

Glossary

● Prescription Pharmaceutical Wholesale Business

● Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business

A

● ALC: Area Logistics Center	A state-of-art distribution center that supplies prescription pharmaceuticals, medical materials and clinical diagnostic reagents etc. primarily to dispensing pharmacies, hospitals and clinics.
● AR: Assist Representatives	An internal designation given to Marketing Specialists (salespeople for the Prescription Pharmaceutical Wholesale Business), pharmacists and others who have passed the MR qualification exam.

D

● DMR: Diagnostics Medical Information Representatives	Person in charge of diagnostics medical information.
● DS: Delivery Specialist	Person in charge of deliveries in the Prescription Pharmaceutical Wholesale Business.

F

● FLC: Front Logistics Center	A sales and distribution base that helps support the stable supply of products in collaboration with ALCs. FLCs are established in areas near our customers.
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M

● McHIL [®] : Mediceo Hospital Innovative Logistics	A system that applies ALC functions and know-how to logistics in hospitals. Supports improvement of efficiency in hospital logistics operations.
● MR: Medical Representatives	Person in charge of drug information at pharmaceutical companies.
● MS: Marketing Specialist	Person in charge of sales in the Prescription Pharmaceutical Wholesale Business.

P

● PFM [®] : Project Finance & Marketing	A business model in which MEDIPAL HOLDINGS CORPORATION invests in the development of new drugs of pharmaceutical companies in order to share in the risk and return.
● PMS: Post Marketing Surveillance	Surveillance that the Japanese government requires companies to conduct after launching pharmaceuticals to verify their quality, efficacy, and safety. PMS consists of early post-marketing phase vigilance and Post-Marketing Surveillance.
● PRESUS [®] : Pharmacy Real-time Support System	An all-in-one system that functions together with ALCs to conduct automatic ordering and inventory management based on demand forecasts. This system supports the various operations of dispensing pharmacies.

R

● RDC: Regional Distribution Center	Large-scale distribution centers that handle cosmetics, daily necessities, over-the-counter pharmaceuticals and other items. They supply products to retailers.
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S

● SPAID: Super Productivity Advanced Innovative Distribution	A proprietary developed total-management and operation system for next-generation logistics centers based on the adoption of AI, cutting-edge robot technology, or MUPPS. This system yields twice the volume of conventional systems with the same number of workers.
● Inspection by individual scans	A method shortening product inspection time by switching from the conventional method of reading packing slips to scanning information for individual products from barcodes on the delivery boxes.










Japan's Drug Pricing System

In Japan, official prices (NHI (National Health Insurance) drug price standards) for pharmaceuticals that can be used for insured medical treatments are stipulated by the Ministry of Health, Labour and Welfare and the Central Social Insurance Medical Council. Medical institutions and dispensing pharmacies bill for the cost of pharmaceuticals used by patients at the official prices. However, delivery prices of pharmaceuticals sold to medical institutions and dispensing pharmacies by pharmaceutical wholesalers are the prevailing market prices.



The official prices of prescription pharmaceuticals had been revised once every two years until fiscal 2021, in principle, to reflect market prices. However, since fiscal 2022 NHI drug price revisions have occurred during off years.

SASB Content Index

Sustainability Disclosure Topics and Accounting Metrics

Topic	Accounting Metric	Code	Disclosure Location
Transport fuel management	Payload fuel consumption	HC-DI-110a.1	 Integrated Report 2022, page 50
	Description of efforts to reduce the environmental impact of logistics	HC-DI-110a.2	 Integrated Report 2022, pages 50-51
Product safety	Total amount of monetary losses as a result of legal proceedings associated with product safety	HC-DI-250a.1	N/A
	Description of efforts to minimize health and safety risks of products as sold that are associated with toxicity/chemical safety, high abuse potential, or delivery	HC-DI-250a.2	 Integrated Report 2022, pages 24-25, 76-77
Counterfeit drugs	Description of methods and technologies used to maintain traceability of products throughout the distribution chain and prevent counterfeiting	HC-DI-260a.1	 Integrated Report 2022, pages 24-25, 76-77
	Description of due diligence process to certify suppliers of pharmaceuticals and medical equipment and devices	HC-DI-260a.2	 Integrated Report 2022, pages 76-77
	Description of process for alerting customers and business partners to potential or known risks associated with counterfeit products	HC-DI-260a.3	 Integrated Report 2022, pages 76-77
Product lifecycle management	Description of strategies to reduce the environmental impact of packaging throughout its lifecycle	HC-DI-410a.1	 Homepage>Information on Sustainability and CSR Initiatives >Environmental Initiatives
	Amount (by weight) of products accepted for take-back and reused, recycled, or donated	HC-DI-410a.2	 Homepage>Information on Sustainability and CSR Initiatives >Environmental Initiatives
Corporate ethics	Description of efforts to minimize conflicts of interest and unethical business practices	HC-DI-510a.1	 Integrated Report 2022, pages 73-75
	Total amount of monetary losses as a result of legal proceedings associated with bribery, corruption, or other unethical business practices	HC-DI-510a.2	N/A

Activity Metrics

Topic	Code	Disclosure Location
Sales volume of pharmaceuticals by product category	HC-DI-000.A	Currently, sales volume of pharmaceuticals by product category is not disclosed, but net sales by product type is disclosed.  Data Book for the year ended March 31, 2022, page 7
Sales volume of medical equipment by product category	HC-DI-000.B	Currently, sales volume of medical equipment by product category is not disclosed, but net sales by product type is disclosed.  Data Book for the year ended March 31, 2022, page 7

Eleven-Year Financial Highlights

MEDIPAL HOLDINGS CORPORATION and its consolidated subsidiaries
Years ended March 31

