This document is an English translation of a statement written originally in Japanese. The Japanese original should be considered as the primary version.

Consolidated Financial Results for the Fiscal Year Ended May 31, 2026 (Japanese GAAP)

July 13, 2026

Name of Listed Company: CREATE SD HOLDINGS CO., LTD. Listing: Tokyo Stock Exchange
Securities code: 3148 URL: https://www.createsdhd.co.jp/English/tabid/129/Default.aspx
Representative: Taizo Hirose, Representative Director and President
Contact: Tetsuya Yamazaki, Executive Officer and General Manager, Finance and Accounting Dept. Tel: +81-45-914-8241
Scheduled date of the Ordinary General Meeting of Shareholders: August 21, 2026
Scheduled date of start of dividend payment: August 24, 2026
Scheduled filing date of Securities Report: August 20, 2026
Supplementary materials for the financial results: Yes
Financial results briefing sessions: Yes (For securities analysts and institutional investors)

(Figures are rounded down to the nearest million yen)

1. Consolidated Results for Fiscal Year Ended May 31, 2026 (June 1, 2025 to May 31, 2026)

(1) Consolidated Operating Results (Figures in percentages denote the year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended May 31, 2026	497,128	8.8	23,970	5.9	25,232	7.8	16,990	8.3
Fiscal year ended May 31, 2025	457,093	8.2	22,625	11.9	23,414	12.1	15,685	14.6

(Note) Comprehensive income: Fiscal year ended May 31, 2026: ¥17,349 million (9.3%)
Fiscal year ended May 31, 2025: ¥15,868 million (13.6%)

	Earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating margin
	Yen	Yen	%	%	%
Fiscal year ended May 31, 2026	263.00	—	11.4	10.3	4.8
Fiscal year ended May 31, 2025	242.82	—	11.5	10.3	4.9

(Reference) Share of profit of entities accounted for using equity method:
Fiscal year ended May 31, 2026: ¥— million
Fiscal year ended May 31, 2025: ¥— million

(2) Consolidated Financial Position

	Total assets	Total net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2026	255,350	154,321	60.4	2,388.79
As of May 31, 2025	236,561	142,720	60.3	2,209.23

(Reference) Net assets: As of May 31, 2026: ¥154,321 million
As of May 31, 2025: ¥142,720 million

(3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended May 31, 2026	25,435	(20,405)	(5,678)	36,699
Fiscal year ended May 31, 2025	23,625	(20,700)	(3,390)	37,346

2. Dividend Payments

	Dividends per share					Total dividends paid (annual)	Dividend payout ratio (consolidated)	Dividend on equity ratio (consolidated)
	First quarter	Second quarter	Third quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended May 31, 2025	―	34.00	―	44.00	78.00	5,038	32.1	3.7
Fiscal year ended May 31, 2026	―	45.00	―	48.00	93.00	6,008	35.4	4.0
Fiscal year ending May 31, 2027 (forecast)	―	48.00	―	48.00	96.00		36.5	

3. Consolidated Financial Forecast (From June 1, 2026 to May 31, 2027)

(Figures in percentages denote the year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending November 30, 2026	262,800	8.6	11,600	4.4	12,200	4.3	8,250	4.6	127.70
Full-year	541,000	8.8	25,300	5.5	26,500	5.0	17,000	0.1	263.15

Notes

(1) Significant changes of subsidiaries in the fiscal year ended May 31, 2026: Yes

Newly consolidated: 3 companies (company names) SANEFU INC.
YAOHAN Holdings Co., Ltd.
YAOHAN Food Center Co., Ltd.

Deconsolidated: ― 1 companies (company name(s)) SANEFU INC.

