



Financial Results Briefing for the Fiscal Year Ended February 2024

April 8, 2024

Welcia Holdings Co., Ltd.

Stock Code 3141, Tokyo Stock Exchange
Prime Market



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1. Outline of Financial Results for FY2024

- Made Kokumin Co., Ltd. and Kabushiki Kaisha French wholly owned subsidiaries through the acquisition of shares, effective June 1, 2022.
- Welcia Yakkyoku, a consolidated subsidiary and the surviving company, absorbed Kanamitsu Yakuhin, effective June 1, 2022.
The results of Welcia Yakkyoku for the same period of the previous year are calculated together with those of Kanamitsu Yakuhin.
- Made FUKUYAKUHIN CO., LTD. into a subsidiary through the acquisition of shares, effective December 1, 2022.

Overview of FY2024



- Amid strong dispensing sales, sales increased and profit decreased owing to the large impact of a reactionary decline in the demand for test kits and other COVID-19-related products.

1. Outline of Financial Results

(Unit: million yen/%)

	Actual results	Projections	Difference	Achievement rate	Y/Y
Net sales	1,217,339	1,230,000	-12,660	99.0	106.4
(Dispensing pharmacy sales)	256,889	254,800	2,089	100.8	112.6
Operating income	43,231	48,000	-4,768	90.1	94.7
Ordinary income	47,756	52,500	-4,743	91.0	91.6
Net income attributable to owners of parent	26,451	28,000	-1,548	94.5	97.9

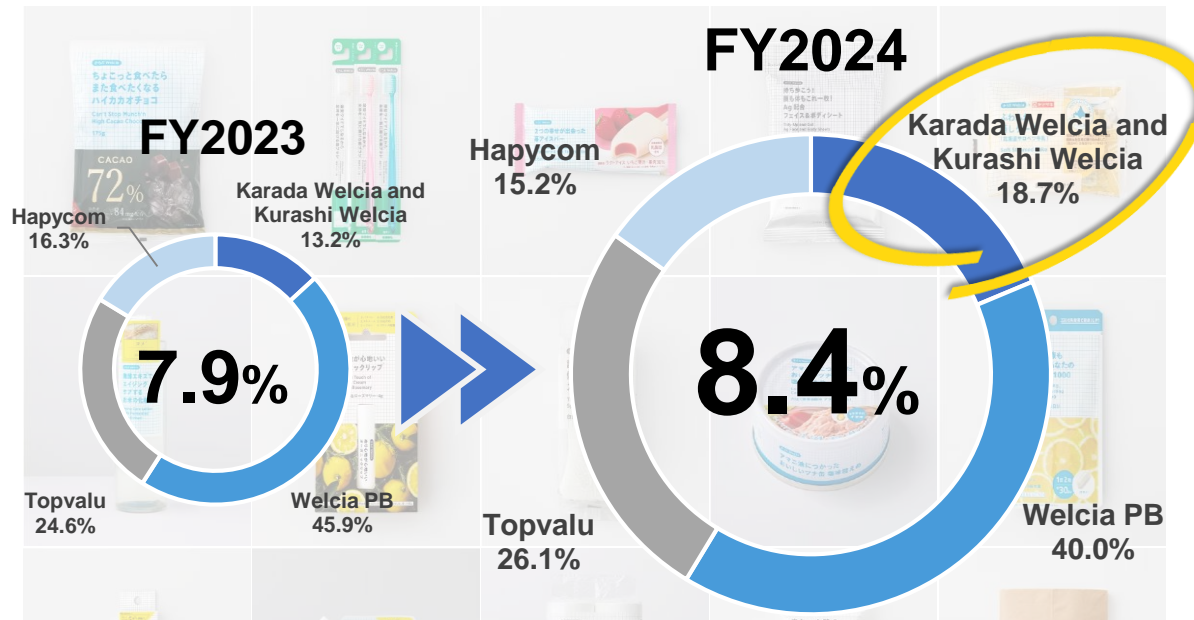
2. Indicators

(Unit: %/ store)

	Actual results	Projections	Difference
Existing-stores' sales growth rate	3.2	3.9	-0.7
(Products)	1.6	2.6	-1.0
(Dispensing)	9.6	8.9	0.7
Store openings (including overseas)	102	122	-20
Store closures (including overseas)	40	38	2
Number of stores as of the end of the term (including overseas)	2,825	2,847	-22
No. of stores with dispensing pharmacy	2,155	2,182	-27
Ratio of stores with dispensing pharmacy	78.0	78.5	-0.5
Renovation (full renovation)	81	101	-20

