

# 11-Year Summary of Financial and Non-Financial Data (As of March 31, 2023)

(Millions of yen)

Consolidated Financial Data	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Fiscal year in which revisions to dispensing fees and NHI drug prices were made	Dispensing Fees NHI Drug Prices		Dispensing Fees NHI Drug Prices		Dispensing Fees NHI Drug Prices		Dispensing Fees NHI Drug Prices	Dispensing Fees NHI Drug Prices <sup>11</sup>	Dispensing Fees NHI Drug Prices		Dispensing Fees NHI Drug Prices
<b>Business results (fiscal year)</b>											
Net sales	139,466	165,347	181,844	219,239	223,468	241,274	245,687	268,520	278,951	299,392	313,318
Gross profit	21,494	25,623	31,929	39,068	39,258	43,837	41,975	46,372	49,374	52,422	53,643
Selling, general and administrative expenses	18,248	20,878	25,281	28,578	30,738	33,250	35,242	38,779	41,267	45,833	46,057
Operating profit	3,245	4,744	6,647	10,489	8,519	10,587	6,733	7,593	8,106	6,589	7,586
EBITDA <sup>1</sup>	7,319	9,129	10,923	15,615	14,237	17,127	14,525	15,491	16,286	14,974	16,337
Ordinary profit	2,855	4,188	6,003	9,878	7,976	10,138	6,077	7,405	8,409	6,767	7,682
Profit attributable to owners of parent	184	1,901	2,778	6,329	4,638	6,104	3,790	6,697	3,538	3,705	4,458
<b>Cash flows (fiscal year)</b>											
Cash flows from operating activities	2,885	6,243	5,831	19,327	△940	23,141	13,572	13,192	11,213	19,411	7,532
Cash flows from investing activities	△6,422	△14,510	△8,437	△7,823	△28,444	△13,843	△1,770	△2,731	△7,767	△9,313	△10,018
Cash flows from financing activities	5,496	8,782	1,422	7,031	18,205	△2,034	△10,516	△7,955	△2,806	△17,448	713
<b>Financial position (at year-end)</b>											
Total assets <sup>2</sup>	95,140	117,295	130,141	157,609	178,347	186,573	178,677	185,551	186,262	178,753	185,297
Net assets	14,702	15,849	17,635	32,473	36,447	41,506	41,073	47,072	49,868	52,876	56,483
Cash and cash equivalents	14,513	15,027	13,844	32,380	21,200	28,464	29,749	32,254	32,893	25,543	23,770
Merchandise and finished goods	11,908	12,165	15,911	15,328	21,455	20,873	22,272	22,988	23,139	23,024	28,416
Interest-bearing debt <sup>3</sup>	48,281	62,037	68,327	66,794	86,524	87,611	81,302	74,381	73,219	56,597	58,128
<b>Per share information</b>											
Net assets per share <sup>4</sup> (yen)	508.52	545.32	628.80	1,015.11	1,139.35	1,297.50	1,369.52	1,569.77	1,663.01	1,763.34	1,888.17
Net income per share <sup>4</sup> (yen)	6.42	65.62	97.24	216.42	145.02	190.84	121.74	223.33	118.01	123.56	148.92
<b>Financial and non-financial data</b>											
Sales growth rate (%)	7.2	18.6	10.0	20.6	1.9	8.0	1.8	9.3	3.9	7.3	4.7
SG&A expense ratio (%)	13.1	12.6	13.9	13.0	13.8	13.8	14.3	14.4	14.8	15.3	14.7
Operating margin (%)	2.3	2.9	3.7	4.8	3.8	4.4	2.7	2.8	2.9	2.2	2.4
ROA(%) <sup>5</sup>	0.2	1.8	2.2	4.4	2.8	3.3	2.1	3.6	1.9	2.0	2.4
ROE(%) <sup>6</sup>	1.3	12.0	16.6	25.3	13.5	15.7	9.2	15.2	7.3	7.2	8.2
Equity ratio(%) <sup>7</sup>	15.5	13.5	13.6	20.6	20.4	22.2	23.0	25.4	26.8	29.6	30.5
Interest coverage ratio <sup>8</sup> (times)	4.9	8.6	7.1	24.4	—	37.1	25.8	34.9	35.1	64.8	28.2
Debt-to-equity ratio <sup>9</sup> (times)	3.3	3.9	3.9	2.1	2.4	2.1	2.0	1.6	1.5	1.1	1.0
Capital expenditure	5,566	9,069	12,279	8,073	23,344	15,316	5,254	12,025	9,492	8,362	10,321
Depreciation	3,591	3,825	3,631	4,461	4,741	5,214	6,304	6,316	6,416	6,569	6,740
R&D expenses	1,023	1,534	1,767	1,913	2,388	2,784	2,764	2,991	2,776	3,411	3,065
Number of employees <sup>10</sup>	2,488	3,009	3,283	3,435	3,781	4,075	4,383	4,904	5,221	5,552	5,689

