

FY4/25 1Q
IR PRESENTATION

AIN HOLDINGS INC.
September 2024

Results Overview

Consolidated P/L

Net sales increased 9.5% YoY and 5.9% against the plan due to contribution of stores opened in the previous year and growth at existing stores in both businesses. Ordinary profit decreased 23.5% YoY and increased 12.8% against the plan.

| (¥ million) | FY4/24 1Q results | FY4/25 1Q plan | FY4/25 1Q results | YoY change | YoY change(%) | Vs plan (%) |
|---|----------------------|-------------------|----------------------|---------------|------------------|----------------|
| Net sales | 94,654 | 97,850 | 103,603 | 8,949 | +9.5 | +5.9 |
| Gross profit | 13,199 | 12,642 | 12,931 | (268) | (2.0) | +2.3 |
| % of net sales | 13.9 | 12.9 | 12.5 | | | |
| SG&A expenses | 9,588 | 10,191 | 10,174 | 586 | +6.1 | (0.2) |
| % of net sales | 10.1 | 10.4 | 9.8 | | | |
| Operating profit | 3,610 | 2,451 | 2,757 | (853) | (23.6) | +12.5 |
| % of net sales | 3.8 | 2.5 | 2.7 | | | |
| Ordinary profit | 3,881 | 2,631 | 2,969 | (912) | (23.5) | +12.8 |
| % of net sales | 4.1 | 2.7 | 2.9 | | | |
| Profit attributable to owners of parent | 2,140 | 1,404 | 1,642 | (498) | (23.3) | +17.0 |
| % of net sales | 2.3 | 1.4 | 1.6 | | | |
| Profit per share(¥) | 60.93 | 40.12 | 46.93 | (14.00) | (23.0) | +17.0 |

▶ Figures in the table are rounded down

Dispensing Pharmacy Business (Consolidated)

Net sales increased 8.8% YoY and 6.0% against the plan because the average prescription price of existing stores and stores opened in the previous year rose due to an increase in high-cost. Segment profit decreased 21.8% YoY and 0.6% against the plan because of the effect of dispensing fee revisions, etc.

| (¥ million) | FY4/24 1Q results | FY4/25 1Q Plan | FY4/25 1Q results | YoY change | YoY change(%) | Vs plan (%) |
|-------------------------|----------------------|-------------------|----------------------|---------------|------------------|----------------|
| Net sales | 84,405 | 86,670 | 91,866 | +7,461 | +8.8 | +6.0 |
| Gross profit | 9,349 | 8,360 | 8,464 | (885) | (9.5) | +1.2 |
| % of net sales | 11.1 | 9.6 | 9.2 | | | |
| SG&A expenses | 4,150 | 4,240 | 4,423 | +273 | +6.6 | +4.3 |
| % of net sales | 4.9 | 4.9 | 4.8 | | | |
| Operating profit | 5,198 | 4,120 | 4,041 | (1,157) | (22.3) | (1.9) |
| % of net sales | 6.2 | 4.8 | 4.4 | | | |
| Segment profit | 5,429 | 4,270 | 4,245 | (1,184) | (21.8) | (0.6) |
| % of net sales | 6.4 | 4.9 | 4.6 | | | |
| Number of pharmacies | 1,215 | 1,234 | 1,235 | +20 | +1.6 | +0.1 |

▶ Figures in the table are rounded down

▶ Segment profit is adjusted to ordinary profit shown on the quarterly consolidated statement of income

Cosmetic and Drug Store Business (Consolidated)

Net sales up 20.7% YoY and 7.9% against the plan because unit prices per customers increased due to growth in sales of Asian cosmetics, etc., maintaining the trend from the previous fiscal year. Segment profit increased 43.1% YoY and 22.4% against the plan along with increase in sales.

