



Consolidated Financial Results for the First Six Months of the Fiscal Year Ending May 31, 2025 (Japan GAAP)

December 25, 2024

Company name: Pharmarise Holdings Corporation Listed on: Tokyo Stock Exchange, Standard Market
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 Scheduled date to file semi-annual securities report: January 10, 2025
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: No
 Holding of financial results briefing: Yes (for analysts and institutional investors)

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

1. Consolidated financial results for the first six months of the fiscal year ending May 31, 2025

(from June 1, 2024 to November 30, 2024)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended								
November 30, 2024	30,544	13.3	100	(85.8)	29	(95.8)	(113)	—
November 30, 2023	26,948	4.7	710	23.9	701	23.9	273	276.6

(Note) Comprehensive income Six months ended November 30, 2024: -125 million yen [-%]

Six months ended November 30, 2023: 283 million yen [267.7%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
November 30, 2024	(10.09)	—
November 30, 2023	28.29	26.99

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of			
November 30, 2024	30,457	7,163	22.6
May 31, 2024	29,486	7,442	24.3

(Reference) Equity As of November 30, 2024: 6,882 million yen As of May 31, 2024: 7,153 million yen

2. Cash dividends

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 31, 2024	—	0.00	—	20.00	20.00
Fiscal year ending May 31, 2025	—	0.00	—	—	—
Fiscal year ending May 31, 2025 (forecast)	—	—	—	14.00	14.00

(Notes) 1 Revision to the dividend forecast announced most recently: None

2 Breakdown of fiscal year-end dividend for the year ended May 31, 2024: ordinary dividend of 14 yen and commemorative dividend of 6 yen (40th anniversary commemorative dividend)

3. Consolidated earnings forecasts for the fiscal year ending May 31, 2025 (from June 1, 2024 to May 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	64,734	18.9	350	(61.8)	143	(82.8)	(214)	—	(18.98)

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes

(1) Significant changes in the scope of consolidation during the period: No

New: — (company name)

Exception: — (company name)

(2) Application of accounting procedures specific to preparation of the semi-annual consolidated financial statements: Yes

Note: Please see “2. Semi-annual Consolidated Financial Statements and Notes on Important Matters, (4) Notes on semi-annual consolidated financial statements” on page 13 of the Accompanying Materials for more details.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to the revision of accounting standards: Yes

(ii) Changes in accounting policies other than (i): No

(iii) Changes in accounting estimates: No

(iv) Retrospective restatement: No

(4) Number of issued shares (common shares)

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

As of November 30, 2024	12,060,381 shares	As of May 31, 2024	12,060,381 shares
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(ii) Total number of treasury shares at the end of the period:

As of November 30, 2024	699,476 shares	As of May 31, 2024	817,166 shares
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(iii) Average number of shares issued and outstanding in each period (cumulative from the beginning of the fiscal year):

Six months ended November 30, 2024	11,282,445 shares	Six months ended November 30, 2023	9,680,142 shares
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* These semi-annual financial results are outside the scope of review by certified public accountants or an audit firm.

* Explanation regarding appropriate use of business forecasts and other special instructions

The forward-looking statements such as the forecasts of financial results stated in this document are based on the information currently available to the Company and certain assumptions that the Company judges as rational. These statements are not guarantees of future performance. Actual results may differ materially, depending on a range of factors. For assumed conditions underlying the earnings forecast and cautionary statements in using the earnings forecast, please refer to “Explanation about the future outlook, including forecast for consolidated earnings” on page 6.

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1. Qualitative Information on Semi-annual Financial Results for the Period under Review

(1) Explanation regarding operating results

During the first six months of the consolidated fiscal year under review (June 1, 2024 through November 30, 2024), the Japanese economy gradually recovered, despite a lingering sense of sluggishness in some areas. Looking ahead, the gradual recovery is expected to continue with the improvement in employment and income conditions, partly attributable to governmental policies. However, careful attention needs to be paid to the effects of persistently high interest rates in Europe and the US, financial and capital market volatility, including increases in domestic interest rates, and the rising cost of living.

