



**Alfresa Group**

# **25–27 Mid-term Management Plan**

**Vision2032 Stage2**

**Pioneering the Future with  
Our Collective Strength**

**Alfresa Holdings Corporation**

**Released May 15, 2025**



Fresh life for all.

**alfresagroup**



## **25–27 Mid-term Management Plan**

**Vision 2032 Stage 2 Pioneering the Future with Our Collective Strength**

**(1) Group Management Policy**

**(2) Group Management Metrics**

**(3) Business Strategy:** Segment-Specific Policies and Business Portfolio  
Expansion and Transformation

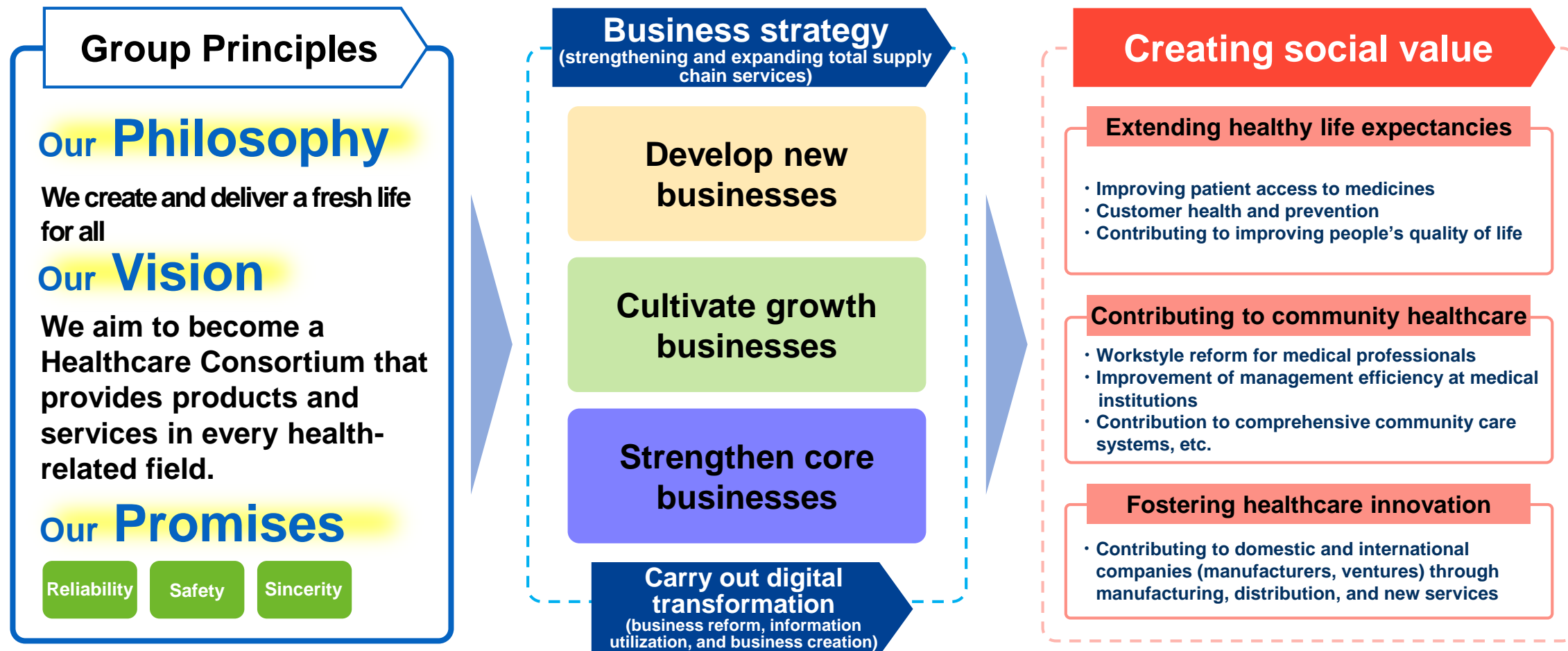
**(4) Financial and Capital Strategies**

**(5) Sustainability (ESG) Strategy**

# (1) Group Management Policy

# Group Principles and Medium- to Long-Term Vision for Fiscal 2032\*1

Based on its Group Principles, the Alfresa Group aims to create three types of social value—extending healthy life expectancies, contributing to community healthcare, and fostering healthcare innovation—by implementing business strategies for core businesses, growth businesses, and new businesses under its Medium- to Long-Term Vision and to strengthen and expand its total supply chain services.





## Business environment surrounding the Alfresa Group

The business environment surrounding the Group is expected to undergo substantial change, but there are also abundant business opportunities.

### Low birth rate and aging population Shrinking labor force



- Human resource development
- Securing of talented human resources
- Prevention of the drain of human resources

### Rising logistics costs, labor costs and energy prices



- Cost control
- Logistics network optimization

### Annual National Health Insurance (NHI) drug price revisions NHI drug price system review



- Pursuing appropriate prices
- Adapting to policy changes

### Concerns about supply of pharmaceuticals



- Further sophistication, efficiency, and standardization of logistics
- Visualization of pharmaceutical inventory

### Technological evolution Expansion of remote medical care



- Implementation of solutions
- Support for medical digital transformation (health technologies)

### Workstyle reform



- Achievement of flexible workstyles
- Support for medical professionals
- Heightening of productivity through time performance improvements



## Vision2032 Stage2 Pioneering the Future with Our Collective Strength

**Stage 2 towards achieving our Medium- to Long-Term Vision**

**Three years of priority investments  
and cost optimization to achieve steady profit growth**

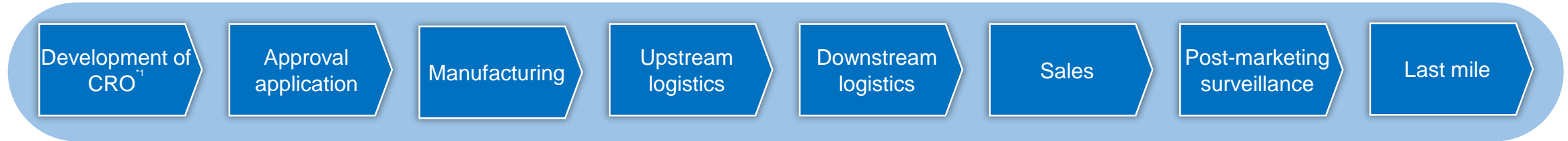
- 01 Exercising of the Group's collective strength for the evolution and expansion of total supply chain services**
- 02 Strategic investment in growth businesses and new businesses**
- 03 Further strengthening of the competitiveness of core businesses**
- 04 Rigorous cost control**
- 05 Implementation of sustainability management**



## Evolving the total supply chain service model

### What are total supply chain services?

Establish a seamless supply chain through the organic integrated utilization of the various functions possessed by the entire Alfresa Group and provide, as a united entity, services ranging from pharmaceutical licensing and development, manufacturing, distribution, and sales to post-marketing surveillance/last mile.



### Initiatives under the 25–27 Mid-term Management Plan

- Specialization of pharmaceuticals
- Functional differentiation of megapharma
- Rise of emerging bio ventures
- Reduction in number of MRs<sup>\*2</sup>
- Narrowing down of wholesalers, etc.

#### **Total supply chain service model that can handle everything from manufacturing to distribution**

- Acquisition of limited distribution products
- Expansion of CDMO<sup>\*3</sup> business
- Stable supply chain management

<sup>\*1</sup> CRO (Contract research organization): Organizations that support clinical development

<sup>\*2</sup> MR (Medical Representative): Salespeople at pharmaceutical manufacturers

<sup>\*3</sup> CDMO (Contract Development and Manufacturing Organization): Contract services ranging from development of manufacturing processes for pharmaceuticals to investigational and commercial manufacturing



# 01 Exercising the Group's Collective Strength for the Evolution and Expansion of total supply chain services



## Groupwide service at all stages of the supply chain

Enhancing functionality to enable the Group to centrally handle modalities with strong growth prospects



\*1 Surveys conducted after drugs and medical devices are sold to ensure their quality, efficacy, and safety

\*2 Good Post Marketing Surveillance Practice





## Building of a new revenue model for sustained growth

### Ethical Pharmaceuticals Wholesaling Business

#### Solutions

Building a revenue base through provision of solutions

- Distribution business solutions
- Innovative solutions

#### Medical

Becoming the No.1 medical business group in the industry

- Establishment and strengthening of a nationwide network

#### Self-Medication Products Wholesaling Business

- Channel expansion
- Data business
- Manufacturer logistics contracting
- Growth in SP products,\*1 etc.

