

---

# FY3/26

# Results Briefing Presentation

---

May 15, 2026

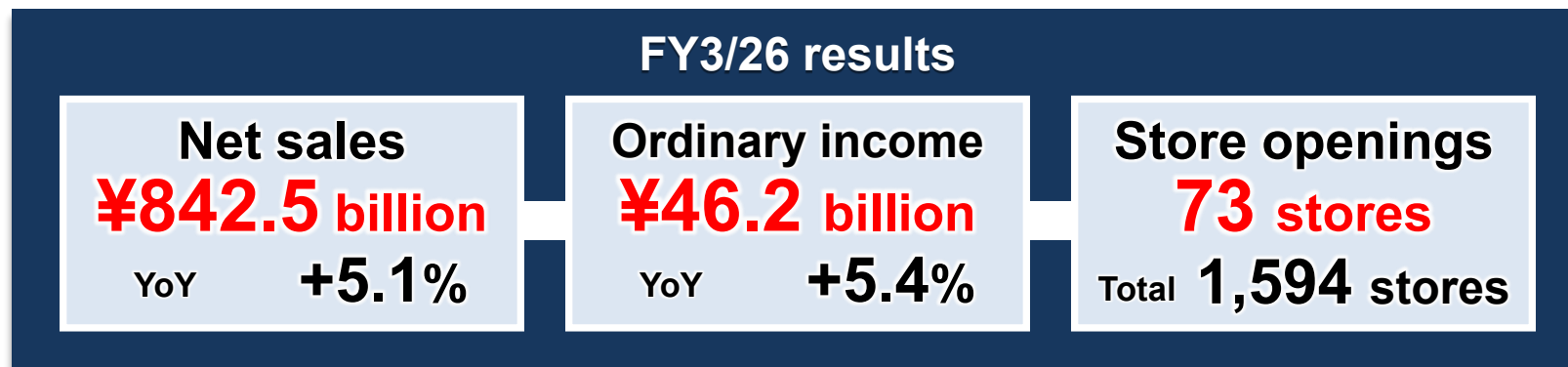


- **FY3/26 Results Summary**
- **FY3/27 Full-Year Guidance**
- **New Medium-term Business Plan and Management Issues**

# FY3/26 Results Summary

---





### Net sales

Effect of the refurbishment of existing stores; continued strong performance in the dispensing pharmacy and EC businesses

### Ordinary income

Drugstore business: Cost containment mainly by controlling labor costs

### New store openings

73 stores (Drugstore business: 49 stores, discount store business: 24 stores)

# Consolidated Income Statement

(millions of yen)

	FY3/25		FY3/26						
	Results	Breakdown	Results	Breakdown	YoY change	Vs. guidance	Guidance	Breakdown	
<b>Net sales</b>	801,811	100.0%	<b>842,512</b>	<b>100.0%</b>	<b>5.1%</b>	<b>-0.9%</b>	850,000	100.0%	
<b>Gross profit</b>	204,087	25.5%	<b>216,170</b>	<b>25.7%</b>	<b>5.9%</b>	<b>-1.4%</b>	219,200	25.8%	
SG&A expenses	159,591	19.9%	<b>169,338</b>	<b>20.1%</b>	<b>6.1%</b>	<b>-1.5%</b>	171,900	20.2%	
Labor cost	67,780	8.5%	<b>72,826</b>	<b>8.6%</b>	<b>7.4%</b>	<b>-1.3%</b>	73,820	8.7%	
Selling cost	4,349	0.5%	<b>4,235</b>	<b>0.5%</b>	<b>-2.6%</b>	<b>-7.1%</b>	4,560	0.5%	
Administrative expenses	87,460	10.9%	<b>92,276</b>	<b>11.0%</b>	<b>5.5%</b>	<b>-1.3%</b>	93,520	11.0%	
<b>Operating income</b>	44,496	5.5%	<b>46,831</b>	<b>5.6%</b>	<b>5.2%</b>	<b>-1.0%</b>	47,300	5.6%	
<b>Ordinary income</b>	43,835	5.5%	<b>46,220</b>	<b>5.5%</b>	<b>5.4%</b>	<b>0.5%</b>	46,000	5.4%	
<b>Net income</b>	30,750	3.8%	<b>31,392</b>	<b>3.7%</b>	<b>2.1%</b>	<b>-1.0%</b>	31,700	3.7%	

## Overview

- Net sales: Continued strong performance in the dispensing pharmacy and EC businesses in addition to the effect of the refurbishment of existing stores
- Gross profit: 0.2 pt YoY improvement due to improved trade terms since the end of the previous fiscal year
- SG&A expenses: Drugstore business: Cost containment mainly by controlling labor costs

# Consolidated Income Statement By Business

(millions of yen)

Drugstore business	FY3/25		FY3/26					
	Results	Breakdown	Results	Breakdown	YoY change	Vs. guidance	Guidance	Breakdown
Net sales	517,333	100.0%	<b>539,379</b>	<b>100.0%</b>	<b>4.3%</b>	<b>-0.9%</b>	544,500	100.0%
Gross profit	143,633	27.8%	<b>150,748</b>	<b>27.9%</b>	<b>5.0%</b>	<b>-1.8%</b>	153,500	28.2%
SG&A expenses	116,988	22.6%	<b>123,266</b>	<b>22.9%</b>	<b>5.4%</b>	<b>-1.5%</b>	125,200	23.0%
Operating income	26,645	5.2%	<b>27,481</b>	<b>5.1%</b>	<b>3.1%</b>	<b>-2.9%</b>	28,300	5.2%
Ordinary income	25,907	5.0%	<b>36,248</b>	<b>6.7%</b>	<b>39.9%</b>	<b>0.7%</b>	36,000	6.6%

## Overview

- SG&A expenses: 2H ⇒ Stores' labor schedules were adjusted early on as sales of seasonal products and tax-free sales were sluggish
- Ordinary income: Starting from this fiscal year, dividends from DIREX are recorded as we no longer provide finance to DIREX as its parent company.

