



Consolidated Financial Results for the Six Months Ended November 20, 2025 (Under Japanese GAAP)

December 25, 2025

Company name KUSURI NO AOKI HOLDINGS CO., LTD.
 Stock exchange listings: Tokyo Prime
 Securities code 3549 URL <http://www.kusuri-aoki-hd.co.jp/>
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 Supplemental material of results : Yes
 Convening briefing of results : Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended November 20, 2025 (from May 21, 2025 to November 20, 2025)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
November 20, 2025	279,808	15.2	13,494	6.7	13,607	5.4	9,639	11.8
November 20, 2024	242,826	12.6	12,651	85.5	12,911	84.9	8,622	151.9

(Note) Comprehensive income For the six months ended November 20, 2025 10,851Millions of yen (30.7%)
 For the six months ended November 20, 2024 8,304Millions of yen (120.2%)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
November 20, 2025	97.71	—
November 20, 2024	86.39	85.25

(Note) 1. Diluted earnings per share for the six months ended November 20, 2025 is not presented as there were no potential shares with dilutive effects.
 2. Due to the fulfillment of performance conditions related to the exercise of stock acquisition rights resolved at the Board of Directors meeting on January 9, 2020, a Stock Compensation Expense of 392 million yen was recorded in the second quarter of the fiscal year ended May 20, 2025. No stock compensation expense was recorded in the second quarter of the fiscal year ending May 20, 2026.
 (Reference) The year-on-year change rates for the first quarter of the fiscal year ending May 2026, excluding the Stock Compensation Expense, are as follows:
 Operating profit: 3.5% increase; ordinary profit: 2.3% increase; profit attributable to owners of parent: 6.9% increase.

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
November 20, 2025	385,792	133,203	34.5
May 20, 2025	352,464	145,759	41.4

Reference: Owner's equity As of November 20, 2025 133,203Millions of yen As of May 20, 2025 145,759Millions of yen

2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
Fiscal year ended May 20, 2025	Yen —	Yen 7.00	Yen —	Yen 7.00	Yen 14.00
Fiscal year ending May 20, 2026	—	8.00			
Fiscal year ending May 20, 2026 (Forecast)			—	48.00	56.00

(Note) Revisions to the forecast of cash dividends most recently announced : Yes

Breakdown of the year-end dividend for the fiscal year ending May 20, 2026 (forecast): Ordinary dividend: 8.00 yen, Commemorative dividend: 40.00 yen (40th anniversary commemorative dividend of the company's founding).

For details on the revision of the dividend forecast, please refer to the "Notice Concerning Revision to Dividend Forecasts" (Commemorative Dividend for 40th Anniversary) announced today (December 25, 2025).

3. Consolidated financial forecast for the fiscal year ending May 20, 2026 (from May 21, 2025 to May 20, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending May 20, 2026	560,000	11.7	23,000	(13.5)	22,700	(17.5)	15,500	(12.9)	153.31

(Note) Revisions to the earnings forecasts most recently announced : None

(Reference) The year-on-year change rates for the full-year consolidated earnings forecasts, excluding the stock compensation expense, are: operating profit is projected to decrease by 14.8%, ordinary profit by 18.7%, and profit attributable to owners of parent by 14.7%.

* Notes

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

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements : None

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations : None

(ii) Changes in accounting policies due to other reasons : None

(iii) Changes in accounting estimates : None

(iv) Restatement : None

(4) Number of issued shares (common shares)

① Number of issued and outstanding shares at the period end (including treasury stock)	As of November 20, 2025	95,616,980shares	As of May 20, 2025	105,097,680shares
② Number of treasury stock at the period end	As of November 20, 2025	355,313shares	As of May 20, 2025	3,994,689shares
③ Average number of shares	Six months ended November 20, 2025	98,645,937shares	Six months ended November 20, 2024	99,808,480shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautionary Statement Regarding Forward-Looking Statements) The forward-looking statements such as performance forecasts contained in this document are based on information currently available to the Company and certain assumptions that are deemed reasonable. They are not intended as a guarantee of the Company's future performance. Actual results may differ significantly due to various factors. For the assumptions underlying the performance forecasts and notes on their use, please refer to page 2 of the attached materials, "1. Overview of Operating Results, (3) Explanation of consolidated earnings forecast and other forward-looking statements."

