KUSURI NO AOKI HOLDINGS CO., LTD.

Financial Results Briefing for the Second Quarter of the Fiscal Year Ending May 2026

January 7, 2026

Hironori Aoki, Representative Director and President

(TSE Prime Section Code: 3549)

Financial Results Briefing for the Second Quarter of the Fiscal Year Ending May 2026

Store Opening/Closing Results

	No. of stores at end of FY May 2025	Store opening and closing results for 1H of FY May 2026									No. of stores at end of 1H of FY May 2026
		Hokushinetsu	Tohoku	Kanto	Tokai	Kansai	Shikoku	Opening total	M&A (SM)	Closing	
[1] Drugstores	1,004	7	7	12	8	10	10	54	0	1	1,057
[2] Attached dispensing pharmacies	664	3	4	15	4	3	1	30	0	7	687
[3] Dispensing pharmacies	6	-	-	-	-	-	-	0	0	0	6
[4] Other (SM)	26	-	-	-	-	-	-	0	5	1	19
Total number of stores ([1]+[3]+[4])	1,036	7	7	12	8	10	10	54	5	2	1,082

* Ratio of stores with dispensaries is calculated based on the number of drugstores (excluding SM and dispensing pharmacies).

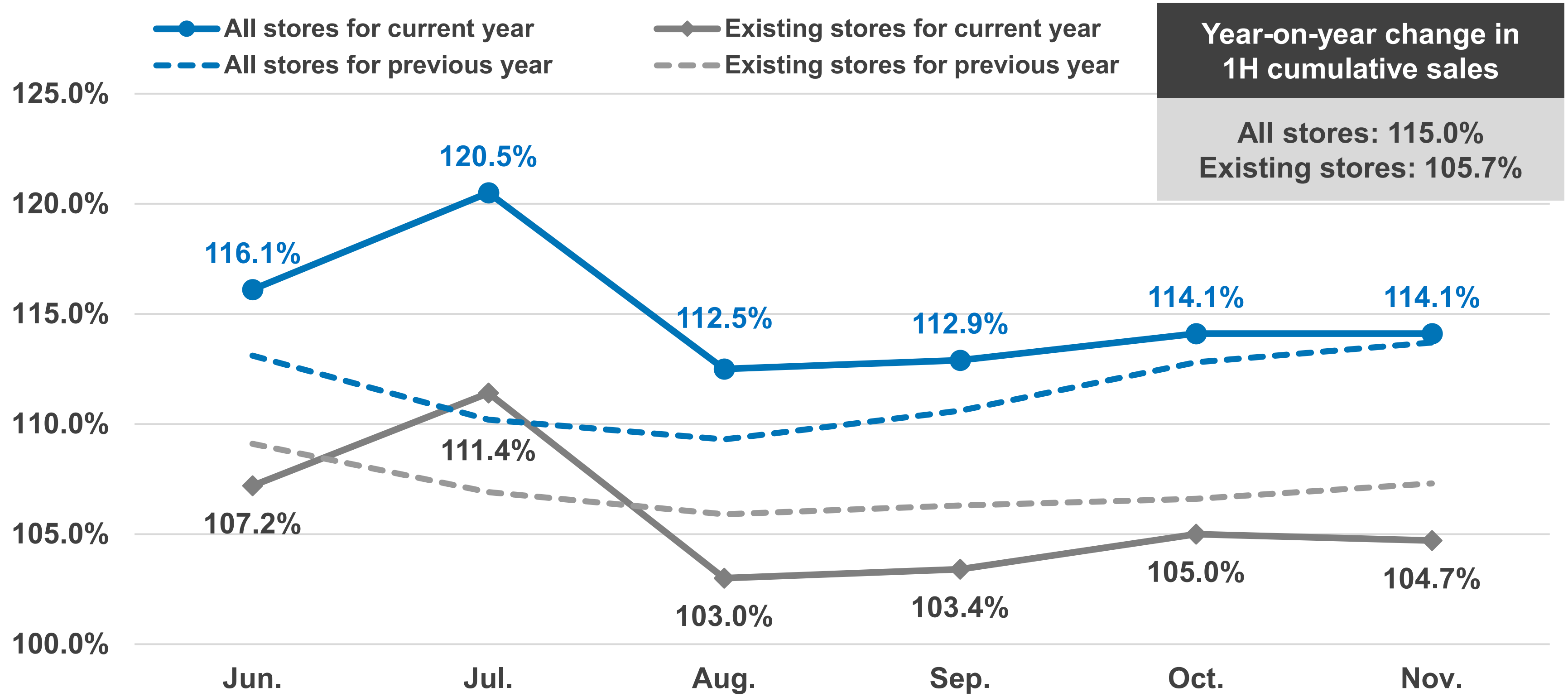
Ratio of stores with dispensaries
65.0%

Point

- Number of stores opened/closed in 1H of FY May 2026: 54/1
- Number of dispensing pharmacies opened/closed in 1H of FY May 2026: 30/7

  The ratio of stores with dispensaries is 65.0% (66.1% at the end of FY May 2025).

Year-on-Year Change in Sales by Month



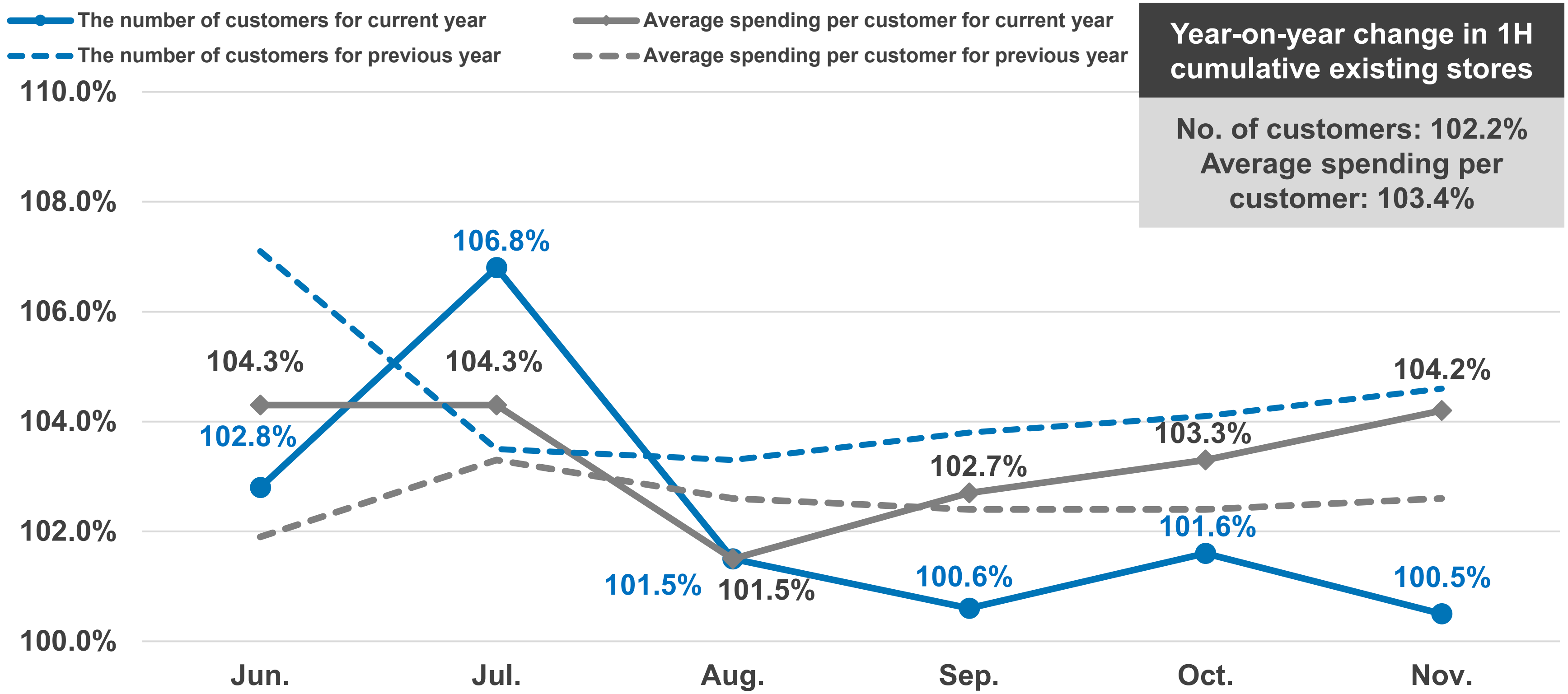
Year-on-year change in 1H cumulative sales

All stores: 115.0%
Existing stores: 105.7%

Point

- While the impact of remodeling to introduce fresh food to existing stores has gradually subsided, it continues to contribute positively.
- The EDLP strategy is proving effective.
- July saw a boost from point promotions, with one additional day compared to the previous year.
- Summer merchandise performed well due to the scorching heat and lingering summer heat.

Year-on-Year Change in the Number of Customers and Average Spending per Customer by the Month at Existing Stores



Year-on-year change in 1H cumulative existing stores

No. of customers: 102.2%
Average spending per customer: 103.4%

Point

- As the impact of remodeling to introduce fresh food to existing stores has subsided, the number of customers was on a slightly downward trend.
- Price increases pushed up average spending per customer.

Consolidated Profit and Loss Statement

	Results for 1H of FY May 2025		Plan for 1H of FY May 2026		Results for 1H of FY May 2026			
	Million yen	Sales ratio	Million yen	Sales ratio	Million yen	Sales ratio	YoY change	vs. Plan
Sales	242,826	100.0%	272,000	100.0%	279,808	100.0%	115.2%	102.9%
Gross profit	64,356	26.5%	70,645	26.0%	73,664	26.3%	114.5%	104.3%
SGA expenses	51,704	21.3%	59,345	21.8%	60,169	21.5%	116.4%	101.4%
Operating income	12,651	5.2%	11,300	4.2%	13,494	4.8%	106.7%	119.4%
Ordinary income	12,911	5.3%	11,170	4.1%	13,607	4.9%	105.4%	121.8%
Net income	8,622	3.6%	8,000	2.9%	9,639	3.4%	111.8%	120.5%

Point

Sales: 115.2% year-on-year, 102.9% vs Plan

Gross profit margin: -0.2 pt year-on-year, +0.3 pt vs Plan

SGA ratio: +0.2 pt year-on-year, -0.3 pt vs Plan

Operating income margin: -0.4 pt year-on-year, +0.6 pt vs Plan

Consolidated Profit and Loss Statement * Excluding stock-based compensation expenses

	Results for 1H of FY May 2025 (Excluding stock-based compensation expenses)		Plan for 1H of FY May 2026		Results for 1H of FY May 2026			
	Million yen	Sales ratio	Million yen	Sales ratio	Million yen	Sales ratio	YoY change	vs. Plan
Sales	242,826	100.0%	272,000	100.0%	279,808	100.0%	115.2%	102.9%
Gross profit	64,356	26.5%	70,645	26.0%	73,664	26.3%	114.5%	104.3%
SGA expenses	51,311	21.1%	59,345	21.8%	60,169	21.5%	117.3%	101.4%
Operating income	13,044	5.4%	11,300	4.2%	13,494	4.8%	103.5%	119.4%
Ordinary income	13,304	5.5%	11,170	4.1%	13,607	4.9%	102.3%	121.8%
Net income	9,015	3.7%	8,000	2.9%	9,639	3.4%	106.9%	120.5%

* No stock-based compensation expenses are expected to be recorded in FY May 2026.

