FY2026 1Q Financial Results

Genky DrugStores Co., Ltd.
(Code number: 9267, TSE Prime)

2025.10

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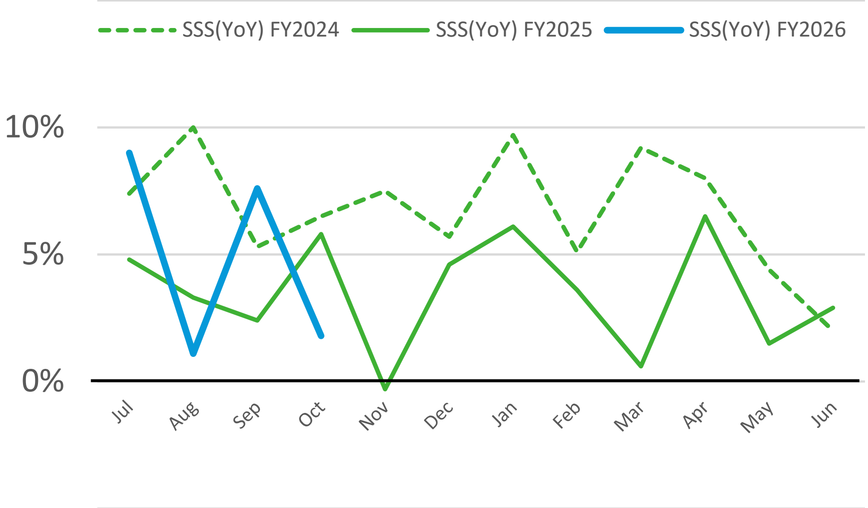
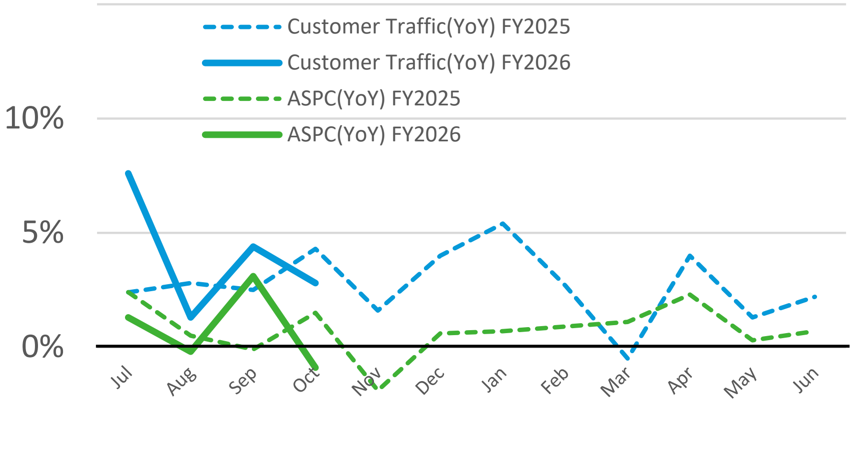
Monthly Net sales YoY Change (existing stores)

(1Q) Due to bad weather and special demand caused by last year's earthquake, sales in August fell short of plan for that month, but made up in September. Overall, same store sales were +5.8%, slightly below the +6.2% plan. But new store sales performed strongly and company-wide sales exceeded plan.
The unit price rose +6.7% due to rising purchase prices. Customers remain strongly budget-conscious, with the number of items purchased down 5.0% , but the spread of EDLP meant that customer traffic at existing stores increased steadily by 4.3%.
Government rice stockpiles (6,000 tons), 95% was sold in the 1Q, and 5% was sold out in October.
Overall, the contribution to sales was 2.1 billion yen..





	1Q	2Q	3Q	4Q	FY
All stores	+12.0%				
existing stores	+5.8%				
Traffic	+4.3%				
ASPC	+1.4%				
Unit Price	+6.7%				
Basket Quantity	(5.0%)				

- March 2025 (3Q) was affected by one less business day due to the fact that the same month of the previous year was a leap year.

