

Translation

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Tokyo, August 5, 2020
Alfresa Holdings Corporation

Notice Regarding Revision to Consolidated Performance Forecasts
[Prepared on the basis of Japan's Generally Accepted Accounting Principles (GAAP)]

Due to the current business environment, the Company revised its consolidated performance forecasts for the cumulative second quarter ending September 30, 2020 (April 1, 2020 - September 30, 2020) and for the full year ending March 31, 2021 (April 1, 2020 - March 31, 2021), which were previously announced on May12, 2020.

1. Revision of Consolidated Performance Forecasts

(1) The cumulative second quarter ending September 30, 2020

	Net sales	Operating income	Ordinary profit	Profit attributable to owners of the parent	Basic earnings per share
	¥ Million	¥ Million	¥ Million	¥ Million	Yen
Previous projection (A)	1,327,600	14,000	19,200	13,500	63.78
Revised projection (B)	1,292,700	7,400	12,500	9,800	46.30
Change (B-A)	-34,900	-6,600	-6,700	-3,700	-
Percentage change (%)	-2.6	-47.1	-34.9	-27.4	-
(Ref.) Results for the cumulative 2 nd quarter ended Sep 30, 2019	1,367,155	22,909	27,169	18,129	85.65

(2) The full year ending March 31, 2021

	Net sales	Operating income	Ordinary profit	Profit attributable to owners of the parent	Basic earnings per share
	¥ Million	¥ Million	¥ Million	¥ Million	Yen
Previous projection (A)	2,700,000	36,800	47,200	30,200	142.67
Revised projection (B)	2,631,000	20,900	31,300	19,600	92.60
Change (B-A)	-69,000	-15,900	-15,900	-10,600	-
Percentage change (%)	-2.6	-43.2	-33.7	-35.1	-
(Ref.) Results for the full year ended March 31, 2020	2,698,511	47,645	57,170	40,273	190.26

2. Reasons for Revision of Consolidated Performance Forecasts

(1) The cumulative second quarter ending September 30, 2020

On May 12, 2020, the Company announced the initial forecasts for the cumulative second quarter and the full year of the fiscal year ending March 31, 2021 without taking into consideration the actual impact by COVID-19.

However, in the ethical pharmaceutical wholesaling business segment, deterioration of business conditions has become apparent due to factors such as the spread of COVID-19. At medical institutions, which are one of our important customers, some of outpatients who are wary of infection risk avoided to visit to be treated and surgical opportunities became fewer than past average. At dispensing pharmacies, which are also our important customers, there was a decrease in the dispensing fees due to an appreciable drop in the number of prescriptions. Additionally, the self-restraint of marketing activities by our group has become particularly noticeable especially in the urban areas (Tokyo, Osaka, Nagoya, etc.) where our market share is high resulting in negative impact on our business performance.

Moreover, in the self-medication wholesaling business segment, inbound-related demand has almost dried up due to a large decrease of foreign visitors to Japan, and in the manufacturing business segment and the medical-related business segment which mainly operates dispensing pharmacies, the business performance in these two segments has also been in down note due to the spread of COVID-19.

As a result, in the consolidated cumulative first quarter ended June 30, 2020, the Company posted net sales of 4.0% down year on year, operating income of 59.7% down year on year, ordinary profit of 44.5% down year on year, and profit attribute to owners of the parent of 27.6% down year on year.

Considering these factors, the Company has decided to revise its consolidated performance forecast for the cumulative second quarter ending September 30, 2021, which was originally announced in May.

(2) The full year ending March 31, 2021

The consolidated performance forecast for the full year ending March 31, 2021 was also revised with the same reasons as stated above at (1).

With the information currently available and certain conditions that are judged to be reasonable, the Company considers that the impact of COVID-19 on business activities will gradually decrease as a preconditions of its revised performance forecast.

We do not anticipate the stagnation of business activities in Japan due to the re-expansion of COVID-19, and actual business results may differ depending on future trends. In the event of an important matter that should be disclosed, we will promptly announce the impact on our business performance.

Both interim and year-end dividends forecasts remain unchanged from the previously announced under our basic policy of shareholders' return.

***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.

About Alfresa Group

The Alfresa Group is a leader in Japanese healthcare industry which is dedicated to make its corporate philosophy “we create and deliver a fresh life for all” come true through a wide range of business lines including ethical pharmaceutical wholesaling, OTC drugs wholesaling, pharmaceutical manufacturing, and operating dispensing pharmacies. Alfresa Holdings Corporation (TSE:2784) reported its consolidated revenue of ¥2.7 trillion (US\$25 billion) for the fiscal year ended March 31, 2020. For more information, please see:
<https://www.alfresa.com/eng/index.html>