| (¥ million) | FY4/24 1Q results | FY4/25 1Q plan | FY4/25 1Q results | YoY change | YoY change(%) | Vs plan (%) |
|------------------|----------------------|-------------------|----------------------|---------------|------------------|----------------|
| Net sales | 7,412 | 8,290 | 8,947 | +1,535 | +20.7 | +7.9 |
| Gross profit | 2,855 | 3,190 | 3,474 | +619 | +21.7 | +8.9 |
| % of net sales | 38.5 | 38.5 | 38.8 | | | |
| SG&A expenses | 2,149 | 2,360 | 2,467 | +318 | +14.8 | +4.5 |
| % of net sales | 29.0 | 28.5 | 27.6 | | | |
| Operating profit | 706 | 830 | 1,006 | +300 | +42.5 | +21.2 |
| % of net sales | 9.5 | 10.0 | 11.2 | | | |
| Segment profit | 710 | 830 | 1,016 | +306 | +43.1 | +22.4 |
| % of net sales | 9.6 | 10.0 | 11.4 | | | |
| Number of stores | 78 | 83 | 82 | +4 | +5.1 | (1.2) |

▶ Figures in the table are rounded down

▶ Segment profit is adjusted to ordinary profit shown on the quarterly consolidated statement of income

Consolidated B/S

Net cash became ¥43,239 million and shareholders' equity ratio became 54.1%. We are maintaining a sound financial structure.

| End-FY4/24 | | | | (¥ million) | |
|-------------------------------|---------|----------------------------------|---------|-------------|--|
| Assets | | Liabilities and Net Assets | | | |
| Current assets | 110,743 | Current liabilities | 103,232 | | |
| Cash and deposits | 48,611 | Short-term borrowings | 3,467 | | |
| Non-current assets | 138,666 | Non-current liabilities | 10,765 | | |
| Goodwill | 44,066 | Long-term borrowings | 3,227 | | |
| Deferred assets | - | Total net assets | 135,411 | | |
| Total assets | 249,409 | Total liabilities and net assets | 249,409 | | |
| Net cash | | | | 41,617 | |
| Shareholders' equity ratio(%) | | | | 54.3 | |

| End-FY4/25 1Q | | | | (¥ million) | |
|-------------------------------|---------|----------------------------------|---------|-------------|--|
| Assets | | Liabilities and Net Assets | | | |
| Current assets | 109,359 | Current liabilities | 103,608 | | |
| Cash and deposits | 49,404 | Short-term borrowings | 3,385 | | |
| Non-current assets | 138,780 | Non-current liabilities | 10,176 | | |
| Goodwill | 43,020 | Long-term borrowings | 2,479 | | |
| Deferred assets | - | Total net assets | 134,354 | | |
| Total assets | 248,139 | Total liabilities and net assets | 248,139 | | |
| Net cash | | | | 43,239 | |
| Shareholders' equity ratio(%) | | | | 54.1 | |

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

Assets

The balance of total assets decreased ¥1,270 million from the end of the previous fiscal year because of increase in inventories due to decrease in accounts receivable – trade and goodwill, etc.

| (¥ million) | End-FY4/24 1Q | End-FY4/24 | End-FY4/25 1Q | Change |
|--|----------------|----------------|----------------|----------------|
| Cash and deposits | 47,373 | 48,611 | 49,404 | +793 |
| Accounts receivable - trade | 12,719 | 15,852 | 13,886 | (1,966) |
| Inventories | 24,340 | 24,645 | 26,329 | +1,684 |
| Total current assets | 101,400 | 110,743 | 109,359 | (1,384) |
| Buildings and structures, net | 23,336 | 27,122 | 27,625 | +503 |
| Land | 10,481 | 10,207 | 10,158 | (49) |
| Total property, plant and equipment | 40,113 | 43,450 | 44,096 | +646 |
| Goodwill | 45,611 | 44,066 | 43,020 | (1,046) |
| Total intangible assets | 51,613 | 51,242 | 50,380 | (862) |
| Investments securities | 2,791 | 3,345 | 3,515 | +170 |
| Deferred tax assets | 5,974 | 6,403 | 6,214 | (189) |
| Leasehold and guarantee deposits | 24,950 | 25,186 | 25,474 | +288 |
| Total investments and other assets | 42,520 | 43,973 | 44,303 | +330 |
| Total non-current assets | 134,246 | 138,666 | 138,780 | +114 |
| Total deferred assets | - | - | - | - |
| Total assets | 235,647 | 249,409 | 248,139 | (1,270) |

▶ Figures in the table are rounded down ▶ Change: End-FY4/25 1Q compared with End-FY4/24

▶ Capital expenditures (Property, plant and equipment and intangible assets + Leasehold and guarantee deposits) totaled ¥3,310 million

