

Business Results for the First Quarter of the Fiscal Year Ending March 31, 2025



QoI Holdings Co.,Ltd.

August 2, 2024

[The Prime Section of the Tokyo Stock Exchange
3034]



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

Performance Overview

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. Although profit attributable to owners of parent decreased
- Due to the application of accounting standards in line with DAIICHI SANKYO ESPHA consolidation, the company recorded a one-time extraordinary loss (loss on step acquisition)

Pharmacy Business

- Increase in sales but decrease in profit
- Number of prescriptions increased due to M&A, new store openings, and the promotion of the Home/Facility Dispensing Business.
- On the other hand, operating costs such as purchasing, and personnel expenses increased
- Technical fee unit price increased from June in line with revisions to dispensing fees

BPO Contracting Businesses

- Increases in both sales and profit increases, especially in profit
- Expansion of the core CSO and Professional Referral Dispatch Businesses
- Particularly increased number of pharmacist referral contracts concluded due to efforts to promote division of labor

Pharmaceutical Manufacturing Business

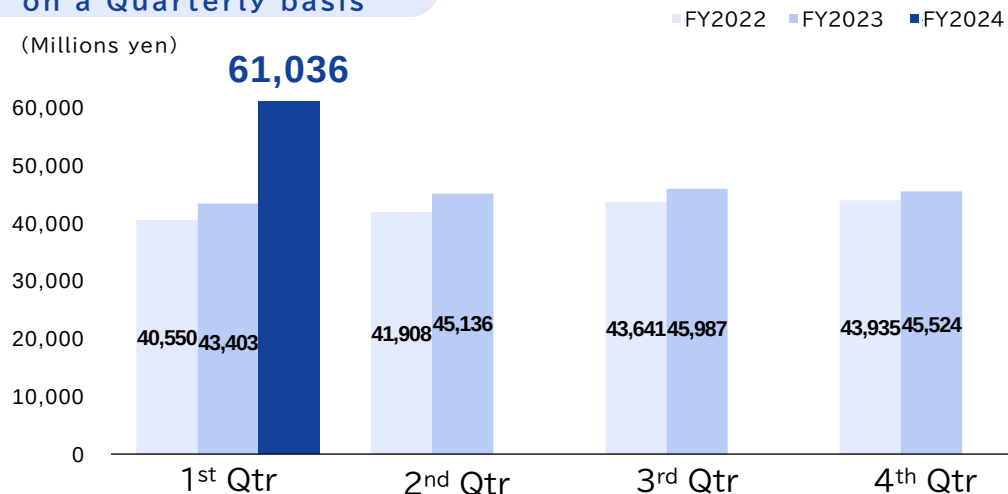
- DAIICHI SANKYO ESPHA became a consolidated subsidiary (51% of shares) in the first quarter of the fiscal year ended March 31, 2025
- Mainstay lineup of AG products with stable supply

Highlights

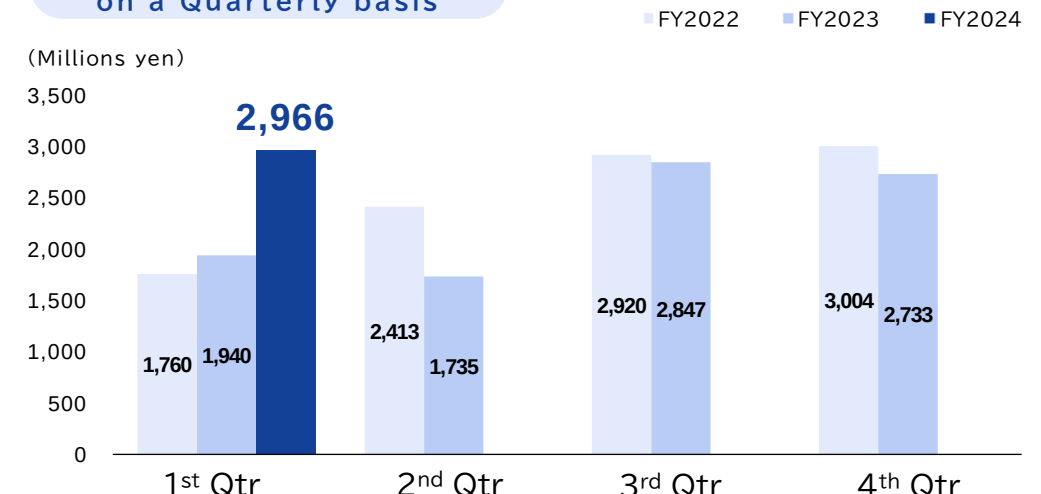


(unit: Millions yen)	FY2022 1st Qtr Results	FY2023 1st Qtr Results	FY2024 1st Qtr Results	Variance	Variance(%)
Net sales	40,550	43,403	61,036	17,633	40.6%
Operating profit	1,658	1,873	2,915	1,042	55.6%
Ordinary profit	1,760	1,940	2,966	1,025	52.9%
Profit	999	1,008	1,434	426	42.3%
Profit Attributable to Owners of Parent	1,001	1,010	843	(167)	(16.6%)
Net Income per Share(yen)	27.18	27.22	22.59	(4.63)	(17.0%)

Trend in Net Sales
on a Quarterly basis



Trend in Ordinary Profit
on a Quarterly basis



(unit: Millions yen)	FY2024 1st Qtr Forecast	FY2024 1st Qtr Results	Progress
Net sales	60,873	61,036	100.3%
Operating profit	2,159	2,915	135.0%
Ordinary profit	2,209	2,966	134.3%
Profit	892	1,434	160.8%
Profit Attributable to Owners of Parent	573	843	147.1%