#### Manufacturing Business

- Expansion of contract manufacturing (high- pharmacological- activity preparations, sterile preparations)
- New product development (product pipeline expansion)
- API\*2 new business development in the (pharmaceutical ingredients) manufacturing division(Testing and analysis of biopharmaceuticals)

#### Dispensing Pharmacy and Related Businesses

- Obtainment of prescriptions from non-proximity clinics or hospitals
- Expansion of new pharmacy functions
- Expansion into nursing care business

#### TSCS

- Ark Medical Solutions Inc. (PMS/CRO contracting)
- Manufacturer logistics, warehousing, etc.

#### Regenerative Medicine-Related Business

- Cell Resources Corporation (establishment of total supply chain services in regenerative medicine)

#### Treatment-Adjacent Business

- Veterinary business (Morikubo CA Medical Inc.)
- online medical care (MY MEDICA Inc.)
- Beauty business, others

#### Overseas Business

- Evolution of Vietnam business (pharmaceuticals business)
- Building of full agency business (business collaboration with overseas companies)
- Expanding overseas licensing of Japanese products



## Improve core business profitability to enhance the corporate value of the Group

### Self-Medication Products Wholesaling Business

#### Raising profitability amid industry reorganization

- Enhancement of productivity at logistics warehouses
- Data-driven sales using sales support tools
- Raising customer satisfaction by offering solutions

### Ethical Pharmaceuticals Wholesaling Business

#### To become the wholesaler of choice among customers and manufacturers

- Improvement of distribution
- Establishment of centralized distribution
- Market expansion through neo-primary strategies
- Strengthening our nationwide network
- Improvement of distribution quality  
(GDP<sup>\*1</sup> compliance, Groupwide ISO 9001 certification)
- Acquisition of narcotics primary wholesalers

### Manufacturing Business

#### To improve profitability and efficiency

- Review of business portfolio
- Narrowing down of products
- Review of personnel allocation

### Dispensing Pharmacy and Related Businesses

#### Strengthening patient services and securing prescriptions

- Introduction of medication instruction first
- New store openings and M&A
- Covering outpatient and home care with a dominant regional strategy
- Participation in platform pharmacies



## Thorough cost control under the circumstances of annual NHI drug price revisions

### Technology utilization and DX



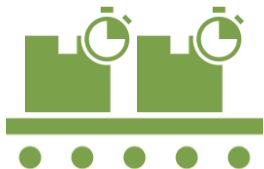
- Focus on digital optimization through the utilization of generative AI and the introduction of AI agents

### Selection of the right person for the right job



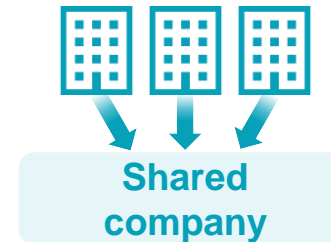
- Improved productivity
- Appropriate staffing through visualization of human resources
- Appropriate staffing through visualization of human resources

### Creation of efficient logistics system



- Automated logistics centers
- Optimal vehicle placement
- Demand forecasting, etc.

### Shared management operations



- Labor reduction and efficiency through consolidation of management operations
- Separation of profit departments and service departments across the Group

# 05 Implementing Sustainability Management



In addition to "Our Philosophy", which is part of its Group Principles, the Basic Sustainability Policy more specifically expresses the Group’s commitment to solving social and environmental issues and to striving for a sustainable society and increased corporate value, while also newly identifying key sustainability issues.

Alfresa Group

Basic Sustainability Policy

By putting into practice our Philosophy —"we create and deliver a fresh life for all"—we aim to resolve social and environmental issues in the medical and healthcare fields, contribute to the realization of a sustainable society, and continuously enhance our corporate value.

Alfresa Group

Basic Sustainability Policy

1	Global environmental conservation	5	Active participation of human resources
2	Stable supply of pharmaceuticals, services, etc.	6	Compliance
3	Contributing to community healthcare	7	Risk management
4	Contributing to healthcare industry development	8	Corporate governance



## (2) Group Management Metrics



## Second stage toward achieving our Medium- to Long-Term Vision

Three years to evolve our existing initiatives through focused investments and cost optimization for solid profit growth

### Fiscal 2024 Results

(22–24 Mid-term Management Plan)

Net sales

¥2,961 billion

Operating profit

¥38 billion

ROE

5.7%

Investment performance  
(three-year cumulative total)

¥96 billion

Shareholder returns

DOE of 2.4% or higher

### 25–27 Mid-term Management Plan Metrics

Net sales (fiscal 2027)

¥3.33 trillion; CAGR of 4% \*

Operating profit (fiscal 2027)

¥43.5 billion

ROE (three-year average)

7% level

(exceeding our estimated capital cost)

Investment performance (three-year cumulative total)

¥120 billion scale

Shareholder returns

DOE of 2.5% or higher;  
adoption of progressive dividend policy  
(flexible and appropriately timed share buybacks)

### Fiscal 2032

(Medium- to Long-Term Vision)

Net sales

¥4 trillion

Operating profit

Over ¥70 billion  
(rate to increase incrementally)

ROE

8% or higher

Investment plan  
(25–32 cumulative total)

¥320 billion

Shareholder returns

Incremental DOE improvement  
Flexible share buybacks

## (3) Business Strategy

Measures by Segment and Business Portfolio Expansion  
and Transformation



# Business Strategy: Performance Targets by Segment



	Unit : Millions of yen	Fiscal Year Ended March 31, 2025		Fiscal Year Ending March 31, 2028	
		Actual results	YoY / sales ratio*	Plan	Vs. March 31, 2025* /sales ratio*
Ethical Pharmaceuticals Wholesaling Business	Net sales	2,640,048	103.9%	3,008,900	114.0%
	Operating profit	33,055	1.25%	38,900	1.29%
Self-Medication Products Wholesaling Business	Net sales	265,748	101.1%	266,000	100.1%
	Operating profit	2,950	1.11%	3,300	1.24%
Manufacturing Business	Net sales	54,065	102.5%	58,300	107.8%
	Operating profit	1,294	2.39%	1,100	1.89%
Dispensing Pharmacy and Related businesses	Net sales	37,023	101.0%	38,000	102.6%
	Operating profit	596	1.61%	1,100	2.89%
Other businesses (regenerative medicine- related business)	Net sales	—	—	3,000	—
	Operating profit	—	—	△1,300	△43.3%

\* Sales are compared with the previous fiscal year or the fiscal year ended March 31, 2025. Operating profit is compared with net sales.

