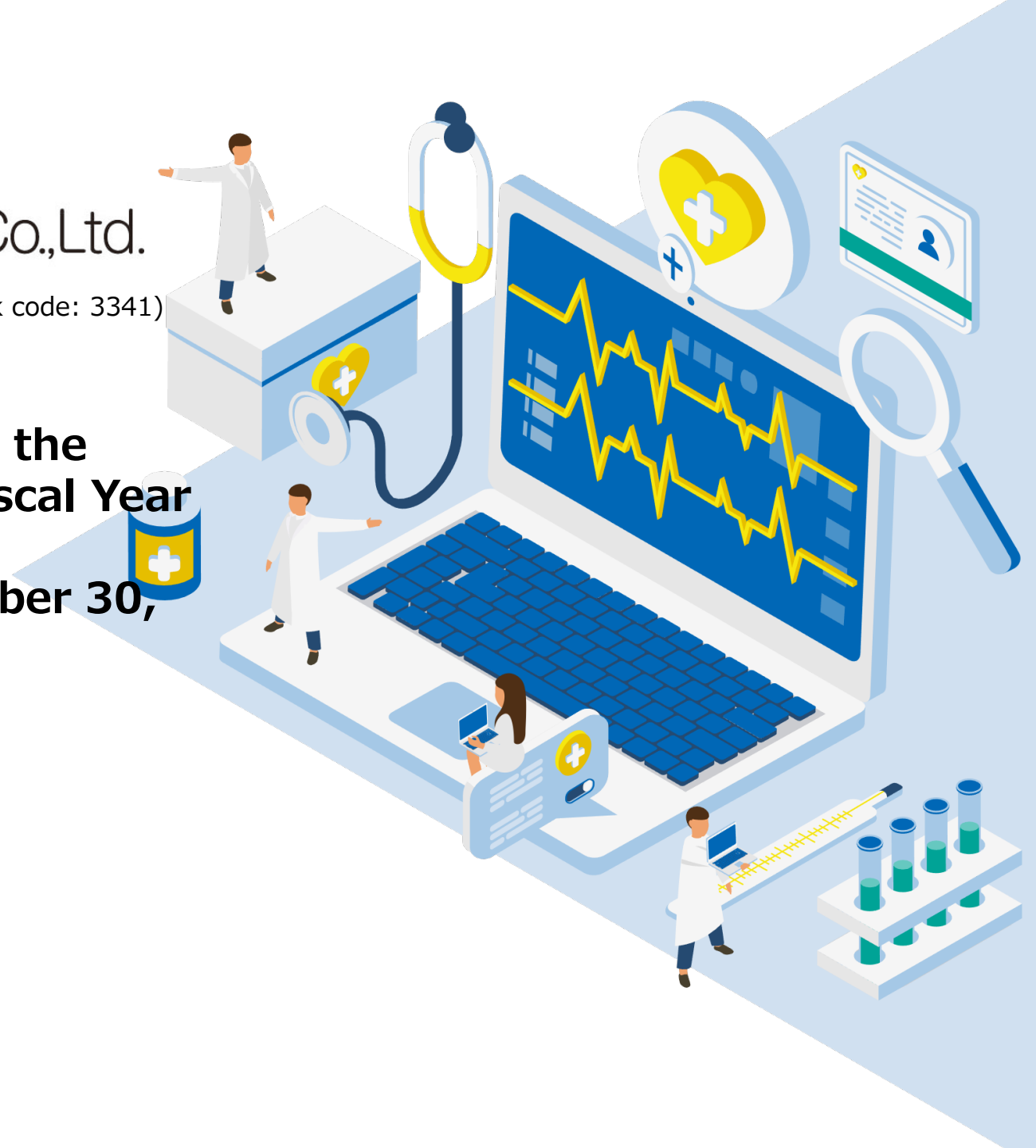




(Tokyo Stock Exchange, Prime Market / Stock code: 3341)

Results of Operations for the Second Quarter of the Fiscal Year Ending March 31, 2025 (April 1, 2024 to September 30, 2024)

November 12, 2024



1

Financial Highlights



Consolidated Results

Net sales increased but profit declined. While prescription volume increased in the Dispensing Pharmacy Business, manufacturing management issues in the Pharmaceutical Manufacturing and Sales Business resulted in suspended shipments of some products.

Dispensing Pharmacy Business

Net sales increased but profit declined. While prescription volume increased owing to contributions from pharmacies opened in the previous fiscal year, the impact of the revision of medical fees, and cost of sales and SG&A expenses also rose due to higher personnel expenses from base up increase among others.

Pharmaceutical Manufacturing and Sales Business

Net sales and profit declined, due to the impact of April 2024 NHI drug price revisions and the ongoing impact of manufacturing management deficiencies discovered at the Kawauchi Plant of Choseido Pharmaceutical.

Medical Professional Staffing and Placement Business

Net sales and profit increased, owing to a rise in the number of active personnel, primarily dispatched to small and mid-sized dispensing pharmacies, in the pharmacist staffing business, along with year-on-year growth in the pharmacist placement, physician placement, and healthcare businesses.

Consolidated Statement of Income

Net sales increased 5.6% YoY (4.4% short of the forecast), and the operating profit decreased 87.5% YoY (81.6% short of the forecast). While prescription volume increased in the Dispensing Pharmacy Business, manufacturing management issues in the Pharmaceutical Manufacturing and Sales Business weighed on earnings.

(Millions of yen)	2Q FY3/23 Results	2Q FY3/24 Results	2Q FY3/25 Forecast	2Q FY3/25 Results	Change Vs. Forecast	Vs. Forecast	YoY growth rate
Net sales	152,331	166,310	183,700	175,575	(8,124)	(4.4%)	5.6%
Cost of sales	125,930	138,761	155,000	148,442	(6,557)	(4.2%)	7.0%
Gross profit	26,400	27,548	28,600	27,132	(1,467)	(5.1%)	(1.5%)
% to sales	17.3%	16.6%	15.6%	15.5%	(0.1pt)	—	—
SG&A expenses	23,587	24,150	26,300	26,709	409	1.6%	10.6%
% to sales	15.5%	14.5%	14.3%	15.2%	0.9pt	—	—
Consumption taxes	10,374	11,520	12,600	12,276	(323)	(2.6%)	6.6%
R&D expenses	1,652	1,306	1,600	1,733	133	8.3%	32.6%
Operating profit	2,813	3,397	2,300	423	(1,876)	(81.6%)	(87.5%)
% to sales	1.8%	2.0%	1.3%	0.2%	(1.0pt)	—	—
Ordinary profit	2,849	3,367	2,400	772	(1,627)	(67.8%)	(77.1%)
% to sales	1.9%	2.0%	1.3%	0.4%	(0.9pt)	—	—
Profit attributable to owners of parent	1,607	1,748	1,200	(43)	(1,243)	—	—
% to sales	1.1%	1.1%	0.7%	(0.0%)	(0.7pt)	—	—
EBITDA	7,079	7,573	6,900	5,003	(1,896)	(27.5%)	(33.9%)

Consolidated Balance Sheet

Main factors behind the increase in assets were increases of 6.5 billion yen in merchandise and finished goods. The increase in liabilities mainly reflected a 8.9 billion yen increase in accounts payable-trade. Net interest-bearing debt was 33.7 billion yen, an increased of 4.8 billion yen from the previous fiscal year, but it has maintained a low level since FY3/12.

(Millions of yen)	End of Mar. 2023 (FY3/23)	End of Mar. 2024 (FY3/24)	End of Sep. 2024 (2Q FY3/25)	YoY change	YoY change (%)
Current assets	85,720	91,031	100,921	9,890	10.9%
Merchandise and finished goods	28,416	28,992	35,542	6,550	22.6%
Non-current assets	99,576	104,056	103,225	(830)	(0.8%)
Property, plant and equipment	61,435	60,428	60,607	178	0.3%
Intangible assets	19,573	21,426	22,115	688	3.2%
Investments and other assets	18,568	22,200	20,502	(1,697)	(7.6%)
Total assets	185,297	195,087	204,147	9,059	4.6%
Current liabilities	77,050	84,858	93,000	8,141	9.6%
Accounts payable-trade	47,916	52,759	61,698	8,939	16.9%
Short-term loans payable	2,000	450	5,300	4,850	1,077.8%
Current portion of long-term loans payable	10,390	10,981	10,224	(757)	(6.9%)
Non-current liabilities	51,763	51,876	53,261	1,384	2.7%
Long-term loans payable	44,640	42,108	43,328	1,219	2.9%
Total liabilities	128,814	136,735	146,261	9,525	7.0%
Total net assets	56,483	58,351	57,885	(466)	(0.8%)
Shareholders' equity	56,483	58,351	57,885	(466)	(0.8%)
Equity ratio	30.5%	29.9%	28.4%	(1.6pt)	—
Net interest-bearing debt	34,357	28,890	33,727	(4,836)	(16.7%)

Consolidated Statement of Cash Flows

Net cash provided by operating activities declined by about 10 billion yen, due to a drop in profit before income taxes and an increase in inventories.

