

FY4/19

IR PRESENTATION

AIN HOLDINGS INC.
June 2019

Results Overview



Consolidated P/L

Net sales increased 2.7% year on year and increased 1.0% against the plan reflecting 164 new store openings including M&A. Ordinary income declined 17.3% year on year and decreased 7.6% against the plan due to the dispensing fee revisions.

(¥ million)	FY4/18 results	FY4/19 plan	FY4/19 results	YoY change	YoY change(%)	Vs plan (%)
Net sales	268,385	272,870	275,596	+7,211	+2.7	+1.0
Gross profit	47,993	48,040	45,363	(2,630)	(5.5)	(5.6)
% of net sales	17.9	17.6	16.5			
SG&A expenses	28,370	30,540	29,295	+925	+3.3	(4.1)
% of net sales	10.6	11.2	10.6			
Operating income	19,622	17,500	16,067	(3,555)	(18.1)	(8.2)
% of net sales	7.3	6.4	5.8			
Ordinary income	20,129	18,000	16,637	(3,492)	(17.3)	(7.6)
% of net sales	7.5	6.6	6.0			
Profit attributable to owners of parent	10,567	9,260	9,029	(1,538)	(14.6)	(2.5)
% of net sales	3.9	3.4	3.3			
Earnings per share(¥)	310.08	261.38	254.87	(55.21)	(17.8)	(2.5)

► Figures in the table are rounded down



Dispensing Pharmacy Business (Consolidated)

Net sales increased 2.7% year on year and 2.2% against the plan due to the 157 new store openings, including M&A. Segment income decreased 19.1% year on year and declined 8.3% against the plan due to the dispensing fee revisions.

(¥ million)	FY4/18 results	FY4/19 plan	FY4/19 results	YoY change	YoY change(%)	Vs plan (%)
Net sales	238,645	239,800	245,003	+6,358	+2.7	+2.2
Gross profit	36,030	34,500	32,741	(3,289)	(9.1)	(5.1)
% of net sales	15.1	14.4	13.4			
SG&A expenses	14,034	15,200	14,882	+848	+6.0	(2.1)
% of net sales	5.9	6.3	6.1			
Operating income	21,995	19,300	17,859	(4,136)	(18.8)	(7.5)
% of net sales	9.2	8.0	7.3			
Segment income	22,668	20,000	18,331	(4,337)	(19.1)	(8.3)
% of net sales	9.5	8.3	7.5			
Number of pharmacies	1,029	1,112	1,132	+103	+10.0	+1.8

▶ Figures in the table are rounded down

▶ Segment income is adjusted to ordinary income shown on the consolidated statements of income

▶ Prescription volume: +6.3% YoY

▶ Average prescription price: (3.3)%YoY



Cosmetic and Drug Store Business (Consolidated)

Although the net sales of existing stores has showing steadily growth, net sales increased 4.5 % year on year and decreased 6.6% against the plan. Segment income increased 47.9% year on year and decreased 4.7% against the plan due to cost reduction and by an overhaul of procurement activities.

(¥ million)	FY4/18 results	FY4/19 plan	FY4/19 results	YoY change	YoY change(%)	Vs plan (%)
Net sales	24,117	27,000	25,210	+1,093	+4.5	(6.6)
Gross profit	8,925	10,060	9,535	+610	+6.8	(5.2)
% of net sales	37.0	37.3	37.8			
SG&A expenses	8,317	9,060	8,632	+315	+3.8	(4.7)
% of net sales	34.5	33.6	34.2			
Operating income	608	1,000	903	+295	+48.5	(9.7)
% of net sales	2.5	3.7	3.6			
Segment income	657	1,020	972	+315	+47.9	(4.7)
% of net sales	2.7	3.8	3.9			
Number of stores	48	55	54	+6	+12.5	(1.8)

▶ Figures in the table are rounded down

▶ Segment income is adjusted to ordinary income shown on the consolidated statements of income

▶ Number of customers: +3.0% YoY

▶ Average spending per customer: +1.5% YoY



Consolidated B/S

Net cash was ¥35,814 million and shareholders' equity ratio became 54.9%. We are maintaining a sound financial structure.

(¥ million)

End-FY4/18			
Assets		Liabilities	
Current assets	94,557	Current liabilities	69,950
Cash on hand and in banks	63,779	Short-term debt	6,717
		Lease obligations	443
Fixed assets	88,718	Long-term liabilities	16,696
Goodwill	38,011	Long-term debt	11,511
		Lease obligations	632
Deferred assets	103	Total net assets	96,733
Total assets	183,380	Total liabilities and net assets	183,380
Net cash		44,474	
Shareholders' equity ratio(%)		52.7	

(¥ million)

End-FY4/19			
Assets		Liabilities	
Current assets	85,446	Current liabilities	73,744
Cash on hand and in banks	48,091	Short-term debt	5,571
		Lease obligations	318
Fixed assets	103,515	Long-term liabilities	11,355
Goodwill	45,249	Long-term debt	5,985
		Lease obligations	401
Deferred assets	59	Total net assets	103,922
Total assets	189,021	Total liabilities and net assets	189,021
Net cash		35,814	
Shareholders' equity ratio(%)		54.9	

▶ Figures in the table are rounded down

▶ Net cash = Cash on hand and in banks – Interest-bearing debt (Long-and short-term debt + Lease obligations)



Assets

The balance of total assets increased ¥5,641 million from the end of the previous fiscal year due to new store openings and M&A.

(¥ million)	End-FY4/17	End-FY4/18	End-FY4/19	Change	
Cash on hand and in banks	29,775	63,779	48,091	(15,688)	M&A New store openings
Notes and accounts receivable	9,990	10,466	12,771	+2,305	
Inventories	11,668	9,580	12,898	+3,318	
Total current assets	65,420	94,557	85,446	(9,111)	
Buildings and structures, net	15,365	14,934	16,352	+1,418	
Land	9,958	10,041	10,394	+353	
Lease assets	1,166	824	571	(253)	
Total property, plant and equipment	28,464	27,853	30,186	+2,333	
Goodwill	40,939	38,011	45,249	+7,238	M&A
Lease assets	8	11	7	(4)	
Total intangible fixed assets	43,109	40,132	47,577	+7,445	
Investments in securities	2,435	2,375	1,795	(580)	
Deferred tax assets	2,167	3,772	4,284	+512	
Deposits and guarantees	10,443	11,339	15,133	+3,794	
Total investments and other assets	19,329	20,732	25,751	+5,019	
Total fixed assets	90,902	88,718	103,515	+14,797	
Total deferred assets	-	103	59	(44)	
Total assets	156,323	183,380	189,021	+5,641	

- ▶ Figures in the table are rounded down ▶ Change: End-FY4/19 compared with End-FY4/18
- ▶ Capital expenditures (Property, plant and equipment and intangible fixed assets + Deposits and guarantees) totaled ¥9,919 million



Liabilities and Net Assets

The balance of liabilities decreased ¥1,547 million from the end of the previous fiscal year due to the repayment of debts etc.

(¥ million)	End-FY4/17	End-FY4/18	End-FY4/19	Change
Accounts payable	39,325	38,728	44,794	+6,066
Short-term debt	7,596	6,717	5,571	(1,146)
Lease obligations	594	443	318	(125)
Total current liabilities	72,955	69,950	73,744	+3,794
Long-term debt	18,254	11,511	5,985	(5,526)
Lease obligations	958	632	401	(231)
Total long-term liabilities	23,188	16,696	11,355	(5,341)
Total liabilities	96,144	86,646	85,099	(1,547)
Common stock	8,682	21,894	21,894	-
Capital surplus	6,367	20,500	20,500	-
Retained earnings	45,286	54,268	61,526	+7,258
Total shareholders' equity	59,918	96,662	103,920	+7,258
Total net assets	60,178	96,733	103,922	+7,189
Total liabilities and net assets	156,323	183,380	189,021	+5,641

Repayment
of debts

- ▶ Figures in the table are rounded down
- ▶ Change : End-FY4/19 compared with End-FY4/18



Consolidated C/F

Inventories increased due to the store opening including M&A. In addition, Net cash used in investing activities was ¥19,985 million.