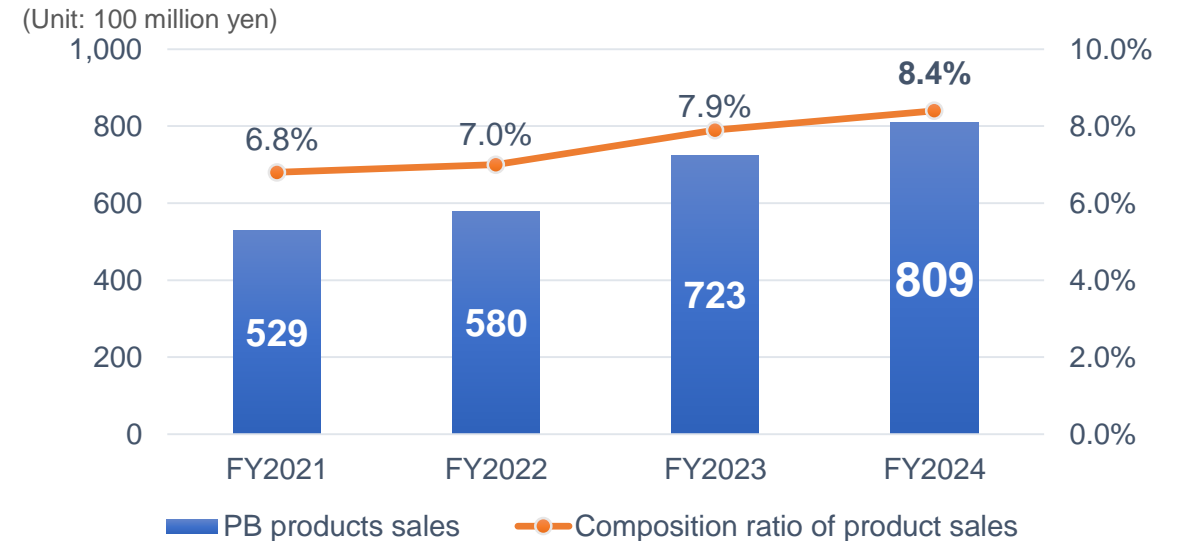
- PB sales grew at 112% year on year.
- Karada Welcia and Kurashi Welcia SKUs as of the end of February 2024: 277 SKUs (end of FY2023 : 162SKUs)

Composition ratio of sales of PB products



- Karada Welcia and Kurashi Welcia evaluation: sales are excellent; gross margin is average; and number of SKUs is good
- Challenge: expanding the composition ratio of health & beauty category

Changes in sales of PB products



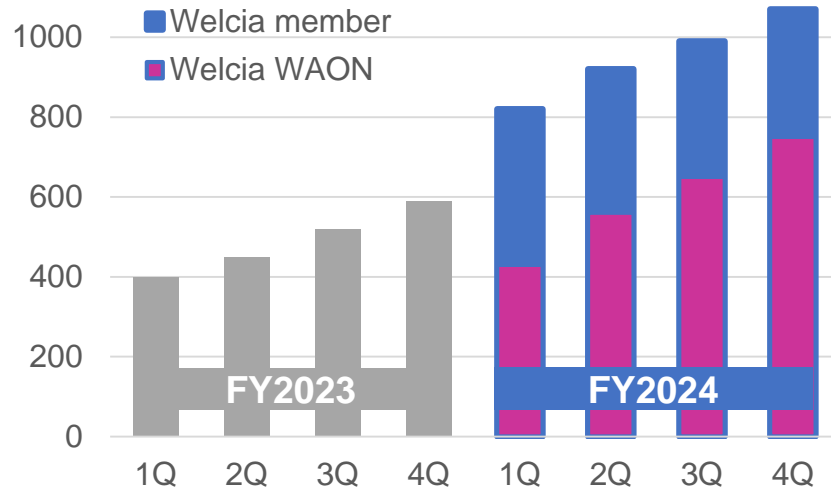
- PB sales increased approximately 1.5 times from the fiscal year ended February 2021.
- Private label sales rose 1.6% over the past four years. Contributions include promotion of development of Karada Welcia and Kurashi Welcia* and expansion of TOPVALU.
*Launched in June 2021

- Since its launch in July 2021, the number of Welcia members has grown to **about 10.7 million**.
- The number of Welcia members who registered a WAON POINT card is **about 7.5 million**.

*As of the end of February 2024

Changes in the number of Welcia members

Unit: 10 thousand people



- **WAON POINT evaluation: number of members is excellent; its usage is average**
- **Challenge: rates of card presentation and usage after acquiring members, and marketing utilization**

Switching to point services focused on WAON POINT

Point bonuses	May	June	July	Aug.	After Sep.
<ul style="list-style-type: none"> Monday Double Day Senior's Day Bonus Points 	Targeting only				
<ul style="list-style-type: none"> 20th Appreciation Day 			or		
*20th Appreciation Day: You can choose either points up to Aug. 20, 2024.					
Basic points	May	June	July	August	After Sep.
Welcia members can earn double points. 	1 pts (1%) for every 100 yen before tax				
	1 pts (0.5%) for every 200 yen before tax				
Show only	1 pts (0.5%) for every 200 yen before tax				

*Show only T-poin card : you will receive the above plus 1pts (1% of the total) until the end of Aug. 2024.

- Focus on acquiring members
- Promote card presentation and use (return) by switching to services focused on WAON POINT
- Implement promotions using member IDs

- Promote use of the WAON POINT economic zone

Initiatives in dispensing (toward No.1 health station in the community)

- Initiatives will be made to shift from object-related work to interpersonal work by promoting digitalization of dispensing.
The number of stores conducting home visits by pharmacists that were strengthened as interpersonal work was 1,172 (home visits sales: approx. 6.6 billion yen) *Results for FY2024
- We will respond to the diverse needs of patients by promoting digitalization.

Promotion of digitization

Online support

- Leverage prescription transmission platform services
➔ Approx. 14% of the number of prescriptions received *Results for Feb. 2024 of Welcia Yakkyoku
- As of the end of February 2024, electronic prescriptions were available at almost all stores.
- Promote online qualification verification at all stores by means of an Individual Number Card as a health insurance certificate

Efficiency

- Use of electronic drug history to improve work efficiency (strengthen interpersonal work)
- Improvement of medication follow-up through the app
➔ Pocket Musubi: 360,000 registered LINE friends *As of the end of February 2024



Temporary operation of a mobile sales vehicle (Uetan)

- It runs from January 31 to March 15, 2024 in cooperation with local governments in Suzu City, Ishikawa Prefecture, including areas with evacuation centers.
- Activities to enable local residents to purchase food, daily necessities, and OTC products* outside the store.
*advance order required

Meet local needs

- There were many requests for products not included in the relief.



