

## Business Portfolio

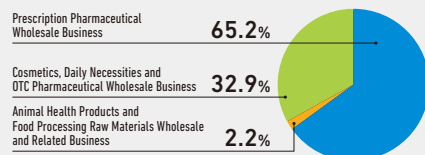
We will utilize the capital held by the MEDIPAL Group, promote strategies to realize the Ideal Situation based on the Management Philosophy, and reinvest some of the profits generated through these initiatives to strengthen the business foundation, which will enable us to create new value and meet the expectations of our diverse stakeholders.

### Prescription Pharmaceutical Wholesale Business

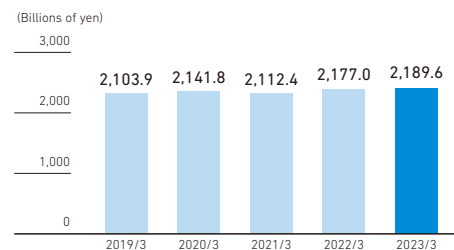
### Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business

### Animal Health Products and Food Processing Raw Materials Wholesale and Related Business

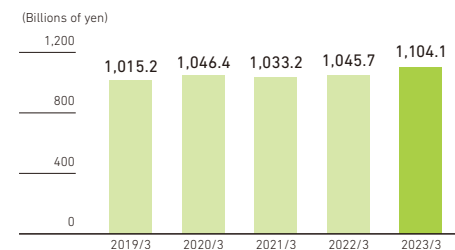
Consolidated Net Sales  
**¥3,360.0 billion**



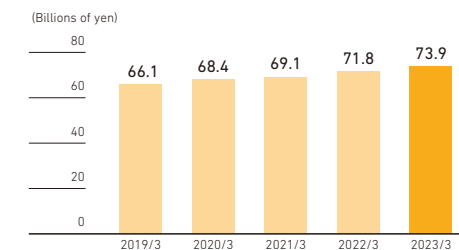
#### Net Sales



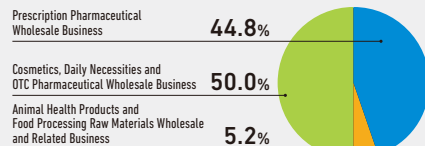
#### Net Sales



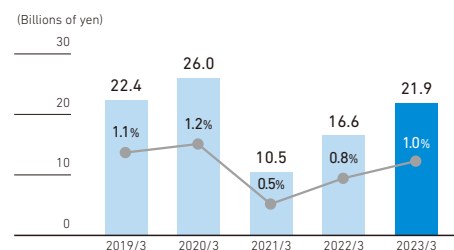
#### Net Sales



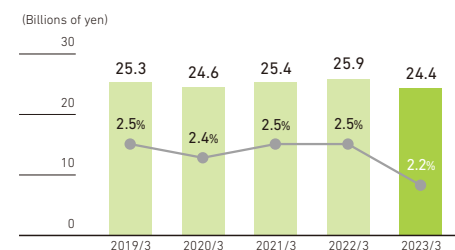
Consolidated Operating Profit  
**¥48.9 billion**



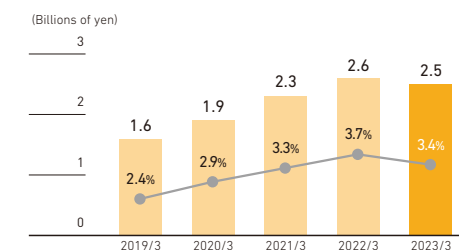
#### Operating Profit/Margin



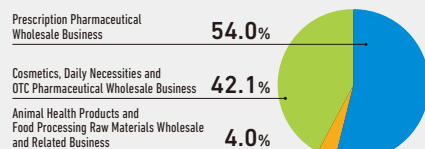
#### Operating Profit/Margin



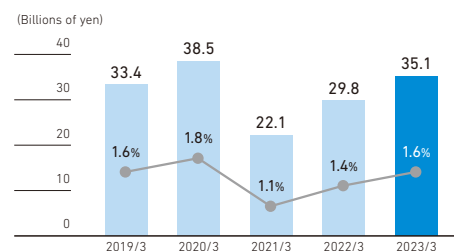
#### Operating Profit/Margin



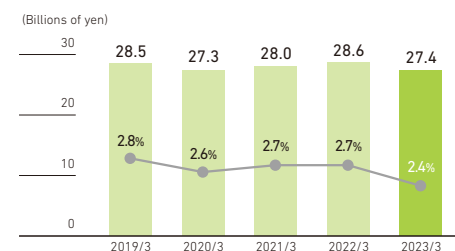
Consolidated Ordinary Profit  
**¥65.1 billion**