Point

Sales: 115.2% year-on-year, 102.9% vs Plan

Gross profit margin: -0.2 pt year-on-year, +0.3 pt vs Plan

SGA ratio: +0.4 pt year-on-year, -0.3 pt vs Plan

Operating income margin: -0.6 pt year-on-year, +0.6 pt vs Plan

Results by Area

	Results for 1H of FY May 2025				Results for 1H of FY May 2026				
	Million yen	Composition ratio	Number of stores	Ratio of stores with dispensaries	Million yen	Composition ratio	YoY change	Number of stores	Ratio of stores with dispensaries
Hokushinetsu	105,342	43.4%	378	71.4%	113,371	40.5%	107.6%	394	69.8%
Tohoku	16,940	7.0%	67	74.6%	23,190	8.3%	136.9%	88	65.9%
Kanto	57,265	23.6%	269	63.4%	65,733	23.5%	114.8%	290	67.8%
Tokai	39,942	16.4%	167	58.4%	44,404	15.9%	111.2%	187	55.1%
Kansai	19,229	7.9%	79	68.4%	24,941	8.9%	129.7%	97	65.3%
Shikoku	4,105	1.7%	15	0.0%	8,168	2.9%	199.0%	26	11.8%
Total	242,826	100.0%	975	66.7%	279,808	100.0%	115.2%	1,082	65.0%

* Ratio of stores with dispensaries is calculated based on the number of drugstores (excluding SM and dispensing pharmacies).

Point

- The sales composition ratio excluding the Hokushinetsu area increased from 56.6% in the first half of the previous fiscal year to 59.5%, by 2.9 percentage points.
- Sales remained strong in all areas.

Results by Product Division

	Results for 1H of FY May 2025		Results for 1H of FY May 2026			
	Million yen	Composition ratio	Million yen	Composition ratio	Difference in composition ratio	YoY change
Health	21,225	8.7%	22,438	8.0%	-0.7%	105.7%
Beauty	30,563	12.6%	32,538	11.6%	-1.0%	106.5%
Daily commodities	44,593	18.4%	48,075	17.2%	-1.2%	107.8%
Food	121,382	50.0%	147,785	52.8%	2.8%	121.8%
Dispensing	25,061	10.3%	28,970	10.4%	0.0%	115.6%
Total	242,826	100.0%	279,808	100.0%	-	115.2%

Point

- Despite the continued decline in demand for masks, the prevalence of influenza started earlier than usual this year and cold-related products such as cold medicine, masks, and thermometers sold well in November.
- Sales of season-specific products were favorable in both beauty and daily commodities due to the scorching heat and lingering summer heat.
- The food sales composition ratio increased thanks to the strengthened fresh food sales.
- Increased number of newly opened pharmacies resulted in higher dispensing sales.

Results of SGA Expenses

	Results for 1H of FY May 2025		Plan for 1H of FY May 2026		Results for 1H of FY May 2026			
	Million yen	Sales ratio	Million yen	Sales ratio	Million yen	Sales ratio	YoY change	vs. Plan
Labor cost	22,675	9.3%	26,347	9.7%	26,590	9.5%	117.3%	100.9%
Sales promotion cost	1,353	0.6%	1,501	0.6%	1,476	0.5%	109.1%	98.3%
Real estate cost	15,769	6.5%	17,931	6.6%	17,942	6.4%	113.8%	100.1%
Other expenses	11,906	4.9%	13,568	5.0%	14,159	5.1%	118.9%	104.4%
SGA expenses	51,704	21.3%	59,345	21.8%	60,169	21.5%	116.4%	101.4%

Point

Labor cost ratio: +0.2 pt year-on-year, -0.2 pt vs Plan

Sales promotion cost ratio: -0.1 pt year-on-year, -0.1 pt vs Plan

Real estate cost ratio: -0.1 pt year-on-year, -0.2 pt vs Plan

Other expenses ratio: +0.2 pt year-on-year, +0.1 pt vs Plan

Results of SGA Expenses * Excluding stock-based compensation expenses

	Results for 1H of FY May 2025 (Excluding stock-based compensation expenses)		Plan for 1H of FY May 2026		Results for 1H of FY May 2026			
	Million yen	Sales ratio	Million yen	Sales ratio	Million yen	Sales ratio	YoY change	vs. Plan
Labor cost	22,282	9.2%	26,347	9.7%	26,590	9.5%	119.3%	100.9%
Sales promotion cost	1,353	0.6%	1,501	0.6%	1,476	0.5%	109.1%	98.3%
Real estate cost	15,769	6.5%	17,931	6.6%	17,942	6.4%	113.8%	100.1%
Other expenses	11,906	4.9%	13,568	5.0%	14,159	5.1%	118.9%	104.4%
SGA expenses	51,311	21.1%	59,345	21.8%	60,169	21.5%	117.3%	101.4%

* No stock-based compensation expenses are expected to be recorded in FY May 2026.

Point

Labor cost ratio: +0.3 pt year-on-year, -0.2 pt vs Plan

Sales promotion cost ratio: -0.1 pt year-on-year, -0.1 pt vs Plan

Real estate cost ratio: -0.1 pt year-on-year, -0.2 pt vs Plan

Other expenses ratio: +0.2 pt year-on-year, +0.1 pt vs Plan

Consolidated Balance Sheet

			As of May 20, 2025		As of November 20, 2025			
			Million yen	Composition ratio	Million yen	Composition ratio	Change from May 20, 2025	Increase/ Decrease
		Cash and deposits	47,731	13.5%	57,998	15.0%	121.5%	10,267
		Inventory assets	56,811	16.1%	62,248	16.1%	109.6%	5,437
	Current assets		145,368	41.2%	160,499	41.6%	110.4%	15,131
		Tangible fixed assets	168,879	47.9%	183,465	47.6%	108.6%	14,586
		Intangible fixed assets	13,679	3.9%	15,918	4.1%	116.4%	2,239
	Non-current assets		207,096	58.8%	225,292	58.4%	108.8%	18,196
Assets			352,464	100.0%	385,792	100.0%	109.5%	33,328
		Notes and accounts payable	63,602	18.0%	68,494	17.8%	107.7%	4,892
		Current portion of long-term loans payable	14,912	4.2%	19,844	5.1%	133.1%	4,932
		Current portion of lease obligations	2,591	0.7%	2,922	0.8%	112.8%	332
	Current liabilities		107,049	30.4%	118,425	30.7%	110.6%	11,376
		Long-term loans payable	78,317	22.2%	110,886	28.7%	141.6%	32,569
		Lease obligations	6,090	1.7%	7,259	1.9%	119.2%	1,169
	Non-current liabilities		99,655	28.3%	134,163	34.8%	134.6%	34,508
	Net assets		145,759	41.4%	133,203	34.5%	91.4%	-12,556
Liabilities and net assets			352,464	100.0%	385,792	100.0%	109.5%	33,328

Cash Flow Statement

(Unit: Million yen)

	As of November 20, 2024	As of November 20, 2025	Increase/Decrease
Cash flows from operating activities	11,210	17,853	6,643
Cash flows from investing activities	-10,889	-18,380	-7,491
Cash flows from financing activities	27,743	10,794	-16,949
Cash and cash equivalents at the end of the period	77,038	57,998	-19,040

Free cash flow	321	-527	-848

Financial Results Briefing for the Second Quarter of the Fiscal Year Ending May 2026

Store Opening/Closing Results

	No. of stores at end of FY May 2025	Store opening/closing plan for FY May 2026									No. of stores at end of FY May 2026
		Hokushinetsu	Tohoku	Kanto	Tokai	Kansai	Shikoku	Opening total	M&A (SM)	Closing	
[1] Drugstores	1,004	21	19	21	13	18	18	110	-	8	1,106
[2] Attached dispensing pharmacies	664	4	4	17	4	7	1	37	-	7	694
[3] Dispensing pharmacies	6	-	-	-	-	-	-	-	-	-	6
[4] Other (SM)	26	-	-	-	-	-	-	-	5	1	13
Total number of stores ([1]+[3]+[4])	1,036	21	19	21	13	18	18	110	5	9	1,125

* Ratio of stores with dispensaries is calculated based on the number of drugstores (excluding SM and dispensing pharmacies).

Ratio of stores with dispensaries
62.7%

Point

- 110 stores are planned to be opened and 8 stores are planned to be closed.
- Closing of 8 stores is owing to non-profitability and S&B (Scrap & Build).
- 37 dispensing pharmacies are to be opened and 7 are to be closed.

  (The ratio of stores with dispensaries at the FY end is expected to reach 62.7%.)

Capital Investment Plan

(Unit: Million yen)

	Full-year results for FY May 2025			Full-year plan for FY May 2026			
	Acquisition	Lease assets	Total	Acquisition	Lease assets	Total	YoY change
Store investment (New opening)	12,583	1,837	14,420	28,604	6,014	34,618	240.1%
Store investment (Remodeling)	1,837	-	1,837	1,556	-	1,556	84.7%
System investment	75	-	75	116	-	116	154.7%
Other	19,376	444	19,820	6,981	16	6,997	35.3%
Total	33,871	2,281	36,152	37,257	6,030	43,287	119.7%

Depreciation	12,495	13,428

* Lease refers to the amount of lease asset worth 3 million yen or more.
* Depreciation indicates the amount actually depreciated including those reclassified to non-operating expenses (rent cost).
* Depreciation represents the amount excluding the portion associated with asset retirement obligations.
* Non-current assets succeeded following M&A are included in Other.

Consolidated Earnings Forecast

	Full-year results for FY May 2025		Full-year plan for FY May 2026		
	Million yen	Sales ratio	Million yen	Sales ratio	YoY change
Sales	501,470	100.0%	560,000	100.0%	111.7%
Gross profit	132,956	26.5%	144,263	25.8%	108.5%
SGA expenses	106,354	21.2%	121,263	21.7%	113.9%
Operating income	26,601	5.3%	23,000	4.1%	86.5%
Ordinary income	27,513	5.5%	22,700	4.1%	82.5%
Net income	17,786	3.5%	15,500	2.8%	87.1%

Point

Sales: 111.7% year-on-year

Gross profit margin: -0.7 pt year-on-year

SGA ratio: +0.5 pt year-on-year

Operating income margin: -1.2 pt year-on-year

Consolidated Earnings Forecast * Excluding stock-based compensation expenses

	Full-year results for FY May 2025		Full-year plan for FY May 2026		
	Million yen	Sales ratio	Million yen	Sales ratio	YoY change
Sales	501,470	100.0%	560,000	100.0%	111.7%
Gross profit	132,956	26.5%	144,263	25.8%	108.5%
SGA expenses	105,962	21.1%	121,263	21.7%	114.3%
Operating income	26,994	5.4%	23,000	4.1%	85.2%
Ordinary income	27,906	5.6%	22,700	4.1%	81.3%
Net income	18,179	3.6%	15,500	2.8%	85.3%

* No stock-based compensation expenses are expected to be recorded in FY May 2026.

Point

Sales: 111.7% year-on-year

Gross profit margin: -0.7 pt year-on-year

SGA ratio: +0.6 pt year-on-year

Operating income margin: -1.3 pt year-on-year

Plan by Area

	Full-year results for FY May 2025				Full-year plan for FY May 2026				
	Million yen	Composition ratio	Number of stores	Ratio of stores with dispensaries	Million yen	Composition ratio	YoY change	Number of stores	Ratio of stores with dispensaries
Hokushinetsu	212,789	42.4%	388	70.1%	223,241	39.9%	104.9%	405	68.6%
Tohoku	36,166	7.2%	82	66.7%	47,909	8.6%	132.5%	98	60.4%
Kanto	118,684	23.7%	279	67.9%	129,356	23.1%	109.0%	297	63.5%
Tokai	81,626	16.3%	180	55.3%	88,304	15.8%	108.2%	191	54.5%
Kansai	41,851	8.3%	94	69.4%	51,947	9.3%	124.1%	104	64.1%
Shikoku	10,352	2.1%	13	14.3%	19,239	3.4%	185.8%	30	28.0%
Total	501,470	100.0%	1,036	66.1%	560,000	100.0%	111.7%	1,125	62.7%

* Ratio of stores with dispensaries is calculated based on the number of drugstores (excluding SM and dispensing pharmacies).