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1. Overview of operating results, etc.

(1) Overview of operating results for the current period

During the six months ended November 20, 2025 (from May 21, 2025 to November 20, 2025), the Japanese economy experienced continued moves toward raising wages against a backdrop of labor shortages and other factors. However, amid the continuing trend of rising prices, the consumption environment was in a severe situation as real wages are down on a year-on-year basis, excluding months when bonuses are paid. Additionally, the outlook for the economic environment remains uncertain due to factors such as soaring resource prices resulting from prolongation of the conflict between the U.S. and China and growing tension in the Middle East, as well as additional tariffs by the U.S.

In the drugstore industry, sales in some categories were strong due to an increase in seasonal product demand resulting from extreme summer heat and continued inbound demand. However, the industry has been encountering intensifying competition, including new entrants from other industries, and the business environment surrounding the Company remains severe due to price competition for attracting customers and a demand for the development of a variety of services focused on convenience.

In light of this environment, to create stores that are loved by the people of the local community, the Group has worked to improve customer convenience and strengthen its expertise. In addition to improving the ratio of stores with attached dispensing pharmacies, by further expanding the food category that includes fresh foods we are accelerating conversion to a store format that allows for one-stop shopping in our “food & drug” business.

With regard to the establishment of new stores, we opened a total of 54 new drugstores to further promote our establishment of a dominant presence: 7 in the Hokuriku and Shinetsu region, 7 in the Tohoku region, 12 in the Kanto region, 8 in the Tokai region, 10 in the Kansai region and 10 in the Shikoku region. In addition, we opened a total of 30 new dispensing pharmacies attached to drugstores: 3 in the Hokuriku and Shinetsu region, 4 in the Tohoku region, 15 in the Kanto region, 4 in the Tokai region, 3 in the Kansai region and 1 in the Shikoku region. Meanwhile, we closed one drugstore and seven attached dispensing pharmacies.

On June 2, 2025, the Company acquired all shares of supermarket operator Miwa Store Inc. (Kagawa Prefecture) and made it a consolidated subsidiary.

As a result, the number of stores in the Group at the end of the six months ended November 20, 2025 was 1,082, comprising 1,057 drugstores (including 687 stores with attached dispensing pharmacies), six pharmacies specializing in dispensing, and 19 supermarkets.

As a result of the above, the financial results for the six months ended November 20, 2025 were as follows: net sales of 279,808 million yen (up 15.2% year on year), operating profit of 13,494 million yen (up 6.7% year on year), ordinary profit of 13,607 million yen (up 5.4% year on year), and profit attributable to owners of parent of 9,639 million yen (up 11.8% year on year).

(2) Overview of the financial position for the current period

Total assets as of November 20, 2025 were 385,792 million yen, an increase of 33,327 million yen over those of May 20, 2025. The main factors contributing to this increase include an increase of 10,267 million yen in cash and deposits, an increase of 9,988 million yen in buildings and structures, and an increase of 5,437 million yen in merchandise.

Total liabilities were 252,589 million yen, an increase of 45,883 million yen over those of May 20, 2025. The main factors behind this increase include an increase of 32,569 million yen in long-term borrowings.

Total net assets amounted to 133,203 million yen, a decrease of 12,556 million yen over those of May 20, 2025. The equity ratio was 34.5%.

(Cash flows)

Cash and cash equivalents (hereinafter “cash”) as of November 20, 2025 stood at 57,998 million yen, an increase of 10,267 million yen.

Cash flow positions and the factors affecting them during the current period are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities totaled 17,853 million yen. The main factors for increase were profit before income taxes of 13,504 million yen and depreciation of 6,827 million yen, while the main factor for decrease was an increase in inventories of 5,261 million yen.

(Cash flows from investing activities)

Net cash used in investing activities totaled 18,380 million yen. The main factor for decrease was an outflow of 15,065 million yen for purchases of property, plant and equipment.