(2) Changes in accounting policies, changes of accounting estimates and restatement

(i) Changes in accounting policies due to amendments to accounting standards: Yes
(ii) Other changes in accounting policies: None
(iii) Changes in accounting estimates: None
(iv) Restatements: None

(3) Issued shares (common shares)

(i) Issued shares (including treasury shares) at period-end:	Fiscal year ended May 31, 2026	66,819,342 shares	Fiscal year ended May 31, 2025	66,819,342 shares
(ii) Treasury shares at period-end:	Fiscal year ended May 31, 2026	2,217,078 shares	Fiscal year ended May 31, 2025	2,217,058 shares
(iii) Average issued shares during period:	Fiscal year ended May 31, 2026	64,602,267 shares	Fiscal year ended May 31, 2025	64,595,671 shares

Note on issued shares

(Reference) Overview of Non-Consolidated Results

1. Non-Consolidated Results for Fiscal Year Ended May 31, 2026 (June 1, 2025 to May 31, 2026)

(1) Non-Consolidated Operating Results

(Figures in percentages denote the year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended May 31, 2026	9,904	10.4	9,335	10.6	9,503	11.1	8,853	11.2
Fiscal year ended May 31, 2025	8,968	9.4	8,442	9.5	8,555	9.8	7,963	10.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended May 31, 2026	137.05	―
Fiscal year ended May 31, 2025	123.29	―

(2) Non-Consolidated Financial Position

	Total assets	Total net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2026	68,841	68,285	99.2	1,057.01
As of May 31, 2025	65,951	65,181	98.8	1,008.96

(Reference) Net assets: As of May 31, 2026: ¥68,285 million
As of May 31, 2025: ¥65,181 million

This financial summary is not subject to audits by certified public accountants or audit firms.

Cautionary statement regarding business results forecasts and special notes

The financial forecasts and other forward-looking statements contained herein are based on currently available information and certain assumptions considered by the Company to be reasonable. Actual financial results may differ materially due to various factors. Refer to “1. Operating Results (4) Future Outlook” on page 3 of the supplementary material for the underlying assumptions and proper use of the forecasts.

Contents

1. Operating Results

(1) Operating Results for the Fiscal Year under Review

During the fiscal year ended May 31, 2026 (June 1, 2025 to May 31, 2026), the Japanese economy continued on a moderate recovery trend supported by improvements in the employment and income environment. However, the outlook remains uncertain due to concerns over a slowdown in personal consumption resulting from continued inflation, heightened geopolitical risks, and uncertainty surrounding U.S. trade policy.

In the drug store industry, the business environment surrounding the Company has become increasingly challenging due to the intensified competition from the aggressive opening of stores by competitors across different sectors and business models, heightened price competition, the trend toward industry consolidation and scale expansion through M&A among major players, the impact of revisions to dispensing fees and drug prices, and changes in legal regulations governing pharmaceutical sales.

Under these circumstances, the Group is promoting various measures to achieve the goals of the Medium-term Management Plan, Next STAGE 2030, with the fiscal year ending May 31, 2030 as its final year.

Drug Stores

During the fiscal year ended May 31, 2026, although there was a rebound from the outbreak of colds and influenza and other illnesses in the same period of the previous year, net sales at existing stores continued to exceed the previous year driven by the sustained promotion of the Everyday Low Price (EDLP) strategy in the merchandise sales division. In the prescriptions division as well, efforts focused on increasing the number of prescription drug stores, strengthening collaboration with nearby medical institutions and enhancing the calculation of various reimbursement additions, resulting in steady progress in the number of prescriptions handled and the average prescription unit price. As a result, both net sales and customer numbers remained strong, and the Group achieved increased sales and profit by securing gross profit through higher sales and maintaining appropriate control over selling, general and administrative expenses, including personnel expenses.

During the period, we opened 33 new drug stores. On the other hand, we closed nine stores, four for scrap-and-build redevelopment, four due to expiration of contracts, and one from the standpoint of improving management efficiency. In terms of prescription drug stores, we opened 28 new stores: 27 in-store prescription drug stores and one dedicated prescription drug store. On the other hand, we closed two in-store prescription drug stores, one due to expiration of contract and one from the standpoint of improving management efficiency.