(¥ million)

	FY4/18	FY4/19	Change
Net cash provided by operating activities	21,656	14,788	(6,868)
Profit before income taxes	17,852	15,624	(2,228)
Depreciation and amortization	3,596	3,903	+307
Amortization of goodwill	3,937	4,183	+246
(Increase) decrease in accounts receivable	(25)	843	+868
(Increase) decrease in inventories	2,278	(2,054)	(4,332)
(Increase) decrease in other accounts receivable	1,685	(407)	(2,092)
Increase (decrease) in accounts payable	(1,076)	1,685	+2,761
Net cash used in investing activities	(5,281)	(19,985)	(14,704)
Payments for purchases of property, plant and equipment and intangible fixed assets	(3,709)	(4,990)	(1,281)
Purchase of subsidiaries' shares resulting in obtaining controls	(1,310)	(13,246)	(11,936)
Net cash provided by financing activities	17,623	(10,681)	(28,304)
Proceeds from issuance of common shares and sales of treasury shares	27,631	-	(27,631)
Net increase in cash and cash equivalents	33,998	(15,878)	(49,876)
Cash and cash equivalents at end of the year	63,233	47,495	(15,738)

► Figures in the table are rounded down



Business Value Analysis

	FY4/17	FY4/18	FY4/19	Change
Shareholders' equity ratio (%)	38.4	52.7	54.9	+2.2
Market value equity ratio (%)	156.6	141.0	165.7	+24.7
PER (times)	30.79	23.54	34.68	+11.14
EPS (¥)	250.71	310.08	254.87	(55.21)
PBR (times)	4.09	2.67	3.01	+0.34
BPS (¥)	1,895.63	2,729.44	2,931.48	+202.04
ROA (%)	5.4	6.2	4.8	(1.4)
ROE (%)	14.0	13.5	9.0	(4.5)
EBITDA (¥ million)	21,905	27,156	24,154	(3,002)
EV/EBITDA (times)	11.07	7.90	11.52	+3.62
Net D/E ratio (times)	(0.04)	(0.46)	(0.34)	+0.12
Net cash (¥ million)	2,371	44,474	35,814	(8,660)
Shareholders' value (¥ million)	244,828	258,928	314,139	+55,211
Market capitalization (¥ million)	244,782	258,620	313,178	+54,558

- ▶ Figures in the table are rounded down ▶ Change : FY4/19 compared with FY4/18
- ▶ Net D/E ratio = (Interest-bearing debt – Cash on hand and in banks) / Shareholders' equity
- ▶ Shareholders' value = EV – Net interest-bearing debt
- ▶ Market capitalization : Treasury stock is excepted
- ▶ Share prices used to calculate market capitalization:
End-FY4/17 ¥7,720 (End-Apr,2017), End-FY4/18 ¥7,300 (End-Apr,2018), End-FY4/19 ¥8,840 (End-Apr,2018).
- ▶ Net cash = Cash on hand and in banks – Interest-bearing debt (Long-and short-term debt + Lease obligations)



FY4/20 Plan (Consolidated)

The group forecasts net sales for the fiscal year ending April 30, 2020 of 300,330 million, increase 9.0% year on year and ordinary income increase 15.4% year on year by open new stores (100 dispensing pharmacies and 15 cosmetic and drug stores).

(¥ million)	FY4/18 results	FY4/19 results	FY4/20 plan	YoY change	YoY change (%)
Net sales	268,385	275,596	300,330	+24,734	+9.0
Gross profit	47,993	45,363	50,540	+5,177	+11.4
% of net sales	17.9	16.5	16.8		
SG&A expenses	28,370	29,295	31,840	+2,545	+8.7
% of net sales	10.6	10.6	10.6		
Operating income	19,622	16,067	18,700	+2,633	+16.4
% of net sales	7.3	5.8	6.2		
Ordinary income	20,129	16,637	19,200	+2,563	+15.4
% of net sales	7.5	6.0	6.4		
Profit attributable to owners of parent	10,567	9,029	10,130	+1,101	+12.2
% of net sales	3.9	3.3	3.4		
Earnings per share(¥)	310.08	254.87	285.94	+31.07	+12.2
Annual dividend (¥)	50.00	55.00	55.00	-	0.0

► Figures in the table are rounded down ► YoY change :FY4/20 plan compared with FY4/19 results

