

Business Results Fiscal Year Ended March 31, 2025



QoI Holdings Co.,Ltd.

May 9, 2025

The Prime Section of the Tokyo Stock Exchange
3034

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Changes in reporting segments



Reporting segment changed from First Quarter of the Fiscal Year Ending March 31, 2025, due to the expansion of the Pharmaceutical Manufacturing Business through the consolidation of DAIICHI SANKYO ESPHA

<Major Points of Change>

- (i) **Change segment name** to more appropriately represent the actual status of business activities.
- (ii) **Establishment of the "Pharmaceutical Manufacturing Business"** to expand information disclosure.
(Transferred the Pharmaceutical Manufacturing Business, which was previously classified in the "Medical-Related Business", to the "Pharmaceutical Manufacturing Business")

Former reporting segment

Pharmacy Business
Medical-Related Business



New reporting segment

Pharmacy Business	• Management of pharmacies
BPO Contracting Businesses	• CSO Business ※CSO: Contract Sales Organization • CRO Business ※CRO: Contract Research Organization • Placement/dispatches of medical personnel • Medical-related publishing
Pharmaceutical Manufacturing Business	• Operation of pharmaceutical manufacturing and sales

INDEX

- I FY2024 Review
- II FY2025 Qol Group Business plan
- III Business Strategy
- IV Sustainability Management

I

Review



HIGHER SALES AND PROFITS: Record high sales and operating profit, ordinary profit

Consolidated Financial Results

- As the Company holds 51% of DAIICHI SANKYO ESPHA shares, quarterly net profit increased but profit attributable to owners of parent decreased.

Pharmacy Business

- Increase in sales but decrease in profit
- The number of prescriptions increased due to M&A in the previous fiscal year, new store openings, and the promotion of the Home/Facility Dispensing Business.
- Medical DX Premium has been established to promote medical DX, and we have established a system to obtain this Premium. Patient-elective care scheme for long-listed products was started, and Generic Drug Dispensing System Premium has increased.

BPO Contracting Businesses

- Higher sales and profits
- The enhancement of employee recruitment and productivity led to a particularly large increase in the number of pharmacist referral contracts concluded.
- Operating profit margin increased due to strong performance of pharmacist referral business.

Pharmaceutical Manufacturing Business

- DAIICHI SANKYO ESPHA became a consolidated subsidiary (share ownership ratio: 51%) in the first quarter of the fiscal year ending March 31, 2025.
- Three new AG ingredients were launched (DAIICHI SANKYO ESPHA, December 2024)

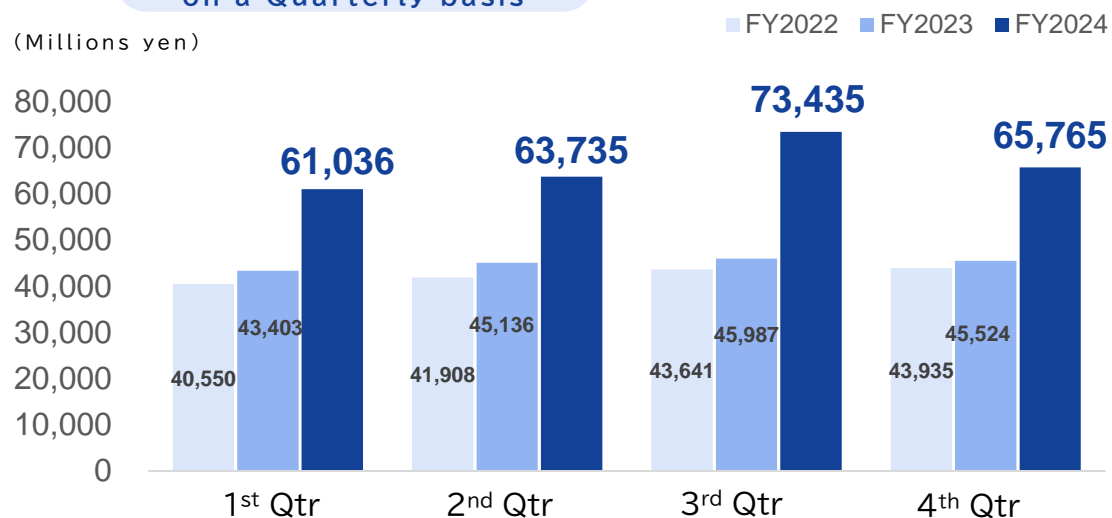
Consolidated Performance Highlights



(unit: Millions yen)	FY2023 Results	FY2024 Results	Compared to previous period		Achievement ratio
			Variance	Variance(%)	
Net sales	180,052	263,972	83,920	46.6%	97.8%
Operating profit	8,324	13,465	5,140	61.8%	89.8%
Ordinary profit	9,256	13,831	4,574	49.4%	91.0%
Profit attributable to owners of parent	4,880	5,164	284	5.8%	103.3%
Profit per share (yen)	131.11	137.97	6.8	5.2%	—

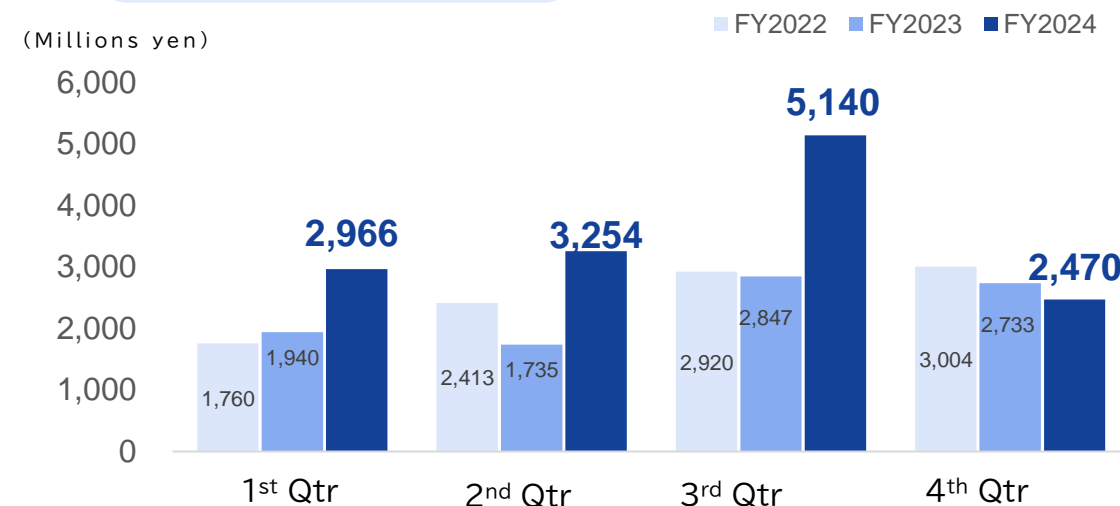
Trend in Net Sales
on a Quarterly basis

(Millions yen)



Trend in Ordinary Profit
on a Quarterly basis

(Millions yen)



Consolidated Statements of Income



(unit: Millions yen)	FY2023 Results	FY2024 Results	Variance	Variance(%)
Net sales	180,052	263,972	83,920	46.6%
Cost of sales	156,802	224,916	68,113	43.4%
Gross profit	23,249	39,056	15,806	68.0%
Selling general and administrative expenses	14,925	25,591	10,665	71.5%
Operating profit	8,324	13,465	5,140	61.8%
% of Net Sales	4.6%	5.1%	—	—
Ordinary profit	9,256	13,831	4,574	49.4%
% of Net Sales	5.1%	5.2%	—	—
Profit attributable to owners of parent	4,880	5,164	284	5.8%
% of Net Sales	2.7%	2.0%	—	—