Furthermore, on August 29, 2025, CREATE SD CO., LTD., a consolidated subsidiary, acquired all shares of SANEFU INC. (Fuchu City, Tokyo), which operates nine dedicated prescription drug stores, making it a subsidiary (through an absorption-type merger effective March 1, 2026). As a result, we added nine dedicated prescription drug stores. In addition, on October 29, 2025, CREATE SD CO., LTD., a consolidated subsidiary, acquired all shares of YAOHAN Holdings Co., Ltd., the parent company of YAOHAN Food Center Co., Ltd., which operates eight supermarkets in the cities of Kanuma and Nikko in Tochigi Prefecture, making it a consolidated subsidiary. As a result, we added eight supermarkets.

Nursing Care

Regarding the nursing care business, amid an aging population, we operate two paid assisted living facilities characterized by delicious meals for elderly people who want to live safely and securely under the care of nursing staff, as well as 37 half-day rehabilitative adult care centers for those who want to continue living at home. For our paid assisted living facilities and adult day care services, we have put every effort into customer service, which is one of the distinctive characteristics of our Group, while working to expand various services in an effort to increase user satisfaction and improve occupancy rates.

Owing to the efforts above, the number of Group stores as of May 31, 2026, was as follows: 811 drug stores, nine supermarkets, five combination drug store/fresh produce stores, and 48 dedicated prescription drug stores, for a total of 873 stores. In addition, the Group operates 442 in-store prescription drug stores. In the nursing care business, the Group operates two paid assisted living facilities and 37 half-day adult care centers.

As a result of the above, the financial results for the fiscal year under review were as follows: Net sales came in at 497,128 million yen (up 8.8% year on year), operating profit was 23,970 million yen (up 5.9%), ordinary profit was 25,232 million yen (up 7.8%), and profit attributable to owners of parent was 16,990 million yen (up 8.3%).

(2) Financial Position

Total assets were 255,350 million yen, up 18,789 million yen from the end of the previous fiscal year. The main factors were an increase of 3,275 million yen in accounts receivable - trade, 689 million yen in merchandise, and 12,829 million yen in non-current assets due to an increase in new and soon to be opened stores.

Total liabilities were 101,029 million yen, up 7,188 million yen from the end of the previous fiscal year. The main factors were an increase of 5,711 million yen in accounts payable - trade and 141 million yen in long-term asset retirement obligations, while accrued income taxes decreased by 1,290 million yen.

Net assets were 154,321 million yen, up 11,600 million yen from the end of the previous fiscal year. The main factors were a 5,749 million yen decrease due to dividends paid and the recording of 16,990 million yen in profit attributable to owners of parent.

(3) Cash Flows

Cash and cash equivalents at the end of the fiscal year under review totaled 36,699 million yen, down 647 million yen from the end of the previous fiscal year.

Cash flows for the fiscal year ended May 31, 2026 were as follows:

Cash flows from operating activities

Net cash provided by operating activities amounted to 25,435 million yen, up 1,810 million yen year on year. The main factors of the increase were profit before income taxes of 23,683 million yen, depreciation and amortization of 6,557 million yen, impairment losses of 1,538 million yen, and an increase in trade payables of 5,217 million yen, which offset cash outflows such as an increase in trade receivables of 3,023 million yen, an increase in inventories of 480 million yen, and income taxes paid of 8,271 million yen.

Cash flows from investing activities

Net cash used in investing activities amounted to 20,405 million yen, down 295 million yen year on year. This was mainly due to 16,214 million yen of purchase of property, plant and equipment associated with the store openings, 392 million yen of loan advances, 3,256 million yen for store openings in progress, and 1,313 million yen for the purchase of shares of subsidiaries resulting from changes in the scope of consolidation.

Cash flows from financing activities

Net cash used in financing activities amounted to 5,678 million yen, up 2,287 million yen year on year. This is the result of proceeds of 1,500 million yen from long-term borrowings, dividends paid of 5,749 million yen, and repayments of long-term borrowings of 1,328 million yen.

