

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



QoI Holdings Co.,Ltd.

February 7, 2025

[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

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.
- On the other hand, operating costs such as purchasing and personnel expenses increased.

BPO Contracting Businesses

- Higher sales and profits
- The scale of the core CSO Business and Professional Referral Dispatch Business expanded.
- The enhancement of employee recruitment and productivity led to a particularly large increase in the number of pharmacist referral contracts concluded.

Pharmaceutical Manufacturing Business

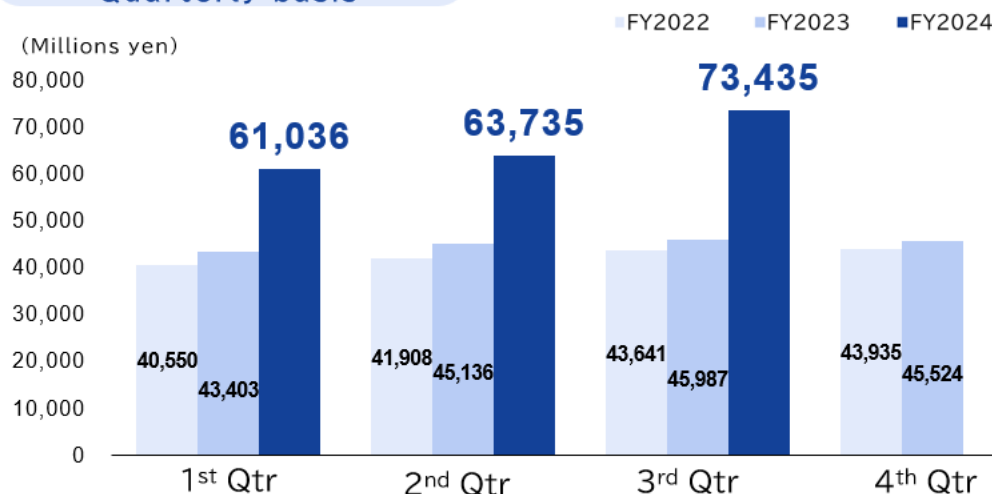
- DAIICHI SANKYO ESPHA became a consolidated subsidiary (share ownership ratio: 51%) in the first quarter of the fiscal year ending March 31, 2025.
- Three new AG ingredients were launched (DAIICHI SANKYO ESPHA, December 2024).

Consolidated Performance Highlights

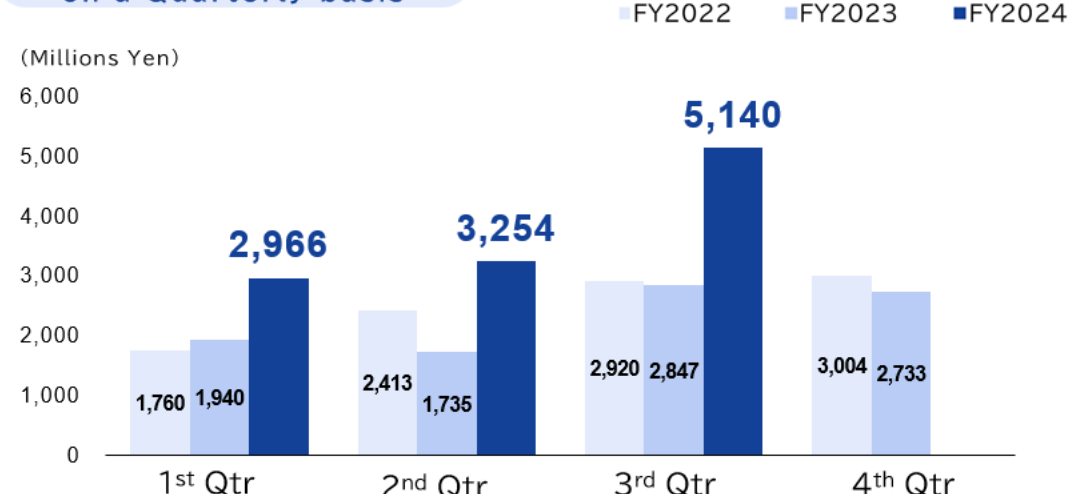


(unit: Millions yen)	FY2022 3rd Qtr Results	FY2023 3rd Qtr Results	FY2024 3rd Qtr Results	Variance	Variance(%)
Net sales	126,101	134,528	198,207	63,679	47.3%
Operating profit	6,841	5,729	11,034	5,304	92.6%
Ordinary profit	7,094	6,523	11,361	4,837	74.2%
Profit attributable to owners of parent	4,158	3,774	3,524	(250)	(6.6%)
Profit per share (yen)	112.57	101.47	94.22	(7.2)	(7.1%)

Trend in Net Sales on a Quarterly basis



Trend in Ordinary Profit on a Quarterly basis



(unit: Millions yen)	FY2024 3rd Qtr Results	FY2024 Forecast	Progress rate
Net sales	198,207	270,000	73.4%
Operating profit	11,034	15,000	73.6%
Ordinary profit	11,361	15,200	74.7%
Profit attributable to owners of parent	3,524	5,000	70.5%
Profit per share (yen)	94.22	133.68	70.5%

