Translation

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Summary of Consolidated Financial Statements for the Third Quarter Ended December 31, 2020

[Prepared on the basis of Japanese Generally Accepted Accounting Principles (GAAP)]

February 8, 2021

Corporate name : Alfresa Holdings Corporation
Stock exchange listing : The 1st section of Tokyo Stock Exchange
Stock code : 2784
URL : https://www.alfresa.com/
Representative : Ryuji Arakawa, Representative Director & President
Contact person : Seiichi Kishida, Director, Senior Vice President & Executive Officer,
General Affairs, Financial Planning, Corporate Communication, Compliance & Risk Management
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Scheduled date for filing Quarterly Securities Report : February 12, 2021
Scheduled dividend payment date : —
Supplementary explanatory materials : 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, 2020 - December 31, 2020)

(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 the parent	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
Nine months ended December 31, 2020	1,985,463	(3.8)	14,865	(57.0)	23,430	(43.6)	19,084	(31.8)
Nine months ended December 31, 2019	2,062,854	3.0	34,544	(5.5)	41,544	(6.6)	27,995	(18.9)

Note : Comprehensive income : Nine months ended December 31, 2020 ¥ 18,949 million [(51.3)%]
Nine months ended December 31, 2019 ¥ 38,903 million [59.7%]

	Earnings per share of common stock	
	Basic	Diluted
	Yen	Yen
Nine months ended December 31, 2020	90.16	—
Nine months ended December 31, 2019	132.26	—

(2) Consolidated financial position

	Total assets	Net assets	Owners' equity ratio
	¥ Million	¥ Million	%
As of December 31, 2020	1,422,275	481,789	33.9
As of March 31, 2020	1,351,619	474,898	35.0

Reference : Owners' equity : As of December 31, 2020 ¥ 481,549 million As of March 31, 2020 ¥ 473,702 million

2. Dividends per share of common stock

	Dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2019	—	25.00	—	25.00	50.00
FY2020	—	26.00	—		
FY2020 (Forecast)				27.00	53.00

3. Consolidated performance forecast for FY2020 (April 1, 2020 - March 31, 2021)

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

	Net sales		Operating income		Ordinary profit		Profit attributable to owners of the parent		Basic earnings per share
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	Yen
FY2020	2,631,000	(2.5)	20,900	(56.1)	31,300	(45.3)	19,600	(51.3)	92.60

***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, 2020 235,017,600 shares

As of March 31, 2020 235,017,600 shares

ii. Number of treasury stock at end of period :

As of December 31, 2020 23,344,617 shares

As of March 31, 2020 23,344,229 shares

iii. Average number of outstanding shares during the period :

9M FY2020 211,673,162 shares

9M FY2019 211,674,055 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.

Nine-month consolidated financial statements

FY2020 consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
(Assets)		
Current assets		
Cash and deposits	210,547	201,794
Trade notes and accounts receivable	595,353	647,063
Marketable securities	10	50
Merchandise and finished goods	142,896	160,891
Work in process	1,618	1,462
Raw materials and supplies	4,426	4,880
Other	80,225	85,334
Allowance for doubtful accounts	(665)	(795)
Total current assets	1,034,411	1,100,681
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	53,662	64,185
Land	67,178	66,837
Other (net)	31,337	27,210
Total property, plant and equipment	152,178	158,234
Intangible assets		
Goodwill	4,103	3,633
Other	13,518	12,441
Total intangible assets	17,621	16,074
Investments and other assets		
Investment securities	128,559	128,124
Other	24,086	23,988
Allowance for doubtful accounts	(5,238)	(4,827)
Total investments and other assets	147,407	147,285
Total non-current assets	317,207	321,594
Total assets	1,351,619	1,422,275

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
(Liabilities)		
Current liabilities		
Trade notes and accounts payable	798,748	873,392
Short-term borrowings	570	349
Income taxes payable	10,543	884
Allowance for employees' bonuses	7,513	3,087
Other	19,602	19,282
Total current liabilities	836,978	896,996
Long-term liabilities		
Long-term borrowings	630	449
Net defined benefit liability	11,764	11,091
Other	27,347	31,948
Total long-term liabilities	39,742	43,490
Total liabilities	876,720	940,486
(Net assets)		
Shareholders' equity		
Common stock	18,454	18,454
Capital surplus	101,958	101,660
Retained earnings	317,752	326,027
Less treasury stock, at cost	(29,368)	(29,369)
Total shareholders' equity	408,797	416,772
Accumulated other comprehensive income		
Unrealized gains on available-for-sale securities, net of taxes	66,901	66,889
Unrealized losses on deferred hedge, net of taxes	(0)	(0)
Revaluation reserve for land, net of taxes	(3,658)	(3,641)
Foreign currency translation adjustments	65	61
Remeasurements of defined benefit plans, net of taxes	1,597	1,468
Total accumulated other comprehensive income	64,905	64,776
Non-controlling interests	1,196	239
Total net assets	474,898	481,789
Total liabilities and net assets	1,351,619	1,422,275

FY2020 nine-month consolidated statements of income and comprehensive income (nine months ended December 31)

(Millions of yen)

	FY2019 9M (April 1, 2019 - December 31, 2019)	FY2020 9M (April 1, 2020 - December 31, 2020)
Net sales	2,062,854	1,985,463
Cost of sales	1,908,878	1,854,139
Total deduction	153,976	131,323
Reversal of allowance for returned unsold goods	678	634
Allowance for returned unsold goods	648	561
Gross profit	154,006	131,396
Selling, general and administrative expenses	119,461	116,531
Operating income	34,544	14,865
Other income		
Interest income	64	45
Dividend income	1,850	1,788
Information fees	4,724	4,568
Other	1,922	2,460
Total other income	8,561	8,862
Other expenses		
Interest expense	73	64
Equity in loss of affiliate	1,037	―
Expenses for rental property	169	150
Other	281	82
Total other expenses	1,561	298
Ordinary profit	41,544	23,430
Extraordinary profit		
Gain on sales of property, plant and equipment	86	45
Gain on sales of investment securities	485	9,440
Total extraordinary profit	572	9,485
Extraordinary loss		
Loss on sales of property, plant and equipment	198	5
Loss on disposal of property, plant and equipment	120	99
Loss on impairment of property, plant and equipment	69	140
Write-down of investment securities	32	5
Provision for loss on Antimonopoly Act	―	4,567
Other	46	17
Total extraordinary loss	467	4,837
Profit before income taxes	41,650	28,078
Income taxes		
Current	17,927	8,188
Deferred	(4,331)	796
Total income taxes	13,596	8,984
Profit	28,053	19,094
Profit attributable to :		
Owners of the parent	27,995	19,084
Non-controlling interests	57	9

(Millions of yen)

	FY2019 9M (April 1, 2019 - December 31, 2019)	FY2020 9M (April 1, 2020 - December 31, 2020)
Other comprehensive income		
Unrealized gains (losses) on available-for-sale securities, net of taxes	11,172	(12)
Unrealized losses on deferred hedge, net of taxes	(0)	(0)
Foreign currency translation adjustments	(40)	(3)
Remeasurements of defined benefit plans, net of taxes	(296)	(128)
Share of other comprehensive income of entity accounted for using equity method	15	—
Total other comprehensive income (loss)	10,850	(145)
Comprehensive income	38,903	18,949
Comprehensive income attributable to :		
Owners of the parent	38,845	18,939
Non-controlling interests	58	9