Translation

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Summary of Consolidated Financial Statements for the Third Quarter Ended December 31, 2017 [Prepared on the basis of Japan's Generally Accepted Accounting Standard (GAAP)]

February 6, 2018

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 13, 2018

Scheduled dividend payment date : ―

Preparation of supplementary materials on quarterly financial results : Yes

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, 2017 - December 31, 2017)

(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, 2017	1,974,825	2.1	28,597	15.9	36,112	10.8	24,860	9.9
Nine months ended December 31, 2016	1,933,761	(1.0)	24,680	(20.2)	32,600	(14.8)	22,628	(7.3)

Note : Comprehensive income : Nine months ended December 31, 2017 ¥ 33,655 million [19.8%]

Nine months ended December 31, 2016 ¥ 28,092 million [(14.5)%]

	Earnings per share of common stock	
	Basic	Diluted
	Yen	Yen
Nine months ended December 31, 2017	114.73	―
Nine months ended December 31, 2016	104.43	―

(2) Consolidated financial position

	Total assets	Net assets	Owners' equity ratio
	¥ Million	¥ Million	%
As of December 31, 2017	1,382,666	419,354	30.2
As of March 31, 2017	1,255,922	393,550	31.2

Reference : Owners' equity : As of December 31, 2017 ¥ 418,209 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	—	19.00	—		
FY2017 (Forecast)				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
Full year	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 December 31, 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 December 31, 2017 18,340,659 shares

As of March 31, 2017 18,339,053 shares

iii. Average number of outstanding shares during the period :

9M FY2017 216,677,742 shares

9M FY2016 216,679,570 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.

Nine-month consolidated financial statements

FY2017 consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
(Assets)		
Current assets		
Cash and deposits	164,430	184,660
Trade notes and accounts receivable	601,962	665,103
Marketable securities	4,000	4,000
Merchandise and finished goods	127,540	154,398
Work in process	1,268	1,313
Raw materials and supplies	3,294	3,676
Others	60,776	66,332
Allowance for doubtful accounts	(399)	(425)
Total current assets	962,872	1,079,059
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	51,359	50,786
Land	64,577	64,085
Others (net)	17,259	18,220
Total property, plant and equipment	133,196	133,091
Intangible assets		
Goodwill	6,308	5,315
Others	7,492	7,193
Total intangible assets	13,800	12,509
Investments and other assets		
Investment in securities	128,720	140,580
Others	21,199	21,474
Allowance for doubtful accounts	(3,867)	(4,049)
Total investments and other assets	146,052	158,005
Total non-current assets	293,049	303,607
Total assets	1,255,922	1,382,666

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
(Liabilities)		
Current liabilities		
Trade notes and accounts payable	784,538	884,290
Short-term debt	549	549
Income taxes payable	4,654	4,242
Allowance for employees' bonuses	7,309	3,876
Others	17,524	19,094
Total current liabilities	814,576	912,053
Non-current liabilities		
Long-term debt due after one year	1,286	1,121
Net defined benefit liability	14,731	14,564
Others	31,776	35,573
Total non-current liabilities	47,795	51,259
Total liabilities	862,372	963,312
(Net assets)		
Shareholders' equity		
Common stock	18,454	18,454
Capital surplus	101,936	101,945
Retained earnings	229,115	246,287
Less treasury stock, at cost	(16,020)	(16,024)
Total shareholders' equity	333,486	350,663
Accumulated other comprehensive income		
Unrealized gain on available-for-sales securities, net of taxes	62,479	70,993
Unrealized losses on deferred hedge	(3)	(1)
Revaluation reserve for land	(3,948)	(3,948)
Foreign currency translation adjustments	114	120
Remeasurements of defined benefit plans, net of taxes	205	382
Total accumulated other comprehensive income	58,847	67,546
Non-controlling interests	1,215	1,144
Total net assets	393,550	419,354
Total liabilities and net assets	1,255,922	1,382,666

FY2017 nine-month consolidated statements of income and comprehensive income (nine months ended December 31)

(Millions of yen)

	FY2016 9M (April 1, 2016 - December 31, 2016)	FY2017 9M (April 1, 2017 - December 31, 2017)
Net sales	1,933,761	1,974,825
Cost of sales	1,796,930	1,832,846
Total deduction	136,830	141,979
Reversal of allowance for returned unsold goods	839	704
Allowance for returned unsold goods	746	686
Gross profit	136,923	141,996
Selling, general and administrative expenses	112,243	113,399
Operating income	24,680	28,597
Other income		
Interest income	77	64
Dividend income	1,959	2,073
Information fees	4,480	4,555
Equity in earnings of affiliates	16	―
Others	1,727	1,339
Total other income	8,262	8,032
Other expenses		
Interest expenses	79	71
Equity in losses of affiliates	―	207
Expenses for rental property	101	101
Others	160	137
Total other expenses	341	516
Ordinary profit	32,600	36,112

(Millions of yen)

	FY2016 9M (April 1, 2016 - December 31, 2016)	FY2017 9M (April 1, 2017 - December 31, 2017)
Extraordinary profit		
Gain on sales of property, plant and equipment	2,230	322
Gain on sales of securities	199	188
Compensation income	159	12
Total extraordinary profit	2,589	523
Extraordinary loss		
Loss on product recalls	—	183
Loss on sales of property, plant and equipment	63	101
Loss on disposal of property, plant and equipment	225	165
Loss on impairment of non-current assets	754	0
Loss on sales of subsidiaries and affiliates' stocks	138	—
Write-down of securities	0	71
Merger expenses	298	—
Extra retirement payments	127	—
Others	3	60
Total extraordinary loss	1,612	582
Profit before income taxes	33,578	36,053
Income taxes		
Current	9,273	10,135
Deferred	1,542	964
Total income taxes	10,815	11,099
Profit	22,762	24,954
Attributable to :		
Owners of parent	22,628	24,860
Non-controlling interests	133	93
Other comprehensive income		
Unrealized gain on available-for-sales securities, net of taxes	5,099	8,516
Unrealized gain on deferred hedges	13	1
Foreign currency translation adjustments	(115)	5
Remeasurements of defined benefit plans, net of taxes	329	172
Share of other comprehensive income of entities accounted for using equity method	3	5
Total other comprehensive income	5,329	8,701
Comprehensive income	28,092	33,655
Attributable to :		
Owners of parent	27,927	33,558
Non-controlling interests	165	96