

# **FY4/24 1Q IR PRESENTATION**

**AIN HOLDINGS INC.**  
**September 2023**

# Results Overview

---

# Consolidated P/L

Net sales increased 16.2% YoY and 5.1% against the plan due to the easing of restrictions on outpatient visits following the downgrade of COVID-19 to a category-5 infectious disease and the easing of mobility restrictions. Ordinary profit increased 25.6% YoY and 60.0% against the plan due to increase of sales.

(¥ million)	FY4/23 1Q results	FY4/24 1Q plan	FY4/24 1Q results	YoY change	YoY change(%)	Vs plan (%)
Net sales	81,470	90,055	94,654	+13,184	+16.2	+5.1
Gross profit	11,643	11,942	13,199	+1,556	+13.4	+10.5
% of net sales	14.3	13.3	13.9			
SG&A expenses	8,889	9,683	9,588	+699	+7.9	(1.0)
% of net sales	10.9	10.8	10.1			
Operating profit	2,753	2,259	3,610	+857	+31.1	+59.8
% of net sales	3.4	2.5	3.8			
Ordinary profit	3,090	2,425	3,881	+791	+25.6	+60.0
% of net sales	3.8	2.7	4.1			
Profit attributable to owners of parent	1,704	1,000	2,140	+436	+25.6	+114.0
% of net sales	2.1	1.1	2.3			
Earnings per share(¥)	48.54	28.49	60.93	+12.39	+25.5	+113.9

► Figures in the table are rounded down

► FY4/23 1Q: Reflect finalized figures of provisional accounting treatment related to business combination

# Dispensing Pharmacy Business (Consolidated)

Net sales increased 16.4% YoY and 4.9% against the plan due to the easing of restrictions on outpatient visits following the downgrade of COVID-19 to a category-5 infectious disease and the easing of mobility restrictions. Segment profit increased 14.7% YoY and 24.7% against the plan due to increase of sales.

(¥ million)	FY4/23 1Q results	FY4/24 1Q plan	FY4/23 1Q results	YoY change	YoY change(%)	Vs plan (%)
Net sales	72,482	80,440	84,405	+11,923	+16.4	+4.9
Gross profit	8,328	8,362	9,349	+1,021	+12.3	+11.8
% of net sales	11.5	10.4	11.1			
SG&A expenses	3,840	4,160	4,150	+310	+8.1	(0.2)
% of net sales	5.3	5.2	4.9			
Operating profit	4,487	4,202	5,198	+711	+15.8	+23.7
% of net sales	6.2	5.2	6.2			
Segment profit	4,732	4,355	5,429	+697	+14.7	+24.7
% of net sales	6.5	5.4	6.4			
Number of pharmacies	1,210	1,217	1,215	+5	+0.4	(0.2)

▶ Figures in the table are rounded down

▶ FY4/23 1Q: Reflect finalized figures of provisional accounting treatment related to business combination

# Cosmetic and Drug Store Business (Consolidated)

Net sales up 21.8% YoY and 8.5% against the plan because customer numbers were firm amid a recovery in mobility for both domestic shoppers and overseas visitors. Segment profit increased 332.9% YoY and 129.0% against the plan due to increase of sales.

(¥ million)	FY4/23 1Q results	FY4/24 1Q plan	FY4/24 1Q results	YoY change	YoY change(%)	Vs plan (%)
Net sales	6,086	6,830	7,412	+1,326	+21.8	+8.5
Gross profit	2,245	2,571	2,855	+610	+27.2	+11.0
% of net sales	36.9	37.6	38.5			
SG&A expenses	2,098	2,261	2,149	+51	+2.4	(5.0)
% of net sales	34.5	33.1	29.0			
Operating profit	146	310	706	+560	+383.6	+127.7
% of net sales	2.4	4.5	9.5			
Segment profit	164	310	710	+546	+332.9	+129.0
% of net sales	2.7	4.5	9.6			
Number of stores	79	78	78	(1)	(1.3)	0.0

► Figures in the table are rounded down

# Consolidated B/S

Net cash became ¥39,576 million and shareholders' equity ratio became 53.7%. We are maintaining a sound financial structure.

