Translation

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Summary of Consolidated Financial Statements for the Year Ended March 31, 2016 [Prepared on the basis of Japan's Generally Accepted Accounting Standard (GAAP)]

May 11, 2016

Corporate name : Alfresa Holdings Corporation
Stock exchange listing : The 1st section of Tokyo Stock Exchange
Stock code : 2784 URL: http://www.alfresa.com/
Representative : Taizo Kubo, Representative Director & President
Contact person : Soichi Nemoto, General Manager, Financial Planning Department, Public and Investor Relations Office
Tel : +81-3-5219-5102
Scheduled date for Annual General Meeting of Shareholders : June 28, 2016
Scheduled dividend payment date : June 10, 2016
Scheduled date for filing the Annual Securities Report : June 28, 2016
Supplementary explanatory materials : Yes
Financial results meeting : Yes (for institutional investors and analysts)

(Rounded down to the nearest million yen)

1. Summary of consolidated financial results for FY2015 (April 1, 2015 - March 31, 2016)

(1) Consolidated operating results (Percentages indicate changes from the previous fiscal year)

	Net sales		Operating income		Ordinary profit		Profit attributable to owners of parent	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
FY2015	2,576,405	6.4	45,289	54.9	55,489	42.3	34,975	52.6
FY2014	2,421,162	(3.3)	29,228	(16.4)	38,985	(12.5)	22,922	(10.3)

Note: Comprehensive income : FY2015 ¥ 36,343 million [(26.1) %] FY2014 ¥ 49,172 million [83.4 %]

	Earnings per share of common stock		Return on equity	Ratio of ordinary profit to total assets	Ratio of operating income to net sales
	Basic	Diluted			
	Yen	Yen	%	%	%
FY2015	158.99	—	9.7	4.5	1.8
FY2014	102.48	—	7.0	3.3	1.2

Reference: Equity in net loss of affiliates : FY2015 ¥ (171) million FY 2014 ¥ (222) million

Note: The Company implemented a 4-for-1 stock split of its common stock as of October 1, 2014. Therefore, the earnings per share of common stock figures are calculated on the assumption that the stock split was implemented at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Owners' equity ratio	Net assets per share
	¥ Million	¥ Million	%	Yen
As of March 31, 2016	1,253,494	368,727	29.2	1,691.63
As of March 31, 2015	1,220,781	354,123	28.9	1,576.07

Reference: Owners' equity : As of March 31, 2016 ¥ 366,542 million As of March 31, 2015 ¥ 352,519 million

Note: The Company implemented a 4-for-1 stock split of its common stock as of October 1, 2014. Therefore, the net assets per share of common stock figures are calculated on the assumption that the stock split was implemented at the beginning of the previous consolidated fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Ending balance of cash and cash equivalents
	¥ Million	¥ Million	¥ Million	¥ Million
FY2015	37,836	(15,245)	(25,996)	158,462
FY2014	35,813	(6,583)	(8,011)	160,265

2. Dividends per share of common stock

	Dividends per share					Total amount of dividends	Dividend payout ratio	Dividend on equity
	1Q	2Q	3Q	Year-end	Full-year			
	Yen	Yen	Yen	Yen	Yen	¥ Million	%	%
FY2014	—	55.00	—	16.00	—	6,654	29.0	2.0
FY2015	—	16.00	—	17.00	33.00	7,199	20.8	2.0
FY2016 (Forecast)	—	17.00	—	17.00	34.00		24.3	

Note: The Company implemented a 4-for-1 stock split of its common stock as of October 1, 2014. The dividend for the second quarter of FY2014 states the actual dividend paid prior to this stock split. Therefore, the disclosure of the full-year dividend for FY2014 has been omitted.