In this environment, Pharmarise Holdings Corporation (“the Company”) and its consolidated subsidiaries (“the Group”) announced the Medium-term Management Plan LSG (Leading to Sustainable Growth) 2024, under which the current fiscal year is the final year, on December 24, 2021. Under Medium-term Management Plan LSG 2024, the Group will endeavor to strengthen competitiveness and achieve growth to enhance shareholder value by (i) increasing efforts to become the corporate group preferred by investors, (ii) developing business, primarily the dispensing business, to enhance revenue, and (iii) enhancing the profit structure by strengthening the management infrastructure. The Group decided to review quantitative targets again in response to changes in the management environment, among other things. However, there is no change in the basic policies and the current qualitative targets.

During the first six months of the consolidated fiscal year under review, net sales totaled 30,544 million yen (up 13.3% year on year), with operating profit of 100 million yen (down 85.8%) and ordinary profit of 29 million yen (down 95.8%). Loss attributable to owners of parent came to 113 million yen (compared to a profit attributable to owners of parent of 273 million yen a year ago).

Net sales grew mainly due to an increase in dispensing pharmacy sales associated with the expansion of the number of pharmacies as a result of M&A and the strong performance of the Drug/Convenience Store Business, despite the impact of dispensing fee and drug price revisions in the Dispensing Pharmacy Business.

On the profit front, operating profit and ordinary profit fell and the Group posted a loss attributable to owners of parent. This reflected factors such as the impact of dispensing fee and drug price revisions in the Dispensing Pharmacy Business, increased costs as a result of a volatile purchasing environment, higher labor costs due to a rise in base salaries, and an increase in consolidated goodwill amortization.

Segment performance was as follows.

Dispensing Pharmacy Business

Sales for the Dispensing Pharmacy Business increased 14.0% year on year, to 24,931 million yen, and the segment profit decreased 75.6%, to 202 million yen in the first six months of the fiscal year under review. The increase in sales primarily reflects growth in the number of prescriptions filled driven by an increase in the number of pharmacies as a result of M&A activity the previous fiscal year and new pharmacy openings. The fall in profit chiefly reflects a decrease in dispensing technical fees, including the regional support structure premium, following a review of dispensing basic fees (focused on dispensing pharmacy chains with more than 300 pharmacies), and increased costs as a result of a volatile purchasing environment.

In the first six months of the fiscal year under review, three pharmacies were opened, and five pharmacies were closed. The number of pharmacies operated by the Group was 349.

In operating pharmacies, the Group endeavors to (i) pursue its mission of promoting medical care, nursing care and health care to meet the needs of a super-aged society and contributing to community healthcare as family pharmacies, (ii) provide support for campaigns to maintain and improve the health of the Japanese people on the theme “physical, mental and social wellness” through its healthy life advisors accredited and qualified based on the Company’s unique system, (iii) enhance its response at facilities and at home, (iv) promote online medication guidance through the establishment of centers for greater operational efficiency and digital transformation, (v) expand the number of users who send prescriptions by e-mail by linking Pocket Pharmacy, an electronic medicine notebook, to LINE, and (vi) strengthen cooperation with medical institutions by promoting the use of My Number health insurance cards, etc., and improve patient services.

The number of health support pharmacies was 79 at the end of the first six months of the fiscal year under review (increasing 2 from the end of the previous fiscal year), and the number of the Group’s pharmacies cooperating with local health care facilities decreased to 104 (decreasing 4 from the end of the previous fiscal year). Moreover, one pharmacy was certified as pharmacy cooperating with specialized medical institutions during the first six months of the fiscal year under review, bringing the total number of such pharmacies to four.

