

* 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 consolidated quarterly financial statements: Yes

Note: Please see “2. Consolidated Financial Statements and Notes on Important Matters, (3) Notes on quarterly consolidated financial statements” on page 11 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 February 28, 2026	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 February 28, 2026	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):

Nine months ended February 28, 2026	11,439,236 shares	Nine months ended February 28, 2025	11,308,310 shares
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* Review by certified public accountants or audit firms of the attached quarterly consolidated financial statements: None

* 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 Quarterly Financial Results for the Period under Review

(1) Explanation regarding operating results

During the first nine months of the consolidated fiscal year under review (June 1, 2025 through February 28, 2026), 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 nine months of the fiscal year under review, net sales totaled 50,556 million yen (up 8.5% year on year), with operating profit of 603 million yen (up 530.7%) and ordinary profit of 419 million yen (compared to an ordinary loss of 18 million yen). Loss attributable to owners of parent came to 13 million yen (compared to a loss attributable to owners of parent of 272 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 year-on-year increases in operating profit and ordinary profit 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 activity and a decline in the selling, general and administrative expense ratio, which is attributable to the streamlining of headquarters operations. The Company incurred M&A expenses, and certain subsidiaries continued to post losses. Consequently, the Company posted a loss attributable to owners of parent, though the loss was 258 million yen less than in the same period of the previous fiscal year.

Segment performance was as follows.

Dispensing Pharmacy Business

In the first nine months of the fiscal year under review, sales for the Dispensing Pharmacy Business increased 12.3% year on year, to 43,004 million yen, and the segment profit increased 222.2%, to 974 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, an increase in dispensing technical fees, including regional support structure premiums related to the facility criteria for existing pharmacies, which the Group has been addressing since the previous consolidated fiscal year, and a decline in the selling, general and administrative expense ratio, which is attributable to enhanced operational efficiency.

By the end of 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.

As of the end of the first nine months of the consolidated fiscal year under review, the Group operated 408 dispensing pharmacies. Since the end of the previous fiscal year, 20 pharmacies have been added to the Group (16 of which belong to the Medical Group Sanko Medical Co., Ltd. and its group companies, which joined the Pharmarise Group on February 13, 2026). Thirteen pharmacies have been closed. The goal of the Company's acquisition of the Sanko Medical Group is to improve profitability by strengthening the Pharmarise Group's pharmaceutical distribution system by integrating a pharmaceutical wholesaler into the Group. Additionally, the Company aims

to reinforce its dominant market position in the Kanto region by acquiring an additional 16 new dispensing pharmacies in Saitama, Tokyo, and Chiba.

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 education program has been established. The Company has developed an online training program to instill its distinct mindset and convey its standards of conduct, and it has begun providing it to each pharmacy. The Company will assign a task force to monitor the progress of training at each pharmacy, collect feedback from participants, and enhance the training program.

(2) Maintain patient-centered pharmacy operation

In its operation of pharmacies based on Japan's Pharmacy Vision for Patients, the Group had 78 health support pharmacies, 88 pharmacies cooperating with local health care facilities and four pharmacies cooperating with specialized medical institutions as of the end of the first nine months of the fiscal year under review.

As an activity whose goal is increasing the number of visitors to pharmacies looking for advice, the Group is 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 nine months of the fiscal year under review, a total of 173 Café Nyamarise events were held at 87 pharmacies across the country. The Group has achieved its initial goal of reaching 50 pharmacies. The Group expects that by the end of the consolidated fiscal year under review, Café Nyamarise events will have been held at over 100 pharmacies.

In February 2026, sales of over-the-counter emergency contraceptive pills began following approval by the Ministry of Health, Labour and Welfare. As of the end of the first nine months under review, 165 of the Group's pharmacists were listed as authorized to sell these pills by the MHLW (384 pharmacists when including pharmacists whose registration is pending and pharmacists who will submit applications). A total of 137 pharmacies, approximately 33% of the Group's pharmacies, can now sell these pills. A publication from the MHLW says that approximately 15% of registered pharmacies nationwide are permitted to sell these drugs. The Group has already sold these pills to customers in need. The Group will continue to increase the number of pharmacists and pharmacies permitted to sell these pills, enhancing peace of mind in local communities.

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

In the first nine 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 3,443 million yen (up 5.5% year on year) and there being 447,000 prescriptions (up 6.5%). In December 2025, the Group opened its official LINE account. As of the end of February 2026, approximately 3,500 individuals had registered as "friends." The menu items include the submission of prescriptions online to reduce waiting times, the provision of discount coupons for over-the-counter drugs available at the Group's pharmacies (excluding pharmacy services covered by health insurance), and connection to the online Pharmarise pharmacy. The Group aims to share information about Café Nyamarise events and home pharmaceutical dispensing to establish itself as trusted pharmacies that provide not only everyday information but also reliable support in times of need, which encourages local community members to visit the Group's pharmacies.