3. Consolidated performance forecast for FY2016 (April 1, 2016 - March 31, 2017)

(Percentages indicate changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	Yen
1H FY2016	1,292,000	2.4	13,700	(13.2)	18,500	(11.1)	11,100	(16.1)	51.23
FY2016	2,623,000	1.8	37,900	(16.3)	47,600	(14.2)	30,300	(13.4)	139.84

***Notes**

(1) Changes in principal subsidiaries during the period (those changes in specified subsidiaries accompanying change in scope of consolidation): None

(2) Changes in accounting policy, changes in accounting estimates, and restatement

i. Change in accounting policy due to amendment of accounting standard: Yes
ii. Change in accounting policy due to reasons other than i.: None
iii. Change in accounting estimates: None
iv. Restatement: None

(3) Number of outstanding shares of common stock*

i. Number of shares outstanding (including treasury stock) at end of period:
As of March 31, 2016 235,017,600 shares
As of March 31, 2015 235,017,600 shares

ii. Number of treasury stock at end of period:
As of March 31, 2016 18,337,555 shares
As of March 31, 2015 11,348,043 shares

iii. Average number of outstanding shares during the period:
FY2015 219,983,977 shares
FY2014 223,673,620 shares

Summary of non-consolidated financial results for FY2015 (April 1, 2015 - March 31, 2016)

1. Non-consolidated operating results

(Percentages indicate changes from the previous fiscal year)

	Net sales		Operating income		Ordinary profit		Net Income	
	¥ Million	%	¥ Million	%	¥ Million	%	¥Million	%
FY2015	13,848	(9.9)	12,216	(11.3)	12,329	(12.2)	12,328	(11.5)
FY2014	15,363	31.4	13,779	37.6	14,040	37.3	13,933	37.5

	Earnings per share of common stock	
	Basic	Diluted
	Yen	Yen
FY2015	56.04	―
FY2014	62.29	―

Note: The Company implemented a 4-for-1 stock split of its common stock as of October 1, 2014. Therefore, the earnings per share of common stock figures are calculated on the assumption that the stock split was implemented at the beginning of the previous consolidated fiscal year.

2. Non-consolidated financial position

	Total assets	Net assets	Owners' equity ratio	Net assets per share
	¥ Million	¥ Million	%	Yen
As of March 31, 2016	230,144	217,742	94.6	1,004.90
As of March 31, 2015	237,820	227,466	95.6	1,016.97

Reference: Owners' equity : As of March 31, 2016 ¥ 217,742 million As of March 31, 2015 ¥ 227,466 million

Note: The Company implemented a 4-for-1 stock split of its common stock as of October 1, 2014. Therefore, the net assets per share of common stock figures are calculated on the assumption that the stock split was implemented at the beginning of the previous consolidated fiscal year.

*Compliance with Audit Procedures

These materials fall outside the jurisdiction of the audit procedures of Financial Instruments and Exchange Act. Therefore, at the time of disclosure, the audit procedures for consolidated financial statements are being implemented.

*Disclaimer regarding the Appropriate Use of Performance Forecasts and Other Notes

The forward-looking statements such as performance forecasts contained herein are forecasts based on information currently possessed by the Company and are based on certain assumptions deemed to be reasonable, and are not guarantees of achievement by the Company. Actual performance may differ substantially from these forecasts due to various factors.

Consolidated Financial Statements

Consolidated balance sheets

(Millions of yen)

	Year-end FY2014 (As of March 31, 2015)	Year-end FY2015 (As of March 31, 2016)
(Assets)		
Current assets		
Cash and deposits	105,311	118,174
Trade notes and accounts receivable	597,779	612,182
Marketable securities	62,000	42,000
Merchandise and finished goods	128,935	129,816
Work in process	489	572
Raw materials and supplies	1,903	2,882
Deferred tax assets	6,163	6,558
Purchase rebates receivable	47,923	51,483
Others	1,715	1,809
Allowance for doubtful accounts	(283)	(343)
Total current assets	951,940	965,135
Non-current assets		
Property, plant and equipment		
Buildings and structures	88,855	103,066
Accumulated depreciation	(50,754)	(52,932)
Buildings and structures (net)	38,100	50,133
Machinery, equipment and vehicles	15,563	19,897
Accumulated depreciation	(11,518)	(12,480)
Machinery, equipment and vehicles (net)	4,045	7,417
Tools and fixtures	10,342	11,845
Accumulated depreciation	(8,684)	(9,519)
Tools and fixtures (net)	1,657	2,325
Land	63,850	64,727
Leased assets	8,658	9,883
Accumulated depreciation	(5,056)	(5,812)
Leased assets (net)	3,602	4,070
Construction in progress	7,510	1,815
Total property, plant and equipment	118,766	130,489
Intangible assets		
Goodwill	5,192	7,337
Leased assets	582	593
Others	4,876	7,022
Total intangible assets	10,650	14,952
Investments and other assets		
Investment in securities	124,410	125,409
Long-term loans	2,031	2,269
Deferred tax assets	266	986
Net defined benefit assets	2,542	2,958
Others	13,984	16,299
Allowance for doubtful accounts	(3,811)	(5,006)
Total investments and other assets	139,424	142,917
Total non-current assets	268,841	288,359
Total assets	1,220,781	1,253,494