Drug/Convenience Store Business

In the first six months of the fiscal year under review, sales for the Drug/Convenience Store Business increased 9.0% year on year, to 4,500 million yen, and the segment loss was 1 million yen (compared to a segment loss of 38 million yen a year ago), shrinking 36 million yen year on year. The sales and profit results chiefly reflect the effect of new pharmacy openings in the convenience store section, which led to increased sales and improved profit.

The number of the Group’s stores without any pharmacy section increased one to 46 during the period (58 including 12 stores with

pharmacy section).

Storage and Management of Medical Documents Business

In the first six months of the fiscal year under review, sales for the Storage and Management of Medical Documents Business increased 3.2% year on year, to 311 million yen, and the segment profit increased 7.3%, to 22 million yen. These results reflect a stable sales performance, which led to progress on the profit front.

Medical Mall Management Business

Sales for the Medical Mall Management Business increased 1.7% year on year, to 256 million yen, and the segment profit increased 5.2%, to 58 million yen in the first six months of the fiscal year under review. These results reflect a stable performance on the sales front and a decrease in depreciation and amortization.

Other

In the first six months of the fiscal year under review, sales for the Other segment increased 39.9% year on year, to 544 million yen, and the segment loss was 6 million yen (compared to a segment profit of 2 million yen a year ago). This increase in sales is largely attributable to the additional sales of new businesses such as the day service business and the home-visit nursing and nursing home business. Segment profit fell, mainly due to emphasis on the development of new products, leading to upfront costs in the medical IT solutions business, despite a considerable profit contribution from the nursing home business.

(2) Explanation regarding financial position

(Assets)

Assets at the end of the first six months of the fiscal year under review totaled 30,457 million yen, an increase of 971 million yen from the end of the previous fiscal year. This was mainly attributable to an increase of 373 million yen in cash and deposits from the end of the previous fiscal year, to 7,524 million yen, an increase of 732 million yen in merchandise and finished goods from the end of the previous fiscal year, to 3,308 million yen, and an increase of 342 million yen in investments and other assets from the end of the previous year, to 3,473 million yen chiefly due to an increase in shares of subsidiaries and associates, partially offset by a decrease of 364 million yen in goodwill from the end of the previous fiscal year, to 5,553 million yen.

(Liabilities)

Liabilities amounted to 23,294 million yen, an increase of 1,250 million yen from the end of the previous fiscal year. This was chiefly due to an increase in long-term borrowings of 1,761 million yen from the end of the previous fiscal year, to 11,415 million yen, which was partly offset by an decrease in accounts payable-trade of 297 million yen from the end of the previous fiscal year, to 5,393 million yen.

(Net assets)

Net assets amounted to 7,163 million yen, a decrease of 278 million yen from the end of the previous fiscal year. The main factor was a decrease in the balance of retained earnings due to dividend payment.

(3) Explanation regarding cash flows

Cash and cash equivalents (hereinafter “cash”) at the end of the first six months of the fiscal year under review was 7,504 million yen (an increase of 2,580 million yen from the end of the previous fiscal year).

The cash flows in the first six months of the fiscal year under review and factors relating to each are as follows.

(Cash flows from operating activities)

Net cash used in operating activities amounted to 200 million yen (compared with net cash provided of 1,860 million yen in the same period of the previous fiscal year). This was attributable chiefly to an increase of 719 million yen in inventories and a decrease of 344 million yen in trade payables, which were partially offset by the posting of profit before income taxes of 34 million yen, depreciation of 339 million yen, amortization of goodwill of 364 million yen and a decrease of 108 million yen in trade receivables.

(Cash flows from investing activities)

Net cash used in investing activities totaled 537 million yen, a decrease of 6 million yen from the previous fiscal year. This was mainly due to the purchase of property, plant and equipment of 339 million yen chiefly related to the opening of new pharmacies, and the purchase of shares of subsidiaries and associates of 281 million yen.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to 1,138 million yen (compared with net cash used of 1,128 million yen in the same period of the previous fiscal year). This primarily reflected proceeds from long-term borrowings of 4,000 million yen, which was partially offset by repayments of long-term borrowings of 2,532 million yen, repayments of lease liabilities of 104 million yen, and dividends paid of 224 million yen.