(millions of yen)

Discount store business	FY3/25		FY3/26					
	Results	Breakdown	Results	Breakdown	YoY change	Vs. guidance	Guidance	Breakdown
Net sales	342,267	100.0%	<b>364,121</b>	<b>100.0%</b>	<b>6.4%</b>	<b>-0.8%</b>	367,000	100.0%
Gross profit	60,895	17.8%	<b>65,828</b>	<b>18.1%</b>	<b>8.1%</b>	<b>-0.4%</b>	66,100	18.0%
SG&A expenses	43,045	12.6%	<b>46,478</b>	<b>12.8%</b>	<b>8.0%</b>	<b>-1.3%</b>	47,100	12.8%
Operating income	17,850	5.2%	<b>19,350</b>	<b>5.3%</b>	<b>8.4%</b>	<b>1.8%</b>	19,000	5.2%
Ordinary income	17,928	5.2%	<b>19,412</b>	<b>5.3%</b>	<b>8.3%</b>	<b>2.2%</b>	19,000	5.2%

## Overview

- Gross profit: 0.3 pt YoY improvement due to improved trade terms for drug store merchandise
- Operating income and Ordinary income: Lower-than-expected utility costs

	FY3/25		FY3/26			
	Openings	No. of stores	Openings	Closures	Net increase	No. of stores
<b>Drugstore business</b>	63	1,124	49	18	+31	<b>1,155</b>
<b>Discount store business</b>	27	418	24	3	+21	<b>439</b>
<b>Total</b>	90	1,542	<b>73</b>	<b>21</b>	<b>+52</b>	<b>1,594</b>

[By area]	FY3/25		FY3/26			
	Openings	No. of stores	Openings	Closures	Net increase	No. of stores
<b>Hokkaido, Tohoku</b>	9	173	3	3	+0	<b>173</b>
<b>Kanto</b>	17	428	18	2	+16	<b>444</b>
<b>Koshinetsu, Hokuriku</b>	12	146	9	1	+8	<b>154</b>
<b>Tokai</b>	4	102	5	5	+0	<b>102</b>
<b>Kinki</b>	11	180	8	3	+5	<b>185</b>
<b>Chugoku, Shikoku</b>	21	212	16	1	+15	<b>227</b>
<b>Kyushu, Okinawa</b>	16	301	14	6	+8	<b>309</b>

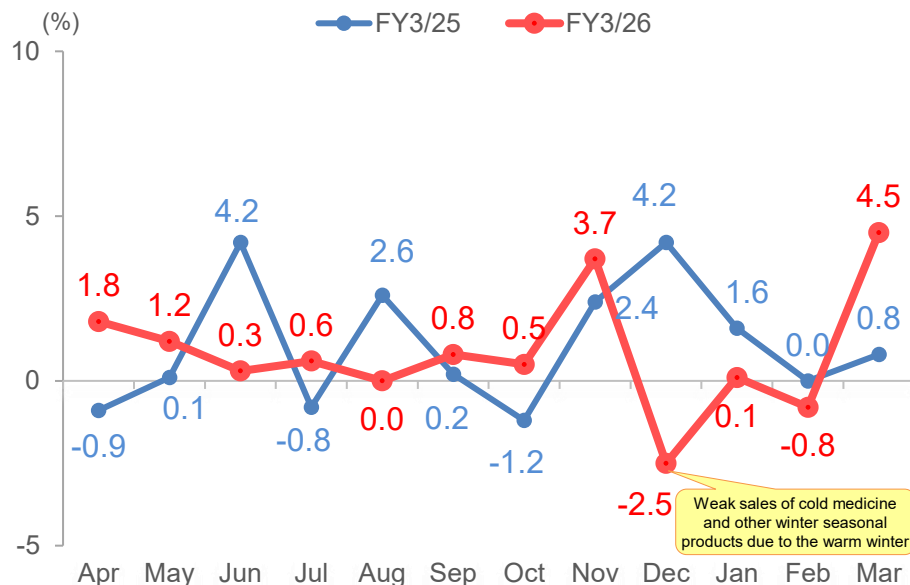
## Group total

- Openings: 73 stores ⇒ Drugstore business: 49 stores, discount store business: 24 stores
- Closures: 21 stores ⇒ Relocated: 4 stores; consolidation: 2 stores; trial stores: 2 stores; changed business categories: 2 stores, etc.

■ Same-store Group performance ⇒ Full-year: +1.2 (1H: +1.6, 2H: +0.8)

## Same-store sales growth by business (YoY)

### Drugstore business

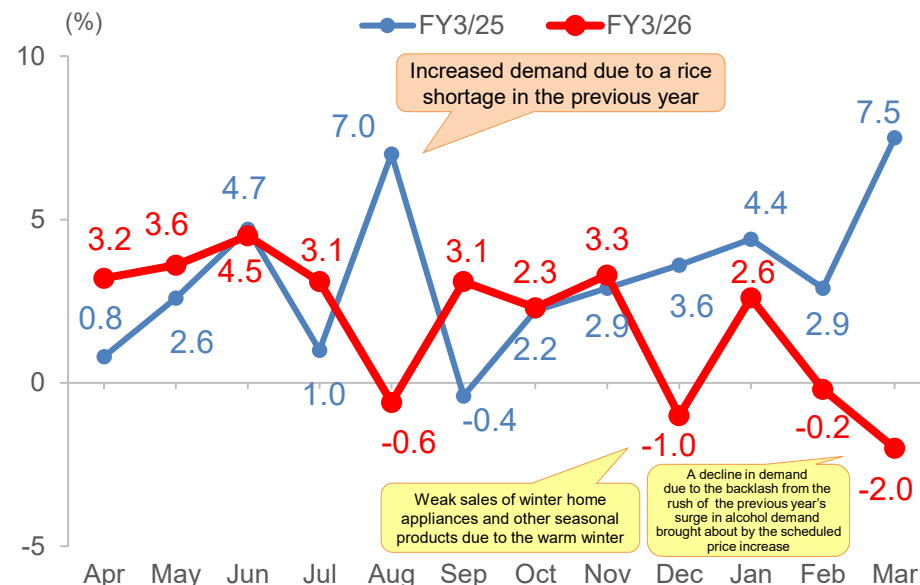


### Existing drugstore trends

**Full-year performance: +0.8 (1H: +0.7, 2H: +0.9)**

- Refurbishment effect; strong performance in the dispensing pharmacy business and the food sector, including strong sales of rice from Japan's national stockpile

### Discount store business



### Existing discount store trends

**Full-year performance: +1.7 (1H: +2.8, 2H: +0.7)**

- Continued strong performance in the food sector

# Net Sales By Category

(millions of yen)

Drugstore business	FY3/25		FY3/26		
	Results	Breakdown	Results	Breakdown	YoY change
Health care	143,464	27.7%	<b>144,974</b>	<b>26.9%</b>	<b>1.1%</b>
Housekeeping	108,247	20.9%	<b>112,824</b>	<b>20.9%</b>	<b>4.2%</b>
Beauty care	150,453	29.1%	<b>156,188</b>	<b>29.0%</b>	<b>3.8%</b>
Food	91,654	17.7%	<b>100,242</b>	<b>18.6%</b>	<b>9.4%</b>
Other	23,513	4.6%	<b>25,149</b>	<b>4.6%</b>	<b>7.0%</b>
<b>Total</b>	<b>517,333</b>	<b>100.0%</b>	<b>539,379</b>	<b>100.0%</b>	<b>4.3%</b>