FY2026, 1Q Accounting Period（YoY change）

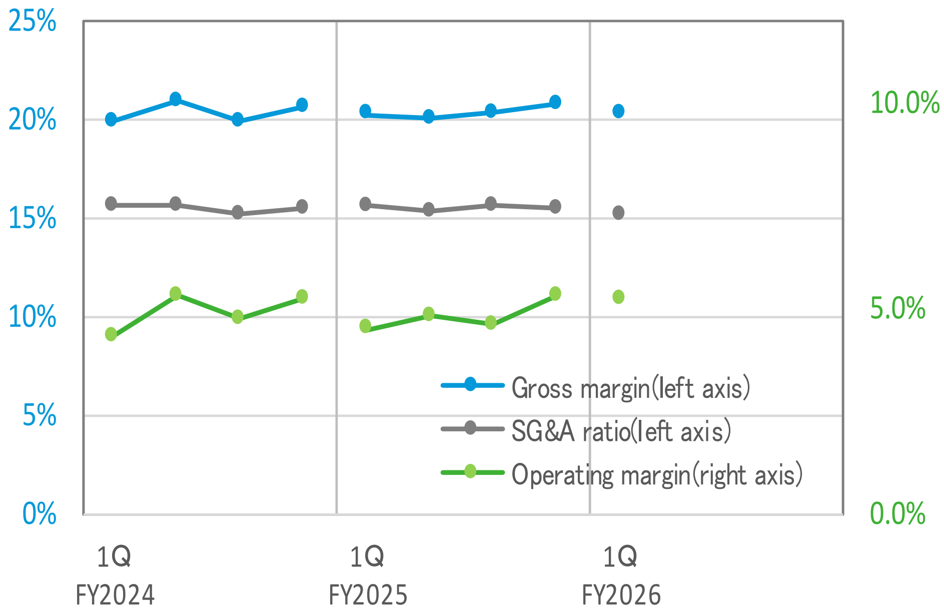
Net Sales	Results exceeded the plan. As in the previous year, an increase in customer traffic drove sales.
Gross profit	Results were 0.3 points above plan. The food product composition ratio was 71.2%, 2 points higher than last year, but we were able to control the gross profit margin appropriately. Waste of daily necessities and fresh produce was also reduced by 50 million yen compared to last year, which improved freshness and led to increased sales.
SG&A	Active hiring of full-time employees increased costs by 200 million yen, but the introduction of self-checkouts helped reduce labor costs, keeping overall labor costs down by only +5.7% (+187 million yen). Utility costs decreased by 11 million yen. Other costs were as planned.

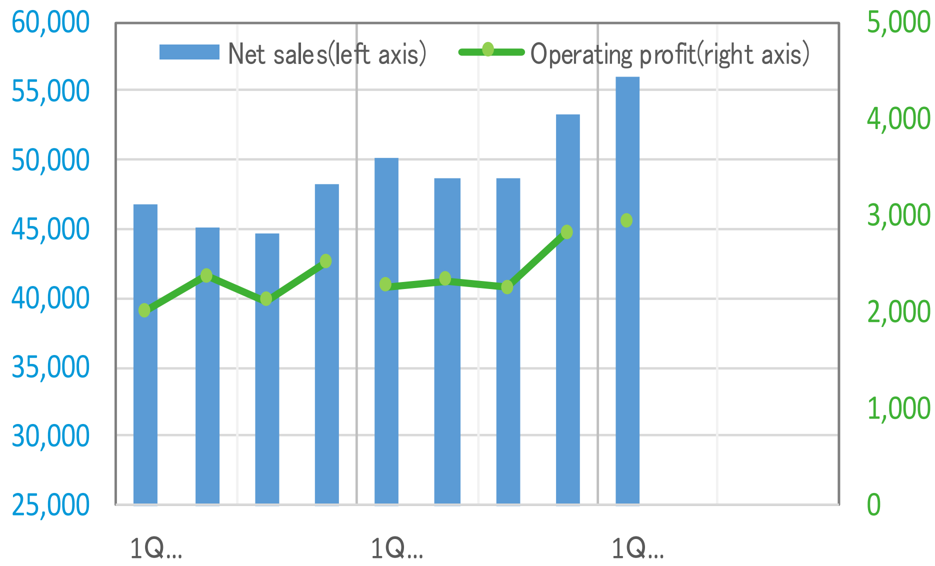
As a result, operating profit increased 28.3% (YoY) and exceeded plan by +300M. From Q2 onwards, we will continue to focus on increasing customer traffic and controlling SG&A. There will be no changes to our EDLP strategy. The forecasts remains unchanged, based on a conservative approach.

