2025 (from April 1, 2025 to December 31, 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	361,117	274,590	635,707	—	635,707
Inter-segment net sales or transfers	46,116	9	46,126	(46,126)	—
Total	407,233	274,600	681,834	(46,126)	635,707
Segment income	21,286	15,251	36,538	—	36,538

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 nine months ended December 31, 2025 are not prepared. Depreciation, which includes amortization of intangible assets excluding goodwill, and amortization of goodwill for the nine months ended December 31 are as follows:

		(Million yen)
	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Depreciation	12,568	13,705
Amortization of goodwill	86	86