FY2027 1Q
Financial Results

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

2026.10

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FY2027, 1Q Accounting period (YoY change)

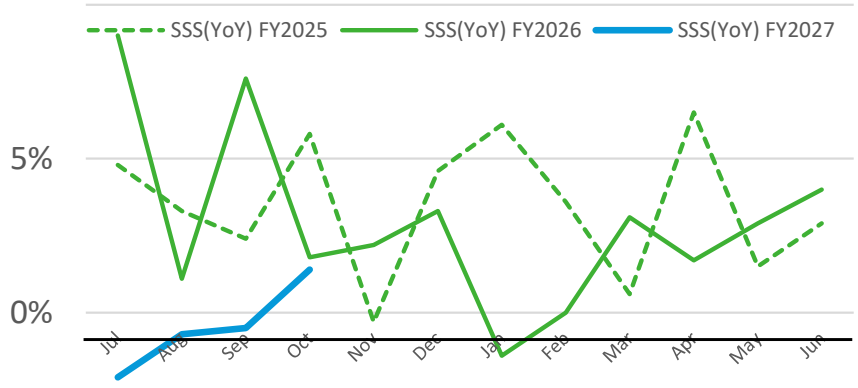
Net Sales	Net sales came in ¥290 million below plan, mainly due to a sharp decline in rice prices and sluggish sales of seasonal merchandise caused by lower-than-usual temperatures. Store openings and closures proceeded as planned.
Gross profit	The gross profit margin exceeded plan by 0.2 percentage points, supported by steady growth in supplier rebates, tighter control of waste in fresh foods and dairy foods, and appropriate pass-through of rising costs to selling prices. As a result, gross profit ended the quarter ¥100 million above plan.
SG&A	SG&A expenses came in slightly below plan.
Operating profit exceeded plan by ¥130 million.Ordinary profit exceeded plan by ¥87 million, as interest expenses rose more than expected amid rising interest rates.Net profit fell ¥21 million short of plan due to a timing difference in tax expense relative to the plan; this difference is expected to resolve on a full-year cumulative basis.	

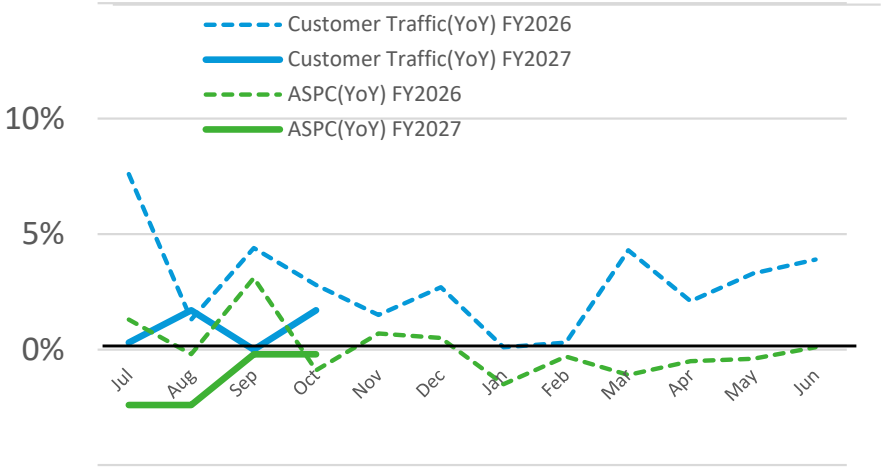
(Millions of Yen)

	FY2026 1Q Accounting period		FY2027 1Q Accounting period		YoY change million Yen YoY	FY2027 1Q Forecasts Accounting period		plan vs. actual million Yen YoY
	million Yen	margin(ratio)	million Yen	margin(ratio)		million Yen	margin(ratio)	
Net sales	56,042	-	59,503	-	+3,460 +6.2%	59,796	-	△292 △0.5%
Gross profit	11,347	20.2%	12,104	20.3%	+756 +6.7%	12,005	20.1%	+99 +0.8%
SG&A	8,431	15.0%	9,341	15.7%	+910 +10.8%	9,377	15.7%	△35 △0.4%
Operating profit	2,916	5.2%	2,762	4.6%	△153 △5.3%	2,628	4.4%	+134 +5.1%
Ordinary profit	2,959	5.3%	2,740	4.6%	△218 △7.4%	2,653	4.4%	+87 +3.3%
Net income	2,037	3.6%	1,878	3.2%	△158 △7.8%	1,900	3.2%	△21 △1.1%
Store opening	3		9		+6	9		±0
Store closing	1 (Large store)		2 (Large store)		+1	2 (Large store)		±0
Renovation (Large store →Regular store)	2		2		±0	2		±0

Monthly Net sales YoY Change (existing stores)

(1Q Sales Summary)
Existing-store sales were 1.0pt below plan, due to a sharp drop in rice prices and weak seasonal sales amid cool weather.
Solid new-store performance limited the shortfall in total sales to 0.5pt.
Lower rice prices pushed both average price per item and average spend per customer into negative territory despite broader inflation.
Customer traffic remained positive despite an approx. 3.0pt drag from the prior-year sale of government-stockpiled rice (approx. ¥2 billion), indicating our customer draw as a daily-necessities store remains firm.

