



October 31, 2016

**Summary of Consolidated Financial Results for the Second Quarter  
of the Fiscal Year Ending March 31, 2017  
(Six Months Ended September 30, 2016)**

[Japanese GAAP]

Company name: NIHON CHOUZAI Co., Ltd.  
Stock code: 3341  
Representative: Hiroshi Mitsuhashi, President & CEO  
Contact: Yoshiki Kamada, Managing Director  
Scheduled date of filing of Quarterly Report:  
Scheduled date of payment of dividend:  
Preparation of supplementary materials for quarterly financial results:  
Holding of quarterly financial results meeting:

Listing: Tokyo Stock Exchange, First Section  
URL: <http://www.nicho.co.jp>  
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November 14, 2016  
December 5, 2016  
Yes  
Yes (for institutional investors and analysts)

Note: The original disclosure in Japanese was released on October 31, 2016 at 15:00 (GMT +9).

(All amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2017  
(April 1, 2016 – September 30, 2016)**

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sep. 30, 2016	109,478	9.2	3,940	(6.5)	3,751	(4.7)	2,339	(5.3)
Six months ended Sep. 30, 2015	100,269	14.7	4,214	60.7	3,936	69.8	2,471	113.4

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2016: 2,300 (down 6.5%)

Six months ended Sep. 30, 2015: 2,460 (up 95.8%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2016	146.26	-
Six months ended Sep. 30, 2015	176.23	-

\* Nihon Chouzai conducted a 2-for-1 stock split effective on October 1, 2015. Net income per share has been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2016	159,777	34,372	21.5
As of Mar. 31, 2016	157,609	32,473	20.6

Reference: Shareholders' equity (million yen) As of Sep. 30, 2016: 34,372 As of Mar. 31, 2016: 32,473

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2016	-	40.00	-	25.00	-
Fiscal year ending Mar. 31, 2017	-	25.00			
Fiscal year ending Mar. 31, 2017 (forecasts)			-	25.00	50.00

Note: Revisions to the most recently announced dividend forecast: None

\* Nihon Chouzai conducted a 2-for-1 stock split effective on October 1, 2015. The 2Q-end dividend per share for the fiscal year ended March 31, 2016 is the amount before the stock split.

**3. Consolidated Forecast for the Fiscal Year Ending March 31, 2017 (April 1, 2016 – March 31, 2017)**

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	240,013	9.5	11,165	6.4	10,778	9.1	6,642	4.9	415.27

Note: Revisions to the most recently announced consolidated forecast: None

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

\* Please refer to “Matters Related to Summary Information (Notes)” on page 4 of the attachments for further information.

(4) Number of outstanding shares (common stock shares)

1) Number of shares outstanding at the end of period (including treasury shares)

As of Sep. 30, 2016:	16,024,000 shares	As of Mar. 31, 2016:	16,024,000 shares
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2) Number of treasury shares at the end of period

As of Sep. 30, 2016:	29,208 shares	As of Mar. 31, 2016:	29,068 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2016:	15,994,852 shares	Six months ended Sep. 30, 2015:	14,022,240 shares
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\* Nihon Chouzai conducted a 2-for-1 stock split effective on October 1, 2015. The average number of shares outstanding for the six months ended September 30, 2015 has been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

**Note 1: Information regarding the implementation of quarterly review procedures**

This summary report is exempted from quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, the quarterly review procedures for the quarterly consolidated financial statements have not been completed.

**Note 2: Cautionary statement with respect to forward-looking statements and other special items**

(1) Note concerning forward-looking statements

Forecasts and other forward-looking statements in this document incorporate risks and uncertainties because these statements are based on Nihon Chouzai’s judgments and assumptions using information that is currently available. These materials are not promises by Nihon Chouzai regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons.

(2) How to view supplementary information about quarterly performance

Nihon Chouzai plans to hold an information meeting for institutional investors and analysts regarding results of operations on November 9, 2016. Materials distributed at this event will also be disclosed, using the Timely Disclosure network (TDnet), and available on the Nihon Chouzai website.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

In the first half (April to September) of the fiscal year ending on March 31, 2017, revisions were made to prescription dispensing fees and National Health Insurance (NHI) drug prices in April 2016 that affected the pharmaceutical and dispensing pharmacy industries. This latest revision includes a variety of new measures for the realization of “A Vision for Pharmacies That Put Customers First.” Together with cuts in drug prices the impact of these measures was very severe, with the result that the sales and profits of the Nihon Chouzai Group were affected. In response, the Nihon Chouzai Group worked hard, in compliance with the guidance provided in the revision towards “achieving the separation of drug prescribing and dispensing for the benefit of patients,” to engage in a proactive, company-wide program of providing assistance in the use of medications as personal care pharmacists and promoting the use of generic drugs.

