Translation

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Summary of Consolidated Financial Statements for the Year Ended March 31, 2021

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

May 14, 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 : Takashi Sasaki, General Manager, Financial Planning Department
TEL : +81-3-5219-5102

Scheduled date for Annual General Meeting of Shareholders : June 25, 2021
Scheduled dividend payment date : June 4, 2021
Scheduled date for filing the Annual Securities Report : June 25, 2021
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 FY2020 (April 1, 2020 - March 31, 2021)

(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	%
FY2020	2,603,169	(3.5)	20,672	(56.6)	31,918	(44.2)	24,501	(39.2)
FY2019	2,698,511	2.2	47,645	6.4	57,170	3.7	40,273	(3.5)

Note : Comprehensive income : FY2020 ¥ 27,119 million [(37.6) %] FY2019 ¥ 43,482 million [45.7 %]

	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	%	%	%
FY2020	115.75	—	5.1	2.4	0.8
FY2019	190.26	—	8.8	4.2	1.8

Reference : Equity in loss of affiliate : FY2020 ¥ —million FY 2019 ¥ 1,037 million

(2) Consolidated financial position

	Total assets	Net assets	Owners' equity ratio	Net assets per share
	¥ Million	¥ Million	%	Yen
As of March 31, 2021	1,316,658	489,957	37.2	2,313.66
As of March 31, 2020	1,351,619	474,898	35.0	2,237.89

Reference : Owners' equity : As of March 31, 2021 ¥ 489,736 million As of March 31, 2020 ¥ 473,702 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
FY2020	(21,191)	(4,732)	(14,472)	169,060
FY2019	33,828	(17,024)	(12,617)	209,264

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	%	%
FY2019	—	25.00	—	25.00	50.00	10,583	26.3	2.3
FY2020	—	26.00	—	27.00	53.00	11,218	45.8	2.3
FY2021 (Forecast)	—	27.00	—	27.00	54.00		55.2	

3. Consolidated performance forecast for FY2021 (April 1, 2021 - March 31, 2022)

(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 FY2021	1,239,100	—	11,000	—	12,700	—	8,400	—	39.68
FY2021	2,505,000	—	28,300	—	31,700	—	20,700	—	97.79

Note : The consolidated performance forecast for FY2021 does not include the percentage of changes over the same period of the previous fiscal year. Please see page 6 of a document "Financial Results Summary for the Year Ended March 31, 2021" for details.

*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, 2021 235,017,600 shares
As of March 31, 2020 235,017,600 shares

ii. Number of treasury stock at end of period:
As of March 31, 2021 23,345,329 shares
As of March 31, 2020 23,344,229 shares

iii. Average number of outstanding shares during the period:
FY2020 211,673,012 shares
FY2019 211,673,920 shares

Summary of non-consolidated financial results for FY2020 (April 1, 2020 - March 31, 2021)

1. Non-consolidated operating results

(Percentages indicate changes over the previous fiscal year)

	Net sales		Operating income		Ordinary profit		Profit	
	¥ Million	%	¥ Million	%	¥ Million	%	¥Million	%
FY2020	25,269	(3.1)	23,374	(3.7)	23,665	(3.6)	23,872	7.2
FY2019	26,075	18.7	24,262	21.0	24,540	21.3	22,267	10.4

	Earnings per share of common stock	
	Basic	Diluted
	Yen	Yen
FY2020	112.78	―
FY2019	105.20	―

2. Non-consolidated financial position

	Total assets	Net assets	Owners' equity ratio	Net assets per share
	¥ Million	¥ Million	%	Yen
As of March 31, 2021	277,500	261,331	94.2	1,234.61
As of March 31, 2020	260,385	248,336	95.4	1,173.20

Reference : Owners' equity : As of March 31, 2021 ¥ 261,331 million As of March 31, 2020 ¥ 248,336 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

FY2020 consolidated balance sheets

(Millions of yen)