(Millions of yen)	2Q FY3/23 Results	2Q FY3/24 Results	2Q FY3/25 Results	YoY change
Cash flows from operating activities	1,007	11,900	1,565	(10,334)
Profit before income taxes	2,850	3,378	762	(2,616)
Depreciation	3,249	3,212	3,608	396
Amortization of goodwill	983	939	950	11
Decrease (increase) in trade receivables	1,766	1,218	911	(306)
Decrease (increase) in inventories	(12,027)	(5,671)	(9,315)	(3,643)
Increase (decrease) in trade payables	5,096	9,844	7,556	(2,288)
Cash flows from investing activities	(7,628)	(8,019)	(5,956)	2,063
Purchase of property, plant and equipment	(3,014)	(3,526)	(3,804)	(277)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,433)	(273)	(436)	(162)
Cash flows from financing activities	2,536	(5,425)	4,780	10,205
Net increase (decrease) in short-term loans payable	800	(2,000)	4,850	6,850
Proceeds from long-term loans payable	12,000	5,500	9,450	3,950
Repayments of long-term loans payable	(9,483)	(8,477)	(8,987)	(509)
Net increase (decrease) in cash and cash equivalents	(4,084)	(1,544)	389	1,934
Cash and cash equivalents at beginning of period	25,543	23,770	26,034	2,263
Cash and cash equivalents at end of period	21,458	22,226	26,424	4,197

Dispensing Pharmacy Business

Net sales increased 6.1% YoY, due to increased prescription volume at existing pharmacies and contributions from 36 pharmacies opened in the previous fiscal year. Meanwhile, operating profit dipped 25.0% YoY, 19.5% below the forecast, due to increases in cost of sales and SG&A expenses stemming from higher personnel expenses among others.

(Millions of yen)	2Q FY3/23 Results	2Q FY3/24 Results	2Q FY3/25 Forecast	2Q FY3/25 Results	Change Vs. Forecast	Vs. Forecast	YoY growth rate
Net sales	136,180	147,605	162,400	156,569	(5,830)	(3.6%)	6.1%
Cost of sales	114,600	125,527	140,100	134,697	(5,402)	(3.9%)	7.6%
Gross profit	21,579	22,377	22,300	21,871	(428)	(1.9%)	(2.3%)
% to sales	15.8%	15.2%	13.7%	14.0%	0.2pt	—	—
SG&A expenses	15,586	16,361	16,600	17,362	762	4.6%	6.1%
% to sales	11.4%	11.1%	10.2%	11.1%	0.9pt	—	—
Operating profit	5,993	6,016	5,600	4,509	(1,090)	(19.5%)	(25.0%)
% to sales	4.4%	4.1%	3.4%	2.9%	(0.6pt)	—	—
No. of pharmacies at the end of each period (stores) <small>note 1</small>	713	726	746	743	(3)	(0.4%)	2.3%
Prescription drug sales per pharmacy <small>note 2</small>	193	204	219	211	(7)	(3.4%)	3.6%

Note: Rounding down to the nearest unit

Prescription drug sales per pharmacy = Prescription drug sales / Average No. of pharmacies during the period

Pharmaceutical Manufacturing and Sales Business

Net sales declined 1.5% YoY, and the operating loss was 0.6 billion yen. In addition to the April 2024 drug price revisions, suspended shipments of some products due to manufacturing management issues discovered at the Kawauchi Plant of Choseido Pharmaceutical put downward pressure on results.

(Millions of yen)	2Q FY3/23 Results	2Q FY3/24 Results	2Q FY3/25 Forecast	2Q FY3/25 Results	Change Vs. Forecast	Vs. Forecast	YoY growth Rate
Net sales	19,194	20,487	23,000	19,570	(3,429)	(14.9%)	(4.5%)
Cost of sales	16,811	18,022	19,800	17,562	(2,237)	(11.3%)	(2.6%)
Gross profit	2,382	2,464	3,200	2,007	(1,192)	(37.3%)	(18.5%)
% to sales	12.4%	12.0%	13.9%	10.3%	(3.7pt)	—	—
SG&A expenses	2,779	2,297	2,800	2,660	(139)	(5.0%)	15.8%
% to sales	14.5%	11.2%	12.2%	13.6%	1.4pt	—	—
Operating profit	(396)	167	400	(652)	(1,052)	—	—
% to sales	—	0.8%	1.7%	(3.3%)	(5.1pt)	—	—

Note: Rounding down to the nearest unit

Medical Professional Staffing and Placement Business

Net sales increased 21.8% YoY due to higher sales from staffing services, primarily among small and mid-sized dispensing pharmacies, in the mainstay pharmacist business and growth in the physician placement and healthcare businesses. Operating profit rose 9.8% YoY as the sales growth covered headquarters relocation expenses.

(Millions of yen)	2Q FY3/23 Results	2Q FY3/24 Results	2Q FY3/25 Forecast	2Q FY3/25 Results	Change Vs. Forecast	Vs. Forecast	YoY growth Rate
Net sales	3,959	4,945	5,300	6,021	721	13.6%	21.8%
Cost of sales	1,485	2,102	2,300	2,730	430	18.7%	29.9%
Gross profit	2,473	2,842	3,000	3,290	290	9.7%	15.8%
% to sales	62.5%	57.5%	56.6%	54.7%	(2.0pt)	—	—
SG&A expenses	1,973	2,144	2,400	2,524	124	5.2%	17.7%
% to sales	49.8%	43.4%	45.3%	41.9%	(3.4pt)	—	—
Operating profit	500	698	6900	766	166	27.8%	9.8%
% to sales	12.7%	14.1%	11.3%	12.7%	1.4pt	—	—

