

May 9, 2022

AIN HOLDINGS INC.

President and Representative Director, Kiichi Otani

(Stock code 9627: Tokyo Prime Market, Sapporo Securities Exchange)

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Pharmacy Holdings Co. Ltd. to Become Subsidiary via Acquisition of Shares

At a meeting of the Board of Directors today, AIN HOLDINGS INC. approved a resolution to acquire all shares in Pharmacy Holdings Co. Ltd. (Head office: Fukuyama City, Hiroshima Prefecture; Chairman: Hiromu Takeda; President: Osamu Yamanaka), making it a subsidiary.

1. Reasons for acquisition of shares

The AIN Group operates a nationwide chain of dispensing pharmacies and is seeking to expand its business by actively opening new locations with Group companies and through the use of M&A. In addition, as a provider of primary care through its pharmacists and pharmacies, AIN HOLDINGS has been working to provide community-focused healthcare through home-based dispensing and advanced pharmaceutical management based on collaboration with various medical professionals, among other services.

Pharmacy Holdings, which will become an AIN HOLDINGS subsidiary, has a nationwide network of roughly 100 dispensing pharmacies in its corporate group. With a corporate philosophy of “providing support for health in the community to help more people lead healthier lives,” Pharmacy Holdings is actively involved in home-based healthcare and local events, and is also putting considerable effort into improving the skills of its pharmacists through in-house training. In this and many other respects, Pharmacy Holdings and AIN HOLDINGS have similar business policies.

Adding Pharmacy Holdings to the Group will increase the number of AIN Group dispensing pharmacies to more than 1,200 locations. By further expanding our network and combining our mutual expertise to enhance patient services, we aim to increase the Group’s corporate value as a key part of community healthcare provision.

2. Overview of the company to become a subsidiary

- (1) Company name: Pharmacy Holdings Co. Ltd.
- (2) Location: 4-13-27 Okinogami-cho, Fukuyama City, Hiroshima Prefecture
- (3) Name and title of representatives: Hiromu Takeda, Chairman and Representative Director;
Osamu Yamanaka, President and Representative Director
- (4) Business: Ownership of shares, management and control of operating companies
Real estate leasing
- (5) Capital: ¥8 million
- (6) Date of establishment: July 17, 2001
- (7) Major shareholders and ownership ratios: Individuals
- (8) Relationship between the Company and Pharmacy Holdings
Capital relationship
No notifiable relationship, and no notable capital relationship between the personnel of the Company and its affiliates and the personnel of Pharmacy Holdings and its affiliates.
Personal relationship
No notifiable relationship, and no notable personal relationships between the personnel of the Company and its affiliates and the personnel of Pharmacy Holdings and its affiliates.
Business relationship
No notifiable relationship
- (9) Operating results and financial position of Pharmacy Holdings (parent) for the preceding three years

	FY1/2020	FY3/2020	FY3/2021
Net assets	¥2,425 million	¥2,434 million	¥2,448 million
Total assets	¥8,082 million	¥7,950 million	¥8,815 million
Net assets per share	¥175,787.95	¥176,430.33	¥177,474.23
Net sales	¥114 million	¥54 million	¥340 million
Operating profit (loss)	(¥25 million)	¥9 million	¥10 million
Ordinary profit (loss)	(¥29 million)	¥8 million	¥15 million
Net profit (loss)	(¥30 million)	¥8 million	¥14 million
Net profit (loss) per share	(¥2,177.87)	¥642.37	¥1,043.90
Dividend per share	—	—	—

Notes:

- The names and number of people from which shares are to be acquired have not been disclosed due to contract confidentiality requirements.
- FY3/2020 is an irregular two-month fiscal period (Feb-Mar 2020).

- FY3/2021 sales of ¥340 million include roughly ¥300 million in internal transactions.
- The table below shows simple consolidated totals for operating results and financial position for Pharmacy Holdings and its subsidiaries, as of the date of the share acquisition.
- Figures have been adjusted to show 12-month fiscal periods ending in March. There are no capital, personal or business relationships between the Company and Pharmacy Holdings subsidiaries.

	FY3/2019	FY3/2020	FY3/2021
Net assets	¥4,200 million	¥7,156 million	¥7,576 million
Total assets	¥14,116 million	¥21,966 million	¥23,465 million
Net sales	¥19,936 million	¥21,384 million	¥21,545 million
Operating profit	¥496 million	¥1,013 million	¥821 million
Ordinary profit	¥529 million	¥1,047 million	¥1,043 million

3. Overview of sellers of shares

(1) Names: Individuals

(2) Relationship between the Company and the sellers

No notifiable capital, personal or business relationships with the sellers; no notable capital, personal or business relationships between the personnel of the Company and its affiliates and the sellers

Note: The names and number of people from which shares are to be acquired have not been disclosed in accordance with contract confidentiality requirements.

4. Number of shares to be acquired, acquisition price, and shareholdings before and after the acquisition

(1) Number of shares held by the Company before the transfer: 0

(Number of voting rights: 0)

(Percentage of voting rights: 0%)

(2) Number of shares to be acquired by the Company: 13,796

(Number of voting rights: 13,796)

(3) Acquisition price: The acquisition price has not been disclosed in accordance with contract confidentiality requirements, but to ensure a fair and appropriate price the acquisition price has been determined with reference to a third-party valuation and other information.

(4) Number of shares to be held by the Company after the transfer: 13,796

(Number of voting rights: 13,796)

(Percentage of voting rights: 100%)

5. Schedule

(1) Conclusion of share transfer agreement: May 9, 2022

(2) Share transfer date: May 23, 2022 (scheduled)

6. Outlook

The share acquisition has no impact on consolidated results for the fiscal year ended April 30, 2022. The Company is currently assessing the impact of the acquisition on consolidated results for the fiscal year ending April 30, 2023. Details will be disclosed with forecasts.