



AIN GROUP

FY4/20 2Q
Supplementary Materials

AIN HOLDINGS INC.

December 3, 2019

1. Consolidated Results

■ Year-on-Year

	(¥ million)			
	FY4/19 2Q results	FY4/20 2Q results	YoY change	YoY change(%)
Net sales	131,781	145,851	+14,070	+10.7
Gross profit	21,413	23,660	+2,247	+10.5
% of net sales	16.2	16.2		
SG&A expenses	14,681	15,305	+624	+4.3
% of net sales	11.1	10.5		
Operating income	6,731	8,354	+1,623	+24.1
% of net sales	5.1	5.7		
Ordinary income	7,018	8,762	+1,744	+24.9
% of net sales	5.3	6.0		
Profit attributable to owners of parent	3,639	4,622	+983	+27.0
% of net sales	2.8	3.2		
Earnings per share(¥)	102.73	130.47	+27.74	+27.0

▶ Figures in the table are rounded down

■ Vs Plan

	(¥ million)			
	FY4/20 2Q plan	FY4/20 2Q results	Vs plan change	Vs plan change(%)
Net sales	144,050	145,851	+1,801	+1.3
Gross profit	23,890	23,660	(230)	(1.0)
% of net sales	16.6	16.2		
SG&A expenses	15,390	15,305	(85)	(0.6)
% of net sales	10.7	10.5		
Operating income	8,500	8,354	(146)	(1.7)
% of net sales	5.9	5.7		
Ordinary income	8,750	8,762	+12	+0.1
% of net sales	6.1	6.0		
Profit attributable to owners of parent	4,640	4,622	(18)	(0.4)
% of net sales	3.2	3.2		
Earnings per share(¥)	130.97	130.47	(0.50)	(0.4)

▶ Figures in the table are rounded down

2. Segment Information (Dispensing Pharmacy Business)

■ Year-on-Year

(¥ million)

	FY4/19 2Q results	FY4/20 2Q results	YoY change	YoY change(%)
Net sales	116,376	130,499	+14,123	+12.1
Gross profit	15,036	17,390	+2,354	+15.7
% of net sales	12.9	13.3		
SG&A expenses	7,419	7,487	+68	+0.9
% of net sales	6.4	5.7		
Operating income	7,616	9,902	+2,286	+30.0
% of net sales	6.5	7.6		
Segment income	7,875	10,185	+2,310	+29.3
% of net sales	6.8	7.8		

▶ 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 2Q plan	FY4/20 2Q results	Vs plan change	Vs plan change(%)
Net sales	127,690	130,499	+2,809	+2.2
Gross profit	17,330	17,390	+60	+0.3
% of net sales	13.6	13.3		
SG&A expenses	7,290	7,487	+197	+2.7
% of net sales	5.7	5.7		
Operating income	10,040	9,902	(138)	(1.4)
% of net sales	7.9	7.6		
Segment income	10,260	10,185	(75)	(0.7)
% of net sales	8.0	7.8		

▶ 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 2Q results	FY4/20 2Q results	YoY change	YoY change(%)
Net sales	12,544	13,099	+555	+4.4
Gross profit	4,698	5,073	+375	+8.0
% of net sales	37.5	38.7		
SG&A expenses	4,191	4,649	+458	+10.9
% of net sales	33.4	35.5		
Operating income	506	423	(83)	(16.4)
% of net sales	4.0	3.2		
Segment income	552	442	(110)	(19.9)
% of net sales	4.4	3.4		

▶ 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 2Q plan	FY4/20 2Q results	Vs plan change	Vs plan change(%)
Net sales	13,900	13,099	(801)	(5.8)
Gross profit	5,300	5,073	(227)	(4.3)
% of net sales	38.1	38.7		
SG&A expenses	4,700	4,649	(51)	(1.1)
% of net sales	33.8	35.5		
Operating income	600	423	(177)	(29.5)
% of net sales	4.3	3.2		
Segment income	608	442	(166)	(27.3)
% of net sales	4.4	3.4		

▶ 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 (947)	+2.9	(0.3)	+3.3	Same store (947)	+2.5	+0.7	+1.8
Store openings in the previous year (151)	+429.7	+378.7	+12.7	Store openings in the previous year (151)	+4.1	+2.2	+1.9
Total (1,106)	+12.0	+8.0	+3.9	Total (1,106)	+2.0	+0.1	+1.9

■ 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 (43)	(1.0)	+1.3	(2.3)	Same store (43)	(5.9)	+0.8	(6.7)
Store openings in the previous year (7)	+523.8	+608.1	(11.9)	Store openings in the previous year (7)	+2.9	+9.7	(6.1)
Total (60)	+4.4	+8.6	(3.8)	Total (60)	(5.8)	+1.1	(6.8)

5. Consolidated Balance Sheet

				(¥ million)
■ Assets	End-FY4/19 2Q	End-FY4/19	End-FY4/20 2Q	Change
Cash on hand and in banks	57,337	48,091	44,441	(3,650)
Notes and accounts receivable	10,835	12,771	14,932	+2,161
Inventories	12,088	12,898	14,439	+1,541
Total current assets	91,323	85,446	84,230	(1,216)
Buildings and structures, net	15,732	16,352	16,558	+206
Land	10,376	10,394	10,658	+264
Lease assets	762	571	415	(156)
Total property, plant and equipment	29,339	30,186	30,901	+715
Goodwill	40,993	45,249	43,119	(2,130)
Lease assets	11	7	6	(1)
Total intangible fixed assets	43,064	47,577	45,761	(1,816)
Investments in securities	2,254	1,795	2,096	+301
Deferred tax assets	3,915	4,284	4,260	(24)
Deposits and guarantees	11,540	15,133	15,401	+268
Total investments and other assets	20,755	25,751	26,836	+1,085
Total fixed assets	93,159	103,515	103,499	(16)
Total deferred assets	81	59	37	(22)
Total assets	184,564	189,021	187,767	(1,254)

▶ Figures in the table are rounded down

▶ Change: End-FY4/20 2Q compared with end-FY4/19

▶ Capital expenditures (Purchases of property, plant and equipment and intangible fixed assets + Deposits and guarantees) totaled ¥3,857 million

				(¥ million)
■ Liabilities and Net Assets	End-FY4/19 2Q	End-FY4/19	End-FY4/20 2Q	Change
Accounts payable	42,131	44,794	45,639	+845
Short-term debt	8,143	5,571	4,555	(1,016)
Lease obligations	367	318	254	(64)
Total current liabilities	72,397	73,744	71,885	(1,859)
Long-term debt	8,660	5,985	4,079	(1,906)
Lease obligations	541	401	269	(132)
Total long-term liabilities	13,631	11,355	9,301	(2,054)
Total liabilities	86,028	85,099	81,186	(3,913)
Common stock	21,894	21,894	21,894	-
Capital surplus	20,500	20,500	20,500	-
Retained earnings	56,137	61,526	64,200	+2,674
Total shareholders' equity	98,530	103,920	106,594	+2,674
Total net assets	98,535	103,922	106,580	+2,658
Total liabilities and net assets	184,564	189,021	187,767	(1,254)

▶ Figures in the table are rounded down

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

▶ Figures in the table are rounded down

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

7. Transition of Store Openings

■ 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 2Q
Organic	27	38	36	40	32	27	25	23	5
M&A	28	38	26	119	110	182	11	134	5
Total	494	560	616	754	881	1,066	1,029	1,132	1,106

■ 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 2Q
Organic	7	7	3	3	5	9	4	7	10
Total	56	61	59	56	52	52	48	54	60

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