

FY4/24
IR PRESENTATION

AIN HOLDINGS INC.
June 2024

Results Overview

Consolidated P/L

Net sales increased 11.5% YoY and 2.4% against the plan due to new store openings and growth at existing stores in both businesses. Ordinary profit increased 25.3% YoY and 10.5% against the plan.

(¥ million)	FY4/23 results	FY4/24 revised plan	FY4/24 results	YoY change	YoY change(%)	Vs plan (%)
Net sales	358,742	390,263	399,824	+41,082	+11.5	+2.4
Gross profit	53,698	58,106	59,522	+5,824	+10.8	+2.4
% of net sales	15.0	14.9	14.9			
SG&A expenses	37,694	39,656	39,090	+1,396	+3.7	(1.4)
% of net sales	10.5	10.2	9.8			
Operating profit	16,004	18,450	20,432	+4,428	+27.7	+10.7
% of net sales	4.5	4.7	5.1			
Ordinary profit	17,064	19,340	21,377	+4,313	+25.3	+10.5
% of net sales	4.8	5.0	5.3			
Profit attributable to owners of parent	9,234	10,000	11,401	+2,167	+23.5	+14.0
% of net sales	2.6	2.6	2.9			
Earnings per share(¥)	262.87	284.64	324.64	+61.77	+23.5	+14.1

▶ Figures in the table are rounded down

Dispensing Pharmacy Business (Consolidated)

Net sales increased 11.2% YoY and 2.4% against the plan due to new store openings including M&A, growth at existing stores, and contribution of stores opened in the previous year. Segment profit increased 14.3% YoY and 4.5% against the plan.

(¥ million)	FY4/23 results	FY4/24 revised plan	FY4/24 results	YoY change	YoY change(%)	Vs plan (%)
Net sales	321,577	349,100	357,571	+35,994	+11.2	+2.4
Gross profit	39,779	42,680	43,575	+3,796	+9.5	+2.1
% of net sales	12.4	12.2	12.2			
SG&A expenses	16,559	17,160	16,949	+390	+2.4	(1.2)
% of net sales	5.1	4.9	4.7			
Operating profit	23,220	25,520	26,625	+3,405	+14.7	+4.3
% of net sales	7.2	7.3	7.4			
Segment profit	24,135	26,390	27,587	+3,452	+14.3	+4.5
% of net sales	7.5	7.6	7.7			
Number of pharmacies	1,209	1,240	1,231	+22	+1.8	(0.7)

► Figures in the table are rounded down

Cosmetic and Drug Store Business (Consolidated)

Net sales up 21.1% YoY and 5.5% against the plan due to steady sales growth at both stores opened in the previous year and existing stores. Segment profit increased 155.0% YoY and 28.5% against the plan.

(¥ million)	FY4/23 results	FY4/24 revised plan	FY4/24 results	YoY change	YoY change(%)	Vs plan (%)
Net sales	25,685	29,500	31,111	+5,426	+21.1	+5.5
Gross profit	9,694	11,230	11,967	+2,273	+23.4	+6.6
% of net sales	37.7	38.1	38.5			
SG&A expenses	8,521	8,830	8,913	+392	+4.6	+0.9
% of net sales	33.2	29.9	28.6			
Operating profit	1,172	2,400	3,054	+1,882	+160.6	+27.3
% of net sales	4.6	8.1	9.8			
Segment profit	1,214	2,410	3,096	+1,882	+155.0	+28.5
% of net sales	4.7	8.2	10.0			
Number of stores	78	82	81	+3	+3.8	(1.2)

▶ Figures in the table are rounded down

Consolidated B/S

Net cash became ¥41,617 million and shareholders' equity ratio became 54.3%. 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				(¥ 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	

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

Assets

The balance of total assets increased ¥17,659 million from the end of the previous fiscal year because of increase in inventories and buildings and structures, net, etc., due to the new store openings.

(¥ million)	End-FY4/22	End-FY4/23	End-FY4/24	Change
Cash and deposits	59,729	46,796	48,611	+1,815
Accounts receivable - trade	10,110	13,249	15,852	+2,603
Inventories	14,790	21,586	24,645	+3,059
Total current assets	100,765	98,305	110,743	+12,438
Buildings and structures, net	17,512	21,407	27,122	+5,715
Land	8,581	10,602	10,207	(395)
Total property, plant and equipment	30,636	39,459	43,450	+3,991
Goodwill	36,352	46,443	44,066	(2,377)
Total intangible assets	41,219	52,343	51,242	(1,101)
Investments securities	2,503	2,720	3,345	+625
Deferred tax assets	5,319	5,990	6,403	+413
Leasehold and guarantee deposits	22,785	24,507	25,186	+679
Total investments and other assets	39,840	41,641	43,973	+2,332
Total non-current assets	111,696	133,444	138,666	+5,222
Total deferred assets	-	-	-	-
Total assets	212,461	231,750	249,409	+17,659

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

▶ Capital expenditures (Property, plant and equipment and intangible assets + Leasehold and guarantee deposits) totaled ¥15,268 million

Liabilities and Net Assets

Accounts payable increased ¥6,808 million due to new store openings and M&A. Short-term and long-term borrowings decreased ¥1,997 million.