※ Revision to financial forecast announced on November 1, 2024

Consolidated Statements of Income



(unit: Millions yen)	FY2023 3rd Qtr Results	FY2024 3rd Qtr Results	Variance	Variance(%)
Net sales	134,528	198,207	63,679	47.3%
Cost of sales	117,559	167,803	50,243	42.7%
Gross profit	16,968	30,404	13,435	79.2%
Selling general and administrative expenses	11,238	19,369	8,131	72.4%
Operating profit	5,729	11,034	5,304	92.6%
% of Net Sales	4.3%	5.6%	—	—
Ordinary profit	6,523	11,361	4,837	74.2%
% of Net Sales	4.8%	5.7%	—	—
Profit attributable to owners of parent	3,774	3,524	(250)	(6.6%)
% of Net Sales	2.8%	1.8%	—	—

Consolidated Balance Sheets



(unit: Millions yen)	March 31, 2024	December 31, 2024	Variance
Current assets	52,690	75,717	23,027
Cash and deposits	27,282	36,338	9,055
Non-current assets	65,089	98,771	33,682
Property, plant and equipment	16,281	16,884	602
Intangible assets	33,136	71,684	38,547
Investments and other assets	15,670	10,203	(5,466)
Total assets	117,779	174,489	56,710
Current liabilities	38,823	88,618	49,794
Non-current liabilities	26,118	25,485	(632)
Total liabilities	64,941	114,103	49,162
Interest-bearing debt	31,882	30,186	(1,696)
Net assets	52,837	60,385	7,548
Shareholders' equity	52,789	55,433	2,644
Total liabilities and net assets	117,779	174,489	56,710

	(unit: Millions yen)
Current assets	+ 23,027
Cash and deposits	+ 9,055
Notes and accounts receivable - trade, and contract assets	+ 8,854
Non-current assets	+ 33,682
Business Rights	+ 29,933
Goodwill	+ 8,344
Shares of subsidiaries and associates	(7,714)
Current liabilities	+ 49,794
Accounts payable - trade	+ 16,558
Accounts payable - other	+ 23,081
Refund liabilities	+ 7,840
Non-current liabilities	(632)
Long-term borrowings	(2,171)
Net assets	+ 7,548
Non-controlling interests	+ 4,903
Retained earnings	+ 2,317

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

Segment Overview



(unit: Millions yen)	FY2023 3rd Qtr Results	FY2024 3rd Qtr Results	YoY Change
Sales in the Pharmacy Business	123,253	128,781	4.5%
Segment profit	7,593	7,026	(7.5%)
% of net sales	6.2%	5.5%	
BPO Contracting Businesses Net Sales	10,009	10,057	0.5%
Segment profit	1,131	1,225	8.3%
% of net sales	11.3%	12.2%	
Pharmaceutical Manufacturing Business net sales	1,265	59,367	—
Segment profit	(246)	5,440	—
% of net sales	(19.5%)	9.2%	

※ From the first quarter of the fiscal year ending March 31, 2025, the Company has changed its reporting segments. Segment information for the third quarter of the fiscal year ended March 31, 2024 is prepared based on the new classification. Segment information for the third 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 ending March 31, 2025.

II

Segment Information



- 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.
- On the other hand, operating costs such as purchasing and personnel expenses increased.

(unit: Millions yen)

