

FY2026 2Q Financial Results



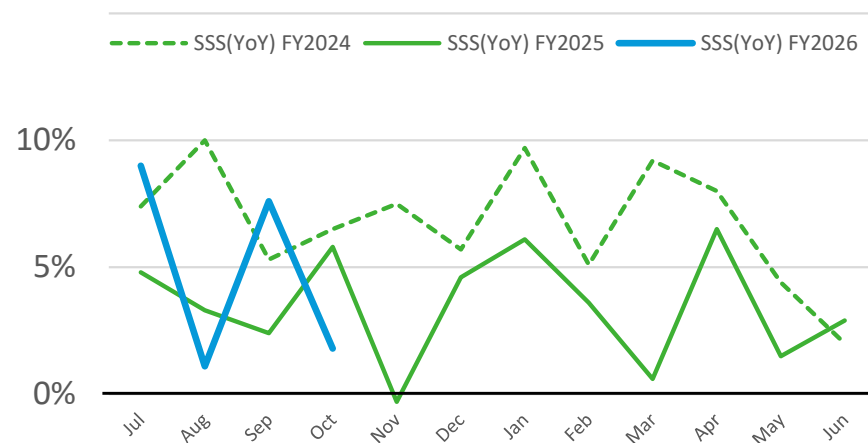
Genky DrugStores Co., Ltd.
(Code number: 9267, TSE Prime)

2026.01

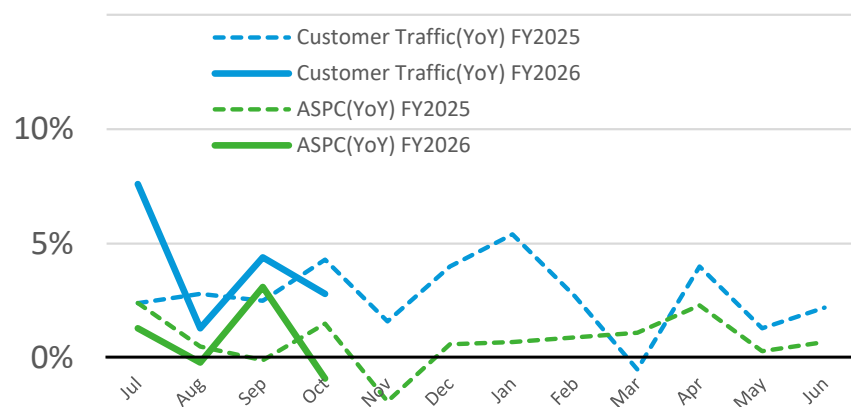
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Monthly Net sales YoY Change (existing stores)

(2Q) Looking at the quarter as a whole, sales of pharmaceuticals and seasonal items stagnated towards the second half. Food sales were relatively strong despite a backlash from last year's soaring prices of leafy vegetables and struggles with boxed lunches due to rising rice prices, resulting in a 2.5% increase compared to the 2.6% planned for same-store sales. This was roughly in line with plan. Unit prices rose 5.2% due to rising purchase prices, mainly for food items such as rice, coffee, and chocolate. Customers remained strongly budget-conscious, with the number of items purchased down 4.8% (down 0.3 units), but with the spread of EDLP, same-store customer numbers increased steadily by 2.3% compared to last year. (The impact of government rice stockpiles was largely over in the first quarter and was negligible in the second quarter.)



	1Q	2Q	3Q	4Q	FY
All stores	+12.0%	+9.2%			
existing stores	+5.8%	+2.5%			
Traffic	+4.3%	+2.3%			
ASPC	+1.4%	+0.1%			
Unit Price	+6.7%	+5.2%			
Basket Quantity	(5.0%)	(4.8%)			



- March 2025 (3Q) was affected by one less business day due to the fact that the same month of the previous year was a leap year.

