Translation

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Summary of Consolidated Financial Statements for the Year Ended March 31, 2019 [Prepared on the basis of Japan's Generally Accepted Accounting Standard (GAAP)]

May 15, 2019

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, Vice President & Executive Officer, General Affairs, Financial Planning General Manager, Financial Planning Department
TEL : +81-3-5219-5102

Scheduled date for Annual General Meeting of Shareholders : June 26, 2019
Scheduled dividend payment date : June 5, 2019
Scheduled date for filing the Annual Securities Report : June 26, 2019
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 FY2018 (April 1, 2018 - March 31, 2019)

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

	Net sales		Operating income		Ordinary profit		Profit attributable to owners of the parent	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
FY2018	2,640,511	1.4	44,770	7.2	55,125	6.3	41,699	17.2
FY2017	2,602,917	2.0	41,756	25.7	51,861	18.9	35,589	15.2

Note: Comprehensive income : FY2018 ¥ 29,812 million [(40.7) %] FY2017 ¥ 50,236 million [45.3 %]

	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	%	%	%
FY2018	195.79	—	9.5	4.1	1.7
FY2017	164.25	—	8.6	4.0	1.6

Reference: Equity in net earnings (losses) of affiliates : FY2018 ¥ 108 million FY 2017 ¥ (166) million

(2) Consolidated financial position

	Total assets	Net assets	Owners' equity ratio	Net assets per share
	¥ Million	¥ Million	%	Yen
As of March 31, 2019	1,341,939	442,056	32.9	2,082.91
As of March 31, 2018	1,337,450	435,934	32.5	2,006.53

Reference: Owners' equity : As of March 31, 2019 ¥ 440,898 million As of March 31, 2018 ¥ 434,768 million

(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
FY2018	46,880	(12,947)	(24,860)	205,085
FY2017	47,575	(10,154)	(9,865)	195,593

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	%	%
FY2017	—	19.00	—	20.00	39.00	8,450	23.7	2.0
FY2018	—	24.00	—	24.00	48.00	10,160	24.5	2.3
FY2019 (Forecast)	—	25.00	—	25.00	50.00		—	

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

3. Consolidated performance forecast for FY2019 (April 1, 2019 - March 31, 2020)

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

	Net sales		Operating income		Ordinary profit		Profit attributable to owners of the parent		Basic earning per share
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	Yen
1H FY2019	1,326,000	2.2	21,400	10.1	26,100	7.2	17,800	6.1	84.09
FY2019	2,680,000	1.5	45,400	1.4	55,600	0.9	37,600	(9.8)	177.63

*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 : None
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, 2019 235,017,600 shares
As of March 31, 2018 235,017,600 shares

ii. Number of treasury stock at end of period:
As of March 31, 2019 23,343,237 shares
As of March 31, 2018 18,341,083 shares

iii. Average number of outstanding shares during the period:
FY2018 212,976,608 shares
FY2017 216,677,465 shares

Summary of non-consolidated financial results for FY2018 (April 1, 2018 - March 31, 2019)

1. Non-consolidated operating results

(Percentages indicate changes over the previous fiscal year)

	Net sales		Operating income		Ordinary profit		Profit	
	¥ Million	%	¥ Million	%	¥ Million	%	¥Million	%
FY2018	21,962	12.3	20,056	13.0	20,229	12.3	20,177	12.7
FY2017	19,563	(2.5)	17,753	(3.0)	18,010	(2.9)	17,906	(2.8)

	Earnings per share of common stock	
	Basic	Diluted
	Yen	Yen
FY2018	94.74	―
FY2017	82.64	―

2. Non-consolidated financial position

	Total assets	Net assets	Owners' equity ratio	Net assets per share
	¥ Million	¥ Million	%	Yen
As of March 31, 2019	248,287	236,149	95.1	1,115.63
As of March 31, 2018	252,791	239,509	94.7	1,105.38

Reference: Owners' equity : As of March 31, 2019 ¥ 236,149 million As of March 31, 2018 ¥ 239,509 million

*Summary of Consolidated Financial Statements 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.

