

Consolidated Financial Results for the First Half of Fiscal Year Ending April 30, 2026

[Under Japanese GAAP]

December 11, 2025

Name of listed company: **AIN HOLDINGS INC.**

Exchange listed on: Prime Market of Tokyo Stock Exchange and Sapporo Securities Exchange

Code number: 9627

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Date of filing semi-annual securities report: December 15, 2025

Start of dividend payment: —

Supplementary documents for semi-annual results: Yes (Supplementary materials are disclosed on the Company's website appropriately as the financial statements.)

Semi-annual results briefing: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen.)

1. Consolidated results for the first half of fiscal year ending April 30, 2026(May 1, 2025 to October 31, 2025)

(1) Consolidated operating results

(Percentage figures show year-on-year changes.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended October 31, 2025	299,857	39.6	20,377	67.6	10,517	79.1	9,913	56.4	4,494	39.9
Six months ended October 31, 2024	214,860	10.9	12,157	(12.3)	5,872	(32.9)	6,338	(32.1)	3,212	(38.9)

(Note) Comprehensive income: Six months ended October 31, 2025: ¥4,979 million (48.9%)

Six months ended October 31, 2024: ¥3,343 million (-38.0%)

(Note) EBITDA = operating profit + depreciation + amortization of goodwill

	Profit per share	Diluted profit per share
	Yen	Yen
Six months ended October 31, 2025	128.05	-
Six months ended October 31, 2024	91.75	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of October 31, 2025	514,569	145,487	28.2
As of April 30, 2025	311,921	142,632	45.7

(Reference) Shareholders' equity: As of October 31, 2025: ¥144,898 million As of April 30, 2025: ¥142,520 million

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	End of year	Full year
	Yen	Yen	Yen	Yen	Yen
Year ended April 30, 2025	-	0.00	-	80.00	80.00
Year ending April 30, 2026	-	0.00			
Year ending April 30, 2026 (forecast)			-	80.00	80.00

(Note) Revision to the most recently announced dividend forecasts: No

3. Consolidated financial forecasts for the fiscal year ending April 30, 2026 (May 1, 2025 to April 30, 2026)

(Percentage figures show year-on-year changes.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	646,000	41.4	50,980	64.2	28,300	67.7	26,500	46.6	13,500	45.8	384.91

(Note) Revision to the most recently announced consolidated financial forecasts: No

*Notes

- (1) Significant changes in the scope of consolidation during the period: Yes

Newly consolidated: 13 (AIN-AG1 Co., Ltd. and other 12)

Excluded: –

(Note) This is a significant change in the scope of consolidation accompanying the acquisition of shares of Sakura Pharmacy Group on August 1, 2025.

- (2) Application of specified accounting methods for the preparation of semi-annual consolidated financial statements: Yes

(Note) For detail, please refer to "2. Semi-annual consolidated financial statements and major notes (4) Notes on semi-annual consolidated financial statements" on page 11 of the Attachment.

- (3) Changes in accounting principles, changes in accounting estimates, and restatement of revisions

- Changes in accounting principles as a result of revisions to accounting standards, etc.: No
- Changes in accounting principles other than 1): No
- Changes in accounting estimates: No
- Restatement of revisions: No

- (4) Number of outstanding shares (common stock)

1) Number of outstanding shares (including treasury stock):	As of October 31, 2025	35,428,212 shares	As of April 30, 2025	35,428,212 shares
2) Number of shares held in treasury:	As of October 31, 2025	310,291 shares	As of April 30, 2025	354,987 shares
3) Average number of shares outstanding:	Six months ended October 31, 2025	35,098,540 shares	Six months ended October 31, 2024	35,016,037 shares

(Note) Number of shares held in treasury includes the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) (as of April 30, 2025: 257,400 shares, as of October 31, 2025: 216,900 shares). In addition, the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) are included in treasury shares deducted from the calculation of average number of shares outstanding during the period (six months ended October 31, 2024: 312,900 shares, six months ended October 31, 2025: 233,483 shares).