Liabilities and Net Assets

Accounts payable – trade increased ¥4,978 million due to M&A and new store openings. Short-term and long-term borrowings decreased ¥830 million.

| (¥ million) | End-FY4/24 1Q | End-FY4/24 | End-FY4/25 1Q | Change |
|---|----------------|----------------|----------------|----------------|
| Accounts payable – trade | 64,859 | 65,506 | 70,484 | +4,978 |
| Short-term borrowings | 3,648 | 3,467 | 3,385 | (82) |
| Total current liabilities | 97,840 | 103,232 | 103,608 | +376 |
| Long-term borrowings | 3,848 | 3,227 | 2,479 | (748) |
| Total non-current liabilities | 11,189 | 10,765 | 10,176 | (589) |
| Total liabilities | 109,029 | 113,998 | 113,784 | (214) |
| Share capital | 21,894 | 21,894 | 21,894 | - |
| Capital surplus | 20,504 | 20,131 | 20,131 | - |
| Retained earnings | 85,996 | 95,257 | 94,073 | (1,184) |
| Total shareholders' equity | 126,394 | 134,847 | 133,765 | (1,082) |
| Total net assets | 126,617 | 135,411 | 134,354 | (1,057) |
| Total liabilities and net assets | 235,647 | 249,409 | 248,139 | (1,270) |

▶ Figures in the table are rounded down ▶ Change: End-FY4/25 1Q compared with End-FY4/24

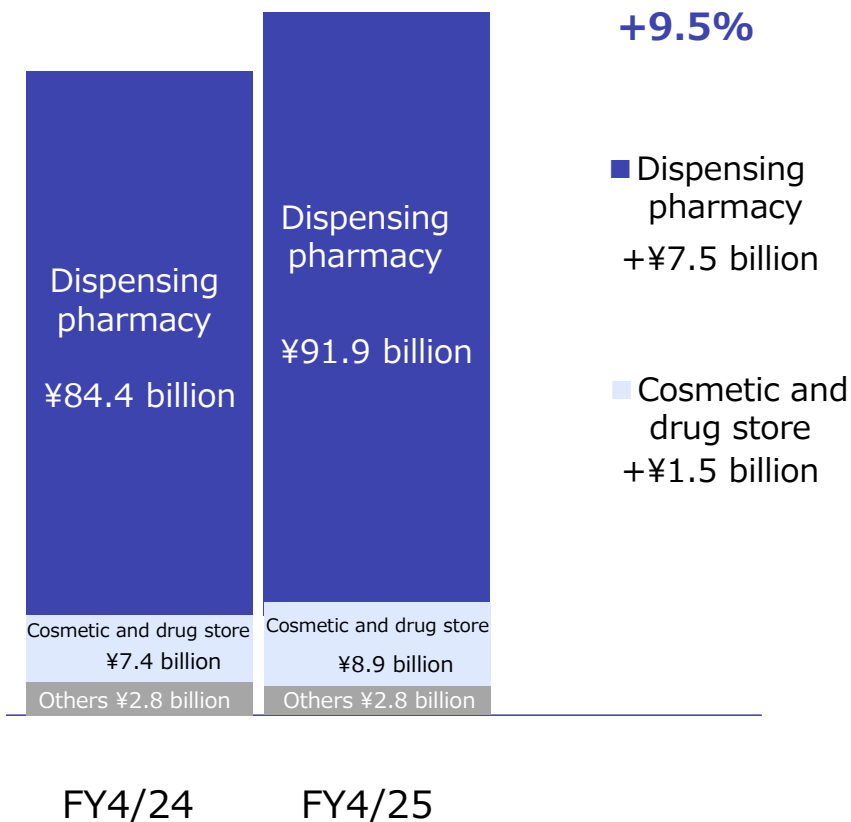
Review

Consolidated (YoY results)

Ordinary profit decreased ¥0.9 billion YoY due to the effect of dispensing fee revisions in dispensing pharmacy business, etc.

