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(Code number 2784)

June 1, 2026

(The start date of measures for electronic provision May 29, 2026)

To Shareholders with Voting Rights:

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

**NOTICE OF
THE 23RD ORDINARY GENERAL MEETING OF SHAREHOLDERS**

The 23rd 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 23, 2026 (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 24, 2026 (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 and Supervisory Committee of the Consolidated Financial Statements for the Company's 23rd Fiscal Year (April 1, 2025 – March 31, 2026)
 2. Non-consolidated Financial Statements for the Company's 23rd Fiscal Year (April 1, 2025 – March 31, 2026)

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)

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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 24, 2026 (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 23, 2026 (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 23, 2026 (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 24, 2026 (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, or 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: | <p>9:00 a.m. to 5:00 p.m. (JST) (except Saturdays, Sundays and holidays)</p> <p>On the day of the General Meeting of Shareholders: From 9:00 a.m. to the end of the General Meeting of Shareholders</p> |
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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

Article 5 (Method of Public Notice) of the proposed amendments would change the method of public notice of the Company from publication in the Nihon Keizai Shimbun to electronic public notice in order to improve convenience in viewing public notices and to streamline public notice procedures and would also stipulate measures to be taken if electronic public notice cannot be made for unavoidable reasons.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

| Current Articles of Incorporation | Proposed Amendments |
|--|---|
| Chapter 1. General Provisions | Chapter 1. General Provisions |
| (Method of Public Notice) Article 5. Public notices of the Company shall be <u>provided in the Nihon Keizai Shimbun.</u> | (Method of Public Notice) Article 5. Public notices of the Company shall be <u>given by electronic means; provided, however, that if the Company is unable to provide an electronic public notice due to accidents or other unavoidable circumstances, public notices of the Company shall be provided in the Nihon Keizai Shimbun.</u> |


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

The terms of office of all Directors (eight (8) Directors) (excluding those who are Audit and Supervisory Committee Members; the same applies hereinafter in this proposal) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we would like to propose the election of eight (8) Directors.

The candidates are as follows.


We have confirmed that the Audit and Supervisory Committee has no matters to point out regarding this proposal.


| 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: | Representative Director & President | 10 years | 100% (15 of 15 meetings) |
| | | Responsibilities: | - | | |
| 2 | [To be reelected] Yusuke Fukujin | Position: | Representative Director & Executive Vice President | 6 years | 100% (15 of 15 meetings) |
| | | Responsibilities: | Ethical Pharmaceuticals Wholesaling Business & International Business | | |
| 3 | [To be reelected] Shigeki Ohashi | Position: | Director, Vice President & Executive Officer | 4 years | 93% (14 of 15 meetings) |
| | | Responsibilities: | Group Business Strategy (In charge of Group Business Planning, Total Supply Chain Services Business Planning) | | |
| 4 | [To be reelected] Toshiki Tanaka | Position: | Director, Vice President & Executive Officer | 4 years | 100% (15 of 15 meetings) |
| | | Responsibilities: | Corporate Administration (In charge of General Affairs, Financial Planning, Corporate Communication) | | |
| 5 | [To be reelected] Koichi Shimada | Position: | Director | 8 years | 100% (15 of 15 meetings) |
| | | Responsibilities: | - | | |
| 6 | [To be reelected] [Outside Director] [Independent Director] Manabu Kinoshita | Position: | Director | 6 years | 100% (15 of 15 meetings) |
| | | Responsibilities: | Chairman, Nomination and Remuneration Committee for Directors and Executive Officers | | |
| 7 | [To be reelected] [Outside Director] [Independent Director] Toshie Takeuchi | Position: | Director | 6 years | 100% (15 of 15 meetings) |
| | | Responsibilities: | - | | |
| 8 | [To be reelected] [Outside Director] [Independent Director] Kimiko Kunimasa | Position: | Director | 4 years | 100% (15 of 15 meetings) |
| | | Responsibilities: | - | | |


| 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 |  <p>Ryuji Arakawa</p> <p>[To be reelected]</p> <p>Date of birth: March 5, 1963</p> <p>Attendance of Board of Directors' meetings: 100% (15 out of 15 meetings)</p> | <p>April 1987 Joined Yamanouchi Pharmaceutical Co., Ltd. (currently Astellas Pharma Inc.)</p> <p>April 1999 Joined Chuyaku Co., Ltd. (currently Alfresa Corporation)</p> <p>June 2000 Director of Chuyaku Co., Ltd.</p> <p>June 2005 Managing Director of CS YAKUHIN CO., LTD. (currently Alfresa Corporation)</p> <p>June 2007 Senior Managing Director of CS YAKUHIN CO., LTD.</p> <p>June 2007 Director of the Company</p> <p>June 2008 Director, Senior Vice President & Executive Officer of CS YAKUHIN CO., LTD. (currently Alfresa Corporation)</p> <p>April 2009 Representative Director & President of CS YAKUHIN CO., LTD.</p> <p>June 2016 Director of the Company</p> <p>October 2016 Director, Vice President & Executive Officer of the Company, Business Development & International Business</p> <p>April 2019 Director, Vice President & Executive Officer of the Company, Corporate Communication, Business Development & International Business</p> <p>April 2020 Director, Senior Vice President & Executive Officer of the Company, Corporate Communication, Business Development & International Business</p> <p>June 2020 Representative Director & President of the Company (present)</p> <p>April 2025 Representative Director & Chairman of Alfresa Corporation (present)</p> <p>[Significant concurrent position] Representative Director & Chairman of Alfresa Corporation</p> <p>[Note related to candidate for Director] No conflict of special interest exists between the candidate and the Company.</p> | 71,320 |
| <p>[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.</p> | | | |

| 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 |  <p data-bbox="194 869 408 904">Yusuke Fukujin</p> <p data-bbox="194 936 408 972">[To be reelected]</p> <p data-bbox="194 1003 408 1061">Date of birth: June 27, 1976</p> <p data-bbox="194 1093 408 1240">Attendance of Board of Directors' meetings: 100% (15 out of 15 meetings)</p> | <p data-bbox="427 273 544 309">April 2000</p> <p data-bbox="427 309 544 344">April 2011</p> <p data-bbox="427 362 544 398">October 2012</p> <p data-bbox="427 421 544 456">April 2014</p> <p data-bbox="427 479 544 515">October 2014</p> <p data-bbox="427 577 544 613">June 2016</p> <p data-bbox="427 636 544 672">April 2018</p> <p data-bbox="427 694 544 730">April 2019</p> <p data-bbox="427 752 544 788">June 2019</p> <p data-bbox="427 810 544 846">April 2020</p> <p data-bbox="427 869 544 904">June 2020</p> <p data-bbox="427 927 544 963">June 2020</p> <p data-bbox="427 963 544 999">April 2022</p> <p data-bbox="427 1021 544 1057">April 2023</p> <p data-bbox="427 1079 544 1115">June 2023</p> <p data-bbox="427 1137 544 1173">April 2024</p> <p data-bbox="427 1196 544 1232">April 2025</p> <p data-bbox="427 1397 767 1433">[Significant concurrent position]</p> <p data-bbox="427 1433 1043 1469">Representative Director & President of Alfresa Corporation</p> <p data-bbox="427 1469 831 1505">[Note related to candidate for Director]</p> <p data-bbox="427 1505 1225 1541">No conflict of special interest exists between the candidate and the Company.</p> | 3,012,488 |
| <p data-bbox="194 1534 683 1570">[Reasons for election as candidate for Director]</p> <p data-bbox="194 1570 1460 1798">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.</p> | | | |

| 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 |  <p>Shigeki Ohashi [To be reelected]</p> <p>Date of birth: January 17, 1965</p> <p>Attendance of Board of Directors' meetings: 93% (14 out of 15 meetings)</p> | <p>March 1988 Joined Showa Pharmaceuticals Co., Ltd. (currently Alfresa Pharma Corporation)</p> <p>October 2008 General Manager of Eastern Tokyo Sales Department, Sales Division of Alfresa Corporation</p> <p>October 2016 General Manager of Product Administration Department, Logistics Division of Alfresa Corporation</p> <p>April 2018 Executive Officer of Alfresa Corporation, General Manager of Sales Strategy Department, Pharmaceuticals Sales Division</p> <p>October 2019 Executive Officer of Alfresa Corporation, Deputy General Manager (in Charge of Sales Reforms) of Corporate Business Coordination Division</p> <p>April 2020 Vice President & Executive Officer of the Company, Group Business & Affiliate Control, Group Information System</p> <p>June 2021 Vice President & Executive Officer of the Company, General Affairs, Group Business & Affiliate Control, Group Information System, Human Resources Planning</p> <p>April 2022 Vice President & Executive Officer of the Company, Group Business & Affiliate Control, Group Information System, Business Development & International Business</p> <p>June 2022 Director, Vice President & Executive Officer of the Company, Group Business & Affiliate Control, Group Information System, Business Development & International Business</p> <p>April 2023 Director, Vice President & Executive Officer of the Company, General Manager of Group Ethical Wholesaling Business, International Business</p> <p>April 2024 Director, Vice President & Executive Officer of the Company, General Manager of Group Ethical Wholesaling Business</p> <p>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)</p> <p>[Significant concurrent position] None</p> <p>[Note related to candidate for Director] No conflict of special interest exists between the candidate and the Company.</p> | 8,200 |
| <p>[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.</p> | | | |

| 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 |
|---|---|--|--------------------------------------|
| 4 |  <p>Toshiki Tanaka</p> <p>[To be reelected]</p> <p>Date of birth: June 3, 1963</p> <p>Attendance of Board of Directors' meetings: 100% (15 out of 15 meetings)</p> | <p>April 1986 Joined The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>October 2012 General Manager of Syndication Department of The Bank of Tokyo-Mitsubishi UFJ Ltd. (currently MUFG Bank, Ltd.)</p> <p>July 2015 Joined Alfresa Corporation</p> <p> General Manager, Administration Division</p> <p>April 2016 Officer of Alfresa Corporation, Deputy General Manager of Administration Division</p> <p>April 2017 Executive Officer of Alfresa Corporation, Deputy General Manager of Administration Division, General Manager of Accounting Department</p> <p>April 2019 Executive Officer of Alfresa Corporation, General Manager of Management Planning Department, Management Planning Division</p> <p>June 2020 Director, Vice President & Executive Officer of Alfresa Corporation, General Manager of Logistics Division</p> <p>April 2022 Director of Alfresa Corporation</p> <p>April 2022 Vice President & Executive Officer of the Company, General Affairs, Human Resources Planning, Digital Transformation (DX), Compliance & Risk Management</p> <p>June 2022 Director, Vice President & Executive Officer of the Company, General Affairs, Human Resources Planning, Digital Transformation (DX), Compliance & Risk Management</p> <p>April 2023 Director, Vice President & Executive Officer of the Company, Group Management Strategy, Human Resources Planning, IT / Digital Transformation (DX)</p> <p>April 2024 Director, Vice President & Executive Officer of the Company, Group Management Strategy, Human Resources Planning, IT / Digital Transformation (DX), Regenerative Medicine Business</p> <p>April 2025 Director, Vice President & Executive Officer of the Company, Corporate Administration (In charge of General Affairs, Financial Planning, Corporate Communication) (present)</p> <p>[Significant concurrent position] None</p> <p>[Note related to candidate for Director] No conflict of special interest exists between the candidate and the Company.</p> | 5,400 |
| <p>[Reasons for election as candidate for Director]</p> <p>In addition to his experience working at a major financial institution, Mr. Toshiki Tanaka has a wealth of experience including holding key positions in Administration Division, Management Planning Department, and Logistics Division at 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.</p> | | | |


