

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended February 20, 2024 (Based on Japanese GAAP)

April 4, 2024

Company name: KUSURI NO AOKI HOLDINGS CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 3549 URL <http://www.kusuri-aoki-hd.co.jp/>
 Representative: Representative Director and President Hironori Aoki
 Inquiries: Director for Administration Ryoichi Yahata TEL 076-274-6115
 Scheduled date to file Quarterly Securities Report: April 4, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended February 20, 2024 (from May 21, 2023 to February 20, 2024)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended February 20, 2024	326,710	15.8	13,479	5.8	13,998	(17.0)	8,266	(30.9)
Nine months ended February 20, 2023	282,227	14.8	12,740	15.7	16,864	41.5	11,956	54.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended February 20, 2024	87.39	–
Nine months ended February 20, 2023	126.39	–

- (Notes) 1. Diluted earnings per share is not presented as there were no potential shares with dilutive effects.
 2. KUSURI NO AOKI HOLDINGS CO., LTD. (the “Company”) conducted a 3-for-1 share split of its common shares on November 21, 2023. Earnings per share are calculated on the assumption that said share split was conducted at the beginning of the previous fiscal year.
 3. As stated in the news release titled “Notice Regarding Differences Between Forecast and Actual Results for the First Six Months of the Fiscal Year Ending May 20, 2024, and Revision to Consolidated Financial Forecast for the Fiscal Year Ending May 20, 2024,” released December 28, 2023, due to the high possibility of achieving the conditions for exercising the fifth series of share acquisition rights, the Company has recorded share remuneration expenses of ¥6,417 million.
(Reference) The financial results excluding share remuneration expenses are as follows:
Operating profit: ¥19,896 million (up 56.2% year on year); ordinary profit: ¥20,415 million (up 21.1% year on year); profit attributable to owners of parent: ¥14,683 million (up 22.8% year on year)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of February 20, 2024	279,464	112,674	38.0
As of May 20, 2023	274,301	98,546	35.9

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended May 20, 2023	–	14.50	–	14.50	29.00
Year ending May 20, 2024	–	16.00	–	–	–
Year ending May 20, 2024 (Forecast)	–	–	–	5.50	–

(Note) Revisions to cash dividend forecast most recently announced: No

The Company conducted a 3-for-1 share split of its common shares on November 21, 2023. Accordingly, the figures shown for the year ended May 20, 2023 and 2nd quarter-end of the year ending May 20, 2024, are the actual payment before the share split. The forecast for the total annual dividends is not shown because the implementation of the share split makes it impossible to perform a simple total. On a pre-split basis, the total annual dividends per share would be ¥32.50.

3. Forecast of consolidated financial results for the year ending May 20, 2024 (from May 21, 2023 to May 20, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	435,000	14.8	17,200	12.4	18,400	(3.8)	11,300	(8.3)	119.46

(Notes) 1. Revisions to consolidated financial results forecast most recently announced: No

2. The Company conducted a 3-for-1 share split of its common shares on November 21, 2023. Accordingly, the figure shown for earnings per share is the amounts that take into account the effect of such share split. Earnings per share not factoring in the share split is ¥358.37.

(Reference) The financial results forecasts excluding share remuneration expenses are as follows:

Operating profit: ¥24,010 million (up 57.0% year on year); ordinary profit: ¥25,210 million (up 31.8% year on year); profit attributable to owners of parent: ¥18,110 million (up 46.9% year on year); earnings per share: ¥191.45

4. Notes

(1) Changes in significant subsidiaries during the nine months ended February 20, 2024
(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of February 20, 2024	94,597,680 shares	As of May 20, 2023	94,597,680 shares
-------------------------	-------------------	--------------------	-------------------

