



AIN GROUP

FY4/18 1Q
Supplementary Materials

AIN HOLDINGS INC.

September 13, 2017

1. Consolidated Results

■ Year-on-Year

	(¥ million)			
	FY4/17 1Q results	FY4/18 1Q results	YoY change	YoY change(%)
Net sales	57,819	66,095	+8,276	+14.3
Gross profit	8,954	11,060	+2,106	+23.5
% of net sales	15.5	16.7		
SG&A expenses	6,672	7,096	+424	+6.4
% of net sales	11.5	10.7		
Operating income	2,281	3,963	+1,682	+73.7
% of net sales	3.9	6.0		
Ordinary income	2,376	4,135	+1,759	+74.0
% of net sales	4.1	6.3		
Profit attributable to owners of parent	1,371	2,120	+749	+54.6
% of net sales	2.4	3.2		
Earnings per share(¥)	43.25	66.88	+23.63	+54.6

▶ Figures in the table are rounded down

■ Vs Plan

	(¥ million)			
	FY4/18 1Q plan	FY4/18 1Q results	Vs plan change	Vs plan change(%)
Net sales	64,257	66,095	+1,838	+2.9
Gross profit	10,410	11,060	+650	+6.2
% of net sales	16.2	16.7		
SG&A expenses	7,372	7,096	(276)	(3.7)
% of net sales	11.5	10.7		
Operating income	3,037	3,963	+926	+30.5
% of net sales	4.7	6.0		
Ordinary income	3,143	4,135	+992	+31.6
% of net sales	4.9	6.3		
Profit attributable to owners of parent	1,451	2,120	+669	+46.1
% of net sales	2.3	3.2		
Earnings per share(¥)	45.79	66.88	+21.09	+46.1

▶ Figures in the table are rounded down

2. Segment Information (Dispensing Pharmacy Business)

■ Year-on-Year

(¥ million)

	FY4/17 1Q results	FY4/18 1Q results	YoY change	YoY change(%)
Net sales	51,438	58,929	+7,491	+14.6
Gross profit % of net sales	6,571 12.8	8,218 13.9	+1,647	+25.1
SG&A expenses % of net sales	3,226 6.3	3,577 6.1	+351	+10.9
Operating income % of net sales	3,345 6.5	4,640 7.9	+1,295	+38.7
Segment income % of net sales	3,437 6.7	4,821 8.2	+1,384	+40.3

▶ Figures in the table are rounded down

■ Vs Plan

(¥ million)

	FY4/18 1Q plan	FY4/18 1Q results	Vs plan change	Vs plan change(%)
Net sales	57,305	58,929	+1,624	+2.8
Gross profit % of net sales	7,608 13.3	8,218 13.9	+610	+8.0
SG&A expenses % of net sales	3,505 6.1	3,577 6.1	+72	+2.1
Operating income % of net sales	4,102 7.2	4,640 7.9	+538	+13.1
Segment income % of net sales	4,201 7.3	4,821 8.2	+620	+14.8

▶ Figures in the table are rounded down

3. Segment Information (Drug and Cosmetic Store Business)

■ Year-on-Year

	(¥ million)			
	FY4/17 1Q results	FY4/18 1Q results	YoY change	YoY change(%)
Net sales	5,246	5,827	+581	+11.1
Gross profit % of net sales	1,880 35.8	2,105 36.1	+225	+12.0
SG&A expenses % of net sales	2,089 39.8	2,077 35.6	(12)	(0.6)
Operating income % of net sales	▲209 -	27 0.5	+236	-
Segment income % of net sales	▲194 -	37 0.6	+231	-

▶ Figures in the table are rounded down

■ Vs Plan

	(¥ million)			
	FY4/18 1Q plan	FY4/18 1Q results	Vs plan change	Vs plan change(%)
Net sales	5,610	5,827	+217	+3.9
Gross profit % of net sales	2,060 36.7	2,105 36.1	+45	+2.2
SG&A expenses % of net sales	2,170 38.7	2,077 35.6	(93)	(4.3)
Operating income % of net sales	▲110 -	27 0.5	+137	-
Segment income % of net sales	▲80 -	37 0.6	+117	-

▶ Figures in the table are rounded down

4. Sales Verification

■ Dispensing Pharmacy (YoY)

	Net sales	Prescription volume	Average prescription price (%)
Same store (838)	+2.0	+1.0	+1.2
Store openings in the previous year (200)	+1362.1	+1367.9	(1.6)
Total (1,054)	+13.9	+16.4	(2.4)

