Translation

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Summary of Consolidated Financial Statements for the Year Ended March 31, 2024

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

May 14, 2024

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
TEL : +81-3-5219-5102

Scheduled date for Annual General Meeting of Shareholders : June 26, 2024
Scheduled dividend payment date : June 4, 2024
Scheduled date for filing the Annual Securities Report : June 26, 2024
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 FY2023 (April 1, 2023 - March 31, 2024)

(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	%
FY2023	2,858,500	6.0	38,460	27.6	39,997	21.8	29,558	14.6
FY2022	2,696,069	4.3	30,148	3.6	32,831	0.8	25,786	(19.9)

Note : Comprehensive income : FY2023 ¥ 38,979 million [41.0 %] FY2022 ¥ 27,641 million [226.7 %]

	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	%	%	%
FY2023	154.13	—	6.1	2.9	1.3
FY2022	127.42	—	5.4	2.5	1.1

Reference : Share of profit (loss) of entities accounted for using equity method : FY2023 ¥ —million FY 2022 ¥ —million

(2) Consolidated financial position

	Total assets	Net assets	Owners' equity ratio	Net assets per share
	¥ Million	¥ Million	%	Yen
As of March 31, 2024	1,447,625	479,859	33.1	2,566.50
As of March 31, 2023	1,339,852	488,335	36.4	2,411.89

Reference : Owners' equity : As of March 31, 2024 ¥ 479,599 million As of March 31, 2023 ¥ 488,090 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
FY2023	86,379	(14,217)	(19,698)	212,315
FY2022	13,086	(20,539)	(12,918)	158,776

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	%	%
FY2022	—	28.00	—	29.00	57.00	11,543	44.7	2.4
FY2023	—	34.00	—	36.00	70.00	13,115	45.4	2.8
FY2024 (Forecast)	—	31.00	—	32.00	63.00		45.3	

Note: The second quarter dividend and year-end dividend for the fiscal year ended March31, 2024 each includes a commemorative dividend of ¥5.00.

3. Consolidated performance forecast for FY2024 (April 1, 2024 - March 31, 2025)

(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 FY2024	1,483,000	3.9	15,200	(5.0)	16,600	(3.9)	10,900	(8.0)	58.33
FY2024	2,965,000	3.7	37,300	(3.0)	40,000	0.0	26,000	(12.0)	139.13

*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, 2024 202,840,000 shares
As of March 31, 2023 202,840,000 shares

ii. Number of treasury stock at end of period:
As of March 31, 2024 15,971,131 shares
As of March 31, 2023 471,650 shares

iii. Average number of outstanding shares during the period:
FY2023 191,777,990 shares
FY2022 202,368,921 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.

Summary of non-consolidated financial results for FY2023 (April 1, 2023 - March 31, 2024)

1. Non-consolidated operating results

(Percentages indicate changes over the previous fiscal year)

	Net sales		Operating income		Ordinary profit		Profit	
	¥ Million	%	¥ Million	%	¥ Million	%	¥Million	%
FY2023	17,252	(22.2)	14,772	(26.6)	14,215	(30.1)	13,294	(34.8)
FY2022	22,167	28.9	20,120	32.0	20,338	32.4	20,397	50.0

	Earnings per share of common stock	
	Basic	Diluted
	Yen	Yen
FY2023	69.32	―
FY2022	100.79	―

2. Non-consolidated financial position

	Total assets	Net assets	Owners' equity ratio	Net assets per share
	¥ Million	¥ Million	%	Yen
As of March 31, 2024	266,910	223,406	83.7	1,195.52
As of March 31, 2023	271,933	256,806	94.4	1,269.01

Reference : Owners' equity : As of March 31, 2024 ¥ 223,406 million As of March 31, 2023 ¥ 256,806 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

FY2023 consolidated balance sheets

(Millions of yen)

