

Translation

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Tokyo, March 24, 2023  
Alfresa Holdings Corporation

**Notice regarding a Cease and Desist Order and a Surcharge Payment Order  
from the Japan Fair Trade Commission**

On November 9, 2021, consolidated subsidiary Alfresa Corporation (head office: Chiyoda-ku, Tokyo; hereafter “Alfresa”) received an on-site inspection by the Japan Fair Trade Commission for a suspected violation of the Antimonopoly Act regarding bidding and other activities by the National Hospital Organization (NHO) head office for pharmaceuticals procured by hospitals located in the Kyushu region operated by the NHO or the Japan Organization of Occupational Health and Safety (JOHAS). Alfresa has fully cooperated with the investigation conducted by the Japan Fair Trade Commission since it launched its investigation.

Today, Alfresa received a cease and desist order and a surcharge payment order from the Japan Fair Trade Commission.

This comes in addition to a previous on-site inspection by the Japan Fair Trade Commission on November 27, 2019, for a suspected violation of the Antimonopoly Act regarding its bidding to supply ethical pharmaceuticals to the Japan Community Health care Organization (JCHO). In light of these events, we will continue the efforts detailed in the December 14, 2020, news release titled “Notice regarding a Suspected Violation of the Antimonopoly Act and Alfresa Group’s Recurrence Prevention Measures” and work tirelessly to push forward with these measures and enhance compliance further.

We sincerely apologize to our shareholders, customers, business partners, and all other stakeholders for the considerable inconvenience and concern we have caused them.

**1. Overview of the Cease and Desist Order**

The Japan Fair Trade Commission determined that Alfresa had violated Article 3 of the Antimonopoly Act (prohibiting unreasonable restraint of trade) through activities that included cooperating with other companies to determine prospective order recipients and ensuring these recipients would receive these orders when bidding for ethical pharmaceuticals procured by the NHO head office for hospitals in the Kyushu region from May 20, 2016, to June 3, 2019. Based on these findings, the commission ordered Alfresa to take the necessary actions to eliminate the violation.

## **2. Overview of the Surcharge Payment Order**

(1) Amount of the surcharge to be paid: ¥50.77 million

(2) Deadline for payment: October 25, 2023

Alfresa applied to the Japan Fair Trade Commission to be subject to its leniency system. As a result of being approved for this system, Alfresa was granted a 50% surcharge reduction.

## **3. Impact on Financial Results**

The surcharge was accounted as a provision for loss on the Antimonopoly Act under extraordinary losses in the third quarter of the fiscal year ending March 31, 2023.

### **About Alfresa Group**

The Alfresa Group is a leader in the 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 ¥2.5 trillion for the fiscal year ended March 31, 2022. For more information, please see: <https://www.alfresa.com/eng/>