Point

- Sales composition ratio of areas other than Hokushinetsu, including Shikoku, is expected to increase by 2.5 percentage points, from 57.6% in FY ended May 2025 to 60.1% in FY ending May 2026.

Plan by Product Division

	Full-year results for FY May 2025		Full-year plan for FY May 2026			
	Million yen	Composition ratio	Million yen	Composition ratio	Difference in composition ratio	YoY change
Health	44,392	8.9%	46,806	8.4%	-0.5%	105.4%
Beauty	60,243	12.0%	64,500	11.5%	-0.5%	107.1%
Daily commodities	87,689	17.5%	95,495	17.1%	-0.4%	108.9%
Food	257,260	51.3%	295,099	52.7%	1.4%	114.7%
Dispensing	51,885	10.3%	58,101	10.4%	0.1%	112.0%
Total	501,470	100.0%	560,000	100.0%	-	111.7%

Point

- Growth of food sales composition ratio is expected due to intensification of fresh food sales.

SGA Plan

	Full-year results for FY May 2025		Full-year plan for FY May 2026		
	Million yen	Sales ratio	Million yen	Sales ratio	YoY change
Labor cost	46,590	9.3%	53,974	9.6%	115.8%
Sales promotion cost	2,925	0.6%	3,122	0.6%	106.7%
Real estate cost	32,457	6.5%	36,755	6.6%	113.2%
Other expenses	24,381	4.9%	27,411	4.9%	112.4%
SGA expenses	106,354	21.2%	121,263	21.7%	114.0%

Point

- Labor cost is projected to be 115.8% year-on-year due to intensified recruitment of new graduates and the impact of M&A, etc.
- Real estate cost is projected to be 113.2% year-on-year due to an increase in the number of new store openings.

SGA Plan * Excluding stock-based compensation expenses

	Full-year results for FY May 2025		Full-year plan for FY May 2026		
	Million yen	Sales ratio	Million yen	Sales ratio	YoY change
Labor cost	46,198	9.2%	53,974	9.6%	116.8%
Sales promotion cost	2,925	0.6%	3,122	0.6%	106.7%
Real estate cost	32,457	6.5%	36,755	6.6%	113.2%
Other expenses	24,381	4.9%	27,411	4.9%	112.4%
SGA expenses	105,962	21.1%	121,263	21.7%	114.4%

* No stock-based compensation expenses are expected to be recorded in fiscal May 2026.

Point

- The SGA ratio is projected to increase by 0.6 percentage points following increases in the labor cost ratio and real estate cost ratio.

KUSURI NO AOKI HOLDINGS CO., LTD.

50th Anniversary Vision
– Fourth Medium-term Management Plan –

January 7, 2026

KUSURI NO AOKI HOLDINGS CO., LTD.

Hironori Aoki, Representative Director and President

(TSE Prime Section Code: 3549)

50th Anniversary Vision
– Fourth Medium-term Management Plan –

Make Life More Convenient, Smile All the Times

Aiming to become a drugstore that supports “convenient life”
and “health that makes you smile” in your town

Numerical Target Sales of ¥500 billion for FY May 2026

Strategy: Three Priority Measures to Fulfill Vision 2026

1 Transformation to Food & Drug

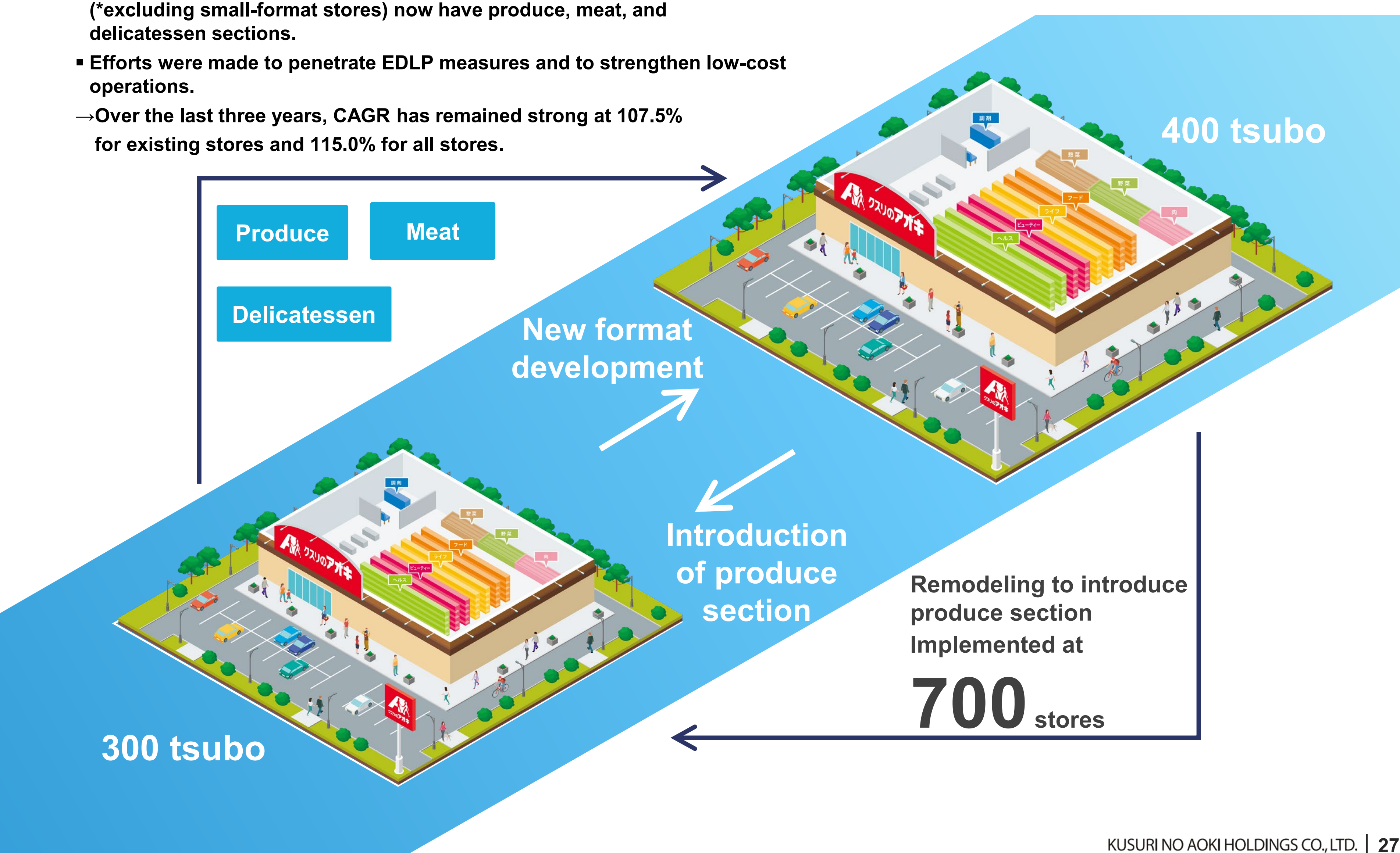
2 Ratio of stores with dispensaries 70%

3 Shift toward the dominant strategy

[1] Transformation to Food & Drug

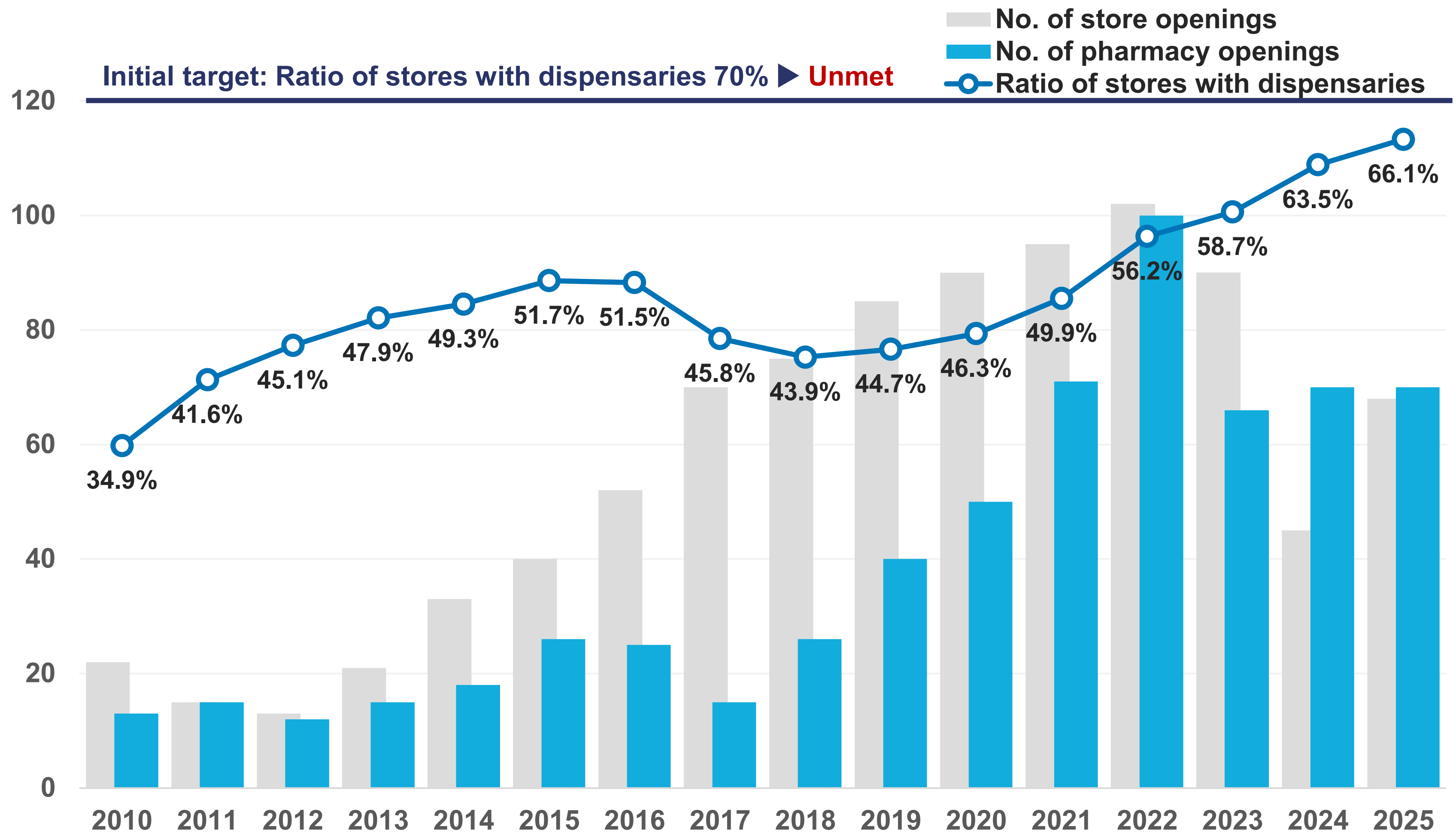
- A new format (400 tsubo) with an expanded food section has been developed, enabling to offer a wide selection of produce and food items.
- Following the 400-tsubo format development, remodeling to introduce produce section in 300-tsubo stores was launched. All stores (*excluding small-format stores) now have produce, meat, and delicatessen sections.
- Efforts were made to penetrate EDLP measures and to strengthen low-cost operations.