*This Consolidated Financial Results is outside the scope of semi-annual review procedures.

*Statement regarding the proper use of financial forecasts and other special remarks

(Caution concerning forward-looking statements)

The above forecasts are calculated based on the information available as of the publication date of this material, and actual financial results may vary due to change in future economic conditions and others.

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1. Overview of Operating Results, etc.

(1) Overview of the first half operating results

During the first six months of the current fiscal year (May 1, 2025 to October 31, 2025), the Japanese economy recovered gradually along with an improvement in the employment and income environment. However, conditions remain uncertain due to the risk of downward pressure on the domestic economy from slowing conditions overseas, as well as rising prices, trends in trade policy and fluctuations in financial and capital markets.

Against this backdrop, in March 2025, the AIN HOLDINGS Group (the Group) announced its medium-to-long-term vision, “Ambitious Goals 2034: A decade to promote innovation and strive for our challenging goal of a trillion yen in sales.” To ensure medium-to-long-term corporate growth even in a rapidly changing market environment, we have established business-specific visions and aim to achieve net sales of ¥1 trillion, a net profit margin of 4.0%, and an ROE of 15.0% for the fiscal year ending April 2034.

In its sustainability management, the Group worked to provide healthcare and retail services in line with its mission to “contribute to local healthcare” and “provide beauty and happiness” – two of the Group’s materiality issues. During the first six months of the fiscal year, we conducted healthcare and health awareness activities for local communities, such as cooperating in awareness campaigns for “Japan Heart Day 2025,” co-sponsored by four organizations including the Japan Heart Foundation, and supporting initiatives by the Japan Sports Agency to improve life performance.

In recognition of these and other ongoing initiatives, the Company has been selected as a constituent of the following ESG indices for Japanese equities adopted by the Government Pension Investment Fund (GPIF), the world’s largest pension fund: the FTSE Blossom Japan Sector Relative Index, the MSCI Nihonkabu ESG Select Leaders Index, the MSCI Japan Empowering Women Index (WIN), the S&P/JPX Carbon Efficient Index, and the Morningstar Japan ex-REIT Gender Diversity Tilt Index.

Going forward, the AIN Group will continue to work to be a company that “people welcome to their communities” by helping to solve various social issues through its business activities.

Results for six months ended October 31, 2025 (May 1, 2025 to October 31, 2025) are as follows.

(Million yen)	Six months ended October 31, 2024	Six months ended October 31, 2025	Change	Change (%)
Net sales	214,860	299,857	84,997	39.6
Operating profit	5,872	10,517	4,645	79.1
Ordinary profit	6,338	9,913	3,575	56.4
Profit attributable to owners of parent	3,212	4,494	1,281	39.9

Results by segment are as follows.

	(Million yen)	Six months ended October 31, 2024	Six months ended October 31, 2025	Change	Change (%)
Dispensing pharmacy business	Sales	186,439	254,739	68,299	36.6
	Segment profit	9,648	12,842	3,194	33.1
Retail business	Sales	22,885	39,568	16,682	72.9
	Segment profit	1,694	3,518	1,824	107.7
Other businesses	Sales	5,560	5,684	124	2.2
	Segment profit (Loss)	(15)	14	30	-

(Note) Segment sales include intersegment transactions.

(Dispensing pharmacy business)

In the dispensing pharmacy business, the Group's vision is to "become the primary care pharmacy of choice for local communities, backed by proven expertise." To realize this vision, the Group is working to leverage the primary care capabilities of its pharmacists and dispensing pharmacies to help patients access medical services in their local community with peace of mind. Specifically, the Group is cooperating with medical institutions, using patient medication notebooks to ensure integrated and continuous monitoring of patient medication, and providing services for home-based healthcare.

