Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damage arising from the translation.

(Code number 2784)
June 2, 2025
(The start date of measures for electronic provision May 30, 2025)

To Shareholders with Voting Rights:

Ryuji Arakawa
Representative Director & President
Alfresa Holdings Corporation
1-1-3, Otemachi, Chiyoda-ku, Tokyo, Japan

NOTICE OF THE 22ND ORDINARY GENERAL MEETING OF SHAREHOLDERS

The 22nd Ordinary General Meeting of Shareholders of Alfresa Holdings Corporation (the "Company") will be held for the purposes as described below.

In convening the General Meeting of Shareholders, the Company has taken measures for electronic provision and matters to be provided electronically are posted on the Company's website.
The Company's website
https://www.alfresa.com/eng/ir/meeting/

The same information is also posted on the website of the Tokyo Stock Exchange. Please access the website below, enter the issue name (company name) "Alfresa" or the Code "2784" to search, select "Basic information" and then "Documents for public inspection/PR information" to review the information.
The Tokyo Stock Exchange's website
https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders on the matters to be provided electronically, and exercise your voting rights by 5:00 p.m. on Tuesday, June 24, 2025 (JST).
You may also view the live streaming of the proceedings of the General Meeting of Shareholders via the Internet on the day of the meeting.

1. **Date and Time:** 10:00 a.m., Wednesday, June 25, 2025 (JST)

2. **Place:** Fuji room, 4th Floor, Hotel Grand Arc Hanzomon
1-1, Hayabusacho, Chiyoda-ku, Tokyo, Japan
(Please refer to the "General Meeting of Shareholders Venue Map" on the last page. (in Japanese only))

3. Meeting Agenda:

Matters to be reported:

1. The Business Report, Consolidated Financial Statements, and Audit Reports of the Independent Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements for the Company's 22nd Fiscal Year (April 1, 2024 – March 31, 2025)
2. Non-consolidated Financial Statements for the Company's 22nd Fiscal Year (April 1, 2024 – March 31, 2025)

Proposals to be resolved:

Proposal 1:	Partial Amendments to the Articles of Incorporation
Proposal 2:	Election of Eight (8) Directors (Excluding Those Who Are Audit and Supervisory Committee Members)
Proposal 3:	Election of Four (4) Directors Who Are Audit and Supervisory Committee Members
Proposal 4:	Determination of the Amount of Remuneration, etc. of Directors (Excluding Those Who Are Audit and Supervisory Committee Members)
Proposal 5:	Determination of the Amount of Remuneration, etc. of Directors Who Are Audit and Supervisory Committee Members
Proposal 6:	Revision to the Stock-based Performance-linked Remuneration Plan of Directors, etc.

If any revisions have been made to matters to be provided electronically, the revisions will be posted on the Company's website and the Tokyo Stock Exchange's website.

Announcement on Exercise of Voting Rights:

If attending the meeting in person:

Date and Time: 10:00 a.m., Wednesday, June 25, 2025 (JST) (Reception starts at 9:00 a.m.)

Please submit the Voting Rights Exercise Form at the reception desk. (You do not need to sign or seal.)
If you will be attending the meeting by proxy, please have the proxy submit a power of attorney and the Voting Rights Exercise Form to the reception desk at the venue. (Provisions of the Company's Articles of Incorporation limit proxies to other shareholders with voting rights.)
In order to conserve resources, please also bring this notice with you to the meeting venue.

If not attending the meeting in person:

Exercising your voting rights by mail:

Voting Deadline: 5:00 p.m., Tuesday, June 24, 2025 (JST)

Please mark your vote for or against the proposals on the Voting Rights Exercise Form and send it by mail without postage stamps.
Please ensure that the mail is received by the voting deadline.
If there is no indication of your vote for or against a proposal, it shall be deemed as an indication of approval.

Exercising your voting rights via the Internet:

Voting Deadline: 5:00 p.m., Tuesday, June 24, 2025 (JST)

Please access the designated website (https://evote.tr.mufg.jp/), and enter your votes for or against the proposals by the voting deadline.

In case of the Multiple voting

* If you exercise your voting rights by two different methods, that is, via the Internet as well as by mailing your Voting Rights Exercise Form, your voting results via the Internet shall be deemed valid.
* If you exercise your voting rights via the Internet more than once, only your final vote shall be deemed valid.

Charges to be incurred in relation to accessing the voting rights exercise site

Charges to be incurred in relation to accessing the voting rights exercise site (Internet connection charge, etc.) shall be borne by the shareholders.

[Platform for Electronic Exercise of Voting Rights]
If nominee shareholders such as trust & custody services banks, etc. (including standing proxies) make prior application to use Electronic Voting Platform for Foreign and Institutional Investors operated by ICJ, Inc. established by Tokyo Stock Exchange, Inc., etc., such shareholders may use the said platform as an electromagnetic method for exercising voting rights at the General Meetings of Shareholders of the Company.

Contact for inquiries in relation to systems, etc.
Stock Transfer Agency Division (Help Desk), Mitsubishi UFJ Trust and Banking Corporation
Phone: 0120-173-027 (9:00 a.m. to 9:00 p.m. (JST), toll free)

Information on Internet Live Streaming:

In order to enable shareholders to view the Company's General Meeting of Shareholders from their homes or other locations, the Company will offer live Internet streaming of the meeting as follows.

1. Date and time of streaming

10:00 a.m., Wednesday, June 25, 2025 (JST)
to the end of the General Meeting of Shareholders

* The live viewing website becomes accessible at around 9:30 a.m., 30 minutes before the start time.
* The live viewing will be available in Japanese only.

2. How to watch the live stream

Live Internet streaming of the meeting will be available on the "Engagement Portal" (the "Website"), an online platform for shareholder meetings.

Please access the Website using one of the following methods:

● By scanning the QR Code* (for smartphones, tablet computers, etc.)

(1) Please scan the QR Code printed on the back side of the Voting Rights Exercise Form with a smartphone, tablet computer, etc. You can log in without entering the login ID and password.
(2) Click the "Watch Live on the Day" button displayed on the screen.
(3) After confirming the Terms of Use for watching live on the day, check the "I agree to the Terms of Use" checkbox and then click the "Watch" button.

* QR Code is a registered trademark of DENSO WAVE INCORPORATED.

● By logging in using individual login ID and password (for computers, etc.)

(1) After accessing the following URL, please enter the "login ID" and "password" printed on the back side of the Voting Rights Exercise Form.

URL	https://engagement-portal.tr.mufg.jp/

(2) After confirming the Terms of Use, check the "I agree to the Terms of Use" checkbox.
(3) Click the "Login" button.
(4) Click the "Watch Live on the Day" button displayed on the screen.
(5) After confirming the Terms of Use for watching live on the day, check the "I agree to the Terms of Use" checkbox and then click the "Watch" button.

3. Notes on viewing

(1) It may not be possible to conduct live streaming due to unavoidable circumstances. In such cases, we will notify you via our website (https://www.alfresa.com/ir/meeting/).
(2) Viewing the live stream is not considered to be attending the General Meeting of Shareholders under the Companies Act, and therefore you will not be able to exercise your voting rights, ask any questions, and make any comments including motions.
(3) The live stream of the meeting will be limited to the shareholders only.
(4) It is strictly prohibited to film, record, or save the live stream, or to make it available to the public through social media.
(5) Please note that due to factors such as the Internet communication environment, video and audio may be distorted, transmission may be interrupted, and other problems may occur.

(6) Please note that Internet Explorer is not supported. Also, you may not be able to view the live stream depending on your device or network environment.
(7) Any costs incurred in accessing the Website for streaming (Internet connection fees, communication fees, etc.) shall be borne by the shareholder.
(8) If you have lost the enclosed Voting Rights Exercise Form, please contact the following.

4. Information for Shareholders Attending the General Meeting of Shareholders

In consideration of the privacy of the shareholders and other matters, we will only film the screen and the area around the seats of officers for the live stream. However, there may be cases where shareholders in attendance are unavoidably filmed. Thank you for your understanding.

[Contact points for inquiries regarding the Website]

Stock Transfer Agency Division,
Mitsubishi UFJ Trust and Banking Corporation 0120-676-808 (toll free)

Reception time:	9:00 a.m. to 5:00 p.m. (JST) (except Saturdays, Sundays and holidays) On the day of the General Meeting of Shareholders: From 9:00 a.m. to the end of the General Meeting of Shareholders

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

(1) The Company will transition to a company with audit and supervisory committee structure in order to further enhance corporate governance and corporate value by strengthening the monitoring functions of the Board of Directors through the appointment of Directors who are Audit and Supervisory Committee Members with voting rights at meetings of the Board of Directors.
In effecting the transition, necessary changes will be made, including the establishment of new provisions concerning the Audit and Supervisory Committee and Directors who are Audit and Supervisory Committee Members and the deletion of provisions concerning the Audit & Supervisory Board and Audit & Supervisory Board Members.

(2) With the aim of realizing prompt management decision-making through the separation of business supervision and execution and through the delegation of authority, new provisions will be established that enable delegation of decision-making authority on business execution from the Board of Directors to Directors.

(3) In conjunction with the aforementioned changes, adjustments to the number of articles and other necessary changes will be made.

2. Details of amendments

The details of the amendments are as follows.

The amendments to the Articles of Incorporation in this proposal shall come into force at the conclusion of this General Meeting of Shareholders.

(Amended parts are underlined.)

Current	Proposed Amendments
Chapter 1: General Provisions Articles 1–3 <Provisions of articles omitted>	Chapter 1: General Provisions Articles 1–3 <Unchanged>
(Governing Bodies) Article 4 The Company shall be governed by the General Meeting of Shareholders and by its Directors. In addition, the Company shall establish the following governing bodies: (1) Board of Directors (2) Audit & Supervisory Board Members (3) Audit & Supervisory Board (4) Independent Auditors	(Governing Bodies) Article 4 The Company shall be governed by the General Meeting of Shareholders and by its Directors. In addition, the Company shall establish the following governing bodies: (1) Board of Directors <Deleted> (2) Audit and Supervisory Committee (3) Independent Auditors
Article 5 <Provisions of articles omitted>	Article 5 <Unchanged>
Chapter 2: Shares Articles 6–12 <Provisions of articles omitted>	Chapter 2: Shares Articles 6–12 <Unchanged>
Chapter 3: General Meeting of Shareholders Articles 13–18 <Provisions of articles omitted>	Chapter 3: General Meeting of Shareholders Articles 13–18 <Unchanged>

Current	Proposed Amendments
Chapter 4: Directors and Board of Directors (Number of Directors) Article 19 The number of Directors of the Company shall not exceed fifteen (15).	Chapter 4: Directors and Board of Directors (Number of Directors) Articles 19 The number of Directors (excluding those who are Audit and Supervisory Committee Members) shall not exceed twelve (12).
<Newly established>	2. The number of Directors who are Audit and Supervisory Committee Members (hereinafter "Audit and Supervisory Committee Members") shall not exceed five (5).
(Method of Electing Directors) Article 20 A Director shall be elected by a resolution of the General Meeting of Shareholders.	(Method of Electing Directors) Article 20 A Director shall be elected by a resolution of the General Meeting of Shareholders, distinguishing between Audit and Supervisory Committee Members and other Directors.
2. <Provisions of articles omitted>	2. <Unchanged>
3. <Provisions of articles omitted>	3. <Unchanged>
(Term of Office of Directors) Article 21 <Provisions of articles omitted>	(Term of Office of Directors) Article 21 <Unchanged>
<Newly established>	2. Notwithstanding the provisions of the preceding paragraph, the term of office of Audit and Supervisory Committee Members shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the final fiscal year that ends within two (2) years of such Directors' election.
<Newly established>	3. The term of office of any Substitute Audit and Supervisory Committee Member elected as Audit and Supervisory Committee Member shall be the remaining term of office of their predecessor.
<Newly established>	4. The resolution for the election of a Substitute Audit and Supervisory Committee Member, elected pursuant to Article 329, Paragraph 3 of the Companies Act, shall remain effective until the beginning of the Ordinary General Meeting of Shareholders for the final fiscal year that ends within two (2) years of their election, unless a shorter term is specified in the resolution.
(Representative Directors) Article 22 The Board of Directors shall appoint Representative Directors from among the Directors.	(Representative Directors) Article 22 The Board of Directors shall appoint Representative Directors from among Directors (excluding those who are Audit and Supervisory Committee Members).
Article 23 <Provisions of articles omitted>	Article 23 <Unchanged>
(Notice of Board of Directors' Meetings) Article 24 Notice of Board of Directors' meetings	(Notice of Board of Directors' Meetings) Article 24 Notice of Board of Directors' meetings

Current	Proposed Amendments
shall be given to each Director and Audit & Supervisory Board Member no later than three (3) days prior to the day of such Meeting; provided, however, that in case of urgent necessity, such period may be shortened. 2. Board of Directors' meetings may be convened without the Company's convocation procedures with the unanimous consent of the Directors and Audit & Supervisory Board Members.	shall be given to each Director no later than three (3) days prior to the day of such Meeting; provided, however, that in case of urgent necessity, such period may be shortened. 2. Board of Directors' meetings may be convened without the Company's convocation procedures with the unanimous consent of the Directors.
Articles 25–26 <Provisions of articles omitted>	Articles 25–26 <Unchanged>
<Newly established>	(Delegation of decision-making on business executions) Article 27 The Company may, pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, delegate to Directors all or part of the authority of decision-making on important business executions (excluding matters listed in each Item of Article 399-13, Paragraph 5 of the Companies Act), by resolution of the Board of Directors.
(Minutes of Board of Directors' Meetings) Article 27 The proceedings of Board of Directors' meetings shall be recorded in written minutes pursuant to laws and regulations, and the attending Directors and Audit & Supervisory Board Members shall affix their names and seals to said documents.	(Minutes of Board of Directors' Meetings) Article 28 The proceedings of Board of Directors' meetings shall be recorded in written minutes pursuant to laws and regulations, and the attending Directors shall affix their names and seals to said documents.
Article 28 <Provisions of articles omitted>	Article 29 <Unchanged>
(Remuneration for Directors) Article 29 Remuneration, bonuses, and other financial benefits that Directors receive from the Company as compensation for the execution of duties (hereinafter "Remuneration, etc.") shall be determined by a resolution of the General Meeting of Shareholders.	(Remuneration for Directors) Article 30 Remuneration, bonuses, and other financial benefits that Directors receive from the Company as compensation for the execution of duties (hereinafter "Remuneration, etc.") shall be determined by a resolution of the General Meeting of Shareholders, distinguishing between Audit and Supervisory Committee Members and other Directors.
Article 30 <Provisions of articles omitted>	Article 31 <Unchanged>
Chapter 5: Audit & Supervisory Board Members and Audit & Supervisory Board (Number of Audit & Supervisory Board Members) Article 31 The number of Audit & Supervisory Board Members of the Company shall not exceed five (5).	Chapter 5: Audit and Supervisory Committee <Deleted>

Current	Proposed Amendments
(Method of Electing Directors) Article 32 An Audit & Supervisory Board Member shall be elected by a resolution of the General Meeting of Shareholders. 2. Resolutions for the election of Audit & Supervisory Board Members shall require that one-third or more of shareholders entitled to vote be present, and shall require a majority vote of those present to pass.	<Deleted>
(Term of Office of Audit & Supervisory Board Members) Article 33 The term of office of Audit & Supervisory Board Members shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the final fiscal year that ends within four (4) years of their election. 2. The term of office of any Substitute Audit & Supervisory Board Member elected as Audit & Supervisor Board Member shall be the remaining term of office of their predecessor.	<Deleted>
(Full-time Audit & Supervisory Board Members) Article 34 The Audit & Supervisory Board shall elect full-time Audit & Supervisory Board Members from among Audit & Supervisory Board Members.	(Full-time Audit and Supervisory Committee Members) Article 32 The Audit and Supervisory Committee may elect full-time Audit and Supervisory Committee Members from among Audit and Supervisory Committee Members.
(Notice of Audit & Supervisory Board Meetings) Article 35 Notice of Audit & Supervisory Board meetings shall be given to each Audit & Supervisory Board Member no later than three (3) days prior to the day of such Meeting; provided, however, that in case of urgent necessity, such period may be shortened. 2. Audit & Supervisory Board meetings may be convened without the Company's convocation procedures with the unanimous consent of the Audit & Supervisory Board Members.	(Notice of Audit and Supervisory Committee Meetings) Article 33 Notice of Audit and Supervisory Committee meetings shall be given to each Audit and Supervisory Committee Member no later than three (3) days prior to the day of such Meeting; provided, however, that in case of urgent necessity, such period may be shortened. 2. Audit and Supervisory Committee meetings may be convened without the Company's convocation procedures with the unanimous consent of the Audit and Supervisory Committee Members.
(Resolutions of the Audit & Supervisory Board) Article 36 Resolutions of the Audit & Supervisory Board shall be adopted by a majority vote of Audit & Supervisory Board Members.	(Resolutions of the Audit and Supervisory Committee) Article 34 Resolutions of the Audit and Supervisory Committee shall be made with a majority of the Audit and Supervisory Committee Members who are entitled to participate in resolution-making in attendance, by a majority of those attending Audit and Supervisory Committee Members

Current	Proposed Amendments
(Minutes of Audit & Supervisory Board Meetings) Article 37 The proceedings of Audit & Supervisory Board meetings shall be recorded in written minutes pursuant to laws and regulations, and the attending Audit & Supervisory Board Members shall affix their names and seals to said documents. (Audit & Supervisory Board Regulations) Article 38 Unless otherwise provided for in laws, regulations, or these Articles of Incorporation, matters concerning the Audit & Supervisory Board shall be governed by the Audit & Supervisory Board regulations established by the Audit & Supervisory Board.	(Minutes of Audit and Supervisory Committee Meetings) Article 35 The proceedings of Audit and Supervisory Committee meetings shall be recorded in written minutes pursuant to laws and regulations, and the attending Audit and Supervisory Committee Members shall affix their names and seals to said documents. (Audit and Supervisory Committee Regulations) Article 36 Unless otherwise provided for in laws, regulations, or these Articles of Incorporation, matters concerning the Audit and Supervisory Committee shall be governed by the Audit and Supervisory Committee regulations established by the Audit and Supervisory Committee.
(Remuneration for Audit & Supervisory Board Members) Article 39 Remuneration for Audit & Supervisory Board Members shall be determined by a resolution of the General Meeting of Shareholders.	<Deleted>
(Agreement on Limitation of Liabilities of Audit & Supervisory Board Members) Article 40 Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with an Audit & Supervisory Board Member which limits the liability for damages caused by a breach of such Audit & Supervisory Board Member's duties, provided, however, that the maximum amount to which such liability may be limited shall be the amount as prescribed by the relevant laws and regulations.	<Deleted>
Chapter 6: Independent Auditors Articles 41–42 <Provisions of articles omitted>	Chapter 6: Independent Auditors Articles 37–38 <Unchanged>
(Remuneration for Independent Auditors) Article 43 Remuneration for Independent Auditors shall be determined by Representative Directors with the consent of the Audit & Supervisory Board.	(Remuneration for Independent Auditors) Article 39 Remuneration for Independent Auditors shall be determined by Representative Directors with the consent of the Audit and Supervisory Committee.
Article 44 <Provisions of articles omitted>	Article 40 <Unchanged>
Chapter 7: Accounts Article 45–48 <Provisions of articles omitted>	Chapter 7: Accounts Article 41–44<Unchanged>

Proposal 2: Election of Eight (8) Directors (Excluding Those Who Are Audit and Supervisory Committee Members)

Subject to the resolution for approval of Proposal 1, "Partial Amendments to the Articles of Incorporation," the Company will transition to a company with audit and supervisory committee structure. The terms of office of all Directors (eleven (11) Directors) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we would like to propose the election of eight (8) Directors (excluding those who are Audit and Supervisory Committee Members).

This transition will take effect when the amendments to the Articles of Incorporation outlined in Proposal 1, "Partial Amendments to the Articles of Incorporation," become effective.

The candidates are as follows:

No.		Name	Current position and responsibilities in the Company		Term of office	Attendance of Board of Directors' meetings
1	[To be reelected]	Ryuji Arakawa	Position: Responsibilities:	Representative Director & President -	9 years	100% (18 of 18 meetings)
2	[To be reelected]	Yusuke Fukujin	Position: Responsibilities:	Representative Director & Executive Vice President Ethical Pharmaceuticals Wholesaling Business & International Business	5 years	100% (18 of 18 meetings)
3	[To be reelected]	Shigeki Ohashi	Position: Responsibilities:	Director, Vice President & Executive Officer Group Business Strategy (In charge of Group Business Planning, Total Supply Chain Services Business Planning)	3 years	100% (18 of 18 meetings)
4	[To be reelected]	Toshiki Tanaka	Position: Responsibilities:	Director, Vice President & Executive Officer Corporate Administration (In charge of General Affairs, Financial Planning, Corporate Communication)	3 years	100% (18 of 18 meetings)
5	[To be reelected]	Koichi Shimada	Position: Responsibilities:	Director -	7 years	100% (18 of 18 meetings)
6	[To be reelected] [Outside Director] [Independent Director]	Manabu Kinoshita	Position: Responsibilities:	Director Chairman, Nomination and Remuneration Committee for Directors and Executive Officers	5 years	100% (18 of 18 meetings)
7	[To be reelected] [Outside Director] [Independent Director]	Toshie Takeuchi	Position: Responsibilities:	Director -	5 years	100% (18 of 18 meetings)
8	[To be reelected] [Outside Director] [Independent Director]	Kimiko Kunimasa	Position: Responsibilities:	Director -	3 years	100% (18 of 18 meetings)

No.	Name	Career summary, position and responsibilities in the Company, significant concurrent positions and note related to candidate for directors	Number of shares of the Company held
1	 Ryuji Arakawa [To be reelected] Date of birth: March 5, 1963 Attendance of Board of Directors' meetings: 100% (18 out of 18 meetings)	April 1987 Joined Yamanouchi Pharmaceutical Co., Ltd. (currently Astellas Pharma Inc.) April 1999 Joined Chuyaku Co., Ltd. (currently Alfresa Corporation) June 2000 Director of Chuyaku Co., Ltd. June 2005 Managing Director of CS YAKUHIN CO., LTD. (currently Alfresa Corporation) June 2007 Senior Managing Director of CS YAKUHIN CO., LTD. June 2007 Director of the Company June 2008 Director, Senior Vice President & Executive Officer of CS YAKUHIN CO., LTD. (currently Alfresa Corporation) April 2009 Representative Director & President of CS YAKUHIN CO., LTD. June 2016 Director of the Company October 2016 Director, Vice President & Executive Officer of the Company, Business Development & International Business April 2019 Director, Vice President & Executive Officer of the Company, Corporate Communication, Business Development & International Business April 2020 Director, Senior Vice President & Executive Officer of the Company, Corporate Communication, Business Development & International Business June 2020 Representative Director & President of the Company (present) April 2025 Representative Director & Chairman of Alfresa Corporation (present) [Significant concurrent position] Representative Director & Chairman of Alfresa Corporation [Note related to candidate for Director] No conflict of special interest exists between the candidate and the Company.	64,420
	[Reasons for election as candidate for Director] As Representative Director & President, Mr. Ryuji Arakawa leads the Company and its Group companies to respond appropriately and flexibly to changes in the business environment. He serves as Representative Director & Chairman of Alfresa Corporation, which plays a core role in Ethical Pharmaceuticals Wholesaling Business and is deeply familiar with the general operations of the Company's operating companies. He also has a wealth of experience and a proven track record including playing a central role in the expansion of business fields and the development of international business, particularly in Asia, among other accomplishments. He has been elected as a candidate for Director because he can be expected to capitalize on his wealth of experience and knowledge at the Board of Directors, to continue to strengthen the effectiveness of the Board of Directors' decision-making and supervisory functions.		