Consolidated Balance Sheets



(unit: Millions yen)	March 31, 2024	March 31, 2025	Variance
Current assets	52,690	60,348	7,657
Cash and deposits	27,282	26,727	(554)
Non-current assets	65,089	99,321	34,231
Property, plant and equipment	16,281	18,141	1,859
Intangible assets	33,136	70,338	37,202
Investments and other assets	15,670	10,841	(4,829)
Total assets	117,779	159,669	41,889
Current liabilities	38,823	74,202	35,379
Non-current liabilities	26,118	23,328	(2,789)
Total liabilities	64,941	97,531	32,589
Interest-bearing debt	31,882	41,285	9,403
Net assets	52,837	62,138	9,300
Shareholders' equity	52,789	57,123	4,333
Total liabilities and net assets	117,779	159,669	41,889

	(unit: Millions yen)	
Current assets	+	7,657
Notes and accounts receivable - trade, and contract assets	+	4,467
Raw materials and supplies	+	3,819
Non-current assets	+	34,231
Business Rights	+	29,366
Goodwill	+	7,261
Shares of subsidiaries and associates		(7,714)
Current liabilities	+	35,379
Short-term borrowings	+	13,500
Accounts payable - trade	+	8,616
Refund liabilities	+	7,082
Non-current liabilities		(2,789)
Long-term borrowings		(4,274)
Net assets	+	9,300
Non-controlling interests	+	4,966
Retained earnings	+	3,958

- Business Rights increased in line with the launch of new products in the Pharmaceutical Manufacturing Business. (December 2024, seven AG products containing three ingredients.)

Cash Flow Statement



(unit: Millions yen)	FY2023 Results	FY2024 Results
Cash flows from operating activities	13,533	12,593
Cash flows from investing activities	(13,155)	(20,360)
Free cash flow	377	(7,767)
Cash flows from financing activities	7,969	7,201
Dividends paid	(1,205)	(1,206)
Net increase (decrease) in cash and cash equivalents	8,347	(565)
Cash and cash equivalents at beginning of period	18,596	26,944
Cash and cash equivalents at end of period	26,944	26,378

(unit: Millions yen)

Cash flows from operating activities **(940)**

Profit before income taxes + 3,979

Cash flows from investing activities **(7,204)**

Purchase of intangible assets (18,460)

Cash flows from financing activities **(768)**

Net increase in short-term borrowings + 13,408

Proceeds from long-term borrowings (13,300)

Segment Overview

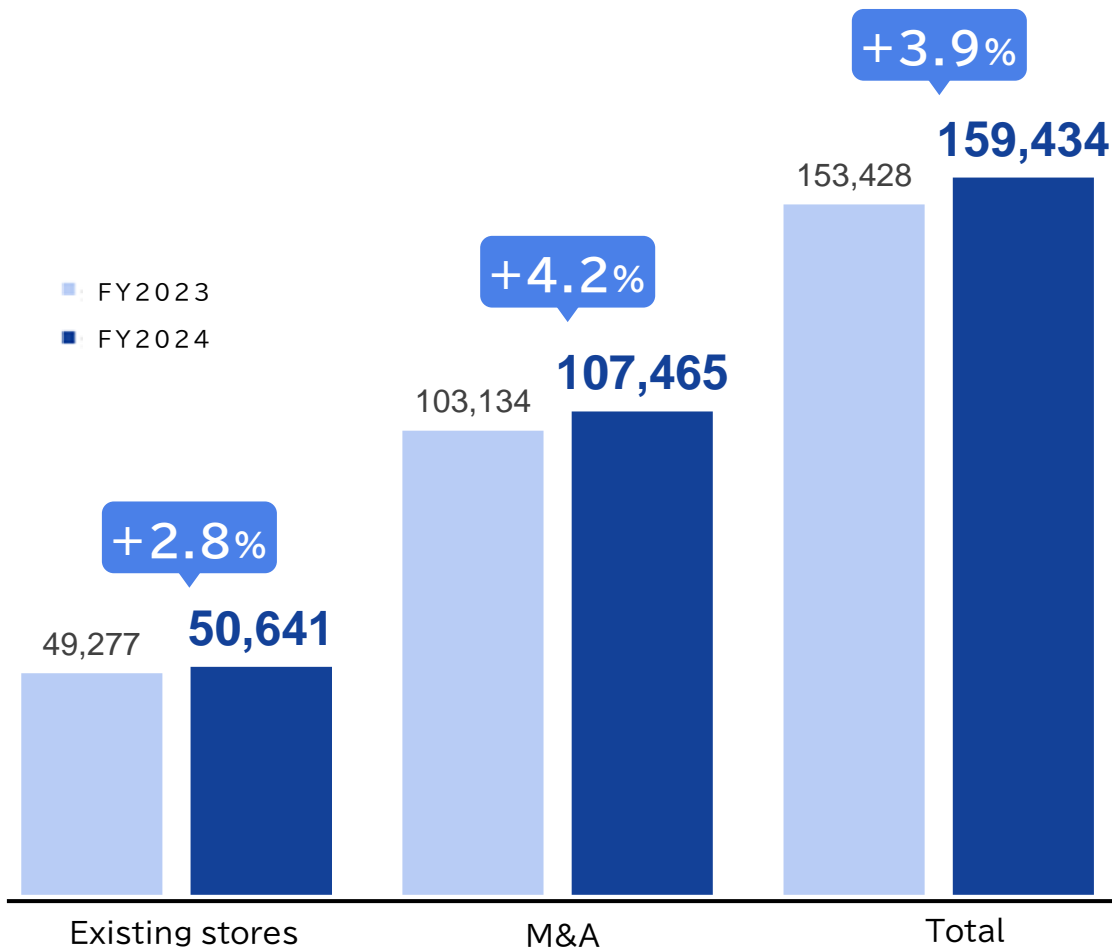


(unit: Millions yen)	FY2023 Results	FY2024 Results	YoY Change
Sales in the Pharmacy Business	165,099	171,641	4.0%
Segment profit	10,730	10,028	(6.5%)
% of net sales	6.5%	5.8%	
BPO Contracting Businesses Net Sales	13,330	13,603	2.0%
Segment profit	1,549	1,706	10.1%
% of net sales	11.6%	12.5%	
Pharmaceutical Manufacturing Business net sales	1,621	78,726	—
Segment profit	(412)	5,272	—
% of net sales	(25.5%)	6.7%	

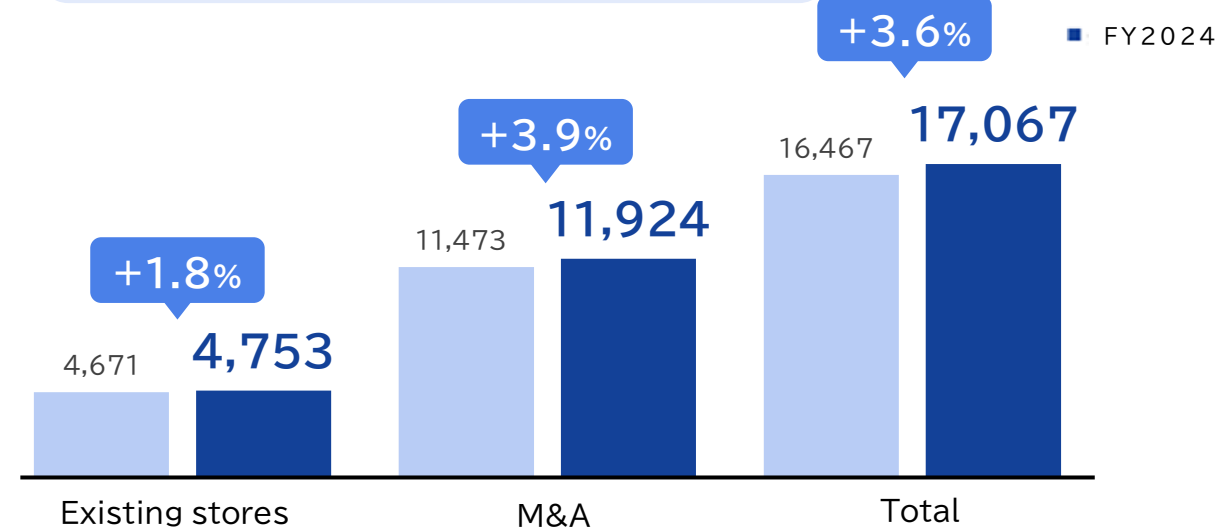
※ From the first quarter of the fiscal year ending March 31, 2025, the Company has changed its reporting segments. Segment information for the fiscal year ended March 31, 2024 is prepared based on the new classification. Segment information for the fiscal year ended March 31, 2024 does not include the figures for DAIICHI SANKYO ESPHA CO., LTD., which became a consolidated subsidiary in the first quarter of the fiscal year ending March 31, 2025.

