

FY4/25 3Q IR PRESENTATION

AIN HOLDINGS INC.

March 10, 2025

Results Overview

Consolidated P/L

Net sales increased 13.7% YoY and 1.4% against the plan due to growth at stores opened in the previous year and existing stores in both businesses, as well as supported by the consolidation of Francfranc from this fiscal year. Ordinary profit decreased 9.5% YoY and increased 2.6% against the plan.

(¥ million)	FY4/24 3Q results	FY4/25 3Q plan	FY4/25 3Q results	YoY change	YoY change(%)	Vs plan (%)
Net sales	296,360	332,290	336,834	+40,474	+13.7	+1.4
Gross profit	43,213	53,438	53,268	+10,055	+23.3	(0.3)
% of net sales	14.6	16.1	15.8			
SG&A expenses	28,907	40,633	40,714	+11,807	+40.8	+0.2
% of net sales	9.8	12.2	12.1			
Operating profit	14,305	12,805	12,554	(1,751)	(12.2)	(2.0)
% of net sales	4.8	3.9	3.7			
Ordinary profit	15,050	13,279	13,619	(1,431)	(9.5)	+2.6
% of net sales	5.1	4.0	4.0			
Profit attributable to owners of parent	8,730	7,216	7,357	(1,373)	(15.7)	+2.0
% of net sales	2.9	2.2	2.2			
Profit per share(¥)	248.51	206.20	210.05	(38.46)	(15.5)	+1.9

▶ Figures in the table are rounded down

▶ Plan is the revised plan disclosed in Sept. 2024

Dispensing Pharmacy Business (Consolidated)

Net sales increased 7.6% YoY and 1.7% against the plan. Because the number of prescriptions increased due to an outbreak of influenza, and average prescription price rose due to an increase in high-cost prescriptions. Segment profit decreased 11.7% YoY and increased 0.3% against the plan because of the effect of dispensing fee revisions, etc.

(¥ million)	FY4/24 3Q results	FY4/25 3Q Plan	FY4/25 3Q results	YoY change	YoY change(%)	Vs plan (%)
Net sales	265,019	280,300	285,205	+20,186	+7.6	+1.7
Gross profit	31,508	30,010	29,326	(2,182)	(6.9)	(2.3)
% of net sales	11.9	10.7	10.3			
SG&A expenses	12,551	13,200	13,107	+556	+4.4	(0.7)
% of net sales	4.7	4.7	4.6			
Operating profit	18,957	16,810	16,218	(2,739)	(14.4)	(3.5)
% of net sales	7.2	6.0	5.7			
Segment profit	19,713	17,350	17,405	(2,308)	(11.7)	+0.3
% of net sales	7.4	6.2	6.1			
Number of pharmacies	1,221	1,260	1,244	+23	+1.9	(1.3)

- ▶ Figures in the table are rounded down
- ▶ Plan is the revised plan disclosed in Sept. 2024
- ▶ Segment profit is adjusted with the ordinary profit of quarterly consolidated statements of income

Retail Business (Consolidated)

Net sales up 89.0% YoY and 1.1% against the plan, supported by the consolidation of Francfranc from this fiscal year, and due to steady growth in the number of customers and average customer spend at existing AINZ & TULPE stores and those opened in the previous fiscal year. Segment profit increased 78.5% YoY and 12.9% against the plan along with increase in sales of high gross margin products.

(¥ million)	FY4/24 3Q results	FY4/25 3Q plan	FY4/25 3Q results	YoY change	YoY change(%)	Vs plan (%)
Net sales	22,905	42,810	43,294	+20,389	+89.0	+1.1
Gross profit	8,800	20,014	21,005	+12,205	+138.7	+5.0
% of net sales	38.4	46.8	48.5			
SG&A expenses	6,588	16,455	17,015	+10,427	+158.3	+3.4
% of net sales	28.8	38.4	39.3			
Operating profit	2,212	3,559	3,990	+1,778	+80.4	+12.1
% of net sales	9.7	8.3	9.2			
Segment profit	2,246	3,553	4,010	+1,764	+78.5	+12.9
% of net sales	9.8	8.3	9.3			
Number of stores	81	250	250	+169	+208.6	0.0

- ▶ Figures in the table are rounded down
- ▶ Plan is the revised plan disclosed in Sept. 2024
- ▶ Segment profit is adjusted with the ordinary profit of quarterly consolidated statements of income

