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(Corrected version)



Consolidated Financial Results for the Fiscal Year Ended February 28, 2025 (Under Japanese GAAP)

April 11, 2025

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 Listing: Tokyo Stock Exchange (Prime Market)
 Securities code: 3391
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 Scheduled date of annual general meeting of shareholders: May 26, 2025
 Scheduled date to file annual securities report: May 26, 2025
 Scheduled date to commence dividend payments: May 8, 2025
 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 year ended February 28, 2025 (May 16, 2024–February 28, 2025) (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2025	845,603	—	37,894	—	37,840	—	17,207	—
May 15, 2024	1,027,462	5.9	47,151	3.5	47,466	3.9	21,743	(13.9)

(Note) Comprehensive income: For the fiscal year ended February 28, 2025: ¥17,081 million [—%]
 For the fiscal year ended May 15, 2024: ¥27,186 million [(13.5)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
February 28, 2025	353.67	352.77	6.1	6.7	4.5
May 15, 2024	447.27	445.13	7.8	8.7	4.6

(Reference) Share of profit (loss) of entities accounted for using the equity method:

For the fiscal year ended February 28, 2025: ¥— million
 For the fiscal year ended May 15, 2024: ¥— million

(Note) 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 fiscal year ended February 28, 2025 has become a transitional period for the fiscal year-end change covering 9.5 months only. Accordingly, year-on-year changes are not presented for the fiscal year ended February 28, 2025.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
February 28, 2025	583,362	306,377	48.2	5,778.90
May 15, 2024	549,551	305,297	50.9	5,748.63

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

As of February 28, 2025: ¥281,236 million
 As of May 15, 2024: ¥279,564 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
February 28, 2025	64,643	(19,713)	(10,872)	92,605
May 15, 2024	51,964	(36,068)	(36,259)	58,554

2. Dividends

	Annual dividends per share					Total annual dividends	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended February 28, 2025	—	133.50	—	133.50	267.00	12,983	59.7	4.7
Fiscal year ended May 15, 2024	—	155.00	—	112.00	267.00	12,994	75.5	4.6
Fiscal year ending February 28, 2026 (Forecast)	—	133.50	—	133.50	267.00		52.4	

3. Consolidated financial results forecast for the fiscal year ending February 28, 2026 (March 1, 2025–February 28, 2026)

(Percentages represent year-on-year changes.)

	Net sales		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	%	Yen
First six months	556,600	3.8	25,600	(4.4)	25,200	(6.8)	15,300	82.1	314.39
Full year	1,113,400	—	51,100	—	50,300	—	24,800	—	509.59

(Note) 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 fiscal year ended February 28, 2025 has become a transitional period for the fiscal year-end change covering 9.5 months only. Accordingly, year-on-year changes are not presented for the full-year consolidated financial results forecast.

Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates and restatement

- (i) Changes in accounting policies due to revision of accounting standard and other regulations: None
- (ii) Changes in accounting policies other than (i): None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of shares issued (common shares)

(i) Total number of shares issued at the end of the period (including treasury shares)

As of February 28, 2025	49,557,068 shares
As of May 15, 2024	49,518,268 shares

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

As of February 28, 2025	890,955 shares
As of May 15, 2024	886,797 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended February 28, 2025	48,652,709 shares
Fiscal year ended May 15, 2024	48,613,927 shares

[Reference] Non-consolidated financial results

Non-consolidated results for the year ended February 28, 2025 (May 16, 2024–February 28, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2025	23,317	—	15,705	—	15,652	—	16,123	—
May 15, 2024	22,515	25.1	14,415	28.2	14,423	28.4	14,196	20.6

	Basic earnings per share		Diluted earnings per share	
Fiscal year ended	Yen		Yen	
February 28, 2025	331.40		330.56	
May 15, 2024	292.03		290.63	

(Note) 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 fiscal year ended February 28, 2025 has become a transitional period for the fiscal year-end change covering 9.5 months only. Accordingly, year-on-year changes are not presented for the fiscal year ended February 28, 2025.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
February 28, 2025	169,307	134,220	78.8	2,740.18
May 15, 2024	160,900	133,102	81.5	2,695.48

(Reference) Equity (Shareholders' equity + Valuation and translation adjustments):

As of February 28, 2025: ¥133,353 million

As of May 15, 2024: ¥131,085 million

* Financial results reports are not subject to audit by certified public accountants or an audit firm.