	Year-end FY2019 (As of March 31, 2020)	Year-end FY2020 (As of March 31, 2021)
(Assets)		
Current assets		
Cash and deposits	210,547	170,277
Trade notes and accounts receivable	595,353	592,321
Marketable securities	10	59
Merchandise and finished goods	142,896	141,702
Work in process	1,618	1,314
Raw materials and supplies	4,426	5,032
Other receivables	77,806	80,149
Other	2,418	2,325
Allowance for doubtful accounts	(665)	(702)
Total current assets	1,034,411	992,480
Non-current assets		
Property, plant and equipment		
Buildings and structures	107,772	119,496
Less accumulated depreciation	(54,110)	(54,745)
Buildings and structures (net)	53,662	64,751
Machinery, equipment and vehicles	30,212	36,451
Less accumulated depreciation	(17,520)	(19,750)
Machinery, equipment and vehicles (net)	12,692	16,701
Tools and fixtures	13,341	13,875
Less accumulated depreciation	(9,996)	(9,660)
Tools and fixtures (net)	3,344	4,215
Land	67,178	66,255
Leased assets	7,747	7,451
Less accumulated depreciation	(3,405)	(3,367)
Leased assets (net)	4,341	4,083
Construction in progress	10,959	2,936
Total property, plant and equipment	152,178	158,943
Intangible assets		
Goodwill	4,103	3,476
Leased assets	467	271
Other	13,050	13,689
Total intangible assets	17,621	17,436
Investments and other assets		
Investment securities	128,559	127,657
Long-term loans receivables	1,841	1,458
Deferred tax assets	1,075	1,106
Net defined benefit asset	5,307	6,559
Other	15,862	15,238
Allowance for doubtful accounts	(5,238)	(4,223)
Total investments and other assets	147,407	147,797
Total non-current assets	317,207	324,177
Total assets	1,351,619	1,316,658

(Millions of yen)

	Year-end FY2019 (As of March 31, 2020)	Year-end FY2020 (As of March 31, 2021)
(Liabilities)		
Current liabilities		
Trade notes and accounts payable	798,748	753,857
Short-term borrowings	570	240
Long-term lease obligations due within one year	1,725	1,702
Income taxes payable	10,543	3,895
Allowance for employees' bonuses	7,513	6,264
Allowance for bonuses to directors and corporate auditors	350	332
Allowance for sales rebates	85	96
Allowance for sales returns	634	540
Other	16,807	16,999
Total current liabilities	836,978	783,929
Long-term liabilities		
Long-term borrowings	630	389
Long-term lease obligations	4,243	3,841
Deferred tax liabilities	20,541	22,155
Deferred tax liabilities for land revaluation	446	436
Allowance for employees' bonuses	44	84
Allowance for bonuses to directors and corporate auditors	60	117
Provision for loss on Antimonopoly Act	—	4,567
Net defined benefit liability	11,764	9,233
Asset retirement obligations	937	947
Other	1,072	996
Total long-term liabilities	39,742	42,771
Total liabilities	876,720	826,700
(Net assets)		
Shareholders' equity		
Common stock	18,454	18,454
Capital surplus	101,958	101,660
Retained earnings	317,752	331,459
Less treasury stock, at cost	(29,368)	(29,370)
Total shareholders' equity	408,797	422,203
Accumulated other comprehensive income		
Unrealized gains on available-for-sale securities, net of taxes	66,901	67,983
Unrealized losses on deferred hedge, net of taxes	(0)	(0)
Revaluation reserve for land, net of taxes	(3,658)	(3,657)
Foreign currency translation adjustments	65	75
Remeasurements of defined benefit plans, net of taxes	1,597	3,132
Total accumulated other comprehensive income	64,905	67,533
Non-controlling interests	1,196	221
Total net assets	474,898	489,957
Total liabilities and net assets	1,351,619	1,316,658

FY2020 consolidated statements of income and comprehensive income

(Millions of yen)

