



# Financial Results Briefing for the First Quarter of Fiscal Year Ending February 2024

July 10, 2023

**Welcia Holdings Co., Ltd.**

Stock Code 3141, Tokyo Stock Exchange  
Prime Market



## 1. Outline of Financial Results for FY2024 1Q 3

▶ Overview	4
▶ Initiatives	5
▶ Results for FY2024 1Q achievement rates	7
▶ Results for FY2024 1Q year-on-year change	8
▶ Breakdown of financial results by company for FY2024 1Q	10
▶ Existing stores' monthly sales growth rate (in Japan)	11
▶ Composition ratio of sales by category	12
▶ Gross profit margin by category	13
▶ SG&A expenses	14
▶ Results in the dispensing sector	15
▶ Number of employees	17
▶ Store openings and closures	18

## 2. Earnings Forecast for FY2024 19

▶ Indicator assumptions and priority measures for FY2024 forecasts	20
▶ Full-year earnings forecasts	21
▶ Planned store openings and closures	23

# 1. Outline of Financial Results

- 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 1Q

- Net sales were at the planned level, but profits fell short of the plan.
- The lower recurring ordinary income and net income were largely due to the previous year's subsidy income.

## 1. Outline of Financial Results

(Unit: million yen/%)

	Actual results	Projections	Difference	Achievement rate	Y/Y
Net sales	298,267	298,480	- 212	99.9	111.4
(Dispensing pharmacy sales)	63,313	62,544	769	101.2	117.6
Operating income	7,381	8,595	- 1,213	85.9	95.7
Ordinary income	8,524	9,838	- 1,313	86.7	81.2
Net income attributable to owners of parent	5,126	5,757	- 630	89.0	81.1

## 2. Indicators

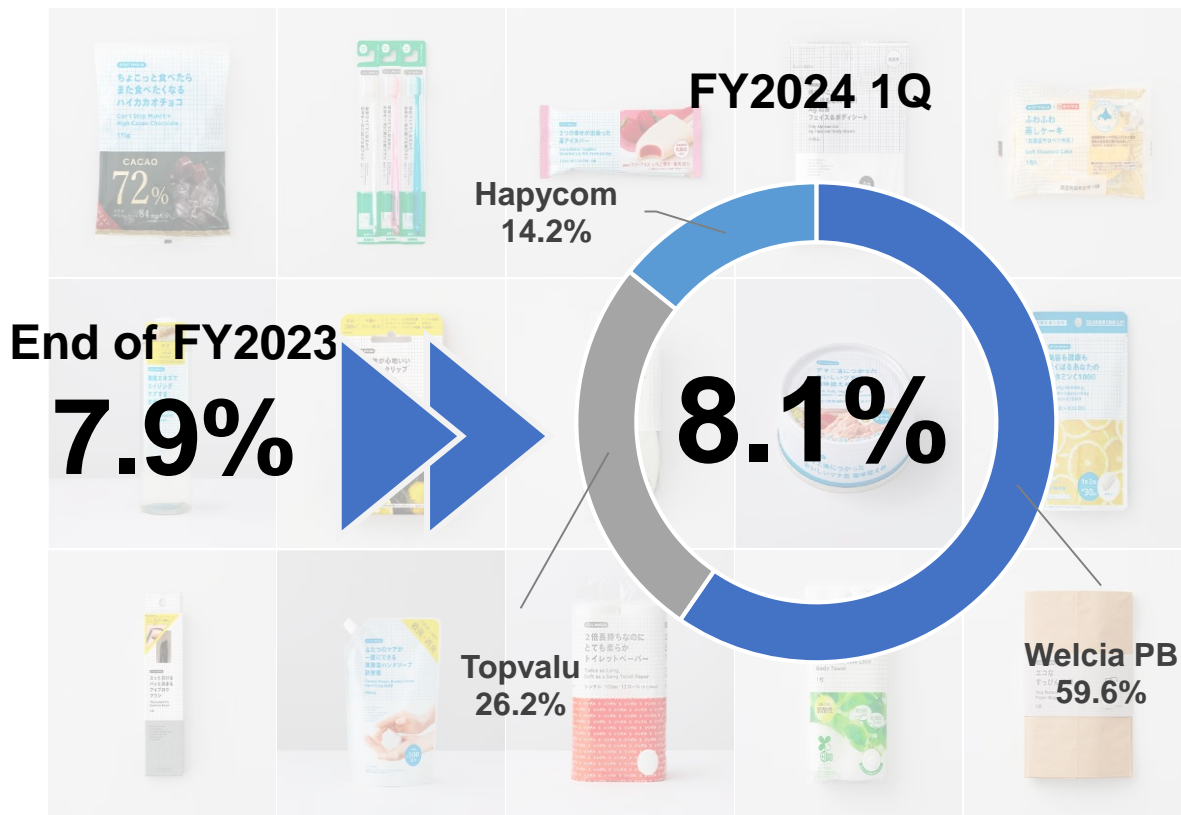
(Unit: %/ store)