▲ Visited community centers and elementary schools in Suzu City

Dispatch of pharmacists (mobile pharmacy)

- On January 7, 2024, operations started in Suzu City, Ishikawa Prefecture.
- Our pharmacists participated in the mobile pharmacy run by the Pharmacists Association and owned by Gifu Pharmaceutical University.
- In the field, a medical team and a pharmacist team worked closely together to respond quickly from medical examination to medication.



Results for FY2024 achievement rates

- In response to a reactionary decline in COVID-19-related demand, measures such as expanding PB products and strengthening counseling were continued, but gross operating profit fell short of the plan. SG&A expenses progressed as planned for the whole period, but the profit plan was not achieved.

(Unit: million yen/%)

	Actual results		Projections			
		Composition ratio		Composition ratio	Difference	Achievement rate
Net sales	1,217,339	100.0	1,230,000	100.0	-12,660	99.0
Gross operating profit	370,107	30.4	381,810	31.0	-11,702	96.9
SG&A expenses	326,875	26.8	333,810	27.1	-6,934	97.9
Operating income	43,231	3.6	48,000	3.9	-4,768	90.1
Ordinary income	47,756	3.9	52,500	4.3	-4,743	91.0
Net income attributable to owners of parent	26,451	2.2	28,000	2.3	-1,548	94.5

Results for FY2024 year-on-year change

- Sales increased and profit decreased due to a reactionary decline in COVID-19-related demand.
- The net income less tax credit, which is subject to the wage-increase promotion tax system.

(Unit: million yen/%)

	Actual results		Actual results for the same period of the previous year			
		Composition ratio		Composition ratio	Change	Y/Y
Net sales	1,217,339	100.0	1,144,278	100.0	73,061	106.4
Gross operating profit	370,107	30.4	349,254	30.5	20,852	106.0
SG&A expenses	326,875	26.8	303,619	26.5	23,256	107.7
Operating income	43,231	3.6	45,635	4.0	-2,403	94.7
Ordinary income	47,756	3.9	52,149	4.6	-4,392	91.6
Net income attributable to owners of parent	26,451	2.2	27,030	2.4	-578	97.9
EBITDA	67,306		68,556		-1,250	98.2

*EBITDA = operating income + depreciation + goodwill amortization

Results for FY2024 year-on-year change (reference)

Reference

Excluding Kokumin, French, FUKUYAKUHIN, and amortization of goodwill

(Unit: million yen/%)

	Actual results		Actual results for the same period of the previous year			
		Composition ratio		Composition ratio	Change	Y/Y
Net sales	1,163,964	100.0	1,111,066	100.0	52,897	104.8
Gross operating profit	353,173	30.3	338,632	30.5	14,541	104.3
SG&A expenses	309,482	26.5	291,961	26.3	17,520	106.0
Operating income	43,691	3.8	46,670	4.2	-2,978	93.6
Ordinary income	48,039	4.1	53,013	4.8	-4,974	90.6
Net income attributable to owners of parent	26,997	2.3	27,737	2.5	-740	97.3

Results for FY2024 (quarterly YoY change)



- Regarding 4Q, a reactionary decline due to the eighth wave of COVID-19 in December and January, and a slump in seasonal products.

(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	298,267	30,550	111.4	312,750	17,714	106.0	299,442	16,208	105.7	306,879	8,588	102.9
	100.0		100.0	100.0		100.0	100.0		100.0	100.0		100.0
Gross operating profit	87,809	9,378	112.0	97,983	5,790	106.3	88,964	4,338	105.1	95,350	1,346	101.4
	29.4		29.3	31.3		31.2	29.7		29.9	31.1		31.5
SG&A expenses	80,427	9,709	113.7	80,629	4,711	106.2	82,594	5,448	107.1	83,223	3,387	104.2
	26.9		26.4	25.8		25.7	27.6		27.3	27.1		26.8
Operating income	7,381	-331	95.7	17,353	1,078	106.6	6,370	-1,109	85.2	12,126	-2,040	85.6
	2.5		2.9	5.5		5.5	2.1		2.6	4.0		4.7
Ordinary income	8,524	-1,971	81.2	18,272	794	104.5	7,498	-1,095	87.3	13,460	-2,120	86.4
	2.9		3.9	5.8		5.9	2.5		3.0	4.4		5.2
Net income attributable to owners of parent	5,126	-1,195	81.1	11,107	340	103.2	4,149	100	102.5	6,068	174	103.0
	1.7		2.4	3.6		3.6	1.4		1.4	2.0		2.0
Major events	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 December Made Welcia Kaigo Service Co., Ltd. a wholly-owned subsidiary of Welcia Holdings January 2024 Noto Peninsula Earthquake		
	2022 March Complete lifting of semi-emergency COVID-19 measures (on March 21) Free PCR and antigen testing			2022 June Made Kokumin and French subsidiaries Later half of the month: Record heat wave Seventh wave of COVID-19			2022 September Immigration restrictions eased October Nationwide travel support started Increase in the prices of the highest number of products in Japan in FY2022 The 150 yen level temporarily as the yen's depreciation accelerates			2022–2023 December Made FUKUYAKUHIN a subsidiary Increase in foreign visitors to Japan January The number of COVID-19 cases gradually declined after peaking at the beginning of the year February Massive amounts of pollen spread in early February		
	April Revisions to medical service fees and NHI drug prices May Increased outings during the national holidays			July Negotiations after revisions to NHI drug prices reached agreement August Unrestricted summer vacation			November The 8th wave of COVID-19 infections					

