

FY4/23 3Q
IR PRESENTATION

AIN HOLDINGS INC.
March 2023

Results Overview

Consolidated P/L

Net sales increased 12.5% YoY and declined 1.2% against the plan due to new store openings and contribution of existing stores, despite the impact of the COVID-19. Ordinary profit increased 14.5% YoY and declined 14.1% against the plan due to increase of sales.

(¥ million)	FY4/22 3Q results	FY4/23 3Q plan	FY4/23 3Q results	YoY change	YoY change(%)	Vs plan (%)
Net sales	234,610	267,191	263,906	+29,296	+12.5	(1.2)
Gross profit	36,500	42,793	39,692	+3,192	+8.7	(7.2)
% of net sales	15.6	16.0	15.0			
SG&A expenses	26,286	28,826	28,006	+1,720	+6.5	(2.8)
% of net sales	11.2	10.8	10.6			
Operating profit	10,214	13,967	11,685	+1,471	+14.4	(16.3)
% of net sales	4.4	5.2	4.4			
Ordinary profit	10,800	14,390	12,367	+1,567	+14.5	(14.1)
% of net sales	4.6	5.4	4.7			
Profit attributable to owners of parent	6,231	7,703	6,628	+397	+6.4	(14.0)
% of net sales	2.7	2.9	2.5			
Earnings per share(¥)	176.89	219.29	188.70	+11.81	+6.7	(13.9)

► Figures in the table are rounded down

Dispensing Pharmacy Business (Consolidated)

Net sales increased 12.7% YoY and declined 1.2% against the plan due to new store openings including M&A and contribution of stores opened previous year. Segment profit increased 1.3% YoY and declined 14.4% against the plan.

(¥ million)	FY4/22 3Q results	FY4/23 3Q plan	FY4/23 3Q results	YoY change	YoY change(%)	Vs plan (%)
Net sales	209,793	239,310	236,396	+26,603	+12.7	(1.2)
Gross profit	27,703	32,455	29,448	+1,745	+6.3	(9.3)
% of net sales	13.2	13.6	12.5			
SG&A expenses	10,385	11,800	12,067	+1,682	+16.2	+2.3
% of net sales	5.0	4.9	5.1			
Operating profit	17,318	20,655	17,380	+62	+0.4	(15.9)
% of net sales	8.3	8.6	7.4			
Segment profit	17,784	21,055	18,023	+239	+1.3	(14.4)
% of net sales	8.5	8.8	7.6			
Number of pharmacies	1,097	1,223	1,210	+113	+10.3	(1.1)

► Figures in the table are rounded down

Cosmetic and Drug Store Business (Consolidated)

Net sales up 23.2% YoY and 0.4% 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 profit was ¥737 million, ¥672 million above the plan.

(¥ million)	FY4/22 3Q results	FY4/23 3Q plan	FY4/23 3Q results	YoY change	YoY change(%)	Vs plan (%)
Net sales	15,286	18,761	18,836	+3,550	+23.2	+0.4
Gross profit	5,170	6,998	7,102	+1,932	+37.4	+1.5
% of net sales	33.8	37.3	37.7			
SG&A expenses	6,693	6,933	6,401	(292)	(4.4)	(7.7)
% of net sales	43.8	37.0	34.0			
Operating profit	(1,522)	65	700	+2,222	-	+976.9
% of net sales	-	0.3	3.7			
Segment profit	(1,474)	65	737	+2,211	-	+1,033.8
% of net sales	-	0.3	3.9			
Number of stores	74	82	76	+2	+2.7	(7.3)

► Figures in the table are rounded down

Consolidated B/S

Net cash became ¥36,041 million and shareholders' equity ratio became 53.9%. We are maintaining a sound financial structure even under the ongoing COVID-19 situation.

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
Fixed assets	111,696	Long-term liabilities	11,645
Goodwill	36,352	Long-term debt	5,815
Deferred assets	-	Total net assets	119,010
Total assets	212,461	Total liabilities and net assets	212,461
Net cash			51,030
Shareholders' equity ratio(%)			56.0

End-FY4/23 3Q		(¥ million)	
Assets		Liabilities	
Current assets	95,490	Current liabilities	92,823
Cash on hand and in banks	46,193	Short-term debt	4,036
Fixed assets	134,072	Long-term liabilities	12,995
Goodwill	47,539	Long-term debt	5,816
Deferred assets	-	Total net assets	123,743
Total assets	229,562	Total liabilities and net assets	229,562
Net cash			36,041
Shareholders' equity ratio(%)			53.9

- ▶ 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 ¥17,101 million from the end of the previous fiscal year due to decrease of cash on hand and in banks and increase of inventories and goodwill.

