

Consolidated Financial Results for the First Quarter of Fiscal Year Ending April 30, 2026 [Under Japanese GAAP]

September 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 URL: <https://www.ainj.co.jp/corporate/>
Representative: Kiichi Otani, President and Representative Director
Inquiries: Toshihide Mizushima, Representative Senior Managing Director
TEL: +81-3-5333-1812

Start of dividend payment: —

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

Quarterly results briefing: No

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

1. Consolidated results for the first quarter of fiscal year ending April 30, 2026 (May 1, 2025 to July 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	%
Three months ended July 31, 2025	132,969	28.3	8,244	47.8	4,254	54.3	4,259	43.4	1,930	17.5
Three months ended July 31, 2024	103,603	9.5	5,578	(8.7)	2,757	(23.6)	2,969	(23.5)	1,642	(23.3)

(Note) Comprehensive income: Three months ended July 31, 2025: ¥2,269 million (36.1%)
Three months ended July 31, 2024: ¥1,667 million (-23.5%)

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

	Profit per share	Diluted profit per share
	Yen	Yen
Three months ended July 31, 2025	55.03	—
Three months ended July 31, 2024	46.93	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of July 31, 2025	333,520	142,392	42.6
As of April 30, 2025	311,921	142,632	45.7

(Reference) Equity capital: As of July 31, 2025: ¥142,077 million As of April 30, 2025: ¥142,520 million

2. Dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended April 30, 2025	—	0.00	—	80.00	80.00
Year ending April 30, 2026	—				
Year ending April 30, 2026 (forecast)		0.00	—	80.00	80.00

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

3. Consolidated financial forecast 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		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	300,210	39.7	19,700	62.0	9,620	63.8	9,000	42.0	4,900	52.5	139.71
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: Yes

For more details about revisions to forecasts, please refer to today's release (September 11, 2025), "Notice of Upward Revisions to Consolidated Financial Forecasts."

* Notes

(1) Significant changes in the scope of consolidation during the period: No

Newly consolidated: –

Excluded: –

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

(Note) For detail, please refer to "2. Quarterly consolidated financial statements and major notes (3) Notes on quarterly consolidated financial statements" on page 9 of the Attachment.

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

1) Changes in accounting principles as a result of revisions to accounting standards, etc.: No

2) Changes in accounting principles other than 1): No

3) Changes in accounting estimates: No

4) Restatement of revisions: No

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

1) Number of outstanding shares (including treasury shares):	As of July 31, 2025	35,428,212 shares	As of April 30, 2025	35,428,212 shares
2) Number of shares held in treasury:	As of July 31, 2025	334,087 shares	As of April 30, 2025	354,987 shares
3) Average number of shares outstanding:	Three months ended July 31, 2025	35,084,325 shares	Three months ended July 31, 2024	35,003,889 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 July 31, 2025: 236,500 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 (three months ended July 31, 2024: 324,200 shares, three months ended July 31, 2025: 246,300 shares).

*Review of the accompanying quarterly consolidated financial statements by a certified public accountant or auditing firm:

No

*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.

Contents of Attachment

1. Overview of Operating Results, etc.	2
(1) Overview of operating results during the first three months	2
(2) Overview of financial position at the end of the first quarter	4
(3) Forecast of consolidated financial results and other forward-looking information	4
2. Quarterly Consolidated Financial Statements and Major Notes	5
(1) Quarterly consolidated balance sheet	5
(2) Quarterly consolidated statement of income and comprehensive income	7
Quarterly consolidated statement of income	7
Quarterly consolidated statement of comprehensive income	8
(3) Notes on quarterly consolidated financial statements	9
(Notes on specified accounting methods for the preparation of quarterly consolidated financial statements)9	
(Notes on segment information, etc.)	9
(Notes on significant changes in the amount of shareholders' equity)	11
(Notes on the premise of a going concern)	11
(Changes in scope of consolidation or scope of application of equity method)	11
(Notes to quarterly consolidated statement of cash flows)	11
(Additional information)	11
(Material subsequent events)	12

1. Overview of Operating Results, etc.

(1) Overview of operating results during the first three months

During the first three months of the current fiscal year (May 1, 2025 to July 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. Through August 2025, 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 three months ended July 31, 2025 (May 1, 2025 to July 31, 2025) are as follows.

