

Translation

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Summary of Consolidated Financial Results for the Three Months Ended August 20, 2022 (Based on Japanese GAAP)

October 3, 2022

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
 Director for Administration and Head of the Accounting Office Ryoichi Yahata
 Inquiries: TEL 076-274-6115
 Scheduled date to file Quarterly Securities Report: October 4, 2022
 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, 2022 (from May 21, 2022 to August 20, 2022)

(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, 2022	91,766	13.8	4,476	35.2	6,069	72.9	4,144	76.5
Three months ended August 20, 2021	80,630	–	3,311	–	3,509	–	2,347	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended August 20, 2022	131.44		–	
Three months ended August 20, 2021	74.46		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of August 20, 2022	243,062	90,710	37.3
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	–	–	–	–	–
Year ending May 20, 2023 (Forecast)	–	14.50	–	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
Six months ending November 20, 2022	177,615	10.2	7,581	11.4	7,942	11.3	5,267	12.2	167.03
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 three months ended August 20, 2022
(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, 2022	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 August 20, 2022	462 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)

Three months ended August 20, 2022	31,532,098 shares	Three months ended August 20, 2021	31,532,313 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 20, 2022	As of August 20, 2022
Assets		
Current assets		
Cash and deposits	26,348	29,048
Accounts receivable - trade	6,979	8,215
Merchandise	39,673	41,161
Accounts receivable - other	12,852	12,323
Other	694	1,070
Allowance for doubtful accounts	(0)	(0)
Total current assets	86,547	91,817
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	101,717	107,972
Land	4,966	4,881
Leased assets, net	7,619	7,987
Construction in progress	8,143	4,513
Other, net	3,958	4,896
Total property, plant and equipment	126,404	130,250
Intangible assets		
Goodwill	2,006	1,946
Other	2,068	2,070
Total intangible assets	4,075	4,017
Investments and other assets		
Leasehold and guarantee deposits	7,745	7,760
Deferred tax assets	3,239	2,992
Other	6,264	6,299
Allowance for doubtful accounts	(75)	(75)
Total investments and other assets	17,173	16,976
Total non-current assets	147,653	151,244
Total assets	234,201	243,062

(Millions of yen)

	As of May 20, 2022	As of August 20, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	41,701	49,258
Current portion of long-term borrowings	9,742	9,696
Income taxes payable	3,440	1,905
Provision for bonuses	1,108	964
Provision for point card certificates	51	33
Contract liabilities	2,348	2,452
Accounts payable - other	9,778	9,874
Other	4,610	5,503
Total current liabilities	72,781	79,689
Non-current liabilities		
Long-term borrowings	59,907	57,425
Lease liabilities	6,447	6,772
Provision for retirement benefits for directors (and other officers)	235	240
Retirement benefit liability	3	3
Asset retirement obligations	7,705	8,035
Other	189	184
Total non-current liabilities	74,489	72,662
Total liabilities	147,270	152,351
Net assets		
Shareholders' equity		
Share capital	1,167	1,167
Capital surplus	2,175	2,175
Retained earnings	83,675	87,410
Treasury shares	(3)	(3)
Total shareholders' equity	87,015	90,749
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(180)	(135)
Total accumulated other comprehensive income	(180)	(135)
Share acquisition rights	96	96
Total net assets	86,930	90,710
Total liabilities and net assets	234,201	243,062

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, 2021	Three months ended August 20, 2022
Net sales	80,630	91,766
Cost of sales	58,907	65,832
Gross profit	21,723	25,934
Selling, general and administrative expenses	18,411	21,458
Operating profit	3,311	4,476
Non-operating income		
Interest income	15	11
Dividend income	33	34
Commission income	54	60
Rent income	39	49
Subsidy income	0	1,436
Gain on receipt of donated non-current assets	22	10
Reversal of allowance for doubtful accounts	9	–
Other	83	92
Total non-operating income	259	1,696
Non-operating expenses		
Interest expenses	35	57
Rental costs	15	15
Other	10	30
Total non-operating expenses	60	102
Ordinary profit	3,509	6,069
Extraordinary income		
Gain on sale of investment securities	12	–
Gain on sale of non-current assets	1	0
Gain on reversal of share acquisition rights	0	–
Total extraordinary income	14	0
Extraordinary losses		
Loss on sale of non-current assets	19	–
Loss on retirement of non-current assets	15	–
Impairment losses	–	117
Total extraordinary losses	34	117
Profit before income taxes	3,489	5,952
Income taxes - current	1,097	1,581
Income taxes - deferred	44	226
Total income taxes	1,142	1,807
Profit	2,347	4,144
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	2,347	4,144

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended August 20, 2021	Three months ended August 20, 2022
Profit	2,347	4,144
Other comprehensive income		
Valuation difference on available-for-sale securities	(46)	45
Total other comprehensive income	(46)	45
Comprehensive income	2,301	4,190
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,301	4,190
Comprehensive income attributable to non-controlling interests	—	—