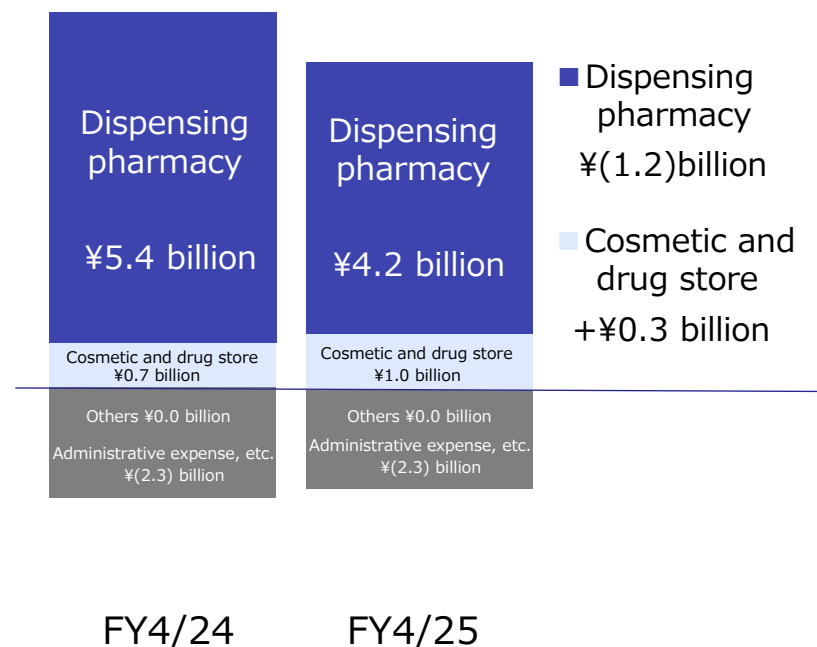
Net sales

¥94.6 billion → ¥103.6 billion +¥9.0 billion +9.5%



Ordinary profit

¥3.8 billion → ¥2.9 billion ¥(0.9) billion (23.5)%



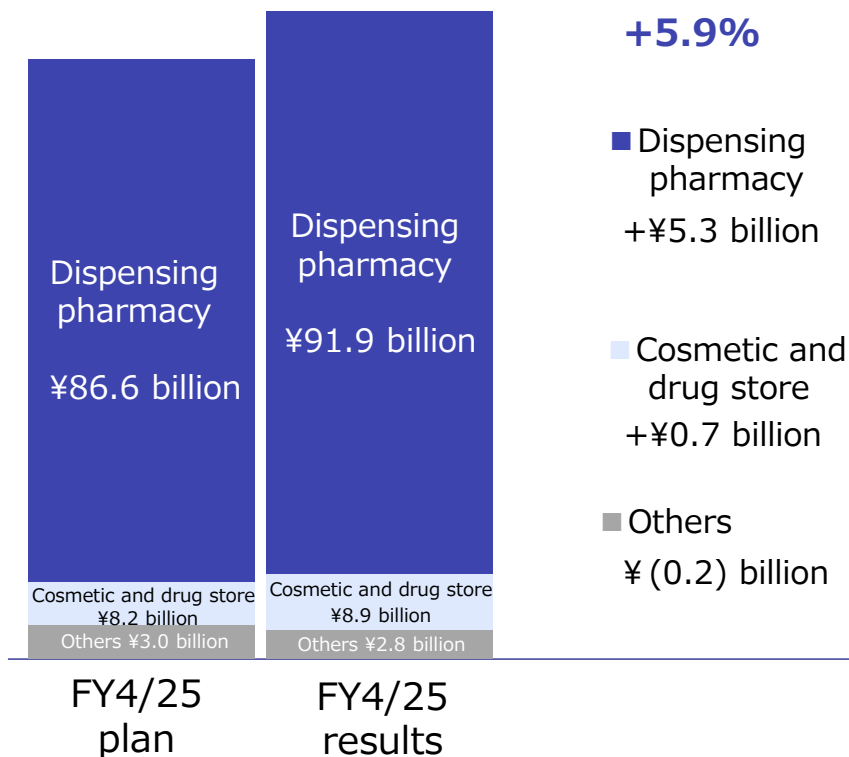
▶ Decrease against profit : ()

Consolidated (vs Plan)

Ordinary profit increased ¥0.3 billion against the plan due to increase in sales along with unit prices per customers increase in the cosmetic and drug store business.