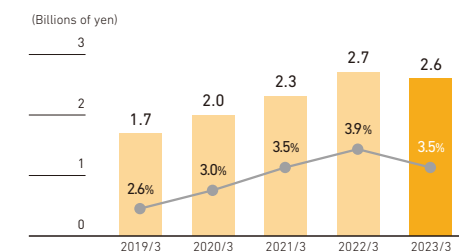
#### Ordinary Profit/Margin



#### Ordinary Profit/Margin



#### Ordinary Profit/Margin



Fiscal year ended March 31, 2023

## Major Group Companies

MEDICEO CORPORATION, EVERLTH Co., Ltd.,  
ATOL CO., LTD., SPLine Corporation, MM CORPORATION,  
ASTEC CO.,LTD., MVC CO., LTD., PharField Corporation,  
MEDIE Co., Ltd., MIC CO., LTD.,  
Medipal Insurance Service Co., Ltd.,  
MEDISKET CORPORATION

PALTAC CORPORATION

MP AGRO CO., LTD.  
MP Gokyo Food & Chemical Co., Ltd.\*  
MEDIPAL FOODS CORPORATION

\* Due to the share acquisition date of March 31, 2023, the company's results are not included in the Company's consolidated financial statements for the fiscal year ended March 31, 2023.

# Strategy by Business

## Prescription Pharmaceutical Wholesale Business



**Yasuhiro Choufuku**

Director, Vice President  
MEDIPAL HOLDINGS CORPORATION  
In charge of  
Pharmaceutical Business

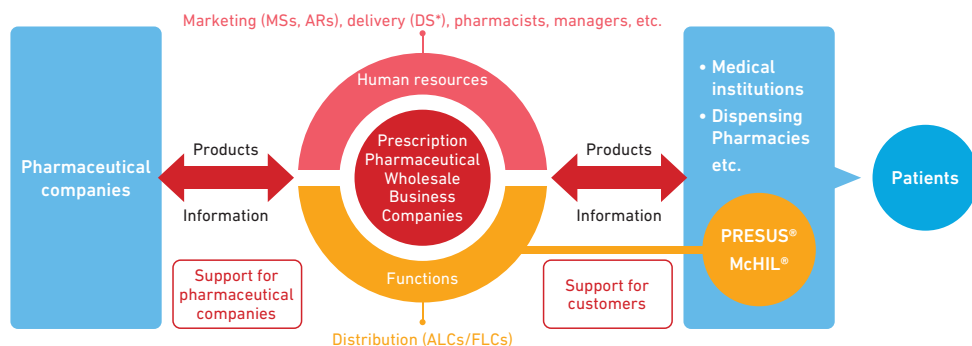
We will enhance our functions for a stable supply of pharmaceuticals and other products, and contribute to society by creating new value.

The Prescription Pharmaceutical Wholesale Business procures not only prescription pharmaceuticals, but also healthcare products related to diagnostics, testing, treatment, and administration, including medical equipment and medical materials, and clinical diagnostic reagents for use from the presymptomatic stage. We deliver these products to 230,000 medical institutions through a nationwide distribution system with 224 locations, including ALCs, state-of-the-art distribution centers, and FLCs. We utilize this system to provide a stable supply of medical products to medical institutions, including hospitals, clinics, and dispensing pharmacies. In addition, the number of ARs, employees with MR qualifications, now exceeds 2,500. This is a large number even compared with major pharmaceutical companies in Japan. Our ARs are the driving force in expanding new businesses such as PMS and PFM®, which will support future business growth.

### SWOT Analysis

<ul style="list-style-type: none"> <li>State-of-the-art nationwide distribution platform (ALCs/FLCs)</li> <li>Business Continuity Plan (BCP) that anticipates various risks</li> <li>Human resources with expertise (ARs, DMRs, etc.)</li> <li>Pharmaceutical distribution technology under special temperature zones</li> </ul>	<b>S</b> Strengths	<ul style="list-style-type: none"> <li>Improvement in productivity</li> <li>Building a new environmentally friendly distribution optimization model</li> <li>Completion of traceability</li> <li>Building a profit structure that is not subject to government systems</li> <li>Creating and monetizing digital healthcare platforms</li> <li>Resolving regional healthcare issues</li> </ul>
<ul style="list-style-type: none"> <li>Decrease in the number of MRs at pharmaceutical companies</li> <li>Movement toward a sustainable society</li> <li>Increase in medical needs due to the aging of society</li> <li>Expansion of specialty pharmaceuticals</li> <li>Acceleration of online medical consultations</li> <li>Market expansion in the fields of pre-disease and disease prevention</li> </ul>	<b>O</b> Opportunities	<ul style="list-style-type: none"> <li>Decline in the working-age population</li> <li>Natural disasters</li> <li>Spread of infectious disease</li> <li>Advance of policies to reduce healthcare costs</li> </ul>
	<b>W</b> Weaknesses	<b>T</b> Threats