	Actual results	Projections	Difference
Existing-stores' sales growth rate	4.1	4.0	0.1
(Products)	2.8	3.1	- 0.3
(Dispensing)	8.8	7.2	1.6
Store openings (including overseas)	38	33	5
Store closures (including overseas)	10	6	4
Number of stores as of the end of the term (including overseas)	2,791	2,790	1
No. of stores with dispensing pharmacy	2,039	2,055	- 16
Ratio of stores with dispensing pharmacy	74.7	75.4	- 0.7
Renovation (full renovation)	19	29	- 10

# Private brand initiatives

- Overall sales of **PB** tended to expand due to changes in consumer sentiment caused by rising prices.
- Sales of **Karada Welcia** and **Kurashi Welcia** as of the end of May 2023: 184 SKUs

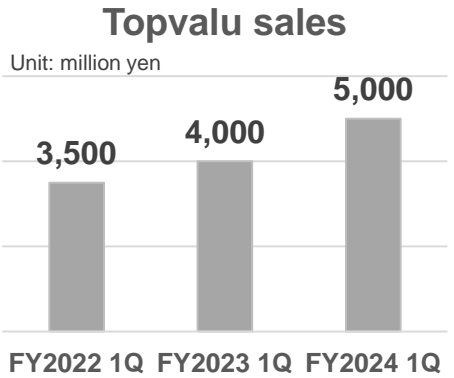
## Composition ratio of sales of PB products



## Topics



- **Kurashi Welcia** sales of consumables, especially paper products, grew with the keyword "cost-effective consumption." Developed products with unit price in mind.
- **Karada Welcia** promoted the development of drugstore-type products and also implemented PR using social media. Popular items are also on the rise.



- **Topvalu** products, focusing on food products, were supported by consumers for their affordable prices, resulting in growth in sales and composition.
- Another factor was that, amid many price hikes in food products in October 2022, we increased SKUs and focused on product selection to meet customer needs.

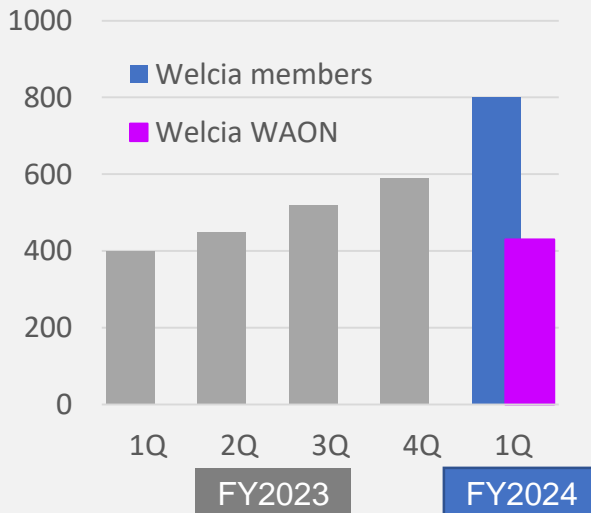
# Efforts to increase loyal customers by expanding point services



- **The Welcia membership**, which started in July 2021, has surpassed **8 million people**.
- **The WAON POINT** service, which was introduced in March 2023, is increasing the number of users. Furthermore, the number of "WAON POINT" members who registered as Welcia members has exceeded **4 million people**.
- Through services using both "T Point" and "WAON POINT," we aim to further expand our economic area by improving customer convenience.