Net sales

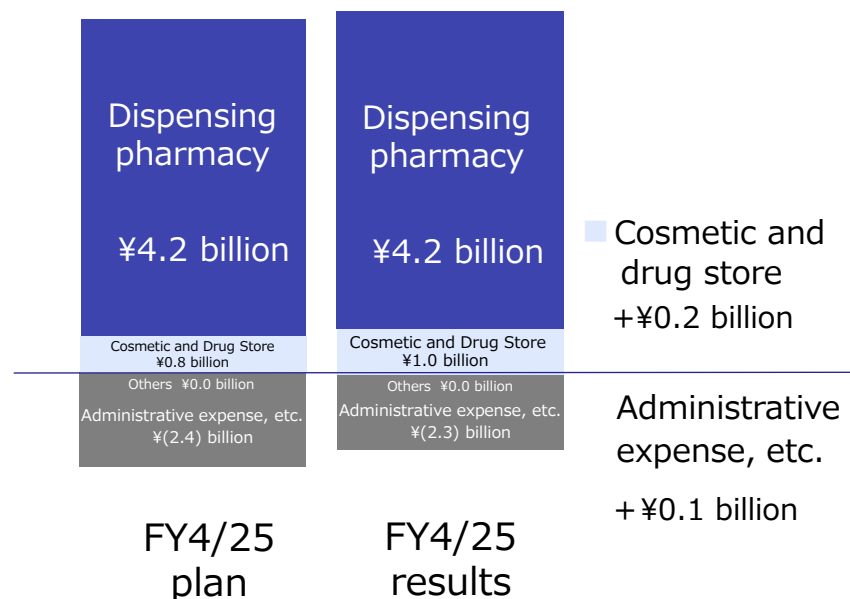
¥97.8 billion → ¥103.6 billion +¥5.8 billion
+5.9%



- Dispensing pharmacy +¥5.3 billion
- Cosmetic and drug store +¥0.7 billion
- Others ¥ (0.2) billion

Ordinary profit

¥2.6 billion → ¥2.9 billion +¥0.3 billion
+12.8%



- Cosmetic and drug store +¥0.2 billion
- Administrative expense, etc. +¥0.1 billion

▶ Increase against profit : +

Number of Pharmacies and Stores

■ Plan and Results

| | | FY4/25 1Q | | FY4/25 Plan |
|--------------|-------------------------|-----------|-----------|----------------|
| | | Plan | Results | |
| Opening | Dispensing Pharmacy | 11 | 12 | 80 |
| | Organic | 6 | 6 | 40 |
| | M&A | 5 | 6 | 40 |
| | Cosmetic and drug store | 2 | 2 | 10 |
| Total | | 13 | 14 | 90 |
| Closure | Dispensing Pharmacy | 8 | 8 | 16 |
| | Cosmetic and drug store | 0 | 1 | 2 |
| | Total | 8 | 9 | 18 |

■ Transition of dispensing pharmacies

| | FY4/17 | FY4/18 | FY4/19 | FY4/20 | FY4/21 | FY4/22 | FY4/23 | FY4/24 | FY4/25 1Q |
|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|-----------|
| Organic | 27 | 25 | 23 | 14 | 15 | 25 | 27 | 19 | 6 |
| M&A | 182 | 11 | 134 | 6 | 14 | 24 | 114 | 21 | 6 |
| EV/EBITDA ratio | 5.50 | 3.96 | 4.88 | 3.71 | 3.74 | 4.13 | 6.55 | 4.41 | 4.21 |
| Closed | 22 | 41 | 24 | 22 | 18 | 10 | 24 | 13 | 0 |
| Sold | 2 | 32 | 30 | 42 | 34 | 5 | 7 | 5 | 8 |
| No. of total stores | 1,066 | 1,029 | 1,132 | 1,088 | 1,065 | 1,099 | 1,209 | 1,231 | 1,235 |

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

Revised Plan

FY4/25 Plan (Dispensing Pharmacy Business)

The group forecasts net sales increase 6.3% YoY and 2.8% against the initial plan, and segment profit decrease 8.3% YoY and increase 1.0% against the initial plan as the average prescription price rose due to an increase in high-cost prescriptions.