	2012/3	2013/3	2014/3	2015/3	2016/3
Operating Results:					
Net sales	¥2,750,233	¥2,810,960	¥2,947,799	¥2,872,906	¥3,028,187
Gross profit	192,568	202,142	209,358	201,736	217,497
Selling, general and administrative expenses	171,677	173,622	174,695	168,941	175,214
Operating profit	20,891	28,520	34,663	32,795	42,283
Ordinary profit	31,548	39,643	49,778	44,476	55,141
Profit attributable to owners of parent	11,651	18,656	25,485	23,688	30,772
Depreciation	12,661	12,619	13,147	12,326	12,391
Capital expenditures	16,678	21,307	24,743	15,168	38,395
Financial Position:					
Total assets	¥1,274,411	¥1,328,601	¥1,400,792	¥1,454,800	¥1,497,310
Total net assets	354,344	381,892	407,481	457,604	488,329
Cash Flows:					
Cash flows from operating activities	¥ (1,988)	¥ 61,769	¥ (73)	¥ 80,467	¥ 21,985
Cash flows from investing activities	(12,166)	(15,841)	(28,066)	(11,834)	(41,267)
Cash flows from financing activities	(7,252)	(14,379)	(2,834)	(19,835)	6,093
Free cash flow	(14,154)	45,928	(28,139)	68,633	(19,282)
Per Share:					
Basic earnings	¥ 49.60	¥ 82.24	¥ 112.77	¥ 104.73	¥ 135.89
Total net assets	1,329.60	1,433.19	1,529.63	1,722.56	1,832.45
Cash dividends	18.00	20.00	23.00	24.00	28.00
Financial Indicators (%):					
Ratio of gross profit to sales	7.0	7.2	7.1	7.0	7.2
Ratio of operating profit to net sales	0.8	1.0	1.2	1.1	1.4
Net worth ratio	24.34	24.33	24.69	26.81	27.71
Return on equity	3.82	5.89	7.62	6.44	7.65
Return on assets	2.51	3.09	3.68	3.14	3.76
Payout ratio	36.3	24.3	20.4	22.9	20.6
Number of employees	11,194	11,115	10,930	10,930	10,959

Notes: 1. The main reason for the increase in employees in comparison to the end of the previous fiscal year is the partial change to employment forms, with a new system being introduced on October 1, 2016.
2. The Company adopted "Accounting Standard for Revenue Recognition" at the beginning of the fiscal year ended March 31, 2022, and figures for the fiscal year ended March 31, 2022 reflect this change. Yen amounts on all pages except for the Financial Statements are rounded down to the nearest million yen. Yen amounts in the Financial Statements are rounded to the nearest million yen.
3. The U.S. dollar amounts in this report represent translations of Japanese yen, for convenience only, at the rate of 122.39 to U.S. \$1.00, the approximate exchange rate on March 31, 2022.

						Millions of yen	Thousands of U.S. dollars (Note)
2017/3	2018/3	2019/3	2020/3	2021/3	2022/3 ²	2022/3 ³	
¥3,063,901	¥3,146,314	¥3,181,929	¥3,253,079	¥3,211,125	¥3,290,922	\$26,888,815	
219,019	228,100	232,503	236,739	214,259	217,446	1,776,665	
179,369	183,839	182,675	183,629	175,683	171,821	1,403,881	
39,650	44,261	49,828	53,110	38,576	45,625	372,784	
53,360	57,349	63,914	68,020	52,969	62,046	506,953	
29,012	34,781	34,359	37,968	23,927	29,424	240,412	
13,573	14,898	13,452	14,233	14,468	14,083	115,067	
44,884	20,653	19,361	29,322	16,141	18,150	148,296	
¥1,525,912	¥1,618,819	¥1,617,911	¥1,644,279	¥1,679,935	¥1,709,474	\$13,967,432	
521,165	572,656	592,848	607,424	638,934	649,090	5,303,456	
¥ 47,955	¥ 63,559	¥ 63,716	¥ 56,917	¥ 34,449	¥ 61,217	\$ 500,180	
(11,355)	(43,065)	(23,513)	(13,319)	(2,939)	(24,344)	(198,905)	
(17,663)	15,845	(30,755)	(49,068)	(16,003)	(16,471)	(134,578)	
36,600	20,494	40,203	43,598	31,509	36,873	301,275	
¥ 128.12	¥ 154.13	¥ 154.09	¥ 175.80	¥ 113.96	¥ 140.14	\$ 1.145	
1,950.25	2,154.93	2,233.52	2,382.88	2,490.98	2,525.72	20.636	
31.00	34.00	38.00	41.00	42.00	44.00	0.360	
7.1	7.3	7.3	7.3	6.7	6.6		
1.3	1.4	1.6	1.6	1.2	1.4		
28.94	29.89	30.71	30.43	31.13	31.02		
6.77	7.51	7.00	7.62	4.68	5.59		
3.55	3.66	3.96	4.18	3.19	3.66		
24.2	22.1	24.7	23.3	36.9	31.4		
13,252 ¹	14,151	13,868	13,599	12,971	12,801		

Financial Review

Management Environment and Strategies

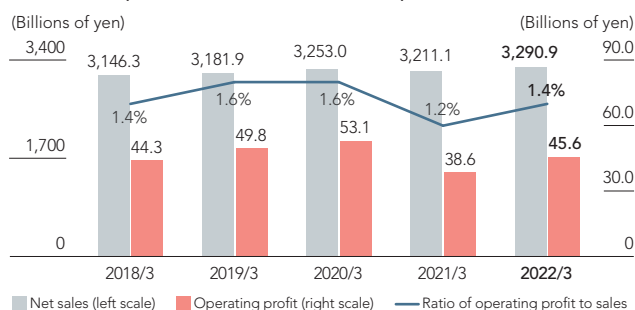
In the fiscal year ended March 31, 2022, the Japanese economy was in a recovery trend, as the number of new COVID-19 cases declined and restrictions on social activities were loosened; however, the outlook remained unclear due in part to the discovery of a new variant of the coronavirus.