	Year-end FY2022 (As of March 31, 2023)	Year-end FY2023 (As of March 31, 2024)
(Assets)		
Current assets		
Cash and deposits	160,122	213,756
Trade notes receivable	11,581	13,790
Accounts receivable	612,072	632,323
Merchandise and finished goods	145,349	147,159
Work in process	1,469	1,843
Raw materials and supplies	5,972	7,375
Other receivables	82,118	87,175
Other	16,261	18,145
Allowance for doubtful accounts	(419)	(335)
Total current assets	1,034,527	1,121,233
Non-current assets		
Property, plant and equipment		
Buildings and structures	125,754	144,816
Less accumulated depreciation	(62,052)	(65,735)
Buildings and structures (net)	63,702	79,081
Machinery, equipment and vehicles	39,633	41,084
Less accumulated depreciation	(24,696)	(27,244)
Machinery, equipment and vehicles (net)	14,936	13,840
Tools and fixtures	15,073	16,240
Less accumulated depreciation	(11,160)	(12,006)
Tools and fixtures (net)	3,912	4,234
Land	72,127	72,239
Leased assets	7,041	7,603
Less accumulated depreciation	(4,269)	(3,696)
Leased assets (net)	2,772	3,907
Construction in progress	19,370	8,298
Total property, plant and equipment	176,821	181,601
Intangible assets		
Goodwill	2,545	2,065
Leased assets	42	13
Other	15,271	14,494
Total intangible assets	17,860	16,572
Investments and other assets		
Investment securities	91,555	105,627
Long-term loans receivables	1,834	2,034
Deferred tax assets	901	1,460
Net defined benefit asset	6,532	9,467
Other	14,853	13,026
Allowance for doubtful accounts	(5,033)	(3,398)
Total investments and other assets	110,643	128,218
Total non-current assets	305,325	326,392
Total assets	1,339,852	1,447,625

(Millions of yen)

	Year-end FY2022 (As of March 31, 2023)	Year-end FY2023 (As of March 31, 2024)
(Liabilities)		
Current liabilities		
Trade notes and accounts payable	780,343	855,328
Long-term lease obligations due within one year	1,394	1,565
Income taxes payable	6,046	7,961
Provision for employees' bonuses	7,210	8,028
Provision for bonuses to directors	384	439
Provision for loss on Antimonopoly Act	4,937	4,937
Other	25,416	28,727
Total current liabilities	825,732	906,989
Long-term liabilities		
Bonds payable	―	20,000
Long-term borrowings	―	10,000
Long-term lease obligations	2,461	3,372
Deferred tax liabilities	12,054	16,542
Deferred tax liabilities for land revaluation	429	416
Provision for share awards	73	176
Provision for share awards for directorss	90	238
Net defined benefit liability	8,363	7,740
Asset retirement obligations	1,054	1,007
Other	1,257	1,281
Total long-term liabilities	25,784	60,776
Total liabilities	851,517	967,766
(Net assets)		
Shareholders' equity		
Common stock	18,454	18,454
Capital surplus	57,720	57,720
Retained earnings	366,649	384,507
Less treasury stock, at cost	(686)	(36,412)
Total shareholders' equity	442,137	424,269
Accumulated other comprehensive income		
Unrealized gains on available-for-sale securities, net of taxes	47,135	54,438
Unrealized gains (losses) on deferred hedge, net of taxes	(0)	1
Revaluation reserve for land, net of taxes	(3,346)	(3,375)
Foreign currency translation adjustments	269	330
Remeasurements of defined benefit plans, net of taxes	1,895	3,936
Total accumulated other comprehensive income	45,953	55,330
Non-controlling interests	244	259
Total net assets	488,335	479,859
Total liabilities and net assets	1,339,852	1,447,625

FY2023 consolidated statements of income and comprehensive income

(Millions of yen)

