



AIN GROUP

FY4/18  
Supplementary Materials

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**AIN HOLDINGS INC.**

June 5, 2018

## 1. Consolidated Results

### ■ Year-on-Year

	(¥ million)			
	FY4/17 results	FY4/18 results	YoY change	YoY change(%)
Net sales	248,110	268,385	+20,275	+8.2
Gross profit <b>% of net sales</b>	42,092 <b>17.0</b>	47,993 <b>17.9</b>	+5,901	+14.0
SG&A expenses <b>% of net sales</b>	27,529 <b>11.1</b>	28,370 <b>10.6</b>	+841	+3.1
Operating income <b>% of net sales</b>	14,563 <b>5.9</b>	19,622 <b>7.3</b>	+5,059	+34.7
Ordinary income <b>% of net sales</b>	15,080 <b>6.1</b>	20,129 <b>7.5</b>	+5,049	+33.5
Profit attributable to owners of parent <b>% of net sales</b>	7,949 <b>3.2</b>	10,567 <b>3.9</b>	+2,618	+32.9
Earnings per share(¥)	250.71	310.08	+59.37	+23.7

▶ Figures in the table are rounded down

### ■ Vs Plan

	(¥ million)			
	FY4/18 plan	FY4/18 results	Vs plan change	Vs plan change(%)
Net sales	267,500	268,385	+885	+0.3
Gross profit <b>% of net sales</b>	47,400 <b>17.7</b>	47,993 <b>17.9</b>	+593	+1.3
SG&A expenses <b>% of net sales</b>	29,400 <b>11.0</b>	28,370 <b>10.6</b>	(1,030)	(3.5)
Operating income <b>% of net sales</b>	18,000 <b>6.7</b>	19,622 <b>7.3</b>	+1,622	+9.0
Ordinary income <b>% of net sales</b>	18,500 <b>6.9</b>	20,129 <b>7.5</b>	+1,629	+8.8
Profit attributable to owners of parent <b>% of net sales</b>	9,200 <b>3.4</b>	10,567 <b>3.9</b>	+1,367	+14.9
Earnings per share(¥)	269.96	310.08	+40.12	+14.9

▶ Figures in the table are rounded down

## 2. Segment Information (Dispensing Pharmacy Business)

### ■ Year-on-Year

(¥ million)

	FY4/17 results	FY4/18 results	YoY change	YoY change(%)
Net sales	221,801	238,645	+16,844	+7.6
Gross profit <b>% of net sales</b>	32,090 <b>14.5</b>	36,030 <b>15.1</b>	+3,940	+12.3
SG&A expenses <b>% of net sales</b>	13,432 <b>6.1</b>	14,034 <b>5.9</b>	+60	+4.5
Operating income <b>% of net sales</b>	18,658 <b>8.4</b>	21,995 <b>9.2</b>	+3,337	+17.9
Segment income <b>% of net sales</b>	19,110 <b>8.6</b>	22,668 <b>9.5</b>	+3,558	+18.6

▶ Figures in the table are rounded down

▶ Segment income is adjusted to ordinary income shown on the quarterly consolidated statements of income

### ■ Vs Plan

(¥ million)

	FY4/18 plan	FY4/18 results	Vs plan change	Vs plan change(%)
Net sales	237,900	238,645	+745	+0.3
Gross profit <b>% of net sales</b>	35,260 <b>14.8</b>	36,030 <b>15.1</b>	+770	+2.2
SG&A expenses <b>% of net sales</b>	14,860 <b>6.2</b>	14,034 <b>5.9</b>	(826)	(5.6)
Operating income <b>% of net sales</b>	20,400 <b>8.6</b>	21,995 <b>9.2</b>	+1,595	+7.8
Segment income <b>% of net sales</b>	21,000 <b>8.8</b>	22,668 <b>9.5</b>	+1,668	+7.9

▶ Figures in the table are rounded down

▶ Segment income is adjusted to ordinary income shown on the quarterly consolidated statements of income

### 3. Segment Information (Cosmetic and Drug Store Business)

#### ■ Year-on-Year

(¥ million)