Net Sales of receiving prescriptions (millions yen)

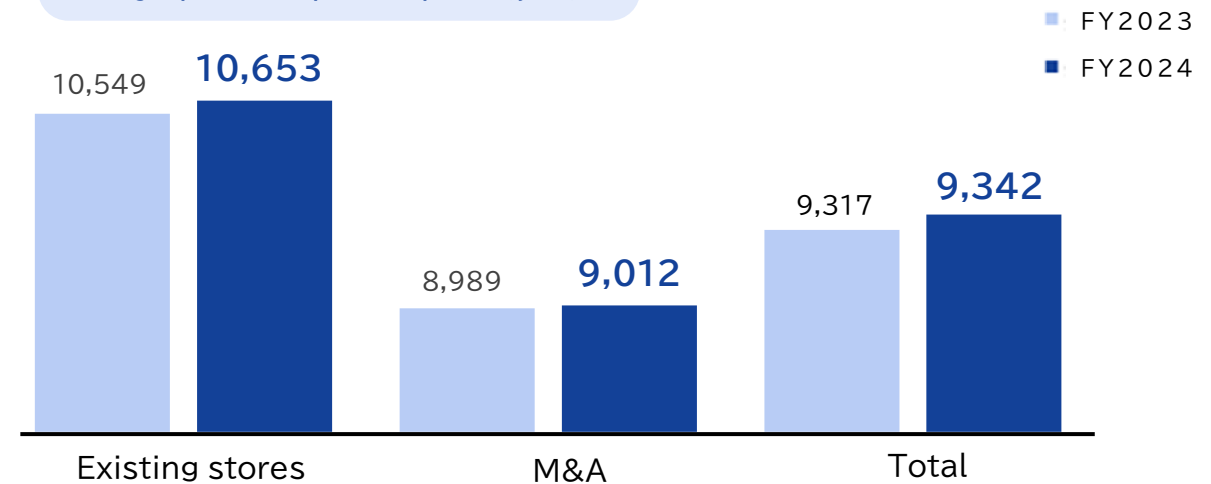
Sales of receiving prescriptions =
Number of receiving prescriptions × Average price of prescription



Number of receiving prescriptions (thousand unit)



Average price of prescription (yen)



We promoted action in response to changes at all the Group's pharmacies, in line with government policies

Changes in the external environment

2024

June

Revisions of medical fee※

[Revised] Basic Dispensing Fee

- Rent increases
- Development of pharmacies that contribute to community healthcare

[Newly established] Medical DX Premium

Gradual
enhancement
of premiums

October

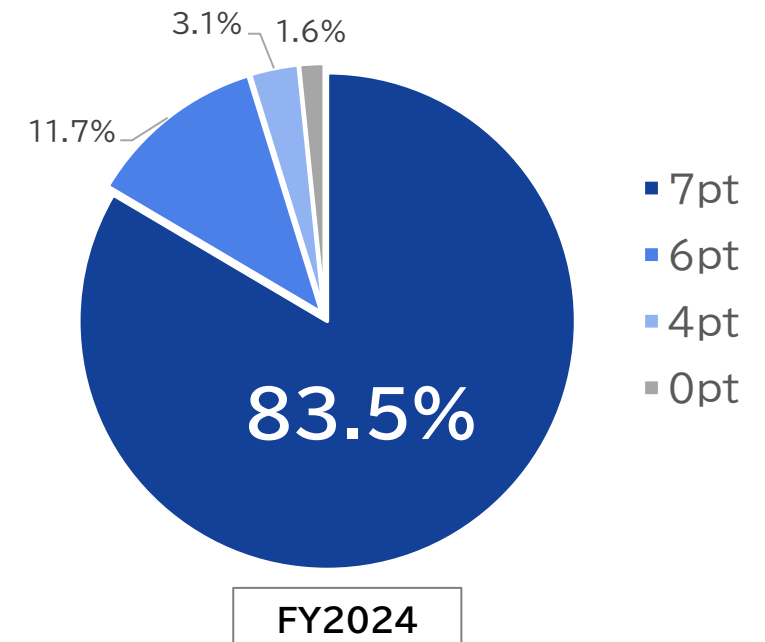
Patient-elective care scheme for long-listed products has started.