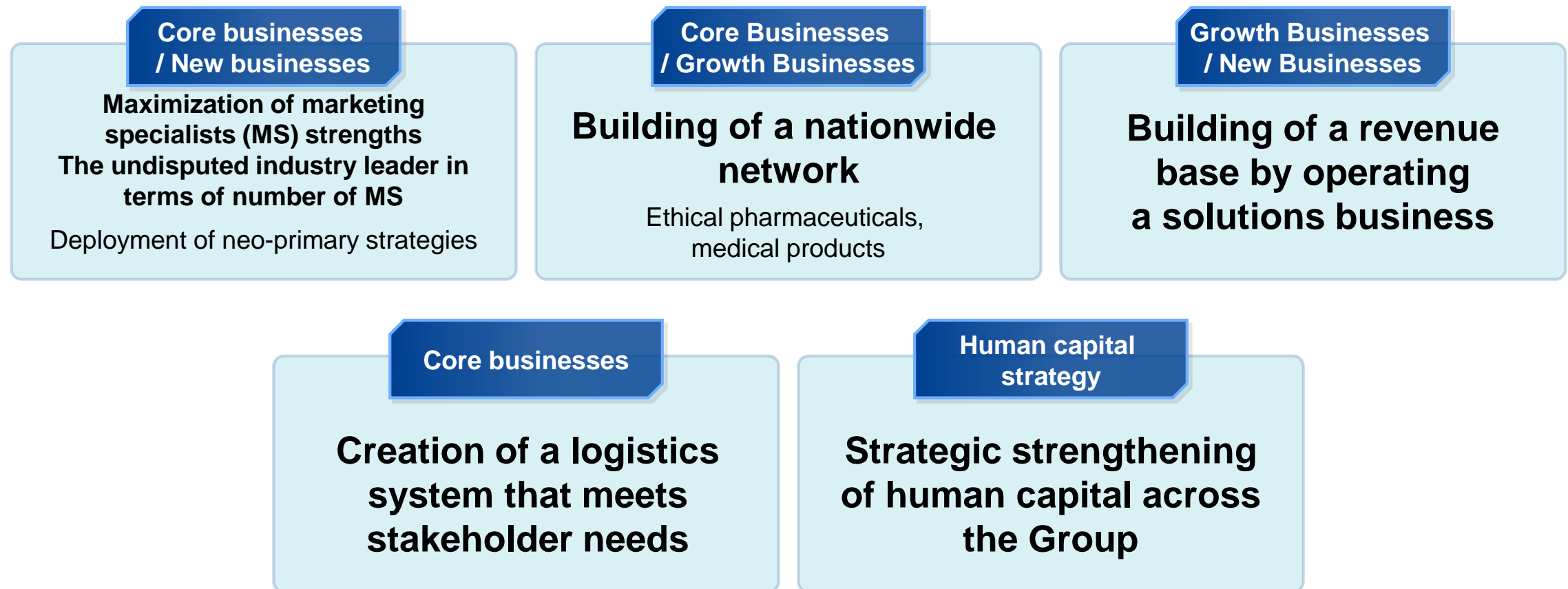


## Three-year investment plan of ¥120 billion

<b>New businesses</b>	<ul style="list-style-type: none"><li>● TSCS (Total supply chain services)</li><li>● Regenerative medicine supply chain (cell processing center (CPC) manufacturing equipment)</li><li>● Treatment-adjacent business (beauty, veterinary)</li><li>● Manufacturing Business (bioanalysis business, etc.)</li><li>● Self-Medication Products Wholesaling Business: (manufacturer logistics, etc.)</li><li>● Overseas business, etc.</li></ul>	<b>¥40 billion</b>
<b>Growth businesses</b>	<ul style="list-style-type: none"><li>● Ethical Pharmaceuticals Wholesaling Business (medical business, solutions business, etc.)</li><li>● Manufacturing Business (pharmaceutical manufacturing wing (high-pharmacological-activity preparations, sterile preparations), product pipeline expansion, etc.)</li></ul>	<b>¥30 billion</b>
<b>Core businesses</b>	<ul style="list-style-type: none"><li>● Renovation of existing distribution centers and construction of new ones</li><li>● Renovation of existing sales offices and construction of new ones , etc.</li><li>● Investment in systems, etc.</li></ul>	<b>¥50 billion</b>



## Goal of expanding business opportunities to realize total supply chain services



## Maximization of MS strengths The undisputed industry leader in terms of number of MS

### Clinics

#### Sales promotions to create new markets

- Deployment of neo-primary strategies
- Strengthening of sales activities through utilization of products and services



#### Focus on the vaccine market

- Contributing to the widespread use of vaccines through utilization of products and services



### Hospitals

#### Process support before and after commencement of treatment

<Before commencement of treatment>

< After commencement of treatment >

MS overseeing  
pharmaceuticals

MS overseeing  
diagnostic drugs



Focus on oncology field



Visualization of  
drug usage

#### Total hospital solutions

Forming a consortium with various medical service providers to propose total hospital solutions

## Building a nationwide network

**Strengthening our nationwide network by bolstering our own initiatives and forming alliances with specialized wholesalers**

### **Ethical pharmaceuticals**

- Strengthening operations in areas where Alfresa's coverage and market share are low

### **Diagnostic drugs**

- Strengthening the allocation of dedicated MS
- Focus on genetic testing
- Logistics network configuration

### **Medical devices**

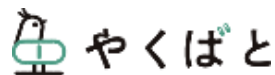
- Full packaging of sales, maintenance management, etc.

**Strengthening partnerships with manufacturers**

## Building of a revenue base by operating a solutions business

### Distribution business solutions

- Penetration and packaging of products and services nationwide
- Strengthening of response to manufacturers' needs
- Building of a revenue model through collaboration with local governments
- Creation of new products and services\*1



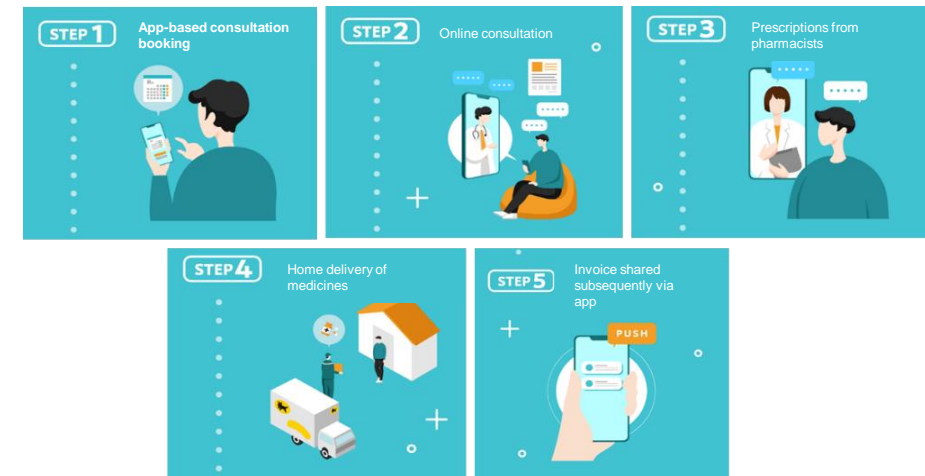
\*1 Products and services: System tools that are independently planned, developed, and provided by the Company to help solve issues for stakeholders.

### Innovative solutions

- Establishment of pharmacy management support business
- Treatment-adjacent business (veterinary, beauty)
- Corporate health management services, etc.

#### < MY MEDICA >

Provision of services focused on online medical care to manage the health of employees of trucking companies and prevent serious illness



Maximize the strengths of wholesalers who are able to contribute to both health tech for patients and customers as well as solutions for manufacturers





## Building of a logistics system that meets the needs of stakeholders

### Automation/mechanization of Distribution centers, and further quality enhancement

Pursue automation/mechanization, obtain ISO 9001 certification, and comply with GDP to improve productivity, shipping accuracy, and other quality aspects



### Streamlining operations using digital twin technology

Aiming to streamline operations and raise quality of medical care through new approaches using digital twin technology

- Development of pharmaceutical recognition and inspection applications
- Automation of warehouse operations using intelligent robotics
- Simple determination of counterfeit medicines through provision of comprehensive medical information

### Last-mile initiatives

Deliveries to individual homes of patients under the Alfresa Group's distribution network and quality control standards

### Response to environmental and social issues

- Optimization of delivery routes/optimized vehicle allocation through digital transformation
- Adaptation to diverse work styles
- Pursuit of delivery by drone; feasibility studies for automated delivery
- Pursuit of AI demand forecasting





## Strategic strengthening of human capital Groupwide

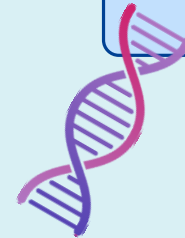
### Strengthening of sales system by RS (Retail supporter)

Strengthening of sales of ethical pharmaceuticals and medical products by strengthening the RS system



#### Medical equipment repair technicians

Strengthening full-package sales  
and maintenance



#### Cancer genome

Strengthening activities in the  
oncology field



#### Women's health (clinics)

Strengthening of activities  
in the expanding femtech field



#### Ultrasound diagnostic equipment specialists

Strengthening support for a wide  
range of medical fields



## "Health"<sup>\*1</sup> × Connectivity × Happiness

### Core Businesses

#### Response to drugstore industry restructuring

- Improvement in productivity at logistics warehouses by introducing robots, etc.
- Data-driven sales using sales support tools
- Raising customer satisfaction by offering solutions

### Growth Businesses

#### Earning of stable profits that are resilient to fluctuations in the external environment

- Optimal sales strategies based on customer needs and strengthening of SP product sales
- Development of new channels and overseas business not limited to existing businesses
- Data businesses

### New Businesses

#### Independent deployment of new solutions

- Manufacturer logistics contracts
- Establishment of our own e-commerce branch

\*1 The use of the word "health" denotes not necessarily simply the concept of "health," but the notion that each person has their own "health."

