



AIN GROUP

FY4/18 3Q
Supplementary Materials

AIN HOLDINGS INC.

March 2, 2018

1. Consolidated Results

■ Year-on-Year

	(¥ million)			
	FY4/17 3Q results	FY4/18 3Q results	YoY change	YoY change(%)
Net sales	182,100	200,043	+17,943	+9.9
Gross profit % of net sales	30,092 16.5	35,193 17.6	+5,101	+17.0
SG&A expenses % of net sales	20,501 11.3	20,883 10.4	+382	+1.9
Operating income % of net sales	9,591 5.3	14,310 7.2	+4,719	+49.2
Ordinary income % of net sales	10,019 5.5	14,760 7.4	+4,741	+47.3
Profit attributable to owners of parent % of net sales	5,438 3.0	7,931 4.0	+2,493	+45.8
Earnings per share(¥)	171.53	235.74	+64.21	+37.4

▶ Figures in the table are rounded down

■ Vs Plan

	(¥ million)			
	FY4/18 3Q revised plan	FY4/18 3Q results	Vs revised plan change	Vs revised plan change(%)
Net sales	199,518	200,043	+525	+0.3
Gross profit % of net sales	34,721 17.4	35,193 17.6	+472	+1.4
SG&A expenses % of net sales	21,335 10.7	20,883 10.4	(452)	(2.1)
Operating income % of net sales	13,386 6.7	14,310 7.2	+924	+6.9
Ordinary income % of net sales	13,788 6.9	14,760 7.4	+972	+7.0
Profit attributable to owners of parent % of net sales	6,986 3.5	7,931 4.0	+945	+13.5
Earnings per share(¥)	207.66	235.74	+28.08	+13.5

▶ Figures in the table are rounded down

2. Segment Information (Dispensing Pharmacy Business)

■ Year-on-Year

(¥ million)

	FY4/17 3Q results	FY4/18 3Q results	YoY change	YoY change(%)
Net sales	162,599	178,136	+15,537	+9.6
Gross profit % of net sales	22,657 13.9	26,273 14.7	+3,616	+16.0
SG&A expenses % of net sales	10,022 6.2	10,747 6.0	+725	+7.2
Operating income % of net sales	12,635 7.8	15,525 8.7	+2,890	+22.9
Segment income % of net sales	13,029 8.0	16,013 9.0	+2,984	+22.9

▶ 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)

	FY4/18 3Q revised plan	FY4/18 3Q results	Vs revised plan change	Vs revised plan change(%)
Net sales	177,483	178,136	+653	+0.4
Gross profit % of net sales	25,740 14.5	26,273 14.7	+533	+2.1
SG&A expenses % of net sales	10,842 6.1	10,747 6.0	(95)	(0.9)
Operating income % of net sales	14,898 8.4	15,525 8.7	+627	+4.2
Segment income % of net sales	15,347 8.6	16,013 9.0	+666	+4.3

▶ 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)			
	FY4/17 3Q results	FY4/18 3Q results	YoY change	YoY change(%)
Net sales	15,907	17,779	+1,872	+11.8
Gross profit % of net sales	5,764 36.2	6,647 37.4	+883	+15.3
SG&A expenses % of net sales	6,396 40.2	6,257 35.2	(139)	(2.2)
Operating income % of net sales	(631) -	390 2.2	+1,021	-
Segment income % of net sales	(578) -	425 2.4	+1,003	-

▶ 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)			
	FY4/18 3Q revised plan	FY4/18 3Q results	Vs revised plan change	Vs revised plan change(%)
Net sales	17,772	17,779	+7	+0.0
Gross profit % of net sales	6,600 37.1	6,647 37.4	+47	+0.7
SG&A expenses % of net sales	6,361 35.8	6,257 35.2	(104)	(1.6)
Operating income % of net sales	238 1.3	390 2.2	+152	+63.9
Segment income % of net sales	266 1.5	425 2.4	+159	+59.8

▶ 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 (819)	+1.6	+0.2	+1.5
Store openings in the previous year (193)	+191.2	+188.6	+1.3
Total (1,041)	+9.8	+10.4	(0.6)

■ Dispensing Pharmacy (Vs Revised Plan)

(%)

	Net sales	Prescription volume	Average prescription price
Same store (819)	+0.3	+0.4	(0.1)
Store openings in the previous year (193)	+0.9	+0.8	+0.1
Total (1,041)	+0.4	+0.4	(0.1)

■ Drug and Cosmetic Store (YoY)