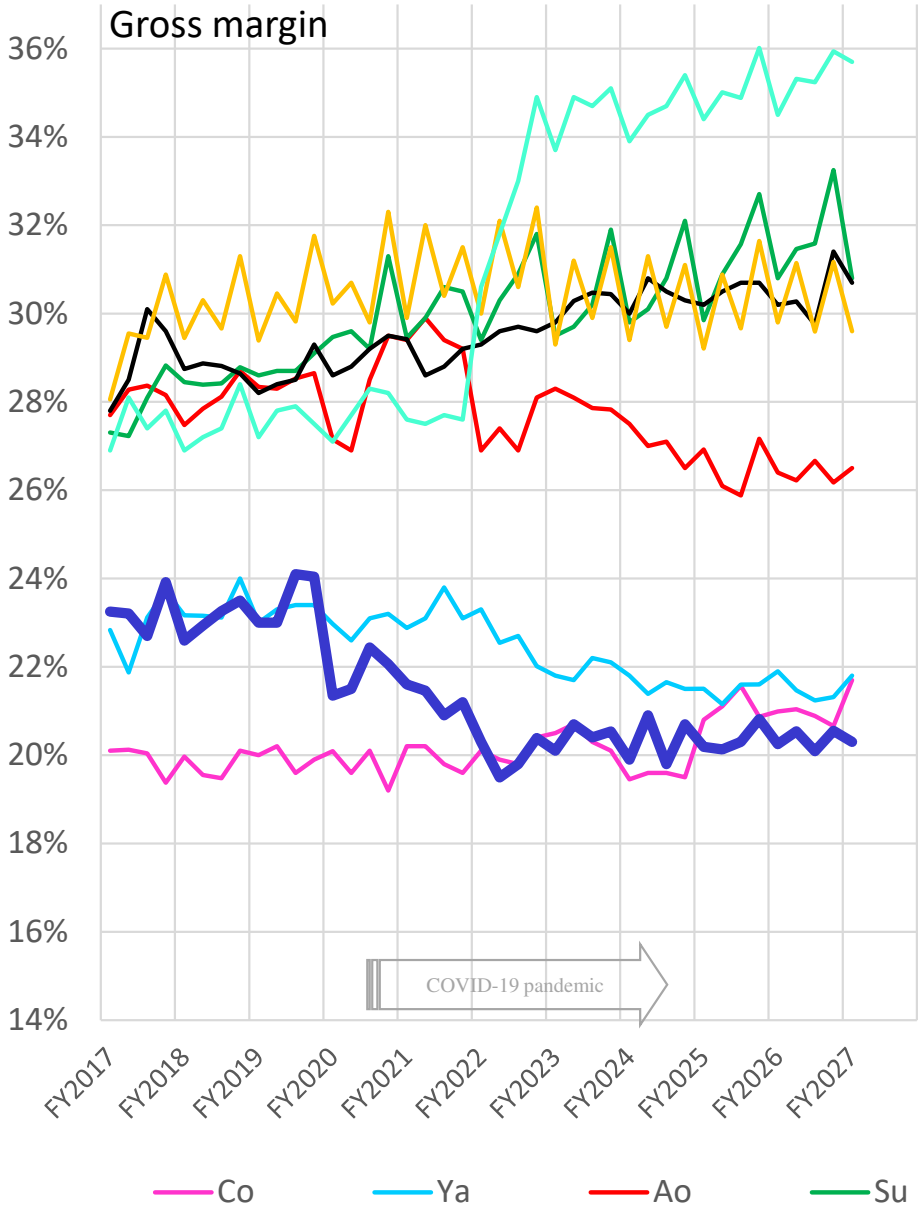


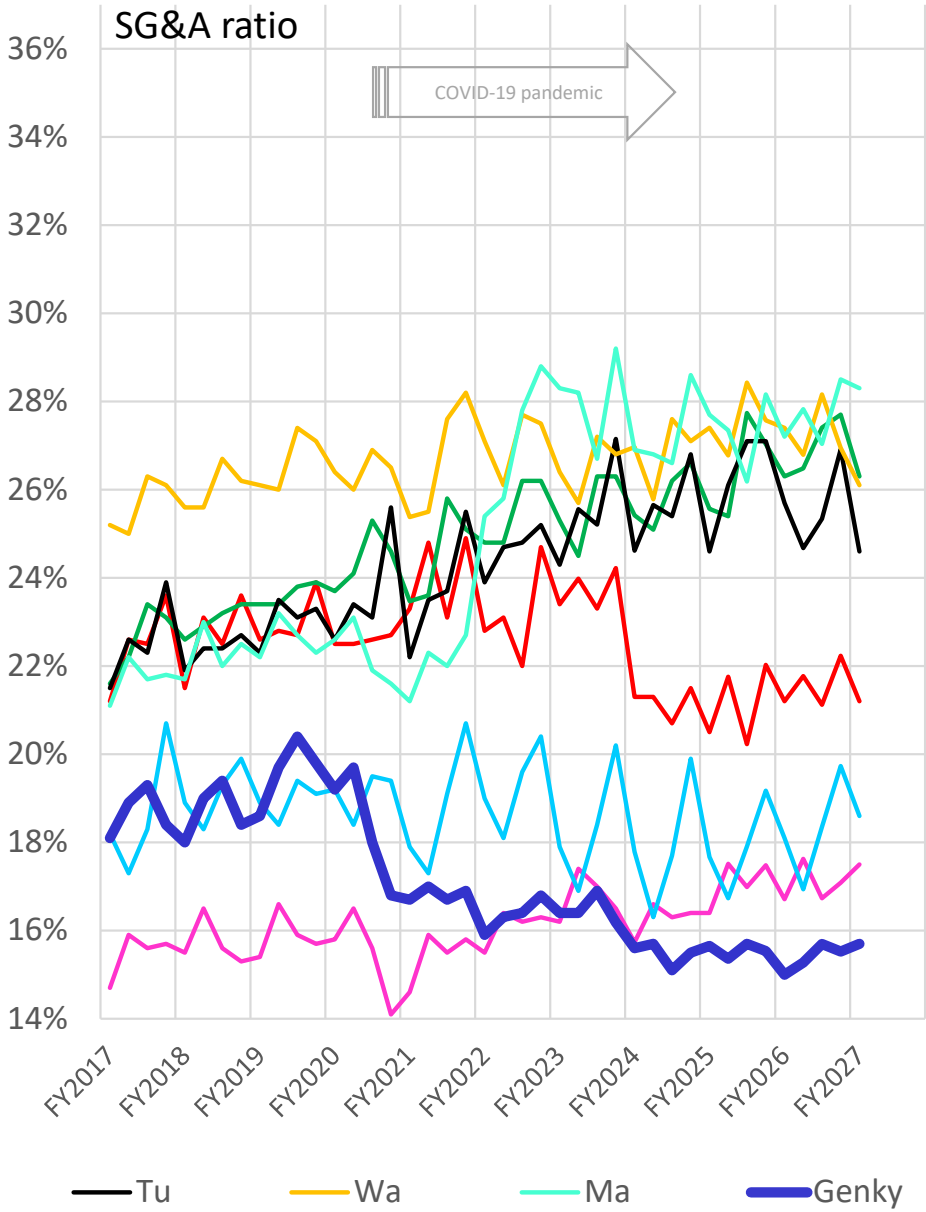


	1Q	2Q	3Q	4Q	FY
All stores	+6.1%				
existing stores	(1.1%)				
Traffic	+0.6%				
ASPC	(1.7%)				
Unit Price	(1.7%)				
Basket Quantity	0.0%				

*Weekend point-promotion campaigns are conducted, and their impact on increases/decreases is ±0.7%/Q per day.