Review

Revision of 2018

Growth strategy

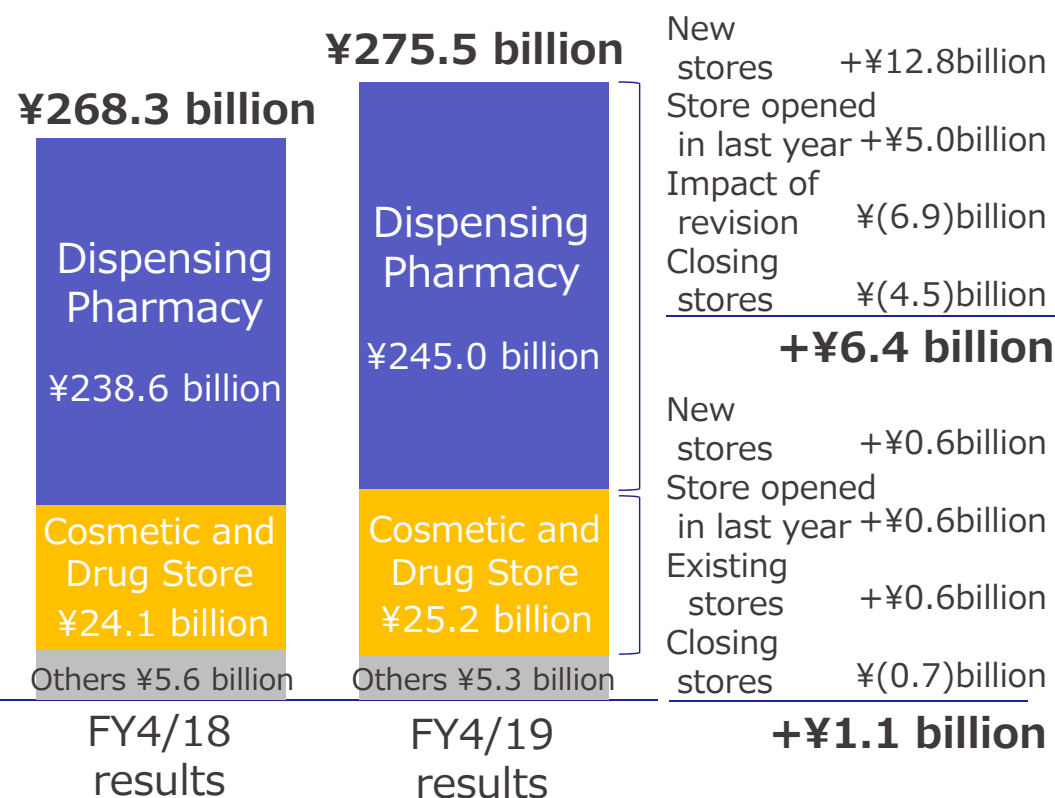
Review



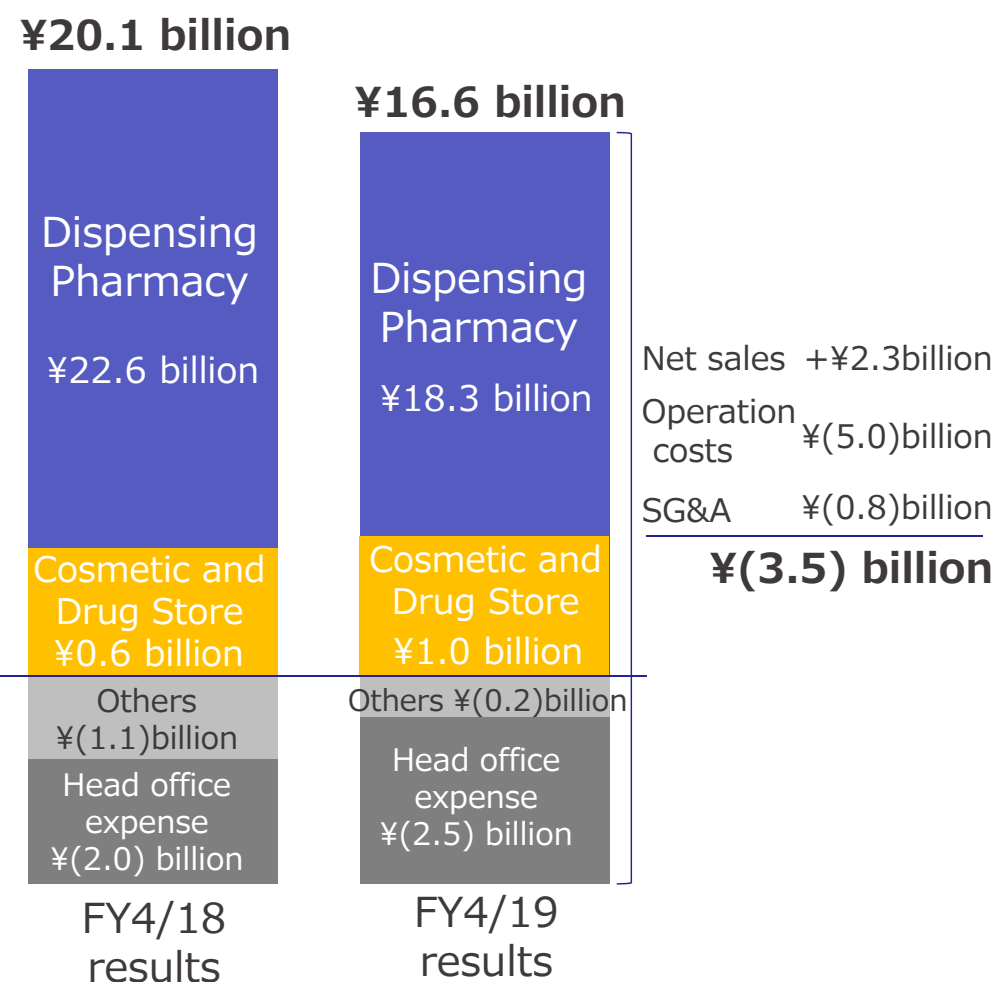
Review (YoY)

Although net sales increased due to the new store openings and full contribution of stores that opened in previous fiscal year, ordinary income decreased 17.3% year on year due to the impact of revision.

Net sales



Ordinary income

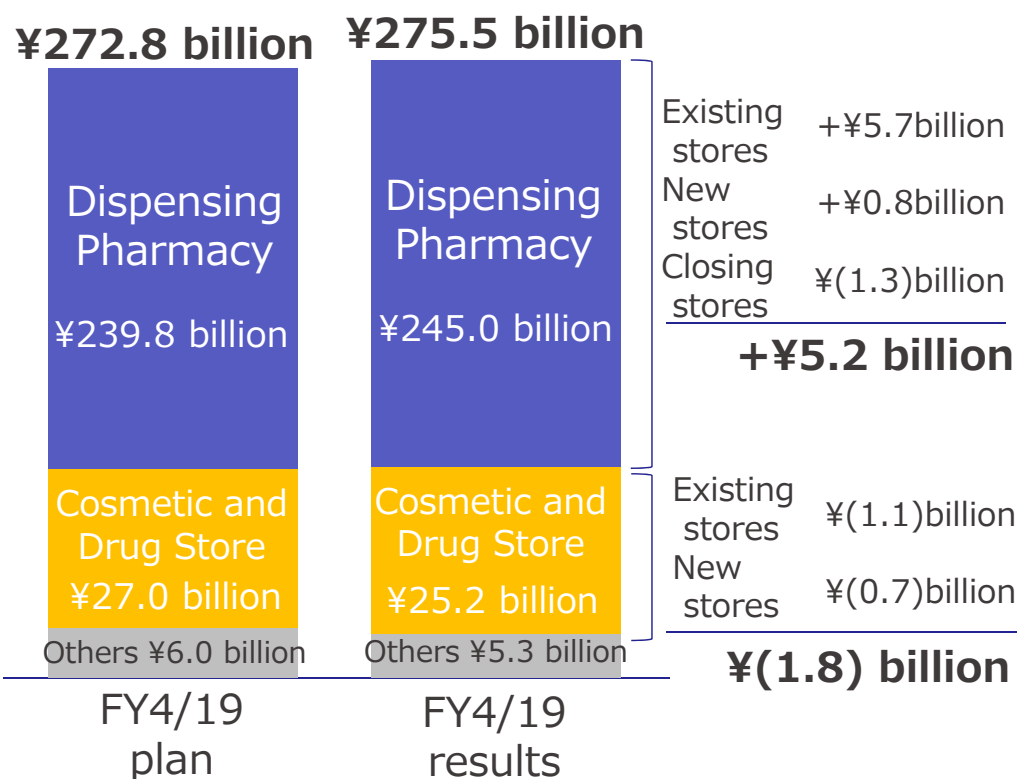




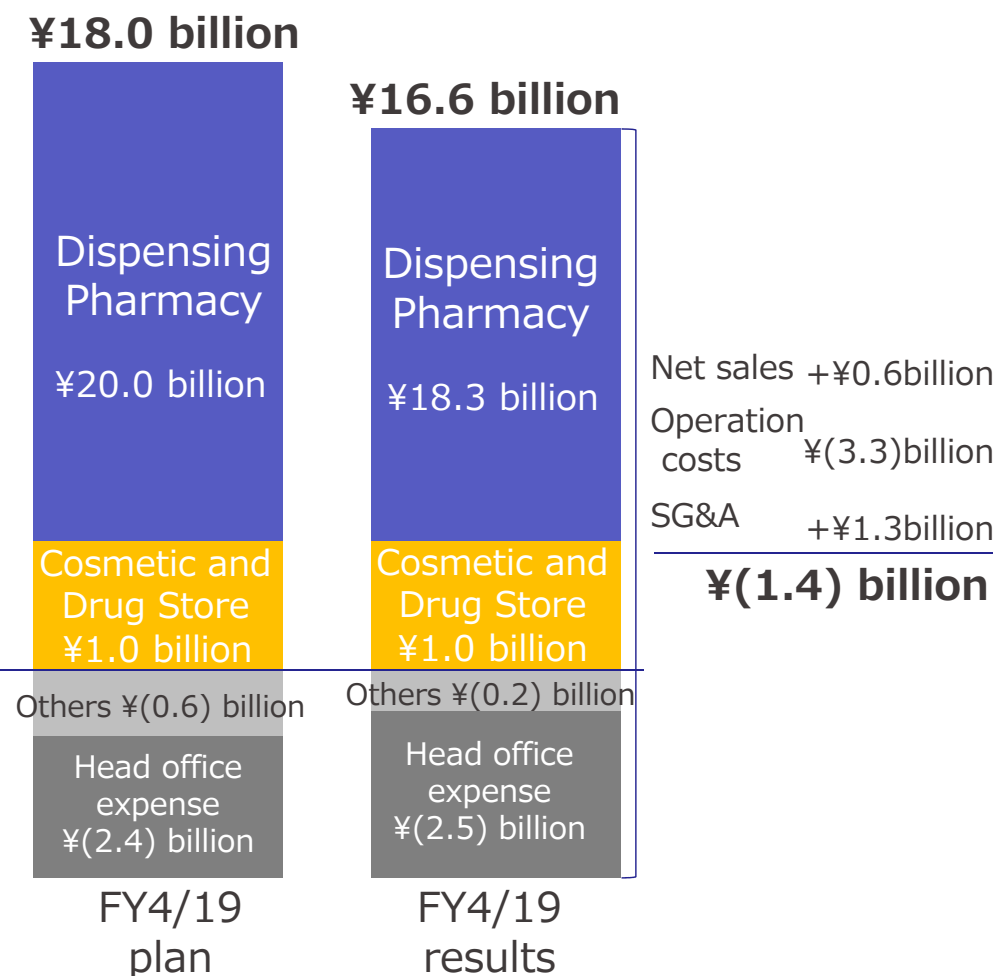
Review (Vs plan)

Although net sales increased due to the new store openings and contribution of existing stores, ordinary income decreased due to store opening delayed and a decrease in gross profit by high-price drugs.