### Business Model (Value Chain)



#### Support for Pharmaceutical Companies

ARs use their advanced skills in discussions with physicians and medical professionals to provide useful information on medical treatment. We handle PMS services on contract for pharmaceutical companies. Furthermore, we also engage in PFM® based on a business model of investing in orphan drugs and other products where prompt development is, in order to get returns on investments after launch of these drugs and distribute them to medical institutions preferentially.

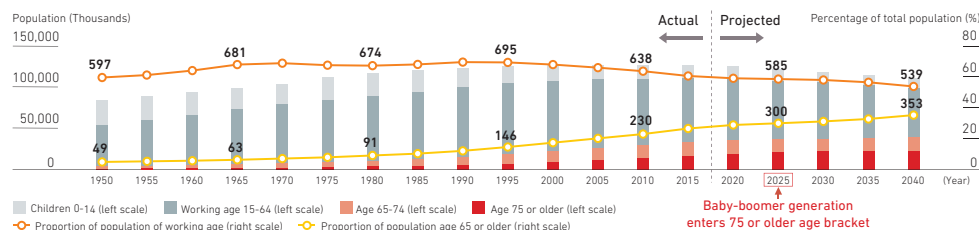
#### Support for Customers

Through PRESUS®, a support system for dispensing pharmacy operations, and McHIL®, a support system for logistics operations in hospitals, both of which apply the functions and know-how of ALCs, the MEDIPAL Group provides medical professionals with both time and an environment that allows them to focus on their primary work.

### Business Environment and Review of the Fiscal Year Ended March 31, 2023

Although there was a lowering of drug prices, and impact from restrictions on medical visits due to the pandemic, the market grew compared to the previous period due to sales of drugs to treat COVID-19. In addition, "inspection by individual scans" was introduced with the aim of improving the work efficiency of medical workers and reducing the risk of COVID-19 infection. In terms of sales, there has been a focus on using digital technology to provide information, such as training for ARs with specialized knowledge and skills and live seminars on the Clinical Cloud medical information portal site. For providing and collecting information in specialized areas, we have also designated RD-MRs and Women's Coordinators and are engaged in disease awareness activities.

#### Changes in the Business Environment (Future Population Projections)



Source: Prepared by MEDIPAL HOLDINGS CORPORATION, with reference to Ministry of Health, Labour and Welfare materials. Actual values up to 2015 are from the Statistics Bureau, Ministry of Internal Affairs and Communications, Census. Projected values for 2020 and after are from the National Institute of Population and Social Security Research, Population Projections for Japan (April 2017, medium-fertility and medium-mortality projections)

\* Please refer to page 72 for explanations of technical terms.

## Business Strategies

### Growth Strategies

### Progress of Initiatives

<p>Promoting new global businesses <b>Expansion of Overseas Business</b></p>	<ul style="list-style-type: none"> <li>Development of new businesses in partnership with JCR Pharmaceuticals Co., Ltd.</li> <li>Strengthen relationship with partner Sinopharm Holdings in China</li> <li>Execution of a memorandum of understanding with JCR Pharmaceuticals Co., Ltd. regarding the granting of exclusive negotiating rights for the global commercialization outside Japan of four new drug candidates targeting ultra-rare diseases among lysosomal diseases</li> </ul>
<p>Responding to market expansion and sophistication <b>Expansion of Prevention and Pre-disease Business</b></p>	<ul style="list-style-type: none"> <li>Expand product portfolio, including state-of-the-art medical testing equipment and reagents, in response to market expansion and advances in the fields of testing and reagents</li> <li>Enter the field of preventive dentistry</li> </ul>
<p>Creating a digital platform for medical and healthcare services and monetizing priority businesses <b>Enhancement of the Business with and in Digital</b></p>	<ul style="list-style-type: none"> <li>Create new top-level businesses in Japan that combine the management resources of the MEDIPAL Group and its partners</li> </ul>
<p>Establishing a new logistics model <b>Building Sustainable Logistics</b></p>	<ul style="list-style-type: none"> <li>Establish MEDISKET CORPORATION, a logistics joint venture with H.U. Group Holdings, Inc. In addition to improving logistics functions, the consolidation of the two companies' logistics will accelerate the construction of Japan's largest healthcare logistics platforms for testing, diagnosis and treatment to support "Pharmaceuticals, Health, and Beauty," with the aim of creating new value in the healthcare industry, including helping to resolve social issues through green logistics</li> <li>Build a new model for optimized of pharmaceutical logistics with SHINYEI KAISHA and other partners that have advanced temperature and vibration monitoring technologies</li> <li>Work to optimize the number of orders and deliveries by analyzing and managing inventories in consultation with customers</li> <li>Reduce warehouse and delivery work by upgrading the logistics system using AI and robotics technologies</li> </ul>
<p>Providing new social value by resolving regional healthcare issues <b>Value Co-creation in Community Healthcare</b></p>	<ul style="list-style-type: none"> <li>Establish the position of Regional Medical Coordinator to identify and propose solutions to healthcare issues faced by local customers, medical institutions, local governments and others.</li> <li>Coordinate solutions to the issues of local customers and business partners, and implement collaborative proposals</li> <li>Establishment of the position of Women's Coordinator to provide comprehensive information to medical professionals on prevention, diagnosis, and treatment of diseases specific to women, and start of initiatives to support women's health from all aspects</li> </ul>