Capital resources and liquidity of funds

Regarding the Group's capital resources and liquidity of funds, cash obtained mainly from operating activities are used for capital investment for the opening of new stores.

(4) Future Outlook

In the next fiscal year, the Japanese economy is expected to show a moderate recovery supported by improvements in the employment and income environment and an increase in the number of foreign visitors to Japan. However, the outlook is expected to remain uncertain due to concerns over a slowdown in personal consumption resulting from continued inflation, heightened geopolitical risks including the situation in the Middle East, and fluctuations in financial and capital markets.

The harsh business environment in the drug store industry is expected to continue due to further intensifying competition across sectors and business models, moves to expand store opening areas in order to broaden trade areas, further activity in M&A and industry reorganization, and the risk of downward pressure on profits due to revisions to dispensing fees and drug prices.

Under these circumstances, the Group will steadily promote the three key pillars of the Medium-term Management Plan, Next STAGE 2030, formulated in July 2025, namely (1) Growth Strategy, (2) Financial Strategy, and (3) Promotion of Sustainability Management, and will strive to achieve sustainable enhancement of corporate value as an indispensable presence for customers, patients, and other stakeholders in regional communities.

Based on the above, we forecast the financial results for the fiscal year ending May 31, 2027 as follows:

Consolidated Financial Forecast (From June 1, 2026 to May 31, 2027)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Full-year	541,000	25,300	26,500	17,000

(Reference) Forecast earnings per share: 263.15 yen, average number of shares during the forecast period: 64,602,264 shares

(Note) The above forecasts, which include risks and uncertainties, are made by the Company based on information available at the time. Actual results may differ from these forecasts due to various factors.

2. Basic Concept of Selecting Accounting Standards

The Group presently intends to prepare consolidated financial statements based on Generally Accepted Accounting Principles in Japan (Japanese GAAP), taking into account the comparability of consolidated financial statements over the period and the comparability between companies.

Regarding the application of International Financial Reporting Standards (IFRS), we will take appropriate measures in consideration of domestic and overseas circumstances.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	FY2024 (As of May 31, 2025)	FY2025 (As of May 31, 2026)
Assets		
Current assets		
Cash and deposits	37,746	37,099
Accounts receivable - trade	17,512	20,788
Merchandise	45,659	46,349
Supplies	144	137
Other	10,978	13,627
Total current assets	112,041	118,000
Non-current assets		
Property, plant and equipment		
Buildings and structures	73,665	83,060
Accumulated depreciation	(26,691)	(32,143)
Buildings and structures, net	46,973	50,917
Land	33,034	42,513
Other	32,435	34,593
Accumulated depreciation	(26,098)	(28,411)
Other, net	6,336	6,182
Total property, plant and equipment	86,344	99,612
Intangible fixed assets		
Goodwill	294	884
Other	650	551
Total intangible assets	944	1,435
Investments and other assets		
Investment securities	175	188
Long-term loans receivable	10,324	9,840
Deferred tax assets	7,924	8,097
Leasehold and guarantee deposits	12,303	12,792
Other	6,562	5,441
Allowance for doubtful accounts	(60)	(61)
Total investments and other assets	37,231	36,300
Total non-current assets	124,520	137,349
Total assets	236,561	255,350

(Millions of yen)

	FY2024 (As of May 31, 2025)	FY2025 (As of May 31, 2026)
Liabilities		
Current liabilities		
Accounts payable - trade	59,763	65,474
Current portion of bonds payable	—	100
Current portion of long-term borrowings	—	947
Contract liabilities	3,760	3,997
Accrued income taxes	5,148	3,858
Accrued bonuses	384	430
Provision for bonuses for directors (and other officers)	150	118
Provision for point card certificates	190	250
Asset retirement obligations	19	6
Provision for losses on cancellation	132	—
Other	15,119	16,163
Total current liabilities	84,668	91,347
Non-current liabilities		
Long-term borrowings	—	313
Net defined benefit liability	3,263	3,100
Asset retirement obligations	4,153	4,295
Provision for loss on subleasing	17	11
Provision for losses on cancellation	238	—
Other	1,497	1,961
Total non-current liabilities	9,171	9,681
Total liabilities	93,840	101,029
Net assets		
Equity capital		
Share capital	1,000	1,000
Capital surplus	3,709	3,709
Retained earnings	140,131	151,371
Treasury shares	(2,705)	(2,705)
Total shareholders’ equity	142,134	153,375
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	50	46
Remeasurements of defined benefit plans	536	899
Total accumulated other comprehensive income	586	945
Total net assets	142,720	154,321
Liabilities and net assets	236,561	255,350