Net sales



Ordinary income



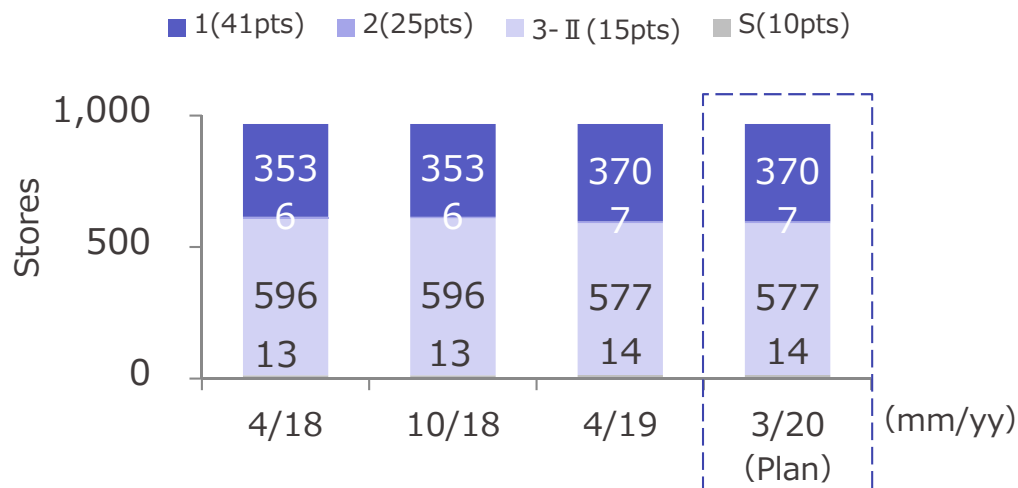
Revision of 2018



Responsive to revision of 2018

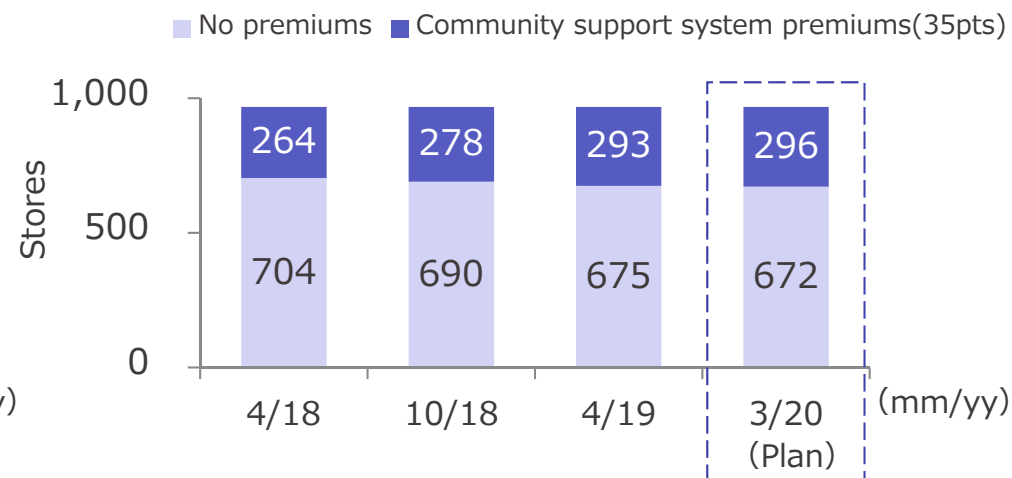
Object: 968 stores, which including existing stores and stores opening in FY4/18

Basic dispensing fee

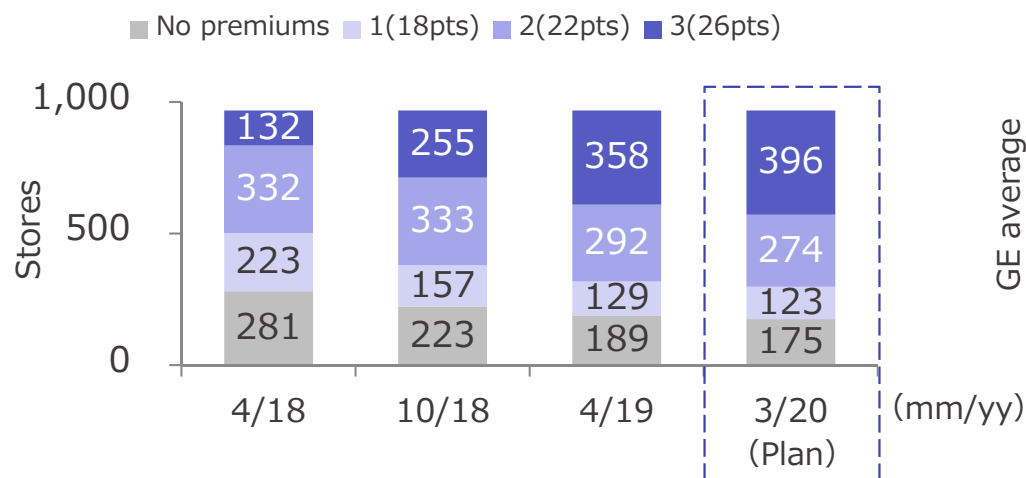


▶ In general, change of classification once a year (April)

