

FY4/22 1Q

IR PRESENTATION

AIN HOLDINGS INC.
September 2021

Results Overview

Consolidated P/L

Net sales increased 5.0% YoY and 4.1% against the plan due to the contribution of existing stores, despite the impact of the COVID-19. Ordinary profit increased 73.2% YoY and 41.6% against the plan due to increase of sales.

(¥ million)	FY4/21 1Q results	FY4/22 1Q plan	FY4/22 1Q results	YoY change	YoY change(%)	Vs plan (%)
Net sales	71,463	72,029	75,011	+3,548	+5.0	+4.1
Gross profit	9,819	10,885	11,060	+1,241	+12.6	+1.6
% of net sales	13.7	15.1	14.7			
SG&A expenses	8,655	9,010	8,448	(207)	(2.4)	(6.2)
% of net sales	12.1	12.5	11.3			
Operating profit	1,164	1,875	2,611	+1,447	+124.3	+39.3
% of net sales	1.6	2.6	3.5			
Ordinary profit	1,654	2,022	2,864	+1,210	+73.2	+41.6
% of net sales	2.3	2.8	3.8			
Profit attributable to owners of parent	846	840	1,309	+463	+54.7	+55.8
% of net sales	1.2	1.2	1.7			
Earnings per share(¥)	23.90	23.73	37.10	+13.20	+55.2	+56.3

► Figures in the table are rounded down

Dispensing Pharmacy Business (Consolidated)

Net sales increased 6.3% YoY and 4.8% against the plan due to the recovery in prescription volume at existing stores and the contribution of stores opened in previous year. Segment profit increased 41.1% YoY and 18.7% against the plan due to increase of sales.

(¥ million)	FY4/21 1Q results	FY4/22 1Q plan	FY4/22 1Q results	YoY change	YoY change(%)	Vs plan (%)
Net sales	62,888	63,787	66,828	+3,940	+6.3	+4.8
Gross profit	6,661	7,713	8,138	+1,477	+22.2	+5.5
% of net sales	10.6	12.1	12.2			
SG&A expenses	3,537	3,706	3,396	(141)	(4.0)	(8.4)
% of net sales	5.6	5.8	5.1			
Operating profit	3,124	4,007	4,742	+1,618	+51.8	+18.3
% of net sales	5.0	6.3	7.1			
Segment profit	3,458	4,109	4,879	+1,421	+41.1	+18.7
% of net sales	5.5	6.4	7.3			
Number of pharmacies	1,081	1,078	1,074	(7)	(0.6)	(0.4)

▶ Figures in the table are rounded down

Cosmetic and Drug Store Business (Consolidated)

Net sales up 17.9% YoY and 5.9% against the plan due to the contribution of existing stores and stores opened in previous year despite the impact of temporarily closed or shorted opening hours. Segment loss was ¥503 million, ¥107 million above plan.

(¥ million)	FY4/21 1Q results	FY4/22 1Q plan	FY4/22 1Q results	YoY change	YoY change(%)	Vs plan (%)
Net sales	4,296	4,780	5,063	+767	+17.9	+5.9
Gross profit	1,589	1,748	1,701	+112	+7.0	(2.7)
% of net sales	37.0	36.6	33.6			
SG&A expenses	2,014	2,368	2,213	+199	+9.9	(6.5)
% of net sales	46.9	49.5	43.7			
Operating profit	(425)	(620)	(511)	(86)	-	-
% of net sales	-	-	-			
Segment profit	(292)	(610)	(503)	(211)	-	-
% of net sales	-	-	-			
Number of stores	64	70	70	+6	+9.4	+0.0

▶ Figures in the table are rounded down

Consolidated B/S

Net cash became ¥42,617 million and shareholders' equity ratio became 55.9%. We are maintaining a sound financial structure even during the COVID-19 outbreak.