(Millions of yen)

	Year-end FY2014 (As of March 31, 2015)	Year-end FY2015 (As of March 31, 2016)
(Liabilities)		
Current liabilities		
Trade notes and accounts payable	784,954	795,006
Short-term debt	259	679
Lease obligations	1,779	1,775
Income taxes payable	8,777	12,628
Reserve for employees' bonuses	6,781	7,887
Reserve for bonuses to directors and corporate auditors	283	372
Allowance for sales rebates	58	43
Allowance for sales returns	777	822
Others	15,899	16,296
Total current liabilities	819,571	835,512
Non-current liabilities		
Long-term debt	1,476	1,309
Lease obligations	2,825	3,347
Deferred tax liabilities	25,401	24,093
Deferred tax liabilities for land revaluation	483	446
Provision for loss on guarantee	97	87
Directors' and corporate auditors' retirement benefits	130	62
Net defined benefit liabilities	15,051	17,762
Asset retirement obligations	272	698
Others	1,347	1,446
Total non-current liabilities	47,086	49,254
Total liabilities	866,658	884,766
(Net assets)		
Shareholders' equity		
Common stock	18,454	18,454
Capital surplus	103,799	103,121
Retained earnings	177,061	205,784
Treasury stock, at cost	(1,006)	(16,017)
Total shareholders' equity	298,308	311,342
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities, net of taxes	56,512	59,546
Unrealized gains on deferred hedge	2	(13)
Revaluation reserve for land	(4,211)	(4,143)
Foreign currency translation adjustments	205	175
Remeasurements of defined benefit plans, net of taxes	1,701	(364)
Total accumulated other comprehensive income	54,210	55,199
Non-controlling interests	1,603	2,185
Total net assets	354,123	368,727
Total liabilities and net assets	1,220,781	1,253,494

Consolidated statements of income and comprehensive income

(Millions of yen)

	FY2014 (April 1, 2014 - March 31, 2015)	FY2015 (April 1, 2015 - March 31, 2016)
Net sales	2,421,162	2,576,405
Cost of sales	2,255,349	2,379,166
Total deduction	165,813	197,239
Reversal of allowance for returned unsold goods	715	777
Allowance for returned unsold goods	772	822
Gross profit	165,755	197,194
Selling, general and administrative expenses	136,527	151,905
Operating income	29,228	45,289
Other income		
Interest income	216	205
Dividend income	2,350	2,390
Information fees received	5,810	5,962
Others	2,034	2,386
Total other income	10,412	10,944
Other expenses		
Interest expenses	122	121
Commission fees	16	170
Provision of allowance for doubtful accounts	6	17
Equity in net loss of affiliates	222	171
Expense for rental property	125	160
Others	161	102
Total other expenses	655	744
Ordinary profit	38,985	55,489
Extraordinary profit		
Gain on sale of non-current assets	39	177
Gain on sale of investment securities	118	259
Compensation income	79	82
Total extraordinary profit	238	519
Extraordinary loss		
Loss on sale of non-current assets	50	265
Loss on disposal of property, plant and equipment	316	433
Loss on impairment of non-current assets	923	883
Loss on devaluation of investment securities	4	127
Business restructuring expenses of subsidiaries and affiliates	326	－
Merger expenses	190	139
Extra retirement payments	－	15
Others	179	47
Total extraordinary loss	1,992	1,913
Income before income taxes and non-controlling interests	37,231	54,094

(Millions of yen)