→Over the last three years, CAGR has remained strong at 107.5% for existing stores and 115.0% for all stores.



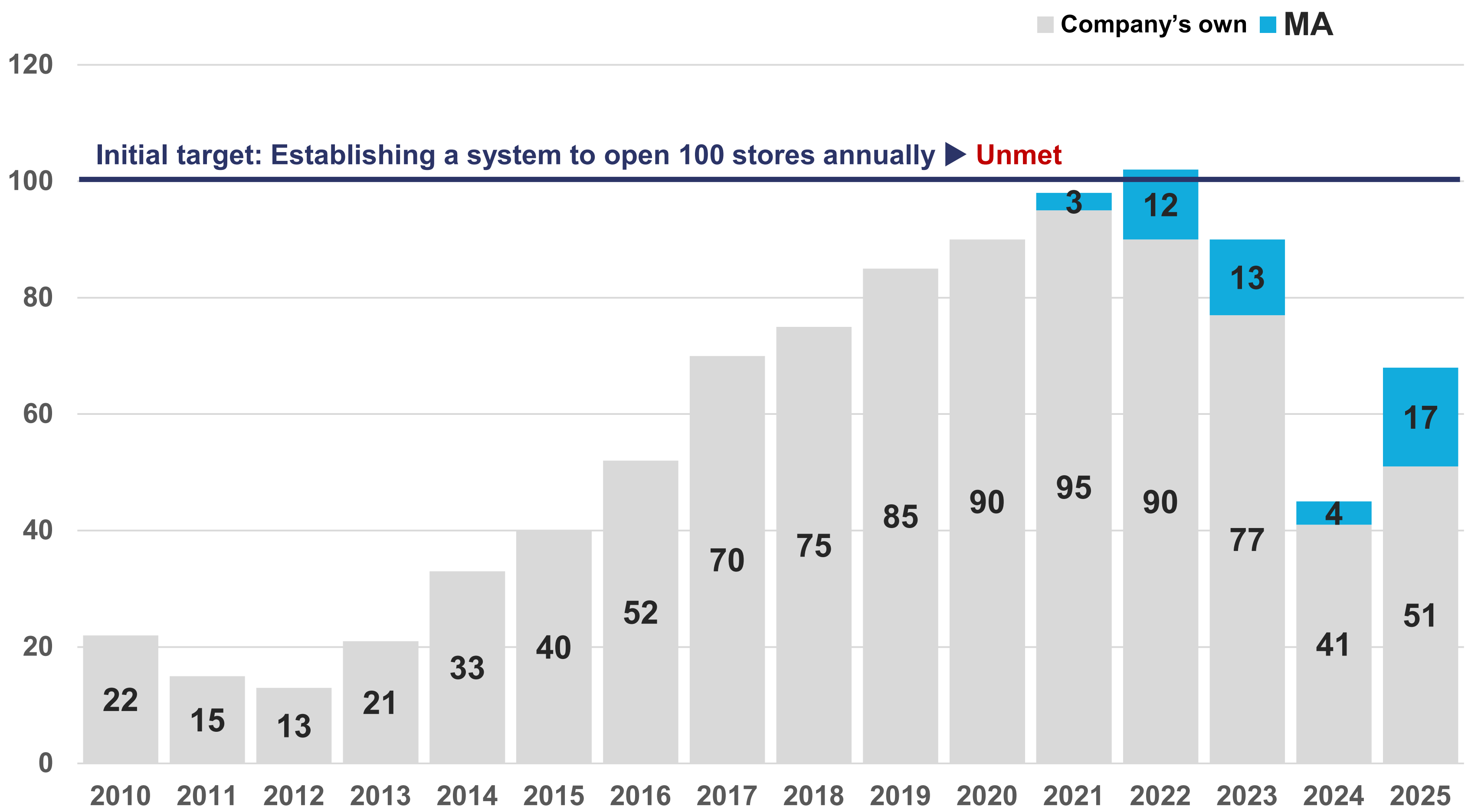
[2] Ratio of stores with dispensaries 70%

- The difficulty in hiring pharmacists has delayed store openings. The ratio of stores with dispensaries was 62.7% (FY May 2026 plan), falling below the initial target of 70%.
- As a positive effect of our active approach to free test offering, the recognition of our dispensing services has been improved.



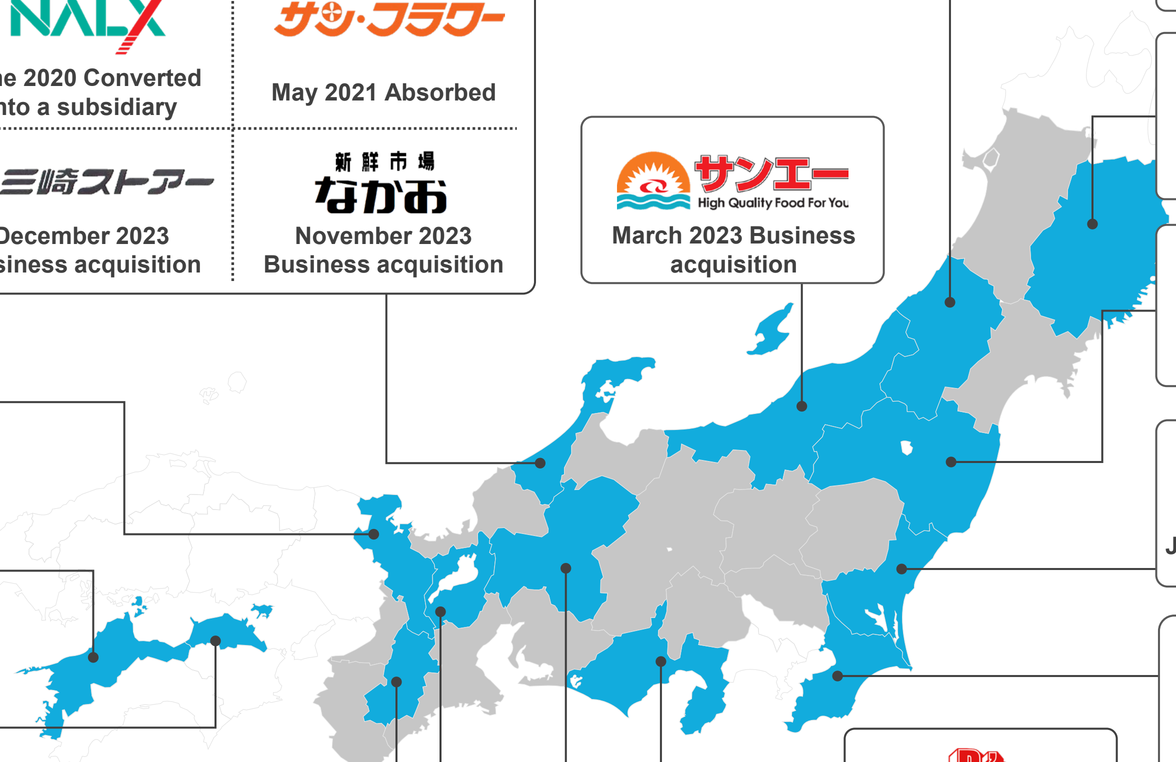
[3] Dominant strategy

- Over the past five years (FY May 2021 to FY May 2025), 403 stores were opened (Company's own: 354, Acquired through M&A: 49).
- Due to a slowdown in company's own store openings, the initial plan (opening 100 stores per year) was not achieved.
- Store openings through M&A have been increasing year by year.



[3] Dominant strategy - Implementation of M&A -

- Starting from FY May 2021, we have implemented M&A of local supermarkets to strengthen area-specific produce merchandising and secure prime locations.
- By FY May 2025, we had acquired 18 companies through M&A (total: sales of 88 billion yen, 129 stores).



NALX
June 2020 Converted into a subsidiary

サン・フラワー
May 2021 Absorbed

三崎ストアー
December 2023 Business acquisition

新鮮市場 なかお
November 2023 Business acquisition

サンエー High Quality Food For You
March 2023 Business acquisition

本間物産株式会社
February 2025 Business acquisition

KIRINYA
March 2022 Absorbed

HIFUMIYA
March 2022 Absorbed

まるも
June 2021 Company split

フクヤ
October 2020 Converted into a subsidiary

株式会社ママイ
September 2024 Absorbed

Mumie FRESH FOOD MARKET
September 2024 Business acquisition

卸値市場 ヨシムラ ハッスル
February 2025 Absorbed

ハッピーテラダ TOKUYA
December 2024 Converted into a subsidiary

株式会社ウッドペッカー
March 2024 Business acquisition

D'S デイズ
February 2024 Business acquisition

スーパー カケツ
August 2024 Absorbed

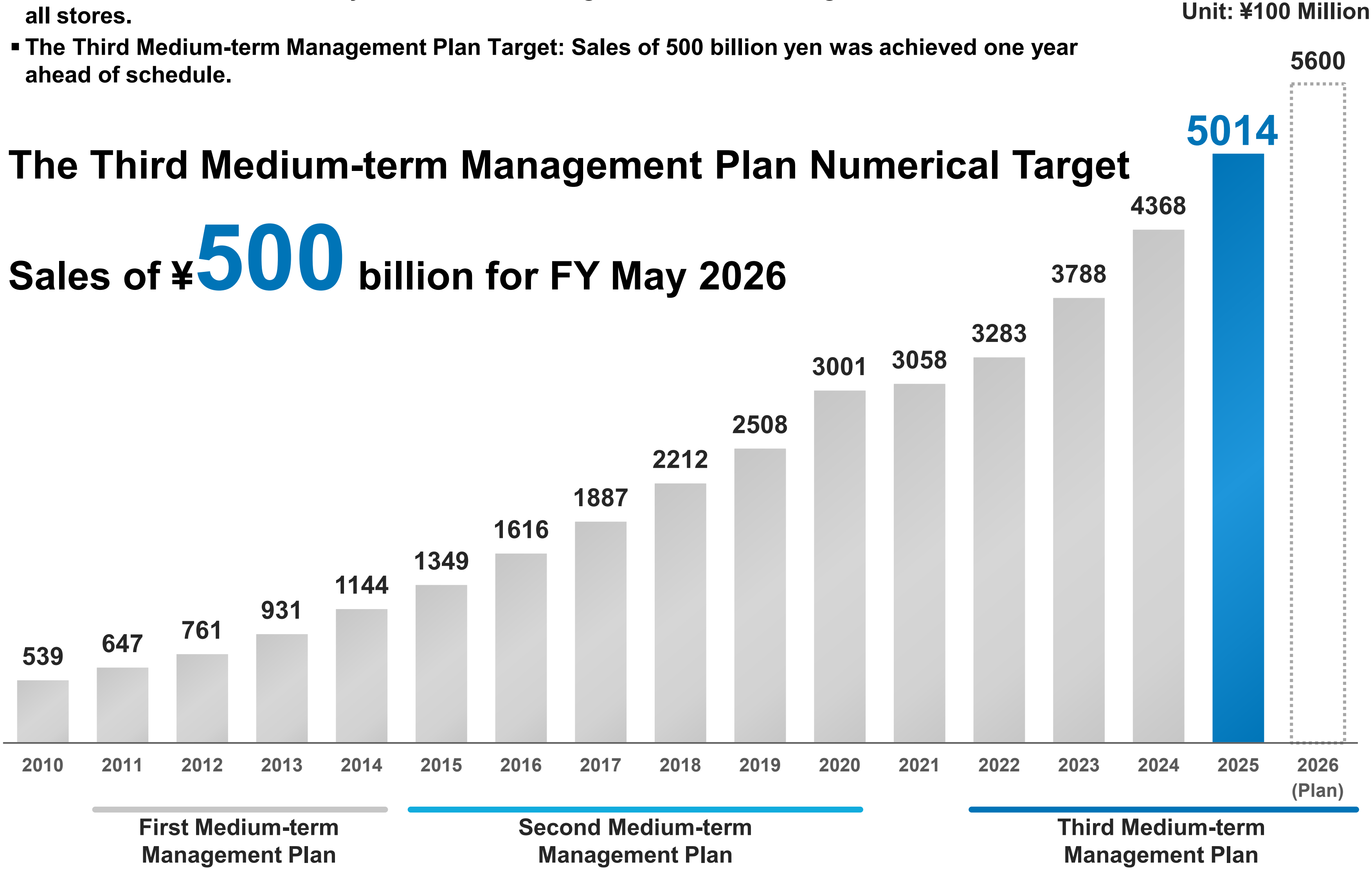
生鮮卸値市場 トップマート
February 2025 Business acquisition

Review of the Third Medium-term Management Plan (FY May 2021 to FY May 2026)

- The three priority measures coupled with rising prices boosted the frequency of customer visits at both new and existing stores, restoring sales to levels of five years ago.
- The CAGR over the last three years remained strong at 107.5% for existing stores and 115.0% for all stores.
- The Third Medium-term Management Plan Target: Sales of 500 billion yen was achieved one year ahead of schedule.