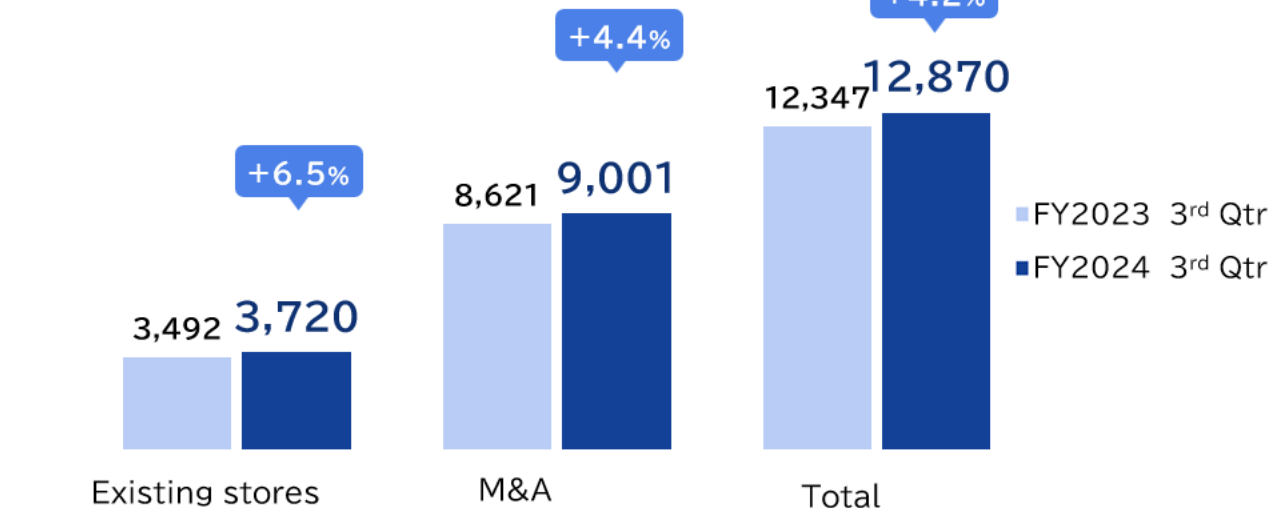
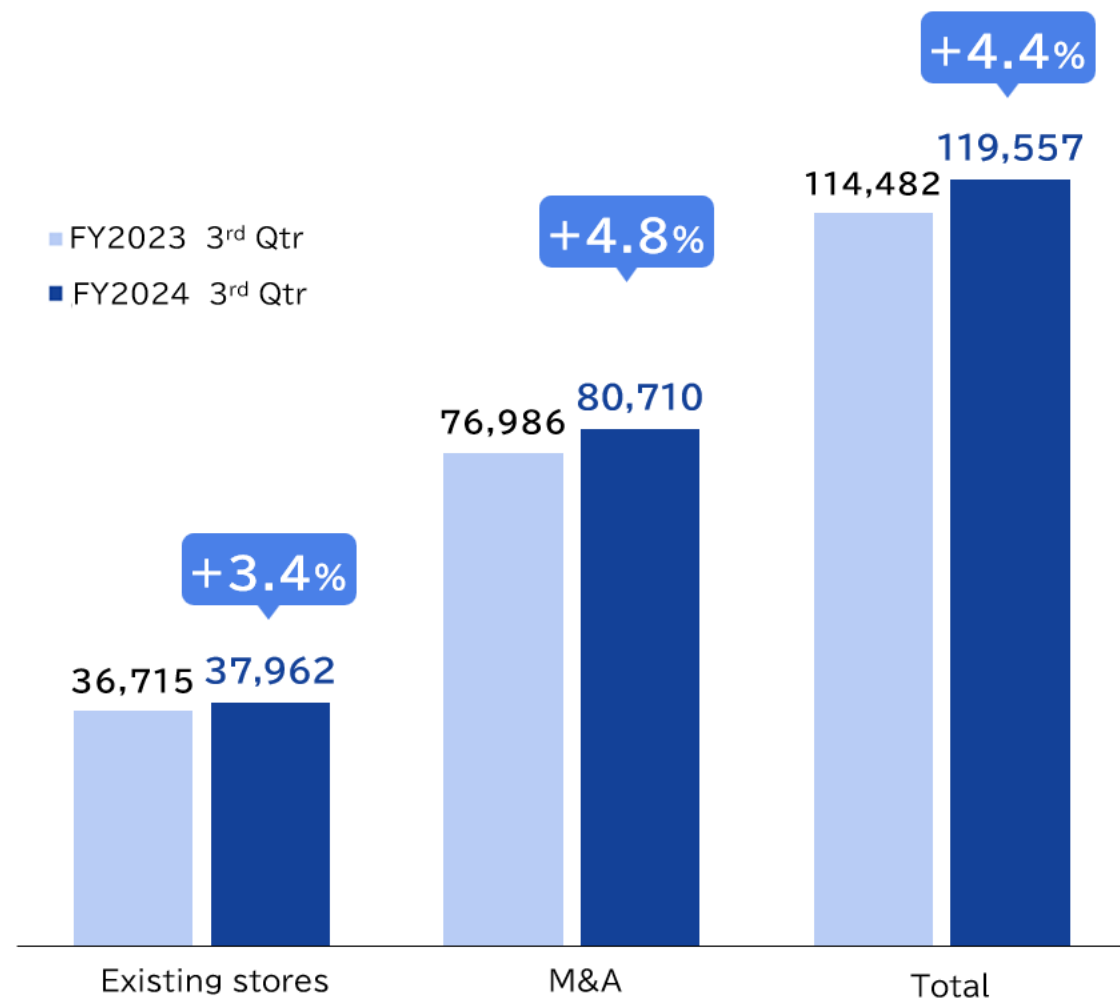
	FY2023 3rd Qtr Results	FY2024 3rd Qtr Results	Variance(%)
Net sales	123,253	128,781	4.5%
Expenses	115,736	121,833	5.3%
Segment profit	7,593	7,026	(7.5%)
Main revisions of medical fee, etc.	• Transitional measures for Community Support System Premium completed	• Revisions of medical fee was made in June. (previously April) • Patient-elective care scheme for long-listed products has started. (October) • Requirements for providing Medical DX Premium has been reviewed. (October)	-

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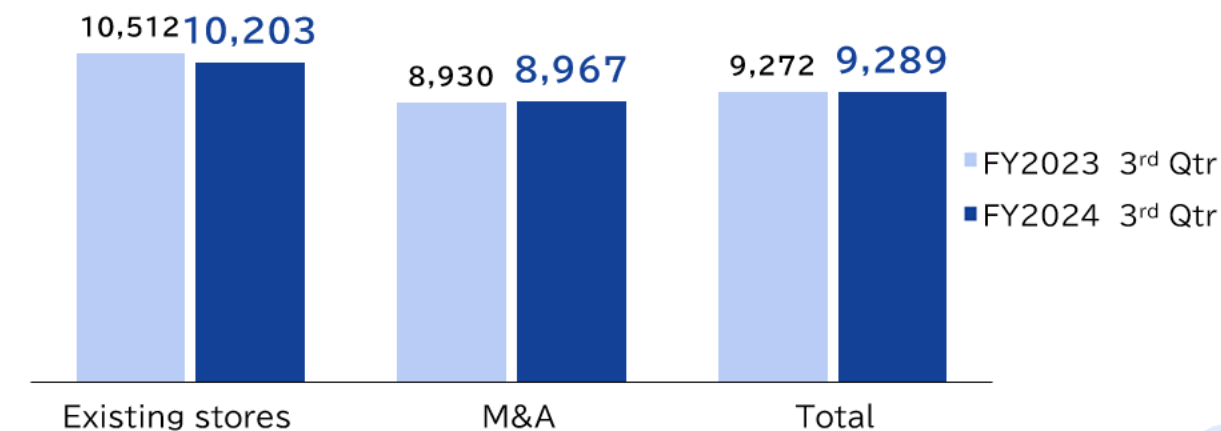
Net Sales of receiving prescriptions (millions yen)