* Note on use of financial forecasts and other special items

The forward-looking statements in this document, including forecasts, are based on information available at the time of disclosure and on certain assumptions deemed to be reasonable by the Company. As such, it is not intended to be a promise by the Company to achieve such results. Actual results may differ materially from forward-looking statements due to a number of factors. For more details about these assumptions and other conditions that form the basis of these forecasts, please refer to page 4 of the supplementary materials, "1. Summary of Consolidated Financial Results, etc., (4) Business Forecasts."

(Access to financial results briefing materials)

Financial results briefing materials are disclosed on the Company's website on the same day as the briefing (Japanese version only).

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1. Summary of Consolidated Operating Results, etc.

(1) Summary of FY2/25 Consolidated Operating Results

In connection with a change in the fiscal year-end, the fiscal year ended February 28, 2025 (the “fiscal year under review”) is an irregular fiscal year (May 16, 2024–February 28, 2025) covering 9.5 months only. Therefore, we do not present year-on-year percentage changes, but instead provide actual figures for the 12 months of the previous fiscal year (May 16, 2023–May 15, 2024) as reference information.

During the fiscal year under review, the economy was on a gradual recovery trend, with recovery in capital investment and production, and improvement in corporate performance. Real wage growth has been up and down due to higher prices, with an increase in saving ratio, and consumer spending has been sluggish. Uncertainty about the future continued due to trade disputes related to U.S. protectionist policies and geopolitical risks including the situation of the Middle East.

In the drugstore sector, prices of mainly foods still continued to rise, and consumers also continued to be money-conscious, amid indications that the increase in sales due to the effects of the recovery in human flow and demand for inbound tourism, rising prices, and other factors have run their course. With a race to open new stores continuing, some stores incorporated other types of businesses such as pharmacy chain stores and grocery stores, and the market size continued to increase.

Under these circumstances, the Group has made progress in the following areas during the current fiscal year, which marked the final year of our Medium-Term Management Plan, in order to achieve the plan’s objectives. In our store strategy, we have promoted store openings through the use of company-owned buildings and scrap-and-build initiatives. In our dispensing strategy, we have strengthened the functionality of our pharmacies. In our private brand (PB) strategy, we worked on product development with a focus on food products and improvement of store loyalty. In our DX strategy, we worked to expand our app membership and leveraged MA tools to drive customer visits while enhancing management visibility through BI tools. In the performance management aspect, we focused on improving profitability and reducing selling, general and administrative expenses.

In terms of store development, we have worked to establish even more dominant positions in existing areas and renovated or eliminated unprofitable stores to boost competitiveness. Since the start of the fiscal year under review, we have carried out 73 new store openings and closed 68 stores. This resulted in a total of 2,658 directly managed stores as of the end of the fiscal year under review. In Thailand, the Group opened three new stores, resulting in a total of 22 stores as of February 28, 2025.

TSURUHA Group: Store Openings and Closures

(Number of stores)

	Beginning number of stores (May 16, 2024)	Openings	Closures	Net change	Ending number of stores (Feb. 28, 2025)	Of which, dispensing pharmacies
Hokkaido	432	14	9	5	437	147
Tohoku	604	10	21	(11)	593	165
Kanto, Koshinetsu	533	11	16	(5)	528	224
Chubu, Kansai	269	9	9	–	269	167
Chugoku	366	10	2	8	374	143
Shikoku	225	5	5	–	225	69
Kyushu, Okinawa	224	14	6	8	232	52
Total for Japan	2,653	73	68	5	2,658	967

(The figures above excludes 22 overseas stores and seven franchise stores.)