The Group is also actively promoting digital transformation to improve convenience for patients. This includes making its prescriptions sending service more accessible for patients by enabling access through the official AIN Pharmacy app, Anytime AIN Pharmacy and the official AIN Pharmacy LINE account. In June 2025, to further improve convenience, the Company added a "Mynaportal Information" function to the official Anytime AIN Pharmacy app, which allows users to retrieve their medication information from Mynaportal, the government's online portal for administrative procedures. In addition, in November of the same year, the Company added an "Automatic Registration" function that automatically reflects information on medications received from AIN Pharmacy in the "Medication Notebook" within the app.

In addition to above measures, we are working to improve productivity by leveraging AI functions, such as introducing an "AI Medication History" to assist in documenting patient medication histories that chronologically record patient information and medication guidance, and an "AI Diagnostic Report" that analyzes and identifies operational issues at our pharmacies.

During the first six months of the fiscal year, the average prescription price rose due to an increase in high-cost prescriptions. The number of prescriptions also remained steady, reflecting higher service levels related to improvements in the capabilities of primary care pharmacists and pharmacies and reduced waiting times.

Furthermore, as announced on August 1, 2025, in the "Notice Regarding New Management Structure and Personnel Changes Following the Acquisition of Shares of Sakura Pharmacy Group," (only Japanese version available) Sakura Pharmacy Group, which operates dispensing pharmacies primarily in densely populated areas such as the Tokyo metropolitan area, the Kansai area, and the Tokai region, has joined the Group. Going forward, by integrating our mutual business know-how and contributing to patients and local healthcare, we will increase the Group's corporate value as an infrastructure for community healthcare nationwide.

During the period under review, the Group opened 873 new dispensing pharmacies, including those acquired through M&A deals, closed 11, and sold eight, resulting in a total of 2,144.

(Retail business)

In the retail business, the Group operates the chain of AINZ & TULPE cosmetics stores, which are clearly differentiated from other retailers with their unique product offerings centered on cosmetics and exclusive and advance sales of Asian cosmetics brands. In addition, Francfranc, a chain of interior furnishing shops, carries out all planning, manufacturing and sale of furniture and homeware products on an integrated basis to offer comfortable daily lifestyle proposals with diverse designs and flexible styling.

During the first six months of the fiscal year, at AINZ & TULPE, although results were affected by large store closures for renovations, the number of customers at stores opened in the previous fiscal year remained firm. In addition, unit prices increased due to continued growth in sales of Asian cosmetics and high-priced cosmetics from the previous fiscal year. At Francfranc, although results were affected by the temporary closure of two flagship stores for renovations, sales remained firm, supported by strong sales of the "Frais Handy Fan" series of portable fans due to this summer's record-breaking heatwave. Going forward, we will leverage the strengths of both AINZ & TULPE and Francfranc to generate synergies, as well as reinforce merchandise lineups and create attractive sales displays while closely monitoring buying trends.

During the same period, the Group opened seven, closed one AINZ & TULPE stores resulting in a total of 101 stores. In addition, the Group opened three, closed five Francfranc store, resulting in a total of 163 stores, with the number of stores in the retail business totaling 264 at the end of the period under review.

(2) Overview of the first half financial position

The balance of total assets at the end of the first half increased ¥202,648 million from the end of the previous fiscal year to ¥514,569 million. The main factor was an increase in non-current assets, primarily goodwill, and accounts receivable - trade due to M&A deals, including the consolidation of Sakura Pharmacy Group.

The balance of liabilities increased ¥199,792 million to ¥369,081 million. The main factors were an increase in accounts payable - trade due to the consolidation of Sakura Pharmacy Group and funds procured from financial institutions for the acquisition of shares. As a result, the balance of short-term and long-term borrowings increased ¥157,100 million to ¥195,721 million.

Total net assets increased ¥2,855million to ¥145,487 million and the shareholders' equity ratio declined 17.5 percentage points to 28.2%.

