AIN HOLDINGS

Summary of Financial Statements for Fiscal Year Ended April 2025
【Japan GAAP】(Consolidated)

June 5, 2025

Name of listed company:	**AIN HOLDINGS INC.**	
Exchange listed on:	Prime Market of Tokyo Stock Exchange and Sapporo Securities Exchange	
Code number:	9627	URL: https://www.ainj.co.jp/corporate/
Representative:	Kiichi Otani, President and Representative Director	
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Date of the ordinary general meeting of shareholders:	July 30, 2025
Date of scheduled payment of dividends:	July 31, 2025
Date of filing securities report:	July 31, 2025
Supplementary documents for this summary of financial statements:	Yes (Supplementary materials are disclosed on the Company's website appropriately as the financial statements.)
Explanation meeting for financial results:	Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen.)

1. Consolidated results for the fiscal year ended April 2025 (from May 1, 2024 to April 30, 2025)

(1) Consolidated operating results (Percentage figures show year-on-year changes.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended April 30, 2025	456,804	14.3	31,040	(0.9)	16,871	(17.4)	18,080	(15.4)	9,261	(18.8)
Year ended April 30, 2024	399,824	11.5	31,318	21.2	20,432	27.7	21,377	25.3	11,401	23.5

(Note) Comprehensive income: Year ended April 30, 2025: ¥9,611 million (-18.4%)
Year ended April 30, 2024: ¥11,781 million (+24.7%)

(Note) EBITDA = operating profit + depreciation + amortization of goodwill

	Profit per share	Diluted profit per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Year ended April 30, 2025	264.32	—	6.7	6.4	3.7
Year ended April 30, 2024	324.64	—	8.7	8.9	5.1

(Reference) Equity in earnings of affiliates: Year ended April 30, 2025: ¥— million Year ended April 30, 2024: ¥— million

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of April 30, 2025	311,921	142,632	45.7	4,063.53
As of April 30, 2024	249,409	135,411	54.3	3,866.55

(Reference) Equity capital: As of April 30, 2025: ¥142,520 million As of April 30, 2024: ¥135,307 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Million yen	Million yen	Million yen	Million yen
Year ended April 30, 2025	23,146	(65,920)	21,051	26,655
Year ended April 30, 2024	23,023	(15,748)	(5,110)	48,381

2. Dividends

	Dividends per share					Total dividends (annual)	Dividends payout ratio (consolidated)	Dividends on net assets (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended April 30, 2024	–	0.00	–	80.00	80.00	2,826	24.6	2.1
Year ended April 30, 2025	–	0.00	–	80.00	80.00	2,826	30.3	2.0
Year ending April 30, 2026 (forecast)	–	0.00	–	80.00	80.00		24.5	

3. Consolidated financial forecast for the fiscal year ending April 30, 2026 (from May 1, 2025 to April 30, 2026)

(Percentage figures show year-on-year changes.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	257,810	20.0	17,160	41.1	8,835	50.5	8,943	41.1	4,820	50.0	137.43
Full year	522,000	14.3	39,170	26.2	21,860	29.6	22,100	22.2	11,450	23.6	326.46

(Note) The impact of the acquisition of Sakura Pharmacy Group as a subsidiary, announced on May 29, 2025, is currently under close review and is therefore not incorporated into the consolidated financial forecasts presented above. We will promptly disclose the details of this impact as soon as they become clear.

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly consolidated: one (Francfranc Corporation) Excluded: –

(2) Changes in accounting principles, changes in accounting estimates, and restatement of revisions

1) Changes in accounting principles as a result of revisions to accounting standards, etc.: Yes
2) Changes in accounting principles other than 1): No
3) Changes in accounting estimates: No
4) Restatement of revisions: No

(3) Number of outstanding shares (common stock):

1) Number of outstanding shares (including treasury shares):	As of April 30, 2025	35,428,212 shares	As of April 30, 2024	35,428,212 shares
2) Number of shares held in treasury:	As of April 30, 2025	354,987 shares	As of April 30, 2024	433,891 shares
3) Average number of shares outstanding:	Fiscal year ended April 30, 2025	35,037,809 shares	Fiscal year ended April 30, 2024	35,120,134 shares

(Note) The number of treasury shares at the end of the fiscal year includes the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) (as of April 30, 2024: 333,800 shares, as of April 30, 2025: 257,400 shares). In addition, the Company’s shares held by Custody Bank of Japan, Ltd. (Trust Account E) are included in treasury shares deducted from the calculation of average number of shares outstanding during the period (fiscal year ended April 30, 2024: 27,817 shares, fiscal year ended April 30, 2025: 291,975 shares).

*This Summary of Financial Statements is outside the scope of audit procedures.

*Statement regarding the proper use of financial forecasts and other special remarks

(Caution concerning forward-looking statements)

The above forecasts are calculated based on the information available as of the publication date of this material, and actual financial results may vary due to change in future economic conditions and others.

Contents of Attachment

1. Operating Results and Other

(1) Overview of operating results for the fiscal year under review

During the fiscal year under review (May 1, 2024 to April 30, 2025; fiscal 2025), the Japanese economy recovered gradually along with an improvement in the employment and income environment. However, conditions remain uncertain due to the risk of downward pressure on the domestic economy from slowing conditions overseas, as well as rising prices, trends in trade policy and fluctuations in financial and capital markets.