As a result of the above, for the fiscal year under review, TSURUHA HOLDINGS reported net sales of ¥845,603 million (¥1,027,462 million for the previous fiscal year), operating income of ¥37,894 million (¥47,151 million for the previous fiscal year), and ordinary income of ¥37,840 million (¥47,466 million for the previous fiscal year). Meanwhile, the Company recorded a gain on sale of investment securities of ¥3,830 million, an impairment loss of ¥10,743 million, reflecting the difference between the recoverable

amount and the carrying amount as a result of assessing the profitability of our stores, and a provision for loss on store closings of ¥3,110 million for anticipated future losses as a result of store closures. Consequently, net income attributable to owners of the parent amounted to ¥17,207 million (¥21,743 million for the previous fiscal year).

(2) Summary of FY2/25 Consolidated Financial Position

As of the end of the fiscal year under review, assets totaled ¥583,362 million, an increase of ¥33,810 million compared with the previous fiscal year-end. Current assets totaled ¥302,811 million, an increase of ¥29,329 million compared with the previous fiscal year-end. This was mainly due to an increase of ¥34,051 million in cash and deposits.

Non-current assets totaled ¥280,550 million, an increase of ¥4,481 million compared with the previous fiscal year-end. This was mainly due to an increase of ¥6,320 million in property, plant and equipment, mainly as a result of new store openings, which was partly offset by decreases of ¥1,041 million in intangible assets, primarily reflecting amortization of goodwill and software; and ¥2,239 million in investment securities due to sale.

Liabilities totaled ¥276,984 million, an increase of ¥32,730 million compared with the previous fiscal year-end. This was mainly due to increases of ¥25,254 million in accounts payable – trade due to a change in the fiscal year-end, ¥2,850 million in long-term loans payable, and ¥7,665 million in long-term lease obligations, which were partly offset by decreases of ¥8,897 million in accounts payable – other and ¥3,955 million in deferred tax liabilities.

Net assets totaled ¥306,377 million, an increase of ¥1,080 million compared with the previous fiscal year-end. This was mainly due to an increase of ¥3,171 million in retained earnings, which was partly offset by a decrease of ¥1,647 million in valuation difference on available-for-sale securities.

As a result, the equity ratio was 48.2%, down 2.7 percentage points from the previous fiscal year-end.

(3) Summary of FY2/25 Consolidated Statement of Cash Flows

As of the end of the fiscal year under review, cash and cash equivalents (net cash) totaled ¥92,605 million, an increase of ¥34,051 million from the end of the previous fiscal year.

The Group's cash flow position and their factors at the end of the fiscal year under review are as follows:

(Cash Flows from Operating Activities)

Net cash provided by operating activities totaled ¥64,643 million (¥51,964 million provided for the previous fiscal year). This mainly reflected income before income taxes of ¥28,381 million, and other positive factors were an increase of ¥25,254 million in notes and accounts payable – trade, depreciation of ¥13,207 million, and impairment loss of ¥10,743 million. The main negative factor was income taxes paid of ¥15,300 million.

(Cash Flows from Investing Activities)

Net cash used in investing activities totaled ¥19,713 million (¥36,068 million used for the previous fiscal year). This was mainly due to purchase of property, plant and equipment of ¥20,110 million for new store openings, payments for guarantee deposits of ¥4,073 million for new store openings, and purchase of software of ¥2,732 million.

(Cash Flows from Financing Activities)

Net cash used in financing activities totaled ¥10,872 million (¥36,259 million used for the previous fiscal year). This was mainly due to cash dividends paid of ¥14,035 million, repayment of long-term loans payable of ¥5,400 million, and repayment of short-term loans payable of ¥5,000 million, which were partly offset by proceeds from short-term borrowings of ¥10,000 million and proceeds from long-term borrowings of ¥6,000 million.

(4) Business Forecasts

Looking ahead, the global economy is expected to grow steadily, supported by the strong domestic demand in the United States and China's economic measures. The Japanese economy is expected to move toward a recovery as the trend toward setting wage increases is continuing, although consumer spending is slowing due to higher food prices.

In the drugstore industry, the size of the market has continued to increase as stores have continued to be opened while meeting needs in the dispensing and food categories. Efforts to improve productivity and control expenses strongly influence variations in profitability among companies.

Under these circumstances, we will work on improving profitability for the time being, while enhancing our store strategy, dispensing strategy, PB strategy, and DX strategy as outlined in the previous Medium-Term Management Plan. Based on the above, our consolidated financial results forecasts for the fiscal year ending February 28, 2026 are net sales of ¥1,113,400 million, operating income of ¥51,100 million, ordinary income of ¥50,300 million, and net income attributable to owners of the parent of ¥24,800 million.

