

Translation

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Alfresa Holdings Corporation
January 23, 2025

Notice Regarding Business and Capital Alliance Between Alfresa Corporation and Medley, Inc.

Alfresa Corporation (head office: Chiyoda-ku, Tokyo; Representative Director & President: Yusuke Fukujin; hereinafter “Alfresa”), a subsidiary of Alfresa Holdings Corporation, has concluded a business and capital alliance agreement with Medley, Inc. (head office: Minato-ku, Tokyo; President and Chief Executive Officer: Kohei Takiguchi; hereinafter “Medley”), details of which are provided below. The alliance entails the acquisition of shares in Medley by Alfresa as consideration for a share exchange (hereinafter “the share exchange”) in which Medley will become the wholly owning parent company of AxisRoot Holdings, Inc. (head office: Chiyoda-ku, Tokyo; Representative Director: Kazuma Kondo; hereinafter “AxisRoot Holdings”)—shares of which Alfresa owns—and AxisRoot Holdings will become a wholly owned subsidiary of Medley.

1. Background and Purpose of the Alliance

The Alfresa Group formulated the Alfresa Group’s Medium-to Long-Term Vision,^{*1} which comprises its business strategy as well as its financial and capital strategy for the period through to fiscal 2032. Under this vision, the Group promotes health technology and data-driven businesses, positioning them as new businesses. The Group delivers a variety of solutions through these efforts, including improving access to medicine for patients, enhancing the management efficiency of medical institutions, reforming the workstyles of healthcare professionals, facilitating communication to connect physicians, and contributing to pharmaceutical companies.

Alfresa, which is active in the Ethical Pharmaceuticals Wholesaling Business, concluded a capital alliance with AxisRoot Holdings in 2012. The alliance was a catalyst for many business collaborations, including the strengthening of proposal-based sales to dispensing pharmacies with Axis, Inc. (a subsidiary of AxisRoot Holdings, hereinafter “Axis”) as a cooperative partner.

Under its mission of “creating the future of medical healthcare,” Medley operates a human resources (HR) platform business to address social issues, including labor shortages and the uneven distribution of labor across different regions in the medical healthcare field, and a medical platform business with the aim of enhancing the operational efficiency of medical institutions and improving access to medicine for patients. Medley plans to make AxisRoot Holdings, which owns Axis—the leading company for cloud-based

electronic medication records—a wholly owned subsidiary to create synergies for its digital transformation (DX) business targeting pharmacies.

With the conclusion of the agreement, Alfresa will acquire shares in Medley as consideration for the share exchange. Alfresa will maintain its business collaboration with Axis and advance collaborations with Medley. These collaborations will enable Alfresa to further promote health technology and data-driven businesses.

*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. Outline of the Alliance

(1) Details of the basic agreement on the business alliance

Alfresa and Medley will discuss the business alliance with the aim of developing and selling DX solutions for pharmacies, collaborating on products for hospitals and clinics, and collaborating on DX solutions in other medical healthcare fields.

(2) Number of Medley shares to be acquired by Alfresa

(1) Number of shares held before the transaction	0 (Number of voting rights: 0) (Ratio to the number of outstanding shares (excluding treasury stock): 0.00%)
(2) Number of shares acquired	158,718 (Number of voting rights: 1,587)
(3) Consideration for share exchange	1 share of common stock in AxisRoot Holdings
(4) Number of shares held after the transaction	158,718 (Number of voting rights: 1,587) (Ratio to the number of outstanding shares (excluding treasury stock): 0.49%)

3. Overview of AxisRoot Holdings

(1)	Corporate name	AxisRoot Holdings, Inc.
(2)	Description of business	Formulation of management policies, management of business activities, etc. of the holding company and the Group as a whole
(3)	Date of establishment	April 18, 2008
(4)	Head office	2-1-1 Uchisaiwai-cho, Chiyoda-ku, Tokyo
(5)	Name of representative	Kazuma Kondo, Representative Director
(6)	Paid-in capital	¥306,508 thousand
(7)	Net assets (fiscal year ended Feb. 29, 2024)	¥782,535 thousand
(8)	Total assets (fiscal year ended Feb. 29, 2024)	¥937,928 thousand

Reference:

AxisRoot Holdings and its two wholly owned subsidiaries, Axis and Axis Innovation, Inc., have defined

their purpose as “creating businesses that underpin healthy life expectancy.” Guided by this purpose, they work to promote the spread of DX at dispensing pharmacies, expand networks among healthcare professionals through collaboration on home healthcare and collaboration between physicians and pharmacies, contribute to the promotion of the Community-based Integrated Care System, and use data for preventative medicine and pre-symptomatic measures. Medixs, which Axis offers, came into service in 2014. Used at dispensing pharmacies in all 47 prefectures across Japan, it is the country’s first cloud-based electronic medication record. Developed using cutting-edge cloud technology and based on input from pharmacists working on the front lines of healthcare, Medixs pursues user-friendliness for pharmacists while responding quickly to the changing times with a variety of functions. These include a function that accommodates home visits, which are essential in a super-aging society, a function that enables pharmacies and patients to confirm the status of medication even after it is dispensed, and updates to functions to reflect law changes.

4. Overview of Alliance Partner (Medley)

(1) Corporate name	Medley, Inc.		
(2) Head office	13F Roppongi Hills Mori Tower, 6-10-1 Roppongi, Minato-ku, Tokyo		
(3) Name of representative	Kohei Takiguchi, President and CEO		
(4) Description of business	HR platform business Medical platform business		
(5) Paid-in capital	¥47 million		
(6) Date of establishment	June 5, 2009		
(7) Major shareholders and percentage of shares held (as of June 30, 2024)	Kohei Takiguchi		18.44%
	Goichiro Toyoda		10.15%
	The Master Trust Bank of Japan, Ltd. (Trust Account)		8.80%
	Custody Bank of Japan, Ltd. (Trust Account)		7.11%
	NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited: Tokyo Branch)		4.86%
	CREDIT SUISSE (LUXEMBOURG) S.A. / CUSTOMER ASSETS, FUNDS UCITS (Standing proxy: MUFG Bank, Ltd.)		4.12%
	Keiichi Shibahara		2.92%
	NTT DOCOMO, INC.		2.87%
	MSCO CUSTOMER SECURITIES (Standing proxy: Morgan Stanley MUFG Securities Co., Ltd.)		2.00%
	GOLDMAN SACHS & CO. REG (Standing proxy: Goldman Sachs)		1.56%
(8) Relationship between Alfresa Holdings Corporation (and Alfresa Corporation) and Medley, Inc.	Capital relationship	None	
	Human relationship	None	
	Transactional relationship	None	
	Related parties	None	
(9) Business performance and financial position of the company over the past three years			
Fiscal period	Year ended Dec. 31, 2021	Year ended Dec. 31, 2022	Year ended Dec. 31, 2023
Consolidated net assets	¥14,049 million	¥15,170 million	¥17,637 million

Consolidated total assets	¥20,208 million	¥21,810 million	¥25,430 million
Consolidated net assets per share	¥438.43	¥469.79	¥542.49
Consolidated net sales	¥10,863 million	¥14,185 million	¥20,532 million
Consolidated operating profit	¥733 million	¥1,290 million	¥2,661 million
Consolidated ordinary profit	¥743 million	¥1,526 million	¥3,755 million
Profit attributable to owners of parent	¥563 million	¥1,017 million	¥2,566 million
Basic earnings per share	¥17.79	¥31.77	¥79.53
Dividends per share	¥0	¥0	¥0

5. Timeline

Conclusion of business and capital alliance January 23, 2025

6. 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/>