(¥ million)	End-FY4/22 3Q	End-FY4/22	End-FY4/23 3Q	Change
Cash on hand and in banks	55,641	59,729	46,193	(13,536)
Notes and accounts receivable	10,707	10,110	11,269	+1,159
Inventories	16,972	14,790	23,629	+8,839
Total current assets	94,837	100,765	95,490	(5,275)
Buildings and structures, net	17,984	17,512	20,591	+3,079
Land	8,745	8,581	10,584	+2,003
Total property, plant and equipment	30,634	30,636	38,519	+7,883
Goodwill	38,172	36,352	47,539	+11,187
Total intangible fixed assets	42,617	41,219	53,110	+11,891
Investments in securities	3,204	2,503	2,938	+435
Deferred tax assets	4,614	5,319	6,118	+799
Deposits and guarantees	22,893	22,785	24,823	+2,038
Total investments and other assets	39,904	39,840	42,443	+2,603
Total fixed assets	113,157	111,696	134,072	+22,376
Total deferred assets	-	-	-	-
Total assets	207,994	212,461	229,562	+17,101

- ▶ Figures in the table are rounded down ▶ Change: End-FY4/23 3Q compared with End-FY4/22
- ▶ Capital expenditures (Property, plant and equipment and intangible fixed assets + Deposits and guarantees) totaled ¥11,216 million

Liabilities and Net Assets

Accounts payable increased ¥10,216 million due to new store openings including M&A. Short-term and long-term debt increased ¥1,394 million.

(¥ million)	End-FY4/22 3Q	End-FY4/22	End-FY4/23 3Q	Change
Accounts payable	52,276	50,756	60,972	+10,216
Short-term debt	2,746	2,643	4,036	+1,393
Total current liabilities	77,991	81,805	92,823	+11,018
Long-term debt	6,100	5,815	5,816	+1
Total long-term liabilities	11,889	11,645	12,995	+1,350
Total liabilities	89,881	93,450	105,819	+12,369
Common stock	21,894	21,894	21,894	-
Capital surplus	20,500	20,500	20,504	+4
Retained earnings	77,800	78,661	83,357	+4,696
Total shareholders' equity	118,177	119,038	123,756	+4,718
Total net assets	118,113	119,010	123,743	+4,733
Total liabilities and net assets	207,994	212,461	229,562	+17,101

▶ Figures in the table are rounded down ▶ Change: End-FY4/23 3Q compared with End-FY4/22

Revised plan

FY4/23 Revised Plan (Consolidated)

Although sales and profit in the cosmetic and drug store business achieved plan, the recovery in the number of prescriptions in the dispensing pharmacy business is slower than initially expected. The group revised the plan, net sales increase 13.2% YoY and ordinary profit increase 12.4% YoY.

(¥ million)	FY4/22 results	FY4/23 initial plan	FY4/23 revised plan	YoY Change(%)	Vs initial plan change (%)
Net sales	316,247	363,000	358,000	+13.2	(1.4)
Gross profit	49,971	58,720	54,870	+9.8	(6.6)
% of net sales	15.8	16.2	15.3		
SG&A expenses	34,832	38,720	37,690	+8.2	(2.7)
% of net sales	11.0	10.7	10.5		
Operating profit	15,139	20,000	17,180	+13.5	(14.1)
% of net sales	4.8	5.5	4.8		
Ordinary profit	16,041	20,500	18,030	+12.4	(12.0)
% of net sales	5.1	5.6	5.0		
Profit attributable to owners of parent	7,092	11,000	9,000	+26.9	(18.2)
% of net sales	2.2	3.0	2.5		
Earnings per share(¥)	201.47	313.15	256.20	+27.2	(18.2)
Annual dividend (¥)	55.00	60.00	60.00	+9.1	0.0

▶ Figures in the table are rounded down

▶ YoY Change: FY4/23 revised plan compared with FY4/22 results

FY4/23 Revised Plan (Dispensing Pharmacy Business)

(¥ million)	FY4/22 results	FY4/23 initial plan	FY4/23 revised plan	YoY Change(%)	Vs initial plan change (%)
Net sales	283,111	326,000	321,560	+13.6	(1.4)
Gross profit	38,194	44,920	41,350	+8.3	(7.9)
% of net sales	13.5	13.8	12.9		
SG&A expenses	13,875	16,080	16,620	+19.8	+3.4
% of net sales	4.9	4.9	5.2		
Operating profit	24,319	28,840	24,730	+1.7	(14.3)
% of net sales	8.6	8.8	7.7		
Segment profit	25,082	29,360	25,520	+1.7	(13.1)
% of net sales	8.9	9.0	7.9		
Number of pharmacies	1,099	1,249	1,210	+10.1	(3.1)

▶ Figures in the table are rounded down

▶ YoY Change: FY4/23 revised plan compared with FY4/22 results

FY4/23 Revised Plan (Cosmetic and Drug Store Business)

(¥ million)	FY4/22 results	FY4/23 initial plan	FY4/23 revised plan	YoY Change(%)	Vs initial plan change (%)
Net sales	20,558	24,727	24,920	+21.2	+0.8
Gross profit	7,030	9,350	9,410	+33.9	+0.6
% of net sales	34.2	37.8	37.8		
SG&A expenses	8,858	9,250	8,570	(3.3)	(7.4)
% of net sales	43.1	37.4	34.4		
Operating profit	(1,827)	100	840	-	+740.0
% of net sales	-	0.4	3.4		
Segment profit	(1,764)	100	880	-	+780.0
% of net sales	-	0.4	3.5		
Number of stores	78	83	78	0.0	(6.0)

▶ Figures in the table are rounded down

▶ YoY Change: FY4/23 revised plan compared with FY4/22 results

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