

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 MEDIPAL Group promotes original initiatives to fulfill its social responsibility as the largest multi-channel wholesaler in Japan.

The MEDIPAL Group has grown into one of Japan’s leading distributors, 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 three-year medium-term management plan launched in April 2008, we reaffirmed our social mission of ensuring a stable and uniform supply of prescription pharmaceuticals and other health and life-related products. The MEDIPAL Group recognizes that supplying pharmaceuticals throughout the country is its most important 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

The MEDIPAL Group has a CSR Committee comprising five members and one corporate auditor acting as an observer. In addition, directors responsible for CSR from each Group company comprise the MEDIPAL CSR General Meeting, which was held twice in the fiscal year ended March 2010 to discuss the MEDIPAL Group’s CSR activities.

The MEDIPAL Group recognizes the critical importance of managing and controlling all manner of risks arising in the course of its 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 thorough compliance with laws. In the area of pharmaceutical management, the CSR Committee works to ensure strict compliance with the Pharmaceutical Affairs Law, which is the most closely related to the MEDIPAL Group’s business. In addition, the Group is taking measures to address the issues of global warming and resource conservation. In disaster response, the CSR Committee has formulated measures for natural

disasters and new strains of influenza. These measures outline the procedures and guidelines the Group must follow to fulfill its social mission in the event of an occurrence or outbreak and are based on the importance of continuing critical duties including the stable supply of pharmaceuticals and support for the disaster activities of medical institutions.

The Committee’s initiatives to deepen understanding of CSR include distributing a booklet about the MEDIPAL Group’s CSR to all Group executives and employees, conducting educational activities and establishing an internal hotline to resolve issues within the Group. During the past year, the CSR Committee held CSR training three times for all Group employees, where each individual learned the basic thinking behind CSR. We also posted a monthly “CSR news” column on the Company intranet to enhance CSR awareness.

In addition, since October 2007 we have operated “CSR Post,” a tool that allows MEDIPAL Group employees to suggest ideas for advancing CSR initiatives.

Promotion of Corporate Ethics

In January 2005, the MEDIPAL Group compiled “Our Stance,” a set of decision-making and action guidelines to promote accurate, thorough understanding of its fundamental principles as a corporate Group 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 MEDIPAL 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. Create cash inflows through high-quality profitability (cash inflows are the corporate lifeline)
5. Work thoroughly to solve problems and reform management
6. Enhance dialogue through empathic listening
7. Learn for yourself, then share this learning with others