Translation

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

February 7, 2017

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
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Scheduled date for filing Quarterly Securities Report : February 10, 2017
Scheduled dividend payment date : －
Preparation of supplementary material on quarterly financial results : None
Financial results meeting : None

(Rounded down to the nearest million yen)

1. Summary of consolidated financial results for the third quarter of the fiscal year (April 1, 2016 - December 31, 2016)

(1) Consolidated operating results (cumulative)

(Percentages indicate changes over the same period in the previous fiscal year)

	Net sales		Operating income		Ordinary profit		Profit attributable to owners of parent	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
Nine months ended December 31, 2016	1,933,761	(1.0)	24,680	(20.2)	32,600	(14.8)	22,628	(7.3)
Nine months ended December 31, 2015	1,953,628	6.9	30,936	42.7	38,279	30.9	24,403	31.2

Note : Comprehensive income : Nine months ended December 31, 2016 ¥ 28,092 million [(14.5)%]
Nine months ended December 31, 2015 ¥ 32,847 million [19.0%]

	Earnings per share of common stock	
	Basic	Diluted
	Yen	Yen
Nine months ended December 31, 2016	104.43	－
Nine months ended December 31, 2015	110.39	－

(2) Consolidated financial position

	Total assets	Net assets	Owners' equity ratio
	¥ Million	¥ Million	%
As of December 31, 2016	1,322,995	389,438	29.3
As of March 31, 2016	1,253,494	368,727	29.2

Reference : Owners' equity : As of December 31, 2016 ¥ 387,104 million
As of March 31, 2016 ¥ 366,542 million

2. Dividends per share of common stock

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2015	—	16.00	—	17.00	33.00
FY2016	—	17.00	—		
FY2016 (Forecast)				17.00	34.00

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

(Percentages indicate changes over the same period in 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
Full year	2,572,000	(0.2)	30,000	(33.8)	40,200	(27.6)	28,300	(19.1)	130.61

4. Notes

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

(2) Adoption of special accounting method for preparing quarterly consolidated financial statements : None

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

i. Change in accounting policy due to amendment of accounting standard : None

ii. Change in accounting policy due to reasons other than i. : Yes

iii. Change in accounting estimates : None

iv. Restatement : None

(4) Number of outstanding shares of common stock

i. Number of shares outstanding (including treasury stock) at end of period :

As of December 31, 2016 235,017,600 shares

As of March 31, 2016 235,017,600 shares

ii. Number of treasury stock at end of period :

As of December 31, 2016 18,338,517 shares

As of March 31, 2016 18,337,555 shares

iii. Average number of outstanding shares during the period :

9M FY2016 216,679,570 shares

9M FY2015 221,077,150 shares

*Implementation Status of Quarterly Review Procedures

These quarterly financial results are not subject to quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of the disclosure of these quarterly financial results, the review procedures for quarterly consolidated financial statements based on the Financial Instruments and Exchange Act have not been completed.

*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 available to the Company and on certain assumptions deemed to be reasonable. Actual performance may differ substantially from these forecasts due to various factors.

Nine-month consolidated financial statements

FY2016 consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
(Assets)		
Current assets		
Cash and deposits	118,174	158,027
Trade notes and accounts receivable	612,182	643,293
Marketable securities	42,000	5,500
Merchandise and finished goods	129,816	151,008
Work in process	572	1,285
Raw materials and supplies	2,882	3,539
Others	59,851	63,256
Allowance for doubtful accounts	(343)	(294)
Total current assets	965,135	1,025,615
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	50,133	51,752
Land	64,727	64,264
Others (net)	15,628	17,218
Total property, plant and equipment	130,489	133,235
Intangible assets		
Goodwill	7,337	6,774
Others	7,615	7,421
Total intangible assets	14,952	14,196
Investments and other assets		
Investment in securities	125,409	132,476
Others	22,513	22,294
Allowance for doubtful accounts	(5,006)	(4,823)
Total investments and other assets	142,917	149,947
Total non-current assets	288,359	297,379
Total assets	1,253,494	1,322,995