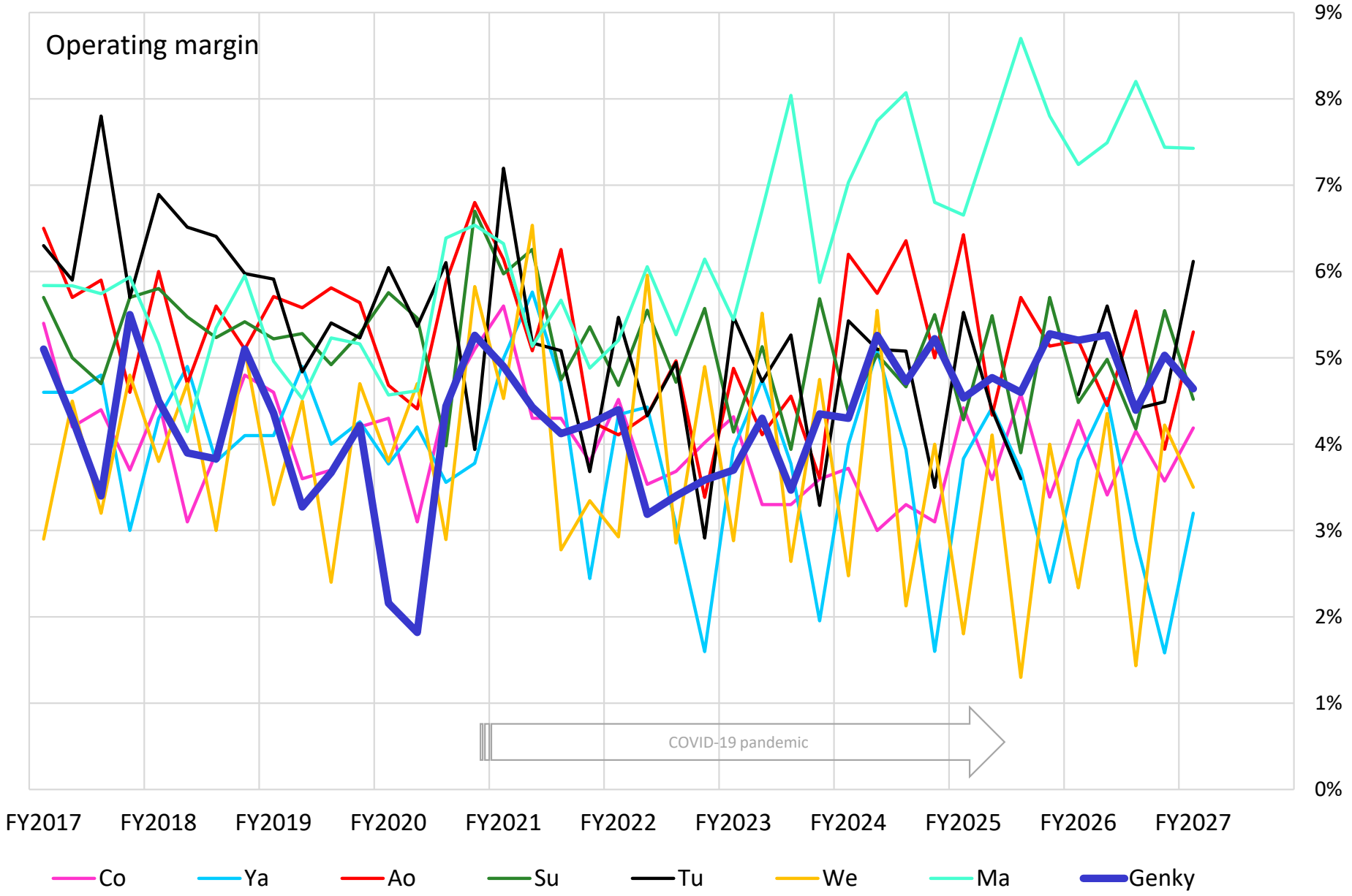
Gross margin and SG&A Ratio of Drugstore companies (Quarterly trends)



