

FY4/24 3Q
IR PRESENTATION

AIN HOLDINGS INC.
March 2024

Results Overview

Consolidated P/L

Net sales increased 12.3% YoY and 1.3% against the plan due to favorable performance in both dispensing pharmacy business and cosmetic and drug store business. Ordinary profit increased 21.7% YoY and 7.2% against the plan due to increase of sales.

| (¥ million) | FY4/23 3Q results | FY4/24 3Q plan | FY4/24 3Q results | YoY change | YoY change(%) | Vs plan (%) |
|--|----------------------|-------------------|----------------------|---------------|------------------|----------------|
| Net sales | 263,906 | 292,551 | 296,360 | +32,454 | +12.3 | +1.3 |
| Gross profit | 39,692 | 42,721 | 43,213 | +3,521 | +8.9 | +1.2 |
| % of net sales | 15.0 | 14.6 | 14.6 | | | |
| SG&A expenses | 28,006 | 29,453 | 28,907 | +901 | +3.2 | (1.9) |
| % of net sales | 10.6 | 10.1 | 9.8 | | | |
| Operating profit | 11,685 | 13,268 | 14,305 | +2,620 | +22.4 | +7.8 |
| % of net sales | 4.4 | 4.5 | 4.8 | | | |
| Ordinary profit | 12,367 | 14,038 | 15,050 | +2,683 | +21.7 | +7.2 |
| % of net sales | 4.7 | 4.8 | 5.1 | | | |
| Profit attributable to owners of parent | 6,628 | 7,609 | 8,730 | +2,102 | +31.7 | +14.7 |
| % of net sales | 2.5 | 2.6 | 2.9 | | | |
| Earnings per share(¥) | 188.70 | 216.60 | 248.51 | +59.81 | +31.7 | +14.7 |

► Figures in the table are rounded down

Dispensing Pharmacy Business (Consolidated)

Net sales increased 12.1% YoY and 1.4% against the plan due to the easing of restrictions on outpatient visits, and rise in prescription numbers and average price because of improvements in the capabilities of primary care functions. Segment profit increased 9.4% YoY and 2.6% against the plan due to increase of sales.

| (¥ million) | FY4/23 3Q results | FY4/24 3Q plan | FY4/24 3Q results | YoY change | YoY change(%) | Vs plan (%) |
|-------------------------|----------------------|-------------------|----------------------|---------------|------------------|----------------|
| Net sales | 236,396 | 261,480 | 265,019 | +28,623 | +12.1 | +1.4 |
| Gross profit | 29,448 | 31,088 | 31,508 | +2,060 | +7.0 | +1.4 |
| % of net sales | 12.5 | 11.9 | 11.9 | | | |
| SG&A expenses | 12,067 | 12,598 | 12,551 | +484 | +4.0 | (0.4) |
| % of net sales | 5.1 | 4.8 | 4.7 | | | |
| Operating profit | 17,380 | 18,490 | 18,957 | +1,577 | +9.1 | +2.5 |
| % of net sales | 7.4 | 7.1 | 7.2 | | | |
| Segment profit | 18,023 | 19,214 | 19,713 | +1,690 | +9.4 | +2.6 |
| % of net sales | 7.6 | 7.3 | 7.4 | | | |
| Number of pharmacies | 1,210 | 1,223 | 1,221 | +11 | +0.9 | (0.2) |

▶ Figures in the table are rounded down

Cosmetic and Drug Store Business (Consolidated)

Net sales up 21.6% YoY and 2.2% against the plan because customer numbers were firm amid a recovery in mobility for both domestic shoppers and overseas visitors, and average sales price rose due to a change in customer buying habits. Segment profit increased 204.7% YoY and 14.7% against the plan due to increase of sales.

