



AIN GROUP

FY4/17 3Q
Supplementary Materials

AIN HOLDINGS INC.

March 2, 2017

1. Consolidated Results

■ Year-on-Year

	(¥ million)			
	FY4/16 3Q results	FY4/17 3Q results	YoY change	YoY change(%)
Net sales	169,395	182,100	+12,705	+7.5
Gross profit % of net sales	27,346 16.1	30,092 16.5	+2,746	+10.0
SG&A expenses % of net sales	17,341 10.2	20,501 11.3	+3,160	+18.2
Operating income % of net sales	10,004 5.9	9,591 5.3	(413)	(4.1)
Ordinary income % of net sales	10,315 6.1	10,019 5.5	(296)	(2.9)
Profit attributable to owners of parent % of net sales	5,531 3.3	5,438 3.0	(93)	(1.7)
Earnings per share(¥)	174.44	171.53	(2.91)	(1.7)

▶ Figures in the table are rounded down

■ Vs Plan

	(¥ million)			
	FY4/17 3Q plan	FY4/17 3Q results	Vs plan change	Vs plan change(%)
Net sales	193,300	182,100	(11,200)	(5.8)
Gross profit % of net sales	31,200 16.1	30,092 16.5	(1,108)	(3.6)
SG&A expenses % of net sales	20,700 10.7	20,501 11.3	(199)	(1.0)
Operating income % of net sales	10,500 5.4	9,591 5.3	(909)	(8.7)
Ordinary income % of net sales	10,800 5.6	10,019 5.5	(781)	(7.2)
Profit attributable to owners of parent % of net sales	6,030 3.1	5,438 3.0	(592)	(9.8)
Earnings per share(¥)	190.18	171.53	(18.65)	(9.8)

▶ Figures in the table are rounded down

2. Segment Information (Dispensing Pharmacy Business)

■ Year-on-Year

(¥ million)

	FY4/16 3Q results	FY4/17 3Q results	YoY change	YoY change(%)
Net sales	151,884	162,599	+10,715	+7.1
Gross profit	21,393	22,657	+1,264	+5.9
% of net sales	14.1	13.9		
SG&A expenses	8,429	10,022	+1,593	+18.9
% of net sales	5.5	6.2		
Operating income	12,963	12,635	(328)	(2.5)
% of net sales	8.5	7.8		
Segment income	13,341	13,029	(312)	(2.3)
% of net sales	8.8	8.0		

▶ 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)

	FY4/17 3Q plan	FY4/17 3Q results	Vs plan change	Vs plan change(%)
Net sales	172,130	162,599	(9,531)	(5.5)
Gross profit	22,800	22,657	(143)	(0.6)
% of net sales	13.2	13.9		
SG&A expenses	9,400	10,022	+622	+6.6
% of net sales	5.5	6.2		
Operating income	13,400	12,635	(765)	(5.7)
% of net sales	7.8	7.8		
Segment income	13,630	13,029	(601)	(4.4)
% of net sales	7.9	8.0		

▶ 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 (Drug and Cosmetic Store Business)

■ Year-on-Year

(¥ million)

	FY4/16 3Q results	FY4/17 3Q results	YoY change	YoY change(%)
Net sales	15,601	15,907	+306	+2.0
Gross profit % of net sales	5,382 34.5	5,764 36.2	+382	+7.1
SG&A expenses % of net sales	5,933 38.0	6,396 40.2	+463	+7.8
Operating income % of net sales	(551) -	(631) -	(80)	-
Segment income % of net sales	(336) -	(578) -	(242)	-

▶ 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)

	FY4/17 3Q plan	FY4/17 3Q results	Vs plan change	Vs plan change(%)
Net sales	16,640	15,907	(733)	(4.4)
Gross profit % of net sales	6,090 36.6	5,764 36.2	(326)	(5.4)
SG&A expenses % of net sales	6,480 38.9	6,396 40.2	(84)	(1.3)
Operating income % of net sales	(390) -	(631) -	(241)	-
Segment income % of net sales	(300) -	(578) -	(278)	-

▶ 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 (717)	(5.7)	(0.1)	(5.6)
Store openings in the previous year (141)	+224.9	+213.3	+3.8
Total (1,069)	+7.1	+16.5	(8.3)

■ Dispensing Pharmacy (Vs Plan)

(%)

	Net sales	Prescription volume	Average prescription price
Same store (717)	(6.5)	(0.1)	(6.4)
Store openings in the previous year (141)	(4.2)	(0.4)	(4.2)
Total (1,069)	(4.6)	+2.5	(7.1)

■ Drug and Cosmetic Store (YoY)

(%)