No.	Name	Career summary, position and responsibilities in the Company, significant concurrent positions and note related to candidate for directors		Number of shares of the Company held
2	 Yusuke Fukujin [To be reelected] Date of birth: June 27, 1976 Attendance of Board of Directors' meetings: 100% (18 out of 18 meetings)	April 2000 April 2011 October 2012 April 2014 October 2014 June 2016 April 2018 April 2019 June 2019 April 2020 June 2020 June 2020 April 2022 April 2023 June 2023 April 2024 April 2025 [Significant concurrent position] Representative Director & President of Alfresa Corporation [Note related to candidate for Director] No conflict of special interest exists between the candidate and the Company.	Joined Fukujin Co., Ltd. (currently Alfresa Corporation) General Manager of Logistics Planning Department, Logistics Division of Alfresa Corporation General Manager of Sales Planning Department, Sales Division of Alfresa Corporation Executive Officer of Alfresa Corporation, General Manager of Sales Planning Department, Sales Division Executive Officer of Alfresa Corporation, General Manager of Management Planning Department, Management Strategy Division Representative Director & President of Specialty Medical Distribution Corporation Executive Officer of Alfresa Corporation, Deputy General Manager of Logistics Division Vice President & Executive Officer of Alfresa Corporation, General Manager of Logistics Division Director, Vice President & Executive Officer of Alfresa Corporation, General Manager of Logistics Division Director, Senior Vice President & Executive Officer of Alfresa Corporation, General Manager of Logistics Division Representative Director & President of Alfresa Corporation (present) Director of the Company Director & Executive Vice President of the Company, Ethical Pharmaceuticals Wholesaling Business Director & Executive Vice President of the Company, Ethical Pharmaceuticals Wholesaling Business, Total Supply Chain Services Business Representative Director & Executive Vice President of the Company, Ethical Pharmaceuticals Wholesaling Business, Total Supply Chain Services Business Representative Director & Executive Vice President of the Company, Ethical Pharmaceuticals Wholesaling Business, Total Supply Chain Services Business, International Business Representative Director & Executive Vice President of the Company, Ethical Pharmaceuticals Wholesaling Business & International Business (present)	3,006,888
	[Reasons for election as candidate for Director] As Representative Director & Executive Vice President, Mr. Yusuke Fukujin leads the Company and its Group companies to respond appropriately and flexibly to changes in the business environment. He is serving as Representative Director & President of Alfresa Corporation, which is our subsidiary that plays a core role in Ethical Pharmaceuticals Wholesaling Business, and is deeply familiar with the general operations of the Company's operating companies. In addition, he plays a central role in sales and distribution initiatives for specialty pharmaceuticals, a focus area for the Group, and also in the development of new business models. He has been elected as a candidate for Director because he can be expected to capitalize on his wealth of experience and knowledge at the Board of Directors, to continue to strengthen the effectiveness of the Board of Directors' decision-making and supervisory functions.			

No.	Name	Career summary, position and responsibilities in the Company, significant concurrent positions and note related to candidate for directors	Number of shares of the Company held
3	 Shigeki Ohashi [To be reelected] Date of birth: January 17, 1965 Attendance of Board of Directors' meetings: 100% (18 out of 18 meetings)	March 1988 Joined Showa Pharmaceuticals Co., Ltd. (currently Alfresa Pharma Corporation) October 2008 General Manager of Eastern Tokyo Sales Department, Sales Division of Alfresa Corporation October 2016 General Manager of Product Administration Department, Logistics Division of Alfresa Corporation April 2018 Executive Officer of Alfresa Corporation, General Manager of Sales Strategy Department, Pharmaceuticals Sales Division October 2019 Executive Officer of Alfresa Corporation, Deputy General Manager (in Charge of Sales Reforms) of Corporate Business Coordination Division April 2020 Vice President & Executive Officer of the Company, Group Business & Affiliate Control, Group Information System June 2021 Vice President & Executive Officer of the Company, General Affairs, Group Business & Affiliate Control, Group Information System, Human Resources Planning April 2022 Vice President & Executive Officer of the Company, Group Business & Affiliate Control, Group Information System, Business Development & International Business June 2022 Director, Vice President & Executive Officer of the Company, Group Business & Affiliate Control, Group Information System, Business Development & International Business April 2023 Director, Vice President & Executive Officer of the Company, General Manager of Group Ethical Wholesaling Business, International Business April 2024 Director, Vice President & Executive Officer of the Company, General Manager of Group Ethical Wholesaling Business April 2025 Director, Vice President & Executive Officer of the Company, Group Business Strategy (In charge of Group Business Planning, Total Supply Chain Services Business Planning) (present) [Significant concurrent position] None [Note related to candidate for Director] No conflict of special interest exists between the candidate and the Company.	5,400
	[Reasons for election as candidate for Director] Mr. Shigeki Ohashi has a wealth of experience including holding key positions in the Sales Division, etc., of Alfresa Corporation, which is our important subsidiary. He is deeply familiar with the general operations of the Company and its operating companies, having served as the person in charge of a wide range of functions at the Company over the course of his career. He has been elected as a candidate for Director because he can be expected to capitalize on his wealth of experience and knowledge at the Board of Directors, to continue to strengthen the effectiveness of the Board of Directors' decision-making and supervisory functions.		

<table>
<tr><th>No.</th><th>Name</th><th>Career summary, position and responsibilities in the Company,
significant concurrent positions and note related to candidate for directors</th><th>Number of shares of the Company held</th></tr>
<tr><td>4</td><td>
Toshiki Tanaka

[To be reelected]

Date of birth:
June 3, 1963

Attendance of Board of Directors' meetings:
100% (18 out of 18 meetings)</td><td>April 1986 Joined The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.)
October 2012 General Manager of Syndication Department of The Bank of Tokyo-Mitsubishi UFJ Ltd. (currently MUFG Bank, Ltd.)
July 2015 Joined Alfresa Corporation
General Manager, Administration Division
April 2016 Officer of Alfresa Corporation, Deputy General Manager of Administration Division
April 2017 Executive Officer of Alfresa Corporation, Deputy General Manager of Administration Division, General Manager of Accounting Department
April 2019 Executive Officer of Alfresa Corporation, General Manager of Management Planning Department, Management Planning Division
June 2020 Director, Vice President & Executive Officer of Alfresa Corporation, General Manager of Logistics Division
April 2022 Director of Alfresa Corporation
April 2022 Vice President & Executive Officer of the Company, General Affairs, Human Resources Planning, Digital Transformation (DX), Compliance & Risk Management
June 2022 Director, Vice President & Executive Officer of the Company, General Affairs, Human Resources Planning, Digital Transformation (DX), Compliance & Risk Management
April 2023 Director, Vice President & Executive Officer of the Company, Group Management Strategy, Human Resources Planning, IT / Digital Transformation (DX)
April 2024 Director, Vice President & Executive Officer of the Company, Group Management Strategy, Human Resources Planning, IT / Digital Transformation (DX), Regenerative Medicine Business
April 2025 Director, Vice President & Executive Officer of the Company, Corporate Administration (In charge of General Affairs, Financial Planning, Corporate Communication) (present)
[Significant concurrent position]
None
[Note related to candidate for Director]
No conflict of special interest exists between the candidate and the Company.</td><td>2,000</td></tr>
<tr><td></td><td colspan="3">[Reasons for election as candidate for Director]
In addition to his experience working at a major financial institution, Mr. Toshiki Tanaka is deeply familiar with the operations of the Company and its operating companies through his careers including holding key positions in Administration Division, Management Planning Department, and Logistics Division at Alfresa Corporation, which is our important subsidiary, to gain a wealth of experience, and serving as the person in charge of a wide range of functions at the Company over the course of his career. He has been elected as a candidate for Director because he can be expected to capitalize on his wealth of experience and knowledge at the Board of Directors, to continue to strengthen the effectiveness of the Board of Directors' decision-making and supervisory functions.</td></tr>
</table>

No.	Name	Career summary, position and responsibilities in the Company, significant concurrent positions and note related to candidate for directors	Number of shares of the Company held
5	 Koichi Shimada [To be reelected] Date of birth: October 15, 1958 Attendance of Board of Directors' meetings: 100% (18 out of 18 meetings)	April 1982 Joined Nippon Shoji Kaisha, Ltd. (currently Alfresa Pharma Corporation) April 2008 Executive Officer of Alfresa Pharma Corporation, General Manager of Product Strategy Department June 2010 Director of Alfresa Pharma Corporation April 2012 Director, Vice President & Executive Officer of Alfresa Pharma Corporation April 2014 Director, Senior Vice President & Executive Officer of Alfresa Pharma Corporation April 2016 Director, Deputy President & Executive Officer of Alfresa Pharma Corporation May 2016 Director of Alfresa Fine Chemical Corporation April 2017 President, CEO & Executive Officer of Alfresa Pharma Corporation May 2017 Director & Chairman of Alfresa Fine Chemical Corporation (present) June 2018 Director of the Company (present) April 2025 Chairman, Executive Officer of Alfresa Pharma Corporation (present) [Significant concurrent position] Chairman, Executive Officer of Alfresa Pharma Corporation [Note related to candidate for Director] No conflict of special interest exists between the candidate and the Company.	2,820
	[Reasons for election as candidate for Director] Mr. Koichi Shimada is serving as Chairman of Alfresa Pharma Corporation, which is our subsidiary that plays a core role in Manufacturing Business, and is deeply familiar with the general operations of this business. He has been elected as a candidate for Director because he can be expected to capitalize on his wealth of experience and knowledge at the Board of Directors, to continue to strengthen the effectiveness of the Board of Directors' decision-making and supervisory functions.		

No.	Name	Career summary, position and responsibilities in the Company, significant concurrent positions and note related to candidate for outside directors	Number of shares of the Company held
6	 Manabu Kinoshita [To be reelected] [Outside Director] [Independent Director] Date of birth: May 17, 1954 Attendance of Board of Directors' meetings: 100% (18 out of 18 meetings)	April 1978 Joined NEC Corporation April 2008 Senior Vice President of NEC Corporation April 2010 Executive Vice President of NEC Corporation June 2010 Executive Vice President and Member of the Board of NEC Corporation June 2011 Executive Vice President of NEC Corporation April 2016 Senior Executive Vice President of NEC Corporation April 2018 Senior Officer of NEC Corporation June 2020 Director of the Company (present) June 2020 Chairman, Nomination and Remuneration Committee for Directors and Executive Officers of the Company (present) June 2020 Outside Director of Sumitomo Metal Mining Co., Ltd. (present) June 2023 Outside Director of MEIDENSHA CORPORATION (present) [Significant concurrent positions] Outside Director of Sumitomo Metal Mining Co., Ltd. Outside Director of MEIDENSHA CORPORATION [Note related to candidate for Outside Director] No conflict of special interest exists between the candidate and the Company.	–
	[Reasons for election as candidate for Outside Director and outline of expected role] Mr. Manabu Kinoshita has a wealth of experience, a proven track record and a high level of insight through his years of experience in the practice of business and as an executive at one of the leading general IT vendor companies in Japan. He has been elected as a candidate for Outside Director because he can be expected to capitalize on his wealth of experience and knowledge at the Board of Directors, to continue to strengthen the effectiveness of the Board of Directors' decision-making and supervisory functions.		

[Items regarding independence of Outside Director]

Mr. Manabu Kinoshita meets the "Independence Standards for Outside Directors, etc." of the Company as a candidate for Outside Director, and the Company has designated him as an independent director as prescribed by Tokyo Stock Exchange, Inc. and submitted a notification of the appointment to the same Exchange.

The Company's consolidated subsidiary has transactions with NEC Corporation, at which Mr. Manabu Kinoshita served as Senior Executive Vice President in the past; however, the transaction value accounts for less than 0.1% of consolidated net sales mutually, which is a small percentage, and there is no fact that the relevant transaction partner is involved in the business management of the Group companies. He also serves as Outside Director of Sumitomo Metal Mining Co., Ltd. and Outside Director of MEIDENSHA CORPORATION; however, the Company has no transactions with the said companies.

No.	Name	Career summary, position and responsibilities in the Company, significant concurrent positions and note related to candidate for outside directors	Number of shares of the Company held
7	 Toshie Takeuchi [To be reelected] [Outside Director] [Independent Director] Date of birth: January 22, 1955 Attendance of Board of Directors' meetings: 100% (18 out of 18 meetings)	April 1978 Joined Lion Fat and Oil Co., Ltd. (currently Lion Corporation) July 2001 Joined Dentsu EYE Inc. April 2002 Visiting Professor, Graduate School of Social Science, Hosei University April 2003 Professor, Faculty of Business Administration, Hosei University April 2012 Dean of the Graduate School of Business Administration, Hosei University April 2014 Dean of the Faculty of Business Administration, Hosei University April 2016 Director of Hosei University Career Center June 2020 Director of the Company (present) April 2025 Honorary Professor of Hosei University [Significant concurrent position] None [Note related to candidate for Outside Director] No conflict of special interest exists between the candidate and the Company.	–
	[Reasons for election as candidate for Outside Director and outline of expected role] In addition to her high-level insight and wide experiences she gained while serving as a professor of the Faculty of Business Administration for many years, Ms. Toshie Takeuchi has broad knowledge in the area of marketing and branding. She has been elected as a candidate for Outside Director because she can be expected to capitalize on her wealth of experience and knowledge at the Board of Directors, to continue to strengthen the effectiveness of the Board of Directors' decision-making and supervisory functions.		

[Items regarding independence of Outside Director]
Ms. Toshie Takeuchi meets the "Independence Standards for Outside Directors, etc." of the Company as a candidate for Outside Director, and the Company has designated her as an independent director as prescribed by Tokyo Stock Exchange, Inc. and submitted a notification of the appointment to the same Exchange.

No.	Name	Career summary, position and responsibilities in the Company, significant concurrent positions and note related to candidate for outside directors	Number of shares of the Company held
8	 Kimiko Kunimasa [To be reelected] [Outside Director] [Independent Director] Date of birth: January 30, 1960 Attendance of Board of Directors' meetings: 100% (18 out of 18 meetings)	March 1982 Joined Fukutake Publishing Co., Ltd. (currently Benesse Holdings, Inc.) June 2000 Director of Benesse Corporation January 2002 Representative Director & President of Benesse Care Corporation (currently Benesse Style Care Co., Ltd.) December 2003 Director of Benesse Style Care Co., Ltd. June 2008 General Manager of Human Resources and General Affairs Division of Benesse Corporation October 2010 CHO of Benesse Holdings, Inc. April 2012 Director of Benesse Corporation June 2013 Director and Executive Vice President of Benesse Style Care Co., Ltd. June 2022 Director of the Company (present) June 2023 Outside Director of Mitsubishi Shokuhin Co., Ltd. (present) [Significant concurrent position] Outside Director of Mitsubishi Shokuhin Co., Ltd. [Note related to candidate for Outside Director] No conflict of special interest exists between the candidate and the Company.	–
	[Reasons for election as candidate for Outside Director and outline of expected role] Ms. Kimiko Kunimasa has long been involved mainly in the nursing care business as a practitioner and manager. She has a wealth of experience, a proven track record and a high level of insight through her career including serving as CHO (the person in charge of human resources) for all group companies of a listed company. She has been elected as a candidate for Outside Director because she can be expected to capitalize on her wealth of experience and knowledge at the Board of Directors, to continue to strengthen the effectiveness of the Board of Directors' decision-making and supervisory functions.		

[Items regarding independence of Outside Director]
Ms. Kimiko Kunimasa meets the "Independence Standards for Outside Directors, etc." of the Company as a candidate for Outside Director, and the Company has designated her as an independent director as prescribed by Tokyo Stock Exchange, Inc. and submit a notification of the appointment to the same Exchange.
Ms. Kimiko Kunimasa serves as Outside Director of Mitsubishi Shokuhin Co., Ltd.; however, the Company has no transactions with the said company.

Proposal 3: Election of Four (4) Directors Who Are Audit and Supervisory Committee Members

Subject to the resolution for approval of Proposal 1, "Partial Amendments to the Articles of Incorporation," the Company will transition to a company with audit and supervisory committee structure. Accordingly, we would like to propose the election of four (4) Directors who are Audit and Supervisory Committee Members.

The current Audit & Supervisory Board has given its approval to this proposal.

Also, this proposal will take effect when the amendments to the Articles of Incorporation outlined in Proposal 1, "Partial Amendments to the Articles of Incorporation" become effective.

The candidates are as follows:

No.		Name		Current position and responsibilities in the Company	Attendance of Board of Directors' meetings	Attendance of Audit & Supervisory Board meetings
1	[To be newly elected]	Yuji Ueda	Position:	Audit & Supervisory Board Member (Standing)	100% (18 of 18 meetings)	100% (19 of 19 meetings)
2	[To be newly elected] [Outside Director] [Independent Director]	Takashi Ito	Position:	Audit & Supervisory Board Member (Outside)	100% (18 of 18 meetings)	100% (19 of 19 meetings)
3	[To be newly elected] [Outside Director] [Independent Director]	Hiroshi Kizaki	Position:	Audit & Supervisory Board Member (Outside)	100% (18 of 18 meetings)	100% (19 of 19 meetings)
4	[To be newly elected] [Outside Director] [Independent Director]	Sachiko Iizuka	Position:	-	-	-

No.	Name	Career summary, position, and responsibilities in the Company, significant concurrent positions and note related to candidate for directors who are audit and supervisory committee members	Number of shares of the Company held
1	 Yuji Ueda [To be newly elected] Date of birth: April 1, 1961 Attendance of Board of Directors' meetings: 100% (18 out of 18 meetings) Attendance of Audit & Supervisory Board meetings: 100% (19 out of 19 meetings)	April 1983 Joined DAIWA Pharmaceutical Wholesalers Co., Ltd. (currently Shikoku Alfresa Corporation) April 2003 Executive Officer of DAIWA Pharmaceutical Wholesalers Co., Ltd. October 2005 Executive Officer of Shikoku Alfresa Corporation April 2007 General Manager In Charge of Group Administration and Affiliate Control Department of the Company April 2011 General Manager of Business Administration Department and General Manager In Charge of Group Administration and Group Business & Affiliate Control Department of the Company July 2012 General Manager of Group Business & Affiliate Control Department of the Company April 2013 General Manager of Audit Department of the Company July 2014 General Manager of Business Administration Department and General Affairs Department of the Company April 2015 Executive Officer of the Company, General Manager of Business Administration Department and General Affairs Department October 2016 Executive Officer of the Company, General Manager of General Affairs Department April 2017 Executive Officer of the Company, General Manager of Internal Control & Legal Department October 2018 Executive Officer of the Company, General Manager of Audit Department (present) June 2022 Audit & Supervisory Board Member of the Company (present) [Significant concurrent position] None [Note related to candidate for Director who is an Audit and Supervisory Committee Member] No conflict of special interest exists between the candidate and the Company.	13,100
	[Reasons for election as candidate for Director who is an Audit and Supervisory Committee Member] Mr. Yuji Ueda has experience in the practice of accounting, general affairs, and sales planning at our operating companies, and has served as the person in charge of these functions. He has also served as General Manager of Group Administration and Affiliate Control Department, General Affairs Department, and Audit Department, and is deeply familiar with the general operations of the Company and its operating companies. He has been elected as a candidate for Director who is an Audit and Supervisory Committee Member because we believe that he will utilize his wealth of experience and wide knowledge to ensure the appropriateness of decision-making of the Board of Directors when necessary and contribute to the enhancement of the Company's audit and supervisory structure.		

No.	Name	Career summary, position, and responsibilities in the Company, significant concurrent positions and note related to candidate for outside directors who are audit and supervisory committee members	Number of shares of the Company held
2	 Takashi Ito [To be newly elected] [Outside Director] [Independent Director] Date of birth: April 20, 1960 Attendance of Board of Directors' meetings: 100% (18 out of 18 meetings) Attendance of Audit & Supervisory Board meetings: 100% (19 out of 19 meetings)	April 1988 Registered as an attorney at law (Daini Tokyo Bar Association) October 2002 Established Shin-yotsuya Law Offices April 2005 Vice President of Daini Tokyo Bar Association April 2008 Deputy Secretary General of Japan Federation of Bar Associations April 2011 Director of Public Relations Office of Daini Tokyo Bar Association April 2012 Special Staff Attorney, Office of Secretary General of Japan Federation of Bar Associations April 2016 Executive Governor of Japan Federation of Bar Associations April 2017 President of Daini Tokyo Bar Association April 2017 Vice President of Japan Federation of Bar Associations April 2017 Executive Governor of Kanto Federation of Bar Associations June 2018 Audit & Supervisory Board Member of the Company (present) June 2019 Outside Director of JIO Corporation (present) October 2020 Established ITO & WASEMOTO LAW OFFICE (present) [Significant concurrent position] Attorney at law Outside Director of JIO Corporation [Note related to candidate for Outside Director who is an Audit and Supervisory Committee Member] No conflict of special interest exists between the candidate and the Company.	–
	[Reasons for election as candidate for Outside Director who is an Audit and Supervisory Committee Member and outline of expected role] Mr. Takashi Ito has a high degree of expertise and broad knowledge as an attorney at law. He also has a wealth of experience including holding important positions in bar associations. He has been elected as a candidate for Director who is an Audit and Supervisory Committee Member because we believe that he will utilize his wealth of experience and wide knowledge for the benefit of the Company to ensure the appropriateness of decision-making of the Board of Directors when necessary and contribute to the enhancement of the Company's audit and supervisory structure.		

[Items regarding independence of Outside Director who is an Audit and Supervisory Committee Member]
Mr. Takashi Ito meets the "Independence Standards for Outside Directors, etc." of the Company as a candidate for Outside Director who is an Audit and Supervisory Committee Member, and the Company has designated him as an independent auditor as prescribed by Tokyo Stock Exchange, Inc. and submitted a notification of the appointment to the same Exchange.
He is an attorney at law and serves as Outside Director of JIO Corporation; however, the Company has no transactions with the said company.

