

Translation

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Alfresa Holdings Corporation
November 6, 2025

Notice Regarding Basic Business Alliance Agreement between Alfresa Corporation and K Pharma, Inc. Regarding the Supply Chain for iPS Cell-Derived Regenerative Medicine Products and Investment Agreement Regarding Bonds with Share Acquisition Rights Issued by K Pharma, Inc.

Subsidiary Alfresa Corporation (head office: Chiyoda-ku, Tokyo; representative director & president: Yusuke Fukujin; hereinafter “Alfresa”) has entered into a basic business alliance agreement with K Pharma, Inc. (head office: Minato-ku, Tokyo; president and CEO: Komei Fukushima; hereinafter “K Pharma”) regarding the supply chain for iPS cell*1-derived regenerative medicine products. In conjunction with said agreement, Alfresa has also entered into an investment agreement regarding the purchase of bonds with share acquisition rights issued by K Pharma. The details are as follows.

1. Background and Purpose of the Agreements

Regenerative medicine offers new treatment possibilities for diseases that currently lack effective treatments and has thus been met with high expectations by people in Japan.*2 As of September 2025, 21 regenerative medicine products have been approved in Japan, and future approvals are anticipated for products such as those derived from iPS cells.*3

The Alfresa Group ensures a stable supply of pharmaceuticals and other items as a corporate group helping underpin social infrastructure. In this role, it has established an integrated supply system for regenerative medicine products, from the provision of raw materials through to delivery to medical institutions, thereby building a total supply chain service for regenerative medicine products. In addition, subsidiary Alfresa Pharma Corporation, which operates in the Manufacturing Business, entered into an agreement with K Pharma in March 2023 for the domestic development, production, and marketing rights of ropinirole hydrochloride, a treatment for amyotrophic lateral sclerosis (ALS).

K Pharma, a bio-venture originating from Keio University, conducts operations in iPS drug discovery*4 specialized for the central nervous system field and regenerative medicine. The company’s pipeline drug KP8011 utilizes iPS cell-derived neural progenitor cells*5 to treat subacute spinal cord injury.*6 Through the abovementioned agreement, Alfresa and

K Pharma will conduct joint research and development for the building of a supply system for investigational products and commercially available products related to the treatment. In addition, the Alfresa Group will acquire exclusive wholesale distribution rights in Japan for the treatment's commercially available products and exclusive transportation and distribution rights in Japan for the treatment's investigational products. Furthermore, Alfresa and K Pharma will discuss collaboration on matters related to the supply chain.

Through collaboration with K Pharma, the Alfresa Group will further enhance its manufacturing and distribution functions for regenerative medicine products and accelerate the establishment of a stable supply system, allowing it to deliver such products to patients even more promptly.

*1 iPS (induced pluripotent stem) cells: Pluripotent cells (able to differentiate into various types of cells) capable of self-proliferation that are created artificially through the introduction of specific genes from human somatic cells such as skin or blood cells

*2 Reference: About Regenerative Medicine and Gene Therapy, published by the Ministry of Health, Labour and Welfare (Japanese only)

https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/kenkou_iryou/iryou/saisei_iryou/index.html

*3 Reference: About Future Measures for Enhancing Drug Discovery Capabilities, published by the Forum for Innovative Regenerative Medicine (FIRM) (Japanese only)

<https://www.mhlw.go.jp/content/11121000/001566551.pdf>

*4 iPS drug discovery: The use of disease-specific iPS cells derived from patient samples in developing new therapeutic agents and treatments

*5 Progenitor cells: Cells that exist in a state right before full differentiation, between stem cells and fully differentiated cells

*6 Subacute spinal cord injury: Spinal cord injury occurs when the spinal cord is damaged or severed due to traffic accidents, sports injuries, or other causes. K Pharma is advancing research and development targeted at the subacute stage, two to four weeks after the damage is suffered, for which the greatest therapeutic effect is expected.

2. Summary of the Agreements

1) Basic Business Alliance Agreement

1. Alfresa and K Pharma will conduct joint research and development for the building of a supply system for investigational products and commercially available products related to the subacute spinal cord injury treatment KP8011.
2. The Alfresa Group will acquire exclusive wholesale distribution rights in Japan for the subacute spinal cord injury treatment KP8011's commercially available products.
3. The Alfresa Group will acquire exclusive transportation and distribution rights in Japan for the subacute spinal cord injury treatment KP8011's investigational products.

