



**Aiming to be the community's
No.1 Health Station in 2030**

Our Vision for 2030

**Financial Results Briefing
for the Fiscal Year Ended February 28, 2025**

**April 14, 2025
Welcia Holdings Co., Ltd.**

1. Outline of Financial Results for FY2025 3

▶ Overview	4
▶ Initiatives	5
▶ Results for FY2025 achievement rates • year-on-year change	9
▶ Results for FY2025 (quarterly YoY change)	10
▶ Breakdown of financial results by company for FY2025	11
▶ Existing stores' monthly sales growth rate (in Japan)	12
▶ Composition ratio of sales by category	13
▶ Gross profit margin by category	14
▶ SG&A expenses	15
▶ Results in the dispensing sector	16
▶ Number of employees	18
▶ Store openings and closures	19

2. Earnings Forecasts for FY2026 20

▶ Indicator assumptions and priority measures for 1H FY2026 forecasts	21
▶ Earnings forecasts	23
▶ Planned store openings and closures	24

1. Outline of Financial Results for FY2025

- Effective March 15, 2024, made Xchange Inc., a subsidiary through the acquisition of shares.
- Effective June 3, 2024, made Towoshiya Pharmacy Co., Ltd. a subsidiary through the acquisition of shares. Subsequently, on September 1, 2024, Welcia Yakkyoku, our consolidated subsidiary and the surviving company, absorbed Towoshiya Pharmacy.
- Effective September 2, 2024, made Welpark Co., Ltd. a subsidiary through the acquisition of shares.
- Effective October 1, 2024, made WELCIA PARTNERS Co,inc.* a subsidiary through the acquisition of shares. As November 30, 2024 is the deemed acquisition date, its financial results are not included in the quarterly consolidated statement of income for FY2025 3Q. *Effective October 1, 2024, the company changed its name from TEPCO Partners, Co,inc.

- Dispensing pharmacy sales remained steady. Effective control of SG&A expenses led to achieving both operating and ordinary income plans.
- Sales increased due to growth in existing stores sales and M&A, but SG&A expenses increased due to aggressive investment in human resources, resulting in sales increased and profit decreased.
- The net income attributable to owner of parent is affected by the recording of impairment losses of 13.1 billion yen on stores.

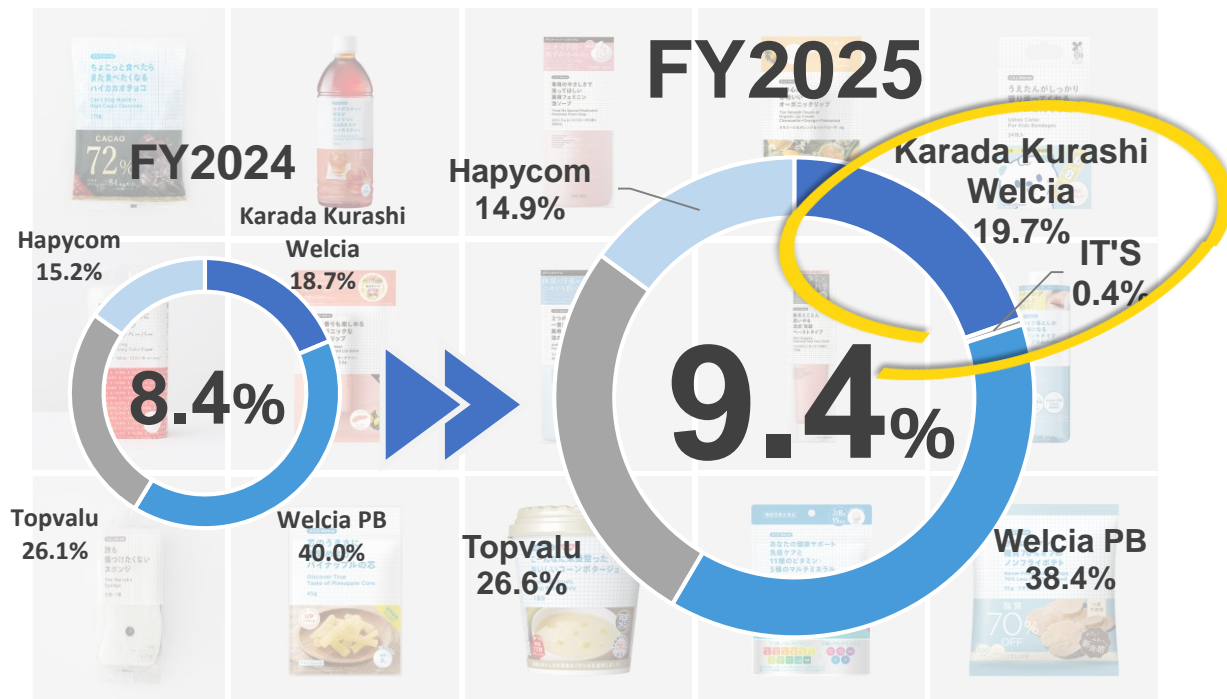
(Unit: million yen/%)

	Actual results	Projections	Difference	Achievement rate	Y/Y
Net sales	1,285,005	1,295,000	-9,994	-0.8	+5.6
(Dispensing pharmacy sales)	282,548	282,300	248	+0.1	+10.0
Operating income	36,409	34,000	2,409	+7.1	-15.8
Ordinary income	40,837	38,000	2,837	+7.5	-14.5
Net income attributable to owners of parent	14,958	19,000	-4,041	-21.3	-43.5

