

# Message from the General Manager of the Business Development Department



Promoted unique MEDIPAL initiatives aligned with the medium-term vision. Proactively built ideal new businesses for achieving goals.

## Toshihide Yoda

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In charge of IR and General Manager of  
Business Development Department  
MEDIPAL HOLDINGS CORPORATION

### **I** New Businesses Have Begun Generating Returns

Gross profit from new businesses was a solid ¥6.4 billion for the fiscal year ended March 31, 2021, and continued to make a significant contribution to business results. PFM<sup>®</sup>, which contributes to both society and earnings by supporting the development and stable distribution of specialty pharmaceuticals, drove new business results.

For ten years we have been proactively building new businesses in areas including drug discovery, distribution, dispensing pharmacies, and the digital field, with PFM<sup>®</sup> leading the way. Some of these businesses are now generating returns.

At the same time, I feel that employee awareness of our new businesses has changed significantly. Employees broadly recognize the significance of our new business initiatives and the fact that they help make MEDIPAL an outstanding company. We have also included the degree to which employees contribute to new businesses in performance evaluations, thus adding a mechanism that enables proper evaluation of individual effort.

On the other hand, ongoing strategic investments pose difficulties. Digital healthcare startups are a good example, because so many have launched that we have reached the limit of our ability to screen for sound investments on our own. Therefore, we jointly established a corporate venture capital fund with SBI Investment Co., Ltd., a wholly owned subsidiary of SBI Holdings Inc. This has enabled us to further accelerate investment in and support the growth of startups in Japan and abroad. We are making steady progress with “Change the *Oroshi*,” and will maintain our proactive attitude toward creating new wholesaling businesses.

### Investments in PFM<sup>®</sup> Contributing to Results

Gross profit from PFM<sup>®</sup> for the fiscal year ended March 31, 2021 increased ¥1.0 billion year on year to ¥4.8 billion, driven by products from JCR Pharmaceuticals Co., Ltd. and Nobelpharma Co., Ltd.

Nobelpharma is a drug discovery company founded in 2003. Its expanding product lineup includes NOBELZIN Tablets, the only therapeutic drug for hypozincemia in Japan; JEMINA tablets for the treatment of dysmenorrhea; and Melatobel Granules 0.2% for Pediatric for the treatment of difficulty in sleep onset accompanying pediatric neurodevelopmental disorders. JCR Pharmaceuticals also has a strong partnership with MEDIPAL and is steadily developing innovative new pharmaceuticals in Japan and abroad.

Our investments in the development of pharmaceuticals are poised to further contribute to results.

## ARs: Enhanced Expertise and Greater Contribution to Society

ARs support the information activities conducted by the MRs of pharmaceutical companies. Currently, we are taking this business one step further by developing ARs who specialize in orphan diseases. One issue is that it is difficult to diagnose orphan diseases in newborn babies and children. Delayed diagnosis leads to delayed treatment, which affects subsequent growth. ARs with specialized knowledge of orphan diseases can contribute to early diagnoses by conducting educational activities for medical institutions.

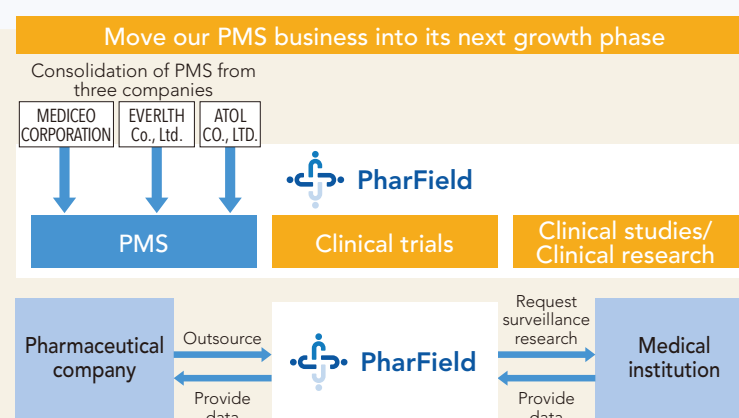
These activities generate earnings, contribute to society, and further enhance the value of our ARs. We have already established an in-house organization and education system, and are enhancing our initiatives.

## Drug-Use Surveillance\* and PMS: A New Company Established to Demonstrate Superior Capabilities

MEDIPAL established PharField Corporation to develop PMS into a profitable new business. The objective is to create a stand-alone company that makes earnings transparent. We can demonstrate our superiority as a company that collects data most efficiently by deploying about 40 monitors nationwide and operating in a flexible manner. In the future, we will enhance awareness of the new company while considering the launch of clinical research projects with universities and research institutes.

\* Post-marketing surveillance and testing based on the GPSP Ministerial Ordinance (Ministerial Order on Standards for Post-Marketing Surveillance and Test of Pharmaceuticals).

### ■ PMS Businesses Consolidated in PharField Corporation



## Digital: Constructing Digital Healthcare Platforms

We have been collaborating with ICT companies and have developed maternal and child health handbook app “Boshi-mo,” online diagnosis and medication counseling service “CARADA online medical care,” and medical information portal site “Clinical Cloud by MEDIPAL.” We have begun linking each of these projects to structure a platform that connects consumers and medical institutions and builds on MEDIPAL’s existing infrastructure. In the future, we expect this platform to be able to compile consumer health data in a PHR (personal health record) from birth for use in health management and treatment.

We are confident that MEDIPAL will be an essential partner in creating this new medical world because of our real-world relationships with medical institutions. We will therefore increase our focus on building a digital healthcare platform.

## Strategies for the Future and Proactive Investment

For MEDIPAL, a new business is not an extension of a conventional business; rather it is an initiative to create completely new value by leveraging existing infrastructure and capabilities. We carefully plan strategies to ensure success and proactively make the investments they require.

In the fiscal year ending March 31, 2022, we expect new businesses to generate gross profit of ¥10.0 billion, which is the goal of our medium-term vision. We will look to the future of MEDIPAL as we create opportunities for more growth from new businesses.