

Social Bond Reporting(Effective September 30, 2024)

The following disclosure is in regard to our fund allocation status reporting and impact reporting.

1. Allocation Reporting

Eligible Projects	Overview (Progress)	Allocation Amount (Actual)	Amount of Unallocated Funds and Scheduled Date of Allocation
Construction and operation of a new distribution center in Tsukuba City, Ibaraki Prefecture (Alfresa Corporation)	Commenced operation on May 7, 2024	3.44 billion yen	Allocation Completed
Construction and operation of buildings for the production of pharmaceuticals in Ota City, Gunma Prefecture (Alfresa Pharma Corporation)	Detailed design completed on January 30, 2024 Scheduled to commence operation in April 2026	850 million yen	Allocation scheduled to be completed by April 2026
	Total	4.29 billion yen	15.7 billion yen

Note 1: Amounts have been rounded to two decimal place

Note 2: Unallocated funds are managed in cash and cash equivalents.

2. Impact Reporting

Eligible Projects	Output	Outcomes	Impact
Construction and operation of a new distribution center in Tsukuba City, Ibaraki Prefecture (Alfresa Corporation)	<p>Capabilities related to the BCP</p> <ul style="list-style-type: none"> •The entire building will utilize seismic isolation structures that minimize damage even in major earthquakes (intensity 6) . •The building will be equipped with a large emergency 	<ul style="list-style-type: none"> •The number of medical institutions in range of the pharmaceutical supply from distribution centers: over 10,000 •Stable supplies of pharmaceuticals even in times of disaster 	Assurance of access to proper medical care during normal times and disasters

	<p>power supply capable of operating for 72 hours.</p> <ul style="list-style-type: none"> •Water storage facilities for use during disruptions to water supply and sewerage will be installed. 		
<p>Construction and operation of buildings for the production of pharmaceuticals in Ota City, Gunma Prefecture (Alfresa Pharma Corporation)</p>	<p>Capabilities of buildings for the production of pharmaceuticals</p> <ul style="list-style-type: none"> •Increased production capacity for small-molecule pharmaceuticals •Construction of new buildings dedicated to small-molecule pharmaceuticals •Use of equipment that can manufacture not only ethical pharmaceuticals but also over-the-counter drugs •Establishment of system for consigned manufacturing of formulations with high pharmacological activity •The construction of new buildings for formulations with high pharmacological activity that is equipped to handle the advanced containment of hazardous 	<p>The production volume in buildings</p> <ul style="list-style-type: none"> •Increase production capacity for small-molecule pharmaceuticals: Production capacity of solid, orally administered dosage forms of small-molecule pharmaceuticals expected to expand from approximately 2.0 billion to roughly 3.6 billion per year •Establish a system for consigned manufacturing of formulations with high pharmacological activity: Production capacity of anti-cancer drugs and hormone formulations in orally administered dosage forms expected to expand to 400 million tablets per year •Establish a system for consigned inspection, packaging, and testing of sterile preparations: The 	<p>Extension of healthy life expectancies through the advancement of healthcare services</p>

	substances •Establishment of system for consigned inspection, packaging, and testing of sterile preparations •The construction of a refrigerated warehouse will facilitate the storage of antibody drugs and other sterile preparations by maintaining sterile conditions as a clean room while ensuring product quality	company will conduct labeling, packaging, storage, and visual inspection of vials, ampoules, syringes, and other items according to their respective standards. The warehouse will be capable of storing approximately 160 pallets at a temperature of 2℃–8℃.	
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Note: Construction of new buildings for the production of pharmaceuticals in Ota City, Gunma Prefecture: Alfresa Pharma Corporation is constructing three new buildings at its Gunma Plant to strengthen and expand the production capacity of the Group's total supply chain services. By increasing the production capacity of small-molecule pharmaceuticals and establishing a system for full-scale entry into the consigned manufacturing of formulations with high pharmacological activity and the consigned inspection, packaging, and testing of sterile preparations, we will deliver pharmaceuticals in various forms to medical institutions and patients in a safe, secure, and sincere manner. We have already received inquiries regarding consigned manufacturing from several pharmaceutical companies.