| (¥ million) | FY4/24 results | FY4/25 initial plan | FY4/25 revised plan | YoY change (%) | Vs initial plan change (%) |
|-------------------------|-------------------|------------------------|------------------------|-------------------|-------------------------------|
| Net sales | 357,571 | 369,540 | 380,000 | +6.3 | +2.8 |
| Gross profit | 43,575 | 42,390 | 42,700 | (2.0) | +0.7 |
| % of net sales | 12.2 | 11.5 | 11.2 | | |
| SG&A expenses | 16,949 | 18,080 | 18,100 | +6.8 | +0.1 |
| % of net sales | 4.7 | 4.9 | 4.8 | | |
| Operating profit | 26,625 | 24,310 | 24,600 | (7.6) | +1.2 |
| % of net sales | 7.4 | 6.6 | 6.5 | | |
| Segment profit | 27,587 | 25,040 | 25,300 | (8.3) | +1.0 |
| % of net sales | 7.7 | 6.8 | 6.7 | | |
| Number of pharmacies | 1,231 | 1,295 | 1,295 | +5.2 | 0.0 |

▶ Figures in the table are rounded down

▶ Segment profit is adjusted to ordinary profit shown on the consolidated statements of income

FY4/25 Plan (Cosmetic and Drug Store Business)

The group forecasts net sales increase 97.0% YoY and 84.4% against the initial plan, and segment profit increase 52.5% YoY and 38.8% against the initial plan due to the addition of Francfranc Corporation to the Group and steady sales growth of AINZ & TULPE.

| (¥ million) | FY4/24 results | FY4/25 initial plan | FY4/25 revised plan | YoY change (%) | Vs initial plan change (%) |
|-----------------------|-------------------|------------------------|------------------------|-------------------|-------------------------------|
| Net sales | 31,111 | 33,240 | 61,290 | +97.0 | +84.4 |
| Gross profit | 11,967 | 12,800 | 29,120 | +143.3 | +127.5 |
| % of net sales | 38.5 | 38.5 | 47.5 | | |
| SG&A expenses | 8,913 | 9,400 | 24,395 | +173.7 | +159.5 |
| % of net sales | 28.6 | 28.3 | 39.8 | | |
| Operating profit | 3,054 | 3,400 | 4,725 | +54.7 | +39.0 |
| % of net sales | 9.8 | 10.2 | 7.7 | | |
| Segment profit | 3,096 | 3,400 | 4,720 | +52.5 | +38.8 |
| % of net sales | 10.0 | 10.2 | 7.7 | | |
| Number of stores | 81 | 89 | 89 | +9.9 | 0.0 |

▶ Figures in the table are rounded down

▶ Segment profit is adjusted to ordinary profit shown on the consolidated statement of income

FY4/25 Plan (Consolidated)

The group forecasts net sales for the fiscal year ending April 30, 2025 increase 13.4% YoY and 9.3% against the initial plan, and ordinary profit will decrease 6.4% YoY and increase 8.1% against the initial plan due to the revision of both businesses plans.

| (¥ million) | FY4/24 results | FY4/25 initial plan | FY4/25 revised plan | YoY change (%) | Vs initial plan change (%) |
|--|-------------------|------------------------|------------------------|-------------------|-------------------------------|
| Net sales | 399,824 | 415,000 | 453,500 | +13.4 | +9.3 |
| Gross profit | 59,522 | 59,671 | 76,200 | +28.0 | +27.7 |
| % of net sales | 14.9 | 14.4 | 16.8 | | |
| SG&A expenses | 39,090 | 41,871 | 56,840 | +45.4 | +35.8 |
| % of net sales | 9.8 | 10.1 | 12.5 | | |
| Operating profit | 20,432 | 17,800 | 19,360 | (5.2) | +8.8 |
| % of net sales | 5.1 | 4.3 | 4.3 | | |
| Ordinary profit | 21,377 | 18,500 | 20,000 | (6.4) | +8.1 |
| % of net sales | 5.3 | 4.5 | 4.4 | | |
| Profit attributable to owners of parent | 11,401 | 9,180 | 10,000 | (12.3) | +8.9 |
| % of net sales | 2.9 | 2.2 | 2.2 | | |
| Profit per share(¥) | 324.64 | 262.33 | 285.68 | (12.0) | +8.9 |
| Annual dividend (¥) | 80.00 | 80.00 | 80.00 | 0.0 | 0.0 |

▶ Figures in the table are rounded down

Revised plan (YoY results)

