

Translation

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December 2, 2024
Alfresa Holdings Corporation

**Notice Regarding the Basic Agreement on the Merger of Wholly Owned Subsidiaries in the Ethical
Pharmaceuticals Wholesaling Business**

Alfresa Corporation (hereinafter, “Alfresa”) and Miyazaki Onsendo Shoten Co., Ltd. (hereinafter, “Miyazaki Onsendo Shoten”), two wholly owned subsidiaries of Alfresa Holdings Corporation active in the Ethical Pharmaceuticals Wholesaling Business, have reached a basic agreement on an absorption-type merger (hereinafter, “the Merger”), with Alfresa as the merging company.

As the Merger will take place between wholly owned subsidiaries, some disclosure items and details have been omitted.

1. Purpose of the Merger

The Alfresa Group is striving to optimize, streamline, and standardize the overall Ethical Pharmaceuticals Wholesaling Business segment as part of its initiatives under the 22-24 Mid-term Management Plan: Leap into the Future “An Evolving Healthcare Consortium” and the Medium- to Long-Term Vision (Major Targets up to Fiscal 2032). The purpose of this basic agreement between Alfresa—which operates in Hokkaido Prefecture; the three major cities of Tokyo, Nagoya, and Osaka; and the Koshinetsu and Kyushu regions—and Miyazaki Onsendo Shoten—which operates in Nagasaki Prefecture, Saga Prefecture, and the Amakusa region of Kumamoto Prefecture in Kyushu—is to make effective and efficient use of the management resources of both companies and strengthen the Group’s locally rooted sales infrastructure. Through the Merger, the Group aims to make greater contributions to local healthcare in Kyushu.

2. Outline of the Merger (Summary of the Basic Agreement)

(1) Schedule

Date of the basic agreement between Alfresa and Miyazaki Onsendo Shoten: December 2, 2024

Merger contract conclusion between Alfresa and Miyazaki Onsendo Shoten: Second quarter of the fiscal year ending March 31, 2027 (scheduled)

Meeting of Board of Directors to approve the merger contract: Second quarter of the fiscal year ending March 31, 2027 (scheduled)

General meetings of shareholders of Alfresa and Miyazaki Onsendo Shoten: Third quarter of the fiscal year ending March 31, 2027 (scheduled)

Effective date of the merger contract: January 1, 2027 (scheduled)

(2) Method of the Merger

The Merger will be treated as an absorption-type merger, with Alfresa as the merging company and Miyazaki Onsendo Shoten as the merged company.

(3) Allotment upon the Merger

Because it is a merger between the Company's wholly owned subsidiaries, neither shares nor money, etc., will be allotted upon the Merger.

3. Outline of the Merging and Merged Companies (as of March 31, 2024)

	Alfresa Corporation	Miyazaki Onsendo Shoten Co., Ltd.
(1) Business description	Wholesaling and marketing of pharmaceuticals, medical devices, diagnostic reagents, etc.	Wholesaling and marketing of pharmaceuticals, medical devices, diagnostic reagents, etc.
(2) Month of establishment	August 1949	January 1927
(3) Location of the head office	7, Kanda-Mitoshirocho, Chiyoda-ku, Tokyo	2-28 Higashikojicho, Isahaya City, Nagasaki Prefecture
(4) Name and title of the representative	Yusuke Fukujin, Representative Director and President	Makoto Sakakibara, Representative Director and President
(5) Paid-in capital	4,000 million yen	60 million yen
(6) Number of shares issued	40,273,733	80,940
(7) Accounting period	April 1 to March 31	April 1 to March 31
(8) Major shareholders and their holding ratio	Alfresa Holdings Corporation 100%	Alfresa Holdings Corporation 100%
(9) Net assets (as of March 31, 2024)	272,883 million yen	677 million yen
(10) Total assets (as of March 31, 2024)	1,046,826 million yen	7,661 million yen
(11) Net sales (fiscal year ended March 31, 2024)	2,333,107 million yen	23,317 million yen

4. Conditions after the Merger

The corporate name, address of head office, etc., of the merging company will not be changed after the Merger.

5. Impact on Financial Results

The Company estimates that the financial impact of the Merger on the consolidated financial results will be minimal as Miyazaki Onsendo Shoten is currently a non-consolidated subsidiary.

About the Alfresa Group

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