No.	Name	Career summary, position, and responsibilities in the Company, significant concurrent positions and note related to candidate for outside audit and supervisory committee members	Number of shares of the Company held
3	 Hiroshi Kizaki [To be newly elected] [Outside Director] [Independent Director] Date of birth: February 2, 1959 Attendance of Board of Directors' meetings: 100% (18 out of 18 meetings) Attendance of Audit & Supervisory Board meetings: 100% (19 out of 19 meetings)	April 1981 Joined Mitsubishi Corporation October 2000 Director and President of Mitsubishi Corporation Finance PLC April 2004 Assistant to Officer in charge of Corporate (in charge of personnel affairs) of Mitsubishi Corporation July 2008 CFO and SVP in charge of Corporate Staff Division of Mitsubishi International Corporation April 2011 General Manager of Consolidated IT Planning Division of Mitsubishi Corporation April 2012 Administrative General Manager of Global Environment & Infrastructure Business Group of Mitsubishi Corporation June 2015 Full-time Audit & Supervisory Board Member of Mitsubishi Corporation June 2019 Full-time Audit & Supervisory Board Member of Mitsubishi Shokuhin Co., Ltd. March 2023 Outside Director of OUTSOURCING Inc. June 2023 Audit & Supervisory Board Member of the Company (present) [Significant concurrent position] Certified public accountant [Note related to candidate for Outside Director who is an Audit and Supervisory Committee Member] No conflict of special interest exists between the candidate and the Company.	–
	[Reasons for election as candidate for Outside Director who is an Audit and Supervisory Committee Member and outline of expected role] Mr. Hiroshi Kizaki has a high degree of expertise in finance / accounting as a certified public accountant in addition to experience as a full-time Outside Audit & Supervisory Board Member of a listed company and a wealth of experience as a manager and a practitioner in domestic and international areas. He has been elected as a candidate for Outside Director who is an Audit and Supervisory Committee Member because we believe that he will utilize his wealth of experience and wide knowledge for the benefit of the Company to ensure the appropriateness of decision-making of the Board of Directors when necessary and contribute to the enhancement of the Company's audit and supervisory structure.		

[Items regarding independence of Outside Director who is an Audit and Supervisory Committee Member]
Mr. Hiroshi Kizaki meets the "Independence Standards for Outside Directors, etc." of the Company as a candidate for Outside Director who is an Audit and Supervisory Committee Member, and the Company has designated him as an independent auditor as prescribed by Tokyo Stock Exchange, Inc. and submitted a notification of the appointment to the same Exchange.
He is a certified public accountant, however, he has no transactions with the Company.

No.	Name	Career summary, position, and responsibilities in the Company, significant concurrent positions and note related to candidate for outside audit and supervisory committee member	Number of shares of the Company held
4	 Sachiko Iizuka [To be newly elected] [Outside Director] [Independent Director] Date of birth: September 16, 1969 Attendance of Board of Directors' meetings: – Attendance of Audit & Supervisory Board meetings: –	October 1994 Joined Ohara Bookkeeping School, O-HARA Gakuen, a legally incorporated educational institute January 2000 Joined DIVA CORPORATION (currently AVANT CORPORATION) March 2012 Representative Director, LAULEA CORPORATION (present) June 2019 Outside Audit & Supervisory Board Member, KORAKUEN HOLDINGS CORPORATION September 2019 Outside Audit & Supervisory Board Member, BeeX Co., Ltd. (present) June 2020 Outside Audit & Supervisory Board Member of Net One Systems Co., Ltd. March 2021 Representative Partner, Cenxus Audit Corporation (present) June 2022 Outside Executive Director of Net One Systems Co., Ltd. (Audit & Supervisory Committee Member) (to resign on June 26, 2025) [Significant concurrent positions] Certified public accountant Representative Director, LAULEA CORPORATION Auditor (Outside), BeeX Co., Ltd. Representative Partner, Cenxus Audit Corporation Outside Executive Director of Net One Systems Co., Ltd. (Audit & Supervisory Committee Member) (to resign on June 26, 2025) [Note related to candidate for Outside Director who is an Audit and Supervisory Committee Member] No conflict of special interest exists between the candidate and the Company.	–
	[Reasons for election as candidate for Outside Director who is an Audit and Supervisory Committee Member and outline of expected role] In addition to her broad knowledge and experience in finance and accounting as a certified public accountant, Ms. Sachiko Iizuka also has wide knowledge and experience in corporate management, having served as a Representative Director of another company. She has been elected as a candidate for Outside Director who is an Audit and Supervisory Committee Member because we believe that she will utilize his wealth of experience and wide knowledge for the benefit of the Company to ensure the appropriateness of decision-making of the Board of Directors when necessary and contribute to the enhancement of the Company's audit and supervisory structure.		

[Items regarding independence of Director who is an Audit and Supervisory Committee Member]
Ms. Sachiko Iizuka meets the "Independence Standards for Outside Directors, etc." of the Company as a candidate for Outside Audit and Supervisory Committee Member, and the Company has designated her as an independent auditor as prescribed by Tokyo Stock Exchange, Inc. and submitted a notification of the appointment to the same Exchange.
She is a certified public accountant and Representative Director of LAULEA CORPORATION, Outside Audit & Supervisory Board Member of BeeX Co., Ltd., Representative Partner of Cenxus Audit Corporation, and Outside Executive Director of Net One Systems Co., Ltd. (Audit & Supervisory Committee Member); however, the Company has no transactions with the said companies.

<Summary of Directors' and Officers' Liability Insurance Contract>

The Company has entered into a directors' and officers' liability insurance contract with an insurance company, where officers of the Company are included in the insured, as provided for in Article 430-3, Paragraph 1 of the Companies Act. The said insurance contract covers damages and litigation expenses that the insured may be reliable for, arising from damage claims due to acts committed by the insured (including omissions) in their capacity as officers, etc. of the Company. The Company bears the entire premium for the insured. If Proposals 2 and 3 are approved, each candidate will be included in the insured under the said insurance contract. The Company plans to renew the insurance contract with the same contents during the term of office of the candidates.

<Independence Standards for Outside Directors>

The Company elects candidates for Outside Directors who have high degrees of independence.

1. Outside Directors must be financially independent from the Group.
   (1) Outside Directors should not have received compensation (excluding remuneration to Directors, etc. paid by the Company), or monetary consideration/other properties for performed duties, transactions, etc. that exceed a certain amount directly from the Group in the past five years.
   "Exceed a certain amount" is defined to be the amount of ¥10 million or more received in any one of the past five fiscal years.
   (2) Outside Directors should not have served as Director, Officer, etc. of any one of the following entities in the past five years.
      (i) Major business clients who account for 2% or more of the consolidated net sales of the Group or the corporate groups to which the candidate belongs.
      (ii) Entities that have substantial conflicts of interest with the Group, such as the Company's independent auditing firm, etc.
      (iii) Entities that are the Company's major shareholders (holding 10% or more of shares issued).
      (iv) Entities of which the Group is the major shareholder (holding 10% or more of shares issued).
2. Outside Directors shall not be the close relatives of Directors and Audit & Supervisory Board Members of the Group.
   "Close relatives" are defined as spouse, blood relatives within third degree of kinship, and relatives living together.
3. Furthermore, Outside Directors shall not possess any reason by which they are reasonably deemed ineligible as an independent and neutral officer.
4. Outside Directors shall ensure to satisfy the independence and neutrality criteria set forth in this Standards on an ongoing basis even after the appointment as Officer.

<Liability Limitation Agreement with Outside Directors, etc.>

In order for Outside Directors, etc. to perform their duties as expected to the fullest extent, the Company has entered into liability limitation agreements with Mr. Manabu Kinoshita, Ms. Toshie Takeuchi, Ms. Kimiko Kunimasa, Mr. Takashi Ito, Mr. Hiroshi Kizaki and Mr. Yuji Ueda pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, to limit their liability for damages as provided for by Article 423, Paragraph 1 of the Companies Act. If the election of Mr. Manabu Kinoshita, Ms. Toshie Takeuchi, Ms. Kimiko Kunimasa, Mr. Takashi Ito, Mr. Hiroshi Kizaki and Mr. Yuji Ueda is approved in Proposals 2 and 3, the Company plans to continue or enter into the same liability limitation agreements with them again. Moreover, if the election of Ms. Sachiko Iizuka is approved in Proposal 3, the Company plans to enter into a similar liability limitation agreement with her.

The minimum liability limit due to negligence of his/her duties shall be the amount as provided for by Article 425, Paragraph 1 of the Companies Act.

(Reference)

■ Composition of the Board of Directors

To effectively fulfill its roles and responsibilities, the Board of Directors is comprised of a diverse range of Directors with different expertise, experience, abilities, etc. The number of Directors is designed to maximize the efficiency and effectiveness of the functions of the Board of Directors.

■ Nomination and election of Directors, etc.

Candidates for Directors are decided by the Board of Directors after deliberation by the Nomination and Remuneration Committee for Directors and Executive Officers, taking into consideration the composition of the Board of Directors. The Nomination and Remuneration Committee for Directors and Executive Officers consists of independent Outside Directors and Directors selected by resolution of the Board of Directors. The majority of its members are independent Outside Directors.

It also selects candidates by defining the skills of Directors that it deems necessary for realizing the Alfresa Group's Medium- to Long-Term Vision. A list of these skills is shown in the table below (in the event that each candidate for Director is elected at this General Meeting of Shareholders).

	Position	Corporate management	Sales & Marketing	Logistics & SCM	Business development & DX	Finance & Accounting	Legal & Risk management	Human resources & Talent development
Ryuji Arakawa	Representative Director & President	○	○		○			
Yusuke Fukujin	Representative Director & Executive Vice President	○		○	○			
Shigeki Ohashi	Director, Vice President & Executive Officer		○	○	○			
Toshiki Tanaka	Director, Vice President & Executive Officer			○	○	○	○	○
Koichi Shimada	Director	○	○					
Manabu Kinoshita	Outside Director	○	○		○			
Toshie Takeuchi	Outside Director		○					○
Kimiko Kunimasa	Outside Director	○						○
Yuji Ueda	Director (Audit and Supervisory Committee Member)					○	○	
Takashi Ito	Outside Director (Audit and Supervisory Committee Member)						○	
Hiroshi Kizaki	Outside Director (Audit and Supervisory Committee Member)	○				○	○	○
Sachiko Iizuka	Outside Director (Audit and Supervisory Committee Member)	○			○	○		

※SCM = Supply Chain Management

(Reference)

The reasons for the selection of the skill categories in which the Company expects Directors to be proficient are as follows.

Expertise and experience (Skill category)	Reason for selection
Corporate management	The Company has selected this as a required skill category to enable appropriate decision-making and supervisory functions based on relevant experience and knowledge and to develop and implement a medium- to long-term management plan that can sustainably enhance corporate value through business management that is aligned with the Group's principles and Basic Sustainability Policy.
Sales & Marketing	Seeking to resolve social issues related to medical care and health, the Company has selected this as a required skill category to provide constantly reliable products and services in the changing business environment.
Logistics & SCM	As a company that supports the medical product distribution infrastructure in Japan, the Company takes it as its mission to provide stable and high-quality supply of medical and other products. In addition, the Company has selected this as a required skill category in order to build a total supply chain services that provides everything from raw material procurement and manufacturing to logistics and sales through united Group efforts.
Business development & DX	The Company has selected this as a required skill category to achieve enhancement of customer satisfaction and productivity through means such as promotion of DX as well as to challenge new business fields related to health and medical care, in addition to engaging in business enhancement and expansion by conducting core businesses, developing new businesses and fostering growth businesses.
Finance & Accounting	The Company has selected this as a required skill category to further ensure the reliability of financial reporting, improve the stability of financial ground and the profitability of capital, and enhance the return to shareholders.
Legal & Risk management	The Company has selected this as a required skill category to comply with laws, various regulations, social norms, etc. and to be able to make timely and appropriate management decisions when addressing any situations and any risks.
Human resources & Talent development	Believing that human resources are the most important assets and serve as the very engine for growth of the Group, the Company has selected this as a required skill category to be a company where all of its people are able to utilize their individuality and abilities to their fullest.

Proposal 4: Determination of the Amount of Remuneration, etc. of Directors (Excluding Those Who Are Audit and Supervisory Committee Members)

1. Reason for the proposal and justification for this form of remuneration

The amount of remuneration for the Company's Directors was set at "within ¥ 600 million per year" with the approval of the 3rd Ordinary General Meeting of Shareholders held on June 29, 2006, and has remained unchanged since then. Subject to the approval of Proposal 1, "Partial Amendments to the Articles of Incorporation," the Company will transition to a company with audit and supervisory committee structure. Accordingly, we propose to increase the amount of remuneration, etc. for Directors (excluding those who are Audit and Supervisory Committee Members) following the transition to "within ¥ 700 million per year (within ¥ 150 million per year for Outside Directors).

The Company believes that this revision is appropriate in light of the increasing role expected of Directors in advancing corporate governance, the levels of remuneration at other leading companies in Japan, and recent economic and other circumstances.

The outline of the policy for determining the contents of individual remuneration, etc. for Directors at the Company is as stated below on page 33.

The Company presently has eleven (11) Directors (including four (4) Outside Directors), but if Proposals 1 and 2 are approved as originally proposed, the Company will have eight (8) Directors (excluding those who are Audit and Supervisory Committee Members), including three (3) Outside Directors.

This proposal will come into force, subject to the effectuation of the amendments to the Articles of Incorporation in Proposal 1, "Partial Amendments to the Articles of Incorporation."

Proposal 5: Determination of the Amount of Remuneration, etc. of Directors Who Are Audit and Supervisory Committee Members

1. Reason for the proposal and justification for this form of remuneration

The amount of remuneration for the Company's Audit & Supervisory Board Members was set at "within ¥ 120 million per year" with the approval of the 3rd Ordinary General Meeting of Shareholders held on June 29, 2006, and has remained unchanged since then. Subject to the approval of Proposal 1, "Partial Amendments to the Articles of Incorporation," the Company will transition to a company with audit and supervisory committee structure. Accordingly, the Company requests that the amount of remuneration, etc. for each Director who is an Audit and Supervisory Committee Member after the transition be set at "within ¥ 120 million per year," with the specific amount, timing of payment, and other details to be determined through deliberations among the Directors who are Audit and Supervisory Committee Members. The Company believes that the amount of remuneration under this proposal is appropriate in light of the duties of Directors who are Audit and Supervisory Committee Members.

If Proposals 1 and 3 are approved as originally proposed, the Company will have four (4) Directors who are Audit and Supervisory Committee Members, three (3) of whom will be Outside Directors.

This proposal will come into force, subject to the effectuation of the amendments to the Articles of Incorporation in Proposal 1, "Partial Amendments to the Articles of Incorporation."

Proposal 6: Revision to the Stock-based Performance-linked Remuneration Plan of Directors, etc.

1. Reason for the proposal and justification for this form of remuneration

The Company has established a stock-based performance-linked remuneration plan (hereinafter the "Plan") for Directors (excluding Directors whose primary duty is to concurrently serve as directors of the Company's subsidiaries, Outside Directors, and Directors who are non-residents of Japan) and Executive Officers (excluding non-residents of Japan) of the Company. The Plan delivers shares of the Company to the Directors, etc., commensurate mainly with the level of achievement of the performance targets under the medium-term management plan.

Subject to the approval of Proposal 1, "Partial Amendments to the Articles of Incorporation," as originally proposed, the Company will transition to a company with audit and supervisory committee structure.

The Company proposes to revise the Plan for Directors (excluding Directors who are Audit and Supervisory Committee Members, Directors whose primary duty is to concurrently serve as directors of the Company's subsidiaries, Outside Directors, and Directors who are non-residents of Japan), Executive Officers, etc. (excluding non-residents of Japan) of the Company (hereinafter collectively the "Directors, etc.") in order to reestablish the Plan following the transition to a company with audit and supervisory committee structure.

The revised Plan is designed to enhance the linkage between the remuneration, etc. of the Directors, etc., and business performance and stock price. This will incentivize the Directors, etc. to contribute to the long-term growth of corporate value, while aligning their interests with the interests of shareholders. It also aims to motivate the Directors, etc. to achieve the performance targets under the medium-term management plan. The Company believes that the revision is appropriate because it is in line with the content of the Company's policy for determining the details of remuneration, etc. of the individual Directors, etc.

This proposal seeks to establish a remuneration ceiling separate from the one proposed in Proposal 4, "Determination of the Amount of Remuneration, etc. of Directors (Excluding Those Who Are Audit and Supervisory Committee Members)."

Three Directors shall be covered by the Plan, subject to the resolution for the approval of Proposal 2, "Election of Eight (8) Directors (Excluding Those Who Are Audit and Supervisory Committee Members)," as originally proposed. Also, seven (7) Executive Officers, etc. shall be covered by the Plan.

2. The amount and other details, etc. of the remuneration, etc. under the Plan

(1) Details of revision to the Plan

The revision of the Plan is intended to change its coverage in line with the transition to a company with audit and supervisory committee structure. Its details prior to the revision will remain substantially unchanged. The details of the revised Plan are as follows.

(2) Outline of the Plan after revision

The Plan is a stock-based remuneration plan whereby shares of the Company shall be acquired through a trust which is funded by the remuneration of the Directors, etc., for carrying out delivery and payment (hereinafter the "delivery, etc.") of shares of the Company, as well as money in the amount equivalent to the proceeds from the conversion of shares of the Company into cash (hereinafter the "shares of the Company, etc.") (For details, please refer to (3) and subsequent sections thereto.).

1) Recipients of the delivery, etc. of the shares of the Company, etc. under the Plan	● Directors (excluding Directors who are Audit and Supervisory Committee Members, Directors whose primary duty is to serve as directors of the Company's subsidiaries, Outside Directors, and non-residents of Japan) ● Executive Officers (excluding non-residents of Japan)

2) Impact of the shares of the Company delivered under the Plan on the total number of shares issued

Upper limit of the funding by the Company (as described in (3) below)	¥300 million in total for a period of three fiscal years
Method for acquiring shares of the Company (as described in (3) below) and the upper limit of the number of the shares of the Company, etc. to be acquired by	● As shares of the Company are to be acquired from the stock market, no resultant dilution is expected. ● 200,000 shares in total for a period of three fiscal years ● Average number of shares per fiscal year shall be 66,000, which is equivalent to about 0.04% of the total number of shares issued by

the Directors, etc. (as described in (4) below)	the Company (as of March 31, 2025, after deducting the number of treasury stock).

3) Performance achievement conditions (as described in (4) below)	● Variable in a range between 0% and 150%, commensurate with the level of achievement of the performance targets under the medium-term management plan, etc. ● Criteria for evaluating achievement of the performance targets, etc. shall be consolidated operating income margin and profit margin attributable to owners of parent, etc.

4) Timing of the delivery, etc. of the shares of the Company, etc. to the Directors, etc. (as described in (5) below)	After the termination of the Applicable Period (three fiscal years)

(3) Upper limit of the funding by the Company

A period applicable under the Plan shall be three fiscal years covered by the medium-term management plan of the Company (hereinafter the "Applicable Period"). The Applicable Period after approval of this proposal shall be the three fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028.

The Company shall, as part of the remuneration of the Directors, etc., contribute an amount of trust fund (*1) not exceeding ¥300 million in total for each Applicable Period, thereby creating a trust with a trust period of approximately three years for the benefit of the Directors, etc. who meet the beneficiary requirements (hereinafter the "Trust"). The Trust shall, subject to the instruction of the trust administrator, acquire shares of the Company from the stock market, using the aforementioned trust fund. The Company shall assign points to the Directors, etc. (as described in (4) below) during the Applicable Period, and carry out the delivery, etc. of the shares of the Company, etc. equivalent to the number of such points from the Trust.

The Trust may be renewed at the expiry of the trust period of the Trust, by the amendment to the trust agreement or by contributing additional trust fund, in lieu of newly creating the Trust. In such case, the trust period shall be extended for another three years, and the Company shall contribute additional trust fund not exceeding ¥300 million in total, thereby continuing to assign the points and to carry out the delivery, etc. of the shares of the Company, etc. to the Directors, etc. during the extended trust period. In the event of such additional trust funding, however, if there remain in the trust asset, shares of the Company (i.e. shares of the Company equivalent to the number of points assigned to the Directors, etc., excluding those yet to be used for the delivery, etc.), as well as cash (hereinafter collectively the "residual shares, etc.") as of the final day of the trust period before extension, combined amount of the residual shares, etc. and the amount of additional trust funding shall not exceed ¥300 million.

(*1) The trust fund includes the fund for share acquisition by the Trust as well as the trust fees and trust expenses during the trust period.

(4) Method for calculating the number of shares of the Company used for the delivery, etc. to the Directors, etc. (including the shares to be converted into cash) and the upper limit of such number of shares

The number of shares of the Company used for the delivery, etc. to the Directors, etc. (including the shares to be converted into cash) shall be determined by "the number of share delivery points," where one share in the Company shall be delivered for each share delivery point, with any fraction less than one point being rounded down.

Share delivery points shall be calculated as follows based on the basic points assigned commensurate with the rank of the individual Directors, etc. for each fiscal year during the Applicable Period, along with the level of achievement of the performance targets under the medium-term management plan, etc.

Share delivery points = Cumulative basic points assigned during the Applicable Period × performance-linked indexation factor (*2)

(*2) Performance-linked indexation factor is variable within a range between 0% and 150% commensurate with the level of achievement of the performance targets under the medium-term management plan, etc. For the Applicable Period beginning from fiscal year 2025, criteria for evaluating achievement of the performance targets, etc. shall be consolidated operating income, consolidated ROE, TSR(total shareholders' return), outside firm's

evaluation for its ESG activities, employee engagement score, etc.

The upper limit of the number of shares of the Company used for the delivery, etc. to the Directors, etc. (including the shares to be converted into cash) shall be 200,000 in total for each Applicable Period. (*3)

(*3) However, in the event of a stock split or stock consolidation, etc. of the shares of the Company during the trust period, the number of share delivery points, the number of basic points, and the aforementioned upper limit of the number of shares used for the delivery, etc. shall be adjusted commensurate with the ratio of the stock split or consolidation, etc.

(5) Timing of the delivery, etc. of the shares of the Company, etc. to the Directors, etc.

The Directors, etc. who meet the beneficiary requirements shall, after the termination of the Applicable Period, receive the delivery of the shares of the Company (with fractional shares rounded down) equivalent to 50% of the number of the share delivery points assigned. For the shares of the Company equivalent to the number of the rest of the points, the Directors, etc. shall receive a monetary payment in the amount equivalent to the proceeds from the conversion into cash, after being converted within the Trust.

However, in the event of death of the Directors, etc. prior to the termination of the Applicable Period, (including the cases of death after retirement due to expiration of term of office, etc., but prior to the termination of the Applicable Period), the number of share delivery points shall be calculated based on their performance up to such point in time, and there shall be a monetary payment in the amount equivalent to the proceeds from the conversion into cash, after being converted within the Trust, for the shares of the Company equivalent to 100% of the number of the share delivery points calculated.

(6) Voting rights of the shares of the Company

As for the shares of the Company held in the Trust, no voting rights shall be exercised during the trust period, to ensure neutrality on the management.

(7) Other matters regarding the Plan

Other matters regarding the Plan shall be decided at the Board of Directors, on each occasion of the creation of the Trust, amendment to the trust agreement and additional funding to the Trust.

For details of the Plan, please refer to the “Notice Regarding Revision of the Performance-linked Stock Compensation Plan in Relation to the Transition to a Company with Audit and Supervisory Committee Structure” dated May 15, 2025.

(Reference)

■ Matters related to the policy for deciding on contents of individual remuneration, etc. to Directors following approval of proposals at the 22nd Ordinary General Meeting of Shareholders to be held on June 25, 2025

At the Company, the policy for deciding on remuneration (including the remuneration composition and standard amount) and the method for calculating remuneration, as well as the total amount of remuneration, etc., for Directors (excluding those who are Audit and Advisory Committee Members) are deliberated by the Nomination and Remuneration Committee for Directors and Executive Officers, which is chaired by an Independent Outside Director and comprising a majority of Independent Outside Directors, reported to the Board of Directors, and then decided on by the Board of Directors.

The amounts of individual remuneration, etc. to Directors (excluding those who are Audit and Supervisory Committee Members) are determined based on the deliberations of performance evaluation results by the Nomination and Remuneration Committee for Directors and Executive Officers.