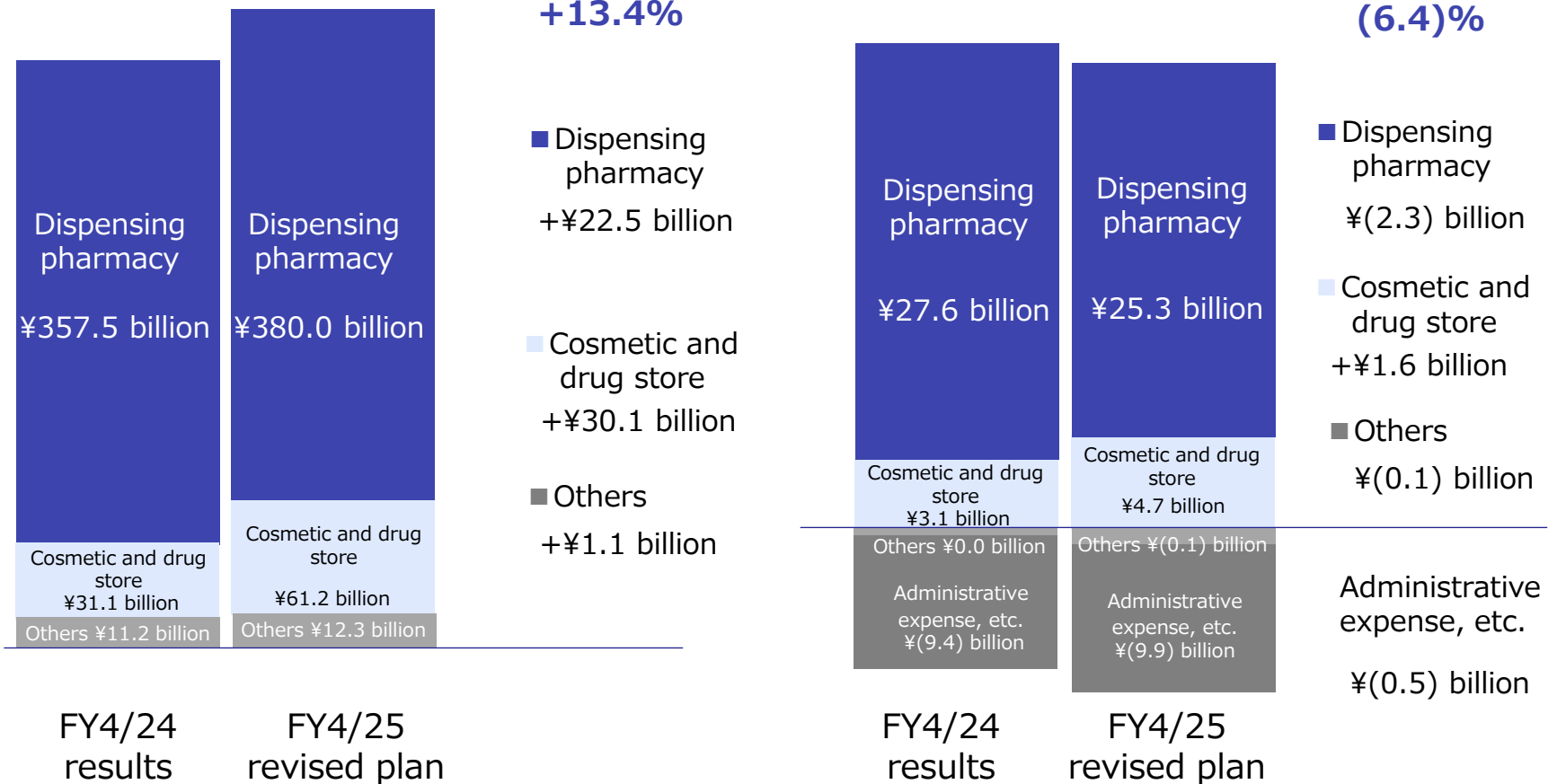
The group forecasts net sales increase ¥53.7 billion and ordinary profit will decrease ¥1.3 billion YoY.