Consolidated Statements of Income



(unit: Millions yen)	FY2023 1st Qtr Results	FY2024 1st Qtr Results	Variance	Variance(%)
Net sales	43,403	61,036	17,633	40.6%
Cost of sales	37,730	51,886	14,156	37.5%
Gross profit	5,673	9,149	3,476	61.3%
Selling general and administrative expenses	3,799	6,234	2,434	64.1%
Operating profit	1,873	2,915	1,042	55.6%
% of Net Sales	4.3%	4.8%	—	—
Ordinary profit	1,940	2,966	1,025	52.9%
% of Net Sales	4.5%	4.9%	—	—
Profit	1,008	1,434	426	42.3%
% of Net Sales	2.3%	2.4%	—	—
Profit Attributable to Owners of Parent	1,010	843	(167)	(16.6%)
% of Net Sales	2.3%	1.4%	—	—

Consolidated Balance Sheets



(unit: Millions yen)	March 31, 2024	June 30, 2024	Variance
Current assets	52,690	64,476	11,786
Cash and deposits	27,282	29,682	2,399
Non-current assets	65,089	82,426	17,337
Property, plant and equipment	16,281	16,544	262
Intangible assets	33,136	56,103	22,967
Investments and other assets	15,670	9,778	(5,892)
Total assets	117,779	146,903	29,124
Current liabilities	38,823	63,381	24,558
Non-current liabilities	26,118	25,955	(162)
Total liabilities	64,941	89,337	24,395
Interest-bearing debt	31,882	33,698	1,815
Net assets	52,837	57,566	4,728
Shareholders' equity	52,789	53,172	383
Total liabilities and net assets	117,779	146,903	29,124

(unit: Millions yen)

Current assets +11,786

Notes and accounts receivable

- trade, and contract assets +5,034

Non-current assets +17,337

Business Right +13,321

Goodwill +9,652

Shares of subsidiaries and associates ... (7,714)

Current liabilities +24,558

Accounts payable - trade +11,266

Refund liability +7,100

Non-current liabilities (162)

Net assets +4,728

Non-controlling interests +4,344

Retained earnings +277

Treasury shares (78)

Segment Overview



(unit: Millions yen)	FY2023 1st Qtr Results	FY2024 1st Qtr Results	YoY Variance(%)
Pharmacy business Net sales	39,547	41,081	3.9%
Segment profit	2,422	1,630	(32.7%)
% of net sales	6.1%	4.0%	
BPO Contracting Business Net Sales	3,341	3,464	3.7%
Segment profit	348	575	65.1%
% of net sales	10.4%	16.6%	
Pharmaceutical Manufacturing Business Net sales	515	16,490	—
Segment profit	(21)	1,605	—
% of net sales	—	9.7%	

※ Reporting segments have been changed since the consolidated first quarter ended March 31, 2025. Segment information for the consolidated first quarter ended March 31, 2024 has been prepared based on the changed classification. Segment information for the first quarter of 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 ended March 31, 2025.

Segment Information

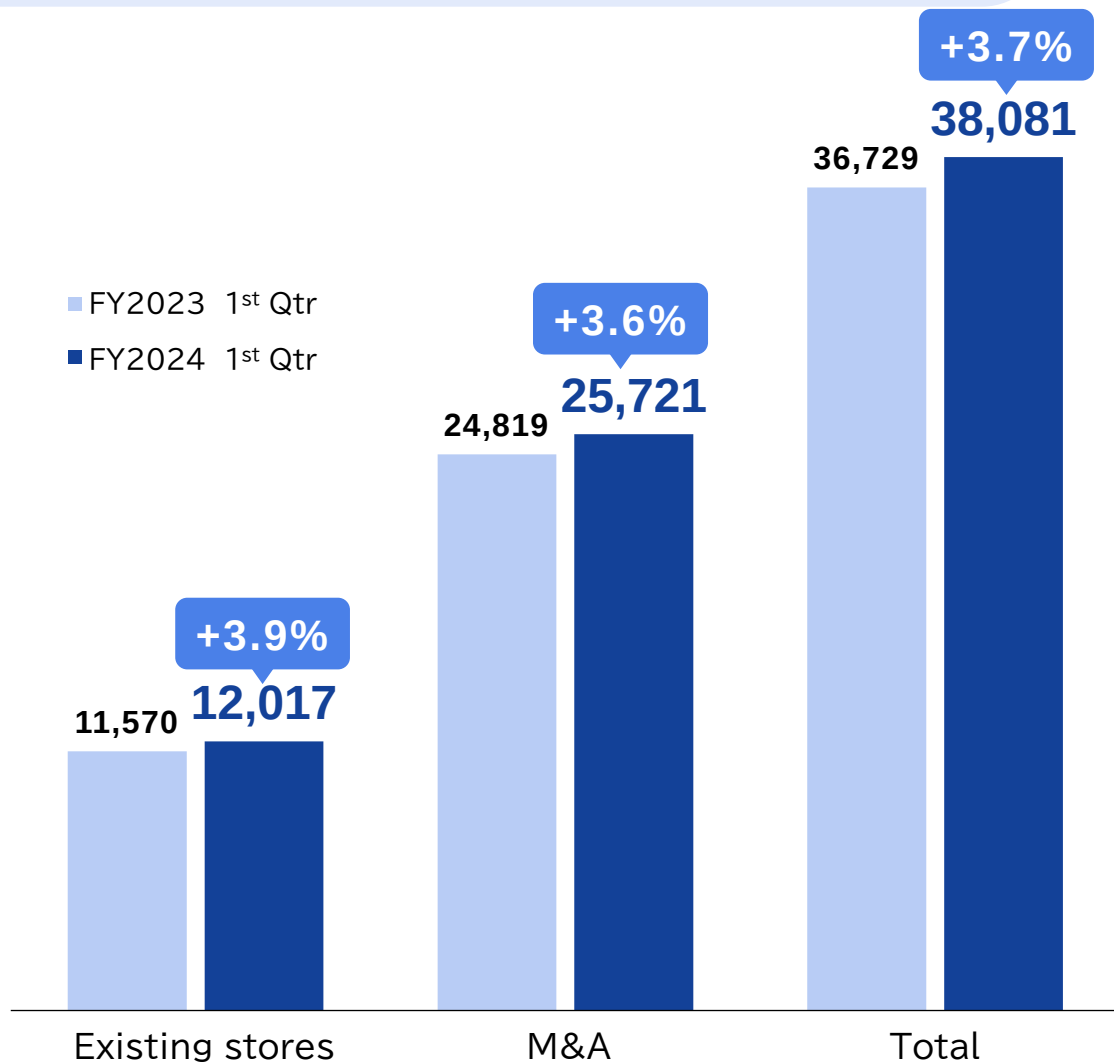
- Increase in sales but decrease in profit
- Number of prescriptions increased due to contributions from M&A and new store openings conducted in the previous fiscal year and the promotion of the Home and Facility Dispensing Business.
- At the same time, operating costs such as purchasing, and labor expenses increased
- Technical fee unit price increased from June in line with revisions to dispensing fees