	FY2022 (April 1, 2022 - March 31, 2023)	FY2023 (April 1, 2023 - March 31, 2024)
Net sales	2,696,069	2,858,500
Cost of sales	2,503,983	2,652,128
Gross profit	192,085	206,371
Selling, general and administrative expenses	161,937	167,910
Operating income	30,148	38,460
Other income		
Interest income	56	59
Dividend income	1,628	1,570
Rental income from real estate	597	541
Other	840	859
Total other income	3,122	3,030
Other expenses		
Interest expense	64	132
Commission fees	—	624
Expense for rental property	175	189
Other	200	547
Total other expenses	440	1,494
Ordinary profit	32,831	39,997
Extraordinary profit		
Gain on sales of property, plant and equipment	107	199
Gain on sales of investment securities	9,303	5,663
Total extraordinary profit	9,411	5,863
Extraordinary loss		
Loss on sales of property, plant and equipment	17	101
Loss on disposal of property, plant and equipment	131	179
Loss on impairment of property, plant and equipment	825	408
Write-down of investment securities	1,159	1,377
Loss on liquidation of subsidiaries and associates	387	—
Provision for loss on Antimonopoly Act	993	—
Other	134	—
Total extraordinary loss	3,650	2,065
Profit before income taxes	38,591	43,795
Income taxes		
Current	13,205	14,009
Deferred	(402)	211
Total income taxes	12,802	14,221
Profit	25,789	29,574
Profit attributable to:		
Owners of the parent	25,786	29,558
Non-controlling interests	2	15

(Millions of yen)

	FY2022 (April 1, 2022 - March 31, 2023)	FY2023 (April 1, 2023 - March 31, 2024)
Other comprehensive income		
Unrealized gains on available-for-sale securities, net of taxes	2,374	7,302
Unrealized gains (losses) on deferred hedge, net of taxes	(0)	1
Foreign currency translation adjustments	68	60
Remeasurements of defined benefit plans, net of taxes	(591)	2,040
Total other comprehensive income	1,852	9,405
Comprehensive income	27,641	38,979
Comprehensive income attributable to:		
Owners of the parent	27,638	38,963
Non-controlling interests	2	15

Full-year consolidated statements of changes in net assets

FY2022 (April 1, 2022 - March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2022	18,454	101,660	352,015	(44,625)	427,504
Changes during the fiscal year					
Cash dividends paid at ¥55.00 per share			(11,138)		(11,138)
Profit attributable to owners of the parent			25,786		25,786
Treasury stock acquired				(2)	(2)
Sales of treasury stock		0		0	0
Cancellation of treasury shares		(43,940)		43,940	―
Reversal of revaluation reserve for land			(13)		(13)
Changes in items other than shareholders' equity during the fiscal year (net)					
Total	―	(43,940)	14,634	43,938	14,632
Balance at March 31, 2023	18,454	57,720	366,649	(686)	442,137

	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, 2022	44,760	0	(3,360)	200	2,487	44,088	241	471,835
Changes during the fiscal year								
Cash dividends paid at ¥55.00 per share								(11,138)
Profit attributable to owners of the parent								25,786
Treasury stock acquired								(2)
Sales of treasury stock								0
Cancellation of treasury shares								―
Reversal of revaluation reserve for land								(13)
Changes in items other than shareholders' equity during the fiscal year (net)	2,374	(0)	13	68	(591)	1,865	2	1,867
Total	2,374	(0)	13	68	(591)	1,865	2	16,500
Balance at March 31, 2023	47,135	(0)	(3,346)	269	1,895	45,953	244	488,335

FY2023 (April 1, 2023 - March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2023	18,454	57,720	366,649	(686)	442,137
Changes during the fiscal year					
Cash dividends paid at ¥63.00 per share			(12,245)		(12,245)
Profit attributable to owners of the parent			29,558		29,558
Treasury stock acquired				(35,740)	(35,740)
Sales of treasury stock				14	14
Change in scope of consolidation			515		515
Reversal of revaluation reserve for land			28		28
Changes in items other than shareholders' equity during the fiscal year (net)					
Total	—	—	17,857	(35,726)	(17,868)
Balance at March 31, 2024	18,454	57,720	384,507	(36,412)	424,269