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

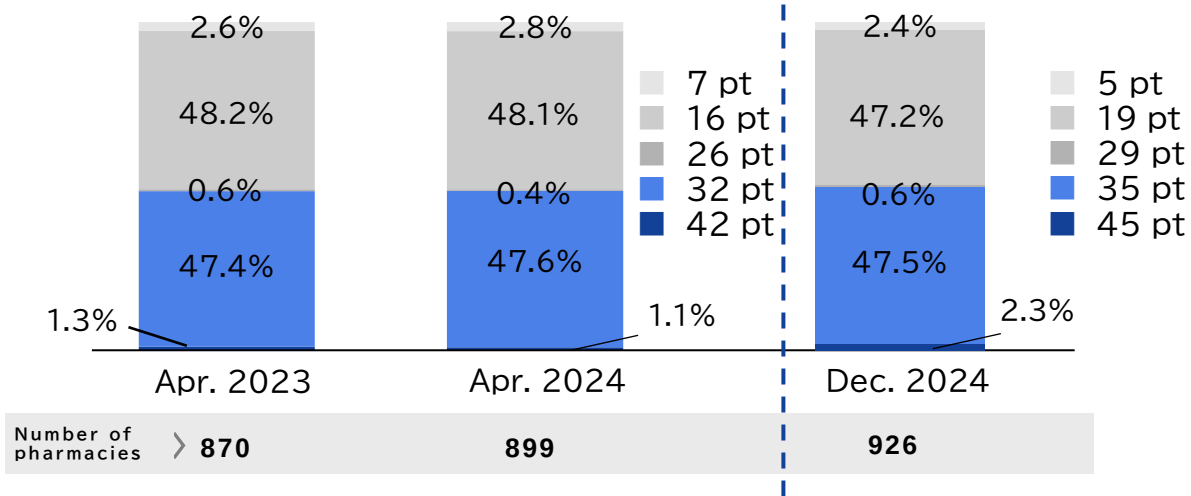
Number of receiving prescriptions (thousand unit)



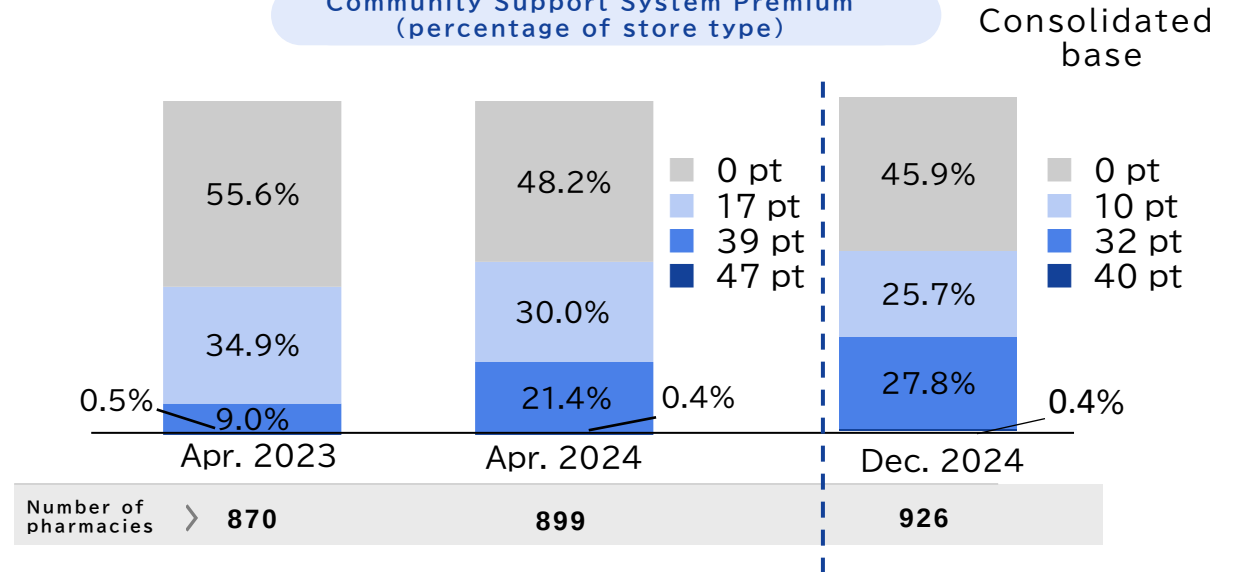
Average price of prescription (yen)



