

Disclaimer: This document is an English translation of the original document in Japanese and has been prepared solely for reference purposes. In the event of any discrepancy between this English translation and the original in Japanese, the original shall prevail in all respects.

Consolidated Financial Results for the Fiscal Year Ended May 31, 2025 [Japanese GAAP]



July 11, 2025

Company name: COSMOS Pharmaceutical Corporation

Stock exchange listing: Tokyo Stock Exchange

Code number: 3349

URL: <https://www.cosmospc.co.jp>

Representative: Hideaki Yokoyama, President

Contact: Futoshi Shibata, Director and Corporate Planning Department Manager

Phone: +81-92-433-0660

Scheduled date of general shareholders' meeting: August 21, 2025

Scheduled date of commencing dividend payments: August 4, 2025

Scheduled date of filing securities report: August 28, 2025

Supplementary explanatory materials on annual financial results: Available

Schedule of annual financial results briefing session: Scheduled (for the media, analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended May 31, 2025 (June 1, 2024 - May 31, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent
	Million yen	%	Million yen	%	Million yen	%	Million yen
Fiscal year ended May 31, 2025	1,011,390	4.8	40,404	28.3	43,160	25.8	30,978
May 31, 2024	964,989	16.6	31,501	4.6	34,299	3.7	24,454

(Note) Comprehensive income: Fiscal year ended May 31, 2025: ¥30,976 million [26.4%]

Fiscal year ended May 31, 2024: ¥24,516 million [2.9%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended May 31, 2025	390.86	—	12.7	8.6	4.0
May 31, 2024	308.61	—	11.1	7.6	3.3

(Note) The Company conducted a 2-for-1 stock split effective September 1, 2024. Basic earnings per share have been calculated on the assumption that such stock split took place at the beginning of the fiscal year ended May 31, 2024.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of May 31, 2025	524,755	257,463	49.1	3,248.45
As of May 31, 2024	476,546	231,442	48.6	2,920.13

(Reference) Equity: As of May 31, 2025: ¥257,463 million

As of May 31, 2024: ¥231,442 million

(Note) The Company conducted a 2-for-1 stock split effective September 1, 2024. Net assets per share have been calculated on the assumption that such stock split took place at the beginning of the fiscal year ended May 31, 2024.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended May 31, 2025	Million yen 52,467	Million yen (55,448)	Million yen 7,717	Million yen 57,038
May 31, 2024	55,175	(57,329)	8,527	52,301

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter- end	2nd quarter- end	3rd quarter- end	Year- end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended May 31, 2024	—	60.00	—	60.00	120.00	4,755	19.4	2.1
Fiscal year ended May 31, 2025	—	32.50	—	37.50	70.00	5,548	17.9	2.3
Fiscal year ending May 31, 2026 (Forecast)	—	37.50	—	37.50	75.00		19.2	

(Note) The Company conducted a 2-for-1 stock split effective September 1, 2024. Dividends per share for the fiscal year ended May 31, 2024 are based on the amount before such stock split. Assuming the stock split took place at the beginning of the fiscal year ended May 31, 2024, the annual dividend for the fiscal year ended May 31, 2024 would be ¥60.00 (¥30.00 at 2nd quarter-end and ¥30.00 at year-end).

3. Consolidated Financial Results Forecast for the Fiscal Year Ending May 31, 2026 (June 1, 2025 - May 31, 2026)

Preface regarding consolidated financial results forecast

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	525,000	3.8	20,420	0.4	21,780	0.0	14,650	1.5	184.84
Full year	1,057,000	4.5	40,500	0.2	43,200	0.1	31,000	0.1	391.13

*** Notes:**

- (1) Significant changes in the scope of consolidation during the period: None
 Newly included: – (Company name: –)
 Excluded: – (Company name: –)
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 1) Changes in accounting policies due to the revision of accounting standards: Yes
 2) Changes in accounting policies other than 1) above: None
 3) Changes in accounting estimates: None
 4) Retrospective restatement: None
- (3) Total number of issued shares (common shares)
 1) Total number of issued shares at the end of the period (including treasury shares):
 May 31, 2025: 80,001,600 shares
 May 31, 2024: 80,001,600 shares
 2) Total number of treasury shares at the end of the period:
 May 31, 2025: 744,299 shares
 May 31, 2024: 743,968 shares
 3) Average number of shares during the period:
 Fiscal year ended May 31, 2025: 79,257,381 shares
 Fiscal year ended May 31, 2024: 79,239,666 shares

(Note) The Company conducted a 2-for-1 stock split effective September 1, 2024. Number of shares have been calculated on the assumption that such stock split took place at the beginning of the fiscal year ended May 31, 2024.

