Translation

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Tokyo, February 26, 2021
Alfresa Holdings Corporation

Notice regarding Transfer of 11 Long-listed products from Daiichi Sankyo

The Company's subsidiary Alfresa Pharma Corporation (head office: Chuo-ku, Osaka; President and CEO: Koichi Shimada, hereafter "Alfresa Pharma"), which operates manufacturing business of pharmaceuticals and other products, and Daiichi Sankyo Company, Limited (head office: Chuo-ku, Tokyo; President and CEO: Sunao Manabe, hereafter "Daiichi Sankyo") have reached an agreement that Daiichi Sankyo will transfer the marketing authorizations, including manufacturing and sales approvals, for 19 items of 11 long-listed products (hereafter "the products subject to this transfer") manufactured and sold in Japan by Daiichi Sankyo to Alfresa Pharma and have concluded an agreement on the succession of related assets.

After the completion of this transfer, Alfresa Pharma and Daiichi Sakyo will cooperate for the continued stable delivery of products to patients and advance the smooth and efficient transfer of the marketing authorizations.

1. Purpose of this Transfer

In the 2019-21 Mid-term Management Plan *The Challenge of Further Growth "Together with Health, Together with Communities,"* the Alfresa Group has presented "Expand products in line with Group needs" as one of priority policies in the Manufacturing business which is expected to be the Group's growth business, toward realizing a Healthcare Consortium.

In July 2018, Alfresa Pharma reached an agreement on succession of assets with Daiichi Sankyo and its subsidiary Daiichi Sankyo Espha Co., Ltd. for transfer of their 92 items of 41 long-listed products. By that, Alfresa Pharma achieved not only expanding its product lineup and the business scale of the Manufacturing business, but manifesting synergy with the Ethical pharmaceuticals wholesaling business and other businesses.

In this transfer, by acquiring the domestic sales rights, manufacturing and sales approvals, inventory, related contracts, trademark rights, copyrights, and data concerning safety of the products subject to this transfer from Daiichi Sankyo via absorption-type split and individual succession, Alfresa Pharma will work at the maintenance of quality, stable supply, and activities for the collection of safety information of these products as in the past and also manifest synergy with its existing products from the expansion to its product lineup and thus aim at strengthening the Manufacturing business.

2. Outline of this Transfer

(1) Schedule

Conclusion of agreement on succession of assets	February 26, 2021
Closing of absorption-type split agreement	December 1, 2021 (scheduled)
Effective date of absorption-type split	December 1, 2021 (scheduled)

Note 1: The above schedule may be changed following consultation between both parties if necessary in accordance with the state of progress.

Note 2: The implementation dates for products subject to individual succession are scheduled to be stipulated separately.

(2) The Products Subject to this Transfer

The products subject to this transfer by the absorption-type split and individual succession are the following 19 items of 11 products for which Daiichi Sankyo hold marketing and manufacturing rights in Japan and are manufacturing and selling in Japan.

No.	Product name	Dosage form	Therapeutic category	Ref.
1	ACECOL	Tablet	Antihypertensive drug	
2	EVOXAC	Capsule	Drug for dry mouth disease	
3	OVISOT	Injection	Japanese Pharmacopoeia Acetylcholine chloride for the injection	○
4	DUVADILAN	Tablet, Injection	Hemodynamics improvement drug for brain and erasion Antispasmodic drug for uterus	○
5	SLONNON	Injection	Antithrombin drug	
6	TOPOTECIN	Injection	Antitumor drug	○
7	NALOXONE HYDROCHLORIDE	Injection	Narcotic antagonist	
8	NIDRAN	Injection	Antitumor drug	
9	BANAN	Tablet, Powder	Antibiotics drug	○
10	FUCIDIN LEO	Ointment	Antibiotics drug	○
11	MELEX	Tablet, Powder	Anxiolytic drug	

Note: Products marked ○ in the reference (Ref.) column are products subject to individual succession.

(3) Financial Performance of the Products Subject to this Transfer

Net sales of the products subject to this transfer total 4,599 million yen in the year ended March 2020 (actual performance, invoice price basis).

(4) Asset Items of the Products Subject to this Transfer

As the products subject to this transfer, in addition to the concerned inventory, domestic sales rights and manufacturing and sales approvals as well as trademark rights, copyrights, and other intangible assets are planned. The products subject to this matter does not include target property, plant and equipment such as manufacturing facilities.

(5) Price for this transfer

The compensation for this transfer is 4,700 million yen in total*.

* The price includes inventory and is scheduled to be adjusted for the value of inventory at the time of succession.

3. Outline of the Parties

(1) Alfresa Pharma Corporation (as of March 31, 2020)

1	Corporate name	Alfresa Pharma Corporation
2	Head office	2-2-9 Kokumachi, Chuo-ku, Osaka, Osaka Prefecture
3	Name and title of representatives	Koichi Shimada Representative Director, President and CEO
4	Business description	Manufacturing, import/export and marketing of pharmaceuticals, diagnostic reagents, medical devices, and materials for pharmaceuticals, etc.
5	Paid-in capital	1,000 million yen
6	Date of establishment	December 24, 1939
7	Net assets	24,321 million yen
8	Total assets	47,177 million yen
9	Major shareholders and their holding ratio	Alfresa Holdings Corporation: 100%

(2) Daiichi Sankyo Company, Limited (as of March 31, 2020)

1	Corporate name	Daiichi Sankyo Company, Limited
2	Head office	3-5-1 Nihonbashi-honcho, Chuo-ku, Tokyo
3	Name and title of representatives	Sunao Manabe, Representative Director, President and CEO
4	Business description	Research and development, manufacturing, import, sales and marketing of pharmaceutical products
5	Paid-in capital	50,000 million yen
6	Date of establishment	September 28, 2005
7	Net assets	1,306,274 million yen
8	Total assets	2,105,619 million yen
9	Major shareholders and their holding ratio	The Master Trust Bank of Japan, Ltd. (trust account): 10.42% JP MORGAN CHASE BANK 385632: 10.00% Japan Trustee Service Bank, Ltd. (trust account): 8.52% Nippon Life Insurance Company: 5.52%

		SSBTC CLIENT OMNIBUS ACCOUNT: 3.68% Trust of Custody Services Bank, Ltd. as trustee for Mizuho Bank, Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.: 2.22% Japan Trustee Service Bank, Ltd. (trust account 7): 2.09% STATE STREET BANK AND TRUST COMPANY 505001: 1.86% Japan Trustee Service Bank, Ltd. (trust account 5): 1.80% The Shizuoka Bank, Ltd.: 1.76%	
10	Relations between the Company and the concerned company	Capital relations	Daiichi Sankyo's holding ratio of the Company shares: 3.03% The Company's holding ratio of Daiichi Sankyo shares: 0.26%*
		Personnel relations	Not applicable
		Trading relations	There are no trading relations to be stated between the Company and Daiichi Sankyo. The Company's subsidiaries are engaged in the purchase and sale of Daiichi Sankyo's products, with net sales of 166,926 million yen in the fiscal year ended March 31, 2020.
		Related parties status	Not applicable

* The above holdings ratio includes "deemed holdings of equity securities."

4. Expected effect of this transfer on financial results

At present, the impact of this transfer on the Company's consolidated performance for the fiscal year ending March 31, 2021 is expected to be minimal.

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 pharmaceuticals 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