(Cash flows)

In the first six months of the fiscal year, cash and cash equivalents increased ¥26,193 million from the end of the previous fiscal year to ¥52,849 million.

Cash flows from each activity and their relevant factors are as follows.

During the first six months of the fiscal year, net cash provided by operating activities was ¥1,225 million, compared with ¥12,729 million provided in the same period a year earlier. The main cash inflows were profit before income taxes of ¥9,612 million, depreciation of ¥5,067 million, amortization of goodwill of ¥4,792 million, increase (decrease) in accounts receivable - other of ¥3,257 million, and increase (decrease) in trade payables of ¥1,421 million. The main cash outflows were increase (decrease) in trade receivables of ¥12,871 million accompanying the cancellation of the liquidation of receivables of Sakura Pharmacy Group, increase (decrease) in inventories of ¥2,224 million, and income taxes paid of ¥3,893 million.

Net cash used in investing activities amounted to ¥53,211 million, compared with ¥54,045 million used in the same period a year earlier. The main cash outflows were ¥45,175 million for purchase of shares of subsidiaries resulting in change in scope of consolidation and ¥7,702 million for purchases of property, plant and equipment and intangible assets.

Net cash provided by financing activities totaled ¥78,181 million, compared with ¥20,135 million provided in the same period a year earlier. The main cash inflow was net funds procured of ¥92,232 million from short-term and long-term borrowings, used for the repayment of borrowings and to fund the acquisition of shares of Sakura Pharmacy Group. The main cash outflows were ¥11,180 million for redemption of bonds accompanying the acquisition of said group and ¥2,826 million for dividends paid.

(3) Forecast of consolidated financial results and other forward-looking information

The Group has not revised its earnings forecasts for the full fiscal year announced on September 11, 2025.

2. Semi-annual consolidated financial statements and major notes

(1) Semi-annual consolidated balance sheet

	(Million yen)	
	Fiscal year ended April 30, 2025 (As of April 30, 2025)	Six months ended October 31, 2025 (As of October 31, 2025)
Assets		
Current assets		
Cash and deposits	26,881	53,146
Accounts receivable - trade	22,295	43,868
Merchandise	35,572	45,321
Supplies	499	791
Short-term loans receivable	348	183
Accounts receivable - other	20,611	23,732
Other	6,601	7,848
Allowance for doubtful accounts	(0)	(46)
Total current assets	112,808	174,845
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	31,648	38,260
Land	10,218	13,977
Other, net	7,845	9,459
Total property, plant and equipment	49,712	61,697
Intangible assets		
Goodwill	84,772	201,604
Other	12,848	13,792
Total intangible assets	97,621	215,396
Investments and other assets		
Investment securities	3,233	4,245
Deferred tax assets	7,679	12,894
Leasehold and guarantee deposits	31,091	33,952
Other	10,023	11,605
Allowance for doubtful accounts	(249)	(69)
Total investments and other assets	51,778	62,629
Total non-current assets	199,112	339,724
Total assets	311,921	514,569

	(Million yen)	
	Fiscal year ended April 30, 2025 (As of April 30, 2025)	Six months ended October 31, 2025 (As of October 31, 2025)
Liabilities		
Current liabilities		
Accounts payable - trade	80,895	110,303
Short-term borrowings	12,151	160,598
Income taxes payable	4,449	5,391
Deposits received	20,685	21,193
Provision for bonuses	4,167	7,026
Provision for bonuses for directors	23	28
Contract liabilities	534	558
Other	9,136	13,901
Total current liabilities	132,045	319,000
Non-current liabilities		
Long-term borrowings	26,469	35,123
Retirement benefit liability	4,778	6,196
Lease liabilities	105	37
Asset retirement obligations	4,081	6,378
Other	1,808	2,345
Total non-current liabilities	37,243	50,081
Total liabilities	169,288	369,081
Net assets		
Shareholders' equity		
Share capital	21,894	21,894
Capital surplus	20,128	20,129
Retained earnings	101,692	103,360
Treasury shares	(1,997)	(1,749)
Total shareholders' equity	141,717	143,635
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	298	559
Deferred gains or losses on hedges	189	441
Foreign currency translation adjustment	(3)	(5)
Remeasurements of defined benefit plans	318	267
Total accumulated other comprehensive income	802	1,262
Non-controlling interests	111	589
Total net assets	142,632	145,487
Total liabilities and net assets	311,921	514,569

