



AIN GROUP

FY4/17
Supplementary Materials

AIN HOLDINGS INC.

June 6, 2017

1. Consolidated Results

■ Year-on-Year

	(¥ million)			
	FY4/16 results	FY4/17 results	YoY change	YoY change(%)
Net sales	234,843	248,110	+13,267	+5.6
Gross profit	38,535	42,092	+3,557	+9.2
% of net sales	16.4	17.0		
SG&A expenses	23,915	27,529	+3,614	+15.1
% of net sales	10.2	11.1		
Operating income	14,619	14,563	(56)	(0.4)
% of net sales	6.2	5.9		
Ordinary income	15,158	15,080	(78)	(0.5)
% of net sales	6.5	6.1		
Profit attributable to owners of parent	7,917	7,949	+32	+0.4
% of net sales	3.4	3.2		
Earnings per share(¥)	249.69	250.71	+1.02	+0.4

▶ Figures in the table are rounded down

■ Vs Plan

	(¥ million)			
	FY4/17 revised plan	FY4/17 results	Vs plan change	Vs plan change(%)
Net sales	250,000	248,110	(1,890)	(0.8)
Gross profit	42,500	42,092	(408)	(1.0)
% of net sales	17.0	17.0		
SG&A expenses	27,700	27,529	(171)	(0.6)
% of net sales	11.1	11.1		
Operating income	14,800	14,563	(237)	(1.6)
% of net sales	5.9	5.9		
Ordinary income	15,300	15,080	(220)	(1.4)
% of net sales	6.1	6.1		
Profit attributable to owners of parent	8,300	7,949	(351)	(4.2)
% of net sales	3.3	3.2		
Earnings per share(¥)	261.77	250.71	(11.06)	(4.2)

▶ Figures in the table are rounded down

2. Segment Information (Dispensing Pharmacy Business)

■ Year-on-Year

(¥ million)

	FY4/16 results	FY4/17 results	YoY change	YoY change(%)
Net sales	211,009	221,801	+10,792	+5.1
Gross profit	30,268	32,090	+1,822	+6.0
% of net sales	14.3	14.5		
SG&A expenses	11,629	13,432	+1,803	+15.5
% of net sales	5.5	6.1		
Operating income	18,639	18,658	+19	+0.1
% of net sales	8.8	8.4		
Segment income	19,219	19,110	(109)	(0.6)
% of net sales	9.1	8.6		

▶ 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)

	FY4/17 revised plan	FY4/17 results	Vs plan change	Vs plan change(%)
Net sales	224,000	221,801	(2,199)	(1.0)
Gross profit	32,600	32,090	(510)	(1.6)
% of net sales	14.6	14.5		
SG&A expenses	13,600	13,432	(168)	(1.2)
% of net sales	6.1	6.1		
Operating income	19,000	18,658	(342)	(1.8)
% of net sales	8.5	8.4		
Segment income	19,500	19,110	(390)	(2.0)
% of net sales	8.7	8.6		

▶ 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 results	FY4/17 results	YoY change	YoY change(%)
Net sales	20,884	21,383	+499	+2.4
Gross profit % of net sales	7,236 34.6	7,623 35.6	+387	+5.3
SG&A expenses % of net sales	7,931 38.0	8,583 40.1	+652	+8.2
Operating income % of net sales	(694) -	(959) -	(265)	-
Segment income % of net sales	(459) -	(866) -	(407)	-

▶ 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 revised plan	FY4/17 results	Vs plan change	Vs plan change(%)
Net sales	21,300	21,383	+83	+0.4
Gross profit % of net sales	7,750 36.4	7,623 35.6	(127)	(1.6)
SG&A expenses % of net sales	8,570 40.2	8,583 40.1	+13	+0.2
Operating income % of net sales	(820) -	(959) -	(139)	-
Segment income % of net sales	(740) -	(866) -	(126)	-

▶ 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 (708)	(7.4)	(1.3)	(6.2)
Store openings in the previous year (139)	+105.6	+109.0	(1.2)
Total (1,066)	+5.2	+15.6	(9.2)

■ Dispensing Pharmacy (Vs Plan)

	Net sales	Prescription volume	Average prescription price (%)
Same store (708)	(7.7)	(0.5)	(7.2)
Store openings in the previous year (139)	(3.9)	(0.6)	(3.7)
Total (1,066)	(4.9)	+3.3	(8.2)