As an enterprise group that handles pharmaceutical products and daily necessities, the MEDIPAL Group is required to continue its operations under any circumstances. The MEDIPAL Group is devoting its full efforts to supporting people's lives and lifestyles based on its constant mission of providing a steady supply of required products at the required time.

The MEDIPAL Group had implemented various initiatives in line with its "2022 MEDIPAL Medium-Term Vision: Change the *Oroshi* Future – Innovation for the Future," a vision aimed at a new *Oroshi* business model that benefits society with distribution in the business fields of "Pharmaceuticals, Health, and Beauty," to prepare for changes in the social environment. At the same time, the MEDIPAL Group has taken steps such as reducing environmental impact in its distribution operations to help realize a sustainable society.

Overview of Operating Results

Net Sales, Operating Profit and Ratio of Operating Profit to Sales



▶ Net Sales

Net sales for the period were ¥3,290,921 million. If the MEDIPAL Group had not applied the Accounting Standard for Revenue Recognition, net sales would have been ¥3,322,638 million, a 3.5% increase compared with the previous fiscal year.

In the Prescription Pharmaceutical Wholesale Business, net sales were solid, increasing 4.5% compared with the previous fiscal year, mainly driven by increased demand for products related to the COVID-19 pandemic and the MEDIPAL Group's initiatives to build a new model for optimization of pharmaceutical distribution as well as market growth.

In the Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business, net sales increased 1.3% compared with the previous fiscal year. In the Animal Health Products and Food Processing Raw Materials Wholesale Business, net sales increased 4.4% compared with the previous fiscal year.

▶ Operating Profit

Operating profit was ¥45,625 million. If the MEDIPAL Group had not applied the Accounting Standard for Revenue Recognition, operating profit would have been ¥45,510 million, an 18.0% increase compared with the previous fiscal year. The ratio of operating profit to sales was up 0.2 percentage points from the previous fiscal year to 1.4%, mainly driven by a substantial increase in operating profit due to a decrease in selling, general and administrative (SG&A) expenses in the Prescription Pharmaceutical Wholesale Business. The ratio of gross profit to sales declined 0.1 percentage points from the previous fiscal year to 6.6%. The ratio of SG&A expenses to sales was 5.2%, a decline of 0.3 percentage points from the previous fiscal year.

▶ Ordinary Profit and Profit Attributable to Owners of Parent

Ordinary profit was ¥62,046 million, reflecting the increase in operating profit as well as higher equity in earnings of affiliates. Profit attributable to owners of parent was ¥29,423 million, mainly driven by a decrease in impairment losses and a decrease in the effective tax rate, partially offset by provision for loss on Anti-Monopoly Act recorded in extraordinary losses. If the MEDIPAL Group had not applied the Accounting Standard for Revenue Recognition, ordinary profit would have been ¥61,931 million (an increase of 16.9% compared with the previous fiscal year) and profit attributable to owners of parent would have been ¥29,353 million (an increase of 22.7%).

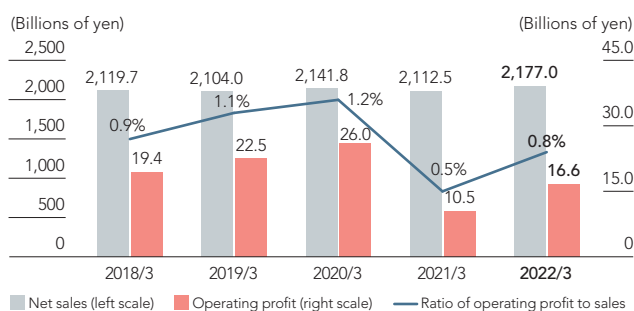
Overview of Operating Results by Reportable Segment

Note: Segment sales include intersegment sales.

▶ Prescription Pharmaceutical Wholesale Business

	(Millions of yen)	
	2021/3	2022/3
Net sales	¥2,112,455	¥2,177,003
Operating profit	10,523	16,617
Assets	1,143,993	1,158,291
Depreciation	8,326	8,186
Capital expenditures	10,699	8,149

Net Sales, Operating Profit and Ratio of Operating Profit to Sales



The MEDIPAL Group adopted the Accounting Standard for Revenue Recognition at the beginning of the fiscal year ended March 31, 2022. Year-on-year comparisons are calculated using the figures if the Accounting Standard for Revenue Recognition had not been adopted.

The prescription pharmaceutical market in Japan grew compared with the previous fiscal year despite drug price reductions and the impact of the COVID-19 pandemic, as visits to the doctor gradually increased.

Under these circumstances, net sales of the Prescription Pharmaceutical Wholesale Business were solid, mainly driven by increased demand for COVID-19-related clinical diagnostic reagents and promotion of collaborative initiatives with dispensing pharmacies to build a new model for optimization of pharmaceutical distribution in the dispensing pharmacy market.

Selling, general and administrative expenses decreased 3.4% from the previous fiscal year as the MEDIPAL Group adjusted the number of deliveries and the cut-off time for orders, and optimized the size of its workforce as part of its structural reforms aimed at sustainable growth.