### ▶ Perception of Issues and Future Direction

We will continue to work toward overall optimization and reduction of the environmental impact of the pharmaceutical supply chain from pharmaceutical companies to patients through collaboration with pharmaceutical companies and business partners. Specifically, we will promote initiatives to improve productivity for both our customers and the Group, such as reducing the number of deliveries and promoting the introduction of inspection by individual scans. We will create new distribution value through coordination activities that connect each medical professional and providing customer support services. We will also contribute to medical care by evolving the stable supply of medical drugs and other products. While

strengthening sales of medical equipment and clinical diagnostics, expanding information provision activities by ARs and post-marketing surveillance (PMS), and continuing to engage in sales activities in line with distribution improvement guidelines in addition to optimizing the supply of pharmaceuticals, testing materials, etc., and collection of specimens for clinical trials, research, etc., through outsourcing to our consolidated subsidiary MEDISKET CORPORATION, in the digital healthcare field, we will work to strengthen our earnings base centered on the newly established digital business division at our wholly owned consolidated subsidiary MEDICEO CORPORATION.

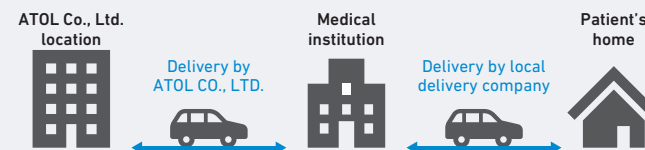
## FOCUS

### Efforts to realize the delivery of rare disease drugs to private homes

As a measure to prevent the spread of COVID-19 and for patients who have difficulty making it to the hospital due to severe symptoms, there is a need to spread and establish a medical care delivery system that allows treatment to be completed at home, such as online examinations and medication guidance. For rare disease drugs as well, there has been a move toward enabling treatment at home, including the development of self-injection products. The Group is responding to these changes by promoting initiatives to deliver necessary medicines to patients' homes.

#### 1 Proof-of-concept in Miyazaki Prefecture

ATOL CO., LTD. has begun working with medical institutions and patients in Miyazaki City, Miyazaki Prefecture to test a service that uses special packaging to deliver medicines dispensed at medical institutions to private homes. In addition to creating an environment where treatment can be completed at home, the aim is to build a home delivery scheme with high added value, such as understanding and solving problems that newly emerge and further exploring latent needs for each rare disease.



#### 2 Proof-of-concept in Kanagawa Prefecture

Lysosomal diseases, which are rare diseases, have only a limited number of medical institutions with specialists, and patients are forced to spend long hours visiting to hospital. Also, with many cases of difficulty going to the hospital due to gait disturbance or being bedridden, these diseases place a heavy burden on patients and their families. By delivering lysosomal disease treatment drugs shipped from the distribution center to patients' homes under strict temperature control, MEDICEO CORPORATION is able to identify, analyze, and evaluate distribution risks associated with home enzyme replacement therapy, control drug quality, and verify safety.

## Strategy by Business

Cosmetics, Daily Necessities and  
OTC Pharmaceutical Wholesale Business



**Takuya Yoshida**

Representative Director,  
President  
PALTAC CORPORATION

Through distribution, we contribute to the prosperity of our business partners and plentiful, comfortable lives for people.