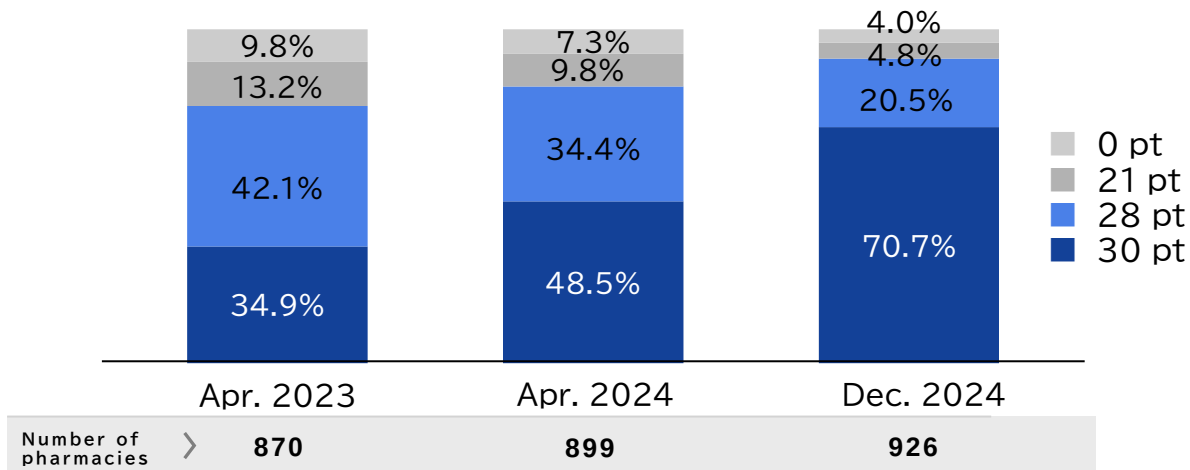
Basic Dispensing Fee
(percentage of store type)



Community Support System Premium
(percentage of store type)



Generic Drug Dispensing System Premium
(percentage of store type)



Generic Drug Switch Rate (Quantity base)

91.2%
(December, 2024)

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

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

- In October 2024, Qol group's first online specialty pharmacy "Qol Dokodemo Pharmacy" opened.
- We also opened new stores in large-scale commercial facilities.

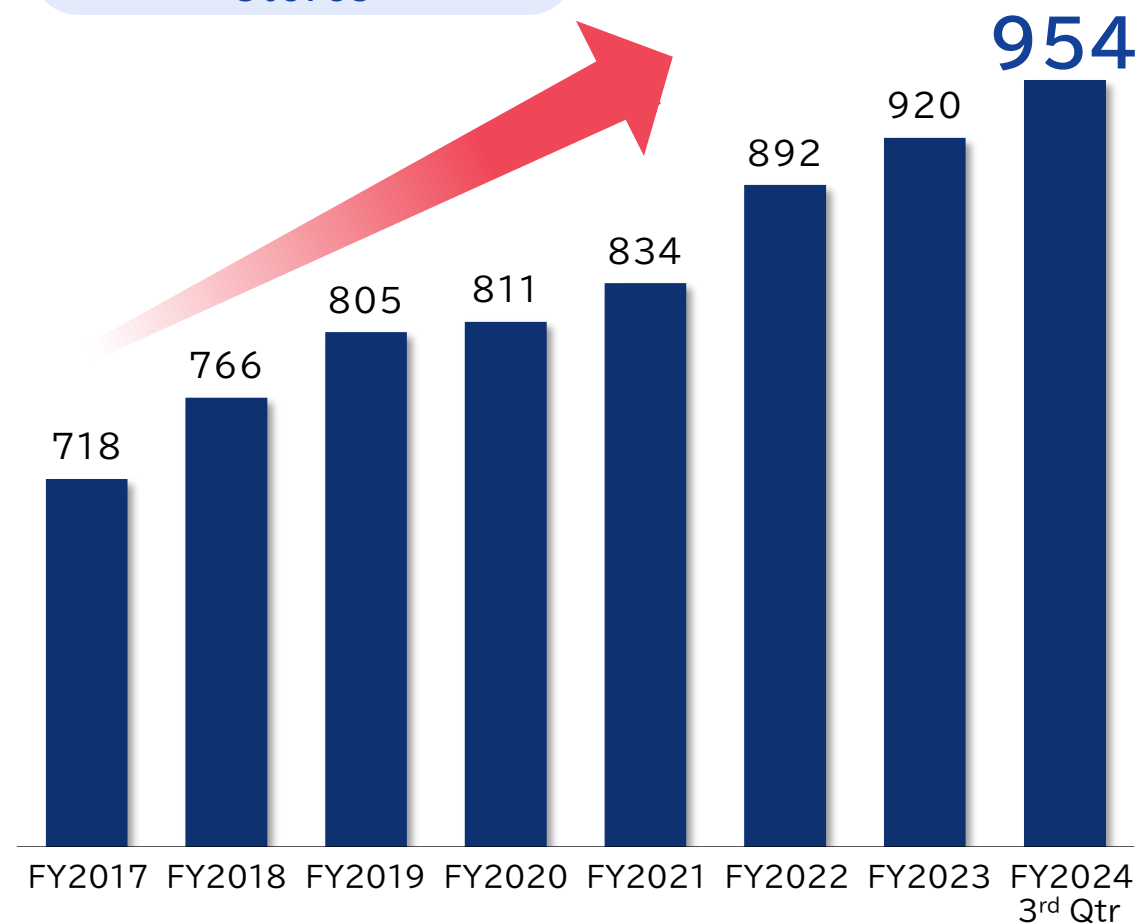


(Qol Dokodemo Pharmacy)



