



Consolidated Financial Results for the First Six Months of the Fiscal Year Ending May 31, 2026 (Japan GAAP)

December 25, 2025

Company name: Pharmarise Holdings Corporation
 Code number: 2796
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 Scheduled date to file semi-annual securities report: January 9, 2026
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: Yes (for analysts and institutional investors)

Listed on: Tokyo Stock Exchange, Standard Market
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January 9, 2026

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None

Yes (for analysts and institutional investors)

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

1. Consolidated financial results for the first six months of the fiscal year ending May 31, 2026

(from June 1, 2025 to November 30, 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	Million yen	%	Million yen	%	Million yen	%	Million yen	%
November 30, 2025	33,602	10.0	399	296.3	328	—	111	—
November 30, 2024	30,544	13.3	100	(85.8)	29	(95.8)	(113)	—

(Note) Comprehensive income Six months ended November 30, 2025: 100 million yen [—%]

Six months ended November 30, 2024: -125 million yen [—%]

	Earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
November 30, 2025	9.75	9.37
November 30, 2024	(10.09)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
November 30, 2025	29,956	6,834	22.1
May 31, 2025	31,924	6,918	20.9

(Reference) Equity As of November 30, 2025: 6,606 million yen As of May 31, 2025: 6,659 million yen

2. Cash dividends

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 31, 2025	—	0.00	—	14.00	14.00
Fiscal year ending May 31, 2026	—	0.00	—	—	—
Fiscal year ending May 31, 2026 (forecast)	—	—	—	14.00	14.00

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

3. Consolidated earnings forecasts for the fiscal year ending May 31, 2026 (from June 1, 2025 to May 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	66,795	5.2	1,123	282.2	941	587.3	266	—	23.45

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

* Notes

(1) Significant changes in the scope of consolidation during the period: No

New: — (company name)

Exception: — (company name)

(2) Application of accounting procedures specific to preparation of the semi-annual consolidated financial statements: Yes

Note: Please see “2. Semi-annual Consolidated Financial Statements and Notes on Important Matters, (4) Notes on semi-annual consolidated financial statements” on page 13 of the Accompanying Materials for more details.

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

(i) Changes in accounting policies due to the revision of accounting standards: No

(ii) Changes in accounting policies other than (i): No

(iii) Changes in accounting estimates: No

(iv) Retrospective restatement: No

(4) Number of issued shares (common shares)

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

As of November 30, 2025	12,060,381 shares	As of May 31, 2025	12,060,381 shares
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(ii) Total number of treasury shares at the end of the period:

As of November 30, 2025	557,856 shares	As of May 31, 2025	699,476 shares
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(iii) Average number of shares issued and outstanding in each period (cumulative from the beginning of the fiscal year):

Six months ended November 30, 2025	11,408,111 shares	Six months ended November 30, 2024	11,282,445 shares
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* These semi-annual financial results are outside the scope of review by certified public accountants or an audit firm.

* Explanation regarding appropriate use of business forecasts and other special instructions

The forward-looking statements, such as the forecasts of financial results stated in this document, are based on the information currently available to the Company and certain assumptions that the Company judges as rational. These statements are not guarantees of future performance. Actual results may differ materially, depending on a range of factors. For assumed conditions underlying the earnings forecast and cautionary statements in using the earnings forecast, please refer to “Explanation about the future outlook, including forecast for consolidated earnings” on page 6.

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1. Qualitative Information on Semi-annual Financial Results for the Period under Review

(1) Explanation regarding operating results

During the first six months of the consolidated fiscal year under review (June 1, 2025 through November 30, 2025), it was expected that, supported by the improvement of employment and income conditions and the effects of various government policies, Japan's economy would gradually recover. However, it is necessary to continue to pay careful attention to the risk of an economic downturn due to the effects of US trade policies, the effects of the continued rise of prices on consumer spending, the effects of the volatility of the financial and capital markets and other matters.

