

**FY4/22**  
**IR PRESENTATION**

**AIN HOLDINGS INC.**  
**June 2022**

# Results Overview

# Consolidated P/L

Net sales increased 6.4% YoY and 0.4% against the plan due to increase of sales in dispensing pharmacy business, despite the impact of the COVID-19. Ordinary profit increased 26.8% YoY and 3.5% against the plan due to increase of sales.

(¥ million)	FY4/21 results	FY4/22 plan	FY4/22 results	YoY change	YoY change(%)	Vs plan (%)
Net sales	297,305	315,000	316,247	+18,942	+6.4	+0.4
Gross profit	46,155	51,600	49,971	+3,816	+8.3	(3.2)
<b>% of net sales</b>	<b>15.5</b>	<b>16.4</b>	<b>15.8</b>			
SG&A expenses	35,222	36,600	34,832	(390)	(1.1)	(4.8)
<b>% of net sales</b>	<b>11.8</b>	<b>11.6</b>	<b>11.0</b>			
Operating profit	10,932	15,000	15,139	+4,207	+38.5	+0.9
<b>% of net sales</b>	<b>3.7</b>	<b>4.8</b>	<b>4.8</b>			
Ordinary profit	12,649	15,500	16,041	+3,392	+26.8	+3.5
<b>% of net sales</b>	<b>4.3</b>	<b>4.9</b>	<b>5.1</b>			
Profit attributable to owners of parent	6,697	8,300	7,092	+395	+5.9	(14.6)
<b>% of net sales</b>	<b>2.3</b>	<b>2.6</b>	<b>2.2</b>			
Earnings per share(¥)	189.04	234.28	201.47	+12.43	+6.6	(14.0)

► Figures in the table are rounded down

# Dispensing Pharmacy Business (Consolidated)

Net sales increased 7.6% YoY and 2.5% 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 19.7% YoY and 10.5% against the plan due to increase of sales.

(¥ million)	FY4/21 results	FY4/22 plan	FY4/22 results	YoY change	YoY change(%)	Vs plan (%)
Net sales	263,095	276,300	283,111	+20,016	+7.6	+2.5
Gross profit	33,160	36,900	38,194	+5,034	+15.2	+3.5
<b>% of net sales</b>	<b>12.6</b>	<b>13.4</b>	<b>13.5</b>			
SG&A expenses	13,998	14,600	13,875	(123)	(0.9)	(5.0)
<b>% of net sales</b>	<b>5.3</b>	<b>5.3</b>	<b>4.9</b>			
Operating profit	19,162	22,300	24,319	+5,157	+26.9	+9.1
<b>% of net sales</b>	<b>7.3</b>	<b>8.1</b>	<b>8.6</b>			
Segment profit	20,947	22,700	25,082	+4,135	+19.7	+10.5
<b>% of net sales</b>	<b>8.0</b>	<b>8.2</b>	<b>8.9</b>			
Number of pharmacies	1,065	1,140	1,099	+34	+3.2	(3.6)

► Figures in the table are rounded down

# Cosmetic and Drug Store Business (Consolidated)

Net sales up 5.9% YoY and declined 17.8% against the plan due to the recovery of existing stores and contribution of stores opened in previous year despite the impact of the COVID-19. Segment loss was ¥1,764 million, ¥1,094 million below the plan.

(¥ million)	FY4/21 results	FY4/22 plan	FY4/22 results	YoY change	YoY change(%)	Vs plan (%)
Net sales	19,419	25,000	20,558	+1,139	+5.9	(17.8)
Gross profit	7,216	9,200	7,030	(186)	(2.6)	(23.6)
<b>% of net sales</b>	<b>37.2</b>	<b>36.8</b>	<b>34.2</b>			
SG&A expenses	9,358	9,900	8,858	(500)	(5.3)	(10.5)
<b>% of net sales</b>	<b>48.2</b>	<b>39.6</b>	<b>43.1</b>			
Operating profit	(2,141)	(700)	(1,827)	+314	-	-
<b>% of net sales</b>	<b>-</b>	<b>-</b>	<b>-</b>			
Segment profit	(1,999)	(670)	(1,764)	+235	-	-
<b>% of net sales</b>	<b>-</b>	<b>-</b>	<b>-</b>			
Number of stores	69	82	78	+9	+13.0	(4.9)

► Figures in the table are rounded down

# Consolidated B/S

Net cash became ¥51,238 million and shareholders' equity ratio became 56.0%. We are maintaining a sound financial structure even during the COVID-19 outbreak.

End-FY4/21		(¥ million)	
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

End-FY4/22		(¥ million)	
Assets		Liabilities	
Current assets	100,765	Current liabilities	81,805
Cash on hand and in banks	59,729	Short-term debt	2,643
		Lease obligations	22
Fixed assets	111,696	Long-term liabilities	11,645
Goodwill	36,352	Long-term debt	5,815
		Lease obligations	9
Deferred assets	-	Total net assets	119,010
Total assets	212,461	Total liabilities and net assets	212,461
Net cash			51,238
Shareholders' equity ratio(%)			56.0

▶ 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 ¥8,799 million from the end of the previous fiscal year due to increase of cash on hand and in banks.

