



AIN GROUP

FY4/19 3Q  
Supplementary Materials

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**AIN HOLDINGS INC.**

March 5, 2019

## 1. Consolidated Results

### ■ Year-on-Year

	(¥ million)			
	FY4/18 3Q results	FY4/19 3Q results	YoY change	YoY change(%)
Net sales	200,043	202,522	+2,479	+1.2
Gross profit <b>% of net sales</b>	35,193 <b>17.6</b>	33,753 <b>16.7</b>	(1,440)	(4.1)
SG&A expenses <b>% of net sales</b>	20,883 <b>10.4</b>	21,844 <b>10.8</b>	+961	+4.6
Operating income <b>% of net sales</b>	14,310 <b>7.2</b>	11,909 <b>5.9</b>	(2,401)	(16.8)
Ordinary income <b>% of net sales</b>	14,760 <b>7.4</b>	12,425 <b>6.1</b>	(2,335)	(15.8)
Profit attributable to owners of parent <b>% of net sales</b>	7,931 <b>4.0</b>	6,781 <b>3.3</b>	(1,150)	(14.5)
Earnings per share(¥)	235.74	191.41	(44.33)	(18.8)

▶ Figures in the table are rounded down

### ■ Vs Plan

	(¥ million)			
	FY4/19 3Q plan	FY4/19 3Q results	Vs plan change	Vs plan change(%)
Net sales	202,890	202,522	(368)	(0.2)
Gross profit <b>% of net sales</b>	35,110 <b>17.3</b>	33,753 <b>16.7</b>	(1,357)	(3.9)
SG&A expenses <b>% of net sales</b>	22,850 <b>11.3</b>	21,844 <b>10.8</b>	(1,006)	(4.4)
Operating income <b>% of net sales</b>	12,260 <b>6.0</b>	11,909 <b>5.9</b>	(351)	(2.9)
Ordinary income <b>% of net sales</b>	12,630 <b>6.2</b>	12,425 <b>6.1</b>	(205)	(1.6)
Profit attributable to owners of parent <b>% of net sales</b>	6,650 <b>3.3</b>	6,781 <b>3.3</b>	+131	+2.0
Earnings per share(¥)	187.71	191.41	+3.70	+2.0

▶ Figures in the table are rounded down

## 2. Segment Information (Dispensing Pharmacy Business)

### ■ Year-on-Year

(¥ million)

	FY4/18 3Q results	FY4/19 3Q results	YoY change	YoY change(%)
Net sales	178,136	179,397	+1,261	+0.7
Gross profit <b>% of net sales</b>	26,273 <b>14.7</b>	24,216 <b>13.5</b>	(2,057)	(7.8)
SG&A expenses <b>% of net sales</b>	10,747 <b>6.0</b>	11,112 <b>6.2</b>	+365	+3.4
Operating income <b>% of net sales</b>	15,525 <b>8.7</b>	13,104 <b>7.3</b>	(2,421)	(15.6)
Segment income <b>% of net sales</b>	16,013 <b>9.0</b>	13,488 <b>7.5</b>	(2,525)	(15.8)

▶ 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)

	FY4/19 3Q plan	FY4/19 3Q results	Vs plan change	Vs plan change(%)
Net sales	178,220	179,397	+1,177	+0.7
Gross profit <b>% of net sales</b>	25,090 <b>14.1</b>	24,216 <b>13.5</b>	(874)	(3.5)
SG&A expenses <b>% of net sales</b>	11,360 <b>6.4</b>	11,112 <b>6.2</b>	(248)	(2.2)
Operating income <b>% of net sales</b>	13,730 <b>7.7</b>	13,104 <b>7.3</b>	(626)	(4.6)
Segment income <b>% of net sales</b>	14,240 <b>8.0</b>	13,488 <b>7.5</b>	(752)	(5.3)

▶ 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 (Cosmetic and Drug Store Business)