(¥ million)

End-FY4/21			
Assets		Liabilities	
Current assets	96,398	Current liabilities	74,160
Cash on hand and in banks	55,271	Short-term debt	3,670
		Lease obligations	94
Fixed assets	107,264	Long-term liabilities	13,664
Goodwill	39,057	Long-term debt	8,297
		Lease obligations	37
Deferred assets	-	Total net assets	115,837
Total assets	203,662	Total liabilities and net assets	203,662
Net cash		43,171	
Shareholders' equity ratio(%)		56.8	

(¥ million)

End-FY4/22 1Q			
Assets		Liabilities	
Current assets	94,829	Current liabilities	76,816
Cash on hand and in banks	53,576	Short-term debt	3,354
		Lease obligations	77
Fixed assets	108,722	Long-term liabilities	12,962
Goodwill	39,079	Long-term debt	7,507
		Lease obligations	20
Deferred assets	-	Total net assets	113,773
Total assets	203,552	Total liabilities and net assets	203,552
Net cash		42,617	
Shareholders' equity ratio(%)		55.9	

▶ 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

(¥ million)	End-FY4/21 1Q	End-FY4/21	End-FY4/22 1Q	Change
Cash on hand and in banks	42,128	55,271	53,576	(1,695)
Notes and accounts receivable	12,204	13,475	12,338	(1,137)
Inventories	15,588	14,285	15,180	+895
Total current assets	82,815	96,398	94,829	(1,569)
Buildings and structures, net	16,521	16,270	16,345	+75
Land	10,868	10,390	9,976	(414)
Lease assets	208	100	74	(26)
Total property, plant and equipment	30,808	30,229	30,117	(112)
Goodwill	41,303	39,057	39,079	+22
Lease assets	4	1	1	-
Total intangible fixed assets	44,299	42,666	42,788	+122
Investments in securities	2,296	2,697	2,638	(59)
Deferred tax assets	4,196	4,415	4,633	+218
Deposits and guarantees	19,154	20,319	21,313	+994
Total investments and other assets	30,297	34,368	35,817	+1,449
Total fixed assets	105,405	107,264	108,722	+1,458
Total deferred assets	4	-	-	-
Total assets	188,225	203,662	203,552	(110)

▶ Figures in the table are rounded down ▶ Change: End-FY4/22 1Q compared with End-FY4/21

▶ Capital expenditures (Property, plant and equipment and intangible fixed assets + Deposits and guarantees) totaled ¥2,571 million

Liabilities and Net Assets

(¥ million)	End-FY4/21 1Q	End-FY4/21	End-FY4/22 1Q	Change
Accounts payable	45,334	46,758	49,094	+2,336
Short-term debt	3,171	3,670	3,354	(316)
Lease obligations	165	94	77	(17)
Total current liabilities	70,999	74,160	76,816	+2,656
Long-term debt	1,961	8,297	7,507	(790)
Lease obligations	111	37	20	(17)
Total long-term liabilities	7,318	13,664	12,962	(702)
Total liabilities	78,318	87,825	89,778	+1,953
Common stock	21,894	21,894	21,894	-
Capital surplus	20,500	20,500	20,500	-
Retained earnings	67,656	73,506	72,878	(628)
Total shareholders' equity	110,050	115,899	113,870	(2,029)
Total net assets	109,907	115,837	113,773	(2,064)
Total liabilities and net assets	188,225	203,662	203,552	(110)

▶ Figures in the table are rounded down ▶ Change: End-FY4/22 1Q compared with End-FY4/21

FY4/22 Plan (Consolidated)

The group forecasts net sales for the fiscal year ending April 30, 2022 of ¥315,000 million, increase 6.0% YoY and ordinary profit of ¥15,500 million, increase 22.5% YoY.