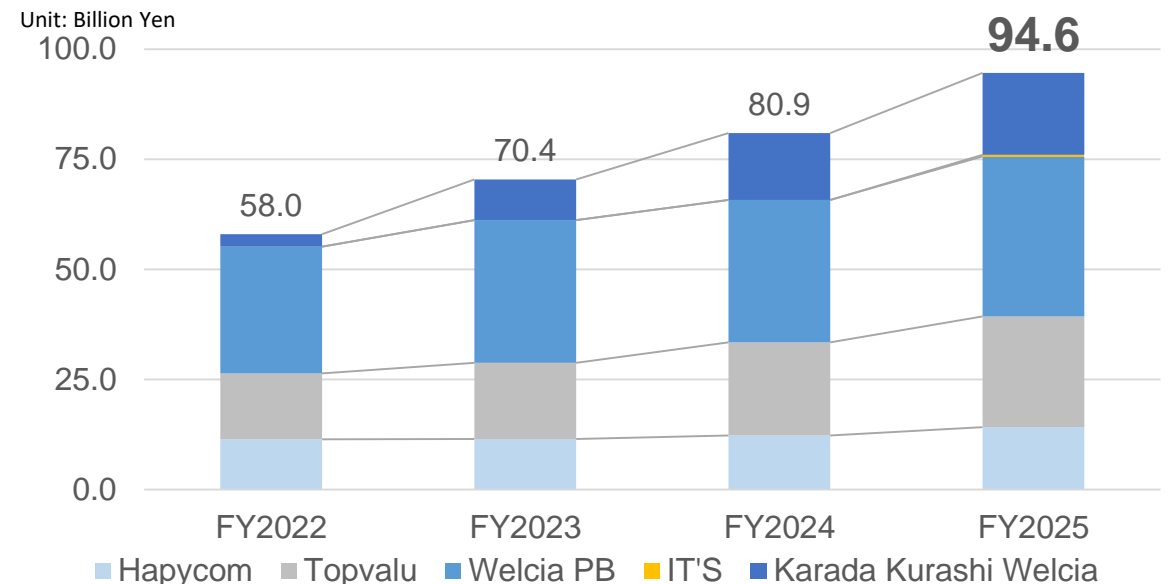
Initiatives for private brand

- The sales composition ratio of private brand products expanded to **9.4%**, with sales growing to **+17%** of the previous fiscal year.

Composition ratio of sales of PB products



Sales Trends by Brand

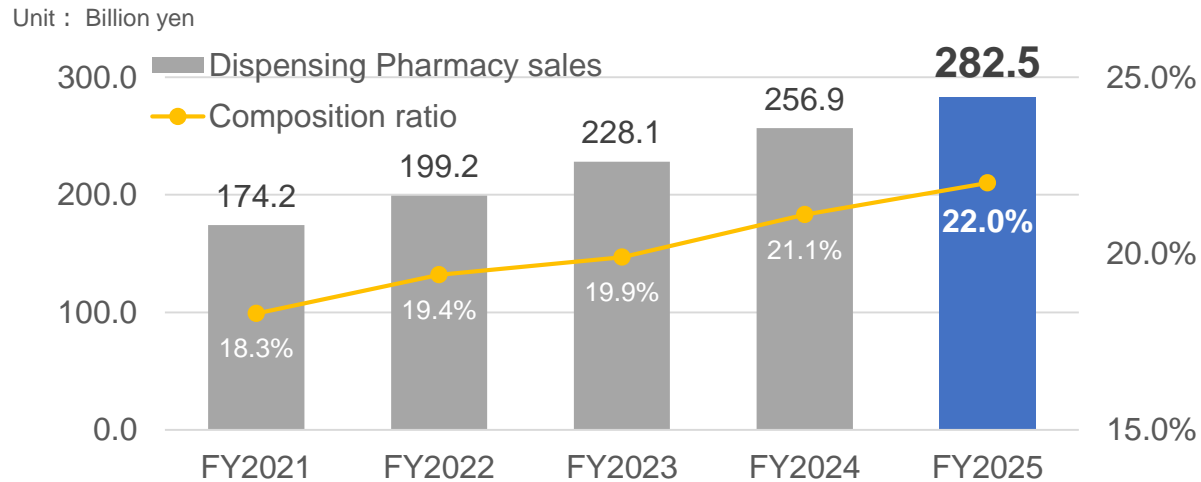


Karada-Kurashi Welcia SKUs: **390** items

- "Karada Kurashi Welcia" grew significantly to +22% of the previous fiscal year, driven by product quality recognition and SKU expansion.
- Topvalu grew to +18% of the previous fiscal year, driven by an expanded lineup and affordable pricing amidst inflation.

- Dispensing pharmacy sales increased by **110%** YOY due to M&A, promotion of stores with dispensing pharmacy, and service enhancements.
- We also advanced community-based initiatives.

Trends in Dispensing Pharmacy Sales



➤ Dispensing pharmacy sales grew by double digits each year, reaching a 22% sales ratio in FY2025.

Community Engagement in Dispensing Pharmacy

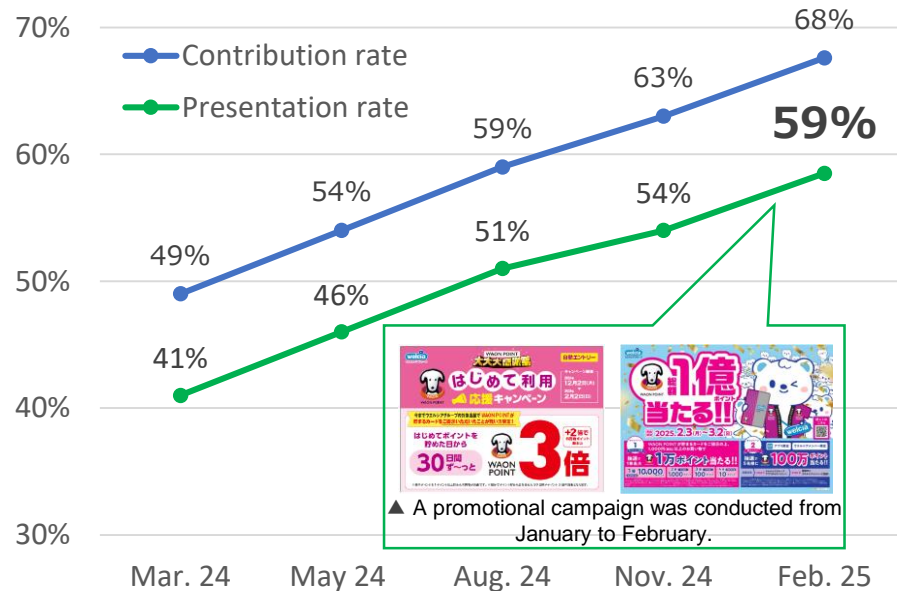


- The ratio of stores with dispensing pharmacies at Welcia Yakkyoku was 88.6%.
- Aiming to be the Community’s No.1 health station, we are expanding our connections with the community through primary pharmacists and home visits.

Progress of initiatives in this fiscal year (WAON POINT service)

- The number of Welcia members who registered a WAON POINT card are **10.8 million**.
(The number of Welcia members are **13.8 million**.)
- WAON POINT card presentation average rate is **59%** at all Welcia Group stores.

