

The Alfresa Group's Initiatives

"07-09 Medium-term Management Plan—Advancement and Expansion"

The Alfresa Group has formulated the "07-09 Medium-term Management Plan—Advancement and Expansion" for the three-year period ending March 2010, and is now implementing the plan in a variety of ways.

1 Themes for the 07-09 Medium-term Management Plan

1. Expansion of the Wholesaling business and pursuit of group synergy effects
2. Solidifying the business base of the Manufacturing business
3. Realizing the "Healthcare Consortium" vision
4. Enhancement of Group-wide management base and administration system

Concrete Measures in the Fiscal Year Ended March 2008

While expanding the scale of our business and pursuing greater efficiency, the Alfresa Group has begun working on establishing a wholesaling business for self-medication products to meet new needs.

- In October 2007, CS YAKUHIN CO., LTD. and RYUYAKU CO., LTD., which are based in Aichi and Okinawa prefectures, respectively, joined the Group.
- Aiming to balance the fulfillment of customer needs and low-cost operations, we put into operation three new distribution bases, and started construction of two distribution centers.

2 Medium-term Group-wide Targets

- Net sales of **2 trillion yen**
- SG&A expenses ratio in Wholesaling business of **less than 6%**
- Net income margin of **1% or more**
- EBITDA in Manufacturing business of **10% or more**

Achievements in the Fiscal Year Ended March 31, 2008

The Alfresa Group made steady progress against all its goals for the fiscal year ended March 31, 2008.

- Net sales: ¥1,589,843 million* → ¥1,769,454 million**
- SG&A expenses ratio in the Wholesaling business: 6.66%* → 6.44%**

3 Capital and Financial Strategy Targets in Medium-term Management Plan

- ROE of **9% or more**
- ROA of **2% or more**
- Equity ratio of **23% or more**
- Dividend: DOE of **2% or more**

Achievements in the Fiscal Year Ended March 31, 2008

The Alfresa Group achieved its ROE and ROA targets in the fiscal year ended March 31, 2008.

- ROE: 7.9%* → 9.6%**
- ROA: 1.6%* → 2.0%**
- Equity ratio: 20.5%* → 21.3%**
- Dividend: DOE 2.0%* → 2.0%**

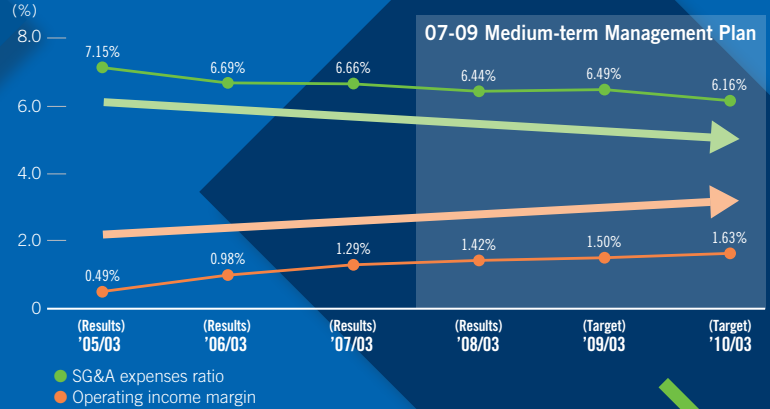
* Fiscal year ended March 31, 2007

** Fiscal year ended March 31, 2008

07-09 Medium-term Management

- Beginning with Shikoku Alfresa Corporation, we have promoted Group companies' joint use of the new backbone information system.
- We strengthened our alliance with TAMPEI NAKATA CO., LTD. with the aim of establishing a wholesaling business for self-medication products.
- We set up the Self-Medication Business Promotion Office under the Strategic Business Development Department of Alfresa Holdings Corporation.
- In the Manufacturing business, we worked to expand indications of the narcolepsy treatment, Modiodal.
- We took steps to ramp up contract manufacturing capacity by enhancing our pharmaceutical manufacturing facilities.
- We held Group Conferences and strengthened internal controls as part of efforts to demonstrate the Group's collective strength.

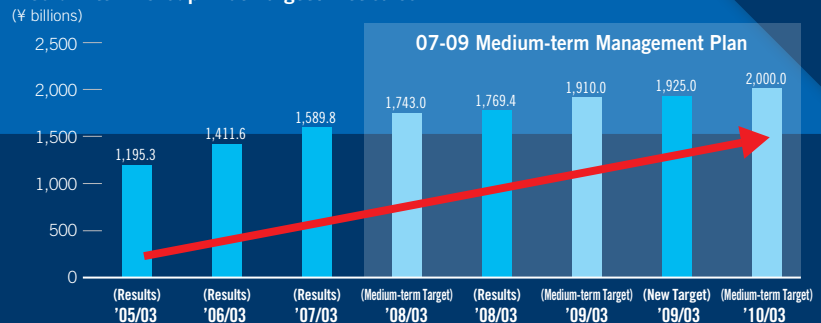
Pursuit of Efficient Management (Wholesaling Business)



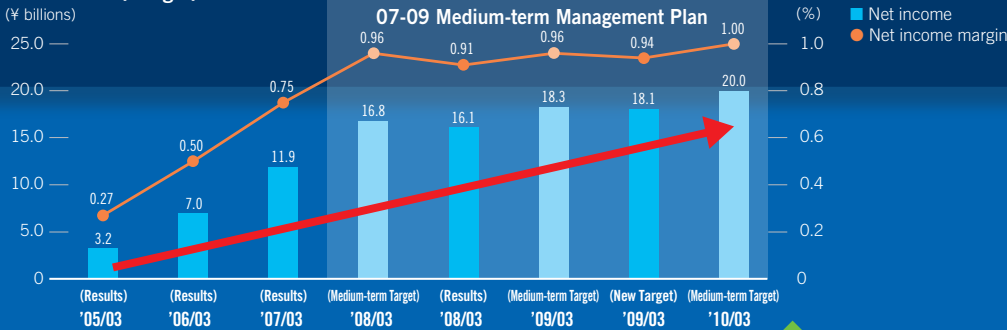
- **Net income margin:**
0.75%* → 0.91%**
- **EBITDA in the Manufacturing business:**
9.06%* → 10.22%**

* Fiscal year ended March 31, 2007
** Fiscal year ended March 31, 2008

Medium-term Group-wide Target / Net sales



Medium-term Group-wide Target / Net Income (Margin)



Plan