FY2026, 2Q Accounting period (YoY change)



Net Sales	The number of new store openings was 17 compared to the initial plan of 18 due to a delay in the fiscal year.
Gross profit	The gross profit margin plan for the first quarter had a surplus of +0.3 points, but this was allocated to price reductions to the extent that would not affect the full-year gross profit margin, resulting in a decrease of -0.1 points compared to the plan. There is no impact on the full-year plan. Food waste reduction, etc., is under appropriate control, as in the first quarter. In terms of external factors, the struggles of non-food products due to an increased frugal mindset among customers also had a slight negative impact on the gross profit margin.
SG&A	The result was 210 million yen lower than the initial plan. The main reason for this was personnel expenses, which were down 260 million yen from the plan. As this was the first year for the introduction of self-checkouts in all stores, the store personnel expenses plan was set somewhat conservatively, but due to the realization of appropriate man-hour control, the result was lower than planned.
As a result of the above, operating profit exceeded the initial plan by 140 million yen.	

(million Yen)

	FY2025 2Q Accounting period		FY2026 2Q Accounting period		YoY change million Yen YoY	FY2026 2Q Forecasts Accounting period		plan vs. actual million Yen YoY
	million Yen	margin(ratio)	million Yen	margin(ratio)		million Yen	margin(ratio)	
Net sales	48,708	-	53,218	-	+4,510 +9.3%	53,280	-	△61 △0.1%
Gross profit	9,805	20.13%	10,929	20.54%	+1,124 +11.5%	11,000	20.65%	△70 △0.6%
SG&A	7,481	15.4%	8,128	15.3%	+646 +8.6%	8,342	15.7%	△214 △2.6%
Operating profit	2,323	4.8%	2,801	5.3%	+477 +20.6%	2,658	5.0%	+144 +5.4%
Ordinary profit	2,422	5.0%	2,883	5.4%	+461 +19.1%	2,703	5.1%	+181 +6.7%
Net income	1,683	3.5%	1,983	3.7%	+299 +17.8%	1,900	3.6%	+83 +4.4%
Store opening	9		17		+8	18		△1
Store closing	0		0		±0	0		±0
Renovation (Large store→Regular store)	1		3		+2	3		±0

FY2026, 1H (YoY change)