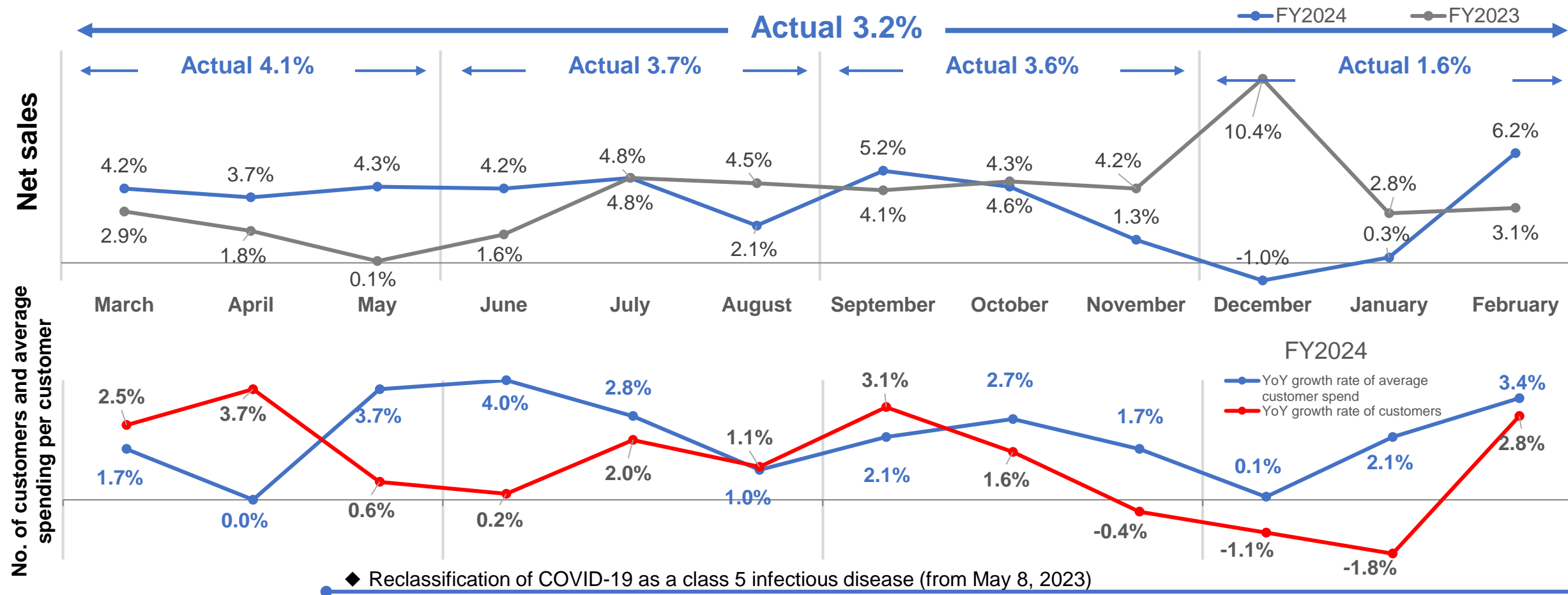
Breakdown of financial results by company for FY2024

- Welcia Yakkyoku was affected by a reactionary decline in COVID-19-related demand.
- Sales of Pupule Himawari decreased owing to the transition period of membership due to the point service switching in November, but its gross profit margin improved owing to the change in the product policy. The company changed its logistics and suppliers in March 2024, and promoted the utilization of group synergies.
- Kokumin's sales increased owing to an increase in the inflow of people into urban areas and profit increased.

(Unit: million yen/%)

Upper row: Amount Lower row: Composition ratio	Welcia HD (consolidated)		Welcia Yakkyoku		Pupule Himawari		Kokumin	Marudai Sakurai Pharmacy		Shimizu Yakuin		Marue Drug	
		Y/Y		Y/Y		Y/Y			Y/Y		Y/Y		Y/Y
Net sales	1,217,339	106.4	1,019,587	105.0	47,659	97.2	46,245	32,301	105.8	27,338	111.7	14,420	104.0
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Gross operating profit	370,107	106.0	313,053	104.3	12,208	101.7	14,783	8,709	105.6	8,245	111.0	4,500	102.9
	30.4	30.5	30.7	30.9	25.6	24.5	32.0	27.0	27.0	30.2	30.4	31.2	31.5
SG&A expenses	326,875	107.7	270,658	106.3	12,348	104.7	13,995	7,406	105.2	7,057	109.8	4,331	107.5
	26.8	26.5	26.5	26.2	25.9	24.1	30.3	23.0	23.1	25.9	26.3	30.0	29.0
Operating income	43,231	94.7	42,394	92.9	-139	—	787	1,303	108.1	1,188	118.3	168	48.5
	3.6	4.0	4.2	4.7	—	0.4	1.7	4.0	3.9	4.3	4.1	1.2	2.5
Ordinary income	47,756	91.6	46,669	91.1	1,116	118.6	946	1,399	106.7	1,295	111.4	213	51.2
	3.9	4.6	4.6	5.3	2.3	1.9	2.0	4.3	4.3	4.7	4.7	1.5	3.0
Net income attributable to owners of parent	26,451	97.9	27,798	94.8	472	123.8	747	911	103.1	847	116.7	116	44.5
	2.2	2.4	2.7	3.0	1.0	0.8	1.6	2.8	2.9	3.1	3.0	0.8	1.9

Existing stores' monthly sales growth rate (in Japan)



◆ Reclassification of COVID-19 as a class 5 infectious disease (from May 8, 2023)