Improvement in productivity at logistics warehouses by introducing robots, etc

## Response to rising labor and other costs

New Kyushu Distribution Center Relocation (introduction of the latest material-handling system, Skypod®)

Enhancement of efficiency of work at the distribution center warehouses (introduction of multi-picking carts)

### New Kyushu Distribution Center



### Skypod®



### Multi-picking cart





### Deployment of sales strategies that are resilient to changes in the external environment

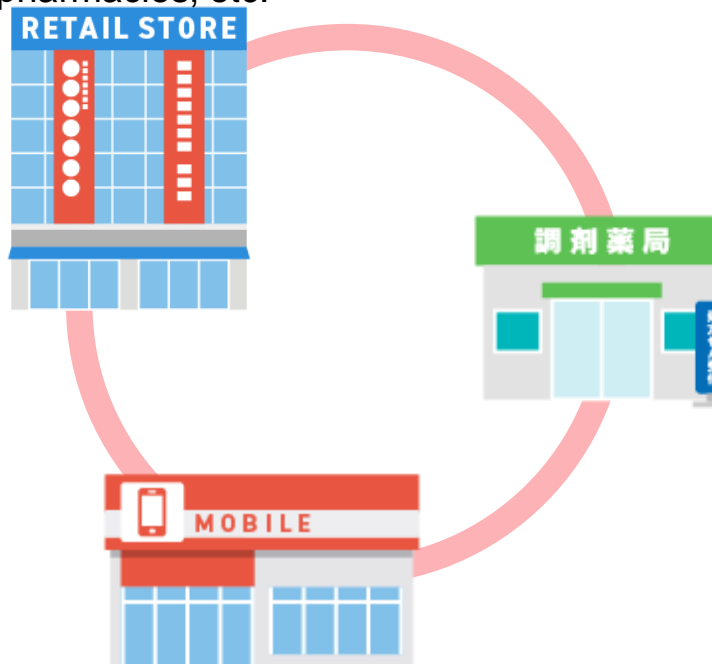
#### Strengthening of sales of self-prevention (SP) merchandise

Channel-specific strategies in response to diversifying customers



#### Development of new channels

New sales channels that are not limited to existing businesses  
Systematization of sales at dispensing pharmacies, etc.



#### Data business

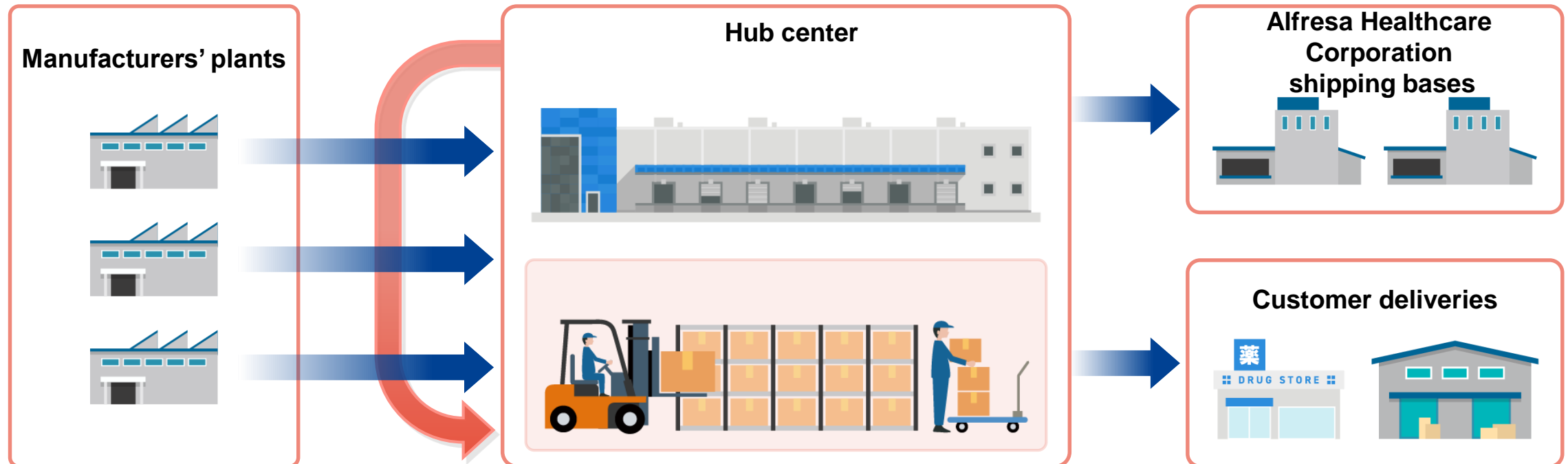
Establishment of a B-to-B platform that connects manufacturers, wholesalers, and retailers



### Independent deployment of new solutions

#### Highly versatile distribution center operations in anticipation of environmental changes

Establishment of a new supply chain management model







## Establishment of a stable management foundation through business portfolio reconfiguration

### Core businesses

#### Further improvements in profitability and efficiency

- Review of business portfolio
- Review of product portfolio
- Review of personnel allocation

### Growth businesses

#### Expansion of contract manufacturing and new product development

- Increase in small-molecule drug manufacturing capacity
- Entry into market for formulations with high pharmacological activity
- Establishment of a system for accepting sterile drug products
- Product pipeline expansion

### New businesses

#### Development of new businesses in the API (pharmaceutical ingredients) manufacturing business

- Biopharmaceutical analysis business



## Goal of further improving profitability and efficiency

### Action plan overview

### Specific measures



#### Review of business portfolio

- Focusing of management resources on growth businesses (pharmaceuticals/contract manufacturing)
- Consideration of reconfiguration of the diagnostics business
- Collaboration with Group resources for overseas/API (pharmaceutical ingredients) business



#### Review of product portfolio

- Action on unprofitable products
- Acquisition of high-value-added contract products



#### Review of personnel allocation (selection of the right person for the right job)

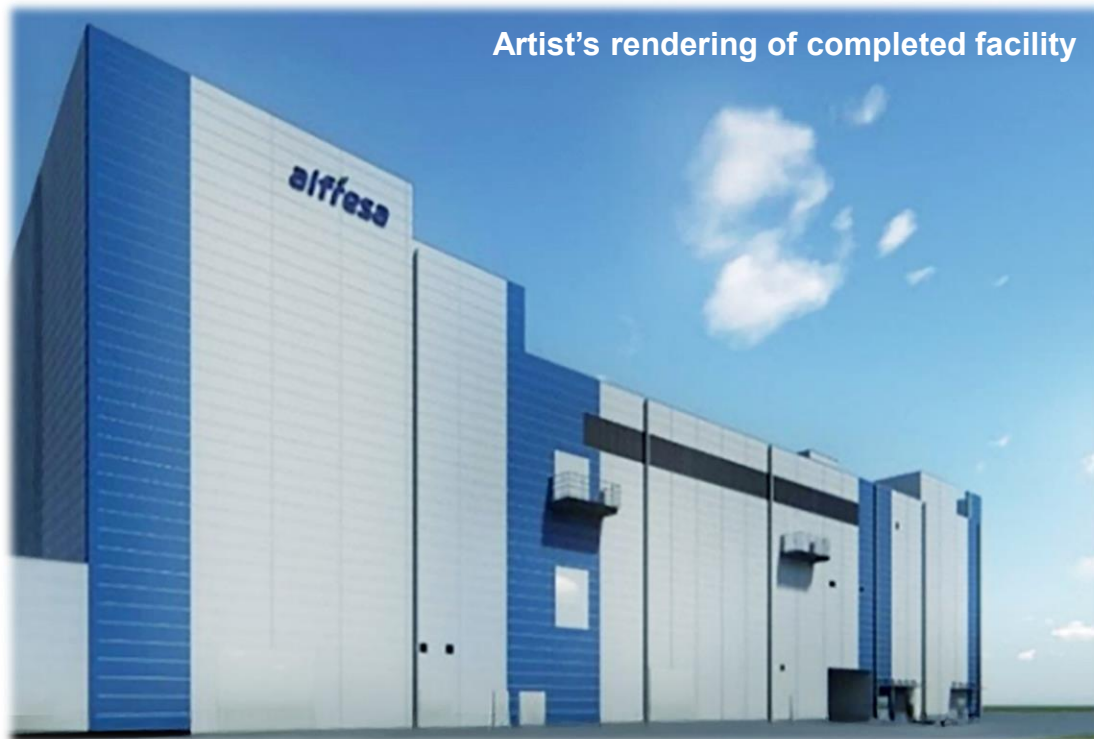
- Consideration of appropriate allocation to businesses in need of strengthening
- Human resource exchanges among Group companies



## Expansion of contract manufacturing and product pipeline expansion

### Construction of new pharmaceutical manufacturing building at Gunma Factory

Scheduled commencement of operations: April 2026



- Entry into the market for contract manufacturing of formulations with high pharmacological activity
- Increase in small-molecule pharmaceutical manufacturing capacity
- Establishment of a system for contracting of sterile formulations

#### Product pipeline expansion

iPS drug discovery, central nervous system field, allergy field, etc.