Consolidated Financial Statements

FY2018 consolidated balance sheets

(Millions of yen)

	Year-end FY2017 (As of March 31, 2018)	Year-end FY2018 (As of March 31, 2019)
(Assets)		
Current assets		
Cash and deposits	191,874	206,300
Trade notes and accounts receivable	612,920	614,084
Marketable securities	4,010	10
Merchandise and finished goods	128,726	128,016
Work in process	1,321	1,723
Raw materials and supplies	3,682	3,971
Other receivables	76,495	80,317
Other	1,923	2,803
Allowance for doubtful accounts	(406)	(442)
Total current assets	1,020,548	1,036,784
Non-current assets		
Property, plant and equipment		
Buildings and structures	103,181	106,608
Less accumulated depreciation	(52,835)	(53,246)
Buildings and structures (net)	50,345	53,361
Machinery, equipment and vehicles	24,489	28,559
Less accumulated depreciation	(14,305)	(15,442)
Machinery, equipment and vehicles (net)	10,183	13,117
Tools and fixtures	11,883	12,472
Less accumulated depreciation	(9,284)	(9,597)
Tools and fixtures (net)	2,598	2,874
Land	65,248	65,765
Leased assets	6,655	7,124
Less accumulated depreciation	(3,142)	(3,082)
Leased assets (net)	3,512	4,041
Construction in progress	4,998	2,367
Total property, plant and equipment	136,886	141,528
Intangible assets		
Goodwill	5,081	10,110
Leased assets	653	562
Other	6,403	6,754
Total intangible assets	12,138	17,427
Investments and other assets		
Investment in securities	148,260	123,643
Long-term loans receivables	2,158	1,807
Deferred tax assets	1,400	3,594
Net defined benefit assets	5,035	6,268
Other	15,288	15,130
Allowance for doubtful accounts	(4,266)	(4,246)
Total investments and other assets	167,876	146,199
Total non-current assets	316,902	305,154
Total assets	1,337,450	1,341,939

(Millions of yen)

	Year-end FY2017 (As of March 31, 2018)	Year-end FY2018 (As of March 31, 2019)
(Liabilities)		
Current liabilities		
Trade notes and accounts payable	814,589	817,446
Short-term debt	859	760
Long-term lease liabilities due within one year	1,410	1,549
Income taxes payable	10,460	12,645
Allowance for employees' bonuses	7,545	8,387
Allowance for bonuses to directors and corporate auditors	390	425
Allowance for sales rebates	54	69
Allowance for sales returns	696	678
Other	18,227	17,947
Total current liabilities	854,235	859,911
Non-current liabilities		
Long-term debt	1,213	951
Long-term lease liabilities	3,171	3,493
Deferred tax liabilities	26,442	20,080
Deferred tax liabilities for land revaluation	446	446
Provision for loss on guarantee	48	106
Net defined benefit liabilities	14,041	12,889
Asset retirement obligations	797	935
Other	1,119	1,068
Total non-current liabilities	47,281	39,971
Total liabilities	901,516	899,883
(Net assets)		
Shareholders' equity		
Common stock	18,454	18,454
Capital surplus	101,945	101,958
Retained earnings	257,016	288,129
Less treasury stock, at cost	(16,025)	(29,365)
Total shareholders' equity	361,391	379,176
Accumulated other comprehensive income		
Unrealized gains on available-for-sale securities, net of taxes	75,725	63,167
Unrealized losses on deferred hedge, net of taxes	(0)	(0)
Revaluation reserve for land, net of taxes	(3,948)	(3,676)
Foreign currency translation adjustments	133	89
Remeasurements of defined benefit plans, net of taxes	1,467	2,142
Total accumulated other comprehensive income	73,376	61,722
Non-controlling interests	1,165	1,157
Total net assets	435,934	442,056
Total liabilities and net assets	1,337,450	1,341,939

FY2018 consolidated statements of income and comprehensive income

(Millions of yen)