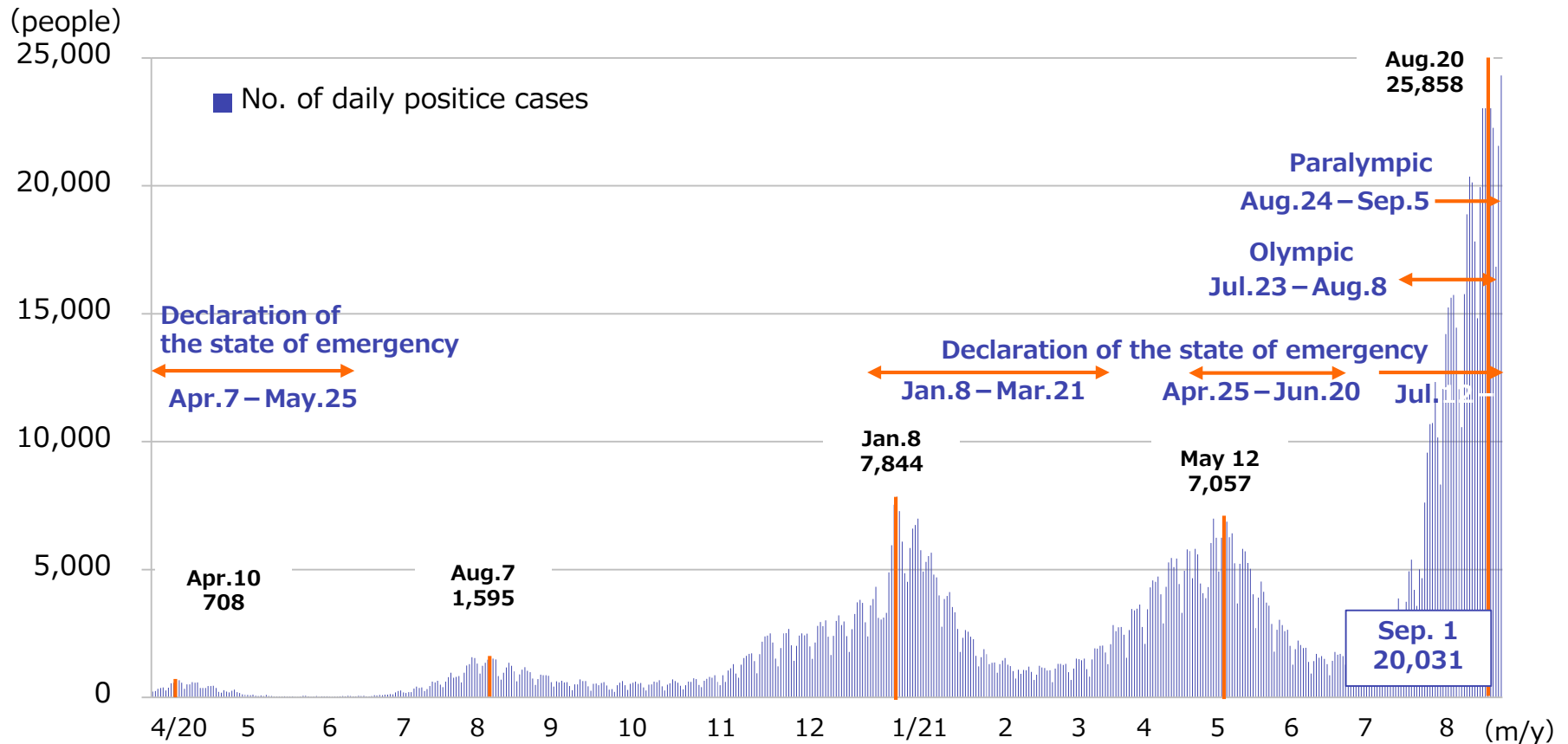
(¥ million)	FY4/20 results	FY4/21 results	FY4/22 plan	YoY change	YoY change(%)
Net sales	292,615	297,305	315,000	+17,695	+6.0
Gross profit	46,861	46,155	51,600	+5,445	+11.8
% of net sales	16.0	15.5	16.4		
SG&A expenses	30,793	35,222	36,600	+1,378	+3.9
% of net sales	10.5	11.8	11.6		
Operating profit	16,068	10,932	15,000	+4,068	+37.2
% of net sales	5.5	3.7	4.8		
Ordinary profit	16,822	12,649	15,500	+2,851	+22.5
% of net sales	5.7	4.3	4.9		
Profit attributable to owners of parent	9,179	6,697	8,300	+1,603	+23.9
% of net sales	3.1	2.3	2.6		
Earnings per share(¥)	259.11	189.04	234.28	+45.24	+23.9
Annual dividend (¥)	55.00	55.00	55.00	+0.00	+0.0

