

Notice: This document is an excerpt translation of the original Japanese document and is for reference purposes only. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Tokyo, May 16, 2022  
Alfresa Holdings Corporation

**Announcement of the Formulation of the 22–24 Mid-term Management Plan:  
Leap into the Future  
“An Evolving Healthcare Consortium”**

Alfresa Holdings Corporation has formulated its new three-year 22–24 Mid-term Management Plan: Leap into the Future “An Evolving Healthcare Consortium” The following is an overview of the plan, which began on April 1, 2022. In a business environment expected to undergo major changes in the future, this plan is intended to facilitate continued efforts toward the Alfresa Group’s goal to “become a Healthcare Consortium that provides products and services in every health-related field.”

**Overview of the 22–24 Mid-term Management Plan: Leap into the Future “An Evolving Healthcare Consortium”**

The 22–24 Mid-term Management Plan was formulated amid a growing need to address sustainability-related issues and is therefore based on the Alfresa Group’s Basic Sustainability Policy and the Alfresa Group’s Principles.

**1. Group Management Policies**

(1) Enhancement of business models and creation of new value

The Group will focus on areas of growth to strengthen its foundation. In addition, it will create total supply chain services and generate new value. The Group will also undergo a business transformation to support sustainable growth. To facilitate this transformation, the Group will implement four initiatives rooted in DX— it will optimize back-office departments and unify operations, promote the sophistication, standardization, and optimization of logistical functions in the Ethical Pharmaceuticals Wholesaling Business, increase sales capabilities of marketing specialists (MSs) and medical representatives (MRs) in the Ethical Pharmaceuticals Wholesaling Business and Manufacturing Business, and enable data-informed management.

(2) Contribution to local health and treatments through united Group efforts

The Group will make a unified effort to contribute to local treatments to support the realization of its Community Health Care Vision.

(3) Contribution toward a sustainable society through initiatives to protect the environment

The Group will contribute toward a sustainable society by engaging in environmentally

friendly business activities.

(4) Promotion of a human resource strategy focused on diversity

The Group will take its existing Four Requirements for Our Valuable People—the willingness to venture into uncharted areas, the ability to adapt, high ethical standards, a strong sense of mission—and add to them “strong expertise.” At the same time, it will incorporate the diversity of its employees to be a collection of strong individuals, where people put their individualities and talents on display while working together to achieve the Group’s goals.

(5) Cultivation of a corporate culture with compliance as its highest priority

The Group will take a serious look at past mistakes and work as a whole to continue making concrete efforts with greater ingenuity. The Group will implement a repeating PDCA cycle to avoid the recurrence of Antimonopoly Act violations.

## 2. Measures by Segment

(1) Ethical Pharmaceuticals Wholesaling Business

Focus resources in specialty domains and utilize DX to reform business, aiming to be a true leading company that offers the best proposals and options for all health-related and medical needs

① Enhancement of existing businesses

- Focus on specialty domains
- Emphasize medical goods\*<sup>1</sup>
- Build area-specific marketing systems

② Profitability through business reform

- Acquire new profit by promoting health technology
- Utilize data to expand business

③ Groupwide optimization, efficiency, and standardization

- Build an optimal logistics network in keeping with PIC/S GDP\*<sup>2</sup> standards
- Introduce meaningful cost controls through a review of cost structure

(2) Self-Medication Products Wholesaling Business

Achieve high profitability in existing domains and venture into new domains, aiming to be a true leading company in the fields of beauty\*<sup>3</sup> and health that connects with all people

① Initiatives aimed at high profitability

- Display capabilities as a Total Healthcare Merchandising Wholesaler (THMW)
- Acquire a greater number of exclusive manufacturers and products and boost sales
- Open up new channels

② Enhancement of Group collaboration

- Contribute to local health and treatment by collaborating among segments

③ Enhancement of profitability through business reform

- Launch new promotions that utilize digital technology
- Utilize sales and distribution data (data-driven business)

### (3) Manufacturing Business

Maximize corporate value by “building a foundation for the next generation,” aiming to be a company that provides the manufacturing capabilities, production capabilities, and services that the market demands.

- ① Reliable, safe, and sincere manufacturing
  - Promote sound manufacturing and sales of existing products while developing new products
  - Reduce environmental impact
- ② Efforts to achieve total supply chain services
  - Create a one-stop service that handles everything from development to manufacturing, logistics, and medication
  - Introduce new manufacturing technology and production equipment that can respond to manufacturers’ needs
- ③ New initiatives that utilize digital technology
  - Innovate MR activities
  - Venture into the field of digital therapeutics

### (4) Medical-Related Business

The Group aims to operate a chain of pharmacies that can cover every stage of a person’s life journey, from preventive to terminal care

- ① Home care service initiatives to achieve business growth
  - Create a home-centric care system within communities by establishing home support centers equipped with a pharmacy
  - Put forth efforts related to the Community-Based Integrated Care System, such as acquiring pharmacy accreditation
- ② DX-driven business reforms
  - Promote digital treatment, such as online drug administration guidance
- ③ Presymptomatic illness and prevention initiatives
  - Create initiatives related to e-commerce sites and mail-order sales

### 3. Group Management Targets (Consolidated)

Targets for the Fiscal Year Ending March 2025	
Net Sales	¥2.7 trillion
Operating Income Margin	1.5% or higher
Investment Plan (Cumulative)	¥120.0 billion
Shareholder Returns	Dividend on Equity (DOE) 2.4% or higher

Details on the mid-term management plan will be available the day following this release on the Alfresa Group’s corporate website at the following

URL: <https://www.alfresa.com/eng/ir/plan/>

- \*1 Includes diagnostic reagents, medical devices, medical materials, and nutritional foods
- \*2 International standards for temperature control, hygiene control, and the preparation of various procedure manuals in the pharmaceuticals distribution process
- \*3 Vitality and youthfulness that comes from within, regardless of gender

### 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 pharmaceuticals wholesaling, OTC pharmaceuticals wholesaling, pharmaceutical manufacturing, and operating dispensing pharmacies. Alfresa Holdings Corporation (TSE:2784) reported its consolidated revenue of ¥2.6 trillion (US\$24 billion) for the fiscal year ended March 31, 2021. For more information, please see: <https://www.alfresa.com/eng/>