## New Business Concept for API Division

Alfresa Fine Chemical Corporation will conduct biopharmaceutical analysis contracting and meet the needs of outsourcing companies, with the company's main strengths being its superiority in price, quality, and track record in business collaborations.

**Purchase of testing equipment  
in fiscal 2024**

**Start of operation  
in fiscal 2025**

**1 Analysis outsourcing**

**Preparation of analysis and  
manufacturing site in fiscal 2026**

**Start of operation  
in fiscal 2027**

**2 Sample manufacturing  
outsourcing**





## Goal of being a "family pharmacy" necessary for the community

### Core businesses

#### Strengthening of patient services and securing of prescriptions

- Introduction and standardization of medication instruction first
- Opening of new branches in dominant regions, etc.
- Participation in platform pharmacies

### Growth businesses

#### Obtainment of prescriptions from medical institutions other than proximal hospitals

- Symbiosis of brick-and-mortar and online pharmacies through the development of our own family pharmacy app
- Community medical support through dominant strategy enhancement

### New businesses

#### Expansion of new pharmacy functions

- Feasibility studies for the establishment of dispensing centers

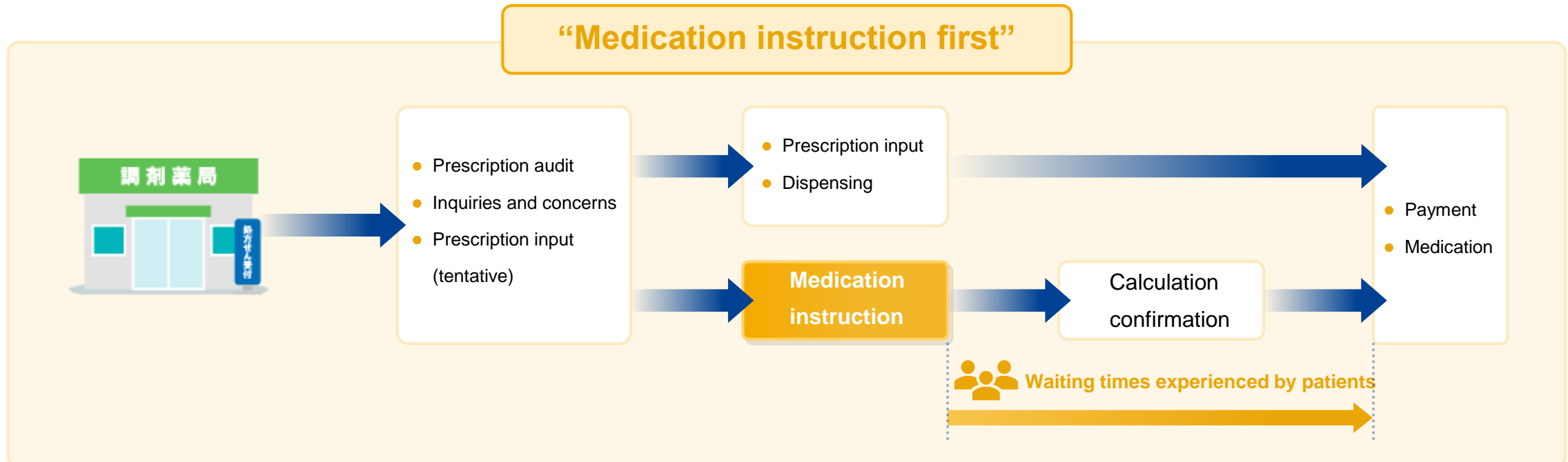
#### Entry into the nursing care business

- Management of a large-scale residential nursing home (enhancing dominance)

## Strengthening of “medication instruction first”

### Strengthening of patient services

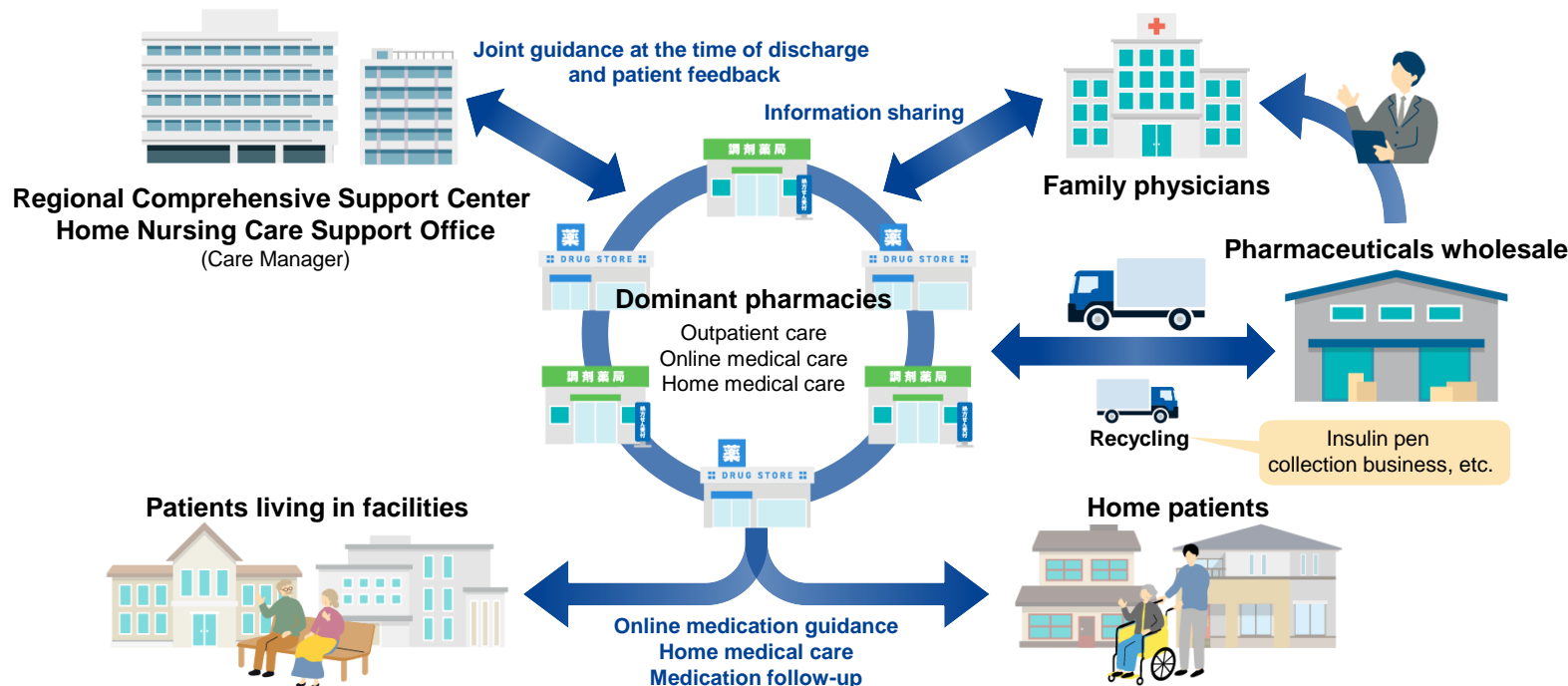
By changing the conventional procedure for post-dispensing medication instructions, strengthening patient services by simultaneously conducting pre-inspections, pre-dispensing medication guidance, and dispensing



## Community medical support through dominant strategy enhancement

### Establishment of dominance where pharmacies in the same area can provide mutual support

Goal of handling the outpatient care and home care for local residents within a framework of solid community cooperation



#### Effects of dominance

- Mutual support of business content
- Branding
- Personnel support
- Pharmaceutical flexibility
- Strengthening of contact with patients and various professions
- Sharing and use of sterile dispensing facilities