Drug/Convenience Store Business

In the first nine months of the consolidated fiscal year under review, sales for the Drug/Convenience Store Business decreased 9.3% year on year, to 6,009 million yen, and the segment loss was 68 million yen (compared to a segment loss of 35 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, competitors opening new pharmacies, and sluggish sales of seasonal pharmaceutical products. The number of the Group's stores without any pharmacy section at the end of the first nine months of the fiscal year under review decreased two from the end of the previous fiscal year to 41 (52 including 11 stores with pharmacy section). In response to this, the Group is enhancing its pharmacy development efforts and striving to open highly profitable pharmacies.

Storage and Management of Medical Documents Business

In the first nine months of the fiscal year under review, sales for the Storage and Management of Medical Documents Business increased 6.6% year on year, to 489 million yen, and the segment profit increased 102.6%, to 77 million yen. The increase in sales and profit chiefly reflects ongoing robust sales of medical document storage and one-time sales related to the disposal of archival medical documents, in addition to the successful reduction of expenses, including labor expenses.

Medical Mall Management Business

Sales for the Medical Mall Management Business decreased 0.3% year on year, to 383 million yen, and the segment profit decreased 15.1%, to 68 million yen in the first nine 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 nine months of the fiscal year under review, sales for the businesses in the Other segment decreased 16.7% year on year, to 669 million yen, and the segment loss was 129 million yen (compared to a segment loss of 28 million yen a year ago). The decreases in sales and profit are mainly due to a year-on-year decrease in the number of contracts for projects in the paid placement business, particularly in the number of contracts for executive professional-level projects that have higher unit sales prices, a decrease in the number of visits in the home-visit nursing business 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 nine months of the fiscal year under review totaled 31,428 million yen, a decrease of 495 million yen from the end of the previous fiscal year. This was mainly due to cash and deposits decreasing 2,669 million yen from the end of the previous fiscal year to 2,242, which was partly offset by merchandise and finished goods increasing 758 million yen to 4,824 million and other (investments and other assets) increasing 1,470 million yen to 5,871 million yen, primarily due to an increase in investment securities.

(Liabilities)

Liabilities amounted to 24,722 million yen, a decrease of 283 million yen from the end of the previous fiscal year. This was chiefly due to accounts payable - trade decreasing 607 million yen from the end of the previous fiscal year to 6,040 million yen, other (current liabilities) decreasing 791 million yen to 1,528 million yen, chiefly due to a decrease in accounts payable - other, and long-term borrowings decreasing 1,014 million yen to 10,038 million yen, which was partly offset by the current portion of long-term borrowings increasing 1,993 million yen to 4,633 million yen.

(Net assets)

Net assets amounted to 6,705 million yen, a decrease of 212 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 172 million yen to 2,765 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 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.

The Company is carefully evaluating the impact of its acquisition of the shares of Sanko Medical Co., Ltd., which was announced on January 30, 2026. At present, the Company does not anticipate the acquisition will have any significant effect on its consolidated earnings forecasts.

If it becomes necessary to revise the earnings forecasts based on our evaluation of this matter or for other reasons, the Company will announce such revisions promptly.

2. Consolidated Financial Statements and Notes on Important Matters

(1) Quarterly consolidated balance sheet

(Million yen)

	As of May 31, 2025	As of February 28, 2026
Assets		
Current assets		
Cash and deposits	4,911	2,242
Accounts receivable	738	702
Merchandise and finished goods	4,065	4,824
Raw materials and supplies	81	90
Accounts receivable - other	3,050	3,343
Other	398	623
Allowance for doubtful accounts	(7)	(5)
Total current assets	13,239	11,821
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,474	3,417
Land	2,919	2,985
Other, net	815	840
Total property, plant and equipment	7,209	7,243
Intangible assets		
Goodwill	6,800	6,284
Other	466	372
Total intangible assets	7,266	6,656
Investments and other assets		
Other	4,400	5,871
Allowance for doubtful accounts	(192)	(164)
Total investments and other assets	4,208	5,706
Total non-current assets	18,684	19,607
Total assets	31,924	31,428

(Million yen)

	As of May 31, 2025	As of February 28, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	6,647	6,040
Current portion of long-term borrowings	2,639	4,633
Income taxes payable	284	249
Provision for bonuses	46	308
Provision for loss on disaster	50	—
Other	2,320	1,528
Total current liabilities	11,988	12,759
Non-current liabilities		
Long-term borrowings	11,053	10,038
Retirement benefit liability	1,038	1,037
Asset retirement obligations	232	230
Other	693	655
Total non-current liabilities	13,017	11,962
Total liabilities	25,005	24,722
Net assets		
Shareholders' equity		
Share capital	1,961	1,961
Capital surplus	2,186	2,091
Retained earnings	2,938	2,765
Treasury shares	(471)	(376)
Total shareholders' equity	6,614	6,441
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	45	37
Total accumulated other comprehensive income	45	37
Share acquisition rights	208	208
Non-controlling interests	49	18
Total net assets	6,918	6,705
Total liabilities and net assets	31,924	31,428

(2) Quarterly consolidated statements of income and comprehensive income

Quarterly consolidated statement of income

For nine-month period

(Million yen)