(2) Semi-annual consolidated statements of income and comprehensive income

Semi-annual consolidated statements of income

(Million yen)

	Six months ended October 31, 2024 (May 1, 2024 to October 31, 2024)	Six months ended October 31, 2025 (May 1, 2025 to October 31, 2025)
Net sales	214,860	299,857
Cost of sales	184,763	251,465
Gross profit	30,097	48,392
Selling, general and administrative expenses	24,224	37,874
Operating profit	5,872	10,517
Non-operating income		
Interest income	12	65
Dividend income	22	31
Commission income	3	4
Rental income from real estate	153	159
Outsourcing service income	179	240
Subsidy income	74	98
Other	313	345
Total non-operating income	760	943
Non-operating expenses		
Interest expenses	84	882
Loss on sale of receivables	123	268
Rental expenses on real estate	46	334
Other	38	63
Total non-operating expenses	293	1,547
Ordinary profit	6,338	9,913
Extraordinary income		
Gain on sale of non-current assets	3	0
Gain on sale of investment securities	18	27
Gain on sale of businesses	527	48
Other	0	3
Total extraordinary income	550	80
Extraordinary losses		
Loss on sale and retirement of non-current assets	38	243
Impairment losses	72	62
Loss on valuation of investment securities	43	16
Other	5	58
Total extraordinary losses	160	381
Profit before income taxes	6,728	9,612
Income taxes	3,524	5,093
Profit	3,204	4,519
Profit (loss) attributable to non-controlling interests	(8)	24
Profit attributable to owners of parent	3,212	4,494

Semi-annual consolidated statements of comprehensive income

(Million yen)

	Six months ended October 31, 2024 (May 1, 2024 to October 31, 2024)	Six months ended October 31, 2025 (May 1, 2025 to October 31, 2025)
Profit	3,204	4,519
Other comprehensive income		
Valuation difference on available-for-sale securities	(74)	261
Deferred gains or losses on hedges	250	251
Foreign currency translation adjustment	(1)	(1)
Remeasurements of defined benefit plans, net of tax	(36)	(50)
Total other comprehensive income (loss)	139	460
Comprehensive income	3,343	4,979
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	3,352	4,954
Comprehensive income (loss) attributable to non-controlling interests	(8)	25

(3) Semi-annual consolidated statements of cash flows

(Million yen)

	Six months ended October 31, 2024 (May 1, 2024 to October 31, 2024)	Six months ended October 31, 2025 (May 1, 2025 to October 31, 2025)
Cash flows from operating activities		
Profit before income taxes	6,728	9,612
Depreciation	3,711	5,067
Share-based payment expenses	14	25
Amortization of goodwill	2,573	4,792
Impairment losses	72	62
Increase (decrease) in allowance for doubtful accounts	(20)	(15)
Increase (decrease) in contract liabilities	21	24
Increase (decrease) in retirement benefit liability	137	53
Loss (gain) on sale of businesses	(527)	(42)
Increase (decrease) in provision for bonuses	959	270
Increase (decrease) in provision for bonuses for directors	(2)	4
Interest and dividend income	(34)	(96)
Interest expenses	84	882
Loss (gain) on investments in investment partnerships	(6)	(3)
Gain on receipt of donated non-current assets	(8)	(16)
Loss (gain) on sale of investment securities	(18)	(27)
Loss (gain) on valuation of investment securities	43	16
Loss (gain) on sale and retirement of non-current assets	34	243
Decrease (increase) in trade receivables	2,094	(12,871)
Decrease (increase) in inventories	(3,085)	(2,224)
Decrease (increase) in other assets	529	396
Decrease (increase) in accounts receivable - other	(1,979)	3,257
Increase (decrease) in trade payables	5,920	1,421
Increase (decrease) in other liabilities	140	(4,903)
Subtotal	17,384	5,931
Interest and dividends received	34	90
Interest paid	(65)	(902)
Income taxes paid	(4,624)	(3,893)
Net cash provided by operating activities	12,729	1,225