► Figures in the table are rounded down

Review

Daily new COVID-19 cases across Japan

As of September 1, the number of domestic cases of the COVID-19 infection and deaths was 1,511,373 and 16,154, respectively.

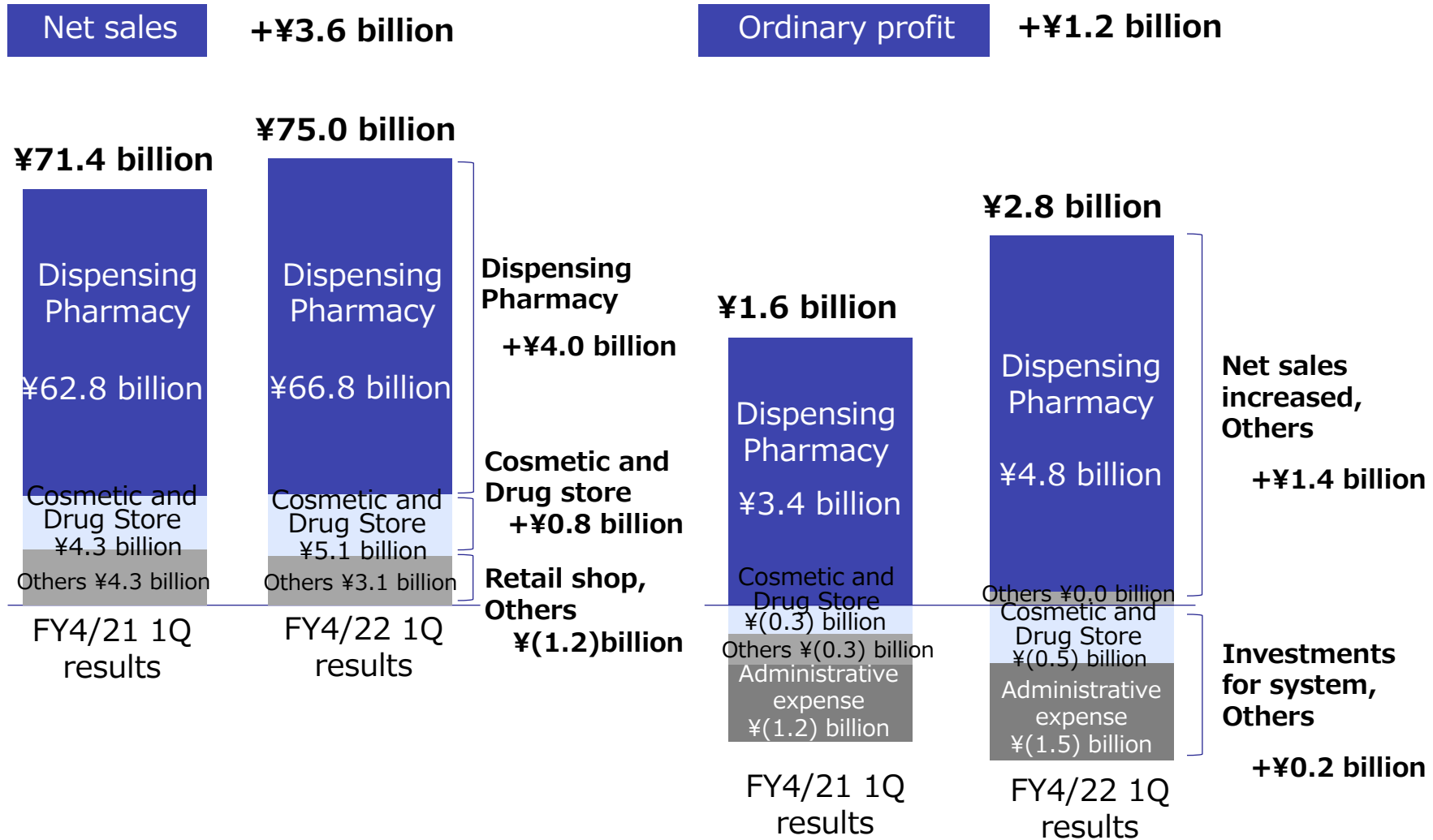


