

February 10, 2004

Earnings Summary for 9 Months of the Fiscal Year Ending March 2004 (Consolidated)

Corporate Name: Alfresa Holdings Corporation (Code No.: 2784)

(URL: <http://www.alfresa.com>)

Listing: 1st sections of Tokyo Stock Exchange and Osaka Securities Exchange

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1. Concerning the compilation of the quarterly financial report

(1) Some differences exist between the accounting method(s) used for this and other financial periods in recent consolidated financial periods.

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No physical inventory taking was conducted at the end of this quarter. Inventory balance was recorded from book entries with the inventory balance based on a physical inventory taking at the end of consolidated interim financial period. Simple accounting procedures were partially used for items whose amounts have little effects on the financial results.

(2) No changes occurred for consolidation or application of equity method accounting.

2. Consolidated performance for the nine months of this fiscal year

(April 1, 2003 - December 31, 2003)

(1) Consolidated operating results

(Amounts below one million yen are omitted.)

	Net sales		Operating income		Ordinary profit		Net income	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
9 months (Dec. 31, 2003)	817,742	-	9,794	-	12,116	-	6,380	-
9 months (Dec. 31, 2002)	-	-	-	-	-	-	-	-
[Ref.] Fiscal year ended Mar. 2003	-	-	-	-	-	-	-	-

(Unit: yen)

	Net income per share	Diluted earnings per share
9 months (Dec. 31, 2003)	194.52	-
9 months (Dec. 31, 2002)	-	-
[Ref.] Fiscal year ended Mar. 2003	-	-

Note: Percentage shown in net sales, operating income, etc. reflects any changes (increase or decrease) from the same period of previous year. Alfresa started to compile earnings reports on a quarterly basis this consolidated fiscal year; hence no financial information was shown for the first nine months of the previous fiscal year.

[Qualitative information on consolidated operating results]

On September 29, 2003, Alfresa was established as a holding company, with Azwell Inc. and Fukujin Co., Ltd. being wholly-owned subsidiaries, through transfer of shares. Accordingly, the Company's consolidated results for the first nine months of the fiscal year represent the consolidated earnings figures of Azwell and Fukujin combined with the non-consolidated results of Alfresa Holdings for the period between September 29 and December 31, 2003.

The Alfresa group has strived to improve groupwide earnings under the mid-term business plan, which features four basic strategies: expansion of networks; pursuit of synergy effect; selection and concentration of business; and promotion of low-cost management. The group has established Management Integration Committee, which is now deliberating such issues as integration of marketing structure, IT systems and personnel programs as well as reorganization of operations in every business sector.

As a result, the Company posted consolidated net sales of ¥817,742 million in the first nine months of the year ending March 31, 2004. Operating income was ¥9,794 million, with an ordinary profit of ¥12,116 million and net income of ¥6,380 million.

(2) Financial situation (consolidated basis)

	Total assets (Millions of yen)	Shareholders' equity (Millions of yen)	Shareholders' equity ratio (%)	Shareholders' equity per share (yen)
9 months (Dec. 31, 2003)	547,301	104,564	19.1	3,188.97
9 months (Dec. 31, 2002)	-	-	-	-
[Ref.] Fiscal year ended Mar. 2003	-	-	-	-

[Consolidated cash flows]

(Unit: Millions of yen)

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of the third quarter
9 months (Dec. 31, 2003)	(10,039)	(1,414)	(1,927)	41,579
9 months (Dec. 31, 2002)	-	-	-	-
[Ref.] Fiscal year ended Mar. 2003	-	-	-	-

[Qualitative information on financial situation (consolidated basis)]

In the nine-month period under review, total assets were ¥547,301 million, liabilities totaled ¥439,392 million and shareholders' equity stood at ¥104,564 million.

Cash and cash equivalents (or "cash funds") at end of the third quarter were ¥41,579 million, down ¥13,370 million from the end of the previous consolidated financial year.