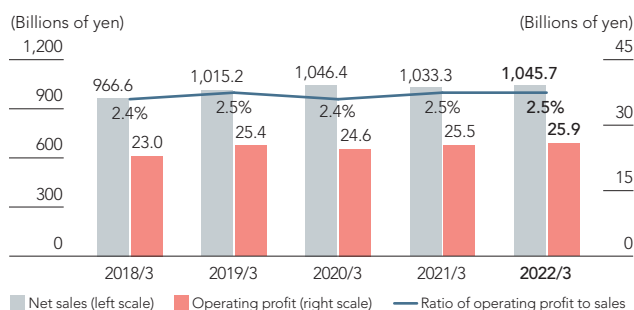
As a result, net sales in this segment were ¥2,177,003 million and operating profit was ¥16,617 million.

If the MEDIPAL Group had not adopted the Accounting Standard for Revenue Recognition, net sales would have been ¥2,207,419 million (a 4.5% increase compared with the previous fiscal year) and operating profit would have been ¥16,509 million (a 56.9% increase).

► Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business

	(Millions of yen)	
	2021/3	2022/3
Net sales	¥1,033,276	¥1,045,735
Operating profit	25,475	25,921
Assets	431,466	444,897
Depreciation	5,640	5,465
Capital expenditures	5,353	9,726

Net Sales, Operating Profit and Ratio of Operating Profit to Sales



In the market for cosmetics, daily necessities and OTC (over-the-counter) pharmaceuticals, demand for products such as energy drinks and cosmetics temporarily showed signs of recovery as the movement of people increased, but fell short of a full-fledged recovery amid the repeated ebb and flow of the COVID-19 pandemic. In addition, although use (consumption) of hygiene-related products such as face masks and disinfectants has become a habit because of increased awareness of hygiene, demand for these products was weak compared with the previous fiscal year, when there was a rapid surge. Sales of seasonal winter products such as disposable body warmers were strong, due in part to a prolonged stretch of winter-like weather with low temperatures.

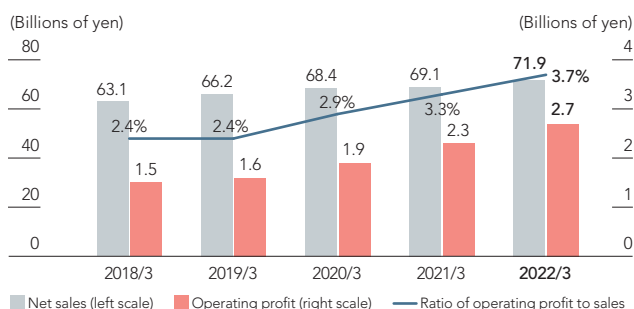
As a result, net sales in this segment were ¥1,045,735 million and operating profit was ¥25,921 million.

If the MEDIPAL Group had not adopted the Accounting Standard for Revenue Recognition, net sales would have been ¥1,046,689 million (a 1.3% increase compared with the previous fiscal year) and operating profit would have been ¥25,908 million (a 1.7% increase).

► Animal Health Products and Food Processing Raw Materials Wholesale Business

	(Millions of yen)	
	2021/3	2022/3
Net sales	¥69,146	¥71,859
Operating profit	2,309	2,688
Assets	26,338	27,985
Depreciation	244	189
Capital expenditures	89	268

Net Sales, Operating Profit and Ratio of Operating Profit to Sales



The animal health products market grew steadily driven by an increase in demand for companion animals due to the prolonged situation in which people continued to stay at home and the fact that animals are living longer lives due to advances in treatment.

The market for food processing raw materials continued to be challenging due to the impact of the COVID-19 pandemic, but demand for home-use products was solid in supermarkets and other retail channels, and there were signs of an upturn in some segments of the restaurant industry, including fast food.

As a result, net sales in this segment were ¥71,859 million and operating profit was ¥2,688 million.

If the MEDIPAL Group had not adopted the Accounting Standard for Revenue Recognition, net sales would have been ¥72,205 million (a 4.4% increase compared with the previous fiscal year) and operating profit would have been ¥2,693 million (a 16.6% increase).

Overview of Financial Position

► Net Sales

Assets

As of March 31, 2022, total assets were ¥1,709,474 million, an increase of ¥29,539 million from the end of the previous fiscal year. Total current assets were ¥1,209,766 million, an increase of ¥35,652 million, primarily because cash and deposits increased ¥20,403 million, notes and accounts receivable–trade increased ¥10,312 million, merchandise and finished goods increased ¥3,687 million and return assets (included in “Other”) increased ¥8,377 million. Total non-current assets decreased ¥6,113 million from the end of the previous fiscal year to ¥499,708 million, primarily because total property, plant and equipment increased ¥2,786 million and total investments and other assets decreased ¥8,686 million.

Liabilities

As of March 31, 2022, liabilities totaled ¥1,060,384 million, an increase of ¥19,383 million from the end of the previous fiscal year. Current liabilities increased ¥55,981 million from the end of the previous fiscal year to ¥1,008,816 million, primarily because notes and accounts payable–trade increased ¥7,982 million, the current portion of bonds with share acquisition rights increased ¥30,078 million, income taxes payable increased ¥6,521 million, and refund liabilities (included in “Other”) increased ¥9,010 million. Total non-current liabilities decreased ¥36,598 million from the end of the previous fiscal year to ¥51,568 million, primarily because convertible-bond-type bonds with share acquisition rights decreased ¥30,228 million.

