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Consolidated Financial Results for the Three Months Ended May 31, 2025 [Japanese GAAP]



July 8, 2025

Company name: WELCIA HOLDINGS CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 3141

URL: <https://www.welcia.co.jp/>

Representative: Hideaki Kirisawa, Representative Director, President and Chief Operating Officer

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Scheduled date of commencing dividend payments: –

Availability of supplementary briefing material on financial results: Available

Schedule of financial results briefing session: Scheduled (for institutional investors)

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

1. Consolidated Financial Results for the Three Months Ended May 31, 2025 (March 1, 2025 - May 31, 2025)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
May 31, 2025	334,428	9.7	7,813	42.1	9,213	41.0	6,101	116.0
May 31, 2024	304,734	2.2	5,497	(25.5)	6,534	(23.4)	2,824	(44.9)

(Note) Comprehensive income: Three months ended May 31, 2025: ¥6,143 million [129.5%]

Three months ended May 31, 2024: ¥2,676 million [(48.1)%]

	Net income per share	Diluted net income per share
Three months ended	Yen	Yen
May 31, 2025	29.38	29.36
May 31, 2024	13.67	13.66

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of May 31, 2025	640,152	257,328	39.3
As of February 28, 2025	579,985	254,486	42.8

(Reference) Equity: As of May 31, 2025: ¥251,308 million

As of February 28, 2025: ¥248,500 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended February 28, 2025	Yen —	Yen 18.00	Yen —	Yen 18.00	Yen 36.00
Fiscal year ending February 28, 2026	—				
Fiscal year ending February 28, 2026 (Forecast)		18.00	—	—	—

(Notes) 1. Revision to the forecast for dividends announced most recently: None

2. The year-end dividend forecast for the fiscal year ending February 28, 2026 is not provided as the Company plans to integrate its operations with TSURUHA Holdings Inc. and is scheduled to be delisted on November 27, 2025.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2026 (March 1, 2025 - February 28, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending August 31, 2025	685,100	8.6	20,500	8.6	22,700	8.6	12,500	6.7	60.22

(Notes) 1. Revision to the financial results forecast announced most recently: None

2. The full-year financial results forecast for the fiscal year ending February 28, 2026 is not provided as the Company plans to integrate its operations with TSURUHA Holdings Inc. and is scheduled to be delisted on November 27, 2025.

*** Notes:**

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

Newly included: – (), Excluded: – ()

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

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 and outstanding shares (common shares)

1) Total number of issued and outstanding shares at the end of the period (including treasury stock):

May 31, 2025: 209,713,800 shares

February 28, 2025: 209,713,800 shares

2) Total number of treasury stock at the end of the period:

May 31, 2025: 1,972,561 shares

February 28, 2025: 2,130,801 shares

3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):

Three months ended May 31, 2025: 207,640,557 shares

Three months ended May 31, 2024: 206,658,550 shares

(Note) The number of shares of the Company held in the Stock Benefit Trust (Employee Stock Ownership Association Purchase-type; February 28, 2025: 1,702,100 shares; May 31, 2025: 1,543,700 shares) and the number of shares of the Company held in the Directors' Remuneration BIP Trust (February 28, 2025: 417,743 shares; May 31, 2025: 417,743 shares) were included in the total number of treasury stock at the end of the period. The number of shares of the Company held in the Stock Benefit Trust (Employee Stock Ownership Association Purchase-type) and the Directors' Remuneration BIP Trust was included in the number of treasury stock, which was to be deducted from the calculation of the average number of shares outstanding during the period (May 31, 2024: 2,992,780 shares; May 31, 2025: 2,062,237 shares).

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)

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

The earnings forecasts and other forward-looking statements provided herein are based on information available to the Company and certain assumptions deemed reasonable, and the Company does not promise the achievement of those forecasts. Actual results may differ significantly from these forecasts due to a wide range of factors. For the assumptions underlying the forecasts and the notes on the use of the forecasts, please refer to "1. Qualitative Information on Quarterly Financial Results (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" on page 4 of the attached document.

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[Interim Review Report (Japanese only)]

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the three months ended May 31, 2025 (from March 1, 2025 to May 31, 2025), consumer spending made a minor recovery due to such factors as improvements in the employment and income situation, and an increase in the number of foreign visitors to Japan. However, this did not result in a full-scale economic recovery, as real wages decreased due to nominal wages failing to keep pace with rising prices. On the other hand, the outlook for the Japanese economy remains uncertain due to such factors as rising prices, trade and other policy trends in the U.S., and trends in conflict areas around the world.