(Millions of yen)	FY2023 1st Qtr Results	FY2024 1st Qtr Results	Variance(%)
Net sales	39,547	41,081	3.9%
Expenses	37,141	39,479	6.3%
Segment profit	2,422	1,630	(32.7%)
Main revisions to dispensing fees	• Completion of transitional measures for Community Support System Premium	• Revised in June (previously April)	-

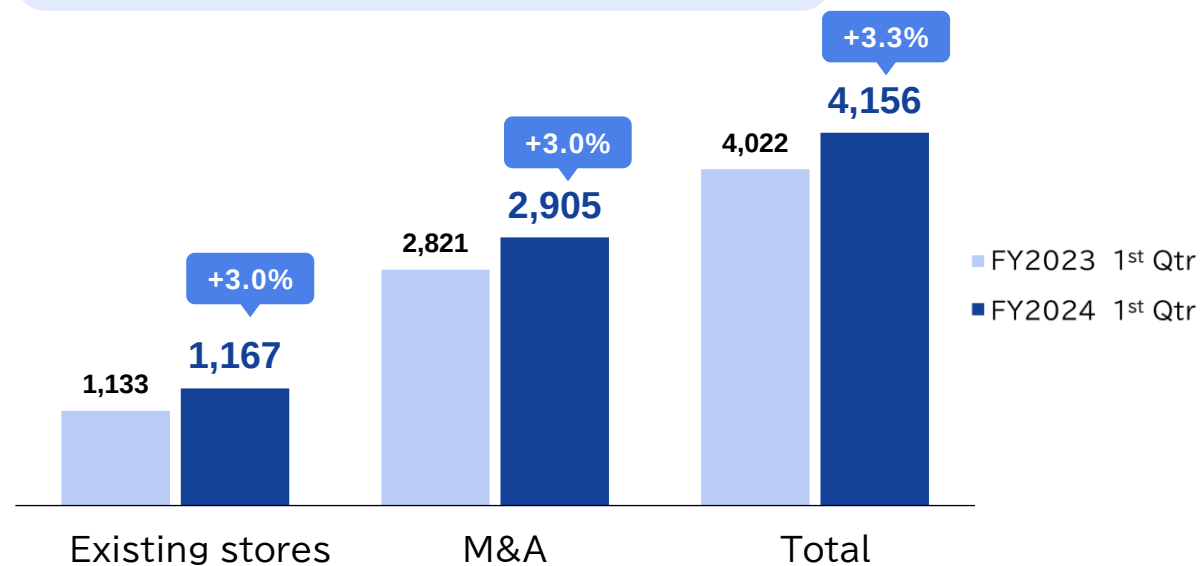
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Net Sales of receiving prescriptions (millions yen)

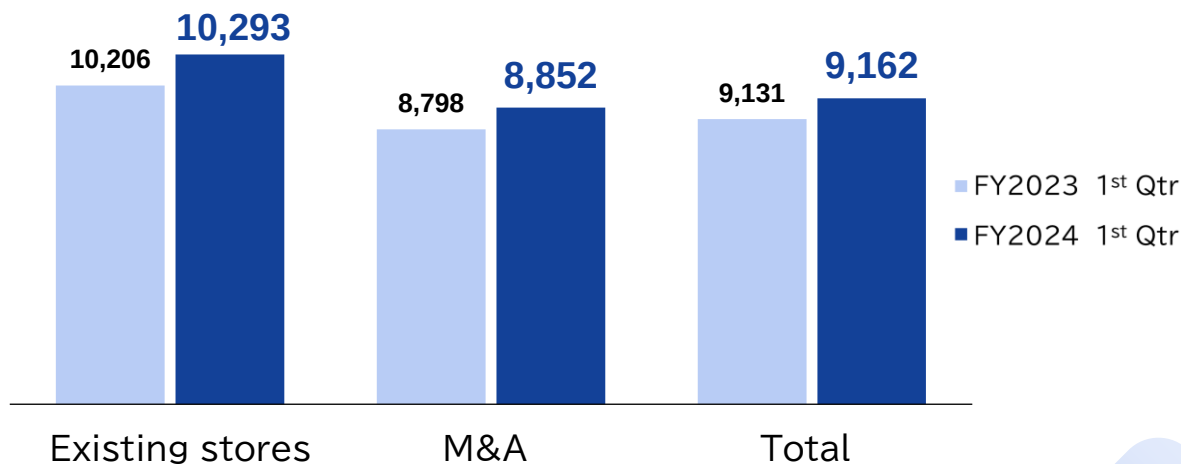
Sales of receiving prescriptions =
Number of receiving prescriptions × Average price of prescription

