

## Translation

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# Summary of Consolidated Financial Results for the Year Ended May 20, 2024 (Based on Japanese GAAP)

July 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 of ordinary general meeting of shareholders: August 16, 2024  
 Scheduled date to file Securities Report: August 16, 2024  
 Scheduled date to commence dividend payments: August 2, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the year ended May 20, 2024 (from May 21, 2023 to May 20, 2024)

### (1) Consolidated operating results

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	%
Year ended May 20, 2024	436,875	15.3	18,569	21.4	20,101	5.1	12,307	(0.2)
Year ended May 20, 2023	378,874	15.4	15,296	8.7	19,129	21.2	12,326	25.3

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended May 20, 2024	130.11	126.86	11.8	7.0	4.3
Year ended May 20, 2023	130.31	—	13.3	7.5	4.0

- (Notes) 1. Diluted earnings per share (Year ended May20, 2024) 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 and diluted earnings per share are calculated on the assumption that said share split was conducted at the beginning of the previous fiscal year.
3. Due to the achievement of the conditions for exercising the fifth series of share acquisition rights resolved at the Board of Directors meeting held on January 9, 2020, the Company has recorded share remuneration expenses of ¥6,810 million.
- (Reference) The financial results excluding share remuneration expenses are as follows:**  
**Operating profit: ¥25,379 million (up 65.9% year on year); ordinary profit: ¥26,911 million (up 40.7% year on year); profit attributable to owners of parent: ¥19,117 million (up 55.1% year on year)**

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 20, 2024	303,453	117,420	36.4	1,168.74
As of May 20, 2023	274,301	98,546	35.9	1,041.20

### (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 period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended May 20, 2024	26,864	(21,104)	344	48,974
Year ended May 20, 2023	31,249	(22,260)	7,533	42,870

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended May 20, 2023	—	14.50	—	14.50	29.00	914	7.4	1.0
Year ended May 20, 2024	—	16.00	—	5.50	—	1,024	8.3	1.0
Year ending May 20, 2025 (Forecast)	—	7.00	—	7.00	14.00		7.3	

## 3. Forecast of consolidated financial results for the year ending May 20, 2025 (from May 21, 2024 to May 20, 2025)

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, 2024	240,000	11.3	12,107	77.5	12,307	76.2	9,037	164.0	95.53
Full year	485,000	11.0	25,107	35.2	25,607	27.4	18,107	47.1	191.41

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

**Operating profit: ¥25,500 million (up 0.5% year on year); ordinary profit: ¥26,000 million (down 3.4% year on year); profit attributable to owners of parent: ¥18,500 million (down 3.2% year on year); earnings per share: 195.57 yen**

## 4. Notes

### (1) Changes in significant subsidiaries during the year ended May 20, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

### (2) 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

### (3) Number of issued shares (common shares)

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

As of May 20, 2024	94,597,680 shares	As of May 20, 2023	94,597,680 shares
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Number of treasury shares at the end of the period

As of May 20, 2024	1,851 shares	As of May 20, 2023	1,605 shares
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Average number of shares during the period

Year ended May 20, 2024	94,595,913 shares	Year ended May 20, 2023	94,596,198 shares
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## Consolidated financial statements

### Consolidated balance sheets

(Millions of yen)

	As of May 20, 2023	As of May 20, 2024
Assets		
Current assets		
Cash and deposits	42,870	49,125
Accounts receivable - trade	10,322	12,246
Merchandise	45,498	47,792
Accounts receivable - other	14,013	16,291
Other	1,037	334
Allowance for doubtful accounts	(2)	(2)
Total current assets	113,740	125,787
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	115,566	120,105
Machinery, equipment and vehicles, net	698	7,044
Land	5,116	6,578
Leased assets, net	7,316	6,650
Construction in progress	2,821	2,360
Other, net	5,130	5,315
Total property, plant and equipment	136,648	148,054
Intangible assets		
Goodwill	1,946	4,499
Other	2,949	3,342
Total intangible assets	4,896	7,842
Investments and other assets		
Investment securities	1,159	3,356
Leasehold and guarantee deposits	7,909	8,644
Deferred tax assets	4,742	4,538
Other	5,214	5,238
Allowance for doubtful accounts	(10)	(10)
Total investments and other assets	19,016	21,767
Total non-current assets	160,561	177,665
Total assets	274,301	303,453