Furthermore, the amounts of individual remuneration, etc. to Directors who are Audit and Supervisory Committee Members are decided on through discussion by the Audit and Supervisory Committee.

Remuneration, etc. to the Company's Directors is based on the standard amount for each rank of officer. In setting this standard amount, we use remuneration data from external specialist organizations as well as publicly available information to assess the remuneration level of companies in both the same and other industries. The composition of remuneration varies for Directors in charge of business execution, Directors not in charge of business execution (including Outside Directors), and Directors who are Audit and Supervisory Committee Members. Remuneration to Directors in charge of business execution consists of basic (fixed) remuneration, performance-linked bonuses based on the achievements of the performance targets set forth in the 25–27 Mid-term Management Plan, as well as performance-linked stock compensation, which aims to increase the motivation of Directors and other officers to realize the enhancement of corporate value over the medium- to long-term.

The Company has introduced performance-linked stock remuneration through a system utilizing an officer remuneration Board Incentive Plan (BIP) trust. However, to prepare for the event that the Company is unable to pay stock compensation under this system, it has introduced stock price-linked compensation as a substitute plan, in which compensation is paid in cash in lieu of stocks based on the same calculation method as performance-linked stock remuneration.

Classification	Fixed remuneration	Performance-linked remuneration	
	Basic remuneration	Bonus	Stock compensation (stock price-linked compensation)
Directors in charge of business execution	68%	20%	12%
Directors not in charge of business execution, Directors who are Audit and Supervisory Committee Members	100%	–	–

(Note) For bonus and stock compensation (stock price-linked compensation), which are performance-linked remuneration, the ratios of remuneration composition in the case of the achievement of standard targets are stated.

(Attached document)

Business Report

(From April 1, 2024 to March 31, 2025)

1. The current state of the corporate group

(1) Business conditions

1) Development and performance of business

During the consolidated fiscal year under review (April 1, 2024 to March 31, 2025), the Japanese economy gradually recovered, although stagnation remained in some sectors. However, certain economic risks remain, such as persistent inflation and the impact of developments in U.S. policy on trade and other matters.

Under its 22–24 Mid-term Management Plan: Leap into the Future "An Evolving Healthcare Consortium" (hereinafter, the "22–24 Mid-term Management Plan"), for which the fiscal year under review was the concluding year, the Alfresa Group made progress to achieve its stated Group management policies:

1. Enhancement of business models and creation of new value,
2. Contribution to local health and treatments through united Group efforts,
3. Contribution toward a sustainable society through initiatives to protect the environment,
4. Promotion of a human resource strategy focused on diversity, and
5. Cultivation of a corporate culture with compliance as its highest priority.

The Group is also working toward achieving the targets set in the Alfresa Group's Medium- to Long-Term Vision announced in May 2023, comprising the Group's medium- to long-term business, financial, and capital strategies up to fiscal 2032.

In the consolidated fiscal year under review, Alfresa Holdings Corporation undertook the following key initiatives for creating new value.

In April 2024, Cell Resources Corporation (head office: Chiyoda-ku, Tokyo), a non-consolidated subsidiary of Alfresa Holdings Corporation, 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. Cell Resources is building a system for the stable supply of domestic cellular raw materials to ensure that it is in a stronger position to manufacture high-quality cellular raw materials and contribute to the industrialization of cell therapy.

In May 2024, Alfresa Holdings Corporation entered into a capital alliance with Morikubo CA Medical Inc. (head office: Atsugi City, Kanagawa Prefecture; hereinafter "Morikubo CA Medical") to further strengthen the relationship between the two companies. Previously, to facilitate further entry into the veterinary care market, in November 2022 Alfresa Holdings Corporation and Alfresa Corporation (head office: Chiyoda-ku, Tokyo; hereinafter "Alfresa") entered a business alliance with Morikubo CA Medical and have since looked into joint business development in the field of veterinary care for small animals.

In July 2024, the Company made progress on the construction of the new Gunma Plant of its consolidated subsidiary Alfresa Pharma Corporation (head office: Chuo-ku, Osaka City; hereinafter referred to as "Alfresa Pharma"), which will be built in Ota City, Gunma Prefecture, and financed by social bonds issued in December 2023. The Alfresa Group will overlook the building of three manufacturing wings annexed to the Gunma Plant in order to strengthen and expand the Group's manufacturing capabilities as part of its total supply chain services. Moreover, we will configure a framework to boost our manufacturing capacity for small-molecule pharmaceuticals and to enable full-fledged expansion into contract manufacturing for high-pharmacological-activity preparations as well as to facilitate the inspection, packaging, and testing of sterile preparations.

In September 2024, through a share transfer agreement with INTAGE Healthcare Inc. (head office: Chiyoda-ku, Tokyo; hereinafter "INTAGE Healthcare"), Alfresa Holdings Corporation acquired all shares of Ark Medical Solutions Inc. (head office: Toshima-ku, Tokyo), a new company established through an incorporation-type company split pertaining to INTAGE Healthcare's contract research organization (CRO)*2 and post-marketing surveillance (PMS)*3 businesses. We believe this acquisition will greatly contribute to strengthening clinical development, approval application, and PMS functions in the Group's total supply chain services.

In December 2024, Alfresa Holdings Corporation and consolidated subsidiary Shikoku Alfresa Corporation (head office: Takamatsu City, Kagawa Prefecture) entered into a business alliance and concluded an agreement to underwrite convertible bonds issued by KORTUC INC. of the United States, a venture company established by Kochi University for the development of KORTUC, a radiosensitizer that enhances the effectiveness of cancer radiotherapy. Furthermore, the Company has entered into a capital alliance agreement and concluded a basic agreement on a business alliance with GEXVal Inc. (head office: Fujisawa City, Kanagawa Prefecture), a drug discovery start-up focusing on rare diseases and other diseases with limited therapeutic options. The agreements with both companies are expected to create synergies with Alfresa Pharma, and the Group will therefore aim to work together with said companies to develop business for sale and distribution in Japan.

In November 2024, Alfresa Holdings Corporation resolved to conduct a share buyback so as to improve capital efficiency and enhance shareholder returns, and it thus completed the acquisition of 5,113,000 shares for ¥10,999 million in February 2025. Furthermore, in March of the same year, we retired 11,540,000 shares of treasury stock.

In the consolidated fiscal year under review, net sales for the Alfresa Group increased 3.6% year on year, to ¥2,961,051 million, operating profit was down 1.0% year on year, to ¥38,080 million, ordinary profit grew 1.2% year on year, to ¥40,485 million, and profit attributable to owners of the parent dipped 7.3% year on year, to ¥27,389 million.

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

*2 A specialized organization that provides support for a range of operations related to clinical trials conducted by pharmaceutical companies and research institutions

*3 Investigations conducted to ensure the quality, effectiveness, and safety of pharmaceuticals and medical devices after they are sold

Business Segment Information

(i) Ethical Pharmaceuticals Wholesaling Business

In the Ethical Pharmaceuticals Wholesaling Business segment, we are looking to concentrate resources in specialty domains and medical products as well as transform our business operations through digital transformation (DX). To this end, we worked to implement priority measures for this segment, which are stated in the 22–24 Mid-term Management Plan: enhancing existing businesses; pursuing profitability through business reform; and achieving Group-wide optimization, efficiency, and standardization.

With concerns within society about the supply of pharmaceuticals growing, we endeavored to ensure a stable supply of pharmaceuticals by complying with distribution improvement guidelines so as to fulfill our mission as a part of social infrastructure.

Alfresa, the core company of this business segment, undertook the following key initiatives during the fiscal year under review.

In June 2024, Alfresa entered into a basic business alliance agreement with HEALIOS K.K. (head office: Chiyoda-ku, Tokyo) for the handling of products produced by HEALIOS. In conjunction, Alfresa entered into a bond purchase agreement for corporate straight bonds issued by HEALIOS. Alfresa will strengthen the regenerative medicine supply chain, expand its product lineup, and ultimately develop the activities of both companies.

In September 2024, Alfresa established a vaccine supply optimization platform (service name: “Vaccine Platto”) using the products of Salesforce Japan Co., Ltd. (head office: Chiyoda-ku, Tokyo) to enhance convenience for those who wish to be vaccinated and medical institutions as well as ensure the adequate supply of vaccines in accordance with demand. Through the promotion of this service platform, we will contribute to preventive medicine by reducing the burden of managing vaccination appointments at medical institutions, enhancing convenience for those who wish to be vaccinated, and providing opportunities to receive vaccinations.

In November 2024, Alfresa entered into a capital and business alliance with Innovacell K.K. (head office: Shinagawa-ku, Tokyo), a company that develops regenerative medicine products for fecal and urinary incontinence. Through this alliance, Alfresa will facilitate the research and development activities of Innovacell K.K. and the establishment of a distribution system in Japan for its regenerative medicine products in addition to continuously strengthening the functions and expanding the products of the Group’s regenerative medicine supply chain.

In December 2024, Alfresa and Miyazaki Onsendo Shoten Co., Ltd. (head office: Isahaya City, Nagasaki Prefecture), a wholly owned subsidiary of Alfresa Holdings Corporation, concluded a basic

agreement on an absorption-type merger with Alfresa as the merging company. Through this agreement, we aim to make effective and efficient use of the two companies' management resources, strengthen the Group's locally rooted sales infrastructure, and make greater contributions to local healthcare in Kyushu.

In December 2024, we established MY MEDICA Inc. (head office: Naka-ku, Yokohama City) together with Yamato Holdings Co., Ltd. (headquarters: Chuo-ku, Tokyo) to provide services for health management and the prevention of serious illnesses among employees of road haulage operators. These services commenced in February 2025. We will work to improve access to medical care by utilizing the online healthcare provided by these services.

In January 2025, we concluded a capital and business alliance agreement with Ascent Robotics Corporation. (Head office: Shibuya-ku, Tokyo), which is engaged in the creation of digital twins and the development and sale of both solutions using digital twins and software for industrial robotics. We will work together with Ascent Robotics with the aim of achieving a variety of goals, including increasing operational efficiency in the medical field and improving the quality of medical care under a new approach deploying digital twin technology.

In February 2025, the Alfresa Group achieved ISO 9001 certification, a global standard for quality management systems, at the Logistics Operations Department of its Logistics Division and at three of its distribution centers. We are committed to enhancing satisfaction among customers and business partners by continuing Group-wide efforts to achieve ISO certification.

In the consolidated fiscal year under review, the segment enjoyed market growth and improved sales of patented drugs and products with drug creation premiums while seeing an improvement in its gross profit margin. However, earnings were affected by the negative impact of National Health Insurance (NHI) drug price revisions in April 2024 and rising personnel costs, logistics costs, and depreciation and amortization expenses. As a result, net sales rose 3.9% year on year, to ¥2,640,048 million, and operating profit dipped 0.1% year on year, to ¥33,055 million.

The net sales figure includes intersegment sales of ¥18,985 million, up 5.3% year on year.

(ii) Self-Medication Products Wholesaling Business

In the Self-Medication Products Wholesaling Business segment, subsidiary Alfresa Healthcare Corporation (head office: Chuo-ku, Tokyo; hereinafter "Alfresa Healthcare") is promoting efforts to achieve high profitability in existing businesses while entering new growth domains. At the same time, the company endeavored to enact the priority measures for the segment stated in the 22–24 Mid-term Management Plan, which focuses on initiatives aimed at achieving high profitability, strengthening Group-wide collaboration, and enhancing profitability through business reform.

In February 2025, to optimize its logistics system in Kyushu, Alfresa Healthcare relocated its Kyushu Distribution Center from Minami Ward, Kumamoto City, Kumamoto Prefecture, to Mifune Town, Kumamoto Prefecture. The Kyushu Distribution Center is Alfresa Healthcare's core distribution center for the supply of products throughout Kyushu. Alfresa Healthcare will strengthen its accurate, quick, and safe product supply system by introducing a 3D robot picking system at the center to alleviate the workload of employees, improve the working environment, and enhance operational efficiency.

In addition, in March 2025, Alfresa Healthcare concluded a capital and business alliance agreement with WillBase Inc. (headquarters: Chuo-ku, Tokyo), a company that provides sales and marketing support exclusively for the healthcare field and support tools for promoting self-medication. Alfresa Healthcare will promote the widespread use of the various services provided by WillBase as well as strengthen data-driven management using its abundant data in market forecasting, new product planning, and sales optimization.

In the consolidated fiscal year under review, the segment enjoyed stable market growth stemming from a recovery in inbound demand as well as efforts to sell at reasonable prices and curb SG&A expenses, despite a decline in revenue due to intensifying competition resulting from a changing market environment and rising personnel, logistics, and other costs. As a result, net sales increased 1.1% year on year, to ¥265,748 million, and operating profit grew 10.0% year on year, to ¥2,950 million.

The net sales figure includes intersegment sales of ¥473 million, down 5.0% year on year.

(iii) Manufacturing Business

In the Manufacturing Business segment, we aim to build a foundation for the future, and to that end we promoted reliable, safe, and sincere manufacturing; efforts to achieve total supply chain services; and new initiatives that utilize digital technology—priority measures for the segment stipulated in the 22–24 Mid-term Management Plan.

In November 2024, Alfresa Pharma concluded a license agreement for the development and sale of

adrenaline nasal sprays* in Japan with ARS Pharmaceuticals Operations, Inc., a U.S. company that develops such sprays. Alfresa Pharma also filed an application for approval to manufacture and sell the sprays, which are used for the treatment of anaphylaxis from bee stings, food, medicine, and other causes. By providing adrenaline nasal sprays as a new, easy-to-administer treatment option for anaphylaxis, we will continue to contribute to realizing solutions for unmet medical needs by reducing the burden on patients and caregivers.

In the consolidated fiscal year under review, the segment improved sales of active ingredient production services, contract manufacturing, and medical devices and engaged in efforts to curb SG&A expenses. However, earnings were affected by the negative impact of factors such as NHI drug price revisions and an increase in the cost of manufacturing. As a result, net sales increased 2.5% year on year, to ¥54,065 million, and operating profit declined 31.6% year on year, to ¥1,294 million.

The net sales figure includes intersegment sales of ¥16,375 million, up 8.1% year on year.

* Two types of adrenaline treatment are currently available in Japan: self-injectable epinephrine kits and adrenaline injections.

(iv) Medical-related Business

In the Medical-Related Business segment, subsidiary APOCREAT Corporation (head office: Toshima-ku, Tokyo), which operates a dispensing pharmacy business, aims to make family pharmacies available for people at every stage of their lives, from preventive to terminal care. Efforts undertaken by the segment to achieve said aim included pursuing business growth through home care service initiatives, promoting DX-driven business reforms, and adopting pre-symptomatic illness and prevention initiatives, which are priority measures for the segment stipulated in the 22–24 Mid-term Management Plan.

In the consolidated fiscal year under review, segment revenue increased due to the impact of market growth, and despite efforts to curb SG&A expenses, the negative impact of NHI drug price revisions and higher purchasing prices and non-deductible consumption taxes pushed down performance. As a result, net sales increased 1.0% year on year, to ¥37,023 million, while operating profit decreased 16.3% year on year, to ¥596 million.

2) Capital expenditure

Capital expenditure for the Alfresa Group for the fiscal year ended March 31, 2025 totaled ¥21,456 million. The main expenditures were for capital investment in distribution centers and other facilities at subsidiaries and acquisition of manufacturing equipment as well as renewal of existing equipment. Expenditures for intangible assets are also included.

3) Fund procurement

There was no matter requiring disclosure.

4) Business transfers, absorption-type splits or incorporation-type splits

There was no matter requiring disclosure.

5) Transfers of other companies' businesses to the group

There was no matter requiring disclosure.

6) Succession to rights and obligations regarding businesses of other judicial persons, etc. due to an absorption-type merger or an absorption-type split

There was no matter requiring disclosure.

7) Acquisition or disposal of stocks, other equity interests or stock acquisition rights, etc. in other companies

There was no matter requiring disclosure.

(2) Assets and profits and losses

Categories		The 19th fiscal year (FY2021)	The 20th fiscal year (FY2022)	The 21st fiscal year (FY2023)	The 22nd fiscal year (FY2024)
Net sales	(Millions of Yen)	2,585,643	2,696,069	2,858,500	**2,961,051**
Ordinary profit	(Millions of Yen)	32,576	32,831	39,997	**40,485**
Profit attributable to owners of parent	(Millions of Yen)	32,182	25,786	29,558	**27,389**
Net income per share	(Yen)	153.57	127.42	154.13	**147.54**
Total assets	(Millions of Yen)	1,303,991	1,339,852	1,447,625	**1,439,885**
Net assets	(Millions of Yen)	471,835	488,335	479,859	**482,247**

(Note) Net income per share is calculated using the average number of shares outstanding during the fiscal year and rounded off to the nearest whole unit. The average number of shares outstanding during the fiscal year is calculated by the number of shares after deducting the number of treasury stock (including the Company's shares held by the officer remuneration Board Incentive Plan (BIP) trust account).

(3) Status of the parent company and principal subsidiaries

1) Status of the parent company

Not applicable

2) Status of principal subsidiaries

Company name	Common stock (Millions of Yen)	Voting rights ratio (%)	Main business
Alfresa Corporation	4,000	100.0	Ethical Pharmaceuticals Wholesaling Business
Shikoku Alfresa Corporation	161	100.0	Ethical Pharmaceuticals Wholesaling Business
TS Alfresa Corporation	1,144	100.0	Ethical Pharmaceuticals Wholesaling Business
Meisho Co., Ltd.	395	100.0	Ethical Pharmaceuticals Wholesaling Business
RYUYAKU CO., LTD.	44	100.0	Ethical Pharmaceuticals Wholesaling Business
Tohoku Alfresa Corporation	104	100.0	Ethical Pharmaceuticals Wholesaling Business
Alfresa Medical Service Corporation	450	100.0	Medical Materials Wholesaling and Supply Processing and Distribution (SPD) Business
Alfresa Shinohara Chemicals Corporation	38	100.0	Ethical Pharmaceuticals Wholesaling Business
A・L Plus Co., LTD.	70	100.0 (100.0)	Pharmaceuticals Distribution Business
Specialty Medical Distribution Corporation	50	60.0 (60.0)	Ethical Pharmaceuticals Wholesaling Business
Alfresa Healthcare Corporation	499	100.0	Self-Medication Products Wholesaling Business
Alfresa Pharma Corporation	3,000	100.0	Manufacturing Business
QINGDAO NESCO MEDICAL CO., LTD.	300 (Registered capital)	100.0 (100.0)	Manufacturing Business
Alfresa Fine Chemical Corporation	400	100.0 (100.0)	Manufacturing Business
APOCREAT Corporation	403	100.0	Management of Dispensing Pharmacy
Alfresa System Corporation	150	51.0	Operation, Maintenance and Development of Information System

(Note) Figures in parentheses ( ) in the voting rights ratio column represent the percentage of voting rights held by subsidiaries of the Company.

3) Status of specified wholly-owned subsidiaries as of the end of the fiscal year

Company name	Address	Total carrying amount (Millions of Yen)	Amount of total assets of the Company (Millions of Yen)
Alfresa Corporation	7, Kanda-Mitoshirocho, Chiyoda-ku, Tokyo	91,518	272,836

(Note) The registered address of the head office of Alfresa Corporation is 1-12-1, Uchikanda, Chiyoda-ku, Tokyo.

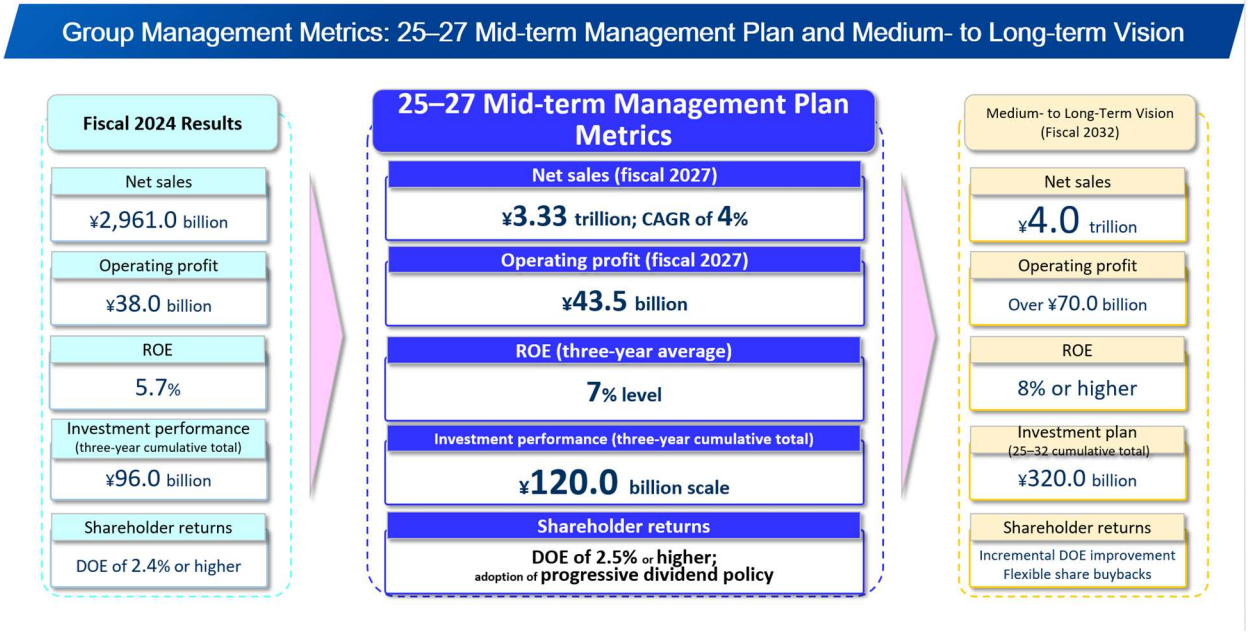
(4) Challenges to be addressed

■25–27 Mid-term Management Plan Group management policy

Based on the Group's philosophy, the Alfresa Group has formulated the Alfresa Group's Medium- to Long-Term Vision, targeting fiscal 2032, which aims to create social value by extending healthy life expectancies, contributing to community healthcare, and fostering healthcare innovation.

As the second stage of initiatives aimed at achieving this medium- to long-term vision, the Group has positioned the 25–27 Mid-term Management Plan, covering the fiscal years ending March 31, 2026 to March 31, 2028, under the following policies: 1) Exercising of the Group's Collective Strength for the Evolution and Expansion of Total Supply Chain Services (TSCS) through the organic, integrated utilization of the Group's management resources; 2) Strategic Investment in Growth Businesses and New Businesses essential for building new revenue models; 3) Further Strengthening of the Competitiveness of Core Businesses to further enhance competitive advantages; 4) Rigorous Cost Control in response to recent changes in the business environment; and 5) Implementation of Sustainability Management that contributes to enhancing corporate value over the medium to long term. Under these five policies, we are working toward the Group's management goals as outlined below.