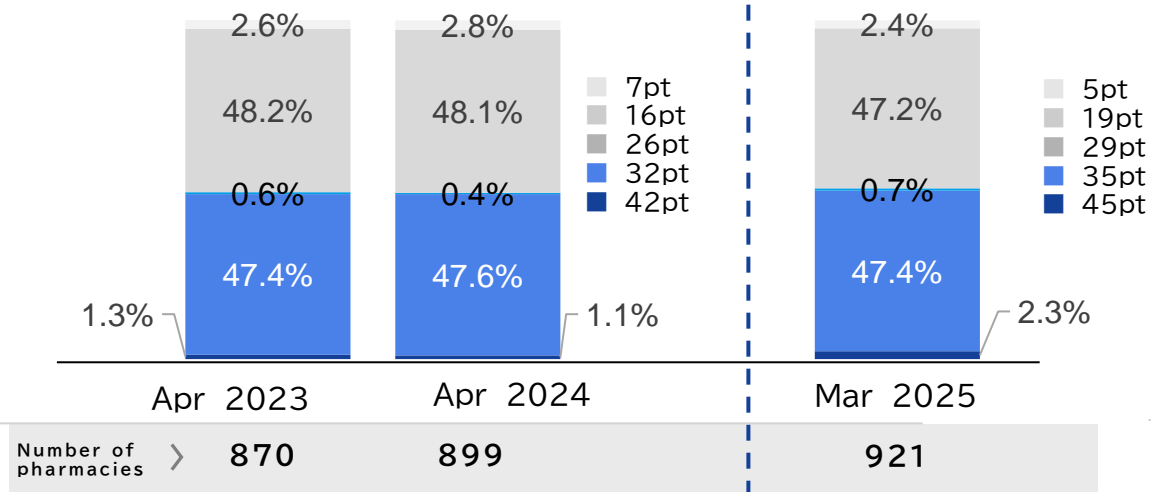
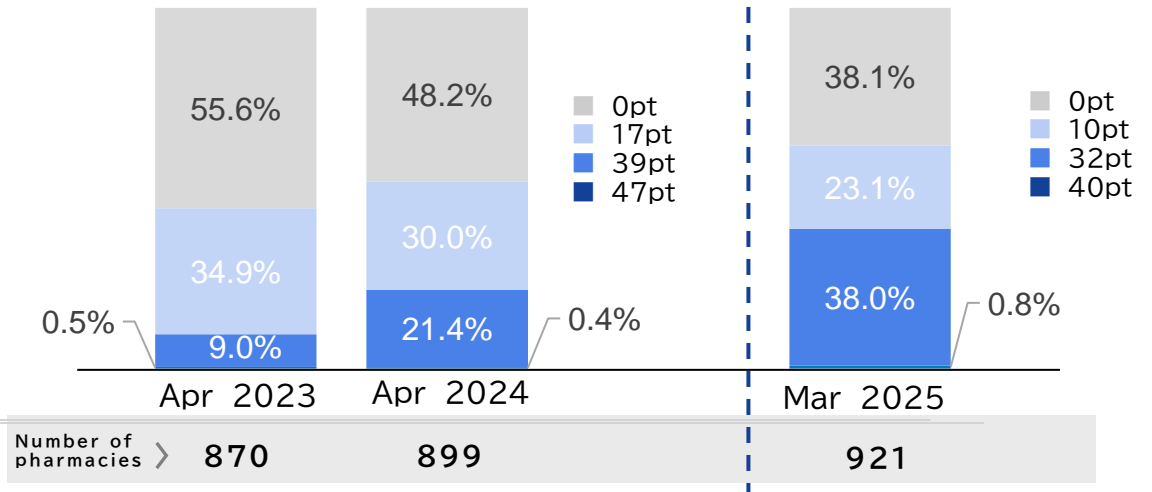
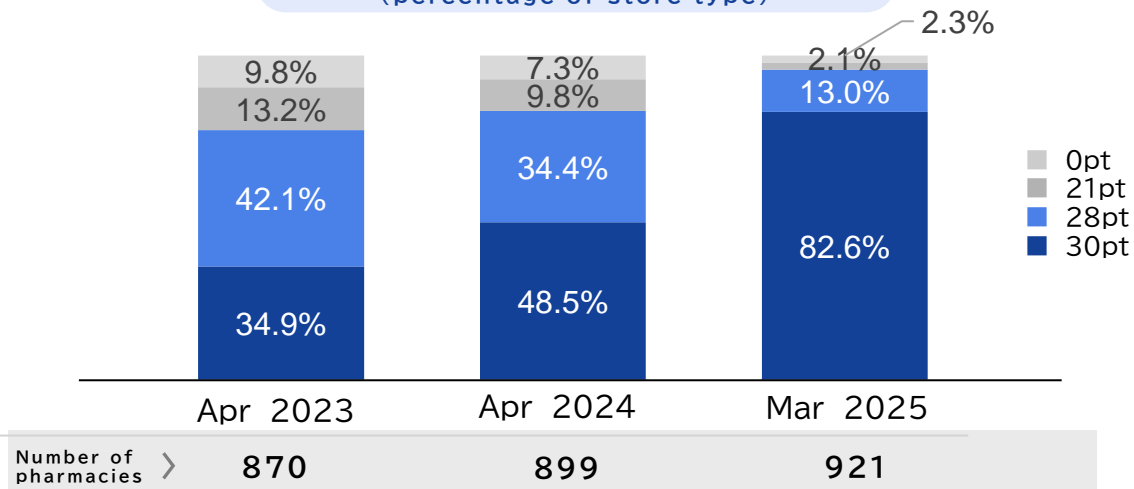
- Promotion of use of generic drug

2025

April

Breakdown of stores by Medical DX Premium



Basic Dispensing Fee
(percentage of store type)Community Support System Premium
(percentage of store type)Generic Drug Dispensing System Premium
(percentage of store type)Generic Drug Switch Rate
(Quantity base)

91.4%
(Mar 2025)

II

FY2025 QoI Group Business plan



Qol Group FY2025 Targets (Consolidated)



【Net sales】
2,800
 (Unit: 100 Millions yen)

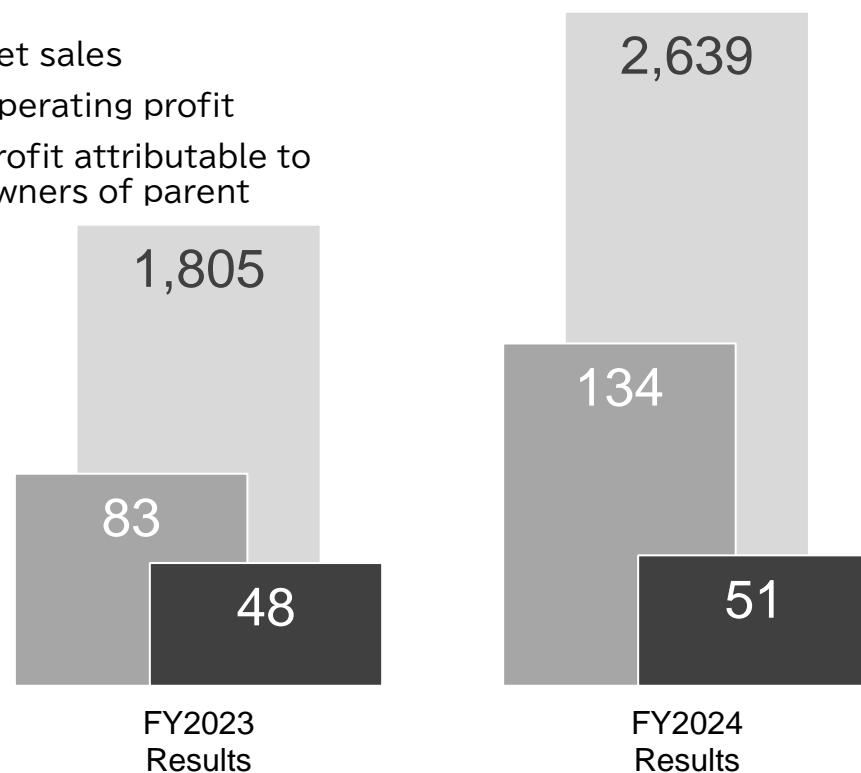
【Operating profit】
155
 (Unit: 100 Millions yen)

【Profit attributable to owners of parent】
70
 (Unit: 100 Millions yen)

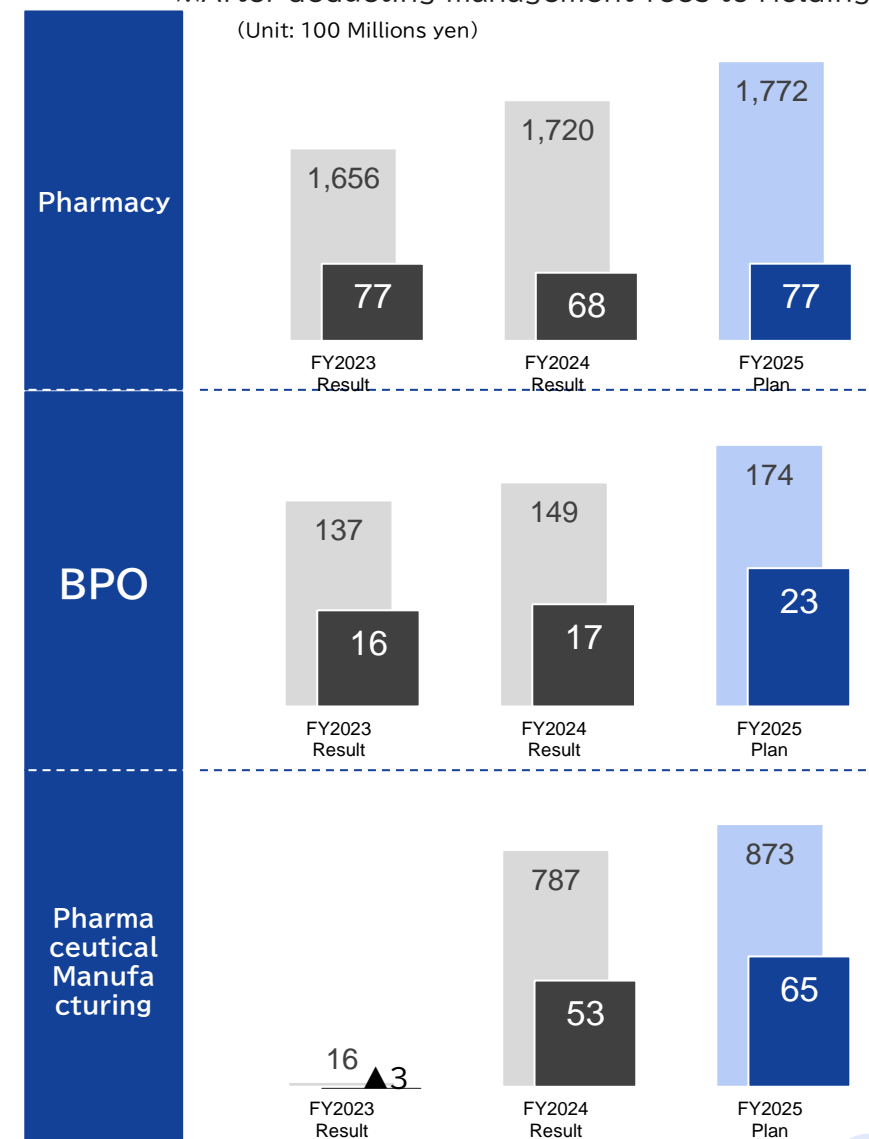
**We plan to announce the Medium-term Management Plan around November 2025*