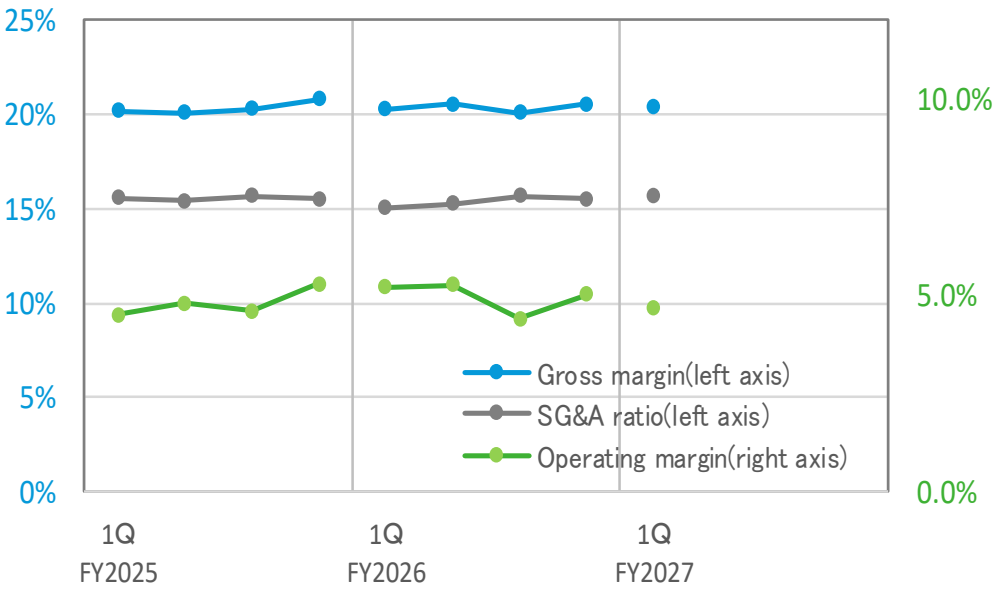


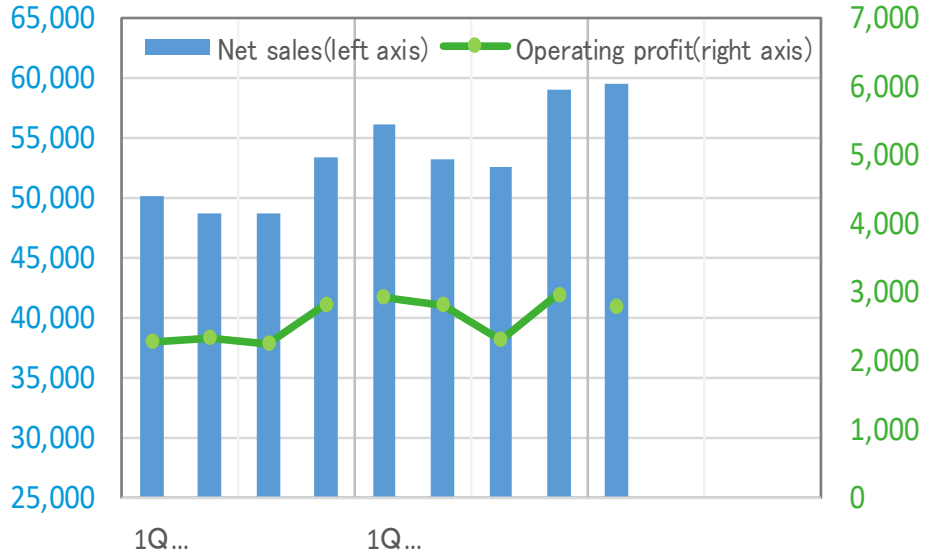
Co Ya Ao Su Tu Wa Ma Genky

Operating margin of Drugstore companies (Quarterly trends)



Financial Results (Quarterly trends)





(Millions of Yen)

	FY2025					FY2026					FY2027				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
Net sales	50,050	48,708	48,624	53,403	200,786	56,042	53,218	52,449	58,928	220,638	59,503				
YoY of sales	+6.8%	+8.0%	+9.0%	+10.6%	+8.6%	+12.0%	+9.3%	+7.9%	+10.3%	+9.9%	+6.2%				
Gross margin	20.2%	20.1%	20.3%	20.8%	20.4%	20.2%	20.5%	20.1%	20.6%	20.4%	20.3%				
SG&A ratio	15.6%	15.4%	15.7%	15.5%	15.6%	15.0%	15.3%	15.7%	15.5%	15.4%	15.7%				
Operating profit	2,272	2,323	2,243	2,818	9,658	2,916	2,801	2,304	2,962	10,985	2,762				
Operating margin	4.5%	4.8%	4.6%	5.3%	4.8%	5.2%	5.3%	4.4%	5.0%	5.0%	4.6%				

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	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027			
							1Q	2Q	3Q	4Q
Sales per *TSUBO	K yen/ TSUBO･year	1,135	1,180	1,275	1,315	1,354	1,366			
Gross profit per TSUBO	K yen/ TSUBO･year	227	241	259	268	276	277			
SG&A per TSUBO	K yen/ TSUBO･year	186	197	197	205	208	214			
Operating profit per TSUBO	K yen/ TSUBO･year	42	44	62	63	67	63			
Foot area/employee	TSUBO/head	31.4	33.6	34.2	36.6	38.9	39.1			
Total asset turnover	time	1.6	1.7	1.7	1.7	1.6	1.6			
ROA(Ordinary profit / Total asset)	%	6.5	7.0	8.4	8.2	8.2	7.3			
ROE	%	12.9	12.4	14.5	14.2	13.8	12.1			
Equity Ratio	%	37.3	38.4	40.9	41.8	42.0	41.1			
Operation profit / Gross profit	%	18.3	19.4	24.0	23.6	24.5	22.8			

FY2027 Forecasts (Previously Presented)

	FY2026 Results		FY2027 forecasts		YoY change	
	million yen	margin	million yen	margin		changes in margin (ratio)
Net sales	220,638	-	244,000	-	+23,361 +10.6%	※SSS +3.5%
Gross profit	44,923	20.4%	49,900	20.5%	+4,976 +11.1%	+0.1pt
SG&A	33,938	15.4%	37,900	15.5%	+3,962 +11.7%	+0.2pt
Operating profit	10,985	5.0%	12,000	4.9%	+1,015 +9.2%	(0.1pt)
Ordinary profit	11,157	5.1%	12,100	5.0%	+942 +8.4%	(0.1pt)
Net income	7,875	3.6%	8,200 *	3.4%	+325 +4.1%	(0.2pt)
EPS	258.5 Yen		268.8 Yen		+10.3 Yen	-
Store opening	57		75			
Store closing	3 (Large store)		5 (Large store)			
Renovation(Large→Regular)	8		9			

* Regarding the forecast for net income attributable to owners of the parent, the growth rate is smaller than that of other profit items, as it factors in the abolition of the wage increase tax credit and the additional impact of the special corporate tax for defense.

