











Progress with Material Sustainability Tasks (Materiality)

Material Sustainability Tasks (Materiality)	Summary	Targets and KPIs	Results and main initiatives (Fiscal year ending March 31, 2023)	Plans and main initiatives (Fiscal year ending March 31, 2024)	Relevant SDGs
Sustainable Distribution in the “Pharmaceuticals, Health, and Beauty” Fields	Growing through the creation of social and economic value by building a safe and secure distribution network in normal times and during emergencies	Improve productivity by integrating distribution and create new distribution functions to add ¥1.5 billion to ordinary profit in the FY ending March 31, 2027	<ul style="list-style-type: none"> Operational start at MEDISKET CORPORATION Support for revitalization of Nichi-Iko Pharmaceutical Co., Ltd. Development of new distribution network at PALTAC CORPORATION 	<ul style="list-style-type: none"> Addition of Toshichi Inc. to the Group Unification of distribution operations for pharmaceutical wholesaling business and contracted business of laboratory testing Development of model for sharing logistics infrastructure Growth in contracts for manufacturer logistics Development of new distribution network at PALTAC CORPORATION 	 
Enhancement of Profitability through New Value Creation	Connecting various people, goods, and services to create new value for the world in cooperation with partners in a forward-looking spirit	Pursue growth strategy to add ¥21.5 billion to ordinary profit in the FY ending March 31, 2027	<ul style="list-style-type: none"> In-licensing of ultra-orphan drugs from JCR Pharmaceuticals Co., Ltd. and start of R&D for global development Addition of MP Gokyo Food & Chemical Co., Ltd. to the MEDIPAL Group Development of digital platforms Promotion of activities by RD-MRs, Women’s Coordinators 	<ul style="list-style-type: none"> R&D on drugs in-licensed from JCR Pharmaceuticals Co., Ltd. Sales growth by MP Gokyo Food & Chemical Co., Ltd. in North American, ASEAN, and European markets Start of development of animal health products at MP AGRO CO., LTD. In-licensing and marketing of new products in the pre-disease and prevention fields Sales growth for new and existing digital products Examples of successful value co-creation with medical institutions, municipalities, and schools 	 
Development of Future-Oriented Human Resources	Developing future-oriented human resources who work proactively toward achieving the ideal situation for MEDIPAL	Build systems to develop future-oriented human resources	<ul style="list-style-type: none"> Formulation of human resources strategy roadmap and briefings at Group companies Introduction of a talent management system Training to improve leadership and management skills for managerial staff at Group companies Development of systems to improve DX literacy 	<ul style="list-style-type: none"> Systematization of education and training Development and implementation of talent management systems at the Group level Design and implementation of Group-wide competency assessment systems that include requirements for future-oriented human resources (including training for managerial staff conducting the assessments) 	
Promotion of Diversity and Inclusion	Creating an open, active, and cooperative culture that respects employees’ diverse personalities and enables them to maximize their potential	Promote women’s activity • FY2031 Proportion of women in managerial positions of 20% or higher	<ul style="list-style-type: none"> Proportion of women in managerial positions: 7.9% Panel discussion on women’s activity Implementation of survey on career aspirations targeting female employees Diversity and inclusion training (basic program) Training to develop the next generation of female leaders 	<ul style="list-style-type: none"> Proportion of women in managerial positions 9.0% Encouragement for male employees to take childcare leave Panel discussion on women’s activity Implementation of survey on career aspirations targeting female employees Diversity and inclusion training (basic program and practical program) 	 
Initiatives for Decarbonization	Conducting business with environmentally friendly activities to reduce greenhouse gas emissions and our environmental impact together with stakeholders	Targets for reduction of greenhouse gas emissions (Scope 1 + Scope 2) • FY2031 50% reduction (compared with FY2021) • FY2051 Carbon neutrality	<ul style="list-style-type: none"> Greenhouse gas emissions 74,991 t-CO₂ (down 9.1% versus FY2021) Introduction of 55 new EVs Switching to eco-friendly electric power at 25 facilities Climate-related Information Disclosure Based on TCFD Recommendations Building a model for optimization of distribution 	<ul style="list-style-type: none"> Reduction in greenhouse gas emissions by 14% (versus FY2021) Introduction of 50 new EVs Installation of solar panels at three facilities Switching to eco-friendly electric power at eight facilities Disclosure of Scope 3 emissions Response to Carbon Disclosure Project (CDP) questionnaire Building a model for optimization of distribution 	  
Sound and Transparent Corporate Management	Maintaining sound ethical standards in all business activities through the enhancement of compliance, regulatory affairs management, information security, and corporate governance	<ul style="list-style-type: none"> Expand training in compliance Construct a corporate governance system to accommodate group companies 	<ul style="list-style-type: none"> Execution of current compliance system Compliance training Management level training on harassment prevention Support for development and implementation of governance systems at companies newly added to the Group 	<ul style="list-style-type: none"> Support for development and implementation of governance systems at companies newly added to the Group Development of systems to assess and analyze risk Compliance training 	