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 diagnostics 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.

G

● **GDP: Good Distribution Practice**	Appropriate procedures for ensuring proper distribution of pharmaceuticals and standards for ensuring maintaining the integrity of pharmaceuticals through the proper management of distribution channels in the form of purchase, storage, and supply, and preventing the entry of counterfeit drugs into regular distribution channels

M

● **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

N

● **NS-MR: Neuro Science MR**	ARs specialized in Psychiatric and Neurological Disorders

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 and medical equipment, tools and clinical materials to verify their quality, efficacy, and safety. PMS consists of early postmarketing 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, pharmaceuticals, and other items. They supply products to retailers.
● **RD-MR: Rare Disease MR**	ARs specialized in rare diseases

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 and cutting-edge robotic technology and picking systems

● **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

SASB Content Index

Sustainability Disclosure Topics and Accounting Metrics

Topic	Accounting Metric	Code	Disclosure Location
Fleet fuel management	Payload fuel economy	HC-DI-110a.1	Integrated Report 2025, page 40
	Description of efforts to reduce the environmental impact of logistics	HC-DI-110a.2	Integrated Report 2025, pages 40-45
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 sold associated with toxicity/chemical safety, high abuse potential, or delivery	HC-DI-250a.2	Integrated Report 2025, pages 67-68
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 2025, pages 67-68
	Discussion of due diligence process to certify suppliers of pharmaceuticals, medical equipment, tools and clinical materials, and medical devices	HC-DI-260a.2	Integrated Report 2025, pages 67-68
	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	HC-DI-260a.3	Integrated Report 2025, pages 67-68
Product lifecycle management	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	HC-DI-410a.1	MEDIPAL HOLDINGS CORPORATION Website Home > 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	MEDIPAL HOLDINGS CORPORATION Website Home > Information on Sustainability and CSR Initiatives > Environmental Initiatives
Business ethics	Description of efforts to minimize conflicts of interest and unethical business practices	HC-DI-510a.1	Integrated Report 2025, pages 65-66
	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

Activity Metric	Code	Disclosure Location	
Number of pharmaceuticals sold 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, 2025, page 5
Number of medical devices sold by product category	HC-DI-000.B	Currently, sales volume of medical devices by product category is not disclosed, but net sales by product type is disclosed.	Data Book for the year ended March 31, 2025, page 5

Eleven-Year Financial Highlights

MEDIPAL HOLDINGS CORPORATION and its consolidated subsidiaries
Years ended March 31

	Millions of yen											Thousands of U.S. dollars[5]
	2014	2015	2016	2017	2018	2019	2020	2021[1]	2022	2023	2024	2024
Operating Results (Millions of yen)												
Net sales	2,872,905	3,028,187	3,063,900	3,146,314	3,181,928	3,253,079	3,211,125	3,290,921	3,360,008	3,558,732	3,671,328	24,554,094
Gross profit	201,735	217,497	219,019	228,100	232,502	236,739	214,259	217,445	224,304	246,654	255,758	1,710,529
Selling, general and administrative expenses	168,940	175,214	179,369	183,839	182,675	183,629	175,683	171,820	175,331	199,324	200,148	1,338,610
Operating profit	32,795	42,283	39,650	44,260	49,827	53,109	38,576	45,624	48,972	47,330	55,609	371,919
Ordinary profit	44,475	55,140	53,360	57,349	63,914	68,020	52,968	62,046	65,122	64,570	65,255	436,430
Profit attributable to owners of parent	23,687	30,771	29,011	34,780	34,359	37,968	23,926	29,423	38,806	41,474	40,279	269,394
Depreciation	12,325	12,391	13,573	14,898	13,452	14,232	14,468	14,083	14,393	16,931	17,116	114,478
Capital expenditures	15,168	38,395	44,883	20,652	19,361	29,321	16,141	18,150	17,434	20,380	14,211	95,044
Financial Position (Millions of yen)												
Total assets	1,454,800	1,497,310	1,525,912	1,618,819	1,617,911	1,644,279	1,679,934	1,709,474	1,709,658[2]	1,799,127	1,824,984	12,205,621
Total net assets	457,604	488,328	521,165	572,656	592,848	607,424	638,933	649,089	688,055	736,612	757,947	5,069,202
Cash Flows (Millions of yen)												
Cash flows from operating activities	80,466	21,985	47,954	63,558	63,716	56,917	34,448	61,216	16,146	61,843	60,559	405,028
Cash flows from investing activities	(11,834)	(41,267)	(11,354)	(43,064)	(23,512)	(13,319)	(2,939)	(24,343)	(39,494)	(7,817)	(3,363)	(22,495)
Cash flows from financing activities	(19,834)	6,093	(17,663)	15,845	(30,755)	(49,067)	(16,003)	(16,471)	(43,541)	(25,248)	(25,947)	(173,535)
Free cash flow[3]	68,632	(19,282)	36,600	20,494	40,204	43,598	31,509	36,873	(23,348)	54,026	57,196	382,532
Per Share (Yen)												**U.S. dollars[5]**
Basic earnings	104.7	135.9	128.1	154.1	154.1	175.8	114.0	140.1	184.8	195.8	193.2	1.29
Total net assets	1,722.6	1,832.5	1,950.3	2,154.9	2,233.5	2,382.9	2,491.0	2,525.7	2,673.6	2,858.6	2,979.4	19.93
Cash dividends	24.0	28.0	31.0	34.0	38.0	41.0	42.0	44.0	46.0	60.0	62.0	0.41
Financial Indicators (%)												
Ratio of gross profit to sales	7.0	7.2	7.1	7.2	7.3	7.3	6.7	6.6	6.7	6.9	7.0	
Ratio of operating profit to net sales	1.1	1.4	1.3	1.4	1.6	1.6	1.2	1.4	1.5	1.3	1.5	
Net worth ratio	26.8	27.7	28.9	29.9	30.7	30.4	31.1	31.0	32.9[2]	33.4	33.9	
Return on equity (ROE)	6.4	7.6	6.8	7.5	7.0	7.6	4.7	5.6	7.1	7.1	6.6	
Return on assets (ROA)	3.1	3.8	3.6	3.7	4.0	4.2	3.2	3.7	3.8[2]	3.7	3.6	
Payout ratio	22.9	20.6	24.2	22.1	24.7	23.3	36.9	31.4	24.9	30.6	32.1	
Number of employees	10,930	10,959	13,252[4]	14,151	13,868	13,599	12,971	12,801	12,795	13,075	13,061	