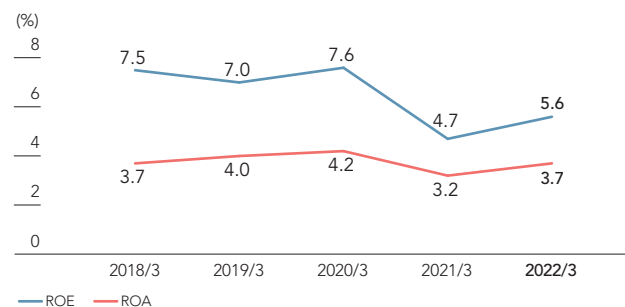
Net Assets

As of March 31, 2022, total net assets were ¥649,090 million, an increase of ¥10,156 million from the end of the previous fiscal year. This was mainly due to an increase of ¥20,321 million in retained earnings, a decrease of ¥12,949 million in valuation difference on available-for-sale securities, and an increase of ¥2,865 million in non-controlling interests.

Capital Efficiency

In the fiscal year ended March 31, 2022, ROE increased by 0.9 percentage points from the previous fiscal year to 5.6%, while ROA increased by 0.5 percentage points to 3.7%. The increase in ROE was due primarily to an increase in the ratio of net profit to sales.

ROE/ROA



* ROA is calculated by using “Ordinary profit + Interest expenses” as the numerator.

Overview of Cash Flows

As of March 31, 2022, cash and cash equivalents (hereafter, “net cash”) totaled ¥260,450 million, an increase of ¥20,403 million from the end of the previous fiscal year.

Cash Flows from Operating Activities

Net cash provided by operating activities was ¥61,217 million, an increase of ¥26,768 million from the previous fiscal year. The principal factors were profit before income taxes of ¥57,284 million, depreciation of ¥14,083 million, an increase of ¥3,479 million in provision for loss on Anti-Monopoly Act, an increase in notes and accounts receivable–trade of ¥10,283 million, an increase of ¥3,739 million in inventories, an increase of ¥7,983 million in notes and accounts payable–trade, and income taxes paid of ¥9,621 million.

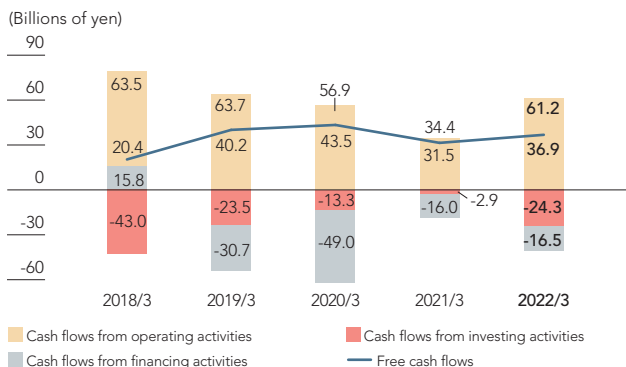
Cash Flows from Investing Activities

Net cash used in investing activities was ¥24,344 million, an increase of ¥21,404 million from the previous fiscal year. The principal factors were payment of ¥15,959 million for the purchase of property, plant and equipment, payment of ¥2,920 million for the purchase of intangible assets, and payment of ¥6,809 million for the purchase of investment securities.

Cash Flows from Financing Activities

Net cash used in financing activities was ¥16,471 million, an increase of ¥468 million from the previous fiscal year. The principal factors were payment of ¥3,480 million for purchase of shares of subsidiaries not resulting in change in the scope of consolidation, and cash dividends paid of ¥11,196 million.

Cash Flows

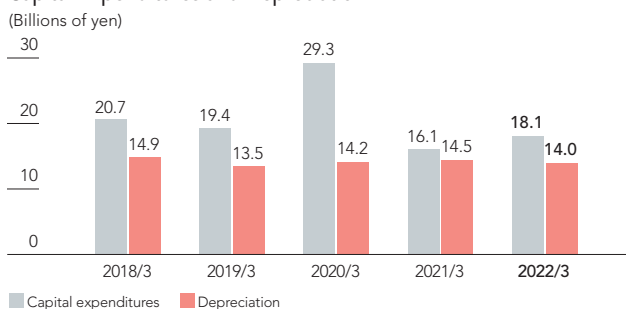


Capital Expenditures

Capital expenditures for the MEDIPAL Group in the fiscal year ended March 31, 2022 totaled ¥18,150 million, including ¥14,969 million for capital investments and ¥3,180 million for investment in software, mainly in the Prescription Pharmaceutical Wholesale Business and the Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business to further reinforce logistics functions and improve efficiency. The necessary funds for capital expenditures were provided by cash on hand.

Major investments included capital investments of ¥5,390 million for the Hanshin ALC of MEDICEO CORPORATION and investments in software of ¥2,758 million for upgrading the mainframe systems for sales and logistics in the Prescription Pharmaceutical Wholesale Business, as well as capital investments of ¥9,379 million for PALTAC CORPORATION's construction of a logistics center in Nogi-machi, Shimotsuga-gun, Tochigi Prefecture in the Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business.

Capital Expenditures and Depreciation



Dividend Policy

We consider returns to shareholders one of our highest management priorities. Our basic policy for the distribution of profits is to provide dividends that are linked to profits from business activities, while securing the necessary internal

reserves to strengthen our financial position and aggressively expand our businesses.

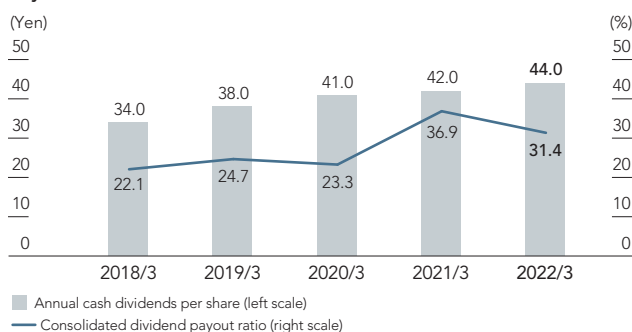
Our basic policy is also to pay dividends twice a year, an interim and a fiscal year-end dividend from retained earnings. The amount of these dividends is decided by the Board of Directors.