PALTAC CORPORATION has built a position as Japan's number-one wholesaler delivering daily necessities in the business fields of "Beauty and Health". Currently, our company procures approximately 50,000 types of products from approximately 1,000 companies, and has established a nationwide sales network comprising almost all the main retailers (approximately 400 companies), focused on drugstores, in an effort to optimize and increase the efficiency of the entire supply chain. To support everyday lifestyles where the uninterrupted availability of reasonably priced products that enrich daily life can be taken for granted, we consider it PALTAC's mission to deliver products stably and efficiently to retailers during emergencies as well as in normal times.

## SWOT Analysis

- Highly efficient large-scale distribution centers
- Cost competitiveness
- Cash flow generation capabilities (investment capabilities)
- Store support function for customers
- Information systems development capabilities
- Human resources with the ability to persevere (grit)
- Know-how to improve delivery efficiency and reduce returns which contributes to reduction of CO<sub>2</sub> emissions

**S**

Strengths

**W**

Weaknesses

- Nationwide expansion and shift to chains by retailers
- Growing demand for increased efficiency of the entire supply chain
- Movement toward a sustainable society
- The "new normal"
- Advances in digitalization, AI and robotics technology

**O**

Opportunities

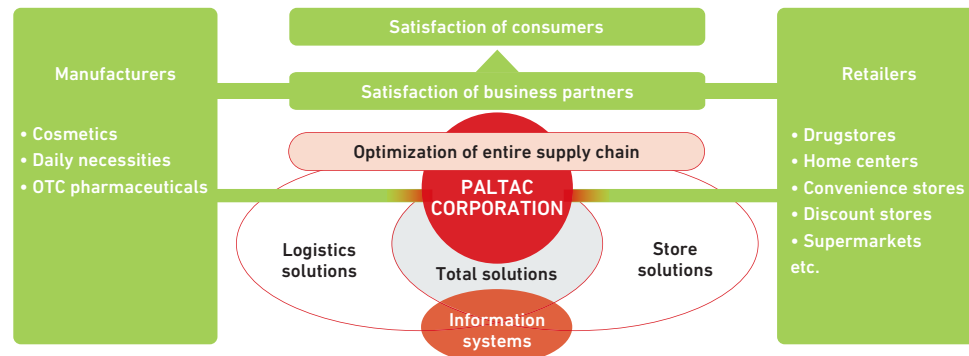
**T**

Threats

- Chronic labor shortages
- Rising labor costs
- Rising delivery costs and other distribution-related expenses
- Further expansion of specialized human resources

- Decreasing demand due to overall population decline
- Natural disasters and infectious disease outbreaks
- Decline in consumption due to rising prices

## Business Model (Value Chain)



### Logistics Solutions

Our company operates 16 "RDC" large-scale distribution centers nationwide, which boast a shipping accuracy of 99.999%. We have achieved increased efficiency in distribution across the entire supply chain, from production to distribution and delivery to stores, through exhaustive rationalization including introduction of a unit load system<sup>1</sup> for mechanized and automated loading and unloading.

1. Unit load system: A system to increase the efficiency of transportation, storage, and other operations. It aggregates individual cargo items into fixed units using pallets, containers, and other distribution tools.

### Store Solutions

We do more than just deliver products. Expert staff provide comprehensive analysis of retailers' store locations, POS information, etc., and help improve the productivity of sales floors through efficient and effective in-store merchandising, from product composition and shelf space allocation to inventory management and handling of new and discontinued products.

## Business Environment and Review of the Fiscal Year Ended March 31, 2023

Although COVID-related demand is shrinking as the pandemic eases, cosmetic products such as makeup and face wash and pharmaceutical products such as tonics and gastrointestinal medicines performed well as people started going out more. Additionally, as temperatures remained higher than last year, sales of spring and summer seasonal products such as antiperspirants, insecticides, and pollen allergy products were strong. Amid these circumstances, PALTAC CORPORATION proceeded with initiatives aimed at optimizing and increasing efficiency of the entire supply chain under the medium-term management plan, which is in its second year this fiscal year. They include "strengthening sales expansion systems" through collaboration and cooperation with business partners, "improvement of delivery" with responding to the impending 2024 logistics problem and the White Logistics movement in mind, "digital utilization" to support all initiatives that have been strengthened organizationally, and "active talent recruitment" for medium- to long-term growth.



Business Strategies

PALTAC VISION 2024 (FY2022/3 to FY2024/3)  
 “For a bright future: Moving forward with the supply chain”

Key Strategies

Our company has set out initiatives based on four key strategies in order to further improve intermediate distribution functions, accelerate coordination and collaboration with business partners and other stakeholders, and flexibly respond to society’s needs to achieve sustainable growth.