In the drugstore industry, the primary area of the Group's business, competition is intensifying due to such factors as the competition for new store sites with competitors including those from other industries, major players expanding their scales of business through mergers and acquisitions, and the expansion of customer services involving players from across different industrial sectors and business formats.

Under such circumstances, the Group strove to provide products and services in response to customer needs. In the sales of goods, sales of rice-related products increased with the rising demand, and the Group focused on the development of its PB products and the expansion of the use of the WAON POINT service despite a decrease in cigarette sales caused by their discontinuation in an effort to promote health. In the dispensing division, the number of prescriptions handled increased due primarily to an increase in the number of stores with dispensing pharmacies (2,272 stores as of May 31, 2025). As a result, sales of goods and dispensing services at existing stores remained solid compared with the previous year. In addition, with a focus on the WAON POINT service, the Group has been able to increase the number of Welcia members, the Group's point members, to 14 million, by stepping up its measures to attract customers through improvement in the penetration rate of its point card and app. Furthermore, the Group continued to focus on the product development of its PB products with an emphasis on improving their functions, quality, and eco-friendly features and made efforts to expand the sales of Karada Welcia and Kurashi Welcia. The private-label lineup included 434 products as of May 31, 2025.

As part of its vision of 2030, the Group aims to become the "No. 1 health station in the community." In an effort to achieve the vision, it launched "Care Capsule," facilities to provide comprehensive healthcare service, at AEON TOWN Makuharinishi in March. Care Capsule offers a variety of services, including counseling and health checkups provided by registered dietitians, aimed at preventing disease and promoting pre-disease care. Moreover, the Welcia Group is committed to fulfilling its role in providing local communities with an infrastructure that offers safety and peace of mind through activities such as the Welcafe local collaborative community space, which won the GOOD DESIGN AWARD, and the "Uetan-go" mobile sales vehicles, which also won the award, as well as the newly launched nursing care taxi service.

As for store openings and closures, the Group as a whole opened 19 stores and closed 27 stores, for a total of 3,005 stores Group-wide as of May 31, 2025.

(Unit: No. of stores)

	No. of stores as of February 28, 2025	Openings	Closures	No. of stores as of May 31, 2025
WELCIA YAKKYOKU	2,243	13	10	2,246
Kokumin	159	1	1	159
Welpark	143	1	3	141
Pupule Himawari	134	2	12	124
Marudai Sakurai Pharmacy	102	1	1	102
Shimizu Yakuhin	73	—	—	73
Marue Wellness Stores	56	—	—	56
FUKUYAKUHIN	23	—	—	23
Yodoya	26	—	—	26
French	2	—	—	2
MASAYA	40	1	—	41
Total in Japan	3,001	19	27	2,993
WELCIA SINGAPORE	12	—	—	12
Total	3,013	19	27	3,005

(Note) Of the number of stores as of May 31, 2025, 1,965 stores of WELCIA YAKKYOKU, 78 stores of Kokumin, 31 stores of Welpark, 39 stores of Pupule Himawari, 49 stores of Marudai Sakurai Pharmacy, 51 stores of Shimizu Yakuhin, 34 stores of Marue Wellness Stores, 11 stores of FUKUYAKUHIN, and 14 stores of Yodoya, or a total of 2,272 stores have dispensing pharmacies.

Sales by category were as indicated below.

(Unit: Million yen)

Category	For the three months ended May 31, 2024	For the three months ended May 31, 2025	Year-on-year change (%)
OTC products	55,592	58,895	105.9
Cosmetics	48,171	52,401	108.8
Household goods	40,970	44,116	107.7
Food products	70,007	79,811	114.0
Others	22,137	22,455	101.4
Total sales of goods other than dispensing	236,879	257,680	108.8
Dispensing	67,615	76,520	113.2
Subtotal	304,495	334,200	109.8
Commission income	238	228	95.5
Total	304,734	334,428	109.7

As a result of the above, the consolidated operating results for the three months ended May 31, 2025 were ¥334,428 million in net sales (an increase of 9.7% year-on-year), ¥7,813 million in operating income (an increase of 42.1% year-on-year), ¥9,213 million in ordinary income (an increase of 41.0% year-on-year), and ¥6,101 million in net income attributable to owners of parent (an increase of 116.0% year-on-year).

(2) Explanation of Financial Position

(Assets)

Total assets as of May 31, 2025 increased by ¥60,166 million compared to the end of the previous fiscal year to ¥640,152 million. This was primarily due to increases of ¥46,956 million in cash and deposits and ¥16,957 million in accounts receivable - trade, and contract assets.

(Liabilities)

Total liabilities as of May 31, 2025 increased by ¥57,324 million compared to the end of the previous fiscal year to ¥382,823 million. This was primarily due to increases of ¥56,896 million in accounts payable - trade and ¥2,830 million in provision for bonuses, despite decreases of ¥2,380 million in short-term loans payable, ¥2,575 million in income taxes payable, and ¥2,372 million in long-term loans payable.