End-FY4/23 (¥ million)			
Assets		Liabilities	
Current assets	98,305	Current liabilities	92,986
Cash on hand and in banks	46,796	Short-term debt	3,670
Fixed assets	133,444	Long-term liabilities	12,218
Goodwill	46,443	Long-term debt	5,021
Deferred assets	-	Total net assets	126,546
Total assets	231,750	Total liabilities and net assets	231,750
Net cash		37,804	
Shareholders' equity ratio(%)		54.6	

End-FY4/24 1Q (¥ million)			
Assets		Liabilities	
Current assets	101,400	Current liabilities	97,840
Cash on hand and in banks	47,373	Short-term debt	3,648
Fixed assets	134,246	Long-term liabilities	11,189
Goodwill	45,611	Long-term debt	3,848
Deferred assets	-	Total net assets	126,617
Total assets	235,647	Total liabilities and net assets	235,647
Net cash		39,576	
Shareholders' equity ratio(%)		53.7	

- ▶ Figures in the table are rounded down
- ▶ Net cash = Cash on hand and in banks – Interest-bearing debt

# Assets

The balance of total assets increased ¥3,897 million from the end of the previous fiscal year because of increase in merchandise due to a rise in inventories of COVID-19 treatments, and an increase in buildings and structures due to the new store openings.

(¥ million)	End-FY4/23 1Q	End-FY4/23	End-FY4/24 1Q	Change
Cash on hand and in banks	46,863	46,796	47,373	+577
Accounts receivable	12,697	13,249	12,719	(530)
Inventories	19,504	21,586	24,340	+2,754
<b>Total current assets</b>	<b>96,163</b>	<b>98,305</b>	<b>101,400</b>	<b>+3,095</b>
Buildings and structures, net	19,505	21,407	23,336	+1,929
Land	10,637	10,602	10,481	(121)
<b>Total property, plant and equipment</b>	<b>35,755</b>	<b>39,459</b>	<b>40,113</b>	<b>+654</b>
Goodwill	49,449	46,443	45,611	(832)
<b>Total intangible fixed assets</b>	<b>54,584</b>	<b>52,343</b>	<b>51,613</b>	<b>(730)</b>
Investments in securities	2,649	2,720	2,791	+71
Deferred tax assets	6,012	5,990	5,974	(16)
Deposits and guarantees	23,234	24,507	24,950	+443
<b>Total investments and other assets</b>	<b>42,050</b>	<b>41,641</b>	<b>42,520</b>	<b>+879</b>
<b>Total fixed assets</b>	<b>132,390</b>	<b>133,444</b>	<b>134,246</b>	<b>+802</b>
<b>Total deferred assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>228,553</b>	<b>231,750</b>	<b>235,647</b>	<b>+3,897</b>

► Figures in the table are rounded down    ► Change: End-FY4/24 1Q compared with End-FY4/23

► Capital expenditures (Property, plant and equipment and intangible fixed assets + Deposits and guarantees) totaled ¥2,953 million

► End-FY4/23 1Q: Reflect finalized figures of provisional accounting treatment related to business combination

# Liabilities and Net Assets

Accounts payable increased ¥6,161 million due to increase in pharmaceutical inventories and new store openings. Short-term and long-term debt decreased ¥1,195 million due to repayment of loans payable.