(¥ million)	End-FY4/22	End-FY4/23	End-FY4/24	Change
Accounts payable – trade	50,756	58,698	65,506	+6,808
Short-term borrowings	2,643	3,670	3,467	(203)
Total current liabilities	81,805	92,986	103,232	+10,246
Long-term borrowings	5,815	5,021	3,227	(1,794)
Total non-current liabilities	11,645	12,218	10,765	(1,453)
Total liabilities	93,450	105,204	113,998	+8,794
Share capital	21,894	21,894	21,894	-
Capital surplus	20,500	20,504	20,131	(373)
Retained earnings	78,661	85,963	95,257	+9,294
Total shareholders' equity	119,038	126,362	134,847	+8,485
Total net assets	119,010	126,546	135,411	+8,865
Total liabilities and net assets	212,461	231,750	249,409	+17,659

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

Consolidated C/F

Net cash provided by investing activities became ¥15,748 million due to M&A and new store openings and net cash provided by operating activities increased ¥23,023 million due to increase in profit before income taxes, etc. Because of them, cash and cash equivalents at end of the period increased ¥2,164 million from the previous year. The company maintained ample cash.

(¥ million)	FY4/23	FY4/24	Change
Net cash provided by operating activities	20,267	23,023	+2,756
Profit before income taxes	15,882	19,080	+3,198
Depreciation	5,529	6,464	+935
Amortization of goodwill	4,310	4,421	+111
Decrease (increase) in trade receivables	795	(2,202)	(2,997)
Decrease (increase) in inventories	(4,948)	(2,929)	+2,019
Decrease (increase) in accounts receivable - other	1,007	(3,883)	(4,890)
Increase (decrease) in trade payables	3,013	6,437	+3,424
Net cash provided by investing activities	(22,292)	(15,748)	+6,544
Purchase of property, plant and equipment and intangible assets	(12,155)	(12,519)	(364)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(14,614)	(1,771)	+12,843
Net cash provided by financing activities	(11,237)	(5,110)	+6,127
Net increase (decrease) in cash and cash equivalents	(13,262)	2,164	+15,426
Cash and cash equivalents at end of the period	46,217	48,381	+2,164

► Figures in the table are rounded down

Business Value Analysis

	FY4/22	FY4/23	FY4/24	Change
Shareholders' equity ratio (%)	56.0	54.6	54.3	(0.3)
Market value equity ratio (%)	96.6	85.5	83.8	(1.7)
PER (times)	28.99	21.46	18.39	(3.07)
EPS (¥)	201.47	262.87	324.64	+61.77
PBR (times)	1.74	1.58	1.56	(0.02)
BPS (¥)	3,385.51	3,599.47	3,866.55	+267.08
ROA (%)	3.4	4.2	4.7	+0.5
ROE (%)	6.0	7.5	8.7	+1.2
EBITDA (¥ million)	24,065	25,843	31,318	+5,475
EV/EBITDA (times)	6.54	6.34	5.44	(0.90)
Net D/E ratio (times)	(0.43)	(0.30)	(0.31)	(0.01)
Net cash (¥ million)	51,030	37,804	41,617	+3,813
Shareholders' value (¥ million)	208,305	201,720	211,864	+10,144
Market capitalization (¥ million)	205,143	198,133	208,916	+10,783

- ▶ Figures in the table are rounded down ▶ Change : FY4/24 compared with FY4/23
- ▶ Net D/E ratio = Net interest-bearing debt (Interest-bearing debt – Cash and deposits) / Shareholders' equity
- ▶ Net cash = Cash and deposits – Interest-bearing debt
- ▶ Shareholders' value = EV – Net interest-bearing debt
- ▶ Market capitalization : Treasury shares is excepted
- ▶ Share prices used to calculate market capitalization:
End-FY4/22 ¥5,840 (End-Apr, 2022), End-FY4/23 ¥5,640 (End-Apr, 2023), End-FY4/24 ¥5,970 (End-Apr, 2024).

FY4/25 Plan (Consolidated)

The group forecasts net sales for the fiscal year ending April 30, 2025 increase 3.8% YoY due to new store openings of 80 stores for dispensing pharmacy business and 10 stores for cosmetic and drug store business. Ordinary profit will decrease 13.5% YoY due to increase in costs of human capital and digital transformation investments.

(¥ million)	FY4/23 results	FY4/24 results	FY4/25 plan	YoY change	YoY change(%)
Net sales	358,742	399,824	415,000	+15,176	+3.8
Gross profit	53,698	59,522	59,671	+149	+0.3
% of net sales	15.0	14.9	14.4		
SG&A expenses	37,694	39,090	41,871	+2,781	+7.1
% of net sales	10.5	9.8	10.1		
Operating profit	16,004	20,432	17,800	(2,632)	(12.9)
% of net sales	4.5	5.1	4.3		
Ordinary profit	17,064	21,377	18,500	(2,877)	(13.5)
% of net sales	4.8	5.3	4.5		
Profit attributable to owners of parent	9,234	11,401	9,180	(2,221)	(19.5)
% of net sales	2.6	2.9	2.2		
Earnings per share(¥)	262.87	324.64	262.33	(62.31)	(19.2)
Annual dividend (¥)	60.00	80.00	80.00	-	0.0

