Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under Japanese GAAP)

November 7, 2024

Corporate name : Alfresa Holdings Corporation
Listing : Prime Market of Tokyo Stock Exchange
Securities code : 2784
URL : https://www.alfresa.com/
Representative : Ryuji Arakawa, Representative Director & President
Inquiries : Takashi Sasaki, Executive Officer, General Manager, Financial Planning Department
TEL : +81-3-5219-5102

Scheduled date to file semi-annual securities report : November 12, 2024
Scheduled date to commence dividend payments : December 5, 2024
Preparation of supplementary material on financial results : Yes
Holding of financial results briefing : Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
September 30, 2024	1,456,355	2.0	14,995	(6.3)	16,279	(5.8)	14,065	18.7
September 30, 2023	1,427,856	7.2	15,998	56.4	17,280	50.4	11,850	69.3

Note : Comprehensive income : For the six months ended September 30, 2024 ¥ 17,769 million [2.6 %]
For the six months ended September 30, 2023 ¥ 17,317 million [11.3%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	75.26	—
September 30, 2023	60.29	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	¥ Million	¥ Million	%
September 30, 2024	1,467,147	491,310	33.5
March 31, 2024	1,447,625	479,859	33.1

Reference : Owners' equity : As of September 30, 2024 ¥ 491,193 million As of March 31, 2024 ¥ 479,599 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	34.00	—	36.00	70.00
Fiscal year ending March 31, 2025	—	31.00			
Fiscal year ending March 31, 2025 (Forecast)			—	32.00	63.00

Note 1 : Revisions to the forecast of cash dividends most recently announced : None

Note 2 : The second quarter dividend and year-end dividend for the fiscal year ended March 31, 2024 each includes a commemorative dividend of ¥5.00.

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	Yen
Fiscal year ending March 31, 2025	2,965,000	3.7	37,300	(3.0)	40,000	0.0	28,000	(5.3)	149.82

Note : Revisions to the forecast of consolidated results most recently announced : Yes

*** Notes**

(1) Significant changes in the scope of consolidation during the period : None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements : None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

i. Changes in accounting policies due to revisions to accounting standards and other regulations : Yes

ii. Changes in accounting policies due to other reasons : None

iii. Changes in accounting estimates : None

iv. Restatement : None

(4) Number of issued shares (common shares)

i. Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2024	202,840,000 shares
As of March 31, 2024	202,840,000 shares

ii. Number of treasury shares at the end of the period

As of September 30, 2024	15,937,062 shares
As of March 31, 2024	15,971,131 shares

iii. Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	186,885,690 shares
Six months ended September 30, 2023	196,576,533 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.

*Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

*Proper use of earnings forecasts, and other special matters

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. The Company does not guarantee the achievement of them. Actual performance may differ substantially from these forecasts due to various factors.

Six-month consolidated financial statements

FY2024 consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
(Assets)		
Current assets		
Cash and deposits	213,756	206,764
Trade notes and accounts receivable	646,113	652,172
Marketable securities	—	99
Merchandise and finished goods	147,159	155,197
Work in process	1,843	2,136
Raw materials and supplies	7,375	7,633
Other	105,320	101,410
Allowance for doubtful accounts	(335)	(342)
Total current assets	1,121,233	1,125,071
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	79,081	77,468
Land	72,239	71,139
Other (net)	30,280	34,737
Total property, plant and equipment	181,601	183,345
Intangible assets		
Goodwill	2,065	1,815
Other	14,507	14,501
Total intangible assets	16,572	16,317
Investments and other assets		
Investment securities	105,627	115,586
Other	25,989	29,217
Allowance for doubtful accounts	(3,398)	(2,391)
Total investments and other assets	128,218	142,412
Total non-current assets	326,392	342,075
Total assets	1,447,625	1,467,147

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
(Liabilities)		
Current liabilities		
Trade notes and accounts payable	855,328	861,863
Income taxes payable	7,961	11,111
Provision for employees' bonuses	8,028	7,177
Provision for bonuses to directors	439	179
Provision for share awards	—	218
Provision for share awards for directors	—	239
Provision for loss on Antimonopoly Act	4,937	4,937
Other	30,293	27,884
Total current liabilities	906,989	913,612
Long-term liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	10,000	10,000
Provision for share awards	176	—
Provision for share awards for directors	238	—
Net defined benefit liability	7,740	7,322
Other	22,621	24,901
Total long-term liabilities	60,776	62,223
Total liabilities	967,766	975,836
(Net assets)		
Shareholders' equity		
Common stock	18,454	18,454
Capital surplus	57,720	57,720
Retained earnings	384,507	391,704
Less treasury stock, at cost	(36,412)	(36,339)
Total shareholders' equity	424,269	431,539
Accumulated other comprehensive income		
Unrealized gains on available-for-sale securities, net of taxes	54,438	58,522
Unrealized gains (losses) on deferred hedge, net of taxes	1	(4)
Revaluation reserve for land, net of taxes	(3,375)	(3,051)
Foreign currency translation adjustments	330	533
Remeasurements of defined benefit plans, net of taxes	3,936	3,654
Total accumulated other comprehensive income	55,330	59,654
Non-controlling interests	259	116
Total net assets	479,859	491,310
Total liabilities and net assets	1,447,625	1,467,147

FY2024 six-month consolidated statements of income and comprehensive income (six months ended September 30)