| 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 |  <p>Koichi Shimada</p> <p>[To be reelected]</p> <p>Date of birth: October 15, 1958</p> <p>Attendance of Board of Directors' meetings: 100% (15 out of 15 meetings)</p> | <p>April 1982 Joined Nippon Shoji Kaisha, Ltd. (currently Alfresa Pharma Corporation)</p> <p>April 2008 Executive Officer of Alfresa Pharma Corporation, General Manager of Product Strategy Department</p> <p>June 2010 Director of Alfresa Pharma Corporation</p> <p>April 2012 Director, Vice President & Executive Officer of Alfresa Pharma Corporation</p> <p>April 2014 Director, Senior Vice President & Executive Officer of Alfresa Pharma Corporation</p> <p>April 2016 Director, Deputy President & Executive Officer of Alfresa Pharma Corporation</p> <p>May 2016 Director of Alfresa Fine Chemical Corporation</p> <p>April 2017 President, CEO & Executive Officer of Alfresa Pharma Corporation</p> <p>May 2017 Director & Chairman of Alfresa Fine Chemical Corporation (present)</p> <p>June 2018 Director of the Company (present)</p> <p>April 2025 Chairman, Executive Officer of Alfresa Pharma Corporation (present)</p> <p>[Significant concurrent position] Chairman, Executive Officer of Alfresa Pharma Corporation</p> <p>[Note related to candidate for Director] No conflict of special interest exists between the candidate and the Company.</p> | 5,820 |
| <p>[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.</p> | | | |

| 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 |  <p>Manabu Kinoshita</p> <p>[To be reelected] [Outside Director] [Independent Director]</p> <p>Date of birth: May 17, 1954</p> <p>Attendance of Board of Directors' meetings: 100% (15 out of 15 meetings)</p> | <p>April 1978 Joined NEC Corporation</p> <p>April 2008 Senior Vice President of NEC Corporation</p> <p>April 2010 Executive Vice President of NEC Corporation</p> <p>June 2010 Executive Vice President and Member of the Board of NEC Corporation</p> <p>June 2011 Executive Vice President of NEC Corporation</p> <p>April 2016 Senior Executive Vice President of NEC Corporation</p> <p>April 2018 Senior Officer of NEC Corporation</p> <p>June 2020 Director of the Company (present)</p> <p>June 2020 Chairman, Nomination and Remuneration Committee for Directors and Executive Officers of the Company (present)</p> <p>June 2020 Outside Director of Sumitomo Metal Mining Co., Ltd. (present)</p> <p>June 2023 Outside Director of MEIDENSHA CORPORATION (present)</p> <p>[Significant concurrent positions] Outside Director of Sumitomo Metal Mining Co., Ltd. Outside Director of MEIDENSHA CORPORATION</p> <p>[Note related to candidate for Outside Director] No conflict of special interest exists between the candidate and the Company.</p> | - |
| <p>[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.</p> | | | |

[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 |  <p>Toshie Takeuchi</p> <p>[To be reelected] [Outside Director] [Independent Director]</p> <p>Date of birth: January 22, 1955</p> <p>Attendance of Board of Directors' meetings: 100% (15 out of 15 meetings)</p> | <p>April 1978 Joined Lion Fat and Oil Co., Ltd. (currently Lion Corporation)</p> <p>July 2001 Joined Dentsu EYE Inc.</p> <p>April 2002 Visiting Professor, Graduate School of Social Science, Hosei University</p> <p>April 2003 Professor, Faculty of Business Administration, Hosei University</p> <p>April 2012 Dean of the Graduate School of Business Administration, Hosei University</p> <p>April 2014 Dean of the Faculty of Business Administration, Hosei University</p> <p>April 2016 Director of Hosei University Career Center</p> <p>June 2020 Director of the Company (present)</p> <p>April 2025 Honorary Professor of Hosei University</p> <p>[Significant concurrent position] None [Note related to candidate for Outside Director] No conflict of special interest exists between the candidate and the Company.</p> | - |
| <p>[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.</p> | | | |

[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 |  <p>Kimiko Kunimasa</p> <p>[To be reelected] [Outside Director] [Independent Director]</p> <p>Date of birth: January 30, 1960</p> <p>Attendance of Board of Directors' meetings: 100% (15 out of 15 meetings)</p> | <p>March 1982 Joined Fukutake Publishing Co., Ltd. (currently Benesse Holdings, Inc.)</p> <p>June 2000 Director of Benesse Corporation</p> <p>January 2002 Representative Director & President of Benesse Care Corporation (currently Benesse Style Care Co., Ltd.)</p> <p>December 2003 Director of Benesse Style Care Co., Ltd.</p> <p>June 2008 General Manager of Human Resources and General Affairs Division of Benesse Corporation</p> <p>October 2010 CHO of Benesse Holdings, Inc.</p> <p>April 2012 Director of Benesse Corporation</p> <p>June 2013 Director and Executive Vice President of Benesse Style Care Co., Ltd.</p> <p>June 2022 Director of the Company (present)</p> <p>June 2023 Outside Director of Mitsubishi Shokuhin Co., Ltd.</p> <p>[Significant concurrent position] None</p> <p>[Note related to candidate for Outside Director] No conflict of special interest exists between the candidate and the Company.</p> | - |
| <p>[Reasons for election as candidate for Outside Director and outline of expected role]</p> <p>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.</p> | | | |

[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.

<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 liable 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 Proposal 2 is 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 and Ms. Kimiko Kunimasa 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 and Ms. Kimiko Kunimasa is approved in Proposal 2, the Company plans to continue the same liability limitation agreements with them.

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

※ 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 & Sustainability | 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 and social 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 through financial management based on the cost of capital, and enhance the return to shareholders. |
| Legal & Risk management | The Company has selected this as a required skill category to strengthen the structure for complying with laws, various regulations, social norms, etc. and to be able to make timely and appropriate management decisions when addressing any organizational operation risks, including natural disasters, pandemics, and cyber 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. |

(Attached document)

Business Report

(From April 1, 2025
to March 31, 2026)

1. The current state of the corporate group

(1) Business conditions

1) Development and performance of business

In the consolidated fiscal year under review (April 1, 2025 to March 31, 2026), the Japanese economy showed signs of a gradual recovery. However, close attention should still be paid to the impact of developments in the Middle East; and while improvements in the employment and income environment coupled with the effects of various policy measures are expected to underpin this moderate recovery, careful monitoring remains necessary with respect to fluctuations in the financial and capital markets and the trends surrounding U.S. trade policies.

To realize the targets outlined in the Alfresa Group's Medium- to Long-Term Vision, announced in May 2023 and which defines its business, financial, and capital strategies through fiscal 2032, the Group has formulated its 25–27 Mid-term Management Plan Vision 2032 Stage 2: “Pioneering the Future with Our Collective Strength” (hereinafter referred to as the “25–27 Mid-term Management Plan”). Under this plan, the Group is advancing the following management policies:

- Exercise the Group's collective strength to evolve and expand total supply chain services
- Strategically invest in growth businesses and new businesses
- Further strengthen the competitiveness of core businesses
- Implement rigorous cost control measures
- Promote sustainability management

In June 2025, upon approval at the 22nd Ordinary General Meeting of Shareholders, Alfresa Holdings transitioned from a company with a board of corporate auditors to a company with an audit and supervisory committee. This change allows the Company to significantly delegate authority for business execution decisions from the Board of Directors to directors, thereby expediting decision-making through the separation of supervisory and executive functions and delegation of authority. By appointing directors who are Audit and Supervisory Committee members, the Company aims to further enhance the Board's monitoring functions, strengthen corporate governance, and improve corporate value.

In November 2025, Alfresa Holdings Corporation, Kidswell Bio Corporation (head office: Chuo-ku, Tokyo), Chiome Bioscience Inc. (head office: Shibuya-ku, Tokyo), and Mycenax Biotech Inc. (head office: Hsinchu, Taiwan) reached an agreement to establish a joint venture for the manufacture of active pharmaceutical ingredients (APIs) and drug products for biosimilars,^{*1} and the Company's Board of Directors resolved to execute an agreement regarding the establishment of this joint venture. Through this agreement, the four companies will move forward with developing domestic manufacturing facilities for biopharmaceuticals and biosimilars and promoting CDMO services^{*2} through the joint venture by leveraging the strengths of each company. Furthermore, by integrating the distribution capabilities of the Alfresa Group, the companies aim to build a comprehensive value chain for biosimilars, thereby improving domestic self-sufficiency in biosimilars and establishing a stable supply system. In addition, the companies will work to export biosimilars through this initiative, as well as fostering skilled professionals in the field of biopharmaceutical development and manufacturing in Japan, ultimately supporting the advancement of the biopharmaceutical industry.

In January 2026, the Alfresa Group launched the PATH-Solution service, a platform that provides comprehensive support for emerging overseas biopharmaceutical companies seeking to enter the Japanese market, with the aim of addressing drug lag and drug loss. Through this service, under the concept of total supply chain services, we will leverage the businesses within the Alfresa Group to provide end-to-end, hands-on support spanning market entry assessment through development, regulatory affairs, manufacturing, sales, and post-marketing surveillance.

In the consolidated fiscal year under review, net sales for the Alfresa Group increased 4.8% year on year, to ¥3,104,064 million, while operating profit decreased 5.0% year on year, to ¥36,164 million, and ordinary profit declined 4.6% year on year, to ¥38,634 million. However, due in part to the recording of a gain on investment securities of ¥25,331 million under extraordinary income from the reduction of cross-shareholdings, profit attributable to owners of the parent increased 52.4% year on

year, to ¥41,746 million.