Against this backdrop, in March 2025, the AIN HOLDINGS Group (the Group) announced its medium-to-long-term vision, “Ambitious Goals 2034: A decade to promote innovation and strive for our challenging goal of a trillion yen in sales.” To ensure medium-to-long-term corporate growth even in a rapidly changing market environment, we have established business-specific visions and aim to achieve net sales of ¥1 trillion, a net profit margin of 4.0%, and an ROE of 15.0% for the fiscal year ending April 2034.

In its sustainability management, the Group worked to provide healthcare and retail services in line with its mission to “contribute to local healthcare” and “provide beauty and happiness” – two of the Group’s materiality issues. In addition, promoting diversity & inclusion is a key part of efforts to create a “sound management base,” another of the Group’s materiality issues. Specifically, the Group is actively promoting women’s participation in the workplace, such as providing training to help female employees build career pathways. These efforts have been recognized publicly, with AIN PHARMACIEZ INC., the Group’s core operating company, receiving “Platinum Eruboshi” certification from the Minister of Health, Labour and Welfare in June 2024. Together with these initiatives, the Group is reinforcing its human resources strategy. In July 2024, the Company expanded the disclosure of KPIs and other information related to human capital management, an area of focus for the Group, and in November 2024, it established and disclosed the AIN Group Basic Policy Against Customer Harassment to create an environment where the human rights of all employees are protected so that they can work with peace of mind in good mental and physical health.

In addition to these initiatives, as part of its broader efforts to address the materiality, “protect the environment and reduce environmental impact,” the Company promoted energy-efficiency and electricity-saving measures, including the introduction of an off-site corporate power purchase agreement (PPA)* utilizing solar power generation for Group pharmacies in Kansai and Hokuriku from December 2024. Recognizing these efforts in the area of climate change, in February 2025 the Company received a B-score from CDP, an international environmental NGO that manages the world's most comprehensive dataset on environmental disclosure. This marks the second year that the Company has received a B-score, the third-highest level of environmental management. In addition, the Company has been certified under the KENKO Investment for Health - Outstanding Organizations Recognition Program by Nippon Kenko Kaigi for five consecutive years since 2021, and in March 2025, for the second consecutive year, the Company acquired the program for 2025 (Large Enterprise Category - White 500) as one of the top 500 companies.

In the course of its active efforts to address the above various materiality issues, the Company was awarded an “A” rating in the MSCI ESG Ratings in April 2025 in recognition of the Group's ESG initiatives for the second consecutive year.

Going forward, the AIN Group will continue to work to be a company that “people welcome to their communities” by helping to solve various social issues through its business activities.

*Off-site corporate PPA: A power purchase agreement whereby a power producer provides electricity generated by a solar power plant or other similar off-site facility to the customer as a long-term supply of environmental value.

Results for fiscal 2025 (May 1, 2024 to April 30, 2025) are as follows.

(Million yen)	Fiscal 2024	Fiscal 2025	Change	Change (%)
Net sales	399,824	456,804	56,980	14.3
Operating profit	20,432	16,871	(3,560)	(17.4)
Ordinary profit	21,377	18,080	(3,296)	(15.4)
Profit attributable to owners of parent	11,401	9,261	(2,140)	(18.8)

Results by segment are as follows.

	(Million yen)	Fiscal 2024	Fiscal 2025	Change	Change (%)
Dispensing pharmacy business	Sales	357,571	384,783	27,211	7.6
	Segment profit	27,587	24,286	(3,300)	(12.0)
Retail business	Sales	31,111	61,041	29,930	96.2
	Segment profit	3,096	4,804	1,707	55.1
Other businesses	Sales	11,196	11,034	(161)	(1.4)
	Segment profit	47	4	(42)	(89.8)

(Note) Segment sales include intersegment transactions.

(Dispensing pharmacy business)

In the dispensing pharmacy business, the Group's vision is to "become the primary care pharmacy of choice for local communities, backed by proven expertise." To realize this vision, the Group is working to leverage the primary care capabilities of its pharmacists and dispensing pharmacies to help patients access medical services in their local community with peace of mind. Specifically, the Group is cooperating with medical institutions, using patient medication notebooks to ensure integrated and continuous monitoring of patient medication, and providing services for home-based healthcare. The Group is also actively promoting digital transformation to improve convenience for patients. This includes making its prescriptions sending service more accessible for patients by enabling access through the official AIN Pharmacy app, Anytime AIN Pharmacy and the official AIN Pharmacy LINE account. In December 2024, the Company also added new functions to the official AIN Pharmacy app, Anytime AIN Pharmacy, including a patient medication notebook and a calendar to make it easier for patients to manage their medications. In addition, through the implementation of IP collaboration* projects, we are working to improve awareness of pharmacy functions and services that allow people to casually consult about health matters.

In addition to the above measures, in October 2024, as a member of the Pharmacy Digital Transformation Promotion Consortium, we conducted Japan's first trial of "partial outsourcing of dispensing operations to other companies" in Osaka city, Osaka Prefecture, a national strategic special zone. We plan to continue making preparations to promptly address expected deregulation in Japan's dispensing pharmacy sector and further strengthen the Group's competitiveness, including through this initiative.

During the fiscal year under review, the average prescription price rose due to an increase in high-cost prescriptions. The number of prescriptions also increased, reflecting higher service levels related to improvements in the capabilities of primary care pharmacists and pharmacies and reduced waiting times.