(¥ million)	End-FY4/23 1Q	End-FY4/23	End-FY4/24 1Q	Change
Accounts payable	59,462	58,698	64,859	+ 6,161
Short-term debt	4,167	3,670	3,648	(22)
<b>Total current liabilities</b>	<b>91,402</b>	<b>92,986</b>	<b>97,840</b>	<b>+ 4,854</b>
Long-term debt	11,218	5,021	3,848	(1,173)
<b>Total long-term liabilities</b>	<b>18,376</b>	<b>12,218</b>	<b>11,189</b>	<b>(1,029)</b>
<b>Total liabilities</b>	<b>109,779</b>	<b>105,204</b>	<b>109,029</b>	<b>+ 3,825</b>
Common stock	21,894	21,894	21,894	-
Capital surplus	20,500	20,504	20,504	-
Retained earnings	78,434	85,963	85,996	+ 33
<b>Total shareholders' equity</b>	<b>118,811</b>	<b>126,362</b>	<b>126,394</b>	<b>+ 32</b>
<b>Total net assets</b>	<b>118,774</b>	<b>126,546</b>	<b>126,617</b>	<b>+ 71</b>
<b>Total liabilities and net assets</b>	<b>228,553</b>	<b>231,750</b>	<b>235,647</b>	<b>+ 3,897</b>

- ▶ Figures in the table are rounded down ▶ Change: End-FY4/24 1Q compared with End-FY4/23
- ▶ End-FY4/23 1Q: Reflect finalized figures of provisional accounting treatment related to business combination



# FY4/24 Plan (Consolidated)

The group forecasts net sales for the fiscal year ending April 30, 2024 increase 4.5% YoY and ordinary profit decrease 4.5% YoY due to our plans to open 50 dispensing pharmacies and 12 cosmetic and drug stores.

(¥ million)	FY4/22 results	FY4/23 results	FY4/24 plan	YoY change	YoY change(%)
Net sales	316,247	358,742	375,000	+ 16,258	+ 4.5
Gross profit	49,971	53,698	55,413	+ 1,715	+ 3.2
% of net sales	15.8	15.0	14.8		
SG&A expenses	34,832	37,694	39,750	+ 2,056	+ 5.5
% of net sales	11.0	10.5	10.6		
Operating profit	15,139	16,004	15,663	(341)	(2.1)
% of net sales	4.8	4.5	4.2		
Ordinary profit	16,041	17,064	16,302	(762)	(4.5)
% of net sales	5.1	4.8	4.3		
Profit attributable to owners of parent	7,092	9,234	8,250	(984)	(10.7)
% of net sales	2.2	2.6	2.2		
Earnings per share(¥)	201.47	262.87	234.84	(28.03)	(10.7)
Annual dividend (¥)	55.00	60.00	60.00	-	-

