

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended February 20, 2023 (Based on Japanese GAAP)

April 4, 2023

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, 2023
 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, 2023 (from May 21, 2022 to February 20, 2023)

(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, 2023	282,227	14.8	12,740	15.7	16,864	41.5	11,956	54.8
Nine months ended February 20, 2022	245,855	–	11,009	–	11,914	–	7,721	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended February 20, 2023	379.17		–	
Nine months ended February 20, 2022	244.87		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of February 20, 2023	264,126	98,154	37.1
As of May 20, 2022	234,201	86,930	37.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended May 20, 2022	–	13.00	–	13.00	26.00
Year ending May 20, 2023	–	14.50	–		
Year ending May 20, 2023 (Forecast)				14.50	29.00

3. Forecast of consolidated financial results for the year ending May 20, 2023 (from May 21, 2022 to May 20, 2023)

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	360,000	9.6	15,200	8.0	16,000	1.4	10,800	9.8	342.51

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended February 20, 2023
(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, 2023	31,532,560 shares	As of May 20, 2022	31,532,560 shares
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Number of treasury shares at the end of the period

As of February 20, 2023	535 shares	As of May 20, 2022	462 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended February 20, 2023	31,532,079 shares	Nine months ended February 20, 2022	31,532,253 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 20, 2022	As of February 20, 2023
Assets		
Current assets		
Cash and deposits	26,348	39,145
Accounts receivable - trade	6,979	8,947
Merchandise	39,673	42,446
Accounts receivable - other	12,852	15,689
Other	694	934
Allowance for doubtful accounts	(0)	(1)
Total current assets	86,547	107,161
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	101,717	112,049
Land	4,966	4,851
Leased assets, net	7,619	8,149
Construction in progress	8,143	4,861
Other, net	3,958	5,155
Total property, plant and equipment	126,404	135,068
Intangible assets		
Goodwill	2,006	1,894
Other	2,068	2,545
Total intangible assets	4,075	4,440
Investments and other assets		
Leasehold and guarantee deposits	7,745	7,866
Deferred tax assets	3,239	3,221
Other	6,264	6,448
Allowance for doubtful accounts	(75)	(80)
Total investments and other assets	17,173	17,456
Total non-current assets	147,653	156,964
Total assets	234,201	264,126

(Millions of yen)

	As of May 20, 2022	As of February 20, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	41,701	46,712
Current portion of long-term borrowings	9,742	10,778
Income taxes payable	3,440	2,349
Provision for bonuses	1,108	1,048
Provision for point card certificates	51	29
Contract liabilities	2,348	2,317
Accounts payable - other	9,778	11,575
Other	4,610	7,333
Total current liabilities	72,781	82,144
Non-current liabilities		
Long-term borrowings	59,907	68,207
Lease liabilities	6,447	6,834
Provision for retirement benefits for directors (and other officers)	235	250
Retirement benefit liability	3	3
Asset retirement obligations	7,705	8,332
Other	189	200
Total non-current liabilities	74,489	83,827
Total liabilities	147,270	165,971
Net assets		
Shareholders' equity		
Share capital	1,167	1,167
Capital surplus	2,175	2,166
Retained earnings	83,675	94,764
Treasury shares	(3)	(4)
Total shareholders' equity	87,015	98,094
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(180)	6
Total accumulated other comprehensive income	(180)	6
Share acquisition rights	96	52
Total net assets	86,930	98,154
Total liabilities and net assets	234,201	264,126

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, 2022	Nine months ended February 20, 2023
Net sales	245,855	282,227
Cost of sales	179,253	203,014
Gross profit	66,601	79,212
Selling, general and administrative expenses	55,592	66,472
Operating profit	11,009	12,740
Non-operating income		
Interest income	39	33
Dividend income	35	36
Commission income	165	186
Rent income	126	149
Subsidy income	430	3,750
Gain on receipt of donated non-current assets	36	17
Other	270	236
Total non-operating income	1,104	4,410
Non-operating expenses		
Interest expenses	120	186
Rental costs	46	48
Other	32	51
Total non-operating expenses	199	286
Ordinary profit	11,914	16,864
Extraordinary income		
Gain on sale of non-current assets	2	15
Gain on reversal of share acquisition rights	2	43
Gain on sale of investment securities	12	3
Other	–	6
Total extraordinary income	17	68
Extraordinary losses		
Loss on sale of non-current assets	22	19
Loss on retirement of non-current assets	125	79
Loss on return of subsidy	53	5
Impairment losses	45	295
Other	6	5
Total extraordinary losses	254	405
Profit before income taxes	11,677	16,527
Income taxes - current	4,044	4,604
Income taxes - deferred	(88)	(33)
Total income taxes	3,956	4,571
Profit	7,721	11,956
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	7,721	11,956

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended February 20, 2022	Nine months ended February 20, 2023
Profit	7,721	11,956
Other comprehensive income		
Valuation difference on available-for-sale securities	21	187
Total other comprehensive income	21	187
Comprehensive income	7,743	12,143
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,743	12,143
Comprehensive income attributable to non-controlling interests	—	—