(Net assets)

Net assets as of May 31, 2025 increased by ¥2,841 million compared to the end of the previous fiscal year to ¥257,328 million. This was primarily due to the recording of net income attributable to owners of parent of ¥6,101 million, despite a decrease of ¥3,774 million in retained earnings due to the dividends of surplus.

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

There has been no change from the consolidated financial results forecast announced in the “Consolidated Financial Results for the Fiscal Year Ended February 28, 2025” (on April 11, 2025).

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of February 28, 2025	As of May 31, 2025
Assets		
Current assets		
Cash and deposits	35,011	81,968
Accounts receivable - trade, and contract assets	68,376	85,334
Merchandise	149,011	155,109
Other	28,523	18,107
Allowance for doubtful accounts	(32)	(35)
Total current assets	280,890	340,484
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	108,348	108,360
Land	20,805	21,178
Leased assets, net	45,477	45,829
Other, net	6,125	6,171
Total property, plant and equipment	180,756	181,539
Intangible assets		
Goodwill	36,072	35,054
Other	6,946	6,679
Total intangible assets	43,018	41,733
Investments and other assets		
Guarantee deposits	51,110	51,019
Other	24,333	25,499
Allowance for doubtful accounts	(125)	(124)
Total investments and other assets	75,319	76,393
Total noncurrent assets	299,094	299,667
Total assets	579,985	640,152

(Million yen)

	As of February 28, 2025	As of May 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	168,758	225,654
Short-term loans payable	15,015	12,634
Lease obligations	10,446	10,572
Accounts payable - other	15,527	17,149
Income taxes payable	6,850	4,274
Provision for bonuses	5,063	7,893
Provision for bonuses for directors (and other officers)	22	—
Contract liabilities	758	788
Provision for loss on store closings	819	711
Other	13,355	16,628
Total current liabilities	236,616	296,308
Noncurrent liabilities		
Long-term loans payable	24,004	21,631
Lease obligations	31,784	31,812
Asset retirement obligations	20,401	20,434
Retirement benefits-related liabilities	8,917	9,049
Allowance for executive stock benefit	767	792
Other	3,007	2,795
Total noncurrent liabilities	88,882	86,514
Total liabilities	325,498	382,823
Net assets		
Shareholders' equity		
Capital stock	7,792	7,792
Capital surplus	51,878	51,878
Retained earnings	193,719	196,045
Treasury stock	(6,191)	(5,718)
Total shareholders' equity	247,199	249,998
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	329	356
Foreign currency translation adjustment	202	208
Accumulated adjustment related to retirement benefits	768	745
Total accumulated other comprehensive income	1,301	1,310
Subscription rights to shares	114	114
Non-controlling interests	5,871	5,905
Total net assets	254,486	257,328
Total liabilities and net assets	579,985	640,152

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended May 31

(Million yen)

	For the three months ended May 31, 2024	For the three months ended May 31, 2025
Net sales	304,734	334,428
Cost of sales	215,724	234,892
Gross profit	89,009	99,536
Selling, general and administrative expenses	83,511	91,723
Operating income	5,497	7,813
Non-operating income		
Interest and dividend income	3	5
Rental income from real estate	398	397
Sponsorship money income	185	173
Other	797	1,197
Total non-operating income	1,385	1,774
Non-operating expenses		
Interest expenses	184	209
Share of loss of entities accounted for using equity method	68	67
Rent cost of real estate	78	71
Other	18	24
Total non-operating expenses	349	373
Ordinary income	6,534	9,213
Extraordinary income		
Gain on sale of noncurrent assets	3	3
Gain on sale of investment securities	—	17
Penalty income	—	120
Total extraordinary income	3	141
Extraordinary loss		
Loss on retirement of noncurrent assets	14	14
Impairment loss	37	83
Loss on store closings	7	16
Provision for loss on store closings	—	44
Loss on transfer to defined contribution pension plan	—	82
Other	4	10
Total extraordinary losses	64	252
Net income before income taxes	6,473	9,102
Income taxes - current	2,950	4,257
Income taxes - deferred	887	(1,290)
Total income taxes	3,838	2,966
Net income	2,635	6,135
Profit (loss) attributable to non-controlling interests	(189)	34
Net income attributable to owners of parent	2,824	6,101

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended May 31

(Million yen)

	For the three months ended May 31, 2024	For the three months ended May 31, 2025
Net income	2,635	6,135
Other comprehensive income		
Valuation difference on available-for-sale securities	16	27
Foreign currency translation adjustment	30	5
Remeasurements of defined benefit plans	(5)	(24)
Total other comprehensive income	41	8
Comprehensive income	2,676	6,143
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,850	6,110
Comprehensive income attributable to non-controlling interests	(173)	33

(3) Notes to Quarterly Consolidated Financial Statements

(Entry of material matters that serve as the basis for the preparation of quarterly consolidated financial statements)

The quarterly consolidated financial statements are prepared in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's standards for preparation of quarterly financial statements, and accounting standards for quarterly financial statements that are generally accepted as fair and appropriate in Japan.