Number of treasury shares at the end of the period

As of February 20, 2024	1,851 shares	As of May 20, 2023	1,605 shares
-------------------------	--------------	--------------------	--------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended February 20, 2024	94,595,940 shares	Nine months ended February 20, 2023	94,596,237 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 20, 2023	As of February 20, 2024
Assets		
Current assets		
Cash and deposits	42,870	40,124
Accounts receivable - trade	10,322	11,036
Merchandise	45,498	45,432
Accounts receivable - other	14,013	14,339
Other	1,037	479
Allowance for doubtful accounts	(2)	(2)
Total current assets	113,740	111,410
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	115,566	116,631
Land	5,116	5,166
Leased assets, net	7,316	6,774
Construction in progress	2,821	2,894
Other, net	5,828	12,329
Total property, plant and equipment	136,648	143,795
Intangible assets		
Goodwill	1,946	1,806
Other	2,949	3,132
Total intangible assets	4,896	4,938
Investments and other assets		
Leasehold and guarantee deposits	7,909	7,971
Deferred tax assets	4,742	3,849
Other	6,374	7,509
Allowance for doubtful accounts	(10)	(10)
Total investments and other assets	19,016	19,319
Total non-current assets	160,561	168,054
Total assets	274,301	279,464

(Millions of yen)

	As of May 20, 2023	As of February 20, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	52,526	51,235
Current portion of long-term borrowings	11,080	11,278
Income taxes payable	3,872	2,225
Provision for bonuses	2,017	1,159
Provision for point card certificates	31	27
Provision for loss on store closings	261	–
Contract liabilities	2,095	1,982
Accounts payable - other	10,806	9,766
Other	7,977	7,968
Total current liabilities	90,669	85,642
Non-current liabilities		
Long-term borrowings	69,106	65,427
Lease liabilities	6,982	6,460
Provision for retirement benefits for directors (and other officers)	232	251
Asset retirement obligations	8,558	8,789
Other	206	218
Total non-current liabilities	85,086	81,147
Total liabilities	175,755	166,790
Net assets		
Shareholders' equity		
Share capital	1,167	1,167
Capital surplus	2,166	2,166
Retained earnings	95,134	102,439
Treasury shares	(4)	(4)
Total shareholders' equity	98,465	105,769
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28	435
Total accumulated other comprehensive income	28	435
Share acquisition rights	52	6,469
Total net assets	98,546	112,674
Total liabilities and net assets	274,301	279,464

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended February 20, 2023	Nine months ended February 20, 2024
Net sales	282,227	326,710
Cost of sales	203,014	237,816
Gross profit	79,212	88,893
Selling, general and administrative expenses	66,472	75,414
Operating profit	12,740	13,479
Non-operating income		
Interest income	33	32
Dividend income	36	38
Commission income	186	211
Rent income	149	207
Subsidy income	3,750	384
Gain on receipt of donated non-current assets	17	6
Other	236	195
Total non-operating income	4,410	1,075
Non-operating expenses		
Interest expenses	186	265
Rental costs	48	111
Other	51	179
Total non-operating expenses	286	556
Ordinary profit	16,864	13,998
Extraordinary income		
Gain on sale of non-current assets	15	54
Gain on reversal of share acquisition rights	43	–
Gain on sale of investment securities	3	–
Other	6	–
Total extraordinary income	68	54
Extraordinary losses		
Loss on sale of non-current assets	19	15
Loss on retirement of non-current assets	79	36
Loss on return of subsidy	5	–
Impairment losses	295	20
Loss on disaster	–	59
Other	5	–
Total extraordinary losses	405	131
Profit before income taxes	16,527	13,921
Income taxes - current	4,604	4,908
Income taxes - deferred	(33)	746
Total income taxes	4,571	5,654
Profit	11,956	8,266
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	11,956	8,266

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended February 20, 2023	Nine months ended February 20, 2024
Profit	11,956	8,266
Other comprehensive income		
Valuation difference on available-for-sale securities	187	407
Total other comprehensive income	187	407
Comprehensive income	12,143	8,673
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,143	8,673
Comprehensive income attributable to non-controlling interests	—	—