(4) Explanation about the future outlook, including forecast for consolidated earnings

The Company has revised its consolidated earnings forecasts announced on June 28, 2024. For details, please refer to “Notice of Differences Between Consolidated Earnings Forecasts and Actual Results for the First Six Months of the Fiscal Year Ending May 31, 2025 and Revision of Full Year Consolidated Earnings Forecasts” released today (December 25, 2024).

2. Semi-annual Consolidated Financial Statements and Notes on Important Matters

(1) Semi-annual consolidated balance sheet

(Million yen)

	As of May 31, 2024	As of November 30, 2024
Assets		
Current assets		
Cash and deposits	7,150	7,524
Accounts receivable	1,442	1,274
Merchandise and finished goods	2,576	3,308
Raw materials and supplies	69	70
Accounts receivable - other	2,117	2,009
Other	388	382
Allowance for doubtful accounts	(6)	(7)
Total current assets	13,737	14,561
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,999	2,973
Land	2,659	2,673
Other, net	539	780
Total property, plant and equipment	6,198	6,428
Intangible assets		
Goodwill	5,917	5,553
Other	501	441
Total intangible assets	6,419	5,994
Investments and other assets		
Other	3,323	3,665
Allowance for doubtful accounts	(192)	(192)
Total investments and other assets	3,130	3,473
Total non-current assets	15,748	15,896
Total assets	29,486	30,457

(Million yen)

	As of May 31, 2024	As of November 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	5,690	5,393
Current portion of long-term borrowings	2,655	2,361
Income taxes payable	286	308
Provision for bonuses	61	47
Provision for loss on store closings	42	—
Provision for loss on disaster	41	41
Other	1,911	1,961
Total current liabilities	10,688	10,112
Non-current liabilities		
Long-term borrowings	9,654	11,415
Retirement benefit liability	941	896
Asset retirement obligations	233	232
Other	526	637
Total non-current liabilities	11,355	13,181
Total liabilities	22,043	23,294
Net assets		
Shareholders' equity		
Share capital	1,961	1,961
Capital surplus	2,177	2,170
Retained earnings	3,530	3,192
Treasury shares	(550)	(471)
Total shareholders' equity	7,118	6,851
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	34	30
Total accumulated other comprehensive income	34	30
Share acquisition rights	208	208
Non-controlling interests	80	72
Total net assets	7,442	7,163
Total liabilities and net assets	29,486	30,457

(2) Semi-annual consolidated statements of income and comprehensive income

Semi-annual consolidated statement of income

(Million yen)

	Six months ended November 30, 2023	Six months ended November 30, 2024
Net sales	26,948	30,544
Cost of sales	22,677	26,305
Gross profit	4,270	4,239
Selling, general and administrative expenses	3,560	4,138
Operating profit	710	100
Non-operating income		
Interest income	0	7
Dividend income	0	0
Gain on sale of securities	–	3
Gain on sale of goods	0	17
Other	27	32
Total non-operating income	28	60
Non-operating expenses		
Interest expenses	28	68
Commission expenses	1	41
Other	8	22
Total non-operating expenses	37	132
Ordinary profit	701	29
Extraordinary income		
Gain on sale of non-current assets	0	1
Reversal of provision for loss on store closings	–	36
Subsidy income	37	24
Gain on bargain purchase	–	4
Total extraordinary income	37	67
Extraordinary losses		
Loss on sale of non-current assets	–	0
Loss on retirement of non-current assets	4	1
Loss on tax purpose reduction entry of non-current assets	32	24
Impairment losses	16	36
Provision of allowance for doubtful accounts	22	–
Loss on cancellation of rental contracts	3	–
Total extraordinary losses	77	62
Profit before income taxes	662	34
Income taxes	379	156
Profit (loss)	282	(121)
Profit (loss) attributable to non-controlling interests	8	(7)
Profit (loss) attributable to owners of parent	273	(113)

