

## Translation

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January 30, 2024  
Alfresa Holdings Corporation

### **Notice Regarding the Construction of New Buildings in Gunma Prefecture for the Production of Pharmaceuticals by Alfresa Pharma Corporation ~Enhancing Consigned Manufacturing While Strengthening and Expanding Total Supply Chain Services~**

Subsidiary Alfresa Pharma Corporation (headquarters: Osaka city; President and CEO: Koichi Shimada; hereafter “Alfresa Pharma”), within its Manufacturing Business, has completed a detailed design for the construction of new buildings at its Gunma Plant for the production of pharmaceuticals. Details regarding the project are provided below.

#### **1. Purpose of Construction**

The Alfresa Group has set forth the creation of new value as a Group management policy under the 22–24 Mid-term Management Plan: Leap into the Future “An Evolving Healthcare Consortium.” To this end, the Group is working to realize total supply chain services that involve the seamless integration of activities ranging from pharmaceutical development, production, and sales to logistics and post-marketing surveillance (PMS).<sup>\*1</sup>

Since the revision of the Pharmaceutical Affairs Law in 2005, which enabled the full outsourcing of pharmaceutical manufacturing, Alfresa Pharma has significantly enhanced its consigned manufacturing for pharmaceuticals and quasi-drugs from 2009, alongside its sale and manufacture of pharmaceuticals, and the manufacture, import, and export of diagnostics, medical devices, and pharmaceutical raw materials. To meet customer demand in relation to consigned manufacturing and to establish a more efficient and higher-quality manufacturing system, Alfresa Pharma decided to construct new buildings for the production of pharmaceuticals and then proceeded with facility design. These buildings will increase the company’s production capacity for small-molecule pharmaceuticals and facilitate newly consigned manufacturing of formulations with high pharmacological activity<sup>\*2</sup>, as well as consigned inspection, packaging, and testing for sterile preparations. Moreover, they will strengthen and expand the Group’s total supply chain services, ranging from development to manufacturing.

The Alfresa Group will continue to strengthen its manufacturing system, enabling it to deliver pharmaceuticals in various modalities to the medical institutions and patients who need them with reliability, safety, and sincerity.

<sup>\*1</sup> Investigations conducted to ensure the quality, effectiveness, and safety of pharmaceuticals and medical devices after they are sold

\*2 Pharmaceuticals made of substances with high pharmacological activity that have a strong medicinal effect on the human body in small amounts

## **2. Objectives for the New Buildings**

### **1) Increase Production Capacity for Small-Molecule Pharmaceuticals**

The construction of new buildings dedicated to small-molecule pharmaceuticals will expand our annual production capacity for solid, orally administered dosage forms of such pharmaceuticals from approximately 2 billion tablets to roughly 3.6 billion. These buildings will feature equipment that can handle not only in the manufacture of ethical pharmaceuticals but also over-the-counter drugs.

### **2) Establish a 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 substances will allow for the consigned manufacturing of anti-cancer drugs and hormone formulations in orally administered dosage forms. The facility will have a maximum manufacturing capacity of 400 million tablets annually.

### **3) Establish a 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. The 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°C–8°C.

## **3. Capital Investment Amount (Planned)**

¥15.6 billion total (construction, setup, equipment, etc.)

## **4. Scheduled Start of Operation**

April 2026

## **About the Alfresa Group**

The Alfresa Group is a leader in the Japanese healthcare industry and is dedicated to making 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 consolidated revenue of ¥2.6 trillion for the fiscal year ended March 31, 2023. For more information, please see: <https://www.alfresa.com/eng/>