(¥ million)	End-FY4/20	End-FY4/21	End-FY4/22	Change
Cash on hand and in banks	46,321	55,271	59,729	+4,458
Notes and accounts receivable	13,653	13,475	10,110	(3,365)
Inventories	15,322	14,285	14,790	+505
<b>Total current assets</b>	<b>87,802</b>	<b>96,398</b>	<b>100,765</b>	<b>+4,367</b>
Buildings and structures, net	16,609	16,270	17,512	+1,242
Land	10,960	10,390	8,581	(1,809)
Lease assets	272	100	28	(72)
<b>Total property, plant and equipment</b>	<b>30,874</b>	<b>30,229</b>	<b>30,636</b>	<b>+407</b>
Goodwill	42,123	39,057	36,352	(2,705)
Lease assets	5	1	0	(1)
<b>Total intangible fixed assets</b>	<b>44,916</b>	<b>42,666</b>	<b>41,219</b>	<b>(1,447)</b>
Investments in securities	2,295	2,697	2,503	(194)
Deferred tax assets	4,211	4,415	5,319	+904
Deposits and guarantees	19,144	20,319	22,785	+2,466
<b>Total investments and other assets</b>	<b>29,841</b>	<b>34,368</b>	<b>39,840</b>	<b>+5,472</b>
<b>Total fixed assets</b>	<b>105,632</b>	<b>107,264</b>	<b>111,696</b>	<b>+4,432</b>
<b>Total deferred assets</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>193,451</b>	<b>203,662</b>	<b>212,461</b>	<b>+8,799</b>

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

▶ Capital expenditures (Property, plant and equipment and intangible fixed assets + Deposits and guarantees) totaled ¥12,756 million

# Liabilities and Net Assets

Accounts payable increased ¥3,998 million due to the increased purchases from new store openings and M&A. Short-term and long-term debt decreased ¥3,509 million due to repayment.

(¥ million)	End-FY4/20	End-FY4/21	End-FY4/22	Change
Accounts payable	47,187	46,758	50,756	+3,998
Short-term debt	3,642	3,670	2,643	(1,027)
Lease obligations	193	94	22	(72)
<b>Total current liabilities</b>	<b>74,700</b>	<b>74,160</b>	<b>81,805</b>	<b>+7,645</b>
Long-term debt	2,432	8,297	5,815	(2,482)
Lease obligations	154	37	9	(28)
<b>Total long-term liabilities</b>	<b>7,747</b>	<b>13,664</b>	<b>11,645</b>	<b>(2,019)</b>
<b>Total liabilities</b>	<b>82,447</b>	<b>87,825</b>	<b>93,450</b>	<b>+5,625</b>
Common stock	21,894	21,894	21,894	-
Capital surplus	20,500	20,500	20,500	-
Retained earnings	68,758	73,506	78,661	+5,155
<b>Total shareholders' equity</b>	<b>111,151</b>	<b>115,899</b>	<b>119,038</b>	<b>+3,139</b>
<b>Total net assets</b>	<b>111,003</b>	<b>115,837</b>	<b>119,010</b>	<b>+3,173</b>
<b>Total liabilities and net assets</b>	<b>193,451</b>	<b>203,662</b>	<b>212,461</b>	<b>+8,799</b>

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



# Consolidated C/F

Operating activities was ¥26,156 million due to active new store opening especially focus on large-scale store. Cash and cash equivalents at the end of the quarter were ample, up ¥4,461 million from the previous fiscal year.

(¥ million)	FY4/21	FY4/22	Change
<b>Net cash provided by operating activities</b>	<b>14,928</b>	<b>26,156</b>	<b>+11,228</b>
Profit before income taxes	11,767	13,125	+1,358
Depreciation and amortization	4,243	4,792	+549
Amortization of goodwill	4,436	4,133	(303)
Increase (decrease) in accounts receivable	138	4,111	+3,973
Increase (decrease) in inventories	1,172	(171)	(1,343)
Increase (decrease) in other accounts receivable	(221)	(2,376)	(2,155)
(Increase) decrease in accounts payable	(844)	3,235	+4,079
<b>Net cash used in investing activities</b>	<b>(9,493)</b>	<b>(13,943)</b>	<b>(4,450)</b>
Payments for purchases of property, plant and equipment and intangible fixed assets	(5,742)	(8,416)	(2,674)
Purchase of subsidiaries' shares resulting in obtaining controls	(997)	(2,322)	(1,325)
<b>Net cash provided by financing activities</b>	<b>3,643</b>	<b>(7,753)</b>	<b>(11,396)</b>
Net increase in cash and cash equivalents	9,078	4,460	(4,618)
<b>Cash and cash equivalents at end of the year</b>	<b>55,009</b>	<b>59,470</b>	<b>+4,461</b>