Financial Results and Forecasts (Previously Presented)

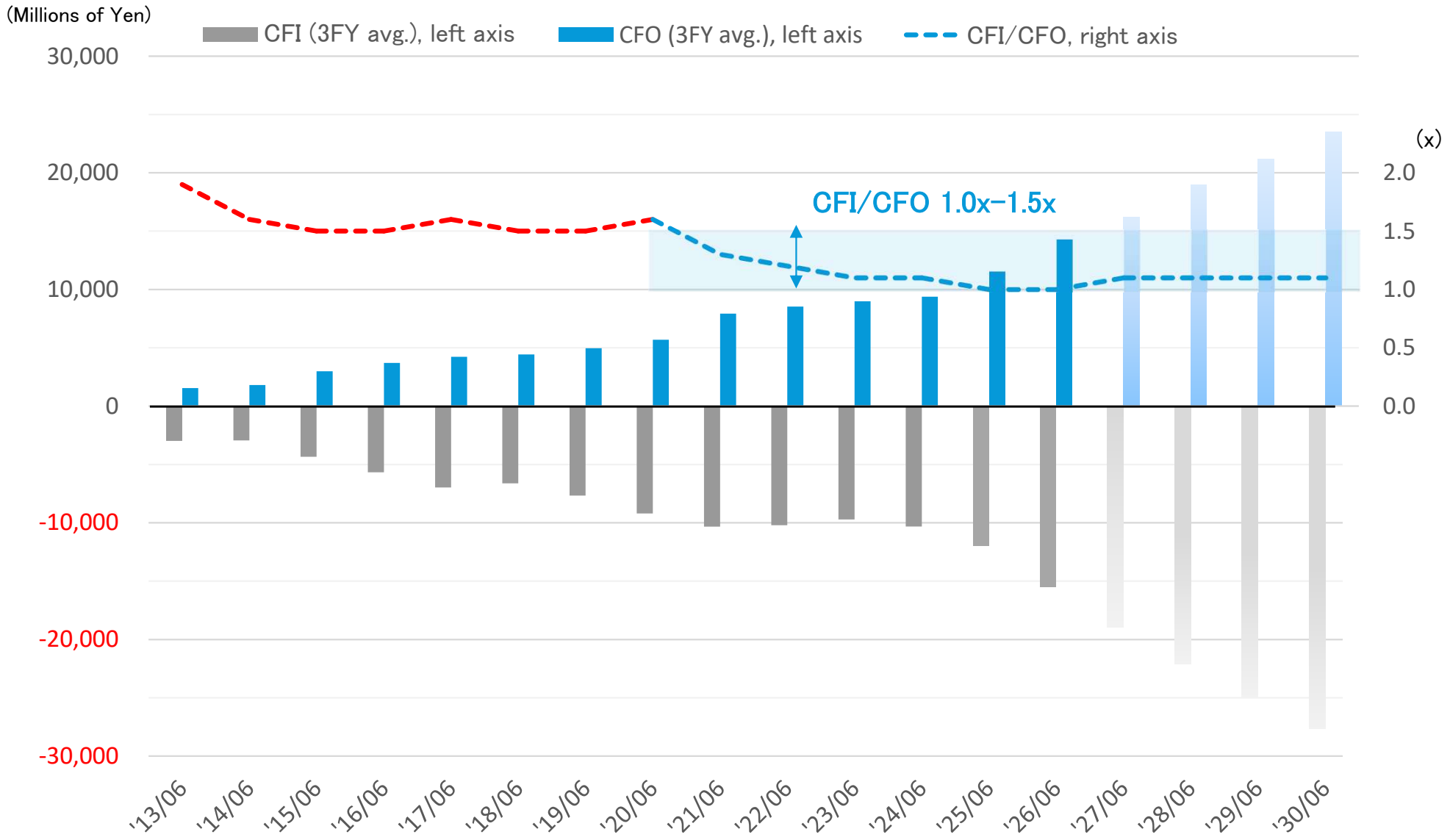
(Millions of Yen)

	FY2022		FY2023		FY2024		FY2025		FY2026		FY2027 (Forecasts)	
Store opening	43		30		31		54		57		75	
Store closing	0		7		7		7		3		5	
Renovation (Large→Regular)	21		3		3		1		8		9	
Logistics Center	-		1		-		-		1		- One more building planned for FY2029	
Net sales	154,640	8.6%	169,059	+9.3%	184,860	+9.3%	200,786	+8.6%	220,638	+9.9%	244,000	+10.6%
Gross profit (margin)	30,954	+2.2%	34,553	+11.6%	37,620	+8.9%	40,889	+8.7%	44,923	+9.9%	49,900	+11.1%
	20.0%		20.4%		20.4%		20.4%		20.4%		100.0%	
SG&A (ratio)	25,279	+5.4%	27,844	+10.1%	28,605	+2.7%	31,231	+9.2%	33,938	+8.7%	37,900	+11.7%
	16.3%		16.5%		15.5%		15.6%		15.4%		76.0%	
Operating profit (margin)	5,675	(9.8%)	6,709	+18.2%	9,015	+34.4%	9,658	+7.1%	10,985	+13.7%	12,000	+9.2%
	3.7%		4.0%		4.9%		4.8%		5.0%		24.0%	
Net income (margin)	4,420	(8.5%)	4,764	+7.8%	6,324	+32.7%	7,066	+11.7%	7,875	+11.4%	8,200	+4.1%
	2.9%		2.8%		3.4%		3.5%		3.6%		16.4%	
CAPEX	10,588		9,736		10,631		15,618		20,278		22,000	
*EPS (yen)	146		157		208		233		259		269	
ROE (%)	12.9		12.4		14.5		14.2		13.8		14.0	

* 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.