(million Yen)

	FY2025 1Q Accounting Period		FY2026 1Q Accounting Period		YoY change	
	million Yen	margin(ratio)	million Yen	margin(ratio)	million Yen YoY	changes in margin(ratio)
Net sales	50,050	-	56,042	-	+5,992 +12.0%	-
Gross profit	10,103	20.2%	11,347	20.2%	+1,244 +12.3%	+0.1pt
SG&A	7,830	15.6%	8,431	15.0%	+600 +7.7%	(0.6pt)
Operating profit	2,272	4.5%	2,916	5.2%	+643 +28.3%	+0.7pt
Ordinary profit	2,300	4.6%	2,959	5.3%	+659 +28.7%	+0.7pt
Net income	1,584	3.2%	2,037	3.6%	+452 +28.6%	+0.5pt
Store opening	6		3			
Store closing	3 (Large stores)		1 (Large stores)			
Renovation (Large store→Regular store)	0		2			

Financial Results (Quarterly trends)

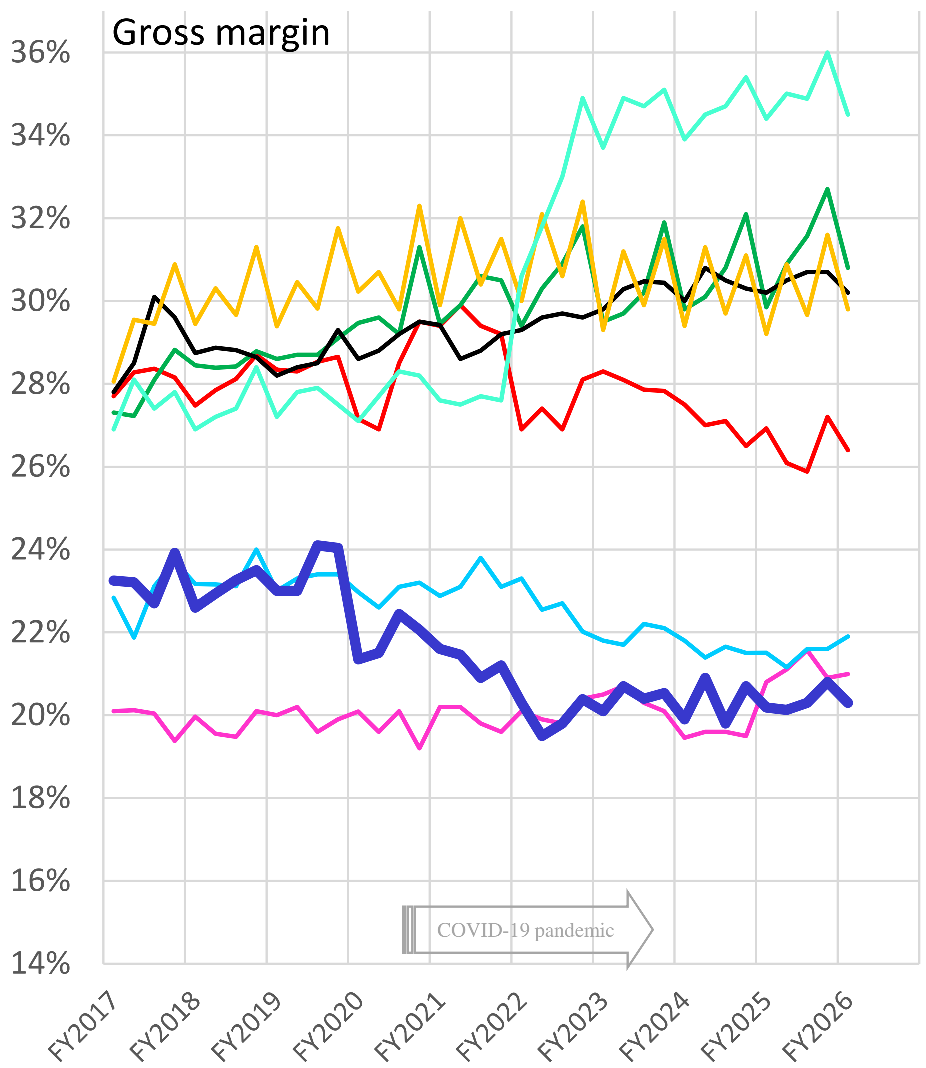


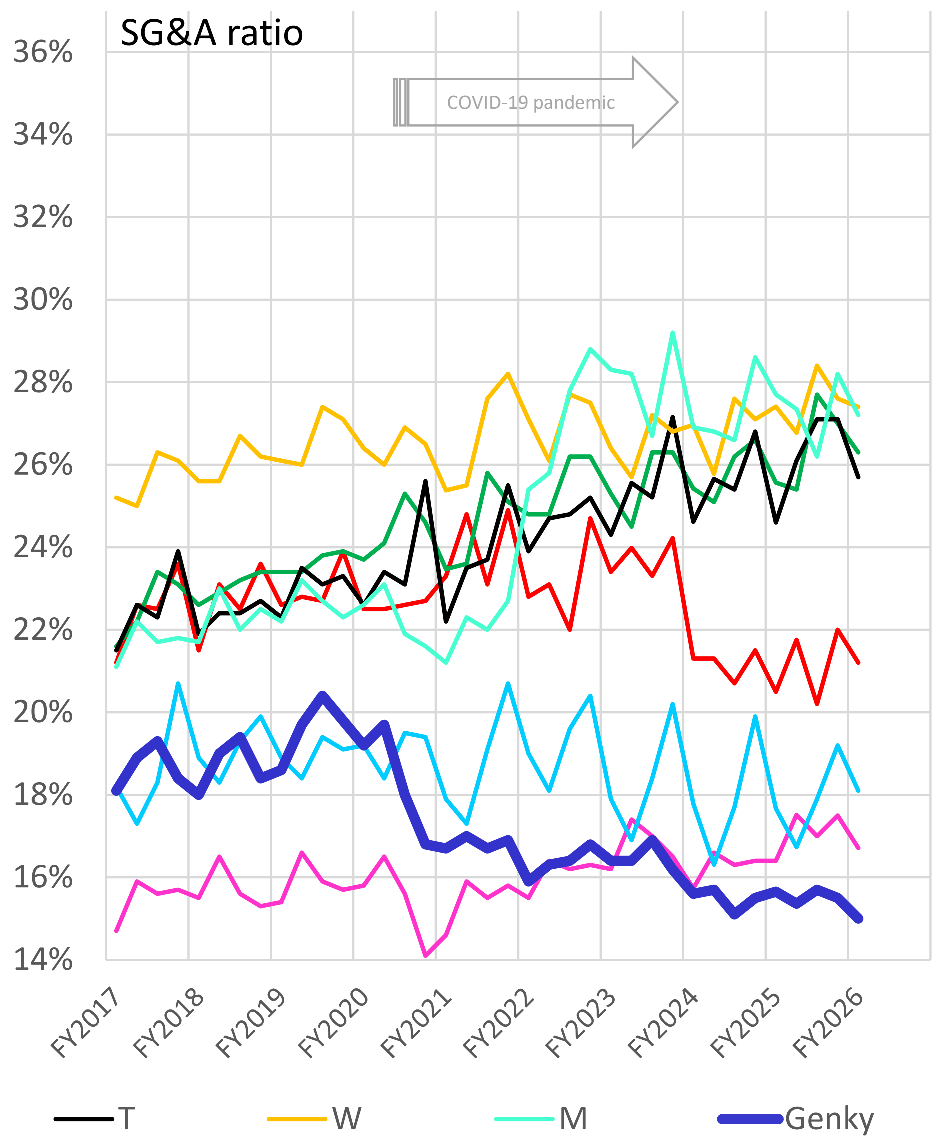


(million Yen)