## Expansion of the point service economic area

Unit: 10 thousand people



After the introduction of "WAON POINT," the registration for the Welcia membership has been further expanded.

## Improving customer convenience with in-house apps



With the introduction of WAON POINT, the apps were redesigned so that both cards can be displayed within the apps.

In addition, we will promote marketing, including sales promotions tailored to the needs of Welcia members by using data.

# Results for FY2024 1Q achievement rates

- Gross operating profit fell short of the plan amid a reactionary drop in COVID-19-related demand. SG & A expenses were within the plan, but operating income fell short of the plan.

(Unit: million yen/%)

	Actual results		Projections			
		Composition ratio		Composition ratio	Difference	Achievement rate
Net sales	298,267	100.0	298,480	100.0	- 212	99.9
Gross operating profit	87,809	29.4	89,349	29.9	- 1,539	98.3
SG&A expenses	80,427	26.9	80,754	27.0	- 326	99.6
Operating income	7,381	2.5	8,595	2.9	- 1,213	85.9
Ordinary income	8,524	2.9	9,838	3.3	- 1,313	86.7
Net income attributable to owners of parent	5,126	1.7	5,757	1.9	- 630	89.0

# Results for FY2024 1Q year-on-year change

- Sales will increase due to the integration effect of Kokumin, but Kokumin is in the process of improving. Sales increased but profits declined, partly due to an increase in utilities and WAON POINT introduction costs.
- The decline in ordinary income and net income was largely affected by a reactionary decline in subsidy income from the previous year (1.87 billion yen).

(Unit: million yen/%)

	Actual results		Actual results for the same period of the previous year			
		Composition ratio		Composition ratio	Change	Y/Y
Net sales	298,267	100.0	267,716	100.0	30,550	111.4
Gross operating profit	87,809	29.4	78,431	29.3	9,378	112.0
SG&A expenses	80,427	26.9	70,717	26.4	9,709	113.7
Operating income	7,381	2.5	7,713	2.9	- 331	95.7
Ordinary income	8,524	2.9	10,495	3.9	- 1,971	81.2
Net income attributable to owners of parent	5,126	1.7	6,321	2.4	- 1,195	81.1
EBITDA	13,270		12,959		311	102.4

\*EBITDA = operating income + depreciation + goodwill amortization



# Results for FY2024 1Q year-on-year change (reference)

## Reference

## Excluding Kokumin, French, FUKUYAKUHIN and amortization of goodwill

- The gross profit margin improved amid a reactionary drop in COVID-19-related demand.
- Utilities and WAON POINT introduction costs increased.
- The decline in ordinary income and net income was largely affected by a reactionary decline in subsidy income from the previous year (1.87 billion yen).

(Unit: million yen/%)

	Actual results		Actual results for the same period of the previous year			
		Composition ratio		Composition ratio	Change	Y/Y
Net sales	285,111	100.0	267,716	100.0	17,394	106.5
Gross operating profit	83,828	29.4	78,431	29.3	5,397	106.9
SG&A expenses	76,134	26.7	70,717	26.4	5,416	107.7
Operating income	7,694	2.7	7,713	2.9	- 19	99.8
Ordinary income	8,812	3.1	10,495	3.9	- 1,683	84.0
Net income attributable to owners of parent	5,368	1.9	6,321	2.4	- 953	84.9