Fiscal Year	Key Events and Market Conditions
FY2024	<ul style="list-style-type: none"> Increase in demand for cold-related products (increased awareness of self-care) Strong sales of hey fever-related products Increase in COVID-19 cases as inflow of people recovers Seasonal products are doing well in the scorching heat. Slow growth of seasonal goods due to lingering heat and mild winter Leap year
FY2023	<ul style="list-style-type: none"> Complete lifting of semi-emergency COVID-19 measures Strong sales of hey fever-related products Declining demand for COVID-19-related products Seventh wave of COVID-19 Strong sales of seasonal products Increase in demand for OTC products Raised the prices of the largest number of products Eighth wave of COVID-19 Soaring demand for OTC products (continued demand growth)

Composition ratio of sales by category

- Sales of products increased as cosmetics demand recovered or food unit prices rose, while sales of OTC products decreased from the previous year owing to a reactionary decline in COVID-19-related demand last year.
- Dispensing pharmacy sales increased to 112.6% owing to an increase in the number of prescriptions issued due to the promotion of stores with dispensing pharmacy.

		(Unit: million yen/%)						(Unit: million yen/%)			
		Welcia HD (consolidated)		Welcia Yakkyoku		Pupule Himawari		Kokumin	Reference	Excluding Kokumin, French, and FUKUYAKUHIN	
Upper row: Amount	Lower row: Composition ratio		Y/Y		Y/Y		Y/Y		Upper row: Amount	Welcia HD (consolidated)	
									Lower row: Composition ratio		Y/Y
OTC products		231,841	99.3	190,704	96.9	8,867	93.5	12,099	OTC products	217,330	96.9
		19.0	20.4	18.7	20.3	18.6	19.3	26.2		18.7	20.2
Cosmetics		191,032	108.2	148,427	105.9	8,262	95.9	12,016	Cosmetics	177,781	105.6
		15.7	15.4	14.6	14.4	17.3	17.6	26.0		15.3	15.1
Household goods		167,269	105.5	141,818	104.9	7,506	94.0	3,312	Household goods	163,036	104.4
		13.7	13.9	13.9	13.9	15.7	16.3	7.2		14.0	14.1
Food products		275,422	108.5	236,164	108.3	14,777	98.7	2,225	Food products	272,547	107.9
		22.6	22.2	23.2	22.4	31.0	30.5	4.8		23.4	22.7
Others		93,629	101.5	74,215	99.1	5,629	98.3	1,562	Others	91,653	100.1
		7.8	8.1	7.2	7.7	11.9	11.7	3.3		7.8	8.3
Total sales of products		959,195	104.8	791,330	103.4	45,043	96.3	31,215	Total sales of products	922,350	103.3
		78.8	80.0	77.6	78.7	94.5	95.4	67.5		79.2	80.4
Dispensing		256,889	112.6	227,296	110.3	2,514	118.1	15,004	Dispensing	240,385	110.8
		21.1	19.9	22.3	21.2	5.3	4.3	32.4		20.7	19.5
Subtotal		1,216,084	106.4	1,018,627	104.9	47,557	97.2	46,220	Subtotal	1,162,736	104.8
		99.9	99.9	99.9	99.9	99.8	99.7	99.9		99.9	99.9
Commission income		1,254	97.0	960	92.3	101	87.5	24	Commission income	1,227	96.1
		0.1	0.1	0.1	0.1	0.2	0.3	0.1		0.1	0.1
Total		1,217,339	106.4	1,019,587	104.9	47,659	97.2	46,245	Total	1,163,964	104.8
		100.0	100.0	100.0	100.0	100.0	100.0	100.0		100.0	100.0

Gross profit margin by category

- OTC products sales improved 0.1 points amid a reactionary decline in COVID-19-related demand last year. Although demand for cosmetics recovered and household goods and food products improved owing to an increase in unit prices, overall product sales decreased by 0.1 points year-on-year owing to a decline in the ratio of OTC product sales.
- In dispensing, the gross profit margin declined due to the end of transitional measures to add to the regional support system and the revision to NHI drug prices.

(Unit: %)								
		Welcia HD (consolidated)		Welcia Yakkyoku		Pupule Himawari		Kokumin
			Change form the previous term		Change form the previous term		Change form the previous term	
	OTC products	40.7	0.1	40.9	0.1	42.0	2.1	39.2
	Cosmetics	33.1	0.2	33.2	0.2	32.9	1.7	31.0
	Household goods	28.6	0.3	29.0	0.3	24.7	- 0.3	29.6
	Food products	19.0	0.5	19.4	0.4	14.4	2.2	23.1
	Others	15.0	- 1.1	14.2	- 1.7	14.7	- 0.2	31.2
	Total sales of products	28.3	- 0.1	28.4	- 0.2	25.0	1.2	33.5
	Dispensing	37.8	- 0.9	38.5	- 0.7	34.4	- 0.2	28.7
	Subtotal	30.3	- 0.1	30.6	- 0.2	25.5	1.2	31.9
	Commission income	100.0	—	100.0	—	100.0	—	100.0
	Total	30.4	- 0.1	30.7	- 0.2	25.6	1.1	32.0

Reference		Excluding Kokumin, French, and FUKUYAKUHIN	
		Welcia HD (consolidated)	
			Change form the previous term
	OTC products	40.9	0.1
	Cosmetics	33.3	0.3
	Household goods	28.6	0.3
	Food products	18.9	0.4
	Others	14.7	- 1.3
	Total sales of products	28.2	- 0.1
	Dispensing	38.4	- 0.7
	Subtotal	30.3	- 0.1
	Commission income	100.0	—
	Total	30.3	- 0.2