The Third Medium-term Management Plan Numerical Target

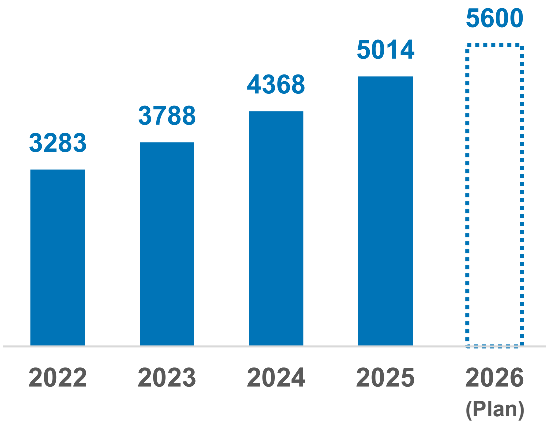
Sales of ¥500 billion for FY May 2026



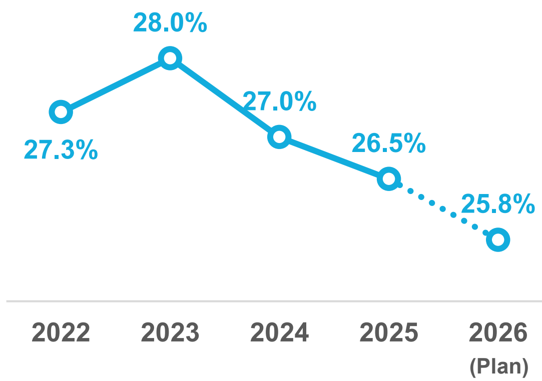
*The revenue recognition standard has been applied since FY May 2022.

Review of the Third Medium-term Management Plan (FY May 2021 to FY May 2026)

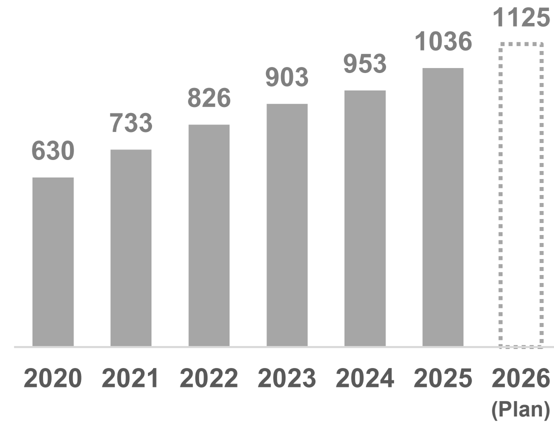
Sales



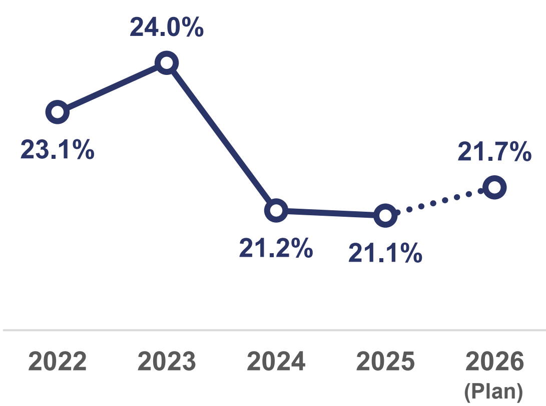
Gross profit margin



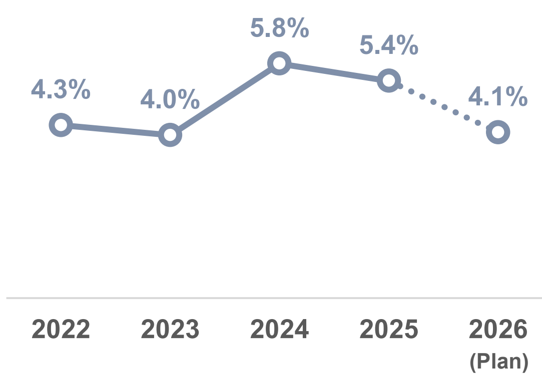
Number of stores



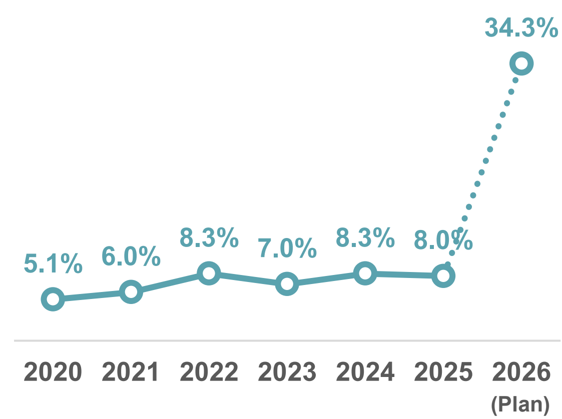
SGA ratio



Operating income margin



Dividend payout ratio



*SGA ratio and operating income margin do not include stock-based compensation expenses.

*Figures for 2020 and 2021 are excluded because the revenue recognition standard was not yet applicable.

Achievements and Future Challenges in the Third Medium-term Management Plan

Achievements of Priority Measures

Achieved ¥500 billion in sales one year ahead of schedule

◎	**Transformation to Food & Drug** ▪ New format (400 tsubo) developed ▪ Produce section introduced through remodeling (700 stores) ▪ Recovery in store sales
△	**Ratio of stores with dispensaries 46% ⇒ 66%** ▪ Increased the on-site pharmacy ratio by 20% ▪ Active approach to free test offering
▲	**Shift toward the dominant strategy** ▪ Enhanced store openings based on the dominant strategy ▪ Acquired 18 supermarket companies through M&A

→

Future Challenges

Intensifying competition year by year,
Declining birthrate and aging population,
Rising prices,Labor shortage,
Corporate governance and shareholder returns

Intensifying competition Operating income margin has dropped to 4%

Recruitment challenges and talent shortage

Soaring construction costs(1.4times) Declining availability of prime locations

50th Anniversary Vision

– Fourth Medium-term Management Plan –

KUSURI NO AOKI: 156 Years of Transformation

- **Since its founding as a pharmaceutical wholesaler in 1869, the Company has transformed its business to adapt to changing times.**
- **In 1985, the Company went through business form changeover to a drugstore and established KUSURI NO AOKI Co., Ltd.**
- **Since 1995, the Company has shifted chain store management into high gear and achieved rapid growth.**
- **Since 2010, the Company has actively enhanced its food section in existing stores and expanded store locations from the Hokuriku area nationwide.**
- **In 2025, the 40th anniversary, the Company achieved sales of 500 billion yen and established a network of 1,000 stores, and now strives for further growth toward its 50th anniversary.**

1869

Founded

1985

KUSURI NO AOKI Co., Ltd. Established

1995

Headquarters/Centralized Distribution Center established

2010

Food section enhanced, and moved toward the goal of nationwide expansion

2020

Transformation to Food & Drug

2025

40th Anniversary

| Achieved sales of ¥500 billion

| Reached 1,000 stores

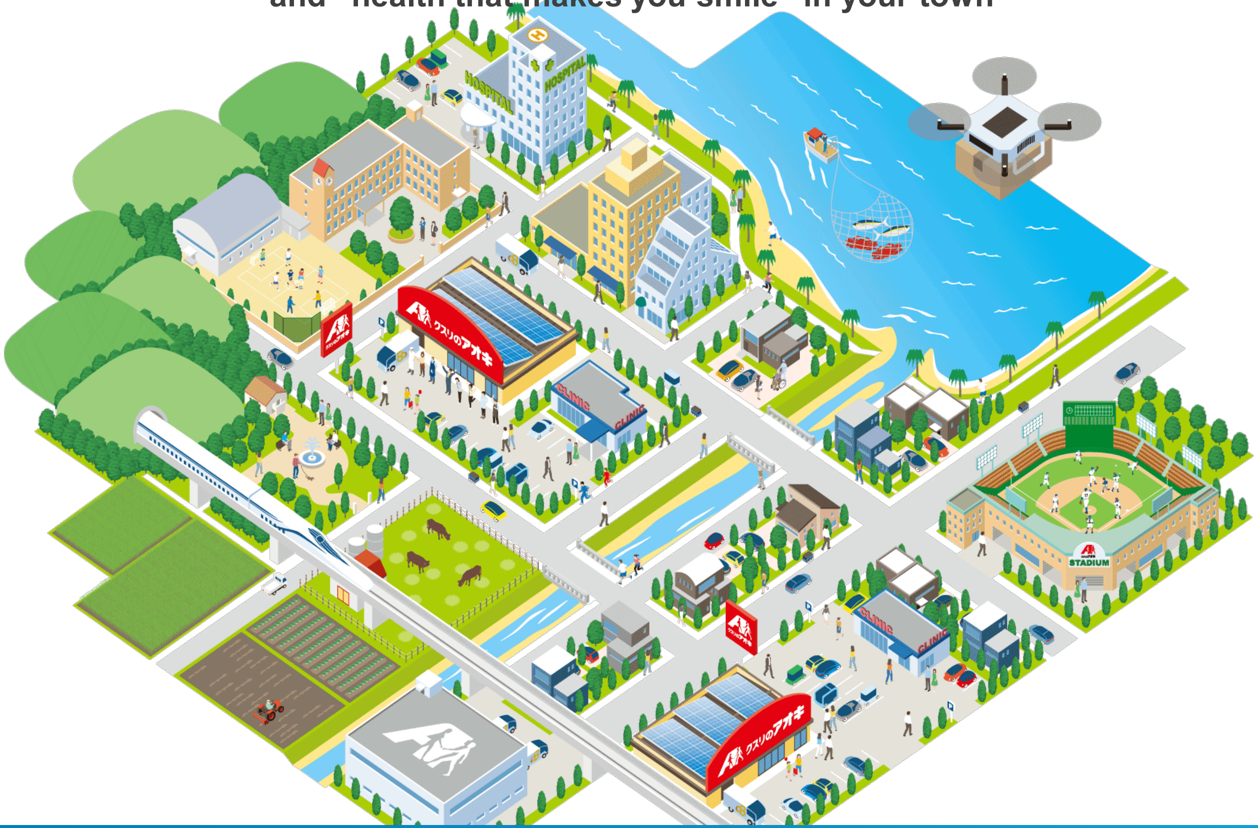
2035

50th Anniversary of founding

Founded	Converted to a drugstore	Chain store management	Food section enhancement Area expansion	Food & Drug

Make Life More Convenient, Smile All the Times

Aiming to become a drugstore that supports “convenient life” and “health that makes you smile” in your town



Numerical Target: Sales of ¥1 trillion for FY May 2035 (Top 20 Retailers)

Medium-term Management Plan

The Third Medium-term Management Plan	The Fourth Medium-term Management Plan	The Fifth Medium-term Management Plan
FY May 2022–FY May 2026	FY May 2026–FY May 2030	FY May 2031–FY May 2035
FY May 2025 Results	**FY May 2030 Target**	**FY May 2030 Target**
Sales ¥501.4 billion	Sales ¥800 billion	Sales ¥1 trillion
	Operating Income ¥44 billion (5.5%)	Top 20 Retailers

Positioning of the Medium-term Management Plan

- Based on our Management Philosophy, we have formulated a 50th Anniversary Vision to achieve sustainable growth.
- We have re-examined our material issues toward KUSURI NO AOKI's 50th anniversary.
- To achieve the long-term goal of the 50th Anniversary Vision, we have formulated medium-term management plans divided into two phases.

