

Translation

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Tokyo, January 27, 2021
Alfresa Holdings Corporation

Notice regarding Merger Contract Conclusion in the Medical-Related Business and Corporate Name Change of the Merging Company

Alfresa Holdings Corporation (hereafter, “the Company”) approved, in the Board of Directors meeting today, the conclusion of the merger contract among its three wholly owned subsidiaries Apollo Medical Holdings Inc. (hereafter, “Apollo Medical”), Nihon Apoch CO., LTD. (hereafter, “Nihon Apoch”), and Chunichi Pharmacy Corporation (hereafter, “Chunichi Pharmacy”) which operate dispensing pharmacies. In addition, in the meeting, the Company approved the corporate name change and partial amendment of the articles of incorporation of the merging company Apollo Medical, premised on approval at Apollo Medical's general shareholders meeting.

1. Purpose of the Merger

The Alfresa Group is expanding its business in the health field and reinforcing efforts at the Community-based Integrated Care System toward realizing a healthcare consortium under the 2019-21 Mid-term Management Plan *The Challenge of Further Growth “Together with Health, Together with Communities.”*

The “Pharmacy Vision for Patients” released by Ministry of Health, Labour and Welfare positions family pharmacies as a key player in the Community-based Integrated Care System. The Group’s dispensing pharmacy business aims at becoming indispensable pharmacies for communities, and needs the enhancement of the business foundation and more efficient operation to achieve it.

With the merger and management integration of the three companies Apollo Medical, Nihon Apoch, and Chunichi Pharmacy which head office locates in Tokyo, Saitama, and Aichi, respectively, the Alfresa Group aims to realize the optimal allocation of management resources, to further reinforce its compliance as well as to create dispensing pharmacies that provides even more valuable services for its customers.

2. Outline of the Merger

(1) Schedule

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|---|------------------|
| -Meeting of Board of Directors to approve the merger contract conclusion: | January 27, 2021 |
| -Merger contract conclusion: | January 27, 2021 |
| -Extraordinary general shareholders meeting at Apollo Medical*1: | March, 2021 |

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| -Extraordinary general shareholders meetings at Nihon Apoch and Chunichi Pharmacy*2: | March, 2021 |
| -Effective date of merger contract: | April 1, 2021 |

(2) Method of the Merger

This is an absorption-type merger among Apollo Medical as the merging company and Nihon Apoch and Chunichi Pharmacy as the merged companies.



(3) Allotment upon the Merger

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

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

| | Merging Company | Merged Company | Merged Company |
|---|---|---|---------------------------------------|
| (1) Corporate name | Apollo Medical Holdings Inc. | Nihon Apoch CO., LTD. | Chunichi Pharmacy Corporation |
| (2) Business description | Operating dispensing pharmacies, etc. | Operating dispensing pharmacies, etc. | Operating dispensing pharmacies, etc. |
| (3) Month of establishment | March, 1991 | September, 1995 | March, 1966 |
| (4) Head office | 2-45-8, Minami-Otsuka, Toshima-ku, Tokyo | 6-20, Wakitahoncho, Kawagoe, Saitama | 3-7-9, Sakae, Naka-ku, Nagoya, Aichi |
| (5) Name and title of representative | Tomohide Tsuzuku, Representative Director & President | Kazuhiro Inutake, Representative Director & Chairman Shizuhisa Kanemoto, Representative Director & President | Yukio Kimura, President |
| (6) Paid-in capital | 403 million yen | 270 million yen | 20 million yen |
| (7) No. of shares issued | 5,186 | 5,000 | 576,000 |
| (8) Net sales in fiscal year ended March 31, 2020 | 20,102 million yen | 15,606 million yen | 1,922 million yen |
| (9) Accounting period | April 1 to March 31 | April 1 to March 31 | April 1 to March 31 |
| (10) Major shareholders and their holding ratio | Alfresa Holdings Corporation 100% | Alfresa Holdings Corporation 100% | Alfresa Holdings Corporation 100% |

4. Corporate Name Change of the Merging Company

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|--------------------------|--|
| (1) New corporate name | APOCREAT Corporation |
| (2) Reason of the change | <p>In order to make everyone's smile and to be a familiar "health partner" in community, we have decided to change the corporate name with aiming to be a company to promise credit, trust, and safety, and to create values.</p> <p>APO comes from "apotheker" which means pharmacist in German.</p> <p>CREAT means "create," that is developed by "credit," "trust," and "safety."</p> |
| (3) Date of change | April 1, 2021 (scheduled) |
| (4) Corporate logo |   |

5. Change of the Head Office of the Merging Company

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|---------------------|---|
| (1) New head office | 4-5-2, Higashi-Ikebukuro, Toshima-ku, Tokyo |
| (2) Date of change | April 1, 2021 (scheduled) |

6. Conditions after the Merger (scheduled)

| | |
|--------------------------|---|
| (1) Corporate name | APOCREAT Corporation |
| (2) Business description | Operating dispensing pharmacies, etc. |
| (3) Head office | 4-5-2, Higashi-Ikebukuro, Toshima-ku, Tokyo |
| (4) Paid-in Capital | 403 million yen |
| (5) Accounting period | April 1 to March 31 |

7. Impact on Financial Results

The Company estimates that the financial impact in fiscal year 2020 by this merger will be minimal because it is done among the Company's wholly owned subsidiaries.

*1. The main agenda at Apollo Medical Holdings' extraordinary general shareholders meeting in March 2021, will be a change of its corporate name and other matters. Apollo Medical will put the merger in execution without the approval at its general shareholders meeting because this merger is categorized as a simplified absorption-type merger for Apollo Medical.

*2. The main agenda at each company's extraordinary general shareholders meeting will be to approve the contract and necessary matters for the merger.

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>