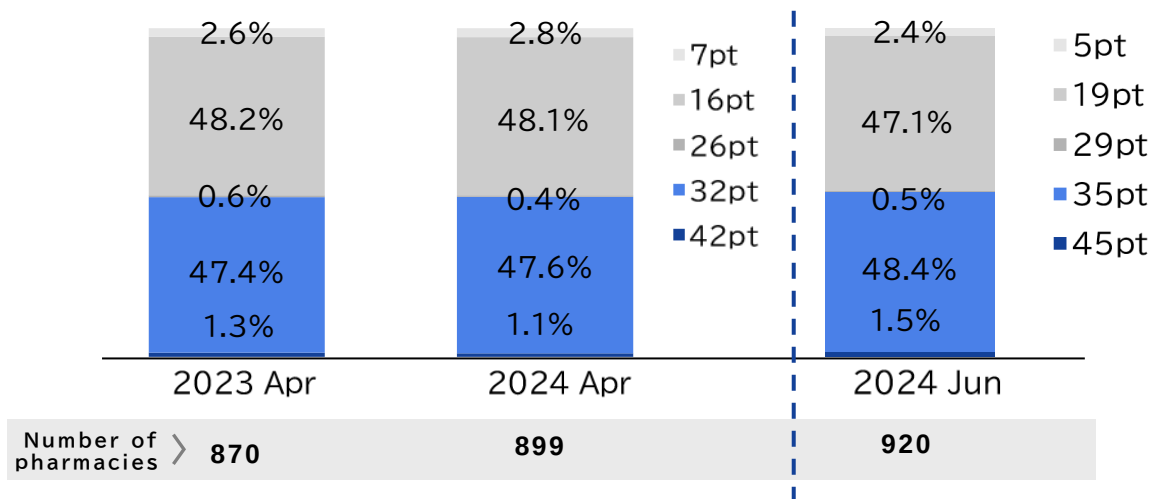
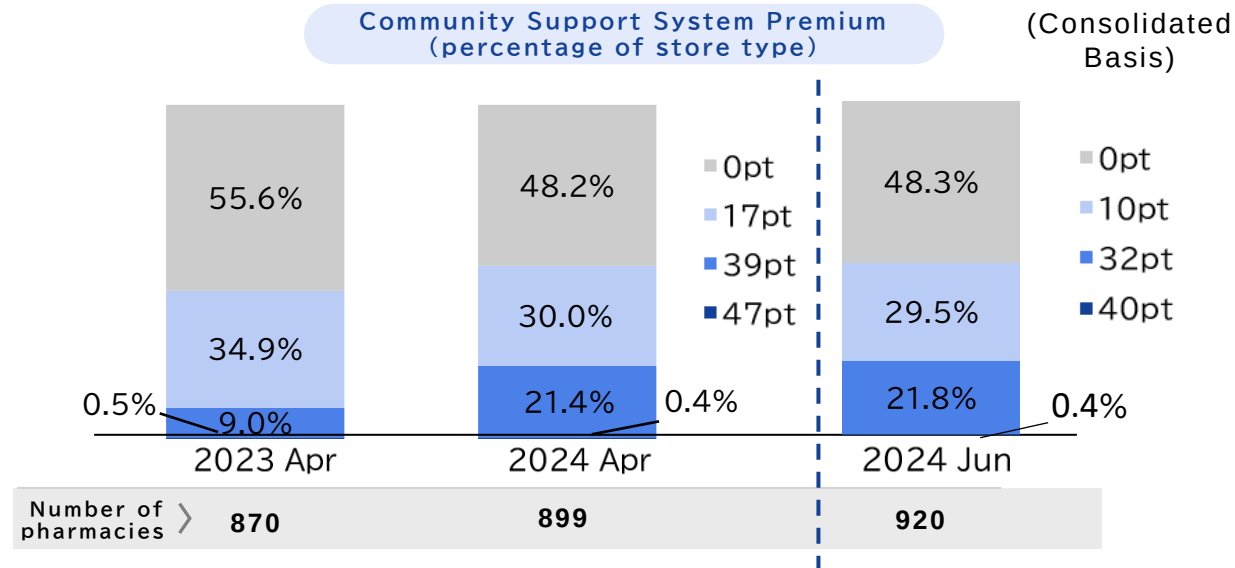
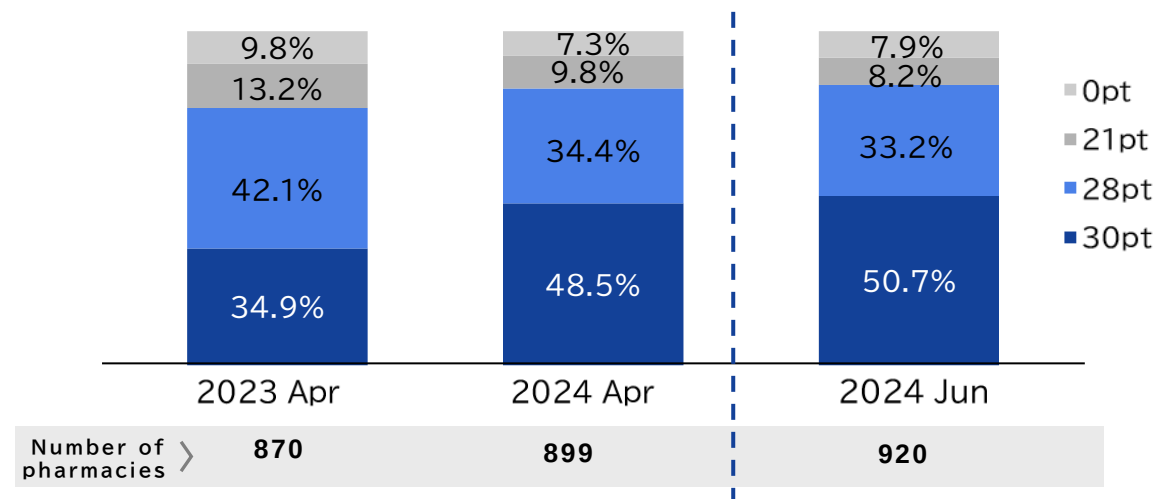