| (¥ million) | FY4/23 3Q results | FY4/24 3Q plan | FY4/24 3Q results | YoY change | YoY change(%) | Vs plan (%) |
|-----------------------|----------------------|-------------------|----------------------|---------------|------------------|----------------|
| Net sales | 18,836 | 22,420 | 22,905 | +4,069 | +21.6 | +2.2 |
| Gross profit | 7,102 | 8,540 | 8,800 | +1,698 | +23.9 | +3.0 |
| % of net sales | 37.7 | 38.1 | 38.4 | | | |
| SG&A expenses | 6,401 | 6,590 | 6,588 | +187 | +2.9 | 0.0 |
| % of net sales | 34.0 | 29.4 | 28.8 | | | |
| Operating profit | 700 | 1,950 | 2,212 | +1,512 | +216.0 | +13.4 |
| % of net sales | 3.7 | 8.7 | 9.7 | | | |
| Segment profit | 737 | 1,958 | 2,246 | +1,509 | +204.7 | +14.7 |
| % of net sales | 3.9 | 8.7 | 9.8 | | | |
| Number of stores | 76 | 82 | 81 | +5 | +6.6 | (1.2) |

▶ Figures in the table are rounded down

Consolidated B/S

Net cash became ¥44,208 million and shareholders' equity ratio became 54.7%. We are maintaining a sound financial structure.

| End-FY4/23 | | | | (¥ million) |
|-------------------------------|---------|----------------------------------|---------|-------------|
| Assets | | Liabilities and Net Assets | | |
| Current assets | 98,305 | Current liabilities | 92,986 | |
| Cash and deposits | 46,796 | Short-term borrowings | 3,670 | |
| Non-current assets | 133,444 | Non-current liabilities | 12,218 | |
| Goodwill | 46,443 | Long-term borrowings | 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 3Q | | | | (¥ million) |
|-------------------------------|---------|----------------------------------|---------|-------------|
| Assets | | Liabilities and Net Assets | | |
| Current assets | 106,837 | Current liabilities | 100,847 | |
| Cash and deposits | 50,057 | Short-term borrowings | 3,183 | |
| Non-current assets | 136,850 | Non-current liabilities | 9,561 | |
| Goodwill | 43,947 | Long-term borrowings | 2,366 | |
| Deferred assets | - | Total net assets | 133,278 | |
| Total assets | 243,688 | Total liabilities and net assets | 243,688 | |
| Net cash | | | | 44,208 |
| Shareholders' equity ratio(%) | | | | 54.7 |

- ▶ Figures in the table are rounded down
- ▶ Net cash = Cash and deposits - Interest-bearing debt

Assets

The balance of total assets increased ¥11,938 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 3Q | End-FY4/23 | End-FY4/24 3Q | Change |
|--|----------------|----------------|----------------|----------------|
| Cash and deposits | 46,193 | 46,796 | 50,057 | +3,261 |
| Accounts receivable - trade | 11,269 | 13,249 | 14,007 | +758 |
| Inventories | 23,629 | 21,586 | 27,093 | +5,507 |
| Total current assets | 95,490 | 98,305 | 106,837 | +8,532 |
| Buildings and structures, net | 20,591 | 21,407 | 27,010 | +5,603 |
| Land | 10,584 | 10,602 | 10,116 | (486) |
| Total property, plant and equipment | 38,519 | 39,459 | 42,745 | +3,286 |
| Goodwill | 47,539 | 46,443 | 43,947 | (2,496) |
| Total intangible assets | 53,110 | 52,343 | 50,664 | (1,679) |
| Investments securities | 2,938 | 2,720 | 3,427 | +707 |
| Deferred tax assets | 6,118 | 5,990 | 6,287 | +297 |
| Leasehold and guarantee deposits | 24,823 | 24,507 | 24,713 | +206 |
| Total investments and other assets | 42,443 | 41,641 | 43,440 | +1,799 |
| Total non-current assets | 134,072 | 133,444 | 136,850 | +3,406 |
| Total deferred assets | - | - | - | - |
| Total assets | 229,562 | 231,750 | 243,688 | +11,938 |

▶ Figures in the table are rounded down ▶ Change: End-FY4/24 3Q compared with End-FY4/23

▶ Capital expenditures (Property, plant and equipment and intangible assets + Leasehold and guarantee deposits) totaled ¥10,447 million

