

Notice : This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.



Summary of Consolidated Financial Statements for the Second Quarter Ended September 30, 2021



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

November 4, 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 filing Quarterly Securities Report : November 12, 2021

Scheduled dividend payment date : December 6, 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 the second quarter of the fiscal year (April 1, 2021 - September 30, 2021)

(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	%
Six months ended September 30, 2021	1,288,706	—	9,117	—	10,956	—	6,988	—
Six months ended September 30, 2020	1,298,803	—	11,535	—	13,559	—	11,097	—

Note : Comprehensive income : Six months ended September 30, 2021 ¥ 7,632 million [—%]

Six months ended September 30, 2020 ¥ 19,348 million [—%]

	Earnings per share of common stock	
	Basic	Diluted
	Yen	Yen
Six months ended September 30, 2021	33.02	—
Six months ended September 30, 2020	52.43	—

(2) Consolidated financial position

	Total assets	Net assets	Owners' equity ratio
	¥ Million	¥ Million	%
As of September 30, 2021	1,333,810	491,974	36.9
As of March 31, 2021	1,316,658	489,957	37.2

Reference : Owners' equity : As of September 30, 2021 ¥ 491,755 million

As of March 31, 2021 ¥ 489,736 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
FY2020	—	26.00	—	27.00	53.00
FY2021	—	27.00	—	—	—
FY2021 (Forecast)	—	—	—	27.00	54.00

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

(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
FY2021	2,578,000	—	21,900	—	25,500	—	17,000	—	82.49

*The percentage of changes over the same period of the previous fiscal year is not shown due to application of the Accounting Standard for Revenue Recognition and changes in the presentation. Please see page 1 of a document "Financial Results Summary for the Second Quarter Ended September 30, 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) 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 : Yes
 - 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 September 30, 2021 235,017,600 shares
 - As of March 31, 2021 235,017,600 shares
 - ii. Number of treasury stock at end of period :
 - As of September 30, 2021 23,345,895 shares
 - As of March 31, 2021 23,345,329 shares
 - iii. Average number of outstanding shares during the period :
 - 6M FY2021 211,671,955 shares
 - 6M FY2020 211,673,231 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.

Six-month consolidated financial statements

FY2021 consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
(Assets)		
Current assets		
Cash and deposits	170,277	177,200
Trade notes and accounts receivable	593,343	601,749
Marketable securities	59	59
Merchandise and finished goods	141,702	139,880
Work in process	1,314	1,209
Raw materials and supplies	5,032	5,180
Other	81,454	85,354
Allowance for doubtful accounts	(702)	(482)
Total current assets	992,480	1,010,151
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	64,751	65,034
Land	66,255	67,154
Other (net)	27,936	26,826
Total property, plant and equipment	158,943	159,016
Intangible assets		
Goodwill	3,476	3,182
Other	13,960	13,278
Total intangible assets	17,436	16,460
Investments and other assets		
Investment securities	127,657	128,633
Other	24,362	23,548
Allowance for doubtful accounts	(4,223)	(3,999)
Total investments and other assets	147,797	148,181
Total non-current assets	324,177	323,658
Total assets	1,316,658	1,333,810

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
(Liabilities)		
Current liabilities		
Trade notes and accounts payable	753,857	762,856
Short-term borrowings	240	123
Income taxes payable	3,895	7,493
Allowance for employees' bonuses	6,264	6,141
Other	19,671	27,686
Total current liabilities	783,929	804,301
Long-term liabilities		
Long-term borrowings	389	20
Net defined benefit liability	9,233	8,891
Other	33,147	28,622
Total long-term liabilities	42,771	37,533
Total liabilities	826,700	841,835
(Net assets)		
Shareholders' equity		
Common stock	18,454	18,454
Capital surplus	101,660	101,660
Retained earnings	331,459	332,833
Less treasury stock, at cost	(29,370)	(29,371)
Total shareholders' equity	422,203	423,576
Accumulated other comprehensive income		
Unrealized gains on available-for-sale securities, net of taxes	67,983	68,664
Unrealized losses on deferred hedge, net of taxes	(0)	(0)
Revaluation reserve for land, net of taxes	(3,657)	(3,657)
Foreign currency translation adjustments	75	148
Remeasurements of defined benefit plans, net of taxes	3,132	3,022
Total accumulated other comprehensive income	67,533	68,179
Non-controlling interests	221	219
Total net assets	489,957	491,974
Total liabilities and net assets	1,316,658	1,333,810

FY2021 six-month consolidated statements of income and comprehensive income (six months ended September 30)

(Millions of yen)