\* Figures have been rounded down. Percentages have been rounded to the nearest first decimal place.

Notes: 1. EBITDA = Operating profit + depreciation + amortization of goodwill

\*2. Figures before FY2017 are not retroactively adjusted in accordance with a change in accounting standards.

\*3. Interest-bearing debt = loans + lease obligations + installment accounts payable + bonds

\*4. Nihon Chouzai conducted 2-for-1 stock splits on October 1, 2015 and April 1, 2020. Net assets per share and net income per share have been calculated as if these stock splits had taken place at the beginning of FY2012.

\*5. ROA = profit attributable to owners of parent ÷ average of total assets at the beginning and end of the fiscal year

\*6. ROE = profit attributable to owners of parent ÷ average equity at the beginning and end of the fiscal year

\*7. Equity ratio = shareholders' equity ÷ total assets

\*8. Interest coverage ratio = operating cash flows ÷ interest payment. This figure is not presented when operating cash flows are negative.

\*9. Debt-to-equity ratio = interest-bearing debt ÷ net assets

\*10. Number of employees indicates regular employees. It does not include non-regular employees such as associate, contract, fixed-term, or part-time employees.

\*11. NHI drug prices were revised in October 2019 in line with changes in the consumption tax rate.

## Consolidated Balance Sheet

Nihon Chouzai Co., Ltd. and subsidiaries (as of March 31, 2022 and 2023)

(Millions of yen)

Liabilities	FY2021	FY 2022	Liabilities	FY2021	FY 2022
<b>Current assets</b>					
Cash and deposits	25,543	23,770	Accounts payable–trade	48,513	47,916
Notes receivable–trade	27	70	Electronically recorded monetary obligations–operating	2,862	1,476
Accounts receivable–trade and contract assets	20,458	21,246	Short-term borrowings	1,000	2,000
Electronically recorded monetary claims–operating	422	437	Current portion of long-term loans payable	12,366	10,390
Merchandise and finished goods	23,024	28,416	Lease obligations	148	143
Work in process	1,799	1,742	Income taxes payable	1,800	2,640
Raw materials and supplies	6,262	6,021	Provision for bonuses	3,861	3,892
Other	4,121	4,022	Provision for directors' bonuses	45	68
Allowance for doubtful accounts	△8	△6	Asset retirement obligations	4	20
<b>Total current assets</b>	<b>81,651</b>	<b>85,720</b>	Other	8,330	8,502
<b>Non-current assets</b>					
Property, plant and equipment			<b>Total current liabilities</b>	<b>78,931</b>	<b>77,050</b>
Property, plant and equipment	55,883	56,756	<b>Non-current liabilities</b>		
Accumulated depreciation	△26,324	△28,395	Long-term loans payable	41,531	44,640
Buildings and structures, net	29,559	28,361	Lease obligations	1,127	953
Machinery, equipment and vehicles	21,700	22,561	Provision for directors' retirement benefits	71	79
Accumulated depreciation	△7,956	△9,256	Net defined benefit liabilities	2,276	2,464
Machinery, equipment and vehicles, net	13,743	13,305	Asset retirement obligations	1,422	1,485
Land	14,155	13,377	Other	514	2,140
Leased assets	2,799	1,509	Total non-current liabilities	46,944	51,763
Accumulated depreciation	△1,704	△601	<b>Total liabilities</b>	<b>125,876</b>	<b>128,814</b>
Leased assets, net	1,095	907			
Construction in progress	1,226	1,828			
Other	21,091	22,001			
Accumulated depreciation	△16,847	△18,346			
Other, net	4,244	3,655			
Total property, plant and equipment	64,025	61,435			
Intangible assets					
Goodwill	15,220	14,195			
Other	3,749	5,377			
Total intangible assets	18,969	19,573			
Investments and other assets					
Investment securities	16	16			
Long-term loans receivable	554	3,786			
Lease and guarantee deposits	8,797	9,160			
Deferred tax assets	3,842	4,402			
Other	896	1,202			
Total investments and other assets	14,107	18,568			
<b>Total non-current assets</b>	<b>97,102</b>	<b>99,576</b>			
<b>Total assets</b>	<b>178,753</b>	<b>185,297</b>			