# Business Value Analysis

	FY4/20	FY4/21	FY4/22	Change
Shareholders' equity ratio (%)	57.3	56.8	56.0	(0.8)
Market value equity ratio (%)	110.4	105.6	96.6	(9.0)
PER (times)	23.27	32.11	28.99	(3.12)
EPS (¥)	259.11	189.04	201.47	+12.43
PBR (times)	1.92	1.86	1.74	(0.12)
BPS (¥)	3,130.77	3,267.49	3,385.51	+118.02
ROA (%)	4.8	3.4	3.4	+0.0
ROE (%)	8.5	5.9	6.0	+0.1
EBITDA (¥ million)	24,513	19,612	24,065	+4,453
EV/EBITDA (times)	7.11	8.80	6.43	(2.37)
Net D/E ratio (times)	(0.36)	(0.37)	(0.43)	(0.06)
Net cash (¥ million)	39,899	43,171	51,238	+8,067
Shareholders' value (¥ million)	214,258	215,710	205,802	(9,908)
Market capitalization (¥ million)	213,627	215,043	205,143	(9,900)

- ▶ Figures in the table are rounded down    ▶ Change : FY4/22 compared with FY4/21
- ▶ 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-FY4/20 ¥6,030 (End-Apr,2020), End-FY4/21 ¥6,070 (End-Apr,2021), End-FY4/22 ¥5,840 (End-Apr,2022).
- ▶ Net cash = Cash on hand and in banks – Interest-bearing debt (Long-and short-term debt + Lease obligations )

# FY4/23 Plan (Consolidated)

The group forecasts net sales for the fiscal year ending April 30, 2023 of ¥363,000 million, increase 14.8% YoY and ordinary profit of ¥20,500 million, increase 27.8% YoY.

(¥ million)	FY4/21 results	FY4/22 results	FY4/23 plan	YoY change	YoY change(%)
Net sales	297,305	316,247	363,000	+46,753	+14.8
Gross profit	46,155	49,971	58,720	+8,749	+17.5
<b>% of net sales</b>	<b>15.5</b>	<b>15.8</b>	<b>16.2</b>		
SG&A expenses	35,222	34,832	38,720	+3,888	+11.2
<b>% of net sales</b>	<b>11.8</b>	<b>11.0</b>	<b>10.7</b>		
Operating profit	10,932	15,139	20,000	+4,861	+32.1
<b>% of net sales</b>	<b>3.7</b>	<b>4.8</b>	<b>5.5</b>		
Ordinary profit	12,649	16,041	20,500	+4,459	+27.8
<b>% of net sales</b>	<b>4.3</b>	<b>5.1</b>	<b>5.6</b>		
Profit attributable to owners of parent	6,697	7,092	11,000	+3,908	+55.1
<b>% of net sales</b>	<b>2.3</b>	<b>2.2</b>	<b>3.0</b>		
Earnings per share(¥)	189.04	201.47	313.15	+111.68	+55.4
Annual dividend (¥)	55.00	55.00	60.00	+5.00	+9.1

