Translation

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Summary of Consolidated Financial Statements for the Third Quarter Ended December 31, 2022

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

February 7, 2023

Corporate name : Alfresa Holdings Corporation
Stock exchange listing : Prime Market of Tokyo Stock Exchange
Stock code : 2784
URL : https://www.alfresa.com/
Representative : Ryuji Arakawa, Representative Director & President
Contact person : Takashi Sasaki, Executive Officer, General Manager, Financial Planning Department
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Scheduled date for filing Quarterly Securities Report : February 14, 2023
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, 2022 - December 31, 2022)

(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, 2022	2,047,935	4.2	20,000	6.7	21,992	2.3	14,822	(20.9)
Nine months ended December 31, 2021	1,965,396	—	18,739	—	21,491	—	18,747	—

Note : Comprehensive income : Nine months ended December 31, 2022 ¥ 21,186 million [240.1 %]
Nine months ended December 31, 2021 ¥ 6,229 million [— %]

*The percentage of changes over the same period of the previous fiscal year is not shown due to the application of the Accounting Standard for Revenue Recognition,etc.

	Earnings per share of common stock	
	Basic	Diluted
	Yen	Yen
Nine months ended December 31, 2022	73.24	—
Nine months ended December 31, 2021	88.78	—

(2) Consolidated financial position

	Total assets	Net assets	Owners' equity ratio
	¥ Million	¥ Million	%
As of December 31, 2022	1,438,692	481,880	33.5
As of March 31, 2022	1,303,991	471,835	36.2

Reference : Owners' equity : As of December 31, 2022 ¥ 481,597 million As of March 31, 2022 ¥ 471,593 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
FY2021	—	27.00	—	27.00	54.00
FY2022	—	28.00			
FY2022 (Forecast)			—	29.00	57.00

3. Consolidated performance forecast for FY2022 (April 1, 2022 - March 31, 2023)

(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
FY2022	2,618,000	1.3	29,500	1.4	32,800	0.7	21,200	(34.1)	104.76

*** 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 the end of period :

As of December 31, 2022 202,840,000 shares

As of March 31, 2022 235,017,600 shares

ii. Number of treasury stock at the end of period :

As of December 31, 2022 471,374 shares

As of March 31, 2022 32,648,047 shares

iii. Average number of outstanding shares during the period :

9M FY2022 202,369,070 shares

9M FY2021 211,182,001 shares

Note : The Company's shares held by the Board Incentive Plan trust are included in the treasury stock deducted to calculate ii and iii above.

*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.

*Alfresa Holdings Corporation finalized the provisional accounting treatment for the business combination in the year ended March 31, 2022. Consolidated financial statements for the third quarter of the year ended March 31, 2022, reflect the revision of the initially allocated amounts of acquisition price as Alfresa Holdings Corporation finalized the provisional accounting treatment for the business combination.

Nine-month consolidated financial statements

FY2022 consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
(Assets)		
Current assets		
Cash and deposits	180,436	192,851
Trade notes and accounts receivable	602,488	675,740
Merchandise and finished goods	140,156	164,277
Work in process	1,294	1,652
Raw materials and supplies	5,439	6,390
Other	88,908	94,821
Allowance for doubtful accounts	(2,252)	(2,023)
Total current assets	1,016,471	1,133,711
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	63,708	65,181
Land	70,018	72,174
Other (net)	29,031	34,928
Total property, plant and equipment	162,758	172,285
Intangible assets		
Goodwill	2,913	2,668
Other	15,894	15,071
Total intangible assets	18,807	17,739
Investments and other assets		
Investment securities	87,284	96,361
Other	22,444	23,810
Allowance for doubtful accounts	(3,774)	(5,213)
Total investments and other assets	105,954	114,957
Total non-current assets	287,520	304,981
Total assets	1,303,991	1,438,692

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
(Liabilities)		
Current liabilities		
Trade notes and accounts payable	755,250	892,307
Short-term borrowings	48	10
Income taxes payable	10,922	1,033
Allowance for employees' bonuses	6,835	3,235
Allowance for bonuses to directors	407	287
Provision for share awards	44	―
Provision for share awards for directors	59	―
Provision for loss on Antimonopoly Act	―	4,988
Other	29,245	27,045
Total current liabilities	802,813	928,907
Long-term liabilities		
Provision for share awards	―	54
Provision for share awards for directors	―	66
Provision for loss on Antimonopoly Act	3,994	―
Net defined benefit liability	8,075	7,812
Other	17,273	19,970
Total long-term liabilities	29,343	27,904
Total liabilities	832,156	956,812
(Net assets)		
Shareholders' equity		
Common stock	18,454	18,454
Capital surplus	101,660	57,720
Retained earnings	352,015	355,698
Less treasury stock, at cost	(44,625)	(686)
Total shareholders' equity	427,504	431,186
Accumulated other comprehensive income		
Unrealized gains on available-for-sale securities, net of taxes	44,760	51,354
Unrealized gains on deferred hedge, net of taxes	0	0
Revaluation reserve for land, net of taxes	(3,360)	(3,360)
Foreign currency translation adjustments	200	347
Remeasurements of defined benefit plans, net of taxes	2,487	2,069
Total accumulated other comprehensive income	44,088	50,410
Non-controlling interests	241	283
Total net assets	471,835	481,880
Total liabilities and net assets	1,303,991	1,438,692

FY2022 nine-month consolidated statements of income and comprehensive income (nine months ended December 31)

(Millions of yen)

	FY2021 9M (April 1, 2021 - December 31, 2021)	FY2022 9M (April 1, 2022 - December 31, 2022)
Net sales	1,965,396	2,047,935
Cost of sales	1,829,332	1,906,213
Gross profit	136,063	141,722
Selling, general and administrative expenses	117,323	121,721
Operating income	18,739	20,000
Other income		
Interest income	43	38
Dividend income	1,710	1,179
Rental income from real estate	457	443
Other	863	627
Total other income	3,075	2,288
Other expenses		
Interest expense	56	49
Expense for rental property	136	136
Other	131	110
Total other expenses	323	296
Ordinary profit	21,491	21,992
Extraordinary profit		
Gain on sales of property, plant and equipment	46	106
Gain on sales of investment securities	7,054	2,686
Total extraordinary profit	7,100	2,792
Extraordinary loss		
Loss on sales of property, plant and equipment	0	15
Loss on disposal of property, plant and equipment	123	77
Loss on impairment of property, plant and equipment	16	1
Write-down of investment securities	658	933
Provision for loss on Antimonopoly Act	—	993
Other	167	79
Total extraordinary loss	966	2,102
Profit before income taxes	27,625	22,683
Income taxes		
Current	8,214	7,088
Deferred	653	731
Total income taxes	8,867	7,819
Profit	18,757	14,863
Profit attributable to :		
Owners of the parent	18,747	14,822
Non-controlling interests	9	41

(Millions of yen)

	FY2021 9M (April 1, 2021 - December 31, 2021)	FY2022 9M (April 1, 2022 - December 31, 2022)
Other comprehensive income		
Unrealized gains (losses) on available-for-sale securities,net of taxes	(12,383)	6,593
Unrealized gains (losses) on deferred hedge, net of taxes	0	(0)
Foreign currency translation adjustments	81	146
Remeasurements of defined benefit plans, net of taxes	(225)	(417)
Total other comprehensive income	(12,527)	6,322
Comprehensive income	6,229	21,186
Comprehensive income attributable to :		
Owners of the parent	6,220	21,144
Non-controlling interests	9	41