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	FY2024 (From June 1, 2024 to May 31, 2025)	FY2025 (From June 1, 2025 to May 31, 2026)
Net sales	457,093	497,128
Cost of sales	337,873	370,174
Gross profit	119,220	126,953
Selling, general and administrative expenses		
Provision for point card certificates	190	250
Salaries and allowances	38,808	42,395
Provision for bonuses	762	430
Provision for directors' bonuses	146	116
Retirement benefit expenses	706	671
Depreciation and amortization	5,358	5,972
Amortization of goodwill	77	114
Land/office rent	18,312	19,191
Other	32,230	33,840
Total selling, general and administrative expenses	96,594	102,983
Operating profit	22,625	23,970
Non-operating profit		
Interest income	123	202
Dividend income	1	2
Gain on receipt of donated non-current assets	26	69
Rent income	544	976
Other	353	523
Total non-operating income	1,049	1,773
Non-operating expenses		
Interest expenses	—	15
Provision of allowance for doubtful accounts	2	1
Compensation expenses	1	2
Rental expenses	254	432
Loss on abandonment of goods	—	6
Other	2	52
Total non-operating expenses	260	510
Ordinary profit	23,414	25,232
Extraordinary profit		
Subsidy income	208	109
Other	1	—
Total extraordinary income	210	109
Extraordinary losses		
Loss on sale of non-current assets	2	—
Impairment losses	950	1,538
Loss on retirement of non-current assets	15	0
Loss on tax purpose reduction entry of non-current assets	208	109
Loss on valuation of investment securities	20	—
Provision for losses on cancellation losses	371	—
Other	67	10
Total extraordinary losses	1,635	1,658

(Millions of yen)

	FY2024 (From June 1, 2024 to May 31, 2025)	FY2025 (From June 1, 2025 to May 31, 2026)
Profit before income taxes	21,988	23,683
Income taxes - current	7,433	6,986
Income taxes - deferred	(1,129)	(293)
Total income taxes	6,303	6,693
Profit	15,685	16,990
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	15,685	16,990

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2024 (From June 1, 2024 to May 31, 2025)	FY2025 (From June 1, 2025 to May 31, 2026)
Profit	15,685	16,990
Other comprehensive income		
Valuation difference on available-for-sale securities	10	(3)
Remeasurements of defined benefit plans, net of tax	172	363
Total other comprehensive income	183	359
Comprehensive income:	15,868	17,349
Comprehensive income attributable to:		
Owners of parent	15,868	17,349
Non-controlling interests	—	—

(3) Consolidated Statements of Changes in Equity

FY2024 (June 1, 2024 to May 31, 2025)

(Millions of yen)

	Equity capital				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,000	2,945	129,019	(3,144)	129,821
Changes during period					
Dividends of surplus			(4,573)		(4,573)
Profit attributable to owners of parent			15,685		15,685
Purchase of treasury shares					–
Exercise of share options		763		438	1,201
Net changes in items other than shareholders' equity					
Total changes during period	–	763	11,111	438	12,313
Balance at end of period	1,000	3,709	140,131	(2,705)	142,134

	Accumulated other comprehensive income			Share options	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	39	363	403	18	130,243
Changes during period					
Dividends of surplus					(4,573)
Profit attributable to owners of parent					15,685
Purchase of treasury shares					–
Exercise of share options					1,201
Net changes in items other than shareholders' equity	10	172	183	(18)	164
Total changes during period	10	172	183	(18)	12,477
Balance at end of period	50	536	586	–	142,720