Growth Strategies

Progress of Initiatives

<p>Addressing unprecedented changes in the business environment  <b>Strengthening Retail Solution Capabilities</b></p>	<ul style="list-style-type: none"> <li>“Strengthening sales expansion systems” through collaboration with business partners</li> <li>Quick response to changes in demand by leveraging store information and the industry’s largest distribution information, and proposal of new product lineups that anticipate changes in the market environment, including products that manufacturers have not previously carried</li> </ul>
<p>Pursuing “security and safety” and “high efficiency”  <b>Strengthening Logistics Solution Capabilities</b></p>	<ul style="list-style-type: none"> <li>Introduction of new logistics model at Tochigi Distribution Center and expansion of highly efficient shipping capacity</li> <li>New improvement measures through collaboration and cooperation between companies to address the worsening driver shortage, including the 2024 logistics problem</li> <li>Participation in demonstration experiment for joint delivery in anticipation of a large-scale disaster</li> </ul>
<p>Ensuring provision of added corporate value  <b>Enhancing IT Systems and Promoting Digitalization</b></p>	<ul style="list-style-type: none"> <li>Accumulation of knowledge and know-how on digital utilization as an organization</li> <li>“Visualization” of on-site issues and improvement of resolution speed</li> </ul>
<p>Source of sustainable growth  <b>Developing Talent and Organization</b></p>	<ul style="list-style-type: none"> <li>Improvement of digital literacy for all employees to promote DX</li> <li>Promotion of sustainability (CO<sub>2</sub> reduction, investment in human resources)</li> <li>Continued growth investment such as human capital investment</li> </ul>

Perception of Issues and Future Direction

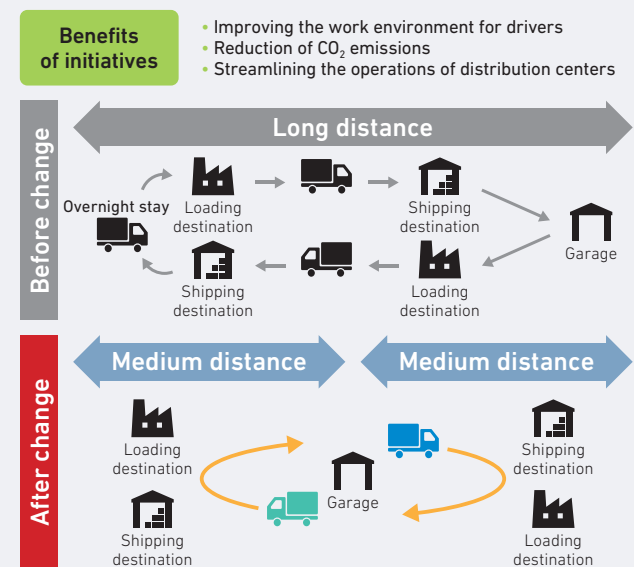
It is expected that social and economic activities will normalize due to changes in consumer awareness and behavior and various policies as we coexist with COVID-19. Furthermore, although the future remains uncertain due to the impact of rising prices on consumer sentiment, there are reasons for optimism such as wage increases at some companies and increased consumption by foreign visitors to Japan. In the distribution industry to which our company belongs, the labor shortage in various places is becoming more and more serious, especially the impending 2024 logistics problem which will lead to a decline in transportation

capacity, and various and complex issues must be responded to quickly. Given this situation, we predict that the role played by intermediate distribution will become increasingly important. In the fiscal year ending March 31, 2024, in order to respond flexibly to the waves of rapid social change, we will expand human capital while embarking on corporate transformation based on new ideas, and steadily advance efforts to optimize and increase efficiency of the entire supply chain through collaboration and cooperation within and outside the company.

FOCUS

Joint recipient of the Minister of Land, Infrastructure, Transport and Tourism Award, the highest award of the Green Logistics Excellent Business Awards

In December 2022, the highest honor of the Minister of Land, Infrastructure, Transport and Tourism Award was jointly awarded at the FY2022 (21st) Green Logistics Excellent Business Awards. The initiative recognized was a collaboration with seven companies—MGC Woodchem Corporation; Sapporo Group Logistics Co., Ltd.; Suzuyo & Co., Ltd.; NANKO UNYU CO., LTD.; Fujifilm Logistics Co., Ltd.; Unilever Japan K.K.; and Lion Corporation—that earned high praise for reducing environmental impact, such as reducing CO<sub>2</sub> emissions during long-distance relay transportation, and improving the working environment for drivers by improving logistics efficiency. The background to this initiative was the “2024 problem,” in which upper limits on overtime hours for drivers in the logistics industry will be regulated, as well as the issue of reducing CO<sub>2</sub> emissions. Changing from long-distance transportation using chartered vehicles to relay transportation that start from intermediate locations achieves an improvement in the loading rate per vehicle and actual vehicle ratio, and a reduction in empty running distance. As an intermediary distributor responsible for the stable supply of daily necessities, PALTAC CORPORATION will continue to work together with business partners to build sustainable distribution throughout the supply chain.