Number of receiving prescriptions (thousand unit)



Average price of prescription (yen)



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)

87.2%
(2024 June)

Steady increase in number of stores in both new stores and M&A

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 1st Qtr
New stores	20	17	18	16	15	21	16	9
M&A	14	50	39	18	15	48	17	18
Retail store	1	0	3	0	1	1	2	0

- 18 Dyna Co., Ltd. stores joined the Group in May 2024
- In the second quarter, the number of stores increased further through M&A (two companies, eight stores)

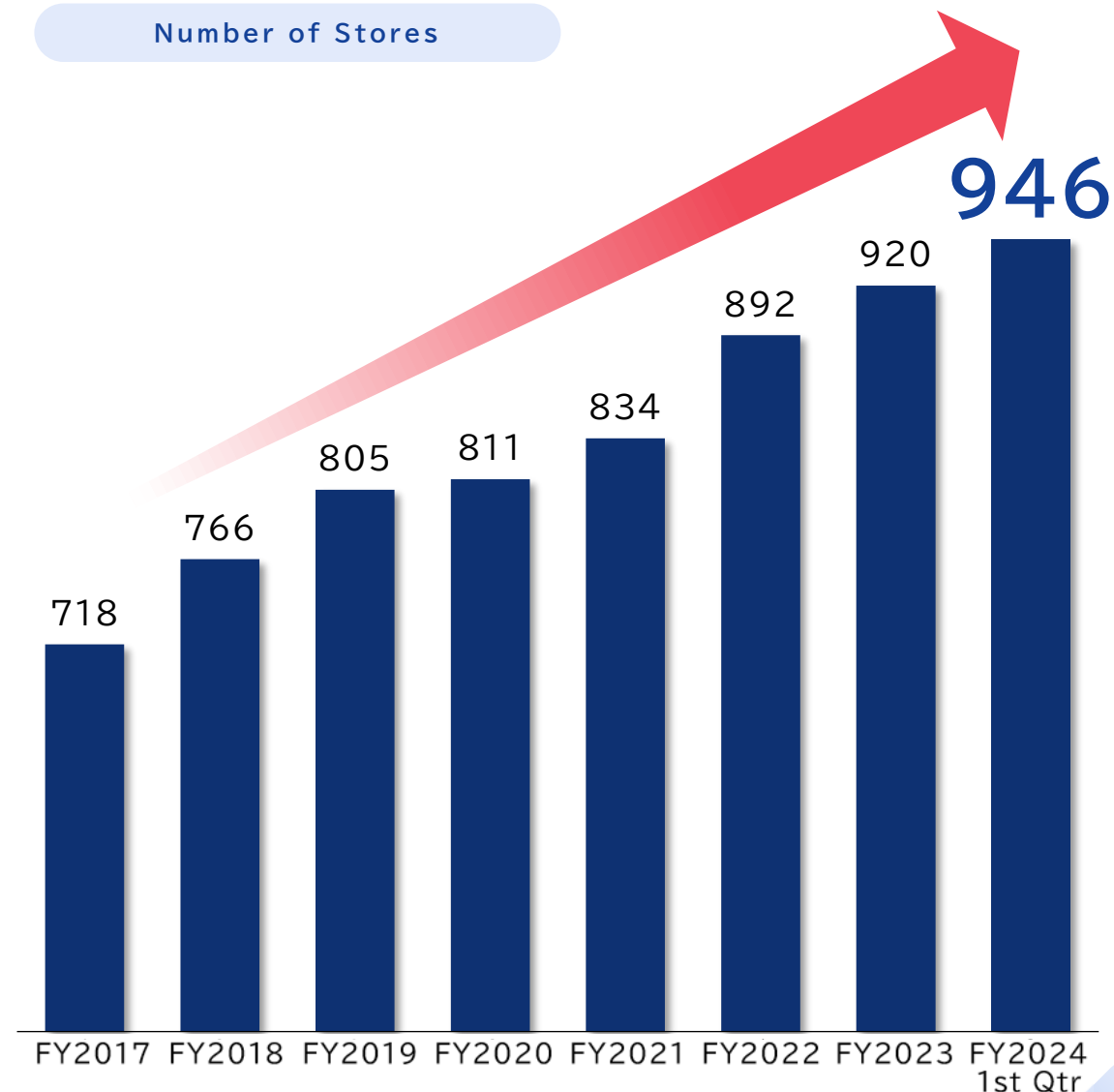


(Misaki Pharmacy)



(Meguro Ekimae Pharmacy)