The Nihon Chouzai Group’s net sales increased 9.2% year on year to 109,478 million yen. Operating income decreased by 6.5% to 3,940 million yen, ordinary income decreased by 4.7% to 3,751 million yen, and profit attributable to owners of parent decreased by 5.3% to 2,339 million yen for the first half. The negative impact on income became apparent in the period immediately after the revision. This could not be completely offset in the first half of the current fiscal year and as a result income was lower.

Results by business segment are as follows.

#### 1) Dispensing Pharmacy Business

In the first half of the current fiscal year, Nihon Chouzai opened 23 pharmacies in the dispensing pharmacy business and closed five. Consequently, there were 545 pharmacies (including one pharmacy specializing in the sale of general merchandise) at the end of the second quarter. There was a temporary decline in prescription dispensing fees caused by the revision. However, the business benefited from the new initiative of providing assistance in using medications by personal care pharmacists and additional payments for dispensing generic drug prescriptions for encouraging the use of generic drugs. As a result, there was a recovery at the end of the second quarter of the current fiscal year to roughly the same level as was recorded in the same period in the previous fiscal year. The generic drug utilization rate at Nihon Chouzai pharmacies on a volume basis was 80.9% (and has remained above 80% since April), while the percentage of pharmacies that offer at-home medical care services continued to maintain an extremely high level at 93.3%. Moreover, in addition to a positive drive towards recommending the “Okusuri Techo Plus,” an electronic medication notebook developed by Nihon Chouzai, at stores to patients, efforts were also made to revise and improve its functions in order to provide users with greater convenience. As a result, the number of registered users has increased to more than 100,000 at the end of the second quarter. Despite the negative impact of the revisions, such as reductions in drug prices, sales of this segment rose by 5.9% year-on-year to 92,329 million yen thanks to contributions from new pharmacies opened (including M&A) as well as from pharmacies opened last year, and an year-on-year increase in prescriptions for a hepatitis C drug at large-scale pharmacies. On the other hand, operating income decreased 4.4% to 4,064 million yen. The major reason for this decline was that the increase in sales could not fully compensate for the impact on earnings that was fallen immediately after the drug price revisions.

#### 2) Pharmaceutical Manufacturing and Sales Business

In the pharmaceutical manufacturing and sales business, in the first half of the current fiscal year, there was a reduction in selling prices due to the drug price revisions in April. On the other hand, the use of generic drugs by medical institutions continued to increase because of the revisions to medical treatment fees also in April. Moreover, the companies in the Nihon Chouzai Group were able to further advance cooperation achieved among them. As a result, net sales of this segment rose by 21.8% year-on-year to 18,722 million yen. Operating income decreased slightly by 1.6% to 1,191 million yen mainly in response to a market environment that has markedly increased in

severity as a result of harsher price competition between generic manufacturers, particularly in the area of new products. In June, 24 new products were launched and actions were taken to eliminate the overlapping products between group companies. As a result, the number of product items sold in this segment was 599 at the end of the second quarter.

### **3) Medical Professional Staffing and Placement Business**

The demand for staffing and placement services remained at a high level as pharmacists have to perform a growing number of tasks. Consequently, this business steadily continued to increase job offers by gaining new customers for staffing and placement services and to secure the number of registered personnel. As a result, segment sales rose by 21.0% year-on-year to 5,068 million yen. Operating income slightly fell by 1.4% year-on-year to 808 million yen due to cost increases resulting from soaring advertising fees for website promotional campaigns for the recruitment of pharmacists.

#### **(2) Explanation of Financial Position**

Total assets increased 2,167 million yen, or 1.4%, from the end of March 2016, to 159,777 million yen at the end of September 2016. Current assets were 75,713 million yen, a decrease of 9,125 million yen, or 10.8%. This was attributable mainly to a decrease in cash and deposits. Non-current assets increased 11,293 million yen, or 15.5% to 84,064 million yen. This was attributable mainly to an increase in construction in progress.

Total liabilities increased 268 million yen, or 0.2% to 125,404 million yen.

Net assets increased 1,899 million yen, or 5.8% to 34,372 million yen. This was attributable mainly to an increase in retained earnings.