Consolidated B/S

Net cash became ¥ (6,578) million due to funds procured for the acquisition of shares associated with the consolidation of Francfranc through borrowings, but the shareholders' equity ratio was 47.1%, 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 3Q		(¥ million)	
Assets		Liabilities and Net Assets	
Current assets	103,852	Current liabilities	119,336
Cash and deposits	27,851	Short-term borrowings	7,084
Non-current assets	194,670	Non-current liabilities	38,626
Goodwill	82,569	Long-term borrowings	27,345
Deferred assets	-	Total net assets	140,559
Total assets	298,552	Total liabilities and net assets	298,522
Net cash			(6,578)
Shareholders' equity ratio(%)			47.1

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

Assets

The balance of total assets increased ¥49,113 million from the end of the fiscal 2024, mainly reflecting increases in goodwill and merchandise due to the consolidation of Francfranc.

(¥ million)	End-FY4/24 3Q	End-FY4/24	End-FY4/25 3Q	Change
Cash and deposits	50,057	48,611	27,851	(20,760)
Accounts receivable - trade	14,007	15,852	20,750	+4,898
Inventories	27,093	24,645	36,593	+11,948
Total current assets	106,837	110,743	103,852	(6,891)
Buildings and structures, net	27,010	27,122	31,778	+4,656
Land	10,116	10,207	10,089	(118)
Total property, plant and equipment	42,745	43,450	49,286	+5,836
Goodwill	43,947	44,066	82,569	+38,503
Total intangible assets	50,664	51,242	94,814	+43,572
Investments securities	3,427	3,345	3,219	(126)
Deferred tax assets	6,287	6,403	6,963	+560
Leasehold and guarantee deposits	24,713	25,186	30,893	+5,707
Total investments and other assets	43,440	43,973	50,569	+6,596
Total non-current assets	136,850	138,666	194,670	+56,004
Total deferred assets	-	-	-	-
Total assets	243,688	249,409	298,522	+49,113

▶ Figures in the table are rounded down

▶ Change: End-FY4/25 3Q compared with End-FY4/24

▶ Capital expenditures (Property, plant and equipment and intangible assets + Leasehold and guarantee deposits) totaled ¥12,584 million

Liabilities and Net Assets

Accounts payable – trade increased ¥12,734 million due to the consolidation of Francfranc. In addition, short-term and long-term borrowings increased ¥27,735 million due to funds procured from financial institutions for the acquisition of shares of the company.

(¥ million)	End-FY4/24 3Q	End-FY4/24	End-FY4/25 3Q	Change
Accounts payable – trade	67,987	65,506	78,240	+12,734
Short-term borrowings	3,183	3,467	7,084	+3,617
Total current liabilities	100,847	103,232	119,336	+16,104
Long-term borrowings	2,366	3,227	27,345	+24,118
Total non-current liabilities	9,561	10,765	38,626	+27,861
Total liabilities	110,409	113,998	157,962	+43,964
Share capital	21,894	21,894	21,894	-
Capital surplus	20,499	20,131	20,128	(3)
Retained earnings	92,586	95,257	99,788	+4,531
Total shareholders' equity	132,997	134,847	139,742	+4,895
Total net assets	133,278	135,411	140,559	+5,148
Total liabilities and net assets	243,688	249,409	298,522	+49,113

