

# Translation

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## Summary of Consolidated Financial Results for the Six Months Ended November 20, 2024 (Based on Japanese GAAP)

December 26, 2024

Company name: KUSURI NO AOKI HOLDINGS CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 3549 URL <http://www.kusuri-aoki-hd.co.jp/>  
 Representative: Representative Director and President Hironori Aoki  
 Inquiries: Director for Administration Ryoichi Yahata TEL 076-274-6115  
 Scheduled date to file Semi-annual Securities Report: December 26, 2024  
 Scheduled date to commence dividend payments: January 24, 2025  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended November 20, 2024 (from May 21, 2024 to November 20, 2024)

#### (1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended November 20, 2024	242,826	12.6	12,651	85.5	12,911	84.9	8,622	151.9
Six months ended November 20, 2023	215,622	17.0	6,820	(17.6)	6,983	(38.0)	3,422	(56.8)

(Note) Comprehensive income Six months ended November 20, 2024: ¥8,304 million [120.2%]  
 Six months ended November 20, 2023: ¥3,770 million [(52.8)%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended November 20, 2024	86.39	85.25
Six months ended November 20, 2023	36.18	—

- (Notes) 1. Diluted earnings per share for the six months ended November 20, 2023 is not presented as there were no potential shares with dilutive effects.
2. KUSURI NO AOKI HOLDINGS CO., LTD. (the “Company”) conducted a 3-for-1 share split of its common shares on November 21, 2023. Earnings per share are calculated on the assumption that said share split was conducted at the beginning of the previous fiscal year.
3. Due to the achievement of the conditions for exercising the fifth series of share acquisition rights resolved at the Board of Directors meeting held on January 9, 2020, the Company has recorded share remuneration expenses of ¥6,015 million in the six months ended November 20, 2023 and ¥392 million in the six months ended November 20, 2024.

**(Reference) The financial results excluding share remuneration expenses are as follows:**

**Operating profit: ¥13,044 million (up 1.6% year on year); ordinary profit: ¥13,304 million (up 2.4% year on year); profit attributable to owners of parent: ¥9,015 million (down 4.5% year on year)**

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 20, 2024	347,955	148,395	42.6
As of May 20, 2024	303,453	117,420	36.4

(Reference) Equity capital As of November 20, 2024: ¥148,395 million As of May 20, 2024: ¥110,557 million

## 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended May 20, 2024	–	16.00	–	5.50	–
Year ending May 20, 2025	–	7.00			
Year ending May 20, 2025 (Forecast)			–	7.00	14.00

(Note) Revisions to cash dividend forecast most recently announced: No

The Company conducted a 3-for-1 share split of its common shares on November 21, 2023. Accordingly, the figures shown for the 2nd quarter-end of the year ended May 20, 2024 are the actual payment before the share split. The forecast for the total annual dividends is not shown because the implementation of the share split makes it impossible to perform a simple total. On a pre-split basis, the total annual dividends per share would be ¥42.00.

## 3. Forecast of consolidated financial results for the year ending May 20, 2025 (from May 21, 2024 to May 20, 2025)

	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
Full year	485,000	11.0	25,107	35.2	25,607	27.4	18,107	47.1	191.41

(Notes) 1. Revisions to consolidated financial results forecast most recently announced: No

2. For the average number of shares during the period that serves as a basis for calculation of the earnings per share, the total number of issued shares (excluding treasury shares) as of May 20, 2024 is used.

**(Reference) The financial results forecasts excluding share remuneration expenses are as follows:**

**Operating profit: ¥25,500 million (up 0.5% year on year); ordinary profit: ¥26,000 million (down 3.4% year on year); profit attributable to owners of parent: ¥18,500 million (down 3.2% year on year); earnings per share: ¥195.57**

## 4. Notes

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

(2) Application of special accounting methods for preparing semi-annual consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of November 20, 2024	105,097,680 shares	As of May 20, 2024	94,597,680 shares
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Number of treasury shares at the end of the period

As of November 20, 2024	348,989 shares	As of May 20, 2024	1,851 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended November 20, 2024	99,808,480 shares	Six months ended November 20, 2023	94,595,990 shares
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The Company conducted a 3-for-1 share split of its common shares on November 21, 2023. Average number of shares during the period (cumulative from the beginning of the fiscal year) for the six months ended November 20, 2023 is calculated on the assumption that said share split was conducted at the beginning of the previous fiscal year.