Number of Stores



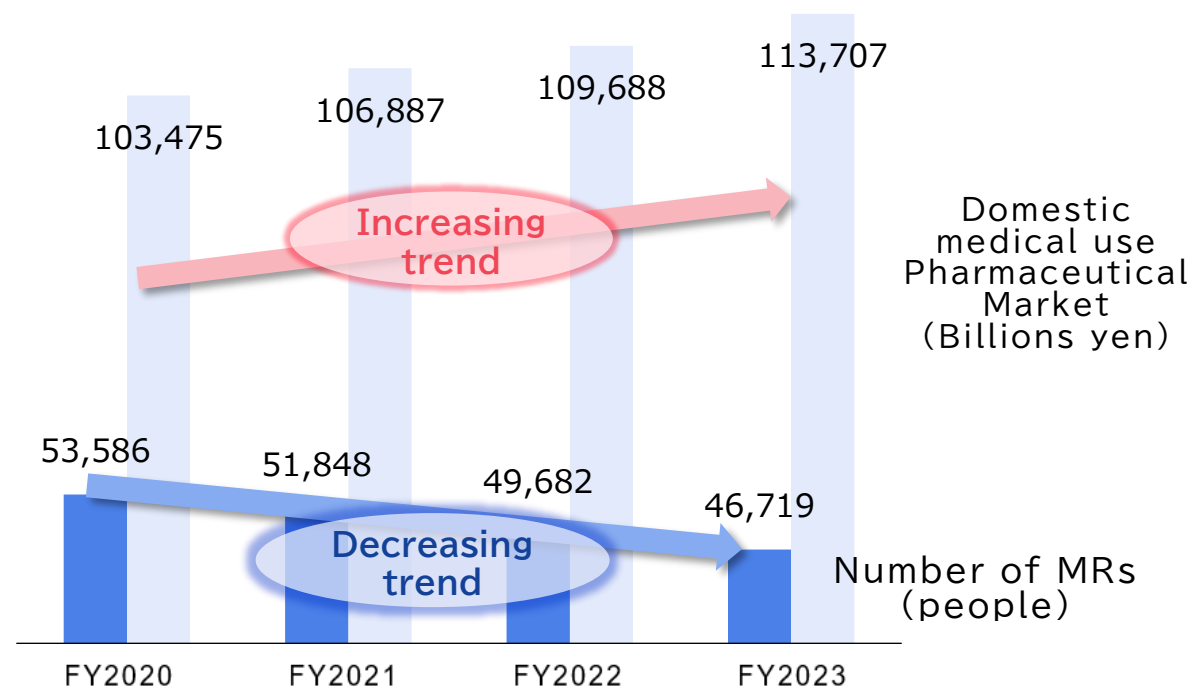
- Increases in both sales and profit increases, especially in profit
- Expanding the scale of the mainstay CSO Business, Professional Referral Dispatch Business, and Publishing-related Business
- Particularly increased number of pharmacist referral contracts concluded due to efforts to promote division of labor

(Millions of yen)	FY2023 1st Qtr Results	FY2024 1st Qtr Results	Variance(%)
Net sales	3,341	3,464	3.7%
Expenses	3,084	3,216	4.3%
Segment profit	348	575	65.1%

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- Demand for MR dispatches continues to expand

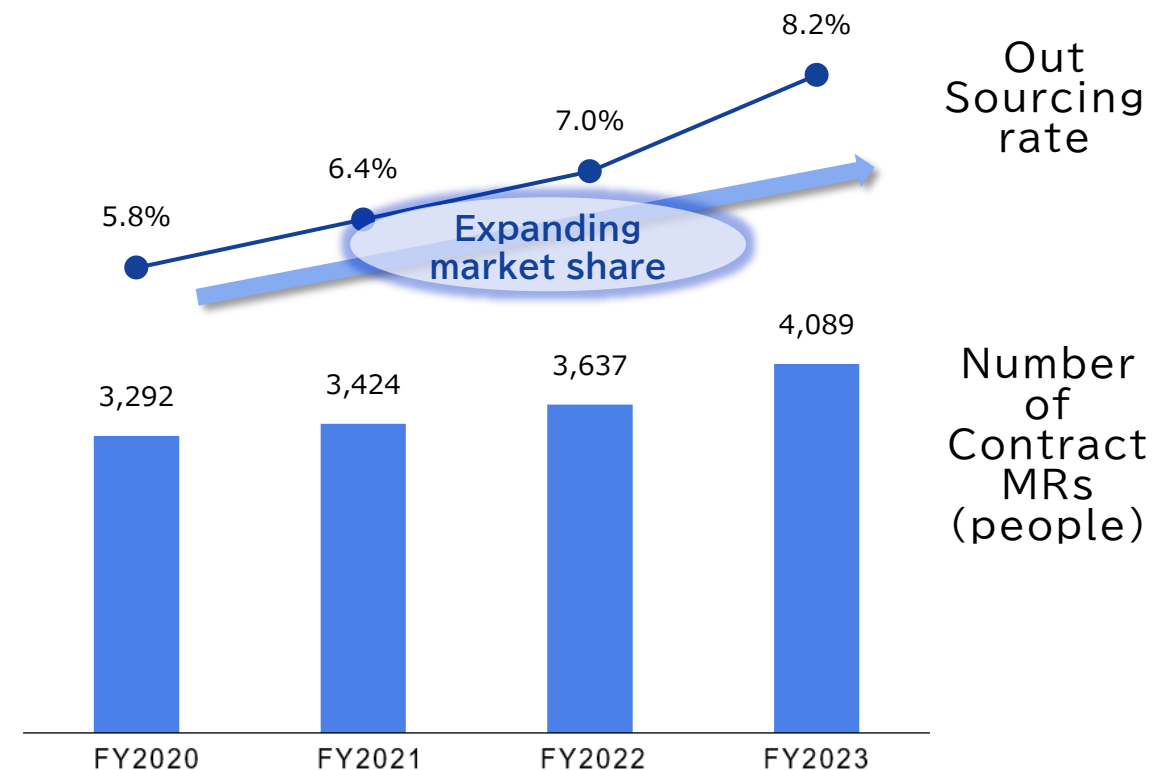
Number of full-time MRs, pharmaceuticals market



(From MR Education & Accreditation Center of Japan. [MR White Paper], IQVIA Domestic Ethical Pharmaceutical Market Statistics)