Notes: 1. The Company adopted the "Accounting Standard for Revenue Recognition" at the beginning of FY2021, and figures for FY2021 reflect this change.
2. In FY2022, the Company provisionally carried out accounting treatment (allocation of acquisition costs) related to business combination. This accounting treatment was finalized in the first quarter of FY2023, and as a result, provisional values have been updated to reflect finalized values for the consolidated financial position as of FY2022.
3. Cash flows from operating activities + cash flows from investing activities
4. 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.
5. The U.S. dollar amounts in this report represent translations of Japanese yen, for convenience only, at the rate of ¥149.52 to U.S.$1.00, the approximate exchange rate on March 31, 2025.

Corporate Data / Stock Information

Corporate Data

Corporate Name	MEDIPAL HOLDINGS CORPORATION
Head Office	3-1-1 Kyobashi, Chuo-ku, Tokyo 104-8461, Japan 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	13,061 (Consolidated basis)
Further Information	Public Relations Department Tel: 81-3-3517-5171

Stock Information (As of August 25, 2025)

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 the financial obligations they have incurred, and the degree of certainty regarding payment of individual debts.

Selected for the JPX-Nikkei 400 Index

Since 2014, the Company has been selected for the JPX-Nikkei Index 400, which is composed of companies with high appeal for investors, and which meet the requirements of global investment standards, such as efficient use of capital and investor focused management perspectives. In addition, in the ESG Ratings by MSCI, the Company earned an A rating and PALTAC CORPORATION earned an AA rating. Both companies are selected as constituents of MSCI Japan ESG Select Leaders Index.

