

## CORPORATE SOCIAL RESPONSIBILITY

By implementing a management philosophy of “contributing to people’s health and the advancement of society through creation of value in distribution,” the Mediceo Paltac Group promotes original initiatives to fulfill its responsibilities to society as the largest multi-channel wholesaler in Japan.

The Mediceo Paltac Group has grown into one of the leading distributors in Japan, handling prescription pharmaceuticals, medical equipment, reagents, cosmetics, daily necessities and OTC pharmaceuticals. We focus on corporate social responsibility (CSR) initiatives because we believe it is our duty as a corporate group to contribute to medical treatment and people’s health and beauty, not only by achieving large scale but also by practicing quality management.

In the new three-year medium-term management plan launched in April this year, we reaffirmed our social mission of ensuring a stable and uniform supply of prescription pharmaceuticals and other life-related products.

The Mediceo Paltac Group recognizes that universal service in pharmaceutical supply is its most critical social responsibility, both in normal times and in response to emergencies such as earthquakes and pandemics. We are aware that improving employee growth and satisfaction are indispensable to maximizing customer satisfaction and achieving the aims of the medium-term management plan. To this end, we are implementing concrete measures to enhance employee education, development and satisfaction.

### Current CSR Initiatives

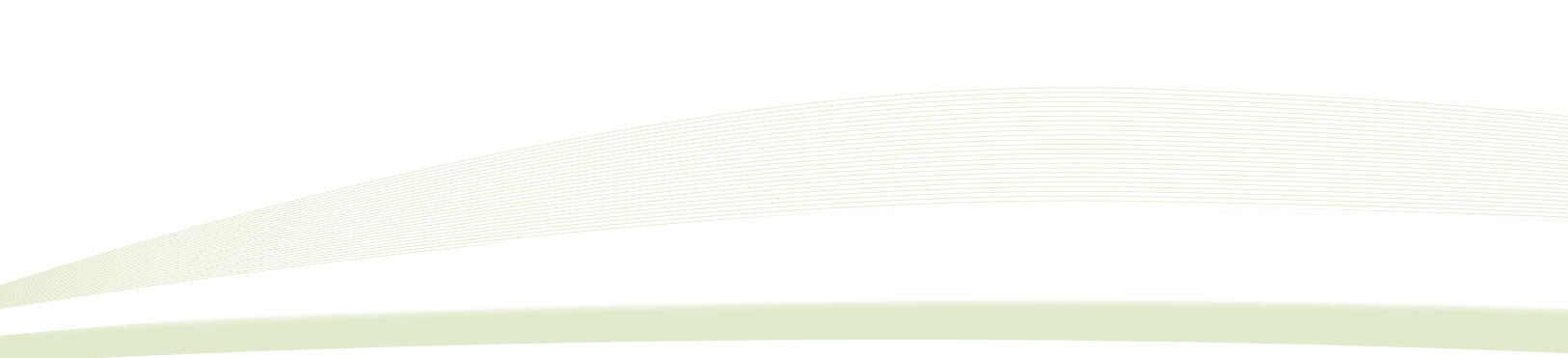
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The Mediceo Paltac Group has a CSR Committee comprising 11 members and one corporate auditor acting as an observer.

The Mediceo Paltac Group recognizes the critical importance of managing and controlling all manner of risks arising in the course of its sound business activities. The CSR Committee has therefore classified internal risks into six categories — compliance, pharmaceutical management, disaster planning, information management, respect for human rights and environmental preservation — in order to identify top-priority issues and work toward their resolution.

Current compliance initiatives include ensuring sales divisions comply with Japan’s revised Antimonopoly Act. In the area of pharmaceuticals, the CSR Committee works to ensure strict compliance with the Pharmaceutical Affairs Law, which is the most closely related to the Mediceo Paltac Group’s business. The Committee’s initiatives to deepen understanding of CSR include distributing a booklet about Mediceo Paltac’s CSR to all group executives and employees, conducting educational activities and establishing an internal hotline to resolve various issues within the Group. In the environment category, the Committee has set guidelines for addressing global warming countermeasures and resource conservation.

CSR Committee activities in the year ended March 31, 2008 included commencing the operation of



“CSR Post,” a tool for suggesting ideas to advance CSR initiatives, designed for all the people who work in the Mediceo Paltac Group, who are the key stakeholders integral to the Group’s ongoing development. The Committee also distributed posters to all business units with the aim of informing employees about CSR Post and other CSR initiatives. Other efforts to deepen awareness about CSR included posting a monthly CSR newsletter on the company intranet and sending a weekly “CSR quick memo” email from the CSR Committee to all executives and employees from September to December to keep them abreast of current initiatives.

### Promotion of Corporate Ethics

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In January 2005, the Mediceo Paltac Group compiled “Our Stance,” a set of decision-making and action guidelines to promote accurate, thorough understanding of its fundamental principles as a company engaged in the distribution of pharmaceuticals, cosmetics and daily necessities.

These guidelines were compiled in a booklet with detailed explanations, and distributed to all Group employees, who are instructed to keep the booklet on hand at all times. Other measures to promote thorough knowledge and practice of these standards include regular divisional meetings held for that purpose.

With the enactment of the Personal Information Protection Act, the Group established its Information Security Policy. This policy defines the management structure and handling procedures for all personal information in the Group’s possession, and educational programs are being conducted for all employees.

#### **Our Stance**

1. Establish the Mediceo Paltac brand
2. Work to convey accurate information as the first step in CSR
3. Value the opportunity to meet people and emphasize the importance of trust
4. Generate funds through high-quality profitability (funds are the corporate lifeline)
5. Work thoroughly to solve problems and reform management
6. Enhance dialogue by empathic listening
7. Learn for yourself, then share this learning with others