#### **Cash Flows**

There was a net decrease of 15,031 million yen in cash and cash equivalents from the end of March 2016 to 17,348 million yen at the end of September 2016. Net cash used in operating activities was 4,588 million yen, net cash used in investing activities 14,366 million yen, and net cash provided by financing activities 3,923 million yen.

Major source of cash flows from operating activities was profit before income taxes of 3,714 million yen. The primary uses of cash were a 6,151 million yen increase in inventories and a 3,395 million yen decrease in notes and accounts payable-trade.

The primary use of cash flows from investing activities was payments of 10,976 million yen for the purchase of property, plant and equipment incident mainly to new store opening in the dispensing pharmacy business and capital investments in production facilities in the pharmaceutical manufacturing and sales business.

The primary source of cash flows from financing activities was proceeds of 12,500 million yen from long-term loans payable. Cash was used mainly for redemption of bonds of 7,000 million yen.

#### **(3) Explanation of Consolidated Forecast and Other Forward-looking Statements**

There are no revisions to the consolidated forecast for the fiscal year ending March 31, 2017 that was announced on April 28, 2016.

## **2. Matters Related to Summary Information (Notes)**

### **(1) Changes in Significant Subsidiaries during the Period**

Not applicable.

### **(2) Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements**

Not applicable.

### **(3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements**

Changes in Accounting Policies

Application of Practical Solution on a Change in Depreciation Method due to Tax Reform 2016

Following the revision of the Corporation Tax Act, Nihon Chouzai has adopted the “Practical Solution on a Change in Depreciation Method due to Tax Reform 2016” (Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force (PITF) No. 32, June 17, 2016) from the first quarter of the current fiscal year, and changed the depreciation method for facilities attached to buildings and structures (excluding production facilities at factories) acquired on or after April 1, 2016, from the declining-balance method to the straight-line method.

The effect of this change on the quarterly consolidated financial statements for the first half is insignificant.

**3. Quarterly Consolidated Financial Statements****(1) Quarterly Consolidated Balance Sheet**

	(Millions of yen)	
	FY3/16 (As of Mar. 31, 2016)	Second quarter of FY3/17 (As of Sep. 30, 2016)
Assets		
Current assets		
Cash and deposits	32,385	17,353
Notes receivable-trade	197	265
Accounts receivable-trade	25,839	24,277
Electronically recorded monetary claims-operating	774	1,649
Merchandise and finished goods	15,328	21,232
Work in process	1,993	1,944
Raw materials and supplies	4,695	5,181
Other	3,635	3,818
Allowance for doubtful accounts	(10)	(9)
Total current assets	84,838	75,713
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,537	21,937
Land	17,188	17,937
Construction in progress	2,807	8,906
Other, net	10,464	11,999
Total property, plant and equipment	51,997	60,781
Intangible assets		
Goodwill	8,507	10,666
Other	1,615	1,941
Total intangible assets	10,122	12,608
Investments and other assets		
Investment securities	945	840
Lease and guarantee deposits	6,932	7,015
Other	2,773	2,817
Total investments and other assets	10,650	10,674
Total non-current assets	72,770	84,064
Total assets	157,609	159,777

	(Millions of yen)	
	FY3/16 (As of Mar. 31, 2016)	Second quarter of FY3/17 (As of Sep. 30, 2016)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	41,989	38,900
Electronically recorded obligations-operating	2,664	2,853
Short-term loans payable	-	2,226
Current portion of bonds	7,000	-
Current portion of long-term loans payable	5,963	13,743
Income taxes payable	2,745	1,703
Provision for bonuses	2,249	2,510
Provision for directors' bonuses	138	7
Other	6,234	5,786
<b>Total current liabilities</b>	<b>68,985</b>	<b>67,732</b>
<b>Non-current liabilities</b>		
Long-term loans payable	50,621	52,448
Provision for directors' retirement benefits	957	899
Net defined benefit liability	1,157	1,237
Other	3,414	3,087
<b>Total non-current liabilities</b>	<b>56,151</b>	<b>57,672</b>
<b>Total liabilities</b>	<b>125,136</b>	<b>125,404</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	3,953	3,953
Capital surplus	10,926	10,926
Retained earnings	17,672	19,611
Treasury shares	(44)	(45)
<b>Total shareholders' equity</b>	<b>32,507</b>	<b>34,446</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	196	124
Remeasurements of defined benefit plans	(231)	(198)
<b>Total accumulated other comprehensive income</b>	<b>(34)</b>	<b>(73)</b>
<b>Total net assets</b>	<b>32,473</b>	<b>34,372</b>
<b>Total liabilities and net assets</b>	<b>157,609</b>	<b>159,777</b>