Presentation Rate and Sales Contribution Rate

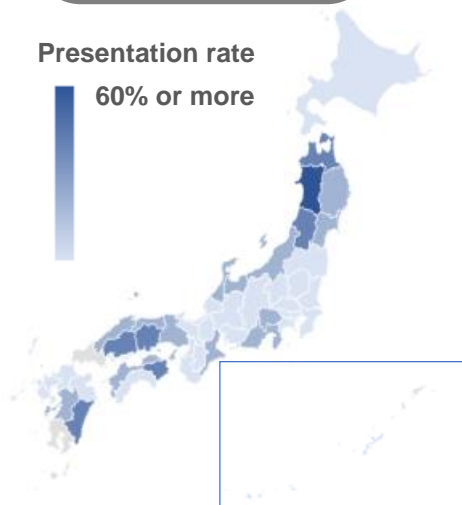


➤ In February 2025, both the presentation rate and contribution rate increased significantly due to the effects of campaigns and other measures.

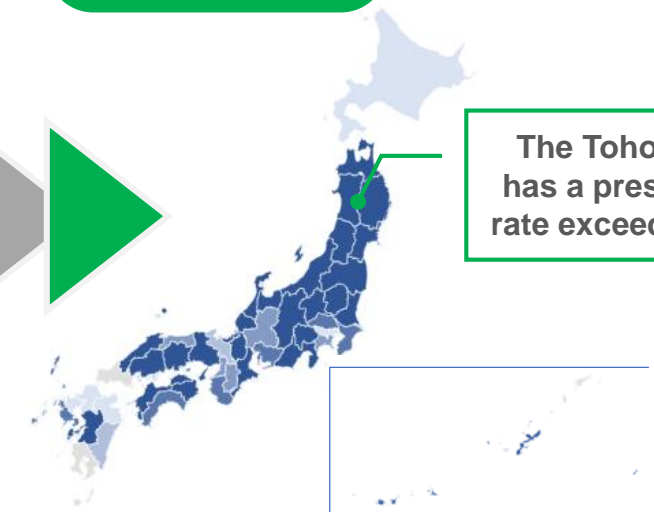
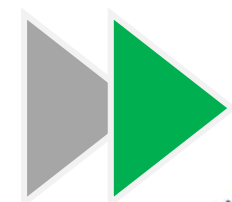
Presentation rate status by area

In Mar. 2024
Presentation rate

Presentation rate
60% or more



In Feb. 2025
Presentation rate



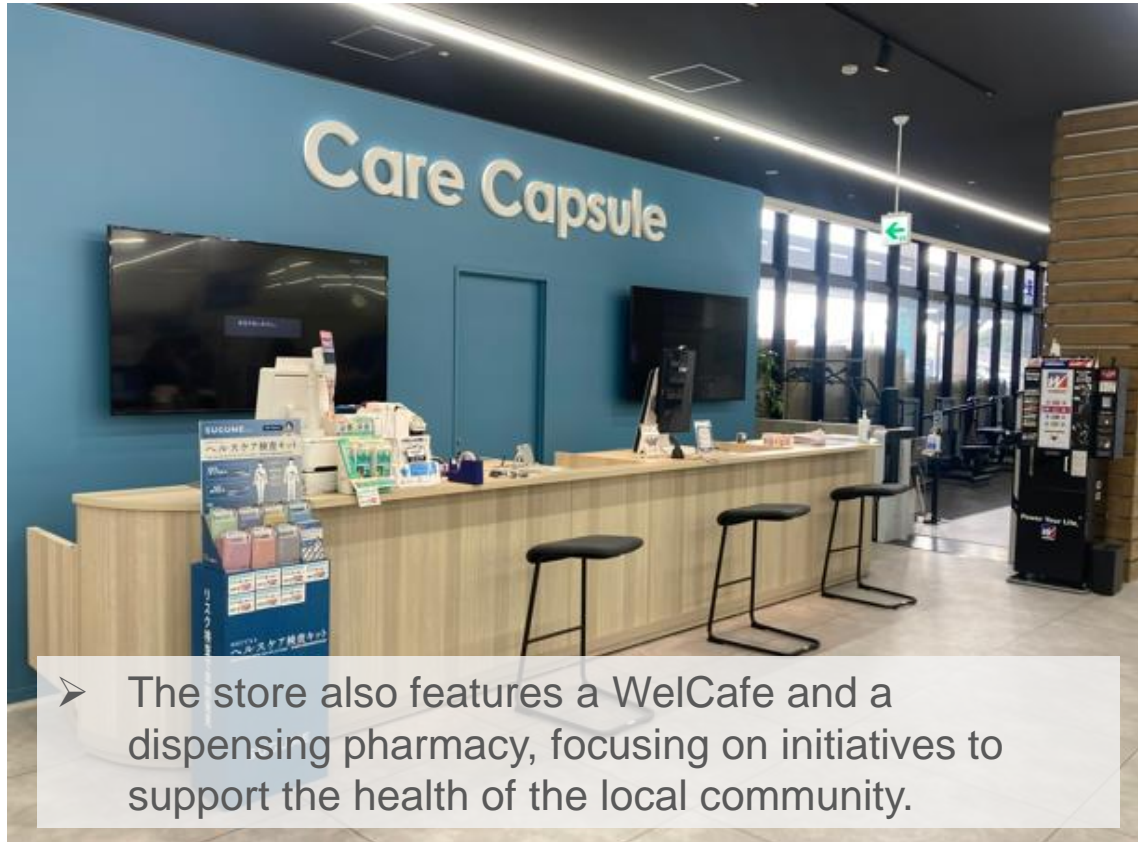
The Tohoku area has a presentation rate exceeding 70%.