JPX-NIKKEI 400

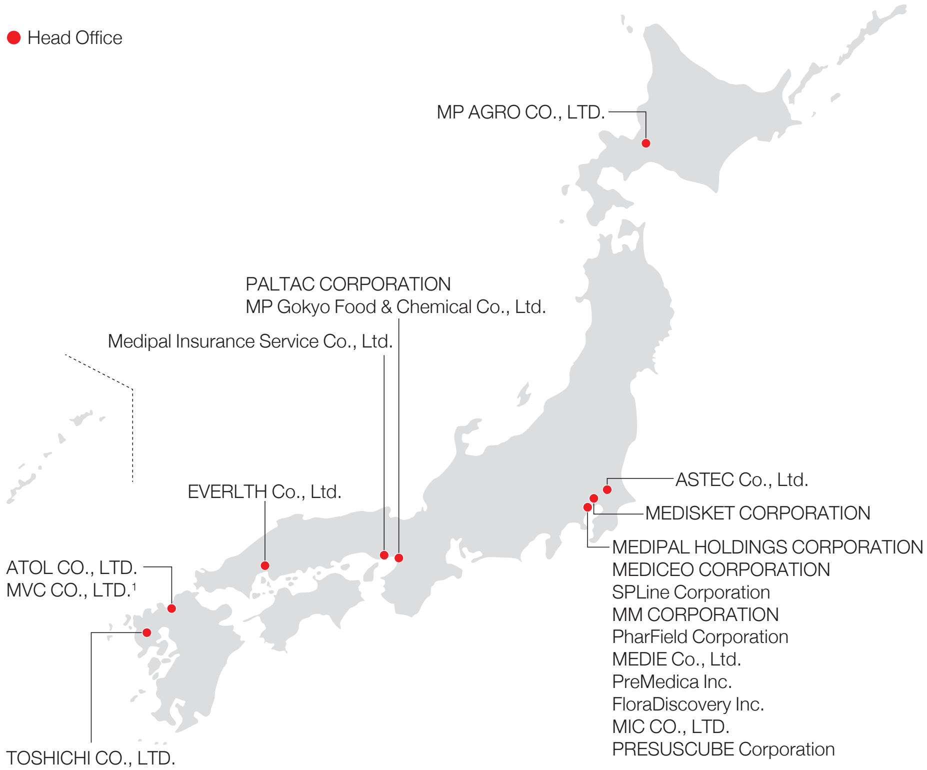
MSCI ESG RATINGS

CCC	B	BB	BBB	A	AA	AAA

A

1. MVC CO., LTD. merged with ATOL CO., LTD. on April 1, 2025.

Group Head Office (As of March 31, 2025)



Launch of Brand Website and Official Social Media Accounts

In January 2025, the MEDIPAL Group launched a brand website and official social media accounts, conveying the Group's thinking and information about our activities to our stakeholders. These channels will promote the wide-ranging initiatives, sustainability activities, and innovations in developing and realizing cutting-edge technologies at our Group companies.

MEDIPAL Group brand website (in Japanese only): https://www.medipal.co.jp/brand/
Official Instagram: https://www.instagram.com/medipal_holdings/
Official Facebook: https://www.facebook.com/medipalholdings

Official Instagram

Official Facebook

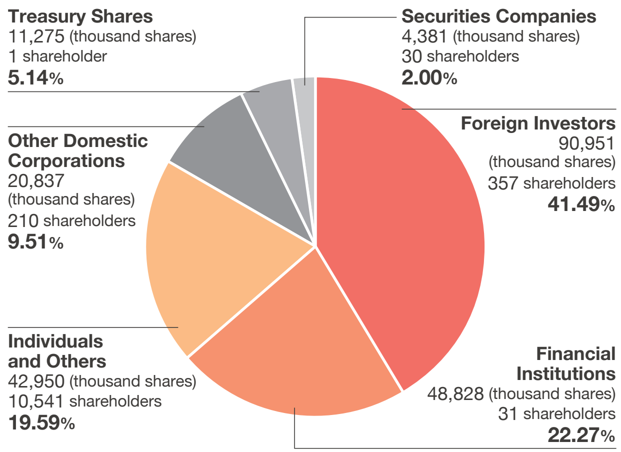
Stock Information

Ticker Code	7459
Stock Listing	Tokyo Stock Exchange, Inc., Prime Market
Transfer Agent for Common Stock	Sumitomo Mitsui Trust Bank, Limited
The General Meeting of Shareholders	Annually held in June
Number of Shares Authorized	900,000,000
Number of Outstanding Shares	219,226,042
Number of Shareholders	11,170
Trading Unit	100 shares

Major Shareholders

Shareholders	Shares Held (Thousands)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	30,652	14.74
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)	11,120	5.35
Custody Bank of Japan, Ltd. (Trust account)	9,229	4.44
State Street Bank and Trust Company 505001 (Standing proxy: Mizuho Bank, Ltd. Settlement & Clearing Services Department)	7,424	3.57
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)	6,089	2.93
MEDICEO Employees Shareholders' Association of MP Group	5,119	2.46
Kobayashi Pharmaceutical Co., Ltd.	5,074	2.44
Northern Trust Co. (AVFC) Re Non Treaty Clients Account (Standing proxy: Securities Services Department, The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	4,648	2.24
State Street Bank And Trust Company 505103 (Standing proxy: Mizuho Bank, Ltd. Settlement & Clearing Services Department)	3,980	1.91
Northern Trust Co. (AVFC) Re IEDU UCITS Clients Non Lending 15 PCT TREATY Account (Standing proxy: Securities Services Department, The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	3,330	1.60

Proportions of Shares Held by Each Shareholder



Stock Price/Trading Volume