## Overview

- Other ⇒ Expanded product category sold online, including pet supplies and home appliances, contributed to net sales

(millions of yen)

Discount store business	FY3/25		FY3/26		
	Results	Breakdown	Results	Breakdown	YoY change
Health & Beauty	71,668	20.9%	<b>74,763</b>	<b>20.5%</b>	<b>4.3%</b>
Food	230,601	67.4%	<b>249,136</b>	<b>68.4%</b>	<b>8.0%</b>
Groceries, daily foods, frozen foods	171,300	50.0%	<b>187,282</b>	<b>51.4%</b>	<b>9.3%</b>
Alcohol	59,301	17.3%	<b>61,854</b>	<b>17.0%</b>	<b>4.3%</b>
Other	39,997	11.7%	<b>40,221</b>	<b>11.1%</b>	<b>0.6%</b>
<b>Total</b>	<b>342,267</b>	<b>100.0%</b>	<b>364,121</b>	<b>100.0%</b>	<b>6.4%</b>

## Overview

- Food ⇒ Continued strong performance of rice and luxury grocery items (coffee and tea)

# Consolidated Balance Sheet

FY3/25

(millions of yen)

**Total assets: 444,007**  
(Equity ratio 60.7%)

Current assets <b>216,777</b> (+8,534)	Liabilities <b>174,293</b> (+7,174)
Long-term assets <b>227,229</b> (+15,264)	Net assets <b>269,713</b> (+16,623)

FY3/26

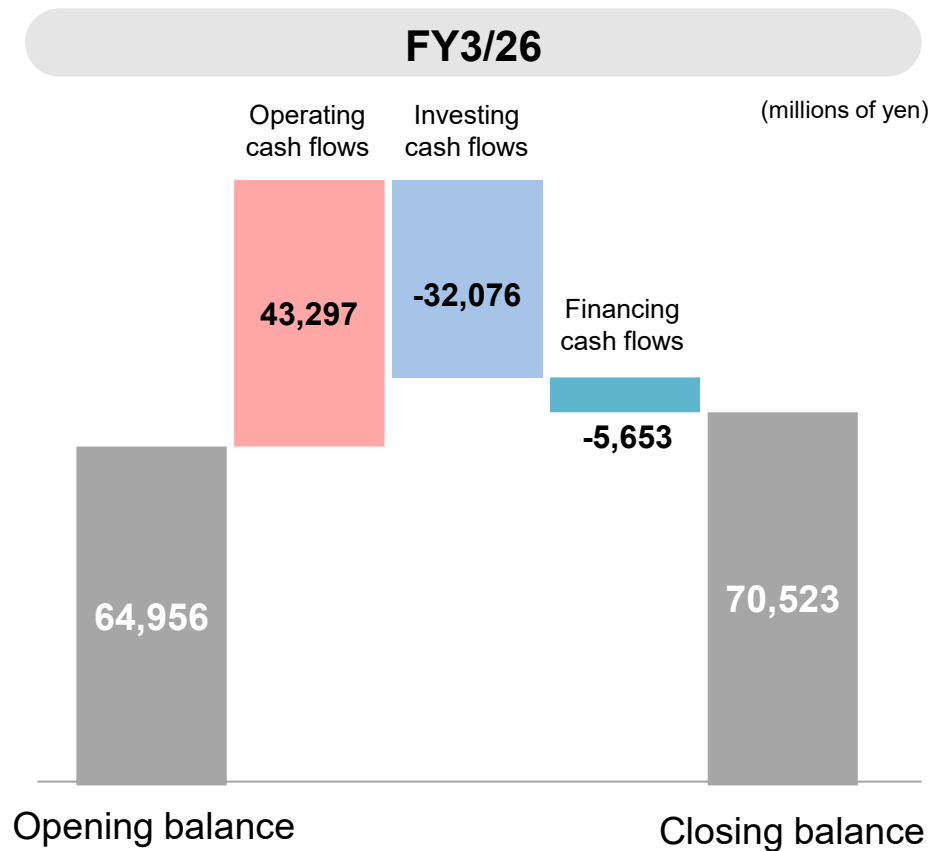
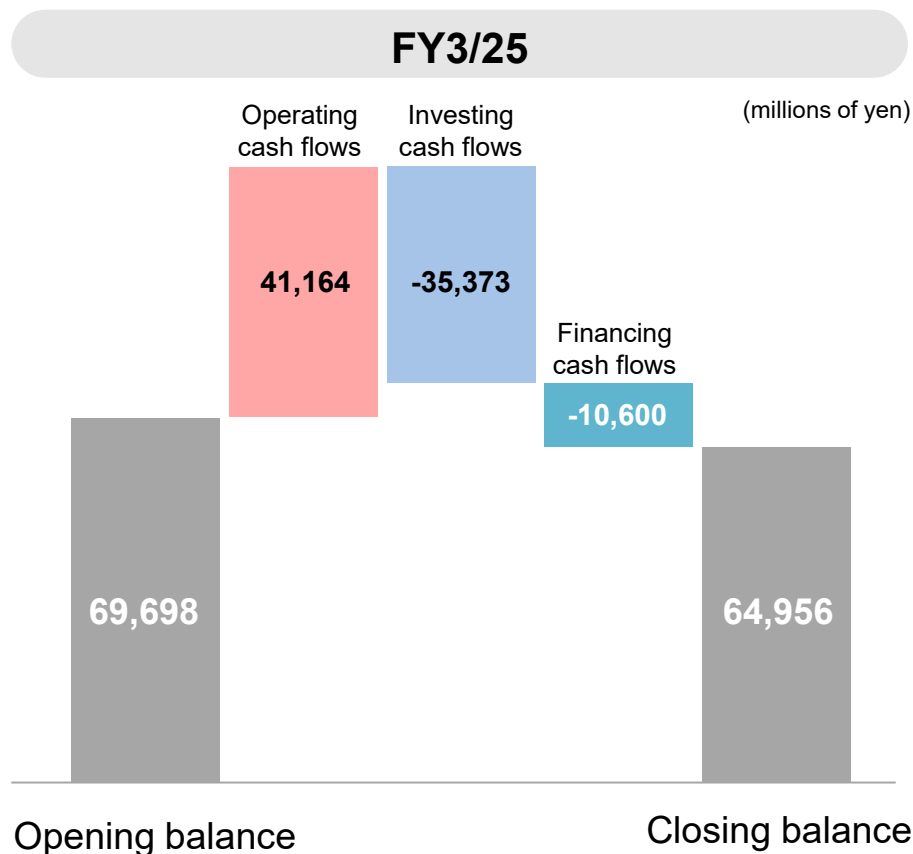
(millions of yen)

