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Quarterly trends and results

Cumulative (JPYmn)	FY03/24				FY03/25				FY03/26			FY03/26	
	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2	Q1-Q3	% of Est.	FY Est.
Sales	27,656	56,461	86,175	115,361	29,419	59,761	91,891	122,387	31,100	63,863	98,680	78.6%	125,500
YoY	5.2%	5.9%	5.2%	5.3%	6.4%	5.8%	6.6%	6.1%	5.7%	6.9%	7.4%		2.5%
Gross profit	11,433	23,453	35,882	47,925	12,274	24,664	38,178	50,736	12,953	26,246	40,161		
YoY	3.4%	5.1%	4.7%	4.4%	7.4%	5.2%	6.4%	5.9%	5.5%	6.4%	5.2%		
Gross profit margin	41.3%	41.5%	41.6%	41.5%	41.7%	41.3%	41.5%	41.5%	41.6%	41.1%	40.7%		
SG&A expenses	10,981	21,740	32,813	44,093	11,806	23,636	35,604	47,582	12,513	24,959	37,788		
YoY	2.5%	2.5%	2.7%	3.1%	7.5%	8.7%	8.5%	7.9%	6.0%	5.6%	6.1%		
SG&A ratio	39.7%	38.5%	38.1%	38.2%	40.1%	39.6%	38.7%	38.9%	40.2%	39.1%	38.3%		
Operating profit	451	1,712	3,069	3,832	468	1,027	2,573	3,154	439	1,286	2,373	69.8%	3,400
YoY	29.6%	55.8%	30.9%	21.2%	3.8%	-40.0%	-16.2%	-17.7%	-6.2%	25.2%	-7.8%		7.8%
Operating profit margin	1.6%	3.0%	3.6%	3.3%	1.6%	1.7%	2.8%	2.6%	1.4%	2.0%	2.4%		2.7%
Recurring profit	410	1,692	3,044	3,825	468	1,020	2,623	3,162	404	1,215	2,255	70.5%	3,200
YoY	4.6%	36.2%	21.8%	14.0%	14.1%	-39.7%	-13.8%	-17.3%	-13.7%	19.1%	-14.0%		1.2%
Recurring profit margin	1.5%	3.0%	3.5%	3.3%	1.6%	1.7%	2.9%	2.6%	1.3%	1.9%	2.3%		2.5%
Net income	148	861	1,693	1,860	170	207	1,445	1,262	78	452	1,010	77.7%	1,300
YoY	62.6%	71.5%	41.7%	15.5%	14.9%	-76.0%	-14.6%	-32.2%	-54.1%	118.4%	-30.1%		3.0%
Net margin	0.5%	1.5%	2.0%	1.6%	0.6%	0.3%	1.6%	1.0%	0.3%	0.7%	1.0%		1.0%
Earnings (quarterly) (JPYmn)	FY03/24				FY03/25				FY03/26				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3		
Sales	27,656	28,805	29,714	29,186	29,419	30,342	32,130	30,496	31,100	32,763	34,817		
YoY	5.2%	6.5%	4.1%	5.5%	6.4%	5.3%	8.1%	4.5%	5.7%	8.0%	8.4%		
Gross profit	11,433	12,020	12,429	12,043	12,274	12,390	13,514	12,558	12,953	13,293	13,915		
YoY	3.4%	6.8%	3.8%	3.5%	7.4%	3.1%	8.7%	4.3%	5.5%	7.3%	3.0%		
Gross profit margin	41.3%	41.7%	41.8%	41.3%	41.7%	40.8%	42.1%	41.2%	41.6%	40.6%	40.0%		
SG&A expenses	10,981	10,759	11,073	11,280	11,806	11,830	11,968	11,978	12,513	12,446	12,829		
YoY	2.5%	2.4%	3.2%	4.3%	7.5%	10.0%	8.1%	6.2%	6.0%	5.2%	7.2%		
SG&A ratio	39.7%	37.4%	37.3%	38.6%	40.1%	39.0%	37.2%	39.3%	40.2%	38.0%	36.8%		
Operating profit	451	1,261	1,357	763	468	559	1,546	581	439	847	1,087		
YoY	29.6%	67.9%	9.0%	-6.8%	3.8%	-55.7%	13.9%	-23.9%	-6.2%	51.5%	-29.7%		
Operating profit margin	1.6%	4.4%	4.6%	2.6%	1.6%	1.8%	4.8%	1.9%	1.4%	2.6%	3.1%		
Recurring profit	410	1,282	1,352	781	468	552	1,603	539	404	811	1,040		
YoY	4.6%	50.8%	7.6%	-8.8%	14.1%	-56.9%	18.6%	-31.0%	-13.7%	46.9%	-35.1%		
Recurring profit margin	1.5%	4.5%	4.6%	2.7%	1.6%	1.8%	5.0%	1.8%	1.3%	2.5%	3.0%		
Net income	148	713	832	167	170	37	1,238	-183	78	374	558		
YoY	62.6%	73.5%	20.1%	-59.8%	14.9%	-94.8%	48.8%	-	-54.1%	910.8%	-54.9%		
Net margin	0.5%	2.5%	2.8%	0.6%	0.6%	0.1%	3.9%	-	0.3%	1.1%	1.6%		