Cash flows in different activities for the nine months were as follows:

(Cash flow from operating activities)

As a result of operating activities, cash funds decreased by ¥10,039 million, as income before income taxes totaled ¥12,021 million and trade notes and accounts payable increased by ¥48,840 million, while trade notes and accounts receivable increased by ¥39,310 million, inventories increased ¥16,345 million and income taxes paid totaled ¥11,840 million.

(Cash flow from investing activities)

As a result of investing activities, cash funds decreased by ¥1,414 million, as increases in time deposits amounted to ¥1,097 million and payments for acquisition of tangible fixed assets were ¥587 million.

(Cash flow from financial activities)

As a result of financial activities, cash funds decreased by ¥1,927 million. This was largely due to ¥820 million in cash payments for share transfer and ¥741 million in cash payments for dividends.

3. Consolidated performance forecast for the fiscal year ending March 2004

(April 1, 2003 - March 31, 2004)

(Unit: Millions of yen)

	Net sales	Ordinary profit	Net income	Net income per share (yen)
Full year ending Mar. 2004	1,066,000	13,850	5,400	164.67

[Qualitative information on forecast for consolidated performance]

In the nine-month period, the figures of net sales and ordinary profit were almost the same as originally projected. Meanwhile, net income exceeded the outlook for the fiscal year ending March 2004 announced on November 19, 2003. However, the Company did not revise its earnings outlook for the fiscal year ending March 2004. This is because the Company will speed up the devaluation schedule for land and other business assets that hold unrealized losses, by an earlier application of asset impairment accounting rule before the end of the current fiscal year, in a bid to further improve its financial standing.

Note: The above-mentioned outlook for the fiscal year ending March 2004 reflects the judgment by Alfresa Holdings and group firms on the basis of currently available information, and thus it contains risks and uncertainties. It should be noted that the actual results may differ from those described above depending on various factors, including the economic situation that affects the Company and group firms, as well as overall market trends.

4. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

Item	As of the end of the third quarter (December 31, 2003)	
	Millions of Yen	Percentage (%)
(Assets)		
Current assets	459,965	84.0
Cash and deposits	33,378	
Trade notes and accounts receivable	321,387	
Securities	9,526	
Inventories	67,370	
Deferred tax assets	2,071	
Miscellaneous receivables	24,397	
Others	2,603	
Allowance for doubtful accounts	(769)	
Fixed assets	87,336	16.0
Tangible fixed assets	50,825	9.3
Buildings and structures	17,356	
Machinery, equipment and vehicles	1,745	
Furniture and fixtures	1,280	
Land	30,415	
Construction in progress	27	
Intangible fixed assets	2,009	0.4
Investments and other assets	34,501	6.3
Investment in securities	16,190	
Long-term loans	1,743	
Deferred tax assets	5,428	
Deferred tax assets on land revaluation	2,223	
Others	11,925	
Allowance for doubtful accounts	(3,009)	
Total	547,301	100.0

Item	As of the end of the third quarter (December 31, 2003)	
	Millions of Yen	Percentage (%)
(Liabilities)	439,392	80.3
Current liabilities	420,056	76.8
Trade notes and accounts payable	407,947	
Short-term debt	2,750	
Current portion of long-term loans	194	
Income taxes payable	1,603	
Accrued bonuses	1,599	
Allowance for sales rebates	48	
Allowance for loss on sales returns	550	
Others	5,362	
Non-current liabilities	19,336	3.5
Long-term loans	100	
Allowance for employees' retirement benefits	17,101	
Allowance for directors' retirement benefits	1,054	
Allowance for losses on debt guarantee	578	
Allowance for losses on restructuring of business	232	
Consolidation-related adjustments	29	
Others	240	
(Minority interests)	3,345	0.6
Minority interests	3,345	0.6
(Shareholder' equity)	104,564	19.1
Paid-in capital	3,380	0.6
Additional paid-in capital	17,803	3.3
Retained earnings	83,973	15.3
Shortfall on land revaluation	(3,235)	(0.6)
Unrealized gains on available-for-sale securities	4,778	0.9
Foreign currency translation adjustments	0	0.0
Treasury stock, at cost	(2,136)	(0.4)
Total	547,301	100.0