(Million yen)	Three months ended July 31, 2024	Three months ended July 31, 2025	Change	Change (%)
Net sales	103,603	132,969	29,365	28.3
Operating profit	2,757	4,254	1,497	54.3
Ordinary profit	2,969	4,259	1,289	43.4
Profit attributable to owners of parent	1,642	1,930	288	17.5

Results by segment are as follows.

(Million yen)		Three months ended July 31, 2024	Three months ended July 31, 2025	Change	Change (%)
Dispensing pharmacy business	Sales	91,866	108,590	16,723	18.2
	Segment profit	4,245	4,231	(14)	(0.4)
Retail business	Sales	8,947	21,581	12,633	141.2
	Segment profit	1,016	2,912	1,896	186.6
Other businesses	Sales	2,801	2,811	9	0.3
	Segment profit	20	19	(1)	(5.7)

(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 "Mynportal Information" function to the official Anytime AIN Pharmacy app, which allows users to retrieve their medication information from Mynportal, the government's online portal for administrative procedures.

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 three 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.

During the period under review, the Group opened 23 new dispensing pharmacies, including those acquired through M&A deals, closed seven, and sold four, resulting in a total of 1,302.

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. By welcoming Sakura Pharmacy Group, the number of dispensing pharmacies in the Group has reached 2,141 (as of August 1, 2025). 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.

(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 three 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, sales were favorable, supported by strong sales of the "Frais Handy Fan" series of portable fans from early on due to a 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 six AINZ & TULPE stores, resulting in a total of 101 stores. In addition, the Group closed one Francfranc store, resulting in a total of 164 stores, with the number of stores in the retail business totaling 265 at the end of the period under review.

(2) Overview of financial position at the end of the first quarter

The balance of total assets at the end of first quarter increased ¥21,598 million from the end of the previous fiscal year to ¥333,520 million. The main factor was an increase in cash and deposits in preparation for the consolidation of Sakura Pharmacy Group.

The balance of liabilities increased ¥21,839 million to ¥191,127 million.

The balance of short-term and long-term borrowings increased ¥18,770 million to ¥57,392 million. The main factor was an increase in short-term borrowings to secure cash on hand.

Total net assets decreased ¥240 million to ¥142,392 million and the shareholders' equity ratio declined 3.1 percentage points to 42.6%.

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

The Group has revised its consolidated financial forecasts for the fiscal year ending April 30, 2026, which were announced on June 5, 2025. For more details, please refer to today's release (September 11, 2025), "Notice of Upward Revisions to Consolidated Financial Forecasts."

2. Quarterly Consolidated Financial Statements and Major Notes**(1) Quarterly consolidated balance sheet**

(Million yen)

	Fiscal year ended April 30, 2025 (As of April 30, 2025)	Three months ended July 31, 2025 (As of July 31, 2025)
Assets		
Current assets		
Cash and deposits	26,881	46,180
Accounts receivable - trade	22,295	23,400
Merchandise	35,572	36,437
Supplies	499	510
Short-term loans receivable	348	178
Accounts receivable - other	20,611	15,952
Other	6,601	10,085
Allowance for doubtful accounts	(0)	(4)
Total current assets	112,808	132,740
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	31,648	32,362
Land	10,218	10,272
Other, net	7,845	9,272
Total property, plant and equipment	49,712	51,907
Intangible assets		
Goodwill	84,772	83,320
Other	12,848	12,996
Total intangible assets	97,621	96,316
Investments and other assets		
Investment securities	3,233	3,327
Deferred tax assets	7,679	7,572
Leasehold and guarantee deposits	31,091	31,299
Other	10,023	10,605
Allowance for doubtful accounts	(249)	(249)
Total investments and other assets	51,778	52,555
Total non-current assets	199,112	200,779
Total assets	311,921	333,520