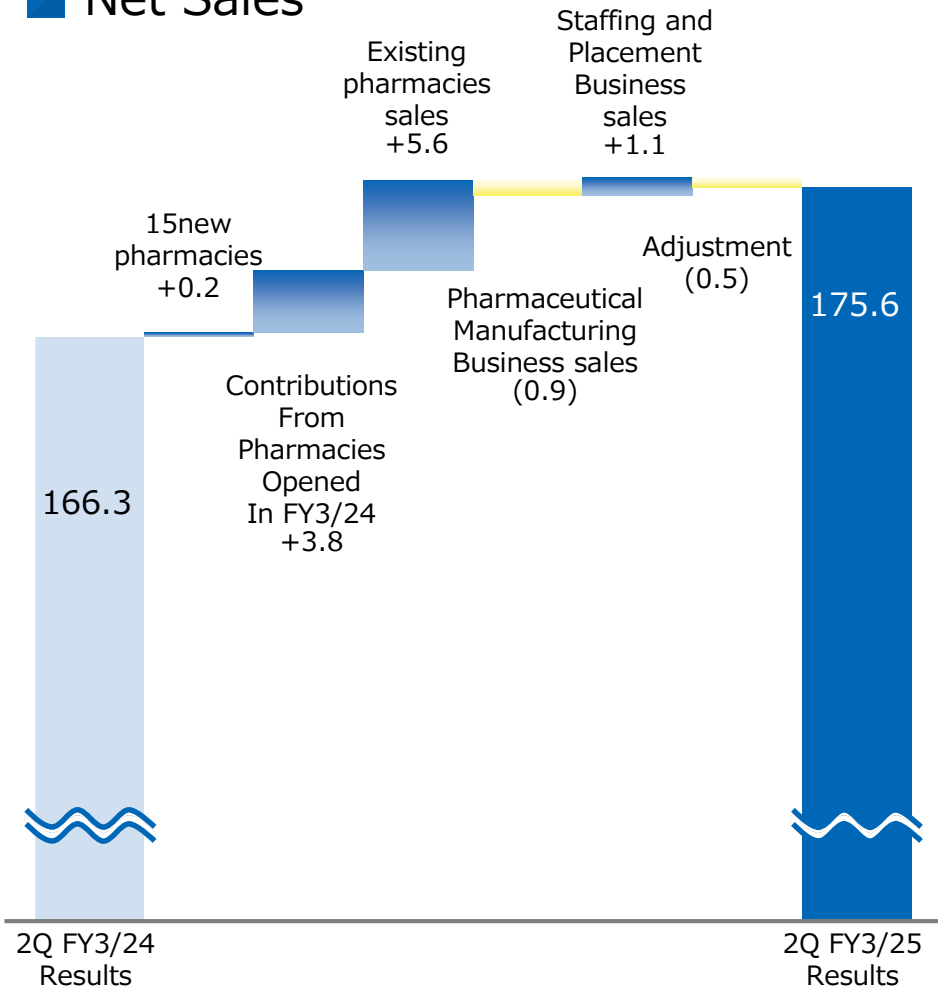
Note: Rounding down to the nearest unit

Reference Materials

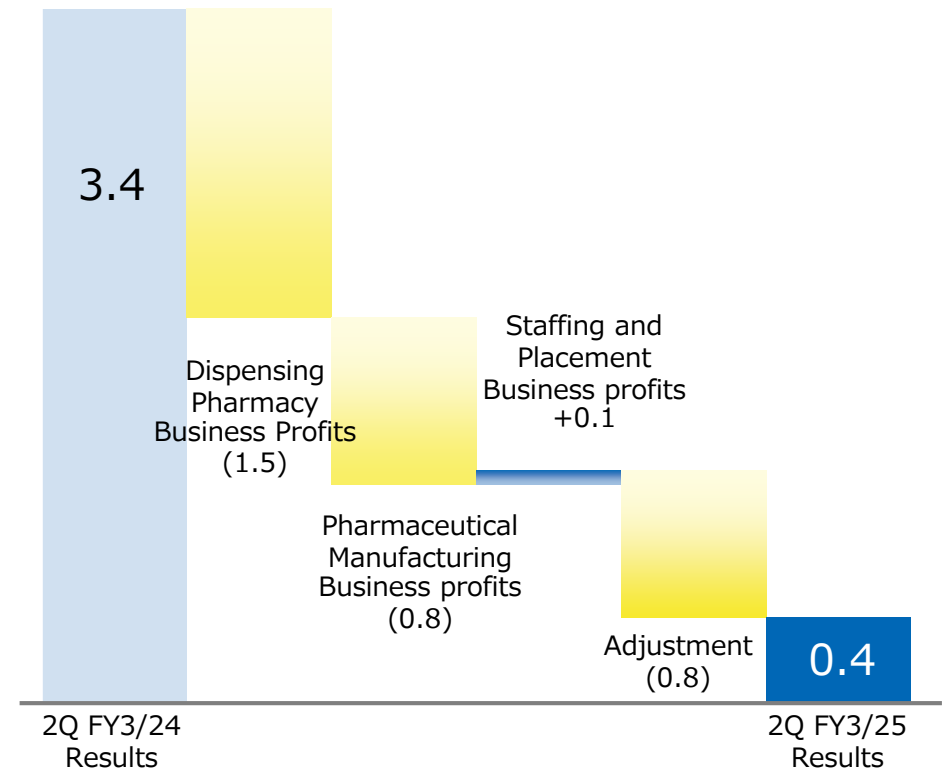
Consolidated Results: Major Components of YoY Changes (Net Sales / Operating Profit)

(Billions of yen; figures are rounded to the nearest 100 million yen)

Net Sales



Operating Profit

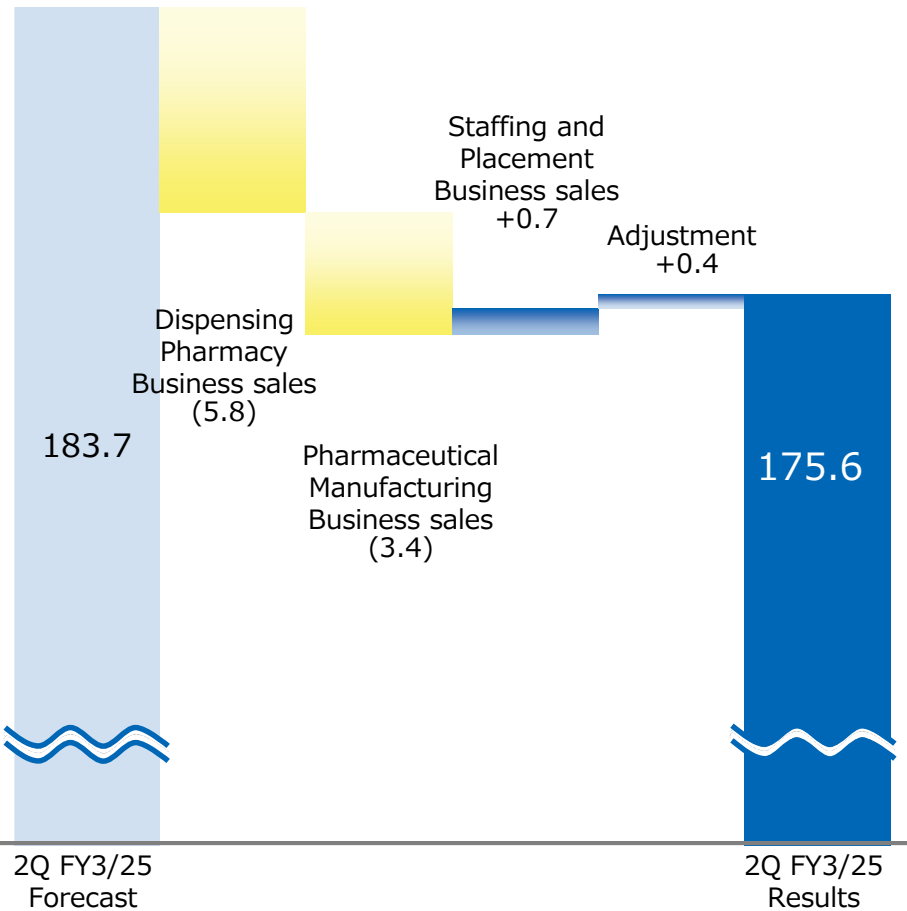


Reference Materials

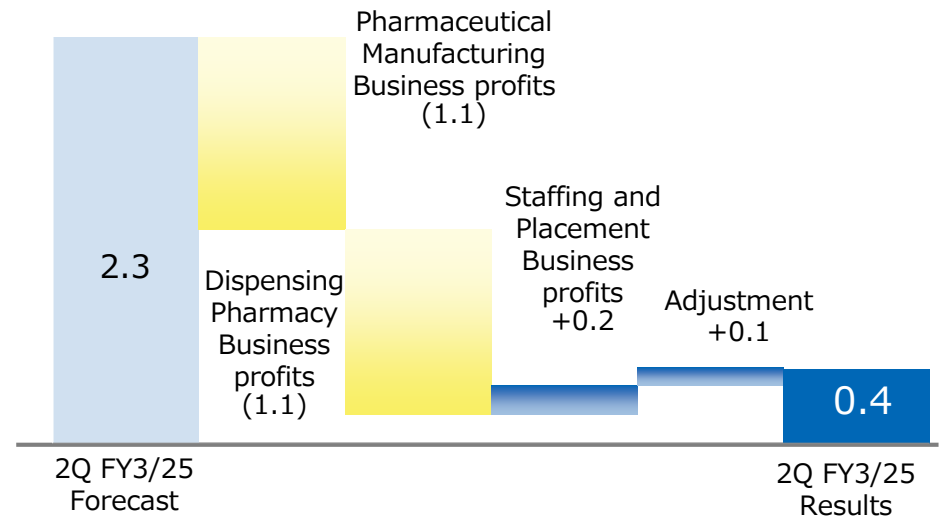
Consolidated Results: Major Components of Changes vs. Forecast
(Net Sales / Operating Profit)

(Billions of yen; figures are rounded to the nearest 100 million yen)

Net Sales



Operating Profit



Differences Between the 1H FY3/25 Forecast and Actual Results

1H results fell short of the forecast due to lower-than-expected prescription volume and prescription unit price in the Dispensing Pharmacy Business, and lower-than-expected manufacturing (production volume) and sales due to manufacturing management deficiencies discovered at the Kawauchi Plant of Choseido Pharmaceutical in the Pharmaceutical Manufacturing and Sales Business. As of the 1H results announcement, we have not revised the full-year forecast.