In this environment, Pharmarise Holdings Corporation (the "Company") and its consolidated subsidiaries (the "Group") announced the Medium-term Management Plan "Make a Leap 2027-Strengthen Foothold for a Further Leap Forward" (the "Medium-term Management Plan") on June 25, 2025. The Group will strengthen its foundation by quickly completing the post-merger integration (PMI) of newly acquired companies and pharmacies and enhancing its functions as family pharmacists and pharmacies. It will focus firmly on growth strategies centered on its core Dispensing Pharmacy Business that will enable it to leap forward.

Under the Medium-term Management Plan, the Group has redefined its mission, vision and values, set long-term goals of becoming a community-centered dispensing pharmacy group that is chosen and trusted by patients and a dispensing pharmacy group finely attuned to the health maintenance, medical and nursing care needs of all, especially the elderly, and implemented the following growth strategies.

Dispensing Pharmacy Business

- (1) Strengthen pharmacists' family pharmacist function
- (2) Maintain patient-centered pharmacy operation
- (3) Thoroughly implement initiatives to increase the number of prescriptions filled

Other

- (4) Adopt a more sophisticated approach to M&A
- (5) Rebuild existing businesses except for Dispensing Pharmacy Business
- (6) Pursue sustainable corporate growth (sustainability)

The Company aims to achieve net sales of 70,000 million yen, operating profit of 1,600 million yen and an ROIC of 4.5% in FY28/5.

During the first six months of the consolidated fiscal year under review, net sales totaled 33,602 million yen (up 10.0% year on year), with operating profit of 399 million yen (up 296.3%) and ordinary profit of 328 million yen (up 1,018.6%). Profit attributable to owners of parent came to 111 million yen (compared to a loss attributable to owners of parent of 113 million yen a year ago).

The increase in net sales is mainly attributable to an increase in dispensing pharmacy sales associated with an increase in the number of pharmacies, which was a result of M&A activity in the Dispensing Pharmacy Business in the previous consolidated fiscal year.

The Group posted an increase in profit that was mainly attributable to factors such as the improved profitability of the Dispensing Pharmacy Business, an increase in profits brought in by pharmacies joining the Group as a result of M&A activities and a decline in the selling, general and administrative expense ratio, which is attributable to the streamlining of headquarters operations.

Segment performance was as follows.

Dispensing Pharmacy Business

In the first six months of the fiscal year under review, sales for the Dispensing Pharmacy Business increased 14.2% year on year, to 28,479 million yen, and the segment profit increased 190.5%, to 589 million yen. The sales increase mainly reflected growth in the number of prescriptions filled, driven by an increase in the number of pharmacies as a result of M&A activity, including the transfer of business from Kanichi Shoten Corporation and its group companies in December 2024, as well as new pharmacy openings. The main factors for the increase of profit are an increase of profit at pharmacies that joined the Group as a result of M&A activity, as well as an increase in dispensing technical fees, including regional support structure premiums related to facility criteria that have been addressed since the previous consolidated fiscal year.

In the previous consolidated fiscal year, the Group actively pursued mergers and acquisitions as a measure to strengthen profitability in the core Dispensing Pharmacy Business. This resulted in growth in net sales. Following the acquisition of pharmacies, the Company took steps to quickly integrate the acquired pharmacies into the Group, which has led to a favorable growth in profit.

At the end of the first six months of the consolidated fiscal year under review, the Group operated 393 dispensing pharmacies. Since the end of the previous fiscal year, three pharmacies have been added and eleven have been closed. The decrease in the number of pharmacies was a result of the resolution to close unprofitable pharmacies, which was passed in the previous fiscal year and implemented in the first six months of the fiscal year under review.

In its operation of pharmacies, the Group has been advancing initiatives by establishing task forces following the growth strategies laid out in the Medium-term Management Plan.