# Breakdown of financial results by company for FY2024 1Q

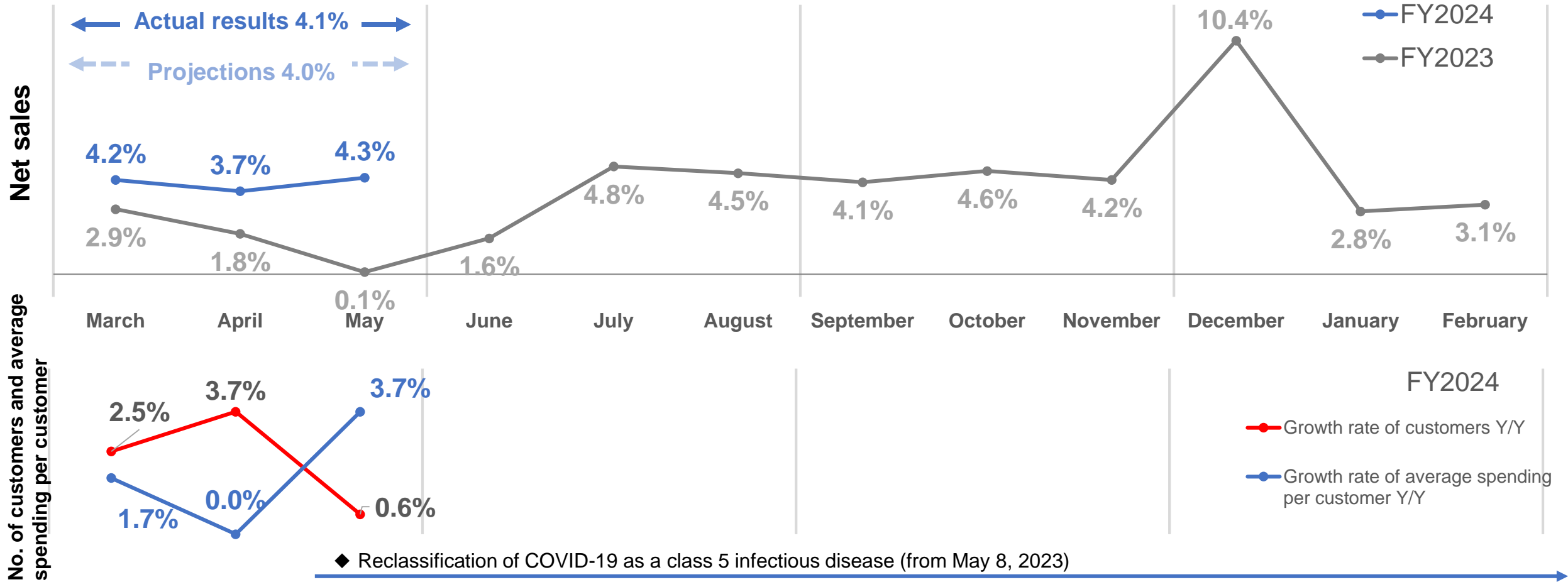


- The gross profit margin of Pupule Himawari has improved due to changes in product policies, but is still improving, partly due to continued increases in utility costs. (Operating income: down 2 million Y/Y)
- Cosmetics and other products sales of Kokumin are on a recovery trend due to an increasing flow of people into urban areas.

(Unit: million yen/%)

Upper row: Amount Lower row: Composition ratio	Welcia HD (consolidated)		Welcia Yakkyoku		Pupule Himawari		Kokumin	Marudai Sakurai Pharmacy		Shimizu Yakuhin		Marue Drug	
		Y/Y		Y/Y		Y/Y			Y/Y		Y/Y		Y/Y
<b>Net sales</b>	298,267	111.4	249,249	106.6	12,359	99.7	11,385	7,701	106.1	6,640	113.8	3,515	104.9
	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
<b>Gross operating profit</b>	87,809	112.0	74,038	106.6	3,075	106.0	3,460	2,021	107.2	1,964	114.4	1,082	105.7
	29.4	29.3	29.7	29.7	24.9	23.4	30.4	26.3	26.0	29.6	29.4	30.8	30.6
<b>SG&amp;A expenses</b>	80,427	113.7	66,618	107.7	3,124	106.0	3,448	1,807	106.6	1,689	113.0	1,056	108.6
	26.9	26.4	26.7	26.5	25.3	23.8	30.3	23.5	23.4	25.5	25.6	30.1	29.1
<b>Operating income</b>	7,381	95.7	7,419	97.7	- 49	—	11	214	112.0	275	124.2	25	49.4
	2.5	2.9	3.0	3.2	—	—	0.1	2.8	2.6	4.1	3.8	0.7	1.5
<b>Ordinary income</b>	8,524	81.2	8,470	82.9	60	117.8	33	241	101.0	304	103.4	39	50.4
	2.9	3.9	3.4	4.4	0.5	0.4	0.3	3.1	3.3	4.6	5.0	1.1	2.3
<b>Net income attributable to owners of parent</b>	5,126	81.1	5,366	84.8	37	36.8	83	156	101.1	199	103.9	21	42.0
	1.7	2.4	2.2	2.7	0.3	0.8	0.7	2.0	2.1	3.0	3.3	0.6	1.5