(Millions of yen)	2Q FY3/25 Forecast	2Q FY3/25 Results	Change Vs. Forecast	Vs. Forecast
Net sales	183,700	175,575	(8,124)	(4.4%)
Cost of sales	155,000	148,442	(6,557)	(4.2%)
Gross profit	28,600	27,132	(1,467)	(5.1%)
% to sales	15.6%	15.5	(0.1pt)	—
SG&A expenses	26,300	26,709	409	1.6%
% to sales	14.3%	15.2%	0.9pt	—
Operating profit	2,300	423	(1,876)	(81.6%)
% to sales	1.3%	0.2%	(1.0pt)	—

■ Factors behind lower-than-expected sales Dispensing Pharmacy Business (5.8 billion yen below the forecast)

- Decline in prescription volume (190,000 units less than the forecast, 2.2% below the forecast)
- Decline in prescription unit price (247 yen less than the forecast, 1.4% below the forecast)

Pharmaceutical Manufacturing and Sales Business (3.4 billion yen below the forecast)

- Sales decline due to manufacturing management issues at Choseido Pharmaceutical (2,7 billion yen less than the forecast)

■ Factors behind lower-than-expected operating profit

- Decrease in profits due to the above-mentioned decrease in sales
- Loss on disposal of raw materials, products, etc. and provision at Choseido Pharmaceutical (0.4 billion yen)

Initiatives to Improve Earnings

■ Groupwide initiatives

- Control SG&A expenses
 - Improve labor productivity
 - Review of various expenses

■ Dispensary Pharmacy Business

- Increase sales
 - Strengthening the number of prescriptions filled, improving operational efficiency and reducing waiting times for patients
 - Expansion of specialty pharmaceuticals, strengthening of the role of family pharmacy function, promotion of at-home medical care
- Improving profit margins
 - Improving the profitability of stores and consolidating or closing stores

■ Pharmaceutical Manufacturing and Sales Business

- Increase sales
 - Quickly acquire market share of products newly added to the NHI price list in December 2024
- Improving profit margins
 - Consolidation of sales items (selection and concentration of products handled)
 - Cost reduction through efficient manufacturing and distribution
- Early normalization by Choseido Pharmaceutical
 - Promptly and fundamentally resolve the manufacturing management deficiencies discovered at the Kawauchi Plant and build a stable manufacturing framework

■ Medical Professional Staffing and Placement Business

- Increase sales
 - Strengthen sales and customer acquisition capabilities in pharmacist staffing and physician placement services
 - Expand the healthcare business

2

Growth strategy



Consolidated Results

- Established “Long-Term Vision 2035”

Dispensing Pharmacy Business

- Co-creation with other companies
- Pharmacy opening strategy focused on maintaining balance/
Development of pharmacies with various functions
Continue opening pharmacies with an emphasis on maintaining balance between hospital-front pharmacies and hybrid pharmacies.

Pharmaceutical Manufacturing and Sales Business

- Issues in manufacturing management at Choseido Pharmaceutical
- Product portfolio/ increase in the ratio of in-house manufactured products

Medical Professional Staffing and Placement Business

- Improve brand recognition and expand market share of pharmacist staffing and placement business
- Expand business in the healthcare domain to meet corporate health management needs



Established “Long-Term Vision 2035”

In September 2024, Nihon Chouzai released the Long-Term Vision 2035.

With a vision to become “the most trusted partner in healthcare” by 2035, we have established three strategic pillars and set management indicators to realize the vision.

We aim to enhance our management approach and increase corporate value by backcasting from our envisioned future to create a roadmap, fostering growth in both financial and non-financial assets, and driving innovation.

The most vibrant and energetic group in Japan

An organization overflowing with hospitality

- Serve customers with a smile and full of hospitality
- Create a vibrant work environment where employees can thrive, and support proactive career development

A group that can address all kinds of needs

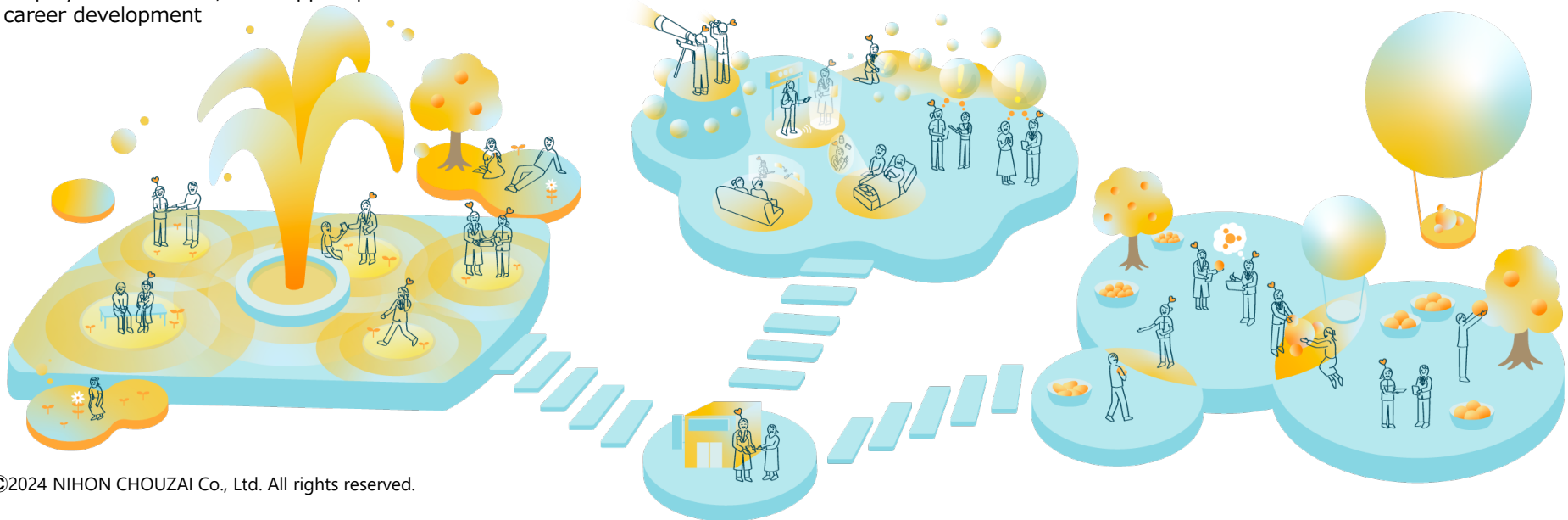
Sincerely serve customers

- Build a structure, a system, and facilities to address all kinds of customer needs
- Listen to customer feedback, and build services from a customer-centric perspective

A group that continues to innovate

From self-reliance to co-creation

- Develop new services through partnerships and co-creation with other companies
- Transform corporate culture into one that encourages and fosters innovation



Established “Long-Term Vision 2035”

By prioritizing financial KPSs such as ROE, ROIC, and CAGRs for sales and EBITDA, we aim to enhance capital efficiency and ensure growth. For FY2035, we aim for operating profit of 40–50 billion yen.

Indicators		FY24/3	FY36/4 Vision	
Financial KPIs	Capital efficiency	ROE	4.4%	15%
		ROIC	4.8%	15%
	Growth potential	売上高 年平均成長率 (対24.03期)	—	Above 10%
		EBITDA 年平均成長率 (対24.03期)	—	Above 10%
Non-financial KPIs	Organizational vitality	Based on NPS* and employee engagement score, among others		
	Innovation creation capability	Consider as indicators for services focused on providing new value		

* Net Promoter Score (NPS) measures customer loyalty, i.e., trust and attachment customers have toward a service. It indicates the proportion of customers who would actively recommend the service to others.

ROE(%) = Profit attributable to owners of parent / shareholders' equity
 ROIC(%) = After-tax operating profit / (interest bearing debt + shareholders' equity)
 EBITDA = Operating profit + depreciation

Co-creation with other companies

We aim to provide and explore new services by actively partnering and co-creating with other companies. We will help expand patient options and enhance convenience by advancing healthcare digitalization, including increasing opportunities for online medication guidance and improving efficiency through outsourcing. Further, we will promote self-medication by increasing customer access points to OTC medications.

■ Expand stores handling 5COINS PHARMA products

Nihon Chouzai began sales of 5COINS PHARMA, Nihon Chouzai's private brand of OTC drugs, at a total of 35 Bic Camera and Kojima stores from July 16, 2024.

The number of stores outside the group has expanded to 564 stores in 54 corporations.

■ Introduce Amazon Pharmacy

Starting September 2024, we began providing Amazon Pharmacy, a service provided by Amazon Japan G.K. that enables pharmacies to offer various services ranging from online medication guidance to prescription drug delivery, in 11 stores primarily located in prefectures where the service had not yet been introduced, including Aomori, Yamaguchi, Saga, Miyazaki, and Okinawa.

■ Outsource some dispensing operations

In mid-October, we began outsourcing some dispensing operations across different corporations within the National Strategic Special Zone covering all of Osaka City. Through this effort, we contribute to verifying safety, effectiveness and economic efficiency with the aim of shifting focus from product-centered to patient-centered services, as outlined in the "Pharmacy Vision for Patients."



Note: 5COINS PHARMA: Industry's first OTC drug brand with uniform pricing, with products sold at ¥550 including tax, except for certain items.

Pharmacy Network ①

Both in our own store openings and M&A we are making upfront investments in large stores that support advanced medical and home medical care, and our sales per store are on an upward trend. While maintaining the share of pharmacies opened through organic growth, we aim to utilize M&A for balanced pharmacy openings.

