

April 28, 2026

Consolidated Financial Results for the Fiscal Year Ended March 15, 2026 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 2664
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 Scheduled date of annual general meeting of shareholders: June 11, 2026
 Scheduled date to commence dividend payments: June 12, 2026
 Scheduled date to file annual securities report: June 10, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (For Securities Analysts and Institutional Investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 15, 2026 (from March 16, 2025 to March 15, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 15, 2026	284,492	(1.2)	6,779	(9.1)	7,897	(5.3)	3,200	(34.5)
March 15, 2025	287,816	0.6	7,461	(1.8)	8,340	(3.1)	4,884	3.6

Note: Comprehensive income For the fiscal year ended March 15, 2026: ¥3,304 million [(32.6)%]
 For the fiscal year ended March 15, 2025: ¥4,902 million [3.6%]

Fiscal year ended	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	%	%	%
March 15, 2026	143.30	143.14	2.8	4.0	2.4
March 15, 2025	218.72	218.48	4.3	4.2	2.6

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 15, 2026	199,614	115,928	58.0	5,188.27
March 15, 2025	199,601	114,410	57.3	5,120.32

Reference: Equity
 As of March 15, 2026: ¥115,876 million
 As of March 15, 2025: ¥114,358 million

(3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 15, 2026	8,865	(5,156)	(2,270)	38,112
March 15, 2025	7,481	(4,515)	(1,915)	36,674

2. Cash dividends

Fiscal year ended	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
March 15, 2025	-	0.00	-	80.00	80.00	1,786	36.6	1.6
March 15, 2026	-	0.00	-	100.00	100.00	2,233	69.8	1.9
March 15, 2027 (Forecast)		50.00		50.00	100.00		74.4	

Note: Breakdown of year-end dividends for the fiscal year ending March 15, 2026: Ordinary dividend of 80.00 yen, 65th anniversary dividend of 20.00 yen

3. Forecast of consolidated financial results for the fiscal year ending March 15, 2027 (from March 16, 2026 to March 15, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 15, 2026	145,800	0.3	3,000	(6.5)	3,500	(8.0)	2,300	(6.4)	102.98
Fiscal year ending March 15, 2027	285,000	0.2	5,100	(24.8)	6,000	(24.0)	3,000	(6.3)	134.32

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

Note: For details, see "3. Please refer to Consolidated Financial Statements and Major Notes (5) Notes on Consolidated Financial Statements (Notes on Changes in Accounting Policy).

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 15, 2026	24,583,420 shares
As of March 15, 2025	24,583,420 shares

(ii) Number of treasury shares at the end of the period

As of March 15, 2026	2,249,173 shares
As of March 15, 2025	2,249,173 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 15, 2026	22,334,247 shares
Fiscal year ended March 15, 2025	22,334,247 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information available to the Company and on certain assumptions deemed to be reasonable. Actual financial results may differ from the results anticipated in the statements due to various factors. For the conditions on which earnings forecasts are predicated and precautions for using earnings forecasts, please refer to "1. Please refer to "Summary of Operating Results for the Current Fiscal Year" (1) Summary of Operating Results for the Current Fiscal Year.

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1. Overview of Results of Operations, etc.

(1) Overview of Results of Operations for the Current Fiscal Year

(Results of operations for the current fiscal year)

During the current fiscal year under review, the Japanese economy showed a moderate recovery trend due to improvements in corporate capital investment and the employment and income situation. On the other hand, the outlook remained uncertain due to geopolitical risks and the impact of exchange rate fluctuations.

As for personal consumption, although signs of recovery were seen amid improvements in the employment and income situation, prices have continued to trend upward and the desire to save money has increased further. On the other hand, spending related to enhancing quality of life, such as health and beauty, remained firm.

In the drugstore industry to which the Group belongs, the business environment remains challenging as retailers and competitors continue to open stores, and measures are being taken to stimulate demand to respond to the decline in purchases and other factors due to price increases for various products, and the competition across business categories has become even more intense.