► Figures in the table are rounded down

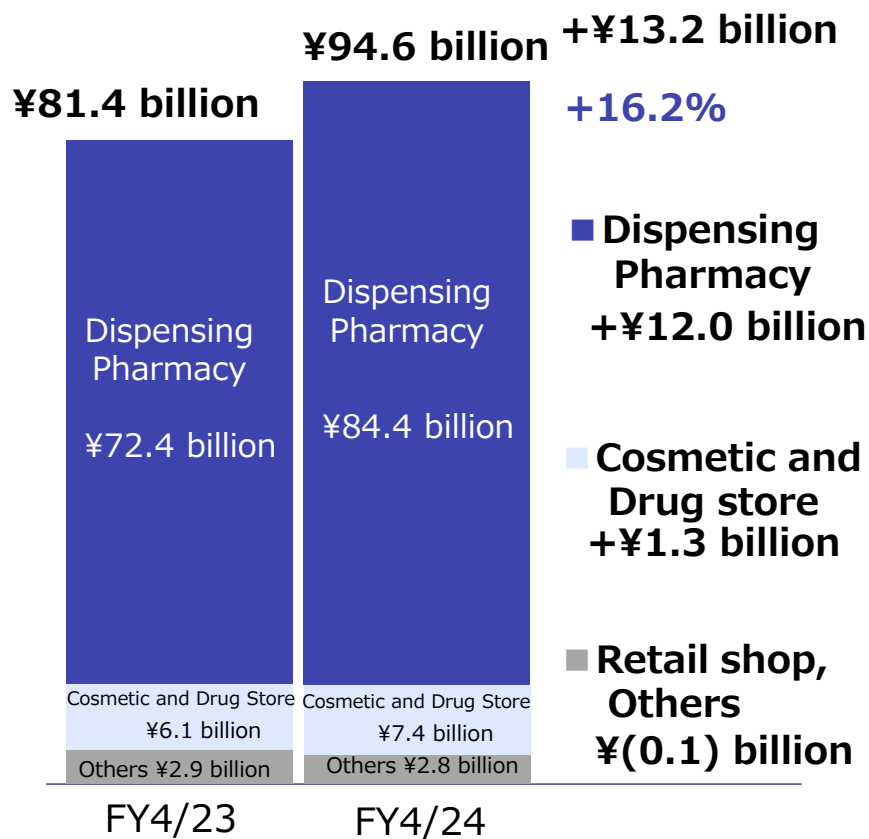
# Review

---

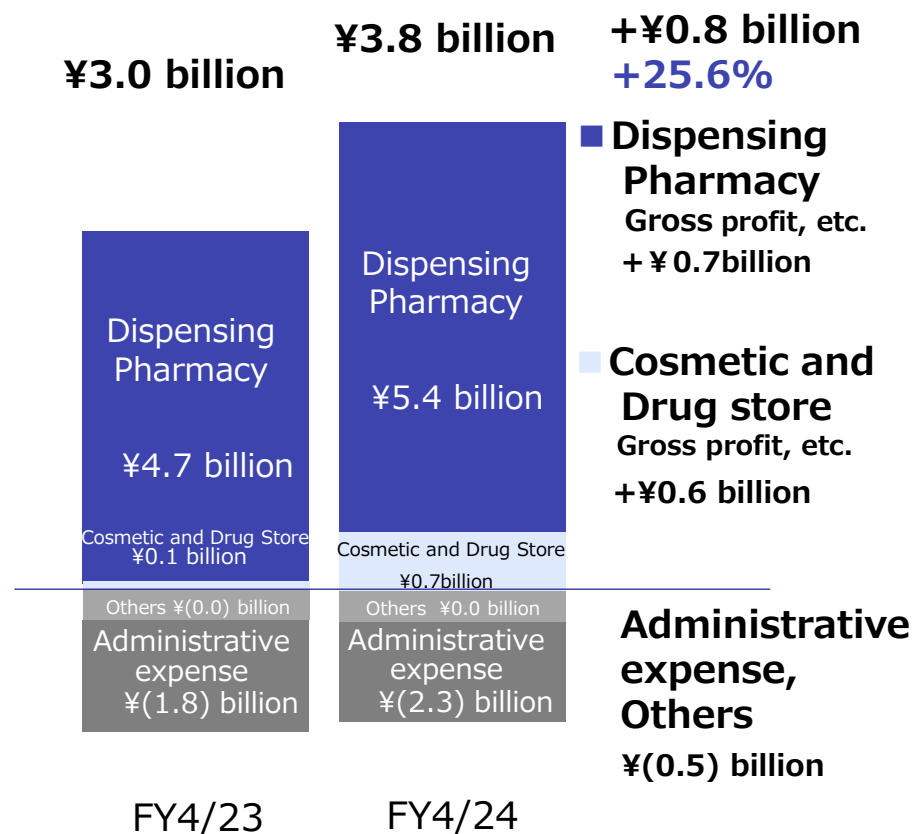
# Review (YoY)

Ordinary profit increased ¥0.8 billion due to increase of net sales in dispensing pharmacy business and cosmetic and drug store business, etc.

## Net sales



## Ordinary profit



► Decrease against profit : ▲

# Strategy

---

# Strategy

## Expansion of top-line

- Dispensing Pharmacy      Plan to open **50 pharmacies** (Organic 30, M&A 20)
- Cosmetic and Drug Store      Plan to open **12 stores**

## Recruiting and training of human resources

- **Planning to hire 650 newly graduated pharmacists and 400 medical support staff**
- **Make field manager system and medical supervisor system more established**
- Training of human resources

## Reinforcing the Group's business base

- Improving the customer services by promoting DX, official apps, etc.
- Promoting sustainable management