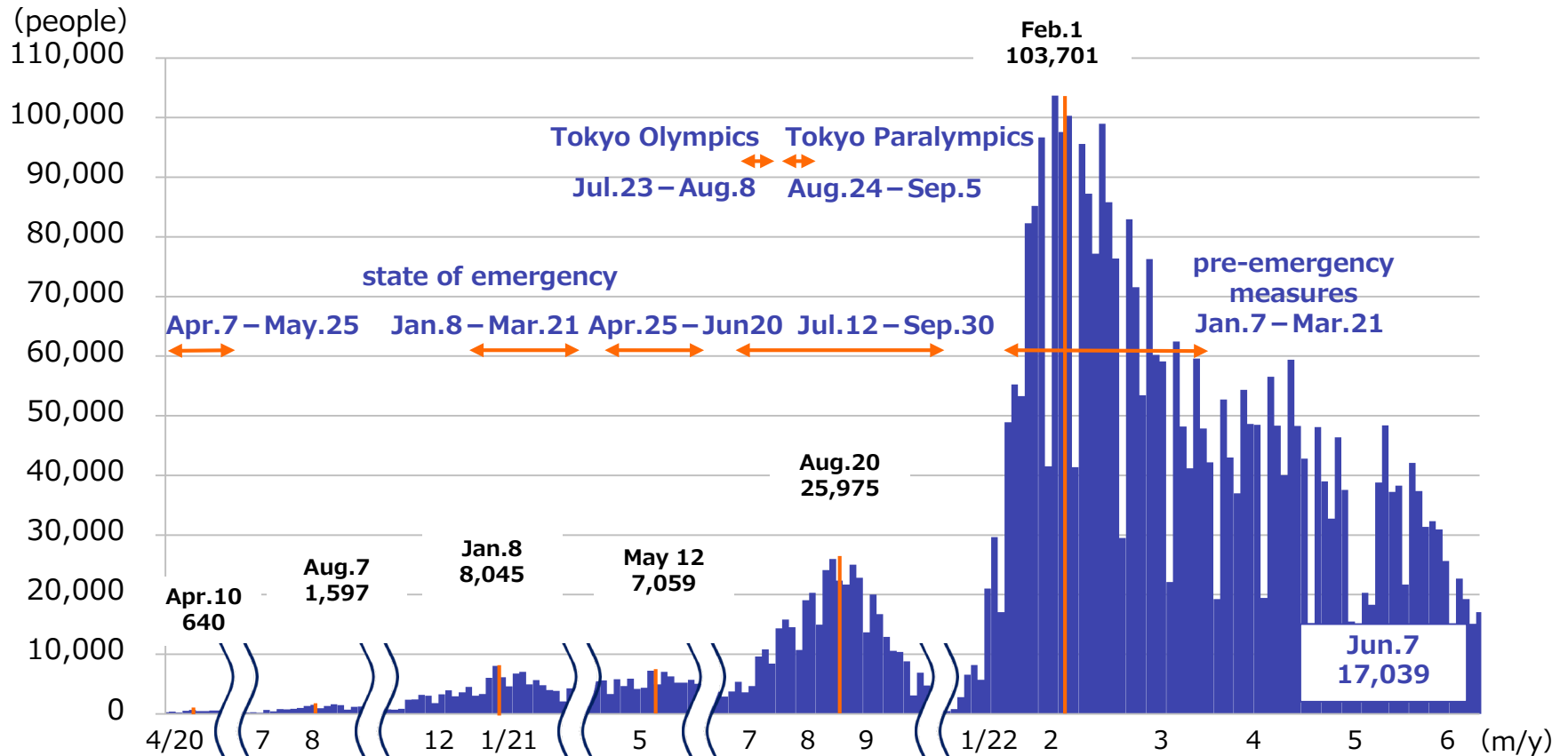
► Figures in the table are rounded down

# Review

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# Daily new COVID-19 cases across Japan

As of June 7, the number of domestic cases of the COVID-19 infection and deaths was 8,975,339 and 30,803, respectively.



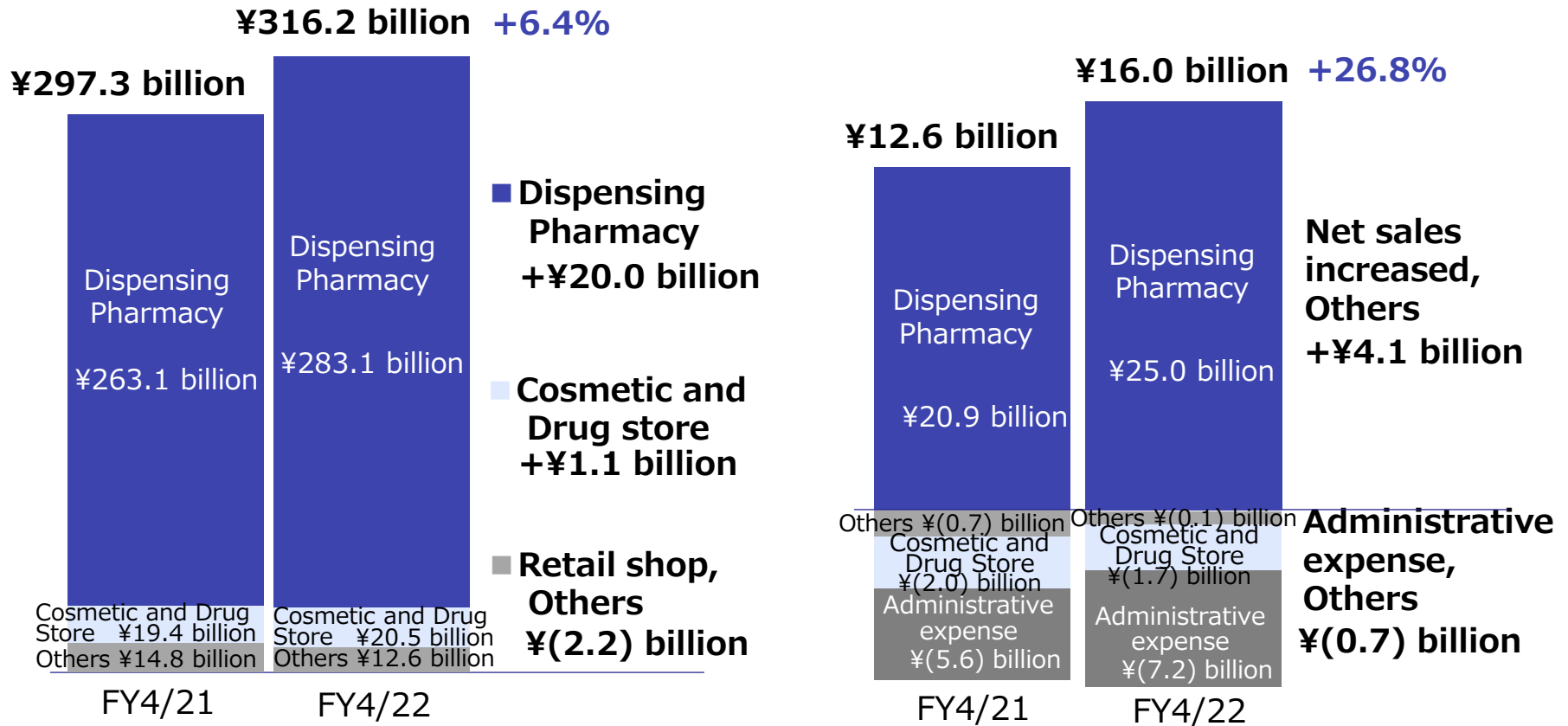
- ▶ the Ministry of Health, Labour and Welfare's Open Data on the COVID-19
- ▶ The period of declaration of the state of emergency is taken from the region with the longest period