	FY2019 (April 1, 2019 - March 31, 2020)	FY2020 (April 1, 2020 - March 31, 2021)
Net sales	2,698,511	2,603,169
Cost of sales	2,491,433	2,427,726
Total deduction	207,077	175,442
Reversal of allowance for returned unsold goods	678	634
Allowance for returned unsold goods	634	540
Gross profit	207,122	175,536
Selling, general and administrative expenses	159,476	154,864
Operating income	47,645	20,672
Other income		
Interest income	104	67
Dividend income	2,363	2,303
Information fees	6,200	5,991
Other	2,562	3,427
Total other income	11,231	11,790
Other expenses		
Interest expense	98	85
Equity in loss of affiliate	1,037	―
Expense for rental property	219	221
Other	350	236
Total other expenses	1,706	543
Ordinary profit	57,170	31,918
Extraordinary profit		
Gain on sales of property, plant and equipment	1,111	605
Gain on sales of investment securities	2,503	10,831
Total extraordinary profit	3,615	11,437
Extraordinary loss		
Loss on sales of property, plant and equipment	233	99
Loss on disposal of property, plant and equipment	169	162
Loss on impairment of property, plant and equipment	779	880
Write-down of investment securities	299	746
Merger expenses	―	310
Provision for loss on Antimonopoly Act	―	4,567
Other	69	59
Total extraordinary loss	1,551	6,825
Profit before income taxes	59,233	36,531
Income taxes		
Current	19,664	11,781
Deferred	(751)	257
Total income taxes	18,913	12,038
Profit	40,320	24,492
Profit (loss) attributable to:		
Owners of the parent	40,273	24,501
Non-controlling interests	47	(8)

(Millions of yen)

	FY2019 (April 1, 2019 - March 31, 2020)	FY2020 (April 1, 2020 - March 31, 2021)
Other comprehensive income		
Unrealized gains on available-for-sale securities, net of taxes	3,728	1,081
Unrealized losses on deferred hedge, net of taxes	(0)	(0)
Foreign currency translation adjustments	(24)	10
Remeasurements of defined benefit plans, net of taxes	(557)	1,535
Share of other comprehensive income of entity accounted for using equity method	15	—
Total other comprehensive income	3,162	2,626
Comprehensive income	43,482	27,119
Comprehensive income (loss) attributable to:		
Owners of the parent	43,437	27,127
Non-controlling interests	45	(8)

Full-year consolidated statements of changes in net assets

FY2019 (April 1, 2019 - March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2019	18,454	101,958	288,154	(29,365)	379,201
Changes during the fiscal year					
Cash dividends paid at ¥50.00 per share			(10,372)		(10,372)
Profit attributable to owners of the parent			40,273		40,273
Treasury stock acquired				(2)	(2)
Sale of treasury stock		0		0	0
Reversal of revaluation reserve for land			(18)		(18)
Other			(284)		(284)
Changes in items other than shareholders' equity during the fiscal year (net)					
Total	―	0	29,598	(2)	29,595
Balance at March 31, 2020	18,454	101,958	317,752	(29,368)	408,797

	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, net of taxes	Revaluation reserve for land, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans, net of taxes	Total accumulated other comprehensive income		
Balance at April 1, 2019	63,167	(0)	(3,676)	89	2,142	61,722	1,157	442,081
Changes during the fiscal year								
Cash dividends paid at ¥50.00 per share								(10,372)
Profit attributable to owners of the parent								40,273
Treasury stock acquired								(2)
Sale of treasury stock								0
Reversal of revaluation reserve for land								(18)
Other								(284)
Changes in items other than shareholders' equity during the fiscal year (net)	3,734	0	18	(24)	(545)	3,182	38	3,221
Total	3,734	0	18	(24)	(545)	3,182	38	32,817
Balance at March 31, 2020	66,901	(0)	(3,658)	65	1,597	64,905	1,196	474,898

FY2020 (April 1, 2020 - March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2020	18,454	101,958	317,752	(29,368)	408,797
Changes during the fiscal year					
Cash dividends paid at ¥53.00 per share			(10,795)		(10,795)
Profit attributable to owners of the parent			24,501		24,501
Treasury stock acquired				(2)	(2)
Change in the parent's equity arising from transactions with non-controlling shareholders		—			—
Reversal of revaluation reserve for land			0		0
Changes in items other than shareholders' equity during the fiscal year (net)					
Total	—	(298)	13,706	(2)	13,406
Balance at March 31, 2021	18,454	101,660	331,459	(29,370)	422,203