	Nine months ended February 28, 2025	Nine months ended February 28, 2026
Net sales	46,579	50,556
Cost of sales	40,036	43,646
Gross profit	6,542	6,909
Selling, general and administrative expenses	6,446	6,305
Operating profit	95	603
Non-operating income		
Interest income	7	10
Dividend income	0	0
Gain on sale of securities	3	—
Rental income	11	38
Cancellation fee income	—	21
Other	60	28
Total non-operating income	82	98
Non-operating expenses		
Interest expenses	119	192
Commission expenses	51	62
Cost of lease revenue	8	20
Other	17	7
Total non-operating expenses	196	283
Ordinary profit (loss)	(18)	419
Extraordinary income		
Gain on sale of non-current assets	1	18
Subsidy income	38	46
Reversal of allowance for doubtful accounts	—	27
Reversal of provision for loss on store closings	36	—
Gain on bargain purchase	4	—
Total extraordinary income	81	92
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	2	7
Loss on tax purpose reduction entry of non-current assets	38	45
Impairment losses	47	22
Loss on cancellation of rental contracts	4	1
Total extraordinary losses	92	77
Profit (loss) before income taxes	(28)	434
Income taxes	255	454
Profit (loss)	(284)	(19)
Profit (loss) attributable to non-controlling interests	(12)	(6)
Profit (loss) attributable to owners of parent	(272)	(13)

Quarterly consolidated statement of comprehensive income

For nine-month period

(Million yen)

	Nine months ended February 28, 2025	Nine months ended February 28, 2026
Profit (loss)	(284)	(19)
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	(5)	(8)
Total other comprehensive income	(5)	(8)
Comprehensive income	(290)	(28)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(277)	(21)
Comprehensive income attributable to non-controlling interests	(12)	(6)

(3) Notes on quarterly 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 quarterly 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.)

First nine months ended February 28, 2025

1. Reportable segment sales, profit or loss

(Million yen)

	Reportable segments					Other (Note 1)	Total	Adjustments (Note 2)	Amount in quarterly consolidated statement of income (Note 3)
	Dispensing Pharmacy	Drug/ Convenience Store	Storage and Management of Medical Documents	Medical Mall Management	Total				
Net sales									
Sales to external customers	38,303	6,628	459	384	45,775	803	46,579	–	46,579
Inter-segment net sales or transfers	–	–	–	–	–	–	–	–	–
Total	38,303	6,628	459	384	45,775	803	46,579	–	46,579
Segment profit (loss)	302	(35)	38	80	385	(28)	357	(261)	95

(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), (261 million yen), is corporate costs that are not allocated to any of the reportable segments.

3. Segment profit (loss) is adjusted to be consistent with the operating profit reported in the 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 32 million yen and 14 million yen, respectively. The amount of the posted impairment loss was 47 million yen for the first nine months of the fiscal year under review.

(Significant changes in amount of goodwill)

Goodwill arose in the Dispensing Pharmacy Business in the third quarter of the consolidated fiscal year under review because the Company received part of the Kanichi Shoten Group's business by transfer, succeeded the business to next PH Corporation, which had been a non-consolidated subsidiary, by absorption-type demerger, and included next PH Corporation in the scope of consolidation for the first time. This event resulted in an increase in goodwill of 2,321 million yen during the third quarter of the consolidated fiscal year under review.

As the allocation of acquisition costs has not been completed, the amount of goodwill is a provisional estimate.

First nine months ended February 28, 2026

1. Reportable segment sales, profit or loss

(Million yen)

	Reportable segments					Other (Note 1)	Total	Adjustments (Note 2, 3)	Amount in quarterly consolidated statement of income (Note 4)
	Dispensing Pharmacy	Drug/ Convenience Store	Storage and Management of Medical Documents	Medical Mall Management	Total				
Net sales									
Sales to external customers	43,004	6,009	489	383	49,886	669	50,556	–	50,556
Inter-segment net sales or transfers	–	–	–	–	–	–	–	–	–
Total	43,004	6,009	489	383	49,886	669	50,556	–	50,556
Segment profit (loss)	974	(68)	77	68	1,051	(129)	922	(318)	603

(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 (318 million yen) is company expenses not distributed to the reportable segments and expenses related to the acquisition of subsidiary shares (resulting from provisional accounting treatment due to the incomplete calculation of goodwill).

3. Segment profit (loss) is adjusted to be consistent with the operating profit reported in the 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 13 million yen and 8 million yen, respectively. The amount of the posted impairment loss was 22 million yen for the first nine months of the fiscal year under review.

(Notes on statement of cash flows)

The Company did not prepare quarterly consolidated statement of cash flows for the first nine months of the fiscal year under review. Depreciation (including amortization of intangible assets, excluding amortization of goodwill) and amortization of goodwill for the first nine months of the fiscal year under review are as follows.

	Nine months ended February 28, 2025	Nine months ended February 28, 2026
Depreciation	526 million yen	570 million yen
Amortization of goodwill	559 million yen	581 million yen