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Summary of Consolidated Financial Statements for the Year Ended March 31, 2023



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

May 15, 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
 TEL : +81-3-5219-5102

Scheduled date for Annual General Meeting of Shareholders : June 27, 2023
 Scheduled dividend payment date : June 6, 2023
 Scheduled date for filing the Annual Securities Report : June 27, 2023
 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 FY2022 (April 1, 2022 - March 31, 2023)

(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	%
FY2022	2,696,069	4.3	30,148	3.6	32,831	0.8	25,786	(19.9)
FY2021	2,585,643	—	29,091	—	32,576	—	32,182	—

Note : Comprehensive income : FY2022 ¥27,641 million [226.7 %] FY2021 ¥8,461 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		Return on equity	Ratio of ordinary profit to total assets	Ratio of operating income to net sales
	Basic	Diluted			
	Yen	Yen	%	%	%
FY2022	127.42	—	5.4	2.5	1.1
FY2021	153.57	—	6.7	2.5	1.1

Reference : Share of profit (loss) of entities accounted for using equity method : FY2022 ¥ — million FY 2021 ¥ — million

(2) Consolidated financial position

	Total assets	Net assets	Owners' equity ratio	Net assets per share
	¥ Million	¥ Million	%	Yen
As of March 31, 2023	1,339,852	488,335	36.4	2,411.89
As of March 31, 2022	1,303,991	471,835	36.2	2,330.36

Reference : Owners' equity : As of March 31, 2023 ¥488,090 million As of March 31, 2022 ¥471,593 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
FY2022	13,086	(20,539)	(12,918)	158,776
FY2021	36,546	2,304	(29,151)	179,108

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	%	%
FY2021	—	27.00	—	27.00	54.00	11,183	35.2	2.3
FY2022	—	28.00	—	29.00	57.00	11,543	44.7	2.4
FY2023 (Forecast)	—	34.00	—	35.00	69.00		60.1	

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

3. Consolidated performance forecast for FY2023 (April 1, 2023 - March 31, 2024)

(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 FY2023	1,372,000	3.0	12,200	19.3	13,400	16.6	8,700	24.3	45.38
FY2023	2,744,000	1.8	32,000	6.1	34,000	3.6	22,000	(14.7)	114.75

*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, 2023 202,840,000 shares
 - As of March 31, 2022 235,017,600 shares
 - ii. Number of treasury stock at end of period:
 - As of March 31, 2023 471,650 shares
 - As of March 31, 2022 32,648,047 shares
 - iii. Average number of outstanding shares during the period:
 - FY2022 202,368,921 shares
 - FY2021 209,558,852 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 FY2022 (April 1, 2022 - March 31, 2023)

1. Non-consolidated operating results

(Percentages indicate changes over the previous fiscal year)

	Net sales		Operating income		Ordinary profit		Profit	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
FY2022	22,167	28.9	20,120	32.0	20,338	32.4	20,397	50.0
FY2021	17,201	(31.9)	15,237	(34.8)	15,359	(35.1)	13,595	(43.0)

	Earnings per share of common stock	
	Basic	Diluted
	Yen	Yen
FY2022	100.79	—
FY2021	64.88	—

2. Non-consolidated financial position

	Total assets	Net assets	Owners' equity ratio	Net assets per share
	¥ Million	¥ Million	%	Yen
As of March 31, 2023	271,933	256,806	94.4	1,269.01
As of March 31, 2022	265,345	247,615	93.3	1,223.58

Reference : Owners' equity : As of March 31, 2023 ¥ 256,806 million As of March 31, 2022 ¥ 247,615 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

FY2022 consolidated balance sheets

(Millions of yen)

	Year-end FY2021 (As of March 31, 2022)	Year-end FY2022 (As of March 31, 2023)
(Assets)		
Current assets		
Cash and deposits	180,436	160,122
Trade notes receivable	11,836	11,581
Accounts receivable	590,652	612,072
Merchandise and finished goods	140,156	145,349
Work in process	1,294	1,469
Raw materials and supplies	5,439	5,972
Other receivables	76,744	82,118
Other	12,164	16,261
Allowance for doubtful accounts	(2,252)	(419)
Total current assets	1,016,471	1,034,527
Non-current assets		
Property, plant and equipment		
Buildings and structures	121,876	125,754
Less accumulated depreciation	(58,167)	(62,052)
Buildings and structures (net)	63,708	63,702
Machinery, equipment and vehicles	37,715	39,633
Less accumulated depreciation	(22,217)	(24,696)
Machinery, equipment and vehicles (net)	15,498	14,936
Tools and fixtures	14,287	15,073
Less accumulated depreciation	(10,325)	(11,160)
Tools and fixtures (net)	3,962	3,912
Land	70,018	72,127
Leased assets	7,576	7,041
Less accumulated depreciation	(4,009)	(4,269)
Leased assets (net)	3,567	2,772
Construction in progress	6,003	19,370
Total property, plant and equipment	162,758	176,821
Intangible assets		
Goodwill	2,913	2,545
Leased assets	118	42
Other	15,775	15,271
Total intangible assets	18,807	17,860
Investments and other assets		
Investment securities	87,284	91,555
Long-term loans receivables	1,228	1,834
Deferred tax assets	855	901
Net defined benefit asset	5,929	6,532
Other	14,431	14,853
Allowance for doubtful accounts	(3,774)	(5,033)
Total investments and other assets	105,954	110,643
Total non-current assets	287,520	305,325
Total assets	1,303,991	1,339,852