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended May 31, 2025 (June 1, 2024 - May 31, 2025)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
May 31, 2025	1,011,390	4.8	40,393	28.3	43,156	25.9	30,976	26.7
May 31, 2024	964,988	16.6	31,481	4.6	34,286	3.7	24,446	2.8

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
May 31, 2025	390.83	–
May 31, 2024	308.51	–

(Note) The Company conducted a 2-for-1 stock split effective September 1, 2024. Basic earnings per share have been calculated on the assumption that such stock split took place at the beginning of the fiscal year ended May 31, 2024.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of May 31, 2025	524,365	256,946	49.0	3,241.93
As of May 31, 2024	476,150	230,926	48.5	2,913.61

(Reference) Equity: As of May 31, 2025: ¥256,946 million

As of May 31, 2024: ¥230,926 million

(Note) The Company conducted a 2-for-1 stock split effective September 1, 2024. Net assets per share have been calculated on the assumption that such stock split took place at the beginning of the fiscal year ended May 31, 2024.

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The statements about future projections contained in this document, including the outlook for financial results, are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and actual financial results etc. may significantly differ from the projections due to various factors. As for the conditions assumed in the financial results forecast, please see “Future Outlook” on page 4 of the attachments.

Table of Contents - Attachments

1. Overview of Operating Results, etc.	2
(1) Overview of Operating Results for the Fiscal Year under Review	2
(2) Overview of Financial Position for the Fiscal Year under Review	3
(3) Overview of Cash Flows for the Fiscal Year under Review	3
(4) Future Outlook	4
(5) Basic Policy on Distribution of Profits and Dividends for the Fiscal Year under Review and the Next Fiscal Year	4
2. Basic Policy on Selection of Accounting Standards	5
3. Consolidated Financial Statements	6
(1) Consolidated Balance Sheets	6
(2) Consolidated Statements of Income and Comprehensive Income	8
Consolidated Statements of Income	8
Consolidated Statements of Comprehensive Income	9
(3) Consolidated Statements of Changes in Equity	10
(4) Consolidated Statements of Cash Flows	12
(5) Notes to Consolidated Financial Statements	13
(Notes on going concern assumption)	13
(Changes to accounting policies)	13
(Segment information, etc.).....	13
(Per share information)	13
(Significant subsequent events).....	14

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended May 31, 2025, the Japanese economy experienced instability due to domestic issues, overseas unrest, and other factors. Despite a slight slowdown in global inflation, prices of various goods and services still have been rising in Japan.

It was exactly because of these circumstances that the Group pursued even lower cost operations and strived to offer products of high quality at the lowest prices possible.

As for the store opening policy, the Group opened new stores one after another, regardless of the temporary decline in profitability caused by our own competition. At the same time, the Group also expanded its store networks in new catchment areas. As a result, the number of newly opened stores stood at 31 in the Kanto region, 27 in the Chubu region, 15 in the Kansai region, 11 in the Chugoku region, 10 in the Shikoku region, and 26 in the Kyushu region, totaling 120. Furthermore, 1 store was closed due to scrap and build. As a result, the number of stores at the end of the fiscal year under review became 1,609 in total.

As a result of the above measures, the Group's consolidated operating results for the fiscal year under review were net sales of 1,011,390 million yen (4.8% increase year-on-year), operating profit of 40,404 million yen (28.3% increase year-on-year), ordinary profit of 43,160 million yen (25.8% increase year-on-year) and profit attributable to owners of parent of 30,978 million yen (26.7% increase year-on-year).

Segment information is omitted because the Group is comprised of a single business segment.