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

Quarterly results by segment

By segment (cumulative) (JPYmn)	FY03/24				FY03/25				FY03/26		
	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2	Q1-Q3
Sales	27,656	56,461	86,175	115,361	29,419	59,761	91,891	122,387	31,100	63,863	98,680
YoY	5.2%	5.9%	5.2%	5.3%	6.4%	5.8%	6.6%	6.1%	5.7%	6.9%	7.4%
Community Pharmacy Network	26,356	53,765	82,105	109,904	28,029	57,074	87,815	116,968	29,850	61,407	94,849
YoY	5.2%	5.9%	5.2%	5.3%	6.3%	6.2%	7.0%	6.4%	6.5%	7.6%	8.0%
% of total	94.7%	94.7%	94.7%	94.6%	94.6%	94.9%	95.0%	95.0%	95.5%	95.7%	95.5%
Leasing and Facility-related	800	1,687	2,560	3,611	942	1,729	2,625	3,468	747	1,457	2,508
YoY	0.8%	0.8%	4.6%	3.3%	17.8%	2.5%	2.5%	-4.0%	-20.7%	-15.7%	-4.5%
% of total	2.9%	3.0%	3.0%	3.1%	3.2%	2.9%	2.8%	2.8%	2.4%	2.3%	2.5%
Meal Catering	590	1,189	1,781	2,360	586	1,177	1,768	2,359	581	1,161	1,735