## Consolidated Statement of Income

Nihon Chouzai Co., Ltd. and subsidiaries  
For the years ended March 31, 2022 and 2023

(Millions of yen)

	FY2021	FY 2022
Net sales	299,392	313,318
Cost of sales	246,969	259,674
Gross Profit	52,422	53,643
Selling, general and administrative expenses	45,833	46,057
Operating profit	6,589	7,586
<b>Non-operating income</b>		
Commissions received	38	41
Rent income	511	593
Compensation income	40	114
Insurance claim income	144	64
Subsidy income	218	81
Other	258	235
<b>Total non-operating income</b>	<b>1,212</b>	<b>1,130</b>
<b>Non-operating expenses</b>		
Interest expenses	295	266
Commissions paid	0	–
Rent expenses	381	442
Loss on retirement of non-current assets	107	80
Other	249	244
Total non-operating expenses	1,034	1,033
<b>Ordinary profit</b>	<b>6,767</b>	<b>7,682</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	6	1,214
Compensation income	–	1,573
Reversal of provision for retirement benefits for directors (and other officers)	46	–
Insurance claim income	3,909	–
Gain on transfer from business divestitures	67	–
<b>Total extraordinary profit</b>	<b>4,030</b>	<b>2,787</b>
<b>Extraordinary losses</b>		
Loss on sale of non-current assets	–	52
Impairment losses	669	2,574
Loss due to disaster	3,910	–
<b>Total extraordinary losses</b>	<b>4,580</b>	<b>2,627</b>
Profit before income taxes	6,217	7,843
Income taxes–current	2,984	3,992
Income taxes–deferred	△473	△608
Total income taxes	2,511	3,384
Profit	3,705	4,458
Profit attributable to owners of parent	3,705	4,458

(Millions of yen)

Net assets	FY2021	FY 2022
<b>Shareholders' equity</b>		
Capital stock	3,953	3,953
Capital surplus	10,926	10,926
Retained earnings	41,507	45,216
Treasury stock	△3,500	△3,600
Total shareholders' equity	52,887	56,495
<b>Accumulated other comprehensive income</b>		
Remeasurements of defined benefit plans	△10	△12
<b>Total accumulated other comprehensive income</b>	<b>△10</b>	<b>△12</b>
<b>Total net assets</b>	<b>52,876</b>	<b>56,483</b>
<b>Total liabilities and net assets</b>	<b>178,753</b>	<b>185,297</b>

## Consolidated Statement of Comprehensive Income

Nihon Chouzai Co., Ltd. and subsidiaries For the years ended March 31, 2022 and 2023

(Millions of yen)

	FY2021	FY 2022
<b>Profit</b>	<b>3,705</b>	<b>4,458</b>
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	53	△2
Total other comprehensive income	53	△2
Comprehensive income	3,758	4,456
(Of which)		
Comprehensive income attributable to owners of parent	3,758	4,456

## Consolidated Statement of Changes in Net Assets

Nihon Chouzai Co., Ltd. and subsidiaries

(Millions of yen)

For the year ended assets March 31, 2021	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Capital Stock	Capital Surplus	Retained Earnings	Treasury stock	Total shareholders' equity	Remeasurements of defined benefit Plans	Total accumulated other comprehensive Income	
Balance at the beginning of the period	3,953	10,926	38,551	△3,500	49,931	△63	△63	49,868
Changes of items during the Period								
Dividends from surplus			△749		△749			△749
Profit attributable to owners of parent			3,705		3,705			3,705
Purchase of treasury stock				△0	△0			△0
Net changes of items other than shareholders' equity						53	53	53
Total changes of items during the period	-	-	2,955	△0	2,955	53	53	3,008
Balance at the end of the period	3,953	10,926	41,507	△3,500	<b>52,887</b>	△10	△10	<b>52,876</b>