(5) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years

The Group's basic policy is focused on shareholder returns through the payment of stable dividends while taking into account the need for funds to reinforce the operating base and support future business development. The Group plans to use the dividend payout ratio as a benchmark for the distribution of profits to shareholders.

In accordance with this policy, the Group pays an interim dividend and a year-end dividend.

For the second quarter of the current fiscal year, the Group paid an interim dividend of ¥155 per share as planned. At the end of the fiscal year, the Group has decided to pay a year-end dividend of ¥112 per share as initially planned based on the business results. As a result, the full-year dividend is ¥267 per share. For the fiscal year ending February 28, 2026, the Group plans to pay a full-year dividend of ¥267 per share as well.

For the fiscal year ending February 28, 2026, the Group will continue to pay an interim dividend and a year-end dividend for shareholders registered on the record dates of the second quarter-end and the fiscal year-end.

The Group intends to use retained earnings for investments to boost future corporate value, such as capital investment to open new stores and expand and refurbish existing stores, and to fund M&A deals and other initiatives that support growth.

2. Basic Approach to the Selection of Accounting Standards

The Group applies Japanese accounting standards. We will take appropriate measures regarding the adoption of International Financial Reporting Standards (IFRS), considering the circumstances in Japan and overseas.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of May 15, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	58,688	92,739
Accounts receivable – trade	47,504	41,180
Merchandise	147,076	149,090
Raw materials and supplies	97	104
Other	20,116	19,770
Allowance for doubtful accounts	–	(73)
Total current assets	273,482	302,811
Non-current assets		
Property, plant and equipment		
Buildings and structures	135,573	138,979
Accumulated depreciation	(52,135)	(55,366)
Buildings and structures, net	83,437	83,612
Tools, furniture and fixtures	68,054	71,097
Accumulated depreciation	(51,471)	(55,570)
Tools, furniture and fixtures, net	16,583	15,527
Land	15,797	16,011
Leased assets	18,057	25,119
Accumulated depreciation	(4,590)	(5,677)
Leased assets, net	13,466	19,442
Construction in progress	2,335	3,348
Other	48	47
Accumulated depreciation	(48)	(47)
Other, net	0	0
Total property, plant and equipment	131,621	137,942
Intangible assets		
Goodwill	21,944	19,773
Software	2,828	7,276
Other	4,564	1,245
Total intangible assets	29,337	28,295
Investments and other assets		
Investment securities	34,181	31,942
Deferred tax assets	6,458	6,632
Retirement benefit asset	–	209
Guarantee deposits	70,215	71,076
Other	4,304	4,506
Allowance for doubtful accounts	(49)	(54)
Total investments and other assets	115,110	114,312
Total non-current assets	276,069	280,550
Total assets	549,551	583,362

	As of May 15, 2024	As of February 28, 2025
Liabilities		
Current liabilities		
Accounts payable – trade	114,143	139,398
Short-term loans payable	–	5,000
Current portion of long-term loans payable	7,200	4,950
Accounts payable – other	19,415	10,517
Lease obligations	1,437	1,896
Income taxes payable	8,794	6,396
Contract liability	16,608	18,849
Provision for bonuses	6,766	6,672
Provision for directors' bonuses	665	461
Provision for point card certificates	285	296
Provision for loss on subleasing business	166	–
Provision for loss on store closings	–	745
Other	5,876	11,461
Total current liabilities	181,362	206,646
Non-current liabilities		
Long-term loans payable	25,075	27,925
Lease obligations	16,327	23,993
Deferred tax liabilities	6,235	2,279
Net defined benefit liability	3,014	1,324
Asset retirement obligations	7,270	7,554
Provision for loss on subleasing business	942	–
Provision for loss on store closings	–	2,707
Other	4,025	4,553
Total non-current liabilities	62,891	70,338
Total liabilities	244,254	276,984
Net assets		
Shareholders' equity		
Capital stock	11,535	11,626
Capital surplus	21,449	21,541
Retained earnings	229,535	232,706
Treasury shares	(5,314)	(5,315)
Total shareholders' equity	257,205	260,558
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22,150	20,503
Remeasurements of defined benefit plans	207	175
Total accumulated other comprehensive income	22,358	20,678
Share acquisition rights	2,017	866
Non-controlling interests	23,715	24,273
Total net assets	305,297	306,377
Total liabilities and net assets	549,551	583,362