(Store opening and closure)

(Unit: number of stores)

Region	Number of stores at end of fiscal year ended May 31, 2024	Number of newly opened stores	Number of closed stores	Net increase	Number of stores at end of fiscal year ended May 31, 2025
Kanto	148	31	0	31	179
Chubu	151	27	0	27	178
Kansai	212	15	0	15	227
Chugoku	212	11	0	11	223
Shikoku	141	10	0	10	151
Kyushu	626	26	1	25	651
Total	1,490	120	1	119	1,609

(Sales by product)

Product	Fiscal year ended May 31, 2024 (from June 1, 2023 to May 31, 2024)		Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)		Year-on-year (%)
	Amount (Million yen)	Composition (%)	Amount (Million yen)	Composition (%)	
Pharmaceutical	136,642	14.2	140,639	13.9	102.9
Cosmetics	89,709	9.3	93,107	9.2	103.8
Sundry goods	148,822	15.4	150,996	14.9	101.5
General foods	582,766	60.4	619,082	61.2	106.2
Others	7,047	0.7	7,565	0.8	107.4
Total	964,989	100.0	1,011,390	100.0	104.8

(2) Overview of Financial Position for the Fiscal Year under Review

(Assets)

Current assets at the end of the fiscal year under review increased by 7.3% from the end of the previous fiscal year to 165,622 million yen. This was mainly due to increases in cash and deposits of 4,736 million yen and merchandise of 6,210 million yen.

Non-current assets increased by 11.5% from the end of the previous fiscal to 359,133 million yen partly due to acquisition of property, plant and equipment including buildings and structures and land.

As a result, total assets increased by 10.1% from the end of the previous fiscal year to 524,755 million yen.

(Liabilities)

Current liabilities at the end of the fiscal year under review increased by 3.5% from the end of the previous fiscal year to 220,680 million yen. This was mainly due to increases in income taxes payable of 2,487 million yen, accounts payable - other of 2,077 million yen, accrued expenses of 1,754 million yen, accrued consumption taxes of 1,565 million yen, and current portion of long-term borrowings of 1,100 million yen, as well as a decrease in accounts payable - trade of 2,423 million yen.

Non-current liabilities increased by 46.2% from the end of the previous fiscal year to 46,612 million yen mainly due to an increase in long-term borrowings of 13,817 million yen.

As a result, total liabilities increased by 9.1% from the end of the previous fiscal year to 267,292 million yen.

(Net assets)

Total net assets increased by 11.2% from the end of the previous fiscal year to 257,463 million yen mainly due to an increase in retained earnings of 26,025 million yen.

(3) Overview of Cash Flows for the Fiscal Year under Review

The balance of cash and cash equivalents (hereinafter “cash”) at the end of the fiscal year under review increased by 4,736 million yen or 9.1% from the end of previous fiscal year to 57,038 million yen.

The status of consolidated cash flows for the fiscal year under review and contributing factors were as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to 52,467 million yen (down 4.9% year-on-year).

This was mainly due to positive factors such as profit before income taxes of 42,372 million yen and depreciation of 22,229 million yen, and negative factors such as an increase in inventories of 6,182 million yen, income taxes paid of 9,571 million yen, and a decrease in trade payables of 2,423 million yen.

(Cash Flows from Investing Activities)

Net cash used in investing activities amounted to 55,448 million yen (down 3.3% year-on-year).

This was mainly due to purchase of property, plant and equipment of 53,326 million yen and payments of leasehold and guarantee deposits of 1,236 million yen.

(Cash Flows from Financing Activities)

Net cash provided by financing activities amounted to 7,717 million yen (down 9.5% year-on-year).

This was mainly due to proceeds from long-term borrowings of 20,000 million yen, repayments of long-term borrowings of 5,082 million yen, dividends paid of 4,959 million yen and repayments of finance lease liabilities of 2,238 million yen.

(Reference) Changes in cash flow-related indicators

	Fiscal year ended May 31, 2021	Fiscal year ended May 31, 2022	Fiscal year ended May 31, 2023	Fiscal year ended May 31, 2024	Fiscal year ended May 31, 2025
Equity ratio	50.0	52.5	50.1	48.6	49.1
Equity ratio based on market value	176.7	133.1	124.7	105.5	133.4
Interest-bearing liabilities to cash flow ratio	0.4	0.3	0.3	0.6	1.0
Interest coverage ratio	460.9	610.8	1,061.5	543.2	202.7

Equity ratio: equity/total assets

Equity ratio based on market value: total market capitalization/total assets

Interest-bearing liabilities to cash flow ratio: interest-bearing liabilities/cash flows

Interest coverage ratio: cash flows/interest payments

(Note 1) Each of the above indicators is calculated based on consolidated financial figures.

(Note 2) Total market capitalization is calculated based on total number of issued shares excluding treasury shares.