(Millions of yen)

For the year ended assets March 31, 2022	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Capital Stock	Capital Surplus	Retained Earnings	Treasury stock	Total shareholders' equity	Remeasurements of defined benefit Plans	Total accumulated other comprehensive Income	
Balance at the beginning of the period	3,953	10,926	41,507	△3,500	52,887	△10	△10	52,876
Changes of items during the Period								
Dividends from surplus			△749		△749			△749
Profit attributable to owners of parent			4,458		4,458			4,458
Purchase of treasury stock				△100	△100			△100
Net changes of items other than shareholders' equity						△2	△2	△2
Total changes of items during the period	-	-	3,709	△100	3,608	△2	△2	3,606
Balance at the end of the period	3,953	10,926	45,216	△3,600	<b>56,495</b>	△12	△12	<b>56,483</b>

## Consolidated Statement of Cash Flows

Nihon Chouzai Co., Ltd. and subsidiaries  
For the years ended March 31, 2022 and 2023

(Millions of yen)

	FY2021	FY 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	6,217	7,843
Depreciation	6,569	6,740
Amortization of long-term prepaid expenses	157	126
Impairment loss	669	2,574
Loss on disaster	3,910	-
Insurance income	△3,909	-
Compensation income	-	△1,573
Amortization of goodwill	1,814	1,952
Increase (decrease) in allowance for doubtful account	1	△1
Increase (decrease) in provision for bonuses	258	27
Increase (decrease) in provision for bonuses for directors (and other officers)	△1	23
Increase (decrease) in retirement benefit liability	120	185
Increase (decrease) in provision for retirement benefits for directors (and other officers)	△127	△49
Interest and dividend income	△2	△1
Interest expenses	295	266
Loss (gain) on sales of non-current assets	△6	△1,161
Decrease (increase) in notes and accounts receivable/trade	1,185	△701
Decrease (increase) in inventories	△4,147	△5,016
Increase (decrease) in notes and accounts payable-trade	4,363	△2,018
Decrease (increase) in prepaid expenses	△75	△76
Increase (decrease) in accrued expenses	57	109
Decrease (increase) in accounts receivable-other	△224	375
Increase (decrease) in accounts payable-other	378	△1,177
Other, net	481	1,064
<b>Subtotal</b>	<b>17,989</b>	<b>9,511</b>
Interest and dividend income received	2	1
Interest expenses paid	△299	△267
Income taxes paid	△2,189	△3,286
Proceeds from insurance income	3,909	-
Proceeds from compensation income	-	1,573
<b>Net cash provided by (used in) operating activities</b>	<b>19,411</b>	<b>7,532</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	△5,956	△5,761
Proceeds from sales of property, plant and equipment	73	2,183
Purchase of intangible assets	△1,753	△1,994
Increase in long-term prepaid expenses	△133	△59
Payments for acquisition of businesses	△348	△367
Proceeds from sale of businesses	75	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	△597	△1,433
Payment of loans receivable	-	△2,096
Collection of loans receivable	84	89
Payments of leasehold and guarantee deposits	△935	△779
Proceeds from refund of leasehold and guarantee deposits	194	219
Other, net	△18	△18
<b>Net cash provided by (used in) investing activities</b>	<b>△9,313</b>	<b>△10,018</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	1,000	1,000
Proceeds from long-term loans payable	10,900	13,500
Repayments of long-term loans payable	△27,966	△12,366
Repayments of lease obligations	△140	△145
Repayments of installment payables	△462	△424
Purchase of treasury shares	△0	△100
Cash dividends paid	△749	△749
Other, net	△28	-
<b>Net cash provided by (used in) financing activities</b>	<b>△17,448</b>	<b>713</b>
Net increase (decrease) in cash and cash equivalents	△7,350	△1,772
Cash and cash equivalents at beginning of period	32,893	25,543
Cash and cash equivalents at end of period	25,543	23,770

## Company Profile

As of March 31, 2023

### Company Profile

#### Trade name

NIHON CHOUZAI Co., Ltd.