YoY	3.0%	4.8%		4.7%	3.1%	-0.7%	-1.0%	-0.7%	0.0%	-0.9%	-1.4%	-1.9%				
		% of total			2.1%	2.1%	2.1%	2.0%	2.0%	2.0%	1.9%	1.9%		1.9%	1.8%	1.7%
Other					78	155	237	314	85	174	261	342		85	169	255
		YoY			1.3%	2.6%	3.9%	3.3%	9.0%	12.3%	10.1%	8.9%		0.0%	-2.9%	-2.3%
		% of total			0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%		0.3%	0.3%	0.3%
Segment sales adjustments					-168	-336	-510	-828	-224	-394	-578	-751		-165	-331	-668
Operating profit					451	1,712	3,069	3,832	468	1,027	2,573	3,154		439	1,286	2,373
YoY					29.6%	55.8%	30.9%	21.2%	3.8%	-40.0%	-16.2%	-17.7%		-6.2%	25.2%	-7.8%
Community Pharmacy Network					1,077	2,947	4,965	6,433	1,061	2,241	4,420	5,626		1,065	2,557	4,329
		YoY			6.2%	23.6%	15.5%	9.3%	-1.5%	-24.0%	-11.0%	-12.5%		0.4%	14.1%	-2.1%
		Operating profit margin			4.1%	5.5%	6.0%	5.9%	3.8%	3.9%	5.0%	4.8%		3.6%	4.2%	4.6%
Leasing and Facility-related					22	69	129	158	56	99	188	190		23	41	129
		YoY			-	-	-	-	154.5%	43.5%	45.7%	20.3%		-58.9%	-58.6%	-31.4%
		Operating profit margin			2.8%	4.1%	5.0%	4.4%	5.9%	5.7%	7.2%	5.5%		3.1%	2.8%	5.1%
Meal Catering					-14	-23	-24	-43	-2	-7	1	10		-3	-8	-9
		YoY			-	-	-	-	-	-	-	-		-	-	-
		Operating profit margin			-	-	-	-	-	-	0.1%	0.4%		-	-	-
Other					-8	-20	-30	-43	-7	-12	-17	-29		-3	-10	-11
		YoY			-	-	-	-	-	-	-	-		-	-	-
		Operating profit margin			-	-	-	-	-	-	-	-		-	-	-
Segment profit adjustments					-626	-1,261	-1,970	-2,671	-639	-1,293	-2,019	-2,644		-642	-1,292	-2,064
					FY03/24				FY03/25				FY03/26			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Sales					27,656	28,805	29,714	29,186	29,419	30,342	32,130	30,496	31,100	32,763	34,817	
YoY					5.2%	6.5%	4.1%	5.5%	6.4%	5.3%	8.1%	4.5%		5.7%	8.0%	8.4%
Community Pharmacy Network					26,356	27,409	28,340	27,799	28,029	29,045	30,741	29,153		29,850	31,557	33,442
		YoY			5.2%	6.5%	3.9%	5.6%	6.3%	6.0%	8.5%	4.9%		6.5%	8.6%	8.8%
		% of total			94.7%	94.6%	94.8%	94.2%	94.6%	95.2%	95.1%	95.1%		95.5%	95.8%	95.1%
Leasing and Facility-related					800	887	873	1,051	942	787	896	843		747	710	1,051
		YoY			0.8%	0.9%	12.6%	0.5%	17.8%	-11.3%	2.6%	-19.8%		-20.7%	-9.8%	17.3%
		% of total			2.9%	3.1%	2.9%	3.6%	3.2%	2.6%	2.8%	2.7%		2.4%	2.2%	3.0%
Meal Catering					590	599	592	579	586	591	591	591		581	580	574
		YoY			3.0%	6.6%	4.6%	-1.5%	-0.7%	-1.3%	-0.2%	2.1%		-0.9%	-1.9%	-2.9%
		% of total			2.1%	2.1%	2.0%	2.0%	2.0%	1.9%	1.8%	1.9%		1.9%	1.8%	1.6%
Other					78	77	82	77	85	89	87	81		85	84	86
		YoY			1.3%	4.1%	6.5%	1.3%	9.0%	15.6%	6.1%	5.2%		0.0%	-5.6%	-1.1%
		% of total			0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%		0.3%	0.3%	0.2%
Segment sales adjustments					-168	-168	-174	-318	-224	-170	-184	-173		-165	-166	-337
Operating profit					451	1,261	1,357	763	468	559	1,546	581		439	847	1,087
YoY					29.6%	67.9%	9.0%	-6.8%	3.8%	-55.7%	13.9%	-23.9%		-6.2%	51.5%	-29.7%
Community Pharmacy Network					1,077	1,870	2,018	1,468	1,061	1,180	2,179	1,206		1,065	1,492	1,772
		YoY			6.2%	36.5%	5.4%	-7.6%	-1.5%	-36.9%	8.0%	-17.8%		0.4%	26.4%	-18.7%
		Operating profit margin			4.1%	6.8%	7.1%	5.3%	3.8%	4.1%	7.1%	4.1%		3.6%	4.7%	5.3%
Leasing and Facility-related					22	47	60	29	56	43	89	2		23	18	88
		YoY			-	-	-	480.0%	154.5%	-8.5%	48.3%	-93.1%		-58.9%	-58.1%	-1.1%
		Operating profit margin			2.8%	5.3%	6.9%	2.8%	5.9%	5.5%	9.9%	0.2%		3.1%	2.5%	8.4%
Meal Catering					-14	-9	-1	-19	-2	-5	8	9		-3	-5	-1
		YoY			-	-	-	-	-	-	-	-		-	-	-
		Operating profit margin			-	-	-	-	-	-	1.4%	1.5%		-	-	-
Other					-8	-12	-10	-13	-7	-5	-5	-12		-3	-7	-1
		YoY			-	-	-	-	-	-	-	-		-	-	-
		Operating profit margin			-	-	-	-	-	-	-	-		-	-	-
Segment profit adjustments					-626	-635	-709	-701	-639	-654	-726	-625		-642	-650	-772

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

Number of prescriptions filled and price per prescription (Community Pharmacy business, all-store basis)