4. Alfresa and K Pharma will hold earnest discussions regarding collaborating on matters related to the supply chain for the subacute spinal cord injury treatment KP8011.

2) Outline of the bonds issued by K Pharma

(1) Name of bonds	K Pharma's First Series of Unsecured Convertible Bond-Type Bonds with Share Acquisition Rights K Pharma's Second Series of Unsecured Convertible Bond-Type Bonds with Share Acquisition Rights K Pharma's Third Series of Unsecured Convertible Bond-Type Bonds with Share Acquisition Rights
(2) Total number of stock acquisition rights	15 units (total of the first through third series of bonds with share acquisition rights) First Series of Unsecured Convertible Bond-Type Bonds with Share Acquisition Rights: 5 units Second Series of Unsecured Convertible Bond-Type Bonds with Share Acquisition Rights: 5 units Third Series of Unsecured Convertible Bond-Type Bonds with Share Acquisition Rights: 5 units
(3) Issue price of bonds and stock acquisition rights	Bonds: ¥1.5 billion in total Total issue price of first series of bonds with share acquisition rights: ¥500 million Total issue price of second series of bonds with share acquisition rights: ¥500 million Total issue price of third series of bonds with share acquisition rights: ¥500 million (¥100 per ¥100 value of each bond) Share rights: No payment of cash is required in exchange.
(4) Number of potential shares from applicable issuances	1,999,998 shares (total of the first through third series of bonds with share acquisition rights) First series of bonds with share acquisition rights: 666,666 shares (133,333 shares per a share acquisition right) Second series of bonds with share acquisition rights: 666,666 shares (133,333 shares per a share acquisition right) Third series of bonds with share acquisition rights: 666,666 shares (133,333 shares per a share acquisition right)
(5) Underwriting amount	¥1.5 billion in total
(6) Payment date	December 3, 2025
(7) Conversion price	¥750

(8) Interest rate	2% per annum
(9) Redemption date	First Series of Unsecured Convertible Bond-Type Bonds with Share Acquisition Rights: November 30, 2028 Second Series of Unsecured Convertible Bond-Type Bonds with Share Acquisition Rights: November 30, 2029 Third Series of Unsecured Convertible Bond-Type Bonds with Share Acquisition Rights: November 30, 2030
(10) Redemption price	¥100 per par value of ¥100

3. Overview of K Pharma (As of October 31, 2025)

(1) Corporate name	K Pharma, Inc.	
(2) Head office	7-7-7 Roppongi, Minato-ku, Tokyo	
(3) Name and title of representative	Komei Fukushima, president and CEO	
(4) Description of business	Research, development, manufacture, and sale of regenerative medicine products	
(5) Paid-in capital	¥10 million	
(6) Date of founding	November 1, 2016	
(7) Relationships between Alfresa Holdings Corporation (and Alfresa) and K Pharma	Capital relationship	As of June 30, 2025, Alfresa Holdings Corporation holds 315,700 shares in K Pharma (a 2.72% shareholding).
	Human relationship	None
	Transactional relationship	Alfresa Holdings Corporation has concluded a basic agreement on a capital and business alliance with K Pharma No applicable relationship between Alfresa Corporation and K Pharma
	Related parties	None

4. Timeline

(1) Meeting of the Alfresa Board of Directors	November 5, 2025
(2) Conclusion of Contract	November 6, 2025
(3) Business Alliance Start Date	December 3, 2025 (scheduled)

5. Outlook

While the impact of the agreements on performance for the fiscal year ending March 31, 2026 is expected to be minimal at the current time, we believe that it will contribute to enhancing the Group's corporate value in the medium to long term. If matters arise in the future related to said agreements that need to be disclosed, we will inform the relevant parties in a timely manner.

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, operating dispensing pharmacies, and regenerative medicine-related business. Alfresa Holdings Corporation (TSE:2784) reported consolidated revenue of ¥2.9 trillion for the fiscal year ended March 31, 2025. For more information, please see: <https://www.alfresa.com/eng/>