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

\* Proper use of financial results forecasts, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable, and are not promise by the Company regarding their achievement. Actual results may differ materially from the forecast depending on a range of factors.

**Semi-annual consolidated financial statements**  
**Semi-annual consolidated balance sheets**

(Millions of yen)

	As of May 20, 2024	As of November 20, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	49,125	77,038
Accounts receivable - trade	12,246	19,449
Merchandise	47,792	52,201
Accounts receivable - other	16,291	13,719
Other	334	312
Allowance for doubtful accounts	(2)	(2)
Total current assets	125,787	162,717
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	120,105	121,164
Machinery, equipment and vehicles, net	7,044	7,592
Land	6,578	6,747
Leased assets, net	6,650	6,608
Construction in progress	2,360	5,957
Other, net	5,315	5,816
Total property, plant and equipment	148,054	153,886
Intangible assets		
Goodwill	4,499	5,975
Other	3,342	3,475
Total intangible assets	7,842	9,451
Investments and other assets		
Investment securities	3,356	2,916
Leasehold and guarantee deposits	8,644	8,635
Deferred tax assets	4,538	5,076
Retirement benefit asset	85	—
Other	5,152	5,282
Allowance for doubtful accounts	(10)	(10)
Total investments and other assets	21,767	21,900
Total non-current assets	177,665	185,237
Total assets	303,453	347,955

(Millions of yen)

	As of May 20, 2024	As of November 20, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	54,242	59,849
Short-term borrowings	5,500	—
Current portion of bonds payable	336	—
Current portion of long-term borrowings	12,264	14,609
Accounts payable - other	9,607	12,252
Income taxes payable	3,884	3,991
Contract liabilities	2,342	2,483
Provision for bonuses	2,060	152
Provision for point card certificates	28	36
Provision for loss on disaster	119	11
Provision for loss on store closings	6	—
Other	7,656	6,608
Total current liabilities	98,050	99,995
Non-current liabilities		
Bonds payable	1,119	—
Long-term borrowings	70,795	83,424
Lease liabilities	6,398	6,229
Provision for retirement benefits for directors (and other officers)	257	267
Asset retirement obligations	9,145	9,353
Other	266	288
Total non-current liabilities	87,982	99,564
Total liabilities	186,032	199,559
Net assets		
Shareholders' equity		
Share capital	1,167	16,749
Capital surplus	2,166	17,748
Retained earnings	106,480	114,583
Treasury shares	(4)	(1,115)
Total shareholders' equity	109,810	147,966
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	747	428
Total accumulated other comprehensive income	747	428
Share acquisition rights	6,862	—
Total net assets	117,420	148,395
Total liabilities and net assets	303,453	347,955

**Semi-annual consolidated statements of income and semi-annual consolidated statements of comprehensive income**

**Semi-annual consolidated statements of income**

(Millions of yen)

	Six months ended November 20, 2023	Six months ended November 20, 2024
Net sales	215,622	242,826
Cost of sales	156,785	178,469
Gross profit	58,836	64,356
Selling, general and administrative expenses	52,016	51,704
Operating profit	6,820	12,651
Non-operating income		
Interest income	21	25
Dividend income	36	52
Commission income	135	154
Rent income	137	224
Subsidy income	50	86
Gain on receipt of donated non-current assets	5	3
Other	130	251
Total non-operating income	517	798
Non-operating expenses		
Interest expenses	172	294
Rental costs	72	75
Other	109	167
Total non-operating expenses	354	538
Ordinary profit	6,983	12,911
Extraordinary income		
Gain on sale of non-current assets	51	1
Total extraordinary income	51	1
Extraordinary losses		
Loss on sale of non-current assets	12	5
Loss on retirement of non-current assets	0	16
Impairment losses	—	3
Loss on valuation of investment securities	—	19
Loss on termination of retirement benefit plan	—	83
Total extraordinary losses	13	128
Profit before income taxes	7,021	12,784
Income taxes - current	2,861	4,161
Income taxes - deferred	737	0
Total income taxes	3,599	4,161
Profit	3,422	8,622
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	3,422	8,622