(Millions of yen)

	Year-end FY2021 (As of March 31, 2022)	Year-end FY2022 (As of March 31, 2023)
(Liabilities)		
Current liabilities		
Trade notes and accounts payable	755,250	780,343
Short-term borrowings	48	—
Long-term lease obligations due within one year	1,747	1,394
Income taxes payable	10,922	6,046
Provision for employees' bonuses	6,835	7,210
Provision for bonuses to directors	407	384
Provision for share awards	44	—
Provision for share awards for directors	59	—
Provision for loss on Antimonopoly Act	—	4,937
Other	27,497	25,416
Total current liabilities	802,813	825,732
Long-term liabilities		
Long-term lease obligations	3,244	2,461
Deferred tax liabilities	11,614	12,054
Deferred tax liabilities for land revaluation	436	429
Provision for share awards	—	73
Provision for share awards for directors	—	90
Provision for loss on Antimonopoly Act	3,994	—
Net defined benefit liability	8,075	8,363
Asset retirement obligations	996	1,054
Other	980	1,257
Total long-term liabilities	29,343	25,784
Total liabilities	832,156	851,517
(Net assets)		
Shareholders' equity		
Common stock	18,454	18,454
Capital surplus	101,660	57,720
Retained earnings	352,015	366,649
Less treasury stock, at cost	(44,625)	(686)
Total shareholders' equity	427,504	442,137
Accumulated other comprehensive income		
Unrealized gains on available-for-sale securities, net of taxes	44,760	47,135
Unrealized gains (losses) on deferred hedge, net of taxes	0	(0)
Revaluation reserve for land, net of taxes	(3,360)	(3,346)
Foreign currency translation adjustments	200	269
Remeasurements of defined benefit plans, net of taxes	2,487	1,895
Total accumulated other comprehensive income	44,088	45,953
Non-controlling interests	241	244
Total net assets	471,835	488,335
Total liabilities and net assets	1,303,991	1,339,852

FY2022 consolidated statements of income and comprehensive income

(Millions of yen)

	FY2021 (April 1, 2021 - March 31, 2022)	FY2022 (April 1, 2022 - March 31, 2023)
Net sales	2,585,643	2,696,069
Cost of sales	2,398,174	2,503,983
Gross profit	187,468	192,085
Selling, general and administrative expenses	158,377	161,937
Operating income	29,091	30,148
Other income		
Interest income	64	56
Dividend income	2,226	1,628
Rental income from real estate	611	597
Other	1,154	840
Total other income	4,057	3,122
Other expenses		
Interest expense	73	64
Commission fees	112	—
Expense for rental property	182	175
Other	203	200
Total other expenses	573	440
Ordinary profit	32,576	32,831
Extraordinary profit		
Gain on sales of property, plant and equipment	129	107
Gain on sales of investment securities	18,921	9,303
Total extraordinary profit	19,050	9,411
Extraordinary loss		
Loss on sales of property, plant and equipment	0	17
Loss on disposal of property, plant and equipment	140	131
Loss on impairment of property, plant and equipment	967	825
Write-down of investment securities	2,164	1,159
Loss on liquidation of subsidiaries and associates	—	387
Provision for loss on Antimonopoly Act	—	993
Other	173	134
Total extraordinary loss	3,446	3,650
Profit before income taxes	48,180	38,591
Income taxes		
Current	15,879	13,205
Deferred	97	(402)
Total income taxes	15,977	12,802
Profit	32,202	25,789
Profit attributable to:		
Owners of the parent	32,182	25,786
Non-controlling interests	20	2

(Millions of yen)

	FY2021 (April 1, 2021 - March 31, 2022)	FY2022 (April 1, 2022 - March 31, 2023)
Other comprehensive income		
Unrealized gains (losses) on available-for-sale securities, net of taxes	(23,222)	2,374
Unrealized gains (losses) on deferred hedge, net of taxes	0	(0)
Foreign currency translation adjustments	125	68
Remeasurements of defined benefit plans, net of taxes	(645)	(591)
Total other comprehensive income	(23,741)	1,852
Comprehensive income	8,461	27,641
Comprehensive income attributable to:		
Owners of the parent	8,440	27,638
Non-controlling interests	20	2