(Note 3) For the cash flows, the cash flows from operating activities are used.

(Note 4) Interest-bearing liabilities include all liabilities recorded on the Consolidated Balance Sheets for which interest is paid.

(4) Future Outlook

As for future prospects during the fiscal year ending May 31, 2026, inflation is expected to continue to drive up the prices of various goods, and consumers are expected to become even more budget-minded. It is exactly because of these circumstances that the Company is determined to continue to strengthen efforts to make sales of “products of high quality and available at the lowest prices possible.”

With regard to new store openings in the fiscal year ending May 31, 2026, the Company intends to continue its approach of strategic dominance, opening new stores without concerning itself over stores cannibalizing each other's sales. The Company plans to deploy stores in the new catchment-areas of Kanto, Chubu and Kansai regions while continuing to open new stores in the Kyushu, Chugoku and Shikoku regions.

With the above measures, the Company's forecast for its consolidated financial results for the fiscal year ending May 31, 2026, are net sales of 1,057.0 billion yen, operating profit of 40.5 billion yen, ordinary profit of 43.2 billion yen and profit attributable to owners of parent of 31.0 billion yen.

(5) Basic Policy on Distribution of Profits and Dividends for the Fiscal Year under Review and the Next Fiscal Year

The Company's policy on distribution of profits is to return profits through stable and sustained dividend to shareholders based on progressive dividends, as well as secure sufficient internal reserves for the reinforcement of its management structure and utilize the reserves for appropriate reinvestments.

In accordance with the above policy, the Company plans to pay an interim dividend of 32.5 yen and a year-end dividend of 37.5 yen per share for the fiscal year ended May 31, 2025. Accordingly, the annual dividend is planned to be 70 yen per share as an ordinary dividend, an increase of 10 yen from a year earlier on a post-2-for-1 stock split basis.

The Company also plans to make an interim dividend of 37.5 yen and a year-end dividend of 37.5 yen per share for the fiscal year ending May 31, 2026. Accordingly, the annual dividend is planned to be 75 yen per share as an ordinary dividend, an increase of 5 yen from a year earlier.

2. Basic Policy on Selection of Accounting Standards

The Group plans to continue to prepare its consolidated financial statements under the Japanese GAAP for the time being as the Group has been currently developing its business in Japan.

With regard to the adoption of the International Financial Reporting Standards (IFRS), the Group will continue to make its deliberation in consideration of factors such as future business development and domestic and international trends.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	As of May 31, 2024	As of May 31, 2025
Assets		
Current assets		
Cash and deposits	52,301	57,038
Accounts receivable - trade	637	761
Merchandise	85,821	92,031
Supplies	352	292
Prepaid expenses	2,568	2,857
Accounts receivable - other	11,562	11,479
Other	1,089	1,161
Total current assets	154,333	165,622
Non-current assets		
Property, plant and equipment		
Buildings and structures	315,108	353,050
Accumulated depreciation	(88,594)	(102,100)
Buildings and structures, net	226,514	250,949
Machinery, equipment and vehicles	5,498	6,140
Accumulated depreciation	(3,240)	(3,952)
Machinery, equipment and vehicles, net	2,258	2,188
Tools, furniture and fixtures	41,330	45,943
Accumulated depreciation	(29,991)	(33,277)
Tools, furniture and fixtures, net	11,339	12,666
Land	42,111	53,238
Leased assets	9,943	11,363
Accumulated depreciation	(4,497)	(5,030)
Leased assets, net	5,445	6,333
Construction in progress	8,129	5,749
Total property, plant and equipment	295,798	331,125
Intangible assets		
Other	497	446
Total intangible assets	497	446
Investments and other assets		
Investment securities	4	4
Deferred tax assets	2,461	2,913
Construction assistance fund receivables	4,382	4,460
Leasehold and guarantee deposits	16,172	17,038
Other	2,897	3,144
Total investments and other assets	25,917	27,561
Total non-current assets	322,213	359,133
Total assets	476,546	524,755

(Million yen)