▶ the Ministry of Health, Labour and Welfare's Open Data on the COVID-19

▶ The period of declaration of the state of emergency is taken from the region with the longest period.

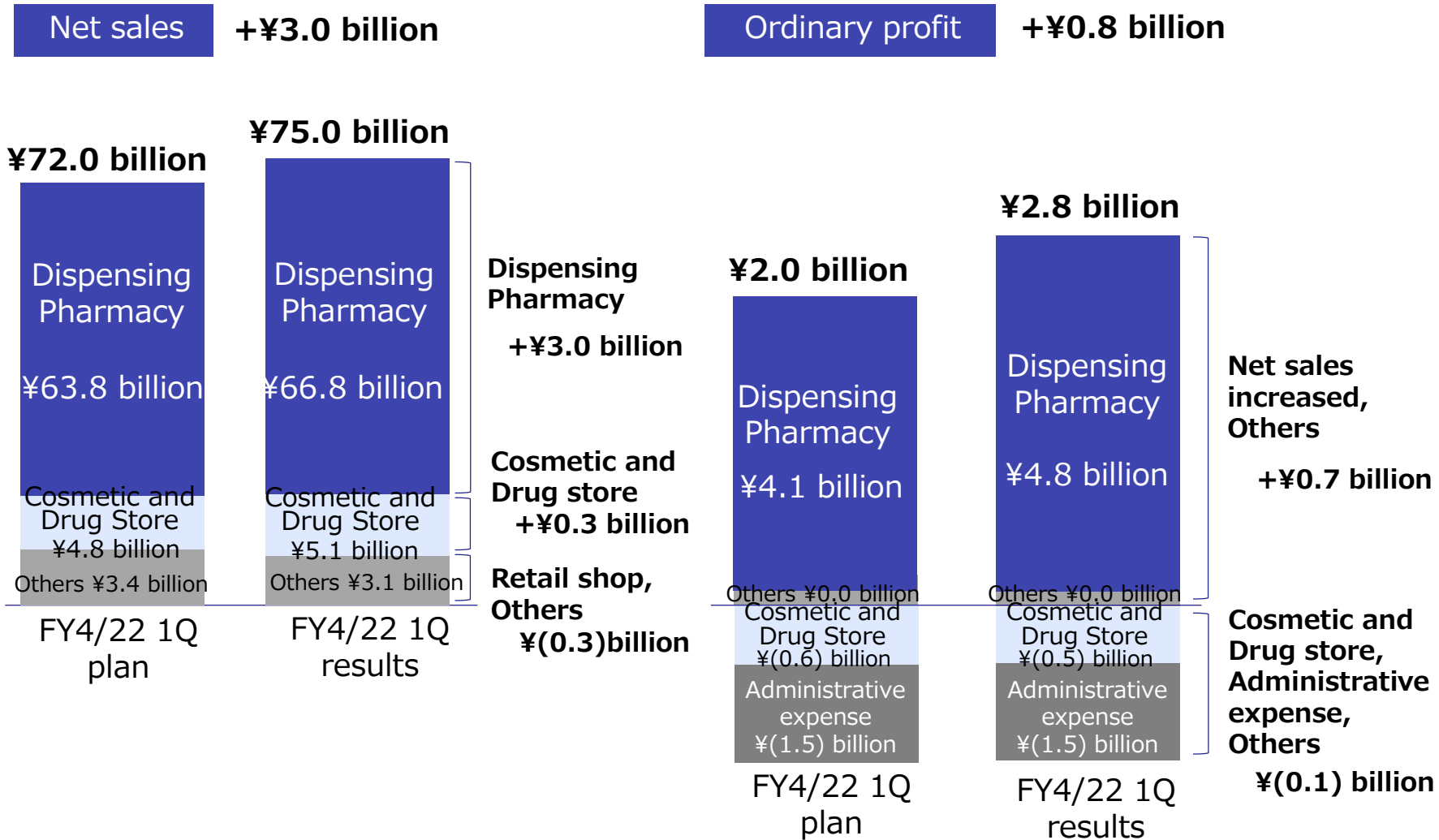
Review (YoY)