	(Million yen)	
	Six months ended October 31, 2024 (May 1, 2024 to October 31, 2024)	Six months ended October 31, 2025 (May 1, 2025 to October 31, 2025)
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,266)	(5,579)
Proceeds from sale of property, plant and equipment	621	489
Purchase of investment securities	(0)	(313)
Proceeds from sale of investment securities	301	178
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(46,471)	(45,175)
Payments for loans receivable	(103)	(31)
Proceeds from collection of loans receivable	16	200
Payments for investments in capital	(0)	(0)
Proceeds from divestments	3	19
Purchase of intangible assets	(2,068)	(2,122)
Proceeds from sale of intangible assets	545	0
Payments of leasehold and guarantee deposits	(2,789)	(406)
Proceeds from refund of leasehold and guarantee deposits	664	992
Decrease (increase) in investments and other assets	(649)	(1,693)
Proceeds from withdrawal of time deposits	229	14
Payments into time deposits	(0)	(5)
Other	(80)	221
Net cash used in investing activities	(54,045)	(53,211)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3)	145,320
Proceeds from long-term borrowings	32,000	15,139
Repayments of long-term borrowings	(9,187)	(68,226)
Repayments of lease liabilities	(46)	(156)
Redemption of bonds	-	(11,180)
Proceeds from sale of treasury shares	199	223
Purchase of treasury shares	(0)	-
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(111)
Dividends paid	(2,826)	(2,826)
Net cash used in financing activities	20,135	78,181
Effect of exchange rate change on cash and cash equivalents	(1)	(1)
Net increase (decrease) in cash and cash equivalents	(21,182)	26,193
Cash and cash equivalents at beginning of the period	48,381	26,655
Cash and cash equivalents at end of the period	27,199	52,849

(4) Notes on semi-annual consolidated financial statements

(Notes on changes in accounting policies)

There are no applicable matters to be reported.

(Notes on specified accounting methods for the preparation of semi-annual consolidated financial statements)

(Calculation of tax expenses)

To calculate tax expenses, the effective tax rate on profit before income taxes for the consolidated fiscal year after the application of tax effect accounting is reasonably estimated and the estimated rate is applied to profit before income taxes for the first half period.

(Notes on significant changes in the amount of shareholders' equity)

There are no applicable matters to be reported.

(Notes on the premise of a going concern)

There are no applicable matters to be reported.

(Additional information)

(Transactions for delivering the Company's own shares to employees etc. through trusts)

The Company conducts transactions to deliver its own shares through a trust to an employee stock ownership plan to enhance the welfare of employees and provide incentives to increase the Company's corporate value.

1. Transaction summary

The Company has introduced the Stock-Based Benefit Trust (Employee Shareholders Association Purchase Type) (the Plan) from April 2024.

With the introduction of the Plan, the Company, as the Trustor, entered into a Stock-Based Benefit Trust (Employee Shareholders Association Purchase Type) Agreement (the "Trust Agreement"; the trust established pursuant to the Trust Agreement is referred to as the "Trust") with Mizuho Trust & Banking Co., Ltd. (the "Trustee"). Additionally, the Trustee entered into a re-trust agreement with Custody Bank of Japan, Ltd. regarding the management of securities and other trust assets by Custody Bank of Japan, Ltd. as the subtrustee.