	FY03/23				FY03/24				FY03/25				FY03/26		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Price per prescription	10,041	10,061	10,173	10,235	9,871	10,033	10,070	10,141	10,027	10,228	10,231	10,283	10,370	10,583	10,651
YoY	-1.3%	-1.9%	-1.3%	-1.7%	-1.7%	-0.3%	-1.0%	-0.9%	1.6%	1.9%	1.6%	1.4%	3.4%	3.5%	4.1%
Drug fee	7,620	7,634	7,733	7,789	7,526	7,687	7,709	7,773	7,640	7,828	7,813	7,849	7,874	8,080	8,145
Technical fee	2,421	2,427	2,440	2,446	2,345	2,346	2,361	2,368	2,387	2,400	2,419	2,434	2,496	2,503	2,506
Number of prescriptions filled ('000)	2,230	4,517	6,828	9,088	2,379	4,777	7,266	9,640	2,481	4,947	7,568	10,018	2,505	5,003	7,646
YoY	2.1%	3.4%	3.1%	3.9%	6.7%	5.8%	6.4%	6.1%	4.3%	3.6%	4.2%	3.9%	1.0%	1.1%	1.0%
Dispensing fees	22,399	45,448	69,472	93,029	23,484	47,935	73,168	97,765	24,878	50,600	77,438	103,018	25,979	52,957	81,446
YoY	0.7%	1.5%	1.7%	2.2%	4.8%	5.5%	5.3%	5.1%	5.9%	5.6%	5.8%	5.4%	4.4%	4.7%	5.2%

Source: Shared Research based on company materials

Number of network affiliates by region

Area	Directly operated pharmacies	Affiliates	Total
Hokkaido	128	256	384
Tohoku	35	825	860
Kanto and Koshinetsu	114	3,685	3,799
Tokai and Hokuriku	45	1,904	1,949
Kinki	55	1,796	1,851
Chugoku and Shikoku	20	1,112	1,132
Kyushu and Okinawa	74	1,720	1,794
Total	471	11,298	11,769

Source: Shared Research based on company data (as of December 31, 2025)

Cumulative Q3 FY03/26 results (out February 6, 2026)

Overview

Cumulative Q3 FY03/26 results (April–December 2025)

- Sales: JPY98.7bn (+7.4% YoY)
- Operating profit: JPY2.4bn (-7.8% YoY)
- Recurring profit: JPY2.3bn (-14.0% YoY)
- Net income attributable to owners of the parent: JPY1.0bn (-30.1% YoY)

Operating results and business conditions

The Japanese economy continued to recover moderately, supported by improvements in employment and income. However, concerns persist over ongoing price increases, the US trade policy, and fluctuations in financial and capital markets, creating uncertainty in economic conditions.

Under these circumstances, sales increased 7.4% YoY, mainly driven by the steady acquisition of network affiliates in the Pharmaceutical Network within the Community Pharmacy Network. Operating profit declined 7.8% YoY, reflecting a decrease in acute-phase patients in Community Pharmacy and higher personnel expenses due to an increase in the salary level. Recurring profit declined 14.0% YoY, while net income decreased 30.1% YoY, and EBITDA declined 3.5% to JPY4.9bn.

Segment results

Cumulative Q3 FY03/26 results by segment were as follows.

Community Pharmacy Network

- Segment sales: JPY94.8bn (+8.0% YoY)
- Segment profit: JPY4.3bn (-2.1% YoY)
- This is a new segment that integrates the former Pharmaceuticals Network business, the Dispensing Pharmacy business, and the manufacture and market pharmaceuticals business (mainly Feldsenf Pharma) previously included in Other segment. The Digital Shift business was incorporated into the segment structure in FY03/21, followed by the addition of the Pharmaceutical Logistics business in FY03/25.

In this core segment, segment sales increased YoY, supported by the steady acquisition of network affiliates. However, segment profit decreased YoY, reflecting higher personnel expenses and a reduced number of prescriptions at existing stores.

Community Pharmacy

The company continued to focus on new openings and acquisitions through M&A, opening 12 community pharmacies in cumulative Q3, including 10 mall format locations, and acquiring nine pharmacy through M&A. The company closed or transferred seven stores. As of end-cumulative Q3 FY03/26, the company operated 471 community pharmacies, one in-home care plan support center, and eight drug stores.

Pharmaceutical Network

Network affiliates continued to grow steadily. As of end-cumulative Q3 FY03/26, pharmaceutical network members totaled 11,769 (+766 from end-FY03/25), comprising 471 directly operated pharmacies and 11,298 affiliates.

Manufacture and Market Pharmaceuticals

The company offered 125 products (54 ingredients) as of end-cumulative Q3 FY03/26. As a result of efforts to develop new business partners, the number of new client stores grew steadily, bringing the total to 8,560 as of end-cumulative Q3 FY03/26, up 1,198 from end-FY03/25.

Pharmaceutical Logistics business

In this business, the company is working to expand its client base. The number of new client stores has been growing steadily, reaching 3,406 as of end-cumulative Q3 FY03/26, up 1,834 from end-FY03/25.

