Translation

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Summary of Consolidated Financial Statements for the First Quarter Ended June 30, 2018 [Prepared on the basis of Japan's Generally Accepted Accounting Standard (GAAP)]

August 3, 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 : Seiichi Kishida, Executive Officer, General Manager, Financial Planning Department
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Scheduled date for filing Quarterly Securities Report : August 10, 2018
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, 2018 - June 30, 2018)

(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, 2018	663,825	2.7	9,879	57.5	12,514	43.8	8,346	43.3
Three months ended June 30, 2017	646,687	0.3	6,271	(37.5)	8,703	(31.9)	5,825	(33.7)

Note : Comprehensive income : Three months ended June 30, 2018 ¥ 12,182 million [47.6%]
Three months ended June 30, 2017 ¥ 8,252 million [(27.1)%]

	Earnings per share of common stock	
	Basic	Diluted
	Yen	Yen
Three months ended June 30, 2018	38.62	―
Three months ended June 30, 2017	26.89	―

(2) Consolidated financial position

	Total assets	Net assets	Owners' equity ratio
	¥ Million	¥ Million	%
As of June 30, 2018	1,350,908	436,932	32.3
As of March 31, 2018	1,337,450	435,934	32.5

Reference : Owners' equity : As of June 30, 2018 ¥ 435,845 million As of March 31, 2018 ¥ 434,768 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
FY2017	―	19.00	―	20.00	39.00
FY2018	―				
FY2018 (Forecast)		24.00	―	24.00	48.00

Note : The second quarter dividend and year-end dividend for the fiscal year ending March31, 2019 each include a commemorative dividend of ¥3.00.

3. Consolidated performance forecast for FY2018 (April 1, 2018 - March 31, 2019)

(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 FY2018	1,281,500	0.1	14,400	0.2	19,400	1.9	12,400	(4.1)	57.94
FY2018	2,610,000	0.3	35,600	(14.7)	45,700	(11.9)	33,000	(7.3)	155.04

*** 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, 2018 235,017,600 shares
As of March 31, 2018 235,017,600 shares

ii. Number of treasury stock at end of period :

As of June 30, 2018 20,501,475 shares
As of March 31, 2018 18,341,083 shares

iii. Average number of outstanding shares during the period :

3M FY2018 216,126,151 shares
3M FY2017 216,678,329 shares

*Quarterly financial results reports are not required to be reviewed by an independent auditor.

*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

FY2018 consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
(Assets)		
Current assets		
Cash and deposits	191,874	187,149
Trade notes and accounts receivable	612,920	632,718
Marketable securities	4,010	―
Merchandise and finished goods	128,726	125,832
Work in process	1,321	1,437
Raw materials and supplies	3,682	3,960
Other	78,418	79,173
Allowance for doubtful accounts	(406)	(444)
Total current assets	1,020,548	1,029,826
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	50,345	50,881
Land	65,248	66,071
Other (net)	21,292	22,339
Total property, plant and equipment	136,886	139,292
Intangible assets		
Goodwill	5,081	5,145
Other	7,057	6,707
Total intangible assets	12,138	11,853
Investments and other assets		
Investment in securities	148,260	149,823
Other	23,882	24,412
Allowance for doubtful accounts	(4,266)	(4,300)
Total investments and other assets	167,876	169,935
Total non-current assets	316,902	321,081
Total assets	1,337,450	1,350,908

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
(Liabilities)		
Current liabilities		
Trade notes and accounts payable	814,589	828,276
Short-term debt	859	670
Income taxes payable	10,460	9,577
Allowance for employees' bonuses	7,545	8,698
Other	20,779	22,974
Total current liabilities	854,235	870,197
Non-current liabilities		
Long-term debt due after one year	1,213	1,241
Net defined benefit liability	14,041	13,617
Other	32,025	28,918
Total non-current liabilities	47,281	43,778
Total liabilities	901,516	913,975
(Net assets)		
Shareholders' equity		
Common stock	18,454	18,454
Capital surplus	101,945	101,958
Retained earnings	257,016	260,126
Less treasury stock, at cost	(16,025)	(21,938)
Total shareholders' equity	361,391	358,600
Accumulated other comprehensive income		
Unrealized gains on available-for-sales securities, net of taxes	75,725	79,456
Unrealized losses on deferred hedge, net of taxes	(0)	(0)
Revaluation reserve for land, net of taxes	(3,948)	(3,948)
Foreign currency translation adjustments	133	119
Remeasurements of defined benefit plans, net of taxes	1,467	1,618
Total accumulated other comprehensive income	73,376	77,244
Non-controlling interests	1,165	1,086
Total net assets	435,934	436,932
Total liabilities and net assets	1,337,450	1,350,908

FY2018 three-month consolidated statements of income and comprehensive income (three months ended June 30)

(Millions of yen)

	FY2017 3M (April 1, 2017 - June 30, 2017)	FY2018 3M (April 1, 2018 - June 30, 2018)
Net sales	646,687	663,825
Cost of sales	602,847	615,256
Total deduction	43,839	48,568
Reversal of allowance for returned unsold goods	704	696
Allowance for returned unsold goods	616	697
Gross profit	43,927	48,568
Selling, general and administrative expenses	37,656	38,688
Operating income	6,271	9,879
Other income		
Interest income	13	13
Dividend income	867	749
Information fees	1,492	1,529
Other	410	500
Total other income	2,784	2,792
Other expenses		
Interest expense	24	22
Equity in losses of affiliates	264	20
Expenses for rental property	31	59
Other	31	54
Total other expenses	351	157
Ordinary profit	8,703	12,514
Extraordinary profit		
Gain on sales of property, plant and equipment	134	0
Gain on sales of securities	1	0
Compensation income	17	－
Total extraordinary profit	153	1
Extraordinary loss		
Loss on product recalls	142	－
Loss on sales of property, plant and equipment	15	0
Loss on disposal of property, plant and equipment	15	16
Loss on impairment of non-current assets	－	229
Write-down of securities	71	0
Other	－	1
Total extraordinary loss	244	247
Profit before income taxes	8,612	12,267
Income taxes		
Current	2,976	9,055
Deferred	(183)	(5,102)
Total income taxes	2,793	3,952
Profit	5,819	8,314
Attributable to :		
Owners of parent	5,825	8,346
Non-controlling interests	(6)	(31)

(Millions of yen)

	FY2017 3M (April 1, 2017 - June 30, 2017)	FY2018 3M (April 1, 2018 - June 30, 2018)
Other comprehensive income		
Unrealized gains on available-for-sales securities, net of taxes	2,388	3,730
Unrealized gains (losses) on deferred hedge, net of taxes	0	(0)
Foreign currency translation adjustments	(21)	(13)
Remeasurements of defined benefit plans, net of taxes	60	156
Share of other comprehensive income of entities accounted for using equity method	4	(4)
Total other comprehensive income	2,432	3,868
Comprehensive income	8,252	12,182
Attributable to :		
Owners of parent	8,257	12,214
Non-controlling interests	(5)	(31)