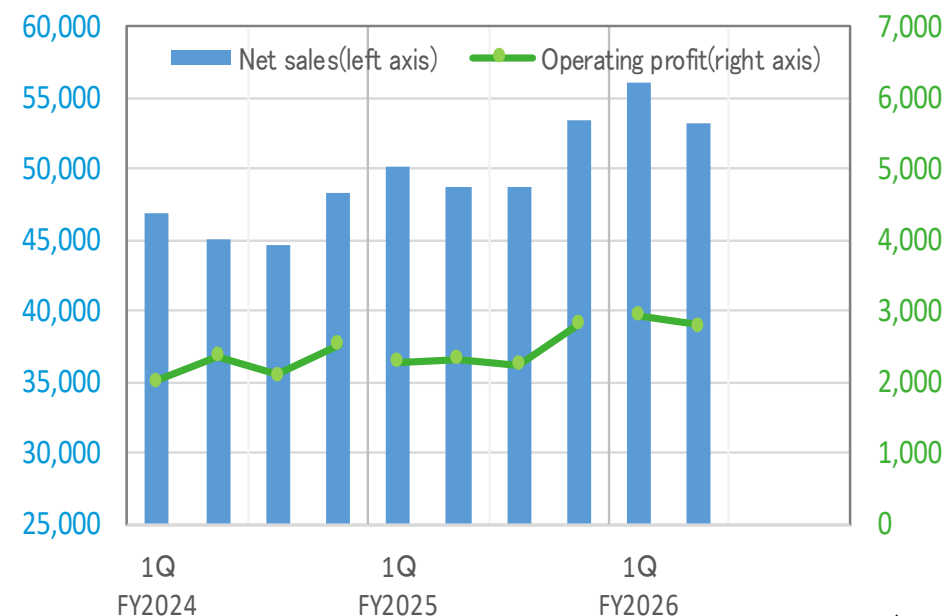
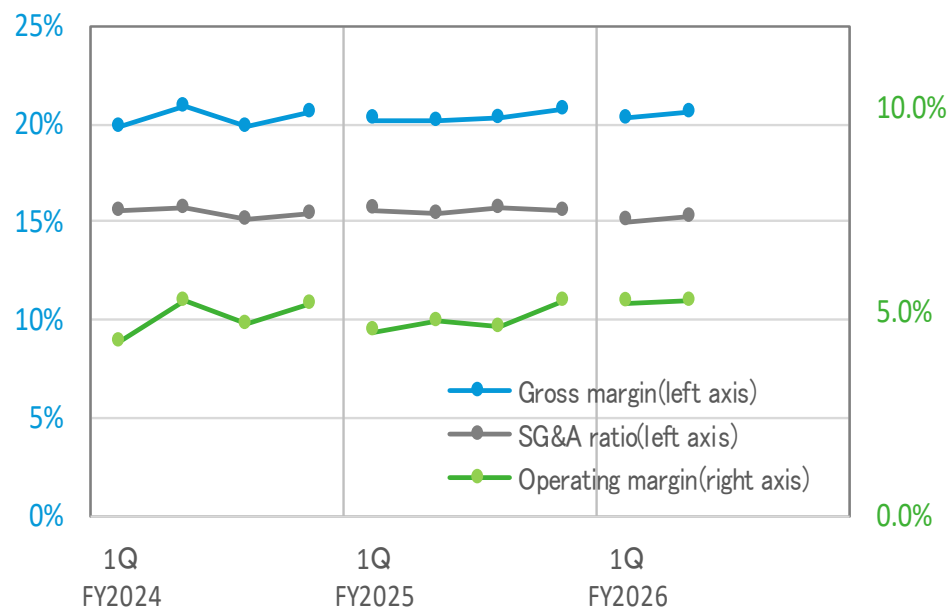
Net Sales	The number of new store openings was 20 compared to the initial plan of 21 due to a delay in the fiscal year.
Gross profit	The gross profit margin surplus of +0.3 points from the first quarter was used to reduce prices in the second quarter, resulting in a gross profit margin of 20.4%, or +0.1% compared to the planned cost, for the entire first half of the year.
SG&A	The result was 330 million yen lower than the initial plan. The main reason for this was personnel expenses, which were down 340 million yen from the plan. As this was the first year for the introduction of self-checkouts in all stores, the store personnel expenses plan was set somewhat conservatively, but due to the realization of appropriate man-hour control, the result was lower than planned.
As a result of the above, operating profit exceeded the initial plan by 440 million yen.	

(million Yen)

	FY2025 1H		FY2026 1H		YoY change million Yen YoY
	million Yen	margin(ratio)	million Yen	margin(ratio)	
Net sales	98,758	-	109,261	-	+10,502 +10.6%
Gross profit	19,908	20.2%	22,277	20.4%	+2,368 +11.9%
SG&A	15,312	15.5%	16,559	15.2%	+1,247 +8.1%
Operating profit	4,596	4.7%	5,717	5.2%	+1,121 +24.4%
Ordinary profit	4,722	4.8%	5,843	5.3%	+1,120 +23.7%
Net income	3,268	3.3%	4,020	3.7%	+752 +23.0%
Store opening	15		20		+5
Store closing	0		1 (Large Store)		+1
Renovation (Large store→Regular store)	4		5		+1

FY2026 1H Forecasts		plan vs. actual million Yen YoY
million Yen	margin(ratio)	
109,210	-	+51 +0.0%
22,160	20.3%	+117 +0.5%
16,890	15.5%	△331 △2.0%
5,270	4.8%	+448 +8.5%
5,360	4.9%	+483 +9.0%
3,700	3.4%	+320 +8.7%
21		△1
1 (Large Store)		±0
5		±0

Financial Results (Quarterly trends)



(million Yen)