Full-year consolidated statements of changes in net assets

FY2021 (April 1, 2021 - March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2021	18,454	101,660	331,459	(29,370)	422,203
Cumulative effects of changes in the accounting policy			(69)		(69)
Restated balance	18,454	101,660	331,390	(29,370)	422,134
Changes during the fiscal year					
Cash dividends paid at ¥54.00 per share			(11,430)		(11,430)
Profit attributable to owners of the parent			32,182		32,182
Treasury stock acquired				(15,254)	(15,254)
Sales of treasury stock		(0)		0	0
Increase by merger			169		169
Reversal of revaluation reserve for land			(296)		(296)
Changes in items other than shareholders' equity during the fiscal year (net)					
Total	—	(0)	20,625	(15,254)	5,370
Balance at March 31, 2022	18,454	101,660	352,015	(44,625)	427,504

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Unrealized gains (losses) 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, 2021	67,983	(0)	(3,657)	75	3,132	67,533	221	489,957
Cumulative effects of changes in the accounting policy								(69)
Restated balance	67,983	(0)	(3,657)	75	3,132	67,533	221	489,888
Changes during the fiscal year								
Cash dividends paid at ¥54.00 per share								(11,430)
Profit attributable to owners of the parent								32,182
Treasury stock acquired								(15,254)
Sales of treasury stock								0
Increase by merger								169
Reversal of revaluation reserve for land								(296)
Changes in items other than shareholders' equity during the fiscal year (net)	(23,222)	0	296	125	(645)	(23,444)	20	(23,424)
Total	(23,222)	0	296	125	(645)	(23,444)	20	(18,053)
Balance at March 31, 2022	44,760	0	(3,360)	200	2,487	44,088	241	471,835

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

FY2022 consolidated statements of cash flows

(Millions of yen)

	FY2021 (April 1, 2021 - March 31, 2022)	FY2022 (April 1, 2022 - March 31, 2023)
Cash flows from operating activities		
Profit before income taxes	48,180	38,591
Depreciation and amortization	12,200	12,804
Loss on impairment of property, plant and equipment	967	825
Amortization of goodwill	624	498
Increase (decrease) in allowance for doubtful accounts	1,099	(574)
Increase in provision for employees' bonuses	454	374
Decrease in provision for bonuses to directors	(42)	(23)
Decrease in net defined benefit liability	(1,502)	(1,166)
Interest and dividend income	(2,290)	(1,684)
Interest expense	73	64
Gain on sales of property, plant and equipment, net	(128)	(90)
Loss on disposal of property, plant and equipment	140	131
Gain on sales of investment securities, net	(18,817)	(9,169)
Write-down of investment securities	2,164	1,159
Increase in trade receivables	(7,977)	(22,334)
(Increase) decrease in inventories	1,648	(5,900)
(Increase) decrease in other receivables	509	(4,065)
Increase in trade payables	951	25,093
Other, net	5,092	(4,992)
Subtotal	43,349	29,543
Interest and dividends received	2,290	1,686
Interest paid	(73)	(64)
Income taxes paid	(9,020)	(18,078)
Net cash provided by operating activities	36,546	13,086

(Millions of yen)

	FY2021 (April 1, 2021 - March 31, 2022)	FY2022 (April 1, 2022 - March 31, 2023)
Cash flows from investing activities		
Payments into time deposits	(964)	(945)
Proceeds from maturity of time deposits	939	941
Payments for purchase of property, plant and equipment	(15,002)	(22,716)
Proceeds from sale of property, plant and equipment	386	186
Payments for purchase of intangible assets	(1,986)	(2,749)
Payments for acquisition of long-term prepaid expense	(221)	(58)
Payments for purchase of investment securities	(1,279)	(4,810)
Proceeds from sales of investment securities	24,977	10,502
Proceeds from redemption of securities	59	—
Advances of loans receivable	(143)	(1,145)
Repayments of loans receivable	172	341
Payments for acquisition of businesses	(4,584)	—
Other, net	(49)	(84)
Net cash provided by (used in) investing activities	2,304	(20,539)
Cash flows from financing activities		
Repayments of long-term borrowings	(581)	(48)
Repayments of lease obligations	(1,885)	(1,729)
Payments for purchase of treasury stock	(15,254)	(2)
Proceeds from sales of treasury stock	0	0
Cash dividends paid	(11,430)	(11,138)
Net cash used in financing activities	(29,151)	(12,918)
Foreign currency translation gain on cash and cash equivalents	67	39
Net increase (decrease) in cash and cash equivalents	9,765	(20,332)
Cash and cash equivalents at beginning of the year	169,060	179,108
Increase in cash and cash equivalents resulting from merger	282	—
Cash and cash equivalents at end of the year	179,108	158,776