Custody Bank of Japan, Ltd. will make a single collective acquisition of the Company's shares in advance equivalent to the number of shares anticipated to be purchased by the AIN HOLDINGS Employee Shareholders Association (the "Shareholders Association") over the next five years, transferring them to the Trust Account E, and sell the Company's shares thereafter when purchases of the shares are made by the Shareholders Association. If an amount equivalent to the gains on sales of shares is accumulated in the trust assets of the Trust via the sale of the Company's shares up until the time of the Trust's termination, this cash shall be distributed as residual assets to the members of the Shareholders Association (employees) who satisfy the beneficiary eligibility requirements.

In addition, since the Company provides a guarantee when the Trustee takes out a loan in order for the Trust Account E to acquire the Company's shares, in a case in which the Trustee has an outstanding loan balance equal to the loss on the sale of shares as of the time of Trust's termination due to a drop in the Company's share price or other reasons, the Company will pay off the outstanding loan balance pursuant to the guarantee agreements.

2. Company's shares held in the trust

The Company's shares held in the trust are recorded as treasury shares under net assets at the acquisition cost (excluding the amount of incidental expenses). In the fiscal year ended April 30, 2025, the book value and number of these treasury shares amounted to ¥1,422 million and 257 thousand shares, respectively. And in the first half of the fiscal year ending April 30, 2026, the book value and number of these treasury shares amounted to ¥1,198 million and 216 thousand shares, respectively.

3. Book value of loans recorded under the gross amount method

Fiscal year ended April 30, 2025: ¥1,523 million

First half of the fiscal year ending April 30, 2026: ¥1,341 million

(Segment information, etc.)

I Six months ended October 31, 2024 (May 1, 2024 to October 31, 2024)

1. Net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segments				Adjustments (Note) 1	Carried on quarterly consolidated statements of income (Note) 2
	Dispensing pharmacy business	Retail business	Other businesses	Total		
Sales						
(1) Sales to third parties	186,439	22,885	5,535	214,860	-	214,860
(2) Intersegment sales	-	-	24	24	(24)	-
Total sales	186,439	22,885	5,560	214,885	(24)	214,860
Segment profit (loss)	9,648	1,694	(15)	11,326	(4,988)	6,338

Notes: 1. The adjustment of ¥(4,988) million to segment profit (loss) includes ¥5,478 million in corporate expenses, ¥(468) million in (income) loss that are not allocated to reportable segments, and ¥(21) million in eliminations due to intersegment transactions.

Corporate expenses consist mainly of expenses associated with the administrative divisions and the system logistics division, which are not part of the reportable segments.

2. Segment profit (loss) is adjusted with the ordinary profit of semi-annual consolidated statements of income.

2. Impairment losses on fixed assets and goodwill by reportable segment

[Significant impairment losses on fixed assets]

There are no applicable matters to be reported.

[Significant changes in the amount of goodwill]

Following the acquisition of all the shares of Francfranc Corporation, Francfranc and its subsidiaries are included in the scope of consolidation in the retail business segment from the period under review. In the first six months of the fiscal year, the increase in goodwill related to these companies was ¥41,048 million.

II Six months ended October 31, 2025 (May 1, 2025 to October 31, 2025)

1. Net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segments				Adjustments (Note) 1	Carried on quarterly consolidated statements of income (Note) 2
	Dispensing pharmacy business	Retail business	Other businesses	Total		
Sales						
(1) Sales to third parties	254,739	39,568	5,549	299,857	-	299,857
(2) Intersegment sales	-	-	134	134	(134)	-
Total sales	254,739	39,568	5,684	299,992	(134)	299,857
Segment profit (loss)	12,842	3,518	14	16,376	(6,462)	9,913

Notes: 1. The adjustment of ¥(6,462) million to segment profit (loss) includes ¥6,409 million in corporate expenses, ¥(233) million in (income) loss that are not allocated to reportable segments, and ¥286 million in eliminations due to intersegment transactions.