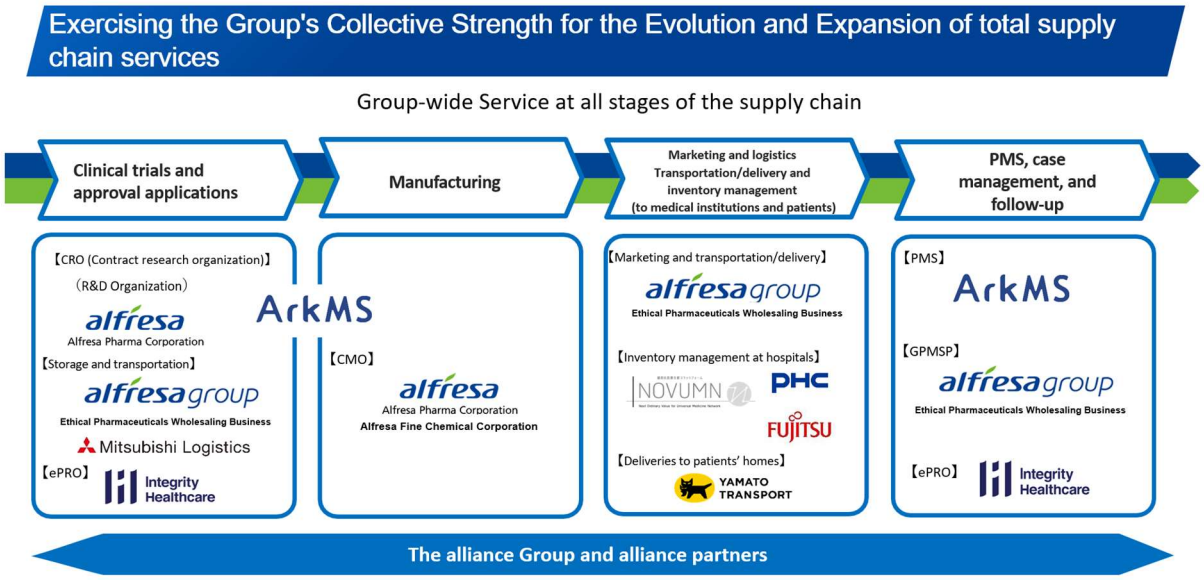




■Business Strategies: Initiatives for Total Supply Chain Services

In the pharmaceutical development and manufacturing industry, the specialization of pharmaceuticals, the rise of emerging bio ventures, and other trends are accelerating rapidly. Under these circumstances, there is demand for companies that can serve as strategic partners to pharmaceutical manufacturers by providing a seamless supply chain, encompassing everything from the introduction, development, and manufacture of pharmaceuticals through to their distribution, sales, and post-marketing surveillance.

As a key policy in the 25–27 Mid-term Management Plan, the Group will provide total supply chain services (TSCS) through the integrated utilization of the various management resources held across the Group, aiming to acquire limited distribution products, expand the contract manufacturing business, and operate a stable supply chain, and thereby will establish a TSCS model that can handle everything from manufacturing to distribution.



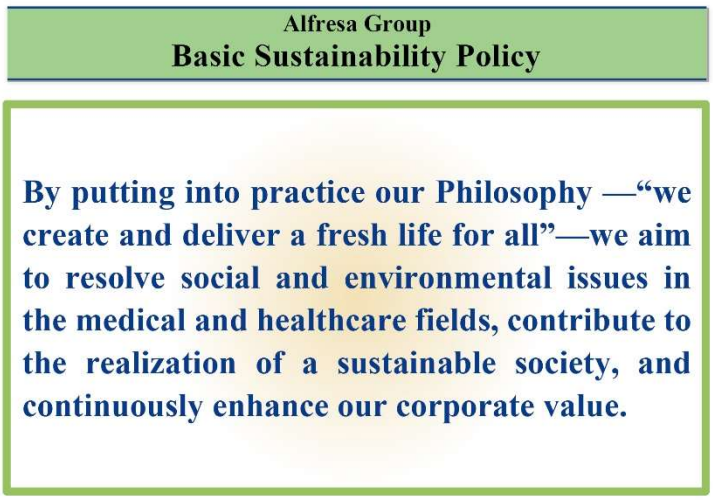
■Financial and Capital Strategies

As part of the financial and capital strategies under the 25–27 Mid-term Management Plan, we will pursue active growth investment and stable shareholder returns aimed at the sustained enhancement of corporate value, while remaining mindful of capital efficiency (ROE) improvement and financial soundness. Key metrics over the three-year period include: cumulative operating profit of ¥119.0 billion, average ROE at the 7.0% level, investment scale of ¥120.0 billion, consolidated net asset ratio of cross-shareholdings less than 10.0% (by the fiscal year ending March 31, 2028), and DOE of 2.5% or higher, along with a progressive dividend policy.

◆Sustainability (ESG) Strategy

Based on the Group's philosophy, we have established a Basic Sustainability Policy that reflects our commitment to solving social and environmental issues and to striving for a sustainable society and increased corporate value.

In formulating the 25–27Mid-term Management Plan, we reviewed our key sustainability issues and identified eight areas: global environmental conservation, stable supply of pharmaceuticals, services, etc., contributing to community healthcare, contributing to healthcare industry development, active participation of human resources, compliance, risk management, and corporate governance. We will advance initiatives that address these key issues going forward.





(5) Main business (as of March 31, 2025)

The Company, as a holding company, is engaged in management, etc. of its subsidiaries and affiliated companies. Its subsidiaries and affiliated companies operate in wholesaling, manufacturing and marketing as well as import and export, etc. of pharmaceuticals, diagnostic reagents and medical devices and equipment, management of dispensing pharmacy and other incidental business activities.

(6) Principal business sites and plants (as of March 31, 2025)

The Company	Head office	1-1-3, Otemachi, Chiyoda-ku, Tokyo
Alfresa Corporation	Head office	7, Kanda-Mitoshirocho, Chiyoda-ku, Tokyo
Shikoku Alfresa Corporation	Head office	1255-10, Fuke Kou, Kokubunjicho, Takamatsu, Kagawa Prefecture
TS Alfresa Corporation	Head office	1-2-19, Shoko Center, Nishi-ku, Hiroshima, Hiroshima Prefecture
Meisho Co., Ltd.	Head office	Ha 1, Muryoji-machi, Kanazawa, Ishikawa Prefecture
RYUYAKU CO., LTD.	Head office	5-6-5, Makiminato, Urasoe, Okinawa Prefecture
Tohoku Alfresa Corporation	Head office	4-8-5 Oroshimachi, Wakabayashi-ku, Sendai, Miyagi Prefecture 1-46-1, Kikutamachioroshi, Koriyama, Fukushima Prefecture
Alfresa Medical Service Corporation	Head office	2-3-14, Kudan-minami, Chiyoda-ku, Tokyo
Alfresa Shinohara Chemicals Corporation	Head office	9-41, Minamigoza, Kochi, Kochi Prefecture
A・L Plus Co., LTD.	Head office	1-12-1, Uchikanda, Chiyoda-ku, Tokyo
Specialty Medical Distribution Corporation	Head office	1, Kanda-Mitoshirocho, Chiyoda-ku, Tokyo
Alfresa Healthcare Corporation	Head office	24-1, Nihonbashi-Hakozakicho, Chuo-ku, Tokyo
Alfresa Pharma Corporation	Head office	2-2-9, Koku-machi, Chuo-ku, Osaka, Osaka Prefecture
	Plant	Shouocho, Katsuta-gun, Okayama Prefecture; Noda, Chiba Prefecture; Ota, Gunma Prefecture
Alfresa Fine Chemical Corporation	Head office & Plant	1-10-1, Mukaihama, Akita, Akita Prefecture
APOCREAT Corporation	Head office	4-5-2, Higashiikebukuro, Toshima-ku, Tokyo
Alfresa System Corporation	Head office	1-1, Kandanishikicho, Chiyoda-ku, Tokyo

(Note) The registered address of the head office of Alfresa Corporation is 1-12-1, Uchikanda, Chiyoda-ku, Tokyo.

(7) Status of employees (as of March 31, 2025)

1) Status of employees of the corporate group

Business segment	Number of employees	Changes from the end of the previous fiscal year
Ethical Pharmaceuticals Wholesaling Business	9,393 (2,409)	Decrease of 42 (Increase of 12)
Self-Medication Products Wholesaling Business	395 (7)	Decrease of 6 (Decrease of 1)
Manufacturing Business	1,384 (306)	– (Increase of 15)
Medical-Related Business	1,131 (361)	Decrease of 29 (Increase of 5)
Corporate, etc.	149 (17)	Increase of 12 (Increase of 8)
Total	12,452 (3,100)	Decrease of 65 (Increase of 39)

(Note) The number of employees represents the number of employed workers, and the number of temporary workers is shown in the parentheses ( ).

2) Status of employees of the Company

Number of employees	Changes from the end of the previous fiscal year	Average age	Average service years
56	Increase of 5	47.0 years old	15.7 years

(Note) The number of employees shown above include those seconded from subsidiaries and affiliates, but does not include Executive Officers nor employees seconded to subsidiaries and affiliates.

(8) Main source of borrowings (as of March 31, 2025)

Not applicable

(9) Policy concerning decision on cash dividends from retained earnings, etc.

The Company considers return of profits to shareholders as one of its priority policies. As for dividend for the fiscal year ended March 31, 2025, as formulated in the 22–24 Mid-term Management Plan: Leap into the Future "An Evolving Healthcare Consortium®," the Company's basic policy calls for a consolidated dividend on equity (DOE) ratio of 2.4% or more, comprehensively considering factors such as strengthening of financial position, stability of management bases and future business development, based on its consolidated financial results.

Based on this, the Company decided to pay a year-end dividend of ¥32 per share, for a full-year dividend of ¥63 per share including an interim dividend paid of ¥31 per share.

As for dividend for the next fiscal year, under the newly formulated 25–27 Mid-term Management Plan Vision 2032 Stage 2 Pioneering the Future with Our Collective Strength, the Company has adopted a basic policy of maintaining a consolidated dividend on equity (DOE) ratio of 2.5% or higher, along with a progressive dividend policy. Through initiatives such as proactive investments aimed at strengthening and expanding our business for sustainable growth, we will strive to enhance profitability and capital efficiency. At the same time, we are committed to steadily and sustainably increasing dividend payments, thereby reinforcing the return of profits, one of our priorities.

(10) Other significant matters regarding the current state of the corporate group

Not applicable

2. Matters concerning the Company's shares

(1) Status of shares (as of March 31, 2025)

1) Total number of authorized shares 540,000,000 shares
2) Total number of shares issued 191,300,000 shares
3) Number of shareholders 15,789
4) Major shareholders (top ten shareholders)

Name	Number of shares held (Thousands)	Percentage of ownership (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	26,947	14.79
NORTHERN TRUST CO.(AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	9,198	5.05
Custody Bank of Japan, Ltd. (Trust Account)	8,183	4.49
Alfresa Holdings Employees Shareholders' Association	5,414	2.97
STATE STREET BANK AND TRUST COMPANY 505001	5,070	2.78
NORTHERN TRUST CO.(AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	4,946	2.71
NORTHERN TRUST CO.(AVFC) RE NON TREATY CLIENTS ACCOUNT	4,232	2.32
Custody Bank of Japan, Ltd. as trustee for DAIICHI SANKYO COMPANY, LIMITED Retirement Benefit Trust Account re-entrusted by Mizuho Trust & Banking Co., Ltd.	3,555	1.95
BNYM AS AGT/CLTS NON TREATY JASDEC	3,126	1.72
Yusuke Fukujin	3,006	1.65

(Notes) 1. The Company holds 9,096,494 shares of treasury stock, which are excluded from the above list of major shareholders. The treasury stock does not include 414,832 shares of the Company's stock held by the officer remuneration Board Incentive Plan (BIP) trust.
2. The percentage of ownership is calculated after deducting treasury stocks.
3. Shares owned by Custody Bank of Japan, Ltd. as trustee for DAIICHI SANKYO COMPANY, LIMITED Retirement Benefit Trust Account re-entrusted by Mizuho Trust & Banking Co., Ltd. are shares of the Company owned by DAIICHI SANKYO COMPANY, LIMITED, which were entrusted to Mizuho Trust & Banking Co., Ltd. and re-entrusted to Custody Bank of Japan, Ltd. The voting rights attached to these shares are to be exercised upon instructions of the DAIICHI SANKYO COMPANY, LIMITED.

(2) Policy on cross-shareholdings

The Company has set forth the following policies regarding cross-shareholdings.

1) Basic policy on cross-shareholdings

The Alfresa Group's policy on holding investment securities is to hold only shares that align with an important strategic purpose, such as maintaining and developing good business and collaboration relationships and creating new business opportunities related to realizing a Healthcare Consortium®, and reduce holdings of shares that do not have such important purposes. Each year, the Group reconfirms the operational significance of holding each investee's shares, performs a quantitative examination to determine whether the benefits and risks of holding such shares are commensurate with the capital cost, and reports the results of these reviews to the Board of Directors.

Based on this policy, the Alfresa Group sold ¥6.4 billion of shares across the Group overall during the fiscal year under review, and the balance of cross-shareholdings as of March 31, 2025, as indicated in "Status of Shareholdings" in the Securities Report, was ¥54.9 billion.

Additionally, if a company that holds shares of the Company as cross-shareholdings expresses an intent regarding the sale of the Company's shares, the Company will not prevent said sale, etc.

2) Basic policy on the exercise of voting rights

When the Group exercises the voting rights of shares that it holds, it will do so appropriately after judging whether the exercise of voting rights will lead to an increase in the corporate value of the Group and the medium- to long-term growth of its investee companies' corporate value.

(3) Status of stocks delivered to Corporate Officers as consideration of the execution of duties during the fiscal year ended March 31, 2025

There were no stocks delivered to Corporate Officers as consideration of the execution of duties during the fiscal year ended March 31, 2025.

3. Status of corporate officers

(1) Status of Directors and Audit & Supervisory Board Members (as of March 31, 2025)

Positions at the Company	Name	Responsibilities	Significant concurrent positions held
Representative Director & President	Ryuji Arakawa		
Representative Director & Executive Vice President	Seiichi Kishida	Assistant to the President General Affairs, Financial Planning, Corporate Communication, Distribution Quality Supervision, Compliance & Risk Management	
Representative Director & Executive Vice President	Yusuke Fukujin	Ethical Pharmaceuticals Wholesaling Business, Total Supply Chain Services Business, International Business	Representative Director & President of Alfresa Corporation
Director & Vice President & Executive Officer	Shigeki Ohashi	General Manager of Group Ethical Wholesaling Business	
Director & Vice President & Executive Officer	Toshiki Tanaka	Group Management Strategy, Human Resources Planning, IT / Digital Transformation (DX), Regenerative Medicine Business	
Director	Hisashi Katsuki		Representative Director & President of Alfresa Healthcare Corporation
Director	Koichi Shimada		President, CEO & Executive Officer of Alfresa Pharma Corporation
Director	Takashi Hara	Chairman, Corporate Governance Committee	
Director	Manabu Kinoshita	Chairman, Nomination and Remuneration Committee for Directors and Executive Officers	Outside Director of Sumitomo Metal Mining Co., Ltd. Outside Director of MEIDENSHA CORPORATION
Director	Toshie Takeuchi		Professor, Faculty of Business Administration, Hosei University
Director	Kimiko Kunimasa		Outside Director of Mitsubishi Shokuhin Co., Ltd.
Audit & Supervisory Board Member (Standing)	Masakazu Ozaki		
Audit & Supervisory Board Member (Standing)	Yuji Ueda		
Audit & Supervisory Board Member	Yoshitaka Kato		Certified Public Accountant, CEO of ProC.A Inc. Outside Director of TWINBIRD CORPORATION Outside Director of SBI SAVINGS BANK External Auditor of FUJIO FOOD GROUP INC.
Audit & Supervisory Board Member	Takashi Ito		Attorney at law Outside Director of JIO Corporation
Audit & Supervisory Board Member	Hiroshi Kizaki		Certified Public Accountant

(Notes) 1. Directors Takashi Hara, Manabu Kinoshita, Toshie Takeuchi and Kimiko Kunimasa are Outside Directors.
2. Audit & Supervisory Board Members Yoshitaka Kato, Takashi Ito and Hiroshi Kizaki are Outside Audit & Supervisory Board Members.
3. Audit & Supervisory Board Members Yoshitaka Kato and Hiroshi Kizaki are certified public accountants and have considerable knowledge in finance and accounting.
4. The Company has registered Directors Takashi Hara, Manabu Kinoshita, Toshie Takeuchi and Kimiko Kunimasa and Audit & Supervisory Board Members Yoshitaka Kato, Takashi Ito and Hiroshi Kizaki as independent officers as provided for under the provisions of Tokyo Stock Exchange, Inc.
5. Principal positions held concurrently by Directors and Audit & Supervisory Board Members for the fiscal year ended March 31, 2025, other than those described in "Significant concurrent positions held," are as follows:
(1) Representative Director & President Ryuji Arakawa serves concurrently as Director at Alfresa Corporation.
(2) Representative Director & Executive Vice President Seiichi Kishida serves concurrently as Director at Alfresa Corporation and Tohoku Alfresa Corporation.
(3) Director & Vice President & Executive Officer Shigeki Ohashi serves concurrently as Director at Meisho Co., Ltd., TS Alfresa Corporation, and Specialty Medical Distribution Corporation.
(4) Director & Vice President & Executive Officer Toshiki Tanaka serves concurrently as Director at Alfresa Pharma Corporation, Alfresa Healthcare Corporation, and Alfresa System Corporation.
(5) Director Koichi Shimada serves concurrently as Director & Chairman at Alfresa Fine Chemical Corporation.
(6) Audit & Supervisory Board Member (Standing) Masakazu Ozaki serves concurrently as Audit & Supervisory Board Member at Meisho Co., Ltd., Alfresa Medical Service Corporation, and APOCREAT Corporation.
(7) Audit & Supervisory Board Member (Standing) Yuji Ueda serves concurrently as Audit & Supervisory Board Member at Tohoku Alfresa Corporation and Alfresa Pharma Corporation.

(2) The outline of the liability limitation agreement

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with each Outside Director and Outside Audit & Supervisory Board Member to limit their liability for damages as provided for by Article 423, Paragraph 1 of said Act. The amount of limitation of liability for damages under the agreement is the amount provided for by Article 425, Paragraph 1 of said Act.

(3) The outline of the directors' and officers' liability insurance

The Company has entered into a directors' and officers' liability insurance contract with an insurance company as provided for by Article 430-3, Paragraph 1 of the Companies Act, for all of Directors, Audit & Supervisory Board Members and Executive Officers of the Company and its consolidated subsidiary Alfresa Corporation, as the insured. This insurance contract covers damages, legal expenses, etc. that the insured may be reliable for, in the event that a claim for damages is made against the insured due to acts committed by the insured (including omissions) in their capacity. The Company and the consolidated subsidiary bear the entire premium for the insured.

However, certain exclusions apply to avoid impairment of the proper performance of duties by the insured. For example, the insurance contract does not cover damages caused by an act committed by the insured in the knowledge that said act is in violation of laws and regulations.

(4) Remuneration, etc. to Directors and Audit & Supervisory Board Members for the fiscal year ended March 31, 2025

1) Matters related to the policy for deciding on contents of individual remuneration, etc. to Directors

At the Company, the policy for deciding on remuneration (including the remuneration composition and standard amount) and the method for calculating remuneration, as well as the total amount of remuneration, etc., are deliberated by the Nomination and Remuneration Committee for Directors and Executive Officers, which is chaired by an Independent Outside Director and comprising a majority of Independent Outside Directors, and reported to the Board of Directors, and then decided on by the Board of Directors.

The amounts of individual remuneration, etc. to Directors are determined based on the deliberations of performance evaluation results by the Nomination and Remuneration Committee for Directors and Executive Officers. Since the individual remuneration, etc. to Directors for the fiscal year ended March 31, 2025 was determined through these procedures, the Board of Directors believes that the content is in line with the policy and is appropriate. Furthermore, the amounts of individual remuneration, etc. to

Audit & Supervisory Board Members are decided on through discussion among the Audit & Supervisory Board Members.

Remuneration, etc. to the Company's officers is based on the standard amount for each rank of officer. In setting this standard amount, we use remuneration data from external specialist organizations as well as publicly available information to assess the remuneration level of companies in both the same and other industries. The composition of remuneration varies for Directors in charge of business execution, Directors not in charge of business execution (including Outside Directors), and Audit & Supervisory Board Members. Remuneration to Directors in charge of business execution consists of basic (fixed) remuneration, performance-linked bonuses based on the achievements of the performance targets in each fiscal year, and stock compensation, which aims to increase the motivation of Directors and other officers to achieve the medium- to long-term performance targets set forth in the 22–24 Mid-term Management Plan, and to further enhance long-term corporate value.

The Company has introduced performance-linked stock remuneration through a system utilizing an officer remuneration Board Incentive Plan (BIP) trust. However, to prepare for the event that the Company is unable to pay stock compensation under this system, it has introduced stock price-linked compensation as a substitute plan, in which compensation is paid in cash in lieu of stocks based on the same calculation method as performance-linked stock remuneration.

Classification	Fixed remuneration	Performance-linked remuneration	
	Basic remuneration	Bonus	Stock compensation (stock price-linked compensation)
Directors in charge of business execution	70%	20%	10%
Directors not in charge of business execution, Audit & Supervisory Board Members	100%	–	–

(Note) For bonus and stock compensation (stock price-linked compensation), which are performance-linked remuneration, the ratios of remuneration composition in the case of the achievement of standard targets are stated.

2) Matters related to resolutions at the General Meeting of Shareholders regarding remuneration, etc. to Directors and Audit & Supervisory Board Members

Remuneration, etc., by type	Date of resolution	Eligible recipients	Amount / number of shares	Number of recipients at resolution
Basic remuneration, bonus	The 3rd Ordinary General Meeting of Shareholders held on June 29, 2006	Directors (excluding salaries for services rendered as employees by Directors who also serve as employees)	¥600 million per year as the maximum aggregate amount	7
		Audit & Supervisory Board Members	¥120 million per year as the maximum aggregate amount	4
Stock compensation	The 19th Ordinary General Meeting of Shareholders held on June 28, 2022	Directors and Executive Officers (excluding Directors who mainly serve as Director of our subsidiary, Outside Directors, and nonresidents of Japan)	¥300 million and 200,000 shares as maximum for 3 fiscal years	8 (of which, 4 Directors and 4 Executive Officers)

3) Matters related to delegation regarding the decision on contents of individual remuneration, etc. to Directors

Not applicable

4) Matters related to performance-linked remuneration

(i) Method of calculating bonuses

In order to ensure our values are aligned with those of shareholders, and to further motivate officers to contribute to corporate performance, bonuses are individually determined in an amount calculated by multiplying the base amount by the bonus composition ratio (20%) within a range from 0% to 200%, in accordance with the degree of achievement against original targets for consolidated operating income margin and profit margin attributable to owners of the parent for each fiscal year.

The targets and results of bonus indicators for the fiscal year ended March 31, 2025 are shown below.

Indicator	Original target	Result
Operating income margin	1.26%	1.29%
Profit margin attributable to owners of the parent	0.88%	0.92%

(ii) Method of calculating stock compensation

Stock compensation serves as an incentive to increase corporate value over the long term. The number of our shares to be issued will be determined by annually granting and accumulating the base points calculated according to the amount obtained by multiplying the base amount by the stock remuneration composition ratio (10%), and after the conclusion of the mid-term management plan, varying the cumulative value of the base points within the range of 0% to 200% according to the achievement level of the business performance targets in the mid-term management plan. As with bonuses, the performance indicators utilized include the consolidated operating income margin and profit margin attributable to owners of the parent, which have been positioned as KPIs for the mid-term management plan. In doing so, we aim to ensure our values are aligned with those of shareholders and to further motivate officers to contribute to corporate performance.