Under these circumstances, we expanded products such as health foods from the perspective of preventive medicine as a way to enhance our expertise. Also, the Group focused on revising sales prices in response to successive price increases and conducting various campaigns, including the 65th anniversary campaign, to promote sales, while also striving to optimize inventory.

In terms of new store openings, the Group opened a total of six stores: three in Tochigi, and one each in Miyagi, Fukushima and Ibaraki, all of which are areas in which it currently operates. It also opened a total of four dispensing pharmacies: two in Tochigi and one each in Miyagi and Ibaraki, all of which are in existing stores.

Accordingly, the Group has a total of 386 stores (of which 160 have an in-store dispensing pharmacy).

As a result, the Group recorded net sales of 284,492 million yen (year-on-year decrease of 1.2%) on a consolidated basis for the current fiscal year under review. The Group recorded operating profit of 6,779 million yen (year-on-year decrease of 9.1%), ordinary profit of 7,897 million yen (year-on-year decrease of 5.3%), and profit attributable to owners of parent of 3,200 million yen (year-on-year decrease of 34.5%), due in part to the recording of impairment losses.

(Sales)

The Group's net sales by segment are as follows.

Segment	Previous consolidated fiscal year (From March 16, 2024 to March 15, 2025)		Current consolidated fiscal year (From March 16, 2025 to March 15, 2026)		YoY comparison (%)
	Amount (Mil. yen)	(%)	Amount (Mil. yen)	(%)	
Pharmaceuticals	52,189	18.2	51,418	18.1	98.5
Cosmetics	23,204	8.1	23,279	8.2	100.3
Sundries	79,368	27.7	77,413	27.3	97.5
General food	132,119	46.0	131,444	46.4	99.5
Total	286,881	100.0	283,555	100.0	98.8

(Notes) 1. Number of units sold is omitted because the Company has an extensive product range.

2. Amounts above do not include rent revenue from real estate.

(Outlook for the next fiscal year)

For the fiscal year ending March 15, 2027, the Japanese economy is predicted to recover moderately in terms of economic activity against a backdrop of improvements in corporate capital investment and the employment and income situation, among other factors. On the other hand, the outlook is predicted to remain uncertain mainly due to concerns over downside risks to the economy stemming from fluctuations in overseas economic conditions. In addition, prices are predicted to continue to rise mainly due to heightened geopolitical risks and the impact of exchange rates. Despite improvements in the employment and income situation, the consumer spending environment is expected to remain severe due to economic circumstances and uncertainty about the future on the back of rising prices and cost-of-living expenses, which have caused consumers to be more aware of protecting their current lifestyles.

In these circumstances, in order to cope with the rapidly changing business environment, the Group will promote systemization and mechanization to improve overall productivity in order to further strengthen its business infrastructure, as well as implement measures such as renovation and demand stimulation to cope with changes in lifestyles and sluggish consumption.

Further, as a differentiation measure against increasingly fierce competition, we will proceed with store renovations. At the same time, we will make progress with measures for enhancing our expertise in prevention and consumer health care by strengthening functions that enable specialists to provide counseling in order to maintain and step up people's health, including disease prevention and beauty, and extend their healthy life expectancy. Efforts will also be made to enhance our prevention- and beauty-related product lineups as a measure to enhance health and beauty care. In addition, we will make every effort to improve the quality of consumers' living and customer satisfaction by making further progress in building local community-based stores with functions as local infrastructure. We will do this while focusing on offering products that value safety at reasonable prices in an effort to respond to the consumption environment.

Regarding new store openings and closings, the Group plans to open three stores and close three stores.

From the above, the Group forecasts, for the fiscal year ending March 2027, net sales will be 285,000 million yen, operating profit will be 5,100 million yen, ordinary profit will be 6,000 million yen, and profit attributable to owners of parent will be 3,000 million yen.