(1) Strengthen pharmacists' family pharmacist function

A dedicated family pharmacist and pharmacy education program has been launched. The Group is also focusing on ensuring the delivery of drugs, including out-of-stock items, to patients. Most recently, the actual performance of model pharmacies (areas) that had been provided guidance showed that approximately 90% of out-of-stock items were restocked and delivered to patients.

(2) Maintain patient-centered pharmacy operation

In its operation of pharmacies based on Japan's Pharmacy Vision for Patients, the Group had 76 health support pharmacies, 89 pharmacies cooperating with local health care facilities and four pharmacies cooperating with specialized medical institutions as of the end of the first six months of the consolidated fiscal year under review.

As an activity whose goal is increasing the number of visitors to its pharmacies looking for advice, the Group is currently focusing on expanding the scope of its Café Nyamarise activities. Café Nyamarise is a form of dementia café and was opened as a place where people can freely seek advice or exchange information not only about dementia and care-related matters but also about worries that are difficult to talk about. During the first six months of the fiscal year under review, a total of 123 Café Nyamarise events were held at 78 pharmacies across the country. This means that the materiality KPI goal set by the Group, 50 pharmacies, has already been surpassed. The Group is working toward a new goal of holding Café Nyamarise events at more than 100 pharmacies by the end of the consolidated fiscal year under review. In addition, the Group is gradually pushing forward with initiatives connected to the Orange Innovation Project promoted by the Ministry of Economy, Trade and Industry (Note). The Group is the first project participant selected from the dispensing pharmacy industry. The most recent initiative planned is the holding of events at model pharmacies jointly with local governments and organizations of people with dementia.

(Note) Official website of the Orange Innovation Project of the Ministry of Economy, Trade and Industry: <https://www.dementia-pr.com/>

(3) Thoroughly implement initiatives to increase the number of prescriptions filled

In the first six months of the consolidated fiscal year under review, the Dispensing Pharmacy Business performed robustly, with sales related to community healthcare (dispensing pharmaceuticals at home and facilities) being 2,305 million yen (up 8.0% year on year) and there being 299,000 prescriptions (up 6.8%). Aiming to win over new patients and encourage the repeat use of its pharmacies, the Group is working on initiatives to improve convenience for patients by accelerating the digitalization of the pharmacies to enable the online receipt of prescriptions and electronic prescriptions and the online provision of medication guidance at patients' homes before they receive medication at the pharmacies to shorten patients' waiting time.

Drug/Convenience Store Business

In the first six months of the fiscal year under review, sales for the Drug/Convenience Store Business decreased 9.3% year on year, to 4,083 million yen, and the segment loss was 21 million yen (compared to a segment loss of 1 million yen a year ago).

The main factor for the decrease in net sales is the closure of unprofitable stores in the previous fiscal year. Profits decreased due to the temporary suspension of business at certain pharmacies located in profitable drugstores and competitors opening new pharmacies. The number of the Group's stores without any pharmacy section at the end of the first six months of the fiscal year under review decreased by two from the end of the previous fiscal year to 41 (52 including 11 stores with pharmacy section).

Storage and Management of Medical Documents Business

In the first six months of the fiscal year under review, sales for the Storage and Management of Medical Documents Business increased 3.6% year on year, to 322 million yen, and the segment profit increased 90.9%, to 43 million yen. The increase in sales and profit chiefly reflects robust sales of medical document storage and one-time sales related to the disposal of medical documents, in addition to the successful reduction of expenses, including labor and commission expenses.

Medical Mall Management Business

Sales for the Medical Mall Management Business increased 0.1% year on year, to 257 million yen, and the segment profit decreased 16.9%, to 48 million yen in the first six months of the fiscal year under review. While sales remained steady, profit declined due to an increase in personnel expenses, including a rise in base salaries, as well as an increase in depreciation related to capital investments, including investments to replace medical equipment. As the Company is approaching the time for it to replace diagnostic and other medical equipment, it expects that depreciation expenses resulting from capital investments will continue to increase for the time being. However, the Company plans to maintain profitability by simultaneously revising administration fees, medical equipment usage fees, and rents charged to tenant medical institutions.