Pharmacy Openings

	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24	2Q FY3/25
Opened	32	65*	29	40	38	36	15
Organic growth (percentage)	26 (81.2%)	35 (53.8%)	22 (75.9%)	34 (85.0%)	30 (78.9%)	25 (69.4%)	13 (86.7%)
M&A	6	30	7	6	8	11	2
Closed	19	13	9	13	17	18	8
No. of pharmacies at the end of period	598	650	670	697	718	736	743

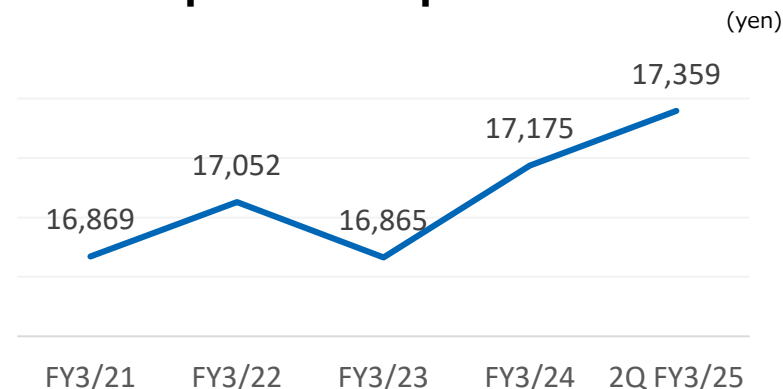
Note: Including one location that was converted from a store specializing in the sale of general merchandise to a pharmacy

2Q FY3/25 Results

(YoY growth rate)	Prescription drug sales	No. of prescriptions	Prescription unit prices
Existing pharmacies	3.9%	0.3%	3.6%
Pharmacies opened in FY3/24	881.5%	592.5%	41.7%
Total	6.3%	3.9%	2.3%

No. of prescriptions 8,896,000 Prescription unit price 17,359 yen

Prescription unit price

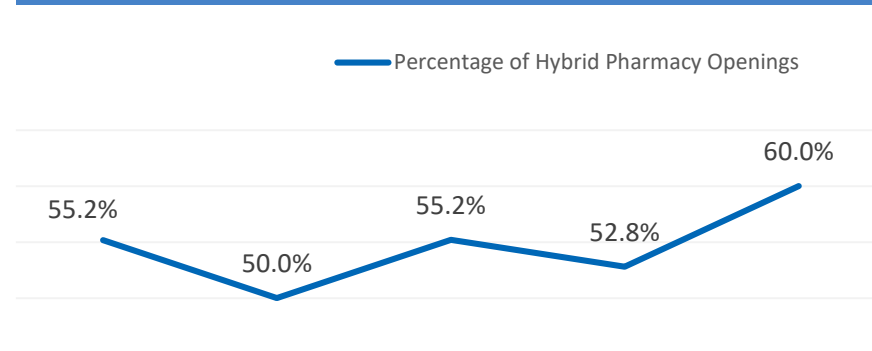


Pharmacy Network ②

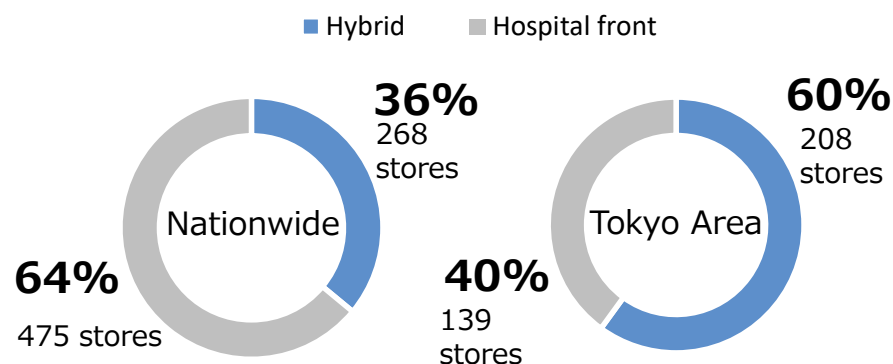
Continue opening pharmacies with an emphasis on maintaining the right balance, by steadily opening hospital front pharmacies and stepping up efforts to open hybrid pharmacies, which have become increasingly important in providing community-based care.

Pharmacy Openings					
	FY3/21	FY3/22	FY3/23	FY3/24	FY3/25 2Q
Opened	29	40	38	36	15
Hospital-front pharmacies	13	20	17	17	6
Hybrid pharmacies	16	20	21	19	9
Closed	9	13	17	18	8
No. of pharmacies at the end of period	670	697	718	736	743

Percentage of Pharmacy Openings



Ratio of Pharmacies



Region	Pharmacy openings in 2Q FY3/25	No. of pharmacies at 2Q FY3/25	Percentage
Kanto	6	382	51.4%
Kansai	3	84	11.3%
Other	6	277	37.3%
Total	15	743	100.0%

Hybrid Pharmacy: Combination of non-hospital-front (Mentaio) & medical center type pharmacies
 Hybrid pharmacies are located in front of train stations, in shopping districts, and in other such areas, and combine the company's Mentaio-type pharmacies (serving a wide catchment area) and its medical center-type pharmacies.

Open Pharmacies with Various Functions

Specialized medical institution cooperation pharmacies

61 /205 stores nationwide

Certified pharmacies that are able to provide specialized pharmacy management, collaboration with other medical institutions, advanced pharmacy management, and special dispensing for patients who require specialized pharmacy management. Currently, pharmacies with a high level of expertise in "cancer" treatment are certified.

Regional cooperation pharmacies

508 /4,297 stores nationwide

Pharmacies certified by prefectural governors that appropriately collaborate with local medical institutions and other pharmacies and serve as a link between hospitals and nursing care facilities and homes.

Health support pharmacies

214 stores

Pharmacies that meet the standards for health support set by the Minister of Health, Labor and Welfare, with the function of actively supporting community residents and patients to lead healthy and prosperous lives.

At-Home Medical Care Support Centers

27 stores

Highly specialized pharmacists who focus on home healthcare provide a wide range of home healthcare services to meet the needs of the community, including not only elderly patients but also pediatric patients with serious illnesses such as cancer and other serious or intractable diseases.

Pharmacies for home palliative care patients

1 stores

A certification system started in Dec. 2022 by the Japanese Society for Pharmaceutical Palliative Care and Sciences. Certification is awarded to pharmacies with specialized functions deemed necessary for palliative care to enable patients to choose the best pharmacy for themselves and receive quality palliative pharmacotherapy.

Online medication Service NiCOMS

Available at all stores

An online medication guidance service developed in-house and available at all Nihon Chouzai Pharmacy stores. Patients can receive explanations of their medications from pharmacists in their own homes using their smartphones or PCs, and have their medications delivered to their homes.

Manufacturing management issues at Choseido Pharmaceutical

1. Details of manufacturing management issues

We received a report from an employee regarding issues in manufacturing management at the Kawauchi Plant of Choseido Pharmaceutical Co., Ltd. Through an internal investigation, we discovered that the plant had been manufacturing products using methods not prescribed in approved documents, and confirmed that the subsidiary had insufficiently implemented initiatives based on our improvement plan at the plant.

2. Background

- April 22, 2024
After discovering that the subsidiary was manufacturing products using methods not prescribed in approved documents at Kawauchi Plant, we suspended the shipment of pharmaceuticals manufactured at the plant and reported this issue to Tokushima Prefecture and relevant marketing authorization holders.
- June 5–June 7, 2024
GMP investigation by Tokushima Prefecture and PMDA
- June 10, 2024
After receiving a notice on the “Handling of pharmaceuticals manufactured by Choseido Pharmaceutical Co., Ltd.” from the Narcotics Division, Pharmaceutical and Food Safety Bureau of the Ministry of Health, Labour and Welfare, we began preparations to resume shipments of products that have been confirmed by the marketing authorization holders to have no issues in quality or properties.
- June 21, 2024
Received a report of the GMP inspection conducted by Tokushima Prefecture and PMDA
- July 4, 2024 onward
Gradually resumed shipments of products that have been confirmed by the marketing authorization holders to have no issues
- July 12, 2024
Submitted an improvement report addressing the findings of the GMP inspection conduction by Tokushima Prefecture and PMDA
- July 16, 2024
Resumed manufacturing at the Kawauchi Plant under the supervision of marketing authorization holders

※GMP (Good Manufacturing Practice) = Manufacturing and quality control standards for pharmaceuticals