SG&A expenses

- Advertising expenses increased owing to promotional expenses associated with the introduction of the WAON POINT service.
- Utility costs was reduced from the previous year through efforts such as fuel adjustment costs that reduced unit costs and bulk procurement of electricity by the Aeon Group.(Y/Y change: 97.4%)

(Unit: million yen/%)

(Unit: million yen/%)

Upper row: Amount Lower row: Composition ratio	Welcia HD (consolidated)		Welcia Yakkyoku		Pupule Himawari		Kokumin
		Y/Y		Y/Y		Y/Y	
Labor costs	171,077	108.4	143,434	107.1	5,856	102.3	6,452
	14.1	13.8	14.1	13.8	12.3	11.7	14.0
Advertising expenses	5,955	117.3	4,307	117.4	300	116.1	221
	0.5	0.4	0.4	0.4	0.6	0.5	0.5
Rent	56,624	107.9	45,888	105.9	2,244	99.0	4,288
	4.7	4.6	4.5	4.5	4.7	4.6	9.3
Others	93,218	105.6	77,027	104.6	3,946	111.6	3,032
	7.5	7.7	7.5	7.5	8.3	7.3	6.5
Total	326,875	107.7	270,658	106.3	12,348	104.7	13,995
	26.8	26.5	26.5	26.2	25.9	24.1	30.3

Reference	Excluding Kokumin, French, and FUKUYAKUHIN	
Upper row: Amount Lower row: Composition ratio	Welcia HD (consolidated)	
		Y/Y
Labor costs	163,564	106.9
	14.1	13.8
Advertising expenses	5,678	115.9
	0.5	0.4
Rent	51,956	105.6
	4.5	4.4
Others	88,282	104.0
	7.4	7.7
Total	309,482	106.0
	26.5	26.3

Results in the dispensing sector

- Sales increased due to consolidation of Kokumin and an increase in the number of prescriptions to the promotion of stores with dispensing pharmacy.
- The gross profit margin declined due to the end of transitional measures to add to the regional support system and the revision to NHI drug prices.

	FY2021		FY2022		FY2023		FY2024	
		Year-on-year change		Year-on-year change		Year-on-year change		Year-on-year change
Dispensing pharmacy sales (million yen)	174,169	112.0%	199,208	114.4%	228,106	114.5%	256,889	112.6%
No. of prescriptions (thousands)	16,102	102.0%	18,895	117.3%	21,644	114.6%	24,954	115.3%
Prescription unit price (yen)	10,816	109.9%	10,543	97.5%	10,539	100.0%	10,294	97.7%
Gross profit margin (%)	38.8	0.1	39.5	0.7	38.7	-0.8	37.8	-0.9
No. of stores with dispensing pharmacy (stores)	1,638	201	1,839	201	2,019	180	2,155	136
Ratio of stores with dispensing pharmacy (%)	75.6	2.5	76.2	0.6	74.7	-1.5	78.0	3.3
Major revisions of medical service fees, etc.	—		✓ Changed to annual revision to NHI drug prices		✓ Revision of basic dispensing fees for more than 300 chain stores		✓ End of transitional measures to provide additional fees in the community support system	

*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 136 this fiscal year owing to the promotion of each company's Welcia model (ratio of stores with dispensing pharmacy: 78.0%)

	Welcia HD (consolidated)		Welcia Yakkyoku		Pupule Himawari		Kokumin	Marudai Sakurai Pharmacy		Shimizu Yakuhin		Marue Drug	
	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024
Dispensing pharmacy sales (million yen)	228,106	256,889	206,042	227,296	2,128	2,514	15,004	2,367	2,810	3,840	4,754	2,243	2,603
No. of prescriptions (in the thousands)	21,644	24,954	19,966	22,688	178	222	862	275	317	369	454	192	231
Prescription unit price (yen)	10,539	10,294	10,320	10,018	11,932	11,280	17,401	8,601	8,854	10,405	10,472	11,684	11,269
No. of stores with dispensing pharmacy (stores)	2,019	2,155	1,818	1,913	20	30	63	42	46	45	49	27	32
Ratio of stores with dispensing pharmacy (%)	74.7	78.0	85.1	87.4	14.9	22.6	39.9	43.8	45.1	66.2	69.0	45.0	56.1

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

Number of employees

- 924 new graduates (438 pharmacists and 486 career-track employees) employed in April 2023

	FY2023				FY2024			
	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)	14,241	14,934	14,813	14,865	15,648	15,494	15,355	15,286
No. of temporary employees (based on 8h/employee)	24,139	25,484	25,611	25,477	25,541	26,423	26,597	26,413

*No. of temporary employees(based on 8h/employee) were calculated for each accounting period from 1Q to 3Q and for the cumulative period at the end of the fiscal year.