Liabilities and Net Assets

Accounts payable increased ¥ 9,289 million due to increase in pharmaceutical purchasing and new store openings. Short-term and long-term borrowings decreased ¥ 3,142 million due to repayment of loans payable.

| (¥ million) | End-FY4/23 3Q | End-FY4/23 | End-FY4/24 3Q | Change |
|---|----------------|----------------|----------------|----------------|
| Accounts payable - trade | 60,972 | 58,698 | 67,987 | +9,289 |
| Short-term borrowings | 4,036 | 3,670 | 3,183 | (487) |
| Total current liabilities | 92,823 | 92,986 | 100,847 | +7,861 |
| Long-term borrowings | 5,816 | 5,021 | 2,366 | (2,655) |
| Total non-current liabilities | 12,995 | 12,218 | 9,561 | (2,657) |
| Total liabilities | 105,819 | 105,204 | 110,409 | +5,205 |
| Share capital | 21,894 | 21,894 | 21,894 | - |
| Capital surplus | 20,504 | 20,504 | 20,499 | (5) |
| Retained earnings | 83,357 | 85,963 | 92,586 | +6,623 |
| Total shareholders' equity | 123,756 | 126,362 | 132,997 | +6,635 |
| Total net assets | 123,743 | 126,546 | 133,278 | +6,732 |
| Total liabilities and net assets | 229,562 | 231,750 | 243,688 | +11,938 |

▶ Figures in the table are rounded down ▶ Change:End-FY4/24 3Q compared with End-FY4/23

FY4/24 Revised Plan (Consolidated)

The group forecasts net sales for the fiscal year ending April 30, 2024 increase 8.8% YoY and ordinary profit increase 13.3% YoY due to new store openings of 41 stores for dispensing pharmacy business and 6 stores for cosmetic and drug store business.

| (¥ million) | FY4/23 results | FY4/24 initial plan | FY4/24 revised plan | YoY change (%) | Vs initial plan change (%) |
|---|-------------------|------------------------|------------------------|-------------------|-------------------------------|
| Net sales | 358,742 | 375,000 | 390,263 | +8.8 | +4.1 |
| Gross profit | 53,698 | 55,413 | 58,106 | +8.2 | +4.9 |
| % of net sales | 15.0 | 14.8 | 14.9 | | |
| SG&A expenses | 37,694 | 39,750 | 39,656 | +5.2 | (0.2) |
| % of net sales | 10.5 | 10.6 | 10.2 | | |
| Operating profit | 16,004 | 15,663 | 18,450 | +15.3 | +17.8 |
| % of net sales | 4.5 | 4.2 | 4.7 | | |
| Ordinary profit | 17,064 | 16,302 | 19,340 | +13.3 | +18.6 |
| % of net sales | 4.8 | 4.3 | 5.0 | | |
| Profit attributable to owners of parent | 9,234 | 8,250 | 10,000 | +8.3 | +21.2 |
| % of net sales | 2.6 | 2.2 | 2.6 | | |
| Earnings per share(¥) | 262.87 | 234.84 | 284.64 | +8.3 | +21.2 |
| Annual dividend (¥) | 60.00 | 60.00 | 60.00 | 0.0 | 0.0 |