**Total assets: 475,505**  
(Equity ratio 60.1%)

Current assets <b>238,064</b> (+21,286)	Liabilities <b>189,504</b> (+15,211)
Long-term assets <b>237,440</b> (+10,211)	Net assets <b>286,001</b> (+16,287)

<b>Current assets</b>	<b>+21,286</b>
Cash and cash equivalents	+5,567
Accounts receivable	+2,336
Inventories	+11,651
Others	+1,730
<b>Long-term assets</b>	<b>+10,211</b>
Tangible fixed assets	+11,781
Intangible fixed assets	-568
Investments and others	-1,002
<b>Current liabilities</b>	<b>+5,527</b>
Accounts payable	+2,975
Contract liability	+819
Others	+1,732
<b>Long-term liabilities</b>	<b>+9,683</b>
<b>Shareholder's equity</b>	<b>+16,287</b>

# Consolidated Cash Flows



■ Capital investment	<b>35,925</b>
■ Depreciation and amortization	<b>17,397</b>

■ Capital investment	<b>28,573</b>
■ Depreciation and amortization	<b>18,875</b>

# FY3/27 Full-Year Guidance

---



## FY3/27 Full-year guidance

Consolidated

Net sales

**¥876.0** billion <YoY change> **+4.0%**

Operating income

**¥48.8** billion <YoY change> **+4.2%**

### Drugstore business

Net sales **¥554.0** billion <YoY change> **+2.7%**

Operating income **¥28.5** billion <YoY change> **+3.7%**

### Discount store business

Net sales **¥386.0** billion <YoY change> **+6.0%**

Operating income **¥20.3** billion <YoY change> **+4.9%**

## Same-store sales growth rate

Entire group

Full-year  
**+1.3**

### Drugstore business

Full-year  
**+1.0%**

### Discount store business

Full-year  
**+1.6**

## Store openings

Entire group

Store openings Closure  
**100** stores **20** stores

### Drugstore business

Store openings Closure  
**68** stores **18** stores

### Discount store business

Store openings Closure  
**32** stores **2** stores

## Investments

Total

**¥43.0** billion

### Store openings

**¥33.0** billion

### Refurbishments

**¥5.5** billion

DX

**¥4.5** billion

### Depreciation and amortization

**¥20.3** billion

# **New Medium-term Business Plan and Management Issues**

---



## FY3/26 results

\* "Group" includes our capital and business alliance partner

**Group Net sales**

**¥983.5 billion**

**Group Operating income**

**¥50.3 billion**

**Group Operating margin**

**5.1%**

(5.6% when excluding our capital and business alliance partner)

**Group No. of stores**

**2,026 stores**

### Summary

- 5 years of organic growth and growth through M&A (Daiya) and a capital and business alliance (Kirindo Holdings)
- 55.1% increase in net sales, 34.9% increase in operating income, and 66.6% increase in the number of stores
- Synergies with Kirindo Holdings are expected to be realized during the next Medium-term Business Plan

### Group net sales

- Group net sales nearly reached the target of ¥1 trillion.
- Net sales of station-front stores were 70% of the pre-COVID level (¥10.0 billion decrease).
- The achievement rate is 99.4% based on the assumptions made when the plan was formulated (100% recovery).

### Group operating income/operating margin

- The operating margin of 5.6% improves to 5.8% if the impact of station-front stores (¥1.5 billion decrease) is excluded, falling short of the 6.0% target by 0.2 pt.
- As our revenue structure changed following COVID-19, we promoted medium- to long-term measures to control SG&A expenses, including electronic shelf labels.

### Number of Group stores

- The achievement rate for the number of Group stores including our capital and business alliance partner is 115.8%.

FY2026-2030

Target further growth

## FY2025 (FY3/26)

- Group net sales ¥983.5 billion
- Group operating income ¥50.3 billion
- Group operating margin 5.1%
- ROE 11.7%

Medium-term Business Plan

## New Medium-term Business Plan

### Our vision

Aim for top-class earning power in the drugstore and discount store businesses by diversifying stores and enhancing our product lineup

## FY3/31 plan

- Group net sales ¥1,250 billion
- ROE 12.4%
- Operating margin by business
  - Drugstore business 6.0%
  - Discount store business 5.7%

### Investment strategy

Store network

Drugstore pharmacies

IT

M&A

### Strategy to take market share from competitors by expanding our product lineup

D!