	As of May 31, 2024	As of May 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	179,549	177,125
Current portion of long-term borrowings	4,581	5,682
Lease liabilities	1,931	2,256
Accounts payable - other	9,822	11,899
Accrued expenses	8,057	9,812
Income taxes payable	5,572	8,060
Accrued consumption taxes	2,026	3,591
Contract liabilities	522	380
Provision for loss on store closings	112	52
Other	1,052	1,817
Total current liabilities	213,229	220,680
Non-current liabilities		
Long-term borrowings	23,385	37,202
Lease liabilities	4,166	4,817
Retirement benefit liability	1,751	1,953
Asset retirement obligations	2,141	2,206
Other	429	432
Total non-current liabilities	31,874	46,612
Total liabilities	245,104	267,292
Net assets		
Shareholders' equity		
Share capital	4,178	4,178
Capital surplus	5,101	5,101
Retained earnings	222,284	248,309
Treasury shares	(225)	(227)
Total shareholders' equity	231,339	257,362
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1	1
Remeasurements of defined benefit plans	101	99
Total accumulated other comprehensive income	102	101
Total net assets	231,442	257,463
Total liabilities and net assets	476,546	524,755

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended May 31, 2024	For the fiscal year ended May 31, 2025
Net sales	964,989	1,011,390
Cost of sales	776,683	798,109
Gross profit	188,305	213,281
Selling, general and administrative expenses	156,804	172,877
Operating profit	31,501	40,404
Non-operating income		
Interest income	44	48
Commission income	1,407	1,441
Rental income from real estate	1,183	1,189
Gain on receipt of donated non-current assets	500	503
Other	501	561
Total non-operating income	3,637	3,744
Non-operating expenses		
Interest expenses	99	254
Rental costs on real estate	456	464
Other	282	270
Total non-operating expenses	839	988
Ordinary profit	34,299	43,160
Extraordinary income		
Gain on sale of non-current assets	75	–
Insurance claim income	–	8
Compensation income	552	7
Total extraordinary income	628	15
Extraordinary losses		
Loss on retirement of non-current assets	475	508
Impairment losses	535	–
Loss on disaster	19	229
Loss on store closings	108	33
Provision for loss on store closings	69	31
Total extraordinary losses	1,208	803
Profit before income taxes	33,719	42,372
Income taxes - current	9,484	11,845
Income taxes - deferred	(219)	(451)
Total income taxes	9,265	11,393
Profit	24,454	30,978
Profit attributable to owners of parent	24,454	30,978

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended May 31, 2024	For the fiscal year ended May 31, 2025
Profit	24,454	30,978
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	0
Remeasurements of defined benefit plans, net of tax	62	(1)
Total other comprehensive income	62	(1)
Comprehensive income	24,516	30,976
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	24,516	30,976

(3) Consolidated Statements of Changes in Equity

Fiscal year ended May 31, 2024 (from June 1, 2023 to May 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,178	4,610	202,485	(242)	211,031
Changes during period					
Dividends of surplus			(4,654)		(4,654)
Profit attributable to owners of parent			24,454		24,454
Purchase of treasury shares				(0)	(0)
Restricted stock compensation		490		18	509
Net changes in items other than shareholders' equity					
Total changes during period	–	490	19,799	17	20,308
Balance at end of period	4,178	5,101	222,284	(225)	231,339

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1	39	40	211,072
Changes during period				
Dividends of surplus				(4,654)
Profit attributable to owners of parent				24,454
Purchase of treasury shares				(0)
Restricted stock compensation				509
Net changes in items other than shareholders' equity	(0)	62	62	62
Total changes during period	(0)	62	62	20,370
Balance at end of period	1	101	102	231,442

Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,178	5,101	222,284	(225)	231,339
Changes during period					
Dividends of surplus			(4,953)		(4,953)
Profit attributable to owners of parent			30,978		30,978
Purchase of treasury shares				(2)	(2)
Restricted stock compensation					–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	26,025	(2)	26,022
Balance at end of period	4,178	5,101	248,309	(227)	257,362

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1	101	102	231,442
Changes during period				
Dividends of surplus				(4,953)
Profit attributable to owners of parent				30,978
Purchase of treasury shares				(2)
Restricted stock compensation				–
Net changes in items other than shareholders' equity	0	(1)	(1)	(1)
Total changes during period	0	(1)	(1)	26,021
Balance at end of period	1	99	101	257,463