Other

In the first six months of the fiscal year under review, sales for the Other segment decreased 15.7% year on year, to 459 million yen, and the segment loss was 92 million yen (compared to a segment loss of 6 million yen a year ago). The decrease in sales is mainly due to a year-on-year decrease in the number of contracts for projects in the paid placement and temporary help businesses, particularly in the

number of contracts for executive professional-level projects that have higher unit sales prices. The decrease in profit is mainly due to a decrease in the number of visits in the home-visit nursing business because of short staffing and upfront expenses, which were mainly a result of depreciation associated with the continued development of new products in the medical IT solutions business.

(2) Explanation regarding financial position

(Assets)

Assets at the end of the first six months of the fiscal year under review totaled 29,956 million yen, a decrease of 1,967 million yen from the end of the previous fiscal year. This was mainly due to cash and deposits decreasing 2,356 million yen from the end of the previous fiscal year to 2,555 million yen and goodwill decreasing 322 million yen to 6,477 million yen, which were partly offset by merchandise and finished goods increasing 531 million yen from the end of the previous fiscal year to 4,596 million yen and accounts receivable - other increasing 66 million yen from the end of the previous fiscal year to 3,117 million yen.

(Liabilities)

Liabilities amounted to 23,122 million yen, a decrease of 1,883 million yen from the end of the previous fiscal year. This was chiefly due to accounts payable - trade decreasing 311 million yen from the end of the previous fiscal year to 6,335 million yen and long-term borrowings decreasing 1,183 million yen to 9,869 million yen.

(Net assets)

Net assets amounted to 6,834 million yen, a decrease of 83 million yen from the end of the previous fiscal year. This was primarily due to capital surplus decreasing 95 million yen from the end of the previous fiscal year to 2,091 million yen, and retained earnings decreasing 47 million yen to 2,890 million yen, which were partly offset by treasury shares increasing 95 million yen from the end of the previous fiscal year to 376 million yen.

(3) Explanation regarding cash flows

Cash and cash equivalents (hereinafter “cash”) at the end of the first six months of the fiscal year under review were 2,555 million yen (a decrease of 4,948 million yen from the end of the previous fiscal year).

The cash flows in the first six months of the fiscal year under review and factors relating to each are as follows.

(Cash flows from operating activities)

Net cash used in operating activities was 220 million yen (up 20 million yen year on year). This was chiefly due to the posting of profit before income taxes of 368 million yen, depreciation of 378 million yen and amortization of goodwill of 388 million yen, which were more than offset by an increase of 523 million yen in inventories, a decrease of 311 million yen in trade payables, an increase of 153 million yen in consumption taxes refund receivable, a decrease of 123 million yen in cash due to interest payment and a decrease of 126 million yen in income taxes refund (paid).

(Cash flows from investing activities)

Net cash used in investing activities totaled 449 million yen, a decrease of 87 million yen from the previous fiscal year. This was mainly due to the purchase of property, plant and equipment of 382 million yen, chiefly related to the opening of new pharmacies, and payments for acquisition of businesses of 115 million yen.

(Cash flows from financing activities)

Net cash used in financial activities was 1,666 million yen (up 1,138 million yen year on year). This primarily reflected repayments of long-term borrowings of 1,320 million yen, dividends paid of 158 million yen, purchase of shares of subsidiaries not resulting in a change in the scope of consolidation of 97 million yen and repayments of lease liabilities of 90 million yen.

(4) Explanation about the future outlook, including forecast for consolidated earnings

No changes have been made to the consolidated earnings forecasts for the fiscal year ending May 31, 2026, which was announced in the summary of financial results as of June 25, 2025.

