

Translation

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

October 3, 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: October 3, 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 three months ended August 20, 2023 (from May 21, 2023 to August 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	%
Three months ended August 20, 2023	107,439	17.1	6,660	48.8	6,760	11.4	4,789	15.6
Three months ended August 20, 2022	91,766	13.8	4,476	35.2	6,069	72.9	4,144	76.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended August 20, 2023	151.90	–
Three months ended August 20, 2022	131.44	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of August 20, 2023	274,313	102,973	37.5
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	–				
Year ending May 20, 2024 (Forecast)		16.00	–	5.50	–

(Note) Revisions to cash dividend forecast most recently announced: Yes

KUSURI NO AOKI HOLDINGS CO., LTD. (the “Company”) plans to conduct a 3-for-1 share split of its common shares with an effective date of November 21, 2023. Accordingly, for the forecast of dividends per share for the year ending May 20, 2024, the figure shown for the 2nd quarter-end is the amount before the share split and the figure shown for the fiscal year-end is the amount after 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 calculation. 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
Six months ending November 20, 2023	200,000	8.5	8,000	(3.4)	8,200	(27.1)	5,950	(24.9)	62.90
Full year	410,000	8.2	17,800	16.4	18,200	(4.9)	13,000	5.5	137.43

(Note) Revisions to consolidated financial results forecast most recently announced: No

The Company plans to conduct a 3-for-1 share split of its common shares with an effective date of November 21, 2023. Accordingly, the figures shown for earnings per share for the six months ending November 20, 2023 and the full year are the amounts that take into account the effect of such share split. Earnings per share not factoring in the share split are ¥188.70 for the six months ending November 20, 2023 and ¥412.28 for the full year.

4. Notes

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

As of August 20, 2023	573 shares	As of May 20, 2023	535 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended August 20, 2023	31,532,006 shares	Three months ended August 20, 2022	31,532,098 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 20, 2023	As of August 20, 2023
Assets		
Current assets		
Cash and deposits	42,870	44,445
Accounts receivable - trade	10,322	10,979
Merchandise	45,498	44,281
Accounts receivable - other	14,013	10,324
Other	1,037	979
Allowance for doubtful accounts	(2)	(1)
Total current assets	113,740	111,008
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	115,566	116,443
Land	5,116	5,098
Leased assets, net	7,316	7,493
Construction in progress	2,821	2,762
Other, net	5,828	7,950
Total property, plant and equipment	136,648	139,747
Intangible assets		
Goodwill	1,946	1,881
Other	2,949	3,077
Total intangible assets	4,896	4,958
Investments and other assets		
Leasehold and guarantee deposits	7,909	7,947
Deferred tax assets	4,742	4,070
Other	6,374	6,590
Allowance for doubtful accounts	(10)	(10)
Total investments and other assets	19,016	18,598
Total non-current assets	160,561	163,304
Total assets	274,301	274,313

(Millions of yen)

	As of May 20, 2023	As of August 20, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	52,526	55,601
Current portion of long-term borrowings	11,080	10,947
Income taxes payable	3,872	1,581
Provision for bonuses	2,017	949
Provision for point card certificates	31	28
Provision for loss on store closings	261	261
Contract liabilities	2,095	2,132
Accounts payable - other	10,806	9,629
Other	7,977	7,642
Total current liabilities	90,669	88,775
Non-current liabilities		
Long-term borrowings	69,106	66,407
Lease liabilities	6,982	7,044
Provision for retirement benefits for directors (and other officers)	232	238
Asset retirement obligations	8,558	8,651
Other	206	222
Total non-current liabilities	85,086	82,564
Total liabilities	175,755	171,340
Net assets		
Shareholders' equity		
Share capital	1,167	1,167
Capital surplus	2,166	2,166
Retained earnings	95,134	99,467
Treasury shares	(4)	(4)
Total shareholders' equity	98,465	102,797
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28	123
Total accumulated other comprehensive income	28	123
Share acquisition rights	52	52
Total net assets	98,546	102,973
Total liabilities and net assets	274,301	274,313

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended August 20, 2022	Three months ended August 20, 2023
Net sales	91,766	107,439
Cost of sales	65,832	77,863
Gross profit	25,934	29,576
Selling, general and administrative expenses	21,458	22,915
Operating profit	4,476	6,660
Non-operating income		
Interest income	11	10
Dividend income	34	36
Commission income	60	68
Rent income	49	67
Subsidy income	1,436	38
Gain on receipt of donated non-current assets	10	2
Other	92	61
Total non-operating income	1,696	286
Non-operating expenses		
Interest expenses	57	85
Rental costs	15	36
Other	30	64
Total non-operating expenses	102	186
Ordinary profit	6,069	6,760
Extraordinary income		
Gain on sale of non-current assets	0	50
Total extraordinary income	0	50
Extraordinary losses		
Loss on sale of non-current assets	–	0
Loss on retirement of non-current assets	–	0
Impairment losses	117	–
Total extraordinary losses	117	1
Profit before income taxes	5,952	6,810
Income taxes - current	1,581	1,376
Income taxes - deferred	226	644
Total income taxes	1,807	2,020
Profit	4,144	4,789
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	4,144	4,789

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended August 20, 2022	Three months ended August 20, 2023
Profit	4,144	4,789
Other comprehensive income		
Valuation difference on available-for-sale securities	45	95
Total other comprehensive income	45	95
Comprehensive income	4,190	4,885
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,190	4,885
Comprehensive income attributable to non-controlling interests	—	—