▶ Figures in the table are rounded down

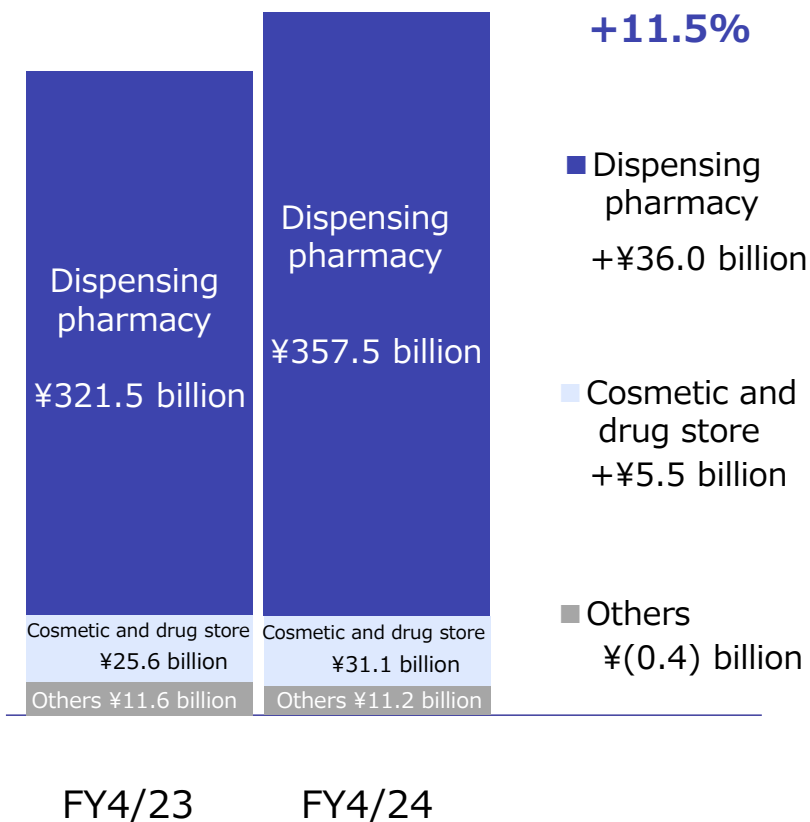
Review

Consolidated (YoY)

Ordinary profit increased ¥4.3 billion YoY due to increase of net sales in dispensing pharmacy business and cosmetic and drug store business.