(Million yen)

	Fiscal year ended April 30, 2025 (As of April 30, 2025)	Three months ended July 31, 2025 (As of July 31, 2025)
Liabilities		
Current liabilities		
Accounts payable - trade	80,895	84,222
Short-term borrowings	12,151	31,912
Income taxes payable	4,449	2,250
Deposits received	20,685	22,412
Provision for bonuses	4,167	2,576
Provision for bonuses for directors	23	11
Contract liabilities	534	555
Other	9,136	10,749
Total current liabilities	132,045	154,690
Non-current liabilities		
Long-term borrowings	26,469	25,479
Retirement benefit liability	4,778	4,884
Asset retirement obligations	4,081	4,095
Other	1,913	1,978
Total non-current liabilities	37,243	36,437
Total liabilities	169,288	191,127
Net assets		
Shareholders' equity		
Share capital	21,894	21,894
Capital surplus	20,128	20,128
Retained earnings	101,692	100,796
Treasury shares	(1,997)	(1,882)
Total shareholders' equity	141,717	140,937
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	298	460
Deferred gains or losses on hedges	189	389
Foreign currency translation adjustment	(3)	(3)
Remeasurements of defined benefit plans	318	292
Total accumulated other comprehensive income	802	1,139
Non-controlling interests	111	314
Total net assets	142,632	142,392
Total liabilities and net assets	311,921	333,520

(2) Quarterly consolidated statement of income and comprehensive income

Quarterly consolidated statement of income

(Million yen)

	Three months ended July 31, 2024 (May 1, 2024 to July 31, 2024)	Three months ended July 31, 2025 (May 1, 2025 to July 31, 2025)
Net sales	103,603	132,969
Cost of sales	90,671	111,114
Gross profit	12,931	21,854
Selling, general and administrative expenses	10,174	17,600
Operating profit	2,757	4,254
Non-operating income		
Interest income	9	30
Dividend income	18	25
Commission income	2	1
Rental income from real estate	79	83
Outsourcing service income	87	86
Subsidy income	8	64
Other	138	122
Total non-operating income	343	415
Non-operating expenses		
Interest expenses	5	111
Loss on sale of receivables	51	119
Rental expenses on real estate	23	164
Other	49	15
Total non-operating expenses	130	410
Ordinary profit	2,969	4,259
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	0	13
Gain on sale of businesses	527	42
Other	-	6
Total extraordinary income	528	62
Extraordinary losses		
Loss on sale and retirement of non-current assets	7	25
Impairment losses	65	21
Loss on valuation of investment securities	43	16
Retirement benefits for directors	-	32
Other	0	22
Total extraordinary losses	116	118
Profit before income taxes	3,381	4,202
Income taxes	1,744	2,269
Profit	1,636	1,933
Profit (loss) attributable to non-controlling interests	(5)	2
Profit attributable to owners of parent	1,642	1,930

Quarterly consolidated statement of comprehensive income

(Million yen)

	Three months ended July 31, 2024 (May 1, 2024 to July 31, 2024)	Three months ended July 31, 2025 (May 1, 2025 to July 31, 2025)
Profit	1,636	1,933
Other comprehensive income		
Valuation difference on available-for-sale securities	48	161
Deferred gains or losses on hedges	—	200
Foreign currency translation adjustment	—	(0)
Remeasurements of defined benefit plans, net of tax	(18)	(25)
Total other comprehensive income	30	336
Comprehensive income	1,667	2,269
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,673	2,267
Comprehensive income attributable to non-controlling interests	(5)	2

(3) Notes on quarterly consolidated financial statements

(Notes on specified accounting methods for the preparation of quarterly consolidated financial statements)

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 quarterly period.

(Notes on segment information, etc.)