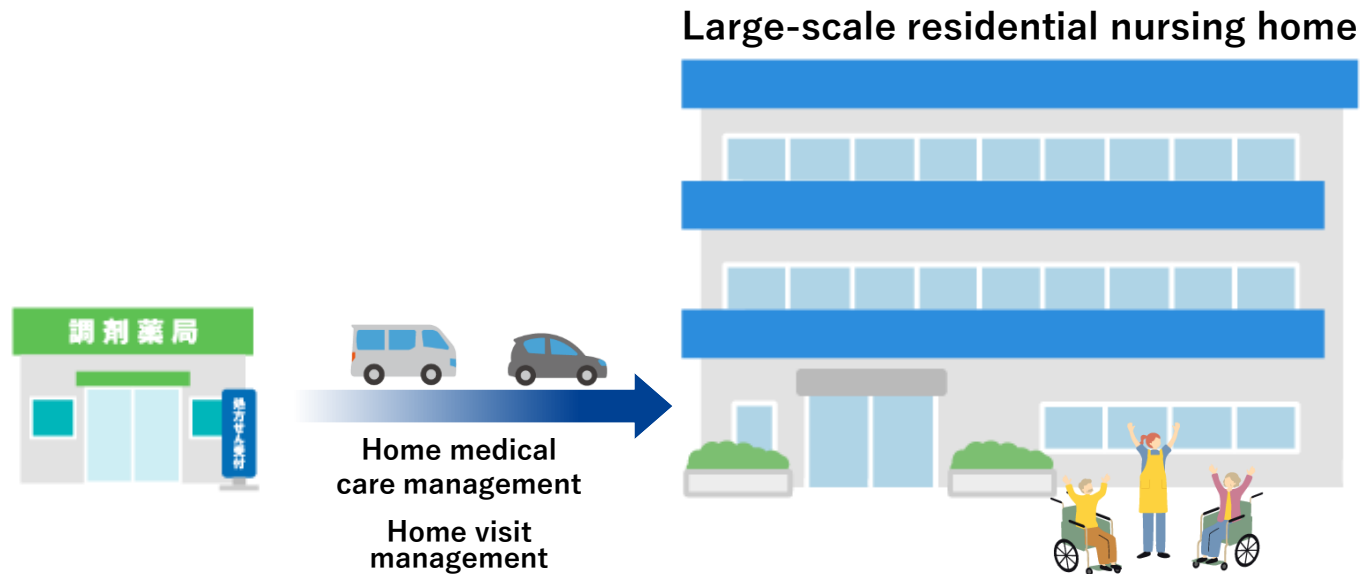


Support for community medical care

### Entry into the nursing care businesses

#### Operation of large-scale residential nursing home

Response to the increasing need for home medical care in a super-aged society and the increase in patients certified as requiring long-term care



**As the cornerstone of a community-based comprehensive care system, we aim to establish a presence that transcends boundaries by promoting close information sharing between pharmacies, facilities, and helper stations.**



Focus on the core business of master cell manufacturing and storage, CMO\*<sup>1</sup> and CDMO business development, and fast-tracked launch of individual projects.

### Koriyama Cell Processing Center

Within Tohoku Alfresa Corporation's  
Koriyama Distribution Center



Allogeneic

Manufacture and sale of  
semi-finished products

Supply of raw materials for domestic  
placenta-derived MSC\*<sup>2</sup>  
Obtainment of licensing for manufacturing  
specified cell products

### Tonomachi Cell Processing Center

Within Tonomachi Life  
Innovation Center



Autologous

Contract manufacturing organization\*<sup>1</sup>

Contract manufacturing of  
commercial products

### Haneda Process Development Center

Within Haneda Innovation City



Autologous  
Allogeneic

Contract development and manufacturing  
organization (CDMO)

Primarily contracting of process development  
and investigational manufacturing for  
CAR-T\*<sup>3</sup> products

Photo courtesy of Haneda Mirai

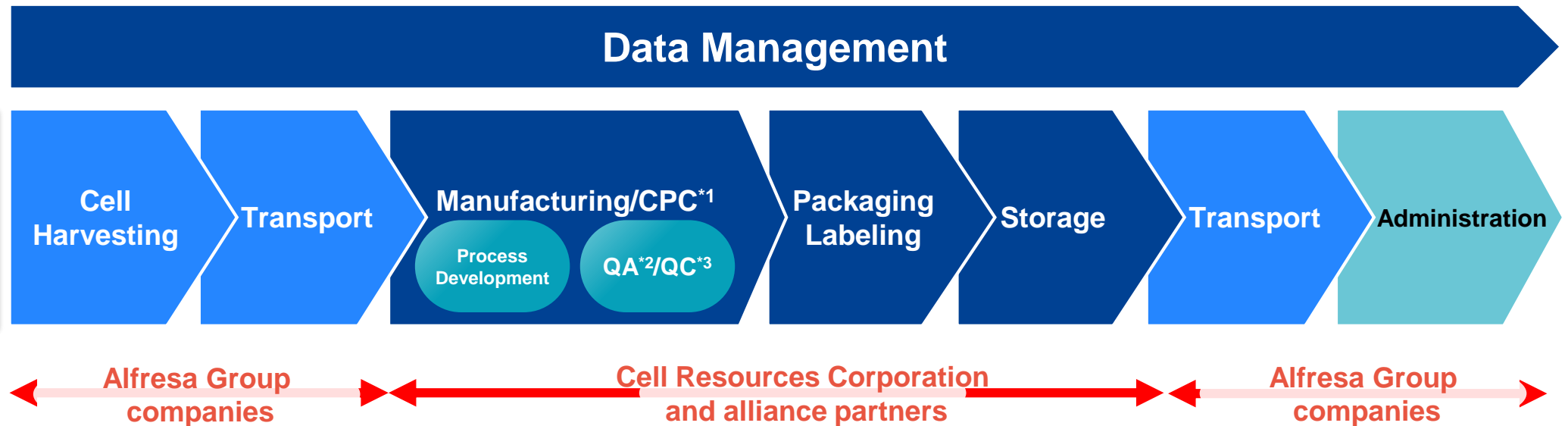




## Building of a domestic comprehensive supply chain service for regenerative medicine

Strengthening of in-house configuration and relationships with alliance partners to provide all necessary functions in a centralized manner

### Our Vision



Investment Plans under  
the 25–27 Mid-Term  
Management Plan

**6.7** billion yen

**We will quickly establish a structure for the manufacturing business of Cell Resources Corporation and promptly utilize said structure to obtain more orders and increase sales.**

\*1 Cell processing center  
\*2 Quality assurance  
\*3 Quality control



## Strengthening of business activities in Asia

### Strengthening of business activities in Vietnam

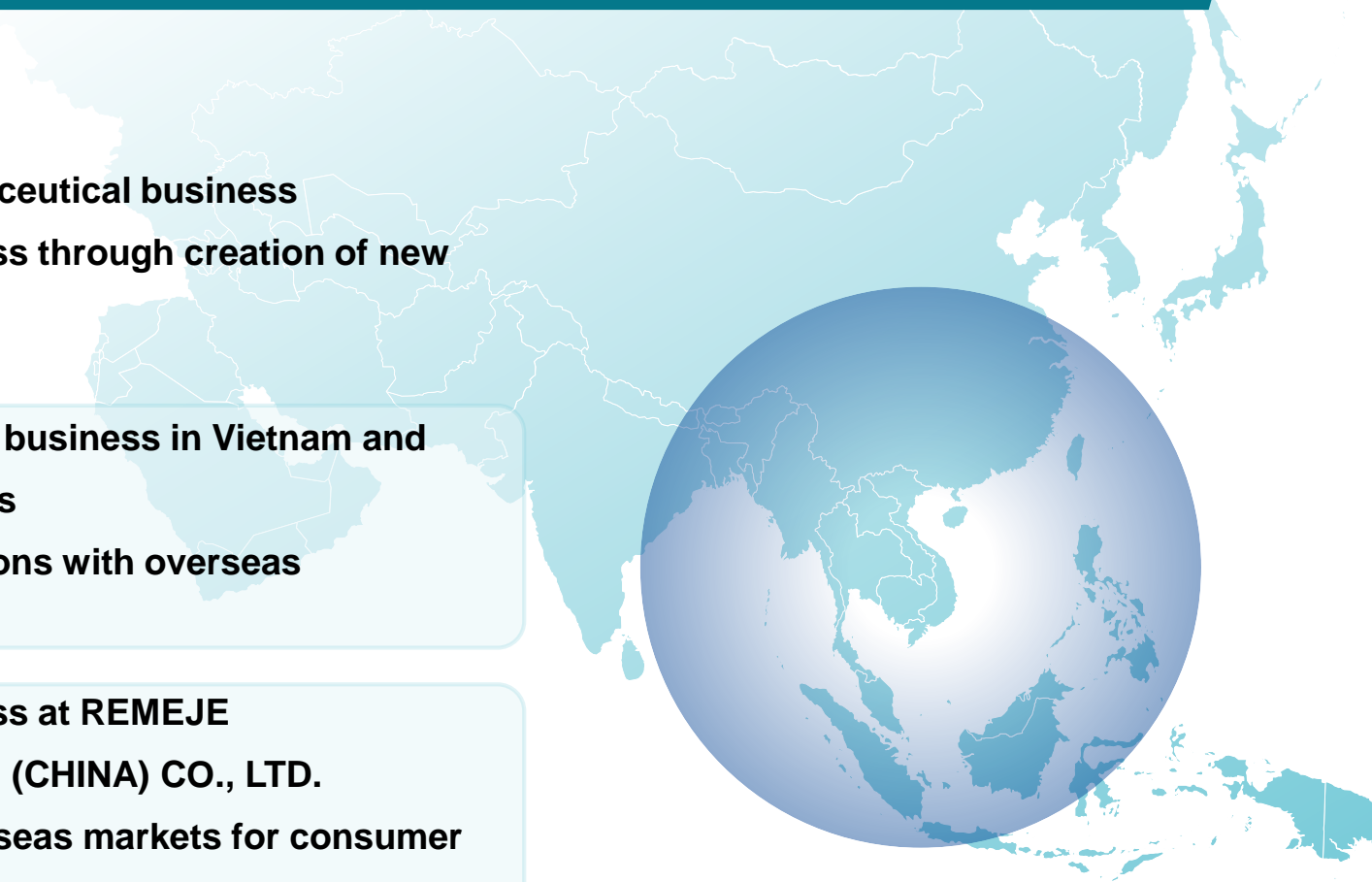
- Beginning of pharmaceutical business
- Expansion of business through creation of new businesses