During the period under review, the Group opened 98 new dispensing pharmacies, including those acquired through M&A deals, closed 25, and sold 14, resulting in a total of 1,290.

*IP collaboration: Collaboration using intellectual property (IP) such as characters.

(Retail business)

In the retail business, the Group operates the chain of AINZ & TULPE cosmetics stores, which are clearly differentiated from other retailers with their unique product offerings centered on cosmetics and exclusive and advance sales of Asian cosmetics brands. In addition, Francfranc, a chain of interior furnishing shops, joined the Group in August 2024. Francfranc carries out all planning, manufacturing and sale of furniture and homeware products on an integrated basis to offer comfortable daily lifestyle proposals with diverse designs and flexible styling.

During the fiscal year under review, sales increased sharply, supported by the consolidation of Francfranc. In addition, the number of customers at existing AINZ & TULPE stores and stores opened in the previous fiscal year remained firm, and unit prices increased due to growth in sales of Asian cosmetics and high-priced cosmetics, maintaining the trend from the previous fiscal year. As a new feature of the official AINZ & TULPE app, we have introduced our proprietary payment service, "AINPay," and are working to make the app more convenient for users. In addition, sales at Francfranc were favorable, supported by the changeover in seasonal products. Going forward, we will leverage the strengths of both AINZ & TULPE and Francfranc to generate synergies, as well as reinforce merchandise lineups and create attractive sales displays while closely monitoring buying trends.

During the same period, the Group opened 16 AINZ & TULPE stores and closed two, resulting in a total of 95 stores. In addition, following the consolidation of 161 Francfranc stores, the Group opened six stores and closed two, resulting in 165 Francfranc stores, with the number of stores in the retail business totaling 260 at the end of the period under review.

(2) Overview of financial position for the fiscal year under review

The balance of total assets at the end of the fiscal year increased ¥62,511 million from the end of the previous fiscal year to ¥311,921 million, mainly reflecting increases in goodwill and merchandise due to M&A deals, including the consolidation of Francfranc.

The balance of liabilities increased ¥55,290 million to ¥169,288 million. The main factors were an increase in accounts payable - trade accompanying M&A due to the consolidation of Francfranc, etc., and funds procured from financial institutions for the acquisition of shares. The balance of short-term and long-term borrowings increased ¥31,927 million to ¥38,621 million.

Total net assets increased ¥7,220 million to ¥142,632 million and the shareholders’ equity ratio declined 8.5 percentage points to 45.7%

(3) Overview of cash flows for the fiscal year under review

In the fiscal year under review, cash and cash equivalents decreased ¥21,725 million year on year to ¥26,655 million.

Cash flows from each category and their relevant factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥23,146 million, compared with net cash provided of ¥23,023 million in the previous fiscal year.

The main items that were positive for cash flow were profit before income taxes of ¥16,705 million, as well as depreciation of ¥8,372 million, amortization of goodwill of ¥5,796 million, and increase (decrease) in trade payables of ¥8,999 million, related to business expansion through new store openings and M&A.

Income taxes paid of ¥9,058 million, increase in accounts receivable - other of ¥4,275 million and increase in inventories of ¥3,807 million were the main negative items for operating cash flow.

(Cash flows from investing activities)

Net cash used in investing activities was ¥65,920 million, compared with net cash used of ¥15,748 million in the previous fiscal year.

This mainly reflected cash used of ¥51,455 million for purchase of shares of subsidiaries resulting in change in scope of consolidation related to shares acquired in 15 companies through M&A deals, and ¥7,968 million for purchases of property, plant and equipment related to the opening of new stores of dispensing pharmacy business and retail business.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥21,051 million, compared with net cash used of ¥5,110 million in the previous fiscal year.

The main items were net repayment of ¥24,027 million for short-term and long-term borrowings and proceeds, and dividends paid of ¥2,826 million.

Changes in the Group's cash flow indicators are shown below.

	Year ended April 30, 2022	Year ended April 30, 2023	Year ended April 30, 2024	Year ended April 30, 2025
Shareholders' equity ratio (%)	56.0	54.6	54.3	45.7
Shareholders' equity ratio based on market value (%)	96.6	85.5	83.8	62.1
Debt redemption term (years)	0.3	0.4	0.3	1.7
Interest coverage ratio (times)	671.8	384.8	588.1	91.8

Notes: Shareholders' equity ratio = Equity capital / total assets
Shareholders' equity ratio based on market value = market capitalization / total assets
Debt redemption term = interest-bearing debt / operating cash flows
Interest coverage ratio = operating cash flows / interest paid

*All indicators are calculated based on consolidated financial data.

*Interest-bearing debt includes all liabilities recorded on the balance sheet on which interest is being paid.

*Operating cash flows and interest paid are calculated using the cash flows from operating activities and the interest paid on the consolidated statements of cash flows.

(4) Future outlook

In the next fiscal year (May 1, 2025 to April 30, 2026; fiscal 2026), we will continue to expand the dispensing pharmacy business by developing new pharmacies and actively using M&A.

In the retail business, we will continue to open AINZ & TULPE and Francfranc stores in prime locations and create appealing retail displays by strengthening product lineups in order to attract more customers, while also continuing to improve operational efficiency.