▶ Figures in the table are rounded down

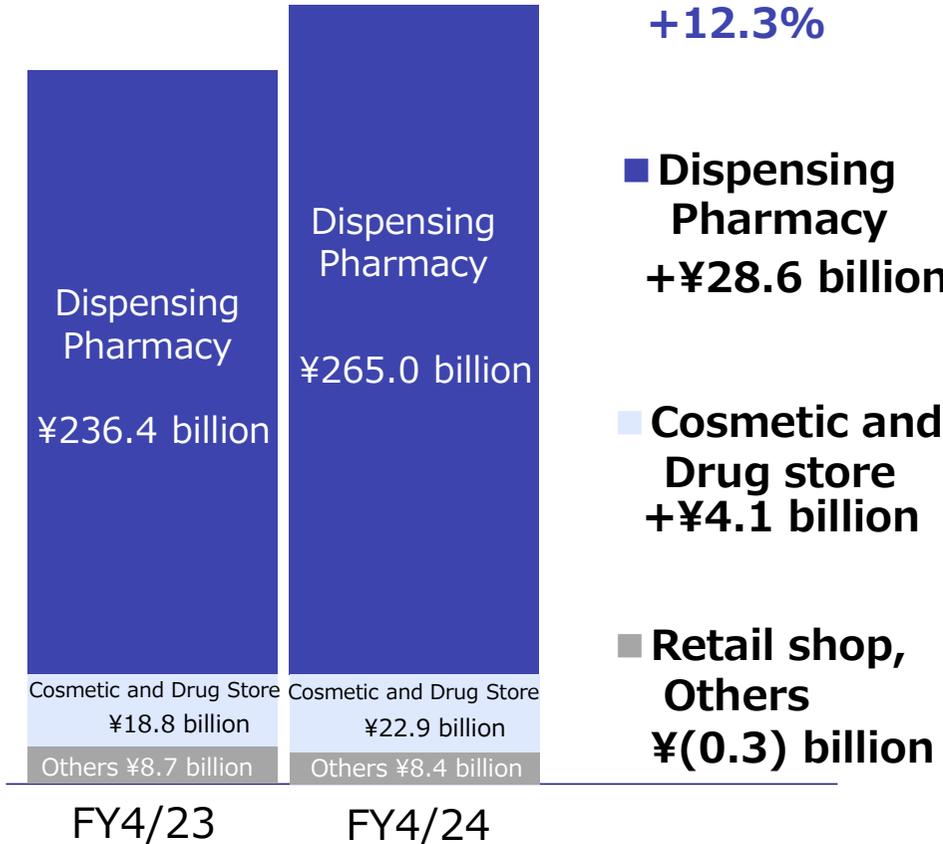
Review

Review (YoY)

Ordinary profit increased ¥2.7 billion YoY due to increase of net sales in dispensing pharmacy business and cosmetic and drug store business.