# Review (YoY)

Ordinary profit increased ¥3.4 billion due to increase of net sales in dispensing pharmacy business.

**Net sales +¥18.9 billion**

**Ordinary profit +¥3.4 billion**



# Strategy

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# Strategy

## Expansion of top-line and increase profits

- Dispensing Pharmacy      Plan to open **160 pharmacies** (Organic 48, M&A 112)
- Cosmetic and Drug Store      Plan to open **10 stores**

## Recruiting and training of human resources

- **Planning to hire 600 newly graduated pharmacists** (hired 660 new pharmacists in FY4/22)
- **Make Field Manager system more established**
- Training of human resources

## Reinforcing the Group's business base

- Improving the customer services by promoting DX, such as official apps
- Promoting Sustainable Management

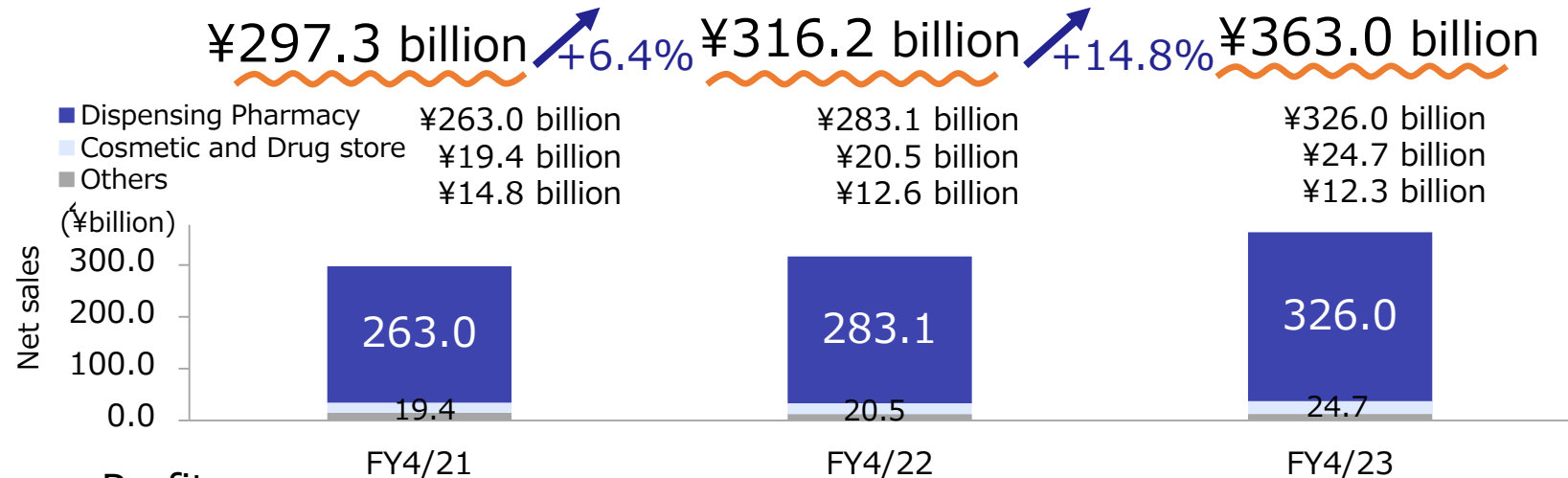
## Turnaround and expansion of AINZ&TULPE