We expect raw material and fuel prices to remain high and forecast sustained price inflation in various product categories. In addition, we plan to invest in IT systems to enhance the functionality of apps to improve customer service and to strengthen the management base. We will also invest in promoting human capital management. Costs are likely to increase due to these factors, but offset cost increases through productivity improvements in dispensing pharmacy business and the full-year contribution of Francfranc. As a result, we forecast higher sales and profits year on year. Also, the impact of the acquisition of Sakura Pharmacy Group as a subsidiary, announced on May 29, 2025, is currently under close review and is therefore not incorporated into the consolidated financial outlook presented below. We will promptly disclose the details of this impact as soon as they become clear.

Our forecasts for fiscal 2026 (May 1, 2025 to April 30, 2026) are as follows.

	Fiscal 2025 (Million yen)	Fiscal 2026 (Million yen)	Change (Million yen)	Change (%)
Net sales	456,804	522,000	65,195	14.3
Ordinary profit	18,080	22,100	4,019	22.2
Profit attributable to owners of parent	9,261	11,450	2,188	23.6

2. Basic Stance on Selection of Accounting Standards

The Group has adopted Japanese accounting standards in order to facilitate comparison with other domestic companies in the same sector. The Group plans to appropriately address the adoption of International Financial Reporting Standards (IFRS) while taking into account trends in Japan and overseas.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated balance sheet

(Million yen)

	Fiscal 2024 (As of April 30, 2024)	Fiscal 2025 (As of April 30, 2025)
Assets		
Current assets		
Cash and deposits	48,611	26,881
Accounts receivable - trade	15,852	22,295
Merchandise	24,299	35,572
Supplies	345	499
Short-term loans receivable	144	348
Accounts receivable - other	16,000	20,611
Other	5,490	6,601
Allowance for doubtful accounts	(1)	(0)
Total current assets	110,743	112,808
Non-current assets		
Property, plant and equipment		
Buildings and structures	47,991	57,892
Accumulated depreciation	(20,869)	(26,243)
Buildings and structures, net	27,122	31,648
Land	10,207	10,218
Construction in progress	1,896	1,652
Other	13,233	19,495
Accumulated depreciation	(9,009)	(13,303)
Other, net	4,224	6,192
Total property, plant and equipment	43,450	49,712
Intangible assets		
Goodwill	44,066	84,772
Other	7,176	12,848
Total intangible assets	51,242	97,621
Investments and other assets		
Investment securities	3,345	3,233
Long-term loans receivable	671	665
Deferred tax assets	6,403	7,679
Retirement benefit asset	34	–
Leasehold and guarantee deposits	25,186	31,091
Other	8,608	9,357
Allowance for doubtful accounts	(276)	(249)
Total investments and other assets	43,973	51,778
Total non-current assets	138,666	199,112
Total assets	249,409	311,921

(Million yen)

	Fiscal 2024 (As of April 30, 2024)	Fiscal 2025 (As of April 30, 2025)
Liabilities		
Current liabilities		
Accounts payable - trade	65,506	80,895
Short-term borrowings	3,467	12,151
Income taxes payable	4,532	4,449
Deposits received	19,063	20,685
Provision for bonuses	3,394	4,167
Provision for bonuses for directors	19	23
Contract liabilities	465	534
Other	6,784	9,136
Total current liabilities	103,232	132,045
Non-current liabilities		
Long-term borrowings	3,227	26,469
Lease liabilities	38	105
Retirement benefit liability	4,662	4,778
Asset retirement obligations	2,001	4,081
Other	835	1,808
Total non-current liabilities	10,765	37,243
Total liabilities	113,998	169,288
Net assets		
Shareholders’ equity		
Share capital	21,894	21,894
Capital surplus	20,131	20,128
Retained earnings	95,257	101,692
Treasury shares	(2,436)	(1,997)
Total shareholders’ equity	134,847	141,717
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	234	298
Deferred gains or losses on hedges	–	189
Foreign currency translation adjustment	–	(3)
Remeasurements of defined benefit plans	225	318
Total accumulated other comprehensive loss	459	802
Non-controlling interests	104	111
Total net assets	135,411	142,632
Total liabilities and net assets	249,409	311,921

(2) Consolidated statement of income and comprehensive income

Consolidated statement of income

(Million yen)

	Fiscal 2024 (May 1, 2023 to April 30, 2024)	Fiscal 2025 (May 1, 2024 to April 30, 2025)
Net sales	399,824	456,804
Cost of sales	340,301	382,368
Gross profit	59,522	74,436
Selling, general and administrative expenses		
Advertising expenses	2,170	2,517
Promotion expenses	123	502
Salaries, allowances and bonuses	7,692	11,925
Provision for bonuses	874	1,552
Provision for bonuses for directors	19	23
Retirement benefit expenses	264	301
Legal and other welfare expenses	2,864	3,726
Communication and transportation expenses	1,369	1,582
Lease expenses	89	91
Rent expenses on land and buildings	5,209	8,654
Depreciation	1,740	3,041
Amortization of goodwill	4,421	5,796
Taxes and dues	2,558	3,174
Other	9,693	14,673
Total selling, general and administrative expenses	39,090	57,565
Operating profit	20,432	16,871
Non-operating income		
Interest income	52	49
Dividend income	40	36
Gain on investments in investment partnerships	26	20
Commission income	9	7
Rental income from real estate	298	346
Gain on receipt of donated non-current assets	13	30
Outsourcing service income	263	375
Technical advisory fee income	63	64
Subsidy income	298	630
Other	306	507
Total non-operating income	1,373	2,069
Non-operating expenses		
Interest expenses	39	264
Loss on sale of receivables	129	335
Rental expenses on real estate	86	163
Provision of allowance for doubtful accounts	96	–
Other	77	96
Total non-operating expenses	428	859
Ordinary profit	21,377	18,080