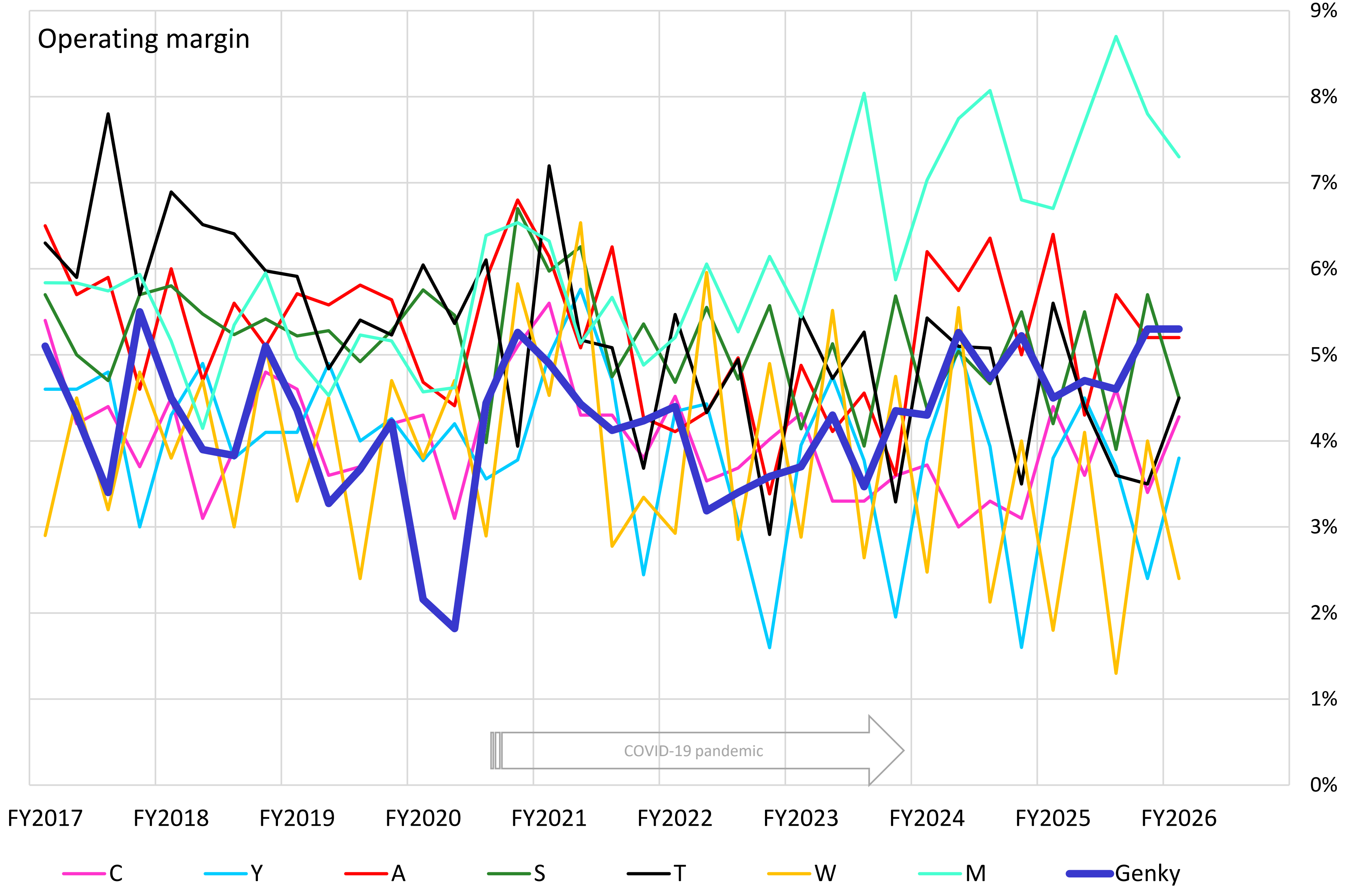
	FY2024					FY2025					FY2026				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
Net sales	46,871	45,095	44,619	48,272	184,860	50,050	48,708	48,624	53,403	200,786	56,042				
YoY of sales	+10.0%	+9.3%	+10.6%	+7.6%	+9.3%	+6.8%	+8.0%	+9.0%	+10.6%	+8.6%	+12.0%				
Gross margin	19.9%	20.9%	19.8%	20.7%	20.4%	20.2%	20.1%	20.3%	20.8%	20.4%	20.2%				
SG&A ratio	15.6%	15.7%	15.1%	15.5%	15.5%	15.6%	15.4%	15.7%	15.5%	15.6%	15.0%				
Operating profit	2,015	2,371	2,107	2,520	9,015	2,272	2,323	2,243	2,818	9,658	2,916				
Operating margin	4.3%	5.3%	4.7%	5.2%	4.9%	4.5%	4.8%	4.6%	5.3%	4.8%	5.2%				

Gross margin and SG&A Ratio of Drugstore companies (Quarterly trends)