### Establishment of full agency\*1 business

- Establish full agency business in Vietnam and neighboring countries
- Business collaborations with overseas companies

### Expansion of overseas out-licensing of Japanese products

- Expansion of business at REMEJE PHARMACEUTICALS (CHINA) CO., LTD.
- Development of overseas markets for consumer products



## (4) Financial and Capital Strategies



## 25–27 Mid-term Management Plan policy

Maintaining a focus on improving capital efficiency and financial soundness, we will lay the foundations for accomplishing our Medium- to Long-Term Vision through proactive growth investments for the sustained enhancement of corporate value and stable shareholder returns.

### Capital efficiency (ROE) enhancement

ROE exceeding our estimated cost of capital

- Improvement of profitability and proactive growth investments
- Curbing of net asset accumulation (target capital adequacy ratio in the low- to mid-30% range)

### Financial soundness

Maintenance of issuer rating

### Stable shareholder returns

Long-term stable dividend returns and timely and appropriate decision-making regarding share buybacks

## 25–27 Key Financial Indicators

1

### Operating profit

Fiscal 2027: **¥43.5 billion**  
Cumulative three-year total:  
**Approximately ¥119 billion**

2

### ROE (Return on Equity)

Three-year average:  
**7% level**

3

### Investment

Three-year total value:  
**¥120 billion scale**

4

Consolidated net asset ratio of  
cross-shareholdings

**Less than 10%**

5

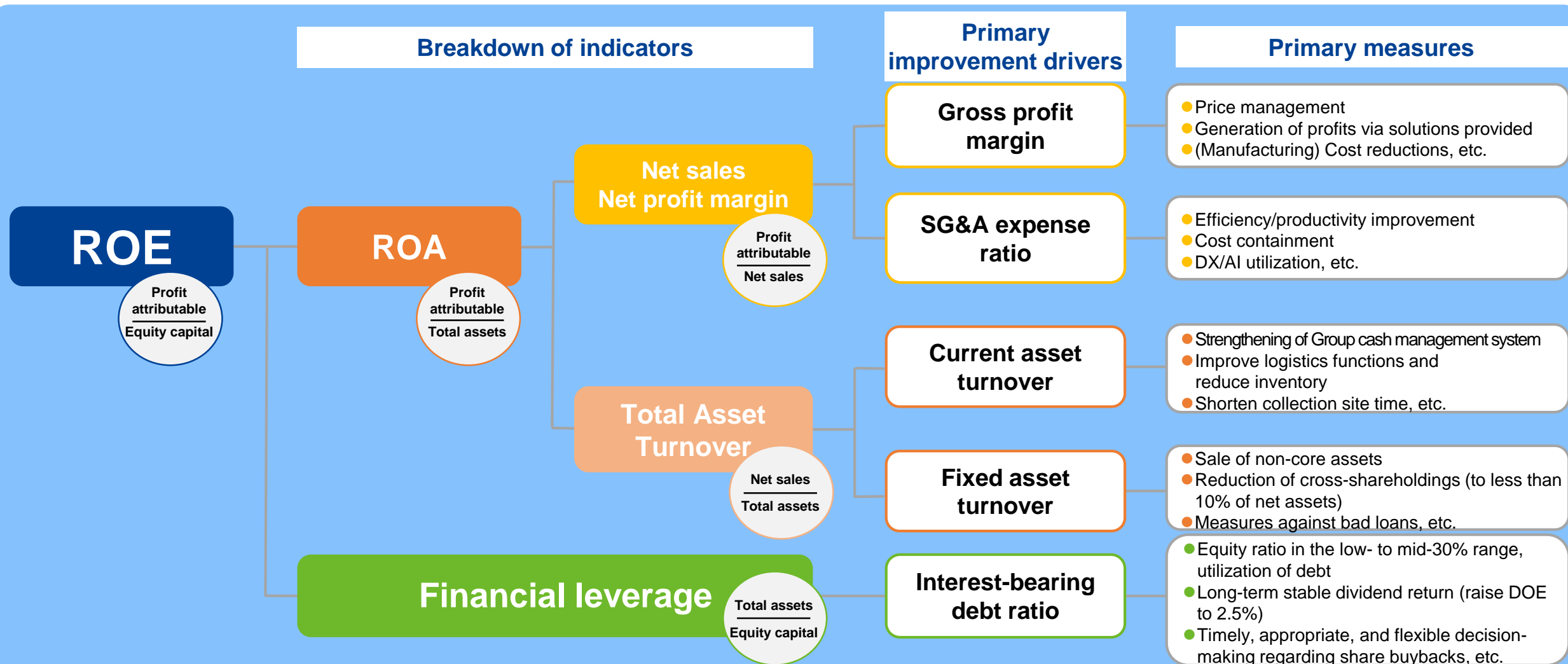
DOE (Dividend on Equity)