# Existing stores' monthly sales growth rate (in Japan)



FY2024

Increase in demand for cold-related products (increased awareness of self-care)  
Strong sales of hey fever-related products

FY2023

Complete lifting of semi-emergency COVID-19 measures

Strong sales of hey fever-related products

Declining demand for COVID-19-related products

Strong sales of seasonal products

Increase in demand for OTC products

Seventh wave of COVID-19

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

- Despite a reactionary decline in demand for COVID-19-related product, OTC products increased due to strong sales of combination cold remedies and hey fever-related products.
- Sales of cosmetics grew due to increased opportunities to go out. Sales of food products increased by double digit percentage points Y/Y due to the impact of unit price increase.
- For dispensing pharmacy, the number of prescriptions increased due to a decrease in the number of patients who refrain from visiting medical institutions and promotion of stores with dispensing pharmacy.

(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		Y/Y
<b>OTC products</b>	56,942	108.3	46,680	101.7	2,338	98.6	2,986	
	19.1	19.6	18.7	19.6	18.9	19.1	26.2	
<b>Cosmetics</b>	46,768	112.7	36,190	105.1	2,131	96.7	2,924	
	15.7	15.5	14.5	14.7	17.2	17.8	25.7	
<b>Household goods</b>	39,640	107.0	33,503	104.7	1,914	95.5	766	
	13.3	13.8	13.4	13.7	15.5	16.2	6.7	
<b>Food products</b>	67,238	111.3	57,473	110.5	3,902	103.0	506	
	22.5	22.6	23.1	22.2	31.6	30.6	4.4	
<b>Others</b>	23,915	108.5	19,043	105.7	1,453	97.5	375	
	8.0	8.3	7.7	7.8	11.8	12.0	3.4	
<b>Total sales of products</b>	234,506	109.8	192,892	105.8	11,739	99.0	7,558	
	78.6	79.8	77.4	78.0	95.0	95.7	66.4	
<b>Dispensing</b>	63,313	117.6	55,988	109.2	591	116.3	3,821	
	21.2	20.1	22.5	21.9	4.8	4.1	33.6	
<b>Subtotal</b>	297,819	111.4	248,880	106.6	12,331	99.7	11,379	
	99.8	99.9	99.9	99.9	99.8	99.8	100.0	
<b>Commission income</b>	447	151.6	368	153.5	27	95.4	5	
	0.2	0.1	0.1	0.1	0.2	0.2	0.0	
<b>Total</b>	298,267	111.4	249,249	106.6	12,359	99.7	11,385	
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

Reference	Excluding Kokumin, French, and FUKUYAKUJIN	
Upper row: Amount Lower row: Composition ratio	Welcia HD (consolidated)	
		Y/Y
<b>OTC products</b>	53,354	101.5
	18.7	19.6
<b>Cosmetics</b>	43,534	104.9
	15.3	15.5
<b>Household goods</b>	38,647	104.3
	13.6	13.8
<b>Food products</b>	66,578	110.2
	23.4	22.6
<b>Others</b>	23,441	106.3
	8.1	8.3
<b>Total sales of products</b>	225,556	105.6
	79.1	79.8
<b>Dispensing</b>	59,112	109.8
	20.7	20.1
<b>Subtotal</b>	284,669	106.4
	99.8	99.9
<b>Commission income</b>	442	149.7
	0.2	0.1
<b>Total</b>	285,111	106.5
	100.0	100.0

# Gross profit margin by category

- In OTC products, sales of combination cold remedies and hey fever-related products increased, despite a decline in demand for hygiene products such as test kits and masks.
- In dispensing, sales were improved through efforts to obtain additional fees, despite the end of transitional measures to provide additional fees by the community support system and the revision of NHI drug prices.