- Opening stores in prime locations and optimizing management costs

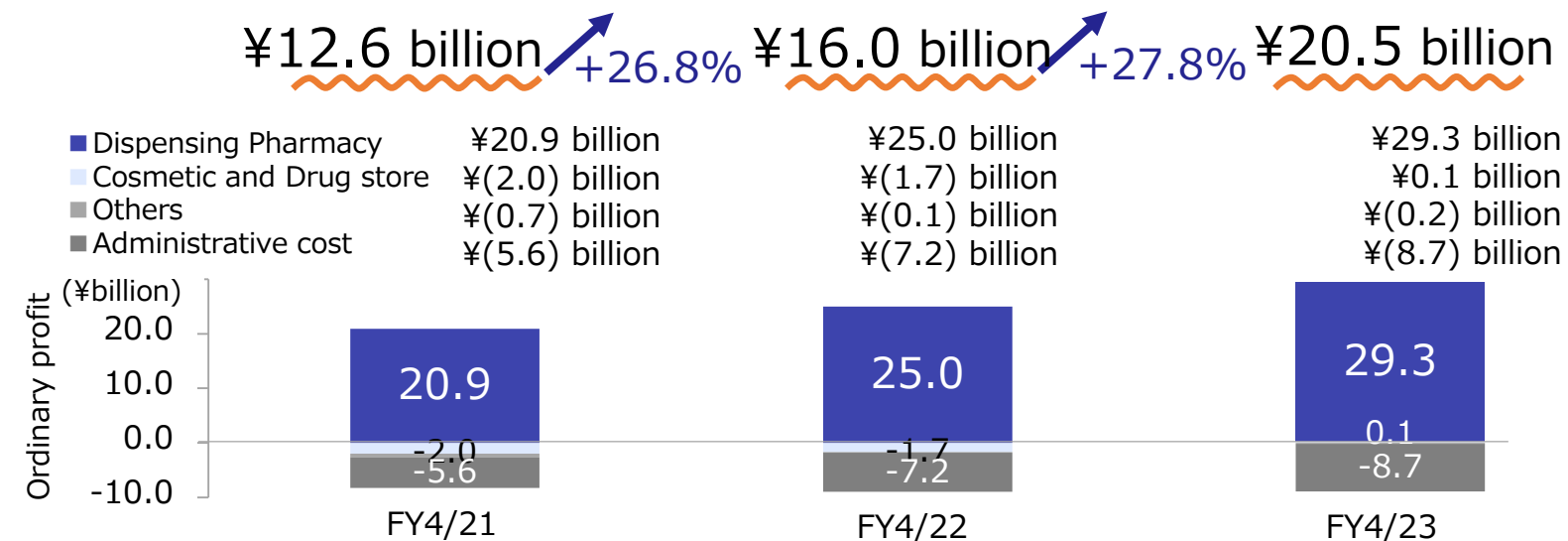


# Expansion of top-line and increase profits 1

## ■ Top-line



## ■ Profits



# Expansion of top-line and increase profits 2

FY4/22 Results

**1,177**

Dispensing Pharmacies **1,099**

Cosmetics and Drug stores **78**

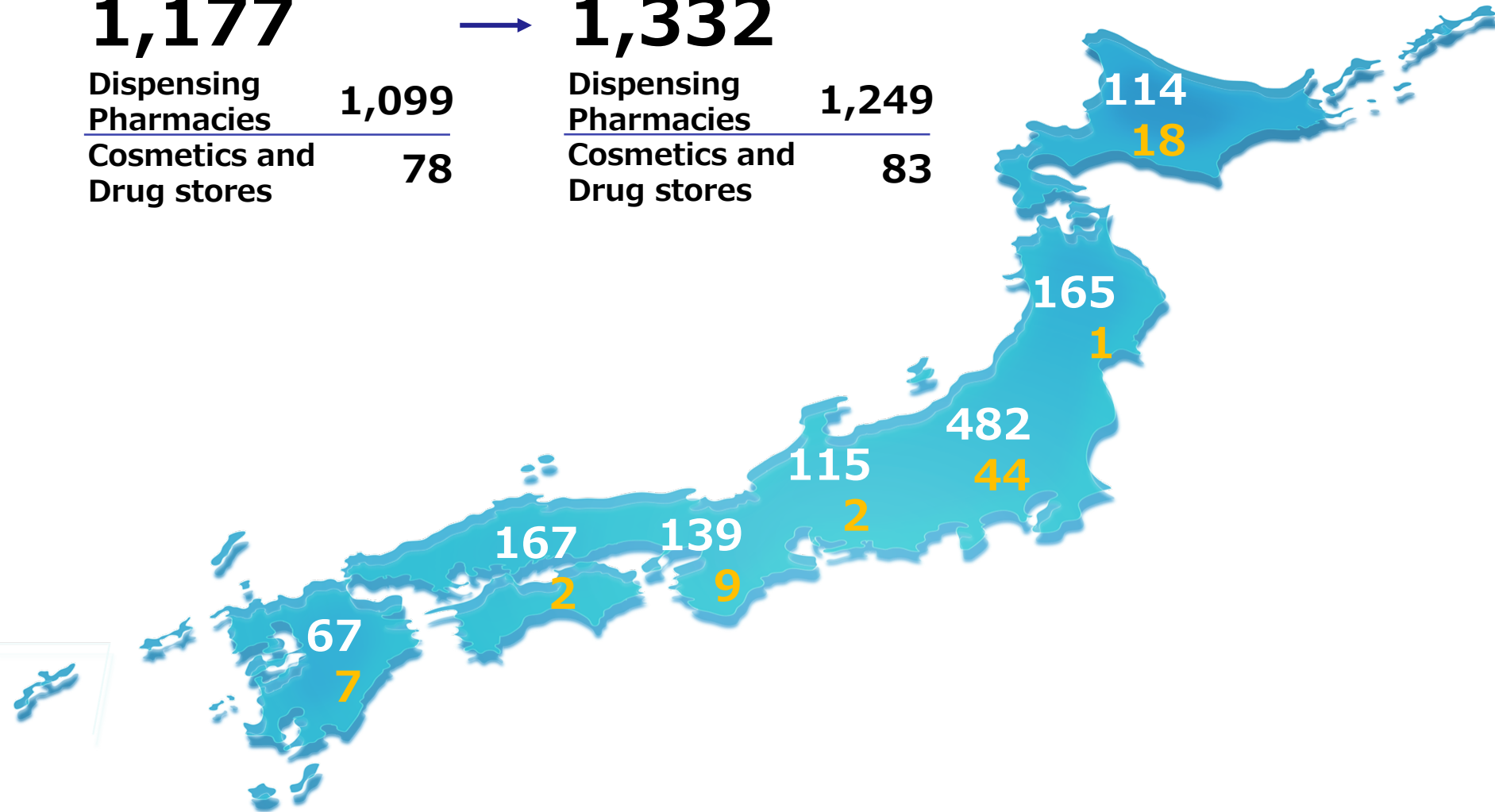


FY4/23 Plan

**1,332**

Dispensing Pharmacies **1,249**

Cosmetics and Drug stores **83**



▶ □: Dispensing Pharmacies    ■: Cosmetic and drug stores