Based on consideration of our financial condition in the fiscal year and other factors, the Board has set cash dividends applicable to the fiscal year at ¥44.00 per share, including an interim dividend of ¥21.00 per share and a year-end cash dividend of ¥23.00 per share. As a result, the consolidated payout ratio for the period ended March 31, 2022 was 31.4%.

Internal reserves will be used effectively for the purpose of promoting innovations aimed at strengthening and expanding business to cope with change and other objectives. In executing a flexible capital policy that responds to changes in the corporate environment, we will appropriately conduct share buy-backs, taking into account our financial condition, stock price, and other factors.

For the fiscal year ending March 31, 2023, we plan to pay dividends of ¥46 per share, consisting of an interim and a year-end dividend of ¥23 per share each.

Annual Cash Dividends per Share and Consolidated Dividend Payout Ratio



Forecast for the Fiscal Year Ending March 31, 2023

The MEDIPAL Group handles products that are essential to people's safe, secure lives. A stable supply of these products is therefore necessary, whether in normal times or during emergencies. The end of the COVID-19 pandemic remains uncertain, but the MEDIPAL Group will continue to fulfill its role as a part of the social infrastructure.

To achieve further growth as a part of the social infrastructure that fulfills this role, the MEDIPAL Group will carry out initiatives in each business that reflect the 2027 MEDIPAL Medium-Term Vision. By doing so, for the fiscal year ending March 31, 2023, the MEDIPAL Group expects net sales of ¥3,333,000 million, operating profit of ¥46,500 million, ordinary profit of ¥63,300 million and profit attributable to owners of parent of ¥33,500 million.

Subsidiaries and Affiliated Companies

Company Name / Location	Share Capital (Millions of yen, unless otherwise noted)	Ratio of Voting Rights (%)	Representative Director*	Date of Establishment	Main Business Areas
Consolidated subsidiaries					
MEDICEO CORPORATION (Chuo-ku, Tokyo)	100	100.0	Kuniaki Imagawa, Representative Director, President and CEO	April 2004	Sales of prescription pharmaceutical products, medical equipment and supplies, clinical diagnostics, etc. (Hokkaido, Tohoku, Kanto, Chubu, and Kinki regions)
EVERLTH Co., Ltd. (Minami-ku, Hiroshima)	1,510	100.0	Takuro Hasegawa, Representative Director, President and CEO	April 1950	Sales of prescription pharmaceutical products, medical equipment and supplies, clinical diagnostics, etc. (Chugoku region)
ATOL CO., LTD. (Higashi-ku, Fukuoka)	3,965	100.0	Shinjiro Watanabe, Representative Director, President and CEO	January 1947	Sales of prescription pharmaceutical products, medical equipment and supplies, clinical diagnostics, etc. (Kyushu and Okinawa regions)
SPLine Corporation (Chuo-ku, Tokyo)	100	100.0	Atsushi Takumiya, Representative Director, President and CEO	May 2016	Distribution planning for specialty pharmaceuticals
MM CORPORATION (Bunkyo-ku, Tokyo)	100	100.0	Hideaki Kitachi, Representative Director, President and CEO	January 1951	Sales of medical equipment and supplies, etc.
ASTECC Co., Ltd. (Tsukuba-shi, Ibaraki)	10	100.0	Yoshitaka Ichiyanagi, Representative Director, President and CEO	July 1992	Sales of medical equipment and supplies, etc.
MVC CO., LTD. (Higashi-ku, Fukuoka)	100	100.0	Tadashi Hagiwara, Representative Director, President and CEO	November 2007	Sales of medical equipment and supplies, etc.
PharField Corporation (Koto-ku, Tokyo)	100	100.0	Tsukasa Yamaguchi, Representative Director, President and CEO	October 2020	Contract-based epidemiological studies, clinical studies, etc.
MEDIE Co., Ltd. (Chuo-ku, Tokyo)	14	100.0	Shinji Endo, President and CEO	July 1980	Creation of a computerized medical supply database, creation of master product databases for medical facilities
M.I.C. (Medical Information College), INC. (Bunkyo-ku, Tokyo)	10	100.0	Masayuki Ishiguro, Representative Director and President	August 1984	Training and dispatch of medical clerks, outsourcing of medical administrative services, and medical management consulting
Medipal Insurance Service Co., Ltd. (Chuo-ku, Kobe)	90	100.0	Hisatake Kato, Representative Director and President	February 1999	Non-life insurance agency, operations related to life insurance
MEDISKET CORPORATION (Misato-shi, Saitama)	25	60.0	Jun Wakana, Representative Director and President	April 2022	Delivery of pharmaceuticals throughout Japan, specimen collection, and other contract logistics services in the healthcare field
PALTAC CORPORATION (Chuo-ku, Osaka)	15,869	50.7	Seiichi Kasutani, Representative Director, President and COO	December 1928	Sales of cosmetics, daily necessities, and OTC pharmaceuticals
MP AGRO CO., LTD. (Kitahiroshima-shi, Hokkaido)	44	100.0	Tomohiko Kimura, Representative Director, President and CEO	April 2010	Sales of animal health products, feed additives, etc.
MEDIPAL FOODS CORPORATION (Chuo-ku, Sapporo)	60	100.0	Takaharu Kayama, Representative Director and President	March 1965	Sales of food processing raw materials, food additives, etc.
Unconsolidated subsidiaries accounted for by equity method					
TOKIMO CO., LTD. (Chiyoda-ku, Tokyo)	80	100.0	Mitsuo Sakiyama, Representative Director and President	June 1986	Cleaning management
Butsuryu 24, Inc. (Bunkyo-ku, Tokyo)	40	100.0	Naoyuki Hirao, Representative Director and President	June 1998	Management and operation of distribution centers, commissioned delivery service, and worker dispatch
EVERLTH ODS Co., Ltd. (Minami-ku, Hiroshima)	10	100.0	Katsumi Yoshioka, Representative Director and President	April 1987	Management and operation of distribution centers, commissioned delivery service, and worker dispatch
class A Network Co., Ltd. (Shibuya-ku, Tokyo)	10	70.0	Satoshi Akutsu, Representative Director and President	July 2006	Planning, management, administration, and product and service development for the Class A health dispensing pharmacies service brand
8 other companies					
Affiliated companies accounted for by equity method					
Qol Holdings Co., Ltd. (Minato-ku, Tokyo)	5,786	23.1	Takashi Nakamura, Representative Director and President	October 1992	Operation of dispensing pharmacies
MC Healthcare, Inc. (Minato-ku, Tokyo)	548	20.0	Masayasu Miike, Representative Director and President	April 2010	Operational support for hospitals
SHIKOKU YAKUGYO CO., LTD. (Matsuyama-shi, Ehime)	831	20.0	Yutaka Honda, Representative Director and President	October 2004	Sales of prescription pharmaceutical products, medical equipment and supplies, clinical diagnostics, etc. (Shikoku region)
YAKUJU HOLDINGS, Inc. (Yamato-shi, Kanagawa)	75	40.0	Yuta Komori, Representative Director, President and CEO	July 2018	Operation of dispensing pharmacies
PRESUSCUBE Corporation (Minato-ku, Tokyo)	100	49.0	Takeshi Kumakura, Representative Director, President and CEO	July 2016	Operational support and marketing support for dispensing pharmacies
JCR Pharmaceuticals Co., Ltd. (Ashiya-shi, Hyogo)	9,061	23.3	Shin Ashida, Chairman and President	September 1975	Manufacture and sales of prescription pharmaceutical products, etc.
Nobelpharma Co., Ltd. (Chuo-ku, Tokyo)	11	20.0	Jin Shiomura, Representative Director, President and CEO	June 2003	Manufacture and sale of prescription pharmaceutical products, etc.
MTI Healthcare Holdings Inc. (Shinjuku-ku, Tokyo)	100	34.4	Masanori Akita, Representative Director	July 2021	Management and administration of subsidiaries and related activities
Doctorbook Inc. (Chiyoda-ku, Tokyo)	183	22.1	Rihito Soma, Representative Director, President and CEO	December 2013	Various information provision services using the Internet, etc.
Sinopharm Group Beijing Huahong Co., Ltd. (Beijing, China)	RMB 350 million	20.0	Tian Guo Tao, President	April 1998	Sales of prescription pharmaceutical products, etc. (Beijing, China)
Beijing Tianxingpuxin Bio-med Sinopharm Holding Co., Ltd. (Beijing, China)	RMB 100 million	20.0	Shao Wei, President	July 2002	Sales of prescription pharmaceutical products, etc. (Beijing, China)
Affiliated companies not accounted for by equity method					
KURAYA (USA) CORPORATION (California, USA)	USD 300 thousand	49.0	Gerry Shishido, Representative Director and President	July 1997	Import and export of medical supplies, etc.
5 other companies					