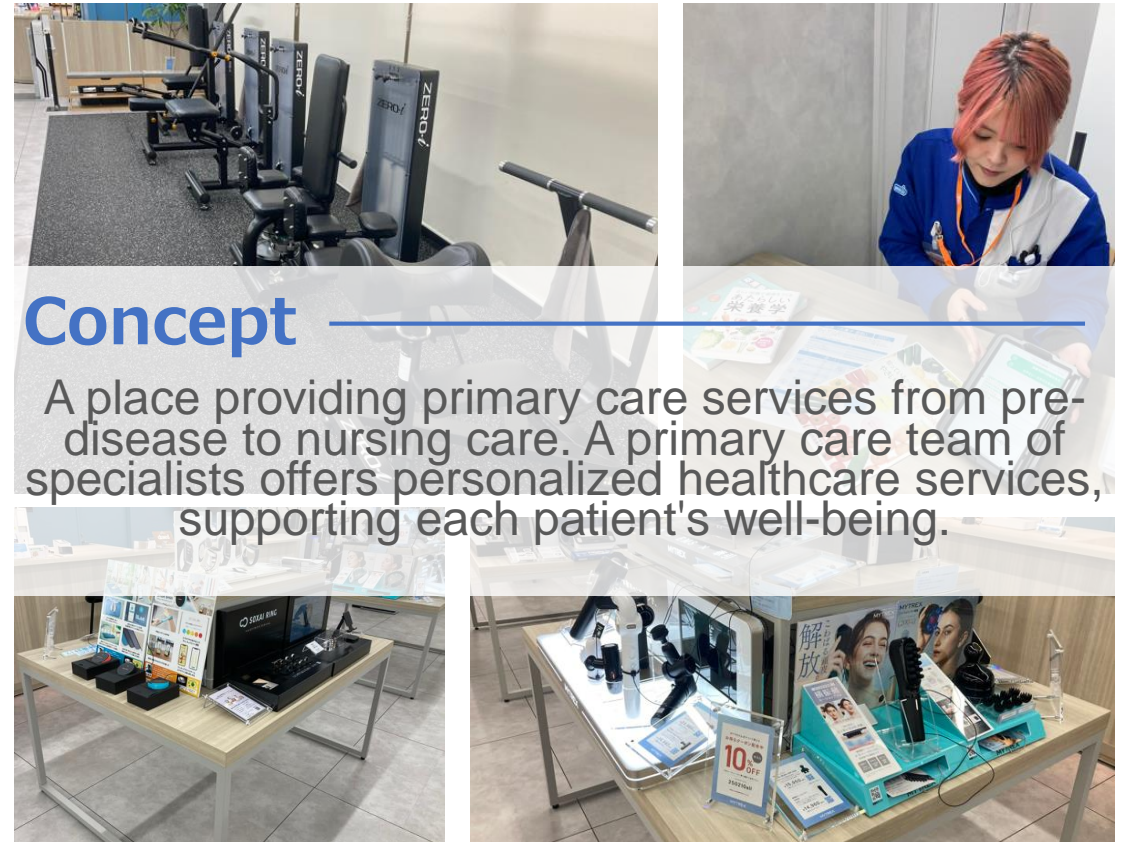
➤ Expansion of areas with a presentation rate of 60% or more: 1,649 stores (Including 570 stores with a rate of 70% or more).

“Aiming to be the Community’s No.1 health station”

- At AEON Town Makuhari Nishi, a healthcare service booth called "**Care Capsule**" focused on pre-disease and prevention, will be launched starting in March 2025.
- A registered dietitian will be stationed to provide counseling services, along with conditioning machines and a showroom for healthcare devices, offering comprehensive health support services.



➤ The store also features a WelCafe and a dispensing pharmacy, focusing on initiatives to support the health of the local community.



Concept

A place providing primary care services from pre-disease to nursing care. A primary care team of specialists offers personalized healthcare services, supporting each patient's well-being.

Results for FY2025 achievement rates • YoY change

- Dispensing pharmacy sales remained steady. Effective control of SG&A expenses led to achieving both operating and ordinary income plans.
- Sales increased due to growth in existing stores sales and M&A, but SG&A expenses increased due to aggressive investment in human resources, resulting in sales increased and profit decreased.
- The net income attributable to owner of parent is affected by the recording of impairment losses of 13.1 billion yen on stores.

(Unit: million yen/%)

	Actual results for the same period of the previous year		Projections		Actual results			
		Composition ratio		Composition ratio		Composition ratio	Y/Y	Achievement rate
Net sales	1,217,339	100.0	1,295,000	100.0	1,285,005	100.0	+5.6	-0.8
Gross operating profit	370,107	30.4	392,500	30.3	390,356	30.4	+5.5	-0.5
SG&A expenses	326,875	26.8	358,500	27.7	353,947	27.6	+8.3	-1.3
Operating income	43,231	3.6	34,000	2.6	36,409	2.8	-15.8	+7.1
Ordinary income	47,756	3.9	38,000	2.9	40,837	3.2	-14.5	+7.5
Net income attributable to owners of parent	26,451	2.2	19,000	1.5	14,958	1.2	-43.5	-21.3
EBITDA	67,306	5.5	58,919	4.5	62,348	4.9	-7.4	+5.8

*EBITDA = operating income + depreciation + goodwill amortization

Results for FY2025 (quarterly YoY change)



- In Q4, the gross profit margin significantly improved, leading to an increase in both operating and ordinary income.

(Unit: million yen/%)

Upper row: Amount Lower row: Composition ratio	1Q			2Q			3Q			4Q		
	Actual results	Change	Y/Y	Actual results	Change	Y/Y	Actual results	Change	Y/Y	Actual results	Change	Y/Y
Net sales	304,734	6,467	+2.2	325,850	13,100	+4.2	321,331	21,889	+7.3	333,088	26,209	+8.5
	100.0		100.0	100.0		100.0	100.0		100.0	100.0		100.0
Gross operating profit	89,009	1,200	+1.4	100,635	2,652	+2.7	95,318	6,354	+7.1	105,392	10,042	+10.5
	29.2		29.4	30.9		31.3	29.7		29.7	31.6		31.1
SG&A expenses	83,511	3,084	+3.8	87,251	6,621	+8.2	91,344	8,750	+10.6	91,839	8,616	+10.4
	27.4		26.9	26.8		25.8	28.5		27.6	27.5		27.1
Operating income	5,497	-1,883	-25.5	13,384	-3,969	-22.9	3,974	-2,395	-37.6	13,553	1,426	+11.8
	1.8		2.5	4.1		5.5	1.2		2.1	4.1		4.0
Ordinary income	6,534	-1,990	-23.4	14,368	-3,904	-21.4	5,450	-2,047	-27.3	14,484	1,023	+7.6
	2.1		2.9	4.4		5.8	1.7		2.5	4.3		4.4
Net income attributable to owners of parent	2,824	-2,301	-44.9	8,892	-2,215	-19.9	3,062	-1,086	-26.2	179	-5,889	-97.0
	0.9		1.7	2.7		3.6	1.0		1.4	0.1		2.0
Major events	2024 March Made Xchange subsidiaries April NHI drug price revision May Shift to "WAON POINT" centered point service			2024 June Made Towoshiya pharmacy subsidiaries Medical service fees revision July Delay in the end of the rainy season August Negotiations after revisions to NHI drug prices reached agreement Temporary information on the Nankai Trough earthquake is announced.			2024 September Made Welpark subsidiaries October Made WELCIA PARTNERS* subsidiaries *Former TEPCO Partners			2024 – 2025 December Record high influenza patients per medical institution. February Record snowfall on Japan Sea coast.		
	2023 March Introduction of WAON POINT service April NHI drug price revision May Reclassification of COVID-19 as Class 5 infectious diseases			2023 July Seasonal products are doing well in the scorching heat. August Negotiations after revisions to NHI drug prices reached agreement			2023 September Continued unusually hot weather October The end of full public funding for COVID-19 drugs			2023 – 2024 January 2024 Noto Peninsula Earthquake		