▶ Figures in the table are rounded down

▶ Change: End-FY4/25 3Q compared with End-FY4/24

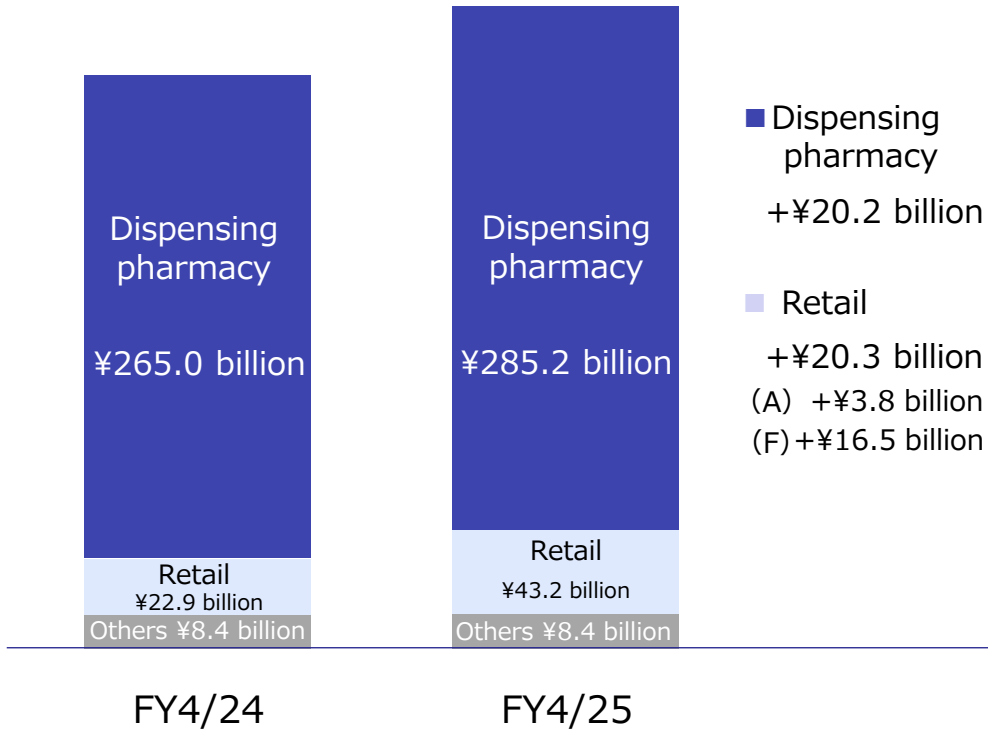
Review

Consolidated (YoY results)

Ordinary profit decreased ¥1.4 billion YoY due to the effect of dispensing fee revisions in dispensing pharmacy business and increase in labor costs, etc.

Net sales

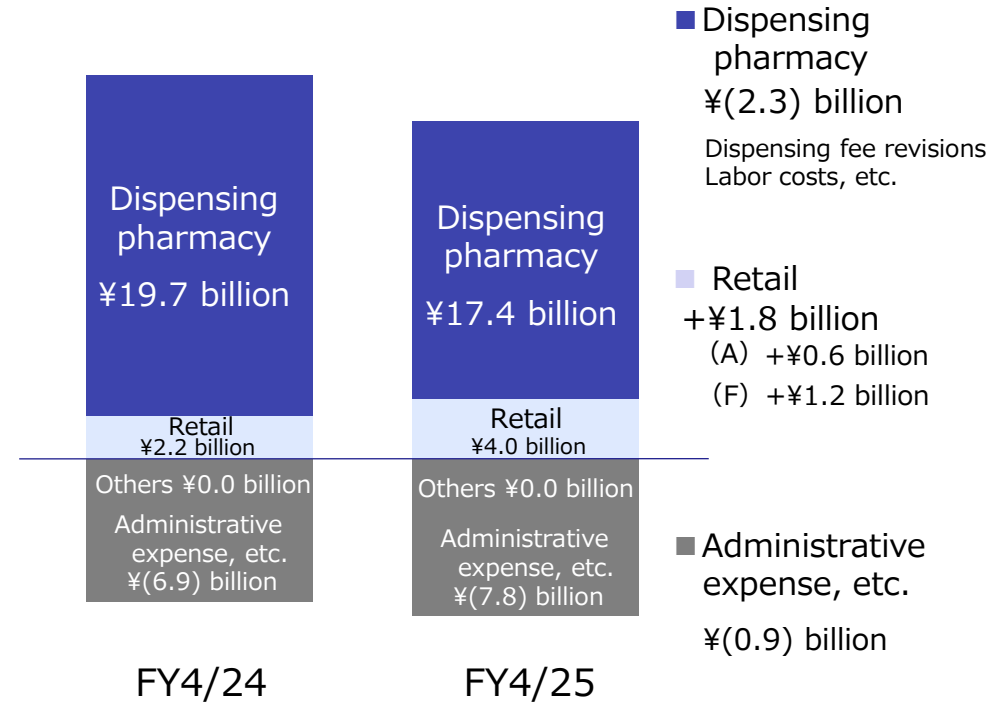
¥296.3 billion → ¥336.8 billion +¥40.5 billion
+13.7%



▶ (A) : AINZ & TULPE (F) : Francfranc

Ordinary profit

¥15.0 billion → ¥13.6 billion ¥(1.4) billion
(9.5) %



▶ Decrease against profit : ()