# Expansion of top-line and increase profits 3

## ■ Plan

		FY4/22		FY4/23
		Plan	Results	Plan
Opening	Dispensing Pharmacy	80	49	160
	Organic	40	25	48
	M&A	40	24	112
	Cosmetic and drug store	15	12	10
<b>Total</b>		<b>95</b>	<b>61</b>	<b>170</b>
Closure	Dispensing Pharmacy	5	15	10
	Cosmetic and drug store	2	3	5
	<b>Total</b>	<b>7</b>	<b>18</b>	<b>15</b>
Dispensing Pharmacy		1,140	1,099	1,249
Cosmetic and drug store		82	78	83
<b>Total no. of stores</b>		<b>1,222</b>	<b>1,177</b>	<b>1,332</b>

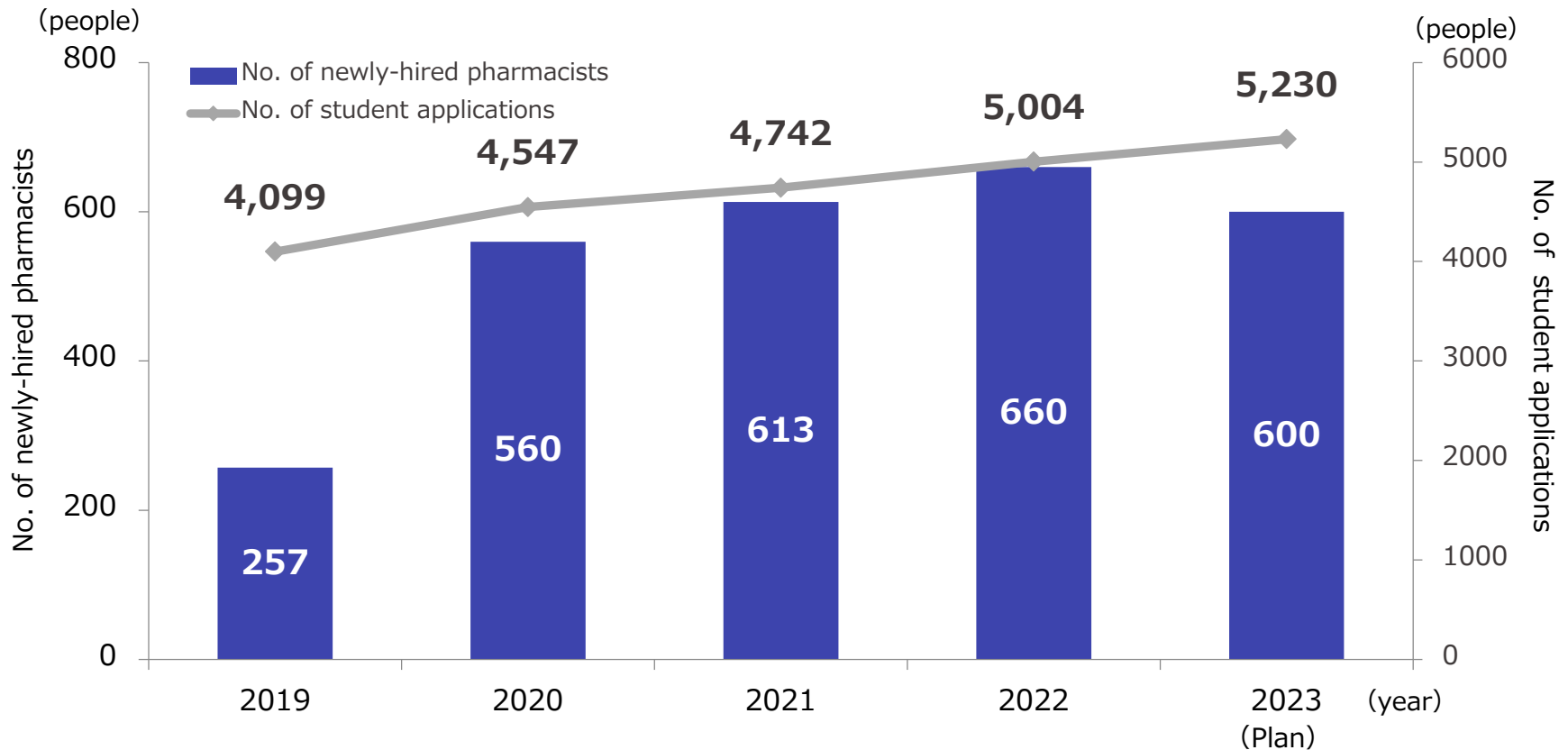
## ■ Transition of dispensing pharmacies