Breakdown of financial results by company for FY2025

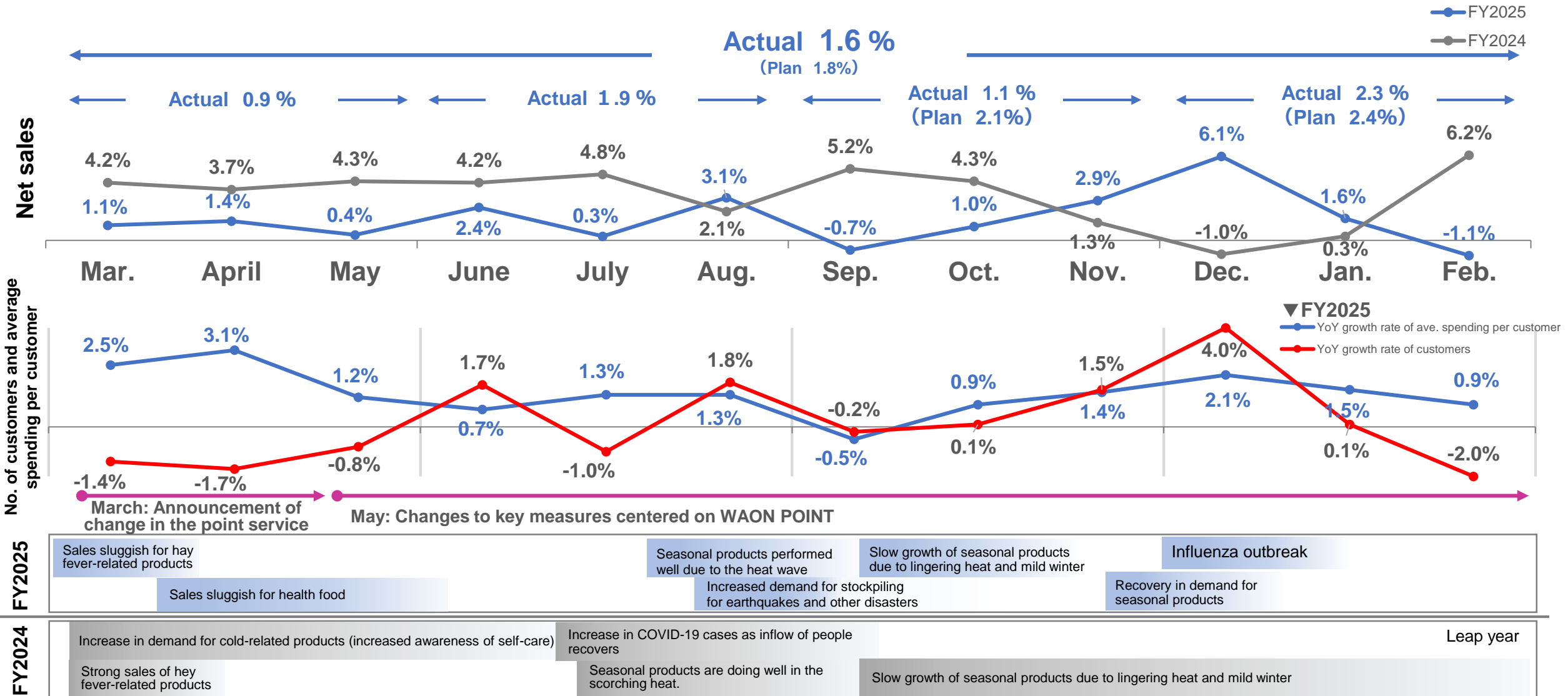
- **Welcia Yakkyoku** : Sales increased and profit decreased mainly due to the change in the point service, and a decrease in tobacco and related purchases.
- **Kokumin** : Both sales and gross profit continued to increase due to an increase in the flow of people in urban areas.
- **Pupule Himawari** : Sales decreased owing to the impact of the transition period of membership due to switching the point service in November of the previous year. *Since November 2024, existing store sales have improved.

(Unit: million yen/%)

Upper row: Amount Lower row: Composition ratio	Welcia HD (consolidated)		Welcia Yakkyoku		Kokumin		Pupule Himawari		Welpark	Marudai Sakurai Pharmacy		Shimizu Yakuhin	
		Y/Y		Y/Y		Y/Y		Y/Y			Y/Y		Y/Y
Net sales	1,285,005	+5.6	1,054,790	+3.5	48,564	+5.0	45,226	-5.1	24,340	33,071	+2.4	29,044	+6.2
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Gross operating profit	390,356	+5.5	323,639	+3.4	15,863	+7.3	11,720	-4.0	7,003	8,863	+1.8	8,677	+5.2
	30.4	30.4	30.7	30.7	32.7	32.0	25.9	25.6	28.8	26.8	27.0	29.9	30.2
SG&A expenses	353,947	+8.3	286,499	+5.9	14,852	+6.1	12,616	+2.2	6,923	7,920	+7.0	7,538	+6.8
	27.6	26.8	27.2	26.5	30.6	30.3	27.9	25.9	28.5	24.0	23.0	26.0	25.9
Operating income	36,409	-15.8	37,139	-12.4	1,011	+28.4	-896	-	79	942	-27.7	1,138	-4.2
	2.8	3.6	3.5	4.2	2.1	1.7	-	-	0.3	2.8	4.0	3.9	4.3
Ordinary income	40,837	-14.5	41,614	-10.8	1,221	+29.0	-567	-	149	1,004	-28.2	1,236	-4.6
	3.2	3.9	3.9	4.6	2.5	2.0	-	-	0.6	3.0	4.3	4.3	4.7
Net income attributable to owners of parent	14,958	-43.5	17,851	-35.8	825	+10.5	-833	-	57	791	-13.1	789	-6.9
	1.2	2.2	1.7	2.7	1.7	1.6	-	-	0.2	2.4	2.8	2.7	3.1

Existing stores' monthly sales growth rate (in Japan)

- Full-year cumulative existing store growth rate breakdown : Product sales: 0.2% (0.5% planned) Dispensing: 6.8% (6.8% planned)



Composition ratio of sales by category

- Sales of OTC products was limited growth due to the impact of a slowdown in demand for masks and other products. Sales of Food products increased mainly due to higher unit prices and effective flyer promotion.
- Dispensing sales increased to +10.0% mainly due to an increase in the number of prescriptions owing to the promotion of stores with dispensing pharmacy.