(%)

	Net sales	Number of customers	Average spending per customer
Same store (37)	+7.2	+2.7	+4.4
Store openings in the previous year (9)	+576.8	+423.2	+29.4
Total (48)	+11.8	+4.9	+6.6

■ Drug and Cosmetic Store (Vs Revised Plan)

(%)

	Net sales	Number of customers	Average spending per customer
Same store (37)	+0.1	+0.4	(0.3)
Store openings in the previous year (9)	+2.3	+0.2	+2.1
Total (48)	+0.0	+0.2	(0.1)

5. Consolidated Balance Sheet

■ Assets

(¥ million)

	End-FY4/17 3Q	End-FY4/17	End-FY4/18 3Q	Change
Cash on hand and in banks	26,292	29,775	60,572	+30,797
Notes and accounts receivable	9,178	9,990	10,269	+279
Inventories	13,292	11,668	12,482	+814
Total current assets	61,156	65,420	94,370	+28,950
Buildings and structures, net	15,515	15,365	15,228	(137)
Land	10,021	9,958	10,150	+192
Lease assets	1,256	1,166	941	(225)
Total property, plant and equipment	28,908	28,464	28,253	(211)
Goodwill	41,714	40,939	38,476	(2,463)
Lease assets	12	8	12	+4
Total intangible fixed assets	44,004	43,109	40,489	(2,620)
Investments in securities	2,725	2,435	2,389	(46)
Deferred tax assets	2,206	2,167	2,041	(126)
Deposits and guarantees	10,515	10,443	10,740	+297
Total investments and other assets	20,155	19,329	19,016	(313)
Total fixed assets	93,068	90,902	87,759	(3,143)
Total assets	154,224	156,323	182,243	+25,920

▶ Figures in the table are rounded down ▶ Change(¥):End-FY4/18 3Q compared with end-FY4/17

▶ Capital expenditures(Purchases of property, plant and equipment and intangible fixed assets + Deposits and guarantees) totaled ¥3,150million

■ Liabilities and Net Assets

(¥ million)

	End-FY4/17 3Q	End-FY4/17	End-FY4/18 3Q	Change
Accounts payable	41,032	39,325	41,351	+2,026
Short-term debt	9,313	7,596	8,207	+611
Lease obligations	621	594	475	(119)
Total current liabilities	69,257	72,955	70,158	(2,797)
Long-term debt	22,249	18,254	13,012	(5,242)
Lease obligations	1,036	958	734	(224)
Total long-term liabilities	27,334	23,188	17,827	(5,361)
Total liabilities	96,591	96,144	87,985	(8,159)
Common stock	8,682	8,682	21,894	+13,212
Capital surplus	6,367	6,367	20,500	+14,133
Retained earnings	42,776	45,286	51,632	+6,346
Total shareholders' equity	57,407	59,918	94,026	+34,108
Total net assets	57,632	60,178	94,257	+34,079
Total liabilities and net assets	154,224	156,323	182,243	+25,920

▶ Figures in the table are rounded down ▶ Change(¥):End-FY4/18 3Q compared with end-FY4/17

6. FY4/18 Plan (Consolidated)

(¥ million)

	FY4/16 results	FY4/17 results	FY4/18 revised plan	YoY 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	47,400 17.7	+5,308	+12.6
SG&A expenses % of net sales	23,915 10.2	27,529 11.1	29,400 11.0	+1,871	+6.8
Operating income % of net sales	14,619 6.2	14,563 5.9	18,000 6.7	+3,437	+23.6
Ordinary income % of net sales	15,158 6.5	15,080 6.1	18,500 6.9	+3,420	+22.7
Profit attributable to owners of parent % of net sales	7,917 3.4	7,949 3.2	9,200 3.4	+1,251	+15.7
Earnings per share(¥)	249.69	250.71	269.96	+19.25	+7.7
Annual dividend (¥)	40.00	50.00	50.00	(0.00)	(0.0)

▶ Figures in the table are rounded down

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

▶ Earnings per share is calculated including new shares issued through a public offering (2,820,000) , A private placement (270,000) and a private placement for a secondary offering using an over-allotment option (450,000) .

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 3Q
Organic	21	18	27	38	36	40	32	27	20
M&A	3	35	28	38	26	119	110	182	5
Total	397	448	494	560	616	754	881	1,066	1,041

▶ 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 3Q
Organic	5	6	7	7	3	3	5	9	2
Total	49	53	56	61	59	56	52	52	48

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