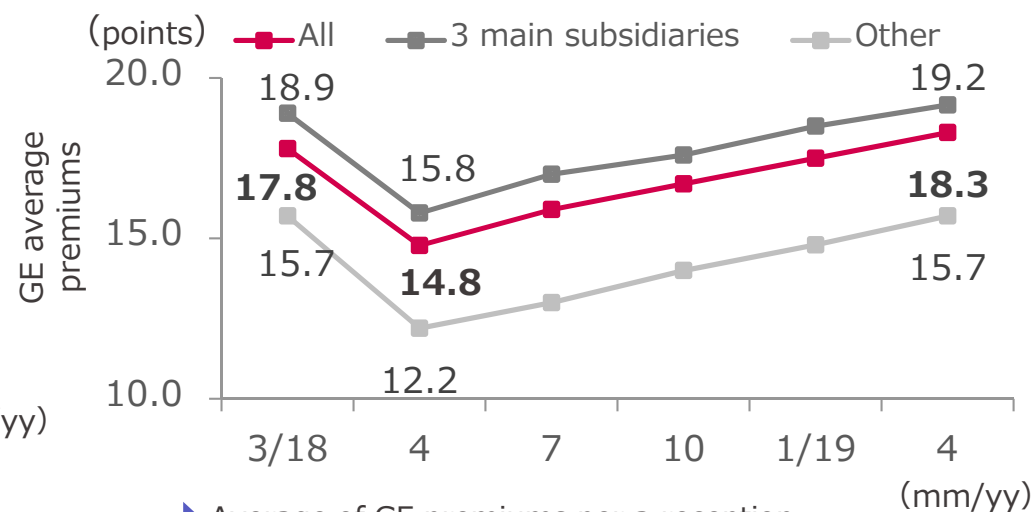
Community support system premiums



GE premiums



Transition of GE premiums



▶ Average of GE premiums per a reception

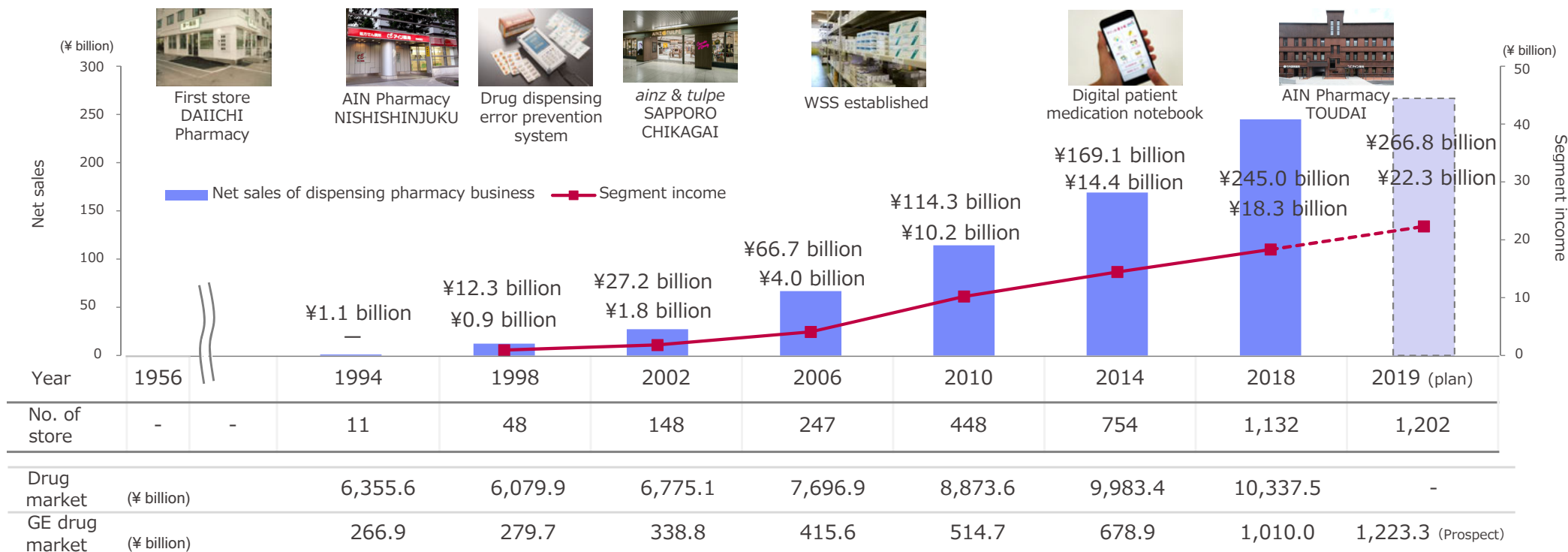
▶ GE drugs share (volume) : 80.1% (As of April 2019)

Growth strategy

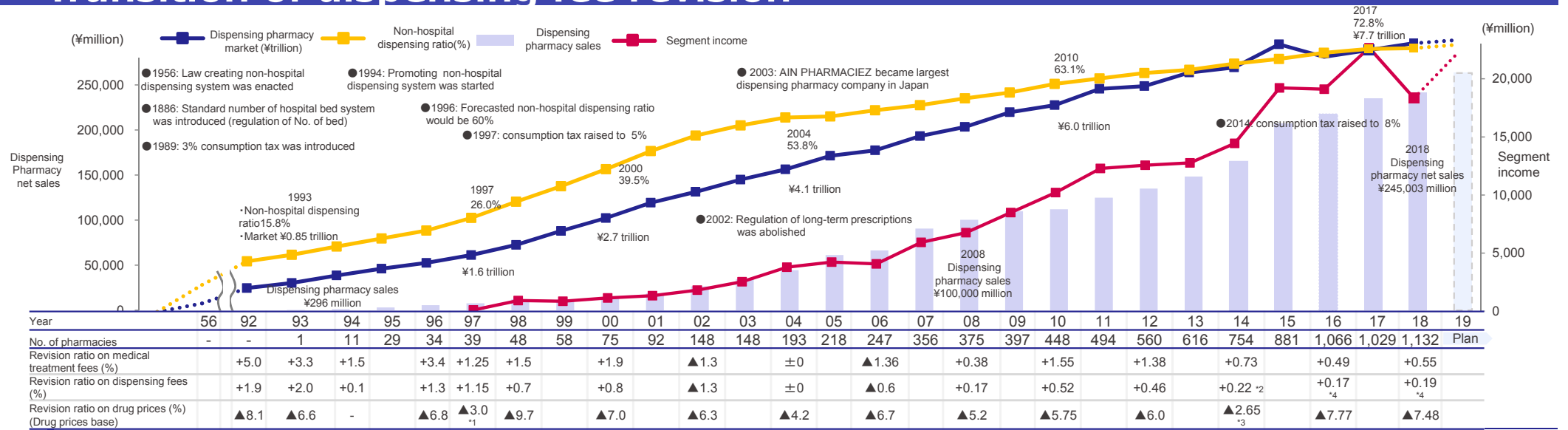
Transition in the dispensing pharmacy market



SPD※ rate (Market size)	'56 The system of SPD launched	'94 18% (¥1 trillion)	'00 39% (¥2.7 trillion)	'05 54% (¥4.6trillion)	'10 63% (¥6 trillion)	'17 73% (¥7.7 trillion)	'20 75% (¥8 trillion)※
System	'72 Basic dispensing fee '74 Prescription fee increased '86 Drug use history management and guidance fee	'90 Standards for dispensing system premiums '93 Pharmacy's business operation guidelines '94 Premiums for preventing double medication and drug interaction	'00 Patient medication notebook '02 Abolition of regulation of long-term prescripts	'06 GE prescription format '08 GE premiums '09 Registered seller system	'15 Vision for patients-focused dispensing pharmacies '16 Primary care pharmacists instruction fee Exception for major dispensing pharmacies		
Social	'89 Heisei era starts 3% consumption tax introduced Bubble economy burst		'97 Consumption tax 5% "The Hokkaido Takushoku Bank" and "Yamaichi Securities" bankrupt		'08 Lehman's collapse '11 The Great East Japan Earthquake '14 Consumption tax 8%		'19 New Reiwa era Consumption tax 10%※
AIN group	'93 Converted from clinical laboratory to dispensing pharmacy business '94 Initial public offering (JASDAQ) '98 Company name changed to "AIN PHARMACIEZ" '99 Capital and business alliance with MARUBENI		'02 First <i>ainz & tulpe</i> '06 WSS established '08 Capital and business alliance with 7&i HD '09 Second Section of the Tokyo Stock Exchange '10 First Section of the Tokyo Stock Exchange		'12 Digital patient medication notebook '15 Became holdings company '16 No. of dispensing pharmacies achieved 1000		



Transition of dispensing fee revision



Year	No. of pharmacies	Revision ratio on medical treatment fees (%)	Revision ratio on dispensing fees (%)	Revision ratio on drug prices (%) (Drug prices base)
56	-	-	-	-
92	-	+5.0	+1.9	▲8.1
93	1	+3.3	+2.0	▲6.6
94	11	+1.5	+0.1	-
95	29	-	-	-
96	34	+3.4	+1.3	▲6.8
97	39	+1.25	+1.15	▲3.0 ^{*1}
98	48	+1.5	+0.7	▲9.7
99	58	-	-	-
00	75	+1.9	+0.8	▲7.0
01	92	-	-	-
02	148	▲1.3	▲1.3	▲6.3
03	148	-	-	-
04	193	±0	±0	▲4.2
05	218	-	-	-
06	247	▲1.36	▲0.6	▲6.7
07	356	-	-	-
08	375	+0.38	+0.17	▲5.2
09	397	-	-	-
10	448	+1.55	+0.52	▲5.75
11	494	-	-	-
12	560	+1.38	+0.46	▲6.0
13	616	-	-	-
14	754	+0.73	+0.22 ^{*2}	▲2.65 ^{*3}
15	881	-	-	-
16	1,066	+0.49	+0.17 ^{*4}	▲7.77
17	1,029	-	-	-
18	1,132	+0.55	+0.19 ^{*4}	▲7.48
19	Plan	-	-	-