FY2025 (June 1, 2025 to May 31, 2026)

(Millions of yen)

	Equity capital				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,000	3,709	140,131	(2,705)	142,134
Changes during period					
Dividends of surplus			(5,749)		(5,749)
Profit attributable to owners of parent			16,990		16,990
Purchase of treasury shares				(0)	(0)
Exercise of share options					–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	11,240	(0)	11,240
Balance at end of period	1,000	3,709	151,371	(2,705)	153,375

	Accumulated other comprehensive income			Share options	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	50	536	586	–	142,720
Changes during period					
Dividends of surplus					(5,749)
Profit attributable to owners of parent					16,990
Purchase of treasury shares					(0)
Exercise of share options					–
Net changes in items other than shareholders' equity	(3)	363	359	–	359
Total changes during period	(3)	363	359	–	11,600
Balance at end of period	46	899	945	–	154,321

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY2024 (From June 1, 2024 to May 31, 2025)	FY2025 (From June 1, 2025 to May 31, 2026)
Cash flows from operating activities		
Profit before income taxes	21,988	23,683
Depreciation and amortization	5,598	6,442
Amortization of goodwill	77	114
Impairment losses	950	1,538
Increase (decrease) in allowance for doubtful accounts	(0)	1
Increase (decrease) in provision for bonuses	(3)	37
Increase (decrease) in provision for bonuses for directors (and other officers)	(7)	(31)
Increase (decrease) in provision for point card certificates	29	59
Increase (decrease) in provision for loss on subleasing	(6)	(6)
Increase (decrease) in provision for losses on cancellation	371	(222)
Increase (decrease) in retirement benefit liability	281	257
Interest and dividend income	(124)	(204)
Interest expenses	—	15
Decrease (increase) in trade receivables	(2,080)	(3,023)
Decrease (increase) in inventories	(3,672)	(480)
Increase (decrease) in trade payables	3,405	5,217
Increase (decrease) in advances received	(17)	(212)
Other	1,872	448
Subtotal	28,663	33,636
Interest and dividends received	28	87
Interest paid	—	(15)
Income taxes paid	(5,930)	(8,274)
Income taxes refund	863	2
Net cash provided by operating activities	23,625	25,435
Cash flows from investing activities		
Purchase of property, plant and equipment	(17,524)	(16,214)
Purchase of intangible assets	(129)	(133)
Long-term loan advances	(478)	(392)
Proceeds from collection of long-term loans receivable	1,094	1,112
Proceeds from sale of investment securities	3	—
Purchase of long-term prepaid expenses	(210)	(341)
Payments of leasehold and guarantee deposits	(152)	(241)
Proceeds from refund of leasehold and guarantee deposits	125	201
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(1,313)
Proceeds from cancellation of insurance funds	—	272
Payments for store openings in progress	(3,413)	(3,256)
Payments into deposit money	(9)	(6)
Other	(6)	(91)
Net cash used in investing activities	(20,700)	(20,405)
Cash flows from financing activities		
Repayments of short-term borrowings	—	(100)
Proceeds from long-term borrowings	—	1,500
Repayments of long-term borrowings	—	(1,328)
Dividends paid	(4,573)	(5,749)
Proceeds from disposal of treasury shares	1,198	—
Other	(15)	(0)
Net cash used in financing activities	(3,390)	(5,678)

(Millions of yen)

	FY2024 (From June 1, 2024 to May 31, 2025)	FY2025 (From June 1, 2025 to May 31, 2026)
Net increase (decrease) in cash and cash equivalents	(465)	(647)
Cash and cash equivalents at beginning of period	37,812	37,346
Cash and cash equivalents at end of period	37,346	36,699

(5) Notes to Consolidated Financial Statements

Going concern assumption

Not applicable

Changes to accounting policies

Not applicable

Change in presentation

Consolidated statement of Income

In the fiscal year ended May 31, 2025, amortization of goodwill was included in “Depreciation and amortization.” From the fiscal year ended May 31, 2026, amortization of goodwill has been presented separately in order to enhance clarity of presentation. Accordingly, the comparative information for the fiscal year ended May 31, 2025 has also been reclassified to reflect this change.