SG&A expenses included business investment expenses of ¥2,173 million related to the Regenerative Medicine-Related Business and biosimilar facility development-related businesses, among others. Excluding these costs, operating profit would be ¥38,337 million, representing a year-on-year increase of 0.7%.

*1 An equivalent product of the equivalent quality of a reference (an original) biologic that has already been approved and sold in Japan and which is sold by a different pharmaceutical manufacturer following the patent expiration and reexamination period of the original biologic

*2 CDMO (Contract Development and Manufacturing Organization) Contract services ranging from development of manufacturing processes for pharmaceuticals to investigational and commercial manufacturing services:

Business Segment Information

(i) Ethical Pharmaceuticals Wholesaling Business

In the Ethical Pharmaceuticals Wholesaling Business segment, we aim to expand business opportunities toward the realization of total supply chain services while implementing the following priority measures set forth in the 25–27 Mid-term Management Plan.

- Maximization of marketing specialists' strengths
- Building of a nationwide network
- Building of a revenue base by operating a solutions business
- Creation of a logistics system that meets stakeholder needs
- Strategic strengthening of human capital across the Group

In terms of maximizing the strengths of our marketing specialists, we are deploying neo-primary strategies*³ as the industry leader in terms of the number of marketing specialists. While promoting active sales expansion, we are also working to improve operational efficiency by leveraging our products and services. In particular, by focusing on sales activities targeting prescribing doctors, we have achieved high sales growth in clinical sales channels.

As part of our strategic strengthening of human capital across the Group, we are actively promoting personnel exchanges among Group companies. In so doing, we will further strengthen collaboration and build a framework to provide highly functional, high-quality services uniformly nationwide, thereby contributing even further to the health of residents in local communities and the growth of our customers and business partners.

Regarding the creation of a logistics system that meets stakeholder needs, we are enhancing distribution quality by actively promoting the acquisition of ISO 9001 certification, the international standard for quality management systems. In the consolidated fiscal year under review, eight consolidated subsidiaries*⁴ newly obtained ISO 9001 certification. We will continue to pursue ISO certification across the Group, striving to further improve the satisfaction of our customers and business partners.

In September 2025, as part of efforts to build a nationwide network, TS Alfresa Corporation acquired all shares of Miyanomedix Inc. (head office: Fukuyama City, Hiroshima Prefecture), a trading company specializing in medical devices, thereby making it a subsidiary. In addition, Tohoku Alfresa Corporation concluded a share transfer agreement on October 31, 2025, to acquire all shares of EAST JAPAN MEDICAL SYSTEM LTD. (head office: Aoba-ku, Sendai City, Miyagi Prefecture), also a trading company specializing in medical devices. These initiatives are aimed at strengthening the distribution functions of medical products within our total supply chain services and contributing further to regional healthcare.

In March 2026, Alfresa Holdings Corporation concluded a share transfer agreement with Onsendo Co., Ltd. (head office: Isahaya City, Nagasaki Prefecture), acquiring all shares of the company's wholly owned subsidiary TECHNO SUZUTA Co., Ltd., a trading company specializing in diagnostic reagents for clinical and research use, medical devices, and other products, thereby making the company a subsidiary. Through this share acquisition agreement, Alfresa Holdings Corporation seeks to expand TECHNO SUZUTA's wholesaling business in the fields of medicine, science, and healthcare while further contributing to community healthcare by enhancing its distribution network for medical products in the Kyushu region.

Despite a challenging business environment during the consolidated fiscal year under review—

impacted by the negative effects of interim-year revisions to National Health Insurance (NHI) drug prices in April 2025 and rising logistics costs including labor expenses—the Ethical Pharmaceuticals Wholesaling Business achieved revenue growth exceeding market expansion. This was driven by the deployment of neo-primary strategies and an increase in the handling of limited-distribution products such as specialty pharmaceuticals, resulting in net sales of ¥2,782,584 million (up 5.4% year on year) and operating profit of ¥33,297 million (up 0.7% year on year).

The net sales figure includes intersegment sales of ¥19,502 million, an increase of 2.7% year on year.

*3 Neo-primary strategies are sales strategies focused on promoting specialty pharmaceuticals, despite their limited indications, targeting a relatively broad patient base and being prescribed not only in specialized hospitals but also in primary care settings. Amid the ongoing reduction and streamlining of medical representatives at pharmaceutical companies, there is a growing need for wide-reaching information provision to prescribing doctors. To address this, we are maximizing the use of the Group’s marketing specialist resources to differentiate ourselves from competitors.

*4

| | |
|---|--|
| TS Alfresa Corporation (head office: Nishi-ku, Hiroshima City, Hiroshima Prefecture) | Logistics Division, Quality Control Department and Onomichi Distribution Center |
| RYUYAKU CO., LTD. (head office: Urasoe City, Okinawa Prefecture) | Logistics Department, Administration Division |
| Meisho Co., Ltd. (head office: Kanazawa City, Ishikawa Prefecture) | Logistics Department, Administration Division (currently Corporate Support Unit, Distribution Strategy Department) |
| Tohoku Alfresa Corporation (head offices: Wakabayashi-ku, Sendai City, Miyagi Prefecture and Koriyama City, Fukushima Prefecture) | Logistics Division and Koriyama Distribution Center |
| Shikoku Alfresa Corporation (head office: Takamatsu City, Kagawa Prefecture) | Logistics Operations Department, Shikoku Distribution Center |
| Alfresa Corporation (head office: Chiyoda-ku, Tokyo) | Logistics Operations Department, Tsukuba Distribution Center, Kanagawa Distribution Center, Shizuoka Distribution Center, Fukuoka Distribution Center (four locations newly acquired certification in the consolidated fiscal year under review) |
| A・L Plus Co., LTD. (head office: Chiyoda-ku, Tokyo) | Logistics Planning and Operations Department and Tsukuba Office |
| Specialty Medical Distribution Corporation (head office: Chiyoda-ku, Tokyo) | Distribution of specialty pharmaceuticals (including pharmaceuticals and regenerative medicine products) and leasing of specially controlled medical devices |

(ii) Self-Medication Products Wholesaling Business

In the Self-Medication Products Wholesaling Business segment, Alfresa Healthcare Corporation—a consolidated subsidiary headquartered in Chuo-ku, Tokyo—advanced key initiatives under the 25–27 Mid-term Management Plan, guided by the theme of “Health × Connectivity × Happiness.” These efforts included developing sales strategies resilient to changes in the external environment and independently deploying new solutions.

In the consolidated fiscal year under review, despite rising logistics costs, the segment posted net sales of ¥267,074 million (up 0.5% year on year) and operating profit of ¥3,012 million (up 2.1% year on year) through efforts to control costs and boost revenue growth amid sales channel expansion.

The net sales figure includes intersegment sales of ¥447 million, a decrease of 5.3% year on year.

(iii) Manufacturing Business

In the Manufacturing Business segment, we aim to establish a stable management foundation through the rebuilding of our business portfolio. Under the 25–27 Mid-term Management Plan, we are promoting key initiatives that include further improvements in profitability and efficiency, the expansion of contract manufacturing and the product pipeline, and the development of new businesses in the API manufacturing business.

In February 2026, Alfresa Pharma Corporation (head office: Chuo-ku, Osaka), a subsidiary of Alfresa Holdings Corporation, commenced sales in Japan of *neffy*[®] 1 mg and *neffy*[®] 2 mg (general name: adrenaline), which are nasal sprays used as emergency supportive therapy to suppress anaphylaxis. These products, which contain adrenaline as the main ingredient, can be administered easily via nasal administration when treating anaphylactic reactions from bee stings, food, medicine, and other causes.

By providing *neffy*[®] 1 mg and *neffy*[®] 2 mg as new options for emergency supportive therapy to suppress anaphylaxis, Alfresa Pharma will continue to meet unmet medical needs by reducing the burden patients and their guardians feel at the time of administering treatment.

In the consolidated fiscal year under review, despite growth in sales of APIs and efforts to reduce SG&A expenses, sales declined overall. This was primarily due to lower pharmaceutical sales following the NHI drug price revisions and the introduction of fees for Treatment of Patients’ Choice for long-listed drugs in October 2024, as well as decreased demand for diagnostic reagents. As a result, the segment recorded net sales of ¥52,179 million (down 3.5% year on year) and operating profit of ¥1,203 million (down 7.1% year on year).

The net sales figure includes intersegment sales of ¥14,998 million, a decrease of 8.4% year on year.

(iv) Dispensing Pharmacy and Related Businesses

In the Dispensing Pharmacy and Related Businesses segment, APOCREAT Corporation—a consolidated subsidiary headquartered in Toshima-ku, Tokyo that aims to provide community-focused family pharmacies—advanced initiatives under the 25–27 Mid-term Management Plan. These included enhancing patient services and prescription acquisition, increasing prescriptions from medical institutions not located near pharmacies, expanding new pharmacy functions, and entering the nursing care business.

In the consolidated fiscal year under review, the segment posted net sales of ¥37,174 million (up 0.4% year on year) and operating profit of ¥499 million (down 16.3% year on year). This was primarily, due to the negative effects of NHI drug price revisions as well as rising procurement costs, despite efforts to enhance patient services and productivity of pharmacists.

(v) Other (Business)

At the beginning of the fiscal year ended March 31, 2026, Alfresa Holdings newly consolidated Cell Resources Corporation—a wholly owned subsidiary headquartered in Chiyoda-ku, Tokyo that operates in regenerative medicine-related fields. We are focusing on the manufacturing and storage of master cells and the development of CMO*5 and CDMO businesses to launch each project as quickly as possible.

In the consolidated fiscal year under review, the segment did not post any net sales although it reported an operating loss of ¥1,099 million, due to the recording of business investment expenses, including personnel costs and R&D expenditures aimed at securing project orders, as SG&A expenses.