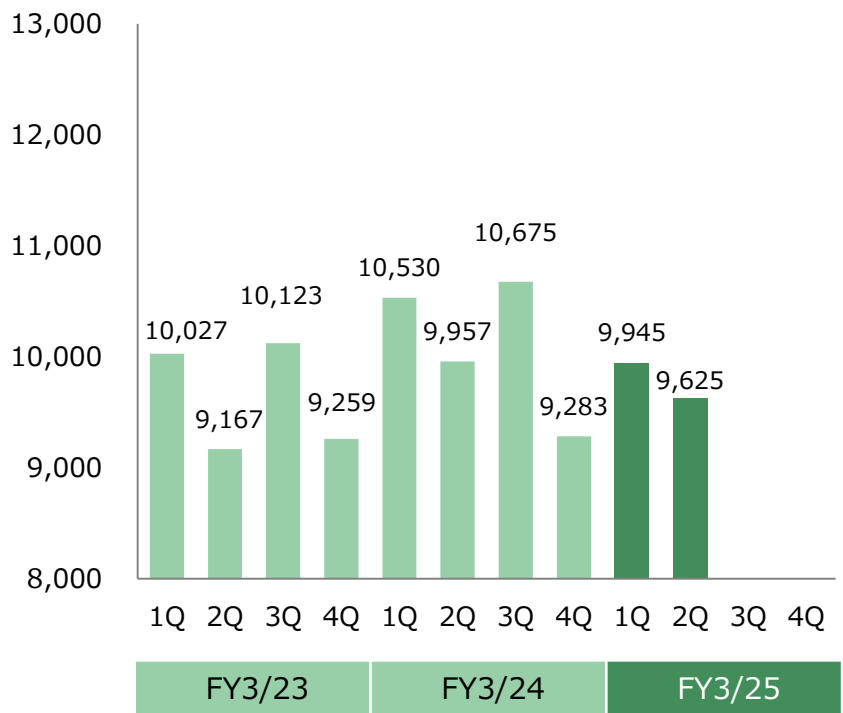
Growth of the Pharmaceutical Manufacturing and Sales Business

Net sales declined. While sales of existing products and seven products newly added to the NHI drug price list in FY2024 were robust, the April 2024 drug price revisions and manufacturing management issues at the Kawauchi Plant of Choseido Pharmaceutical dragged on sales.

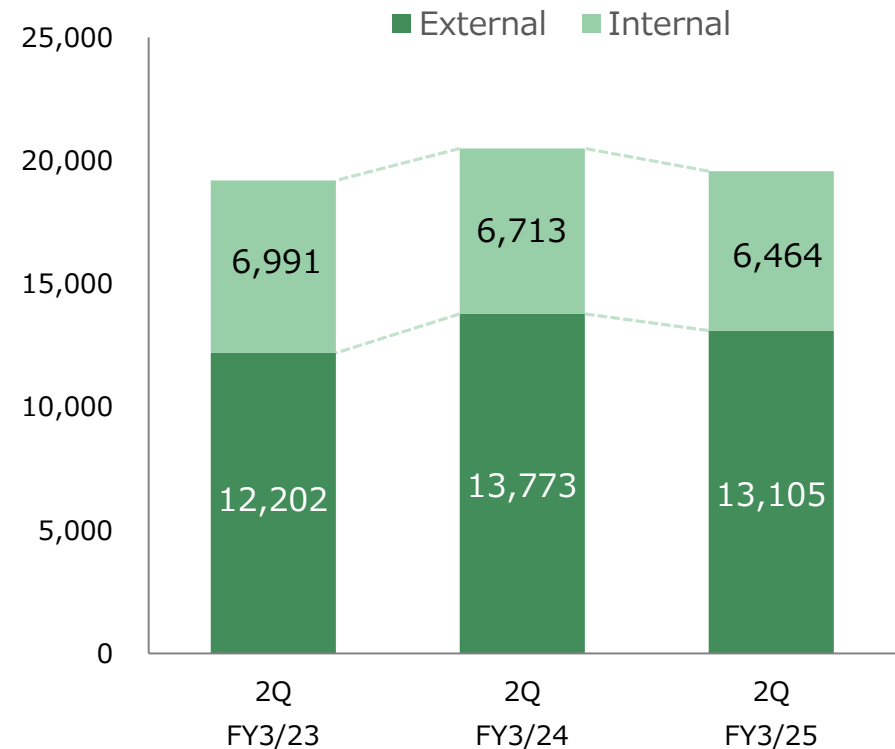
Net sales and their breakdown

Quarterly Sales (millions of yen)

5 items on sale 3 items on sale 4 items on sale 2 items on sale 1 items on sale



Internal/External sales (Millions of yen)



Item Portfolio Status

Product Items for New NHI Listing in December 2024: **7 Items**

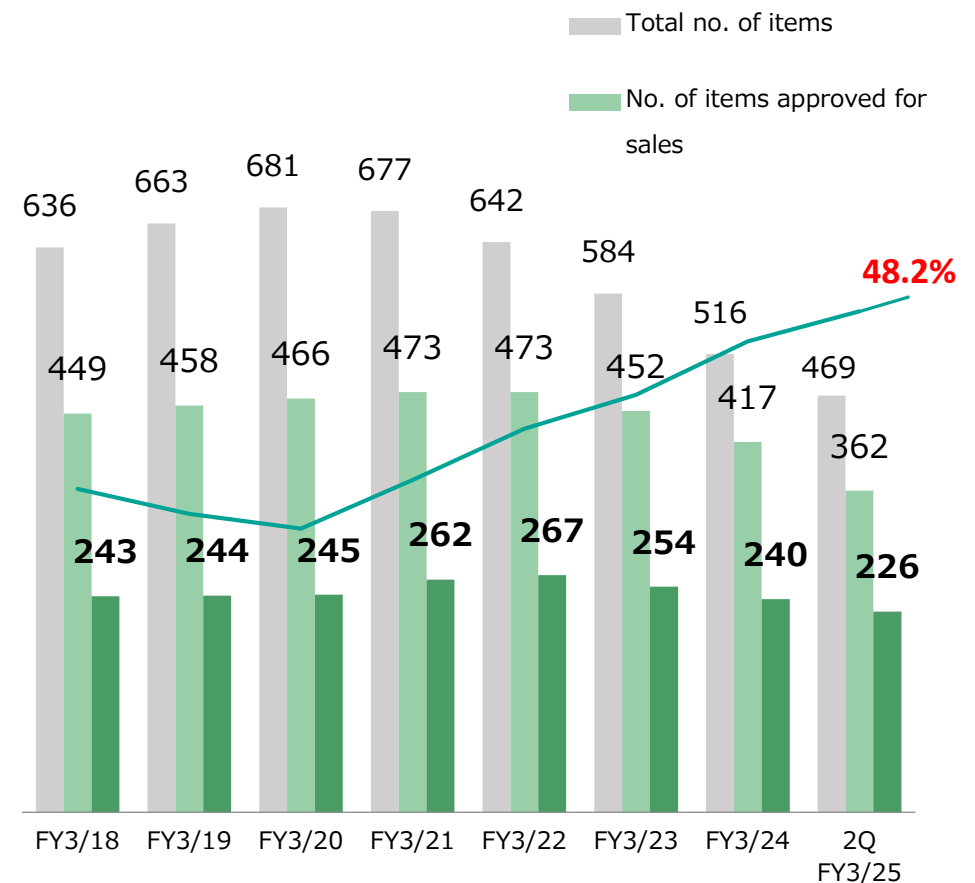
Scale of potential conversion to generic drugs (estimated*) **47.3** billion yen

Product name	
Rivaroxaban OD Tablets 10mg "JG"	EzeRosu Combination Tablets LD "JG"
Rivaroxaban OD Tablets 15mg "JG"	EzeRosu Combination Tablets HD "JG"
Lanthanum Carbonate OD Tablets 250mg "FCI"	Vildagliptin Tablets 50mg "JG"
Lanthanum Carbonate OD Tablets 500mg "FCI"	

* Calculated by Nihon Chouzai based on the annual usage volume of brand-name products (Excluding Lanthanum Carbonate OD Tablets)