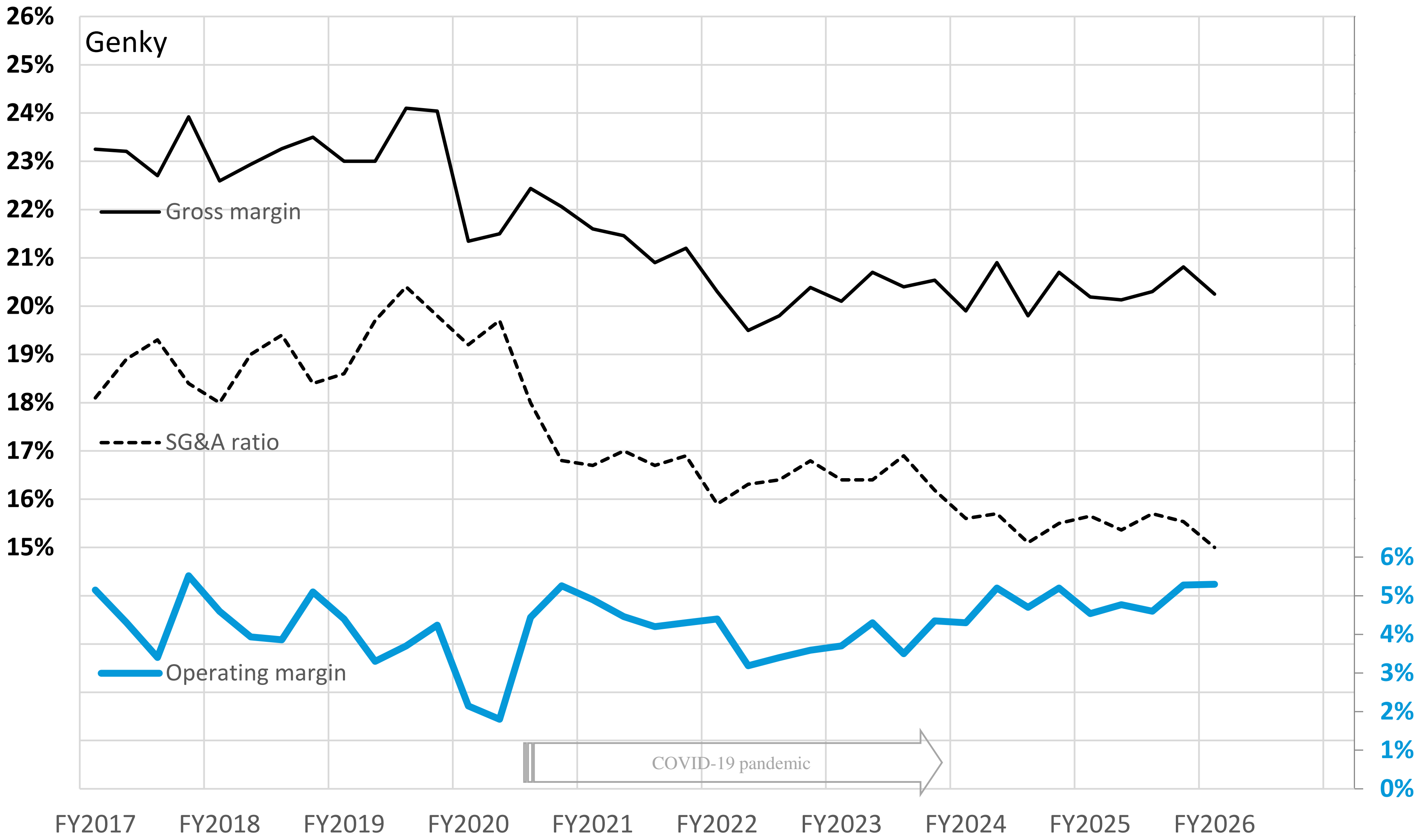




Operating margin of Drugstore companies (Quarterly trends)



Gross margin ・ SG&A ratio ・ Operating margin (Quarterly trends)



KPI (Quarterly and Full-year trends)

While maintaining "SG&A per TSUBO*" at 200,000 yen, the EDLP strategy will increase "Sales per TSUBO" ("Gross profit per TSUBO" will also increase), thereby improving "Operating profit per TSUBO".