(Million yen)

	Fiscal 2024 (May 1, 2023 to April 30, 2024)	Fiscal 2025 (May 1, 2024 to April 30, 2025)
Extraordinary income		
Gain on sale of non-current assets	417	168
Gain on sale of businesses	7	561
Surrender value of insurance policies	12	15
Other	3	72
Total extraordinary income	441	817
Extraordinary losses		
Loss on sale and retirement of non-current assets	331	206
Impairment losses	1,737	1,848
Loss on valuation of investment securities	301	43
Other	367	93
Total extraordinary losses	2,738	2,193
Profit before income taxes	19,080	16,705
Income taxes – current	7,980	8,280
Income taxes – deferred	(309)	(843)
Total income taxes	7,670	7,436
Profit	11,409	9,268
Profit attributable to non-controlling interests	7	7
Profit attributable to owners of parent	11,401	9,261

Consolidated statement of comprehensive income

(Million yen)

	Fiscal 2024 (May 1, 2023 to April 30, 2024)	Fiscal 2025 (May 1, 2024 to April 30, 2025)
Profit	11,409	9,268
Other comprehensive income		
Valuation difference on available-for-sale securities	242	63
Deferred gains or losses on hedges	–	189
Foreign currency translation adjustment	–	(3)
Remeasurements of defined benefit plans, net of tax	129	93
Total other comprehensive income	372	343
Comprehensive income	11,781	9,611
Comprehensive income attributable to owners of parent	11,774	9,604
Comprehensive income attributable to non-controlling interests	7	7

(3) Consolidated statement of changes in net assets

Fiscal 2024 (May 1, 2023 to April 30, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current year	21,894	20,504	85,963	(2,000)	126,362
Changes during period					
Dividends of surplus			(2,107)		(2,107)
Profit attributable to owners of parent			11,401		11,401
Purchase of treasury shares				(2,436)	(2,436)
Disposal of treasury shares		(372)		1,999	1,627
Net change in items other than shareholders' equity					
Total changes during period	–	(372)	9,293	(436)	8,484
Balance at the end of current year	21,894	20,131	95,257	(2,436)	134,847

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)		
Balance at the beginning of current year	(7)	95	87	96	126,546
Changes during period					
Dividends of surplus					(2,107)
Profit attributable to owners of parent					11,401
Purchase of treasury shares					(2,436)
Disposal of treasury shares					1,627
Net change in items other than shareholders' equity	242	129	372	7	380
Total changes during period	242	129	372	7	8,865
Balance at the end of current year	234	225	459	104	135,411

Fiscal 2025 (May 1, 2024 to April 30, 2025)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current year	21,894	20,131	95,257	(2,436)	134,847
Changes during period					
Dividends of surplus			(2,826)		(2,826)
Profit attributable to owners of parent			9,261		9,261
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(2)		439	436
Net change in items other than shareholders' equity					
Total changes during period	–	(2)	6,435	438	6,870
Balance at the end of current year	21,894	20,128	101,692	(1,997)	141,717

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)		
Balance at the beginning of current year	234	–	–	225	459	104	135,411
Changes during period							
Dividends of surplus							(2,826)
Profit attributable to owners of parent							9,261
Purchase of treasury shares							(0)
Disposal of treasury shares							436
Net change in items other than shareholders' equity	63	189	(3)	93	343	7	350
Total changes during period	63	189	(3)	93	343	7	7,220
Balance at the end of current year	298	189	(3)	318	802	111	142,632

(4) Consolidated statement of cash flows

(Million yen)

	Fiscal 2024 (May 1, 2023 to April 30, 2024)	Fiscal 2025 (May 1, 2024 to April 30, 2025)
Cash flows from operating activities		
Profit before income taxes	19,080	16,705
Depreciation	6,464	8,372
Amortization of goodwill	4,421	5,796
Impairment losses	1,737	1,848
Increase (decrease) in allowance for doubtful accounts	(5)	(29)
Increase in retirement benefit liability	305	266
Increase in contract liabilities	(67)	68
Gain on on sale of businesses	(7)	(561)
Increase in provision for bonuses	162	485
Decrease in provision for bonuses for directors	(3)	(6)
Interest and dividend income	(93)	(85)
Interest expenses	39	264
Gains on investments in partnerships	(4)	(11)
Gain on receipt of donated non-current assets	(13)	(30)
Gains on sale of investments securities	(0)	(70)
Loss on valuation of investment securities	301	43
Losses on sale and retirement of non-current assets	(86)	37
Decrease in trade receivables	(2,202)	(1,287)
(Increase) decrease in inventories	(2,929)	(3,807)
Increase in other assets	(1,297)	(1,121)
Increase in other accounts receivable - other	(3,883)	(4,275)
Increase (decrease) in trade payables	6,437	8,999
Increase (decrease) in other liabilities	1,219	727
Other, net	35	39
Subtotal	29,612	32,371
Interest and dividends received	93	85
Interest paid	(39)	(252)
Income taxes paid	(6,644)	(9,058)
Net cash provided by operating activities	23,023	23,146

(Million yen)