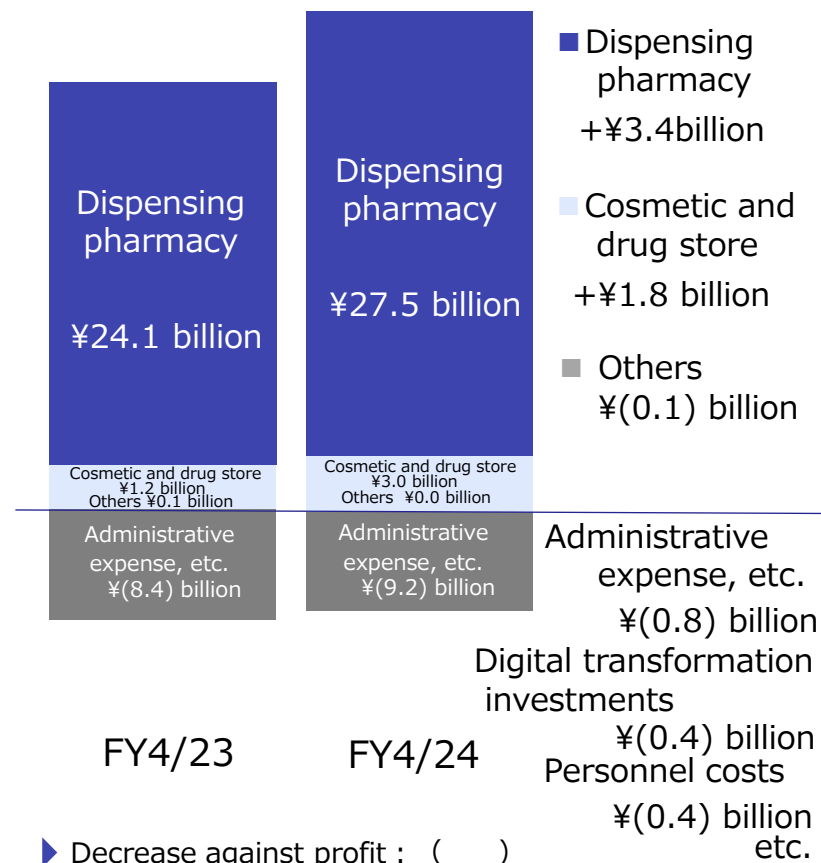
Net sales

¥358.7 billion → ¥399.8 billion +¥41.1 billion +11.5%



Ordinary profit

¥17.0 billion → ¥21.3 billion +¥4.3 billion +25.3%



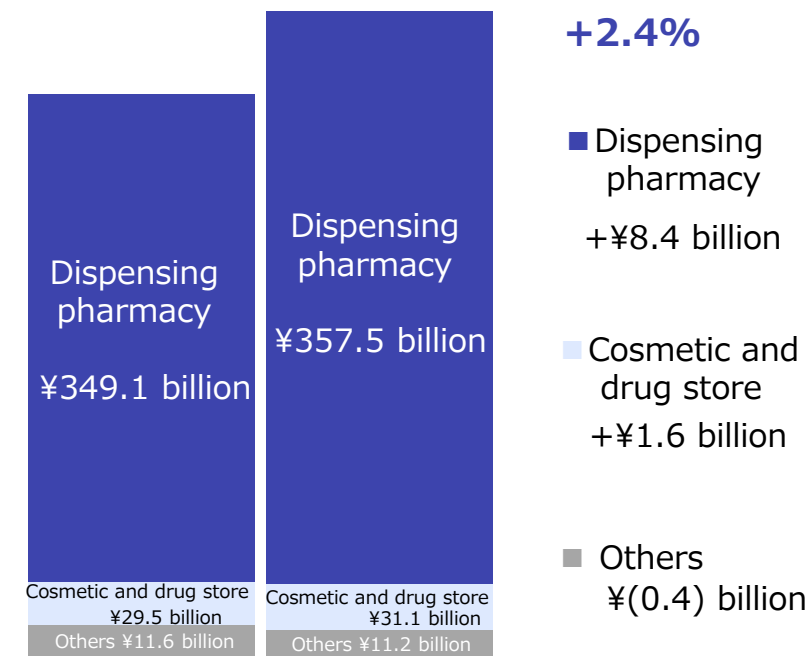
Consolidated (vs Revised Plan)

Ordinary profit increased ¥2.0 billion against the revised plan due to increase in gross profit because the number of prescriptions increased in the dispensing pharmacy business, and decrease in SG&A expenses from the improvement of operational efficiency in the cosmetic and drug store business.

Net sales

¥390.2 billion → ¥399.8 billion +¥9.6 billion

+2.4%



- Dispensing pharmacy +¥8.4 billion
- Cosmetic and drug store +¥1.6 billion
- Others ¥(0.4) billion

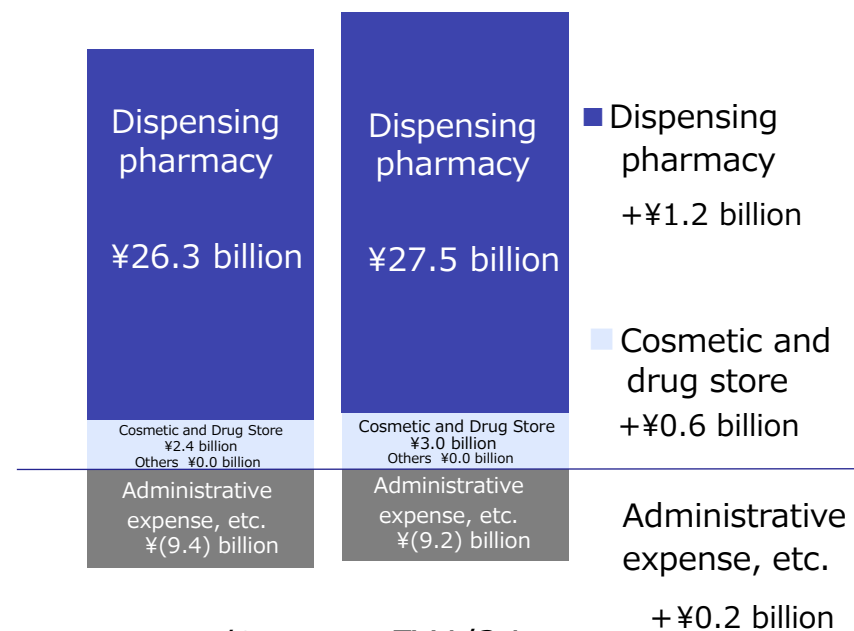
FY4/24 plan

FY4/24 results

Ordinary profit

¥19.3 billion → ¥21.3 billion +¥2.0 billion

+10.5%



- Dispensing pharmacy +¥1.2 billion
- Cosmetic and drug store +¥0.6 billion
- Administrative expense, etc. +¥0.2 billion

FY4/24 plan

FY4/24 results

▶ Increase against profit : +

Number of Pharmacies and Stores

■ Plan and Results

		FY4/24		FY4/25
		Revised Plan	Results	Plan
Opening	Dispensing Pharmacy	41	40	80
	Organic	21	19	40
	M&A	20	21	40
	Cosmetic and drug store	6	6	10
Total		47	46	90
Closure	Dispensing Pharmacy	10	18	16
	Cosmetic and drug store	2	3	2
	Total	12	21	18

