

FY4/24 3Q
IR PRESENTATION

AIN HOLDINGS INC.
March 2024

Results Overview

Consolidated P/L

Net sales increased 12.3% YoY and 1.3% against the plan due to favorable performance in both dispensing pharmacy business and cosmetic and drug store business. Ordinary profit increased 21.7% YoY and 7.2% against the plan due to increase of sales.

(¥ million)	FY4/23 3Q results	FY4/24 3Q plan	FY4/24 3Q results	YoY change	YoY change(%)	Vs plan (%)
Net sales	263,906	292,551	296,360	+32,454	+12.3	+1.3
Gross profit	39,692	42,721	43,213	+3,521	+8.9	+1.2
% of net sales	15.0	14.6	14.6			
SG&A expenses	28,006	29,453	28,907	+901	+3.2	(1.9)
% of net sales	10.6	10.1	9.8			
Operating profit	11,685	13,268	14,305	+2,620	+22.4	+7.8
% of net sales	4.4	4.5	4.8			
Ordinary profit	12,367	14,038	15,050	+2,683	+21.7	+7.2
% of net sales	4.7	4.8	5.1			
Profit attributable to owners of parent	6,628	7,609	8,730	+2,102	+31.7	+14.7
% of net sales	2.5	2.6	2.9			
Earnings per share(¥)	188.70	216.60	248.51	+59.81	+31.7	+14.7

► Figures in the table are rounded down

Dispensing Pharmacy Business (Consolidated)

Net sales increased 12.1% YoY and 1.4% against the plan due to the easing of restrictions on outpatient visits, and rise in prescription numbers and average price because of improvements in the capabilities of primary care functions. Segment profit increased 9.4% YoY and 2.6% against the plan due to increase of sales.

(¥ million)	FY4/23 3Q results	FY4/24 3Q plan	FY4/24 3Q results	YoY change	YoY change(%)	Vs plan (%)
Net sales	236,396	261,480	265,019	+28,623	+12.1	+1.4
Gross profit	29,448	31,088	31,508	+2,060	+7.0	+1.4
% of net sales	12.5	11.9	11.9			
SG&A expenses	12,067	12,598	12,551	+484	+4.0	(0.4)
% of net sales	5.1	4.8	4.7			
Operating profit	17,380	18,490	18,957	+1,577	+9.1	+2.5
% of net sales	7.4	7.1	7.2			
Segment profit	18,023	19,214	19,713	+1,690	+9.4	+2.6
% of net sales	7.6	7.3	7.4			
Number of pharmacies	1,210	1,223	1,221	+11	+0.9	(0.2)

▶ Figures in the table are rounded down

Cosmetic and Drug Store Business (Consolidated)

Net sales up 21.6% YoY and 2.2% against the plan because customer numbers were firm amid a recovery in mobility for both domestic shoppers and overseas visitors, and average sales price rose due to a change in customer buying habits. Segment profit increased 204.7% YoY and 14.7% against the plan due to increase of sales.

(¥ million)	FY4/23 3Q results	FY4/24 3Q plan	FY4/24 3Q results	YoY change	YoY change(%)	Vs plan (%)
Net sales	18,836	22,420	22,905	+4,069	+21.6	+2.2
Gross profit	7,102	8,540	8,800	+1,698	+23.9	+3.0
% of net sales	37.7	38.1	38.4			
SG&A expenses	6,401	6,590	6,588	+187	+2.9	0.0
% of net sales	34.0	29.4	28.8			
Operating profit	700	1,950	2,212	+1,512	+216.0	+13.4
% of net sales	3.7	8.7	9.7			
Segment profit	737	1,958	2,246	+1,509	+204.7	+14.7
% of net sales	3.9	8.7	9.8			
Number of stores	76	82	81	+5	+6.6	(1.2)

▶ Figures in the table are rounded down

Consolidated B/S

Net cash became ¥44,208 million and shareholders' equity ratio became 54.7%. We are maintaining a sound financial structure.

End-FY4/23				(¥ million)
Assets		Liabilities and Net Assets		
Current assets	98,305	Current liabilities	92,986	
Cash and deposits	46,796	Short-term borrowings	3,670	
Non-current assets	133,444	Non-current liabilities	12,218	
Goodwill	46,443	Long-term borrowings	5,021	
Deferred assets	-	Total net assets	126,546	
Total assets	231,750	Total liabilities and net assets	231,750	
Net cash				37,804
Shareholders' equity ratio(%)				54.6

End-FY4/24 3Q				(¥ million)
Assets		Liabilities and Net Assets		
Current assets	106,837	Current liabilities	100,847	
Cash and deposits	50,057	Short-term borrowings	3,183	
Non-current assets	136,850	Non-current liabilities	9,561	
Goodwill	43,947	Long-term borrowings	2,366	
Deferred assets	-	Total net assets	133,278	
Total assets	243,688	Total liabilities and net assets	243,688	
Net cash				44,208
Shareholders' equity ratio(%)				54.7

- ▶ Figures in the table are rounded down
- ▶ Net cash = Cash and deposits – Interest-bearing debt

Assets

The balance of total assets increased ¥11,938 million from the end of the previous fiscal year because of increase in merchandise due to a rise in inventories of COVID-19 treatments, and an increase in buildings and structures due to the new store openings.