■ Dispensing Pharmacy (Vs Plan)

	Net sales	Prescription volume	Average prescription price (%)
Same store (838)	+3.2	+1.1	+2.3
Store openings in the previous year (200)	+1.6	(3.8)	+4.8
Total (1,054)	+2.6	(0.2)	+2.8

▶ Versus original plan

■ Drug and Cosmetic Store (YoY)

	Net sales	Number of customers	Average spending per customer (%)
Same store (43)	+7.2	+4.2	+2.9
Store openings in the previous year (9)	+2571.8	+1890.6	+34.2
Total (52)	+11.1	+5.6	+5.2

■ Drug and Cosmetic Store (Vs Plan)

	Net sales	Number of customers	Average spending per customer (%)
Same store (43)	+3.7	+1.4	+2.3
Store openings in the previous year (9)	+5.4	(2.2)	+7.8
Total (52)	+3.9	+1.0	+2.8

▶ Versus original plan

5. Consolidated Balance Sheet

■ Assets

(¥ million)

	End-FY4/17 1Q	End-FY4/17	End-FY4/18 1Q	Change
Cash on hand and in banks	26,822	29,775	29,500	(275)
Notes and accounts receivable	7,621	9,990	9,656	(334)
Inventories	11,737	11,668	12,688	+1,020
Total current assets	56,326	65,420	65,552	+132
Buildings and structures, net	14,570	15,365	15,342	(23)
Land	9,517	9,958	9,871	(87)
Lease assets	1,273	1,166	1,122	(44)
Total property, plant and equipment	27,766	28,464	28,229	(235)
Goodwill	33,308	40,939	40,438	(501)
Lease assets	16	8	16	+8
Total intangible fixed assets	35,558	43,109	42,583	(526)
Investments in securities	2,582	2,435	2,476	+41
Deferred tax assets	2,084	2,167	2,125	(42)
Deposits and guarantees	10,037	10,443	10,763	+320
Total investments and other assets	19,498	19,329	19,333	+4
Total fixed assets	82,823	90,902	90,146	(756)
Total assets	139,149	156,323	155,698	(625)

▶ Figures in the table are rounded down

▶ Change(¥): End-FY4/18 1Q compared with end-FY4/17

▶ Capital expenditures (Purchases of property, plant and equipment and intangible fixed assets + Deposits and guarantees) totaled ¥852 million

■ Liabilities and Net Assets

(¥ million)

	End-FY4/17 1Q	End-FY4/17	End-FY4/18 1Q	Change
Accounts payable	38,320	39,325	41,779	+2,454
Short-term debt	8,477	7,596	8,520	+924
Lease obligations	647	594	560	(34)
Total current liabilities	67,300	72,955	73,715	+760
Long-term debt	13,448	18,254	16,376	(1,878)
Lease obligations	1,107	958	911	(47)
Total long-term liabilities	18,408	23,188	21,265	(1,923)
Total liabilities	85,709	96,144	94,981	(1,163)
Common stock	8,682	8,682	8,682	-
Capital surplus	6,367	6,367	6,367	-
Retained earnings	38,708	45,286	45,822	+536
Total shareholders' equity	53,340	59,918	60,453	+535
Total net assets	53,440	60,178	60,717	+539
Total liabilities and net assets	139,149	156,323	155,698	(625)

▶ Figures in the table are rounded down

▶ Change(¥): End-FY4/18 1Q compared with end-FY4/17

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	263.63	+11.92	+4.8
Annual dividend (¥)	40.00	50.00	50.00	(0.00)	(0.0)

▶ Figures in the table are rounded down

▶ Change(¥):FY4/18 plan compared with FY4/17 results

▶ Earnings per share is calculated including new shares issued through a public offering (2,820,000) and a private placement (270,000). The Company plans to issue additional shares (450,000) through a private placement for a secondary offering using an over-allotment option, but the impact of those shares has not been factored into the earnings per share calculation as the payment date is October 3, 2017.

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	FY4/18 1Q
Organic	21	18	27	38	36	40	32	27	7
M&A	3	35	28	38	26	119	110	182	4
Total	397	448	494	560	616	754	881	1,066	1,054

▶ 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	FY4/18 1Q
Organic	5	6	7	7	3	3	5	9	0
Total	49	53	56	61	59	56	52	52	52

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