■ Transition of dispensing pharmacies

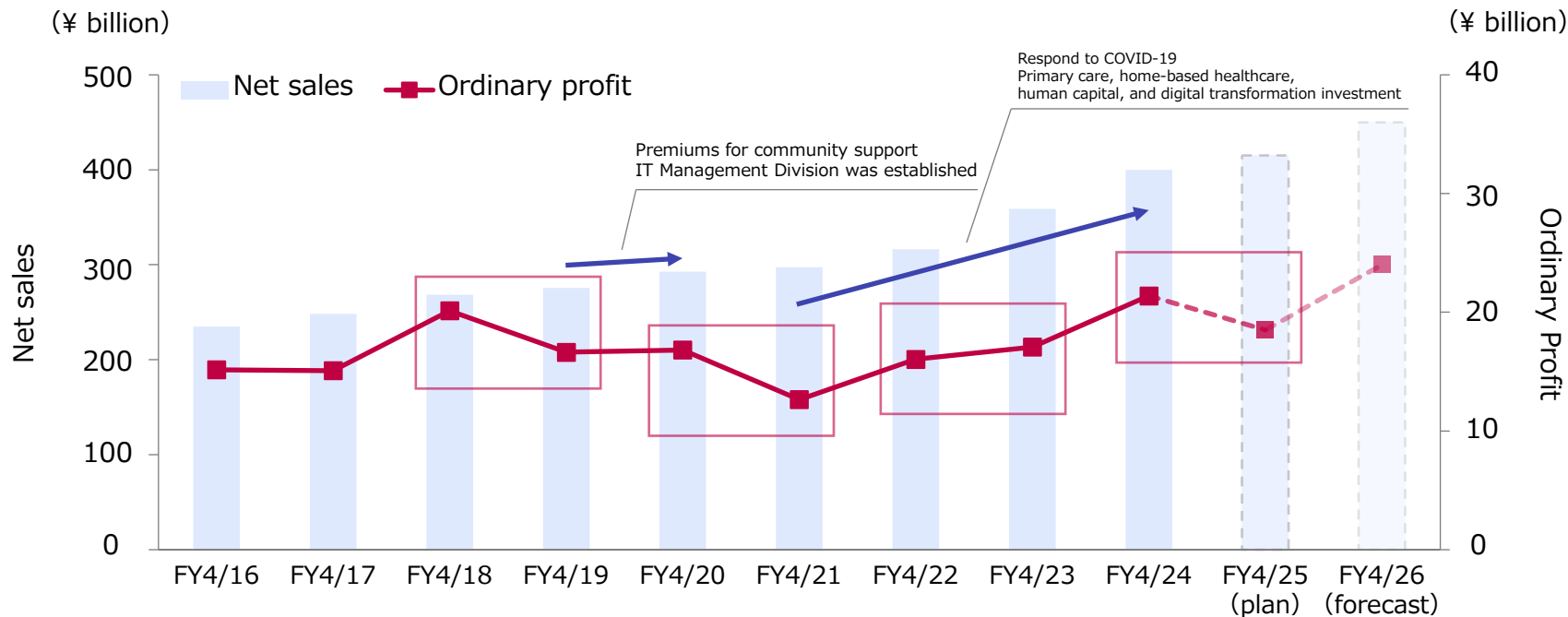
	FY4/17	FY4/18	FY4/19	FY4/20	FY4/21	FY4/22	FY4/23	FY4/24
Organic	27	25	23	14	15	25	27	19
M&A	182	11	134	6	14	24	114	21
EV/EBITDA ratio	5.50	3.96	4.88	3.71	3.74	4.13	6.55	4.41
Closed	22	41	24	22	18	10	24	13
Sold	2	32	30	42	34	5	7	5
No. of total stores	1,066	1,029	1,132	1,088	1,065	1,099	1,209	1,231

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

FY4/25 Plan

Transition of dispensing fee revisions

Although the company has been affected by the revision of dispensing fees and changes in social conditions, it has steadily increased earnings while realizing the role required of pharmacies and strengthening its management base.



Revisions to dispensing fees	Social conditions
<ul style="list-style-type: none"> ■ Apr. 2016: Basic dispensing fee at chain pharmacies located near the hospitals decreased ■ Apr. 2018: Basic dispensing fee at large-scale chain pharmacies located near the hospitals decreased. Onsite pharmacies were newly established ■ Feb. 2020: Spread of COVID-19 infections ■ Apr. 2022: Basic dispensing fee at chain drug stores decreased ■ Apr. 2024: Premiums and drug fees at onsite pharmacies decreased 	

Strategy

Strategy

Expansion of top-line

- Dispensing Pharmacy business strategy
 - Organic store openings and utilization of M&A
 - Further strengthening specialist skills of pharmacists and providing patients-centered pharmacy services
- Cosmetic and drug store business strategy
 - Organic store openings and utilization of M&A
 - Creating product lineups and sales displays specialize in cosmetics