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Unrealized gains on available -for-sale securities, net of taxes	Unrealized losses on deferred hedge, net of taxes	Revaluation reserve for land, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans, net of taxes	Total accumulated other comprehensive income		
Balance at April 1, 2020	66,901	(0)	(3,658)	65	1,597	64,905	1,196	474,898
Changes during the fiscal year								
Cash dividends paid at ¥53.00 per share								(10,795)
Profit attributable to owners of the parent								24,501
Treasury stock acquired								(2)
Change in the parent's equity arising from transactions with non-controlling shareholders								—
Reversal of revaluation reserve for land								0
Changes in items other than shareholders' equity during the fiscal year (net)	1,081	(0)	1	10	1,535	2,628	(975)	1,652
Total	1,081	(0)	1	10	1,535	2,628	(975)	15,059
Balance at March 31, 2021	67,983	(0)	(3,657)	75	3,132	67,533	221	489,957

FY2020 consolidated statements of cash flows

(Millions of yen)

	FY2019 (April 1, 2019 - March 31, 2020)	FY2020 (April 1, 2020 - March 31, 2021)
Cash flows from operating activities		
Profit before income taxes	59,233	36,531
Depreciation and amortization	10,885	11,241
Loss on impairment of property, plant and equipment	779	880
Amortization of goodwill	892	627
Increase (decrease) in allowance for doubtful accounts	1,215	(977)
Decrease in allowance for employees' bonuses	(829)	(1,209)
Increase (decrease) in allowance for bonuses to directors and corporate auditors	(14)	39
Decrease in net defined benefit liability	(948)	(1,568)
Interest and dividend income	(2,468)	(2,370)
Interest expense	98	85
Gain on sales of property, plant and equipment, net	(877)	(506)
Loss on disposal of property, plant and equipment	169	162
Gain on sales of investment securities, net	(2,434)	(10,772)
Write-down of investment securities	299	746
Merger expenses	―	310
Decrease in trade notes and accounts receivables	17,719	4,450
(Increase) decrease in inventories	(15,229)	933
(Increase) decrease in other receivables	2,220	(263)
Decrease in trade notes and accounts payables	(18,698)	(44,958)
Other, net	1,287	1,227
Subtotal	53,300	(5,390)
Interest and dividends received	2,467	2,371
Interest paid	(98)	(85)
Income taxes paid	(21,841)	(18,086)
Net cash provided by operating activities	33,828	(21,191)

(Millions of yen)

	FY2019 (April 1, 2019 - March 31, 2020)	FY2020 (April 1, 2020 - March 31, 2021)
Cash flows from investing activities		
Payments into time deposits	(1,048)	(1,093)
Proceeds from maturity of time deposits	936	1,009
Payments for purchase of property, plant and equipment	(18,992)	(15,054)
Proceeds from sale of property, plant and equipment	2,583	1,759
Payments for purchase of intangible assets	(1,584)	(3,157)
Payments for acquisition of long-term prepaid expense	(123)	(820)
Payments for purchase of investment securities	(2,260)	(2,236)
Proceeds from sales of investment securities	3,353	14,687
Proceeds from redemption of securities	10	10
Advances of loans receivable	(265)	(55)
Repayments of loans receivable	238	266
Proceeds from liquidation of subsidiaries	211	―
Other, net	(83)	(48)
Net cash used in investing activities	(17,024)	(4,732)
Cash flows from financing activities		
Net decrease in short-term borrowings	(110)	(250)
Repayments of long-term borrowings	(400)	(320)
Repayments of lease obligations	(1,726)	(1,831)
Payments for purchase of treasury stock	(2)	(2)
Proceeds from sales of treasury stock	0	―
Cash dividends paid	(10,372)	(10,795)
Dividends paid to non-controlling interests	(6)	(6)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	―	(1,265)
Net cash used in financing activities	(12,617)	(14,472)
Foreign currency translation gain (loss) on cash and cash equivalents	(8)	4
Net increase (decrease) in cash and cash equivalents	4,176	(40,391)
Cash and cash equivalents at beginning of the year	205,085	209,264
Increase in cash and cash equivalents resulting from merger	2	187
Cash and cash equivalents at end of the year	209,264	169,060