## Strategy by Business

### Animal Health Products Wholesale Business



**Tomohiko Kimura**

Representative Director,  
President and CEO  
MP AGRO CO., LTD.

**We aim to build a nationwide distribution network that contributes to emotional comfort and food safety and security.**

MP AGRO CO., LTD. is the only animal health products wholesaler in Japan with a nationwide distribution network and salesforce. We use this platform to supply a wide range of veterinary products for fisheries, livestock and companion animals<sup>1</sup> including supplements, feed additives, and veterinary medical equipment. We have achieved Japan's top track record in sales with a stable product supply as a wide-area wholesaler of animal health and other products from our 32 sales branches and five distribution centers nationwide (as of March 31, 2023). We are developing new businesses by integrating our distribution and sales functions with the aim of contributing to emotional comfort and food safety and security.

1. Companion animal: An animal that has a companion-like presence and a close relationship with humans in daily life.

## SWOT Analysis

- Japan's only nationwide animal health products wholesaler
- A stable supply of products from five distribution centers nationwide
- Exclusive sales of products designed in-house
- Comprehensive hygiene management based on HACCP<sup>2</sup>

**S**  
Strengths

**W**  
Weaknesses

- Entry into new regions
- Increase in products designed in-house
- Expansion of treatment fields for customers
- Increase in consumer needs for safety and security

**O**  
Opportunities

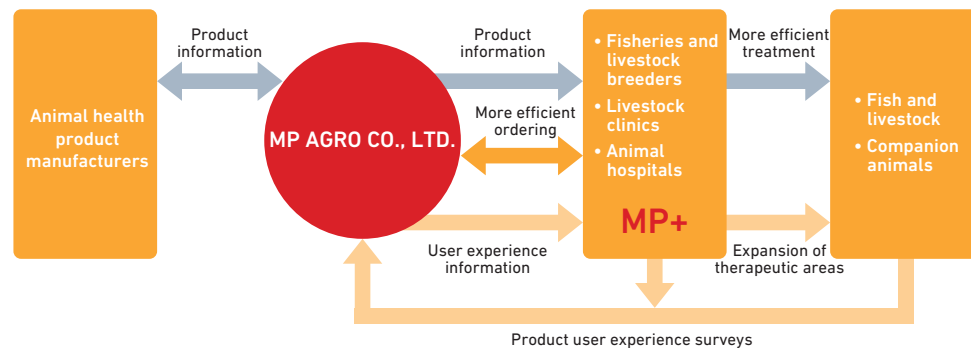
**T**  
Threats

- Rising distribution costs
- Combining distribution and manufacturing functions
- Expansion of sales personnel with specialized knowledge
- Productivity improvement
- Digitalization

- Market entry of companies from other industries
- Changes in distribution formats
- Population decline
- Natural disasters and infectious disease outbreaks

2. HACCP (Hazard Analysis and Critical Control Point): A scientifically based method by which food business operators manage hazards that can cause food poisoning or otherwise harm health throughout the entire process from the reception of raw materials to the shipping of products.

### Business Model (Value Chain)



### Business Environment

In the market for veterinary drugs for companion animals, although life expectancy is increasing due to advances in veterinary medicine, the trend has remained flat due to factors such as a growing mindset of saving money due to successive price increases. In the market for livestock and fisheries, the business environment is increasingly difficult due to the economic downturn and the largest ever outbreak of bird flu, as well as the shift to low-cost commercial materials or discontinuation of their use due to rising feed prices and production costs.

### Business Strategies

As our key strategies, we have been working on business expansion using our original brand strategy, productivity improvement through reconstruction of logistics and sales functions, as well as enhancement of information transmission capacity and organizational strength through human resource development.

### Review of the Fiscal Year Ended March 31, 2023

In the animal health products wholesale business, despite expanded use of the MP+ dedicated online order information system for veterinary hospitals and promotion of initiatives for a new sales model that combines distribution and marketing functions, sales remained somewhat sluggish.

### Perception of Issues and Future Direction

Through new value creation by the newly established development division in May 2023, in addition to contributing to maintaining and improving the health of companion animals, we aim to contribute to "emotional comfort and food safety and security" by improving livestock and fisheries and preventing the spread of disease.