(Qol Pharmacy Nitorimall Sagamihara Store)

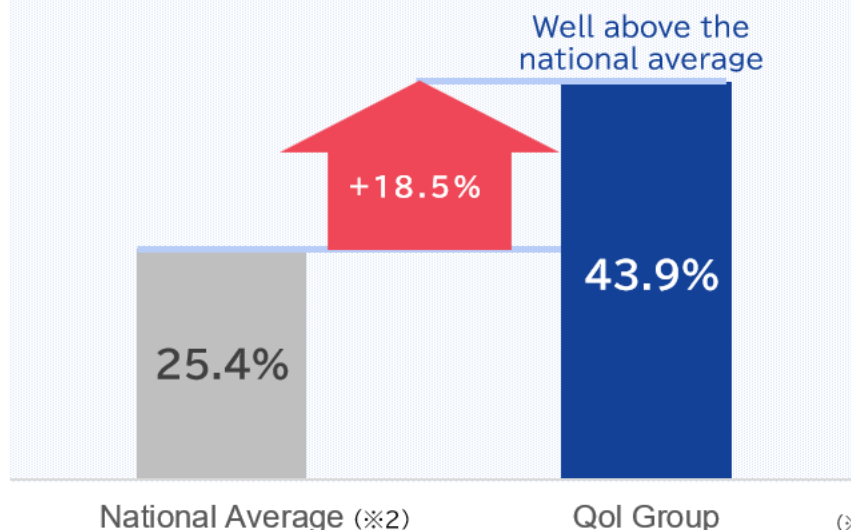
Trend in Number of
Stores



Improved patient convenience through the promotion of DX in medical care

Promotion of the use of
Myna Insurance Card

- To improve patient convenience, we promote the use of Myna Insurance Cards based on government guidelines.
- The Qol Group boasts a top-tier utilization rate for Myna Insurance Cards nationwide. (※1)

Utilization Rate of
Myna Insurance Cards (※1)

Face-certified card reader (installed at all Group stores)



LINE App "Qol Okusuribin"

- Prior transmission of prescriptions and online medication instructions

Trends in the number of
registered friends

Other convenient functions

Myna portal linkage function

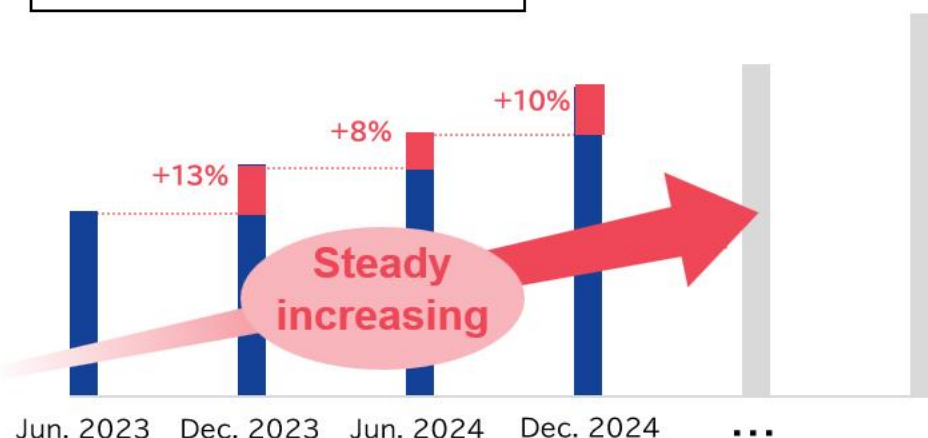
After-sales follow-up function

Pharmacy notebook auto-linkage function

Expansion of the home care business

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

Trends in the Number of Home Visits※



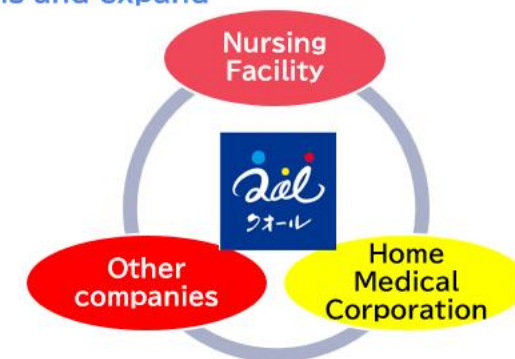
※ Number of homes covered by long-term care insurance



Events

“Nursing Care – Medical Care Collaboration Meeting” is regularly held by Qol to facilitate corporate collaboration in medical and nursing care.