Basic dispensing fee	1990	1994(2 divisions)	1996(4 divisions)	1997	1998	2004(3 divisions)	2006(2 divisions)	2008	2010	2014(Subtraction due to non-settlement)	2016(Additional division)	2018(Additional division)
1972(New)	31points	40 points: 5,000 times or less	45 → 46 → 49 points: 4,000 times or less and 70% or less	49 points	49 points	49 points	42 →	40 →	40 points: 4,000 times or less and 70% or less	41 points: Except following	41 points: Except following	41 points: Except following
8 points	8 points	33 points: Over 5,000 times	20 → 20 → 21 points: Over 4,000 times and over 70%	39 points	39 points	39 points	19 →	18 →	24 points: over 4,000 times and over 70%	25 points: Over 4,000 times and over 70%	25 points: Over 4,000 times and over 70%	25 points: Over 4,000 times and over 70%

Standards for dispensing system premiums	1990(New)	1992	1994	1996(Additional condition)	1998	2002(2 divisions)	2012	2014
1990(New)	9 points	12 points	14 points	20 points	In case of over 600 times: 70% or less	10 points: Stock 500 items	10 points: 700 items	12 points: Basic dispensing fee 41points & 24-hour rotation support & Home healthcare support
Stock 500 items	Stock 500 items			Concentration ratio: 70% or less		30 points: Stock 700 items	30 points: 1,000 items	36 points: Basic dispensing fee 41points & Notification of primary care pharmacists & Supervising pharmacists having operational experience for at least 5 years and enrollment for at least 1 year
Concentration ratio : 90% or less				Services for after-hours(Multiple pharmacies approved)		Conduct of training	Open time	

Drug use history management and guidance fee (Instruction fee)	1996	1997	2000	2002	2006	2008(2 divisions)	2010(1 division)	2012	2014(2 divisions)	2016	2018
1986(New)	5 points	11 points	15 points	21 points	30 points	32 points	22 points	17 points	22 points	38 points	41 points

Pharmaceutical management fee	1994(New)	1996	2002	2008	2012	2014	2016	2018
1994(New)	550 points	550 points	500 points: Up to once a month	350 points: Resident in same facility / house	350 points: Resident in same facility / house	300 points	300 points	300 points
			300 points: After 2 times to 4 times	500 points: Except the above	500 points: Except the above	650 points	650 points	650 points
			(Up to once a month)	(Up to 4 times a month)	(Up to 4 times a month)	(Up to 5 times a day per a pharmacist)	(Up to 5 times a day per a pharmacist)	(Up to 5 times a day per a pharmacist)

Drug management instruction fee for home medical care patients	1994(New)	1996	2002	2008	2012	2014	2016	2018
1994(New)	550 points	550 points	500 points: Up to once a month	350 points: Resident in same facility / house	350 points: Resident in same facility / house	300 points	300 points	300 points
			300 points: After 2 times to 4 times	500 points: Except the above	500 points: Except the above	650 points	650 points	650 points
			(Up to once a month)	(Up to 4 times a month)	(Up to 4 times a month)	(Up to 5 times a day per a pharmacist)	(Up to 5 times a day per a pharmacist)	(Up to 5 times a day per a pharmacist)

Drug information provision fee (for patient medication notebook)	2000(New)	2004	2006(1 division)	2008(2 divisions)	2010(1 division)	2012	2016	2018
2000(New)	15 points: Issue of notebooks	17 points	15 points	15 points: (Excluding the elderly aged over 75)	15 points	Integrated into instruction fee	300 points	300 points
	10 points: Provision of drug information (once a month)	10 points	Drug information is integrated into instruction fee				650 points	650 points
							Up to 40 times a week per pharmacist	Up to 40 times a week per pharmacist

Premiums for special instruction	2000(New)	2002	2004	2006	2008	2010 (New)	2016	2018
2000(New)	20 points	30 points	28 points	22 points	Integrated into instruction fee	4 points	10 points	10 points

Premiums for specific drug management instruction	2016	2018
2016	10 points	10 points

- No. of basic dispensing fee is equal to No. of monthly average receptions of prescriptions
- Premiums by revisions are excerpted from Japan Pharmaceutical Association
- The income before FY 2008 is operating income
- Including the correspondence to consumption tax (※1: +1.4%, ※2: +0.18%, ※3: +2.99%)
- ※4: Except the adjustment for the role of pharmacies located near hospitals

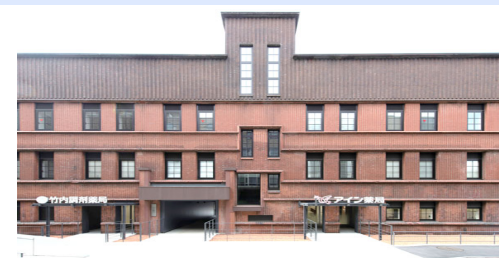


Growth Strategy

2018 revisions was severe revision such as the drastic reduction in drug prices and point reduction for major dispensing pharmacy operators. The group continues to strengthen pharmacy functions with a view of strict system changes in the future.

■ Top-line

Expanding of business by active new store openings in prime location and by secure M&As



■ Strengthening the function of pharmacies

Enhancing Primary Care and specialized functions, and Strengthening the function of pharmacies with utilizing ICT.



■ Recruiting and training human resources

Recruiting activity and development of human resources with the energy of the entire company



■ Expansion of *ainz & tulpe*

Improve the ratio of original brands and margin by continuing to open *ainz & tulpe* in the metropolitan area and by implementing measures to raise brand visibility in urban markets



Top-line

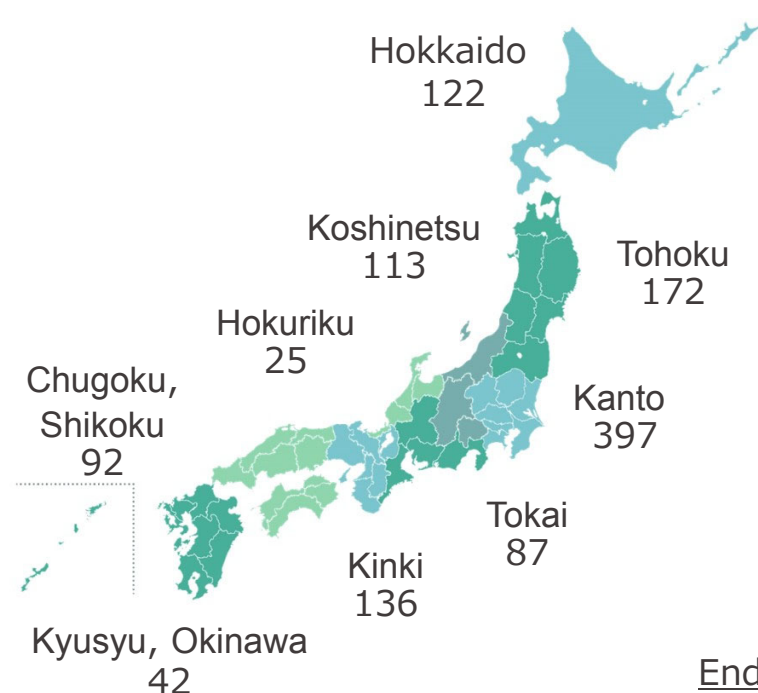
The group opened 164 stores including M&A in FY4/19 that substantially exceeded the plan. We plan to open 115 and close 35 stores, resulting in a total of 1,266 stores at the end of the FY4/20.