	Fiscal 2024 (May 1, 2023 to April 30, 2024)	Fiscal 2025 (May 1, 2024 to April 30, 2025)
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,130)	(7,968)
Proceeds from sale of property, plant and equipment	1,208	1,201
Purchase of investment securities	(556)	(60)
Proceeds from sale of investment securities	29	458
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,771)	(51,455)
Payments for loans receivable	(10)	(119)
Proceeds from collection of loans receivable	254	37
Purchase of intangible assets	(3,389)	(4,215)
Proceeds from sale of intangible assets	0	473
Payments of leasehold and guarantee deposits	(2,482)	(4,704)
Proceeds from refund of leasehold and guarantee deposits	1,828	1,914
Decrease (increase) in investments and other assets	(2,050)	(1,595)
Proceeds from withdrawal of time deposits	450	239
Payments into time deposits	—	(0)
Other, net	(128)	(126)
Net cash used in investing activities	(15,748)	(65,920)
Cash flows from financing activities		
Net decrease in short-term borrowings	(2)	5,462
Proceeds from long-term borrowings	2,045	32,100
Repayments of long-term borrowings	(4,199)	(13,535)
Purchase of treasury shares	(2,436)	(0)
Proceeds from sale of treasury shares	1,615	422
Dividends paid	(2,107)	(2,826)
Other, net	(24)	(570)
Net cash provided by (used in) financing activities	(5,110)	21,051
Effect of exchange rate change on cash and cash equivalents	—	(3)
Net increase (decrease) in cash and cash equivalents	2,164	(21,725)
Cash and cash equivalents at beginning of the year	46,217	48,381
Cash and cash equivalents at end of the year	48,381	26,655

(5) Notes to consolidated financial statements

(Notes on the premise of a going concern)

There are no applicable matters to be reported.

(Notes on changes in accounting policies)

(Application of Accounting Standard for Corporate Tax, Inhabitant Tax and Enterprise Tax, etc.)

The Company applied the “Accounting Standard for Corporate Tax, Inhabitant Tax and Enterprise Tax, etc.” (ASBJ Statement No. 27, October 28, 2022) from the beginning of the current fiscal year.

The application of the standard has no impact on the Company’s consolidated financial statements.

(Changes in presentation of financial statements)

(Consolidated balance sheet)

“Asset retirement obligations,” which was included in “Other” under “Non-current liabilities” in the previous fiscal year, has been presented as a separate item in the period under review due to an increase in financial materiality. The consolidated financial statements for the previous fiscal year have been restated to reflect these changes.

As a result, in the consolidated balance sheet for the previous fiscal year, “Other” of ¥2,837 million under “Non-current liabilities” has been restated and shown as “Asset retirement obligations” of ¥2,001 million and “Other” of ¥835 million.

(Additional information)

(Transactions for delivering the Company’s own shares to employees etc. through trusts)

The Company conducts transactions to deliver its own shares through a trust to an employee stock ownership plan to enhance the welfare of employees and provide incentives to increase the Company's corporate value.

1. Transaction summary

The Company has introduced the " Stock-Based Benefit Trust (Employee Shareholders Association Purchase Type) (the Plan) from April 2024.

With the introduction of the Plan, the Company, as the Trustor, entered into a Stock-Based Benefit Trust (Employee Shareholders Association Purchase Type) Agreement (the “Trust Agreement”; the trust established pursuant to the Trust Agreement is referred to as the “Trust”) with Mizuho Trust & Banking Co., Ltd. (the “Trustee”). Additionally, the Trustee entered into a re-trust agreement with Custody Bank of Japan, Ltd. regarding the management of securities and other trust assets by Custody Bank of Japan, Ltd. as the subtrustee.

Custody Bank of Japan, Ltd. will make a single collective acquisition of the Company’s shares in advance equivalent to the number of shares anticipated to be purchased by the AIN HOLDINGS Employee Shareholders Association (the “Shareholders Association”) over the next five years, transferring them to the Trust E Account, and sell the Company’s shares thereafter when purchases of the shares are made by the Shareholders Association. If an amount equivalent to the gains on sales of shares is accumulated in the trust assets of the Trust via the sale of the Company’s shares up until the time of the Trust’s termination, this cash shall be distributed as residual assets to the members of the Shareholders Association (employees) who satisfy the beneficiary eligibility requirements.

In addition, since the Company provides a guarantee when the Trustee takes out a loan in order for the Trust E Account to acquire the Company’s shares, in a case in which the Trustee has an outstanding loan balance equal to the loss on the sale of shares as of the time of Trust’s termination due to a drop in the Company’s share price or other reasons, the Company will pay off the outstanding loan balance pursuant to the guarantee agreements.

2. Company’s shares held in the trust

The Company's shares held in the trust are recorded as treasury shares under net assets at the acquisition cost (excluding the amount of incidental expenses). In the fiscal year ended April 30, 2024, the book value and number of these treasury shares amounted to ¥1,844 million and 333 thousand shares, respectively. And in the fiscal year ended April 30, 2025, the book value and number of these treasury shares amounted to ¥1,422 million and 257 thousand shares, respectively.

3. Book value of loans recorded under the gross amount method

Fiscal year ended April 30, 2024 ¥1,845 million

Fiscal year ended April 30, 2025 ¥1,523 million

(Notes on segment information, etc.)

