Compliance

Basic Policy

The MEDIPAL Group has designated "rigorous compliance" as one of its business policies. To earn the trust of all of our stakeholders and continue as a company achieving sustainable development, we believe it is essential for each and every MEDIPAL Group employee to not only comply with relevant laws and regulations, but also to follow rules and manners in societies, and to act in line with the highest ethical standards. To that end, we continually carry out training programs and awareness activities for all employees.

Compliance Promotion System

In the MEDIPAL Group, the Representative Director, President and CEO is charged with management of Group compliance, and top management takes the lead in promoting compliance.

To tackle this in a systematic and ongoing manner, the Corporate Compliance Office has also been established as an organization under the direct control of the President to further strengthen compliance throughout the Group.

In addition, the Compliance and Risk Management Committee has also been established and provides guidance, advice and monitoring seeking improvement and continuity, with the aim of putting in place a corporate culture with a law-abiding spirit and preventing and minimizing risk as appropriate, through the continuous monitoring of compliance and risk management in the MEDIPAL Group. The Compliance and Risk Management Committee, which functions as an advisory body to the Board of Directors, is chaired by the Chief Compliance Officer. Members also include executive directors with sales experience in the Prescription Pharmaceutical Wholesale Business and outside directors. Audit & Supervisory Board members and other officers also participate as observers and offer opinions from a variety of angles to help conduct more effective monitoring.

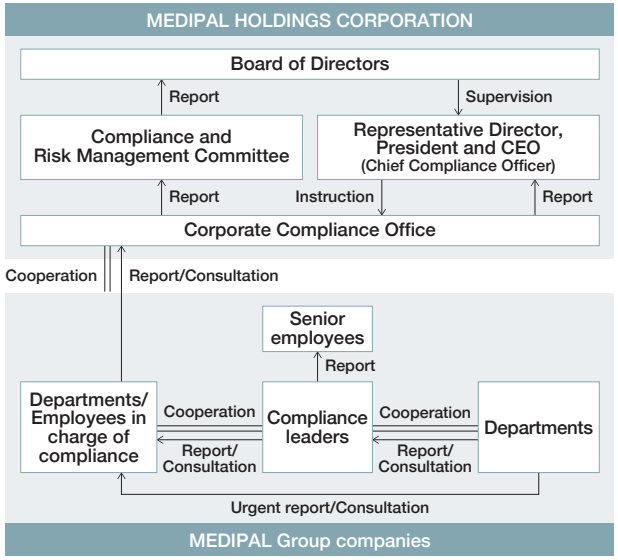
With the aim of raising awareness of compliance in sales departments and of effecting thorough monitoring and oversight of the progress of such efforts on the sales front lines of Group companies that operate the Prescription Pharmaceutical Wholesale Business, we have appointed some of the sales department managers as compliance leaders to promote compliance.

1. Antimonopoly Act audits
The Audit Office, which is in charge of internal audits, will conduct Antimonopoly Act audits with the purpose of confirming whether there are Antimonopoly Act violations and the status of efforts to prevent a recurrence of any such violations.

2. Reporting of audit results
The audit results are reported to the Board of Directors and the Audit & Supervisory Board quarterly.

3. Reporting of status of improvements
The establishment and operation of the MEDIPAL Group's compliance system is also reported quarterly to the Board of Directors.

Compliance Promotion Structure Chart (As of April 1, 2026)



Formulation of Guiding Principle for Business Activities

In response to the on-site inspection of MEDICEO CORPORATION by the Japan Fair Trade Commission in November 2019, and rooted in the spirit of observing regulatory compliance, the MEDIPAL Group formulated the Guiding Principle for Business Activities to demonstrate the commitment of the CEO to compliance. To make this commitment universal across all employees in the Group, management has continued to convey this message through meetings, in-house publications, and other forums. We are also working to ensure all employees actively engage in fair competition by having all attendees at Company meetings recite the Guiding Principle for Business Activities.

Initiatives to Prevent Violations of the Antimonopoly Act

The MEDIPAL Group is proceeding with the establishment of rules and regulations to prevent violations of the Antimonopoly Act. We have also revised our work regulations. We put in place a person in charge of compliance at every Group company and develop systems for appropriate guidance based on these rules and regulations.