(Unit: million yen/%)

Upper row: Amount Lower row: Composition ratio	Welcia HD (consolidated)		Welcia Yakkyoku		Kokumin		Pupule Himawari		Welpark	Marudai Sakurai Pharmacy		Shimizu Yakuhin	
		Y/Y		Y/Y		Y/Y		Y/Y			Y/Y		Y/Y
OTC products	233,255	+0.6	187,678	-1.6	12,485	+3.2	7,951	-10.3	5,219	6,320	-1.9	5,825	-1.2
	18.2	19.0	17.8	18.7	25.7	26.2	17.6	18.6	21.4	19.1	19.9	20.1	21.6
Cosmetics	203,007	+6.3	154,592	+4.2	13,039	+8.5	7,853	-5.0	4,277	4,985	+2.5	4,820	+6.2
	15.8	15.7	14.7	14.6	26.9	26.0	17.4	17.3	17.6	15.1	15.1	16.6	16.6
Household goods	178,053	+6.4	147,528	+4.0	3,639	+9.9	6,908	-8.0	4,794	5,657	+2.1	4,572	+4.7
	13.9	13.7	14.0	13.9	7.5	7.2	15.3	15.7	19.7	17.1	17.2	15.7	16.0
Food products	299,514	+8.7	252,764	+7.0	3,055	+37.3	14,362	-2.8	4,797	9,773	+7.2	6,884	+13.2
	23.3	22.6	24.0	23.2	6.3	4.8	31.8	31.0	19.7	29.6	28.2	23.7	22.2
Others	87,653	-6.4	64,292	-13.4	1,286	-17.7	4,951	-12.1	3,009	3,159	-9.4	1,648	-1.9
	6.7	7.8	6.0	7.2	2.6	3.3	10.8	11.9	12.4	9.5	10.8	5.7	6.1
Total sales of products	1,001,484	+4.4	806,856	+2.0	33,506	+7.3	42,026	-6.7	22,099	29,897	+1.5	23,751	+5.3
	77.9	78.8	76.5	77.6	69.0	67.5	92.9	94.5	90.8	90.4	91.2	81.8	82.5
Dispensing	282,548	+10.0	247,254	+8.8	15,035	+0.2	3,100	+23.3	2,227	3,136	+11.6	5,272	+10.9
	22.0	21.1	23.4	22.3	31.0	32.4	6.9	5.3	9.2	9.5	8.7	18.2	17.4
Subtotal	1,284,033	+5.6	1,054,110	+3.5	48,541	+5.0	45,127	-5.1	24,326	33,033	+2.4	29,023	+6.3
	99.9	99.9	99.9	99.9	100.0	99.9	99.8	99.8	100.0	99.9	99.9	100.0	99.9
Commission income	972	-22.5	679	-29.2	22	-7.8	99	-2.0	13	38	-5.8	20	-17.4
	0.1	0.1	0.1	0.1	0.0	0.1	0.2	0.2	0.0	0.1	0.1	0.0	0.1
Total	1,285,005	+5.6	1,054,790	+3.5	48,564	+5.0	45,226	-5.1	24,340	33,071	+2.4	29,044	+6.2
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Gross profit margin by category

- OTC product improved due to increased demand for cold-related items amid the influenza outbreak. Cosmetics improved due to an increase in demand for self-selection cosmetics. Food products declined mainly due to flyer promotion.
- Despite the impact of the April 2024 drug price revision, dispensing remained at -0.1% due to efforts in various additional fees.

(Unit: %)

	Welcia HD (consolidated)		Welcia Yakkyoku		Kokumin		Pupule Himawari		Welpark	Marudai Sakurai Pharmacy		Shimizu Yakuhin	
		Y/Y change		Y/Y change		Y/Y change		Y/Y change			Y/Y change		Y/Y change
OTC products	40.8	0.1	40.9	0.0	41.9	2.7	41.0	-1.0	37.9	40.4	0.5	40.8	0.3
Cosmetics	33.2	0.1	33.4	0.2	32.2	1.2	30.5	-2.4	31.9	31.8	-0.1	33.9	0.4
Household goods	28.8	0.2	29.2	0.2	30.8	1.2	26.5	1.8	24.9	25.7	0.0	28.2	0.0
Food products	18.5	-0.5	18.7	-0.7	24.2	1.1	16.2	1.8	17.9	16.4	-0.7	18.1	-0.7
Others	15.3	0.3	14.1	-0.1	28.4	-2.8	14.8	0.1	22.5	13.3	-0.2	13.0	-0.7
Total sales of products	28.2	-0.1	28.3	-0.1	34.8	1.3	25.1	0.1	27.5	25.5	-0.2	28.4	-0.5
Dispensing	37.7	-0.1	38.4	-0.1	27.8	-0.9	34.9	0.5	41.1	38.6	-0.3	36.0	0.1
Subtotal	30.3	0.0	30.6	0.0	32.6	0.7	25.8	0.3	28.7	26.7	-0.2	29.8	-0.3
Commission incom	100.0	—	100.0	—	100.0	—	100.0	—	100.0	100.0	—	100.0	—
Total	30.4	0.0	30.7	0.0	32.7	0.7	25.9	0.3	28.8	26.8	-0.2	29.9	-0.3

SG&A expenses

- Advertising expenses increased mainly due to sales promotion expenses resulting from the change in the point services from May 2025.
- Others increased due to payment fees and new POS register costs.