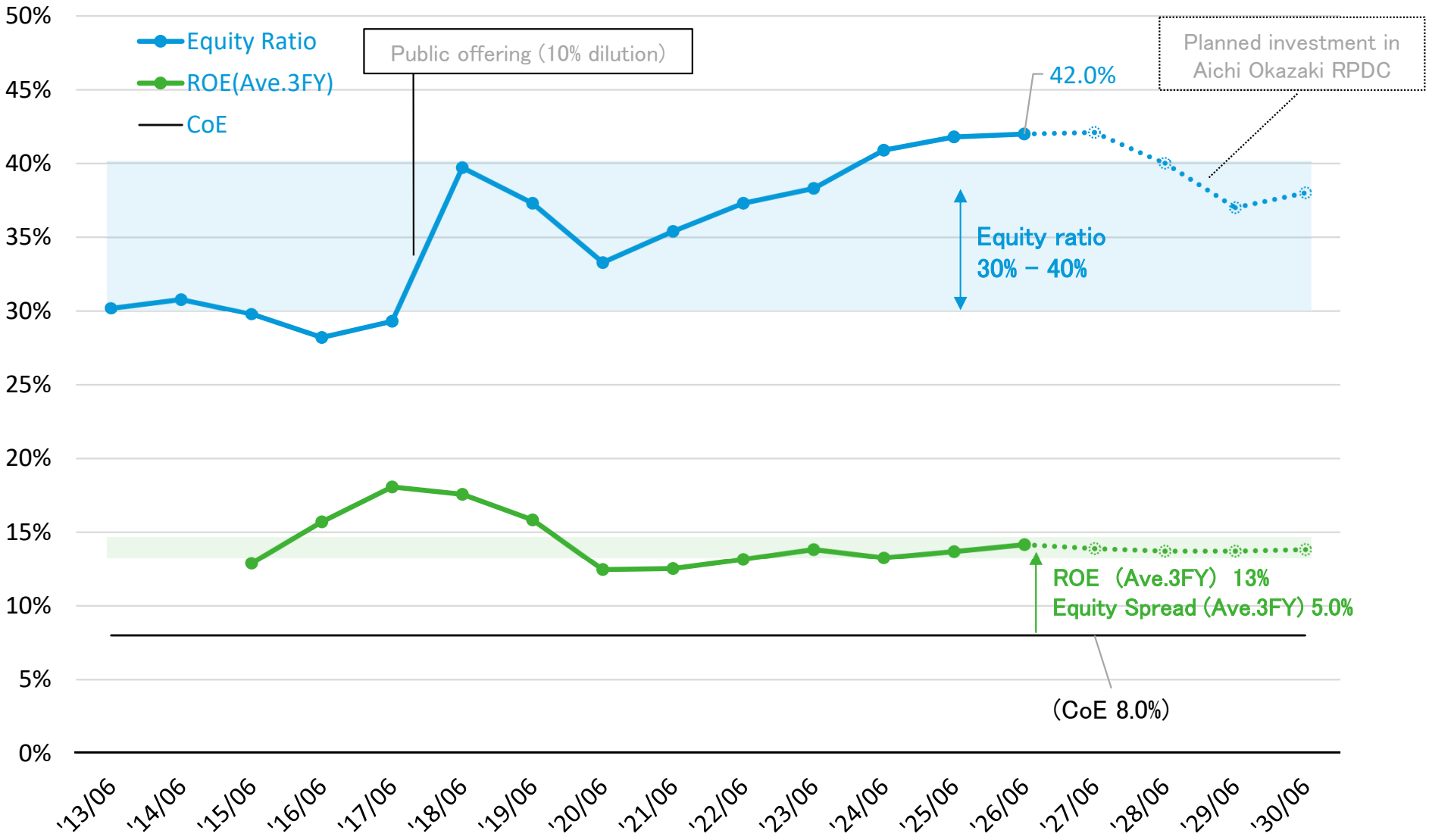
Cash Flow Control (Previously Presented)

95% of investing cash flow is directed to growth investments in new stores and new distribution centers, which have driven EPS growth.We will maintain a proactive stance of investing at least 1.0x operating cash flow, and continue leveraged growth investment funded mainly by bank borrowings.→ Although free cash flow is negative on a simple calculation, we will manage the CFI/CFO ratio within 1.0x–1.5x and keep our equity ratio within the 30–40% target range.