(Cash flows from financing activities)

Net cash provided by financing activities totaled 10,794 million yen. The main factor for increase was an inflow of 46,550 million yen from proceeds from long-term borrowings, while the main factors for decrease were outflows of 22,700 million yen for purchase of treasury shares and 11,012 million yen for repayments of long-term borrowings.

(3) Explanation of consolidated earnings forecast and other forward-looking statements

There are no changes in consolidated earnings forecasts for the fiscal year ending May 20, 2026, released on July 3, 2025.

2. Semi-annual consolidated financial statements

(1) Semi-annual consolidated balance sheets

(Millions of yen)

	As of May 20, 2025	As of November 20, 2025
Assets		
Current assets		
Cash and deposits	47,731	57,998
Accounts receivable - trade	21,573	24,492
Merchandise	56,811	62,248
Accounts receivable - other	18,742	15,022
Other	570	798
Allowance for doubtful accounts	(61)	(61)
Total current assets	145,368	160,499
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	132,363	142,351
Machinery, equipment and vehicles, net	7,643	7,826
Land	8,980	9,137
Leased assets, net	6,710	8,269
Construction in progress	7,190	8,926
Other, net	5,991	6,954
Total property, plant and equipment	168,879	183,465
Intangible assets		
Goodwill	10,107	11,807
Other	3,572	4,111
Total intangible assets	13,679	15,918
Investments and other assets		
Investment securities	3,747	5,530
Leasehold and guarantee deposits	9,703	10,093
Deferred tax assets	5,531	4,397
Other	5,565	5,897
Allowance for doubtful accounts	(10)	(10)
Total investments and other assets	24,537	25,908
Total non-current assets	207,096	225,292
Total assets	352,464	385,792

(Millions of yen)

	As of May 20, 2025	As of November 20, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	63,602	68,494
Short-term borrowings	—	150
Current portion of long-term borrowings	14,912	19,844
Accounts payable - other	11,470	16,454
Income taxes payable	5,177	3,497
Contract liabilities	2,637	2,521
Provision for bonuses	1,994	83
Provision for point card certificates	35	33
Provision for loss on disaster	5	5
Provision for loss on store closings	622	573
Other	6,591	6,766
Total current liabilities	107,049	118,425
Non-current liabilities		
Long-term borrowings	78,317	110,886
Lease liabilities	6,090	7,259
Provision for retirement benefits for directors (and other officers)	280	509
Retirement benefit liability	22	—
Asset retirement obligations	14,420	15,023
Other	524	484
Total non-current liabilities	99,655	134,163
Total liabilities	206,705	252,589
Net assets		
Shareholders' equity		
Share capital	16,749	16,749
Capital surplus	17,748	17,304
Retained earnings	123,013	98,323
Treasury shares	(12,746)	(1,381)
Total shareholders' equity	144,765	130,996
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	993	2,206
Total accumulated other comprehensive income	993	2,206
Total net assets	145,759	133,203
Total liabilities and net assets	352,464	385,792

(2) Semi-annual consolidated statements of income and semi-annual consolidated statements of comprehensive income

Semi-annual consolidated statements of income

(Millions of yen)

	Six months ended November 20, 2024	Six months ended November 20, 2025
Net sales	242,826	279,808
Cost of sales	178,469	206,144
Gross profit	64,356	73,664
Selling, general and administrative expenses	51,704	60,169
Operating profit	12,651	13,494
Non-operating income		
Interest income	25	114
Dividend income	52	52
Commission income	154	172
Rent income	224	328
Subsidy income	86	20
Gain on receipt of donated non-current assets	3	17
Other	251	257
Total non-operating income	798	964
Non-operating expenses		
Interest expenses	294	562
Rental costs	75	83
Other	167	205
Total non-operating expenses	538	851
Ordinary profit	12,911	13,607
Extraordinary income		
Gain on sale of non-current assets	1	6
Gain on sale of investment securities	—	15
Total extraordinary income	1	21
Extraordinary losses		
Loss on sale of non-current assets	5	—
Loss on retirement of non-current assets	16	17
Impairment losses	3	107
Loss on valuation of investment securities	19	—
Loss on termination of retirement benefit plan	83	—
Total extraordinary losses	128	124
Profit before income taxes	12,784	13,504
Income taxes - current	4,161	3,287
Income taxes - deferred	0	577
Total income taxes	4,161	3,865
Profit	8,622	9,639
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	8,622	9,639