(Notes to changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes, etc.)

The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter, "Revised Accounting Standard 2022"), etc. have been applied since the beginning of the three months ended May 31, 2025. Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022). The changes in accounting policies had no impact on the quarterly consolidated financial statements.

(Notes to segment information, etc.)

[Segment information]

Segment information is omitted as the Company has only one segment, namely retail business centered on OTC products, dispensing, cosmetics, etc.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Notes on going concern assumption)

Not applicable.

(Notes on quarterly consolidated statements of cash flows)

The quarterly consolidated statements of cash flows for the three months ended May 31, 2025 have not been prepared. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the three months ended May 31 are as follows.

	For the three months ended May 31, 2024	For the three months ended May 31, 2025
Depreciation	5,131	5,628
Amortization of goodwill	805	1,017

(Shareholders' equity, etc.)

For the three months ended May 31, 2024 (March 1, 2024 to May 31, 2024)

1. Amount of dividend payments

Resolution	Class of shares	Total amount of dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date	Source of dividend
Board of Directors meeting held on April 8, 2024	Common shares	3,563	17.00	February 29, 2024	May 10, 2024	Retained earnings

(Note) The total amount of dividends includes ¥51.0 million in dividends from shares of the Company held in the Stock Benefit Trust (Employee Stock Ownership Association Purchase-type) and the Directors' Remuneration BIP Trust.

2. Dividends with record dates falling within the three months ended May 31, 2024 with the effective date falling after the last day of the three months ended May 31, 2024

Not applicable.

For the three months ended May 31, 2025 (March 1, 2025 to May 31, 2025)

1. Amount of dividend payments

Resolution	Class of shares	Total amount of dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date	Source of dividend
Board of Directors meeting held on April 11, 2025	Common shares	3,774	18.00	February 28, 2025	May 12, 2025	Retained earnings

(Note) The total amount of dividends includes ¥38.0 million in dividends from shares of the Company held in the Stock Benefit Trust (Employee Stock Ownership Association Purchase-type) and the Directors' Remuneration BIP Trust.

2. Dividends with record dates falling within the three months ended May 31, 2025 with the effective date falling after the last day of the three months ended May 31, 2025

Not applicable.

(Revenue recognition)

Information on the disaggregation of revenue from contracts with customers

Category		For the three months ended May 31, 2024	For the three months ended May 31, 2025
	OTC products	55,592	58,895
	Cosmetics	48,171	52,401
	Household goods	40,970	44,116
	Food products	70,007	79,811
	Others	22,137	22,455
	Total sales of goods other than dispensing	236,879	257,680
	Dispensing	67,615	76,520
Product total		304,495	334,200
Commission income		238	228
Revenue from contracts with customers		304,734	334,428
Sales to external customers		304,734	334,428

(Per share information)

The amount of net income per share and its basis for calculation, and the amount of diluted net income per share and its basis for calculation are as follows.

Category	For the three months ended May 31, 2024	For the three months ended May 31, 2025
(1) Net income per share	¥13.67	¥29.38
(Basis for calculation)		
Net income attributable to owners of parent (Million yen)	2,824	6,101
Amount not attributable to common shareholders (Million yen)	—	—
Net income attributable to owners of parent relating to common shares (Million yen)	2,824	6,101
Average number of common shares during the period (Thousand shares)	206,658	207,640
(2) Diluted net income per share	¥13.66	¥29.36
(Basis for calculation)		
Adjustment for net income attributable to owners of parent (Million yen)	—	—
Increase in number of common shares (Thousand shares)	128	138
Overview of residual shares not included in the calculation of diluted net income per share due to their non-dilutive effect, but which have changed significantly since the end of the previous fiscal year	—	—

(Note) When calculating net income per share, shares of the Company remaining in the trust that are recorded as treasury stock under shareholders' equity are included in treasury stock that is deducted in the calculation of the average number of shares outstanding during the period.

The average number of shares of treasury stock outstanding during the period that was deducted when calculating net income per share was 2,992,780 shares for the three months ended May 31, 2024 and 2,062,237 shares for the three months ended May 31, 2025.