#### ■ Year-on-Year

	(¥ million)			
	FY4/18 3Q results	FY4/19 3Q results	YoY change	YoY change(%)
Net sales	17,779	18,927	+1,148	+6.5
Gross profit % of net sales	6,647 37.4	7,085 37.4	+438	+6.6
SG&A expenses % of net sales	6,257 35.2	6,403 33.8	+146	+2.3
Operating income % of net sales	390 2.2	682 3.6	+292	+74.9
Segment income % of net sales	425 2.4	741 3.9	+316	+74.4

▶ 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)			
	FY4/19 3Q plan	FY4/19 3Q results	Vs plan change	Vs plan change(%)
Net sales	20,140	18,927	(1,213)	(6.0)
Gross profit % of net sales	7,510 37.3	7,085 37.4	(425)	(5.7)
SG&A expenses % of net sales	6,710 33.3	6,403 33.8	(307)	(4.6)
Operating income % of net sales	800 4.0	682 3.6	(118)	(14.7)
Segment income % of net sales	815 4.0	741 3.9	(74)	(9.1)

▶ 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 (955)	(3.8)	(0.4)	(3.3)	Same store (955)	+1.5	(0.3)	+1.8
Store openings in the previous year (34)	+256.1	+246.9	+4.6	Store openings in the previous year (34)	+0.0	+1.1	(1.1)
Total (1,083)	+0.9	+4.2	(3.1)	Total (1,083)	+0.7	(0.6)	+1.3

### ■ 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)	+5.5	+2.5	+2.9	Same store (43)	(4.4)	(5.4)	+1.1
Store openings in the previous year (4)	+261.1	+284.2	(6.0)	Store openings in the previous year (4)	(6.3)	+7.8	(13.0)
Total (52)	+6.5	+3.0	+3.4	Total (52)	(6.0)	(7.2)	+1.2

## 5. Consolidated Balance Sheet

				(¥ million)
■ Assets				
	End-FY4/18 3Q	End-FY4/18	End-FY4/19 3Q	Change
Cash on hand and in banks	60,572	63,779	53,494	(10,285)
Notes and accounts receivable	10,269	10,466	11,172	+706
Inventories	12,482	9,580	12,725	+3,145
<b>Total current assets</b>	<b>92,976</b>	<b>94,557</b>	<b>88,391</b>	<b>(6,166)</b>
Buildings and structures, net	15,228	14,934	15,978	+1,044
Land	10,150	10,041	10,368	+327
Lease assets	941	824	695	(129)
<b>Total property, plant and equipment</b>	<b>28,253</b>	<b>27,853</b>	<b>29,660</b>	<b>+1,807</b>
Goodwill	38,476	38,011	40,138	+2,127
Lease assets	12	11	10	(1)
<b>Total intangible fixed assets</b>	<b>40,489</b>	<b>40,132</b>	<b>42,352</b>	<b>+2,220</b>
Investments in securities	2,389	2,375	2,267	(108)
Deferred tax assets	3,369	3,772	3,989	+217
Deposits and guarantees	10,740	11,339	12,832	+1,493
<b>Total investments and other assets</b>	<b>20,344</b>	<b>20,732</b>	<b>22,553</b>	<b>+1,821</b>
<b>Total fixed assets</b>	<b>89,087</b>	<b>88,718</b>	<b>94,567</b>	<b>+5,849</b>
<b>Total deferred assets</b>	<b>114</b>	<b>103</b>	<b>70</b>	<b>(33)</b>
<b>Total assets</b>	<b>182,178</b>	<b>183,380</b>	<b>183,029</b>	<b>(351)</b>

▶ Figures in the table are rounded down

▶ Change: End-FY4/19 3Q compared with end-FY4/18

▶ Capital expenditures (Purchases of property, plant and equipment and intangible fixed assets + Deposits and guarantees) totaled ¥5,766 million

▶ Effective from the first quarter of the current fiscal year, the Company has applied "Partial Amendments to Accounting Standard for Tax Effect Accounting". As a result, the Company now classifies deferred tax assets as investments and other assets, and deferred tax liabilities as non-current liabilities.

