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Tokyo, September 29, 2020
Alfresa Holdings Corporation

Notice regarding Basic Agreement on Intra-group Reorganization in the Self-Medication Products Wholesaling Business

Alfresa Healthcare Corporation (hereafter, “Alfresa Healthcare”), a wholly owned subsidiary of the Company, has concluded a basic agreement with Mogi Pharmaceutical Co., Ltd. (hereafter, “Mogi Pharmaceutical”), Alfresa Healthcare’s wholly-owned subsidiary and the Company’s sub-subsidiary, on the absorption-type merger of Mogi Pharmaceutical, and the Company was approved the conclusion at the Board of Directors meeting today, as follows.

1. Purpose of the Merger

Alfresa Group’s 19-21 Mid-term Management Plan *The Challenge of Further Growth “Together with Health, Together with Communities”* presents “Build up a Group collaboration structure” as one of the Group management policies.

Alfresa Healthcare, which operates the self-medication products wholesaling business nationwide in the Group, will form an absorption-type merger of Mogi Pharmaceutical that its head office is located in Tokyo, and integrate all of their businesses. Alfresa Healthcare will make effective and efficient use of the 2 companies’ management resources, and further reinforce sales and marketing foundations.

2. Outline of the Merger

(1) Schedule

- Meeting of Board of Directors to approve the basic agreement: September 29, 2020
- Merger contract conclusion: January 27, 2021 (scheduled)
- Extraordinary general shareholders meeting*1 at Mogi Pharmaceutical: March, 2021 (scheduled)
- Effective date of merger contract*2: April 1, 2021 (scheduled)

*1: For Alfresa Healthcare, because the merger falls into a simple reorganization restructuring as stated in paragraph 2 of article 796 in the Companies Act, it will be implemented without approval in a general shareholders meeting. Mogi Pharmaceutical plans to submit the proposal of approval to the agreement and other necessary matters related to this merger to an extraordinary shareholders meeting.

*2: The schedules above may be changed according to the progress after consultations between

both companies if necessary.

(2) Method of the Merger

This is an absorption-type merger between Alfresa Healthcare as the merging company and Mogi Pharmaceutical as the merged company.

(3) Allotment upon the Merger

Because Alfresa Healthcare owns all shares of Mogi Pharmaceutical, no consideration will be given upon the merger.

3. Outline of the Merging and Merged Companies (as of March 31, 2020)

	Merging Company	Merged Company
(1) Corporate name	Alfresa Healthcare Corporation	Mogi Pharmaceutical Co., Ltd.
(2) Business description	Wholesaling of over-the-counter (OTC) pharmaceuticals, quasi-drugs, dairy products for childcare, and lifestyle-related goods	Wholesaling of over-the-counter (OTC) pharmaceuticals, quasi-drugs, health foods, medical devices, and other healthcare related products
(3) Date of establishment	October 1, 2011	October 1, 2014
(4) Head office	3-11-5, Nihonbashi-Honcho, Chuo-ku, Tokyo	3-9-7, Nihonbashi-Honcho, Chuo-ku, Tokyo
(5) Name and title of representative	Hisashi Katsuki, Representative Director & President	Yusuke Mogi, Representative Director & President
(6) Paid-in Capital	499 million yen	10 million yen
(7) No. of shares issued	8,345,000	1,000
(8) Net sales (fiscal year ended March 31, 2020)	249.0 billion yen	19.8 billion yen
(9) Accounting period	April 1 to March 31	April 1 to March 31
(10) Major shareholders and their holding ratio	Alfresa Holdings Corporation 100%	Alfresa Healthcare Corporation 100%

4. Conditions after the Merger

The corporate name, address of head office, representative, business descriptions, paid-in capital, or accounting period of the merging company will not be changed after the merger.

5. Impact on the Financial Result

The Company estimates that the financial impact in the fiscal year 2020 by this merger is

minimal.

About **Alfresa Group**

The Alfresa Group is a leader in Japanese healthcare industry which is dedicated to make its corporate philosophy “we create and deliver a fresh life for all” come true through a wide range of business lines including ethical pharmaceutical wholesaling, OTC pharmaceuticals wholesaling, pharmaceutical manufacturing, and operating dispensing pharmacies. Alfresa Holdings Corporation (TSE:2784) reported its consolidated revenue of ¥2.7 trillion (US\$25 billion) for the fiscal year ended March 31, 2020. For more information, please see: <https://www.alfresa.com/eng/index.html>