	FY2014 (April 1, 2014 - March 31, 2015)	FY2015 (April 1, 2015 - March 31, 2016)
Income taxes		
Current	13,020	18,572
Deferred	1,285	141
Total income taxes	14,306	18,714
Profit	22,925	35,380
Attributable to:		
Owners of parent	22,922	34,975
Non-controlling interests	2	405
Other comprehensive income		
Unrealized gain on available-for-sale securities	24,399	3,032
Unrealized gain on deferred hedge	2	(15)
Revaluation reserve for land	43	29
Foreign currency translation adjustments	68	(29)
Remeasurements of defined benefit plan, net of taxes	1,726	(2,061)
Share of other comprehensive income of entities accounted for using equity method	7	8
Total other comprehensive income	26,247	962
Comprehensive income	49,172	36,343
Attributable to:		
Owners of parent	49,203	35,942
Non-controlling interests	(30)	400

Full-year consolidated statements of changes in net assets

FY2014 (April 1, 2014 - March 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Beginning balance - previously stated	18,454	100,110	159,954	(1,196)	277,321
Cumulative effects of changes in accounting policies			393		393
Beginning balance - currently stated	18,454	100,110	160,347	(1,196)	277,715
Changes during the fiscal year					
Cash dividends from retained earnings			(6,118)		(6,118)
Profit attributable to owners of parent			22,922		22,922
Provision of voluntary retained earnings			(3)		(3)
Reversal of voluntary retained earnings			0		0
Ttreasury stock acquired				(15)	(15)
Disposal of treasury stock		0		0	0
Change in scope of consolidation		1,865			1,865
Increase by stock exchange		1,823		204	2,028
Reversal of revaluation reserve for land			(86)		(86)
Changes in items other than shareholders' equity during the fiscal year (net)					
Total	－	3,689	16,714	189	20,593
Ending balance	18,454	103,799	177,061	(1,006)	298,308

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Unrealized gain on available -for-sale securities, net of taxes	Unrealized gain on deferred hedge	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Beginning balance - previously stated	32,113	0	(4,341)	137	2	27,911	202	305,436
Cumulative effects of changes in accounting policies								393
Beginning balance - currently stated	32,113	0	(4,341)	137	2	27,911	202	305,829
Changes during the fiscal year								
Cash dividends from retained earnings								(6,118)
Profit attributable to owners of parent								22,922
Provision of voluntary retained earnings								(3)
Reversal of voluntary retained earnings								0
Ttreasury stock acquired								(15)
Disposal of treasury stock								0
Change in scope of consolidation								1,865
Increase by stock exchange								2,028
Reversal of revaluation reserve for land								(86)
Changes in items other than shareholders' equity during the fiscal year (net)	24,399	2	130	68	1,699	26,299	1,400	27,700
Total	24,399	2	130	68	1,699	26,299	1,400	48,293
Ending balance	56,512	2	(4,211)	205	1,701	54,210	1,603	354,123

FY2015 (April 1, 2015 - March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Beginning balance - previously stated	18,454	103,799	177,061	(1,006)	298,308
Cumulative effects of changes in accounting policies					—
Beginning balance - currently stated	18,454	103,799	177,061	(1,006)	298,308
Changes during the fiscal year					
Cash dividends from retained earnings			(7,094)		(7,094)
Profit attributable to owners of parent			34,975		34,975
Ttreasury stock acquired				(15,010)	(15,010)
Disposal of treasury stock		0		0	0
Change in scope of consolidation			879		879
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(678)			(678)
Reversal of revaluation reserve for land			(37)		(37)
Others			0		0
Changes in items other than shareholders' equity during the fiscal year (net)					
Total	—	(678)	28,722	(15,010)	13,033
Ending balance	18,454	103,121	205,784	(16,017)	311,342

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Unrealized gain on available -for-sale securities, net of taxes	Unrealized gain on deferred hedge	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Beginning balance - previously stated	56,512	2	(4,211)	205	1,701	54,210	1,603	354,123
Cumulative effects of changes in accounting policies								—
Beginning balance - currently stated	56,512	2	(4,211)	205	1,701	54,210	1,603	354,123
Changes during the fiscal year								
Cash dividends from retained earnings								(7,094)
Profit attributable to owners of parent								34,975
Ttreasury stock acquired								(15,010)
Disposal of treasury stock								0
Change in scope of consolidation								879
Change in treasury shares of parent arising from transactions with non-controlling shareholders								(678)
Reversal of revaluation reserve for land								(37)
Others								0
Changes in items other than shareholders' equity during the fiscal year (net)	3,034	(15)	67	(29)	(2,066)	988	581	1,570
Total	3,034	(15)	67	(29)	(2,066)	988	581	14,604
Ending balance	59,546	(13)	(4,143)	175	(364)	55,199	2,185	368,727