*5 CMO (Contract Manufacturing Contracts and conducts pharmaceutical manufacturing on Organization): behalf of pharmaceutical companies

2) Capital expenditure

Capital expenditure for the Alfresa Group for the fiscal year ended March 31, 2026 totaled ¥41,004 million. The main expenditures were for capital investment in distribution centers, pharmaceutical manufacturing wings, 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 20th fiscal year (FY2022) | The 21st fiscal year (FY2023) | The 22nd fiscal year (FY2024) | The 23rd fiscal year (FY2025) |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Net sales (Millions of Yen) | 2,696,069 | 2,858,500 | 2,961,051 | 3,104,064 |
| Ordinary profit (Millions of Yen) | 32,831 | 39,997 | 40,485 | 38,634 |
| Profit attributable to owners of parent (Millions of Yen) | 25,786 | 29,558 | 27,389 | 41,746 |
| Net income per share (Yen) | 127.42 | 154.13 | 147.54 | 229.64 |
| Total assets (Millions of Yen) | 1,339,852 | 1,447,625 | 1,439,885 | 1,507,016 |
| Net assets (Millions of Yen) | 488,335 | 479,859 | 482,247 | 507,903 |

(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 |
| Cell Resources Corporation | 80 | 100.0 | Regenerative Medicine- Related Business |
| 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 | 275,642 |

(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 set forth 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.”

The current fiscal year is the second year of the 25–27 Mid-term Management Plan, which is positioned as the second stage toward the realization of the medium- to long-term vision. We regard this year as an important phase in which we will steadily realize the benefits of various measures and investments implemented in the first year, while continuing strategic investments in growth businesses and new businesses and increasing the certainty of their monetization. At the same time, by further strengthening the competitiveness of our core businesses, thoroughly implementing cost control, and promoting sustainability management, we will pursue both investment in priority fields and cost optimization, and work to achieve steady profit growth and strengthen our business foundation.

25–27 Mid-term Management Plan Group management policy

Vision2032 Stage2 Pioneering the Future with Our Collective Strength

01 Exercising of the Group’s collective strength for the evolution and expansion of total supply chain services

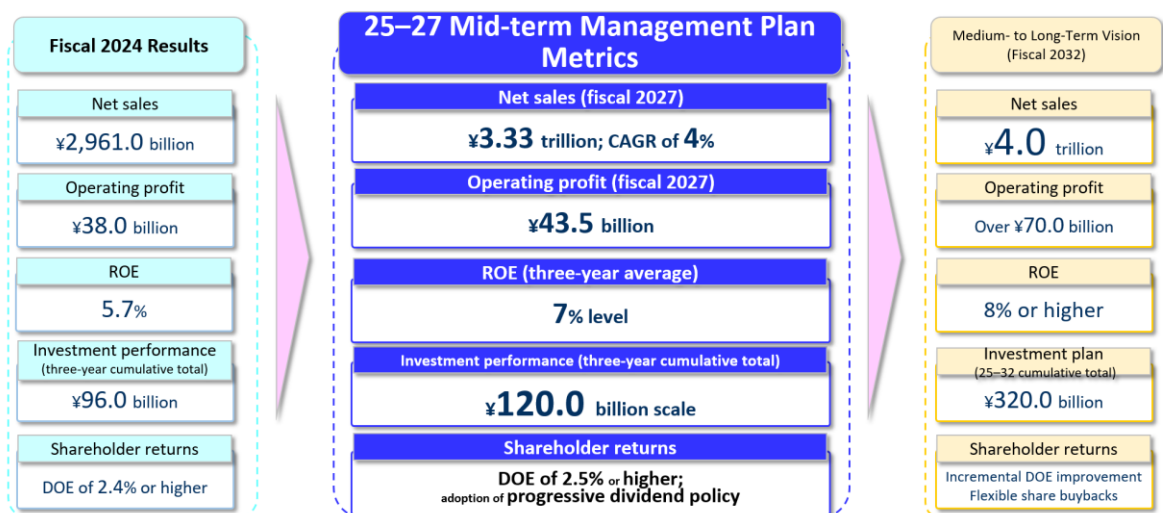
02 Strategic investment in growth businesses and new businesses

03 Further strengthening of the competitiveness of core businesses

04 Rigorous cost control

05 Implementation of sustainability management

Group Management Metrics: 25–27 Mid-term Management Plan and Medium- to Long-term Vision



■ Business Strategies: Initiatives for Total Supply Chain Services

The environment surrounding pharmaceutical development, manufacturing, and distribution is changing significantly, driven by factors such as the specialization of pharmaceuticals and the rise of drug discovery ventures.

Against this backdrop, pharmaceutical manufacturers and other companies are seeking strategic partners capable of providing integrated support throughout the process, from development and manufacturing to logistics, sales, and post-marketing surveillance.

As one of the key policies under the 25–27 Mid-term Management Plan, the Group is working to evolve and expand “total supply chain services (TSCS)” by organically and integrally utilizing the management resources held across the Group.

As part of these efforts, in January 2026, we began providing services for “PATH-Solution,” a platform that comprehensively supports the entry of emerging overseas biopharmaceutical companies, etc. into the Japanese market. This service utilizes the functions of the Company’s total supply chain services (TSCS) to provide end-to-end support, from consideration of entry into the Japanese market to approval and post-launch distribution. Its purpose is to contribute to resolving the “drug lag/loss” issue by promoting the introduction of innovative pharmaceuticals from overseas.

At the same time, we recognize that the U.S. most-favored-nation drug pricing policy* is a risk factor that may reduce market predictability and adversely affect the development and launch of new drugs in Japan.

Taking into account these changes in the external environment, the Group will seek to ensure stable supply chain operations, further improve distribution, and create new value, while aiming to resolve social issues in the medical and healthcare fields and achieve sustainable growth.

* U.S. most-favored-nation drug pricing policy: A policy under consideration for introduction in the United States with the aim of reducing drug prices in the United States to the same level as those in other developed countries.

Exercising the Group's Collective Strength for the Evolution and Expansion of total supply chain services



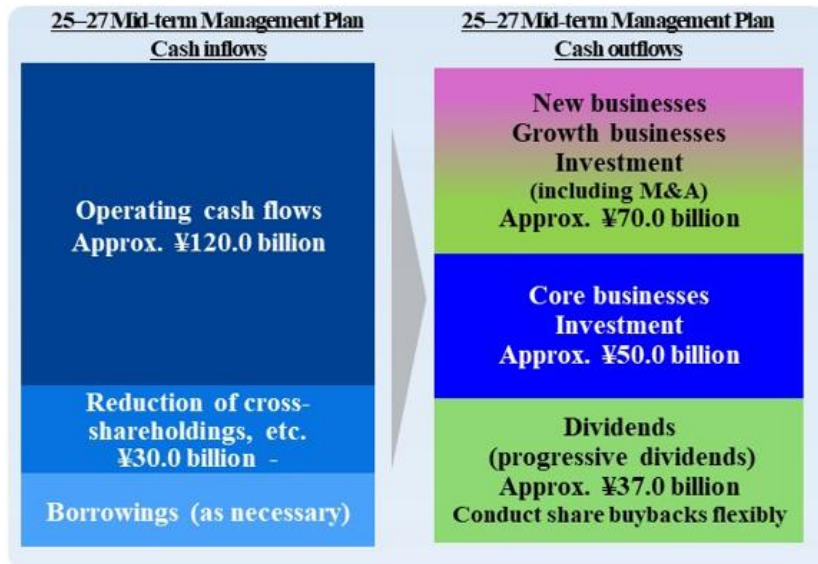
■ Financial and Capital Strategies

To achieve the medium- to long-term vision and the 25–27 Mid-term Management Plan, which represents the second stage of the vision, we will allocate funds to growth and new business areas and seek to strengthen profitability through the expansion and transformation of our business portfolio. At the same time, we will pursue capital efficiency through shareholder returns and optimal balance sheet management, thereby enhancing the value of the Group.

Key metrics over the three-year period include: cumulative operating profit of approximately ¥119.0 billion, average ROE at the 7.0% level, investment scale of ¥120.0 billion (including ¥70.0 billion in new and growth areas), DOE of 2.5% or higher, along with a progressive dividend policy, and consolidated net asset ratio of cross-shareholdings* less than 10.0% (by the fiscal year ending March 31, 2028).

For the fiscal year ended March 31, 2026, the consolidated net asset ratio of cross-shareholdings was 9.19% (with the amount held totaling ¥46.6 billion), and the target was therefore achieved. We will continue reducing cross-shareholdings to further improve capital efficiency.

* Cross-shareholdings: The balance of cross-shareholdings at the end of the fiscal year under review as stated in the Securities Report (Status of Shareholdings).



■ Sustainability (ESG) Strategy

The Group has set the realization of the “Healthcare Consortium®” as its long-term goal and positions sustainability at the core of management, based on the Basic Sustainability Policy.

We use the eight key issues identified in the 25-27 Mid-term Management Plan as the foundation for business operations and management decisions, and are working to clarify priorities in allocating management resources and implementing initiatives.

As a company responsible for social infrastructure in pharmaceutical and healthcare distribution, we are promoting initiatives related to human resources, the environment, and governance as an integral part of our business activities, centered on the stable supply of pharmaceuticals and others.

In the current fiscal year as well, we will continue striving to contribute to resolving social issues and sustainably enhance corporate value.

| Alfresa Group Basic Sustainability Policy | | Alfresa Group Key Sustainability Issues | | | |
|---|--|--|--|---|-------------------------------|
| <p>By putting into practice our Philosophy—“we create and deliver a fresh life for all”—we aim to resolve social and environmental issues in the medical and healthcare fields, contribute to the realization of a sustainable society, and continuously enhance our corporate value</p> | | 1 | Global environmental conservation | 5 | Active participation of human |
| | | 2 | Stable supply of pharmaceuticals, services, etc. | 6 | Compliance |
| | | 3 | Contributing to community healthcare | 7 | Risk management |
| | | 4 | Contributing to healthcare industry development | 8 | Corporate governance |

(5) Main business (as of March 31, 2026)

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, 2026)

| | | |
|--|---------------------|---|
| 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 | 264-12, Otsuko, 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 |
| Cell Resources Corporation | Head office | 1-4, Kanda Ogawa-machi, Chiyoda-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, 2026)

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 | 9,427 (2,402) | Increase of 34 (Decrease of 7) |
| Self-Medication Products Wholesaling Business | 392 (5) | Decrease of 3 (Decrease of 2) |
| Manufacturing Business | 1,383 (304) | Decrease of 1 (Decrease of 2) |
| Dispensing Pharmacy and Related Businesses | 1,112 (338) | Decrease of 19 (Decrease of 23) |
| Other (Businesses) | 45 (1) | Increase of 45 (Increase of 1) |
| Corporate, etc. | 166 (20) | Increase of 17 (Increase of 3) |
| Total | 12,525 (3,070) | Increase of 73 (Decrease of 30) |

(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 |
|---------------------|--|----------------|-----------------------|
| 67 | Increase of 11 | 46.6 years old | 14.0 years |

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

(8) Main source of borrowings (as of March 31, 2026)

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, 2026, as formulated in the 25–27 Mid-term Management Plan Vision 2032 Stage 2 Pioneering the Future with Our Collective Strength, the Company's basic policy calls for a consolidated dividend on equity (DOE) ratio of 2.5% or higher, along with a progressive dividend policy, 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 ¥34 per share, for a full-year dividend of ¥68 per share including an interim dividend paid of ¥34 per share.