2. Semi-annual Consolidated Financial Statements and Notes on Important Matters

(1) Semi-annual consolidated balance sheet

(Million yen)

	As of May 31, 2025	As of November 30, 2025
Assets		
Current assets		
Cash and deposits	4,911	2,555
Accounts receivable	738	738
Merchandise and finished goods	4,065	4,596
Raw materials and supplies	81	82
Accounts receivable - other	3,050	3,117
Other	398	475
Allowance for doubtful accounts	(7)	(6)
Total current assets	13,239	11,560
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,474	3,486
Land	2,919	2,985
Other, net	815	822
Total property, plant and equipment	7,209	7,294
Intangible assets		
Goodwill	6,800	6,477
Other	466	405
Total intangible assets	7,266	6,883
Investments and other assets		
Other	4,400	4,383
Allowance for doubtful accounts	(192)	(164)
Total investments and other assets	4,208	4,218
Total non-current assets	18,684	18,396
Total assets	31,924	29,956

(Million yen)

	As of May 31, 2025	As of November 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	6,647	6,335
Current portion of long-term borrowings	2,639	2,502
Income taxes payable	284	348
Provision for bonuses	46	39
Provision for loss on disaster	50	—
Other	2,320	2,057
Total current liabilities	11,988	11,284
Non-current liabilities		
Long-term borrowings	11,053	9,869
Retirement benefit liability	1,038	1,056
Asset retirement obligations	232	232
Other	693	678
Total non-current liabilities	13,017	11,837
Total liabilities	25,005	23,122
Net assets		
Shareholders' equity		
Share capital	1,961	1,961
Capital surplus	2,186	2,091
Retained earnings	2,938	2,890
Treasury shares	(471)	(376)
Total shareholders' equity	6,614	6,566
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	45	40
Total accumulated other comprehensive income	45	40
Share acquisition rights	208	208
Non-controlling interests	49	19
Total net assets	6,918	6,834
Total liabilities and net assets	31,924	29,956

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

Semi-annual consolidated statement of income

(Million yen)

	Six months ended November 30, 2025	Six months ended November 30, 2024
Net sales	30,544	33,602
Cost of sales	26,305	29,048
Gross profit	4,239	4,554
Selling, general and administrative expenses	4,138	4,155
Operating profit	100	399
Non-operating income		
Interest income	7	6
Dividend income	0	0
Gain on sale of securities	3	—
Rental income	7	24
Cancellation fee income	—	21
Other	43	19
Total non-operating income	60	72
Non-operating expenses		
Interest expenses	68	123
Cost of lease revenue	5	13
Other	57	6
Total non-operating expenses	132	143
Ordinary profit	29	328
Extraordinary income		
Gain on sale of non-current assets	1	18
Subsidy income	24	22
Reversal of allowance for doubtful accounts	—	27
Reversal of provision for loss on store closings	36	—
Gain on bargain purchase	4	—
Total extraordinary income	67	68
Extraordinary losses		
Loss on sale of non-current assets	0	—
Loss on retirement of non-current assets	1	3
Loss on tax purpose reduction entry of non-current assets	24	21
Impairment losses	36	3
Total extraordinary losses	62	28
Profit before income taxes	34	368
Income taxes	156	261
Profit (loss)	(121)	106
Profit (loss) attributable to non-controlling interests	(7)	(4)
Profit (loss) attributable to owners of parent	(113)	111

Semi-annual consolidated statement of comprehensive income

(Million yen)

	Six months ended November 30, 2025	Six months ended November 30, 2024
Profit (loss)	(121)	106
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	(4)	(5)
Total other comprehensive income	(4)	(5)
Comprehensive income	(125)	100
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(117)	105
Comprehensive income attributable to non-controlling interests	(7)	(4)

(3) Semi-annual consolidated statement of cash flows

(Million yen)

