Translation

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May 27, 2024
Alfresa Holdings Corporation

Notice Regarding Conclusion of Agreement for the Supply of Human (Allogeneic) Somatic Stem Cell Materials for Commercial Use

On April 23, 2024, subsidiary Cell Resources Corporation (head office: Chiyoda-ku, Tokyo; Representative Director & President: Kotaro Arita; hereinafter "Cell Resources") formed an agreement with the National Center for Child Health and Development for the supply of human (allogeneic) somatic stem cell materials[*1] for commercial use.

1. Background and Purpose of the Agreement

Under the 22–24 Mid-term Management Plan: Leap into the Future "An Evolving Healthcare Consortium" and the Alfresa Group's Medium- to Long-Term Vision, which lays out its goals through 2032, the Alfresa Group is working to create total supply chain services for regenerative medicine products as a new business that utilizes the Group's value chain. Amid these circumstances, Cell Resources is building a system for the stable supply of domestic cellular raw materials (master cells) as a company that operates regenerative medicine-related businesses.

The National Center for Child Health and Development has established an ethical review board for the provision of cell materials to facilitate the advancement of a project backed by the Japan Agency for Medical Research and Development that aims to promote the stable supply of human (allogeneic) somatic stem cell materials for regenerative medicine products. The board reviews from ethical, legal, and scientific perspectives the collection, supply, and intermediation of human (allogeneic) somatic stem cell materials that can be used as raw materials for processed cells,[*2] specific processed cells,[*3] or regenerative medicine products in accordance with the Ministry of Economy, Trade and Industry's Guidance on the Supply of Human (Allogeneic) Cell Materials.[*4] The board also serves as an intermediary institution for the stable supply of human (allogeneic) somatic stem cell materials, managing donor information, assisting medical institutions with collection, and providing support to the companies to which they are supplied.

Under this agreement, Cell Resources will receive, through the intermediation of the National Center for Child Health and Development, a supply of human (allogeneic) somatic stem cell materials necessary for the production of master cells, such as placentas, amnia, and fetal appendages such as umbilical cords. Going forward, the company will manufacture high-quality master cells at its cell culture and processing facility, the Koriyama Cell Processing Center. By providing master cells to customers such as pharmaceutical companies and academia, the company will contribute to the industrialization of cell therapy by helping customers streamline their manufacturing processes, reduce R&D costs, and shorten timelines for bringing regenerative medicine products to market.

*1 Human (allogeneic) somatic stem cell materials: Human (allogeneic) cells or tissues that can be used as raw materials for regenerative medicine products

*2 Processed cells: Human or animal cells that have undergone culturing or other processing

*3 Specific processed cells: Processed cells used for regenerative medicine, other than those that are regenerative medicine products

*4 Human (allogeneic) cell materials: Synonymous with the abovementioned "human (allogeneic) somatic stem cell materials"

2. About Cell Resources Corporation

Cell Resources was founded upon the philosophy of bringing the hope of regenerative medicine to all. The company handles essential aspects of the manufacturing and distribution process of regenerative medicine, from the procurement of human (allogeneic) somatic stem cell materials to the production of processed cells, and is building a system for providing high-quality, stable cells to those in need of regenerative medicine.

3. About the National Center for Child Health and Development

As a national center for advanced medical care, the National Center for Child Health and Development operates under the philosophy of promoting medical care and research to foster healthy future generations through the combined efforts of hospitals and research institutes.

The center provides comprehensive and continuous medical care for the growth and development of fetuses, newborns, infants, toddlers, school children, adolescents, and adults, beginning with fertilization and pregnancy, and continuing through to the process of nurturing future generations. In addition, the center conducts research to elucidate the etiology and pathology of diseases and ways to overcome them and makes recommendations on society's role in fostering healthy future generations.

4. Outlook

While the impact of this agreement on performance is expected to be minimal at the current time, we believe that it will contribute to enhancing the Group's corporate value in the medium to long term. If matters arise in the future related to this agreement that need to be disclosed, we will inform the relevant parties in a timely manner.

About the Alfresa Group

The Alfresa Group is a leader in the Japanese healthcare industry and is dedicated to making its corporate philosophy, "we create and deliver a fresh life for all," come true through a wide range of business lines, including ethical pharmaceuticals wholesaling, OTC pharmaceuticals wholesaling, pharmaceutical manufacturing, and operating dispensing pharmacies. Alfresa Holdings Corporation (TSE:2784) reported consolidated revenue of ¥2.8 trillion for the fiscal year ended March 31, 2024. For more information, please see: https://www.alfresa.com/eng/