(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, 2026)

- 1) Total number of authorized shares 540,000,000 shares
- 2) Total number of shares issued 191,300,000 shares
- 3) Number of shareholders 14,195
- 4) Major shareholders (top ten shareholders)

| Name | Number of shares held (Thousands) | Percentage of ownership (%) |
|---|-----------------------------------|-----------------------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 24,986 | 13.71 |
| NORTHERN TRUST CO.(AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST | 9,808 | 5.38 |
| Custody Bank of Japan, Ltd. (Trust Account) | 8,338 | 4.58 |
| NORTHERN TRUST CO.(AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS | 5,843 | 3.21 |
| STATE STREET BANK AND TRUST COMPANY 505001 | 5,291 | 2.90 |
| Alfresa Holdings Employees Shareholders' Association | 5,188 | 2.85 |
| NORTHERN TRUST CO.(AVFC) RE NON TREATY CLIENTS ACCOUNT | 4,141 | 2.27 |
| 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 |
| NORTHERN TRUST CO.(AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT | 3,386 | 1.86 |
| Yusuke Fukujin | 3,012 | 1.65 |

- (Notes)
1. The Company holds 9,097,775 shares of treasury stock, which are excluded from the above list of major shareholders. The treasury stock does not include 484,243 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 ¥31.7 billion of shares across the Group overall during the fiscal year under review, and the balance of cross-shareholdings as of March 31, 2026, as indicated in "Status of Shareholdings" in the Securities Report, was ¥46.6 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, 2026

| Classification | Number of shares | Number of recipients |
|---|------------------|----------------------|
| Directors (excluding those who are Audit and Supervisory Committee Members and Outside Directors) | 16,000 shares | 4 persons |

3. Status of corporate officers

(1) Status of Directors (as of March 31, 2026)

| Positions at the Company | Name | Responsibilities | Significant concurrent positions held |
|--|------------------|---|--|
| Representative Director & President | Ryuji Arakawa | | Representative Director & Chairman of Alfresa Corporation |
| Representative Director & Executive Vice President | Yusuke Fukujin | Ethical Pharmaceuticals Wholesaling Business, International Business | Representative Director & President of Alfresa Corporation |
| Director & Vice President & Executive Officer | Shigeki Ohashi | Group Business Strategy (In charge of Group Business Planning, Total Supply Chain Services Business Planning) | |
| Director & Vice President & Executive Officer | Toshiki Tanaka | Corporate Administration (In charge of General Affairs, Financial Planning, Corporate Communication) | |
| Director | Koichi Shimada | | Chairman, Executive Officer of Alfresa Pharma Corporation |
| 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 Emeritus, Hosei University |
| Director | Kimiko Kunimasa | | |
| Director (Audit and Supervisory Committee Member) | Yuji Ueda | | |
| Director (Audit and Supervisory Committee Member) | Takashi Ito | | Attorney at law Outside Director of JIO Corporation |
| Director (Audit and Supervisory Committee Member) | Hiroshi Kizaki | | Certified Public Accountant |
| Director (Audit and Supervisory Committee Member) | Sachiko Iizuka | | Certified Public Accountant Representative Director of LAULEA CORPORATION Auditor (Outside) of BeeX Co., Ltd. Representative Partner of Cexus Audit Corporation |

- (Notes)
- Three Directors Manabu Kinoshita, Toshie Takeuchi and Kimiko Kunimasa, and three Directors (Audit and Supervisory Committee Members) Takashi Ito, Hiroshi Kizaki and Sachiko Iizuka are Outside Directors.
 - Director (Audit and Supervisory Committee Member) Yuji Ueda is a full-time Audit and Supervisory Committee Member. The reason for appointing a full-time Audit and Supervisory Committee Member is to enhance the effectiveness of the audit and supervisory functions of the Audit and Supervisory Committee by having such member attend important internal meetings, collect information on a daily basis, and coordinate with independent auditors, internal audit departments, and other relevant parties.
 - Directors (Audit and Supervisory Committee Members) Hiroshi Kizaki and Sachiko Iizuka are certified public accountants and have considerable knowledge in finance and accounting.
 - The Company has registered Directors Manabu Kinoshita, Toshie Takeuchi and Kimiko Kunimasa and Directors (Audit and Supervisory Committee Members) Takashi Ito, Hiroshi Kizaki and Sachiko Iizuka as independent officers as provided for under the provisions of Tokyo Stock Exchange, Inc.
 - Principal positions held concurrently by Directors and Director (Audit and Supervisory Committee Member) for the fiscal year ended March 31, 2026, other than those described in "Significant concurrent positions held," are as follows:
 - Representative Director & President Ryuji Arakawa serves concurrently as Director at Tohoku Alfresa

Corporation.

- (2) Director & Vice President & Executive Officer Shigeki Ohashi serves concurrently as Director at Meisho Co., Ltd., TS Alfresa Corporation, and Specialty Medical Distribution Corporation.
- (3) Director & Vice President & Executive Officer Toshiki Tanaka serves concurrently as Director at Alfresa Pharma Corporation, Alfresa Healthcare Corporation, and Cell Resources Corporation.
- (4) Director Koichi Shimada serves concurrently as Director & Chairman at Alfresa Fine Chemical Corporation.
- (5) Director (Audit and Supervisory Committee Member) 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 Director (Audit and Supervisory Committee 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, Executive Officers, etc. 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 liable 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, 2026

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., for Directors (excluding those who are Audit and Supervisory 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. Since the individual remuneration, etc. to Directors (excluding those who are Audit and Supervisory Committee Members) for the fiscal year ended March 31, 2026 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 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 in each fiscal year, and performance-linked stock compensation, which aims to increase the motivation of Directors and other officers to realize the medium- to long-term performance targets set forth in the 25–27 Mid-term Management Plan, as well as 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.

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

<Before the transition to a company with audit and supervisory committee structure>

| 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) |

<After the transition to a company with audit and supervisory committee structure>

| Remuneration, etc., by type | Date of resolution | Eligible recipients | Amount / number of shares | Number of recipients at resolution |
|-----------------------------|---|--|--|---|
| Basic remuneration, bonus | The 22nd Ordinary General Meeting of Shareholders held on June 25, 2025 | Directors (excluding those who are Audit and Supervisory Committee Members; excluding salaries for services rendered as employees by Directors who also serve as employees) | ¥700 million (including up to ¥150 million for Outside Directors) per year as the maximum aggregate amount | 8 (including 3 Outside Directors) |
| | | Directors who are Audit and Supervisory Committee Members | ¥120 million per year as the maximum aggregate amount | 4 |
| Stock compensation | The 22nd Ordinary General Meeting of Shareholders held on June 25, 2025 | Directors (excluding those who are Audit and Supervisory Committee Members, those who mainly serve as Director of our subsidiary, Outside Directors, and nonresidents of Japan) Executive Officers, etc. (excluding nonresidents of Japan) | ¥300 million and 200,000 shares as maximum for 3 fiscal years | 10 (of which, 3 Directors and 7 Executive Officers, etc.) |

- 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 150%, in accordance with the degree of achievement against original targets for consolidated operating income, profit attributable to owners of parent, etc. for each fiscal year.

The targets and results of bonus indicators for the fiscal year ended March 31, 2026 are shown below.

| Indicator | Original target (Millions of Yen) | Result (Millions of Yen) |
|------------------|-----------------------------------|--------------------------|
| Operating income | 37,100 | 36,164 |
| Adjusted profit | 25,000 | 24,521 |

(Note) Adjusted profit is calculated by excluding temporary gains and losses, such as gain on sales of investment securities, from both the original target and result.

(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 (12%), and after the conclusion of the mid-term management plan, varying the cumulative value of the base points within the range of 0% to 150% according to the achievement level of the business performance targets in the mid-term management plan. As with bonuses, the performance indicators utilized include consolidated operating income and profit attributable to owners of 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 150% 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 (excluding those who are Audit and Supervisory Committee Members) (of which, Outside Directors) | 227 (36) | 183 (36) | 37 | 6 | 11 (4) |
| Directors (Audit and Supervisory Committee Members) (of which, Outside Directors) | 46 (27) | 46 (27) | – | – | 4 (3) |
| Audit & Supervisory Board Members (of which, Outside Audit & Supervisory Board Members) | 19 (7) | 19 (7) | – | – | 5 (3) |
| Total | 292 | 249 | 37 | 6 | 17 |

- (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, 2026.

(5) Matters concerning outside officers for the fiscal year ended March 31, 2026

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, 2026

(i) Matters concerning Outside Directors

| Position | Name | Attendance of Board of Directors' meetings | Status of principal activities and outline of business carried out by Outside Directors with respect to expected role |
|----------|------------------|--|---|
| Director | Manabu Kinoshita | 100% (15 out of 15 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 has made remarks based on his knowledge when necessary. |
| Director | Toshie Takeuchi | 100% (15 out of 15 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. |
| Director | Kimiko Kunimasa | 100% (15 out of 15 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 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, Audit & Supervisory Board's meetings, and Audit and Supervisory Committee's meetings | | Status of principal activities and outline of business carried out by Outside Directors with respect to expected role |
|---|----------------|--|------------------------------|--|
| Director (Audit and Supervisory Committee Member) | Takashi Ito | Board of Directors' meetings: | 100% (15 out of 15 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 Nomination and Remuneration Committee for Directors and Executive Officers, and has made remarks based on his knowledge when necessary. |
| | | Audit & Supervisory Board's meetings: | 100% (5 out of 5 meetings) | |
| | | Audit and Supervisory Committee's meetings: | 100% (14 out of 14 meetings) | |
| Director (Audit and Supervisory Committee Member) | Hiroshi Kizaki | Board of Directors' meetings: | 100% (15 out of 15 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. |
| | | Audit & Supervisory Board's meetings: | 100% (5 out of 5 meetings) | |
| | | Audit and Supervisory Committee's meetings: | 100% (14 out of 14 meetings) | |
| Director (Audit and Supervisory Committee Member) | Sachiko Iizuka | Board of Directors' meetings: | 100% (10 out of 10 meetings) | She expressed opinions mainly based on her experience in the practice of business and as an executive, in addition to her 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. |
| | | Audit & Supervisory Board's meetings: | - | |
| | | Audit and Supervisory Committee's meetings: | 100% (14 out of 14 meetings) | |

4. 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, 2026 | 118 |
| Total amount of money and other property benefits payable to the Independent Auditor by the Company and its subsidiaries | 248 |

- (Notes) 1. The Audit and Supervisory Committee 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, 2026 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 and Supervisory Committee 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 and Supervisory Committee Members. The Audit and Supervisory Committee 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 and Supervisory Committee 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.