	Six months ended November 30, 2025	Six months ended November 30, 2024
Cash flows from operating activities		
Profit before income taxes	34	368
Depreciation	339	378
Impairment losses	36	3
Amortization of goodwill	364	388
Gain on bargain purchase	(4)	—
Increase (decrease) in allowance for doubtful accounts	0	(29)
Increase (decrease) in provision for bonuses	(15)	(6)
Increase (decrease) in provision for loss on store closings	(42)	—
Increase (decrease) in provision for loss on disaster	—	(50)
Increase (decrease) in retirement benefit liability	(149)	9
Interest and dividend income	(7)	(6)
Interest expenses	68	123
Subsidy income	(24)	(22)
Loss (gain) on sale of non-current assets	(1)	(18)
Loss on retirement of non-current assets	1	3
Loss on tax purpose reduction entry of non-current assets	24	21
Decrease (increase) in trade receivables	108	(13)
Decrease (increase) in inventories	(719)	(523)
Increase (decrease) in trade payables	(344)	(311)
Decrease (increase) in consumption taxes refund receivable	78	(153)
Gain on sale of securities	(3)	—
Other	297	(140)
Subtotal	45	19
Interest and dividend income received	7	6
Interest paid	(76)	(123)
Income taxes refund (paid)	(149)	(126)
Subsidies received	24	22
Amount of consumption taxes paid in prior periods	(51)	(19)
Net cash provided by (used in) operating activities	(200)	(220)
Cash flows from investing activities		
Proceeds from sale of securities	19	—
Purchase of property, plant and equipment	(339)	(382)
Proceeds from sale of property, plant and equipment	3	15
Purchase of intangible assets	(26)	(8)
Purchase of shares of subsidiaries and associates	(281)	—
Purchase of long-term prepaid expenses	(7)	(4)
Payments of guarantee deposits	(10)	(26)
Proceeds from refund of guarantee deposits	27	28
Loan advances	(1)	(3)
Proceeds from collection of loans receivable	0	0
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(30)	—
Proceeds from sale of businesses	—	9
Payments for acquisition of businesses	—	(115)
Proceeds from acquisition of businesses	—	18
Other	108	19
Net cash provided by (used in) investing activities	(537)	(449)

(Million yen)

	Six months ended November 30, 2025	Six months ended November 30, 2024
Cash flows from financing activities		
Proceeds from long-term borrowings	4,000	—
Repayments of long-term borrowings	(2,532)	(1,320)
Repayments of lease liabilities	(104)	(90)
Dividends paid	(224)	(158)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(97)
Net cash provided by (used in) financing activities	1,138	(1,666)
Net increase (decrease) in cash and cash equivalents	400	(2,336)
Cash and cash equivalents at beginning of period	7,100	4,891
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	2	—
Cash and cash equivalents at end of period	7,504	2,555

(4) Notes on semi-annual consolidated financial statements

(Note on going concern premise)

Not applicable.

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

Not applicable.

(Application of particular accounting treatments concerning preparation of semi-annual consolidated financial statements)

(Calculation of tax expense)

Taxes are calculated by multiplying profit before income taxes by a reasonable estimate of the effective tax rate after adjustments for tax-effect accounting for profit before income taxes in the current fiscal year. However, in cases where the calculation of taxes using an estimated effective tax rate yields a result that is not reasonable to a significant extent, the effective statutory tax rate is used.

(Segment information, etc.)

(Segment information)

First six months ended November 30, 2024

1. Reportable segment sales, profit or loss

(Million yen)

	Reportable segments					Other (Note 1)	Total	Adjustments (Note 2)	Amount in semi-annual consolidated statement of income (Note 3)
	Dispensing Pharmacy	Drug/Conven- ience Store	Storage and Management of Medical Documents	Medical Mall Management	Total				
Net sales									
Sales to external customers	24,931	4,500	311	256	29,999	544	30,544	—	30,544
Inter-segment net sales or transfers	—	—	—	—	—	—	—	—	—
Total	24,931	4,500	311	256	29,999	544	30,544	—	30,544
Segment profit (loss)	202	(1)	22	58	282	(6)	276	(175)	100

- (Notes) 1. The Other segment includes the temporary help business and the system integration business for pharmaceutical companies.
2. The adjustment to segment profit (loss) of -175 million yen is company expenses not distributed to the reportable segments.
3. Segment profit (loss) is adjusted to be consistent with the operating profit reported in the semi-annual consolidated statement of income.