**More than 2.5% and  
progressive dividend**

Note: Based on securities filings

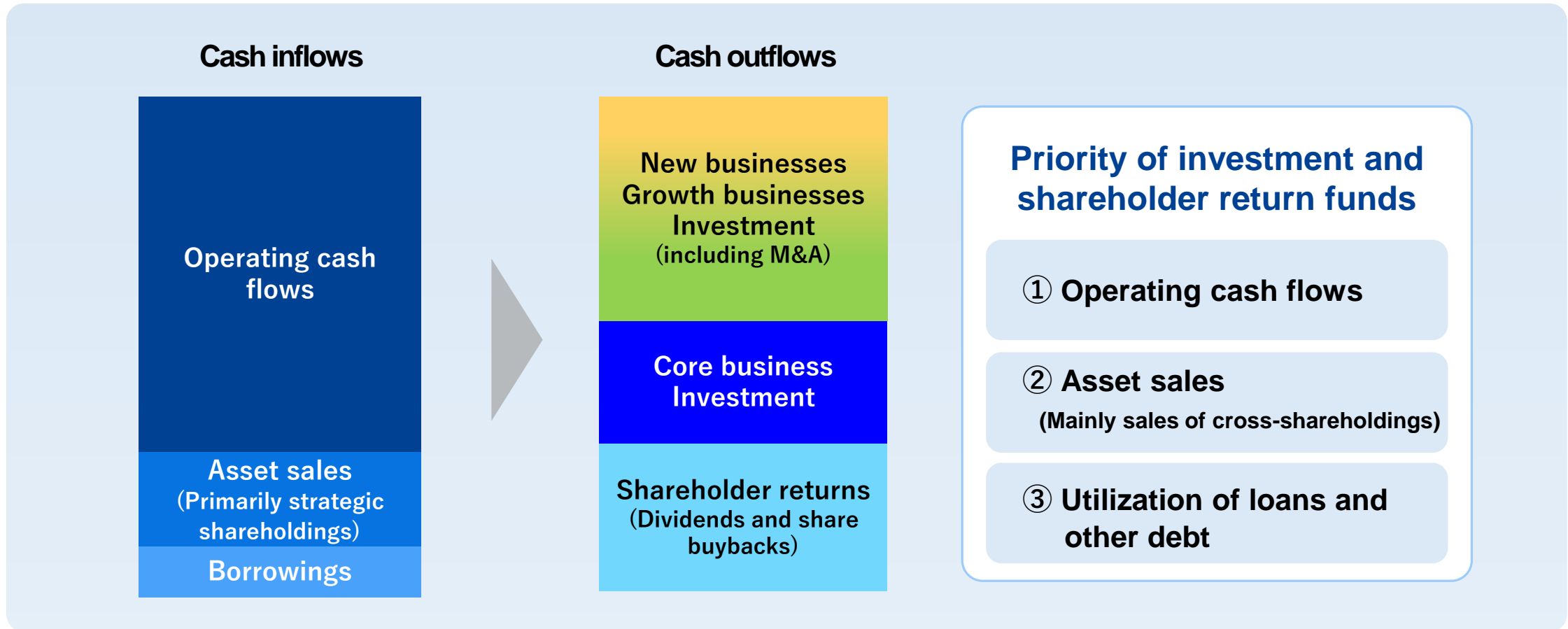


## Drivers and measures for enhancing ROE





## Capital Allocation (25–27 Mid-term Management Plan)





## (5) Sustainability (ESG) Strategy

## 25–27 Mid-term Management Plan: Key Sustainability Issues

Under the plan, we have identified eight key issues and are promoting corresponding initiatives based on two new themes: "the impact of the Company on society" and "the impact of social issues on the Company."

1	Global environmental conservation	<ul style="list-style-type: none"> <li>Greenhouse gas reduction</li> <li>Conservation of natural ecosystems</li> <li>Waste reduction</li> <li>Management of hazardous and regulated substances, etc.</li> </ul> 	5	Active participation of human resources	<ul style="list-style-type: none"> <li>Cultivating and promoting diverse human resources</li> <li>Pursuing employee health and job satisfaction</li> <li>Improving employee engagement, etc.</li> </ul>  
2	Stable supply of pharmaceuticals, services, etc.	<ul style="list-style-type: none"> <li>Maintaining and improving a safe and secure pharmaceutical supply system</li> <li>Advanced inventory and delivery management</li> <li>Building cooperative frameworks with customers and suppliers</li> <li>New product and service development and manufacturing, etc.</li> </ul> 	6	Compliance	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Respect for human rights</li> <li>Employee Code of Conduct</li> <li>Fair and appropriate transactions with business partners, etc.</li> </ul>  
3	Contributing to community healthcare	<ul style="list-style-type: none"> <li>Support for medical institutions in improving their medical services</li> <li>Support for heightening management efficiency at medical institutions</li> <li>Providing beneficial information for medical professionals</li> <li>Deployment of solutions to medical care, etc.</li> </ul> 	7	Risk management	<ul style="list-style-type: none"> <li>Business continuity planning (BCP) for managing disasters and other crises</li> <li>Personal privacy protection</li> <li>Information security, etc.</li> </ul>
4	Contributing to healthcare industry development	<ul style="list-style-type: none"> <li>Strengthening sustainability initiatives in the supply chain</li> <li>Health technology, solution provision, etc.</li> </ul> 	8	Corporate governance	<ul style="list-style-type: none"> <li>Strengthening the functions and effectiveness of the Board of Directors</li> <li>Timely and appropriate disclosure of information, etc.</li> </ul>



## E: Global Environmental Conservation

Contribute to society through environment-friendly business activities

*alfresa* group

CO<sub>2</sub> Emissions

Fiscal 2030: **30% reduction**<sup>\*1, \*2</sup>

Fiscal 2050: **Net zero**

\*1 Compared with fiscal 2020

\*2 The target of a 30% reduction in emissions by fiscal 2030 is roughly equivalent to the government's target of a 46% reduction compared with fiscal 2013.

**1** Reducing greenhouse gas emissions

**2** Conserving natural ecosystems

**3** Reducing waste  
Managing hazardous and restricted substances



## S: Active participation of human resources

The Alfresa Group's Human Capital Management: Human resources are the driving force for growth

### 1. Human Resource Development

A system for developing human resources who meet human resource requirements and developing and evaluating their expertise  
Developing future talent, developing management skills, and creating a corporate culture for the new era

### 2. DE&I\*1 / Women's empowerment

Promoting DE&I through training, etc., aiming for 10% of management positions to be occupied by female employees by fiscal 2030  
Promoting childcare leave and creating an environment where people can thrive regardless of age

### 3. Acquiring talented human resources who can thrive

Recruitment activities conducted jointly by Group companies, Group company awareness strategies  
Area-specific response

### 4. Improving employee engagement

Employee awareness surveys, comfortable working environments (workstyle reform, schedule optimization)  
Instilling principles Providing growth opportunities Further enhancing employee benefits

### Five human resource requirements





## G: Compliance and Risk Management

### Compliance

- ◆ Maintaining and strengthening the PDCA cycle to thoroughly comply with antitrust laws
- ◆ Strengthening anti-harassment measures

### Risk management

- ◆ Introduction of new risk management methods
- ◆ Strengthening information security
- ◆ Strengthening BCP response



## G: Strengthening IT Governance and DX

### Strengthening IT governance

#### Groupwide IT governance and management system

- Management of IT data assets across the entire Group
- Establishment of management standards for the Group regarding the introduction and operation of new systems

### Security measures

#### Establishment of a system for security measures and strengthening of operations

- Unification of management regulations, operational rules, etc., across the entire Group
- Establishment of a system for overall Group management and response procedures in the event of an incident

### Utilization of AI and other new technologies and human resource cultivation

#### Business reform and human resource cultivation in the age of AI

- Promotion of the use of evolving new technologies such as generative AI and development of a common infrastructure that can integrate and utilize data within the Group
- Development of a training curriculum for each employee rank, from DX literacy to advanced expertise





## G: Corporate Governance Reform

### Strengthening of the functions of the Board of Directors to support growth strategies

Note: Subject to approval at the General Meeting of Shareholders

- Adoption of the company with audit and supervisory committee organizational structure; focus on monitoring model  
Prompt decision-making through delegation of authority and the strengthening of monitoring functions by separating supervisory and execution functions
- Increase in the ratio of outside directors\*<sup>1</sup> and female directors\*<sup>1</sup>  
(Outside Directors) From 36.4% (4 directors) to 50% (6 directors)  
(Female Directors) From 18.2% (2 directors) to 25% (3 directors)
- Review of executive compensation system  
(System) Fixed compensation: Bonus: Stock compensation 70:20:10 → 68:20:12  
(Evaluation Metrics)

Note: Performance-linked compensation is the sum of bonuses and performance-linked stock compensation per fiscal year.

Bonus

- Achievement of consolidated operating profit **margin** target
- Achievement of consolidated net income\*<sup>2</sup> **margin** target

Stock compensation

- Achievement of consolidated operating profit margin target
- Achievement of consolidated net income margin target

- Achievement of consolidated operating profit **value** target
- Achievement of consolidated net income **value** target

- Achievement of consolidated operating profit **value cumulative target**
- Achievement of **average ROE target**
- Achievement of a **TSR to TOPIX ratio**
- Achievement of **ESG rating target**
- **Employee engagement score** improvement rate

\*<sup>1</sup> Including directors who are Audit & Supervisory Committee members

\*<sup>2</sup> Net income is profit attributable to owners of the parent

# Disclaimer Concerning Forward-Looking Statements:



**Please note that the information published here in this document are forward-looking statements based on forecasts available at the time the document was prepared.**

**Certain premises are used for these descriptions. The descriptions or premises contain inherent known or unknown risks and uncertainties and may be proven inaccurate or fail to materialize in the future. Actual results may differ from these forecasts because of various changes in the business environment and other factors.**

**In the event that revisions or amendments to the information contained herein are desirable due to new information, future events, and other factors, it is neither a policy nor an obligation of the Company to update such information.**

The background features a stylized, open book with pages fanning out. A series of colorful, leaf-like shapes in shades of green, yellow, orange, red, and blue are positioned along the top edge of the pages, appearing to grow or fly out from the book. The overall aesthetic is clean and modern, with a focus on natural elements and vibrant colors.

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**Alfresa Holdings Corporation**