* As of September 30, 2022

Corporate Data / Stock Information

Corporate Data (As of March 31, 2022)

Corporate Name	MEDIPAL HOLDINGS CORPORATION
Head Office	2-7-15, Yaesu, Chuo-ku, Tokyo 104-8461, Japan Note: Head office relocation planned for February 13, 2023. New location: 3-1-1 Kyobashi, Chuo-ku, Tokyo Tel: 81-3-3517-5800 (Representative) URL: https://www.medipal.co.jp/english
Founded	October 8, 1898
Established	May 6, 1923
Share Capital	¥22,398 million
Number of Employees	12,801 (Consolidated basis)
Stock Listing	Tokyo Stock Exchange, Prime Market
Ticker Code	7459
Trading Unit	100 shares
Transfer Agent for Common Stock	Sumitomo Mitsui Trust Bank, Limited
The General Meeting of Shareholders	The General Meeting of Shareholders is held annually in June.
Further Information	Public Relations Department Tel: 81-3-3517-5171

Rating Information (As of September 30, 2022)

Rating firm	Rating
Rating and Investment Information, Inc. (R&I)	A+

Note: The above is an issuer rating. Issuer ratings are fixed symbols provided as information to investors regarding the overall ability of issuers to repay their financial obligations and individual debts.

Selected for the JPX-Nikkei Index 400

(As of September 30, 2022)

Since 2014, the MEDIPAL Group has been selected as JPX-Nikkei Index 400 composed of companies with high appeal for investors, which meet requirements of global investment standards, such as efficient use of capital and investor-focused management perspectives. Group company PALTAC has also been selected as JPX-Nikkei Index 400.