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

(Millions of yen)

	Fiscal year ended May 15, 2024	Fiscal year ended February 28, 2025
Net sales	1,027,462	845,603
Cost of sales	715,185	588,063
Gross profit	312,276	257,540
Selling, general and administrative expenses		
Employees' salaries and allowances	95,348	79,042
Employees' bonuses	6,226	6,286
Provision for bonuses	6,766	6,672
Provision for directors' bonuses	665	461
Retirement benefit expenses	1,321	1,088
Expenses for rents	54,517	43,199
Provision of reserve for loss on subleasing business	1,109	170
Other	99,168	82,721
Total selling, general and administrative expenses	265,125	219,645
Operating income	47,151	37,894
Non-operating income		
Interest income	118	88
Dividend income	279	245
Subsidy income	385	256
Gain on donation of equipment	581	400
Rent income	242	252
Other	723	539
Total non-operating income	2,330	1,784
Non-operating expenses		
Interest expenses	1,553	1,451
Other	462	386
Total non-operating expenses	2,015	1,837
Ordinary income	47,466	37,840
Extraordinary income		
Gain on sales of non-current assets	6	48
Gain on reversal of share acquisition rights	–	1,165
Gain on sales of investment securities	3	3,830
Gain on termination of retirement benefit plan	–	278
Total extraordinary income	10	5,323
Extraordinary losses		
Loss on retirement of non-current assets	146	85
Loss on sales of non-current assets	–	3
Impairment loss	8,970	10,743
Provision for loss on store closings	–	3,110
Loss on disaster	134	–
Other	–	840
Total extraordinary losses	9,250	14,782
Income before income taxes	38,226	28,381
Income taxes – current	15,095	13,236
Income taxes – deferred	(1,289)	(3,469)
Total income taxes	13,806	9,767
Net income	24,419	18,613
Net income attributable to non-controlling interests	2,676	1,406
Net income attributable to owners of the parent	21,743	17,207

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended May 15, 2024	Fiscal year ended February 28, 2025
Net income	24,419	18,613
Other comprehensive income		
Valuation difference on available-for-sale securities	2,607	(1,639)
Remeasurements of defined benefit plans	159	107
Total other comprehensive income	2,766	(1,532)
Comprehensive income	27,186	17,081
(Comprehensive income attributable to)		
Owners of the parent	24,397	15,527
Non-controlling Interests	2,789	1,553

(3) Consolidated Statements of Changes in Equity
Fiscal year ended May 15, 2024

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of the period	11,433	29,486	221,256	(5,313)	256,863
Change of items during the period					
Issuance of new shares	101	101			202
Dividends of surplus			(13,465)		(13,465)
Net income attributable to owners of the parent			21,743		21,743
Purchase of treasury shares				(0)	(0)
Purchase of shares of consolidated subsidiaries		(8,137)			(8,137)
Net changes of items other than shareholders' equity					
Total change of items during the period	101	(8,036)	8,278	(0)	342
Balance at end of the period	11,535	21,449	229,535	(5,314)	257,205

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of the period	19,613	90	19,704	1,779	25,797	304,144
Change of items during the period						
Issuance of new shares						202
Dividends of surplus						(13,465)
Net income attributable to owners of the parent						21,743
Purchase of treasury shares						(0)
Purchase of shares of consolidated subsidiaries						(8,137)
Net changes of items other than shareholders' equity	2,537	116	2,654	238	(2,082)	810
Total change of items during the period	2,537	116	2,654	238	(2,082)	1,152
Balance at end of the period	22,150	207	22,358	2,017	23,715	305,297