Semi-annual consolidated statement of comprehensive income

(Million yen)

	Six months ended November 30, 2023	Six months ended November 30, 2024
Profit (loss)	282	(121)
Other comprehensive income		
Valuation difference on available-for-sale securities	2	—
Remeasurements of defined benefit plans, net of tax	(0)	(4)
Total other comprehensive income	1	(4)
Comprehensive income	283	(125)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	275	(117)
Comprehensive income attributable to non-controlling interests	8	(7)

(3) Semi-annual consolidated statement of cash flows

(Million yen)

	Six months ended November 30, 2023	Six months ended November 30, 2024
Cash flows from operating activities		
Profit before income taxes	662	34
Depreciation	295	339
Impairment losses	16	36
Amortization of goodwill	276	364
Increase (decrease) in allowance for doubtful accounts	(1)	0
Increase (decrease) in provision for loss on store closings	(0)	(42)
Increase (decrease) in retirement benefit liability	30	(149)
Interest and dividend income	(1)	(7)
Interest expenses	28	68
Subsidy income	(37)	(24)
Loss (gain) on sale of non-current assets	(0)	(1)
Loss on retirement of non-current assets	4	1
Loss on cancellation of rental contracts	3	–
Loss on tax purpose reduction entry of non-current assets	32	24
Decrease (increase) in trade receivables	860	108
Decrease (increase) in inventories	(171)	(719)
Increase (decrease) in trade payables	46	(344)
Decrease (increase) in consumption taxes refund receivable	178	78
Gain on bargain purchase	–	(4)
Increase (decrease) in provision for bonuses	(2)	(15)
Gain on sale of securities	–	(3)
Other	(9)	297
Subtotal	2,210	45
Interest and dividend income received	1	7
Interest paid	(28)	(76)
Income taxes refund (paid)	(360)	(149)
Subsidies received	37	24
Amount of consumption taxes paid in prior periods	–	(51)
Net cash provided by (used in) operating activities	1,860	(200)
Cash flows from investing activities		
Proceeds from sale of securities	–	19
Purchase of property, plant and equipment	(317)	(339)
Proceeds from sale of property, plant and equipment	–	3
Purchase of intangible assets	(90)	(26)
Purchase of shares of subsidiaries and associates	–	(281)
Purchase of long-term prepaid expenses	(36)	(7)
Payments of guarantee deposits	(57)	(10)
Proceeds from refund of guarantee deposits	17	27
Loan advances	(0)	(1)
Proceeds from collection of loans receivable	0	0
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(67)	(30)
Other	7	108
Net cash provided by (used in) investing activities	(543)	(537)

(Million yen)

	Six months ended November 30, 2023	Six months ended November 30, 2024
Cash flows from financing activities		
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(73)	–
Proceeds from long-term borrowings	700	4,000
Repayments of long-term borrowings	(1,296)	(2,532)
Repayments of lease liabilities	(103)	(104)
Redemption of bonds	(228)	–
Dividends paid	(127)	(224)
Net cash provided by (used in) financing activities	(1,128)	1,138
Net increase (decrease) in cash and cash equivalents	188	400
Cash and cash equivalents at beginning of period	4,734	7,100
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	–	2
Cash and cash equivalents at end of period	4,923	7,504

(4) Notes on semi-annual consolidated financial statements

(Note on going concern premise)

Not applicable.

(Changes in accounting policy)

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

The Company has applied Accounting Standard for Current Income Taxes, etc. (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”) effective from beginning of the first six months of the fiscal year under review. The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “Revised Implementation Guidance 2022”). This change in accounting policies has no impact on the semi-annual consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the first six months of the fiscal year under review. The change in accounting policies was applied retrospectively but there were no applicable events and the change in the accounting policies had no impact on the semi-annual consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

(Notes in the case of significant changes in shareholders' equity)

Not applicable.

