Translation

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Tokyo, July 21, 2020
Alfresa Holdings Corporation

# Notice regarding of Business Alliance on the Construction of Joint Distribution Scheme for Healthcare Products between Alfresa Corporation and YAMATO LOGISTICS CO., LTD.

A consolidated subsidiary, Alfresa Corporation (Head office: Chiyoda-ku, Tokyo; President: Yusuke Fukujin; hereafter "Alfresa") and YAMATO LOGISTICS CO., LTD. (Head office: Chuo-ku, Tokyo; President: Yasuharu Kosuge; hereafter "YAMATO LOGISTICS"), which is a subsidiary of YAMATO HOLDINGS CO., LTD. (Head office: Chuo-ku, Tokyo; President: Yutaka Nagao; hereafter "YAMATO HOLDINGS"), concluded a business alliance agreement today on the construction of a joint distribution scheme for "healthcare products" such as ethical pharmaceuticals, OTC drugs, medical devices and materials, diagnostic regents, as specified below.

## 1. Background and Purpose

In Japan, the increase in the elderly population and decrease in the working age population are progressing at an unprecedented pace, and with this population structure change, the increase in social security expenses and securing fiscal resources for that purpose have become urgent social issues. Furthermore, the spread of COVID-19 inside and outside of Japan is presently having a huge impact on medical care provision systems. Considering that, to maintain a reliable, safe, and secure pharmaceuticals distribution network is now even more indispensable than ever before.

Alfresa and Yamato Transport Co., Ltd. (Head office: Chuo-ku, Tokyo; President: Toshizo Kurisu), which is a subsidiary of YAMATO HOLDINGS, jointly launched the "Pharmaceuticals Distribution Research Group" in January 2019, and in June 2020 Alfresa and YAMATO LOGISTICS, which is responsible in the Yamato Group for distribution solutions to corporate customers, concluded a memorandum of understanding about cooperation in the remote prescribing field.

Today, Alfresa and YAMATO LOGISTICS additionally concluded a business alliance agreement toward "construction of a joint distribution scheme for healthcare products" with the aim of boosting the efficiency of healthcare products distribution operations.

## 2. Details of the Business Alliance

The details of the business alliance between Alfresa and YAMATO LOGISTICS are described as

below.

(1) Cooperation in development of various systems to boost distribution operation efficiency of healthcare products

- In the first phase, to boost the efficiency of Alfresa's healthcare products distribution operations, both companies will collaborate on developing various systems that enable us to predict future distribution capability on a daily basis as well as to optimize vehicles allocation.
- Allocation of distribution personnel will also be optimized based on the predicted distribution volume data of healthcare products by the newly developing systems above. This will lead to achieve more stable provision system of healthcare products.

(2) Cooperation in development of various systems to further increase distribution capacity

- In the second phase, both companies will collaborate on developing various systems that enable us to increase distribution capacity while maintaining the quality of healthcare products distribution.
- By synchronizing the systems which will be developed in the first and second phases, and providing them to the healthcare industry overall, the systems will enable not only to maintain its quality but to greatly increase distribution capacity.

3. Overview of Alliance Partner (as of May 31, 2020)

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| (1) Corporate name | YAMATO LOGISTICS CO., LTD. | |
| (2) Head office | 2-12-18, Ginza, Chuo-ku, Tokyo | |
| (3) Title and name of representative | Yasuharu Kosuge, President | |
| (4) Description of business | Logistics services from procurement and manufacturing fields through to sales and after-sales service fields | |
| (5) Paid-in capital | 1 billion yen | |
| (6) Date of establishment | August 1, 2008 | |
| (7) Major shareholder and its ratio | YAMATO HOLDINGS CO., LTD. 100% | |
| (8) Relationship between a listed company and the company | Capital relationship | Not applicable. |
| | Human relationship | Not applicable. |
| | Transactional relationship | Not applicable. |

4. Impact on Financial Results

The Company estimates that the financial impact in the fiscal year 2020 by this business alliance is minimal.

[ Reference ]

Released on January 16, 2019

"Establishment of a Research Group by Alfresa Corporation and Yamato Transport Co., Ltd."

https://ssl4.eir-parts.net/doc/2784/announcement3/47776/00.pdf

Released on June 26, 2020

"Notice regarding the Completion of Memorandum of Understanding between Alfresa Corporation and YAMATO LOGISTICS CO., LTD. in Remote Prescribing Field"

https://ssl4.eir-parts.net/doc/2784/announcement3/59424/00.pdf

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