Fiscal year ended February 28, 2025

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of the period	11,535	21,449	229,535	(5,314)	257,205
Change of items during the period					
Issuance of new shares	91	91			182
Dividends of surplus			(14,035)		(14,035)
Net income attributable to owners of the parent			17,207		17,207
Purchase of treasury shares				(1)	(1)
Net changes of items other than shareholders' equity					
Total change of items during the period	91	91	3,171	(1)	3,352
Balance at end of the period	11,626	21,541	232,706	(5,315)	260,558

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of the period	22,150	207	22,358	2,017	23,715	305,297
Change of items during the period						
Issuance of new shares						182
Dividends of surplus						(14,035)
Net income attributable to owners of the parent						17,207
Purchase of treasury shares						(1)
Net changes of items other than shareholders' equity	(1,647)	(32)	(1,679)	(1,150)	558	(2,272)
Total change of items during the period	(1,647)	(32)	(1,679)	(1,150)	558	1,080
Balance at end of the period	20,503	175	20,678	866	24,273	306,377

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended May 15, 2024	Fiscal year ended February 28, 2025
Cash flows from operating activities		
Income before income taxes	38,226	28,381
Depreciation	13,841	13,207
Impairment loss	8,970	10,743
Loss on disaster	134	—
Amortization of goodwill	4,159	2,253
Increase (decrease) in allowance for doubtful accounts	(10)	78
Increase (decrease) in provision for bonuses	538	(94)
Increase (decrease) in provision for directors' bonuses	(82)	(203)
Increase (decrease) in net defined benefit liability	(18)	(1,689)
Increase (decrease) in provision for point card certificates	(5)	10
Increase (decrease) in provision for loss on subleasing business	1,109	(1,109)
Increase (decrease) in provision for loss on store closings	—	3,453
Interest and dividend income	(397)	(334)
Subsidy income	(385)	(256)
Insurance income	(317)	(44)
Interest expenses	1,553	1,451
Gain on donation of equipment	(581)	(400)
Loss on retirement of non-current assets	146	85
Loss (gain) on sales of non-current assets	(6)	(45)
Loss (gain) on sales of investment securities	(3)	(3,830)
Gain on reversal of share acquisition rights	—	(1,165)
Decrease (increase) in notes and accounts receivable - trade	(3,570)	6,324
Decrease (increase) in inventories	(6,418)	(2,021)
Increase (decrease) in notes and accounts payable - trade	5,966	25,254
Increase (decrease) in contract liability	2,660	2,241
Increase (decrease) in accrued consumption taxes	(444)	961
Other	3,092	(2,432)
Subtotal	68,153	80,816
Interest and dividend income received	283	252
Subsidy received	385	256
Proceeds from insurance income	317	44
Interest expenses paid	(1,547)	(1,426)
Income taxes paid	(15,628)	(15,300)
Net cash provided by (used in) operating activities	51,964	64,643

	Fiscal year ended May 15, 2024	Fiscal year ended February 28, 2025
Cash flows from investing activities		
Payments into time deposits	(0)	(0)
Purchase of property, plant and equipment	(31,992)	(20,110)
Proceeds from sales of property, plant and equipment	189	408
Purchase of software	(3,388)	(2,732)
Purchase of investment securities	(54)	(141)
Proceeds from sales and redemption of investment securities	111	3,856
Payments of loans receivable	(3)	(1)
Collection of loans receivable	4	3
Payments for guarantee deposits	(5,166)	(4,073)
Proceeds from collection of guarantee deposits	3,846	2,707
Other	384	370
Net cash provided by (used in) investing activities	(36,068)	(19,713)
Cash flows from financing activities		
Proceeds from short-term borrowings	–	10,000
Repayments of short-term borrowings	–	(5,000)
Proceeds from long-term borrowings	–	6,000
Repayment of long-term loans payable	(7,200)	(5,400)
Repayments of lease obligations	(2,583)	(1,439)
Proceeds from issuance of new shares	0	–
Purchase of treasury shares	(0)	(1)
Cash dividends paid	(13,465)	(14,035)
Dividends paid to non-controlling interests	(1,241)	(995)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(11,768)	–
Net cash provided by (used in) financing activities	(36,259)	(10,872)
Effect of exchange rate change on cash and cash equivalents	1	(7)
Net increase (decrease) in cash and cash equivalents	(20,362)	34,051
Cash and cash equivalents at beginning of the period	78,916	58,554
Cash and cash equivalents at end of the period	58,554	92,605

(5) Notes on Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Segment Information, etc.

a. Segment information

Information has been omitted because the Group has only a single business segment, the product sales business, which focuses on pharmaceuticals and cosmetics.