# Strategy by Business

## Food Processing Raw Materials Wholesale and Related Business



**Takaharu Kayama**  
Representative Director and President  
MEDIPAL FOODS CORPORATION

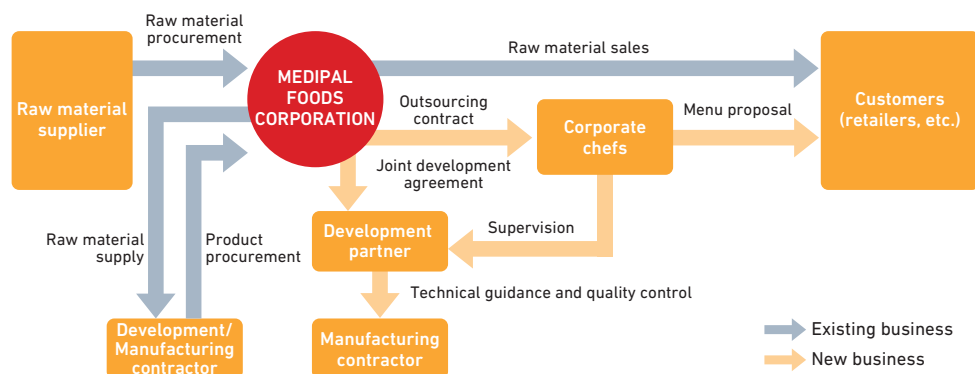
We provide our customers with total support, from product planning, procurement of raw materials and manufacturing to distribution.

MEDIPAL FOODS CORPORATION, based in Sapporo, Hokkaido, provides its customers with total support, from product development to distribution, under the themes of "food safety and security" and "great taste." In doing so, we utilize strengths consisting of proposal capabilities that leverage a network of 11 bases throughout Japan, a lineup of approximately 800 companies and some 14,000 products, and a wealth of experience in responding to customer requests from approximately 1,200 companies. We provide food manufacturers across Japan with food additives, seasoning, and various raw and auxiliary materials for processing. Additionally, by leveraging our ability to conduct sales over a wide area, we are able to meet the needs of customers who have manufacturing bases across the country, with sales over ¥20 billion.

### SWOT Analysis

<ul style="list-style-type: none"> <li>• Nationwide sales and procurement routes</li> <li>• Inspection center and support functions for promoting safety technologies</li> <li>• Extensive product lineup</li> <li>• Ability to propose product development through our capabilities in R&amp;D</li> <li>• Ability to propose mutual transactions</li> <li>• Deepening of Group collaboration</li> </ul>	<p><b>S</b> Strengths</p>	<ul style="list-style-type: none"> <li>• Rising logistics costs</li> <li>• Improving productivity</li> <li>• Securing specialist human resources</li> <li>• Digitalization</li> </ul>
<ul style="list-style-type: none"> <li>• Increased demand for domestic raw materials</li> <li>• Diversification of food needs</li> <li>• Increased demand overseas for Japanese ingredients</li> <li>• Greater environmental and health needs of consumers</li> </ul>	<p><b>O</b> Opportunities</p>	<p><b>W</b> Weaknesses</p> <hr/> <p><b>T</b> Threats</p> <ul style="list-style-type: none"> <li>• Difficulty in procuring raw materials due to political instability and abnormal weather</li> <li>• Soaring raw material prices</li> <li>• Falling demand due to population decline</li> <li>• Natural disasters and infectious disease outbreaks</li> </ul>

### Business Model (Value Chain)



### Business Environment

In the food processing raw materials market, the difficult situation continues with price increases, insufficient supply of egg-related products, and so forth due to such factors as soaring raw material prices and the spread of bird flu. However, demand in the restaurant industry is on an upward trend due to the lifting of restrictions on movement from COVID-19 and a recovery in inbound tourism.

### Business Strategies

MEDIPAL FOODS CORPORATION aims to be a general trading company for food manufacturers, helping to create the future of food through multifaceted product procurement that meets the needs of customers. In addition, we will improve our functions as a fables manufacturer that develops products in collaboration with partners, rather than simply a distributor and wholesaler.

### Review of the Fiscal Year Ended March 31, 2023

Sales were steady, thanks to such efforts as promoting sales to take advantage of our nationwide expansion, procuring and proposing products, promoting the planning and development of new products that increase the added value of products, and providing total support for our customers from product planning to distribution.

### Perception of Issues and Future Direction

In aiming for continued growth, MEDIPAL FOODS CORPORATION is working to develop high-value-added products, having already launched jointly developed products that enhance food functionality and productivity, including Volume Keep A/K, Do Mineral, and P-UP P/G. We will also promote joint development with Group companies and utilize commercial channels to create synergies.