(iii) Method of calculating stock price-linked compensation

Stock price-linked compensation is positioned as a substitute in case the Company is unable to pay stock compensation. During the mid-term management plan, it will be annually granted and accumulated using the same base points as stock compensation. After the conclusion of the mid-term management plan, stock price-linked compensation will be varied by the cumulative value of the base points within the range of 0% to 200% according to the achievement level of the business performance targets in the mid-term management plan, and paid in the amount obtained by multiplying the stock price on a reference date set forth in the rules. As with stock compensation, the performance indicators utilized include the consolidated operating income margin and profit margin attributable to owners of the parent, which have been positioned as KPIs for the mid-term management plan.

5) Total amount of remuneration, etc. to Directors and Audit & Supervisory Board Members

Classification	Total amount of remuneration, etc. (Millions of Yen)	Total amount of remuneration, etc., by type (Millions of Yen)			Number of eligible Recipients (Persons)
		Fixed remuneration	Performance-linked remuneration		
		Basic remuneration	Bonus	Stock compensation (Stock price-linked compensation)	
Directors (of which, Outside Directors)	301 (40)	223 (40)	48	29	11 (4)
Audit & Supervisory Board Members (of which, Outside Audit & Supervisory Board Members)	76 (30)	76 (30)	–	–	5 (3)
Total	377	299	48	29	16

(Notes) 1. Base remuneration is paid periodically every month during the tenure.

2. Bonuses are paid once a year after the performance for each fiscal year is confirmed.

3. Stock-based compensation (stock price-linked compensation) is paid after the performance of the mid-term management plan is confirmed.

4. The amounts of performance-linked remuneration include provision for directors' bonuses and reversal of provision for directors' bonuses for the fiscal year ended March 31, 2025.

(5) Matters concerning outside officers for the fiscal year ended March 31, 2025

1) Relationship between the Company and significant organizations where officers concurrently hold positions

Not applicable

2) Principal activities during the fiscal year ended March 31, 2025

(i) Matters concerning Outside Directors

Position	Name	Attendance of Board of Directors' meetings	Status of principle activities and outline of business carried out by Outside Directors with respect to expected role
Director	Takashi Hara	100% (18 out of 18 meetings)	He delivered opinions mainly based on his experience as an executive, and provided advice and recommendations to ensure the adequacy and appropriateness of decision-making of the Board of Directors when necessary. In addition, he has served as Chairman of the Corporate Governance Committee and a member of the Nomination and Remuneration Committee for Directors and Executive Officers, and has made remarks based on his knowledge when necessary.
Director	Manabu Kinoshita	100% (18 out of 18 meetings)	He delivered opinions mainly based on his experience in the practice of business and as an executive, and provided advice and recommendations to ensure the adequacy and appropriateness of decision-making of the Board of Directors when necessary. In addition, he has served as Chairman of the Nomination and Remuneration Committee for Directors and Executive Officers and a member of the Corporate Governance Committee, and has made remarks based on his knowledge when necessary.
Director	Toshie Takeuchi	100% (18 out of 18 meetings)	She delivered opinions mainly based on her experience in the academic field, and provided advice and recommendations to ensure the adequacy and appropriateness of decision-making of the Board of Directors when necessary. In addition, she has served as a member of the Corporate Governance Committee and a member of the Nomination and Remuneration Committee for Directors and Executive Officers, and has made remarks based on her knowledge when necessary.

Position	Name	Attendance of Board of Directors' meetings	Status of principle activities and outline of business carried out by Outside Directors with respect to expected role
Director	Kimiko Kunimasa	100% (18 out of 18 meetings)	She delivered opinions mainly based on her experience in the practice of business and as an executive, and provided advice and recommendations to ensure the adequacy and appropriateness of decision-making of the Board of Directors when necessary. In addition, she has served as a member of the Corporate Governance Committee and a member of the Nomination and Remuneration Committee for Directors and Executive Officers, and has made remarks based on her knowledge when necessary.

(ii) Matters concerning Outside Audit & Supervisory Board Members

Position	Name	Attendance of Board of Directors' meetings and Audit & Supervisory Board's meetings		Status of principle activities
Audit & Supervisory Board Member	Yoshitaka Kato	Board of Directors' meetings:	100% (18 out of 18 meetings)	He delivered opinions mainly from the perspective of a professional in finance and accounting, etc. as a certified public accountant, and provided advice and recommendations to ensure the adequacy and appropriateness of decision-making of the Board of Directors when necessary. In addition, he has served as a member of the Corporate Governance Committee, and has made remarks based on his knowledge when necessary.
		Audit & Supervisory Board's meetings:	100% (19 out of 19 meetings)	
Audit & Supervisory Board Member	Takashi Ito	Board of Directors' meetings:	100% (18 out of 18 meetings)	He delivered opinions mainly from the perspective of legal compliance as an attorney at law, and provided advice and recommendations to ensure the adequacy and appropriateness of decision-making of the Board of Directors when necessary. In addition, he has served as a member of the Corporate Governance Committee, and has made remarks based on his knowledge when necessary. Furthermore, he has attended the Nomination and Remuneration Committee for Directors and Executive Officers as an observer.
		Audit & Supervisory Board's meetings:	100% (19 out of 19 meetings)	
Audit & Supervisory Board Member	Hiroshi Kizaki	Board of Directors meetings:	100% (18 out of 18 meetings)	He expressed opinions mainly based on his experience in the practice of business and as an executive, in addition to his perspective as a certified public accountant specializing in finance, accounting, etc., and provided advice and recommendations to ensure the adequacy and appropriateness of decision-making of the Board of Directors when necessary. In addition, he has served as a member of the Corporate Governance Committee and made remarks based on his knowledge when necessary.
		Audit & Supervisory Board meetings:	100% (19 out of 19 meetings)	

Independent Auditor

(1) Name KPMG AZSA LLC

(2) Amount of remuneration, etc.

	Amount paid (Millions of Yen)
Amount of remuneration, etc. of the Independent Auditor for the fiscal year ended March 31, 2025	120
Total amount of money and other property benefits payable to the Independent Auditor by the Company and its subsidiaries	242

(Notes) 1. The Audit & Supervisory Board of the Company conducted necessary verification of the content of the audit plan of the Independent Auditor, the assessment and analysis of the audit performance in the previous fiscal year, the status of performing duties of accounting audits, and the appropriateness of the basis of calculation for remuneration estimates, and consented to the amount of remuneration of the Independent Auditor.

2. Under the audit agreement between the Company and its Independent Auditor, there is no clear distinction between the fees for audit based on the Companies Act and the fees for audit based on the Financial Instruments and Exchange Act. Accordingly, the amount of remuneration, etc. of the Independent Auditor for the fiscal year ended March 31, 2025 shown above is the total of these audit fees.

(3) Details of non-audit services

Not applicable

(4) Policy in deciding the dismissal or non-reappointment of the Independent Auditor

In the event that the Independent Auditor falls under any of the items prescribed in Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board of the Company considers dismissal of the Independent Auditor. If dismissal is deemed appropriate, the Independent Auditor is dismissed upon consent of all of the Audit & Supervisory Board Members. The Audit & Supervisory Board of the Company also examines the performance of duties by the Independent Auditor and audit system, etc. of the Company. If a change of the Independent Auditor is deemed necessary, the Audit & Supervisory Board determines the details of the agenda item concerning non-reappointment of the Independent Auditor and notifies to that effect to the Board of Directors of the Company. The Board of Directors of the Company submits said agenda item to the General Meeting of Shareholders.

Framework for ensuring the appropriate conduct of the Group's business and the status of operation

(1) Framework for ensuring the appropriate conduct of the Group's business

The Company made the following decisions on the framework for ensuring that Directors' duties are performed in compliance with relevant laws and regulations and with the Articles of Incorporation and other framework for ensuring the appropriate conduct of the Group's business.

Based on the Companies Act and the Ordinance for Enforcement of the Companies Act, the Company puts in place the following framework for ensuring the appropriate conduct of its business and businesses of the corporate group consisting of the Company and its subsidiaries.

1) Framework for ensuring that Directors' duties are performed in compliance with relevant laws and regulations and with the Articles of Incorporation
   (i) In line with the Alfresa Group's principles, the Company shall establish compliance guidelines and internal regulations, putting in place a structure that complies with relevant laws and regulations and with the Articles of Incorporation.
   (ii) Important matters pertaining to management of the Group companies shall be reviewed in keeping with the basic policy and procedures by the Executive Committee, and shall be decided upon by the Board of Directors or the Executive Committee.
   (iii) In accordance with the Financial Instruments and Exchange Act and relevant laws and regulations, the Company shall endeavor to maintain sound and transparent management, and work to ensure the reliability of its financial reporting and the effectiveness of its internal controls, and enhance accuracy.
   (iv) The Company shall appoint outside Directors, ensuring the objectivity and neutrality of its management supervisory function.
   (v) Audit & Supervisory Board Members shall attend important meetings of the Board of Directors, Executive Committee and other Company organs, and shall audit the legality and appropriateness of Directors' performance of duties and decision-making.

2) Framework for the storage and management of information concerning Directors' performance of duties

   The Company properly stores and manages documents concerning Directors' performance of duties and other information, such as documents concerning general meetings of shareholders, Board of Directors' meetings, the Executive Committee, and requests for managerial approval, based on laws and regulations and the Company's internal regulations.

3) Regulations and other frameworks for managing risk of loss
   (i) The Company shall formulate internal regulations and put in place a risk management framework to ensure business continuity and stable business development, responding appropriately to the various business risks, including those associated with business investment, compliance and information management.
   (ii) During emergencies, the risk management framework shall be put in motion, and appropriate action taken in response to the particular nature and type of risk involved.

4) Framework for ensuring the Directors' duties are performed in an efficient manner
   (i) Based on the Group's medium-term management plan and fiscal year plans, the Company shall track each Group company's progress with their businesses, while implementing initiatives to achieve targets.
   (ii) The executive officer system ensures a clear separation between Directors' duties and executive officers' business execution functions.
   (iii) The Board of Directors and the Executive Committee shall meet regularly to rapidly and properly make decisions.
   (iv) The Company shall update internal regulations, clarify the separation of duties and job authority etc., and put in place a timely and appropriate reporting system.

5) Framework for ensuring that employees' duties are performed in compliance with relevant laws and regulations and with the Company's Articles of Incorporation
   (i) In line with the Group's principles, the Alfresa Group shall formulate Compliance Guidelines and internal regulations, and establish rules for maintaining higher ethical standards and sincerity in all activities.
   (ii) The Group shall rigorously enforce compliance with and understanding of laws, regulations and

guidelines by implementing training and educational programs for its employees, and conduct timely and appropriate reporting and notification within the Group.

(iii) The Company shall establish Compliance Consulting Offices, and endeavor to secure information while protecting the rights of informants.

(iv) The Audit Department shall conduct internal audits regarding the status of compliance with relevant laws and the Company's internal regulations, etc.

6) Framework for ensuring the appropriateness of operations at the corporate group comprising the Company and its subsidiaries

(i) Framework for reporting to the Company concerning performance of duties by Directors, etc. of the Company's subsidiaries

(A) The Company shall manage operations of each Group company based on the Group company's operating bylaws and put in place a reporting system regarding important matters.

(B) The Company shall work to build mutual ties and improve information sharing among Group companies through its various committees and through personnel exchanges within the Group.

(ii) Regulations and other frameworks for managing risk of loss at the Company's subsidiaries

The Company shall put in place and work to strengthen the Group's information management and risk management frameworks.

(iii) Framework for ensuring the duties of Directors, etc. are performed in an efficient manner at the Company's subsidiaries

(A) Based on the Alfresa Group's medium-term management plan and fiscal year plans, the Company shall manage and verify the progress of Group companies in meeting their targets.

(B) With the objective of streamlining Group management, the Company shall hold meetings of its Group Management Committee, Business Strategy Committee, and other committees by department, role, or function, regularly or as required, to confer or deliberate on matters concerning Group management.

(iv) Framework for ensuring that the duties are performed in compliance with relevant laws and regulations and with the Articles of Incorporation by Directors, etc. and employees of the Company's subsidiaries

(A) The Company shall endeavor to propagate the Alfresa Group principles, establishing Compliance Guidelines and internal regulations, and putting in place a framework that complies with relevant laws and regulations and with the Articles of Incorporation.

(B) The Group shall put in place a more easily accessible internal reporting system by establishing Compliance Consulting Offices at Group companies, as well as a Group-wide Compliance Consulting Office.

(C) The Audit Department shall work with the internal audit departments at each Group company, and shall work to enhance the Group's audit function.

7) Items regarding employees who assist with the duties of the Audit & Supervisory Board Members

The Company shall establish an Audit & Supervisory Board Office in order to assist the Audit & Supervisory Board Members in performing their duties.

8) Items regarding independence of Audit & Supervisory Board Member assistants from Directors

Transfers of employees assigned to the Audit & Supervisory Board Office shall take place upon consideration of the opinions of the Audit & Supervisory Board Members.

9) Items regarding assurance of the effectiveness of instructions given by Audit & Supervisory Board Members to assistants

Employees assigned to the Audit & Supervisory Board Office will engage full time in assisting with the duties of the Audit & Supervisory Board Members and the Company will not give directions and orders to the employees.

10) Framework for reporting to Audit & Supervisory Board Members

(i) Framework for enabling Directors and employees to report to the Audit & Supervisory Board Members

(A) The Company shall work to compile documents for Audit & Supervisory Board Members to examine, to ensure a system whereby they can gather information needed for auditing in a timely and appropriate manner.

(B) In addition to matters set forth by relevant laws and regulation, Directors and employees shall

promptly report events which could have a critical impact on management to the Audit & Supervisory Board Members.

(C) The Company shall endeavor to ensure that Audit & Supervisory Board Members have the opportunity to attend meetings where their presence has been deemed necessary.

(D) Any request from an Audit & Supervisory Board Member for a hearing shall be responded to promptly.

(E) The details of reports submitted to Compliance Consulting Offices shall be reported to Audit & Supervisory Board Members regularly or when necessary.

(ii) Framework for enabling Directors, etc. and employees of subsidiaries of the Company, or persons who received reports from such people to report to Audit & Supervisory Board Members

The details of reports submitted to the Group-wide Compliance Consulting Office shall be reported to Audit & Supervisory Board Members regularly or when necessary.

11) Framework for ensuring that a person who made a report stipulated in the preceding paragraph will not be treated unfavorably on the grounds of making such a report

The Company shall establish a strict information management system concerning a person who made a report to Audit & Supervisory Board Members and the details of such report.

12) Items regarding the policy on procedures for making an advance payment or reimbursement on expenses incurred by Audit & Supervisory Board Members in association with performance of their duties and processing of other expenses and obligations incurred in association with performance of said duties

A certain amount of budget shall be secured to disburse expenses, etc. incurred by Audit & Supervisory Board Members in performing their duties.

13) Other frameworks for ensuring that audits performed by the Audit & Supervisory Board Members can be conducted effectively

(i) In light of the significance and utility of audits performed by Audit & Supervisory Board Members, Audit & Supervisory Board Members and all officers and employees shall exchange views as needed.

(ii) The Audit & Supervisory Board Members and the Audit Department shall meet periodically to exchange opinions, while securing conferences and other opportunities to meet with Audit & Supervisory Board Members of Group companies, and strive to strengthen cooperation among one another.

(2) Overview of the status of operation of the framework for ensuring the appropriate conduct of the Group's business

1) Compliance framework

(i) In line with the Alfresa Group's principles, the Company has established Compliance Guidelines and is working to thoroughly enforce compliance through the Compliance and Risk Management Committee, training, and other means.

(ii) The status of operation of the Compliance Consulting Offices established at the Company and each Group company is reported to the Compliance and Risk Management Committee, Directors, and Audit & Supervisory Board Members, etc. regularly or when necessary.

In addition, the Company has established a system to receive various questions and whistle-blowing reports by setting up telephone consulting offices dedicated to the Antimonopoly Act within and outside the Group companies, and the status of operation of the telephone consulting offices dedicated to the Antimonopoly Act is reported to the subcommittee of the Compliance and Risk Management Committee and the Board of Directors, etc. periodically or when necessary.

(iii) As for the internal control for financial reporting, basic plans and policies, progress status as well as the results of the assessment of the effectiveness etc. are reported to the Board of Directors when necessary.

(iv) All executives and employees are committed to preventing recurrence in order to ensure compliance with the Antimonopoly Act.

2) Risk management framework

(i) In order to deliberate investment projects at the Group, a meeting of the Business Investment Committee is held when necessary, and proposals are submitted to the Board of Directors or the

Executive Committee in accordance with the regulations.

(ii) The Group has formulated a Business Continuity Plan (BCP) and various disaster manuals, with the aim of putting in place a system to enable prompt and stable supply of pharmaceuticals, etc. in the event of a large-scale disaster.

Furthermore, the Group holds regular meetings of the Compliance and Risk Management Committee to reinforce the risk management framework.

(iii) For promoting measures for information security, the information security framework for the whole Group has been established, and the training and monitoring of operation thereof are carried out in accordance with the group-wide standards.

3) Management of the Group companies

(i) Based on the Group company's operating bylaws, important matters regarding the Group companies are submitted to the Board of Directors or Executive Committee for deliberation.

(ii) Based on the Alfresa Group's medium-term management plan and fiscal year plans, the Company manages the progress, and reports to the Executive Committee or the Board of Directors when necessary. In addition, the Company holds meetings of its Group Management Committee, Business Strategy Committee, Group Management Promotion Committee and other committees by role, or function, on a regular basis.

(iii) The Company is working to reinforce the framework of information sharing and reporting system between the Group companies through various committees, thoroughly enforce compliance education, and enhance and strengthen the whistle-blower system.

4) Performance of duties by Directors

(i) The Company properly manages documents concerning Directors' performance of duties based on laws and regulations and the Company's internal regulations.

(ii) With the executive officer system, a separation between Directors' duties and executive officers' business execution functions is clarified to ensure the efficient decision-making.

(iii) The Company held 18 meetings of the Board of Directors, determined prescribed important matters, received reports on the performance of duties by Directors and conducted supervision. In addition, the Company held 20 meetings of the Executive Committee to deliberate and make decision on other important matters. At the meetings of the Board of Directors, etc., thorough discussions were held on important decision-making and reporting matters concerning the Company and each Group company, including business trend and investment projects, based on the business analysis materials and materials from professional fields, whereby the management oversight function is exercised.

5) Performance of duties by Audit & Supervisory Board Members

(i) In accordance with the Audit & Supervisory Board regulations and standards for audits by Audit & Supervisory Board Members etc., Audit & Supervisory Board Members prepare audit plans, divide audit tasks, attend the meetings of the Board of Directors and other important meetings, and state opinions as needed.

(ii) Audit & Supervisory Board Members inspect important documents, such as documents of requests for managerial approval, request Directors and employees for explanation as necessary, and provide guidance.

(iii) Audit & Supervisory Board meetings are held on a regular basis or when needed, to report and discuss audit activities as well as exchange information, with the aim of enhancing the effectiveness and efficiency of audits.

(iv) Audit & Supervisory Board Members strive to improve the quality of audits by having meetings with the Company's management including Representative Director & President, exchanging opinions and sharing information with Audit & Supervisory Board Members etc. of the Group companies, and holding meetings of the Group-wide Audit & Supervisory Board Committee.

(v) Audit & Supervisory Board Members monitor and confirm the independence and expertise of the Independent Auditor, while ensuring sufficient collaboration through verification of audit plans and receipt of audit and quarterly review results etc.

(vi) With the aim of enhancing the effectiveness and efficiency of audits, Audit & Supervisory Board Members work closely with the Audit Department through exchanging information and other ways on a regular basis or as needed.

(Note) Amounts presented in this business report are rounded down to the nearest whole unit, unless otherwise stated.

Consolidated Balance Sheet

(As of March 31, 2025)

(Millions of Yen)

Account title	Amount	Account title	Amount
(Assets)		**(Liabilities)**	
Current assets	**1,094,496**	**Current liabilities**	**894,961**
Cash and deposits	177,085	Trade notes and accounts payable	834,925
Trade notes receivable	11,801	Lease obligations	1,583
Accounts receivable	633,977	Income taxes payable	7,096
Merchandise and finished goods	157,286	Reserve for bonuses	8,089
Work in process	2,071	Reserve for bonuses to directors and corporate auditors	363
Raw materials and supplies	8,312	Provision for share awards	271
Purchase rebates receivable	84,368	Provision for share awards for directors	293
Others	19,925	Provision for loss on Antimonopoly Act	4,937
Allowance for doubtful accounts	(331)	Others	37,400
Non-current assets	**345,388**	**Non-current liabilities**	**62,675**
Property, plant and equipment	**192,436**	Corporate bonds	20,000
Buildings and structures	76,328	Long-term borrowings	10,000
Machinery, equipment and vehicles	20,348	Lease obligations	3,962
Tools and fixtures	5,053	Deferred tax liabilities	18,533
Land	70,908	Deferred tax liabilities for land revaluation	298
Leased assets	3,294	Net defined benefit liabilities	7,314
Construction in progress	16,501	Asset retirement obligations	1,079
Intangible assets	**11,464**	Others	1,486
Goodwill	1,402	**Total liabilities**	**957,637**
Leased assets	0	**(Net assets)**	
Others	10,061	**Shareholders' equity**	**428,484**
Investments and other assets	**141,487**	Paid-in capital	18,454
Investment securities	115,315	Capital surplus	31,749
Long-term loans	2,089	Retained earnings	399,650
Deferred tax assets	4,788	Treasury stock, at cost	(21,369)
Net defined benefit assets	9,156	**Accumulated other comprehensive income**	**53,303**
Others	12,432	Unrealized gains on available-for-sale securities, net of taxes	53,288
Allowance for doubtful accounts	(2,295)	Unrealized gains on deferred hedge	(1)
		Revaluation reserve for land	(3,362)
		Foreign currency translation adjustments	475
		Remeasurements of defined benefit plans, net of taxes	2,903
		Non-controlling interests	**459**
		Total net assets	**482,247**
Total assets	**1,439,885**	**Total liabilities and net assets**	**1,439,885**

Consolidated Statements of Income

(From April 1, 2024 to March 31, 2025)

(Millions of Yen)

Account title	Amount	
Net sales		**2,961,051**
Cost of sales		**2,747,123**
Total deduction		**213,927**
Selling, general and administrative expenses		**175,846**
Operating income		**38,080**
Other income		
Interest income	144	
Dividend income	1,781	
Rental income from real estate	512	
Others	909	3,347
Other expenses		
Interest expenses	279	
Commission expenses	145	
Expense for rental property	215	
Others	302	942
Ordinary profit		**40,485**
Extraordinary profit		
Gain on sales of non-current assets	226	
Gain on sales of investment securities	5,936	
Subsidy income	743	6,906
Extraordinary loss		
Loss on sale of non-current assets	39	
Loss on disposal of property, plant and equipment	202	
Loss on impairment of non-current assets	5,604	
Loss on tax purpose reduction entry of non-current assets	743	
Loss on sales of investment securities	2	
Loss on devaluation of investment securities	154	
Loss on valuation of investments in capital	142	
Loss on cancellation of rental contracts	94	
Cancellation penalty	1,048	8,032
Income before income taxes and non-controlling interests		**39,359**
Current	13,318	
Deferred	(1,395)	11,923
Profit		**27,436**
Profit attributable to non-controlling interests		46
Profit attributable to owners of parent		**27,389**

Consolidated Statements of Changes in Net Assets

(From April 1, 2024 to March 31, 2025)

(Millions of Yen)

	Shareholders' equity				
	Paid-in capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance - previously stated	18,454	57,720	384,507	(36,412)	424,269
Changes during the fiscal year					
Cash dividends from retained earnings			(12,550)		(12,550)
Profit attributable to owners of parent			27,389		27,389
Treasury stock acquired				(11,003)	(11,003)
Sales of treasury stock		(0)		75	75
Cancellation of treasury shares		(25,970)		25,970	–
Changes in the scope of consolidation			199		199
Reversal of revaluation reserve for land			105		105
Changes in items other than shareholders' equity during the fiscal year (net)					
Total changes during the fiscal year	–	(25,970)	15,143	15,043	4,215
Ending balance	18,454	31,749	399,650	(21,369)	428,484

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Unrealized gains on securities, net of taxes	Deferred gains or losses on hedges, net of taxes	Unrealized gain or loss on revaluation of land	Foreign currency translation adjustments	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income		
Beginning balance - previously stated	54,438	1	(3,375)	330	3,936	55,330	259	479,859
Changes during the fiscal year								
Cash dividends from retained earnings								(12,550)
Profit attributable to owners of parent								27,389
Treasury stock acquired								(11,003)
Sales of treasury stock								75
Cancellation of treasury shares								–
Changes in the scope of consolidation								199
Reversal of revaluation reserve for land								105
Changes in items other than shareholders' equity during the fiscal year (net)	(1,149)	(2)	13	145	(1,033)	(2,026)	199	(1,827)
Total changes during the fiscal year	(1,149)	(2)	13	145	(1,033)	(2,026)	199	2,388
Ending balance	53,288	(1)	(3,362)	475	2,903	53,303	459	482,247

Notes to Consolidated Financial Statements

1. Notes on important matters forming the basis of preparation of consolidated financial statements, etc.

(1) Matters concerning the scope of consolidation

1) Consolidated subsidiaries

(A) The number of consolidated subsidiaries: 16 companies

(B) Names of principal consolidated subsidiaries: Alfresa Corporation
Alfresa Healthcare Corporation
Alfresa Pharma Corporation

2) Non-consolidated subsidiaries

(A) Names of principal non-consolidated subsidiaries:
Alfresa Biz Support Corporation

(B) The reason for the exclusion from the scope of consolidation:
The non-consolidated subsidiaries are all small in scale, and none of their total assets, net sales, net income or loss (an amount proportional to the ownership) and retained earnings (an amount proportional to the ownership), etc., have a material effect on the consolidated financial statements.