Number of Product Items

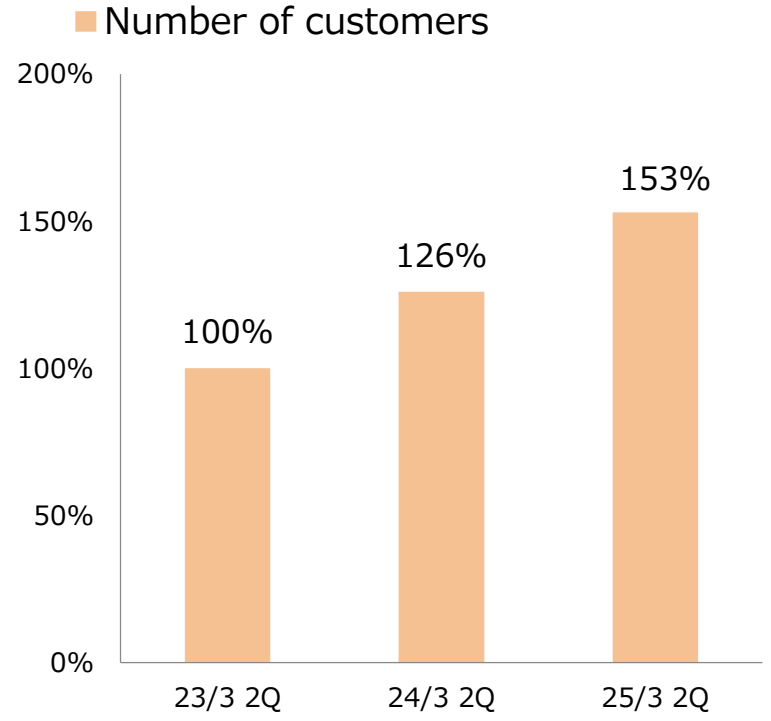
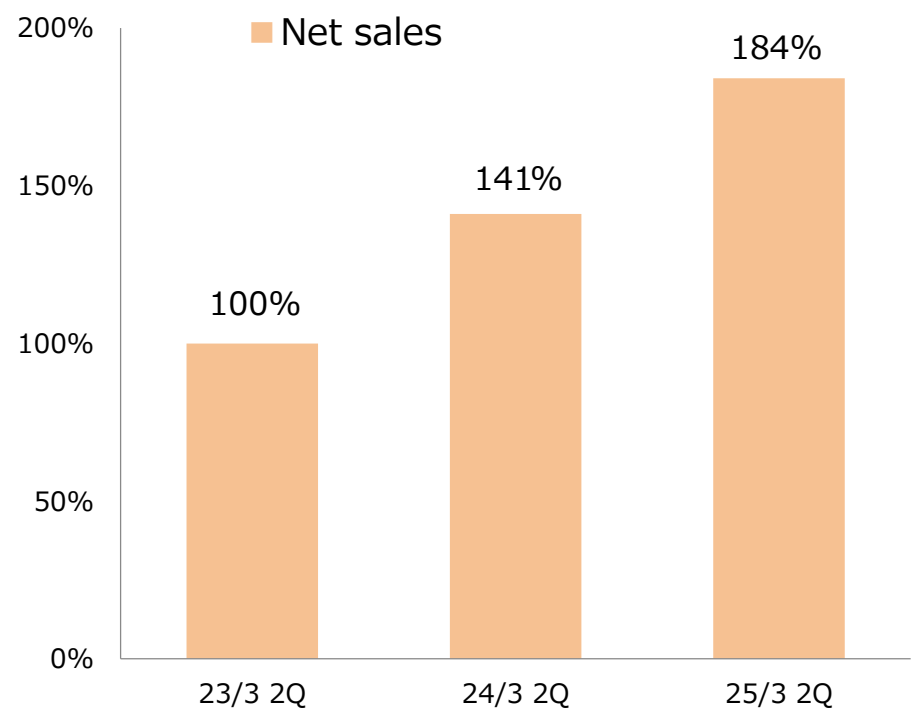
Although the total number of items declined following a review of production items, the ratio of in-house manufactured products increased.



Pharmacist staffing business grew more than expected

Transactions increased in the pharmacy staffing business, centered on small and midsized dispensing pharmacies, contributing to sales and profit growth.

Pharmacist staffing business grew more than expected



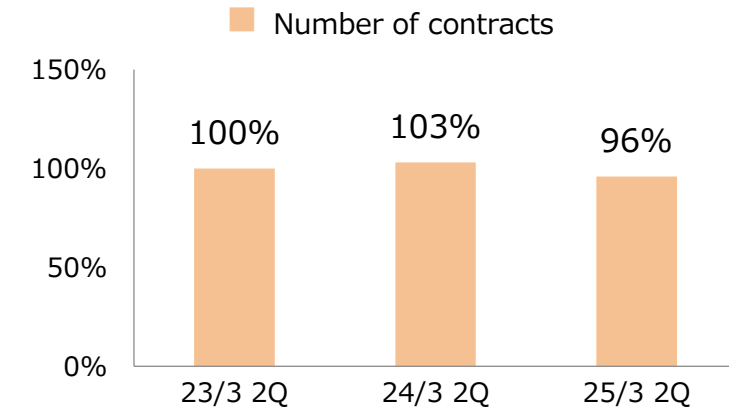
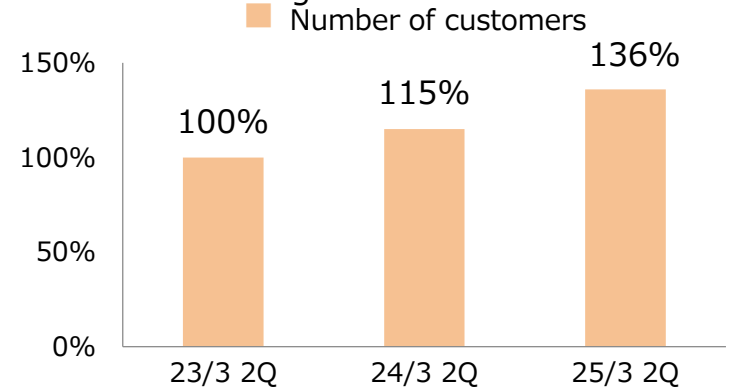
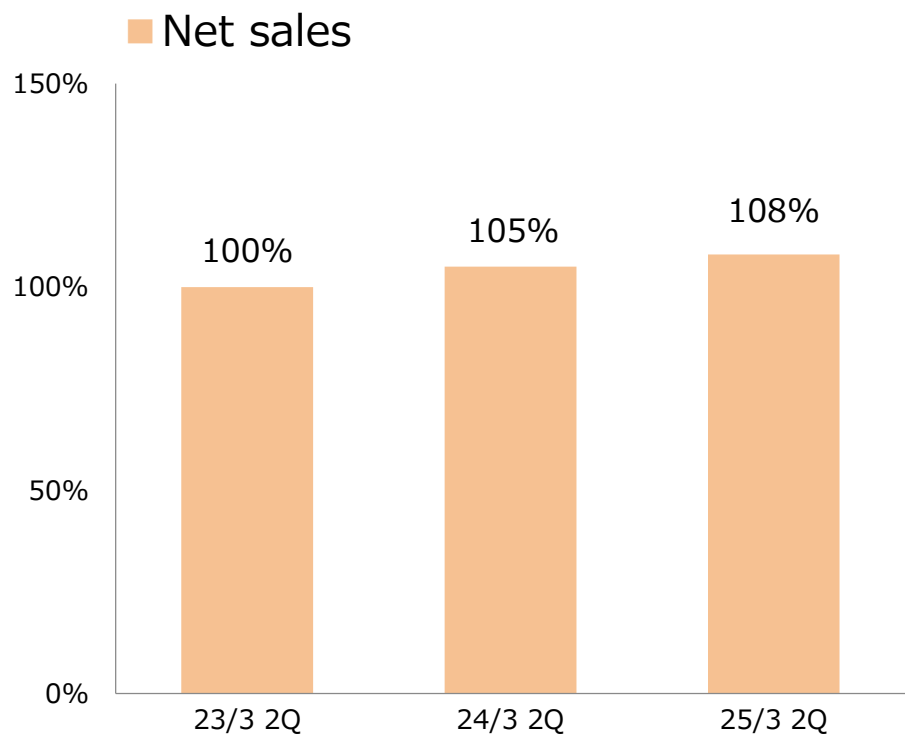
FY3/23 Net sales, customers = 100%

Growth of the Medical Professional Staffing and Placement Business

The pharmacist placement business secured YoY sales growth despite sluggish growth in the number of placements, thanks to improvements in placement fees.

Pharmacist registrations increased, owing to enhanced customer acquisition and branding efforts.

Growth of the pharmacist placement business



FY3/23 Net sales, customers and contracts = 100%

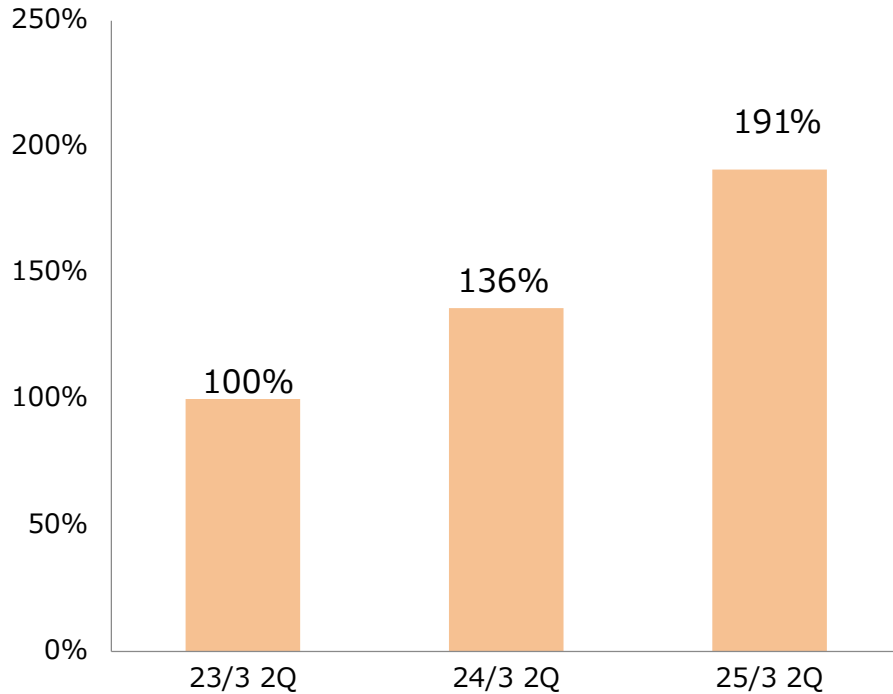
Growth of the Medical Professional Staffing and Placement Business

Results in the physician placement business were robust, as we firmly captured full-time and part-time physician placement demand as well as one-time demand.