(Millions of yen)

	FY2023 6M (April 1, 2023 - September 30, 2023)	FY2024 6M (April 1, 2024 - September 30, 2024)
Net sales	1,427,856	1,456,355
Cost of sales	1,328,630	1,354,045
Gross profit	99,226	102,310
Selling, general and administrative expenses	83,228	87,315
Operating profit	15,998	14,995
Other income		
Interest income	29	46
Dividend income	778	940
Rental income from real estate	270	253
Other	484	407
Total other income	1,561	1,647
Other expenses		
Interest expense	35	144
Commission fees	69	0
Expense for rental property	89	106
Other	85	112
Total other expenses	280	363
Ordinary profit	17,280	16,279
Extraordinary profit		
Gain on sales of property, plant and equipment	185	142
Gain on sales of investment securities	―	5,428
Subsidy income	―	743
Total extraordinary profit	185	6,314
Extraordinary loss		
Loss on sales of property, plant and equipment	19	4
Loss on disposal of property, plant and equipment	74	32
Loss on impairment of property, plant and equipment	4	48
Loss on tax purpose reduction entry of non-current assets	―	743
Write-down of investment securities	11	20
Loss on valuation of investments in capital	―	142
Loss on cancellation of rental contracts	―	94
Cancellation penalty	―	839
Total extraordinary loss	109	1,924
Profit before income taxes	17,356	20,669
Income taxes		
Current	7,630	10,333
Deferred	(2,163)	(3,433)
Total income taxes	5,466	6,899
Profit	11,889	13,769
Profit attributable to :		
Owners of parent	11,850	14,065
Non-controlling interests	38	(295)

(Millions of yen)

	FY2023 6M (April 1, 2023 - September 30, 2023)	FY2024 6M (April 1, 2024 - September 30, 2024)
Other comprehensive income		
Unrealized gains on available-for-sale securities, net of taxes	5,583	4,084
Unrealized gains (losses) on deferred hedge, net of taxes	0	(5)
Foreign currency translation adjustments	63	203
Remeasurements of defined benefit plans, net of taxes	(218)	(281)
Total other comprehensive income	5,428	4,000
Comprehensive income	17,317	17,769
Comprehensive income attributable to :		
Owners of the parent	17,279	18,065
Non-controlling interests	38	(295)

FY2024 six-month consolidated statements of cash flows (six months ended September 30)

(Millions of yen)

	FY2023 6M (April 1, 2023 - September 30, 2023)	FY2024 6M (April 1, 2024 - September 30, 2024)
Cash flows from operating activities		
Profit before income taxes	17,356	20,669
Depreciation and amortization	6,418	7,133
Loss on impairment of property, plant and equipment	4	48
Amortization of goodwill	248	249
Decrease in allowance for doubtful accounts	(136)	(1,000)
Decrease in provision for employees' bonuses	(1,027)	(865)
Decrease in provision for bonuses to directors	(196)	(262)
Decrease in net defined benefit liability	(542)	(816)
Interest and dividend income	(807)	(986)
Interest expense	35	144
Gain on sales of property, plant and equipment, net	(165)	(138)
Loss on disposal of property, plant and equipment	74	32
Loss on tax purpose reduction entry of non-current assets	—	743
Gain on sales of investment securities, net	—	(5,428)
Write-down of investment securities	11	20
Subsidy income	—	(743)
Increase in trade notes and accounts receivables	(43,276)	(5,344)
Increase in inventories	(132)	(8,458)
Increase in trade notes and accounts payables	91,933	2,635
Other, net	(2,367)	933
Subtotal	67,428	8,565
Interest and dividends received	808	981
Interest paid	(34)	(144)
Income taxes paid	(5,089)	(6,836)
Subsidies received	—	371
Net cash provided by operating activities	63,112	2,938

(Millions of yen)

	FY2023 6M (April 1, 2023 - September 30, 2023)	FY2024 6M (April 1, 2024 - September 30, 2024)
Cash flows from investing activities		
Payments into time deposits	(406)	(907)
Proceeds from maturity of time deposits	405	415
Payments for purchase of property, plant and equipment	(6,083)	(7,846)
Proceeds from sale of property, plant and equipment	805	791
Payments for purchase of intangible assets	(1,024)	(1,676)
Payments for acquisition of long-term prepaid expense	(227)	(36)
Payments for purchase of investment securities	(2,636)	(4,873)
Proceeds from sales of investment securities	605	5,914
Proceeds from redemption of securities	―	50
Advances of loans receivable	(546)	(522)
Repayments of loans receivable	479	169
Other, net	(64)	81
Net cash used in investing activities	(8,693)	(8,440)
Cash flows from financing activities		
Net increase in short-term borrowings	12,000	―
Repayments of lease obligations	(836)	(857)
Payments for purchase of treasury stock	(34,757)	(2)
Proceeds from sales of treasury stock	―	75
Cash dividends paid	(5,873)	(6,743)
Net cash used in financing activities	(29,467)	(7,526)
Foreign currency translation gain on cash and cash equivalents	41	138
Net increase (decrease) in cash and cash equivalents	24,993	(12,890)
Cash and cash equivalents at beginning of the year	158,776	212,315
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	1,036	5,095
Increase in cash and cash equivalents resulting from merger	―	117
Cash and cash equivalents at end of the year	184,805	204,637