Reinforcing the Group's business base

- Human capital
- Digital transformation investment
- Sustainability management

Expansion of top-line

FY4/24 Results

1,312

Dispensing Pharmacies **1,231**

Cosmetics and Drug stores **81**

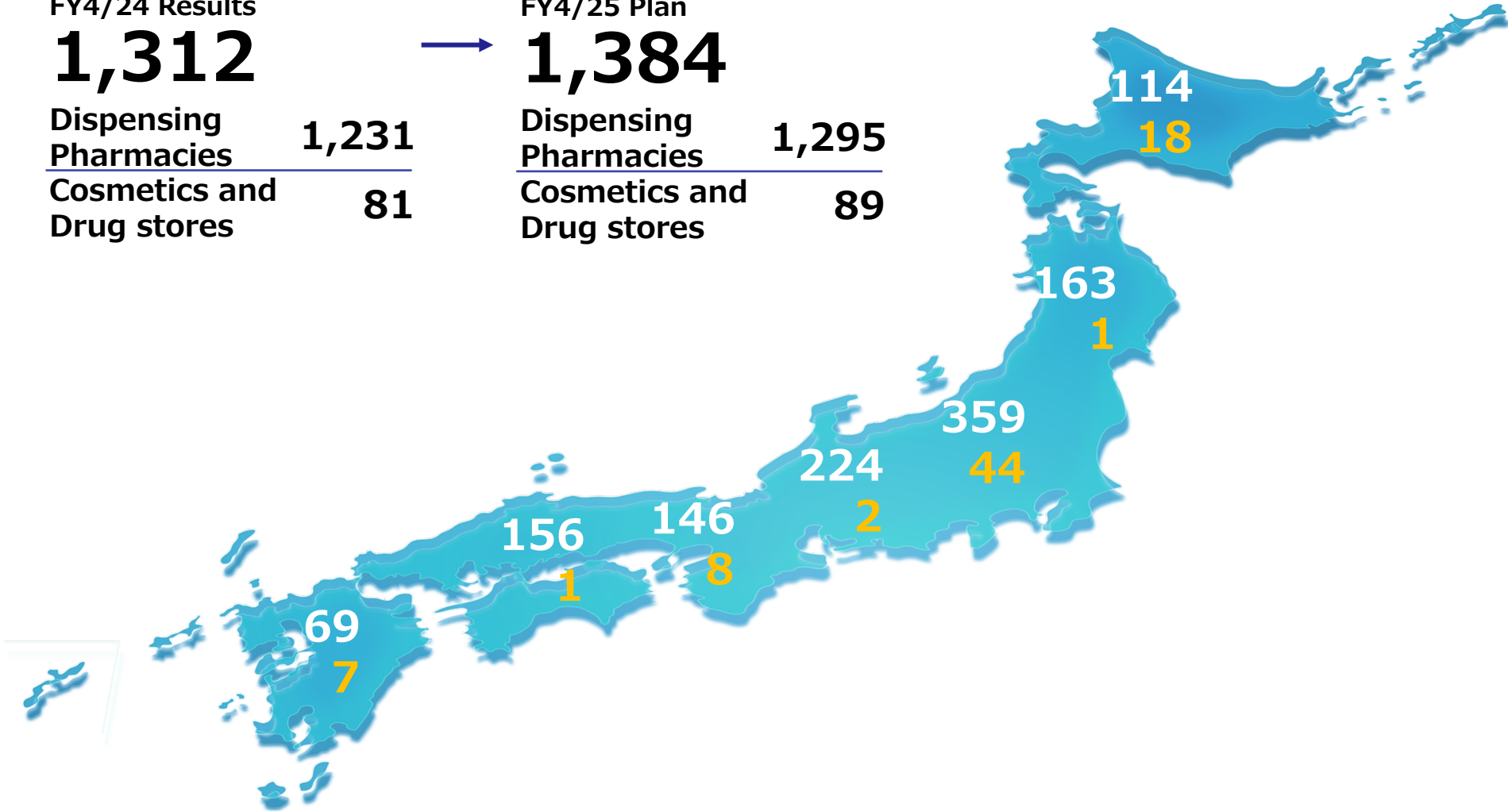


FY4/25 Plan

1,384

Dispensing Pharmacies **1,295**

Cosmetics and Drug stores **89**



□:Dispensing Pharmacies ■ : Cosmetic and drug stores

FY4/25 Plan (Dispensing Pharmacy Business)

The group forecasts net sales increase 3.3% YoY and segment profit decrease 9.2% YoY due to opening 80 new stores including M&A and closing 16 stores.

(¥ million)	FY4/23 results	FY4/24 results	FY4/25 plan	YoY change	YoY change (%)
Net sales	321,577	357,571	369,540	+11,969	+3.3
Gross profit	39,779	43,575	42,390	(1,185)	(2.7)
% of net sales	12.4	12.2	11.5		
SG&A expenses	16,559	16,949	18,080	+1,131	+6.7
% of net sales	5.1	4.7	4.9		
Operating profit	23,220	26,625	24,310	(2,315)	(8.7)
% of net sales	7.2	7.4	6.6		
Segment profit	24,135	27,587	25,040	(2,547)	(9.2)
% of net sales	7.5	7.7	6.8		
Number of pharmacies	1,209	1,231	1,295	+64	+5.2

▶ Figures in the table are rounded down

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

Expansion of top-line

AINZ & TULPE
In FY4/24 opened

6 stores



DUO KOBE
(Opened in Nov. 2023)



COCONO SUSUKINO
(Opened in Nov. 2023)



ecute UENO
(Opened in Dec. 2023)



COCOLIA TAMA CENTER
(Opened in June 2023)

Expansion of top-line

AINZ & TULPE

In FY4/25 plan to open

10 stores



Carrot St. SANCHIA
(Opened in June 2024)



Tokyo A
(Plan to open in Oct. 2024)



Tokyo B
(Plan to open in Nov. 2024)