Strengthened Food sector

PB promotion

EC business

### Reinforcement of the foundation

Human resource development

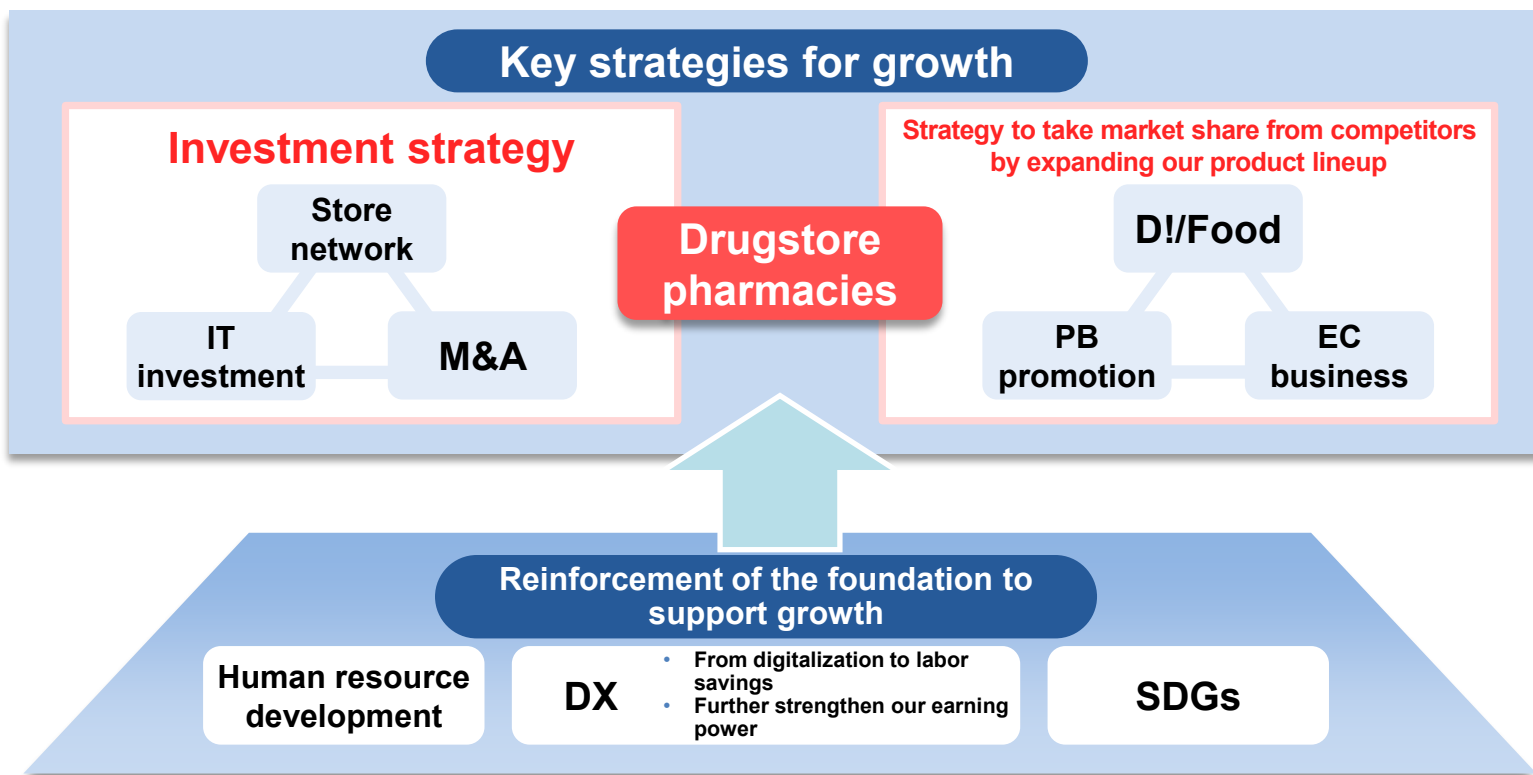
DX

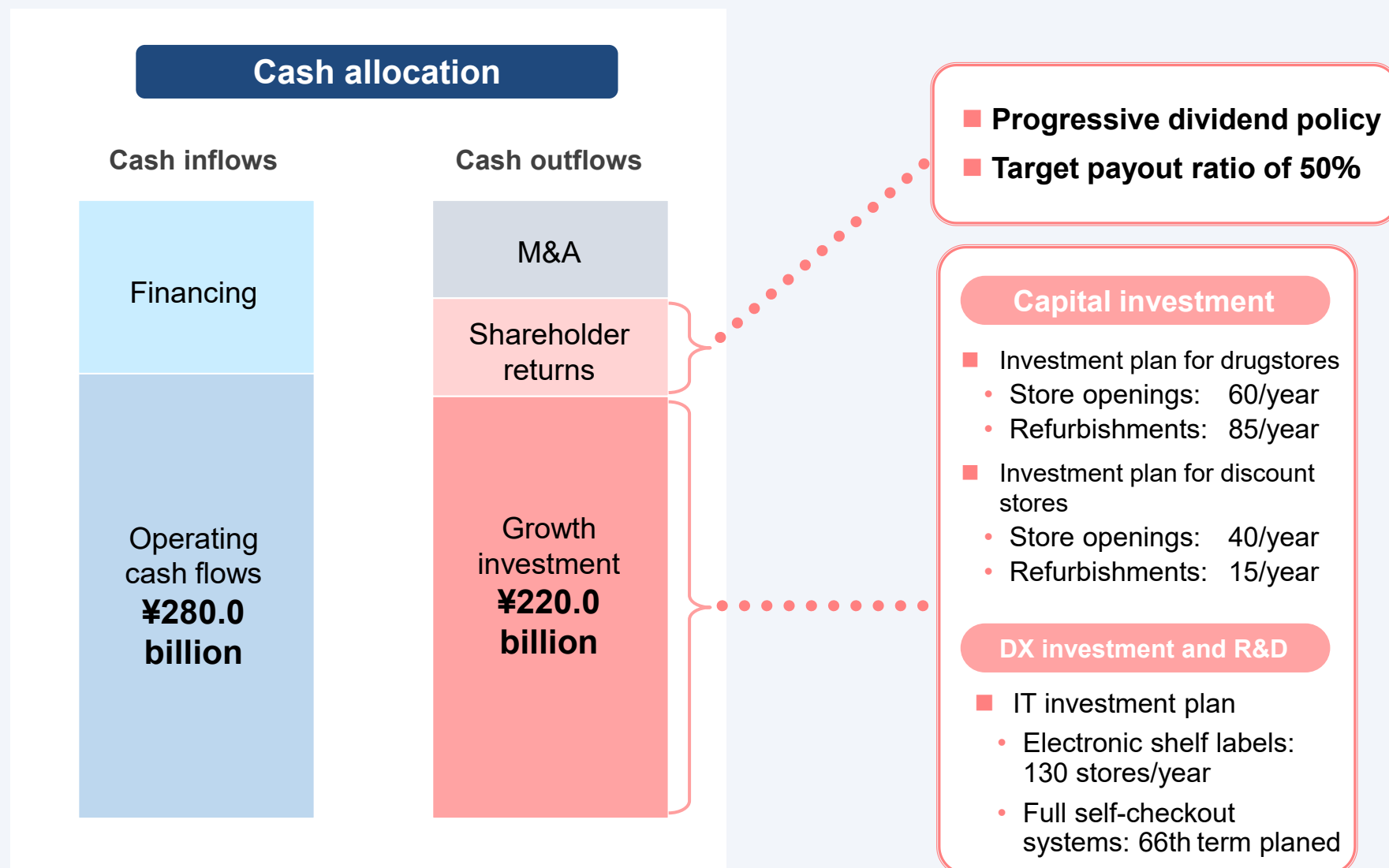
SDGs

## 5-year vision

- Strive for balanced and sustainable growth by utilizing diversified store formats including station-front, suburban and discount stores, and positioning the EC and dispensing pharmacy businesses and PB products as our core
- Aim for top-class earning power in both the drugstore and the discount store businesses