Regarding the next Medium-term Management Plan, we are carefully reviewing its details in light of a review of the previous Medium-term Management Plan and the impact of the recent situation in the Middle East, among other factors. Accordingly, we will disclose the details as soon as they are finalized.

(2) Overview of Financial Position for the Current Fiscal Year

1) Assets, liabilities and net assets

Assets increased 13 million yen compared with the end of the previous fiscal year, to 199,614 million yen.

Liabilities decreased 1,504 million yen compared with the end of the previous fiscal year, to 83,686 million yen. This was mainly due to decreases in retirement benefit liability and asset retirement obligations.

Net assets increased 1,517 million yen compared with the end of the previous fiscal year, to 115,928 million yen. This was due primarily to an increase in retained earnings.

Equity ratio increased to 58.0% (year-on-year increase of 0.7 points).

2) Cash flows

Cash and cash equivalents (hereinafter referred to as "funds") as of the end of the fiscal year under review amounted to 38,112 million yen (1,438 million yen increase compared with the end of the previous fiscal year).

(Cash flow from operating activities)

Net cash provided by operating activities amounted to 8,865 million yen (year-on-year increase of 1,383 million yen). This was due primarily to income taxes paid of 1,853 million yen (year-on-year decrease of 513 million yen), despite profit before income taxes of 5,572 million yen (year-on-year decrease of 1,255 million yen), and depreciation of 4,472 million yen (year-on-year decrease of 21 million yen).

(Cash flow from investing activities)

Net cash used in investing activities amounted to 5,156 million yen (year-on-year increase of 641 million yen). This was due primarily to the fact that purchases of property, plant and equipment associated with the opening of new stores amounted to 4,209 million yen (year-on-year increase of 130 million yen).

(Cash flows from financing activities)

Net cash used in financing activities amounted to 2,270 million yen (year-on-year increase of 354 million yen). This was due primarily to dividend payments of 1,785 million yen (unchanged year-on-year).

(Trends of Cash Flow-related Indicators)

	FYE3/2022	FYE3/2023	FYE3/2024	FYE3/2025	FYE3/2026
Equity ratio (%)	54.5	55.3	56.7	57.3	58.0
Equity ratio on market value (%)	27.5	25.3	30.3	31.4	32.7
Ratio of interest-bearing debts to cash flows (years)	3.3	2.0	2.6	2.2	1.8
Interest coverage ratio (multiples)	138.0	235.1	181.1	205.4	125.9

Equity Ratio: Shareholders' equity/Total assets

Equity ratio on market value: Market capitalization/Total assets

Ratio of interest-bearing debt to cash flow: Interest-bearing debt/Cash flow

Interest coverage ratio: Cash flow/Interest expenses

Note 1: All figures are calculated based on consolidated financial results.

Note 2: Market capitalization is calculated based on the number of shares issued excluding treasury stock.

Note 3: Cash flows are based on operating cash flows.

Note 4: Interest-bearing debt represents debt posted on the consolidated balance sheet and accompanied by interest payments.

(3) Principles of Appropriation of Profits and Dividend Payment for the Current Fiscal Year and the Next Fiscal Year

The Group recognizes that returning profit to shareholders is a top-priority management issue, and its basic policy is to continue to pay progressive dividends while retaining the necessary internal reserves to ensure stable growth by enhancing and strengthening its management base, taking into account future business prospects.

At the 59th Ordinary General Meeting of Shareholders scheduled to be held on June 11, 2026, the Group is planning to propose an ordinary dividend of 80 yen per share and a commemorative dividend of 20 yen per share to celebrate the Group's 65th anniversary, for a total of 100 yen per share for the current fiscal year.