(¥ million)	End-FY4/23 3Q	End-FY4/23	End-FY4/24 3Q	Change
Cash and deposits	46,193	46,796	50,057	+3,261
Accounts receivable - trade	11,269	13,249	14,007	+758
Inventories	23,629	21,586	27,093	+5,507
Total current assets	95,490	98,305	106,837	+8,532
Buildings and structures, net	20,591	21,407	27,010	+5,603
Land	10,584	10,602	10,116	(486)
Total property, plant and equipment	38,519	39,459	42,745	+3,286
Goodwill	47,539	46,443	43,947	(2,496)
Total intangible assets	53,110	52,343	50,664	(1,679)
Investments securities	2,938	2,720	3,427	+707
Deferred tax assets	6,118	5,990	6,287	+297
Leasehold and guarantee deposits	24,823	24,507	24,713	+206
Total investments and other assets	42,443	41,641	43,440	+1,799
Total non-current assets	134,072	133,444	136,850	+3,406
Total deferred assets	-	-	-	-
Total assets	229,562	231,750	243,688	+11,938

▶ Figures in the table are rounded down ▶ Change: End-FY4/24 3Q compared with End-FY4/23

▶ Capital expenditures (Property, plant and equipment and intangible assets + Leasehold and guarantee deposits) totaled ¥10,447 million

Liabilities and Net Assets

Accounts payable increased ¥ 9,289 million due to increase in pharmaceutical purchasing and new store openings. Short-term and long-term borrowings decreased ¥ 3,142 million due to repayment of loans payable.

(¥ million)	End-FY4/23 3Q	End-FY4/23	End-FY4/24 3Q	Change
Accounts payable - trade	60,972	58,698	67,987	+9,289
Short-term borrowings	4,036	3,670	3,183	(487)
Total current liabilities	92,823	92,986	100,847	+7,861
Long-term borrowings	5,816	5,021	2,366	(2,655)
Total non-current liabilities	12,995	12,218	9,561	(2,657)
Total liabilities	105,819	105,204	110,409	+5,205
Share capital	21,894	21,894	21,894	-
Capital surplus	20,504	20,504	20,499	(5)
Retained earnings	83,357	85,963	92,586	+6,623
Total shareholders' equity	123,756	126,362	132,997	+6,635
Total net assets	123,743	126,546	133,278	+6,732
Total liabilities and net assets	229,562	231,750	243,688	+11,938

▶ Figures in the table are rounded down ▶ Change:End-FY4/24 3Q compared with End-FY4/23

FY4/24 Revised Plan (Consolidated)

The group forecasts net sales for the fiscal year ending April 30, 2024 increase 8.8% YoY and ordinary profit increase 13.3% YoY due to new store openings of 41 stores for dispensing pharmacy business and 6 stores for cosmetic and drug store business.

(¥ million)	FY4/23 results	FY4/24 initial plan	FY4/24 revised plan	YoY change (%)	Vs initial plan change (%)
Net sales	358,742	375,000	390,263	+8.8	+4.1
Gross profit	53,698	55,413	58,106	+8.2	+4.9
% of net sales	15.0	14.8	14.9		
SG&A expenses	37,694	39,750	39,656	+5.2	(0.2)
% of net sales	10.5	10.6	10.2		
Operating profit	16,004	15,663	18,450	+15.3	+17.8
% of net sales	4.5	4.2	4.7		
Ordinary profit	17,064	16,302	19,340	+13.3	+18.6
% of net sales	4.8	4.3	5.0		
Profit attributable to owners of parent	9,234	8,250	10,000	+8.3	+21.2
% of net sales	2.6	2.2	2.6		
Earnings per share(¥)	262.87	234.84	284.64	+8.3	+21.2
Annual dividend (¥)	60.00	60.00	60.00	0.0	0.0