(Unit: million yen/%)

Upper row: Amount Lower row: Composition ratio	Welcia HD (consolidated)		Welcia Yakkyoku		Kokumin		Pupule Himawari		Welpark	Marudai Sakurai Pharmacy		Shimizu Yakuhin	
		Y/Y		Y/Y		Y/Y		Y/Y			Y/Y		Y/Y
Labor costs	182,315	+6.6	150,162	+4.7	6,589	+2.1	5,922	+1.1	3,024	4,257	+5.8	4,196	+5.9
	14.2	14.1	14.2	14.1	13.6	14.0	13.1	12.3	12.4	12.9	12.5	14.5	14.5
Advertising expenses	6,868	+15.3	4,962	+15.2	227	+2.6	352	+17.3	76	232	+5.7	119	+9.1
	0.5	0.5	0.5	0.4	0.5	0.5	0.8	0.6	0.3	0.7	0.7	0.4	0.4
Rent	59,817	+5.6	47,072	+2.6	4,606	+7.4	2,246	+0.1	1,581	888	+2.3	1,292	+5.9
	4.7	4.7	4.5	4.5	9.5	9.3	5.0	4.7	6.5	2.7	2.7	4.5	4.5
Others	104,945	+12.6	84,301	+9.4	3,429	+13.1	4,095	+3.8	2,241	2,542	+10.8	1,929	+9.4
	8.2	7.5	8.0	7.5	7.0	6.5	9.0	8.3	9.3	7.7	7.1	6.6	6.5
Total	353,947	+8.3	286,499	+5.9	14,852	+6.1	12,616	+2.2	6,923	7,920	+7.0	7,538	+6.8
	27.6	26.8	27.2	26.5	30.6	30.3	27.9	25.9	28.5	24.0	23.0	26.0	25.9

Results in the dispensing sector

- Sales continued to grow by double digits due to an increase in the number of prescriptions owing to the promotion of stores with dispensing pharmacy.
- Gross profit margin decreased due to the NHI drug price revision.

No. of stores with dispensing pharmacy : Actual 2,282 (Full-year plan 2,333)

Ratio of stores with dispensing pharmacy : Actual 77.3% (Full-year plan 78.6%)

	FY2022		FY2023		FY2024		FY2025	
		Y/Y Y/Y change		Y/Y Y/Y change		Y/Y Y/Y change		Y/Y Y/Y change
Dispensing pharmacy sales (million yen)	199,208	+14.4%	228,106	+14.5%	256,889	+12.6%	282,548	+10.0%
No. of prescriptions (in the thousands)	18,895	+17.3%	21,644	+14.6%	24,954	+15.3%	27,359	+9.6%
Prescription unit price (yen)	10,543	-2.5%	10,539	+0.0%	10,294	-2.3%	10,327	+0.3%
Gross profit margin (%)	39.5	+0.7	38.7	-0.8	37.8	-0.9	37.7	-0.1
No. of stores with dispensing pharmacy (stores)	1,839	+201	2,019	+180	2,155	+136	2,282	+127
Ratio of stores with dispensing pharmacy (%)	76.2	+0.6	74.7	-1.5	78.0	+3.3	77.3	-0.7
Major revisions of medical service fees, etc.	✓ Changed to annual NHI drug price revision	✓ Revision of basic dispensing fees for more than 300 chain stores	✓ End of transitional measures to provide additional fees by the community support system	✓ April: NHI drug price revision ✓ June: Technical fee revision				

*The ratio of stores with dispensing pharmacy is calculated excluding the number of cosmetics stores.

*The Group adopted the Accounting Standard for Revenue Recognition from the beginning of fiscal year ended February 2023.

Results in the dispensing sector by company

- The number of stores with dispensing pharmacy increased by 127 this fiscal year due to the promotion of each company's Welcia model (ratio of stores with dispensing pharmacy: 77.3%)

	Welcia HD (consolidated)		Welcia Yakkyoku		Kokumin		Pupule Himawari		Welpark	Marudai Sakurai Pharmacy		Shimizu Yakuhin	
	FY2025	Y/Y Y/Y change	FY2025	Y/Y Y/Y change	FY2025	Y/Y Y/Y change	FY2025	Y/Y Y/Y change	FY2025	FY2025	Y/Y Y/Y change	FY2025	Y/Y Y/Y change
Dispensing pharmacy sales (million yen)	282,548	+10.0%	247,254	+8.8%	15,035	+0.2%	3,100	+23.3%	2,227	3,136	+11.6%	5,272	+10.9%
No. of prescriptions (in the thousands)	27,359	+9.6%	24,487	+7.9%	874	+1.5%	281	+26.3%	265	339	+6.9%	505	+11.2%
Prescription unit price (yen)	10,327	+0.3%	10,097	+0.8%	17,187	-1.2%	11,013	-2.4%	8,384	9,246	+4.4%	10,439	-0.3%
No. of stores with dispensing pharmacy (stores)	2,282	+127	1,979	+66	76	+13	39	+9	30	48	+2	51	+2
Ratio of stores with dispensing pharmacy (%)	77.3	-0.7	88.6	+1.2	47.8	+7.9	29.1	+6.5	21.0	47.1	+2.0	69.9	+0.8

*The ratio of stores with dispensing pharmacy is calculated excluding the number of cosmetics stores.

Number of employees

	FY2024				FY2025			
	End of 1Q	End of 2Q	End of 3Q	End of the fiscal year	End of 1Q	End of 2Q	End of 3Q	End of the fiscal year
No. of employees (persons)	15,648	15,494	15,355	15,286	16,068	16,196	16,626	16,611
No. of temporary employees (based on 8h/employee)	25,541	26,423	26,597	26,413	26,700	27,555	27,775	27,465

*The numbers of temporary employees (based on 8h/employee) are the average for each quarter from 1Q to 3Q, or for the end of the fiscal year.

No. of pharmacists (enrollment)	8,151	8,150	8,128	8,184	8,484	8,586	8,568	8,550
No. of pharmacists per store (Person)	2.99	2.97	2.95	2.96	3.06	3.06	2.90	2.90
No. of registered sales clerks (enrollment)	18,546	18,444	18,296	19,237	19,239	19,315	19,896	20,735
No. of registered sales clerks per store (persons)	6.79	6.73	6.65	6.96	6.94	6.88	6.74	7.02

*The numbers of pharmacists and registered sales clerks, registered sales clerks per store are calculated by excluding cosmetics stores.