**Increase in productivity of MRs
is required**

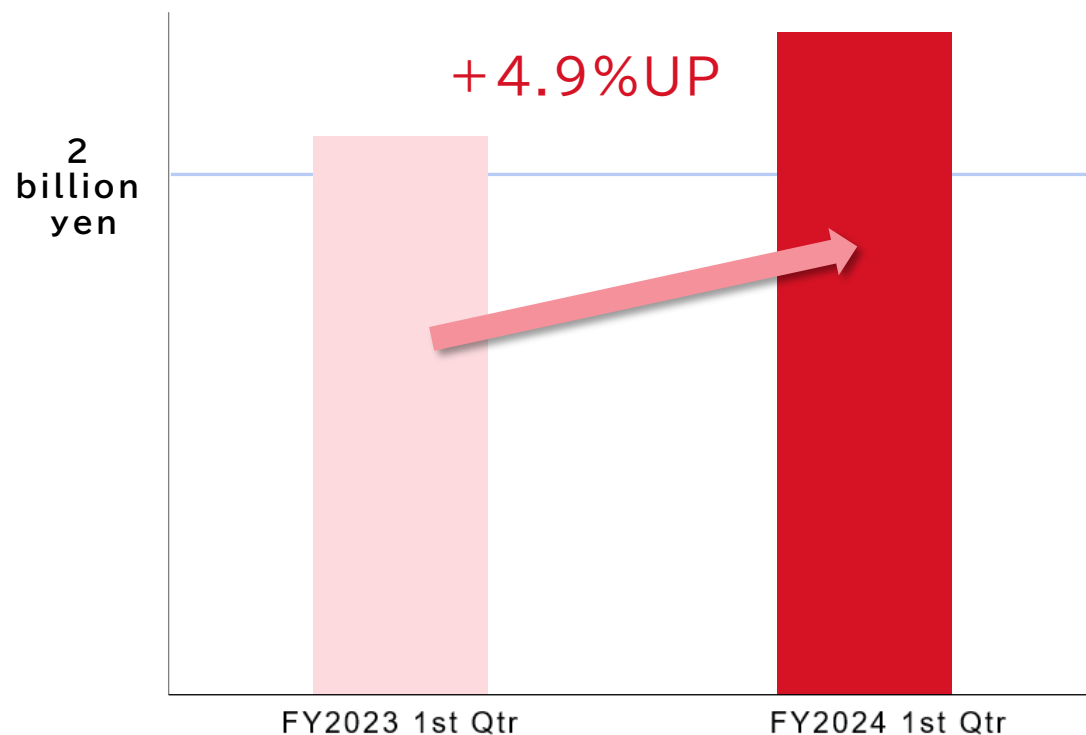
CSO market



(Based on Japan CSO Association [Fact-finding Survey on the Domestic CSO Business-FY2023 Edition])

- Number of Contract MRs is increasing
- Hire human resources with a wide range of experience and focus on training MRs in specialized fields

CSO net sales

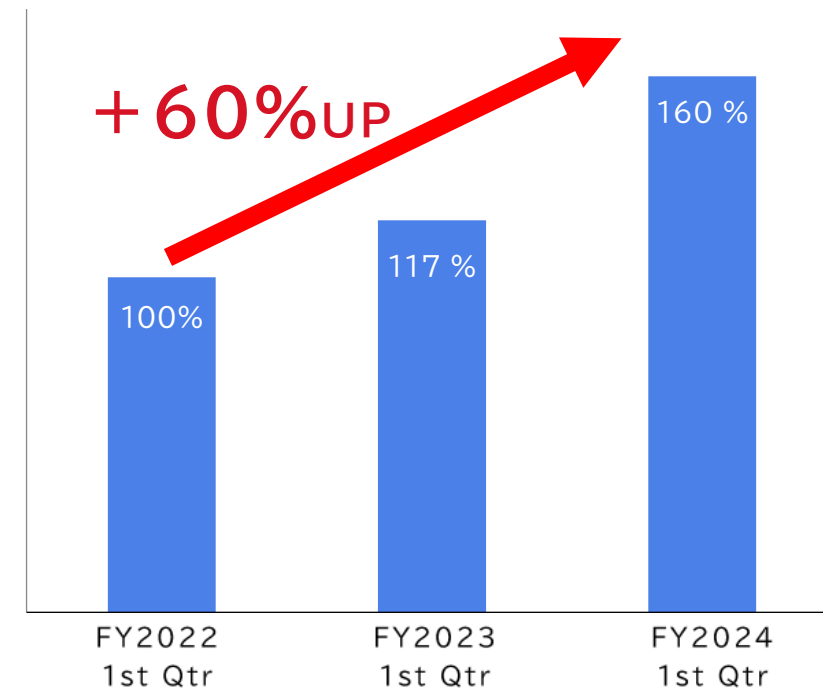
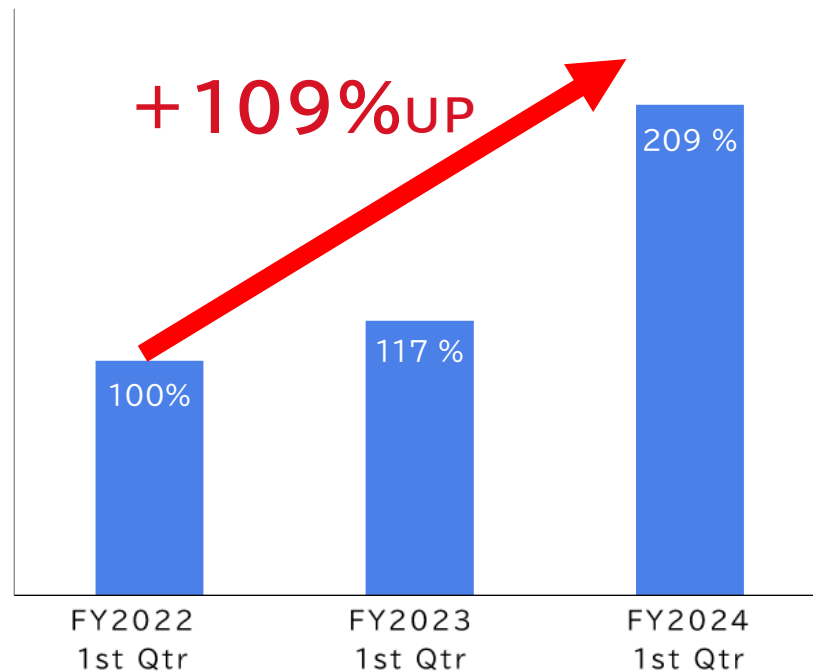