(Unit: 100 Millions yen)

■ Net sales
■ Operating profit
■ Profit attributable to owners of parent



※After deducting management fees to Holdings
 (Unit: 100 Millions yen)



Net sales	Operating profit
177,200 million yen	7,700 million yen

※After deducting management fees to Holdings



Provide higher quality medical care

Expertise

- ✓ More widespread calculation of technical fees
- Primary pharmacies
- Five key aspects of effective interpersonal operations
- Community support
- Generics
- Increased collaboration
- DX in medical care
- ✓ Promotion of certified pharmacies
(Health Support Pharmacy, Community Medical Coordination Pharmacy, Pharmacy in Cooperation with Specialized Medical Institutions)
- ✓ Response to functional differentiation of pharmacies

To more patients

Convenience (≡increase in number of customers dealt with)

- ✓ Qol Okusuribin service
(transmission of prescriptions and online medication instruction via LINE))
- ✓ Online pharmacy
(QoL Docodemo Pharmacy)
- ✓ Six activities to become a primary pharmacy
- ✓ Expansion of health business

In a sustainable manner

Profitability (≡sustainability, continuity)

- ✓ Improvement of productivity at stores
- DX (New electronic medication recorder, etc.)
- Optimal staffing
- Expansion of input support project
- ✓ Review of expenses from scratch

Promotion of homecare business

- ✓ Completion of Large nursing facility project
- ✓ Expansion of Nursing Care – Medical Care Collaboration Meeting
- ✓ Improvement of profitability and productivity
(consideration of homecare caravans in addition to specialist stores)

APO PLUS STATION

CSO* ▶ [Strengthen competitiveness]

Increase in CMR※

- ① Expansion of sales in growth areas
- ② Business alliances with employment agencies
- ③ Establishment of new business schemes

CRO* ▶ [Implement differentiation strategy]

Increase in CRA※ Increase in new projects

- ① Acquisition of advanced IT technology (collaboration and M&A)
- ② Development of new customers and areas (foods)
- ③ Self-branding through training

Medical Qol

Develop high profit structure

-----Priority measures-----

- ① Revival of profit base business
 - ✓Increased acquisition of high-profit production projects
 - ✓Publication and sales expansion of new weekly magazine
 - ✓Evolution under new structures (sales and production)
- ② Further expansion of growth business
 - ✓Convention business
 - ✓Compliance business
 - ✓Exploration of new business expansion opportunities
- ③ Promotion of collaboration within the Group
 - ✓Event planning and operation/ material, etc. production
 - ✓Collaboration over sales activities
 - ✓Early generation off synergy with SPLENDED

APO PLUS CAREER

Foster sustainable growth potential by nurturing young talent

-----APO PLUS CAREER-----

- ① Appointment of staff and development of framework for nurturing young talent
- ② Identification of demand through spot deployment of pharmacists
- ③ Gathering of more active customers and potential customers

----- On-call -----

- ① Expansion of spot and contract business (promotion of automatic matching)
- ② Increase in the number of medical examinations entrusted to labor unions
- ③ Expansion of job change support business (building of track record with partners and investment of advertising expenses)

Fujinaga Pharmaceutical

Stabilize management and lay foundations for sustainable growth

- | | |
|--|--|
| ① Expansion of sales and profit | <ul style="list-style-type: none"> ✓Expansion of in-vitro diagnostic kits (OTC) ✓Strengthening of existing products (response to recalculation, DS negotiations) ✓Structural reforms (shift to development-oriented structure, improvement of productivity) |
| ② Investment in growth drivers | <ul style="list-style-type: none"> ✓Acceleration of new product development ✓Enhancement of development pipeline (infectious diseases) ✓Strengthening of development structure (strengthening off organizations, alliance with DAIICHI SANKYO ESPHA) |
| ③ Plant operation that is conscious of CSR | <ul style="list-style-type: none"> ✓Investment in production lines (repairs, upgrading of aging equipment) ✓Action of quality (improvement of manufacturing methods, production line maintenance) ✓Absolute compliance with regulatory laws and regulations ✓Stable supply and procurement |
| ④ Compliance | <ul style="list-style-type: none"> ✓Raising of compliance awareness, compliance with laws and regulations |

DAIICHI SANKYO ESPHA

- | | |
|--|---|
| ① Further sales expansion
✓Strengthening of collaboration within QoL Group
✓Strengthening of wholesale collaboration | <ul style="list-style-type: none"> ✓Acquisition and expansion of share of new products and items in question ✓Concentration of activities on MR target and target companies ✓Expansion of results by deepening wholesale collaboration |
| ② Establishment of MR image that DAIICHI SANKYO ESPHA aims for | <ul style="list-style-type: none"> ✓Provision of information from the perspective of patients and medical personnel ✓Improved evaluation from medical professionals ✓Exchange of detailed information with wholesalers |
| ③ Enhancement of product lineup
✓Further strengthening of AG
✓Only one product development | <ul style="list-style-type: none"> ✓Enhancement of AG lineup ✓Greater promotion of only one product development ✓Improvement of CS in collaboration with Pharmacy Business |
| ④ Further strengthening of management base
✓Stable supply
✓Ensuring off quality | <ul style="list-style-type: none"> ✓Fostering and establishment of a Quality Culture ✓Ensuring of quality ✓Improvement of cost of sales ratio ✓Execution of DX strategy ✓Response to shift to stand-alone |

DAIICHI SANKYO ESPHA Results Compared with FY2024 Plan



DAIICHI SANKYO ESPHA's Results Compared with FY2024 Plan

	Plan	Result	Difference
Net sales	825	770	(55)
Operating profit	70	56	(14)

(unit: 100 Millions yen)



Factor

✓ Net sales of existing products were 92.2% of plan level

✓ Launch of new products was delayed

✓ New products performed well, resulting in achievement of targets and increase in sales expenses

DAIICHI SANKYO ESPHA's Results Compared between FY2023 and FY2024

	FY2023	FY2024	Variance
Net sales	712	770	+57
Operating profit	64	56	(8)

(unit: 100 Millions yen)



Factor

✓ New product sales offset impact of NHI drug price revisions

✓ Cost of sales ratio of existing products worsened due to NHI drug price revisions

✓ Integration expenses

Sales growth

- ✓ Full-year contribution of new products launched in FY2024
- ✓ Launch of 2~3 new products in FY2025