Semi-annual consolidated statements of comprehensive income

(Millions of yen)

	Six months ended November 20, 2024	Six months ended November 20, 2025
Profit	8,622	9,639
Other comprehensive income		
Valuation difference on available-for-sale securities	(318)	1,212
Total other comprehensive income	(318)	1,212
Comprehensive income	8,304	10,851
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,304	10,851
Comprehensive income attributable to non-controlling interests	—	—

(3) Semi-annual consolidated statements of cash flows

(Millions of yen)

	Six months ended November 20, 2024	Six months ended November 20, 2025
Cash flows from operating activities		
Profit before income taxes	12,784	13,504
Depreciation	5,975	6,827
Amortization of goodwill	273	621
Share-based payment expenses	392	—
Impairment losses	3	107
Increase (decrease) in provision for loss on store closings	(6)	(48)
Increase (decrease) in provision for bonuses	(1,937)	(1,919)
Increase (decrease) in allowance for doubtful accounts	0	(0)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	9	(80)
Increase (decrease) in provision for loss on disaster contract asset	(108)	—
	140	(122)
Increase (decrease) in provision for point card certificates	7	(1)
Loss on retirement of non-current assets	16	17
Loss on sale of non-current assets	5	—
Gain on sale of non-current assets	(1)	(6)
Interest and dividend income	(77)	(166)
Interest expenses	294	562
Decrease (increase) in trade receivables	(7,056)	(2,784)
Decrease (increase) in inventories	(4,404)	(5,261)
Increase (decrease) in trade payables	5,169	4,564
Other, net	3,955	7,337
Subtotal	15,437	23,151
Interest and dividends received	55	144
Interest paid	(297)	(529)
Income taxes paid	(4,074)	(4,913)
Income taxes refund	88	—
Net cash provided by (used in) operating activities	11,210	17,853
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	150	—
Purchase of investment securities	(36)	(0)
Purchase of property, plant and equipment	(8,575)	(15,065)
Proceeds from sale of property, plant and equipment	54	6
Purchase of intangible assets	(268)	(666)
Payments of leasehold and guarantee deposits	(469)	(499)
Proceeds from refund of leasehold and guarantee deposits	614	130
Long-term loan advances	(41)	(37)
Proceeds from collection of long-term loans receivable	33	10
Payments of construction assistance fund receivables	(274)	(373)
Proceeds from collection of construction assistance fund receivables	1	0
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,372)	(1,725)
Payments for acquisition of businesses	(1,573)	—
Other, net	868	(160)
Net cash provided by (used in) investing activities	(10,889)	(18,380)

(Millions of yen)

	Six months ended November 20, 2024	Six months ended November 20, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(5,500)	50
Proceeds from long-term borrowings	25,439	46,550
Repayments of long-term borrowings	(11,805)	(11,012)
Repayments of lease liabilities	(1,211)	(1,379)
Purchase of treasury shares	(1,110)	(22,700)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	23,908	—
Redemption of bonds	(1,455)	—
Dividends paid	(521)	(712)
Net cash provided by (used in) financing activities	27,743	10,794
Net increase (decrease) in cash and cash equivalents	28,063	10,267
Cash and cash equivalents at beginning of period	48,974	47,731
Cash and cash equivalents at end of period	77,038	57,998

(4) Notes on semi-annual consolidated financial statements

(Notes on segment information)

[Segment information]

As the Group is in a single segment of neighborhood-based retail business that includes pharmaceuticals, cosmetics, daily goods, food, and dispensing pharmacies, the information is omitted.

(Notes if there are significant changes in the amounts of equity)

During the six months ended November 20, 2025, our Company acquired 530,700 shares of its own stock based on a resolution of the Board of Directors held on October 3, 2024, resulting in an increase in treasury stock of 1,869 million yen during the period. Additionally, our Company acquired 5,310,600 shares of its own stock based on a resolution of the Board of Directors held on July 3, 2025, resulting in a further increase in treasury stock of 20,830 million yen during the same period.