## Expansion of AINZ&TULPE

- Opening stores in prime locations and **medium and long term store opening strategy**

## Expansion of top-line

- Dispensing Pharmacy Plan to open **50 pharmacies** (Organic 30, M&A 20)
- Cosmetic and Drug Store Plan to open **12 stores**

FY4/24 1Q Results

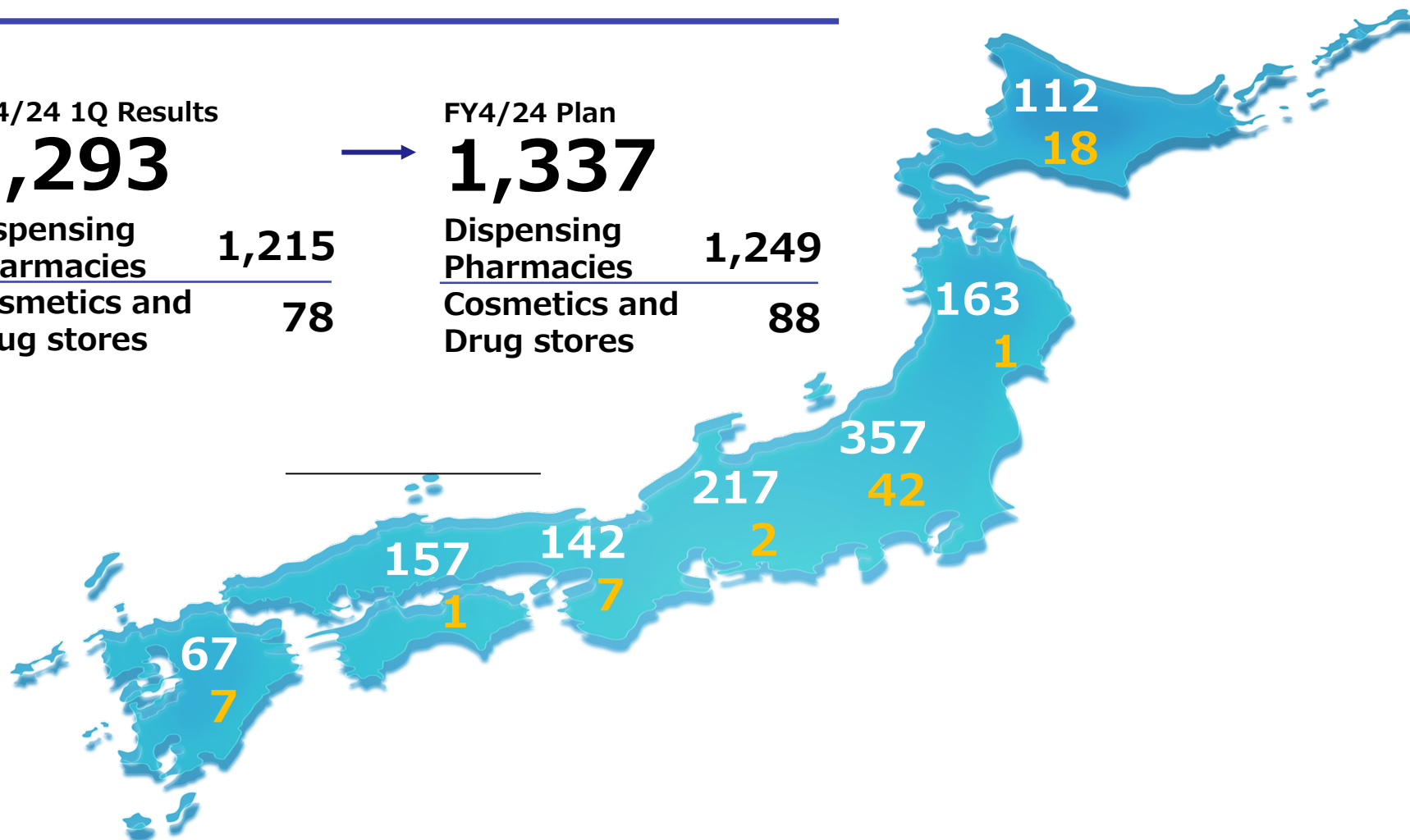
**1,293**

Dispensing Pharmacies **1,215**  
Cosmetics and Drug stores **78**

FY4/24 Plan

**1,337**

Dispensing Pharmacies **1,249**  
Cosmetics and Drug stores **88**



□:Dispensing Pharmacies ■ : Cosmetic and drug stores

# Expansion of top-line

- Dispensing Pharmacy Plan to open **50 pharmacies** (Organic 30, M&A 20)
- Cosmetic and Drug Store Plan to open **12 stores**