Ordinary profit increased ¥1.2 billion due to increase of sales in dispensing pharmacy business.



Review (Vs plan)

Net sales achieved the plan due to the steady increase of the dispensing pharmacy business, and ordinary profit increased ¥0.8 billion against the plan.

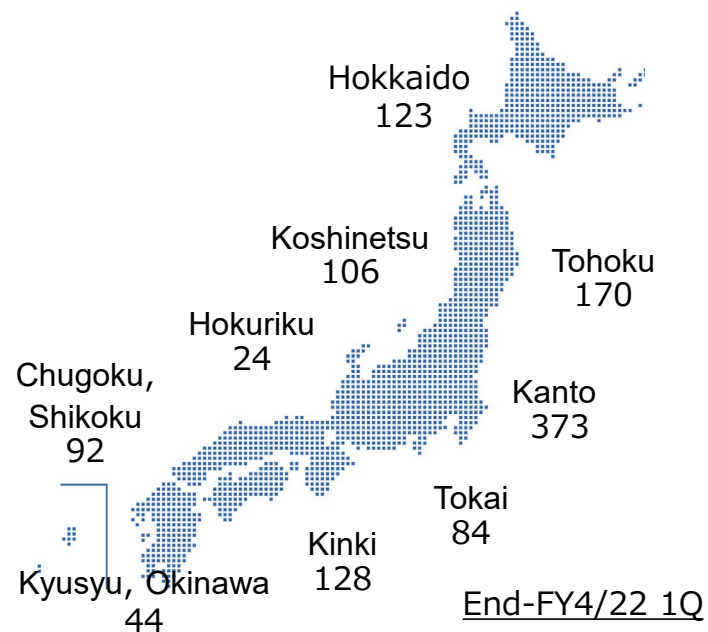


Top-line

The group opened 13 stores including M&A, and closed 3 stores during the FY4/22 1Q.

■ Plan

		FY4/22 1Q		FY4/22
		Plan	Results	Plan
Opening	Dispensing Pharmacy	16	12	80
	Organic	5	5	40
	M&A	11	7	40
	Cosmetic and drug store	1	1	15
Total		17	13	95
Closure	Dispensing Pharmacy	3	3	5
	Cosmetic and drug store	0	0	2
Total		3	3	7
Dispensing Pharmacy		1,078	1,074	1,140
Cosmetic and drug store		70	70	82
Total no. of stores		1,148	1,144	1,222



■ Transition of dispensing pharmacies

	FY4/14	FY4/15	FY4/16	FY4/17	FY4/18	FY4/19	FY4/20	FY4/21	FY4/21 1Q
Organic	36	40	32	27	25	23	14	15	5
M&A	26	119	110	182	11	134	6	14	7
EV/EBITDA ratio	3.94	4.77	5.37	5.50	3.96	4.88	3.71	3.74	5.47
Closed	6	21	15	24	73	54	64	52	3
Sold	1	1	1	2	32	30	42	34	-
No. of total stores	616	754	881	1,066	1,029	1,132	1,088	1,065	1,074