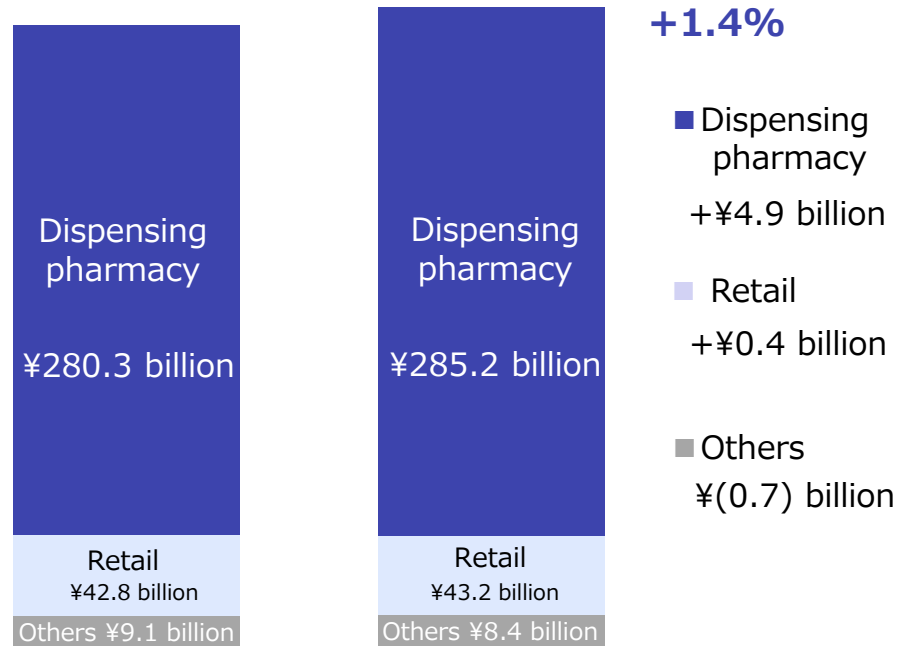
Consolidated (vs Revised plan)

Ordinary profit increased ¥0.4 billion against the plan due to increase in sales in both dispensing pharmacy business and retail business, etc.

Net sales

¥332.2 billion → ¥336.8 billion +¥4.6 billion

+1.4%



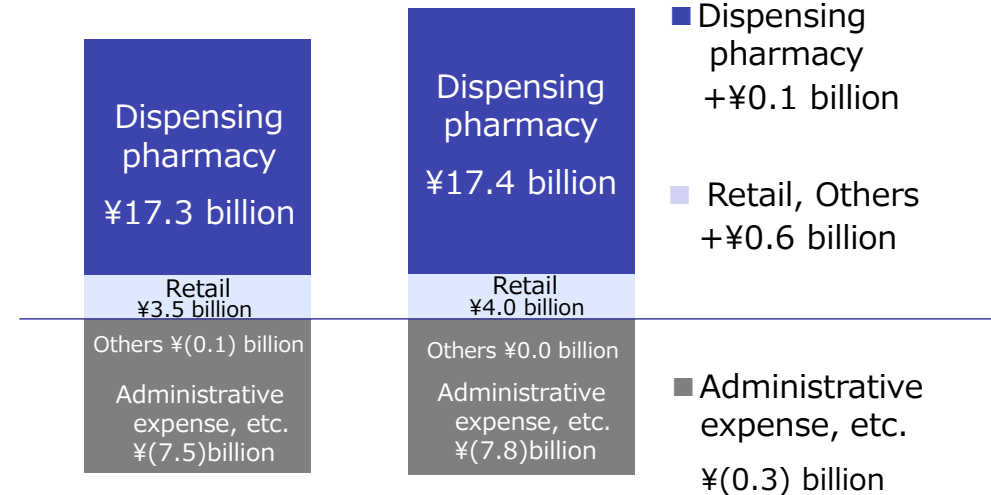
FY4/25
plan

FY4/25
results

Ordinary profit

¥13.2 billion → ¥13.6 billion +¥0.4 billion

+2.6%



FY4/25
plan

FY4/25
results

▶ Decrease against profit : ()

Number of Pharmacies and Stores

■ Plan and Results

		FY4/25 3Q		FY4/25
		Plan	Results	Prospect
Opening	Dispensing pharmacy	57	41	80
	Organic	22	21	40
	M&A	35	20	40
	Retail	172	172	182
	AINZ & TULPE	8	8	16
	Francfranc	164	164	166
Total		229	213	262
Closure	Dispensing Pharmacy	28	28	47
	Retail	3	3	3
	Total	31	31	50