	FY4/16	FY4/17	FY4/18	FY4/19	FY4/20	FY4/21	FY4/22
Organic	32	27	25	23	14	15	25
M&A	110	182	11	134	6	14	24
EV/EBITDA ratio	5.37	5.50	3.96	4.88	3.71	3.74	4.13
Closed	15	24	73	54	64	52	15
Sold	1	2	<b>32</b>	<b>30</b>	<b>42</b>	<b>34</b>	5
No. of total stores	881	1,066	1,029	1,132	1,088	1,065	1,099

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

# Recruiting and training of human resources

In April 2022, new 660 pharmacists has joined our group. We aim to hire roughly the same number in fiscal 2023. As of April 30,2022, the group has 5,768 pharmacists out of 13,009 employees.



# Sustainability Management

We have conducted our corporate activities with common sense and ethics in order to realize our group statement of "the health and happiness of our customers" through our businesses contributing to people's health and beauty. Going forward, we will achieve sustainable corporate growth, create social, environmental, and economic value, and realize sustainable management by changing and acting on our own initiative, considering our customers and other diverse stakeholders.

## 1. Contribute to local healthcare

Pharmacies contributing to medical care that "treats and supports in the entire community"



## 2. Provide beauty and happiness

Providing beauty and happiness to enjoy daily life in today's society



## 3. Safety, peace of mind and trust

Delivering safety, peace of mind, and trust through daily operations

Preamble  
"realize the human rights of all"



## 5. Ensure sound management base

Strengthen a sound management base

Preamble  
"realize the human rights of all"



## 6. Cooperate with local communities and businesses

Promoting a healthy society and sustainability activities with local communities and supply chains



## 4. Protect the environment and reduce environmental impact

Contribute to environmental protection and load reduction



# AINZ & TULPE 1

AINZ & TULPE  
opened in FY4/22

12 stores



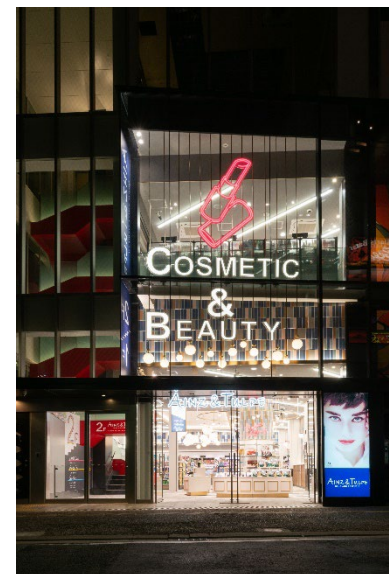
## ■ in Fukuoka



LACHIC FUKUOKA  
TENJIN (October, 2021)



LaLaport FUKUOKA  
(April, 2022)



FUKUOKA TENJIN-NISHI  
DORI (March, 2022)

## ■ in Kagoshima



CenTerrace TENMONKAN  
(April, 2022)



AMU PLAZA KAGOSHIMA  
(October, 2021)

# AINZ & TULPE 2

AINZ & TULPE  
plan to open in FY4/23

**10** stores



MOSAICMALL Kohoku  
(Opened in May 2022)



KOBE MOTOMACHI  
(Opened in June 2022)



Tokyo  
(Plan to open in  
October 2022)



Tokyo  
(Plan to open in  
November 2022)

# FY4/23 Plan (Consolidated)

The group forecasts net sales for the fiscal year ending April 30, 2023 of ¥363,000 million, increase 14.8% YoY and ordinary profit of ¥20,500 million, increase 27.8% YoY.

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