▶ Figures in the table are rounded down

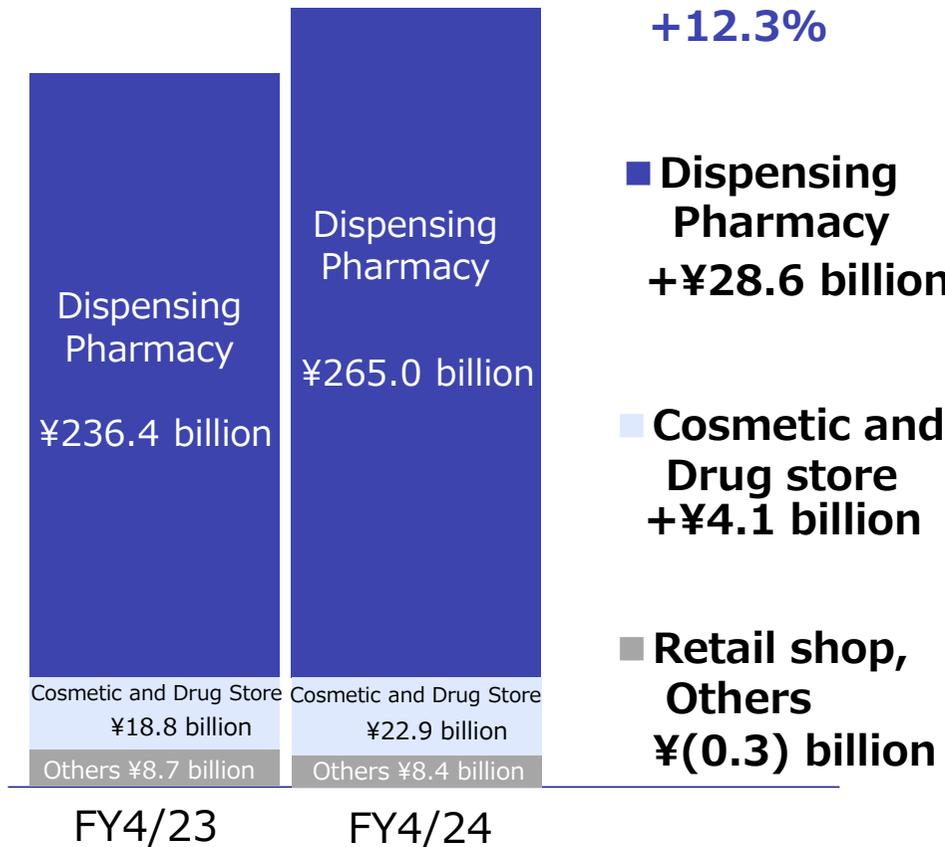
Review

Review (YoY)

Ordinary profit increased ¥2.7 billion YoY due to increase of net sales in dispensing pharmacy business and cosmetic and drug store business.

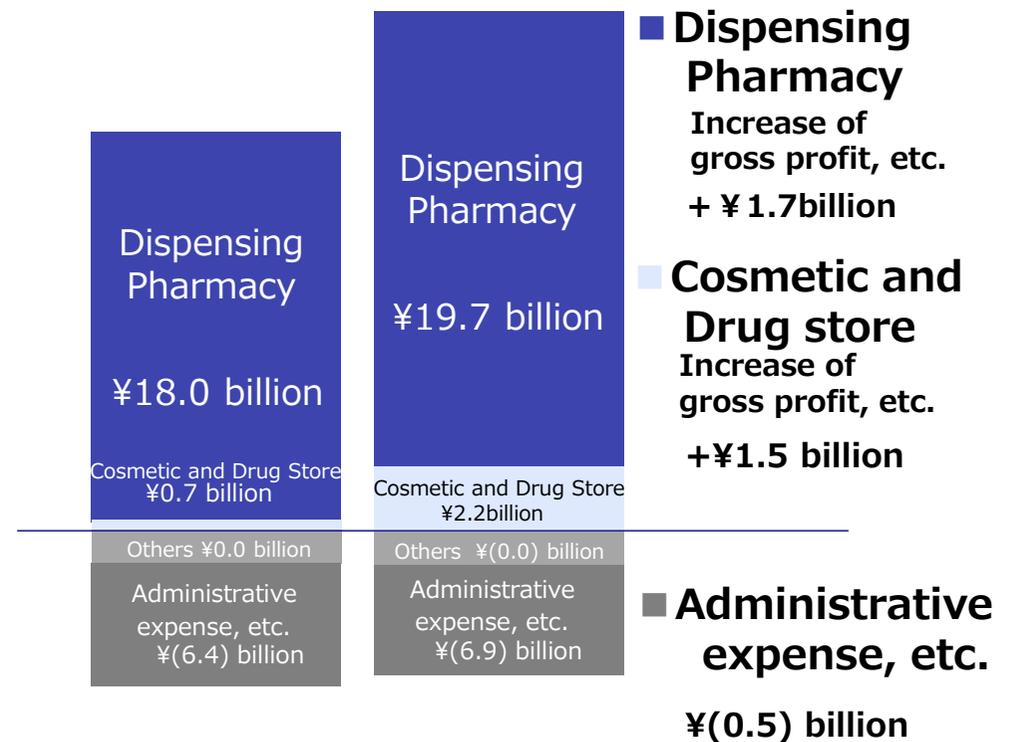
Net sales

¥263.9 billion → ¥296.3 billion +¥32.4 billion +12.3%



Ordinary profit

¥12.3 billion → ¥15.0 billion +¥2.7 billion +21.7%



▶ Decrease against profit : ()

Review (Plan)

Ordinary profit increased ¥1.0 billion against the revised plan due to increase of net sales in dispensing pharmacy business and cosmetic and drug store business.