	FY2024					FY2025					FY2026				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
Net sales	46,871	45,095	44,619	48,272	184,860	50,050	48,708	48,624	53,403	200,786	56,042	53,218			
YoY of sales	+10.0%	+9.3%	+10.6%	+7.6%	+9.3%	+6.8%	+8.0%	+9.0%	+10.6%	+8.6%	+12.0%	+9.3%			
Gross margin	19.9%	20.9%	19.8%	20.7%	20.4%	20.2%	20.1%	20.3%	20.8%	20.4%	20.2%	20.5%			
SG&A ratio	15.6%	15.7%	15.1%	15.5%	15.5%	15.6%	15.4%	15.7%	15.5%	15.6%	15.0%	15.3%			
Operating profit	2,015	2,371	2,107	2,520	9,015	2,272	2,323	2,243	2,818	9,658	2,916	2,801			
Operating margin	4.3%	5.3%	4.7%	5.2%	4.9%	4.5%	4.8%	4.6%	5.3%	4.8%	5.2%	5.3%			

KPI (Quarterly and Full-year trends)

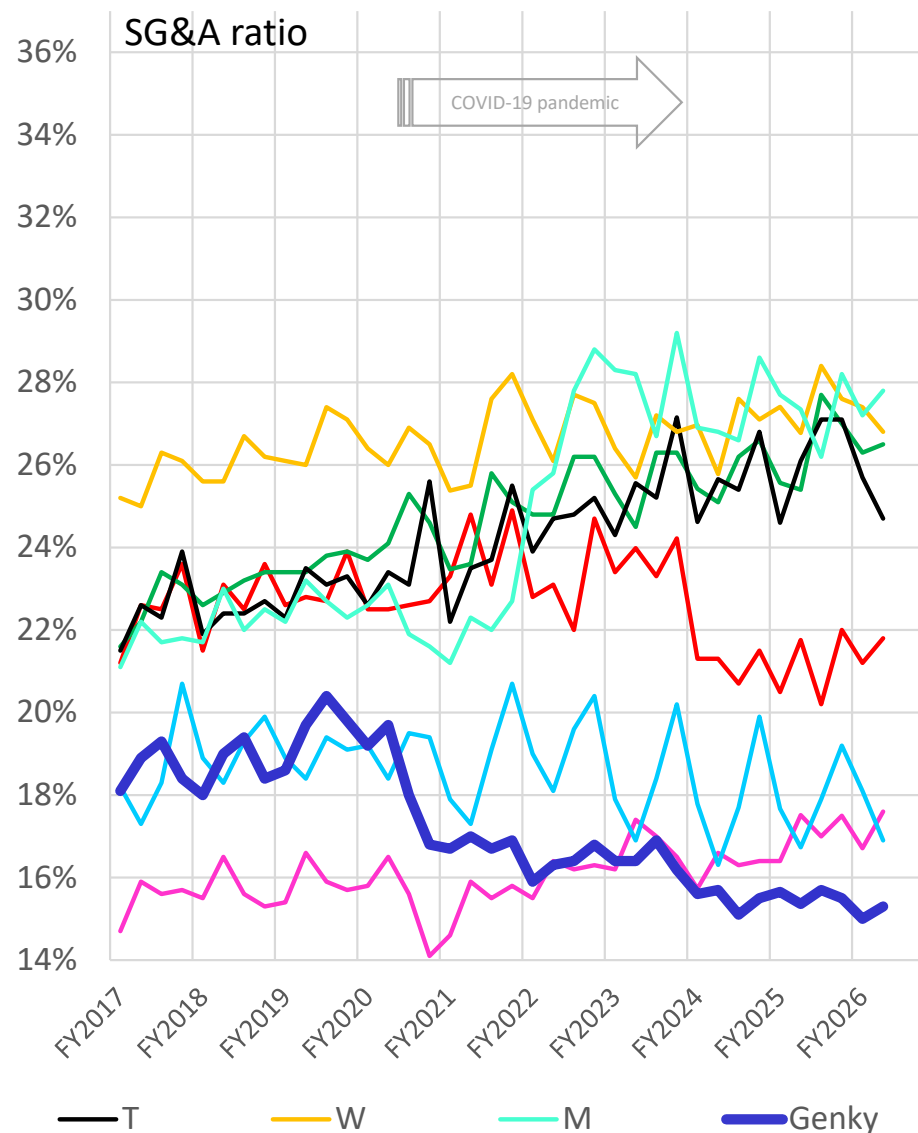
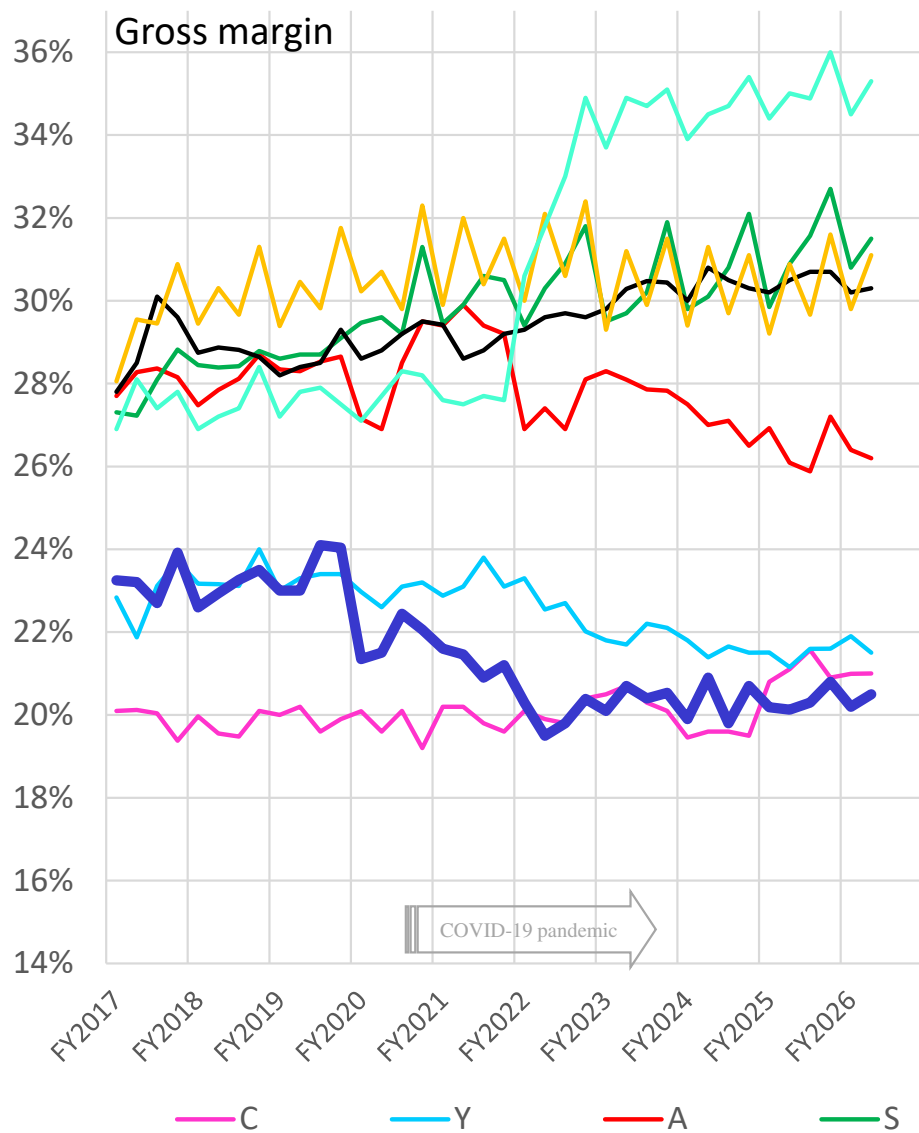


While maintaining “SG&A per TSUBO*” at 200,000 yen, the EDLP strategy will increase “Sales per TSUBO” (“Gross profit per TSUBO” will also increase), thereby improving “Operating profit per TSUBO”.

