

April 30, 2025

Company name	Nihon Chouzai Co., Ltd.
Company representative	Naoto Kasai, President and CEO
Securities code	3341; Tokyo Stock Exchange Prime Market
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Notice of Extraordinary Losses and Difference between Forecast and Actual Results for the Fiscal Year Ending March 31, 2025

Nihon Chouzai announces that it recorded following extraordinary losses for the fiscal year ending March 2025 (FY'25/3) and there was a difference between the consolidated earnings forecast for the fiscal year ending March 2025, which was released on January 31, 2025, and the actual results announced today.

1. Recording of extraordinary losses

Due to the decline in profitability of fixed assets in the Dispensing Pharmacy Business as a result of the deterioration of the business environment, the Company has decided to book impairment losses. As announced in "Notice of Impairment Losses and Revisions Full-year Consolidated Earnings Forecast" on January 31, 2025, the Company has booked impairment losses of 2,153 million yen in the third quarter of the fiscal year ending 31 March 2025. In addition, the Company has booked further impairment losses of 1,979 million yen in the fourth quarter of the fiscal year ending 31 March 2025. Consequently, the Company has booked impairment losses of 4,132 million yen in the fiscal year ending March 31, 2025.

2. Difference between Forecast and Actual Results for the Fiscal Year Ending March 31, 2025

(April 1, 2024 – March 31, 2025)

	Net sales	EBITDA	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Net Income per Share
Previous Forecast (A)	¥ million 373,800	¥ million 16,500	¥ million 6,400	¥ million 6,500	¥ million 2,000	¥ 66.85
Actual Result (B)	360,512	15,856	6,239	6,915	1,391	46.54
Difference (B-A)	(13,288)	(644)	(161)	415	(609)	(20.31)

Difference (%)	(3.6)	(3.9)	(2.5)	6.4	(30.5)	—
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3. Reason for the difference

Net sales, EBITDA, and operating profit fell short of initial expectations due to several factors. In the Dispensing Pharmacy Business, prescription volume was lower than anticipated at the beginning of the fiscal year due to a drop in the number of patients with infectious diseases, which was expected to be about the same level as the previous fiscal year. In the Pharmaceutical Manufacturing and Sales Business, the production volume and sales of generic drugs by group company Choseido Pharmaceutical were below initial expectations following the discovery of manufacturing management deficiencies at the Kawauchi Plant in April 2024.

In addition, profit attributable to owners of the parent fell short of the previous forecast by 609 million yen, mainly due to the recording of impairment losses on fixed assets as extraordinary losses at some stores in the Dispensing Pharmacy Business.

For the actual results of the FY'25/3, please refer to “Summary of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025 [Japanese GAAP]” released today.