5. 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 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 internal 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 reporting (including 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.
- 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 and security.
 - (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- to long-term vision, 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- to long-term vision, 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 Group's 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 Directors and employees who assist with the duties of the Audit and Supervisory Committee
- The Company shall assign a small number of employees in order to assist the Audit and Supervisory Committee in performing its duties (hereinafter, "assistant employees"). The Company shall not assign Directors who assist with the duties of the Audit and Supervisory Committee.
- 8) Items regarding independence of employees who assist with the duties of the Audit and Supervisory Committee from other Directors who are not Audit and Supervisory Committee Members, and items regarding assurance of the effectiveness of instructions given to such employees
- (i) Assistant employees shall follow the directions and orders of the Audit and Supervisory Committee and shall engage full time in assisting with its duties. Directors who are not Audit and Supervisory Committee Members shall not give directions and orders to assistant employees.
 - (ii) Transfers, performance evaluations, and other matters concerning assistant employees shall take place upon consideration of the opinions of Directors who are Audit and Supervisory Committee Members.
- 9) Framework for reporting to the Audit and Supervisory Committee
- (i) Framework for enabling Directors who are not Audit and Supervisory Committee Members and employees to report to the Audit and Supervisory Committee
 - (A) The Company shall work to compile documents for the Audit and Supervisory Committee to examine, to ensure a system whereby the Audit and Supervisory Committee 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 who are not Audit and Supervisory Committee Members and employees shall promptly report events which could have a critical impact on management to the Audit and Supervisory Committee.
 - (C) The Company shall endeavor to ensure that Directors who are Audit and Supervisory Committee Members have the opportunity to attend meetings where their presence has been deemed necessary.
 - (D) Any request from the Audit and Supervisory Committee for a hearing shall be responded to promptly.
 - (E) The details of reports submitted to Compliance Consulting Offices shall be reported to the Audit and Supervisory Committee 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 the Audit and Supervisory Committee
The details of reports submitted to the Group-wide Compliance Consulting Office shall be reported to the Audit and Supervisory Committee regularly or when necessary.
- 10) 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 the Audit and Supervisory Committee and the details of such report.
- 11) Items regarding the policy on procedures for making an advance payment or reimbursement on expenses incurred by Directors who are Audit and Supervisory Committee 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 Directors who are Audit and Supervisory Committee Members in performing their duties.
- 12) Other frameworks for ensuring that audits performed by the Audit and Supervisory Committee can be conducted effectively
- (i) In light of the significance and utility of audits performed by the Audit and Supervisory Committee, the Audit and Supervisory Committee and all officers and employees shall exchange views as needed.
 - (ii) The Audit and Supervisory Committee 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 Group's principles, the Company has established Compliance Guidelines and is working to thoroughly enforce compliance through the Group 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 Group Compliance and Risk Management Committee, Directors, 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 Group 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 Group 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 15 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 the Audit and Supervisory Committee
 - (i) In accordance with the Audit and Supervisory Committee regulations and standards for audits by the Audit and Supervisory Committee, etc., the Audit and Supervisory Committee prepares audit plans and divides audit tasks, and its members attend the meetings of the Board of Directors and other important meetings and state opinions as needed.
 - (ii) The Audit and Supervisory Committee inspects important documents, such as documents of requests for managerial approval, requests Directors and employees for explanation as necessary, and provides guidance.
 - (iii) Audit and Supervisory Committee 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) The Audit and Supervisory Committee strives 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) The Audit and Supervisory Committee monitors and confirms 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, the Audit and Supervisory

Committee works 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, 2026)

(Millions of Yen)

| Account title | Amount | Account title | Amount |
|--------------------------------------|------------------|---|------------------|
| (Assets) | | (Liabilities) | |
| Current assets | 1,159,314 | Current liabilities | 938,474 |
| Cash and deposits | 193,066 | Trade notes and accounts payable | 882,025 |
| Trade notes receivable | 12,295 | Lease obligations | 1,687 |
| Accounts receivable | 670,412 | Income taxes payable | 13,066 |
| Merchandise and finished goods | 161,895 | Reserve for bonuses | 8,376 |
| Work in process | 2,280 | Reserve for bonuses to directors and corporate auditors | 326 |
| Raw materials and supplies | 8,683 | Others | 32,991 |
| Purchase rebates receivable | 93,544 | Non-current liabilities | 60,639 |
| Others | 17,463 | Corporate bonds | 20,000 |
| Allowance for doubtful accounts | (327) | Long-term borrowings | 10,000 |
| Non-current assets | 347,701 | Lease obligations | 3,933 |
| Property, plant and equipment | 201,609 | Deferred tax liabilities | 17,138 |
| Buildings and structures | 89,211 | Deferred tax liabilities for land revaluation | 298 |
| Machinery, equipment and vehicles | 27,556 | Provision for share awards | 126 |
| Tools and fixtures | 5,974 | Provision for share awards for directors | 100 |
| Land | 71,987 | Net defined benefit liabilities | 6,007 |
| Leased assets | 3,647 | Asset retirement obligations | 1,215 |
| Construction in progress | 3,231 | Others | 1,818 |
| Intangible assets | 13,127 | Total liabilities | 999,113 |
| Goodwill | 1,000 | (Net assets) | |
| Leased assets | 0 | Shareholders' equity | 456,621 |
| Others | 12,126 | Paid-in capital | 18,454 |
| Investments and other assets | 132,964 | Capital surplus | 31,749 |
| Investment securities | 106,363 | Retained earnings | 427,968 |
| Long-term loans | 2,072 | Treasury stock, at cost | (21,550) |
| Deferred tax assets | 3,269 | Accumulated other comprehensive income | 50,736 |
| Net defined benefit assets | 10,615 | Unrealized gains on available-for-sale securities, net of taxes | 48,939 |
| Others | 13,249 | Unrealized gains on deferred hedge | 0 |
| Allowance for doubtful accounts | (2,606) | Revaluation reserve for land | (3,362) |
| | | Foreign currency translation adjustments | 529 |
| | | Remeasurements of defined benefit plans, net of taxes | 4,628 |
| | | Non-controlling interests | 545 |
| | | Total net assets | 507,903 |
| Total assets | 1,507,016 | Total liabilities and net assets | 1,507,016 |

Consolidated Statements of Income

(From April 1, 2025
to March 31, 2026)

(Millions of Yen)

| Account title | Amount | |
|---|--------|------------------|
| Net sales | | 3,104,064 |
| Cost of sales | | 2,886,183 |
| Total deduction | | 217,880 |
| Selling, general and administrative expenses | | 181,716 |
| Operating income | | 36,164 |
| Other income | | |
| Interest income | 376 | |
| Dividend income | 1,857 | |
| Rental income from real estate | 476 | |
| Others | 976 | 3,687 |
| Other expenses | | |
| Interest expenses | 354 | |
| Expense for rental property | 204 | |
| Provision of allowance for doubtful accounts | 143 | |
| Others | 515 | 1,217 |
| Ordinary profit | | 38,634 |
| Extraordinary profit | | |
| Gain on sales of non-current assets | 12 | |
| Gain on sales of investment securities | 25,331 | 25,343 |
| Extraordinary loss | | |
| Loss on sale of non-current assets | 78 | |
| Loss on disposal of property, plant and equipment | 294 | |
| Loss on impairment of non-current assets | 290 | |
| Loss on sales of investment securities | 4 | |
| Loss on devaluation of investment securities | 1,267 | |
| Loss on valuation of investments in capital | 35 | 1,970 |
| Income before income taxes and non-controlling interests | | 62,007 |
| Current | 18,855 | |
| Deferred | 1,319 | 20,175 |
| Profit | | 41,831 |
| Profit attributable to non-controlling interests | | 85 |
| Profit attributable to owners of parent | | 41,746 |

Consolidated Statements of Changes in Net Assets

(From April 1, 2025
to March 31, 2026)

(Millions of Yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Paid-in capital | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Beginning balance | 18,454 | 31,749 | 399,650 | (21,369) | 428,484 |
| Changes during the fiscal year | | | | | |
| Cash dividends from retained earnings | | | (12,025) | | (12,025) |
| Profit attributable to owners of parent | | | 41,746 | | 41,746 |
| Treasury stock acquired | | | | (638) | (638) |
| Sales of treasury stock | | | | 457 | 457 |
| Changes in the scope of consolidation | | | (1,403) | | (1,403) |
| Changes in items other than shareholders' equity during the fiscal year (net) | | | | | |
| Total changes during the fiscal year | - | - | 28,317 | (180) | 28,136 |
| Ending balance | 18,454 | 31,749 | 427,968 | (21,550) | 456,621 |

| | 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 | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Beginning balance | 53,288 | (1) | (3,362) | 475 | 2,903 | 53,303 | 459 | 482,247 |
| Changes during the fiscal year | | | | | | | | |
| Cash dividends from retained earnings | | | | | | | | (12,025) |
| Profit attributable to owners of parent | | | | | | | | 41,746 |
| Treasury stock acquired | | | | | | | | (638) |
| Sales of treasury stock | | | | | | | | 457 |
| Changes in the scope of consolidation | | | | | | | | (1,403) |
| Changes in items other than shareholders' equity during the fiscal year (net) | (4,348) | 1 | - | 54 | 1,725 | (2,567) | 85 | (2,481) |
| Total changes during the fiscal year | (4,348) | 1 | - | 54 | 1,725 | (2,567) | 85 | 25,655 |
| Ending balance | 48,939 | 0 | (3,362) | 529 | 4,628 | 50,736 | 545 | 507,903 |

Non-consolidated Balance Sheet

(As of March 31, 2026)

