Translation

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Tokyo, June 17, 2020
Alfresa Holdings Corporation

Notice regarding Capital Alliance between Alfresa Corporation and PharmaBio Corporation

A consolidated subsidiary, Alfresa Corporation (Head office: Chiyoda-ku, Tokyo; Representative Director & President: Koichi Masunaga; hereafter "Alfresa") and PharmaBio Corporation (Head office: Nagoya, Aichi; Representative Director & President: Hitoshi Kusano; hereafter "PharmaBio") concluded a capital alliance agreement, as specified below.

1. Purpose of the Capital Alliance

Regenerative medicine products need to be managed under the different conditions from conventional drugs in terms of quality control and safety in distribution process. In particular, cell-derived products require strict temperature control and traceability*[1]. For such occasion, a high-quality distribution system that meets these requirements must be established.

PharmaBio is a company that not only develops regenerative medicine products, but operates contract development and manufacturing of them. The company are complying with GCTP, a standard for manufacturing management and quality control for regenerative medicine products, and are providing a variety of services to enhance products' safety and quality while it is assuring its clients of a low-risk, low-cost production activities. At the present, the company is developing a number of products based on own manufacturing technique and know-how.

Alfresa Group's 19-21 Mid-term Management Plan - *The Challenge of Further Growth "Together with Health, Together with Communities"* presents "Reform Business Models" as one of the Group management policies, and the Group aims to expand its business fields by proactive investments for growth.

Through the capital alliance, Alfresa will receive a priority negotiation right in terms of distribution and marketing of autologous cell type*[3] regenerative medicine products that PharmaBio is currently developing. With PharmaBio's products as a case, Alfresa will also establish a supply chain system for autologous cell type regenerative medicine products at the Tonomachi Regenerative Medicine Distribution Station*[4]. More specifically, Alfresa and PharmaBio will exercise joint-research to develop a distribution system that enable quality control, ensuring safety, and stable supply through all phases from raw material procurement to the finished product delivery, to design transport systems tailored

to the characteristics of individual regenerative medicine products, and to establish a system to share tracking and control information of each product across the supply chain in a timely manner.

Alfresa will ensure the safe and secure provision of regenerative medicine products that require a high-quality distribution control system to patients.

*1 Traceability: The ability to discover information about every stage of distribution process of items from the production stage to the final consumption or disposal stage

*2 GCTP(Good Gene, Cellular, and Tissue-based Products Manufacturing Practice): Standards for manufacturing control and quality control of regenerative medicine products

*3 Autologous cell type: Type of cell therapy using own cells of the patient for cell procession such as culture

*4 Tonomachi Regenerative Medicine Distribution Station: a storage and transportation base for regenerative medicine products established by Alfresa in August 2018

2. Outline of the Capital Alliance

The number of shares to be acquired	7,143,000 shares*5
Percentage of total shares issued	3.6%*6

*5 Classified stock

*6 Percentage of common stock when all outstanding classified stocks are converted into common stock

3. Overview of Alliance Partner

(1) Corporate name	PharmaBio Corporation	
(2) Head office	4-14-17, Kami-nagoya, Nishi-ku, Nagoya, Aichi	
(3) Title and name of representative	Hitoshi Kusano Representative Director & President	
(4) Description of business	Development of regenerative medicine products, contract development and manufacturing of regenerative medicine products, various outsourced tests and inspections such as microbial safety testing of cells, development of production systems and equipment, etc.	
(5) Paid-in capital	358 million yen (as of May 2020)	
(6) Date of establishment	April 1978 (Company name changed October 2010)	
(7) Relationship between a listed company and the company	Capital relationship	Not applicable.
	Human relationship	Not applicable.
	Transactional relationship	Not applicable.

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