Reduction of cost of products

- ✓ Revision of price policies (for each product), wholesale policies and distribution costs
- ✓ Negotiations with partner companies
- ✓ Identification of unprofitable products

Cost optimization

- ✓ Optimization of additional costs of becoming a separate entity from DAIICHI SANKYO such as system expenses
- ✓ De novo review of all costs

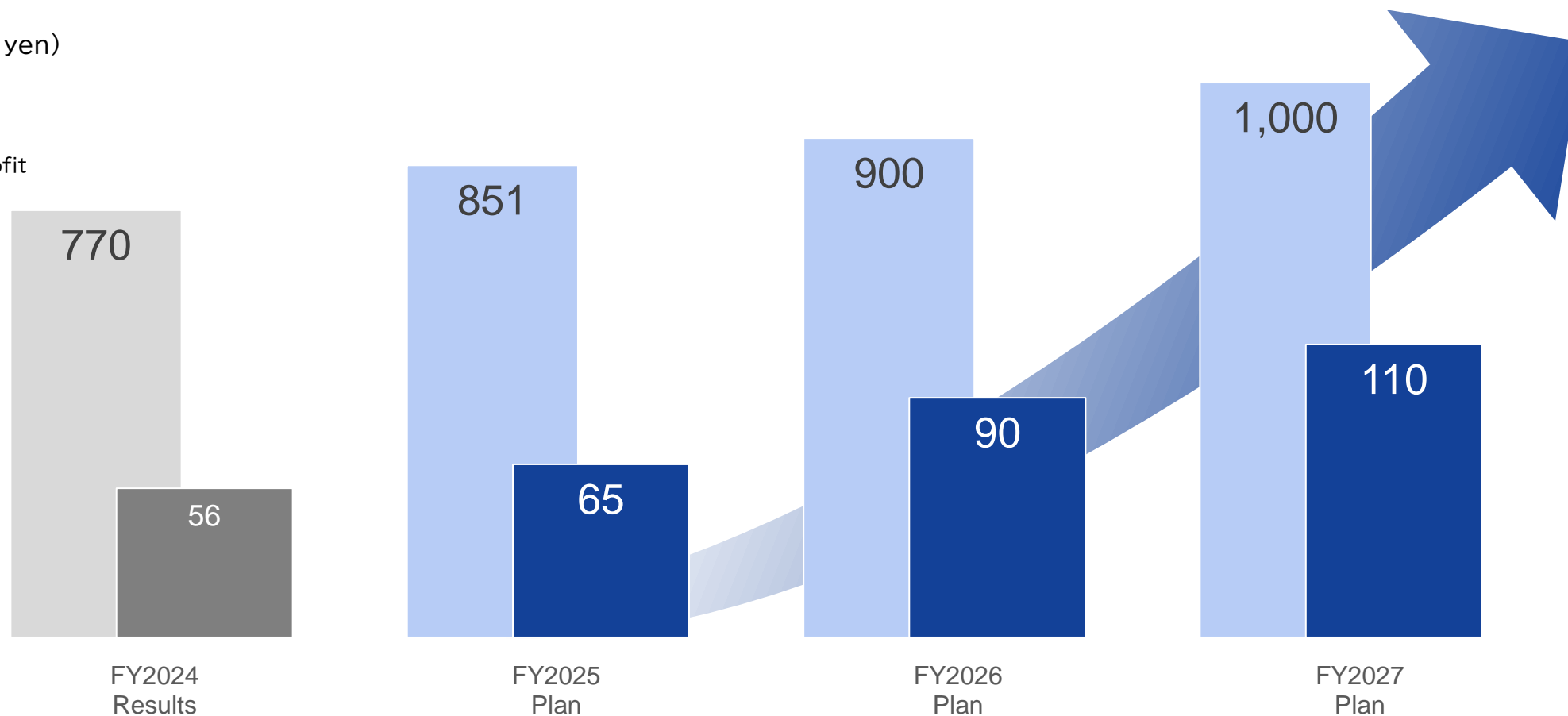
DAIICHI SANKYO ESPHA 3-Year Numerical Targets



✓ From FY2025, DAIICHI SANKYO ESPHA will aim for increases in sales and profits through a combination of new products and cost improvements based on its new strategies

(Unit: 100 Millions yen)

Net sales
Operating profit





Business Strategy



Overview of Group Growth Strategy



Comprehensive Healthcare Company

R&D



Manu-
facture



Sales



Medical
institutions
Dispensing
pharmacies



Patients



DAIICHI SANKYO ESPHA CO., LTD.



Fujinaga pharm Co., Ltd.

APO PLUS STATION



Medical Qol Co., Ltd.

APO PLUS STATION



Apoplus Career



クオール薬局グループ
Quality Of Life

Pharmacy

Sales growth
Stable sales and profit

Pharmaceutical
Manufacturing
Sales grows and high
profit



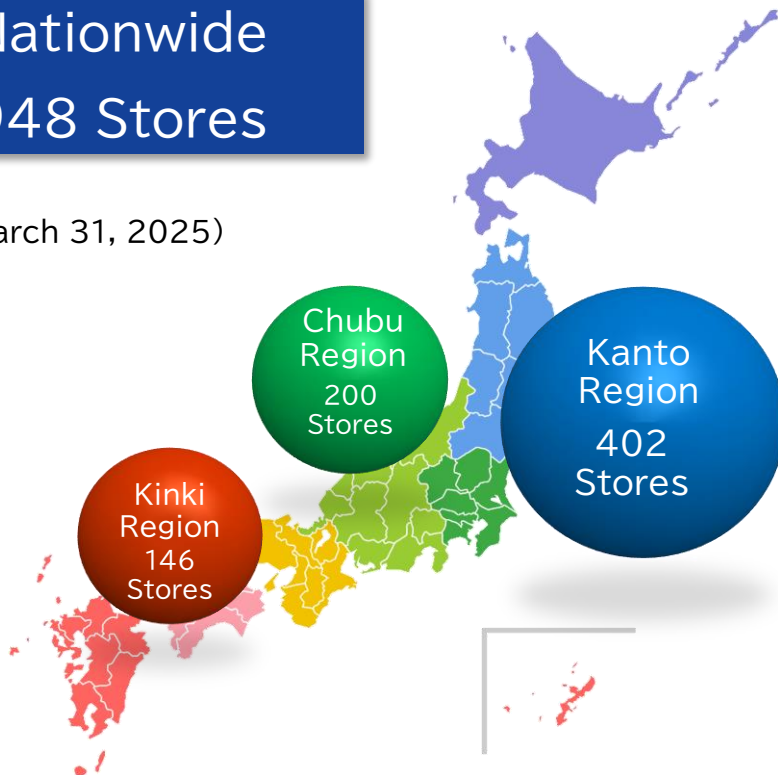
BPO

High profit

M&A activities involving dispensing pharmacies will continue and expand primarily in and around the Tokyo, Nagoya and Osaka area

Nationwide
948 Stores

(March 31, 2025)



	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
New Stores	20	17	18	16	15	21	16	18
M&A	14	50	39	18	15	48	17	26
Retail Store	1	0	3	0	1	1	2	1

Opening a store in a large commercial facility



QOL Pharmacy Seven Park Amami Store (Osaka)

We implemented initiatives for the online fulfillment of prescriptions in collaboration with different industries

External environment

The government is promoting Medical DX to reduce medical expenses

There are people who want online services



Elderly patients unfamiliar with smartphones



People living in remote or rural areas who have problems accessing medical care



Busy dual income households



Pharmacy Business

Fusion of real and digital

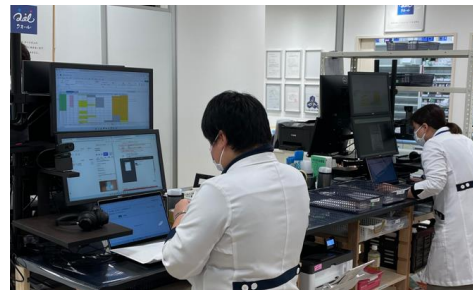


Telecommunications
Business

Developing pharmacy services that are more convenient and closer to patients

Fully online services

Our first online specialty pharmacy
Qol Dokodemo Pharmacy



Physical store-based services *PoC stage

Access to a remote pharmacist from a local convenience store

Medical institution



Medical institution issues an electronic prescription following a consultation

Local convenience store



Patient gains access to our pharmacist through an "online booth" inside a convenience store and receives an explanation about the drug in an online chat



Medical institution



Drug is delivered to the patient's home

Develop new business in health and pre-disease (Collaboration with Suntory Wellness, etc.)