(2) Quarterly Consolidated Income Statement

Item	Nine-month ended December 31, 2003	
	Millions of Yen	Percentage (%)
(Net sales)	817,742	100.0
Net sales	817,742	
(Cost of sales)	747,252	91.4
Cost of sales	747,252	
Gross profit	70,489	8.6
Selling, general and administrative expenses	60,694	7.4
Operating income	9,794	1.2
Non-operating income	2,508	0.3
Interest income	79	
Dividend income	169	
Information fees received	1,677	
Depreciation of consolidation-related adjustments	87	
Equity in earnings of unconsolidated subsidiaries and affiliates	24	
Others	470	
Non-operating expenses	187	0.0
Interest expenses	25	
Amortization of organizational inauguration expenses	49	
Commission fees	35	
Others	75	
Ordinary profit	12,116	1.5
Extraordinary income	446	0.0
Gain on sale of fixed assets	147	
Reversal of allowance for doubtful accounts	205	
Reversal of allowance for directors' retirement benefits	93	
Extraordinary loss	541	0.1
Loss on sales of fixed assets	334	
Loss on disposal of fixed assets	113	
Unrealized loss on securities	11	
Loss on sales of securities	29	
Unrealized loss on membership rights	51	
Income before income taxes	12,021	1.4
Corporate, residential and enterprise taxes	5,035	0.6
Corporate tax adjustments	383	0.0
Minority interests in net income	220	0.0
Net income	6,380	0.8

(3) Quarterly Consolidated Statement of Retained Earnings

	Nine-month ended December 31, 2003
Item	Millions of Yen
Capital surplus	
Beginning balance	17,803
Ending balance	17,803
Retained earnings	
Beginning balance	78,384
Increase in retained earnings	6,382
(Net income)	6,380
(Transfer from land revaluation surplus)	2
Decrease in retained earnings	793
(Dividends)	741
(Directors' bonuses)	52
Ending balance	83,973

(4) Quarterly Consolidated Statement of Cash Flows

	Nine-month ended December 31, 2003
Item	Millions of Yen
I Cash flows from operating activities	
Income before income taxes	12,021
Depreciation	1,769
Decrease in allowance for doubtful accounts	(521)
Increase in allowance for employees' retirement benefits	322
Decrease in allowance for bonuses	(1,457)
Decrease in allowance for loss on business restructuring	(349)
Interest and dividends income	(257)
Interest expense	25
Gains on sales of fixed assets	(147)
Loss on disposal of fixed assets	448
Decrease in unpaid employees' retirement benefits	(2,420)
Increase in trade notes and accounts receivable	(39,310)
Increase in inventories	(16,345)
Increase in miscellaneous receivables	(14)
Increase in trade notes and accounts payable	48,840
Others	(1,035)
Subtotal	1,566
Interest and dividends received	259
Interest paid	(25)
Income taxes paid	(11,840)
Net cash used in operating activities	(10,039)

	Nine-month ended December 31, 2003
Item	Millions of Yen
II Cash flows from investing activities	
Increase in time deposits	(1,097)
Proceeds from maturity of time deposits	210
Payments for purchase of tangible fixed assets	(587)
Proceeds from sale of tangible fixed assets	382
Payments for purchase of intangible fixed assets	(418)
Proceeds from liquidation of affiliates	106
Others	(11)
Net cash used in investing activities	(1,414)
III Cash flows from financing activities	
Decrease in short-term bank loans	(40)
Repayments of long-term debt	(274)
Cash payments for share transfer	(820)
Cash dividends paid	(741)
Cash dividends paid to minority shareholders	(18)
Others	(32)
Net cash used in financing activities	(1,927)
IV Translation gains on cash and cash equivalents	10
V Decrease in cash and cash equivalents	(13,370)
VI Beginning balance of cash and cash equivalents	54,950
VII Ending balance of cash and cash equivalents	41,579