	FY2017 (April 1, 2017 - March 31, 2018)	FY2018 (April 1, 2018 - March 31, 2019)
Net sales	2,602,917	2,640,511
Cost of sales	2,409,370	2,439,219
Total deduction	193,547	201,292
Reversal of allowance for returned unsold goods	704	696
Allowance for returned unsold goods	696	678
Gross profit	193,554	201,310
Selling, general and administrative expenses	151,798	156,539
Operating income	41,756	44,770
Other income		
Interest income	102	104
Dividend income	2,624	2,463
Equity in earnings of affiliates	－	108
Information fees	6,053	6,076
Other	2,033	2,335
Total other income	10,813	11,088
Other expenses		
Interest expense	94	93
Commission fees	10	66
Equity in losses of affiliates	166	－
Expense for rental property	138	232
Other	299	341
Total other expenses	708	734
Ordinary profit	51,861	55,125
Extraordinary profit		
Gain on sales of property, plant and equipment	361	1,726
Gain on sales of securities	191	5,947
Compensation income	12	－
Subsidy income	194	－
Total extraordinary profit	761	7,674
Extraordinary loss		
Loss on product recalls	183	－
Loss on sales of property, plant and equipment	152	49
Loss on disposal of property, plant and equipment	186	310
Loss on impairment of non-current assets	368	1,018
Loss on sales of securities	－	－
Write-down of securities	103	31
Merger expenses	－	144
Total extraordinary loss	1,056	1,573
Profit before income taxes	51,567	61,226
Income taxes		
Current	16,085	19,707
Deferred	(226)	(220)
Total income taxes	15,858	19,486
Profit	35,708	41,739
Attributable to:		
Owners of the parent	35,589	41,699
Non-controlling interests	118	40

(Millions of yen)

	FY2017 (April 1, 2017 - March 31, 2018)	FY2018 (April 1, 2018 - March 31, 2019)
Other comprehensive income		
Unrealized gains on available-for-sale securities, net of taxes	13,247	(12,558)
Unrealized gains (losses) on deferred hedge, net of taxes	1	(0)
Foreign currency translation adjustments	18	(44)
Remeasurements of defined benefit plans, net of taxes	1,259	676
Share of other comprehensive income (loss) of entities accounted for using equity method	1	(0)
Total other comprehensive income	14,528	(11,927)
Comprehensive income	50,236	29,812
Attributable to:		
Owners of the parent	50,118	29,773
Non-controlling interests	117	39

Full-year consolidated statements of changes in net assets

FY2017 (April 1, 2017 - March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2017	18,454	101,936	229,115	(16,020)	333,486
Changes during the fiscal year					
Cash dividends paid at ¥39.00 per share			(8,233)		(8,233)
Profit attributable to owners of the parent			35,589		35,589
Treasury stock acquired				(4)	(4)
Sales of treasury stock		0		0	0
Increase by merger		163	544		708
Change in the parent's equity arising from transactions with non-controlling shareholders		(154)			(154)
Changes in items other than shareholders' equity during the fiscal year (net)					
Total	—	8	27,900	(4)	27,905
Balance at March 31, 2018	18,454	101,945	257,016	(16,025)	361,391

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Unrealized gains on available-for-sale securities, net of taxes	Unrealized gains (losses) on deferred hedge	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans, net of taxes	Total accumulated other comprehensive income		
Balance at April 1, 2017	62,479	(3)	(3,948)	114	205	58,847	1,215	393,550
Changes during the fiscal year								
Cash dividends paid at ¥39.00 per share								(8,233)
Profit attributable to owners of the parent								35,589
Treasury stock acquired								(4)
Sales of treasury stock								0
Increase by merger								708
Change in the parent's equity arising from transactions with non-controlling shareholders								(154)
Changes in items other than shareholders' equity during the fiscal year (net)	13,246	2	—	18	1,261	14,529	(50)	14,478
Total	13,246	2	—	18	1,261	14,529	(50)	42,383
Balance at March 31, 2018	75,725	(0)	(3,948)	133	1,467	73,376	1,165	435,934

FY2018 (April 1, 2018 - March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2018	18,454	101,945	257,016	(16,025)	361,391
Changes during the fiscal year					
Cash dividends paid at ¥48.00 per share			(9,413)		(9,413)
Profit attributable to owners of the parent			41,699		41,699
Treasury stock acquired				(13,340)	(13,340)
Sales of treasury stock		0		0	0
Change of scope of consolidation			(901)		(901)
Reversal of revaluation reserve for land			(272)		(272)
Other		12			12
Changes in items other thanshareholders' equity during thefiscal year (net)					
Total	—	12	31,112	(13,340)	17,784
Balance at March 31, 2019	18,454	101,958	288,129	(29,365)	379,176