External environment

- The government is promoting self-medication to reduce medical expenses
- Discussions over regulatory reforms to speed up the OTC switches are underway

What are OTC switches?

Drugs that have switched from being prescription drugs to over-the-counter drugs

Prescription drugs



Switch

Over-the-counter drugs



Medical
care



Prevention
area



SUNTORY
SUNTORY WELLNESS



Sales are
expanding steadily
(up 50% YoY)

As pharmaceutical specialists, we are promoting the Homecare business, backed by advanced pharmacist training

Advanced pharmacist training

Specialist training

Pharmacists improve their skills and gain specialist knowledge

Training of human resources

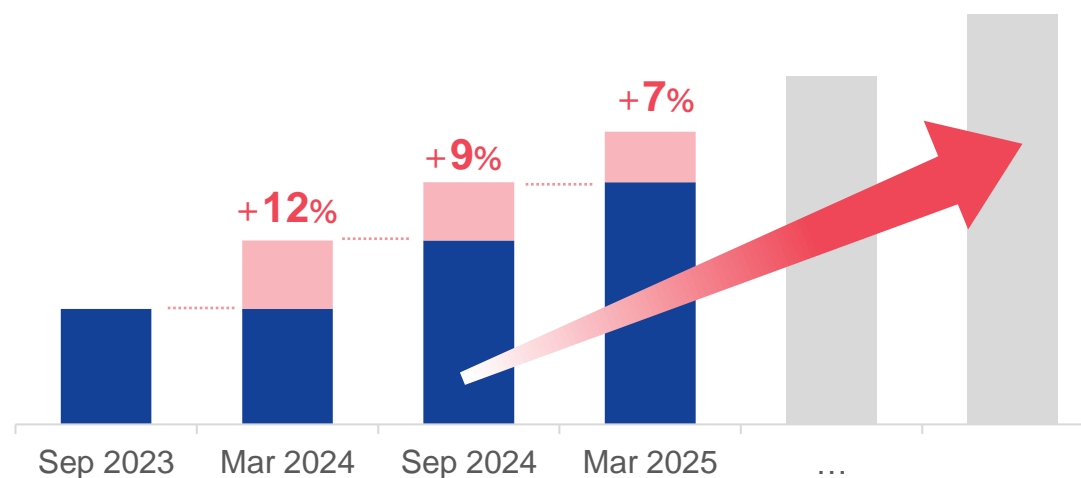
Improvement of interpersonal skills



Promotion of Homecare business

We provide high-value-added home medical services with the dominant position in approximately 950 stores nationwide and Qol's proprietary services

Trend in number of home visits*



External environment

Shortage of medical professionals



Rapid increase in patients due to the aging of society



Decline in the number of medical institutions



Diversification of needs

Deregulation and increasing health awareness



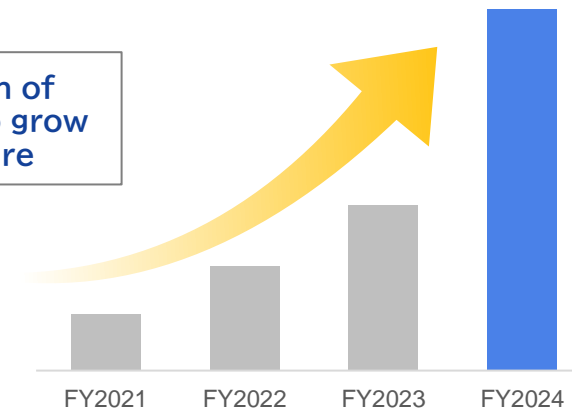
Contributing to society through various types of BPO business



APOPLUS CAREER



The referral and dispatch of pharmacists is expected to grow significantly in the future



FY2024

Product name	Product	Progress after launch
Rivaroxaban/OD Tablets 10mg/15mg "Bayer" Brand name: XARELTO® Tablets/OD Tablets 10mg/15mg		<Top Share of the Market> Progress is significantly faster than planned.
Loxoprofen Sodium Tape 50mg/100mg "DSEP" Brand name: LOXIONIN® Tape 50mg/100mg		Products from other companies are on the market ahead of schedule, but progress is being made as planned.
Hydroxychloroquine Sulfate Tablets 200mg "DSEP" Brand name: PLAQUENIL® Tablets 200mg		<Top Share of the Market> Sales remained steady.

FY2025

Plans to launch new products
with 2-3 ingredients



DAIICHI SANKYO ESPHA CO., LTD.





DAIICHI SANKYO ESPHA CO., LTD.

Additional shares will be acquired on April 1, 2025.
The shareholding ratio will be 80%

