



## New Businesses That Meet Needs and Create Markets

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Drawing on the unique logistics functions of our ALCs and the expertise of our ARs (assist representatives) and other human resources, we create and cultivate new businesses that meet the needs of medical institutions and pharmaceutical companies.

### Positioning and Competitive Advantage of New Businesses

The MEDIPAL Group's new businesses are built on existing business infrastructure. Taking full advantage of our strengths such as a nationwide distribution platform and the expertise of our human resources, we create markets based on meeting the needs of pharmaceutical companies, medical institutions, and doctors and other medical professionals. We focus on new business activities in the areas of PFM® (project finance & marketing), which launched in 2011, the provision of proper information by ARs, PMS (post-marketing surveillance), digital businesses that integrate face-to-face relationships with digital communication, and overseas businesses.

The competitive superiority of our new businesses lies in our ability to identify projects with potential at an early stage then put in place a business model capable of not only achieving commercial success, but also social value. We are able to do this using our keen business insight and ability to execute.

#### Appropriate information provision by ARs

ARs promote the appropriate use of pharmaceuticals by providing the right information to medical institutions. In addition, they use their advanced specialized knowledge to secure contracts for information collection and provision from major pharmaceutical companies and other operators. ARs are also involved in distribution that requires expertise and specialization, such as for orphan drugs and regenerative medicines.

#### PFM® Project finance & marketing

PFM® is a business in which MEDIPAL HOLDINGS CORPORATION invests in the development of new drugs of pharmaceutical companies in order to receive returns on investment after these drugs go to market (project finance), and sell and distribute them to medical institutions preferentially (marketing).

#### PMS Post-marketing surveillance

PMS consists of early post-marketing phase vigilance and post-marketing surveillance conducted after the sale of pharmaceuticals and medical equipment in order to ensure their quality, efficacy, and safety. The MEDIPAL Group handles a full range of contracted PMS operations from protocol design to report preparation.

#### Digital businesses

Having developed strong partnerships with ICT companies that possess leading technologies, we are moving forward with DX (digital transformation) of patient-centered healthcare and information provision to medical institutions.

#### Overseas businesses

We are steadily securing a foothold for overseas expansion. Since our investment in a Chinese pharmaceutical wholesaler in 2009, we have accumulated overseas business experience, know-how and cultivated human resources.

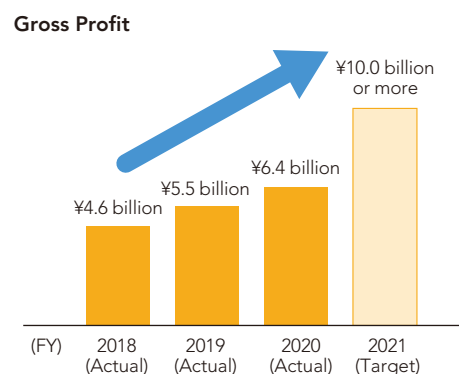
### Contribution of new business initiatives to results

Under our “2022 MEDIPAL Medium-Term Vision: Change the *Oroshi* Future – Innovation for the Future,” we are shifting new businesses from the “creation” to the “expansion” stage. We have cultivated these businesses and they are beginning to steadily generate profit and contribute more to business results every year.

Gross profit from new business was ¥6.4 billion in the fiscal year ended March 31, 2021. We expect to meet the target of ¥10.0 billion set for the fiscal year ending March 31, 2022, which is the final year of the medium-term vision.

New Businesses	Fiscal Year Ended March 31, 2019	Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2021
AR activities	¥1.8 billion	¥1.8 billion	¥1.7 billion
PFM <sup>®</sup>	¥2.6 billion	¥3.8 billion	¥4.8 billion
PMS	¥0.6 billion	¥0.3 billion	¥0.3 billion
Digital businesses, etc.	(¥0.4) billion	(¥0.4) billion	(¥0.4) billion
<b>Total</b>	<b>¥4.6 billion</b>	<b>¥5.5 billion</b>	<b>¥6.4 billion</b>

Includes profit from the sale of related products.



### Significance of PFM<sup>®</sup> (project finance & marketing) and main products

**By supporting the development of orphan drugs, this business contributes to improving the quality of life for patients and their families.**

The PFM<sup>®</sup> business model encompasses the development and stable supply of orphan drugs, thus embodying the MEDIPAL Group’s social mission of contributing to the lives of patients suffering from diseases and their families.

Going forward, we will continue to support the development and stable supply of drugs for orphan diseases, where the number of patients is small.

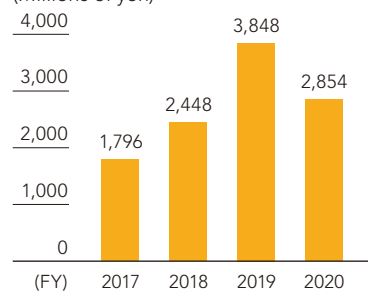
#### ■ Main PFM<sup>®</sup> Products

<b>TEMCELL HS Inj.</b>	(JCR Pharmaceuticals Co., Ltd.) Treatment for acute GVHD
<b>NOBELZIN Tablets</b>	(Nobelpharma Co., Ltd.) Treatment for hypozincemia
<b>Melatobel Granules 0.2% for Pediatric</b>	(Nobelpharma Co., Ltd.) Treatment of difficulty in sleep onset accompanying pediatric neurodevelopmental disorder

#### Sales

##### TEMCELL HS Inj.

(Millions of yen)



##### NOBELZIN Tablets

(Millions of yen)