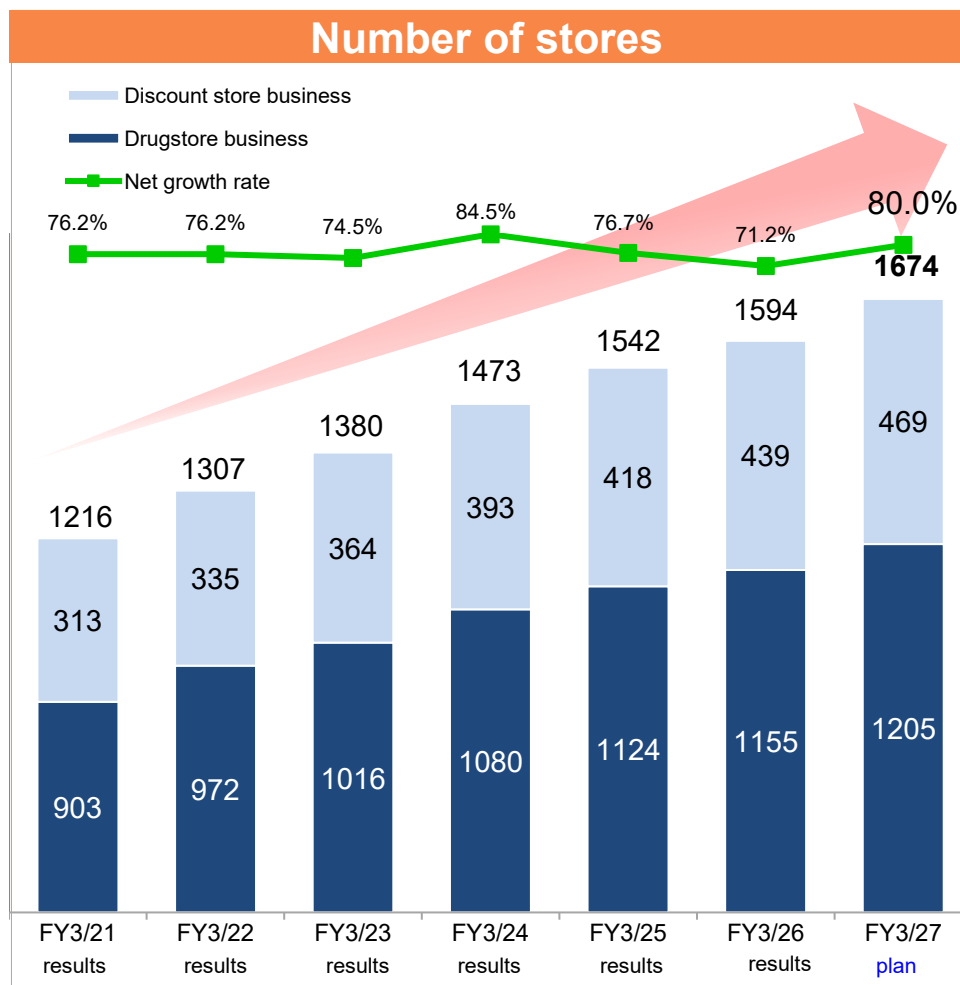
## Concept of the new Medium-term Business Plan





## ■ Increase the number of stores

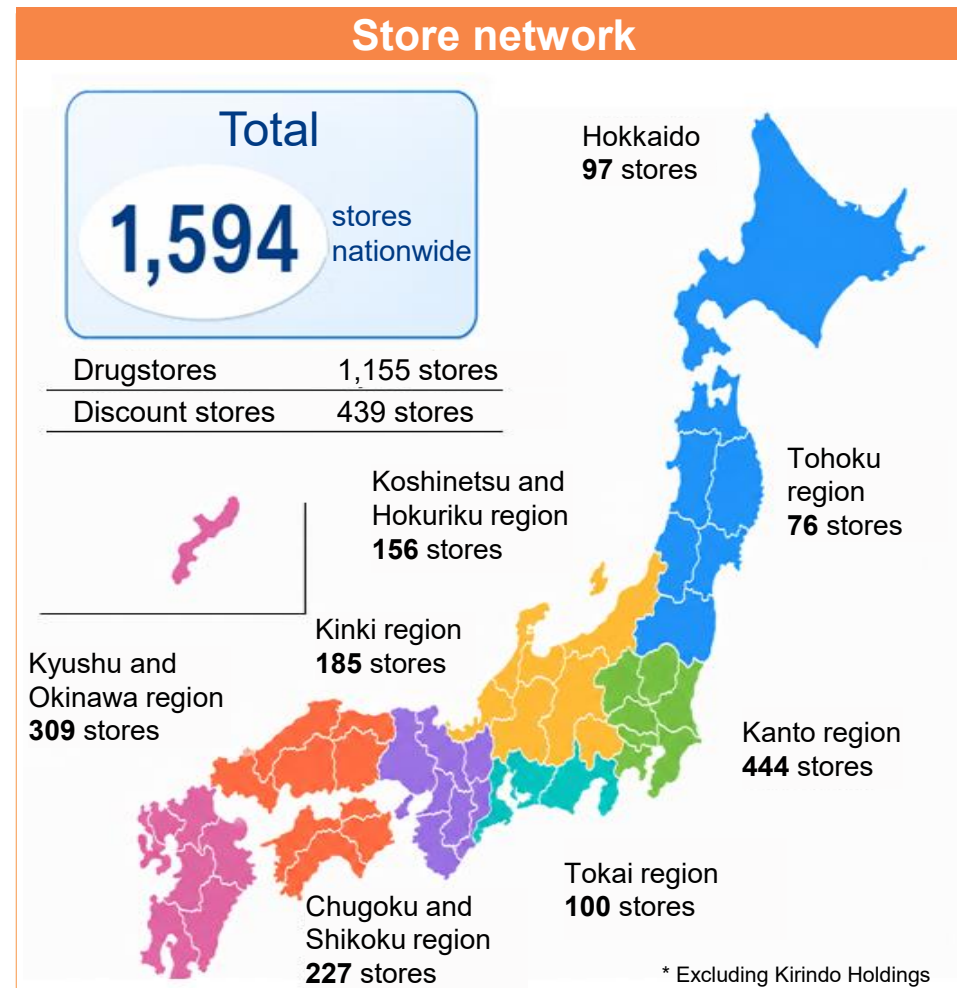
Maintaining store opening standards while targeting a net growth rate of at least 80%



## ■ Nationwide network

Expanding our store network with formats adapted to each region's characteristics

Station-front stores (downtown/shopping areas), suburban stores (standalone/combined with those of other retailers) and discount stores



## ■ Improve the convenience of our EC services and promote information channel strategies

### Improve the convenience of our EC services and leverage information channels

#### EC results FY3/26

**EC Sales**

**¥16,811 million** (Breakdown 2.0%)

YoY: **+17.6%**

**Number of SKUs handled**

**74,455 SKU**

YoY: **+26.7%**

#### Improve the convenience of our EC services

**Same-day shipping rate**

**41.7%**

**YoY comparison of in-store pickup**

**+27.0%**

\* Main online store

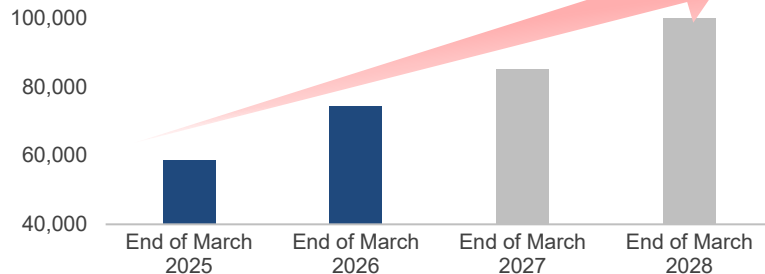
**Percentage of deliveries with drop-off location specified**