The Group also plans to increase the annual ordinary dividend by 20 yen to 100 yen per share for the following fiscal year. To date, the Company has paid dividends once a year in the form of a year-end dividend. However, as announced in the "Notice concerning Interim Dividend and Dividend Forecast" released on April 28, 2026, the Company has decided to pay dividends of surplus twice a year—an interim dividend and a year-end dividend—starting from the fiscal year ending March 15, 2027. This decision aims to enhance medium- to long-term shareholder value and increase opportunities for returning profits to shareholders. In addition, the Company's Articles of Incorporation stipulate that the Company may, by resolution of the Board of Directors, pay interim dividends with September 15 of each year as the record date.

Internal reserves will be used as funds to open new stores and to make renovations and system investments, etc.

2. Basic Policy on Selecting Accounting Standards

The Group has adopted Japanese accounting standards to ensure that its operating results are comparable with competitors in Japan.

3. Consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 15, 2025	As of March 15, 2026
Assets		
Current assets		
Cash and deposits	36,674	38,112
Accounts receivable - trade	14,726	15,833
Merchandise	34,175	34,545
Supplies	32	32
Other	4,863	4,794
Total current assets	90,472	93,318
Non-current assets		
Property, plant and equipment		
Buildings and structures	117,568	117,763
Accumulated depreciation	(78,796)	(81,284)
Buildings and structures, net	38,771	36,479
Land	49,551	49,638
Construction in progress	441	235
Other	25,600	26,429
Accumulated depreciation	(22,563)	(23,059)
Other, net	3,036	3,370
Total property, plant and equipment	91,801	89,724
Intangible assets		
Other	5,155	4,935
Total intangible assets	5,155	4,935
Investments and other assets		
Investment securities	154	306
Leasehold and guarantee deposits	7,381	6,932
Deferred tax assets	4,347	4,036
Other	288	360
Total investments and other assets	12,172	11,636
Total non-current assets	109,128	106,296
Total assets	199,601	199,614

	As of March 15, 2025	As of March 15, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	41,271	41,874
Current portion of long-term borrowings	5,847	5,706
Income taxes payable	1,067	1,352
Provision for bonuses	1,224	1,280
Contract liabilities	2,218	2,424
Provision for loss on store closings	101	12
Asset retirement obligations	819	164
Other	8,308	7,599
Total current liabilities	60,858	60,413
Non-current liabilities		
Long-term borrowings	10,752	10,408
Retirement benefit liability	9,328	8,547
Asset retirement obligations	3,359	3,442
Other	892	873
Total non-current liabilities	24,332	23,272
Total liabilities	85,190	83,686
Net assets		
Shareholders' equity		
Share capital	13,001	13,001
Capital surplus	14,902	14,902
Retained earnings	90,765	92,178
Treasury shares	(4,363)	(4,363)
Total shareholders' equity	114,306	115,720
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	51	155
Total accumulated other comprehensive income	51	155
Share acquisition rights	52	52
Total net assets	114,410	115,928
Total liabilities and net assets	199,601	199,614

(2) Consolidated statements of income and comprehensive income
(Consolidated statement of income)

(Millions of yen)

	Fiscal year ended March 15, 2025	Fiscal year ended March 15, 2026
Net sales	287,816	284,492
Cost of sales	221,098	219,174
Gross profit	66,717	65,318
Selling, general and administrative expenses	59,256	58,538
Operating profit	7,461	6,779
Non-operating income		
Interest income	17	23
Dividend income	3	5
Sponsorship money income	109	201
Commission income	785	785
Revenue from sales of electric power	177	182
Other	272	403
Total non-operating income	1,366	1,601
Non-operating expenses		
Interest expenses	36	70
Commission expenses	129	125
Depreciation	55	55
Loss on tax purpose reduction entry of non-current assets	44	56
Donations	52	52
Other	169	122
Total non-operating expenses	487	483
Ordinary profit	8,340	7,897
Extraordinary income		
Gain on sale of non-current assets	0	0
Other	6	-
Total extraordinary income	6	0
Extraordinary losses		
Loss on retirement of non-current assets	36	114
Impairment losses	861	2,117
Loss on store closings	532	41
Provision for loss on store closings	86	19
Other	1	32
Total extraordinary losses	1,519	2,326
Profit before income taxes	6,827	5,572
Income taxes - current	2,023	2,108
Income taxes - deferred	(80)	263
Total income taxes	1,942	2,371
Profit	4,884	3,200
Profit attributable to owners of parent	4,884	3,200