■ Total number of stores

1,186 (Dispensing pharmacy:1,132、Cosmetic and drug store:54)

■ Plan

		FY4/19		FY4/20
		Plan	Results	Plan
Opening	Dispensing Pharmacy	100	157	100
	Organic	30	23	25
	M&A	70	134	75
	Cosmetic and drug store	7	7	15
Total		107	164	115
Closed	Dispensing Pharmacy	17	54	30
	Cosmetic and drug store	0	1	5
	Total	17	55	35



■ Transition of dispensing pharmacies

	FY4/10	FY4/11	FY4/12	FY4/13	FY4/14	FY4/15	FY4/16	FY4/17	FY4/18	FY4/19
Organic	21	18	27	38	36	40	32	27	25	23
M&A	3	35	28	38	26	119	110	182	11	134
EV/EBITDA ratio	3.45	5.60	5.51	5.09	3.94	4.77	5.37	5.50	3.96	4.88
Closed	2	5	9	10	6	21	15	24	73	54
Sold	-	-	-	-	1	1	1	2	32	30
No. of total stores	397	448	494	560	616	754	881	1,066	1,029	1,132

EV/EBITDA ratio=EV(Purchase price)/EBITDA(Operating income + Depreciation and amortization)

No. of stores include temporary closed stores from FY4/11



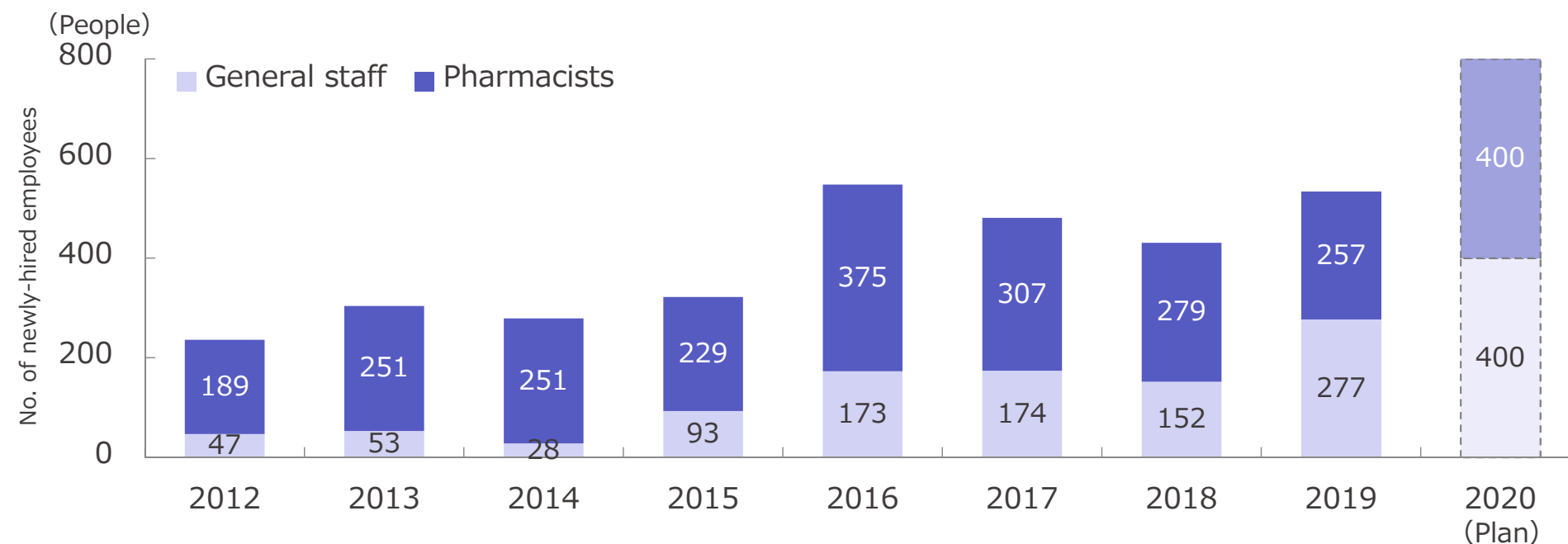
Recruiting of Pharmacists

In April 2019, new 534 employees (pharmacists 257, general staff 277) has joined our group. We plan to recruit 800 employees in April 2020.

■ The transition of No. of national examination passers and new qualified pharmacists in AIN Group

(People)	2012	2013	2014	2015	2016	2017	2018	2019	2020
No. of newly qualified pharmacists hired in AIN Group	189	251	251	229	375	307	279	257	400
No. of pharmacists' national examination passers (pass rate)	8,641 (88.3%)	8,929 (79.1%)	7,312 (60.8%)	9,044 (63.2%)	11,488 (76.9%)	9,479 (71.6%)	9,584 (70.6%)	10,194 (70.9%)	- (-)
Rate of newly qualified pharmacists hired in AIN Group	2.2% (5.7%)	2.8% (7.0%)	3.4% (8.0%)	2.5% (8.0%)	3.3% (11.7%)	3.2% (10.0%)	2.9% (8.0%)	2.5% (-)	- (-)

▶ Estimates : based on the result in AIN Group, and data from the Ministry of Health, Labor and Welfare, Council on Pharmaceutical Education.





FY4/20 Plan (Dispensing Pharmacy Business)

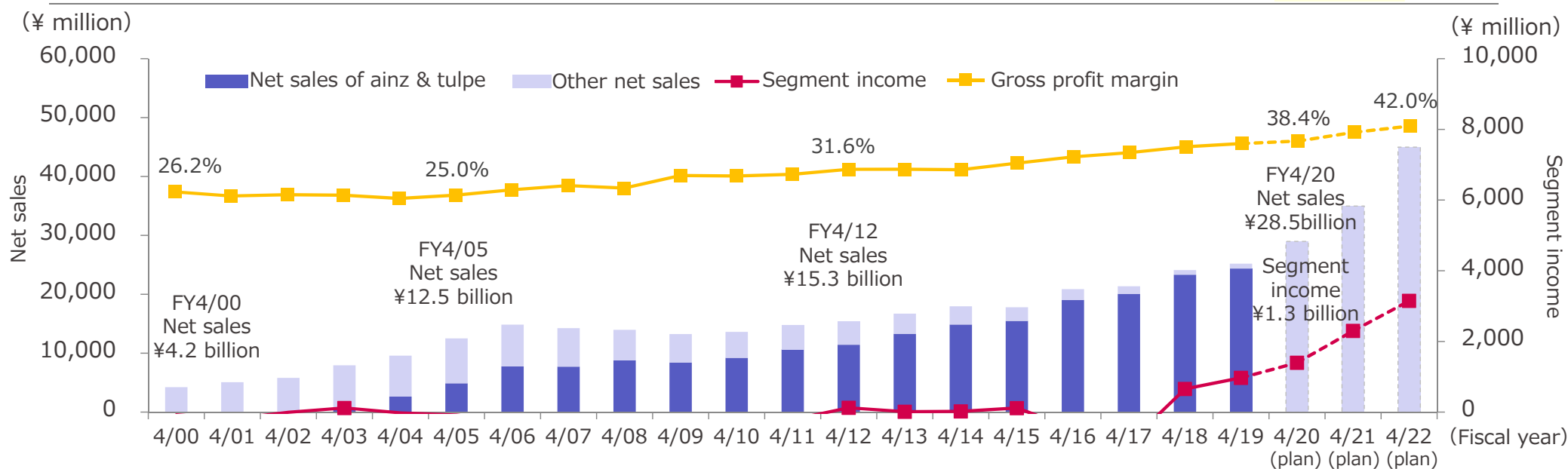
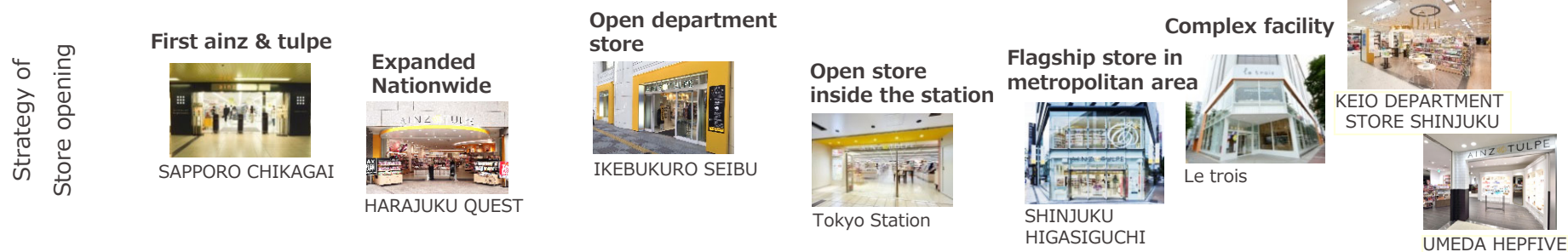
The group forecasts net sales for the fiscal year ending April 30, 2020 of 266,850 million, up 8.9% year on year, Segment income of 22,320 million up 21.8% by open 100 new stores including M&A and close 30 stores.