Management Philosophy

Contributing to society through health, beauty, and hygiene

Vision

50th Anniversary Vision

Make Life More Convenient, Smile All the Times

<Financial Target> Sales of ¥1 trillion (Top 20 Retailers)

Material Issues

- Supporting Convenient Living and Healthy Lifestyles
- Supporting Employee Growth and Fostering a Comfortable Workplace Environment
- Establishing Sound Governance
- Environmental Conservation

Management Strategy

The Fourth Medium-term Management Plan
(FY May 2026–FY May 2030)

The Fifth Medium-term Management Plan
(FY May 2030–FY May 2035)

50th Anniversary Vision
– Fourth Medium-term Management Plan –

Fourth Medium-term Management Plan (FY May 2026–FY May 2030)

- Since our founding, we have been pursuing convenience of the store, aiming to become a drugstore and dispensing pharmacy that supports local customers.
- Since we achieved the Third Medium-term Management Plan one year ahead of schedule, we have formulated a new medium-term management plan for the next phase of growth.
- In the Fourth Medium-term Management Plan, we aim for continuous growth in both sales and operating income by 10% CAGR.

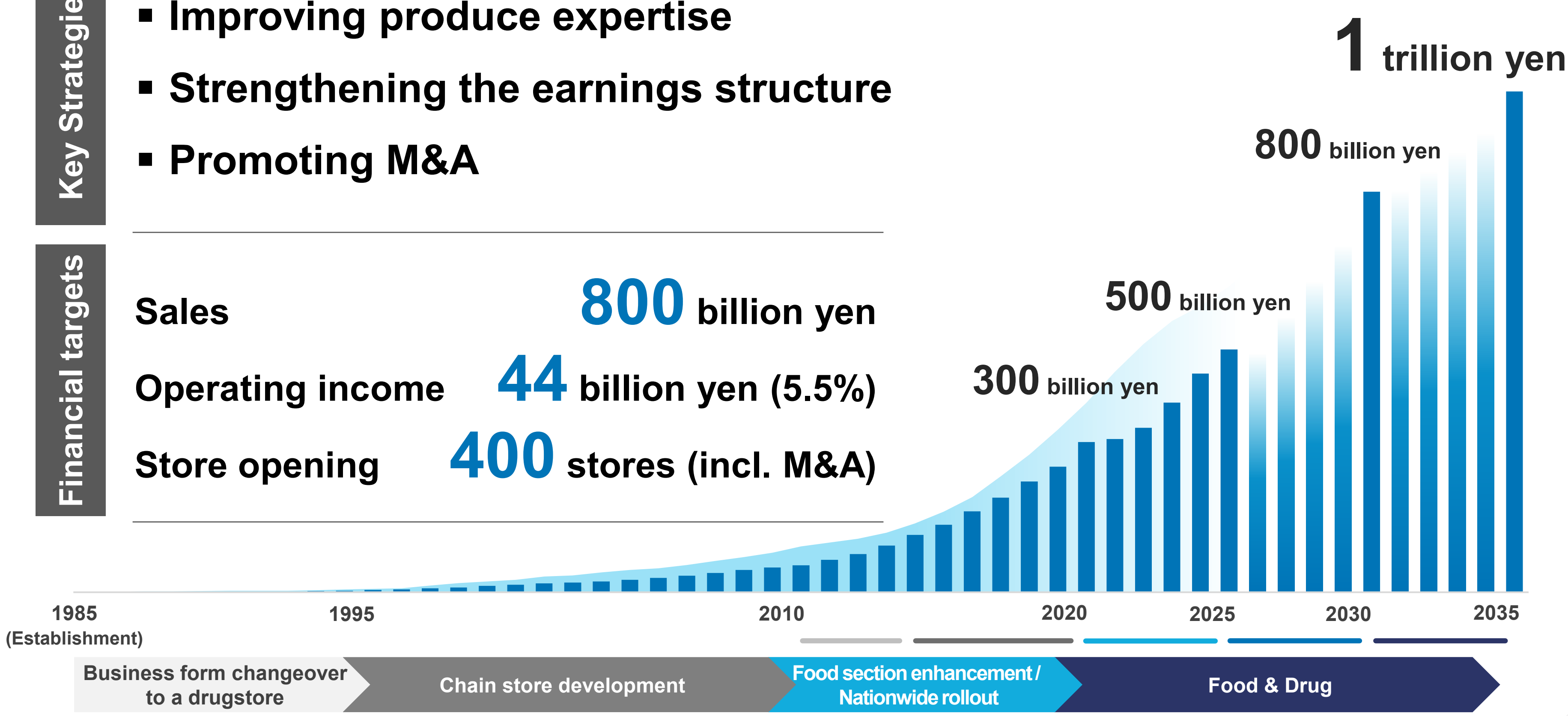
Policy: Evolution of Food & Drug + Dispensing

Key Strategies

- Improving produce expertise
- Strengthening the earnings structure
- Promoting M&A

Financial targets

Sales	800 billion yen
Operating income	44 billion yen (5.5%)
Store opening	400 stores (incl. M&A)



Policy Evolution of Food & Drug + Dispensing

1 Improving produce expertise

- Increase in format size
- Enhancement of merchandizing and operational capabilities
- Establishment of three new process centers and restructuring of logistics network

→ Maximizing customer attraction and improving profitability

2 Strengthening the earnings structure

- EDLP & low-cost operations
- Expanding dispensing sales (¥100 billion) and bolstering collaboration
- Private Brand (PB) ratio of 10.0% (¥80 billion)

3 Promoting M&A

- Opening 400 stores (including M&A), with 30% (120 stores) through M&A

[1] Improving produce expertise - Increase in format size -

- 450-tsubo concessionary format has been expanded to 500 tsubo. Maximize product selection and convenience through larger store formats.
- Company's own store opening strategy has been revised. Shift from "high-speed opening with 300-tsubo stores" to a "profitability-focused approach centering on 400-tsubo and 500-tsubo stores."
- Stores acquired through M&A will be integrated into our own format and sequentially remodeled.

Five-year store opening ratio by format

300 tsubo

- Requires a small space, making it easy to open a store.
- SGA expenses are controllable and stable profits are expected.

40% → 25%

-15% pts

400 tsubo

- New format
- Hybrid type incorporating the advantages of both 300 tsubo and concessionary formats

50% → 40%

-10% pts

450-tsubo concessionary → 500 tsubo

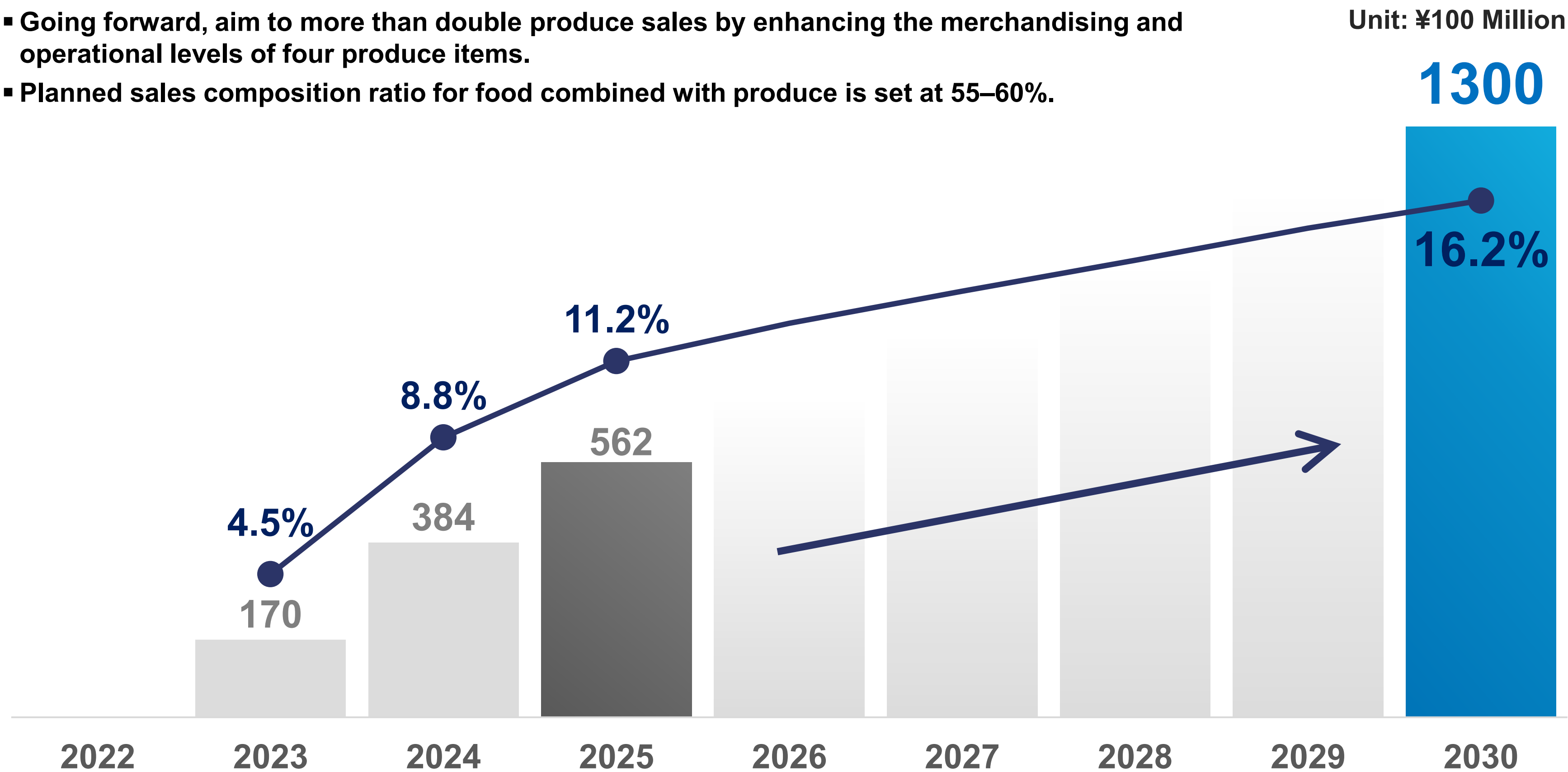
- Requires a large floor space, making it difficult to open a store.
- Enables high store sales and high profitability.