(2) Matters concerning the application of the equity method

1) Non-consolidated subsidiaries and affiliated companies accounted for by the equity method:
Not applicable

2) Non-consolidated subsidiaries and affiliated companies not accounted for by the equity method

(A) Names of principal non-consolidated subsidiaries:
Alfresa Biz Support Corporation

(B) The reason for not applying the equity method:
The principal non-consolidated subsidiaries and affiliated companies not accounted for by the equity method are all small in scale and immaterial as a whole, and exclusion thereof from the scope of application of the equity method has a minimal effect on the consolidated financial statements, in view of their net income or loss (an amount proportional to the ownership) and retained earnings (an amount proportional to the ownership), etc. Therefore, they are not accounted for by the equity method.

(3) Matters concerning the fiscal year, etc., of consolidated subsidiaries

The fiscal year of consolidated domestic subsidiaries ends on the consolidated closing date of March 31. The fiscal year of consolidated overseas subsidiaries ends on December 31, and their financial statements as of December 31 are used for the purpose of preparation of consolidated financial statements. Significant transactions occurring from January 1 to March 31 are adjusted in the consolidated financial statements.

(4) Matters related to accounting standards

1) Valuation standards and method of significant assets

(A) Valuation standards and method of securities

Available-for-sale securities

(a) Securities other than shares, etc. without market prices:
Stated at fair values (all valuation differences are reported as a component of net assets while cost of disposal is calculated by the moving-average method)

(b) Shares, etc. without market prices:
Stated at cost as determined by using moving-average method

(c) Investments in investment limited partnerships (investments deemed to be securities under Article 2, Paragraph 2 of the Financial Instruments and Exchange Act):
Stated at the net amount equivalent to equity based on the latest financial statements

(B) Valuation standards and method of inventories

Valuation standards: Stated at cost (by writing down the book value of assets based on a decline in profitability)

(a) Consolidated domestic subsidiaries
Merchandise and finished goods, work in process, raw materials and supplies: Principally gross average method

(b) Consolidated overseas subsidiaries
Finished goods, work in process, raw materials: Moving-average method

(C) Valuation standards and method of derivatives

- Derivatives: Stated at fair values

2) Depreciation method for significant depreciable assets

(A) Property, plant and equipment (except for leased assets)

Depreciation is computed using the straight-line method. The useful life is mainly as follows:

(a) Buildings and structures: 2 to 60 years

(b) Machinery, equipment and vehicles: 2 to 23 years

(c) Tools and fixtures: 2 to 20 years

(B) Intangible assets (except for leased assets)

(a) Software for internal use: The straight-line method is used on the basis of the internal usable period of five years.

(b) Other intangible assets: The straight-line method

(C) Leased assets

(a) Leased assets concerning finance lease transactions involving transfer of ownership:

The identical depreciation method applied on self-owned non-current assets is used.

(b) Leased assets concerning finance lease transactions without involving transfer of ownership:

Subject to depreciation by the straight-line method over the lease period assuming residual value at nil.

(D) Long-term prepaid expenses: Subject to amortization by the straight-line method over the period in which benefits of the expenditure are extended.

3) Accounting standards for major reserves

(A) Allowance for doubtful accounts: The allowance for potential losses of unrecoverable trade receivables, loans receivable and others are provided based on the historical default rate for outstanding receivables in general and the amounts deemed necessary in consideration of the recoverability in individual cases for specific receivables with higher possibility of default.

(B) Allowance for bonuses: The allowance for bonuses is provided for the estimated amounts, which the Company and its consolidated subsidiaries are obligated to pay to employees after the fiscal year-end, based on services provided during the current year.

(C) Allowance for bonuses to directors and audit & supervisory board members:

The allowance for bonuses to directors and audit & supervisory board members is provided for the estimated amounts which the Company and its consolidated subsidiaries are obligated to pay to directors and audit & supervisory board members after the fiscal year-end, based on services provided during the current year.

(D) Provision for share awards: The provision for share awards is provided based on the estimated amount of share award obligations at the fiscal year-end for future delivery of share awards to employees in accordance with the share delivery rules.

(E) Provision for share awards for directors:

The provision for share awards for directors is provided based on the estimated amount of share award obligations at the fiscal year-end for future delivery of share awards to directors and audit & supervisory board members in accordance with the share delivery rules.

(F) Provision for loss on Antimonopoly Act:

The provision for loss on Antimonopoly Act is provided for payment of surcharge, etc. in accordance with the Antimonopoly Act, based on the estimated amount of potential future losses at a certain consolidated subsidiary.

4) Significant hedge accounting method

(A) Hedge accounting method: Deferred hedge accounting is applied.

Meanwhile, certain transactions for hedging risks of fluctuations of foreign exchange are subject to the appropriation treatment where they meet the requirements for such treatment.

(B) Hedging instruments and hedged items: Hedging instruments: Foreign currency forward contracts

Hedged items: Accounts receivable and accounts payable denominated in foreign currencies

(C) Hedging policy: Hedging is carried out within the scope of normal transactions for the sole purpose of avoiding prospective risks of fluctuations of foreign exchange in the market.

(D) Evaluation method of the effectiveness of hedging activities:

Evaluation of effectiveness is omitted as significant terms related to assets and liabilities of hedging instruments and hedged items or scheduled transactions are identical.

5) Other significant matters for the preparation of consolidated financial statements

(A) Accounting treatment method of retirement benefits

Net defined benefit liabilities are provided for the payment of employees' retirement benefits by recording the amount of retirement benefit obligations less plan assets based on the estimated amount at the end of the fiscal year. Actuarial gains and losses are amortized over a certain period (5 to 10 years) within the average remaining service period of the employees

at the time when the actuarial gains and losses are incurred in each fiscal year, commencing from the following fiscal year of the year incurred in equal annual installments calculated by using the straight-line method. Prior service costs are amortized using the straight-line method over a certain period (5 to 13 years) within the average remaining service period of the employees. Unrecognized actuarial gains and losses as well as unrecognized prior service costs are adjusted for tax effects, and recorded as remeasurements of defined benefit plans in accumulated other comprehensive income under net assets.

(B) Accounting standards for major revenue and expenses

The Company is mainly engaged in selling, manufacturing and marketing of pharmaceuticals and medical devices, etc. In the sale of these merchandise and finished goods, control of the merchandise and finished goods is transferred to a customer, and performance obligations are satisfied at the time when the merchandise and finished goods are delivered to the customer and acceptance inspection by the customer is completed. Thus, revenue is recognized when acceptance inspection by the customer is completed.

In the sale of medical devices, etc., where the Company's performance obligations are identified as obligations to arrange for another party to provide the products, in overall consideration of which party carries primary responsibility for fulfilling promise and the discretionary power to determine the price, etc., the Company recognizes revenue as an agent at a net amount of consideration gained from the transaction and the payment to the third party.

(C) Standards for translation of assets and liabilities denominated in foreign currencies

Monetary claims and obligations denominated in foreign currencies are translated into Japanese yen at the year-end spot exchange rates, and translation adjustments are recorded as gains or losses. Assets and liabilities of consolidated overseas subsidiaries are translated into Japanese yen at the spot exchange rate on the year-end closing date, while income and expenses are translated into Japanese yen at the average exchange rate for the fiscal year, and translation adjustments are included in foreign currency translation adjustments under net assets.

(D) Amortization of goodwill

Goodwill is amortized regularly using the straight-line method over a period benefited therefrom but not exceeding 20 years.

2. Notes on changes in accounting policies

Application of the "Accounting Standard for Current Income Taxes," etc.

(1) Details and reasons for the changes in accounting policies

The "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022), etc. has been applied from the beginning of the fiscal year ended March 31, 2025.

(2) Amount of impact on manor items in the consolidated financial statements

There is no impact on the consolidated financial statements.

3. Notes on accounting estimates

Estimate of potential future losses related to the Antimonopoly Act

Amount recorded on the consolidated financial statements for the fiscal year ended March 31, 2025

Provision for loss on Antimonopoly Act ¥4,937 million

The provision for loss on Antimonopoly Act is provided based on the estimated amount of potential future losses deemed to be able to be reasonably estimated at the end of fiscal year, for an amount equivalent to the payment of a penalty for breach of contracts related to the event in which Alfresa Corporation, a consolidated subsidiary, received a cease-and-desist order and a surcharge payment order based on the Antimonopoly Act from the Japan Fair Trade Commission for violating the Antimonopoly Act in bidding for supply of ethical pharmaceuticals.

In estimating the provision, the amount of the potential losses for the Group is estimated based on calculation formulas prescribed in the contractual clauses as well as professional opinions from attorneys at law, etc.

Assumptions used to estimate the potential losses involve uncertainty such as the intention of the counterparty, and unpredictable changes in assumptions, etc. may result in a significant impact on the consolidated financial statements for the fiscal year ending March 31, 2026, such as incurrence of additional losses or reversal of the provision.

4. Notes on consolidated balance sheet

(1) Assets pledged as collateral and secured liabilities

1) Assets pledged as collateral

	(Millions of Yen)
Cash and deposits	99
Merchandise and finished goods	6,187
Buildings and structures	14
Land	406
Investment in securities	8,961
Other (Investments and other assets)	48
Total	15,716

2) Secured liabilities

	(Millions of Yen)
Trade notes and accounts payable	13,209
Total	13,209

(2) Accumulated depreciation of property, plant and equipment ¥114,027 million

(3) Reduced amount of entry for property, plant and equipment due to the receipt of state subsidy, etc.

	(Millions of Yen)
Buildings and structures	320
Machinery, equipment and vehicles	180
Land	1,014
Other (Intangible assets)	45
Total	1,559

(4) Land revaluation

In accordance with the Law of Land Revaluation (Law No. 34 of March 31, 1998) and amendments thereto of March 31, 2001, certain consolidated subsidiaries conducted a revaluation of their land for business use. Accordingly, the amount of revaluation difference less "revaluation of deferred tax liabilities" was recorded as "unrealized gain or loss on revaluation of land" under net assets.

1) Revaluation method

Land revaluation is conducted by the calculation method based on property tax valuation stipulated under Article 2, Item 3 of Ordinance for Enforcement of the Law of Land Revaluation (Ordinance No. 119 of March 31, 1998).

2) Date of land revaluation March 31, 2002

3) Difference between the fair value of the revaluated land at year end and its book value after the revaluation ¥ (117) million

5. Notes on consolidated statements of changes in net assets

(1) Matters concerning the number of stock issued

Type of shares	Number of shares as of April 1, 2024	Increase during the fiscal year	Decrease during the fiscal year	Number of shares as of March 31, 2025
Common stock	202,840 thousand shares	– thousand shares	11,540 thousand shares	191,300 thousand shares

(Note) The decrease of 11,540 thousand shares in the number of shares issued of common stock is due to the cancellation of treasury stock.

(2) Matters concerning the number of treasury stock

Type of shares	Number of shares as of April 1, 2024	Increase during the fiscal year	Decrease during the fiscal year	Number of shares as of March 31, 2025
Common stock	15,971 thousand shares	5,115 thousand shares	11,574 thousand shares	9,511 thousand shares

(Notes) 1. The number of shares of treasury stock includes the Company's shares held in the officer remuneration BIP trust account (414 thousand shares as of March 31, 2025).

2. The increase of 5,115 thousand shares in treasury stock is due to the acquisition of 5,113 thousand shares by resolution of the Board of Directors and 1 thousand shares from the purchase of fractional shares upon the request thereof. The decrease of 11,574 thousand shares in treasury stock is due to the cancellation of 11,540 shares, the transfer of 34 thousand shares from the officer remuneration BIP trust account, and the transfer of 0 thousand shares arising from the sale of fractional shares upon the request thereof.

(3) Matters concerning dividends of surplus

1) Dividends paid, etc.

Resolution	Type of shares	Total dividends	Dividend per share	Record date	Effective date
Board of Directors' meeting held on May 14, 2024	Common stock	¥6,743 million	¥36	March 31, 2024	June 4, 2024
Board of Directors' meeting held on November 7, 2024	Common stock	¥5,806 million	¥31	September 30, 2024	December 5, 2024

(Notes) 1. Total dividends based on the resolution of the Board of Directors' meeting held on May 14, 2024 include ¥16 million dividends paid for the Company shares held in the officer remuneration BIP trust account.

2. Total dividends based on the resolution of the Board of Directors' meeting held on November 7, 2024 include ¥12 million dividends paid for the Company shares held in the officer remuneration BIP trust account.

2) Dividends with the record date in the current year and the effective date in the following year

Resolution	Type of shares	Source of dividends	Total dividends	Dividend per share	Record date	Effective date
Board of Directors' meeting held on May 15, 2025	Common stock	Retained earnings	¥5,830 million	¥32	March 31, 2025	June 3, 2025

(Note) Total dividends include ¥13 million dividends paid for the Company's shares held in the officer remuneration BIP trust account.

6. Notes on financial instruments

(1) Matters concerning the current state of financial instruments

1) Policies for financial instruments

The Group finances necessary funds mainly by bank loans according to the capital investment plan. Temporary excess funds are operated by highly stable financial instruments such as short-term bank deposits etc., and the Companies finance short-term operating capital by bank loans. Derivative transactions are only utilized to hedge the following risks and it is our policy not to enter into derivative transactions for speculative purpose.

2) Details of financial instruments and their risks

Operating receivables such as trade notes and accounts receivable, and monetary claims such as purchase rebates receivable are exposed to credit risk of customers. Some of the operating receivables are dominated in foreign currencies and they are exposed to foreign currency fluctuation risk.

Investment securities mainly consist of securities of companies in which a business relationship has been established, or securities of companies in which a business and capital tie-up has been formed. These are exposed to market fluctuation risk.

Long-term loans mainly consist of construction assistance fund receivable at each business location and they are exposed to credit risk.

Operating payables such as trade notes and accounts payable are due within one year. Some of the operating payables relating to imports of raw materials etc. are dominated in foreign currencies and are exposed to foreign currency fluctuation risk.

Long-term debt, finance lease obligations and corporate bonds are mainly used for the purpose of financing capital investments. A part of these are exposed to interest fluctuation risk.

Regarding derivative transactions, the Group utilizes foreign currency forward contracts to hedge foreign currency fluctuation risk of operating receivables and payables dominated in foreign currencies.

3) Risk management of financial instruments

(A) Credit risk management (risk of default by the counterparties etc.)

Consolidated subsidiaries follow sales management rules, monitor the customers' credit conditions periodically and manage the due date and balance per customer with respect to operating receivables and long-term loans. They keep track of the adverse financial conditions of our customers in the early stage to mitigate the bad debt.

(B) Market risk management (risk of foreign currency fluctuations and interests etc.)

Regarding the operating receivables and payables dominated in foreign currencies, some of the consolidated subsidiaries principally utilize foreign currency forward contracts to hedge future foreign currency fluctuation risk. Order and management of foreign currency forward contracts is based on the trade operation rules, and it is performed and reported by actual demand basis.

For investment securities, the Company regularly reviews the fair value and issuers' financial condition and readjusts their portfolio on an ongoing basis considering the business relationship with counterparties.

(C) Liquidity risk management associated with financing (risk of default at the due dates)

The Company operates group cash management system (CMS) as a genuine holding company, and optimizes Company-wide financing and operating of funds.

The departments in charge at consolidated subsidiaries prepare and update the cash management plan appropriately based on the reports from each department and manage liquidity risk by maintaining liquidity.

4) Supplemental information on fair value of financial instruments

As the calculation of fair values of financial instruments adopts certain assumptions, those values may vary in case different assumptions are applied.

(2) Fair values of financial instruments

Book values and fair values of financial instruments on the consolidated balance sheet at March 31, 2025 are as follows:

(Millions of Yen)

Category	Book value	Fair value	Difference
Investment securities	92,886	92,886	–
Total assets	92,886	92,886	–
Corporate bonds	20,000	19,447	(552)
Long-term borrowings	10,000	10,000	–
Total liabilities	30,000	29,447	(552)

(Notes) 1. Notes are not stated herein with respect to cash and financial instruments whose fair value approximates book value since they are scheduled to be settled in a short period of time.

2. Shares, etc. without market prices are not included in "investment securities." The book value of these financial instruments is as follows:

(Millions of Yen)

Category	Book value
Unlisted securities	21,679

3. Information is not included herein with respect to investments in partnerships and other equivalent entities for which equity is recorded on a net basis on the consolidated balance sheet. The book value of these investments is ¥749 million.

(3) The redemption schedule for monetary claims and securities with maturity after March 31, 2025

(Millions of Yen)

	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and deposits	177,085	–	–	–
Trade notes receivable	11,801	–	–	–
Accounts receivable	633,977	–	–	–
Purchase rebates receivable	84,368	–	–	–
Investment securities				
Available-for-sale securities with maturities				
Corporate bonds	448	800	800	–
Total	907,681	800	800	–

(4) The repayment schedule for corporate bonds and long-term borrowings after March 31, 2025

(Millions of Yen)

	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Corporate bonds	–	20,000	–	–
Long-term borrowings	–	10,000	–	–
Total	–	30,000	–	–

(5) Matters related to breakdown, etc. of fair value of financial instruments by level

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure the fair value.

Level 1 fair value: Fair value measured based on quoted prices that are formed in active markets for assets or liabilities that are subject of the measurement of the fair value, among observable inputs with respect to the measurement of fair value

Level 2 fair value: Fair value measured by using inputs with respect to the measurement of fair value other than Level 1 inputs, among observable inputs with respect to the measurement of fair value

Level 3 fair value: Fair value measured by using unobservable inputs with respect to the measurement of fair value

When multiple inputs that have significant impact on the measurement of fair value are used, the fair value is classified into the level with the lowest priority in the measurement of fair value, among the levels such inputs belong to.

1) Financial instruments recorded at fair value on the consolidated balance sheet

(Millions of Yen)

	Level 1	Level 2	Level 3	Total
Investment securities				
Shares	90,770	–	–	90,770
Corporate bonds	–	2,115	–	2,115
Total	90,770	2,115	–	92,886

2) Financial instruments other than those recorded at fair value on the consolidated balance sheet

(Millions of Yen)

	Level 1	Level 2	Level 3	Total
Corporate bonds	–	19,447	–	19,447
Long-term borrowings	–	10,000	–	10,000
Total	–	29,447	–	29,447

(Note) Explanation regarding valuation techniques used for the measurement of fair value and inputs with respect to the measurement of evaluation

Among investment securities, the fair value of corporate bonds is measured at a price reasonably determined on the basis of market price information (Statistical Prices for OTC Bond Transactions, etc.), and classified into Level 2.

The fair value of corporate bonds is measured at a price reasonably determined by using market price information (Statistical Prices for OTC Bond Transactions, etc.), and classified into Level 2.

Long-term borrowings are based on various interest rates, which reflect market interest rates in the short term. Additionally, the Group's creditworthiness has not changed significantly since the execution of the borrowings. Therefore, the fair value is considered to approximate the carrying amount, and the carrying amount is used as the fair value. These borrowings are classified into Level 2.

7. Notes on investment and rental properties

The total amount of investment and rental properties is immaterial and thus information on investment and rental properties is not stated herein.

8. Notes on revenue recognition

(1) Information on disaggregated revenue from contracts with customers

1) Ethical Pharmaceuticals Wholesaling Business

(Millions of Yen)

	Amount
Ethical pharmaceuticals	2,743,035
Diagnostic regents	110,155
Medical devices, etc.	167,849
Others	69,743
Inter-segment sales	(469,720)
Sales to external customers	2,621,062

2) Self-Medication Products Wholesaling Business

(Millions of Yen)

	Amount
OTC pharmaceuticals	158,650
Supplements, health food, food products, etc.	54,931
Others	52,166
Inter-segment sales	(473)
Sales to external customers	265,275

3) Manufacturing Business

(Millions of Yen)

	Amount
Ethical pharmaceuticals	15,858
Diagnostic regents	3,297
Medical devices, etc.	8,125
Pharmaceutical ingredients	7,503
Consigned manufacturing	17,899
Others	2,439
Inter-segment sales	(17,433)
Sales to external customers	37,690

4) Medical-Related Business

(Millions of Yen)

	Amount
Dispensing fees	36,680
Others	342
Sales to external customers	37,023

(2) Useful information in understanding revenue

The Company is mainly engaged in selling, manufacturing and marketing of pharmaceuticals and medical devices, etc. In the sale of these merchandise and finished goods, control of the merchandise and finished goods is transferred to a customer, and performance obligations are satisfied at the time when the merchandise and finished goods are delivered to the customer and acceptance inspection by the customer is completed. Thus, revenue is recognized when acceptance inspection by the customer is completed.