■ Transition of dispensing pharmacies

	FY4/17	FY4/18	FY4/19	FY4/20	FY4/21	FY4/22	FY4/23	FY4/24	FY4/25 3Q
Organic	27	25	23	14	15	25	27	19	21
M&A	182	11	134	6	14	24	114	21	20
EV/EBITDA ratio	5.50	3.96	4.88	3.71	3.74	4.13	6.55	4.41	4.57
Closed	22	41	24	22	18	10	24	13	17
Sold	2	32	30	42	34	5	7	5	11
No. of total stores	1,066	1,029	1,132	1,088	1,065	1,099	1,209	1,231	1,244

▶ EV/EBITDA ratio=EV(M&A: Purchase price)/EBITDA(Operating profit + Depreciation)

FY4/25 Plan (Dispensing Pharmacy Business)

The group forecasts net sales increase 6.3% YoY and segment profit decrease 8.3% YoY because of the average prescription price rose due to an increase in high-cost prescription.

(¥ million)	FY4/23 results	FY4/24 results	FY4/25 plan	YoY change	YoY change(%)
Net sales	321,577	357,571	380,000	+22,429	+6.3
Gross profit	39,779	43,575	42,700	(875)	(2.0)
% of net sales	12.4	12.2	11.2		
SG&A expenses	16,559	16,949	18,100	+1,151	+6.8
% of net sales	5.1	4.7	4.8		
Operating profit	23,220	26,625	24,600	(2,025)	(7.6)
% of net sales	7.2	7.4	6.5		
Segment profit	24,135	27,587	25,300	(2,287)	(8.3)
% of net sales	7.5	7.7	6.7		

- ▶ Figures in the table are rounded down
- ▶ Plan is the revised plan disclosed in Sept. 2024
- ▶ Segment profit is adjusted with the ordinary profit of consolidated statements of income

FY4/25 Plan (Retail Business)

The group forecasts net sales increase 97.0% YoY and segment profit increase 52.5% YoY due to the sales of AINZ & TULPE remained firm, in addition to the consolidation of Francfranc.

(¥ million)	FY4/23 results	FY4/24 results	FY4/25 plan	YoY change	YoY change(%)
Net sales	25,685	31,111	61,290	+30,179	+97.0
Gross profit	9,694	11,967	29,120	+17,153	+143.3
% of net sales	37.7	38.5	47.5		
SG&A expenses	8,521	8,913	24,395	+15,482	+173.7
% of net sales	33.2	28.6	39.8		
Operating profit	1,172	3,054	4,725	+1,671	+54.7
% of net sales	4.6	9.8	7.7		
Segment profit	1,214	3,096	4,720	+1,624	+52.5
% of net sales	4.7	10.0	7.7		

- ▶ Figures in the table are rounded down
- ▶ Plan is the revised plan disclosed in Sept. 2024
- ▶ Segment profit is adjusted with the ordinary profit of consolidated statements of income

FY4/25 Plan (Consolidated)

The group forecasts net sales for the fiscal year ending April 30, 2025 increase 13.4% YoY due to new store openings of dispensing pharmacy business and retail business, as well as supported by the consolidation of Francfranc from this fiscal year. Ordinary profit will decrease 6.4% 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	453,500	+53,676	+13.4
Gross profit	53,698	59,522	76,200	+16,678	+28.0
% of net sales	15.0	14.9	16.8		
SG&A expenses	37,694	39,090	56,840	+17,750	+45.4
% of net sales	10.5	9.8	12.5		
Operating profit	16,004	20,432	19,360	(1,072)	(5.2)
% of net sales	4.5	5.1	4.3		
Ordinary profit	17,064	21,377	20,000	(1,377)	(6.4)
% of net sales	4.8	5.3	4.4		
Profit attributable to owners of parent	9,234	11,401	10,000	(1,401)	(12.3)
% of net sales	2.6	2.9	2.2		
Profit per share(¥)	262.87	324.64	285.68	(38.96)	(12.0)
Annual dividend (¥)	60.00	80.00	80.00	-	0.0

▶ Figures in the table are rounded down

▶ Plan is the revised plan disclosed in Sept. 2024

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/>**

This document may not be reproduced or distributed to any third party without prior approval of AIN HOLDINGS INC. This document has been prepared for information purpose only and does not form part of a solicitation to sell or purchase any securities. Information contained herein may be changed or revised without prior notice. This document may contain forecasting statements as to future results of operations. No forecast statement can be guaranteed and actual results of operations may differ from those projected.



AIN GROUP