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Unrealized gains on available -for-sale securities, net of taxes	Unrealized gains (losses) on deferred hedge	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans, net of taxes	Total accumulated other comprehensive income		
Balance at April 1, 2018	75,725	(0)	(3,948)	133	1,467	73,376	1,165	435,934
Changes during the fiscal year								
Cash dividends paid at ¥48.00 per share								(9,413)
Profit attributable to owners of the parent								41,699
Treasury stock acquired								(13,340)
Sales of treasury stock								0
Change of scope of consolidation								(901)
Reversal of revaluation reserve for land								(272)
Other								12
Changes in items other than shareholders' equity during the fiscal year (net)	(12,557)	0	272	(44)	675	(11,654)	(8)	(11,662)
Total	(12,557)	0	272	(44)	675	(11,654)	(8)	6,122
Balance at March 31, 2019	63,167	(0)	(3,676)	89	2,142	61,722	1,157	442,056

FY2018 consolidated statements of cash flows

(Millions of yen)

	FY2017 (April 1, 2017 - March 31, 2018)	FY2018 (April 1, 2018 - March 31, 2019)
Cash flows from operating activities		
Profit before income taxes	51,567	61,226
Depreciation and amortization	9,258	9,523
Loss on impairment of non-current assets	368	1,018
Amortization of goodwill	1,306	1,245
Increase in allowance for doubtful accounts	405	14
Increase in allowance for employees' bonuses	187	811
Increase in allowance for bonuses to directors and corporate auditors	20	25
Decrease in net defined benefit liability	(744)	(1,432)
Interest and dividend income	(2,726)	(2,568)
Interest expense	94	93
Gain on sales of property, plant and equipment, net	(208)	(1,677)
Loss on disposal of property, plant and equipment	186	310
Gain on sale of securities, net	(130)	(5,929)
Write-down of securities	103	31
Compensation income	(12)	―
Subsidy income	(194)	―
Merger expenses	―	144
(Increase) decrease in trade notes and accounts receivables	(11,165)	384
(Increase) decrease in inventories	(1,444)	1,460
Increase in other receivables	(24,979)	(3,407)
Increase in trade notes and accounts payables	29,362	1,151
Other, net	3,898	(234)
Subtotal	55,150	62,193
Interest and dividends received	2,731	2,573
Interest paid	(93)	(92)
Proceeds from compensation income	12	―
Proceeds from subsidy	194	―
Extra retirement payment	(61)	―
Payments for merger expenses	―	(144)
Income taxes paid	(10,359)	(17,649)
Net cash provided by operating activities	47,575	46,880

(Millions of yen)

	FY2017 (April 1, 2017 - March 31, 2018)	FY2018 (April 1, 2018 - March 31, 2019)
Cash flows from investing activities		
Payments into time deposits	(46)	(980)
Proceeds from maturity of time deposits	679	1,044
Proceeds from sales of securities	－	10
Payments for purchase of property, plant and equipment	(9,800)	(11,202)
Proceeds from sales of property, plant and equipment	1,397	2,523
Payments for purchase of intangible assets	(2,568)	(2,467)
Payments for acquisition of long-term prepaid expense	(114)	(138)
Payments for purchase of investment securities	(1,665)	(393)
Proceeds from sales of investment securities	1,881	8,524
Advances of loans receivable	(157)	(230)
Repayments of loans receivable	337	779
Payments for acquisition of businesses	－	(10,401)
Other, net	(96)	(13)
Net cash used in investing activities	(10,154)	(12,947)
Cash flows from financing activities		
Net increase (decrease) in short-term dept	230	(30)
Proceeds from long-term debt	400	200
Repayments of long-term debt	(334)	(511)
Repayments of lease liabilities	(1,600)	(1,729)
Payments for purchase of treasury stock	(4)	(13,340)
Proceeds from sales of treasury stock	0	0
Purchase of treasury stock of subsidiaries	－	(23)
Cash dividends paid	(8,233)	(9,413)
Dividends paid to non-controlling interests	(8)	(11)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(314)	－
Net cash used in financing activities	(9,865)	(24,860)
Foreign currency translation gain (loss) on cash and cash equivalents	15	(12)
Net increase in cash and cash equivalents	27,571	9,060
Cash and cash equivalents at beginning of the year	167,554	195,593
Increase in cash and cash equivalents from newly consolidated subsidiary	－	329
Increase in cash and cash equivalents resulting from merger	467	102
Cash and cash equivalents at end of the year	195,593	205,085