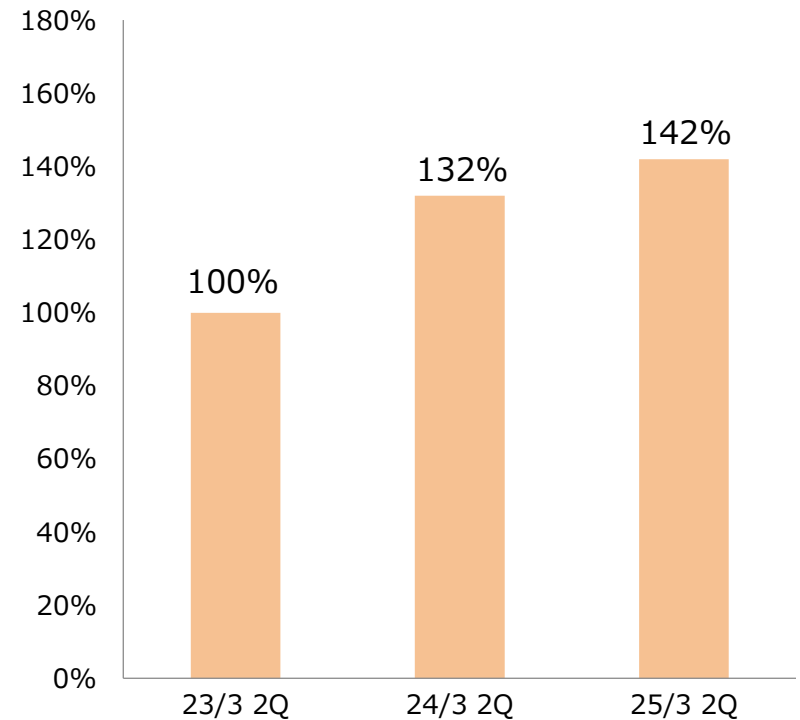
Expansion of the physician business

Net sales

(excludes sales related to COVID-19 vaccination programs)



Number of customers

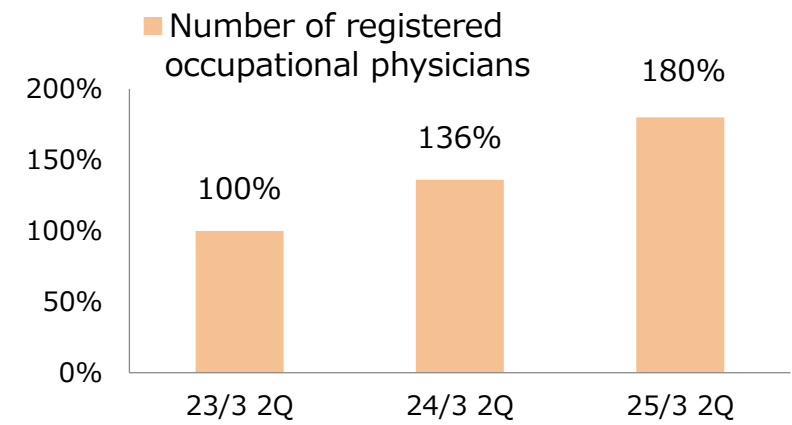
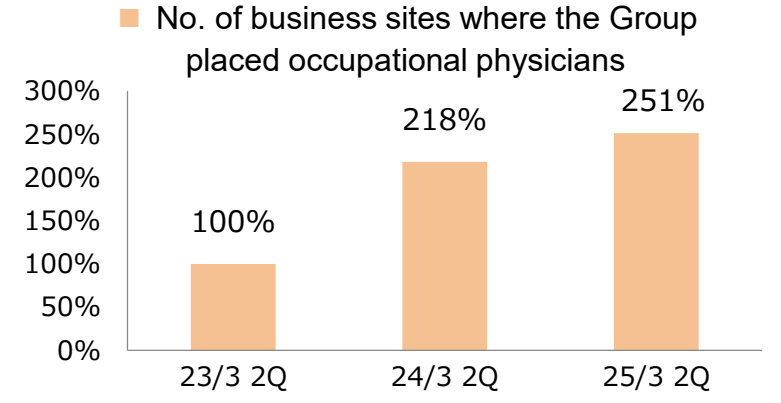
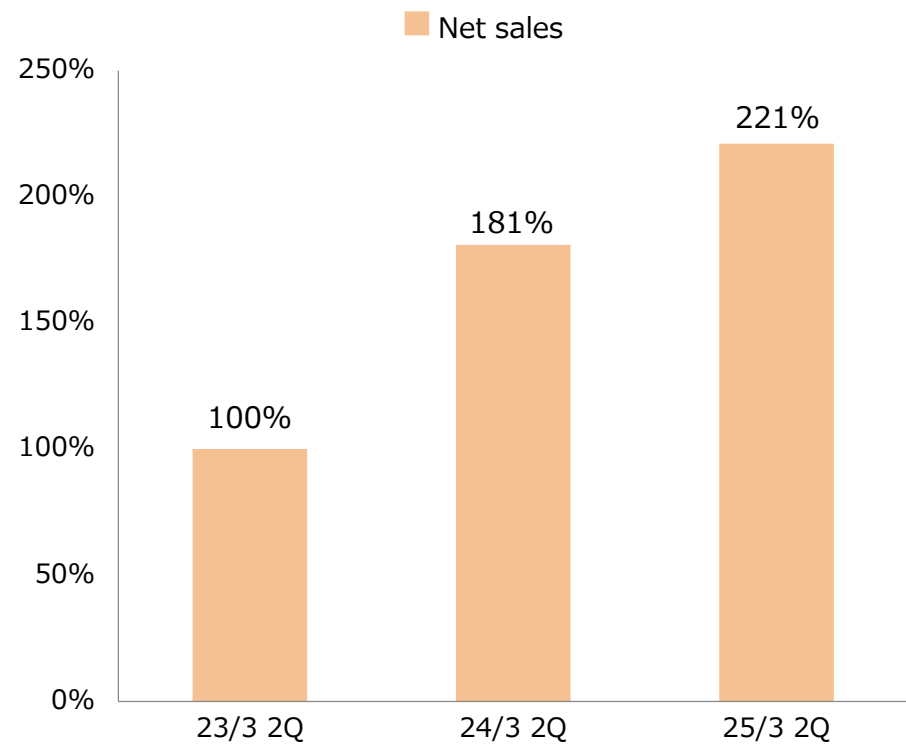


FY3/23 Net sales, customers = 100%

Growth of the Medical Professional Staffing and Placement Business

The healthcare business is steadily expanding. In this business, we primarily offer occupational health physician placement services, as well as occupational health nurse placement and health management-related services, in response to growing demand for health management from corporations.

Expansion of the occupational physician business



FY3/23 Net sales, the no. of business sites where the Group placed occupational physicians, and the no. of registered occupational physicians = 100%.

Precautions

Performance targets, plans, business activities and other forward-looking statements concerning Nihon Chouzai and its subsidiaries are based on information that was available when this presentation was made. There may be significant changes to these statements due to business and other risk factors and other uncertainties. These statements are not promises concerning future performance. Actual results of operations may differ significantly from the outlook in this presentation for a number of reasons. In addition, this presentation is not a solicitation to make an investment in Nihon Chouzai. Investment decisions are the responsibility of individual investors.

Inquiries:

 NIHON CHOUZAI Co.,Ltd.

Group Corporate Planning Department, Investor Relations Group
9F Tamachi Tower, 5-33-11, Shiba, Minato Ward,
Tokyo 108-0014, JAPAN

TEL: +81-(0) 3-6810-0818

E-mail: ir-info@nicho.co.jp

IR website: <https://www.nicho.co.jp/corporate/ir/>