2. Information on impairment loss in non-current assets and goodwill by reported segment

(Important impairment loss on non-current assets)

The Dispensing Pharmacy Business and the Drug/Convenience Store Business posted impairment losses of 21 million yen and 14 million yen, respectively. The amount of the posted impairment loss was 36 million yen for the first six months of the fiscal year under review.

First six months ended November 30, 2025

1. Reportable segment sales, profit or loss

(Million yen)

	Reportable segments					Other (Note 1)	Total	Adjustments (Note 2)	Amount in semi-annual consolidated statement of income (Note 3)
	Dispensing Pharmacy	Drug/Conven- ience Store	Storage and Management of Medical Documents	Medical Mall Management	Total				
Net sales									
Sales to external customers	28,479	4,083	322	257	33,142	459	33,602	—	33,602
Inter-segment net sales or transfers	—	—	—	—	—	—	—	—	—
Total	28,479	4,083	322	257	33,142	459	33,602	—	33,602
Segment profit (loss)	589	(21)	43	48	660	(92)	568	(169)	399

- (Notes) 1. The Other segment includes the temporary help business and the system integration business for pharmaceutical companies.
2. The adjustment to segment profit (loss) of -169 million yen is company expenses not distributed to the reportable segments.
3. Segment profit (loss) is adjusted to be consistent with the operating profit reported in the semi-annual consolidated statement of income.

2. Information on impairment loss in non-current assets and goodwill by reported segment

(Important impairment loss on non-current assets)

The Dispensing Pharmacy Business and the Drug/Convenience Store Business posted impairment losses of 1 million yen and 2 million yen, respectively. The amount of the posted impairment loss was 3 million yen for the first six months of the fiscal year under review.

(Significant subsequent events)

(Loan agreement with financial covenants)

The Company has entered into a loan agreement that contains financial covenants and conducted borrowings on December 12, 2025. Details about the agreement are as follows.

(1) Execution date

December 11, 2025

(2) Attributes of counterparty to the loan agreement

MUFG Bank, Ltd.

(3) Amount of principal regarding the loan agreement, repayment due date and details of collateral attached to the loan

Amount of borrowing: 1,500 million yen

Repayment due date: November 30, 2032

Details of collateral: Unsecured

(4) Details of financial covenants

- (i) The total amount of net assets under the consolidated balance sheet of the borrower as of the end of each fiscal year, starting with the fiscal year ending May 31, 2026, shall be maintained at no less than 75% of the total amount of net assets as of the end of the fiscal year ended May 31, 2025 or the amount as of the end of the previous fiscal year, whichever is greater.
- (ii) The amount of ordinary profit (loss) under the consolidated profit and loss statement of the borrower as of the end of each fiscal year, starting with the fiscal year ending May 31, 2026, shall be maintained at no less than zero yen for two consecutive fiscal years.
- (iii) The standard value of the following formula relating to the consolidated profit and loss statement and consolidated balance sheet of the borrower as of the end of each fiscal year, starting with the fiscal year ending May 31, 2026, shall be maintained at no more than 3.3 (provided, however, the value shall be 4.5 for the fiscal year ending May 31, 2026 and the fiscal year ending May 31, 2027).

However, if “operating profit (loss) + depreciation + amortization of goodwill” in the following formula is zero or a negative value, the standard value shall be deemed to have exceeded 3.3 (provided, however, the value shall be 4.5 for the fiscal year ending May 31, 2026 and the fiscal year ending May 31, 2027).

* Standard value (Net leverage ratio) = (short-term borrowings + current portion of long-term borrowings + long-term borrowings – cash and deposits) ÷ (operating profit (loss) + depreciation + amortization of goodwill)