(¥ million)	FY4/18 results	FY4/19 results	FY4/20 plan	YoY change	YoY change (%)
Net sales	238,645	245,003	266,850	+21,847	+8.9
Gross profit % of net sales	36,030 15.1	32,741 13.4	37,020 13.9	+4,279	+13.1
SG&A expenses % of net sales	14,034 5.9	14,882 6.1	15,170 5.7	+288	+1.9
Operating income % of net sales	21,995 9.2	17,859 7.3	21,850 8.2	+3,991	+22.3
Segment income % of net sales	22,668 9.5	18,331 7.5	22,320 8.4	+3,989	+21.8
Number of stores	1,029	1,132	1,202	+70	+6.2

- ▶ Figures in the table are rounded down
- ▶ Segment income is adjusted to ordinary income shown on the quarterly consolidated statements of income
- ▶ Prescription volume: +7.9% YoY ▶ Average prescription price: +1.2%YoY

Expansion of *ainz & tulpe*①

Year FY4/00 FY4/02 FY4/04 FY4/06 FY4/08 FY4/10 FY4/12 FY4/14 FY4/16 FY4/18 FY4/20 FY4/22



Net sales (¥ billion)	4.2	5.0	5.8	7.9	9.5	12.5	14.8	14.2	13.9	13.2	13.6	14.8	15.3	16.7	17.9	17.8	20.8	21.3	24.1	25.2	28.5	35.0	45.0
Segment income(¥billion)	0	(0.1)	0	0.1	0	(0.1)	(0.2)	(0.2)	(0.4)	(0.2)	(0.4)	(0.2)	0.1	0	0	0.1	(0.4)	(0.8)	0.6	0.97	1.3	-	-
No.of store	30	36	33	40	27	44	43	43	45	46	49	53	56	61	59	56	52	52	48	54	64	80	100
<i>ainz & tulpe</i>	0	0	0	1	4	9	12	13	15	18	20	26	33	39	41	41	42	45	41	48	58	74	94
Closing	0	0	5	7	16	0	4	3	1	4	2	2	4	2	5	6	9	9	8	1	5	-	-
Membership (million people)	-	-	0.0	0.0	0.0	0.1	1.0	1.2	1.5	1.7	2.0	2.2	2.5	2.9	3.2	3.6	4.2	4.6	5.0	5.5	-	-	-

Expansion of *ainz & tulpe*②

Due to improving of brand awareness in the metropolitan area, sales of existing stores are improving solidly and the group has become able to absorb the cost of new store opening. During this period, the group opened 7 new stores including 2 stores in Osaka.

■ Existing Stores (43 stores)

(¥ million)	FY4/18	FY4/19	YoY change	YoY change(%)
Net sales	22,823	23,421	+598	+2.6
Segment income	1,250	1,671	+421	+33.7
% of net sales	5.5	7.1		

Segment income increased 33.7%, while net sales increased 2.6%. It proves steadily improving of earning profitability.

■ ABENO HOOP (Osaka)

Open	Apr 10, 2019
Sales floor	301m ²
S K U	10,400



■ UMEDA HEPFIVE (Osaka)

Open	Apr 19, 2019
Sales floor	566m ²
S K U	13,000





Expansion of *ainz & tulpe*③

The group plan to open 15 new stores in FY4/20 by active opening in such as complex facilities where has great abilities at attracting customers.

■ New store opening plan in FY4/20

	Name of store	Location	Open dd/mm/yy	Floor
1	bono SAGAMIONO	Kanagawa	30/5/19	258m ²
2	ASAKUSA ROX	Tokyo	21/6/19	238m ²
3	PERIE Chiba	Chiba	7/19	221m ²
4	KAWASAKI EKIMAE(TBC)	Kanagawa	8/19	407m ²
5	Kashiwa Modi(TBC)	Chiba	9/19	245m ²
6	Store "A"	Aichi	9/19	231m ²
7	Store "B"	Hokkaido	9/19	99m ²
8	Store "C"	Tokyo	9/19	463m ²
9	Store "D"	Kanagawa	10/19	311m ²
10	Store "E"	Saitama	11/19	364m ²
11	PERIE Kaihimmakuhari	Chiba	11/19	284m ²
12	Store "F"	-	3/20	-
13	Store "G"	-	4/20	-
14	Store "H"	-	4/20	-
15	Store "I"	-	4/20	-



ainz & tulpe bono SAGAMIONO



ainz & tulpe PERIE Chiba (image)



FY4/20 Plan (Cosmetic and Drug Store Business)

The group forecasts net sales for the fiscal year ending April 30, 2020 of 28,500 million, increase 13.1% year on year and Segment income of 1,300 million, increase 33.7% year on year by open 15 new stores and close 5 stores.

(¥ million)	FY4/18 results	FY4/19 results	FY4/20 plan	YoY change	YoY change (%)
Net sales	24,117	25,210	28,500	+3,290	+13.1
Gross profit % of net sales	8,925 37.0	9,535 37.8	10,930 38.4	+1,395	+14.6
SG&A expenses % of net sales	8,317 34.5	8,632 34.2	9,650 33.9	+1,018	+11.8
Operating income % of net sales	608 2.5	903 3.6	1,280 4.5	+377	+41.7
Segment income % of net sales	657 2.7	972 3.9	1,300 4.6	+328	+33.7
Number of stores	48	54	64	+10	+18.5

- ▶ Figures in the table are rounded down
- ▶ Segment income is adjusted to ordinary income shown on the consolidated statements of income
- ▶ Number of customers: +6.2% YoY ▶ Average spending per customer: +6.5% YoY



FY4/20 Plan (Consolidated)

The group forecasts net sales for the fiscal year ending April 30, 2020 of 300,330 million, increase 9.0% year on year and ordinary income increase 15.4% year on year by open new stores (100 dispensing pharmacies and 15 Cosmetic and drug stores).

(¥ million)	FY4/18 results	FY4/19 results	FY4/20 plan	YoY change	YoY change (%)
Net sales	268,385	275,596	300,330	+24,734	+9.0
Gross profit	47,993	45,363	50,540	+5,177	+11.4
% of net sales	17.9	16.5	16.8		
SG&A expenses	28,370	29,295	31,840	+2,545	+8.7
% of net sales	10.6	10.6	10.6		
Operating income	19,622	16,067	18,700	+2,633	+16.4
% of net sales	7.3	5.8	6.2		
Ordinary income	20,129	16,637	19,200	+2,563	+15.4
% of net sales	7.5	6.0	6.4		
Profit attributable to owners of parent	10,567	9,029	10,130	+1,101	+12.2
% of net sales	3.9	3.3	3.4		
Earnings per share(¥)	310.08	254.87	285.94	+31.07	+12.2
Annual dividend (¥)	50.00	55.00	55.00	-	0.0

► Figures in the table are rounded down ► YoY change :FY4/20 plan compared with FY4/19 results

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