I Three months ended July 31, 2024 (May 1, 2024 to July 31, 2024)

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

	Reportable segments				Adjustments (Note) 1	(Million yen) Carried on quarterly consolidated statements of income (Note) 2
	Dispensing pharmacy business	Retail business	Other businesses	Total		
Sales						
(1) Sales to third parties	91,866	8,947	2,789	103,603	—	103,603
(2) Intersegment sales	—	—	12	12	(12)	—
Total sales	91,866	8,947	2,801	103,615	(12)	103,603
Segment profit (loss)	4,245	1,016	20	5,282	(2,313)	2,969

Notes: 1. The adjustment of ¥(2,313) million to segment profit (loss) includes ¥2,592 million in corporate expenses, ¥(274) million in (income) loss that is not allocated to reportable segments, and ¥(4) 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 quarterly 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]

There are no applicable matters to be reported.

II Three months ended July 31, 2025 (May 1, 2025 to July 31, 2025)

1. Net sales and income (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	108,590	21,581	2,797	132,969	—	132,969
(2) Intersegment sales	—	—	13	13	(13)	—
Total sales	108,590	21,581	2,811	132,982	(13)	132,969
Segment profit (loss)	4,231	2,912	19	7,162	(2,903)	4,259

Notes: 1. The adjustment of ¥(2,903) million to segment profit (loss) includes ¥3,094 million in corporate expenses, ¥(166) million in (income) loss that is not allocated to reportable segments, and ¥(24) 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 quarterly 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]

There are no applicable matters to be reported.

(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.

(Changes in scope of consolidation or scope of application of equity method)

(Changes in matters concerning the fiscal year, etc. of consolidated subsidiaries)

From the first quarter of the current consolidated fiscal year, the fiscal year-end of consolidated subsidiaries AIN HOKURIKU INC. and AIN CHUO INC. has been changed from March 31 to April 30 to coincide with the consolidated closing date. Due to this change, the accounting period for these subsidiaries during the first quarter cumulative period of the current fiscal year was four months, and the financial impact of this change has been adjusted through the quarterly consolidated statement of income. The impact on the quarterly consolidated statement of income is immaterial.

(Notes to quarterly consolidated statement of cash flows)

A quarterly consolidated statement of cash flows has not been prepared for the first quarter of the current fiscal year. Depreciation (including amortization related to intangible fixed assets excluding goodwill) and amortization of goodwill for the first quarter of the fiscal year under review are as follows.

	Three months ended July 31, 2024 (May 1, 2024 to July 31, 2024)	Three months ended July 31, 2025 (May 1, 2025 to July 31, 2025)
Depreciation	¥1,697 million	¥2,331 million
Amortization of goodwill	1,123	1,658

(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 quarter of the fiscal year ending April 30, 2026, the book value and number of these treasury shares amounted to ¥1,306 million and 236 thousand shares, respectively.

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

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

First quarter of the fiscal year ending April 30, 2026 ¥1,460 million

(Material subsequent events)

(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

1) 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.

2) 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.

3) Date of business combination

August 1, 2025

4) Legal form of business combination

Share acquisition

5) Name of the company after combination

AIN-AG1 Co., Ltd.

6) Ratio of voting rights to be acquired

100%

7) Main basis for determining the acquiring company

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

(2) Breakdown of acquisition cost and payments

Consideration for acquisition	Cash	¥59,100 million
Acquisition cost		¥59,100 million

The final acquisition price may vary due to price adjustments stipulated in the share transfer agreement.

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

Not finalized at this time

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

Not finalized at this time

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

Not finalized at this time

(Borrowing of funds)

To procure the necessary funds for the aforementioned share acquisition, at a meeting of the Board of Directors held on July 30, 2025, the Company resolved to enter into a loan agreement (bridge loan), and borrowed the funds on August 1, 2025.

(1) Lender	Sumitomo Mitsui Banking Corporation
(2) Loan amount	¥125,000 million
(3) Loan date	August 1, 2025
(4) Loan period	Six months
(5) Interest rate	Base rate + spread
(6) Collateral / guarantee	Unsecured and unguaranteed

* Refinancing of the funds procured through the bridge loan is currently under consideration.