10% → 35%

+25% pts

[1] Improving produce expertise - Increasing produce sales -

- Produce sales have grown significantly over the past three years after the remodeling.
- Going forward, aim to more than double produce sales by enhancing the merchandising and operational levels of four produce items.
- Planned sales composition ratio for food combined with produce is set at 55–60%.



Third Medium-term Management Plan
(FY May 2022–FY May 2025)

Sales ¥56.2 billion

Composition ratio 11.2%

Fourth Medium-term Management Plan
(FY May 2026–FY May 2030)

Sales ¥130 billion

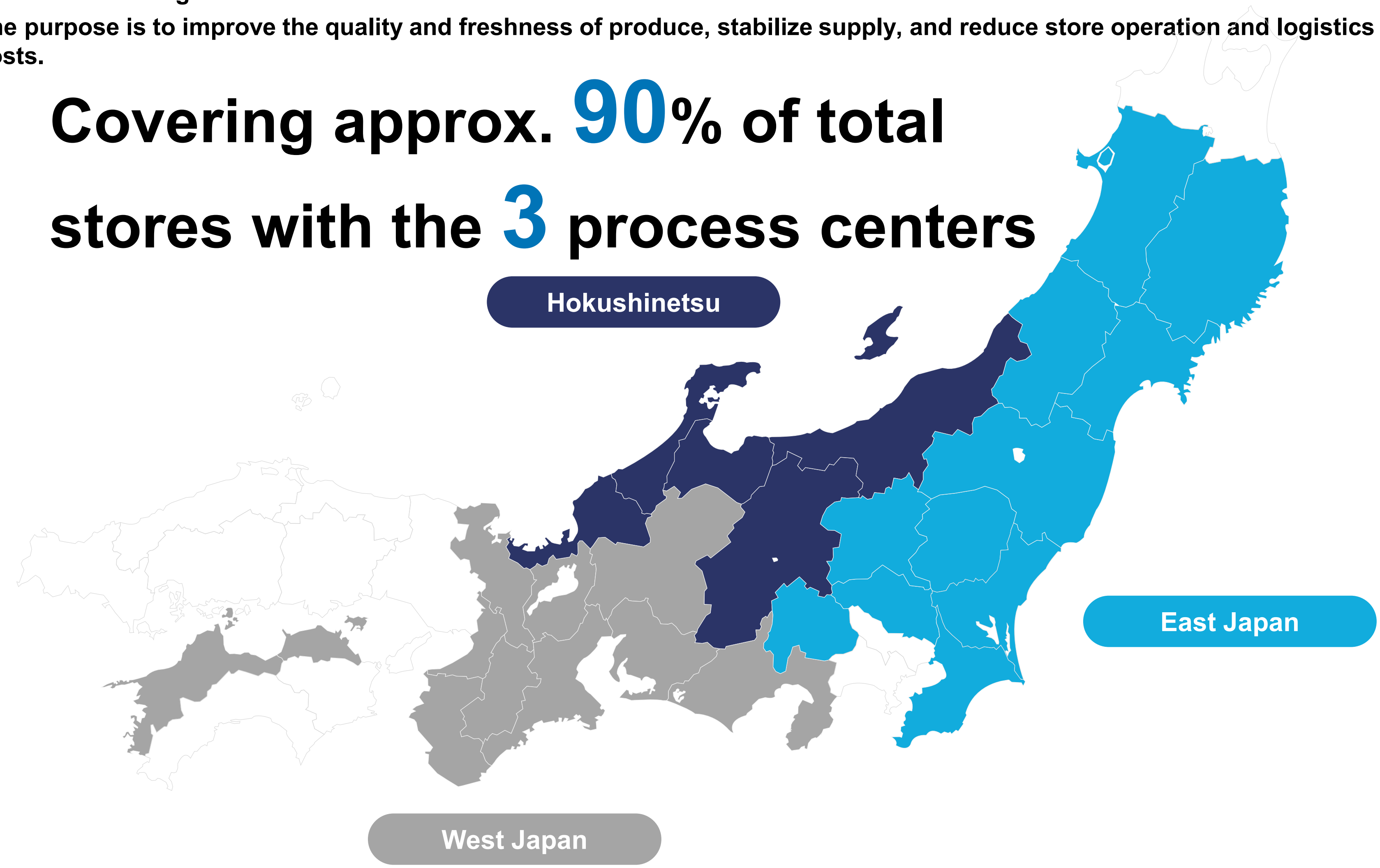
Composition ratio 16.2%

* Figures for FY May 2022 are excluded because the revenue recognition standard was not yet applicable (as for tenant sales, only commissions are recorded).

[1] Improving produce expertise
- Establishment of three new process centers and restructuring of logistics network -

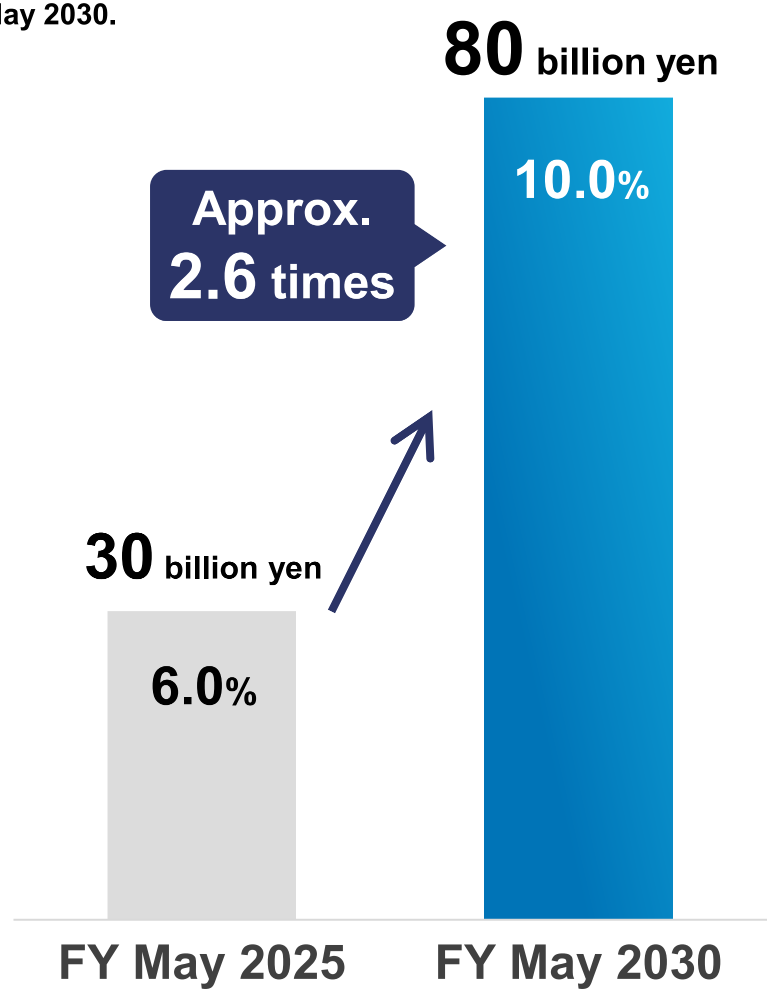
- In 2025, we established our own produce process center (PC) in the Hokuriku area and began operational model verification.
- Going forward, three PCs will be established nationwide. Alongside establishing new distribution centers, we will restructure our logistics network.
- The purpose is to improve the quality and freshness of produce, stabilize supply, and reduce store operation and logistics costs.

Covering approx. 90% of total stores with the 3 process centers



[2] Transformation of earnings structure - Improvement of private brand (PB) ratio -

- The launch of “A&” in 2021 marked a start of PB development in full swing.
- Our product offerings have been expanded to include food, general merchandise, and pharmaceuticals, achieving growth in sales to 30 billion yen (6% of total sales) as of the end of FY May 2025.
- As we expand the product lineup, particularly in the low-price range, a switch to new packaging is a scheduled in 2026.
- Through further strengthening of merchandising, we aim for PB sales of 80 billion yen and a 10.0% of total sales by FY May 2030.



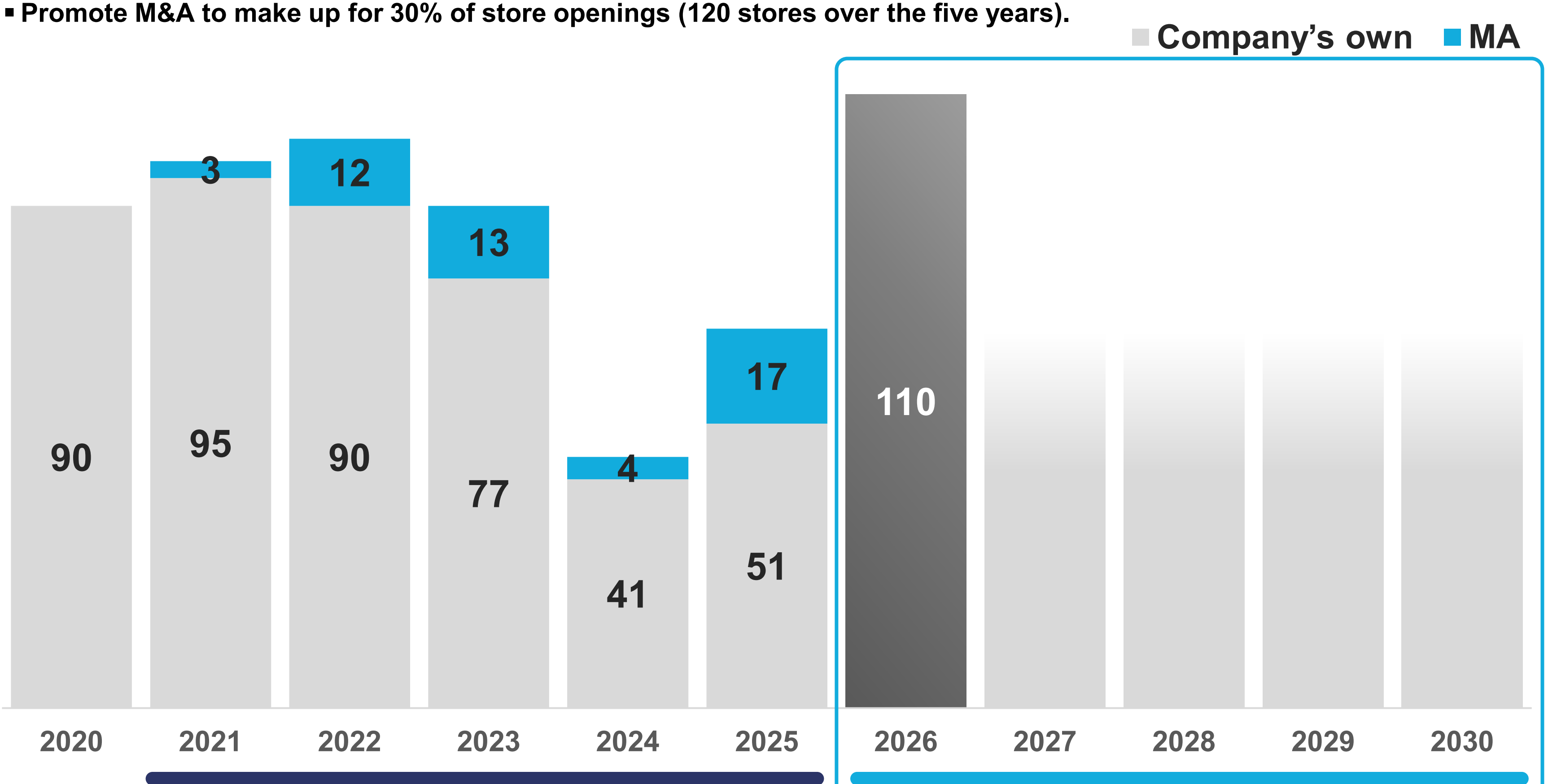
FY May 2030 (Plan)

PB sales: 80 billion yen

PB ratio: 10.0%

[3] Promoting M&A - Establishment of a stable store opening system -

- Over the past five years (from FY May 2021 to FY May 2025), 403 stores were opened (Company's own: 354, M&A: 49).
- We plan 400 new store openings over the five-year period (from FY May 2026 to FY May 2030).
- Promote M&A to make up for 30% of store openings (120 stores over the five years).



