



AIN GROUP

FY4/20 1Q  
Supplementary Materials

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**AIN HOLDINGS INC.**

August 30, 2019

## 1. Consolidated Results

### ■ Year-on-Year

	(¥ million)			
	FY4/19 1Q results	FY4/20 1Q results	YoY change	YoY change(%)
Net sales	65,013	72,461	+7,448	+11.5
Gross profit <b>% of net sales</b>	10,687 <b>16.4</b>	11,490 <b>15.9</b>	+803	+7.5
SG&A expenses <b>% of net sales</b>	7,236 <b>11.1</b>	7,568 <b>10.4</b>	+332	+4.6
Operating income <b>% of net sales</b>	3,450 <b>5.3</b>	3,921 <b>5.4</b>	+471	+13.7
Ordinary income <b>% of net sales</b>	3,610 <b>5.6</b>	4,212 <b>5.8</b>	+602	+16.7
Profit attributable to owners of parent <b>% of net sales</b>	1,851 <b>2.8</b>	2,240 <b>3.1</b>	+389	+21.0
Earnings per share(¥)	52.27	63.24	+10.97	+21.0

▶ Figures in the table are rounded down

### ■ Vs Plan

	(¥ million)			
	FY4/20 1Q plan	FY4/20 1Q results	Vs plan change	Vs plan change(%)
Net sales	71,140	72,461	+1,321	+1.9
Gross profit <b>% of net sales</b>	11,590 <b>16.3</b>	11,490 <b>15.9</b>	(100)	(0.9)
SG&A expenses <b>% of net sales</b>	7,700 <b>10.8</b>	7,568 <b>10.4</b>	(132)	(1.7)
Operating income <b>% of net sales</b>	3,890 <b>5.5</b>	3,921 <b>5.4</b>	+31	+0.8
Ordinary income <b>% of net sales</b>	4,020 <b>5.7</b>	4,212 <b>5.8</b>	+192	+4.8
Profit attributable to owners of parent <b>% of net sales</b>	2,100 <b>3.0</b>	2,240 <b>3.1</b>	+140	+6.7
Earnings per share(¥)	59.28	63.24	+3.96	+6.7

▶ Figures in the table are rounded down

## 2. Segment Information (Dispensing Pharmacy Business)

### ■ Year-on-Year

(¥ million)

	FY4/19 1Q results	FY4/20 1Q results	YoY change	YoY change(%)
Net sales	57,090	64,800	+7,710	+13.5
Gross profit % of net sales	7,416 13.0	8,409 13.0	+993	+13.4
SG&A expenses % of net sales	3,576 6.3	3,738 5.8	+162	+4.5
Operating income % of net sales	3,839 6.7	4,671 7.2	+832	+21.7
Segment income % of net sales	3,984 7.0	4,804 7.4	+820	+20.6

▶ 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)

	FY4/20 1Q plan	FY4/20 1Q results	Vs plan change	Vs plan change(%)
Net sales	62,880	64,800	+1,920	+3.1
Gross profit % of net sales	8,310 13.2	8,409 13.0	+99	+1.2
SG&A expenses % of net sales	3,610 5.7	3,738 5.8	+128	+3.5
Operating income % of net sales	4,700 7.5	4,671 7.2	(29)	(0.6)
Segment income % of net sales	4,810 7.6	4,804 7.4	(6)	(0.1)

▶ 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)

	FY4/19 1Q results	FY4/20 1Q results	YoY change	YoY change(%)
Net sales	6,505	6,560	+55	+0.8
Gross profit	2,403	2,495	+92	+3.8
<b>% of net sales</b>	<b>36.9</b>	<b>38.0</b>		
SG&A expenses	2,057	2,277	+220	+10.7
<b>% of net sales</b>	<b>31.6</b>	<b>34.7</b>		
Operating income	345	217	(128)	(37.1)
<b>% of net sales</b>	<b>5.3</b>	<b>3.3</b>		
Segment income	364	230	(134)	(36.8)
<b>% of net sales</b>	<b>5.6</b>	<b>3.5</b>		

▶ 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)

	FY4/20 1Q plan	FY4/20 1Q results	Vs plan change	Vs plan change(%)
Net sales	7,000	6,560	(440)	(6.3)
Gross profit	2,620	2,495	(125)	(4.8)
<b>% of net sales</b>	<b>37.4</b>	<b>38.0</b>		
SG&A expenses	2,330	2,277	(53)	(2.3)
<b>% of net sales</b>	<b>33.3</b>	<b>34.7</b>		
Operating income	290	217	(73)	(25.2)
<b>% of net sales</b>	<b>4.1</b>	<b>3.3</b>		
Segment income	293	230	(63)	(21.5)
<b>% of net sales</b>	<b>4.2</b>	<b>3.5</b>		

▶ 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 Business (YoY) (%)      ■ Dispensing Pharmacy Business (Vs Plan) (%)

	Net sales	Prescription volume	Average prescription price		Net sales	Prescription volume	Average prescription price
Same store (964)	+2.2	(1.2)	+3.4	Same store (964)	+3.0	+1.3	+1.7
Store openings in the previous year (152)	+8,161.9	+5,607.9	+44.4	Store openings in the previous year (152)	+3.4	+2.6	+0.8
Total (1,120)	+13.4	+9.8	3.4	Total (1,120)	+3.0	+1.1	+1.7