(Application of particular accounting treatments concerning preparation of semi-annual consolidated financial statements)

(Calculation of tax expense)

Taxes are calculated by multiplying profit before income taxes by a reasonable estimate of the effective tax rate after adjustments for tax-effect accounting for profit before income taxes in the current fiscal year. However, in cases where the calculation of taxes using such estimated effective tax rate yields a result that is not reasonable to a significant extent, the effective statutory tax rate is used.

(Segment information, etc.)

(Segment information)

First six months ended November 30, 2023

1. Reportable segment sales, profit or loss

	Reportable segments					Other (Note 1)	Total	Adjustments (Note 2)	Amount in semi-annual consolidated statement of income (Note 3)
	Dispensing Pharmacy	Drug/ Convenience Store	Storage and Management of Medical Documents	Medical Mall Management	Total				
Net sales									
Sales to external customers	21,876	4,127	301	252	26,558	389	26,948	—	26,948
Inter-segment net sales or transfers	—	—	—	—	—	—	—	—	—
Total	21,876	4,127	301	252	26,558	389	26,948	—	26,948
Segment profit (loss)	831	(38)	21	56	870	2	872	(162)	710

(Notes) 1. The Other segment includes the temporary help business and the system integration business for pharmaceutical companies.

2. The adjustment to segment profit (loss) of -162 million yen is company expenses not distributed to the reportable segments.

3. Segment profit (loss) is adjusted to be consistent with the operating profit reported in the semi-annual consolidated statement of income.

2. Information on impairment loss in non-current assets and goodwill by reported segment

The Dispensing Pharmacy Business posted an impairment loss of 16 million yen. The amount of the posted impairment loss was 16 million yen for the first six months of the fiscal year under review.

First six months ended November 30, 2024

1. Reportable segment sales, profit or loss

(Million yen)

	Reportable segments					Other (Note 1)	Total	Adjustments (Note 2)	Amount in semi-annual consolidated statement of income (Note 3)
	Dispensing Pharmacy	Drug/ Convenience Store	Storage and Management of Medical Documents	Medical Mall Management	Total				
Net sales									
Sales to external customers	24,931	4,500	311	256	29,999	544	30,544	–	30,544
Inter-segment net sales or transfers	–	–	–	–	–	–	–	–	–
Total	24,931	4,500	311	256	29,999	544	30,544	–	30,544
Segment profit (loss)	202	(1)	22	58	282	(6)	276	(175)	100

- (Notes) 1. The Other segment includes the temporary help business and the system integration business for pharmaceutical companies.
2. The adjustment to segment profit (loss) of -175 million yen is company expenses not distributed to the reportable segments.
3. Segment profit (loss) is adjusted to be consistent with the operating profit reported in the semi-annual consolidated statement of income.

2. Information on impairment loss in non-current assets and goodwill by reported segment

The Dispensing Pharmacy Business and the Drug/Convenience Store Business posted impairment losses of 21 million yen and 14 million yen, respectively. The amount of the posted impairment loss was 36 million yen for the first six months of the fiscal year under review.

(Additional information)

(Company split that involves spinning off transferred business to subsidiary)

The Company's Board of Directors resolved, at a meeting held on October 17, 2024, with respect to the "Notice Regarding Partial Business Transfer from Kanichi Shoten Group" released on September 24, 2024, to spin off the transferred business in an absorption-type company split to next PH corporation, a subsidiary of the Company established on October 10, 2024, and implemented the spin-off on December 2, 2024.

For details, please refer to "Notice of Spin-Off of Business Transferred by Kanichi Shoten Group to Subsidiary (Simplified Absorption-type Company Split)" released on October 17, 2024.