	FY2020 6M (April 1, 2020 - September 30, 2020)	FY2021 6M (April 1, 2021 - September 30, 2021)
Net sales	1,298,803	1,288,706
Cost of sales	1,210,025	1,201,370
Total deduction	88,778	87,336
Reversal of allowance for returned unsold goods	634	—
Allowance for returned unsold goods	521	—
Gross profit	88,891	87,336
Selling, general and administrative expenses	77,356	78,218
Operating income	11,535	9,117
Other income		
Interest income	34	33
Dividend income	1,192	1,220
Other	990	800
Total other income	2,217	2,054
Other expenses		
Interest expense	44	39
Expense for rental property	99	94
Other	48	81
Total other expenses	192	215
Ordinary profit	13,559	10,956
Extraordinary profit		
Gain on sales of property, plant and equipment	44	46
Gain on sales of investment securities	2,684	153
Total extraordinary profit	2,729	199
Extraordinary loss		
Loss on sales of property, plant and equipment	5	0
Loss on disposal of property, plant and equipment	31	83
Loss on impairment of property, plant and equipment	66	16
Write-down of investment securities	4	664
Other	12	77
Total extraordinary loss	120	842
Profit before income taxes	16,168	10,313
Income taxes		
Current	6,346	6,833
Deferred	(1,271)	(3,506)
Total income taxes	5,075	3,326
Profit	11,093	6,986
Profit (loss) attributable to :		
Owners of the parent	11,097	6,988
Non-controlling interests	(3)	(1)

(Millions of yen)

	FY2020 6M (April 1, 2020 - September 30, 2020)	FY2021 6M (April 1, 2021 - September 30, 2021)
Other comprehensive income		
Unrealized gains on available-for-sale securities, net of taxes	8,361	681
Unrealized gains (losses) on deferred hedge, net of taxes	(0)	0
Foreign currency translation adjustments	(19)	73
Remeasurements of defined benefit plans, net of taxes	(86)	(109)
Total other comprehensive income	8,255	645
Comprehensive income	19,348	7,632
Comprehensive income (loss) attributable to :		
Owners of the parent	19,352	7,634
Non-controlling interests	(3)	(1)

FY2021 six- month consolidated statements of cash flows (six months ended September 30)

(Millions of yen)

	FY2020 6M (April 1, 2020 - September 30, 2020)	FY2021 6M (April 1, 2021 - September 30, 2021)
Cash flows from operating activities		
Profit before income taxes	16,168	10,313
Depreciation and amortization	5,524	5,940
Loss on impairment of property, plant and equipment	66	16
Amortization of goodwill	313	314
Decrease in allowance for doubtful accounts	(437)	(444)
Decrease in allowance for employees' bonuses	(1,535)	(239)
Decrease in allowance for bonuses to directors and corporate auditors	(135)	(261)
Decrease in net defined benefit liability	(649)	(507)
Interest and dividend income	(1,227)	(1,253)
Interest expense	44	39
Gain on sales of property, plant and equipment, net	(38)	(45)
Loss on disposal of property, plant and equipment	31	83
Gain on sales of investment securities, net	(2,672)	(145)
Write-down of investment securities	4	664
(Increase) decrease in trade notes and accounts receivables	970	(7,715)
(Increase) decrease in inventories	(2,336)	1,861
Increase (decrease) in trade notes and accounts payables	(21,482)	8,725
Other, net	(1,979)	5,164
Subtotal	(9,371)	22,509
Interest and dividends received	1,228	1,255
Interest paid	(42)	(39)
Income taxes paid	(9,328)	(2,800)
Net cash provided by (used in) operating activities	(17,514)	20,926

(Millions of yen)

	FY2020 6M (April 1, 2019 - September 30, 2019)	FY2021 6M (April 1, 2020 - September 30, 2020)
Cash flows from investing activities		
Payments into time deposits	(553)	(408)
Proceeds from maturity of time deposits	403	403
Payments for purchase of property, plant and equipment	(10,299)	(6,131)
Proceeds from sale of property, plant and equipment	165	209
Payments for purchase of intangible assets	(684)	(738)
Payments for acquisition of long-term prepaid expense	(783)	(150)
Payments for purchase of investment securities	(1,667)	(881)
Proceeds from sales of investment securities	3,099	312
Advances of loans receivable	(33)	(21)
Repayments of loans receivable	133	114
Other, net	(9)	(33)
Net cash used in investing activities	(10,229)	(7,325)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(50)	50
Repayments of long-term borrowings	(179)	(536)
Repayments of lease obligations	(935)	(744)
Payments for purchase of treasury stock	(0)	(1)
Proceeds from sales of treasury stock	—	0
Cash dividends paid	(5,291)	(5,715)
Dividends paid to non-controlling interests	(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	(7,729)	(6,947)
Foreign currency translation gain (loss) on cash and cash equivalents	(8)	39
Net increase (decrease) in cash and cash equivalents	(35,482)	6,692
Cash and cash equivalents at beginning of the year	209,264	169,060
Increase in cash and cash equivalents resulting from merger	187	218
Cash and cash equivalents at end of the year	173,970	175,971