#### Established

March 1980

#### Headquarters

37F GranTokyo North Tower, 1-9-1, Marunouchi, Chiyoda-ku, Tokyo  
100-6737  
+81-(0)3-6810-0800 (general)

#### Capital

3,953.02 million yen

#### Consolidated net sales

313.3 billion yen (FY2022)

#### Employees

Regular employees: 5,689; part-time employees and others: 790

\*Figures for part-time employees and others represent the average annual number of employees based on conversion to an 8-hour workday

#### Main financing banks

Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Resona Bank, Ltd.

#### Main business area

Management of a dispensing pharmacy chain

### Shareholder Information

#### Authorized shares

88,384,000

#### Issued shares

32,048,000

#### Number of shareholders

11,801

#### Annual General Meeting of Shareholders

June

#### Administrator of shareholder registry

Mitsubishi UFJ Trust and Banking Corporation  
1-1, Nikko-cho, Fuchu City, Tokyo 183-0044  
0120-232-711 (toll-free)

#### Listed stock exchange

Tokyo Stock Exchange Prime Market

#### Securities code

3341

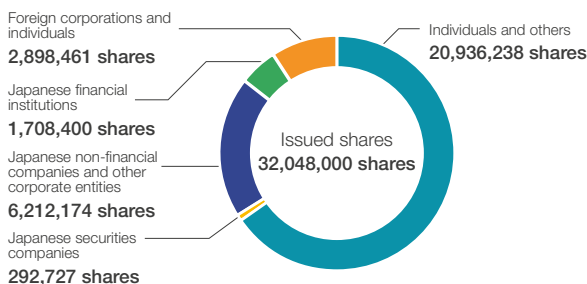
#### Settlement date

March 31

### Stock Information

#### Distribution by Shareholder Type

(As of March 31, 2022)



#### Changes in Shareholder Composition

Share (%)	2022/3	2023/3
Individuals and others	62.93	65.33
Japanese securities companies	1.54	0.91
Japanese non-financial companies and other corporate entities	19.36	19.38
Japanese financial institutions	6.16	5.33
Foreign corporations and individuals	10.01	9.04

Notes: 1. The 2,061,495 treasury stock owned by Nihon Chouzai are included in Individuals and others.

2. Ratios are rounded off to two decimal places.

#### Major Shareholders (Top 10 Shareholders)

Shareholder name	Number of shares held	Investment ratio (%)
Yosuke Mitsuhara	6,640,000	22.14
Hiroshi Mitsuhara	4,800,000	16.01
Mitsuhara Kosan Co., Ltd.	3,600,000	12.01
Max Planning, Inc.	2,240,000	7.47
The Master Trust Bank of Japan, Ltd. (trust account)	1,360,300	4.54
Nihon Chouzai Employee Shareholding Association	967,900	3.23
Yoko Mitsuhara	800,000	2.67
Keiko Yeow	538,600	1.80
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002	400,000	1.33
INTERACTIVE BROKERS LLC	150,700	0.50

Notes: 1. Investment ratios are calculated after excluding treasury stock (2,061,175 shares).

2. Ratios are rounded off to two decimal places.

### Affiliated companies

#### Nihon Generic Co., Ltd.

Manufacture and sale of pharmaceuticals  
39F GranTokyo North Tower, 1-9-1  
Marunouchi, Chiyoda-ku, Tokyo

<https://www.nihon-generic.co.jp/en/>

#### Choseido Pharmaceutical Co., Ltd.

Manufacture and sale of pharmaceuticals  
92, Kokufuchoko, Tokushima, Tokushima

<https://www.choseido.com/>

#### Medical Resources Co., Ltd.

Staffing and placement of healthcare professionals  
40F GranTokyo North Tower, 1-9-1  
Marunouchi, Chiyoda-ku, Tokyo

<https://www.medical-res.co.jp/>

#### Japan Medical Research Institute Co., Ltd.

Research investigation, provision of information and advertising media, and consulting services related to the healthcare industry in general  
39F GranTokyo North Tower, 1-9-1  
Marunouchi, Chiyoda-ku, Tokyo

<https://www.jpmedri.co.jp/>