Store openings and closures

(Unit: stores)

		End of Feb. 2024	Increase/decrease resulting from subsidiaries or business transfer	Increase/decrease resulting from M&A	Openings		Closures		End of Feb. 2025
					Projections	Actual results	Projections	Actual results	
By company	Welcia Yakkyoku	2,199	—	21	65	53	19	30	2,243
	Kokumin	158	—	—	11	7	10	6	159
	Pupule Himawari	133	—	—	3	3	2	2	134
	Welpark	—	144	—	2	—	1	1	143
	Marudai Sakurai Pharmacy	102	—	—	8	6	4	6	102
	Shimizu Yakuhin	71	—	—	5	2	—	—	73
	Marue Drug	57	—	—	3	3	3	4	56
	Other companies	92	21	-21	7	4	4	5	91
In Japan		2,812	165	—	104	78	43	54	3,001
Overseas		13	—	—	—	—	1	1	12
Consolidated		2,825	165	—	104	78	44	55	3,013
By area	Hokkaido	7	—	—	—	—	—	—	7
	Tohoku	201	—	—	10	8	5	8	201
	Kanto	1,213	144	—	47	36	18	20	1,373
	Chubu	563	21	—	15	15	9	9	590
	Kinki	526	—	—	23	12	3	7	531
	Chugoku and Shikoku	247	—	—	6	5	6	7	245
	Kyushu and Okinawa	55	—	—	3	2	2	3	54
In Japan		2,812	165	—	104	78	43	54	3,001

	FY2024	Projections	Actual results
Renovation (full renovation)	81	112	99

2. Earnings Forecasts for FY2026

- **We plan to merge with TSURUHA HOLDINGS INC. and due to the scheduled delisting on November 27, 2025, the earnings forecasts are up to the first half of the fiscal year ending February 2026.**
- **M&A during the period were as follows.**
 - Made Xchange Inc., a subsidiary through the acquisition of shares, effective March 15, 2024.
 - Made Towoshiya Pharmacy Co., Ltd. a subsidiary through the acquisition of shares, effective June 3, 2024. Welcia Yakkyoku, our consolidated subsidiary and the surviving company, absorbed Towoshiya Pharmacy on September 1, 2024.
 - Made Welpark Co., Ltd. a subsidiary through the acquisition of shares, effective September 2, 2024.
 - Made WELCIA PARTNERS Co,inc.* a subsidiary through the acquisition of shares, effective October 1, 2024.
*Effective October 1, 2024, the company changed its name from TEPCO Partners, Co,inc.

Indicator assumptions and priority measures for the 1H FY2026 forecasts



1. Projections

Net sales	685.1 billion yen	Y/Y	+8.6%
Operating income	20.5 billion yen	Y/Y	+8.6%
Ordinary income	22.7 billion yen	Y/Y	+8.6%
Net income attributable to owners of parent	12.5 billion yen	Y/Y	+6.7%

2. Indicator assumptions

Existing-stores' sales growth rate	+3.0%				
(Products)	+1.9%				
(Dispensing)	+7.0%				
Openings	29 stores	In Japan	29	Overseas	—
Closures	26 stores	In Japan	26	Overseas	—
No. of stores as of end of the fiscal year	3,016 stores	In Japan	3,004	Overseas	12
Dispensing pharmacy sales	150.2 billion yen	Y/Y	+9.8%		
No. of stores with dispensing pharmacy	2,296 stores	Ratio of stores with dispensing pharmacy	77.8%		

3. Priority measures

Opening new pharmacies	53 stores		
Renovation (full & medium-scale renovations)	179 stores	Actual results for the same period of the previous year	39 stores

Initiatives based on the new management policy **Welcia 2.0**

Transition from scale to profit

- **strengthening existing stores** : 118 stores with full renovations, 61 stores with medium-scale renovations
↳ Focused renovations in the Kanto region, which is the revenue base.
- Strengthening the structure and cooperation for **improving the profitability of group companies**.
- Streamlining unprofitable stores and reviewing late-night and 24-hour operations.

DX investments for improving store productivity.

- **Introduction of small tablets in all stores**. (Improving operational efficiency through instructions via intercom and chat.)
- Improving logistics and store operations efficiency through automatic ordering and category-specific order day control.
- **introduction of electronic shelf labeling** (Reducing the work of replacing price cards, etc.)

Welcia's private brand

- **Sales composition ratio target for PB products**・・・ 11.0%
↳ Expansion of Welcia's unique private brand assortment.

Marketing (Strengthening and expanding the customer base)

- Promoting One-to-One marketing through the utilization of ID data.
- Revamping the Welcia app and expanding retail media sales. (Store signage, app, social media, etc.)

Earnings forecasts

(Unit: million yen/%)

	1 H				
	Projections	Composition ratio	Actual results for the same period of the previous year	Y/Y	Difference
Net sales	685,100	100.0	630,585	+8.6	54,514
(Dispensing pharmacy sales)	150,200	21.9	136,818	+9.8	13,381
Gross operating profit	208,400	30.4	189,645	+9.9	18,753
SG&A expenses	187,900	27.4	170,763	+10.0	17,136
Operating income	20,500	3.0	18,882	+8.6	1,617
Ordinary income	22,700	3.3	20,902	+8.6	1,796
Net income attributable to owners of parent	12,500	1.8	11,716	+6.7	782
Existing-store sales growth rate	3.0				

Planned store openings and closures

(Unit: stores)

		End of Feb. 2025	Openings	Closures	End of Aug. 2025
By company	Welcia Yakkyoku	2,243	20	16	2,247
	Kokumin	159	2	4	157
	Pupule Himawari	134	1	1	134
	Welpark	143	3	2	144
	Marudai Sakurai Pharmacy	102	1	1	102
	Shimizu Yakuhin	73	—	—	73
	Marue Drug	56	1	2	55
	Other companies	91	1	—	92
	In Japan	3,001	29	26	3,004
	Overseas	12	—	—	12
	Consolidated	3,013	29	26	3,016
By area	Hokkaido	7	—	1	6
	Tohoku	201	3	3	201
	Kanto	1,373	15	9	1,379
	Chubu	590	4	4	590
	Kinki	531	4	7	528
	Chugoku・Shikoku	245	2	2	245
	Kyushu and Okinawa	54	1	—	55
	In Japan	3,001	29	26	3,004
Stores with dispensing pharmacy		2,282	53	39	2,296
Ratio of stores with dispensing pharmacy		77.3%			77.8%

*The ratio of stores with dispensing pharmacy is calculated excluding the number of cosmetics stores.

This material is prepared to provide investors with information on the management and financial conditions of Welcia Holdings Co., Ltd. for the purpose of helping them deepen their understanding of the Company. Please understand and acknowledge the following points before referring to this material:

- The results contained in this material have not been audited by an auditing firm.
- Earnings forecasts and other forward-looking statements found in this material are based on assumptions the Company made with every effort possible at the time of preparation.
- Please understand that actual results may differ from any forecasts and expectations contained in this material.
- All investment decisions should be made solely at the discretion of investors themselves.
- The greatest care is taken to ensure that all information contained in this material is accurate. However, please be aware that there may be discrepancies and errors due to unavoidable reasons.