Segment information

1. Description of the reportable segments

The Company’s reportable segments consist of those of its components for which it is possible to obtain separate financial information that is examined by its Board of Directors on a regular basis for the purpose of deciding on the allocation of corporate resources and assessing business performance.

The Group’s business comprises three units that together represent its main business units, namely, dispensing pharmacy business that consists of operation of dispensing pharmacies, selling of generic drugs, recruiting and consulting services, and retail business that consists of the management of cosmetics stores and interior furnishing shops as well as other businesses, which includes a retail store business and a real-estate leasing business. The formulation and examination of business strategy is conducted individually for each business.

Based on the above, the Company has classified its business into three reportable segments – the dispensing pharmacy business, the retail business, and other businesses.

2. Methods to determine the amounts of net sales, profit or losses, assets, liabilities and other items by reportable segment

The methods used for accounting for the reportable business segments are generally similar to those described in the Basic Important Matters for Preparation of Consolidated Financial Statements.

The income figures for the reportable segments are expressed at the ordinary profit level.

Intersegment sales and transfers are based on prevailing market prices.

3. Sales, income (loss), assets, liabilities and other items for each reportable segment

I. Fiscal 2024 (May 1, 2023 to April 30, 2024)

(Million yen)

	Reportable segments				Adjustments (Note) 1	Consolidated (Note) 2
	Dispensing pharmacy business	Retail business	Other businesses	Total		
Sales						
Sales to third parties	357,571	31,111	11,141	399,824	—	399,824
Intersegment sales and transfers	—	—	54	54	(54)	—
Total sales	357,571	31,111	11,196	399,879	(54)	399,824
Segment profit (loss)	27,587	3,096	47	30,731	(9,354)	21,377
Segment assets	219,684	15,366	10,411	245,462	3,947	249,409
Other						
Depreciation	3,684	438	279	4,402	1,030	5,433
Amortization of goodwill	4,274	5	140	4,421	—	4,421
Impairment losses	1,556	181	—	1,737	—	1,737
Increase in property and equipment and intangible fixed assets	8,006	1,423	1,042	10,472	2,314	12,786

Notes: 1. Segment profit (loss) in “Adjustments” totaling ¥(9,354) million includes ¥10,469 million in corporate expenses, ¥(1,078) million in (income) losses that may not be allocated to the reporting segments, and ¥(36) million in elimination due to intersegment transactions.

Corporate expenses consist mainly of expenses associated with the administrative divisions and the system logistics division of the parent company, which are not part of the reportable segments.

Segment assets in “Adjustments” totaling ¥3,947 million consist mainly of assets associated with the administrative divisions and the system logistics division of the parent company, which are not part of the reportable segments, and the difference in elimination of intersegment transactions.

Depreciation of ¥1,030 million and Increase in property and equipment and intangible fixed assets of ¥2,314 million in “Adjustments” for Other relate to assets under the control of the administrative divisions and the system logistics division of the parent company, which are not part of the reportable segments

2. Segment profit (loss) is adjusted with the ordinary profit of consolidated statements of income.

II. Fiscal 2025 (May 1, 2024 to April 30, 2025)

(Million yen)

	Reportable segments				Adjustments (Note) 1	Consolidated (Note) 2
	Dispensing pharmacy business	Retail business	Other businesses	Total		
Sales						
Sales to third parties	384,783	61,041	10,979	456,804	—	456,804
Intersegment sales and transfers	—	—	54	54	(54)	—
Total sales	384,783	61,041	11,034	456,859	(54)	456,804
Segment profit (loss)	24,286	4,804	4	29,095	(11,014)	18,080
Segment assets	216,812	33,951	9,781	260,544	51,376	311,921
Other						
Depreciation	4,220	1,312	318	5,851	1,443	7,294
Amortization of goodwill	4,292	1,363	140	5,796	—	5,796
Impairment losses	1,572	211	21	1,805	43	1,848
Increase in property and equipment and intangible fixed assets	7,213	2,371	80	9,664	2,838	12,502

Notes:
1. Segment profit (loss) in "Adjustments" totaling ¥(11,014) million includes ¥11,885 million in corporate expenses, ¥(804) million in (income) losses that may not be allocated to the reporting segments, and ¥(65) million in elimination due to intersegment transactions.
   Corporate expenses consist mainly of expenses associated with the administrative divisions and the system logistics division of the parent company, which are not part of the reportable segments.
   Segment assets in "Adjustments" totaling ¥51,376 million consist mainly of assets associated with the administrative divisions and the system logistics division of the parent company, which are not part of the reportable segments, and the difference in elimination of intersegment transactions.
   Depreciation of ¥1,443 million, Impairment losses of ¥43 million, and Increase in property and equipment and intangible fixed assets of ¥2,838 million in "Adjustments" for Other relate to assets under the control of the administrative divisions and the system logistics division of the parent company, which are not part of the reportable segments
2. Segment profit (loss) is adjusted with the ordinary profit of consolidated statements of income.

Related information

Fiscal 2024 (May 1, 2023 to April 30, 2024)

1. Information by product and service

This disclosure has been omitted because the same information is disclosed under Segment information.

2. Information by region

(1) Net sales

This disclosure has been omitted as the Group’s sales to external customers in Japan accounted for more than 90% of sales on the consolidated statement of income.

(2) Property, plant and equipment

This disclosure has been omitted because the Group had no property, plant and equipment located outside Japan at the balance sheet date.