(Unit: %)

	Welcia HD (consolidated)		Welcia Yakkyoku		Pupule Himawari		Kokumin
		Y/Y change		Y/Y change		Y/Y change	
OTC products	40.1	- 0.1	40.3	0.0	41.2	3.0	37.5
Cosmetics	32.3	- 0.2	32.3	- 0.2	33.4	2.9	29.9
Household goods	26.6	0.6	26.9	0.5	23.8	2.3	27.1
Food products	18.8	0.1	19.2	0.0	13.5	0.2	21.0
Others	15.1	- 0.2	14.3	- 0.9	14.0	0.6	28.7
Total sales of products	27.6	0.0	27.6	- 0.3	24.4	1.5	32.0
Dispensing	35.8	0.1	36.4	0.6	31.6	0.9	27.2
Subtotal	29.3	0.1	29.6	0.0	24.7	1.5	30.4
Commission income	100.0	—	100.0	—	100.0	—	100.0
Total	29.4	0.1	29.7	0.0	24.9	1.5	30.4

Reference	Excluding Kokumin, French, and FUKUYAKUHIN	
	Welcia HD (consolidated)	Y/Y change
OTC products	40.3	0.1
Cosmetics	32.5	▲ 0.0
Household goods	26.6	0.6
Food products	18.8	0.1
Others	14.8	- 0.5
Total sales of products	27.4	- 0.2
Dispensing	36.3	0.6
Subtotal	29.3	0.1
Commission income	100.0	—
Total	29.4	0.1

# SG&A expenses

- Advertising expenses increased due to promotional expenses associated with the introduction of WAON POINT.
- Utility costs continued to increase. (composition ratio +0.2 p 125% YoY)

Upper row: Amount Lower row: Composition ratio	Welcia HD (consolidated)		Welcia Yakkyoku		Pupule Himawari		Kokumin	Reference	Excluding Kokumin, French, and FUKUYAKUHIN	
		Y/Y		Y/Y		Y/Y			Welcia HD (consolidated)	
										Y/Y
<b>Labor costs</b>	41,794	111.5	34,933	106.3	1,532	103.5	1,620	<b>Labor costs</b>	39,911	106.5
	14.0	14.0	14.0	14.1	12.4	11.9	14.2		14.0	14.0
<b>Advertising expenses</b>	1,525	131.7	1,116	124.5	76	101.2	61	<b>Advertising expenses</b>	1,451	125.3
	0.5	0.4	0.4	0.4	0.6	0.6	0.5		0.5	0.4
<b>Rent</b>	14,024	117.5	11,362	108.2	573	102.3	1,043	<b>Rent</b>	12,881	107.9
	4.7	4.5	4.6	4.5	4.6	4.5	9.2		4.5	4.5
<b>Others</b>	23,083	114.6	19,206	109.2	942	113.3	723	<b>Others</b>	21,888	108.7
	7.7	7.5	7.7	7.5	7.7	6.8	6.4		7.7	7.5
<b>Total</b>	80,427	113.7	66,618	107.7	3,124	106.0	3,448	<b>Total</b>	76,134	107.7
	26.9	26.4	26.7	26.5	25.3	23.8	30.3		26.7	26.4

# Results in the dispensing sector

- Sales increased due to consolidation of Kokumin as well as an increase in the number of prescriptions resulting from a decrease in the number of patients who refrain from visiting medical institutions and promotion of stores with dispensing pharmacy.
- Despite the end of the transitional measures to provide additional fees by the community support system addition and the revision of NHI drug prices, the gross profit margin was maintained through various initiatives for additional fees.

	FY2021 1Q		FY2022 1Q		FY2023 1Q		FY2024 1Q	
		Y/Y change		Y/Y change		Y/Y change		Y/Y change
<b>Dispensing pharmacy sales (million yen)</b>	42,072	112.6%	49,102	116.7%	53,857	109.7%	63,313	117.6%
<b>No. of prescriptions (in the thousands)</b>	3,703	96.6%	4,678	126.3%	5,156	110.2%	6,121	118.7%
<b>Prescription unit price (yen)</b>	11,361	116.6%	10,495	92.4%	10,445	99.5%	10,342	99.0%
<b>Gross profit margin (%)</b>	34.5	-4.1	36.4	1.9	35.7	-0.7	35.8	0.1
<b>No. of stores with dispensing pharmacy (stores)</b>	1,447	147	1,684	237	1,859	175	2,039	180
<b>Ratio of stores with dispensing pharmacy (%)</b>	72.0	2.5	76.3	4.3	76.0	-0.3	74.7	-1.3
<b>Major revisions of medical service fees, etc.</b>	—		✓ Changed to annual NHI 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			

\*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 20 from the beginning of the fiscal year.