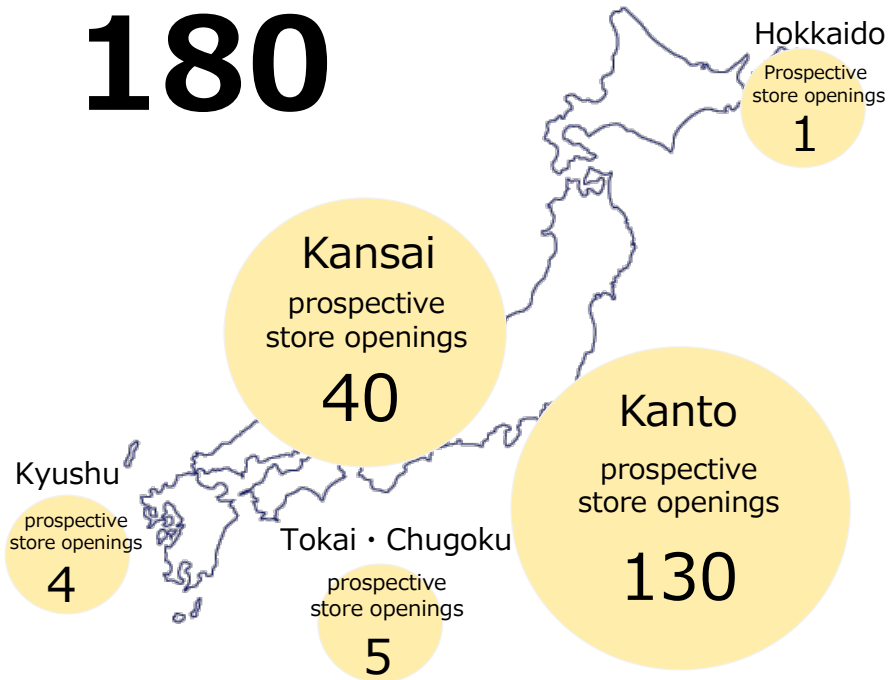
EQUiA TAKENOTSUKA
(Opened in May 2024)

Expansion of top-line

Setting priority areas and opening flagship stores mainly in urban areas

Number of prospective store openings

180



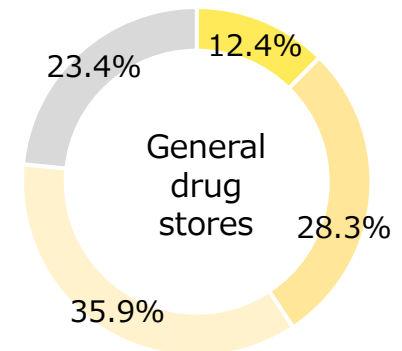
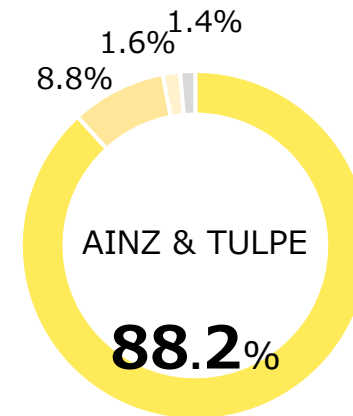
● Number of prospective store openings

Specialize in cosmetics and other beauty products

Cosmetics and other beauty products

90%

- Cosmetics and other beauty products
- Over-the-counter drugs and sanitary products
- Foods and health foods
- Daily necessities



- ▶ AINZ & TULPE: Results in FY4/24
- ▶ General drug stores: Monthly Report on the Current Survey of Commerce (Mar.2024 Ministry of Economy, Trade and Industry)

FY4/25 Plan (Cosmetic and Drug Store Business)

The group forecasts net sales increase 6.8% YoY and segment profit increase 9.8% YoY due to opening 10 new stores and closing 2 stores.