**(2) Quarterly Consolidated Statements of Income and Comprehensive Income****(Quarterly Consolidated Statement of Income)****(For the Six-month Period)**

(Millions of yen)

	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)
Net sales	100,269	109,478
Cost of sales	82,369	90,571
Gross profit	17,900	18,906
Selling, general and administrative expenses	13,685	14,965
Operating income	4,214	3,940
Non-operating income		
Commission fee	65	70
Rent income	189	197
Insurance return	-	74
Other	118	91
Total non-operating income	373	433
Non-operating expenses		
Interest expenses	400	354
Commission fee	13	9
Rent expenses	142	157
Other	96	101
Total non-operating expenses	652	622
Ordinary income	3,936	3,751
Extraordinary income		
Gain on sales of non-current assets	-	3
Total extraordinary income	-	3
Extraordinary losses		
Impairment loss	90	34
Loss on sales of non-current assets	-	5
Total extraordinary losses	90	40
Profit before income taxes	3,845	3,714
Income taxes-current	1,511	1,455
Income taxes-deferred	(137)	(80)
Total income taxes	1,374	1,374
Profit	2,471	2,339
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	2,471	2,339

**(Quarterly Consolidated Statement of Comprehensive Income)****(For the Six-month Period)**

(Millions of yen)

	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)
Profit	2,471	2,339
Other comprehensive income		
Valuation difference on available-for-sale securities	(37)	(72)
Remeasurements of defined benefit plans, net of tax	26	33
Total other comprehensive income	(10)	(39)
Comprehensive income	2,460	2,300
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,460	2,300
Comprehensive income attributable to non-controlling interests	-	-

**(3) Quarterly Consolidated Statement of Cash Flows**

(Millions of yen)

	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)
Cash flows from operating activities		
Profit before income taxes	3,845	3,714
Depreciation	2,124	2,180
Impairment loss	90	34
Increase (decrease) in allowance for doubtful accounts	1	(4)
Increase (decrease) in provision for bonuses	176	249
Increase (decrease) in provision for allowance for sales discount	(9)	-
Increase (decrease) in provision for directors' bonuses	(89)	(131)
Increase (decrease) in net defined benefit liability	110	70
Increase (decrease) in provision for directors' retirement benefits	37	(57)
Interest and dividend income	(21)	(21)
Interest expenses	400	354
Loss (gain) on sales of non-current assets	-	2
Decrease (increase) in notes and accounts receivable-trade	(920)	962
Decrease (increase) in inventories	(2,917)	(6,151)
Increase (decrease) in notes and accounts payable-trade	5,318	(3,395)
Other, net	970	452
Subtotal	9,116	(1,739)
Interest and dividend income received	21	21
Interest expenses paid	(385)	(315)
Income taxes paid	(1,317)	(2,554)
Net cash provided by (used in) operating activities	7,435	(4,588)
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	82	-
Purchase of property, plant and equipment	(2,961)	(10,976)
Proceeds from sales of property, plant and equipment	-	4
Purchase of intangible assets	(114)	(547)
Purchase of long-term prepaid expenses	(77)	(153)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(226)	(1,264)
Payments for transfer of business	-	(971)
Payments of loans receivable	-	(443)
Collection of loans receivable	60	53
Payments for lease and guarantee deposits	(147)	(206)
Proceeds from collection of lease and guarantee deposits	71	73
Other, net	(15)	65
Net cash provided by (used in) investing activities	(3,329)	(14,366)

(Millions of yen)

	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(3,890)	2,200
Proceeds from long-term loans payable	9,800	12,500
Repayments of long-term loans payable	(2,825)	(2,963)
Redemption of bonds	-	(7,000)
Purchase of treasury shares	(5)	(0)
Cash dividends paid	(245)	(398)
Other, net	(429)	(414)
Net cash provided by (used in) financing activities	2,403	3,923
Net increase (decrease) in cash and cash equivalents	6,509	(15,031)
Cash and cash equivalents at beginning of period	13,844	32,380
Cash and cash equivalents at end of period	20,354	17,348

**(4) Notes to Quarterly Consolidated Financial Statements****Going-concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Segment and Other Information**