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended May 31, 2024	For the fiscal year ended May 31, 2025
Cash flows from operating activities		
Profit before income taxes	33,719	42,372
Depreciation	19,924	22,229
Increase (decrease) in retirement benefit liability	204	199
Impairment losses	535	–
Increase (decrease) in provision for loss on store closings	69	31
Interest and dividend income	(44)	(48)
Interest expenses	99	254
Loss on disaster	19	229
Loss (gain) on sale of non-current assets	(73)	–
Insurance claim income	–	(8)
Compensation income	(552)	(7)
Loss on retirement of non-current assets	475	508
Loss on store closings	108	33
Decrease (increase) in trade receivables	(185)	(123)
Decrease (increase) in inventories	(8,704)	(6,182)
Decrease (increase) in accounts receivable - other	(1,644)	(69)
Increase (decrease) in trade payables	17,697	(2,423)
Other, net	2,229	5,264
Subtotal	63,878	62,260
Interest and dividends received	0	3
Interest paid	(101)	(258)
Income taxes paid	(8,993)	(9,571)
Payments associated with disaster loss	(13)	(165)
Proceeds from insurance income	1	50
Proceeds from compensation	404	149
Net cash provided by (used in) operating activities	55,175	52,467
Cash flows from investing activities		
Purchase of property, plant and equipment	(55,810)	(53,326)
Proceeds from sale of property, plant and equipment	718	–
Payments of construction assistance fund receivables	(523)	(558)
Proceeds from collection of construction assistance fund receivables	431	417
Payments of leasehold and guarantee deposits	(1,322)	(1,236)
Proceeds from refund of leasehold and guarantee deposits	295	403
Other, net	(1,116)	(1,148)
Net cash provided by (used in) investing activities	(57,329)	(55,448)
Cash flows from financing activities		
Proceeds from long-term borrowings	18,400	20,000
Repayments of long-term borrowings	(3,193)	(5,082)
Purchase of treasury shares	(0)	(2)
Repayments of finance lease liabilities	(2,020)	(2,238)
Dividends paid	(4,659)	(4,959)
Net cash provided by (used in) financing activities	8,527	7,717
Effect of exchange rate change on cash and cash equivalents	–	–
Net increase (decrease) in cash and cash equivalents	6,373	4,736
Cash and cash equivalents at beginning of period	45,928	52,301
Cash and cash equivalents at end of period	52,301	57,038

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes to accounting policies)

(Application of the Accounting Standard for Current Income Taxes, etc.)

The Company has been applying the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standard”) since the beginning of the fiscal year ended May 31, 2025.

The revisions related to the categories for recording income taxes (taxation on other comprehensive income) follow the transitional treatments prescribed in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standard and the proviso of Paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “2022 Revised Guidance”). These changes have no impact on the consolidated financial statements.

In addition, since the beginning of the fiscal year ended May 31, 2025, the 2022 Revised Guidance has been applied to the amendments related to the revision of accounting treatment in consolidated financial statements of cases where tax deferral is applied to gains or losses arising from the sale of subsidiary shares, etc. between consolidated companies. This change has been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been adjusted accordingly. This change has no impact on the consolidated financial statements for the previous fiscal year.

(Segment information, etc.)

(Segment information)

This information is omitted since the Group operates in a single segment of retail sale of pharmaceuticals and cosmetics, etc.

(Per share information)

For the fiscal year ended May 31, 2024		For the fiscal year ended May 31, 2025	
Net assets per share	2,920.13 yen	Net assets per share	3,248.45 yen
Basic earnings per share	308.61 yen	Basic earnings per share	390.86 yen

(Notes) 1. Diluted earnings per share is not stated because there are no dilutive shares.

2. The Company conducted a 2-for-1 stock split effective September 1, 2024. Net assets per share and basic earnings per share have been calculated on the assumption that such stock split took place at the beginning of the fiscal year ended May 31, 2024.

3. The basis for calculating basic earnings per share is as follows.

	For the fiscal year ended May 31, 2024	For the fiscal year ended May 31, 2025
Basic earnings per share		
Profit attributable to owners of parent (million yen)	24,454	30,978
Amount not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent related to common shares (million yen)	24,454	30,978
Average number of common shares during the period	79,239,666	79,257,381

4. The basis for calculating net assets per share is as follows.

	As of May 31, 2024	As of May 31, 2025
Total net assets (million yen)	231,442	257,463
Deductions from total net assets (million yen)	—	—
Net assets related to common shares at end of period (million yen)	231,442	257,463
Number of common shares used in the calculation of net assets per share at end of period	79,257,632	79,257,301

(Significant subsequent events)
Not applicable.