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

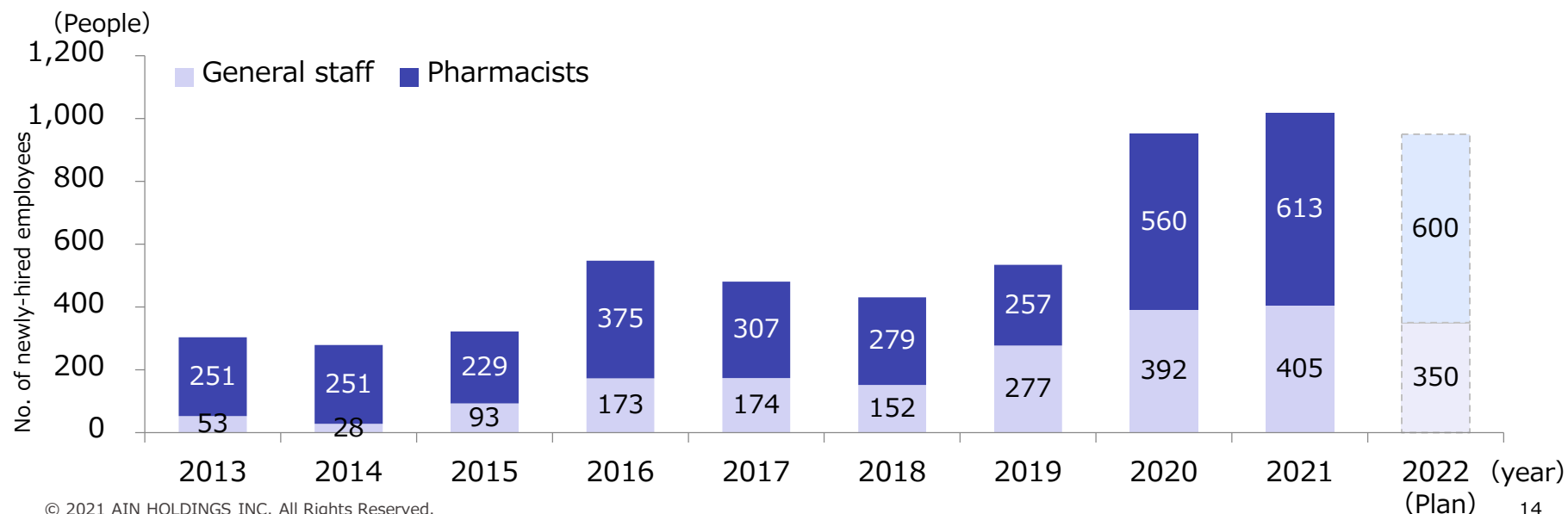
Recruiting of Pharmacists

In April 2021, new 613 pharmacists has joined our group. We aim to hire roughly the same number in fiscal 2022 to prepare for expansion of business scale by accelerating store openings.

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

(People)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 (Plan)
No. of newly qualified pharmacists hired in AIN Group	251	251	229	375	307	279	257	560	613	600
No. of pharmacists' national examination passers (pass rate)	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%)	9,958 (69.6%)	9,634 (68.7%)	-
Rate of newly qualified pharmacists hired in AIN Group	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% (5.8%)	5.6% (11.6%)	6.4% (-)	-

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



FY4/22 Plan (Consolidated)

The group forecasts net sales for the fiscal year ending April 30, 2022 increase 6.0% and ordinary profit increase 22.5% YoY by opening new stores (80 dispensing pharmacies and 15 cosmetic and drug stores).

(¥ million)	FY4/20 results	FY4/21 results	FY4/22 plan	YoY change	YoY change(%)
Net sales	292,615	297,305	315,000	+17,695	+6.0
Gross profit	46,861	46,155	51,600	+5,445	+11.8
% of net sales	16.0	15.5	16.4		
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