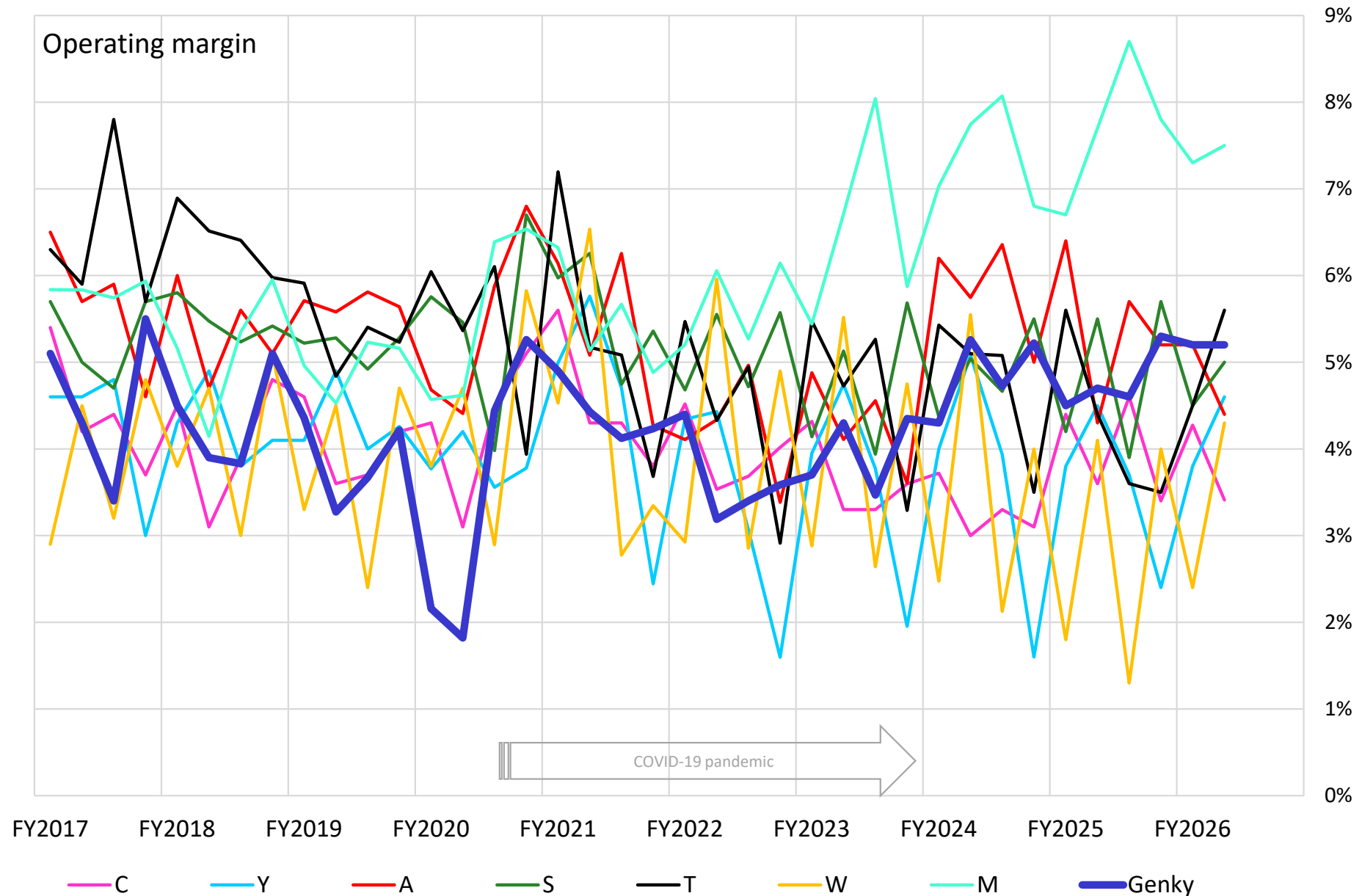
**TSUBO is a unit of area, about 3.3m²*

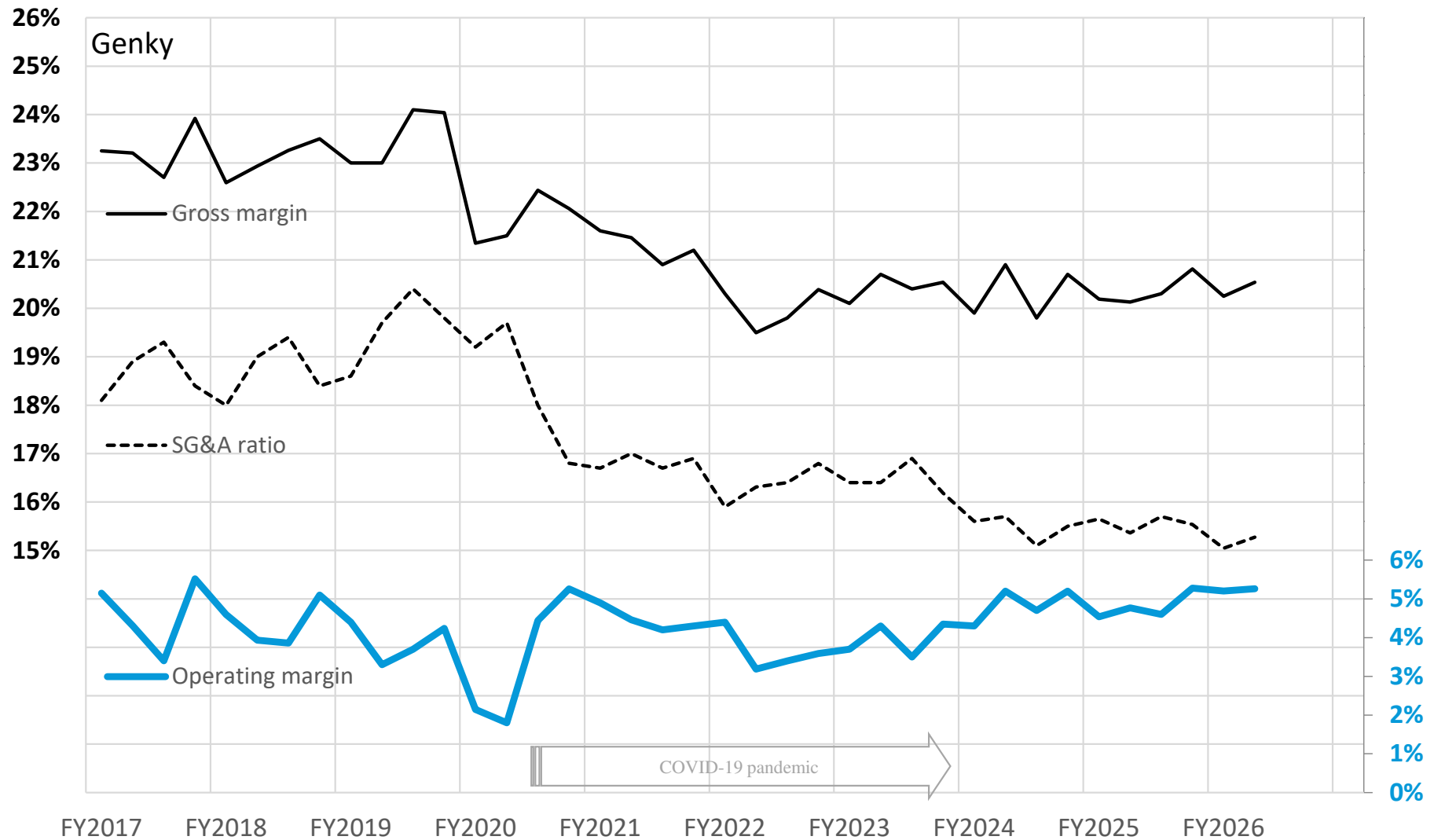
Items	Unit	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026				
							1Q	2Q	3Q	4Q	FY
Sales per *TSUBO	K yen/ TSUBO·year	1,169	1,135	1,180	1,275	1,315	1,395	1,321			
Gross profit per TSUBO	K yen/ TSUBO·year	249	227	241	259	268	283	271			
SG&A per TSUBO	K yen/ TSUBO·year	197	186	197	197	205	210	202			
Operating profit per TSUBO	K yen/ TSUBO·year	52	42	44	62	63	73	70			
Foot area/employee	TSUBO/head	30.5	31.4	33.6	34.2	36.6	37.5	39.8			
Total asset turnover	time	1.6	1.6	1.7	1.7	1.7	1.7	1.6			
ROA(Ordinary profit / Total asset)	%	7.6	6.5	7.0	8.4	8.2	8.9	8.8			
ROE	%	16.2	12.9	12.4	14.5	14.2	15.0	14.3			
Equity Ratio	%	35.4	37.3	38.4	40.9	41.8	40.7	42.8			
Operation profit / Gross profit	%	20.8	18.3	19.4	24.0	23.6	25.7	25.6			