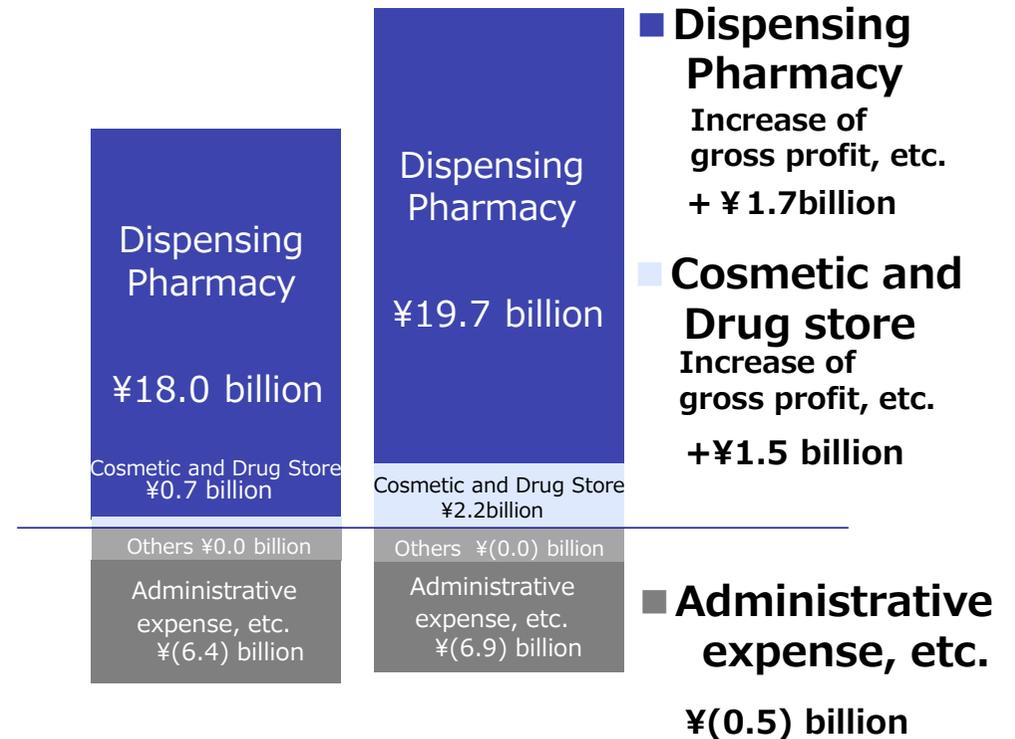
Net sales

¥263.9 billion → ¥296.3 billion +¥32.4 billion +12.3%



Ordinary profit

¥12.3 billion → ¥15.0 billion +¥2.7 billion +21.7%



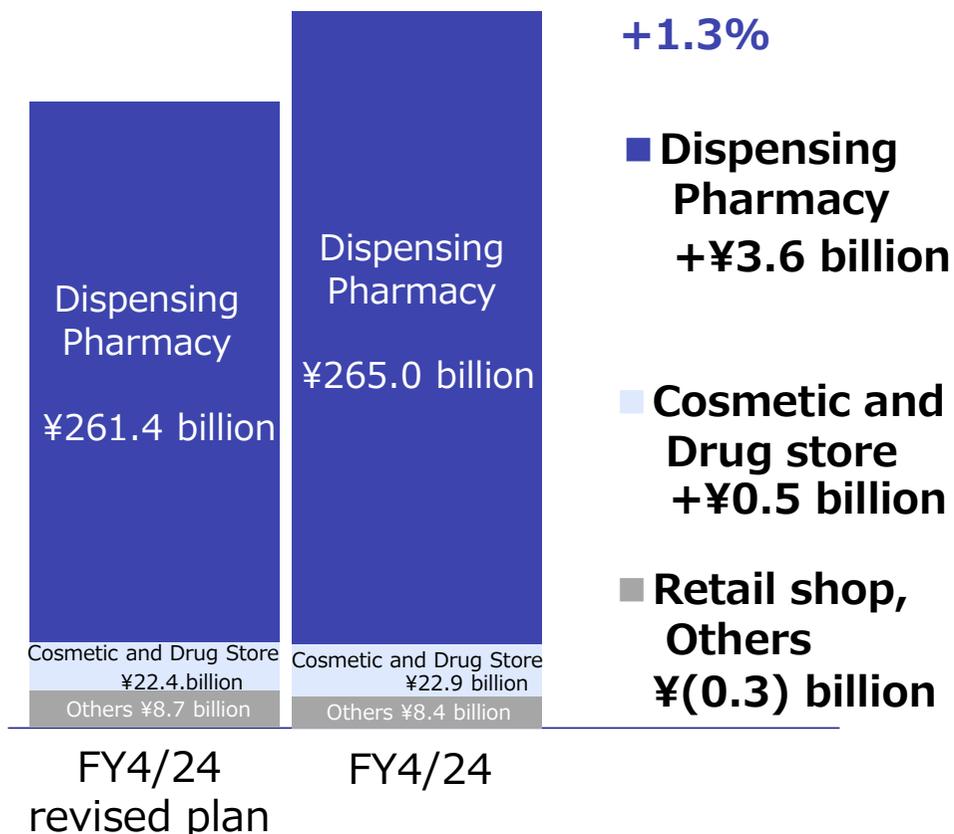
▶ Decrease against profit : ()

Review (Plan)

Ordinary profit increased ¥1.0 billion against the revised plan due to increase of net sales in dispensing pharmacy business and cosmetic and drug store business.