	FY4/17 results	FY4/18 results	YoY change	YoY change(%)
Net sales	21,383	24,117	+2,734	+12.8
Gross profit % of net sales	7,623 35.6	8,925 37.0	+1,302	+17.1
SG&A expenses % of net sales	8,583 40.1	8,317 34.5	(266)	(3.1)
Operating income % of net sales	(959) -	608 2.5	+1,567	-
Segment income % of net sales	(866) -	657 2.7	+1,523	-

▶ Figures in the table are rounded down

▶ Segment income is adjusted to ordinary income shown on the quarterly consolidated statements of income

#### ■ Vs Plan

(¥ million)

	FY4/18 plan	FY4/18 results	Vs plan change	Vs plan change(%)
Net sales	23,600	24,117	+517	+2.2
Gross profit % of net sales	8,680 36.8	8,925 37.0	+245	+2.8
SG&A expenses % of net sales	8,430 35.7	8,317 34.5	(113)	(1.3)
Operating income % of net sales	250 1.1	608 2.5	+358	+143.2
Segment income % of net sales	280 1.2	657 2.7	+377	+134.6

▶ Figures in the table are rounded down

▶ Segment income is adjusted to ordinary income shown on the quarterly consolidated statements of income

## 4. Sales Verification

### ■ Dispensing Pharmacy (YoY)

(%)

	Net sales	Prescription volume	Average prescription price
Same store (814)	+1.5	+0.2	+1.4
Store openings in the previous year (176)	+100.8	+94.5	+3.9
Total (1,029)	+7.9	+7.6	+0.2

### ■ Dispensing Pharmacy (Vs Plan)

(%)

	Net sales	Prescription volume	Average prescription price
Same store (814)	+0.4	(0.0)	+0.4
Store openings in the previous year (176)	+4.4	+0.6	+3.8
Total (1,029)	+0.4	(1.1)	+1.6

### ■ Cosmetic and Drug Store (YoY)

(%)

	Net sales	Number of customers	Average spending per customer
Same store (35)	+8.7	+3.2	+5.3
Store openings in the previous year (9)	+288.6	+221.9	+20.7
Total (48)	+12.8	+4.9	+7.5

### ■ Cosmetic and Drug Store (Vs Plan)

(%)

	Net sales	Number of customers	Average spending per customer
Same store (35)	+2.2	+1.5	+0.7
Store openings in the previous year (9)	+10.0	+3.5	+6.3
Total (48)	+2.2	+0.8	+1.4

## 5. Consolidated Balance Sheet

### ■ Assets

(¥ million)

	End-FY4/16	End-FY4/17	End-FY4/18	Change
Cash on hand and in banks	22,647	29,775	63,779	+34,004
Notes and accounts receivable	12,385	9,990	10,466	+476
Inventories	10,984	11,668	9,580	(2,088)
<b>Total current assets</b>	<b>56,593</b>	<b>65,420</b>	<b>96,169</b>	<b>+30,749</b>
Buildings and structures, net	14,694	15,365	14,934	(431)
Land	9,537	9,958	10,041	+83
Lease assets	1,352	1,166	824	(342)
<b>Total property, plant and equipment</b>	<b>28,153</b>	<b>28,464</b>	<b>27,853</b>	<b>(611)</b>
Goodwill	33,337	40,939	38,011	(2,928)
Lease assets	13	8	11	+3
<b>Total intangible fixed assets</b>	<b>35,586</b>	<b>43,109</b>	<b>40,132</b>	<b>(2,977)</b>
Investments in securities	2,677	2,435	2,375	(60)
Deferred tax assets	2,038	2,167	2,216	+49
Deposits and guarantees	10,013	10,443	11,339	+896
<b>Total investments and other assets</b>	<b>19,555</b>	<b>19,329</b>	<b>19,176</b>	<b>(153)</b>
<b>Total deferred assets</b>	<b>-</b>	<b>-</b>	<b>103</b>	<b>103</b>
<b>Total fixed assets</b>	<b>83,294</b>	<b>90,902</b>	<b>87,162</b>	<b>(3,740)</b>
<b>Total assets</b>	<b>139,888</b>	<b>156,323</b>	<b>183,435</b>	<b>+27,112</b>