(Millions of yen)

	As of May 20, 2023	As of May 20, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	52,526	54,242
Short-term borrowings	—	5,500
Current portion of bonds payable	—	336
Current portion of long-term borrowings	11,080	12,264
Accounts payable - other	10,806	9,607
Income taxes payable	3,872	3,884
Contract liabilities	2,095	2,342
Provision for bonuses	2,017	2,060
Provision for point card certificates	31	28
Provision for loss on disaster	—	119
Provision for loss on store closings	261	6
Other	7,977	7,656
Total current liabilities	90,669	98,050
Non-current liabilities		
Bonds payable	—	1,119
Long-term borrowings	69,106	70,795
Lease liabilities	6,982	6,398
Provision for retirement benefits for directors (and other officers)	232	257
Asset retirement obligations	8,558	9,145
Other	206	266
Total non-current liabilities	85,086	87,982
Total liabilities	175,755	186,032
Net assets		
Shareholders' equity		
Share capital	1,167	1,167
Capital surplus	2,166	2,166
Retained earnings	95,134	106,480
Treasury shares	(4)	(4)
Total shareholders' equity	98,465	109,810
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28	747
Total accumulated other comprehensive income	28	747
Share acquisition rights	52	6,862
Total net assets	98,546	117,420
Total liabilities and net assets	274,301	303,453

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended May 20, 2023	Fiscal year ended May 20, 2024
Net sales	378,874	436,875
Cost of sales	272,767	318,784
Gross profit	106,107	118,090
Selling, general and administrative expenses	90,810	99,521
Operating profit	15,296	18,569
Non-operating income		
Interest income	44	43
Dividend income	57	80
Commission income	247	281
Rental income	214	278
Subsidy income	3,349	1,237
Gain on receipt of donated non-current assets	24	11
Other	314	298
Total non-operating income	4,252	2,231
Non-operating expenses		
Interest expenses	268	359
Rental costs	70	148
Other	81	190
Total non-operating expenses	420	699
Ordinary profit	19,129	20,101
Extraordinary income		
Gain on sale of non-current assets	20	109
Gain on sale of investment securities	3	—
Gain on reversal of share acquisition rights	43	—
Other	6	—
Total extraordinary income	74	109
Extraordinary losses		
Loss on sale of non-current assets	20	19
Loss on retirement of non-current assets	82	36
Impairment losses	2,064	370
Loss on disaster	—	92
Provision for loss on disaster	—	119
Provision for loss on store closings	261	—
Other	13	—
Total extraordinary losses	2,442	639
Profit before income taxes	16,760	19,570
Income taxes - current	5,946	6,541
Income taxes - deferred	(1,512)	720
Total income taxes	4,434	7,262
Profit	12,326	12,307
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	12,326	12,307

**Consolidated statements of comprehensive income**

(Millions of yen)

	Fiscal year ended May 20, 2023	Fiscal year ended May 20, 2024
Profit	12,326	12,307
Other comprehensive income		
Valuation difference on available-for-sale securities	209	718
Total other comprehensive income	209	718
Comprehensive income	12,535	13,026
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,535	13,026
Comprehensive income attributable to non-controlling interests	—	—

# Consolidated statements of changes in equity

Fiscal year ended May 20, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,167	2,175	83,675	(3)	87,015
Changes during period					
Dividends of surplus			(867)		(867)
Profit attributable to owners of parent			12,326		12,326
Purchase of treasury shares				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		(8)			(8)
Net changes in items other than shareholders' equity					—
Total changes during period	—	(8)	11,459	(0)	11,450
Balance at end of period	1,167	2,166	95,134	(4)	98,465