Corporate expenses consist mainly of expenses associated with the administrative divisions and the system logistics division, which are not part of the reportable segments.

2. Segment profit (loss) is adjusted with the ordinary profit of semi-annual consolidated statements of income.

2. Impairment losses on fixed assets and goodwill by reportable segment

[Significant impairment losses on fixed assets]

There are no applicable matters to be reported.

[Significant changes in the amount of goodwill]

Following the acquisition of all the shares of NSSK-WW Co., Ltd. (currently AIN-AG1 Co., Ltd.), said company's subsidiaries, Kraft Inc., Sakura Pharmacy Co., Ltd. and eight other companies, are included in the scope of consolidation in the dispensing pharmacy business segment from the period under review. In the first six months of the fiscal year, the increase in goodwill related to these companies was ¥121,345 million.

(Business combinations, etc.)

(Business combination through acquisition)

Pursuant to the share transfer agreement dated May 28, 2025, the Company acquired all shares of NSSK-WW Co., Ltd. on August 1, 2025, making it a subsidiary.

(1) Overview of the Business Combination

(i) Name and description of business of the acquired company

Name of the acquired company: NSSK-WW Co., Ltd.

Description of business: Holding company (a 100% holding company of NSSK-W Co., Ltd.)

Effective August 1, 2025, NSSK-WW Co., Ltd. changed its name to AIN-AG1 Co., Ltd., and NSSK-W Co., Ltd. changed its name to AIN-AG2 Co., Ltd.

(ii) Main reasons for the business combination

The Group operates a nationwide chain of dispensing pharmacies, and the Company and its group companies are working to expand their business through active new store openings as well as the utilization of M&A. Furthermore, the Group is committed to providing community-based medical services nationwide, such as home-based healthcare in collaboration with medical institutions, continuous medication management, and strengthening the functions of “primary care pharmacists and pharmacies.”

Sakura Pharmacy Group, whose shares are being acquired by the Company in this transaction, operates dispensing pharmacies under the “Sakura Pharmacy Group” brand. It is one of the major players in the industry, with approximately 800 stores primarily located in densely populated areas such as the Tokyo metropolitan area (Tokyo, Kanagawa, Chiba, Saitama), the Kansai area (Osaka, Hyogo), and the Tokai region (Aichi, Shizuoka).

By welcoming Sakura Pharmacy Group, the number of dispensing pharmacies in the Group will exceed 2,000, further expanding our store network. In addition, by integrating mutual business know-how and enhancing services for patients and local healthcare, we will increase the Group's corporate value as an infrastructure for community healthcare nationwide.

(iii) Date of business combination

August 1, 2025

(iv) Legal form of business combination

Share acquisition

(v) Name of the company after combination

AIN-AG1 Co., Ltd.

(vi) Ratio of voting rights to be acquired

100%

(vii) Main basis for determining the acquiring company

This is because the Company is acquiring the shares in exchange for cash consideration.

(2) Period of the acquired company's results included in the semi-annual consolidated statement of income

July 1, 2025 through September 30, 2025

(3) Breakdown of acquisition cost and payments

Consideration for acquisition	Cash	¥61,035 million
Acquisition cost		¥61,035 million

(4) Details and amounts of significant acquisition-related expenses

Advisory fees, etc. ¥634 million

(5) Amount and reasons for goodwill, amortization method and amortization period

(i) Amount for goodwill

¥121,345 million

(ii) Reason for recognition of goodwill

Future excess earning power expected from business development

(iii) Amortization method and period

Equal amortization over 20 years

(6) Amounts and breakdown of significant assets acquired and liabilities assumed on the date of business combination

Not finalized at this time

Current assets	¥34,805 million
Non-current assets	¥20,060 million
Total assets	¥54,866 million
Current liabilities	¥39,781million
Non-current liabilities	¥75,394 million
Total liabilities	¥115,176 million