**37.9%**

\* Main online store

#### Expand product lineup

Expand our product lineup and offer a wide range of products including pet supplies, DIY goods and home appliances  
<Number of items handled>



#### Leverage information channels

**Strengthen customer contact points**

- Send promotional information
- Strengthen individual contact points



**Send information and increase brand awareness**

Send information on products and our corporate activities



Send information continuously to existing customers and maintain relationships with them



**Video-based and trend-driven marketing**



Increase brand awareness and generate buzz among the younger generations

We strive to expand our customer base by utilizing various social media platforms in accordance with their respective characteristics.

**Further improvement in EC sales and profits**

**Further improvement in customer satisfaction and convenience**

**Utilization of retail media**

**Enhanced lineup of PB products**

## ■ Initiatives to capture dispensing demand in regional communities

Expansion driven by community-based strategies and digital transformation (DX)

### Dispensing results FY3/26

Prescription drug sales

**18,918 million** (Breakdown: 2.3%)

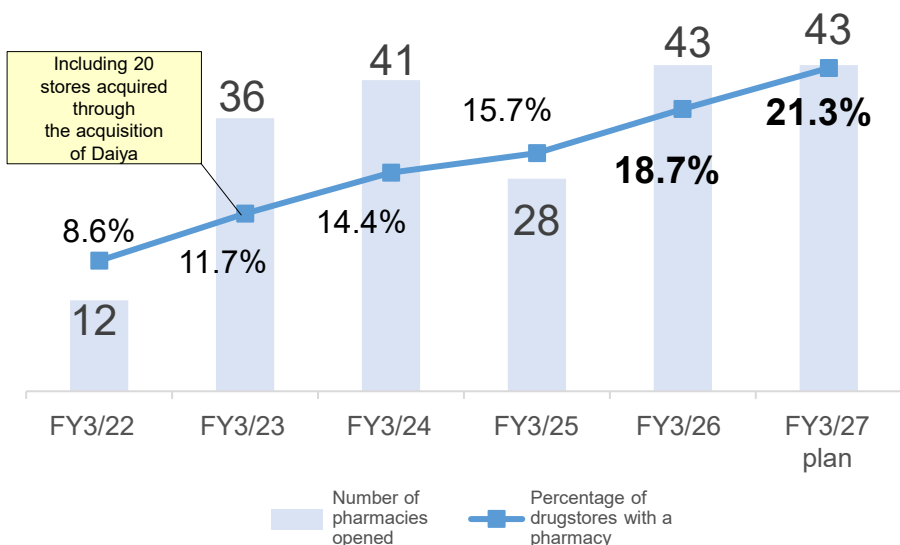
YoY: **+16.8%**

No. of prescriptions

**2,108,134**

YoY: **+10.2%**

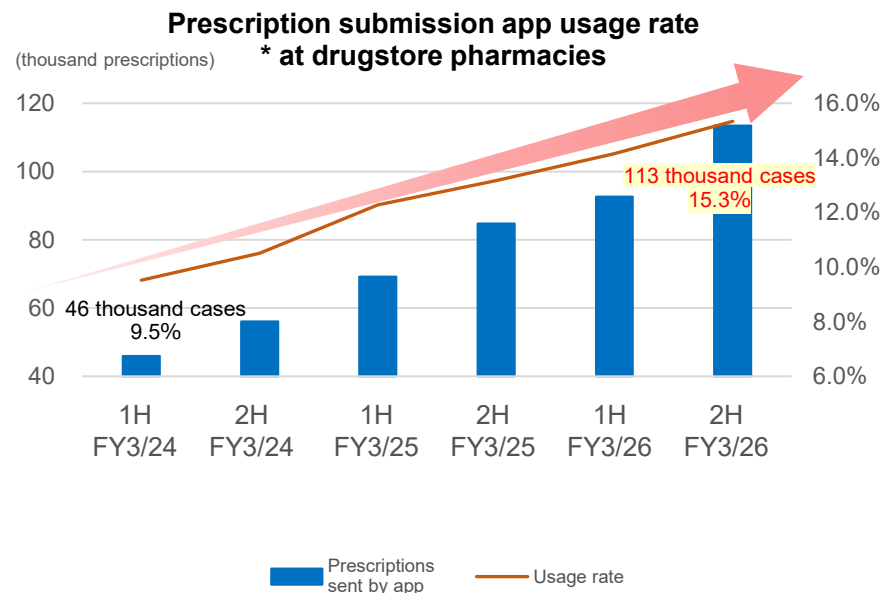
### Pharmacy opening results and the ratio of drugstores combined with pharmacies



### Initiatives to increase the number of prescriptions

- E-prescription system
- Prescription submission app (LINE MINI App)
- Online medication counseling system (SOKUYAKU)
- Now serving as a partner pharmacy of the online medical consultation service “Ouchi Byoin (At-Home Hospital)”

\* From April 2026



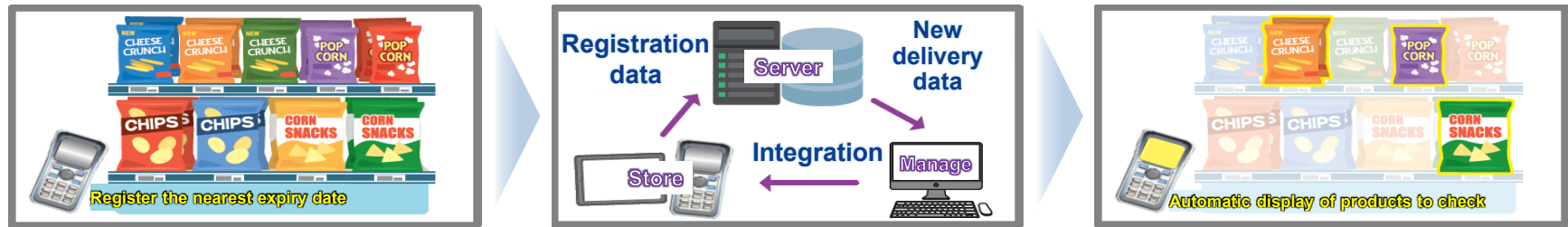
**Introducing an expiration date management system**