▶ Figures in the table are rounded down ▶ Change(¥):End-FY4/18 compared with end-FY4/17

▶ Capital expenditures(Purchases of property, plant and equipment and intangible fixed assets + Deposits and guarantees) totaled ¥5,311million

### ■ Liabilities and Net Assets

(¥ million)

	End-FY4/16	End-FY4/17	End-FY4/18	Change
Accounts payable	39,987	39,325	38,728	(597)
Short-term debt	5,690	7,596	6,717	(879)
Lease obligations	668	594	443	(151)
<b>Total current liabilities</b>	<b>66,744</b>	<b>72,955</b>	<b>70,235</b>	<b>(2,720)</b>
Long-term debt	14,854	18,254	11,511	(6,743)
Lease obligations	1,198	958	632	(326)
<b>Total long-term liabilities</b>	<b>19,818</b>	<b>23,188</b>	<b>16,467</b>	<b>(6,721)</b>
<b>Total liabilities</b>	<b>86,563</b>	<b>96,144</b>	<b>86,702</b>	<b>(9,442)</b>
Common stock	8,682	8,682	21,894	+13,212
Capital surplus	6,367	6,367	20,500	+14,133
Retained earnings	38,605	45,286	54,268	+8,982
<b>Total shareholders' equity</b>	<b>53,237</b>	<b>59,918</b>	<b>96,662</b>	<b>+36,744</b>
<b>Total net assets</b>	<b>53,324</b>	<b>60,178</b>	<b>96,733</b>	<b>+36,555</b>
<b>Total liabilities and net assets</b>	<b>139,888</b>	<b>156,323</b>	<b>183,435</b>	<b>+27,112</b>

▶ Figures in the table are rounded down ▶ Change(¥):End-FY4/18 compared with end-FY4/17

## 6. FY4/19 Plan (Consolidated)

(¥ million)

	FY4/17 results	FY4/18 results	FY4/19 plan	YoY change	YoY change (%)
Net sales	248,110	268,385	<b>272,870</b>	+4,485	+1.7
Gross profit % of net sales	42,092 17.0	47,993 17.9	<b>48,040</b> 17.6	+47	+0.1
SG&A expenses % of net sales	27,529 11.1	28,370 10.6	<b>30,540</b> 11.2	+2,170	+7.6
Operating income % of net sales	14,563 5.9	19,622 7.3	<b>17,500</b> 6.4	(2,122)	(10.8)
Ordinary income % of net sales	15,080 6.1	20,129 7.5	<b>18,000</b> 6.6	(2,219)	(10.6)
Profit attributable to owners of parent % of net sales	7,949 3.2	10,567 3.9	<b>9,260</b> 3.4	(1,307)	(12.4)
Earnings per share(¥)	250.71	310.08	<b>261.38</b>	(48.70)	(15.7)
Annual dividend (¥)	50.00	50.00	<b>55.00</b>	+5.00	+10.0

▶ Figures in the table are rounded down

▶ Change(¥):FY4/19 plan compared with FY4/18 results

## 7. Transition of Store Openings

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### ■ Number of Store Openings in Dispensing Pharmacy Business

	FY4/10	FY4/11	FY4/12	FY4/13	FY4/14	FY4/15	FY4/16	FY4/17	FY4/18
Organic	21	18	27	38	36	40	32	27	25
M&A	3	35	28	38	26	119	110	182	11
Total	397	448	494	560	616	754	881	1,066	1,029

▶ Total number of stores includes temporarily closed stores from FY4/11.

### ■ Number of Store Openings in Cosmetic and Drug Store Business

	FY4/10	FY4/11	FY4/12	FY4/13	FY4/14	FY4/15	FY4/16	FY4/17	FY4/18
Organic	5	6	7	7	3	3	5	9	4
Total	49	53	56	61	59	56	52	52	48

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