**Semi-annual consolidated statements of comprehensive income**

(Millions of yen)

	Six months ended November 20, 2023	Six months ended November 20, 2024
Profit	3,422	8,622
Other comprehensive income		
Valuation difference on available-for-sale securities	347	(318)
Total other comprehensive income	347	(318)
Comprehensive income	3,770	8,304
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,770	8,304
Comprehensive income attributable to non-controlling interests	—	—

## Semi-annual consolidated statements of cash flows

(Millions of yen)

	Six months ended November 20, 2023	Six months ended November 20, 2024
Cash flows from operating activities		
Profit before income taxes	7,021	12,784
Depreciation	5,642	5,975
Amortization of goodwill	130	273
Share-based payment expenses	6,015	392
Impairment losses	—	3
Increase (decrease) in provision for loss on store closings	—	(6)
Increase (decrease) in provision for bonuses	(1,769)	(1,937)
Increase (decrease) in allowance for doubtful accounts	(0)	0
Increase (decrease) in provision for retirement benefits for directors (and other officers)	12	9
Increase (decrease) in provision for loss on disaster	—	(108)
Increase (decrease) in contract liabilities	(89)	140
Increase (decrease) in provision for point card certificates	(1)	7
Loss on retirement of non-current assets	0	16
Loss on sale of non-current assets	12	5
Gain on sale of non-current assets	(51)	(1)
Interest and dividend income	(57)	(77)
Interest expenses	172	294
Decrease (increase) in trade receivables	(454)	(7,056)
Decrease (increase) in inventories	(1,141)	(4,404)
Increase (decrease) in trade payables	584	5,169
Other, net	2,311	3,955
Subtotal	18,338	15,437
Interest and dividends received	36	55
Interest paid	(171)	(297)
Income taxes paid	(3,660)	(4,074)
Income taxes refund	270	88
Net cash provided by (used in) operating activities	14,812	11,210
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	—	150
Purchase of investment securities	(34)	(36)
Purchase of property, plant and equipment	(10,824)	(8,575)
Proceeds from sale of property, plant and equipment	69	54
Purchase of intangible assets	(315)	(268)
Payments of leasehold and guarantee deposits	(111)	(469)
Proceeds from refund of leasehold and guarantee deposits	52	614
Long-term loan advances	(33)	(41)
Proceeds from collection of long-term loans receivable	9	33
Payments of construction assistance fund receivables	(167)	(274)
Proceeds from collection of construction assistance fund receivables	—	1
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(1,372)
Payments for acquisition of businesses	(102)	(1,573)
Other, net	(110)	868
Net cash provided by (used in) investing activities	(11,567)	(10,889)

(Millions of yen)

	Six months ended November 20, 2023	Six months ended November 20, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	(5,500)
Proceeds from long-term borrowings	3,000	25,439
Repayments of long-term borrowings	(5,616)	(11,805)
Repayments of lease liabilities	(1,153)	(1,211)
Purchase of treasury shares	(0)	(1,110)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	—	23,908
Redemption of bonds	—	(1,455)
Dividends paid	(457)	(521)
Net cash provided by (used in) financing activities	(4,227)	27,743
Net increase (decrease) in cash and cash equivalents	(982)	28,063
Cash and cash equivalents at beginning of period	42,870	48,974
Cash and cash equivalents at end of period	41,888	77,038