

Providing Groundbreaking Services Unique to MEDIPAL

To continue to respond to diversified social needs, we are collaborating with companies in various business fields, as well as medical institutions and local governments, to create unprecedented business models. In addition to the MEDIPAL Group's network of pharmaceutical companies and medical institutions, we leverage our special capabilities, such as our nationwide distribution network and technology for special temperature-controlled distribution of pharmaceuticals, to develop groundbreaking services unique to the Group.

Main Initiatives with Partners

SBI Investment Co., Ltd.

We jointly established a CVC (corporate venture capital) fund called MEDIPAL Innovation Fund in 2021. Leveraging SBI Investment's accumulated experience in nurturing venture businesses, we have invested in startup companies where synergies with MEDIPAL's businesses can be expected. Note: See "Highlight" on page 29 for details on the main CVC fund's investments.

H.U. Group Holdings, Inc.

We entered into a strategic business alliance in the medical and healthcare sectors in 2020. We aim to realize ESG/SDG-friendly low-environmental burden operations through the sharing of ordering systems, warehouse infrastructure, and other logistics functions. In addition, the initiative aims to promote the utilization of medical and healthcare information and exploration of projects in the field of regenerative medicines.

Mitsubishi Logistics Corporation

We entered into a business alliance in 2019. We aim to establish an optimal pharmaceutical distribution system covering all processes from the time products leave the manufacturer's facility until they reach patients. In addition, the initiative aims to establish a platform for distribution under strict temperature control using DP-Cool, a refrigerated pharmaceutical transportation service compliant with GDP (Good Distribution Practice) guidelines.

MTI Ltd.

We entered into a capital and business alliance in 2016. Various projects including promotion of the Luna-Luna Medico service, which connects women with physicians, and the maternal and child health handbook app "Boshi-mo" operated by MTI. MTI's subsidiary CARADA medica Inc. also promotes the spread of "CARADA online medical consultation" and the CARADA electronic medication history system, "Soramichi."

Medical Data Vision Co., Ltd.

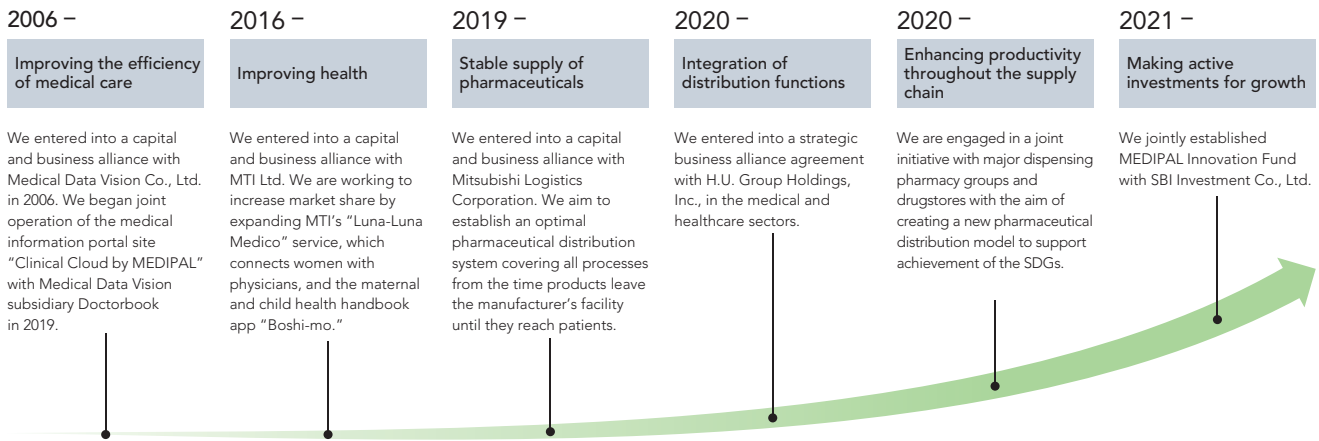
We entered into a capital and business alliance in 2006. Creation of the medical information portal site "Clinical Cloud by MEDIPAL" began in collaboration with Medical Data Vision subsidiary Doctorbook Inc.

3 Source of Our Growth

Creating Value with Partners in Various Business Fields

Through collaboration with companies in various business fields, as well as medical institutions and local governments, we are building business models not bound by existing frameworks.

Main Initiatives in Building Partnerships

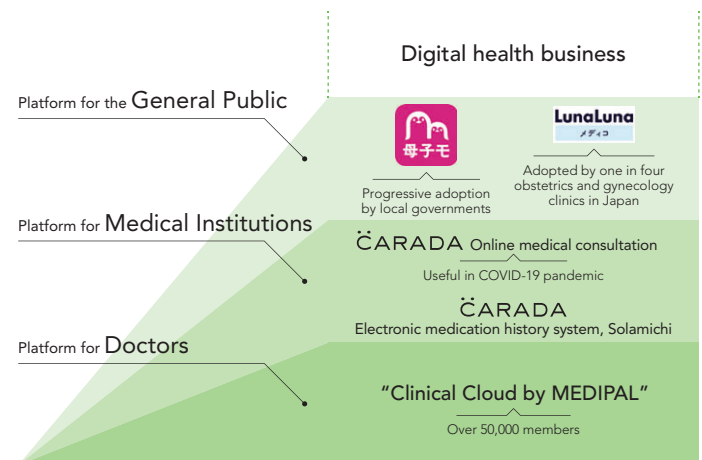


Building Digital Healthcare Platforms

Our digital healthcare solutions, which integrate face-to-face relationships with digital communication, in the medical and healthcare sectors provide numerous services that benefit not only medical institutions but also the health of patients and the general public.

The trend toward the use of digital technology in medicine and personal health monitoring is expected to accelerate. We are focusing on building digital healthcare platforms to make the MEDIPAL Group a player in that area.

Building Digital Healthcare Platforms: Integrating Face-to-Face Relationships with Digital Communication



Highlight Main Investments by the CVC Fund

MEDIPAL Innovation Fund

Established: March 9, 2021
Investment period: 10 years
Investment targets: Domestic and overseas startup companies expected to have business synergy in MEDIPAL’s existing business areas and new business areas
Fund size: ¥10.0 billion

August 2021: Riverfield Inc.
 Development of surgical robots using proprietary pneumatic control technology

November 2021: Holoeyes, Inc.
 Development of a software program for processing medical images for diagnosis and a medical support service that enables immersive remote conferencing for multiple participants in a common three-dimensional virtual environment

December 2021: Innovacell K.K.
 Development of regenerative pharmaceuticals for diseases with high unmet medical need, with a focus on fecal and urinary incontinence

May 2022: Chordia Therapeutics Inc.
 Research and development of first-in-class anti-cancer drugs expected to be effective in treating cancers with specific abnormalities

September 2022: EVEC, Inc.
 Development of fully human antibodies produced from human peripheral blood cells for pharmaceutical use