## ■ Plan and Results

		FY4/24 1Q			FY4/24
		Plan	Results		Plan
Opening	Dispensing Pharmacy	<b>11</b>	<b>10</b>		<b>50</b>
	Organic	5	5		30
	M&A	6	5		20
	Cosmetic and drug store	<b>1</b>	<b>1</b>		<b>12</b>
<b>Total</b>		<b>12</b>	<b>11</b>		<b>62</b>
Closure	Dispensing Pharmacy	3	4		10
	Cosmetic and drug store	1	1		2
	<b>Total</b>	<b>4</b>	<b>5</b>		<b>12</b>

## ■ Transition of dispensing pharmacies

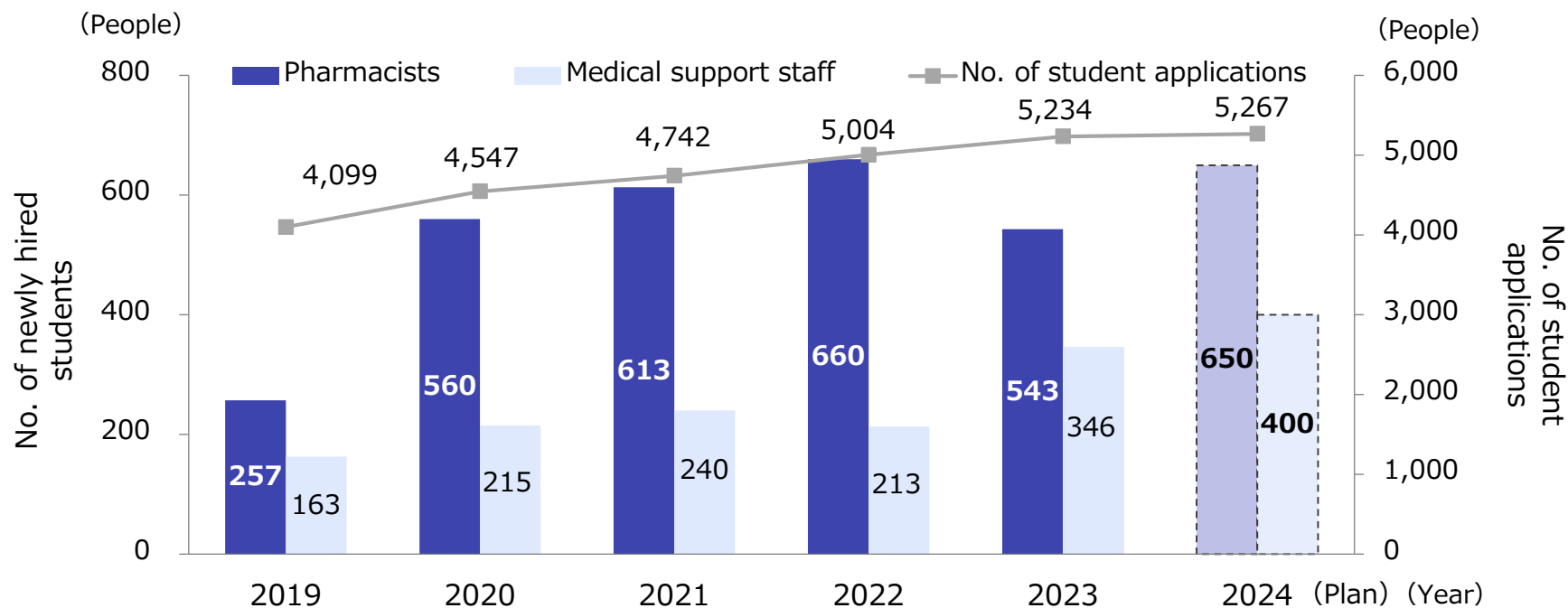
	FY4/18	FY4/19	FY4/20	FY4/21	FY4/22	FY4/23	FY4/24 1Q
Organic	25	23	14	15	25	27	5
M&A	11	134	6	14	24	114	5
EV/EBITDA ratio	3.96	4.88	3.71	3.74	4.13	6.55	3.67
Closed	73	54	64	52	15	31	4
Sold	32	30	42	34	5	7	1
No. of total stores	1,029	1,132	1,088	1,065	1,099	1,209	1,215