Consolidated statements of cash flows

(Millions of yen)

	FY2014 (April 1, 2014 - March 31, 2015)	FY2015 (April 1, 2015 - March 31, 2016)
Cash flows from operating activities		
Income before income taxes and non-controlling interests	37,231	54,094
Depreciation and amortization	8,258	9,218
Loss on impairment of non-current assets	923	883
Amortization of goodwill	1,116	1,632
Increase (decrease) in allowance for doubtful accounts	(601)	1,247
Increase (decrease) in allowance for employees' bonuses	(741)	1,106
Increase (decrease) in allowance for bonuses to directors and corporate auditors	(3)	89
Decrease in directors' retirement benefits	(507)	(68)
Decrease in net defined benefit liabilities	(732)	(901)
Interest and dividend income	(2,567)	(2,595)
Interest expenses	122	121
Loss on sale of property, plant and equipment	11	88
Loss on disposal of property, plant and equipment	316	433
Gain on sale of securities	(118)	(252)
Write-down of securities	4	127
Compensation income	(79)	(82)
Merger expenses	190	139
Business restructuring expenses of subsidiaries and affiliates	326	―
Extra retirement payments	―	15
(Increase) decrease in trade notes and accounts receivable	9,991	(14,850)
(Increase) decrease in inventories	1,000	(484)
(Increase) decrease in purchase rebates receivable	383	(3,307)
Increase (decrease) in trade notes and accounts payable	(19,279)	6,080
Other, net	5,240	(1,970)
Subtotal	40,487	50,764
Interest and dividends received	2,567	2,598
Interest paid	(122)	(122)
Proceeds from compensation income	79	82
Extra retirement payments	―	(15)
Payment for business restructuring expenses of subsidiaries and affiliates	(295)	(178)
Payment for merger expenses	(98)	(155)
Income taxes paid	(6,804)	(15,137)
Net cash provided by operating activities	35,813	37,836

(Millions of yen)

	FY2014 (April 1, 2014 - March 31, 2015)	FY2015 (April 1, 2015 - March 31, 2016)
Cash flows from investing activities		
Payments into time deposits	(753)	(738)
Proceeds from maturity of time deposits	945	1,077
Proceeds from sale of securities	10,000	5,000
Payments for purchase of property, plant and equipment	(14,285)	(10,557)
Proceeds from sale of property, plant and equipment	355	938
Payments for purchase of intangible assets	(1,604)	(3,686)
Payments for acquisition of long-term prepaid expenses	(78)	(217)
Payments for purchase of investment securities	(429)	(483)
Proceeds from sale of investment securities	618	540
Advance of loans receivable	(174)	(179)
Repayments of loans receivable	256	201
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,433)	(7,004)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	1,030	－
Other, net	(29)	(137)
Net cash used in investing activities	(6,583)	(15,245)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	－	(410)
Proceeds from long-term debt	1,100	200
Repayments of long-term debt	(848)	(471)
Repayments of lease liabilities	(2,128)	(2,005)
Payments for purchase of treasury stock	(15)	(15,010)
Proceeds from sales of treasury stock	0	0
Purchase of treasury stock of subsidiaries	－	(11)
Cash dividends paid	(6,118)	(7,094)
Dividends paid to non-controlling interests	－	(13)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	－	(1,179)
Net cash used in financing activities	(8,011)	(25,996)
Foreign currency translation gain on cash and cash equivalents	42	(16)
Net increase (decrease) in cash and cash equivalents	21,262	(3,422)
Beginning balance of cash and cash equivalents	138,819	160,265
Increase in cash and cash equivalents from newly consolidated subsidiary	－	1,618
Increase in cash and cash equivalents resulting from merger	184	0
Ending balance of cash and cash equivalents	160,265	158,462