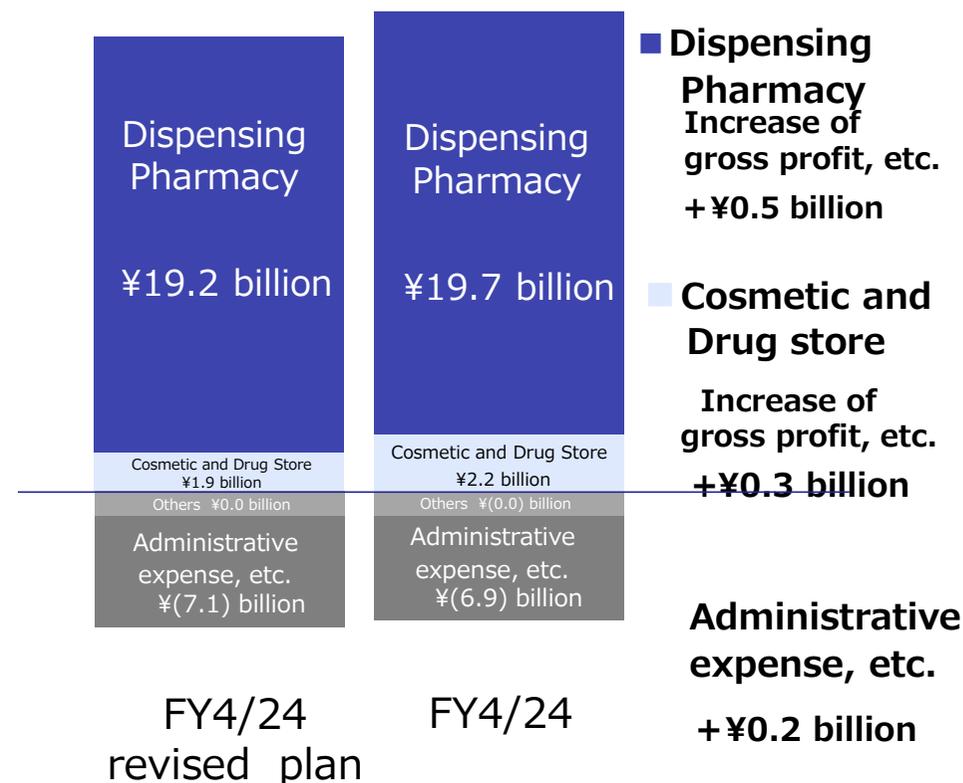
Net sales

¥292.5 billion → ¥296.3 billion +¥3.8 billion
+1.3%



Ordinary profit

¥14.0 billion → ¥15.0 billion +¥1.0 billion
+7.2%



▶ Increase against profit: +

Expansion of top-line

- Dispensing Pharmacy Plan to open **41 pharmacies** (Organic 21, M&A 20)
- Cosmetic and Drug Store Plan to open **6 stores**

■ Plan and Results

| | | FY4/24 3Q | | FY4/24 |
|--------------|-------------------------|--------------|-----------|--------------|
| | | Revised Plan | Results | Revised Plan |
| Opening | Dispensing Pharmacy | 24 | 25 | 41 |
| | Organic | 14 | 14 | 21 |
| | M&A | 10 | 11 | 20 |
| | Cosmetic and drug store | 6 | 5 | 6 |
| Total | | 30 | 30 | 47 |
| Closure | Dispensing Pharmacy | 10 | 13 | 10 |
| | Cosmetic and drug store | 2 | 2 | 2 |
| | Total | 12 | 15 | 12 |

■ Transition of dispensing pharmacies

| | FY4/18 | FY4/19 | FY4/20 | FY4/21 | FY4/22 | FY4/23 | FY4/24 3Q |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Organic | 25 | 23 | 14 | 15 | 25 | 27 | 14 |
| M&A | 11 | 134 | 6 | 14 | 24 | 114 | 11 |
| EV/EBITDA ratio | 3.96 | 4.88 | 3.71 | 3.74 | 4.13 | 6.55 | 3.77 |
| Closed | 73 | 54 | 64 | 52 | 15 | 31 | 13 |
| Sold | 32 | 30 | 42 | 34 | 5 | 7 | 2 |
| No. of total stores | 1,029 | 1,132 | 1,088 | 1,065 | 1,099 | 1,209 | 1,221 |

▶ EV/EBITDA ratio=EV(Purchase price)/EBITDA(Operating profit + Depreciation)

Revised plan

FY4/24 Revised Plan (Dispensing Pharmacy Business)

The group revised the full-year consolidated financial forecasts because net sales of same stores and stores openings in the previous year expected to increase. Net sales were revised to ¥349,100 million, increased 8.6% YoY and 3.9% against the initial plan. Segment profit was revised to ¥26,390 million, increased 9.3% YoY and 8.7% against the initial plan.

