



New Businesses That Meet Needs and Create Markets

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[®], 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 with major pharmaceutical companies and the like. 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 achieve returns on investment after these drugs are launched (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 and know-how, and cultivated human resources.

*Please refer to page 82 for explanations of technical terms.

Contribution of new business initiatives to business performance

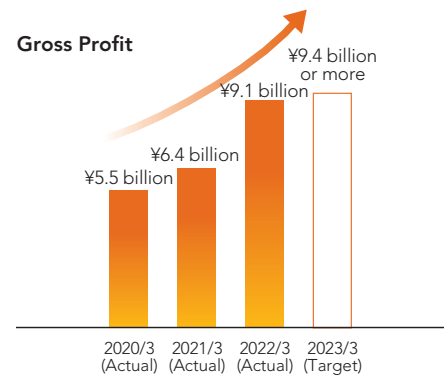
Under our “2022 MEDIPAL Medium-Term Vision: Change the *Oroshi* Future – Innovation for the Future,” we have shifted new businesses from the “creation” to the “expansion” stage. As a result, they are beginning to steadily generate profit and contribute more to business performance every year.

Gross profit from new business was ¥9.1 billion in the fiscal year ended March 31, 2022. In the 2027 MEDIPAL Medium-Term Vision “Change the *Oroshi* Forever – Constant Innovation,” new businesses will contribute to increasing earnings as one of our key growth drivers.

Gross Profit

New Businesses	Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2021	Fiscal Year Ended March 31, 2022
AR Activities	¥1.8 billion	¥1.7 billion	¥1.6 billion
PFM®	¥3.8 billion	¥4.8 billion	¥7.8 billion
PMS	¥0.3 billion	¥0.3 billion	¥0.1 billion
Digital Businesses, etc.	¥(0.4) billion	¥(0.4) billion	¥(0.4) billion
Total Gross Profit	¥5.5 billion	¥6.4 billion	¥9.1 billion

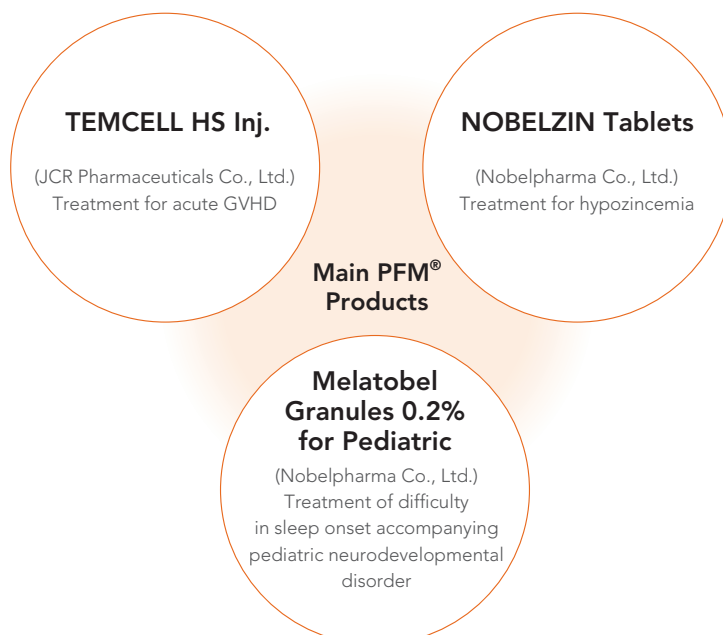
Note: Including gross profit from the sale of related products.



Significance of PFM® and Main Products

By supporting the development of orphan drugs, we contribute to improving the quality of life for patients and their families.

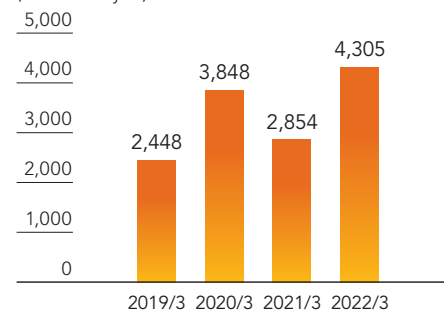
The PFM® business model encompasses the development and stable supply of orphan drugs, thus embodying the MEDIPAL Group’s social mission of contributing to patients suffering from rare diseases and their families. Going forward, we will continue to support the development and stable supply of orphan drugs, for which the number of patients is small.



Sales

▶ TEMCELL HS Inj.

(Millions of yen)



▶ NOBELZIN Tablets

(Millions of yen)