▶ Versus original plan

■ Drug and Cosmetic Store (YoY)

	Net sales	Number of customers	Average spending per customer (%)
Same store (38)	(0.6)	+0.1	(0.7)
Store openings in the previous year (5)	+69.9	+68.8	+0.7
Total (52)	+2.4	(0.3)	+2.7

■ Drug and Cosmetic Store (Vs Plan)

	Net sales	Number of customers	Average spending per customer (%)
Same store (38)	(3.2)	(3.0)	(0.2)
Store openings in the previous year (5)	(1.6)	(4.1)	+2.5
Total (52)	(5.0)	(7.4)	+2.7

▶ Versus original plan

5. Consolidated Balance Sheet

■ Assets

(¥ million)

	End-FY4/15	End-FY4/16	End-FY4/17	Change
Cash on hand and in banks	19,553	22,647	29,775	+7,128
Notes and accounts receivable	8,369	12,385	9,990	(2,395)
Inventories	9,909	10,984	11,668	+684
Total current assets	46,365	56,593	65,420	+8,827
Buildings and structures, net	11,678	14,694	15,365	+671
Land	7,931	9,537	9,958	+421
Lease assets	1,388	1,352	1,166	(186)
Total property, plant and equipment	22,472	28,153	28,464	+311
Goodwill	26,340	33,337	40,939	+7,602
Lease assets	28	13	8	(5)
Total intangible fixed assets	27,623	35,586	43,109	+7,523
Investments in securities	2,872	2,677	2,435	(242)
Deferred tax assets	984	2,038	2,167	+129
Deposits and guarantees	9,710	10,013	10,443	+430
Total investments and other assets	17,688	19,555	19,329	(226)
Total fixed assets	67,783	83,294	90,902	+7,608
Total assets	114,149	139,888	156,323	+16,435

▶ Figures in the table are rounded down

▶ Change(¥): End-FY4/17 compared with end-FY4/16

▶ Capital expenditures (Purchases of property, plant and equipment and intangible fixed assets + Deposits and guarantees) totaled ¥4,786 million

■ Liabilities and Net Assets

(¥ million)

	End-FY4/15	End-FY4/16	End-FY4/17	Change
Accounts payable	31,826	39,987	39,325	(662)
Short-term debt	6,330	5,690	7,596	+1,906
Lease obligations	628	668	594	(74)
Total current liabilities	54,433	66,744	72,955	+6,211
Long-term debt	7,640	14,854	18,254	+3,400
Lease obligations	1,341	1,198	958	(240)
Total long-term liabilities	11,669	19,818	23,188	+3,370
Total liabilities	66,103	86,563	96,144	+9,581
Common stock	8,682	8,682	8,682	-
Capital surplus	7,872	6,367	6,367	-
Retained earnings	31,639	38,605	45,286	+6,681
Total shareholders' equity	47,776	53,237	59,918	+6,681
Total net assets	48,046	53,324	60,178	+6,854
Total liabilities and net assets	114,149	139,888	156,323	+16,435

▶ Figures in the table are rounded down

▶ Change(¥): End-FY4/17 compared with end-FY4/16

6. FY4/18 Plan (Consolidated)

	(¥ million)				
	FY4/16 results	FY4/17 results	FY4/18 plan	Vs plan change	YoY change (%)
Net sales	234,843	248,110	267,500	+19,390	+7.8
Gross profit % of net sales	38,535 16.4	42,092 17.0	46,530 17.4	+4,438	+10.5
SG&A expenses % of net sales	23,915 10.2	27,529 11.1	29,930 11.2	+2,401	+8.7
Operating income % of net sales	14,619 6.2	14,563 5.9	16,600 6.2	+2,037	+14.0
Ordinary income % of net sales	15,158 6.5	15,080 6.1	17,000 6.4	+1,920	+12.7
Profit attributable to owners of parent % of net sales	7,917 3.4	7,949 3.2	8,900 3.3	+951	+12.0
Earnings per share(¥)	249.69	250.71	280.69	+29.98	+12.0
Annual dividend (¥)	40.00	50.00	50.00	(0.00)	(0.0)

▶ 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
Organic	21	18	27	38	36	40	32	27
M&A	3	35	28	38	26	119	110	182
Total	397	448	494	560	616	754	881	1,066

▶ 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
Organic	5	6	7	7	3	3	5	9
Total	49	53	56	61	59	56	52	52

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