Net sales

¥292.5 billion → ¥296.3 billion +¥3.8 billion

+1.3%



- Dispensing Pharmacy +¥3.6 billion
- Cosmetic and Drug store +¥0.5 billion
- Retail shop, Others ¥(0.3) billion

FY4/24 revised plan

FY4/24

Ordinary profit

¥14.0 billion → ¥15.0 billion +¥1.0 billion

+7.2%



- Dispensing Pharmacy Increase of gross profit, etc. +¥0.5 billion
- Cosmetic and Drug store Increase of gross profit, etc. +¥0.3 billion
- Administrative expense, etc. +¥0.2 billion

FY4/24 revised plan

FY4/24

▶ Increase against profit: +

Expansion of top-line

- Dispensing Pharmacy Plan to open **41 pharmacies** (Organic 21, M&A 20)
- Cosmetic and Drug Store Plan to open **6 stores**

■ Plan and Results

		FY4/24 3Q		FY4/24
		Revised Plan	Results	Revised Plan
Opening	Dispensing Pharmacy	24	25	41
	Organic	14	14	21
	M&A	10	11	20
	Cosmetic and drug store	6	5	6
Total		30	30	47
Closure	Dispensing Pharmacy	10	13	10
	Cosmetic and drug store	2	2	2
	Total	12	15	12

■ Transition of dispensing pharmacies

	FY4/18	FY4/19	FY4/20	FY4/21	FY4/22	FY4/23	FY4/24 3Q
Organic	25	23	14	15	25	27	14
M&A	11	134	6	14	24	114	11
EV/EBITDA ratio	3.96	4.88	3.71	3.74	4.13	6.55	3.77
Closed	73	54	64	52	15	31	13
Sold	32	30	42	34	5	7	2
No. of total stores	1,029	1,132	1,088	1,065	1,099	1,209	1,221

▶ EV/EBITDA ratio=EV(Purchase price)/EBITDA(Operating profit + Depreciation)

Revised plan

FY4/24 Revised Plan (Dispensing Pharmacy Business)

The group revised the full-year consolidated financial forecasts because net sales of same stores and stores openings in the previous year expected to increase. Net sales were revised to ¥349,100 million, increased 8.6% YoY and 3.9% against the initial plan. Segment profit was revised to ¥26,390 million, increased 9.3% YoY and 8.7% against the initial plan.

(¥ million)	FY4/23 results	FY4/24 initial plan	FY4/24 revised plan	YoY Change(%)	Vs initial plan change (%)
Net sales	321,577	336,093	349,100	+8.6	+3.9
Gross profit	39,779	40,713	42,680	+7.3	+4.8
% of net sales	12.4	12.1	12.2		
SG&A expenses	16,559	17,080	17,160	+3.6	+0.5
% of net sales	5.1	5.1	4.9		
Operating profit	23,220	23,633	25,520	+9.9	+8.0
% of net sales	7.2	7.0	7.3		
Segment profit	24,135	24,283	26,390	+9.3	+8.7
% of net sales	7.5	7.2	7.6		
Number of pharmacies	1,209	1,249	1,240	+2.6	(0.7)

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FY4/24 Revised Plan (Cosmetic and Drug Store Business)

The group revised the full-year consolidated financial forecasts because net sales expected to increase due to firm amid a recovery in mobility of customer numbers for same stores. Net sales were revised to ¥29,500 million, increased 14.9% YoY and 8.2% against the initial plan. Segment profit was revised to ¥2,410 million, increased 98.5% YoY and 75.9% against the initial plan.

(¥ million)	FY4/23 results	FY4/24 initial plan	FY4/24 revised plan	YoY Change(%)	Vs initial plan change (%)
Net sales	25,685	27,263	29,500	+14.9	+8.2
Gross profit	9,694	10,405	11,230	+15.8	+7.9
% of net sales	37.7	38.2	38.1		
SG&A expenses	8,521	9,035	8,830	+3.6	(2.3)
% of net sales	33.2	33.1	29.9		
Operating profit	1,172	1,370	2,400	+104.8	+75.2
% of net sales	4.6	5.0	8.1		
Segment profit	1,214	1,370	2,410	+98.5	+75.9
% of net sales	4.7	5.0	8.2		
Number of stores	78	88	82	+5.1	(6.8)

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FY4/24 Revised Plan (Consolidated)

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