In the ethical pharmaceuticals wholesaling industry, old commercial practice unique to this industry still prevails, whereby, given social mission of this type of pharmaceuticals as merchandise potentially of life-or-death importance to users, tolerating no suspended delivery, drugs are delivered to medical institutions with prices undecided for a certain period of

time subsequent to NHI drug prices revisions, after which prices are negotiated between wholesalers and the medical institutions. Variable considerations prior to the conclusion of such negotiation are estimated by using the most probable single amount (estimation with the highest probability of materializing), selected from among possible estimated considerations, based on factors such as the latest development of negotiations as well as past pricing trends. The transaction price shall include only the portion of considerations for which significant reduction in recorded revenue is unlikely to happen by the time when uncertainty concerning such variable considerations is eliminated ex post facto.
In the sale of medical devices, etc., where the Company's performance obligations are identified as obligations to arrange for another party to provide the products, in overall consideration of which party carries primary responsibility for fulfilling promise and the discretionary power to determine the price, etc., the Company recognizes revenue as an agent at a net amount of consideration gained from the transaction and the payment to the third party.
Considerations for sales of merchandise and finished goods is normally received within one year after the satisfaction of performance obligations, and thus no adjustments are made as no material financial components are included.

9. Notes on per share information

(1) Net assets per share ¥2,650.27

(2) Net income per share ¥147.54

(Note) The Company's shares held in the officer remuneration BIP trust account are included in treasury stock, which is deducted from the number of shares issued at end of period, for the purpose of calculating net assets per share. In addition, the Company's shares are included in treasury stock, which is deducted from the calculation of the average number of outstanding shares during the period, for the purpose of calculating net income per share.
The number of treasury stock that was deducted for the purpose of calculating net assets per share was 414 thousand shares, while the average number of outstanding shares during the period of treasury stock that was deducted for the purpose of calculating net income per share was 423 thousand shares.

10. Notes on significant subsequent event

Not applicable

(Note) Amounts presented in consolidated balance sheet, consolidated statements of income, consolidated statements of changes in net assets and notes to consolidated financial statements are rounded down to the nearest million yen.

Non-consolidated Balance Sheet

(As of March 31, 2025)

(Millions of Yen)

Account title	Amount	Account title	Amount
(Assets)		**(Liabilities)**	
Current assets	**26,219**	**Current liabilities**	**22,368**
Cash and deposits	13,433	Accounts payable - other	168
Prepaid expenses	9	Income taxes payable	32
Short-term loans receivable from subsidiaries and affiliates	12,701	Accrued consumption taxes	89
Income taxes receivable	31	Deposits received from subsidiaries and affiliates	21,719
Others	43	Reserve for employees' bonuses	83
Non-current assets	**246,617**	Reserve for bonuses to directors and corporate auditors	48
Property, plant and equipment	**105**	Provision for share awards	38
Buildings	69	Provision for share awards for directors	86
Furniture and fixtures	36	Others	99
Intangible assets	**12**	**Non-current liabilities**	**31,442**
Software	12	Corporate bonds	20,000
Investments and other assets	**246,498**	Long-term borrowings	10,000
Investment in securities	11,646	Deferred tax liabilities	1,395
Shares of subsidiaries and affiliates	217,833	Provision for retirement benefits	11
Investments in capital of subsidiaries and affiliates	234	Others	35
Long-term loans receivable from subsidiaries and affiliates	16,590	**Total liabilities**	**53,811**
Long-term prepaid expenses	10	**(Net assets)**	
Guarantee deposits	147	**Shareholders' equity**	**215,141**
Other	35	**Common stock**	**18,454**
		Capital surplus	**96,729**
		Legal capital surplus	58,542
		Other capital surplus	38,187
		Retained earnings	**121,365**
		Other retained earnings	121,365
		Retained earnings brought forward	121,365
		Treasury stock, at cost	**(21,407)**
		Valuation and translation adjustments	**3,883**
		Unrealized gain on available-for-sale securities, net of taxes	**3,883**
		Total net assets	**219,025**
Total assets	**272,836**	**Total liabilities and net assets**	**272,836**

Non-consolidated Statements of Income

(From April 1, 2024 to March 31, 2025)

(Millions of Yen)

Account title	Amount	
Operating revenue		
Dividend income	17,913	
Group management income	2,568	20,481
Operating expenses		
General and administrative expenses		2,458
Operating income		**18,023**
Other income		
Interest income	145	
Interest on securities	3	
Dividend income	185	
Gain on investments in investment partnerships	46	
Others	14	394
Other expenses		
Interest expenses	83	
Interest on corporate bonds	165	
Commission expenses	145	
Loss on investments in investment partnerships	53	
Other	0	447
Ordinary profit		**17,970**
Extraordinary profit		
Gain on sale of investment securities	375	375
Extraordinary loss		
Loss on disposal of property, plant and equipment	0	
Loss on devaluation of investment securities	101	
Loss on valuation of investments in capital	142	
Cancellation penalty	1	246
Income before income taxes and non-controlling interests		**18,099**
Current	3	
Deferred	(280)	(276)
Profit		**18,376**

Non-consolidated Statements of Changes in Net Assets

(From April 1, 2024 to March 31, 2025)

(Millions of Yen)

	Shareholders' equity								Valuation and translation adjustments		Total net assets
	Paid-in capital	Capital Surplus			Retained earning		Treasury stock	Total Share-holders' equity	Unrealized gains on securities, net of taxes	Total valuation and translation adjustments	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings / Retained earnings brought forward	Total retained earnings					
Beginning balance - previously stated	18,454	58,542	64,205	122,748	115,539	115,539	(36,498)	220,242	3,163	3,163	223,406
Changes during the fiscal year											
Cash dividends from retained earnings					(12,550)	(12,550)		(12,550)			(12,550)
Profit					18,376	18,376		18,376			18,376
Treasury stock acquired							(11,003)	(11,003)			(11,003)
Sales of treasury stock			(0)	(0)			75	75			75
Cancellation of treasury shares			(26,018)	(26,018)			26,018	–			–
Changes in items other than shareholders' equity during the fiscal year (net)									720	720	720
Total changes during the fiscal year	–	–	(26,018)	(26,018)	5,826	5,826	15,091	(5,101)	720	720	(4,381)
Ending balance	18,454	58,542	38,187	96,729	121,365	121,365	(21,407)	215,141	3,883	3,883	219,025

Notes to Non-consolidated Financial Statements

1. Notes to matters concerning significant accounting policies

(1) Valuation standards and method of securities

1) Shares of subsidiaries and affiliates: Stated at cost as determined by using moving-average method

2) Available-for-sale securities

(A) Securities other than shares, etc. without market prices:
Stated at fair values (all valuation differences are reported as a component of net assets while cost of disposal is calculated by the moving-average method)

(B) Shares, etc. without market prices:
Stated at cost as determined by using moving-average method

(C) Investments in investment limited partnerships (investments deemed to be securities under Article 2, Paragraph 2 of the Financial Instruments and Exchange Act):
Stated at the net amount equivalent to equity based on the latest financial statements

(2) Depreciation method for non-current assets

1) Property, plant and equipment: Depreciation is computed using the straight-line method. The useful life is mainly as follows:
Buildings: 3 to 18 years
Furniture and fixtures: 2 to 15 years

2) Intangible assets: The straight-line method is used on the basis of the usable period of five years.

(3) Accounting standards for reserves

1) Allowance for bonuses: The allowance for bonuses is provided for the estimated amounts, which the Company is obligated to pay to employees after the fiscal year-end, based on services provided during the current year.

2) Allowance for bonuses to directors and audit & supervisory board members:
The allowance for bonuses to directors and audit & supervisory board members is provided for the estimated amounts which the Company is obligated to pay to directors and audit & supervisory board members after the fiscal year-end, based on services provided during the current year.

3) Provision for share awards: The provision for share awards is provided based on the estimated amount of share award obligations at the fiscal year-end for future delivery of share awards to employees in accordance with the share delivery rules.

4) Provision for share awards for directors: The provision for share awards for directors is provided based on the estimated amount of share award obligations at the fiscal year-end for future delivery of share awards to directors and audit & supervisory board members in accordance with the share delivery rules.

5) Provision for retirement benefits: Provision for retirement benefits is provided based on the estimated amount of retirement benefit obligations at the fiscal year-end for future payment of retirement benefits to employees.
In calculating provision for retirement benefits and retirement benefit expenses, the Company adopts a simplified method, whereby the amount of retirement benefits required to be paid at the fiscal year-end for voluntary termination is treated as retirement benefit obligations.

(4) Accounting standards for revenue and expenses

As a pure holding company, the Company's revenue comprises Group management income (consulting fee income) and dividend income from subsidiaries. Group management income (consulting fee income) involves performance obligations to provide subsidiaries with guidance on management and planning, etc. As such performance obligations are satisfied as time passes, revenue is recognized at equal amounts at intervals over the contract term. Dividend income is recognized on the effective date of dividends.

2. Notes on non-consolidated balance sheet

(1) Accumulated depreciation of property, plant and equipment ¥166 million

(2) Monetary claims and obligations with respect to subsidiaries and affiliates
The amounts of monetary claims and obligations with respect to subsidiaries and affiliates, other than those separately presented, are as follows:

1) Short-term monetary claims ¥18 million

2) Short-term monetary obligations ¥33 million

3. Notes on non-consolidated statements of income

Amount of transactions with subsidiaries and affiliates

(1) Operating revenue (Dividend income)	¥17,913 million
(2) Operating revenue (Group management income)	¥2,568 million
(3) Operating expenses	¥48 million
(4) Amount of transactions other than operating transactions	¥156 million

4. Notes on non-consolidated statements of changes in net assets

Matters concerning the number of treasury stock

Type of shares	Number of shares as of April 1, 2024	Increase during the fiscal year	Decrease during the fiscal year	Number of shares as of March 31, 2025
Common stock	15,971 thousand shares	5,115 thousand shares	11,574 thousand shares	9,511 thousand shares

(Notes) 1. The number of shares of treasury stock includes the Company's shares held in the officer remuneration BIP trust account (414 thousand shares as of March 31, 2025).

2. The increase of 5,115 thousand shares in treasury stock is due to the acquisition of 5,113 thousand shares by resolution of the Board of Directors and 1 thousand shares from the purchase of fractional shares upon the request thereof. The decrease of 11,574 thousand shares in treasury stock is due to the cancellation of 11,540 shares, the transfer of 34 thousand shares from the officer remuneration BIP trust account, and the transfer of 0 thousand shares arising from the sale of fractional shares upon the request thereof.

5. Notes on tax effect accounting

(1) Breakdown of deferred tax assets and deferred tax liabilities by major reason

(Millions of Yen)

1) Deferred tax assets	
Disallowed accrued enterprise tax	8
Disallowed allowance for bonuses	37
Provision for retirement benefits	3
Disallowed loss on valuation of shares of subsidiaries and affiliates	2,190
Disallowed loss on valuation of investments in capital of subsidiaries and affiliates	156
Disallowed loss on devaluation of investment securities	298
Losses Carried Forward	577
Other	529
Subtotal of deferred tax assets	3,802
Valuation allowance	(3,446)
Total deferred tax assets	356
2) Deferred tax liabilities	
Unrealized gains on securities	(1,730)
Other	(21)
Total deferred tax liabilities	(1,752)
Net deferred tax liabilities	(1,395)

(2) Breakdown of major items that caused significant differences between the statutory tax rate and the Company's effective tax rate after the application of the tax effect accounting

Statutory tax rate	30.6 %
(Adjustments)	
Permanently non-deductible expenses such as entertainment expenses	0.1 %
Permanently non-taxable revenues such as dividend income	(30.4)%
Non-deductible bonuses to directors and audit & supervisory board members	0.1 %
Inhabitant tax per capita basis	0.0 %
Changes in valuation allowance	(2.0)%
Effect of tax rate change	(0.0)%
Effective tax rate after the application of the tax effect accounting	(1.5)%

(3) Adjustment to deferred tax assets and deferred tax liabilities due to changes in income tax rates

Following the revision of the tax law, deferred tax assets and deferred tax liabilities related to temporary differences expected to be reversed in or after the fiscal year following the next have been calculated using the revised statutory tax rate, which has been changed from 30.6% to 31.5%.

As a result of this change, deferred tax liabilities (net of deferred tax assets) for the fiscal year ended March 31, 2025 increased by ¥42 million, and income taxes -deferred increased by ¥6 million.

6. Notes on related party transactions

Subsidiaries and affiliated companies, etc.

Type	Name of company, etc.	Amount of capital or amount of contribution (Millions of Yen)	Description of business	Ratio of ownership of voting rights, etc. (%)	Relationship with related parties	Description of transactions	Amounts of transactions (Millions of Yen)	Account title	Balance at end of the fiscal year (Millions of Yen)
Subsidiaries	Alfresa Corporation	4,000	Ethical pharmaceuticals wholesaling	100.0	Conclusion of group management contracts Concurrent positions held by officers	Funds received (Note 1)	41,934	Deposits received from subsidiaries and affiliates	10,000
	Meisho Co., Ltd.	395	Ethical pharmaceuticals wholesaling	100.0	Conclusion of group management contracts Concurrent positions held by officers	Funds received (Note 1)	2,667	Deposits received from subsidiaries and affiliates	3,113
	Alfresa Medical Service Corporation	450	Ethical pharmaceuticals wholesaling	100.0	Conclusion of group management contracts Concurrent positions held by officers	Funds received (Note 1)	2,570	Deposits received from subsidiaries and affiliates	5,602
	Alfresa Healthcare Corporation	499	Self-medication products wholesaling	100.0	Conclusion of group management contracts Concurrent positions held by officers	Funds loaned (Note 1)	2,096	Loans receivable from subsidiaries and affiliates	8,700
	Alfresa Pharma Corporation	3,000	Pharmaceutical manufacturing	100.0	Conclusion of group management contracts Concurrent positions held by officers	Funds loaned (Note 1)	11,874	Loans receivable from subsidiaries and affiliates	13,750
	Alfresa System Corporation	150	Operation, maintenance and development of information system	51.0	Conclusion of group management contracts Concurrent positions held by officers	Funds loaned (Note 1)	5,592	Loans receivable from subsidiaries and affiliates	5
	Cell Resources Corporation	80	Manufacturing of specified cell-processed products and regenerative medicine products	100.0	Conclusion of group management contracts Concurrent positions held by officers	Subscription to a capital increase (Note 2)	3,000	–	–

Terms of transactions and policies etc. for the determination thereof

(Notes) 1. Funds received and loaned are related to the cash management system (CMS) that centralizes the funds within the Group to be managed, and amounts of transactions are stated at the average balance of deposits and loans during the fiscal year ended March 31, 2025. Payment and receipt of interests are reasonably determined in consideration of market interest rates.

2. The Company subscribed to the third-party allocation of shares conducted by Cell Resources Corporation at a price of ¥1 million per share.

7. Notes on per share information

(1) Net assets per share ¥1,204.83

(2) Net income per share ¥98.99

(Note) The Company's shares held in the officer remuneration BIP trust account are included in treasury stock, which is deducted from the number of shares issued at end of period, for the purpose of calculating net assets per share. In addition, the Company's shares are included in treasury stock, which is deducted from the calculation of the average number of outstanding shares during the period, for the purpose of calculating net income per share.
The number of treasury stock that was deducted for the purpose of calculating net assets per share was 414 thousand shares, while the average number of outstanding shares during the period of treasury stock that was deducted for the purpose of calculating net income per share was 423 thousand shares.

(Note) Amounts presented in non-consolidated balance sheet, non-consolidated statements of income, non-consolidated statements of changes in net assets and notes to non-consolidated financial statements are rounded down to the nearest million yen.

Audit Report of the Accounting Audit Concerning Consolidated Financial Statements

Independent Auditor's Report

May 14, 2025

To the Board of Directors of Alfresa Holdings Corporation

KPMG AZSA LLC
Tokyo Office

Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Satoshi Hosoya
Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Koichiro Takano
Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Naoki Saito

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Alfresa Holdings Corporation (the "Company") for the fiscal year from April 1, 2024 through March 31, 2025.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of Alfresa Holdings Corporation, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Statements

Other statements consist of the business report and the accompanying supplementary schedules. Management is responsible for the preparation and disclosure of the other statements. Audit & Supervisory Board Members and the Audit & Supervisory Board are also responsible for monitoring the execution of Directors' duties related to designing and operating the reporting process for the other statements.

Our audit opinion on the consolidated financial statements does not include the other statements, and we express no opinion on the other statements.

Our responsibility in the audit of the consolidated financial statements is to read the other statements carefully and, in the course of that reading, to consider whether there are material differences between the other statements and the consolidated financial statements or our knowledge obtained in the audit, and to pay attention to whether there is any indication of material errors in the other statements besides such material differences.

If, based on the work we have performed, we determine that there are material errors in the other statements, we are required to report those facts.

We have no other matters to report in respect to the other statements.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the presentation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Plan and implement the audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries, which serves as the basis for expressing an opinion on the consolidated financial statements. The auditor is responsible for directing, supervising, and reviewing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and, if measures are taken to eliminate obstacles or safeguards are applied to reduce obstacles to an acceptable level, the content of such measures.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Audit Report of the Accounting Audit Concerning Non-consolidated Financial Statements

Independent Auditor's Report

May 14, 2025

To the Board of Directors of Alfresa Holdings Corporation

KPMG AZSA LLC
Tokyo Office

Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Satoshi Hosoya
Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Koichiro Takano
Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Naoki Saito

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules of Alfresa Holdings Corporation (the "Company") for the 22nd fiscal year from April 1, 2024 through March 31, 2025.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Statements

Other statements consist of the business report and the accompanying supplementary schedules. Management is responsible for the preparation and disclosure of the other statements. Audit & Supervisory Board Members and the Audit & Supervisory Board are also responsible for monitoring the execution of Directors' duties related to designing and operating the reporting process for the other statements.

Our audit opinion on the financial statements does not include the other statements, and we express no opinion on the other statements.

Our responsibility in the audit of the financial statements is to read the other statements carefully and, in the course of that reading, to consider whether there are material differences between the other statements and the financial statements or our knowledge obtained in the audit, and to pay attention to whether there is any indication of material errors in the other statements besides such material differences.

If, based on the work we have performed, we determine that there are material errors in the other statements, we are required to report those facts.

We have no other matters to report in respect to the other statements.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and, if measures are taken to eliminate obstacles or safeguards are applied to reduce obstacles to an acceptable level, the content of such measures.

Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Audit Report of the Audit & Supervisory Board

Audit Report

The Audit & Supervisory Board prepared the audit report as stated hereunder, as a unanimous opinion of all Audit & Supervisory Board Members, with respect to the Directors' performance of duties during the 22nd fiscal year from April 1, 2024 to March 31, 2025, following deliberations based on audit reports prepared by respective Audit & Supervisory Board Members.

1. The Method and Content of Audits by Audit & Supervisory Board Members and the Audit & Supervisory Board
   (1) The Audit & Supervisory Board established audit policies, assignment of duties, audit plans, etc., for the fiscal year ended March 31, 2025, and set out priority auditing tasks, namely the enhancement of governance across the entire corporate group. The Audit & Supervisory Board received reports from each Audit & Supervisory Board Member on the implementation status of audits and their results, and also received reports and requested explanations as appropriate from Directors, etc., and the Independent Auditor on the execution status of respective duties.
   (2) Each Audit & Supervisory Board Member, based on the standards of audits by Audit & Supervisory Board Members, which were established by the Audit & Supervisory Board, communicated with Directors, Executive Officers, the Audit Department and other employees, etc., in an effort to collect information and develop an appropriate audit environment in accordance with the audit policies, assignment of duties and plans of audits, etc., and conducted the audit in the following manner.
   1) The Audit & Supervisory Board Members attended meetings of the Board of Directors and other important meetings, received reports from Directors and employees, etc., concerning the execution of their duties, and requested explanations as necessary. The Audit & Supervisory Board Members reviewed important documents concerning decision-making, etc., and investigated the condition of businesses and the financial standing at the Company. As for subsidiaries, we made efforts to ensure communication as well as exchange of information with Directors and Audit & Supervisory Board Members, etc., of the subsidiaries, and received business reports as appropriate therefrom.
   2) In addition, with respect to the content of resolutions of the Board of Directors regarding the development of the framework for ensuring that Directors' duties are performed in compliance with relevant laws and regulations and with the Articles of Incorporation stated in the business report and other systems stipulated under Article 100, Paragraph 1 and 3 of the Ordinance for Enforcement of the Companies Act, which are necessary to ensure the adequacy of businesses of the corporate group consisting of a stock corporation and its subsidiaries, as well as the systems actually in place based on such resolutions (internal control systems), we received regular reports and requested explanations as appropriate from Directors and employees, etc., on the status of development and operation of such systems, and expressed opinions on respective matters. Furthermore, as for the internal control for financial reporting, we received reports and requested explanations as appropriate from Directors, etc., and KPMG AZSA LLC, on the assessment of such internal control as well as the status of audits thereon.
   3) We monitored and verified whether the Independent Auditor maintained an independent position and executed appropriate audits. In addition, we received reports from the Independent Auditor on the execution of its duties and requested explanations as necessary. Furthermore, we were informed by the Independent Auditor that "systems to ensure the appropriate execution of duties" (matters set out under each item of Article 131 of the Ordinance on Accounting of Companies) are in place in compliance with the "Quality Control Standards for Audit" (Business Accounting Council), etc., and requested explanations as appropriate therefrom.

Based on the methods described above, we reviewed the business report and its supplementary schedules, non-consolidated financial statements (the non-consolidated balance sheet, non-consolidated statements of income, non-consolidated statements of changes in net assets and notes to non-consolidated financial statements) and supplementary schedules, as well as consolidated financial statements (the consolidated balance sheet, consolidated statements of income, consolidated statements of changes in net assets and notes to consolidated financial statements) for the fiscal year ended March 31, 2025.

2. The Result of Audits

(1) The Result of Audits of the Business Report and Other Documents

1) In our opinion, the business report and its supplementary schedules fairly represent the condition of the Company in compliance with laws and regulations as well as the Articles of Incorporation.

2) We have determined that there were neither any misconducts with respect to the Directors' performance of duties, nor any material facts concerning violations of laws and regulations or the Articles of Incorporation.

3) We have determined that the content of resolutions of the Board of Directors regarding the internal control systems is appropriate. In addition, we have determined that there are no matters that should be highlighted either in the contents of the business report regarding the internal control systems, or on the Directors' performance of duties, including the matters related to the internal control for financial reporting.

(2) The Result of Audits of the Non-consolidated Financial Statements and Supplementary Schedules

In our opinion, the method and result of audits performed by the Independent Auditor, KPMG AZSA LLC, are appropriate.

(3) The Result of Audits of the Consolidated Financial Statements

In our opinion, the method and result of audits performed by the Independent Auditor, KPMG AZSA LLC, are appropriate.

May 15, 2025

Alfresa Holdings Corporation

Audit & Supervisory Board

Audit & Supervisory Board Member (Standing)	Masakazu Ozaki	[Seal]
Audit & Supervisory Board Member (Standing)	Yuji Ueda	[Seal]
Audit & Supervisory Board Member (Outside)	Yoshitaka Kato	[Seal]
Audit & Supervisory Board Member (Outside)	Takashi Ito	[Seal]
Audit & Supervisory Board Member (Outside)	Hiroshi Kizaki	[Seal]