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
(Liabilities)		
Current liabilities		
Trade notes and accounts payable	795,006	860,525
Short-term debt	679	749
Income taxes payable	12,628	995
Reserve for employees' bonuses	7,887	3,822
Others	19,310	18,699
Total current liabilities	835,512	884,792
Non-current liabilities		
Long-term debt	1,309	1,206
Net defined benefit liabilities	17,762	15,314
Others	30,181	32,244
Total non-current liabilities	49,254	48,764
Total liabilities	884,766	933,556
(Net assets)		
Shareholders' equity		
Common stock	18,454	18,454
Capital surplus	103,121	103,121
Retained earnings	205,784	220,851
Treasury stock, at cost	(16,017)	(16,019)
Total shareholders' equity	311,342	326,407
Accumulated other comprehensive income		
Unrealized gain on available-for-sales securities, net of taxes	59,546	64,647
Unrealized gains on deferred hedges	(13)	(2)
Revaluation reserve for land	(4,143)	(3,948)
Foreign currency translation adjustments	175	59
Remeasurements of defined benefit plans, net of taxes	(364)	(58)
Total accumulated other comprehensive income	55,199	60,697
Non-controlling interests	2,185	2,333
Total net assets	368,727	389,438
Total liabilities and net assets	1,253,494	1,322,995

FY2016 nine-month consolidated statements of income and comprehensive income (nine months ended December 31)

(Millions of yen)

	FY2015 9M (April 1, 2015 - December 31, 2015)	FY2016 9M (April 1, 2016 - December 31, 2016)
Net sales	1,953,628	1,933,761
Cost of sales	1,810,568	1,796,930
Reversal of allowance for returned unsold goods	777	839
Allowance for returned unsold goods	786	746
Gross profit	143,050	136,923
Selling, general and administrative expenses	112,114	112,243
Operating income	30,936	24,680
Other income		
Interest income	179	77
Dividend income	1,856	1,959
Information fees received	4,484	4,480
Equity in earnings of affiliates	－	16
Others	1,549	1,727
Total other income	8,070	8,262
Other expenses		
Interest expenses	91	79
Equity in losses of affiliates	245	－
Expenses for rental property	121	101
Others	267	160
Total other expenses	726	341
Ordinary profit	38,279	32,600
Extraordinary profit		
Gain on sales of property, plant and equipment	34	2,230
Gain on sales of investment securities	171	199
Compensation income	－	159
Total extraordinary profit	206	2,589
Extraordinary loss		
Loss on sales of property, plant and equipment	96	63
Loss on disposal of property, plant and equipment	190	225
Loss on impairment of non-current assets	284	754
Loss on sales of shares of subsidiaries and associates	－	138
Loss on devaluation of investment securities	122	0
Merger expenses	－	298
Extra retirement payments	－	127
Others	17	3
Total extraordinary loss	711	1,612
Profit before income taxes and non-controlling interests	37,774	33,578
Income taxes		
Current	11,684	9,273
Deferred	1,371	1,542
Total income taxes	13,056	10,815
Profit	24,718	22,762
Attributable to :		
Owners of parent	24,403	22,628
Non-controlling interests	314	133

(Millions of yen)

	FY2015 9M (April 1, 2015 - December 31, 2015)	FY2016 9M (April 1, 2016 - December 31, 2016)
Other comprehensive income		
Unrealized gain on available-for-sales securities, net of taxes	8,211	5,099
Unrealized gain on deferred hedges	(4)	13
Revaluation reserve for land	5	―
Foreign currency translation adjustments	(20)	(115)
Remeasurements of defined benefit plans, net of taxes	(65)	329
Share of other comprehensive income of entities accounted for using equity method	1	3
Total other comprehensive income	8,129	5,329
Comprehensive income	32,847	28,092
Attributable to :		
Owners of parent	32,518	27,927
Non-controlling interests	329	165