As a result, the amount of 5,436 million yen that was previously presented as “Depreciation and amortization” in the prior accounting period has been reclassified into “Depreciation and amortization” of 5,358 million yen and “Amortization of goodwill” of 77 million yen.

Segment information

Since the Group has a high proportion of drug store business which is considered to be of little importance as disclosed information, segment information has been omitted.

Per share information

	FY2024 (From June 1, 2024 to May 31, 2025)	FY2025 (From June 1, 2025 to May 31, 2026)
Net assets per share	¥2,209.23	¥2,388.79
Earnings per share	¥242.82	¥263.00

Notes: 1. Diluted earnings per share not stated because there were no diluted shares.
2. The basis for calculating earnings per share is as follows:

	FY2024 (From June 1, 2024 to May 31, 2025)	FY2025 (From June 1, 2025 to May 31, 2026)
Earnings per share		
Profit attributable to owners of parent (millions of yen)	15,685	16,990
Amount not attributable to ordinary shareholders (millions of yen)	—	—
Profit attributable to owners of parent related to common shares (millions of yen)	15,685	16,990
Average number of common shares during period	64,595,671	64,602,267

Significant subsequent events

Not applicable

4. Other

(1) Changes in Officers

To be disclosed when details are concluded.

(2) Other

Purchases and Sales

(i) Sales results by product division

Product division		FY2025 (From June 1, 2025 to May 31, 2026) Amount (millions of yen)	YoY change (%)
Drug Stores			
Medical and health products		127,846	107.4
	OTC	62,115	100.4
	Prescription drug stores	65,730	114.9
Cosmetics		52,899	105.6
Food products		214,837	109.7
Daily products		70,719	106.8
Other		21,664	104.0
Subtotal		487,966	107.9
Supermarkets		6,600	255.2
Nursing Care			
Paid assisted living facilities		750	104.2
Adult day care services		1,600	105.7
Subtotal		2,351	105.2
Revenue from contracts with customers		496,917	108.8
Other revenue (Note)		210	108.8
Total		497,128	108.8

(Note) Other revenue includes rent income based on the Accounting Standard for Lease Transactions (ASBJ Statement No. 13).

(ii) Sales results by region

Sales results by region for the fiscal year ended May 31, 2026 were as follows:

	FY2024 (From June 1, 2024 to May 31, 2025)		FY2025 (From June 1, 2025 to May 31, 2026)	
	Amoun (millions of yen)	Share (%)	Amount (millions of yen)	Share (%)
Kanagawa	277,843	60.8	299,853	60.3
Tokyo	63,197	13.8	68,063	13.7
Shizuoka	48,799	10.7	52,135	10.5
Chiba	42,486	9.3	46,782	9.4
Other	24,766	5.4	30,293	6.1
Total	457,093	100.0	497,128	100.0

(iii) Purchase results

Purchase results by product division for the fiscal year ended May 31, 2026 were as follows:

Product division		FY2025 (From June 1, 2025 to May 31, 2026)	
		Amount (millions of yen)	YoY change (%)
Drug Stores			
Medical and health products		76,065	107.3
	OTC	35,160	98.4
	Prescription drug stores	40,905	116.3
Cosmetics		33,576	104.1
Food products		186,028	109.4
Daily products		51,106	106.7
Other		16,834	102.4
Subtotal		363,611	107.8
Supermarkets		4,908	245.9
Nursing Care			
Paid assisted living facilities		—	—
Adult day care services		—	—
Subtotal		—	—
Purchases for revenue from contracts with customers		368,519	108.6
Other purchases		—	—
Total		368,519	108.6