- By strengthening corporate collaboration through mutual referrals, **we aim to approach home prescriptions and expand the number of home facilities.**



Tools

Strong support for patients and nursing care staff;

Utilization of medical safety management app and medication support robots

- Improved adherence, medication management, through **medication support robots.**
- Developed **medical safety management app** in-house and introduced it to major nursing care facilities
(Barcode management for managing medicines and preventing mistakes in taking)

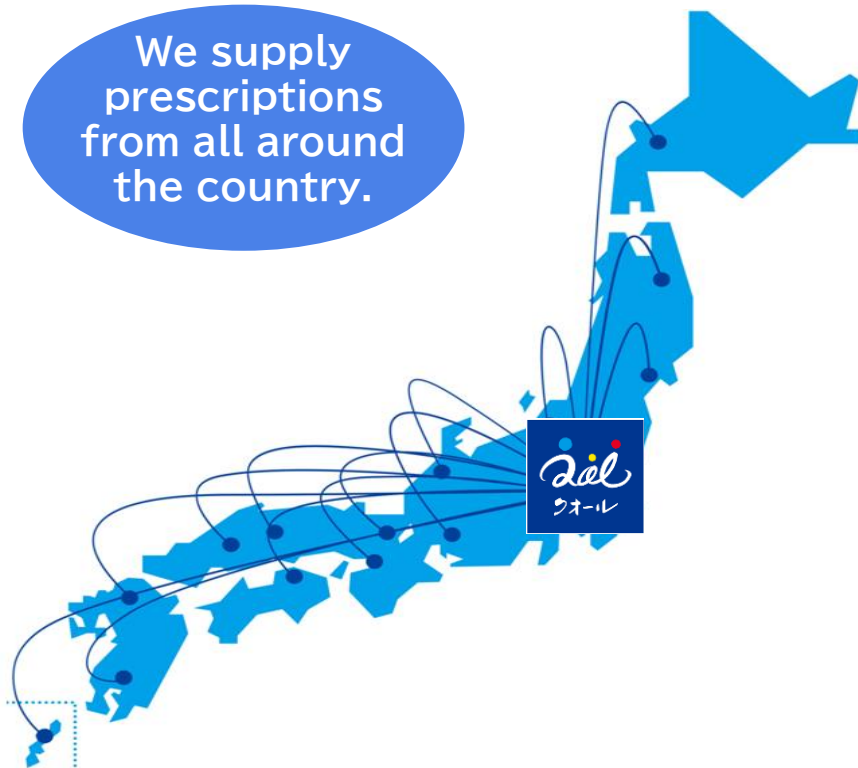


Medication Support Robo II®

Qol Group's first online specialty pharmacy opened

- "Qol Dokodemo Pharmacy" opened in November 2024
- Number of receiving prescriptions increasing steadily

We supply prescriptions from all around the country.



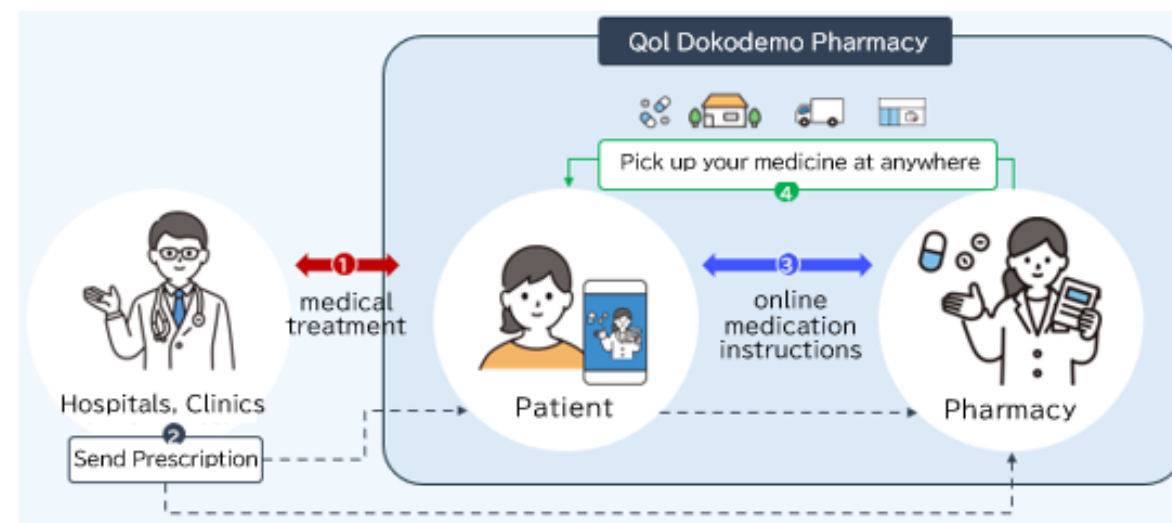
Pharmacy
Business

Combine bricks-and-mortar with digital

Tomorrow, Together



Communications
Business



Trend in Business Segments

- Higher sales and profits
- Expansion of the core CSO Business and Professional Referral Dispatch Business
- Particularly increased number of pharmacist referral dispatches concluded due to enhanced employee recruitment and productivity

(unit: Millions yen)	FY2023 3rd Qtr Results	FY2024 3rd Qtr Results	Variance(%)
Net sales	10,009	10,057	0.5%
Expenses	9,181	9,770	6.4%
Segment profit	1,131	1,225	8.3%

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- Three new AG ingredients were launched (DAIICHI SANKYO ESPHA, December 2024).