Gross margin and SG&A Ratio of Drugstore companies (Quarterly trends)



Operating margin of Drugstore companies (Quarterly trends)





FY2026 Forecasts (Updated 2026.1.22)



	FY2025 Results		FY2026 Updated forecasts		YoY change	
	million yen	margin	million yen	margin		changes in margin(ratio)
Net sales	200,786	–	221,200	–	+20,413 +10.2%	※SSS +3.7%
Gross profit	40,889	20.4%	45,200	20.4%	+4,310 +10.5%	±0.0pt
SG&A	31,231	15.6%	34,150	15.4%	+2,919 +9.3%	△0.1pt
Operating profit	9,658	4.8%	11,050	5.0%	+1,391 +14.4%	+0.2pt
Ordinary profit	9,899	4.9%	11,200	5.1%	+1,301 +13.1%	+0.2pt
Net income	7,066	3.5%	7,850	3.5%	+783 +11.1%	±0.0pt
EPS	232.5 Yen		257.5 Yen		+25.0 Yen	–
Store opening	54		61			
Store closing	7 (Large store)		3 (Large store)			
Renovation(Large→Regular)	1		8			

Financial Results and Forecasts (Updated 2026.1.22)



(million Yen)

	FY2021		FY2022		FY2023		FY2024		FY2025		FY2026 (Updated forecasts)	
Store opening	46		43		30		31		54		61	
Store closing	1		0		7		7		7		3	
Renovation (Large→Regular)	1		21		3		3		1		8	
Logistics Center	-		-		1		-		-		1 One more building planned for FY2028	
Net sales	142,376	15.2%	154,640	8.6%	169,059	+9.3%	184,860	+9.3%	200,786	+8.6%	221,200	+10.2%
Gross profit (margin)	30,289	+13.4%	30,954	+2.2%	34,553	+11.6%	37,620	+8.9%	40,889	+8.7%	45,200	+10.5%
	21.3%		20.0%		20.4%		20.4%		20.4%			
SG&A (ratio)	23,995	+7.3%	25,279	+5.4%	27,844	+10.1%	28,605	+2.7%	31,231	+9.2%	34,150	+9.3%
	16.9%		16.3%		16.5%		15.5%		15.6%		15.4%	
Operating profit (margin)	6,295	+45.0%	5,675	(9.8%)	6,709	+18.2%	9,015	+34.4%	9,658	+7.1%	11,050	+14.4%
	4.4%		3.7%		4.0%		4.9%		4.8%		5.0%	
Net income (margin)	4,832	+75.4%	4,420	(8.5%)	4,764	+7.8%	6,324	+32.7%	7,066	+11.7%	7,850	+11.1%
	3.4%		2.9%		2.8%		3.4%		3.5%		3.5%	
CAPEX	8,829		10,588		9,736		10,631		15,618		19,000	
EPS (yen)	159		146		157		208		233		257	
ROE (%)	16.2		12.9		12.4		14.5		14.2		14.5	

* We conducted a 2-for-1 stock split of its common stock on June 21, 2024. Figures prior to FY2024 have been calculated based on the assumption that the stock split was carried out.

–Note–

The forecast figures in this presentation are based on information currently available to the Company and assumptions based on uncertain factors that may affect future performance.

In addition, the explanations given in this presentation contain forward looking statements, judgments, plans or strategies.

These forward-looking statements and remarks are subject to uncertainties, and actual results may differ from these statements and remarks because of a variety of factors.

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