Fiscal 2025 (May 1, 2024 to April 30, 2025)

1. Information by product and service

This disclosure has been omitted because the same information is disclosed under Segment information.

2. Information by region

(1) Net sales

This disclosure has been omitted as the Group’s sales to external customers in Japan accounted for more than 90% of sales on the consolidated statement of income.

(2) Property, plant and equipment

This disclosure has been omitted as the Group’s property, plant and equipment located in Japan accounted for more than 90% of property, plant and equipment on the consolidated balance sheet.

Information regarding impairment losses of non-current assets for each reported segment

Fiscal 2024 (May 1, 2023 to April 30, 2024)

This disclosure has been omitted because the same information is disclosed under Segment information.

Fiscal 2025 (May 1, 2024 to April 30, 2025)

This disclosure has been omitted because the same information is disclosed under Segment information.

Information about amortization of goodwill amount and year-end unamortized balance for each reportable segment

Fiscal 2024 (May 1, 2023 to April 30, 2024)

(Million yen)

	Dispensing pharmacy business	Retail business	Other businesses	Corporate / Eliminations	Total
Amortization of fiscal year	4,274	5	140	—	4,421
Balance at the end of fiscal year	43,306	—	760	—	44,066

Fiscal 2025 (May 1, 2024 to April 30, 2025)

(Million yen)

	Dispensing pharmacy business	Retail business	Other businesses	Corporate / Eliminations	Total
Amortization of fiscal year	4,292	1,363	140	—	5,796
Balance at the end of fiscal year	44,468	39,685	619	—	84,772

Information about gains on bargain purchase for each reported segment

Fiscal 2024 (May 1, 2023 to April 30, 2024)

There are no applicable matters to be reported.

Fiscal 2025 (May 1, 2024 to April 30, 2025)

There are no applicable matters to be reported.

(Notes on per-share information)

	Fiscal 2024 (May 1, 2023 to April 30, 2024)	Fiscal 2025 (May 1, 2024 to April 30, 2025)
Net assets per share	3,866.55 yen	4,063.53 yen
Earnings per share	324.64 yen	264.32 yen

Notes: 1. Diluted earnings per share is not mentioned since dilutive shares do not exist.

2. The Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) are included in treasury shares deducted from the total number of shares outstanding at the end of the fiscal year for the calculation of net assets per share (fiscal year ended April 30, 2024: 333 thousand shares, fiscal year ended April 30, 2025: 257 thousand shares).

In addition, these shares are included in treasury shares deducted from the average number of shares outstanding during the period for the calculation of earnings per share (fiscal year ended April 30, 2024: 27 thousand shares, fiscal year ended April 30, 2025: 291 thousand shares).

3. The basis of calculation of net assets per share and earnings per share is as follows.

	Fiscal 2024 (May 1, 2023 to April 30, 2024)	Fiscal 2025 (May 1, 2024 to April 30, 2025)
Profit attributable to owners of parent (million yen)	11,401	9,261
Amount not attributable to ordinary shareholders (million yen)	—	—
Profit attributable to owners of the parent pertaining to common stock (million yen)	11,401	9,261
Average number of shares outstanding (shares)	35,120,134	35,037,809

(Notes on material subsequent events)

(Business Combination through Acquisition)

On May 28, 2025, the Company entered into a share transfer agreement concerning the acquisition of Sakura Pharmacy Group as a subsidiary, to be effected by acquiring all shares of NSSK-WW Co., Ltd. (hereinafter "NSSK-WW") and thereby making NSSK-WW a subsidiary of the Company.

(1) Overview of the Business Combination

1) Name and description of business of the acquired company

Name of the acquired company: NSSK-WW Co., Ltd.

Description of business: Holding company (a 100% holding company of NSSK-W Co., Ltd.)

2) Main reasons for the business combination

The Group operates a nationwide chain of dispensing pharmacies, and the Company and its group companies are working to expand their business through active new store openings as well as the utilization of M&A. Furthermore, the Group is committed to providing community-based medical services nationwide, such as home-based healthcare in collaboration with medical institutions, continuous medication management, and strengthening the functions of "primary care pharmacists and pharmacies."

Sakura Pharmacy Group, whose shares are being acquired by the Company in this transaction, operates dispensing pharmacies under the "Sakura Pharmacy Group" brand. It is one of the major players in the industry, with approximately 800 stores primarily located in densely populated areas such as the Tokyo metropolitan area (Tokyo, Kanagawa, Chiba, Saitama), the Kansai area (Osaka, Hyogo), and the Tokai region (Aichi, Shizuoka).

By welcoming Sakura Pharmacy Group, the number of dispensing pharmacies in the Group will exceed 2,000, further expanding our store network. In addition, by integrating mutual business know-how and enhancing services for patients and local healthcare, we will increase the Group's corporate value as an infrastructure for community healthcare nationwide.

3) Date of business combination

August 2025 (scheduled)

4) Legal form of business combination

Share acquisition

5) Name of the company after combination

No change

6) Ratio of voting rights to be acquired

100%

7) Main basis for determining the acquiring company

This is because the Company is acquiring the shares in exchange for cash consideration.

(2) Acquisition cost of the acquired company and breakdown by type of consideration

Common stock of NSSK-WW Co., Ltd.	59,100 million yen

*The final acquisition price may vary due to price adjustments stipulated in the share transfer agreement. Additionally, advisory fees and other expenses are not included as they are currently undetermined.