	Welcia HD (consolidated)		Welcia Yakkyoku		Pupule Himawari		Kokumin	Marudai Sakurai Pharmacy		Shimizu Yakuhin		Marue Drug	
	FY2023 1Q	FY2024 1Q	FY2023 1Q	FY2024 1Q	FY2023 1Q	FY2024 1Q	FY2024 1Q	FY2023 1Q	FY2024 1Q	FY2023 1Q	FY2024 1Q	FY2023 1Q	FY2024 1Q
Dispensing pharmacy sales (million yen)	53,857	63,313	51,257	55,988	508	591	3,821	570	669	923	1,147	545	623
No. of prescriptions (in the thousands)	5,156	6,121	4,910	5,569	41	50	213	65	78	87	111	46	55
Prescription unit price (yen)	10,445	10,342	10,439	10,052	12,364	11,740	17,860	8,664	8,565	10,568	10,311	11,753	11,261
No. of stores with dispensing pharmacy (stores)	1,859	2,039	1,731	1,832	19	21	51	37	42	40	45	22	28
Ratio of stores with dispensing pharmacy (%)	76.0	74.7	83.4	84.8	14.4	15.7	32.9	39.8	42.9	62.5	65.2	38.6	47.5

\*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	Estimated number at the end of the term	End of 1Q	End of 2Q	End of 3Q	Estimated number at the end of the term
<b>No. of employees (persons)</b>	14,241	14,934	14,813	14,865	15,648			
<b>No. of temporary employees (based on 8h/employee)</b>	24,139	25,484	25,611	25,477	25,541			

<b>No. of pharmacists (enrollment)</b>	7,287	7,710	7,656	7,706	8,151			
<b>No. of pharmacists per store (persons)</b>	2.98	2.92	2.88	2.85	2.99			
<b>No. of registered sales clerks (enrollment)</b>	16,930	17,660	17,581	18,586	18,546			
<b>No. of registered sales clerks per store (persons)</b>	6.92	6.68	6.62	6.88	6.79			

\*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 FY2023	Openings		Closures		End of May 2023
			Projections	Actual results	Projections	Actual results	
By company	Welcia Yakkyoku	2,145	26	31	4	6	2,170
	Marudai Sakurai Pharmacy	96	2	2	—	—	98
	Shimizu Yakuhin	68	1	1	—	—	69
	Marue Drug	60	—	—	1	1	59
	YODOYA	25	—	—	—	—	25
	MASAYA	39	1	1	—	—	40
	Pupule Himawari	134	—	—	—	—	134
	Kokumin	156	1	1	1	2	155
	French	3	—	—	—	—	3
	FUKUYAKUHIN	25	1	1	—	—	26
	In Japan	2,751	32	37	6	9	2,779
	Overseas	12	1	1	—	1	12
	Consolidated	2,763	33	38	6	10	2,791
By area	Hokkaido	7	—	—	—	—	7
	Tohoku	191	5	5	—	—	196
	Kanto	1,200	8	7	2	4	1,203
	Chubu	551	6	11	4	3	559
	Kinki	509	7	9	—	2	516
	Chugoku	170	2	1	—	—	171
	Shikoku	74	1	1	—	—	75
	Kyushu and Okinawa	49	3	3	—	—	52
	In Japan	2,751	32	37	6	9	2,779

## 2. Earnings Forecast 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.

# Indicator assumptions and priority measures for FY2024 forecasts

## 1. Projections

Net sales	1,230.0 billion yen	Y/Y	107.5%
Operating income	48.0 billion yen	Y/Y	105.2%
Ordinary income	52.5 billion yen	Y/Y	100.7%
Net income attributable to owners of parent	28.0 billion yen	Y/Y	103.6%

## 2. Indicator assumptions

Existing-stores' sales growth rate	3.9%				
(Products)	2.6%				
(Dispensing)	8.9%				
Openings	122 stores	In Japan	116	Overseas	6
Closures	38 stores	In Japan	36	Overseas	2
No. of stores as of end of the fiscal year	2,847 stores	In Japan	2,831	Overseas	16
Dispensing pharmacy sales	254.8 billion yen	Y/Y	111.7%		
No. of stores with dispensing pharmacy	2,182 stores	Ratio of stores with dispensing pharmacy	78.5%		