(unit: Millions yen)	FY2023 3rd Qtr Results	FY2024 3rd Qtr Results	Variance(%)
Net sales	1,265	59,367	—
Expenses	1,511	53,927	—
Segment profit	(246)	5,440	—
Main factors for change	• NHI drug price revision • New products launched (3rd quarter cumulative): 2 ingredients (AG1, GE1)	• NHI drug price revision • Number of new products launched (3rd quarter cumulative): 4 ingredients (AG3, GE1)	—

※ From the first quarter of the fiscal year ending March 31, 2025, the business segments listed as reporting segments have been changed. Segment information for the first three quarters of the fiscal year ended March 31, 2024 has been prepared based on the new classification. Segment information for the first three quarters of the fiscal year ended March 31, 2024 does not include the figures for DAIICHI SANKYO ESPHA CO., LTD., which became a consolidated subsidiary from the first quarter of the fiscal year ending March 31, 2025.

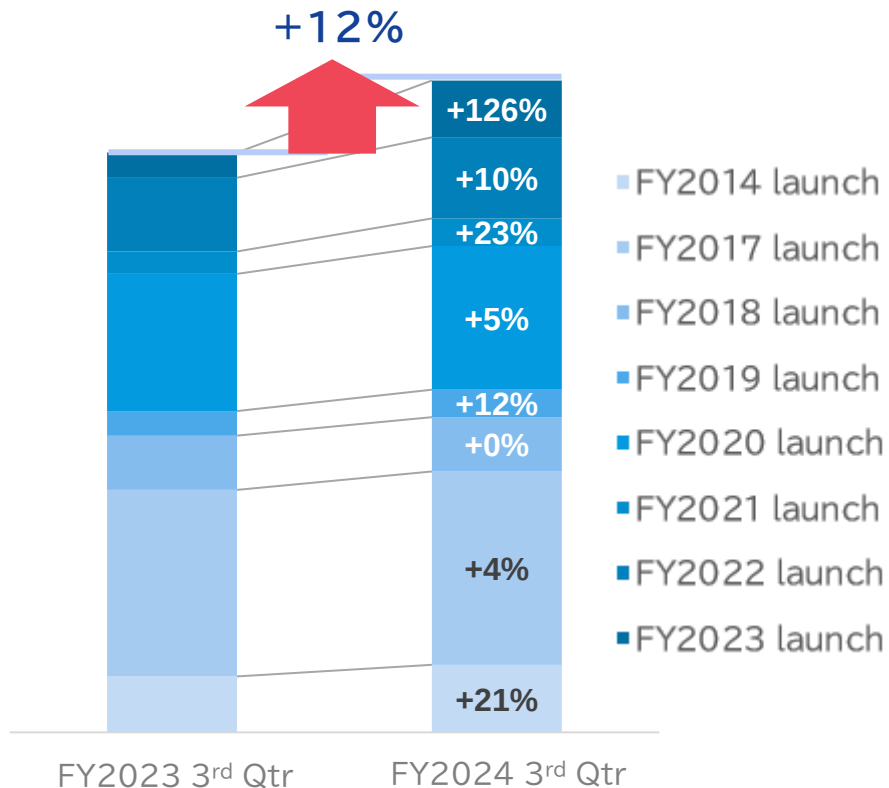
Growth in existing AG

Sales※ of existing AG products grew steadily
(up 12% year on year)

Wide lineup

AG Existing Products Sales※ Trends

※ Sales of medical institutions (hospitals and pharmacies)
(based on FY2024 drug prices)

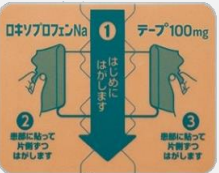


Year of launch	Generic name	Main purpose
FY2014	Levofloxacin	Antibacterial agent
FY2017	Telmisartan Telmisartan/Amlodipine Telmisartan/Hydrochlorothiazide Olmesartan Rosuvastatin	Hypertension treatment Hypertension treatment Hypertension treatment Hypertension treatment Hypercholesterolemia treatment
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 Hydrochloride Ezetimibe	Dementia Hypercholesterolemia treatment
FY2021	Bortezomib Carvedilol Pilsicainide hydrochloride hydrate	Anti-cancer agents Chronic heart failure treatment Arrhythmia
FY2022	Azocemide Febuxostat	Diuretic Hyperuricemia treatment
FY2023	Bisoprolol fumarate	Hypertension treatment

Launch of new AG products

In December 2024, we launched
seven AG products containing three ingredients.

Market share is expanding steadily.

Product name	Product	Effect	Number of companies approved by GE*	Progress after launch
Rivaroxaban/OD Tablets 10mg/15mg "Bayer" Brand name: XARELTO® Tablets/OD Tablets 10mg/15mg		Selective direct effect Factor Xa inhibitor (Oral Anticoagulants)	7 companies	<Top Share of the Market> Progress is significantly faster than planned.
Loxoprofen Sodium Tape 50mg/100mg "DSEP" Brand name: LOXIONIN® Tape 50mg/100mg		Transdermal analgesia Anti-Inflammatory agent	20 companies	Products from other companies are on the market ahead of schedule, but progress is being made as planned. We aim to further acquire market share.
Hydroxychloroquine Sulfate Tablets 200mg "DSEP" Brand name: PLAQUENIL® Tablets 200mg		Immune adjusters	2 companies	<Top Share of the Market> Sales remained steady. We aim to further acquire market share.

※ Based on PMDA disclosure information as of October. Number of manufacturers and distributors. Including the Company.



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

[IR inquiry]

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Always there to care