Translation

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Summary of Consolidated Financial Statements for the First Quarter Ended June 30, 2017 [Prepared on the basis of Japan's Generally Accepted Accounting Standard (GAAP)]

August 4, 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

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Scheduled date for filing Quarterly Securities Report : August 10, 2017

Scheduled dividend payment date : －

Supplementary explanatory materials : Yes

Financial results meeting : None

(Rounded down to tha nearest million yen)

1. Summary of consolidated financial results for the first quarter of the fiscal year (April 1, 2017 - June 30, 2017)

(1) Consolidated operating results

(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	%
Three months ended June 30, 2017	646,687	0.3	6,271	(37.5)	8,703	(31.9)	5,825	(33.7)
Three months ended June 30, 2016	644,917	1.5	10,027	35.8	12,774	29.0	8,792	41.7

Note : Comprehensive income : Three months ended June 30, 2017 ¥ 8,252 million [(27.1)%]

Three months ended June 30, 2016 ¥ 11,315 million [46.0%]

	Earnings per share of common stock	
	Basic	Diluted
	Yen	Yen
Three months ended June 30, 2017	26.89	－
Three months ended June 30, 2016	40.58	－

(2) Consolidated financial position

	Total assets	Net assets	Owners' equity ratio
	¥ Million	¥ Million	%
As of June 30, 2017	1,282,164	397,675	30.9
As of March 31, 2017	1,255,922	393,550	31.2

Reference : Owners' equity : As of June 30, 2017 ¥ 396,473 million As of March 31, 2017 ¥ 392,334 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
FY2016	－	17.00	－	19.00	36.00
FY2017	－				
FY2017 (Forecast)		19.00	－	19.00	38.00

3. Consolidated performance forecast for FY2017 (April 1, 2017 - March 31, 2018)

(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
1H FY2017	1,277,000	1.4	12,300	3.0	17,500	2.3	11,700	(6.2)	54.00
FY2017	2,595,000	1.7	34,200	2.9	44,600	2.2	29,900	(3.2)	137.99

*** 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. : None
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 June 30, 2017	235,017,600	shares
As of March 31, 2017	235,017,600	shares

ii. Number of treasury stock at end of period :

As of June 30, 2017	18,339,705	shares
As of March 31, 2017	18,339,053	shares

iii. Average number of outstanding shares during the period :

3M FY2017	216,678,329	shares
3M FY2016	216,679,862	shares

*Quarterly financial results reports are not required to be reviewed.

*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. Actual performance may differ substantially from these forecasts due to various factors.

Three-month consolidated financial statements

FY2017 consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
(Assets)		
Current assets		
Cash and deposits	164,430	170,984
Trade notes and accounts receivable	601,962	617,023
Marketable securities	4,000	4,000
Merchandise and finished goods	127,540	128,081
Work in process	1,268	1,441
Raw materials and supplies	3,294	3,462
Other	60,776	62,189
Allowance for doubtful accounts	(399)	(416)
Total current assets	962,872	986,766
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	51,359	51,337
Land	64,577	64,279
Other (net)	17,259	17,415
Total property, plant and equipment	133,196	133,033
Intangible assets		
Goodwill	6,308	6,009
Other	7,492	7,344
Total intangible assets	13,800	13,353
Investments and other assets		
Investment in securities	128,720	131,965
Other	21,199	20,938
Allowance for doubtful accounts	(3,867)	(3,893)
Total investments and other assets	146,052	149,010
Total non-current assets	293,049	295,397
Total assets	1,255,922	1,282,164

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
(Liabilities)		
Current liabilities		
Trade notes and accounts payable	784,538	802,944
Short-term debt	549	549
Income taxes payable	4,654	3,281
Allowance for employees' bonuses	7,309	8,647
Other	17,524	20,315
Total current liabilities	814,576	835,739
Non-current liabilities		
Long-term debt due after one year	1,286	1,169
Net defined benefit liability	14,731	14,782
Other	31,776	32,796
Total non-current liabilities	47,795	48,748
Total liabilities	862,372	884,488
(Net assets)		
Shareholders' equity		
Common stock	18,454	18,454
Capital surplus	101,936	101,936
Retained earnings	229,115	230,824
Less treasury stock, at cost	(16,020)	(16,021)
Total shareholders' equity	333,486	335,193
Accumulated other comprehensive income		
Unrealized gains on available-for-sales securities, net of taxes	62,479	64,867
Unrealized losses on deferred hedge	(3)	(0)
Revaluation reserve for land	(3,948)	(3,948)
Foreign currency translation adjustments	114	93
Remeasurements of defined benefit plans, net of taxes	205	268
Total accumulated other comprehensive income	58,847	61,279
Non-controlling interests	1,215	1,202
Total net assets	393,550	397,675
Total liabilities and net assets	1,255,922	1,282,164

FY2017 three-month consolidated statements of income and comprehensive income (three months ended June 30)

(Millions of yen)

	FY2016 3M (April 1, 2016 - June 30, 2016)	FY2017 3M (April 1, 2017 - June 30, 2017)
Net sales	644,917	646,687
Cost of sales	597,033	602,847
Total deduction	47,883	43,839
Reversal of allowance for returned unsold goods	822	704
Allowance for returned unsold goods	781	616
Gross profit	47,924	43,927
Selling, general and administrative expenses	37,896	37,656
Operating income	10,027	6,271
Other income		
Interest income	20	13
Dividend income	807	867
Information fees	1,491	1,492
Other	553	410
Total other income	2,873	2,784
Other expenses		
Interest expense	27	24
Equity in losses of affiliates	9	264
Expenses for rental property	33	31
Other	55	31
Total other expenses	126	351
Ordinary profit	12,774	8,703
Extraordinary profit		
Gain on sales of property, plant and equipment	18	134
Gain on sales of securities	7	1
Compensation income	―	17
Total extraordinary profit	26	153
Extraordinary loss		
Loss on product recalls	―	142
Loss on sales of property, plant and equipment	0	15
Loss on disposal of property, plant and equipment	88	15
Loss on impairment of non-current assets	157	―
Write-down of securities	7	71
Total extraordinary loss	254	244
Profit before income taxes	12,546	8,612
Income taxes		
Current	7,878	2,976
Deferred	(4,092)	(183)
Total income taxes	3,786	2,793
Profit	8,760	5,819
Attributable to :		
Owners of parent	8,792	5,825
Non-controlling interests	(32)	(6)

(Millions of yen)

	FY2016 3M (April 1, 2016 - June 30, 2016)	FY2017 3M (April 1, 2017 - June 30, 2017)
Other comprehensive income		
Unrealized gains on available-for-sales securities, net of taxes	2,643	2,388
Unrealized gains (losses) on deferred hedges	(1)	0
Foreign currency translation adjustments	(39)	(21)
Remeasurements of defined benefit plans, net of taxes	(41)	60
Share of other comprehensive income of entities accounted for using equity method	(5)	4
Total other comprehensive income	2,554	2,432
Comprehensive income	11,315	8,252
Attributable to :		
Owners of parent	11,336	8,257
Non-controlling interests	(21)	(5)