

Translation

Notice: This document is a translation of the original Japanese document and is for reference purposes only. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

December 2, 2024
Alfresa Holdings Corporation

Notice Regarding Capital and Business Alliance between Alfresa Corporation and Innovacell K.K.

Alfresa Corporation (head office: Chiyoda-ku, Tokyo; President & Representative Director: Yusuke Fukujin; hereinafter “Alfresa”), a subsidiary of Alfresa Holdings Corporation, has entered into a capital and business alliance with Innovacell K.K. (head office: Shinagawa-ku, Tokyo; Representative Directors: Colin Lee Novick and Jason David Sieger; hereinafter “Innovacell”). The details of the alliance are as follows.

1. Background and Purpose of the Alliance

The Alfresa Group has formulated the Alfresa Group’s Medium- to Long-Term Vision, declaring its business strategy, financial and capital strategy, and medium- to long-term goals for the period through to fiscal 2032. Under this vision, we are working to broaden and transform our business portfolio by strengthening its foundation businesses, cultivating growth businesses, and developing new businesses.*1 In the regenerative medicine supply chain, a new business launched as a part of this vision, we established Cell Resources Corporation to carry out the regenerative medicine business and are developing a system for the supply of domestically produced master cells (cellular raw materials) and the manufacture of autologous and allogeneic cell products. For storage and delivery of these items, the Group has established two regenerative medicine distribution stations and 10 regenerative medicine product storage facilities. In addition to creating an environment in which distribution can be outsourced, we continue to improve our expertise in transportation and delivery.

Meanwhile, Innovacell is a company that develops regenerative medicine products for fecal and urinary incontinence. By providing treatments for diseases with high unmet medical needs, the company aims to help improve people’s health and quality of life. Currently, Innovacell is proceeding with phase III clinical trials of ICEF15, a regenerative medicine product for the treatment of urge fecal incontinence,*2 in Japan and Europe and is preparing to introduce this product to the Japanese, U.S., and European markets.

Through this capital and business alliance, Alfresa will facilitate the research and development activities of Innovacell and the establishment of a distribution system in Japan for ICEF15 in addition to continuously strengthening the functions and expanding the products of the Group’s regenerative medicine supply chain.

*1 Reference: Notice regarding the Formulation of the Alfresa Group's Medium- to Long-Term Vision (published on May 15, 2023, on the Alfresa Holdings Corporation corporate website)

https://www.alfresa.com/eng/ir/pdf/mediumtolong_termvision.pdf

*2 Often caused by damage to the external anal sphincter, urge fecal incontinence is a condition characterized by sudden uncontrollable urges to defecate, resulting in involuntary defecation before reaching the restroom. Treatments using ICEF15 are less invasive than existing surgical procedures and involve culturing the patient's skeletal muscle cells and restoring the function of the damaged sphincter muscle by injecting ICEF15.

2. Outline of the Agreements

(1) Basic Business Alliance Agreement

Alfresa will acquire exclusive wholesale distribution rights in Japan for ICEF15 regenerative medicine products for the treatment of urge fecal incontinence.

Alfresa and Innovacell will proceed with discussions on collaborations on the manufacture and wholesale distribution of products in the pipeline for treatments other than ICEF15.

(2) Capital Alliance Agreement

Number of shares acquired	1,176,471 shares of common stock
Total amount invested	¥1.0 billion
Percentage of shares outstanding (after the investment)	4.2%

3. Outline of Alliance Partner

(1) Corporate name	Innovacell K.K.	
(2) Head office	MEGURO VILLA GARDEN 5F, 3-5-11 Kamiosaki, Shinagawa-ku, Tokyo	
(3) Name and title of representatives	Colin Lee Novick, Representative Director and CEO Jason David Sieger, Representative Director and COO	
(4) Description of business	Research and development of regenerative medicine and cell therapies	
(5) Paid-in capital	¥1,309.0 million (as of October 31, 2024)	
(6) Date of establishment	January 5, 2021	
(7) Relationships between Alfresa Holdings Corporation (and Alfresa Corporation) and Innovacell K.K.	Capital relationship	None
	Human relationship	None
	Transactional relationship	None
	Related parties	None

4. Timeline

- | | |
|--|-------------------|
| (1) Meeting of the Board of Directors at Alfresa Corporation | November 19, 2024 |
| (2) Conclusion of agreement | November 19, 2024 |

5. Outlook

While the impact of this alliance on business performance is expected to be minimal at the current time, we believe it will contribute to the enhancement of the Group's corporate value over the medium to long term.

We will promptly announce any matters that need to be disclosed regarding this alliance going forward.

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 ¥2.8 trillion for the fiscal year ended March 31, 2024. For more information, please see: <https://www.alfresa.com/eng/>