(Millions of Yen)

| Account title (Assets) | Amount | Account title (Liabilities) | Amount |
|---|----------------|--|-----------------|
| Current assets | 25,402 | Current liabilities | 24,898 |
| Cash and deposits | 5,495 | Accounts payable - other | 202 |
| Prepaid expenses | 4 | Income taxes payable | 815 |
| Short-term loans receivable from subsidiaries and affiliates | 19,185 | Accrued consumption taxes | 10 |
| Others | 716 | Deposits received from subsidiaries and affiliates | 23,539 |
| Non-current assets | 250,240 | Reserve for employees' bonuses | 100 |
| Property, plant and equipment | 82 | Reserve for bonuses to directors and corporate auditors | 37 |
| Buildings | 60 | Others | 193 |
| Furniture and fixtures | 22 | Non-current liabilities | 30,376 |
| Intangible assets | 10 | Corporate bonds | 20,000 |
| Software | 10 | Long-term borrowings | 10,000 |
| Investments and other assets | 250,146 | Deferred tax liabilities | 251 |
| Investment in securities | 6,331 | Provision for share awards | 23 |
| Shares of subsidiaries and affiliates | 217,062 | Provision for share awards for directors | 22 |
| Investments in capital of subsidiaries and affiliates | 648 | Provision for retirement benefits | 17 |
| Long-term loans receivable from subsidiaries and affiliates | 25,955 | Others | 61 |
| Long-term prepaid expenses | 10 | Total liabilities | 55,275 |
| Guarantee deposits | 139 | | |
| | | (Net assets) | |
| | | Shareholders' equity | 219,706 |
| | | Common stock | 18,454 |
| | | Capital surplus | 96,729 |
| | | Legal capital surplus | 58,542 |
| | | Other capital surplus | 38,187 |
| | | Retained earnings | 126,111 |
| | | Other retained earnings | 126,111 |
| | | Retained earnings brought forward | 126,111 |
| | | Treasury stock, at cost | (21,588) |
| | | Valuation and translation adjustments | 660 |
| | | Unrealized gain on available- for-sale securities, net of taxes | 660 |
| | | Total net assets | 220,367 |
| Total assets | 275,642 | Total liabilities and net assets | 275,642 |

Non-consolidated Statements of Income

(From April 1, 2025
to March 31, 2026)

(Millions of Yen)

| Account title | Amount | |
|---|--------|---------------|
| Operating revenue | | |
| Dividend income | 17,075 | |
| Group management income | 2,473 | 19,548 |
| Operating expenses | | |
| General and administrative expenses | | 3,631 |
| Operating income | | 15,917 |
| Other income | | |
| Interest income | 351 | |
| Interest on securities | 15 | |
| Dividend income | 168 | |
| Others | 5 | 541 |
| Other expenses | | |
| Interest expenses | 426 | |
| Interest on corporate bonds | 165 | |
| Commission expenses | 0 | |
| Loss on investments in investment partnerships | 44 | 637 |
| Ordinary profit | | 15,821 |
| Extraordinary profit | | |
| Gain on sale of investment securities | 5,123 | 5,123 |
| Extraordinary loss | | |
| Loss on disposal of property, plant and equipment | 2 | |
| Loss on valuation of shares of subsidiaries and affiliates | 3,012 | |
| Loss on valuation of investments in capital | 35 | 3,049 |
| Income before income taxes and non-controlling interests | | 17,895 |
| Current | 767 | |
| Deferred | 356 | 1,124 |
| Profit | | 16,771 |

Non-consolidated Statements of Changes in Net Assets

(From April 1, 2025
to March 31, 2026)

(Millions of Yen)

| | Shareholders' equity | | | | | | | Valuation and translation adjustments | | Total net assets | |
|---|----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|----------------|---------------------------------------|--|------------------|---|
| | Paid-in capital | Capital Surplus | | | Retained earning | | Treasury stock | Total Shareholders' 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 | Total retained earnings | | | | | |
| Beginning balance | 18,454 | 58,542 | 38,187 | 96,729 | 121,365 | 121,365 | (21,407) | 215,141 | 3,883 | 3,883 | 219,025 |
| Changes during the fiscal year | | | | | | | | | | | |
| Cash dividends from retained earnings | | | | | (12,025) | (12,025) | | (12,025) | | | (12,025) |
| Profit | | | | | 16,771 | 16,771 | | 16,771 | | | 16,771 |
| Treasury stock acquired | | | | | | | (638) | (638) | | | (638) |
| Sales of treasury stock | | | | | | | 457 | 457 | | | 457 |
| Changes in items other than shareholders' equity during the fiscal year (net) | | | | | | | | | (3,223) | (3,223) | (3,223) |
| Total changes during the fiscal year | - | - | - | - | 4,745 | 4,745 | (180) | 4,565 | (3,223) | (3,223) | 1,342 |
| Ending balance | 18,454 | 58,542 | 38,187 | 96,729 | 126,111 | 126,111 | (21,588) | 219,706 | 660 | 660 | 220,367 |

Audit Report of the Accounting Audit Concerning Consolidated Financial Statements

Independent Auditor's Report

May 14, 2026

To the Board of Directors of Alfresa Holdings Corporation

| | | |
|--------------------------------------|------------------|-----------------|
| KPMG AZSA LLC | | |
| Tokyo Office | | |
| Designated Limited Liability Partner | Certified Public | Kyoko Shiga |
| Engagement Partner | Accountant | |
| Designated Limited Liability Partner | Certified Public | Koichiro Takano |
| Engagement Partner | Accountant | |
| Designated Limited Liability Partner | Certified Public | Naoki Saito |
| Engagement Partner | Accountant | |

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, 2025 through March 31, 2026.

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 (including those applicable to audits of financial statements of public interest entities), 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. The Audit and Supervisory Committee is 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 and the Audit and Supervisory Committee 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.

The Audit and Supervisory Committee is 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 the Audit and Supervisory Committee 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 the Audit and Supervisory Committee 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, 2026

To the Board of Directors of Alfresa Holdings Corporation

| | | |
|--------------------------------------|------------------|-----------------|
| KPMG AZSA LLC | | |
| Tokyo Office | | |
| Designated Limited Liability Partner | Certified Public | |
| Engagement Partner | Accountant | Kyoko Shiga |
| Designated Limited Liability Partner | Certified Public | |
| Engagement Partner | Accountant | Koichiro Takano |
| Designated Limited Liability Partner | Certified Public | |
| Engagement Partner | 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 23rd fiscal year from April 1, 2025 through March 31, 2026.

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 (including those applicable to audits of financial statements of public interest entities), 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. The Audit and Supervisory Committee is 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 and the Audit and Supervisory Committee 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.

The Audit and Supervisory Committee is 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 the Audit and Supervisory Committee 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 the Audit and Supervisory Committee 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 and Supervisory Committee

Audit Report

The Audit and Supervisory Committee audited the Directors' performance of duties during the 23rd fiscal year from April 1, 2025 to March 31, 2026. The method and results of the audit are reported as follows.

1. The Method and Content of Audits

The Audit and Supervisory Committee received regular reports and requested explanations as appropriate from Directors and employees, etc., on the status of development and operation of the systems established based on the resolutions of the Board of Directors regarding the matters set forth in Article 399-13, Paragraph 1, Item 1(b) and (c) of the Companies Act (internal control systems), as well as the content of such resolutions. The Audit and Supervisory Committee also expressed opinions on respective matters and conducted the audit in the following manner.

- 1) In accordance with the standards of audits, etc. by the Audit and Supervisory Committee, which were established by the Audit and Supervisory Committee, and in line with the audit policies, assignment of duties, etc., the Audit and Supervisory Committee cooperated with the Company's internal control division, attended important meetings, received reports from Directors and employees, etc., on matters concerning the execution of their duties, and requested explanations as necessary. The Audit and Supervisory Committee 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) 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, 2026.

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, 2026

Alfresa Holdings Corporation

Audit and Supervisory Committee

| | | |
|---|----------------|--------|
| Audit and Supervisory Committee Member (Standing) | Yuji Ueda | [Seal] |
| Audit and Supervisory Committee Member | Takashi Ito | [Seal] |
| Audit and Supervisory Committee Member | Hiroshi Kizaki | [Seal] |
| Audit and Supervisory Committee Member | Sachiko Iizuka | [Seal] |

(Note) Audit and Supervisory Committee Members Takashi Ito, Hiroshi Kizaki, and Sachiko Iizuka are Outside Directors as provided for in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.

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: 17 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, Principally gross average method
raw materials and supplies:

(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 18 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 10 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 accounting estimates

Valuation of shares, etc. without market prices

(1) Amount recorded on the consolidated financial statements for the fiscal year ended March 31, 2026

| | |
|---|-----------------|
| Investment securities (unlisted securities) | ¥18,659 million |
|---|-----------------|

(2) Information on the details of significant accounting estimates for the identified item

Shares, etc. without market prices are recorded at acquisition cost as the balance sheet amount. However, if the substantive value of such shares, etc. declines significantly due to a deterioration in the financial condition of the issuer, a loss on devaluation is recognized unless recoverability is supported by sufficient evidence. If shares, etc. without market prices are acquired at a price higher than the amount based on net assets, reflecting the investee's excess earning power, the need to recognize a loss on devaluation is determined based on the substantive value reflecting the expected excess earning power.

Under the Group management policies set forth in its medium-term management plan, the Group is actively promoting capital and business alliances with healthcare-related venture companies, etc. Investment securities (unlisted securities) of ¥18,659 million recorded in the Company's consolidated balance sheet for the fiscal year ended March 31, 2026 include ¥5,084 million in investments in unlisted healthcare-related venture companies, etc. (excluding subsidiaries). These investee companies may experience a significant decline in substantive value due to deterioration in their financial condition or a decrease in excess earning power during the period before commercialization of pharmaceuticals, medical devices, services, and others.

In addition to confirming the financial condition of investees, the Group determines the need to recognize a loss on devaluation based on the reasonableness of their business plans, including the timing of establishment of manufacturing methods and technologies and the timing of obtaining manufacturing and marketing approval, as well as the progress of such plans.

Because uncertainty is involved in the progress of investees' businesses and other matters, if the outlook deteriorates, a loss on devaluation may be recognized in the fiscal year ending March 31, 2027.