**TSUBO is a unit of area, about 3.3㎡*

Items	Unit	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026				
							1Q	2Q	3Q	4Q	FY
Sales per *TSUBO	K yen/ TSUBO･year	1,169	1,135	1,180	1,275	1,315	1,395				
Gross profit per TSUBO	K yen/ TSUBO･year	249	227	241	259	268	283				
SG&A per TSUBO	K yen/ TSUBO･year	197	186	197	197	205	210				
Operating profit per TSUBO	K yen/ TSUBO･year	52	42	44	62	63	73				
Foot area/employee	TSUBO/head	30.5	31.4	33.6	34.2	36.6	37.5				
Total asset turnover	time	1.6	1.6	1.7	1.7	1.7	1.7				
ROA(Ordinary profit / Total asset)	%	7.6	6.5	7.0	8.4	8.2	8.9				
ROE	%	16.2	12.9	12.4	14.5	14.2	15.0				
Equity Ratio	%	35.4	37.3	38.4	40.9	41.8	40.7				
Operation profit / Gross profit	%	20.8	18.3	19.4	24.0	23.6	25.7				

FY2026 Forecasts (no changes from the initial forecasts)

	FY2025 Results		FY2026 Forecasts		YoY change	
	million yen	margin	million yen	margin		changes in margin(ratio)
Net sales	200,786	－	221,840	－	+21,053 +10.5%	※SSS +3.6%
Gross profit	40,889	20.4%	45,260	20.4%	+4,370 +10.7%	±0.0pt
SG&A	31,231	15.6%	34,760	15.7%	+3,529 +11.3%	+0.1pt
Operating profit	9,658	4.8%	10,500	4.7%	+841 +8.7%	−0.1pt
Ordinary profit	9,899	4.9%	10,700	4.8%	+800 +8.1%	−0.1pt
Net income	7,066	3.5%	7,500	3.4%	+433 +6.1%	−0.1pt
EPS	232.5 Yen		246.7 Yen		+14.2 Yen	－
Store opening	54		66			
Store closing	7 (Large store)		3 (Large store)			
Renovation(Large→Regular)	1		7			

Financial Results and Forecasts (no changes from the initial forecasts)

(million Yen)

	FY2021		FY2022		FY2023		FY2024		FY2025		FY2026 (Forecasts)	
Store opening	46		43		30		31		54		66	
Store closing	1		0		7		7		7		3	
Renovation (Large→Regular)	1		21		3		3		1		7	
Logistics Center	–		–		1		–		–		1 One more building planned for FY2028	
Net sales	142,376	15.2%	154,640	8.6%	169,059	+9.3%	184,860	+9.3%	200,786	+8.6%	221,840	+10.5%
Gross profit	30,289	+13.4%	30,954	+2.2%	34,553	+11.6%	37,620	+8.9%	40,889	+8.7%	45,260	+10.7%
(margin)	21.3%		20.0%		20.4%		20.4%		20.4%		20.4%	
SG&A	23,995	+7.3%	25,279	+5.4%	27,844	+10.1%	28,605	+2.7%	31,231	+9.2%	34,760	+11.3%
(ratio)	16.9%		16.3%		16.5%		15.5%		15.6%		15.7%	
Operating profit	6,295	+45.0%	5,675	(9.8%)	6,709	+18.2%	9,015	+34.4%	9,658	+7.1%	10,500	+8.7%
(margin)	4.4%		3.7%		4.0%		4.9%		4.8%		4.7%	
Net income	4,832	+75.4%	4,420	(8.5%)	4,764	+7.8%	6,324	+32.7%	7,066	+11.7%	7,500	+6.1%
(margin)	3.4%		2.9%		2.8%		3.4%		3.5%		3.4%	
CAPEX	8,829		10,588		9,736		10,631		15,618		19,000	
EPS (yen)	159		146		157		208		233		247	
ROE (%)	16.2		12.9		12.4		14.5		14.2		14.2	

* We conducted a 2-for-1 stock split of its common stock on June 21, 2024. Figures prior to FY2024 have been calculated based on the assumption that the stock split was carried out.

-Note-

The forecast figures in this presentation are based on information currently available to the Company and assumptions based on uncertain factors that may affect future performance.

In addition, the explanations given in this presentation contain forward looking statements, judgments, plans or strategies.

These forward-looking statements and remarks are subject to uncertainties, and actual results may differ from these statements and remarks because of a variety of factors.

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