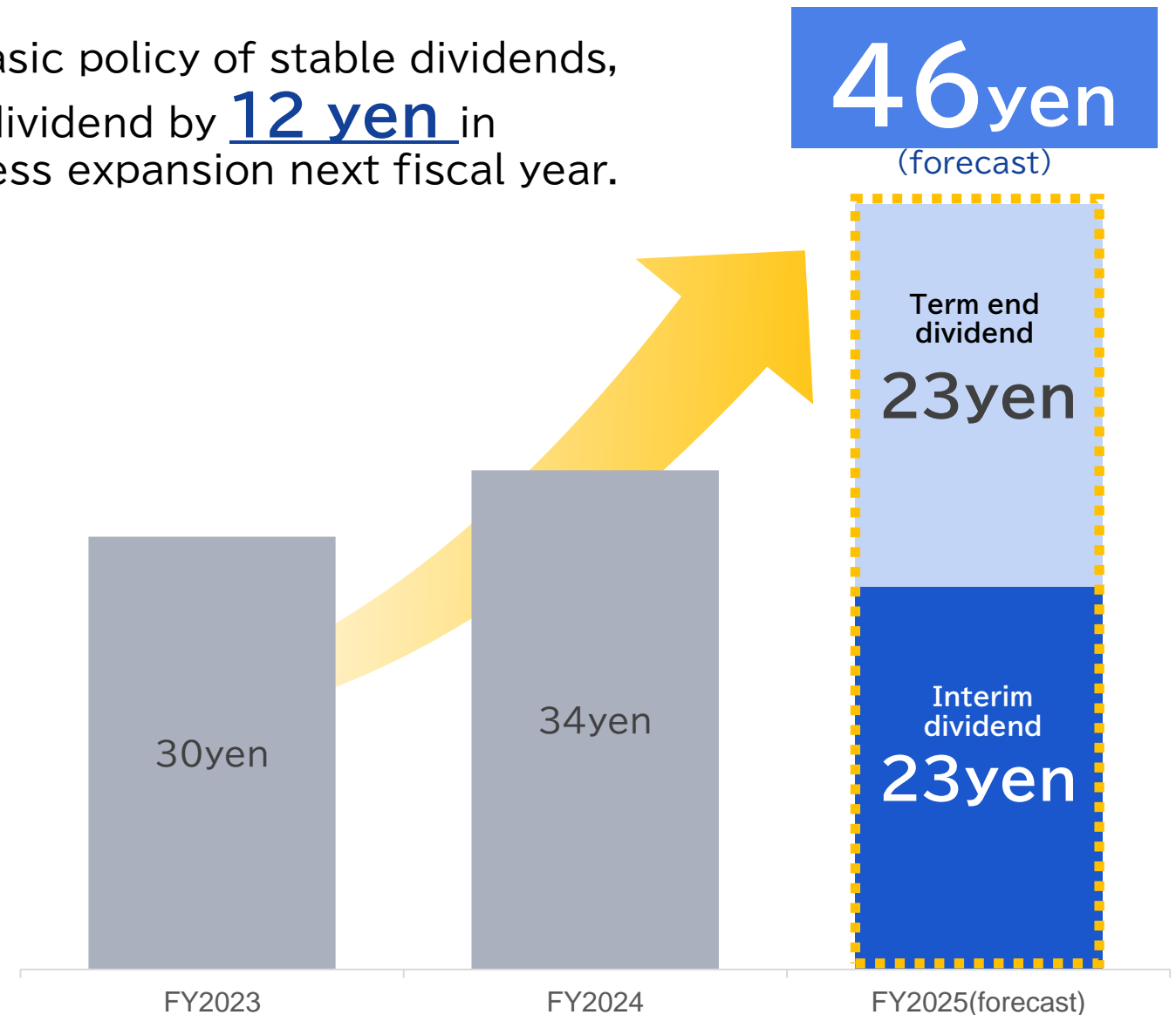
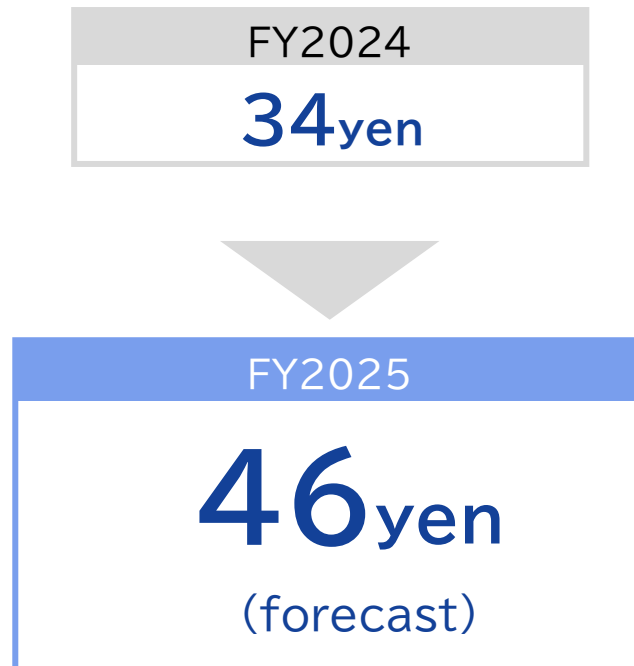
	Date of acquisition of shares	Share ownership ratio	Accounting treatment	Contribution to sales	Contribution to ordinary profit	Net profit contribution
First share acquisition	October 1, 2023	30%	Affiliates accounted for by the equity method	-	30% (Non-operating income)	30%
Second acquisition of shares	April 1, 2024	51% (+21% acquired)	Consolidated subsidiaries	100%	100%	51%※
Third share acquisition	April 1, 2025	80% (+29% acquired)	Consolidated subsidiaries	100%	100%	80%※

※ The remainder is profit attributable to non-controlling interests

Dividend Forecast

Dividend
increase

While maintaining a basic policy of stable dividends, we will increase the dividend by 12 yen in anticipation of business expansion next fiscal year.



IV

Sustainability Management



Collaboration with local governments

- We signed an agreement with Saitama Prefecture aimed at raising awareness of cancer and improving participation in cancer screening
- We ran campaigns aimed at improving participation in screening at pharmacies



Motohiro Ōno , Governor of Saitama Prefecture (right) and Shinobu Karasawa, President of QoI Co., Ltd.



Participation in health events

- We participated in the Annual Meeting of the Japan Society of Medical Oncology through a kids' pharmacy event for local residents



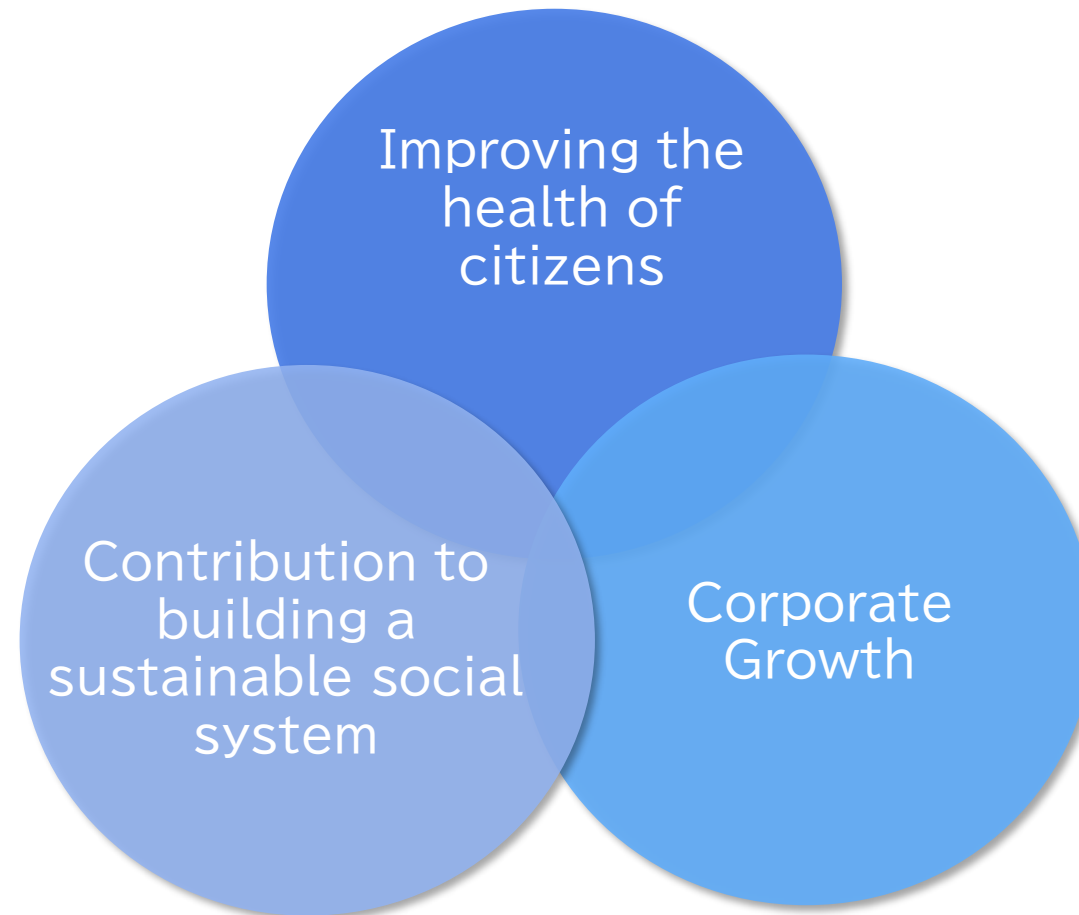
Kids' pharmacy event (providing children with dispensing experience at our booth)

Certified as Outstanding Health & Productivity Management Organization

- Three Group companies were recognized under the 2025 Outstanding Organizations of KENKO Investment for Health (large enterprise category)
- Initiatives to improve the health of our staff are helping energize organizations and improve productivity



Seamless medical care



[IR inquiry]

Public Relations Department, Qol Holdings Co., Ltd.

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Always there to care