Stock Information (As of September 30, 2022)

Stock Information	
Number of Shares Authorized:	900,000,000
Number of Outstanding Shares:	244,524,496
Number of Shareholders:	11,567

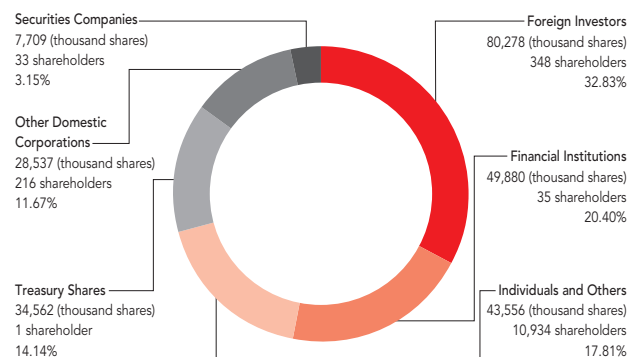
Major Shareholders

Shareholders	Shares Held (Thousands)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	26,957	12.84
Northern Trust Co. (AVFC) Re Silchester International Investors International Value Equity Trust (Standing proxy: Securities Services Department, The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	9,616	4.58
Custody Bank of Japan, Ltd. (Trust Account)	9,190	4.38
MEDICEO Employees Shareholders' Association of MP Group	5,937	2.83
Northern Trust Co. (AVFC) Re U.S. Tax Exempted Pension Funds (Standing proxy: Securities Services Department, The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	5,719	2.72
State Street Bank & Trust Company 505001 (Standing proxy: Settlement & Cleaning Services Department, Mizuho Bank, Ltd.)	5,462	2.60
Kobayashi Pharmaceutical Co., Ltd.	5,074	2.42
Custody Bank of Japan, Ltd. (Eisai Co., Ltd. Retirement Benefit Trust Account re-entrusted by Sumitomo Mitsui Trust Bank, Ltd.)	4,345	2.07
Northern Trust Co. (AVFC) Sub A/C Non Treaty (Standing proxy: Securities Services Department, The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	4,197	2.00
State Street Bank & Trust Company 505103 (Standing proxy: Settlement & Cleaning Services Department, Mizuho Bank, Ltd.)	3,462	1.65

Notes:

- The Company holds 34,562 thousand shares of treasury shares, which are excluded from the major shareholders listed above.
- Shareholding ratio is calculated after subtracting treasury shares from the number of outstanding shares.
- Shares held as a percentage of total outstanding shares and shareholding ratio excluding treasury shares are rounded to the nearest hundredth.

Shareholder Composition and Ownership Ratio



この国で、 薬を届けるという使命。

メディパルは、医薬品、日用品などを取り扱う流通グループ。

製薬会社と皆さんの町の医療機関、調剤薬局、ドラッグストアなど全国24万軒をつないでいます。

私たちのモットーは、必要なものを、必要な時に、必要な量だけ確実に運び届けること。

それは、災害時ならなおさらです。

私たちは、阪神・淡路大震災での被災経験から、災害時にも負けない流通を目指して、

様々な取り組みを重ねてきました。

東日本大震災や熊本地震などで、大変な困難の中、被災地に必要なものを送ることができたのも、

普段からの備えがあればこそでした。

災害とは切り離せないこの国だからこそ、あらゆるシナリオに対し、万全の準備しておく。

私たちにとって、薬を届けるということは、ライフラインを担うことなのです。

毎日の暮らしが、何かあった「その時」にも途切れることのないよう。

私たちの目に見えない挑戦は続きます。



【非常時の配送手段の整備】
公共交通機関や交通網が寸断された場合に備え、物流センターなどに緊急用バイクを配備。車両の通行が困難な場所に薬を届ける重要な配送手段となっています。



【ホストコンピュータの二重化】
災害によるデータの紛失・損壊などを防ぐためにホストコンピュータの二重化やデータのバックアップ、ホストコンピュータ設置施設の耐震・防災・停電対策などを行い、災害時においても事業を継続できるよう備えています。



【非常用自家発電装置の設置】
本社・物流センターなど主要な拠点に非常用自家発電装置を設置し、災害時にも医薬品をはじめとする商品の安定供給が行えるよう備えています。



【自家給油設備の設置】
震災時のガソリン不足の経験をふまえ、主要な物流センターに自家給油設備を設置しています。



【建屋の耐震・免震化】
震災時に商品が落下損壊したり、物流設備が故障することを避けるため、物流センターをはじめ、全建屋の耐震・免震化を進めています。

Our Mission

Our mission is to deliver pharmaceuticals in Japan.

MEDIPAL is a distribution group that handles products including pharmaceuticals and daily necessities.

We are connecting pharmaceutical companies with 240,000 locations of healthcare institutions, dispensing pharmacies, and drug stores in every town and village all over the country.

Our motto is to reliably deliver required products at the required time in just the required amount.

This is all the more important when natural disasters strike.

The MEDIPAL Group has gained experience from previous major natural disasters, including the Great Hanshin-Awaji Earthquake, and has taken many initiatives to build distribution channels that are resilient even in times of natural disaster.

In the midst of terrible hardships during the Great East Japan Earthquake and the series of earthquakes in Kumamoto, we were able to deliver necessary items to the affected areas. This was entirely because we always keep ourselves ready for emergency situations.

Because Japan is a land of natural disasters, MEDIPAL must make full preparations for dealing with a wide range of disaster scenarios.

For us at MEDIPAL, delivery of pharmaceuticals is a vital part of the lifelines of society.

We are working to ensure that daily life is not interrupted “when an emergency occurs.”

Our invisible challenges will continue.

MEDICEO CORPORATION / EVERLTH Co., Ltd. / ATOL CO., LTD. / SPLine Corporation / MM CORPORATION / ASTEC Co., Ltd.
MVC CO., LTD / PharField Corporation / MEDIE Co., Ltd. / M.I.C. (Medical Information College), INC. / Medipal Insurance Service Co., Ltd. /
MEDISKET CORPORATION / PALTAC CORPORATION / MP AGRO CO., LTD. / MEDIPAL FOODS CORPORATION / YONYAKU CO., LTD. /
Nakazawa Ujike Yakugyo K.K. / Toshichi Inc.