	Net sales	Number of customers	Average spending per customer
Same store (42)	(1.6)	(0.3)	(1.3)
Store openings in the previous year (5)	+104.0	+94.9	+4.6
Total (52)	+2.0	(0.2)	+2.2

■ Drug and Cosmetic Store (Vs Plan)

(%)

	Net sales	Number of customers	Average spending per customer
Same store (42)	(3.3)	(3.1)	(0.2)
Store openings in the previous year (5)	(0.4)	(5.5)	+5.5
Total (52)	(4.4)	(6.6)	+2.4

5. Consolidated Balance Sheet

■ Assets

(¥ million)

	End-FY4/16 3Q	End-FY4/16	End-FY4/17 3Q	Change
Cash on hand and in banks	24,209	22,647	26,292	+3,645
Notes and accounts receivable	12,942	12,385	9,178	(3,207)
Inventories	12,598	10,984	13,292	+2,308
Total current assets	57,637	56,593	61,156	+4,563
Buildings and structures, net	14,784	14,694	15,515	+821
Land	8,323	9,537	10,021	+484
Lease assets	1,413	1,352	1,256	(96)
Total property, plant and equipment	27,263	28,153	28,908	+755
Goodwill	31,773	33,337	41,714	8,377
Lease assets	17	13	12	(1)
Total intangible fixed assets	33,919	35,586	44,004	+8,418
Investments in securities	2,880	2,677	2,725	+48
Deferred tax assets	1,481	2,038	2,206	+168
Deposits and guarantees	10,008	10,013	10,515	+502
Total investments and other assets	18,763	19,555	20,155	+600
Total fixed assets	79,946	83,294	93,068	+9,774
Total assets	137,584	139,888	154,224	+14,336

▶ Figures in the table are rounded down ▶ Change(¥):End-FY4/17 3Q compared with end-FY4/16

▶ Capital expenditures(Purchases of property, plant and equipment and intangible fixed assets + Deposits and guarantees) totaled ¥3,712 million

■ Liabilities and Net Assets

(¥ million)

	End-FY4/16 3Q	End-FY4/16	End-FY4/17 3Q	Change
Accounts payable	40,195	39,987	41,032	+1,045
Short-term debt	6,998	5,690	9,313	+3,623
Lease obligations	669	668	621	(47)
Total current liabilities	64,809	66,744	69,257	+2,513
Long-term debt	16,002	14,854	22,249	+7,395
Lease obligations	1,249	1,198	1,036	(162)
Total long-term liabilities	20,539	19,818	27,334	+7,516
Total liabilities	85,349	86,563	96,591	+10,028
Common stock	8,682	8,682	8,682	-
Capital surplus	7,658	6,367	6,367	-
Retained earnings	36,219	38,605	42,776	+4,171
Total shareholders' equity	52,141	53,237	57,407	+4,170
Total net assets	52,234	53,324	57,632	+4,308
Total liabilities and net assets	137,584	139,888	154,224	+14,336

▶ Figures in the table are rounded down ▶ Change(¥):End-FY4/17 3Q compared with end-FY4/16

6. FY4/17 Revised Plan (Consolidated)

(¥ million)

	FY4/16 results	FY4/17 original plan	FY4/17 revised plan	Vs original plan change	YoY change (%)
Net sales	234,843	265,000	250,000	(5.7)	+6.5
Gross profit % of net sales	38,535 16.4	44,200 16.7	42,500 17.0	(3.8)	+10.3
SG&A expenses % of net sales	23,915 10.2	27,900 10.5	27,700 11.1	(0.7)	+15.8
Operating income % of net sales	14,619 6.2	16,300 6.2	14,800 5.9	(9.2)	+1.2
Ordinary income % of net sales	15,158 6.5	16,700 6.3	15,300 6.1	(8.4)	+0.9
Profit attributable to owners of parent % of net sales	7,917 3.4	9,000 3.4	8,300 3.3	(7.8)	+4.8
Earnings per share(¥)	249.69	283.84	261.77	(7.8)	+4.8
Annual dividend (¥)	40.00	50.00	50.00	-	+25.0

▶ Figures in the table are rounded down

7. Transition of Store Openings

■ Number of Store Openings in Dispensing Pharmacy Business

	FY4/10	FY4/11	FY4/12	FY4/13	FY4/14	FY4/15	FY4/16	FY4/17 3Q
Organic	21	18	27	38	36	40	32	23
M&A	3	35	28	38	26	119	110	179
Total	397	448	494	560	616	754	881	1,069

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

■ Number of store openings in Drug and Cosmetic Store Business

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

Inquiries related to this presentation should be addressed to

AIN HOLDINGS INC.
Corporate Planning Division
TEL(81)11-814-0010
FAX(81)11-814-5550
<http://www.ainj.co.jp/>

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