| (¥ million) | FY4/23 results | FY4/24 initial plan | FY4/24 revised plan | YoY Change(%) | Vs initial plan change (%) |
|-----------------------|-------------------|------------------------|------------------------|------------------|-------------------------------|
| Net sales | 321,577 | 336,093 | 349,100 | +8.6 | +3.9 |
| Gross profit | 39,779 | 40,713 | 42,680 | +7.3 | +4.8 |
| % of net sales | 12.4 | 12.1 | 12.2 | | |
| SG&A expenses | 16,559 | 17,080 | 17,160 | +3.6 | +0.5 |
| % of net sales | 5.1 | 5.1 | 4.9 | | |
| Operating profit | 23,220 | 23,633 | 25,520 | +9.9 | +8.0 |
| % of net sales | 7.2 | 7.0 | 7.3 | | |
| Segment profit | 24,135 | 24,283 | 26,390 | +9.3 | +8.7 |
| % of net sales | 7.5 | 7.2 | 7.6 | | |
| Number of pharmacies | 1,209 | 1,249 | 1,240 | +2.6 | (0.7) |

▶ Figures in the table are rounded down

FY4/24 Revised Plan (Cosmetic and Drug Store Business)

The group revised the full-year consolidated financial forecasts because net sales expected to increase due to firm amid a recovery in mobility of customer numbers for same stores. Net sales were revised to ¥29,500 million, increased 14.9% YoY and 8.2% against the initial plan. Segment profit was revised to ¥2,410 million, increased 98.5% YoY and 75.9% against the initial plan.

| (¥ million) | FY4/23 results | FY4/24 initial plan | FY4/24 revised plan | YoY Change(%) | Vs initial plan change (%) |
|-----------------------|-------------------|------------------------|------------------------|------------------|-------------------------------|
| Net sales | 25,685 | 27,263 | 29,500 | +14.9 | +8.2 |
| Gross profit | 9,694 | 10,405 | 11,230 | +15.8 | +7.9 |
| % of net sales | 37.7 | 38.2 | 38.1 | | |
| SG&A expenses | 8,521 | 9,035 | 8,830 | +3.6 | (2.3) |
| % of net sales | 33.2 | 33.1 | 29.9 | | |
| Operating profit | 1,172 | 1,370 | 2,400 | +104.8 | +75.2 |
| % of net sales | 4.6 | 5.0 | 8.1 | | |
| Segment profit | 1,214 | 1,370 | 2,410 | +98.5 | +75.9 |
| % of net sales | 4.7 | 5.0 | 8.2 | | |
| Number of stores | 78 | 88 | 82 | +5.1 | (6.8) |

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FY4/24 Revised Plan (Consolidated)

The group forecasts net sales for the fiscal year ending April 30, 2024 increase 8.8% YoY and ordinary profit increase 13.3% YoY due to new store openings of 41 stores for dispensing pharmacy business and 6 stores for cosmetic and drug store business.

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| Gross profit | 53,698 | 55,413 | 58,106 | +8.2 | +4.9 |
| % of net sales | 15.0 | 14.8 | 14.9 | | |
| SG&A expenses | 37,694 | 39,750 | 39,656 | +5.2 | (0.2) |
| % of net sales | 10.5 | 10.6 | 10.2 | | |
| Operating profit | 16,004 | 15,663 | 18,450 | +15.3 | +17.8 |
| % of net sales | 4.5 | 4.2 | 4.7 | | |
| Ordinary profit | 17,064 | 16,302 | 19,340 | +13.3 | +18.6 |
| % of net sales | 4.8 | 4.3 | 5.0 | | |
| Profit attributable to owners of parent | 9,234 | 8,250 | 10,000 | +8.3 | +21.2 |
| % of net sales | 2.6 | 2.2 | 2.6 | | |
| Earnings per share(¥) | 262.87 | 234.84 | 284.64 | +8.3 | +21.2 |
| Annual dividend (¥) | 60.00 | 60.00 | 60.00 | 0.0 | 0.0 |

▶ Figures in the table are rounded down

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