Labor cost -0.4%, decreased by ¥0.25 billion/year

- Change paper-based expiration date management ⇒ Tablet-based or handheld terminal-based management ⇒ Reduce time spent on expiration date management and improve work accuracy
- Fully implemented the system across all Sundrug, Seikodo and Sundrug Plus stores by the fiscal year ended March 2026
- Plan to implement the system at DIREX stores during the fiscal year ending March 2027

**Effect**

- Only products requiring expiration date verification are selected automatically → Reduced workload by 30%
- Workload reduced and work accuracy improved by registering JAN codes and expiration dates as images



**Eliminating paper receipts**

Costs of receipt paper decreased by ¥20 million/year, CO<sub>2</sub> emissions reduced by 80 t/year

- “No receipt” button added to semi self-checkout systems ⇒ Meeting users’ needs for eco-friendliness

**Effect**

- Reduction of fixed costs through the reduced use of receipt paper and promotion of environmental protection through reduced CO<sub>2</sub> emissions
- Elimination of waiting time through the reduction of time spent at semi self-checkout systems

**[Usage rate increased by the screen change]**

- (1) “No receipt” button placed on the right side
- (2) Changed wording: “Print receipt/No receipt”



Drugstores: 15.7% → **28.5%**  
Discount stores: 19.9% → **35.6%**

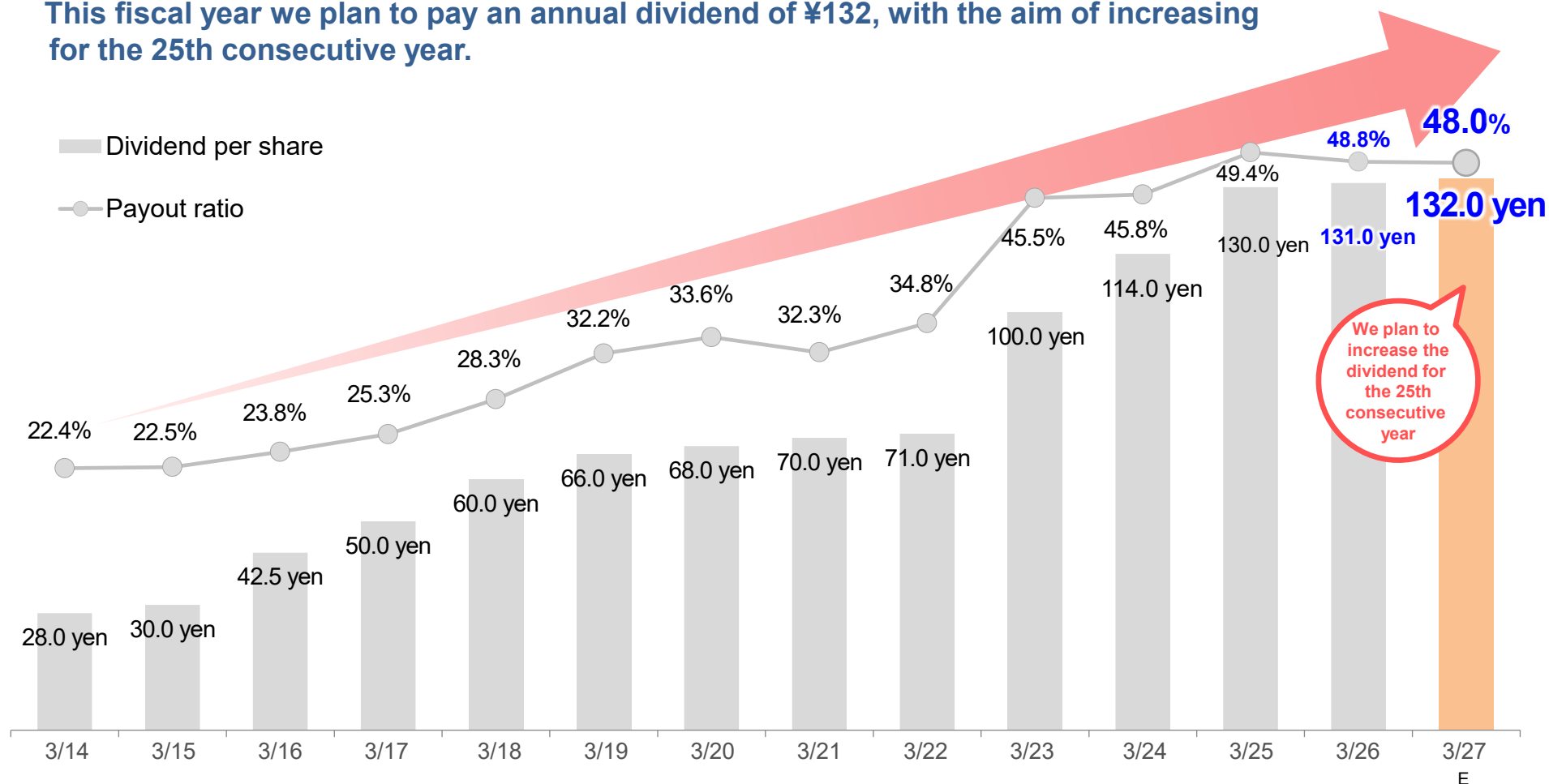
“No receipt” button usage rate (number of button presses/number of payments made at the checkout systems)



**Effects of the initiative to eliminate paper receipts following the screen change**

Costs of receipt paper decreased by ¥40 million/year, CO<sub>2</sub> emissions reduced by 160 t/year

- We increased dividends for the 24th consecutive fiscal year in the previous fiscal year. This fiscal year we plan to pay an annual dividend of ¥132, with the aim of increasing for the 25th consecutive year.



(Note) The Company conducted a 2-for-1 share split of ordinary shares on April 1, 2017  
 Dividend per share is calculated assuming the share split was conducted at the start of FY3/14

With regard to capital allocation, we will strive to execute strategies and make management decisions aimed at further increasing our corporate value, while making proactive investments that lead to business growth, such as new store openings, refurbishing of existing stores, digital promotion, and M&A, as well as making sustainable shareholder returns.



#### Contact

### General Affairs Department, SUNDRUG Co., Ltd.

[Address] 1-38-1 Wakamatsu-cho, Fuchu-shi, Tokyo 183-0005

[Phone] 042-369-6211

This document contains information on current business plans, earnings forecasts and projections that constitute forward-looking statements. These forward-looking statements have been formulated based on currently available information and may differ from actual results due to a range of factors. As such, the Company makes no commitment or guarantee that the forecasts in this document will be attained.