ROE, Equity Ratio and Cost of Equity (Previously Presented)

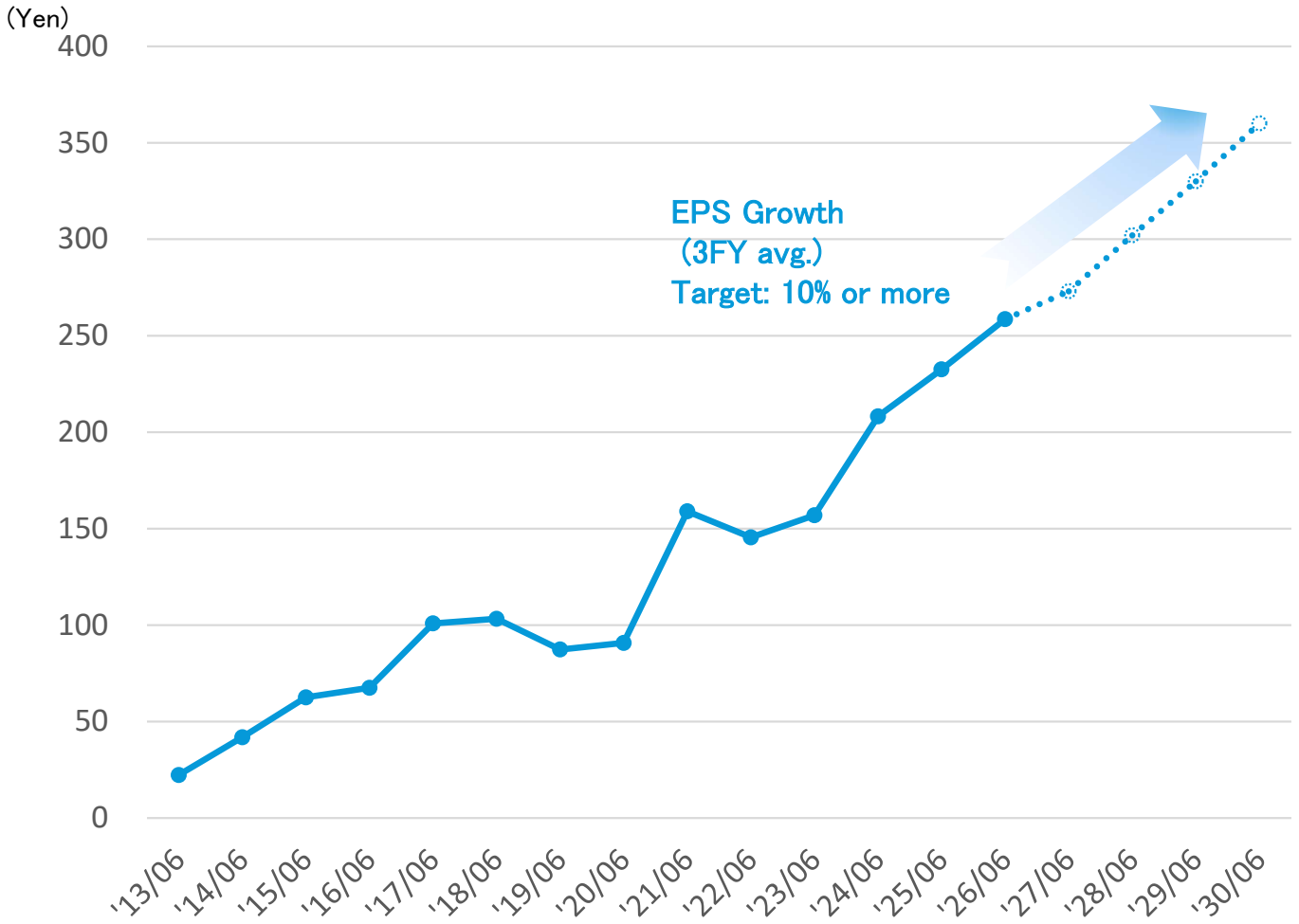
Through continuous, leveraged growth investment, we manage ROE at around 13%, sustaining investment efficiency well above our cost of equity (Note).We regard an equity ratio of approx. 30%–40% as an appropriate balance, and will continue to grow EPS through aggressive store openings.(*As of 2026, we are maintaining an equity ratio that anticipates the decline expected from our 2028 investment in the Aichi Okazaki RPDC (distribution center).)



(Note) We conservatively assume our cost of equity to be 8%.

Sustaining EPS Growth of 10% or More (3FY avg.) (Previously Presented)

EPS has grown at a CAGR of 12.8% over the past 10 years, which we believe reflects customer support for our business model.
We will continue to achieve EPS growth of 10% or more on a 3-year average basis by serving local customers through our discounting business.



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-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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