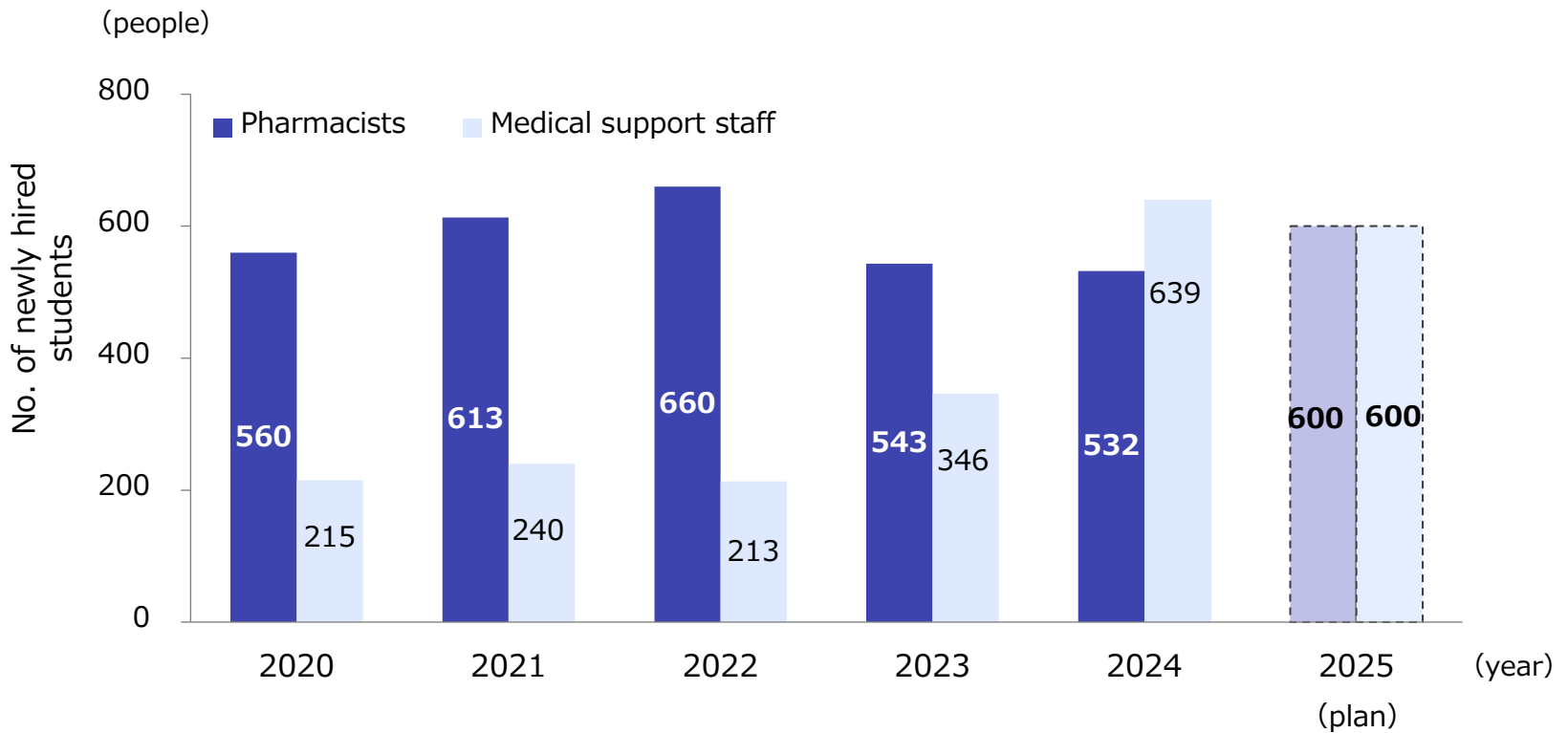
(¥ million)	FY4/23 results	FY4/24 results	FY4/25 plan	YoY change	YoY change (%)
Net sales	25,685	31,111	33,240	+2,129	+6.8
Gross profit	9,694	11,967	12,800	+833	+7.0
% of net sales	37.7	38.5	38.5		
SG&A expenses	8,521	8,913	9,400	+487	+5.5
% of net sales	33.2	28.6	28.3		
Operating profit	1,172	3,054	3,400	+346	+11.3
% of net sales	4.6	9.8	10.2		
Segment profit	1,214	3,096	3,400	+304	+9.8
% of net sales	4.7	10.0	10.2		
Number of stores	78	81	89	+8	+9.9

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Human capital

In April 2024, new 532 pharmacists has joined our group. We aim to hire about 600 new pharmacists in fiscal 2025. As of April 30,2024, the group has 6,478 pharmacists out of 15,114 employees.



Digital transformation investment

Along with responding to deregulation of digital prescriptions and online eligibility checks, etc., the company utilizes digital transformation to provide added value that only AIN Group can offer and to improve store operating efficiency.

Reinforce the management base

- Operation of internal-facing call centers using AI

Streamline inquiries regarding dispensing systems, merchandising systems, and headquarters systems by using AI

- Filling out medication history using AI

Respond to deregulation

- Digital prescriptions
Already responded at more than 1,000 pharmacies



- Online pharmaceutical guidance
Already responded at all pharmacies



Provide added value

- Official AIN Pharmacy app
Anytime AIN Pharmacy



- Data linkage
AINZ & TULPE real stores / Official AINZ & TULPE app / E-commerce channels



Sustainability management 1

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

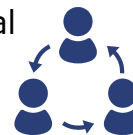
Strengthen a sound management base

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



Sustainability management 2

Within our Sustainability Committee, approximately 30 project teams are promoting cross-sectoral initiatives for each materiality.

Stakeholder engagement

We invited outside experts and hold a dialogue. We received objective evaluations and advice on our sustainability activities, which we reflect them in our activities.



Supply chain management

We held a briefing session and conducted a survey for suppliers about CSR Procurement. We are strengthening supply chain management for realizing a sustainable society.



External evaluations

Diversity & Inclusion

Certified
Platinum Kurumin



Certified Health
Outstanding Organizations
Recognition Program for
2024 (White 500)



LGBT friendly
companies in Sapporo



Climate change



Received
a **B** score

ESG Ratings



Received
an **A** rating

FY4/25 Plan (Consolidated)

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% of net sales	15.0	14.9	14.4		
SG&A expenses	37,694	39,090	41,871	+2,781	+7.1
% of net sales	10.5	9.8	10.1		
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Profit attributable to owners of parent	9,234	11,401	9,180	(2,221)	(19.5)
% of net sales	2.6	2.9	2.2		
Earnings per share(¥)	262.87	324.64	262.33	(62.31)	(19.2)
Annual dividend (¥)	60.00	80.00	80.00	-	0.0

▶ Figures in the table are rounded down

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