Digital Shift

In March 2021, the company launched Tsunagaru Pharmacy, a service in the Digital Shift business that uses its official LINE account. This segment works to expand its customer base by providing successful experiences for both patients and pharmacies. As of end-cumulative Q3 FY03/26, the number of installed locations stood at 6,549, up 529 from end-FY03/25.

Leasing and Facility-related

- Segment sales: JPY2.5bn (-4.5% YoY)
- Segment profit: JPY129mn (-31.4% YoY)

Operating conditions of serviced elderly housing facilities

Revenue fell 4.5% YoY, reflecting the absence of large projects recorded in cumulative Q3 FY03/25, and segment profit declined 31.4% YoY. As of end-cumulative Q3 FY03/26, occupancy at all four serviced elderly housing facilities was 90.5%.

Meal Catering

- Segment sales: JPY1.7bn (-1.9% YoY)
- Segment loss: JPY9mn (versus segment profit of JPY1mn in cumulative Q3 FY03/25)

Lower sales

In response to a prolonged labor shortage, the company sought to introduce fully prepared meals and worked to improve profitability through price revisions and other measures. However, higher ingredients and personnel expenses led to lower sales and a larger loss.

Other (mostly home-visit nursing care)

- Segment sales: JPY255mn (-2.3% YoY)
- Segment loss: JPY11mn (versus a loss of JPY17mn in cumulative Q3 FY03/25)

Company forecast for FY03/26

Recent performance and FY03/26 company forecast

(JPYmn)	FY03/24			FY03/25			FY03/26		
	1H Act.	2H Act.	FY Act.	1H Act.	2H Act.	FY Act.	1H Act.	2H Est.	FY Est.
Sales	56,461	58,900	115,361	59,761	62,626	122,387	63,863	61,637	125,500
YoY	5.9%	4.8%	5.3%	5.8%	6.3%	6.1%	6.9%	-1.6%	2.5%
Cost of sales	31,024	36,412	67,436	35,097	36,554	71,651	37,617		
Gross profit	23,453	24,472	47,925	24,664	26,072	50,736	26,246		
Gross profit margin	41.5%	41.5%	41.5%	41.3%	41.6%	41.5%	41.1%		
SG&A expenses	21,740	22,353	44,093	23,636	23,946	47,582	24,959		
SG&A ratio	38.5%	38.0%	38.2%	39.6%	38.2%	38.9%	39.1%		
Operating profit	1,712	2,120	3,832	1,027	2,127	3,154	1,286	2,114	3,400
YoY	55.8%	2.7%	21.2%	-40.0%	0.3%	-17.7%	25.2%	-0.6%	7.8%
Operating profit margin	3.0%	3.6%	3.3%	1.7%	3.4%	2.6%	2.0%	3.4%	2.7%
Recurring profit	1,692	2,133	3,825	1,020	2,142	3,162	1,215	1,985	3,200
YoY	36.2%	0.9%	14.0%	-39.7%	0.4%	-17.3%	19.1%	-7.3%	1.2%
Recurring profit margin	3.0%	3.6%	3.3%	1.7%	3.4%	2.6%	1.9%	3.2%	2.5%
Net income	861	999	1,860	207	1,055	1,262	452	848	1,300
YoY	71.5%	-9.8%	15.5%	-76.0%	5.6%	-32.2%	118.4%	-19.6%	3.0%
Net margin	1.5%	1.7%	1.6%	0.3%	1.7%	1.0%	0.7%	1.4%	1.0%

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

While results for 1H exceeded the company's expectations, the company maintained its full-year forecast as of the cumulative Q3 earnings announcement on February 6, 2026. In cumulative Q3, the rate of progress toward the full-year forecast was 78.6% for sales, 69.8% for operating profit, 70.5% for recurring profit, and 77.7% for net income. The full-year FY03/26 forecast, announced on May 9, 2025, was as follows:

- Sales: JPY125.5bn (+2.5% YoY)
- EBITDA: JPY6.9bn (+4.9% YoY)
- Operating profit: JPY3.4bn (+7.8% YoY)
- Recurring profit: JPY3.2bn (+1.2% YoY)
- Net income attributable to owners of the parent: JPY1.3bn (+3.0% YoY)
- Net income per share: JPY44.48 (JPY43.20 in FY03/25)

About Shared Research Inc.

We offer corporate clients comprehensive report coverage, a service that allows them to better inform investors and other stakeholders by presenting a continuously updated third-party view of business fundamentals, independent of investment biases. Shared Research can be found on the web at <https://sharedresearch.jp>.

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