### ■ Cosmetic and Drug Store Business (YoY) (%)      ■ Cosmetic and Drug Store Business (Vs Plan) (%)

	Net sales	Number of customers	Average spending per customer		Net sales	Number of customers	Average spending per customer
Same store (45)	(4.4)	(0.1)	(4.3)	Same store (45)	(6.5)	(0.6)	(6.0)
Store openings in the previous year (7)	-	-	-	Store openings in the previous year (7)	+4.1	+7.7	(3.4)
Total (55)	+0.8	+5.6	(4.5)	Total (55)	(6.3)	(0.4)	(5.9)

## 5. Consolidated Balance Sheet

■ Assets				(¥ million)
	End-FY4/19 1Q	End-FY4/19	End-FY4/20 1Q	Change
Cash on hand and in banks	61,725	48,091	40,753	(7,338)
Notes and accounts receivable	11,511	12,771	15,940	+3,169
Inventories	11,227	12,898	13,987	+1,089
<b>Total current assets</b>	<b>94,685</b>	<b>85,446</b>	<b>83,311</b>	<b>(2,135)</b>
Buildings and structures, net	14,773	16,352	16,355	+3
Land	10,197	10,394	10,484	+90
Lease assets	733	571	487	(84)
<b>Total property, plant and equipment</b>	<b>27,884</b>	<b>30,186</b>	<b>30,216</b>	<b>+30</b>
Goodwill	37,266	45,249	44,216	(1,033)
Lease assets	10	7	6	(1)
<b>Total intangible fixed assets</b>	<b>39,285</b>	<b>47,577</b>	<b>46,630</b>	<b>(947)</b>
Investments in securities	2,320	1,795	1,820	+25
Deferred tax assets	3,819	4,284	4,276	(8)
Deposits and guarantees	11,414	15,133	15,078	(55)
<b>Total investments and other assets</b>	<b>20,715</b>	<b>25,751</b>	<b>26,336</b>	<b>+585</b>
<b>Total fixed assets</b>	<b>87,885</b>	<b>103,515</b>	<b>103,184</b>	<b>(331)</b>
<b>Total deferred assets</b>	<b>92</b>	<b>59</b>	<b>48</b>	<b>(11)</b>
<b>Total assets</b>	<b>182,663</b>	<b>189,021</b>	<b>186,543</b>	<b>(2,478)</b>

▶ Figures in the table are rounded down

▶ Change: End-FY4/20 1Q compared with end-FY4/19

▶ Capital expenditures (Purchases of property, plant and equipment and intangible fixed assets + Deposits and guarantees) totaled ¥1,102 million

■ Liabilities and Net Assets				(¥ million)
	End-FY4/19 1Q	End-FY4/19	End-FY4/20 1Q	Change
Accounts payable	41,646	44,794	46,194	+1,400
Short-term debt	7,486	5,571	5,045	(526)
Lease obligations	399	318	286	(32)
<b>Total current liabilities</b>	<b>70,739</b>	<b>73,744</b>	<b>71,967</b>	<b>(1,777)</b>
Long-term debt	10,052	5,985	5,014	(971)
Lease obligations	504	401	330	(71)
<b>Total long-term liabilities</b>	<b>15,106</b>	<b>11,355</b>	<b>10,421</b>	<b>(934)</b>
<b>Total liabilities</b>	<b>85,846</b>	<b>85,099</b>	<b>82,389</b>	<b>(2,710)</b>
Common stock	21,894	21,894	21,894	-
Capital surplus	20,500	20,500	20,500	-
Retained earnings	54,349	61,526	61,818	+292
<b>Total shareholders' equity</b>	<b>96,743</b>	<b>103,920</b>	<b>104,212</b>	<b>+292</b>
<b>Total net assets</b>	<b>96,816</b>	<b>103,922</b>	<b>104,154</b>	<b>+232</b>
<b>Total liabilities and net assets</b>	<b>182,663</b>	<b>189,021</b>	<b>186,543</b>	<b>(2,478)</b>

▶ Figures in the table are rounded down

▶ Change: End-FY4/20 1Q compared with end-FY4/19

## 6. FY4/20 Plan (Consolidated)

(¥ million)

	FY4/18 results	FY4/19 results	FY4/20 plan	YoY change	YoY change (%)
Net sales	268,385	275,596	<b>300,330</b>	+24,734	+9.0
Gross profit % of net sales	47,993 17.9	45,363 16.5	<b>50,540</b> 16.8	+5,177	+11.4
SG&A expenses % of net sales	28,370 10.6	29,295 10.6	<b>31,840</b> 10.6	+2,545	+8.7
Operating income % of net sales	19,622 7.3	16,067 5.8	<b>18,700</b> 6.2	+2,633	+16.4
Ordinary income % of net sales	20,129 7.5	16,637 6.0	<b>19,200</b> 6.4	+2,563	+15.4
Profit attributable to owners of parent % of net sales	10,567 3.9	9,029 3.3	<b>10,130</b> 3.4	+1,101	+12.2
Earnings per share(¥)	310.08	254.87	<b>285.94</b>	+31.07	+12.2
Annual dividend (¥)	50.00	55.00	<b>55.00</b>	-	0.0

▶ Figures in the table are rounded down

▶ Change: FY4/20 plan compared with FY4/19 results

## 7. Transition of Store Openings

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

	FY4/12	FY4/13	FY4/14	FY4/15	FY4/16	FY4/17	FY4/18	FY4/19	FY4/20 1Q
Organic	27	38	36	40	32	27	25	23	3
M&A	28	38	26	119	110	182	11	134	2
Total	494	560	616	754	881	1,066	1,029	1,132	1,120

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

	FY4/12	FY4/13	FY4/14	FY4/15	FY4/16	FY4/17	FY4/18	FY4/19	FY4/20 1Q
Organic	7	7	3	3	5	9	4	7	3
Total	56	61	59	56	52	52	48	54	55

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