

October 29, 2021

Company name	Nihon Chouzai Co., Ltd.
Company representative	Yosuke Mitsuhashi, President and CEO
Securities code	3341; Tokyo Stock Exchange 1st Section
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Notice of Revisions to Full-year Consolidated Earnings Forecast

Nihon Chouzai Co., Ltd. announces that it has revised its consolidated earnings forecast for the fiscal year ending March 31, 2022 released on April 30, 2021 as outlined below.

- Revisions to full-year consolidated earnings forecast for fiscal year ending March 31, 2022
(April 1, 2021 to March 31, 2022)

(Figures in million yen except for per share data)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share (yen)
Previous forecast (A)	293,400	9,200	9,100	5,100	170.07
Revised forecast (B)	294,600	7,000	7,000	4,000	133.39
Change (B-A)	1,200	-2,200	-2,100	-1,100	
Change (%)	0.4%	-23.9%	-23.1%	-21.6%	
(Reference) Results for FY3/2021	278,951	8,106	8,409	3,538	118.01

2. Reason for earnings forecast revisions

As announced in the “Notice of Administrative Disciplinary Action against a Subsidiary of the Company (Choseido Pharmaceutical Co., Ltd.)” dated October 11, 2021, Tokushima Prefecture imposed an administrative disciplinary action on our subsidiary, Choseido Pharmaceutical Co., Ltd. based on the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices. We take this administrative disciplinary action very seriously, and will help Choseido Pharmaceutical execute its business improvement plan, while working together as a group to prevent any recurrence.

As a result of a detailed analysis of the impact of this matter on the earnings forecast for the fiscal year ending March 31, 2022, we have decided to revise the full-year consolidated earnings forecast as outlined above. Results have fared well in the Dispensing Pharmacy Business and the Medical Professional Staffing and

Placement Business, with both net sales and operating profit exceeding forecasts as of the end of the second quarter of the fiscal year, despite the impact of the COVID-19 pandemic. On the other hand, we expect both net sales and operating profit in the Pharmaceutical Manufacturing and Sales Business to fall short of forecasts due to the impact of product recall and manufacturing delays caused by quality problems at Choseido Pharmaceutical.

Note: The abovementioned earnings forecasts are created based on currently available information and actual earnings may differ from these forecast figures due to any number of factors. Furthermore, the number of issued shares used to calculate our forecast for net income per share is the currently assumed average number of shares for the full fiscal year.