No. of pharmacists (enrollment)	7,287	7,710	7,656	7,706	8,151	8,150	8,128	8,184
No. of pharmacists per store (persons)	2.98	2.92	2.88	2.85	2.99	2.97	2.95	2.96
No. of registered sales clerks (enrollment)	16,930	17,660	17,581	18,586	18,546	18,444	18,296	19,237
No. of registered sales clerks per store (persons)	6.92	6.68	6.62	6.88	6.79	6.73	6.65	6.96

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

Store openings and closures

(Unit: No. of stores)

		End of February 2023	Openings		Closures		End of February 2024
			Projections	Actual results	Projections	Actual results	
By company	Welcia Yakkyoku	2,145	85	76	21	22	2,199
	Marudai Sakurai Pharmacy	96	6	6	—	—	102
	Shimizu Yakuhin	68	6	5	—	2	71
	Marue Drug	60	3	3	5	6	57
	YODOYA	25	1	—	—	—	25
	MASAYA	39	3	1	—	—	40
	Pupule Himawari	134	2	—	1	1	133
	Kokumin	156	9	6	8	4	158
	French	3	—	—	1	1	2
	FUKUYAKUHIN	25	1	1	—	1	25
	In Japan	2,751	116	98	36	37	2,812
	Overseas	12	6	4	2	3	13
	Consolidated	2,763	122	102	38	40	2,825
By area	Hokkaido	7	—	1	2	1	7
	Tohoku	191	10	10	1	—	201
	Kanto	1,200	36	30	15	17	1,213
	Chubu	551	22	21	6	9	563
	Kinki	509	35	24	10	7	526
	Chugoku	170	7	4	2	2	172
	Shikoku	74	2	1	—	—	75
	Kyushu and Okinawa	49	4	7	—	1	55
	In Japan	2,751	116	98	36	37	2,812

2. Earnings Forecast for FY2025

- Made Exchange Co., Ltd. a subsidiary through the acquisition of shares, effective March 15, 2024.

Indicator assumptions and priority measures for FY2025 forecasts



1. Projections

Net sales	1,287.0 billion yen	Y/Y	105.7%
Operating income	47.0 billion yen	Y/Y	108.7%
Ordinary income	51.0 billion yen	Y/Y	106.8%
Net income attributable to owners of parent	27.0 billion yen	Y/Y	102.1%

2. Indicator assumptions

Existing-stores' sales growth rate	3.9%				
(Products)	2.7%				
(Dispensing)	8.1%				
Openings	102 stores	In Japan	102	Overseas	0
Closures	43 stores	In Japan	42	Overseas	1
No. of stores as of end of the fiscal year	2,884 stores	In Japan	2,872	Overseas	2
Dispensing pharmacy sales	278.5 billion yen	Y/Y	108.4%		
No. of stores with dispensing pharmacy	2,305 stores	Ratio of stores with dispensing pharmacy	81.7%		

3. Priority measures

Opening new pharmacies	153 stores		
Renovation (full renovation)	112 stores	Actual results for the same period of the previous year	81 stores



Evolving and deepening existing businesses

- **Improvement of store format to improve gross margin and increase the numbers of customers and numbers of purchases**

Enhance product lineup by expanding standard items and reviewing promotional sales areas

Evolve urban format by utilizing Kokumin's know-how

- **promotion of stores with dispensing pharmacy and respond to increasing sophistication of dispensing operations**

promotion of stores with dispensing pharmacy, strengthen interpersonal work, respond online, and respond to deregulation

- **PB measures**

Composition ratio of sales of PB products: **9.2%**

Sales of Karada Welcia and Kurashi Welcia as of the end of February 2025: **330** SKUs

Strengthen brand marketing using media

Launch of new brand "**It's**" (scheduled for June 2024)

- **Point services focused on WAON POINT**

WAON POINT presentation rate of **70%** or more

Improvement of profitability

➤ Productivity

- Automatic ordering (deep cultivation of existing categories and expansion of use in new categories such as daily distribution and bread)
- Improved work efficiency and service level by introducing a new POS system
- Digital use of electronic drug history in dispensing and OCR prescriptions, etc.

➤ Cost control

- Promotion of person-hour control through work schedule management, etc.
- Reduction of electricity costs through consolidated procurement of AEON Group electricity

➤ Initiatives in logistics

- Reduce logistics costs in the Kyushu area by leveraging synergies of AEON frozen Logistics
- Reduction of load waiting time through berth reservation system of distribution center and visualization of necessary information
- Leveling of logistics waves through automatic ordering and headquarters advance ordering*

*Maintain a longer lead time from headquarters order to delivery, and improve efficiency of suppliers, centers, and stores

Sustainability

➤ Mobile sales vehicle “Uetan”

Expand the service not only to the current underpopulated areas, but also to urban apartment complexes and other areas to meet demand

➤ Promotion of women to managerial positions

Enhancement of career development support system for women in order to increase the ratio of female managers

Full-year earnings forecasts



(Unit: million yen/%)

	1H			2H			Full-year		
	Amount	Composition ratio	Y/Y	Amount	Composition ratio	Y/Y	Amount	Composition ratio	Y/Y
Net sales	644,300	100.0	105.4	642,700	100.0	106.0	1,287,000	100.0	105.7
(Dispensing pharmacy sales)	137,130	21.3	108.6	141,370	22.0	108.2	278,500	21.6	108.4
Gross operating profit	198,500	30.8	106.8	199,700	31.1	108.3	398,200	30.9	107.6
SG&A expenses	171,800	26.7	106.7	179,400	27.9	108.2	351,200	27.2	107.4
Operating income	26,700	4.1	107.9	20,300	3.2	109.7	47,000	3.7	108.7
Ordinary income	28,600	4.4	106.7	22,400	3.5	106.9	51,000	4.0	106.8
Net income attributable to owners of parent	16,000	2.5	98.6	11,000	1.7	107.7	27,000	2.1	102.1
Existing-store sales growth rate	4.0			3.8			3.9		

Full-year earnings forecasts by company



(Unit: million yen/%)