## 3. Priority measures

Opening new pharmacies	166 stores		
Renovation (full renovation)	101 stores	Actual results for the same period of the previous year	57 stores

# 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
<b>Net sales</b>	612,220	100.0	108.8	617,780	100.0	106.2	1,230,000	100.0	107.5
<b>(Dispensing pharmacy sales)</b>	124,335	20.3	112.8	130,465	21.1	110.7	254,800	20.7	111.7
<b>Gross operating profit</b>	188,830	30.8	110.7	192,980	31.2	108.0	381,810	31.0	109.3
<b>SG&amp;A expenses</b>	163,090	26.6	111.2	170,720	27.6	108.8	333,810	27.1	109.9
<b>Operating income</b>	25,740	4.2	107.3	22,260	3.6	102.8	48,000	3.9	105.2
<b>Ordinary income</b>	28,030	4.6	100.2	24,470	4.0	101.2	52,500	4.3	100.7
<b>Net income attributable to owners of parent</b>	16,700	2.7	97.7	11,300	1.8	113.7	28,000	2.3	103.6
<b>Existing-store sales growth rate</b>	3.8			3.9			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		Marue Drug	
		Y/Y		Y/Y			Y/Y		Y/Y		Y/Y		Y/Y
<b>Net sales</b>	1,230,000	107.5	1,029,694	106.0	45,462	50,552	103.1	32,419	106.2	26,260	107.3	14,599	105.2
	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
<b>Gross operating profit</b>	381,810	109.3	323,333	107.7	14,681	13,546	112.8	8,837	107.2	8,020	107.9	4,679	107.0
	31.0	30.5	31.4	30.9	32.3	26.8	24.5	27.3	27.0	30.5	30.4	32.1	31.5
<b>SG&amp;A expenses</b>	333,810	109.9	276,118	108.5	14,298	13,038	110.6	7,541	107.1	6,898	107.4	4,293	106.6
	27.1	26.5	26.8	26.2	31.5	25.8	24.1	23.3	23.1	26.2	26.3	29.4	29.0
<b>Operating income</b>	48,000	105.2	47,215	103.5	383	508	232.2	1,296	107.5	1,122	111.7	386	111.3
	3.9	4.0	4.6	4.7	0.8	1.0	0.4	4.0	3.9	4.3	4.1	2.6	2.5
<b>Ordinary income</b>	52,500	100.7	51,509	100.6	473	921	97.8	1,378	105.1	1,222	105.1	447	107.3
	4.3	4.6	5.0	5.3	1.0	1.8	1.9	4.3	4.3	4.7	4.7	3.1	3.0
<b>Net income attributable to owners of parent</b>	28,000	103.6	29,525	100.7	290	521	136.6	890	100.8	736	101.5	296	113.3
	2.3	2.4	2.9	3.0	0.6	1.0	0.8	2.7	2.9	2.8	3.0	2.0	1.9

# Planned store openings and closures

(Unit: No. of stores)

		Actual number at the beginning of the term	Openings	Closures	Estimated number at the end of the term
By company	Welcia Yakkyoku	2,145	85	21	2,209
	Marudai Sakurai Pharmacy	96	6	0	102
	Shimizu Yakuhin	68	6	0	74
	Marue Drug	60	3	5	58
	YODOYA	25	1	0	26
	MASAYA	39	3	0	42
	Pupule Himawari	134	2	1	135
	Kokumin	156	9	8	157
	French	3	0	1	2
	FUKUYAKUHIN	25	1	0	26
In Japan		2,751	116	36	2,831
Overseas		12	6	2	16
Consolidated		2,763	122	38	2,847
By area	Hokkaido	7	0	2	5
	Tohoku	191	10	1	200
	Kanto	1,200	36	15	1,221
	Chubu	551	22	6	567
	Kinki	509	35	10	534
	Chugoku	170	7	2	175
	Shikoku	74	2	0	76
	Kyushu and Okinawa	49	4	0	53
In Japan		2,751	116	36	2,831
Stores with dispensing pharmacy		2,019	166	3	2,182
Ratio of stores with dispensing pharmacy		74.7%			78.5%

\*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:

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