3. 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 | 4,335 |
| Buildings and structures | 14 |
| Land | 406 |
| Investment in securities | 2,027 |
| Other (Investments and other assets) | 50 |

| | |
|-------|-------|
| Total | 6,932 |
|-------|-------|

2) Secured liabilities

| | |
|----------------------------------|-------------------|
| | (Millions of Yen) |
| Trade notes and accounts payable | 5,698 |
| Total | 5,698 |

(2) Accumulated depreciation of property, plant and equipment ¥122,882 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 ¥(183) million

4. 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, 2025 | Increase during the fiscal year | Decrease during the fiscal year | Number of shares as of March 31, 2026 |
|----------------|--------------------------------------|---------------------------------|---------------------------------|---------------------------------------|
| Common stock | 191,300 thousand shares | – thousand shares | – thousand shares | 191,300 thousand shares |

(2) Matters concerning the number of treasury stock

| Type of shares | Number of shares as of April 1, 2025 | Increase during the fiscal year | Decrease during the fiscal year | Number of shares as of March 31, 2026 |
|----------------|--------------------------------------|---------------------------------|---------------------------------|---------------------------------------|
| Common stock | 9,511 thousand shares | 281 thousand shares | 211 thousand shares | 9,582 thousand shares |

(Notes) 1. The number of shares of treasury stock includes the Company's shares held in the officer remuneration BIP trust account (484 thousand shares as of March 31, 2026).

2. The increase of 281 thousand shares in treasury stock is due to the transfer of 280 thousand shares to the officer remuneration BIP trust account and 1 thousand shares from the purchase of fractional shares upon the request thereof. The decrease of 211 thousand shares in treasury stock is due to transfer from the officer remuneration BIP trust account.

(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 15, 2025 | Common stock | ¥5,830 million | ¥32 | March 31, 2025 | June 3, 2025 |
| Board of Directors' meeting held on November 6, 2025 | Common stock | ¥6,194 million | ¥34 | September 30, 2025 | December 5, 2025 |

(Notes) 1. Total dividends based on the resolution of the Board of Directors' meeting held on May 15, 2025 include ¥13 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 6, 2025 include ¥16 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, 2026 | Common stock | Retained earnings | ¥6,194 million | ¥34 | March 31, 2026 | June 2, 2026 |

(Note) Total dividends include ¥16 million dividends paid for the Company's shares held in the officer remuneration BIP trust account.

5. 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, 2026 are as follows:
(Millions of Yen)

| Category | Book value | Fair value | Difference |
|-----------------------|------------|------------|------------|
| Investment securities | 85,873 | 85,873 | — |
| Total assets | 85,873 | 85,873 | — |
| Corporate bonds | 20,000 | 19,256 | (743) |
| Long-term borrowings | 10,000 | 10,000 | — |
| Total liabilities | 30,000 | 29,256 | (743) |

(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:

| Category | Book value |
|---------------------|------------|
| Unlisted securities | 18,659 |

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 ¥1,830 million.

(3) The redemption schedule for monetary claims and securities with maturity after March 31, 2026

(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 | 193,066 | – | – | – |
| Trade notes receivable | 12,295 | – | – | – |
| Accounts receivable | 670,412 | – | – | – |
| Purchase rebates receivable | 93,544 | – | – | – |
| Investment securities | | | | |
| Available-for-sale securities with maturities | | | | |
| Corporate bonds | – | 3,100 | – | – |
| Total | 969,319 | 3,100 | – | – |

(4) The repayment schedule for corporate bonds and long-term borrowings after March 31, 2026

(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 | 82,766 | – | – | 82,766 |
| Corporate bonds | – | 3,107 | – | 3,107 |
| Total | 82,766 | 3,107 | – | 85,873 |

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 | — | 19,256 | — | 19,256 |
| Long-term borrowings | — | 10,000 | — | 10,000 |
| Total | — | 29,256 | — | 29,256 |

(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.

6. 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.

7. Notes on revenue recognition

(1) Information on disaggregated revenue from contracts with customers

1) Ethical Pharmaceuticals Wholesaling Business

(Millions of Yen)

| | Amount |
|-----------------------------|-----------|
| Ethical pharmaceuticals | 2,896,871 |
| Diagnostic reagents | 106,755 |
| Medical devices, etc. | 175,738 |
| Others | 71,458 |
| Inter-segment sales | (487,741) |
| Sales to external customers | 2,763,082 |

2) Self-Medication Products Wholesaling Business

(Millions of Yen)

| | Amount |
|---|---------|
| OTC pharmaceuticals | 160,500 |
| Supplements, health food, food products, etc. | 54,667 |
| Others | 51,906 |
| Inter-segment sales | (447) |
| Sales to external customers | 266,626 |

3) Manufacturing Business

(Millions of Yen)

| | Amount |
|-----------------------------|----------|
| Ethical pharmaceuticals | 14,253 |
| Diagnostic reagents | 2,822 |
| Medical devices, etc. | 8,276 |
| Pharmaceutical ingredients | 7,957 |
| Consigned manufacturing | 17,748 |
| Others | 2,209 |
| Inter-segment sales | (16,085) |
| Sales to external customers | 37,181 |

4) Dispensing Pharmacy and Related Businesses

(Millions of Yen)

| | Amount |
|-----------------------------|--------|
| Dispensing fees | 36,848 |
| Others | 325 |
| Sales to external customers | 37,174 |

(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.

8. Notes on per share information

(1) Net assets per share ¥2,792.01

(2) Net income per share ¥229.64

(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 484 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 416 thousand shares.

9. 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.

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 accounting estimates

Valuation of shares, etc. without market prices

(1) Amount recorded on the non-consolidated financial statements for the fiscal year ended March 31, 2026

| | |
|---|------------------|
| Investment securities (unlisted securities) | ¥3,366 million |
| Shares of subsidiaries and affiliates | ¥217,062 million |
| Investments in capital of subsidiaries and affiliates | ¥648 million |

(2) Information on the details of significant accounting estimates for the identified item

Shares, etc. without market prices are recorded at acquisition cost as the balance sheet amount. However, if the substantive value of such shares, etc. declines significantly due to a deterioration in the financial condition of the issuer, a loss on devaluation is recognized unless recoverability is supported by sufficient evidence. If shares, etc. without market prices are acquired at a price higher than the amount based on net assets, reflecting the investee's excess earning power, the need to recognize a loss on devaluation is determined based on the substantive value reflecting the expected excess earning power.

Under the Group management policies set forth in its medium-term management plan, the Group is actively promoting

capital and business alliances with healthcare-related venture companies, etc. Investment securities (unlisted securities) of ¥3,366 million and shares of subsidiaries and affiliates of ¥217,062 million recorded in the Company's non-consolidated balance sheet for the fiscal year ended March 31, 2026 include ¥1,326 million in investments in unlisted healthcare-related venture companies, etc. (excluding subsidiaries). These investee companies may experience a significant decline in substantive value due to deterioration in their financial condition or a decrease in excess earning power during the period before commercialization of pharmaceuticals, medical devices, services, and others.

In addition to confirming the financial condition of investees, the Group determines the need to recognize a loss on devaluation based on the reasonableness of their business plans, including the timing of establishment of manufacturing methods and technologies and the timing of obtaining manufacturing and marketing approval, as well as the progress of such plans.

Because uncertainty is involved in the progress of investees' businesses and other matters, if the outlook deteriorates, a loss on devaluation may be recognized in the fiscal year ending March 31, 2027.

3. Notes on non-consolidated balance sheet

| | |
|--|--------------|
| (1) Accumulated depreciation of property, plant and equipment | ¥172 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 | ¥12 million |
| 2) Short-term monetary obligations | ¥115 million |

4. Notes on non-consolidated statements of income

| | |
|--|-----------------|
| Amount of transactions with subsidiaries and affiliates | |
| (1) Operating revenue (Dividend income) | ¥17,075 million |
| (2) Operating revenue (Group management income) | ¥2,473 million |
| (3) Operating expenses | ¥92 million |
| (4) Amount of transactions other than operating transactions | ¥590 million |

5. 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, 2025 | Increase during the fiscal year | Decrease during the fiscal year | Number of shares as of March 31, 2026 |
|----------------|--------------------------------------|---------------------------------|---------------------------------|---------------------------------------|
| Common stock | 9,511 thousand shares | 281 thousand shares | 211 thousand shares | 9,582 thousand shares |

(Notes) 1. The number of shares of treasury stock includes the Company's shares held in the officer remuneration BIP trust account (484 thousand shares as of March 31, 2026).

2. The increase of 281 thousand shares in treasury stock is due to the transfer of 280 thousand shares to the officer remuneration BIP trust account and 1 thousand shares from the purchase of fractional shares upon the request thereof. The decrease of 211 thousand shares in treasury stock is due to transfer from the officer remuneration BIP trust account.

6. 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 | 58 |
| Disallowed allowance for bonuses | 39 |
| Provision for retirement benefits | 5 |
| Disallowed loss on valuation of shares of subsidiaries and affiliates | 3,140 |
| Disallowed loss on valuation of investments in capital of subsidiaries and affiliates | 156 |
| Disallowed loss on devaluation of investment securities | 298 |
| Other | 697 |
| Subtotal of deferred tax assets | <u>4,396</u> |
| Valuation allowance | <u>(4,396)</u> |
| Total deferred tax assets | - |
| 2) Deferred tax liabilities | |
| Unrealized gains on securities | (229) |
| Other | (21) |
| Total deferred tax liabilities | <u>(251)</u> |
| Net deferred tax liabilities | 251 |

(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 | (29.3)% |
| Non-deductible bonuses to directors and audit & supervisory board members | 0.2 % |
| Inhabitant tax per capita basis | 0.0 % |
| Tax credits | (0.4)% |
| Changes in valuation allowance | 5.2 % |
| Other | 0.0 % |
| Effective tax rate after the application of the tax effect accounting | <u>6.3 %</u> |

7. 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 | 44,747 | 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 | 3,951 | Deposits received from subsidiaries and affiliates | 7,127 |
| | Alfresa Medical Service Corporation | 450 | Ethical pharmaceuticals wholesaling | 100.0 | Conclusion of group management contracts Concurrent positions held by officers | Funds received | 3,391 | Deposits received from subsidiaries and affiliates | 6,403 |
| | Alfresa Healthcare Corporation | 499 | Self-medication products wholesaling | 100.0 | Conclusion of group management contracts Concurrent positions held by officers | Funds loaned | 1,773 | Loans receivable from subsidiaries and affiliates | 7,200 |
| | Alfresa Pharma Corporation | 3,000 | Pharmaceutical manufacturing | 100.0 | Conclusion of group management contracts Concurrent positions held by officers | Funds loaned | 21,261 | Loans receivable from subsidiaries and affiliates | 25,776 |
| | 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 | 7,212 | Loans receivable from subsidiaries and affiliates | 8,561 |

Terms of transactions and policies etc. for the determination thereof

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, 2026. Payment and receipt of interests are reasonably determined in consideration of market interest rates.

8. Notes on per share information

| | |
|--------------------------|-----------|
| (1) Net assets per share | ¥1,212.69 |
| (2) Net income per share | ¥92.26 |

- (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 484 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 416 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.