Upper row: Amount Lower row: Composition ratio	Welcia HD (consolidated)		Welcia Yakkyoku		Kokumin		Pupule Himawari		Marudai Sakurai Pharmacy		Shimizu Yakuhin	
		Y/Y		Y/Y		Y/Y		Y/Y		Y/Y		Y/Y
Net sales	1,287,000	105.7	1,076,481	105.6	50,501	109.2	49,596	104.1	34,236	106.0	28,699	105.0
	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	398,200	107.6	335,738	107.2	16,416	111.0	13,785	112.9	9,418	108.1	8,705	105.6
	30.9	30.4	31.2	30.7	32.5	32.0	27.8	25.6	27.5	27.0	30.3	30.2
SG&A expenses	351,200	107.4	290,849	107.5	15,279	109.2	13,261	107.4	8,017	108.2	7,453	105.6
	27.2	26.8	27.0	26.5	30.3	30.3	26.7	25.9	23.4	23.0	26.0	25.9
Operating income	47,000	108.7	44,889	105.9	1,137	144.3	524	-	1,401	107.5	1,252	105.4
	3.7	3.6	4.2	4.2	2.3	1.7	1.1	-	4.1	4.0	4.4	4.3
Ordinary income	51,000	106.8	48,873	104.7	1,298	137.1	857	76.7	1,487	106.3	1,356	104.7
	4.0	3.9	4.5	4.6	2.6	2.0	1.7	2.3	4.3	4.3	4.7	4.7
Net income attributable to owners of parent	27,000	102.1	27,800	100.0	978	130.9	354	75.0	913	100.2	848	100.0
	2.1	2.2	2.6	2.7	1.9	1.6	0.7	1.0	2.7	2.8	3.0	3.1

Planned store openings and closures

(Unit: No. of stores)

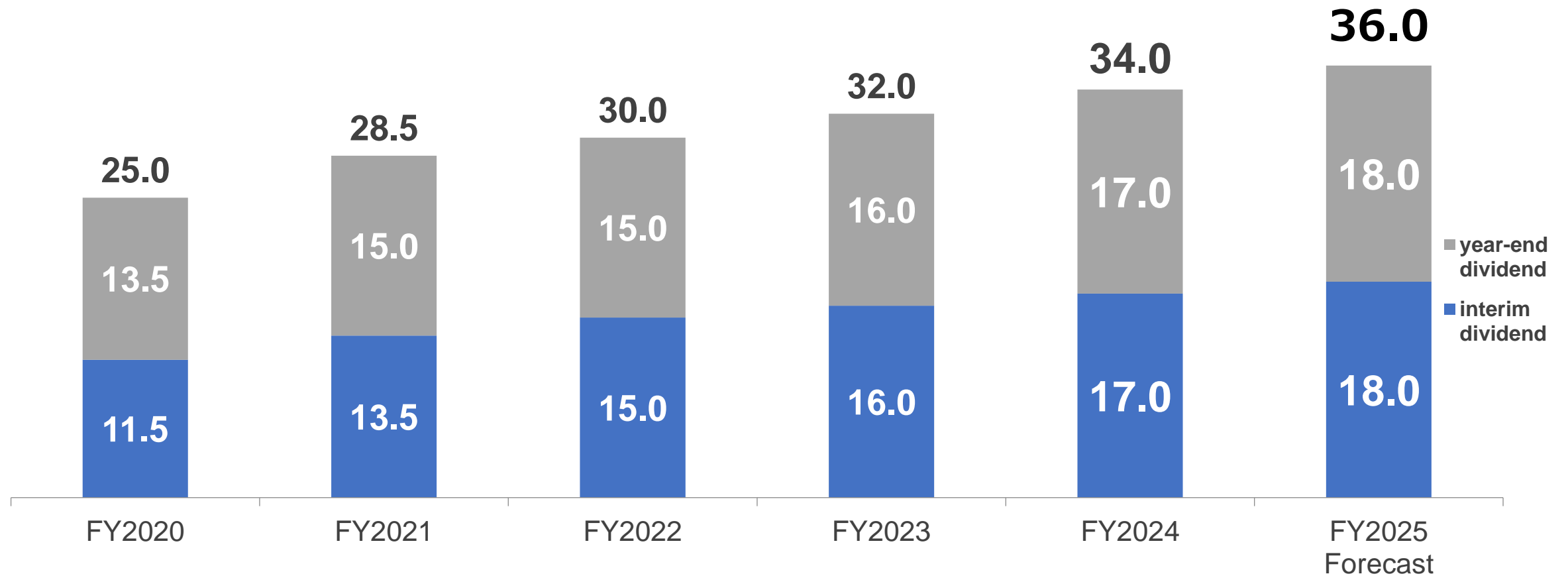
		Actual number at the beginning of the term	Openings	Closures	End of the fiscal year
By company	Welcia Yakkyoku	2,199	65	19	2,245
	Marudai Sakurai Pharmacy	102	8	4	106
	Shimizu Yakuhin	71	5	0	76
	Marue Drug	57	3	3	57
	YODOYA	25	1	0	26
	MASAYA	40	6	3	43
	Pupule Himawari	133	3	2	134
	Kokumin	158	11	10	159
	French	2	0	0	2
	FUKUYAKUHIN	25	0	1	24
In Japan		2,812	102	42	2,872
Overseas		13	0	1	12
Consolidated		2,825	102	43	2,884
By area	Hokkaido	7	0	0	7
	Tohoku	201	10	5	206
	Kanto	1,213	45	17	1,241
	Chubu	563	15	9	569
	Kinki	526	23	3	546
	Chugoku	172	5	5	172
	Shikoku	75	1	1	75
	Kyushu and Okinawa	55	3	2	56
In Japan		2,812	102	42	2,872
Stores with dispensing pharmacy		2,155	153	3	2,305
Ratio of stores with dispensing pharmacy		78.0%			81.7%

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

Dividend Forecast

- Dividend Per Share

Unit : yen



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.