Net sales

Ordinary profit

¥399.8 billion → ¥453.5 billion +¥53.7 billion
+13.4%

¥21.3 billion → ¥20.0 billion ¥(1.3) billion
(6.4)%



▶ Decrease against profit : ()

Revised plan (vs Initial Plan)

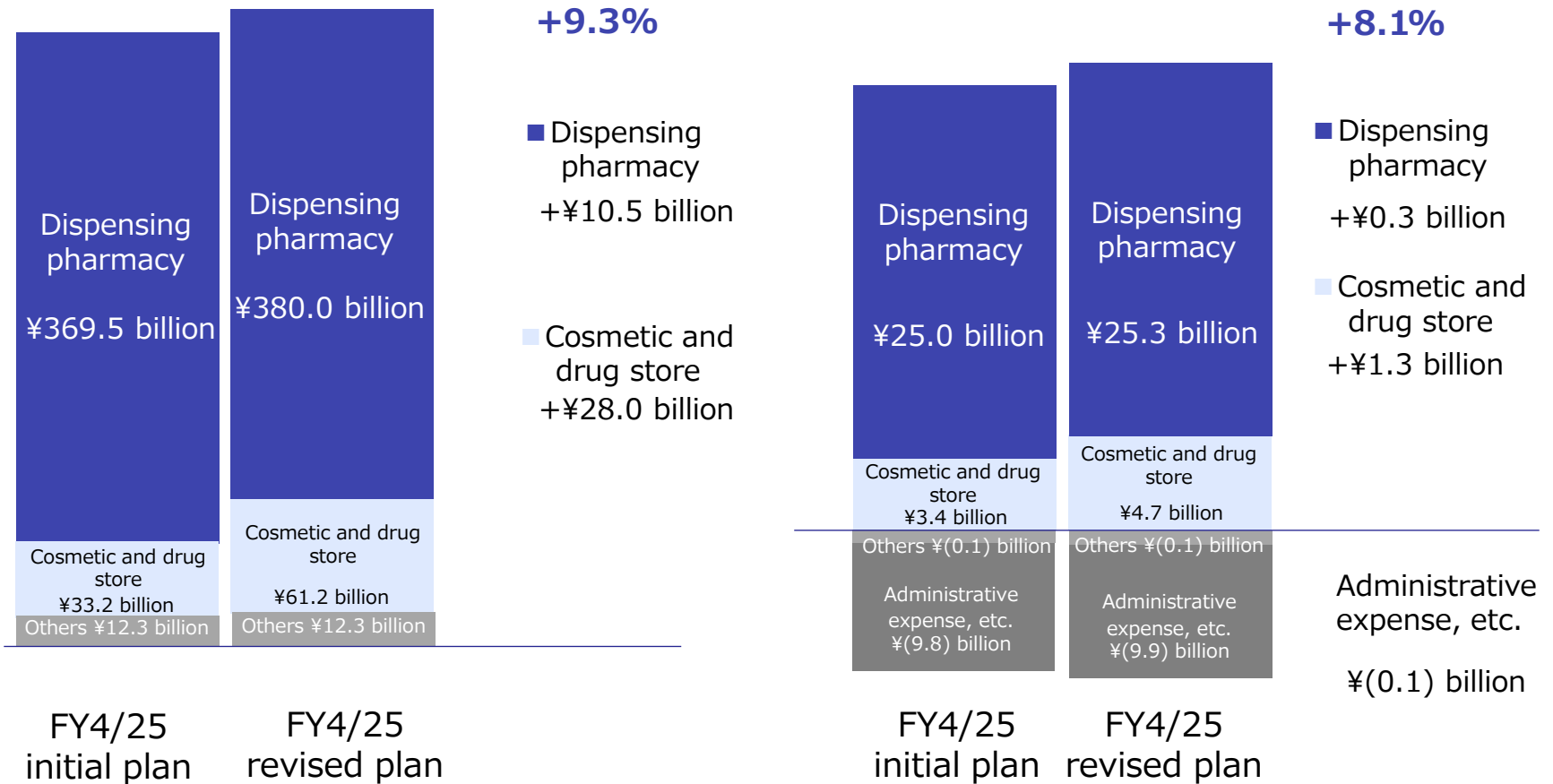
The group forecasts net sales increase ¥38.5 billion and ordinary profit increase ¥1.5 billion against the initial plan.

Net sales

Ordinary profit

¥415.0 billion → ¥453.5 billion +¥38.5 billion

¥18.5 billion → ¥20.0 billion +¥1.5 billion



▶ Decrease against profit : ()

Inquiries related to this presentation should be addressed to

**AIN HOLDINGS INC.
Corporate Planning Division
TEL: +81-3-5333-1812
<https://www.ainj.co.jp/corporate/>**

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