				(¥ million)
■ Liabilities and Net Assets				
	End-FY4/18 3Q	End-FY4/18	End-FY4/19 3Q	Change
Accounts payable	41,351	38,728	43,016	+4,288
Short-term debt	8,207	6,717	6,935	+218
Lease obligations	475	443	346	(97)
<b>Total current liabilities</b>	<b>69,831</b>	<b>69,950</b>	<b>69,235</b>	<b>(715)</b>
Long-term debt	13,012	11,511	7,020	(4,491)
Lease obligations	734	632	495	(137)
<b>Total long-term liabilities</b>	<b>18,088</b>	<b>16,696</b>	<b>12,118</b>	<b>(4,578)</b>
<b>Total liabilities</b>	<b>87,920</b>	<b>86,646</b>	<b>81,354</b>	<b>(5,292)</b>
Common stock	21,894	21,894	21,894	-
Capital surplus	20,500	20,500	20,500	-
Retained earnings	51,632	54,268	59,278	+5,010
<b>Total shareholders' equity</b>	<b>94,026</b>	<b>96,662</b>	<b>101,672</b>	<b>+5,010</b>
<b>Total net assets</b>	<b>94,257</b>	<b>96,733</b>	<b>101,674</b>	<b>+4,941</b>
<b>Total liabilities and net assets</b>	<b>182,178</b>	<b>183,380</b>	<b>183,029</b>	<b>(351)</b>

▶ Figures in the table are rounded down

▶ Change: End-FY4/19 3Q compared with end-FY4/18

▶ Effective from the first quarter of the current fiscal year, the Company has applied "Partial Amendments to Accounting Standard for Tax Effect Accounting". As a result, the Company now classifies deferred tax assets as investments and other assets, and deferred tax liabilities as non-current liabilities.

## 6. FY4/19 Plan (Consolidated)

	(¥ million)				
	FY4/17 results	FY4/18 results	FY4/19 plan	YoY change	YoY change (%)
Net sales	248,110	268,385	<b>272,870</b>	+4,485	+1.7
Gross profit % of net sales	42,092 17.0	47,993 17.9	<b>48,040</b> 17.6	+47	+0.1
SG&A expenses % of net sales	27,529 11.1	28,370 10.6	<b>30,540</b> 11.2	+2,170	+7.6
Operating income % of net sales	14,563 5.9	19,622 7.3	<b>17,500</b> 6.4	(2,122)	(10.8)
Ordinary income % of net sales	15,080 6.1	20,129 7.5	<b>18,000</b> 6.6	(2,129)	(10.6)
Profit attributable to owners of parent % of net sales	7,949 3.2	10,567 3.9	<b>9,260</b> 3.4	(1,307)	(12.4)
Earnings per share(¥)	250.71	310.08	<b>261.38</b>	(48.70)	(15.7)
Annual dividend (¥)	50.00	50.00	<b>55.00</b>	+5.00	+10.0

▶ Figures in the table are rounded down

▶ Change: FY4/19 plan compared with FY4/18 results

## 7. Transition of Store Openings

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### ■ Number of Store Openings in Dispensing Pharmacy Business

	FY4/11	FY4/12	FY4/13	FY4/14	FY4/15	FY4/16	FY4/17	FY4/18	FY4/19 3Q
Organic	18	27	38	36	40	32	27	25	18
M&A	35	28	38	26	119	110	182	11	75
Total	448	494	560	616	754	881	1,066	1,029	1,083

### ■ Number of Store Openings in Cosmetic and Drug Store Business

	FY4/11	FY4/12	FY4/13	FY4/14	FY4/15	FY4/16	FY4/17	FY4/18	FY4/19 3Q
Organic	6	7	7	3	3	5	9	4	5
Total	53	56	61	59	56	52	52	48	52

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