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 15, 2025	Fiscal year ended March 15, 2026
Profit	4,884	3,200
Other comprehensive income		
Valuation difference on available-for-sale securities	17	103
Total other comprehensive income	17	103
Comprehensive income	4,902	3,304
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,902	3,304

(3) Consolidated statement of changes in equity

Fiscal year ended March 15, 2025

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	13,001	14,902	87,666	(4,363)	111,208	34	34	52	111,295
Changes during period									
Dividends of surplus			(1,786)		(1,786)				(1,786)
Profit attributable to owners of parent			4,884		4,884				4,884
Net changes in items other than shareholders' equity						17	17	-	17
Total changes during period	-	-	3,098	-	3,098	17	17	-	3,115
Balance at end of period	13,001	14,902	90,765	(4,363)	114,306	51	51	52	114,410

Fiscal year ended March 15, 2026

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	13,001	14,902	90,765	(4,363)	114,306	51	51	52	114,410
Changes during period									
Dividends of surplus			(1,786)		(1,786)				(1,786)
Profit attributable to owners of parent			3,200		3,200				3,200
Net changes in items other than shareholders' equity			-		-	103	103	-	103
Total changes during period	-	-	1,413	-	1,413	103	103	-	1,517
Balance at end of period	13,001	14,902	92,178	(4,363)	115,720	155	155	52	115,928

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 15, 2025	Fiscal year ended March 15, 2026
Cash flows from operating activities		
Profit before income taxes	6,827	5,572
Depreciation	4,494	4,472
Impairment losses	861	2,117
Loss on store closings	532	41
Increase (decrease) in provision for loss on store closings	86	(89)
Loss on retirement of non-current assets	25	20
Increase (decrease) in provision for bonuses	(127)	56
Increase (decrease) in retirement benefit liability	369	(780)
Interest and dividend income	(20)	(29)
Interest expenses	36	70
Loss (gain) on sale of non-current assets	(0)	(0)
Increase (decrease) in contract liabilities	122	205
Decrease (increase) in trade receivables	(4,270)	(1,106)
Decrease (increase) in inventories	521	(369)
Increase (decrease) in trade payables	(740)	595
Other, net	1,164	0
Subtotal	9,882	10,777
Interest and dividends received	3	13
Interest paid	(37)	(71)
Income taxes paid	(2,366)	(1,853)
Net cash provided by (used in) operating activities	7,481	8,865
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,079)	(4,209)
Proceeds from sale of property, plant and equipment	8	13
Purchase of intangible assets	(181)	(114)
Purchase of long-term prepaid expenses	(46)	(123)
Payments of leasehold and guarantee deposits	(182)	(68)
Proceeds from refund of leasehold and guarantee deposits	58	226
Payments for asset retirement obligations	-	(874)
Other, net	(92)	(5)
Net cash provided by (used in) investing activities	(4,515)	(5,156)
Cash flows from financing activities		
Proceeds from long-term borrowings	7,200	5,900
Repayments of long-term borrowings	(7,329)	(6,384)
Dividends paid	(1,786)	(1,785)
Net cash provided by (used in) financing activities	(1,915)	(2,270)
Net increase (decrease) in cash and cash equivalents	1,050	1,438
Cash and cash equivalents at beginning of period	35,623	36,674
Cash and cash equivalents at end of period	36,674	38,112

(Notes on segment information, etc.)

Segment Information

The Group is engaged in the retail business of selling pharmaceuticals, cosmetics, miscellaneous goods, general foods, etc., and is omitted because it is a single segment.