Pursuit of expertise

Oncology
Area
(ONC)Immune
Mediated
Myositis
diseases Area
(IMM)Central
nervous
system
disease
Area
(CNS)Create high-value-added and
high productivity contract MR

- Particularly increased number of pharmacist referral contracts concluded due to efforts to promote division of labor

Pharmacist referral Dispatch Business dispatches



- DAIICHI SANKYO ESPHA became a consolidated subsidiary from the first quarter of the current fiscal year (share ownership: 51%)

(Millions of yen)	FY2023 1st Qtr Results	FY2024 1st Qtr Results	YoY
Net sales	515	16,490	—
Expenses	536	14,885	—
Segment profit	(21)	1,605	—

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Segment change and impact of DAIICHI SANKYO ESPHA becoming a consolidated subsidiary



Impact of segment changes

Medical-Related Business

- CSO Business
- CRO Business
- Placement/dispatches of medical personnel
- Medical-related publishing

Manufacture and sale of pharmaceuticals



From the first quarter of FY2024

BPO Contracting Business

- CSO Business
- CRO Business
- Placement/dispatches of medical personnel
- Medical-related publishing

Pharmaceutical Manufacturing Business

Manufacture and sale of pharmaceuticals



DAIICHI
SANKYO
ESPHA

Impact of DAIICHI SANKYO ESPHA being included as a consolidated subsidiary on financial results

DAIICHI SANKYO ESPHA CO., LTD.

Consolidated subsidiary
(51% owned) began operating profit in the first quarter of FY2024

■ Status of share acquisition

Date of acquisition of shares	Percentage of shares held	Accounting Treatment	Sales Contribution	Ordinary profit Contribution	Net profit contribution
Oct 1, 2023	30%	Company accounted for by the equity method	-	30% Non-operating income	30%
Apr 1, 2024	51% (+21% acquired)	Consolidated subsidiaries	100%	100%	51%*

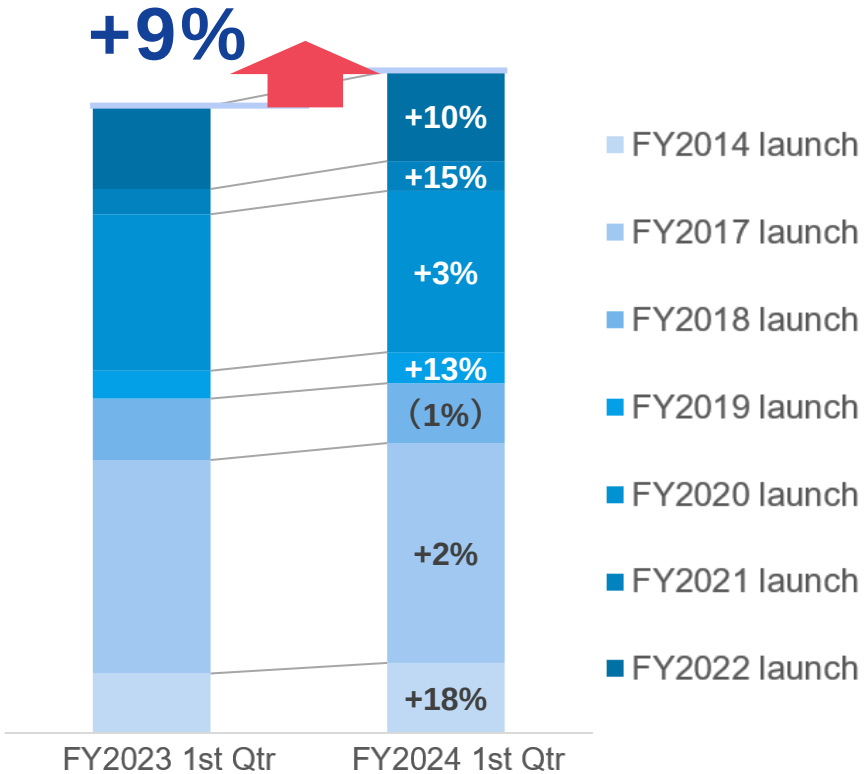
※ The remaining 49% is profit attributable to non-controlling interests

Revenue by listing year

Sales of existing AG products grew steadily
(up 9% year on year)

Wide range of products

AG Existing Products Sales Trends



Year of launch	Generic name	Main purpose
FY2014	Levofloxacin	Antibacterial agent
FY2017	Telmisartan Telmisartan/Amlodipine Telmisartan/Hydrochlorothiazide Olmesartan Rosuvastatin	Hypertension treatment Hypertension treatment Hypertension treatment Hypertension treatment Hypercholesterolemia treatment
FY2018	Levofloxacin(Injection) Silodosin Gefitinib	Antibacterial agent Urinary disorder Anti-cancer agents
FY2019	Bicalutamide Anastrozole Tamoxifen	Anti-cancer agents Anti-cancer agents Anti-cancer agents
FY2020	Memantine Ezetimibe	Dementia Hypercholesterolemia treatment
FY2021	Bortezomib Carvedilol Pilsicainide	Anti-cancer agents Chronic heart failure treatment Arrhythmia
FY2022	Azocemide Febuxostat	Diuretic Hyperuricemia treatment

New products sales of one ingredients two generic drugs are fare well

+11.8% compared to plan (value basis)



Product name	Category of efficacy	Brand name
Zonisamide OD Tablets 25mg TRE "DSEP"	Treat Parkinson's disease and parkinsonism in DLB (Dementia with Lewy Bodies). Enhances/prolongs antiparkinsonian effect of levodopa.	TRERIEF® OD Tablets 25mg
Zonisamide OD Tablets 50mg TRE "DSEP"	Treat Parkinson's disease. Usually used concomitantly with levodopa-containing products. Enhances/prolongs antiparkinsonian effect of levodopa.	TRERIEF® OD Tablets 50mg

[IR inquiry]

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Always there to care