## Segment Information

I. First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)

1. Information related to net sales, profit or loss for each reportable segment (Millions of yen)

	Reportable segment				Adjustment (Note)	Amounts shown on quarterly consolidated statement of income
	Dispensing pharmacy business	Pharmaceutical manufacturing and sales business	Medical professional staffing and placement business	Total		
Net sales						
(1) External sales	87,204	9,398	3,666	100,269	-	100,269
(2) Inter-segment sales and transfers	3	5,969	521	6,494	(6,494)	-
Total	87,208	15,367	4,188	106,764	(6,494)	100,269
Segment profit (loss)	4,252	1,210	820	6,283	(2,068)	4,214

Note: Total segment sales and segment profit have been adjusted to be consistent with net sales and operating income shown on the quarterly consolidated statement of income. The adjustment of -2,068 million yen to segment profit (loss) includes eliminations of -83 million yen for inter-segment transactions and corporate expenses of -1,984 million yen. General and administrative expenses that do not belong to any reportable segment are the primary component of corporate expenses.

2. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Impairment losses related to non-current assets

In the dispensing pharmacy business segment, there was an impairment loss for store assets (three pharmacies). The amount of this loss in the first six months of FY3/16 was 90 million yen.

Significant change in goodwill

Not applicable.

II. First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)

1. Information related to net sales, profit or loss for each reportable segment (Millions of yen)

	Reportable segment				Adjustment (Note)	Amounts shown on quarterly consolidated statement of income
	Dispensing pharmacy business	Pharmaceutical manufacturing and sales business	Medical professional staffing and placement business	Total		
Net sales						
(1) External sales	92,323	12,358	4,796	109,478	-	109,478
(2) Inter-segment sales and transfers	6	6,363	271	6,641	(6,641)	-
Total	92,329	18,722	5,068	116,119	(6,641)	109,478
Segment profit (loss)	4,064	1,191	808	6,063	(2,123)	3,940

Note: Total segment sales and segment profit have been adjusted to be consistent with net sales and operating income shown on the quarterly consolidated statement of income. The adjustment of -2,123 million yen to segment profit (loss) includes eliminations of 8 million yen for inter-segment transactions and corporate expenses of -2,131 million yen. General and administrative expenses that do not belong to any reportable segment are the primary component of corporate expenses.

## 2. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

## Impairment losses related to non-current assets

In the dispensing pharmacy business segment, there was an impairment loss for store assets (one pharmacy). The amount of this loss in the first six months of FY3/17 was 34 million yen.

## Significant change in goodwill

In the dispensing pharmacy business segment, Nihon Chouzai acquired 11 pharmacies through business transfer and purchase of shares. In the first six months of FY3/17, this acquisition caused goodwill to increase by 2,519 million yen.

**Subsequent Events**

## Acquisition of a company through the purchase of equity interests

Nihon Chouzai acquired an equity stake in Mizuno LLC (limited liability company) and converted it into a consolidated subsidiary on October 1, 2016, based on the resolution approved by its Board of Directors on September 20, 2016. Details are as follows.

## 1. Summary of business combination

## (1) Name of acquired company and nature of business

Name of acquired company: Mizuno LLC  
 Nature of business: Operation of dispensing pharmacies

## (2) Reasons for acquisition

Mizuno LLC is known as the operator of the “Mizuno Pharmacy,” the first dispensing pharmacy in Japan. The company has earned a high reputation within the industry, even more than for its overwhelming brand strength, for the advanced nature of the operational know-how that it has cultivated over the course of years. In particular, there is no doubt that the company has achieved a high degree of efficiency in its store management and improvement in safety in medical treatment through the effective use of ICT. This has made it the most advanced operator in the industry. We believe that it will be possible to realize significant synergy in our dispensing pharmacy business by leveraging this valuable know-how in the management of our existing pharmacies.

## (3) Date of business combination

October 1, 2016

## (4) Legal form of business combination

Purchase of equity interests

## (5) Company's name after combination

There is no change in the company's name.

## (6) Percentage of interests acquired

100%

## (7) Basis for deciding the acquiring company

Nihon Chouzai acquired the interests through share acquisition in exchange for consideration in cash.

## 2. Acquisition cost of acquired company and other particulars (Million yen)

Purchase price	Cash and deposits	3,787
Acquisition cost		3,787

## 3. Method for procuring funds for payment

Internal funds

*This summary report is solely a translation of “Kessan Tanshin” (in Japanese, including the attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*