For information related to procurement and sales, please refer to “4. Other (1) Purchases and Sales.”

b. Related information

i. Information by product and service

Information has been omitted because the Group has only a single business segment, the product sales business, and sales to external customers in this business account for more than 90% of net sales recorded in the consolidated statements of income.

ii. Information by region

(1) Net sales

Information has been omitted because the Group has no net sales to external customers outside Japan.

(2) Property, plant and equipment

Information has been omitted because the Group has no property, plant and equipment outside Japan.

iii. Information by major customer

Information has been omitted because the Group has no external customers that account for 10% or more of net sales on the consolidated statement of income.

c. Information related to impairment losses of non-current assets for each reportable segment

Information has been omitted because the Group has only a single business segment, which is the product sales business.

d. Information related to goodwill amortization and the unamortized balance for each reportable segment

Information has been omitted because the Group has only a single business segment, which is the product sales business.

e. Information related to gain on bargain purchase for each reportable segment

Not applicable.

Per Share Information

(Yen)

	Fiscal year ended May 15, 2024	Fiscal year ended February 28, 2025
Net assets per share	5,748.63	5,778.90
Basic earnings per share	447.27	353.67
Diluted earnings per share	445.13	352.77

The basis for calculating the basic earnings per share and the diluted earnings per share is as follows:

	Fiscal year ended May 15, 2024	Fiscal year ended February 28, 2025
Basic earnings per share		
Net income attributable to owners of the parent (millions of yen)	21,743	17,207
Amounts not attributable to common shareholders (millions of yen)	—	—
Net income attributable to owners of the parent associated with common stock (millions of yen)	21,743	17,207
Average number of shares outstanding during the period (shares)	48,613,927	48,652,709
Diluted earnings per share		
Adjustment to net income attributable to owners of the parent (millions of yen)	—	—
Increase in the number of shares of common stock (shares)	233,917	124,678
[Of which, share acquisition rights]	[233,917]	[124,678]
Details of dilutive shares not included in the calculation of diluted earnings per share due to their anti-dilutive effect	10th series of Share Acquisition Rights resolved by the Board of Directors on September 1, 2020 (4,229 share acquisition rights)	—

Significant Subsequent Events

Not applicable.

4. Other

(1) Purchases and Sales

1) Results of purchases

Item	Fiscal year ended February 28, 2025		
	Amount (Millions of yen)	Share (%)	Year-on-year (%)
Merchandise			
Pharmaceuticals	119,250	20.2	—
Cosmetics	78,708	13.3	—
Miscellaneous daily necessities	154,592	26.2	—
Foods	181,256	30.7	—
Other	54,569	9.2	—
Subtotal	588,376	99.7	—
Rent cost of real estate	721	0.1	—
Commission income, etc.	1,330	0.2	—
Total	590,428	100.0	—

Notes: 1. Amounts are actual purchasing prices.
2. Other mainly comprises childcare products, health foods, and medical supplies.
3. 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 fiscal year ended February 28, 2025 has become a transitional period for the fiscal year-end change covering 9.5 months only. Accordingly, year-on-year changes are not presented.

2) Results of sales

Item	Fiscal year ended February 28, 2025		
	Amount (Millions of yen)	Share (%)	Year-on-year (%)
Merchandise			
Pharmaceuticals	200,746	23.7	—
Cosmetics	117,511	13.9	—
Miscellaneous daily necessities	220,139	26.0	—
Foods	219,071	25.9	—
Other	84,470	10.0	—
Subtotal	841,940	99.6	—
Real estate rent	1,051	0.1	—
Commission income, etc.	2,611	0.3	—
Total	845,603	100.0	—

Notes: 1. Other mainly comprises childcare products, health foods, and medical supplies.
2. 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 fiscal year ended February 28, 2025 has become a transitional period for the fiscal year-end change covering 9.5 months only. Accordingly, year-on-year changes are not presented.