Review of business plans and sales targets

We have conducted a fundamental review of business plans and sales targets, and have considered how we pursue our business activities from the perspective of preventing the occurrence of situations that may violate the Antimonopoly Act in advance.

Creation of Antimonopoly Act Compliance Guidebook

We produce an easy-to-understand guidebook with the aim of preventing violations of the Antimonopoly Act. The guidebook outlines points that invite misunderstanding and cases where judgment can easily err in the context of sale activities.

Establishment of regulations regarding the prevention of involvement in bid rigging, etc.

Regulations regarding the prevention of involvement in bid rigging, etc., are established for the purpose of eliminating collusion, cartels, and other violations of the Antimonopoly Act, preventing behavior that may be suspected of such violations, and, additionally, reducing the risk of becoming involved in such violations.

Compliance based on rules for estimates and bids

Our activities comply with internal rules that realize proper competition in line with the spirit of observing regulatory compliance. The rules specify that approvals are obtained after we have confirmed that there has been no contact with other companies in the industry, and that price estimates and bids are not to be submitted for projects where we have no intention of accepting the contract.

Formulation of rules on activities within the industry and contact with other wholesalers

We have, in principle, prohibited actions that may invite suspicion, such as contact with other companies in the industry, in the wake of the on-site inspection conducted by the Japan Fair Trade Commission. On the other hand, we permit appropriate participation in industry activities on the basis of certain rules on the presence of lawyers or other relevant parties, and the preservation of minutes of proceedings.

In preparation for cases where circumstances inadvertently arise necessitating contact with other companies in the industry, we have established clear rules including procedures for making approvals in advance, and conduct strict operations.

Consultation desk for Antimonopoly Act (Antimonopoly Act Hotline)

Immediately following the on-site inspection by the Japan Fair Trade Commission, we established a dedicated consultation desk for the Antimonopoly Act to ensure a swift response in cases where decisions regarding compliance with the Antimonopoly Act are difficult for those on the ground in sales. This consultation desk operates separately from the existing whistleblower hotline.

Initiatives to Prevent Bribery

The MEDIPAL Group carries out its business activities in a sound and proper manner, and strictly prohibits all supply of profits to civil servants or those in a similar position. All Group companies have formulated bribery prevention regulations. To guarantee the effectiveness of these regulations, we have also established specific rules regarding disbursements, such as mandating that all actions such as donations to third parties pass through internal approvals in writing.

Furthermore, as the major business partners of the MEDIPAL Group, including manufacturers of pharmaceutical products and medical equipment, are firms with corporate entities based overseas, we are conducting annual online training based on the education standards set by our business partners, in reference to the training materials used in Foreign Corrupt Practices Act (FCPA) training induction course which is implemented by the American Medical Devices and Diagnostics Manufacturers' Association (AMDD).

Initiatives to Raise Compliance Awareness

Compliance training

The following training is provided using e-learning.

Status of compliance-related training (portion hosted by MEDIPAL Group only)	• Antimonopoly Act training: Once a year • Compliance training: Once a year • Information security training: Twice a year • Harassment prevention training: Once a year • FCPA training: Once a year • Training on guidelines for sales information provision activities: Four times a year

Declaration of Compliance Day

To demonstrate our ongoing commitment to compliance, we have designated November 27 as Compliance Day. We are working to prevent past incidents from fading from memory through efforts such as conducting a survey targeting employees to ascertain the effects of initiatives to improve compliance and the level of awareness of compliance matters among employees.

Whistleblowing System

As part of a structure to identify and address problems within the MEDIPAL Group early, the Group has established a Whistleblower Hotline. We have used the Group intranet and posters to inform employees that they can use this hotline to raise concerns about work-related impropriety, legal violations, or unethical conduct that has occurred or risks occurring.

The Group has established both internal and external points of contact for receiving reports and put in place an environment where it is easy for employees to consult about such matters, by establishing a system where they can make reports through various means including phone, email, FAX and post. To ensure the confidentiality of reporters, we have made the point of contact for receiving reports an independent agency, and clarified in our internal regulations that reporters are not to suffer disadvantages as a result of their conduct. We have also prepared a system that can respond appropriately to anonymous reports.

Whistleblower Hotline Response Process