Past five years
(FY May 2021–FY May 2025)
403 stores

Fourth Medium-term Management Plan
(FY May 2026–FY May 2030)
400 stores (incl. M&A)

[3] Promoting M&A - Scheduled M&A projects in FY May 2026 -

- **Acquire three companies through M&A in FY May 2026 (sales: 42.3 billion yen, number of stores: 38).**
- **Acquired a total of 21 companies through M&A as of 2Q of FY May 2026 (total: sales 130.3 billion yen, number of stores: 167).**
- **Through the acquisition of two companies in Niigata, Niigata Prefecture has grown to become our No. 1 area in terms of sales across all regions where we operate.**

PiCASO

Company name	: Miwa Shoten Co., Ltd
Head office location	: Nakatadogun, Kagawa
Sales	: 5,296 million yen
Ordinary income	: -170 million yen
Number of stores	: 5

SPOT

Company name	: Spot Co., Ltd.
Head office location	: Nagaoka City, Niigata
Sales	: 27,461 million yen
Ordinary income	: 496 million yen
Number of stores	: 20

20th company

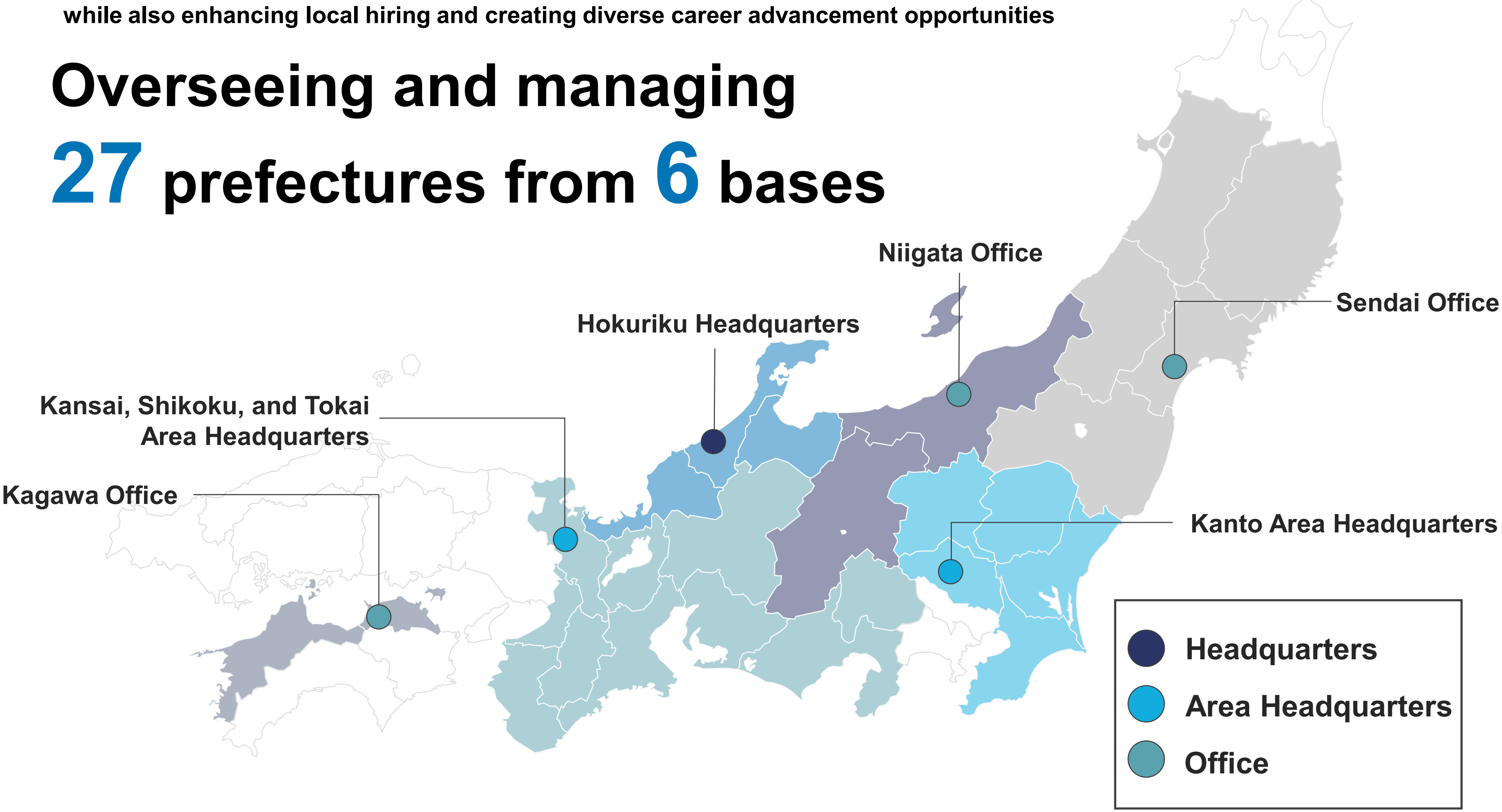
CUPID

Company name	: CUPID. Co. Ltd
Head office location	: Niigata City, Niigata
Sales	: 9,783 million yen
Ordinary income	: -299 million yen
Number of stores	: 13

Headquarters Concept

- Expanding our business locations to enhance our capability to execute management strategies, accelerate decision-making, and maximize human capital
- Shifting toward a "three-area headquarters system" comprising the Hokuriku Headquarters plus two area headquarters (Saitama and Kyoto)
- Establishing three new offices (Miyagi, Niigata, and Kagawa) to strengthen our power of business execution in each area while also enhancing local hiring and creating diverse career advancement opportunities

Overseeing and managing 27 prefectures from 6 bases



Cash Allocation

- Maintain allocation to active growth investments centered on store development investments(¥200 billion).
- Undertake a fundamental review of the shareholder return policy(Dividend payout ratio: 30%).

Cash In

Operating CF

Financing

Cash Out

Growth investments 67%

Shareholder return 20%

Increase in working capital Emergency response, etc. 13%

Growth investment amount: ¥200 billion

(Cumulative forecast for the five-year period from FY May 2026 to FY May 2030)

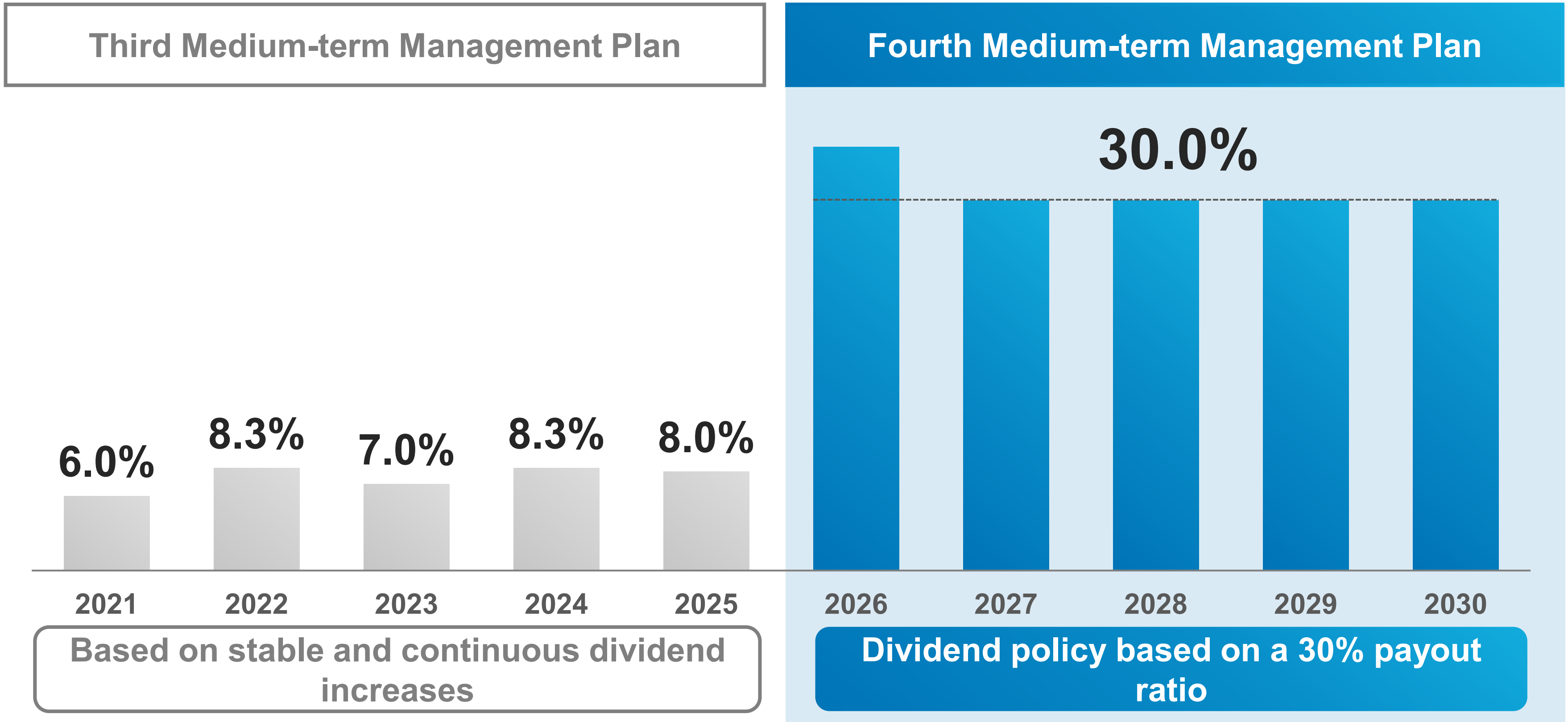
*FY May 2021–FY May 2025: ¥155 billion

	Investment Amount	Remarks
Development Investment	50%	New stores (Company-owned)
Strategic Investment	30%	M&A (Incl. remodeling)
Other	20%	Remodeling, PC, dispensing system, PV system, etc.

Dividend payout ratio: 30% / Share buyback, etc.

Implementation of a fundamental review of the shareholder return policy

Dividend	▪ Increase the dividend payout ratio to 30% ▪ Pay a 40th Anniversary Dividend (+ 40 yen) at the end of FY May 2026 and Increase the dividend payout ratio to 30%.
Share buyback	▪ Implement a share buyback of 6 million shares (24 billion yen) *Planned period is one year from the start date.



Change in Listing Market Segment

- To achieve our new medium-term management plan, we will concentrate management resources under more appropriate market segments to pursue sustainable growth and maximize shareholder value.

Tokyo Stock Exchange	**Listing market change to the Standard Market segment**
Nagoya Stock Exchange	**New listing on the Main Market**

Management Philosophy

Contributing to society through health, beauty, and hygiene

KUSURI NO AOKI HOLDINGS CO., LTD.

Disclaimer

The data and forward-looking statements in this document represent the Company's judgment based on currently available information and contain potential risks and uncertainties.

These statements may be subject to change without prior notice due to factors such as changes in the business environment.

Please note that actual results may differ from these forward-looking statements.