	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, 2023	47,135	(0)	(3,346)	269	1,895	45,953	244	488,335
Changes during the fiscal year								
Cash dividends paid at ¥63.00 per share								(12,245)
Profit attributable to owners of the parent								29,558
Treasury stock acquired								(35,740)
Sales of treasury stock								14
Change in scope of consolidation								515
Reversal of revaluation reserve for land								28
Changes in items other than shareholders' equity during the fiscal year (net)	7,302	1	(28)	60	2,040	9,376	15	9,391
Total	7,302	1	(28)	60	2,040	9,376	15	(8,476)
Balance at March 31, 2024	54,438	1	(3,375)	330	3,936	55,330	259	479,859

FY2023 consolidated statements of cash flows

(Millions of yen)

	FY2022 (April 1, 2022 - March 31, 2023)	FY2023 (April 1, 2023 - March 31, 2024)
Cash flows from operating activities		
Profit before income taxes	38,591	43,795
Depreciation and amortization	12,804	13,016
Loss on impairment of property, plant and equipment	825	408
Amortization of goodwill	498	498
Decrease in allowance for doubtful accounts	(574)	(1,720)
Increase in provision for employees' bonuses	374	398
Increase (decrease) in provision for bonuses to directors	(23)	47
Decrease in net defined benefit liability	(1,166)	(1,140)
Interest and dividend income	(1,684)	(1,629)
Interest expense	64	132
Gain on sales of property, plant and equipment, net	(90)	(98)
Loss on disposal of property, plant and equipment	131	179
Gain on sales of investment securities, net	(9,169)	(5,663)
Write-down of investment securities	1,159	1,377
Increase in trade receivables	(22,334)	(19,164)
Increase in inventories	(5,900)	(3,584)
Increase in other receivables	(4,065)	(6,029)
Increase in trade payables	25,093	74,985
Other, net	(4,992)	1,397
Subtotal	29,543	97,203
Interest and dividends received	1,686	1,627
Interest paid	(64)	(132)
Income taxes paid	(18,078)	(12,319)
Net cash provided by operating activities	13,086	86,379

(Millions of yen)

	FY2022 (April 1, 2022 - March 31, 2023)	FY2023 (April 1, 2023 - March 31, 2024)
Cash flows from investing activities		
Payments into time deposits	(945)	(1,045)
Proceeds from maturity of time deposits	941	962
Payments for purchase of property, plant and equipment	(22,716)	(12,737)
Proceeds from sale of property, plant and equipment	186	941
Payments for purchase of intangible assets	(2,749)	(2,591)
Payments for acquisition of long-term prepaid expense	(58)	(391)
Payments for purchase of investment securities	(4,810)	(5,674)
Proceeds from sales of investment securities	10,502	6,903
Advances of loans receivable	(1,145)	(934)
Repayments of loans receivable	341	565
Other, net	(84)	(215)
Net cash used in investing activities	(20,539)	(14,217)
Cash flows from financing activities		
Proceeds from long-term borrowings	―	10,000
Repayments of long-term borrowings	(48)	―
Proceeds from issuance of bonds	―	20,000
Repayments of lease obligations	(1,729)	(1,727)
Payments for purchase of treasury stock	(2)	(35,740)
Proceeds from sales of treasury stock	0	14
Cash dividends paid	(11,138)	(12,245)
Net cash used in financing activities	(12,918)	(19,698)
Foreign currency translation gain on cash and cash equivalents	39	39
Net increase (decrease) in cash and cash equivalents	(20,332)	52,502
Cash and cash equivalents at beginning of the year	179,108	158,776
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	―	1,036
Cash and cash equivalents at end of the year	158,776	212,315