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	(180)	(180)	96	86,930
Changes during period				
Dividends of surplus				(867)
Profit attributable to owners of parent				12,326
Purchase of treasury shares				(0)
Change in ownership interest of parent due to transactions with non-controlling interests				(8)
Net changes in items other than shareholders' equity	209	209	(43)	165
Total changes during period	209	209	(43)	11,615
Balance at end of period	28	28	52	98,546

Fiscal year ended May 20, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,167	2,166	95,134	(4)	98,465
Changes during period					
Dividends of surplus			(961)		(961)
Profit attributable to owners of parent			12,307		12,307
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					—
Total changes during period	—	—	11,346	(0)	11,345
Balance at end of period	1,167	2,166	106,480	(4)	109,810

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	28	28	52	98,546
Changes during period				
Dividends of surplus				(961)
Profit attributable to owners of parent				12,307
Purchase of treasury shares				(0)
Net changes in items other than shareholders' equity	718	718	6,810	7,529
Total changes during period	718	718	6,810	18,874
Balance at end of period	747	747	6,862	117,420



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended May 20, 2023	Fiscal year ended May 20, 2024
Cash flows from operating activities		
Profit before income taxes	16,760	19,570
Depreciation	11,464	11,799
Amortization of goodwill	248	272
Share-based payment expenses	—	6,810
Impairment losses	2,064	370
Increase (decrease) in provision for loss on store closings	261	(261)
Increase (decrease) in provision for bonuses	908	43
Increase (decrease) in allowance for doubtful accounts	11	0
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(3)	25
Increase (decrease) in provision for loss on disaster contract asset	—	119
	(252)	109
Increase (decrease) in provision for point card certificates	(19)	(3)
Loss on retirement of non-current assets	82	36
Loss on sale of non-current assets	20	19
Gain on sale of non-current assets	(20)	(109)
Subsidy income	—	(1,011)
Gain on reversal of share acquisition rights	(43)	—
Interest and dividend income	(102)	(123)
Interest expenses	268	359
Decrease (increase) in trade receivables	(3,342)	(1,849)
Decrease (increase) in inventories	(5,824)	(2,068)
Increase (decrease) in trade payables	10,824	1,443
Other, net	3,695	(1,846)
Subtotal	37,001	33,708
Interest and dividends received	57	80
Interest paid	(269)	(360)
Income taxes paid	(5,540)	(6,854)
Income taxes refund	0	290
Net cash provided by (used in) operating activities	31,249	26,864
Cash flows from investing activities		
Purchase of investment securities	—	(1,160)
Purchase of property, plant and equipment	(20,410)	(19,662)
Proceeds from sale of property, plant and equipment	155	156
Purchase of intangible assets	(1,073)	(634)
Payments of leasehold and guarantee deposits	(259)	(300)
Proceeds from refund of leasehold and guarantee deposits	76	74
Long-term loan advances	(51)	(64)
Proceeds from collection of long-term loans receivable	39	32
Payments of construction assistance fund receivables	(223)	(259)
Proceeds from collection of construction assistance fund receivables	—	33
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	349
Payments for acquisition of businesses	(507)	(555)
Subsidies received	—	1,011
Other, net	(6)	(127)
Net cash provided by (used in) investing activities	(22,260)	(21,104)

	(Millions of yen)	
	Fiscal year ended May 20, 2023	Fiscal year ended May 20, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	5,500
Proceeds from long-term borrowings	20,975	9,500
Repayments of long-term borrowings	(10,438)	(11,359)
Repayments of lease liabilities	(2,127)	(2,333)
Purchase of treasury shares	(0)	(0)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(8)	—
Dividends paid	(867)	(961)
Net cash provided by (used in) financing activities	7,533	344
Net increase (decrease) in cash and cash equivalents	16,521	6,104
Cash and cash equivalents at beginning of period	26,348	42,870
Cash and cash equivalents at end of period	42,870	48,974