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

## Recruiting and training of human resources

- Planning to hire 650 newly graduated pharmacists and 400 medical support staff
- Make field manager system and medical supervisor system more established
- Training of human resources

In April 2023, new 543 pharmacists has joined our group. We aim to hire, new 650 pharmacists in fiscal 2024. As of April 30,2023, the group has 6,331 pharmacists out of 14,147 employees.





## Expansion of AINZ&TULPE

- Opening stores in prime locations and **medium and long term store opening strategy**

AINZ & TULPE  
plan to open in FY4/24

**12** stores



Tokyo  
(Plan to open in Feb. 2024)



Kanagawa  
( Plan to open in Sep. 2023 )



(Tentative) COCONO SUSUKINO  
(Plan to open in Nov. 2023 )



COCOLIA TAMA CENTER  
(Opened in June 2023 )

# FY4/24 Plan (Consolidated)

The group forecasts net sales for the fiscal year ending April 30, 2024 increase 4.5% YoY and ordinary profit decrease 4.5% YoY due to our plans to open 50 dispensing pharmacies and 12 cosmetic and drug stores.

(¥ million)	FY4/22 results	FY4/23 results	FY4/24 plan	YoY change	YoY change(%)
Net sales	316,247	358,742	375,000	+ 16,258	+ 4.5
Gross profit	49,971	53,698	55,413	+ 1,715	+ 3.2
<b>% of net sales</b>	<b>15.8</b>	<b>15.0</b>	<b>14.8</b>		
SG&A expenses	34,832	37,694	39,750	+ 2,056	+ 5.5
<b>% of net sales</b>	<b>11.0</b>	<b>10.5</b>	<b>10.6</b>		
Operating profit	15,139	16,004	15,663	(341)	(2.1)
<b>% of net sales</b>	<b>4.8</b>	<b>4.5</b>	<b>4.2</b>		
Ordinary profit	16,041	17,064	16,302	(762)	(4.5)
<b>% of net sales</b>	<b>5.1</b>	<b>4.8</b>	<b>4.3</b>		
Profit attributable to owners of parent	7,092	9,234	8,250	(984)	(10.7)
<b>% of net sales</b>	<b>2.2</b>	<b>2.6</b>	<b>2.2</b>		
Earnings per share(¥)	201.47	262.87	234.84	(28.03)	(10.7)
Annual dividend (¥)	55.00	60.00	60.00	-	-

► Figures in the table are rounded down

**Inquiries related to this presentation should be addressed to**

**AIN HOLDINGS INC.  
Corporate Planning Division  
TEL(81)11-814-0010  
FAX(81)11-814-5550  
<https://www.ainj.co.jp/corporate/>**

This document may not be reproduced or distributed to any third party without prior approval of AIN HOLDINGS INC. This document has been prepared for information purpose only and does not form part of a solicitation to sell or purchase any securities. Information contained herein may be changed or revised without prior notice. This document may contain forecasting statements as to future results of operations. No forecast statement can be guaranteed and actual results of operations may differ from those projected.



AIN GROUP