Furthermore, the Board of Directors resolved on November 6, 2025 to cancel treasury stock pursuant to the provisions in Article 178 of the Companies Act, and cancelled 9,480,700 shares of treasury stock valued at 34,066 million yen on November 20, 2025. Due to the cancellation of treasury stock, the balance of other capital surplus fell into negative figures, so other capital surplus was adjusted to zero, and the deficit was subtracted from other retained earnings.

As a result of the above, capital surplus, retained earnings, and treasury stock as of November 20, 2025 were 17,304 million yen, 98,323 million yen, and 1,381 million yen, respectively.

(Notes on going concern assumption)

Not applicable.

3. Supplemental Information

Our Group operates a single business segment of neighborhood retail, comprising pharmaceuticals, cosmetics, daily sundries, food products, and dispensing pharmacies; therefore, purchases are presented by merchandise category, and sales are presented by merchandise category and by region.

(1) Purchases

The purchases for the six months of the current consolidated fiscal year and for the six months of the previous consolidated fiscal year, by merchandise category, are as follows.

	Six months period (from May 21, 2024 to November 20, 2024)		Six months period (from May 21, 2025 to November 20, 2025)		
Category	Million yen	Composition ratio	Million yen	Composition ratio	YoY change
Health	13,355	7.3	13,288	6.2	99.5
Beauty	21,306	11.6	22,177	10.4	104.1
Daily commodities	34,318	18.6	37,062	17.4	108.0
Food	98,854	53.6	120,962	56.9	122.4
Dispensing	16,374	8.9	19,298	9.1	117.9
Total	184,209	100.0	212,787	100.0	115.5

(Note) 1. The above amounts do not deduct logistics profit, etc. (logistics profit, which is the net of direct-delivery handling income from stores less direct-delivery handling expenses, and data income related to ordering).

2. Our principal items handled in Health, Beauty, Daily commodities, Food and Dispensing are as follows.

Health: Pharmaceuticals, health foods such as vitamin supplements and diet supplements, first-aid supplies and medical/health-monitoring products.

Beauty: Counseling cosmetics, face-care products such as facial cleansers, body-care products such as body soap, hair-care products such as shampoos, and oral-care products such as toothpaste.

Daily commodities: Baby-related products such as diapers, nursing-care products, sanitary products, detergents, household goods, pet food, clothing items such as socks and underwear, and consumer electrical appliances.

Food: Processed foods, daily-delivery foods, fresh foods, seasonings, confectionery, beverages, alcoholic beverages, and other food products.

Dispensing: Prescription pharmaceuticals and other prescription medicines dispensed at pharmacies.

(2) Sales

The sales for the six months of the current consolidated fiscal year and for the six months of the previous consolidated fiscal year, by merchandise category, are as follows.

	Six months period (from May 21, 2024 to November 20, 2024)		Six months period (from May 21, 2025 to November 20, 2025)		
Category	Million yen	Composition ratio	Million yen	Composition ratio	YoY change
Health	21,225	8.7	22,438	8.0	105.7
Beauty	30,563	12.6	32,538	11.6	106.5
Daily commodities	44,593	18.4	48,075	17.2	107.8
Food	121,382	50.0	147,785	52.8	121.8
Dispensing	25,061	10.3	28,970	10.4	115.6
Total	242,826	100.0	279,808	100.0	115.2

(3) Sales by region

The sales for the six months of the current consolidated fiscal year and for the six months of the previous consolidated fiscal year, by region, are as follows.

		Six months period (from May 21, 2024 to November 20, 2024)		Six months period (from May 21, 2025 to November 20, 2025)		
Area segmentation	Number of stores	Million yen	Composition ratio	Million yen	Composition ratio	YoY change
Hokushinetsu	394	105,342	43.4	113,371	40.5	107.6
Tohoku	88	16,940	7.0	23,190	8.3	136.9
Kanto	290	57,265	23.6	65,733	23.5	114.8
Tokai	187	39,942	16.4	44,404	15.9	111.2
Kansai	97	19,229	7.9	24,941	8.9	129.7
Shikoku	26	4,105	1.7	8,168	2.9	199.0
Total	1,082	242,826	100.0	279,808	100.0	115.2

(Note) The number of stores is as of the end of the current interim consolidated accounting period.