Translation

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

October 3, 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 commence dividend payments: –
Preparation of supplementary material on financial results: No
Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended August 20, 2024 (from May 21, 2024 to August 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	%
Three months ended August 20, 2024	120,333	12.0	7,339	10.2	7,400	9.5	5,249	9.6
Three months ended August 20, 2023	107,439	17.1	6,660	48.8	6,760	11.4	4,789	15.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended August 20, 2024	55.50	53.97
Three months ended August 20, 2023	50.63	–

(Notes) 1. Diluted earnings per share (Three months ended August 20, 2023) 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 ¥392 million.
(Reference) The financial results excluding share remuneration expenses are as follows:
Operating profit: ¥7,732 million (up 16.1% year on year); ordinary profit: ¥7,793 million (up 15.3% year on year); profit attributable to owners of parent: ¥5,642 million (up 17.8% year on year)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of August 20, 2024	318,640	122,373	36.1
As of May 20, 2024	303,453	117,420	36.4

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, 2024	–	16.00	–	5.50	–
Year ending May 20, 2025	–				
Year ending May 20, 2025 (Forecast)		7.00	–	7.00	14.00

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) Significant changes in the scope of consolidation during the three months ended August 20, 2024: 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:	Yes
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, 2024	94,597,680 shares	As of May 20, 2024	94,597,680 shares

Number of treasury shares at the end of the period

As of August 20, 2024	1,942 shares	As of May 20, 2024	1,851 shares

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

Three months ended August 20, 2024	94,595,798 shares	Three months ended August 20, 2023	94,596,019 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 20, 2024	As of August 20, 2024
Assets		
Current assets		
Cash and deposits	49,125	63,550
Accounts receivable - trade	12,246	16,725
Merchandise	47,792	48,217
Accounts receivable - other	16,291	10,874
Other	334	320
Allowance for doubtful accounts	(2)	(2)
Total current assets	125,787	139,684
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	120,105	119,044
Machinery, equipment and vehicles, net	7,044	7,569
Land	6,578	6,544
Leased assets, net	6,650	6,607
Construction in progress	2,360	4,697
Other, net	5,315	5,409
Total property, plant and equipment	148,054	149,873
Intangible assets		
Goodwill	4,499	4,378
Other	3,342	3,362
Total intangible assets	7,842	7,740
Investments and other assets		
Investment securities	3,356	3,150
Leasehold and guarantee deposits	8,644	8,627
Deferred tax assets	4,538	4,383
Retirement benefit asset	85	87
Other	5,152	5,103
Allowance for doubtful accounts	(10)	(10)
Total investments and other assets	21,767	21,342
Total non-current assets	177,665	178,955
Total assets	303,453	318,640

(Millions of yen)

	As of May 20, 2024	As of August 20, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	54,242	57,379
Short-term borrowings	5,500	–
Current portion of bonds payable	336	196
Current portion of long-term borrowings	12,264	14,554
Accounts payable - other	9,607	10,506
Income taxes payable	3,884	2,009
Contract liabilities	2,342	2,348
Provision for bonuses	2,060	1,149
Provision for point card certificates	28	30
Provision for loss on disaster	119	30
Provision for loss on store closings	6	6
Other	7,656	7,456
Total current liabilities	98,050	95,667
Non-current liabilities		
Bonds payable	1,119	1,041
Long-term borrowings	70,795	83,593
Lease liabilities	6,398	6,255
Provision for retirement benefits for directors (and other officers)	257	260
Asset retirement obligations	9,145	9,184
Other	266	264
Total non-current liabilities	87,982	100,599
Total liabilities	186,032	196,266
Net assets		
Shareholders' equity		
Share capital	1,167	1,167
Capital surplus	2,166	2,166
Retained earnings	106,480	111,210
Treasury shares	(4)	(5)
Total shareholders' equity	109,810	114,539
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	747	577
Total accumulated other comprehensive income	747	577
Share acquisition rights	6,862	7,255
Total net assets	117,420	122,373
Total liabilities and net assets	303,453	318,640

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, 2023	Three months ended August 20, 2024
Net sales	107,439	120,333
Cost of sales	77,863	87,938
Gross profit	29,576	32,395
Selling, general and administrative expenses	22,915	25,055
Operating profit	6,660	7,339
Non-operating income		
Interest income	10	13
Dividend income	36	38
Commission income	68	78
Rent income	67	97
Subsidy income	38	3
Gain on receipt of donated non-current assets	2	0
Other	61	52
Total non-operating income	286	284
Non-operating expenses		
Interest expenses	85	133
Rental costs	36	37
Other	64	51
Total non-operating expenses	186	223
Ordinary profit	6,760	7,400
Extraordinary income		
Gain on sale of non-current assets	50	0
Total extraordinary income	50	0
Extraordinary losses		
Loss on sale of non-current assets	0	5
Loss on retirement of non-current assets	0	14
Total extraordinary losses	1	19
Profit before income taxes	6,810	7,381
Income taxes - current	1,376	1,903
Income taxes - deferred	644	227
Total income taxes	2,020	2,131
Profit	4,789	5,249
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	4,789	5,249

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended August 20, 2023	Three months ended August 20, 2024
Profit	4,789	5,249
Other comprehensive income		
Valuation difference on available-for-sale securities	95	(169)
Total other comprehensive income	95	(169)
Comprehensive income	4,885	5,080
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,885	5,080
Comprehensive income attributable to non-controlling interests	–	–