

Group Philosophy

Our Mission

To Give People the Closest Possible Support

Contributing to the health of all people. This has remained our primary aim from the start. We have continued to embrace an array of challenges to ensure that healthcare is available to every part of society. Driven by this ambition, we will continue to provide lifelong support for our customers, serving as the healthcare professionals most closely involved in their well-being.

Group Vision

To Be the Most Trusted Partner in Healthcare

The Commitments We Value

Five commitments all employees should value to realize our mission and our ideal for the Group:

- Ensure Rigorous Compliance.
- Be Considerate of Others.
- Deepen Your Knowledge, Broaden Your Horizons.
- Take Initiative in Thinking and Acting.
- Generate New Ideas Together.



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Our Story

We started out as a single pharmacy, animated by a founding philosophy of achieving the true separation of drug prescribing and dispensing services.

By staying one step ahead of the times and by responding to a variety of healthcare needs to give all people the closest possible support, we have grown into a healthcare Group that leads the industry.



From our founding to an expansionary period

1980 Starting separation of drug prescribing and dispensing services from the ground up

We carved out our own market by encouraging the still nearly unpracticed separation of drug prescribing and dispensing services among clinics in Sapporo, and opening “one-on-one pharmacies” near the clinics.

The year after our founding, we opened unique medical center-type pharmacies to offer patients greater convenience, and went on to expand into the separation of drug prescribing and dispensing services for large hospitals as well, growing in business scale while further helping spread the separation of these services.

2000 Launch of pharmacist staffing business

With the aim of addressing the issue of healthcare personnel shortages and avoiding poor fits, we established Nihon Chouzai Pharma Staff (now Medical Resources) and launched Japan’s first pharmacist staffing business. Drawing on the pool of educational expertise of Nihon Chouzai’s pharmacist business, we are contributing to the creation of a sustainable healthcare framework.



2004 Listing on the Tokyo Stock Exchange

We were listed on the Second Section of the Tokyo Stock Exchange (TSE) in 2004 and, in 2006, relisted on the First Section. Having our shares listed as one of Japan’s leading pharmacy companies not only gave us greater credibility but also helped raise the overall status of pharmacies and pharmacists.

2005 Entering the Pharmaceutical Manufacturing and Sales Business

Capitalizing on a revision to Japan’s Pharmaceutical and Medical Devices Act, we established Nihon Generic to enter into the business of manufacturing and selling generic drugs, a key element in the separation of drug prescribing and dispensing services. We later acquired Choseido Pharmaceutical, further expanding the range of our businesses.

2009 Taking on the challenge of entering the neighborhood pharmacy market

To embody the true separation of drug prescribing and dispensing services, we are building a network of neighborhood pharmacies, which do not depend only on specific medical institutions but fill prescriptions from multiple institutions and serve as community healthcare hubs. We defined locations that offered the greatest convenience to customers and expanded our pharmacy network, drawing on Nihon Chouzai’s distinctive marketing methods and other expertise. We went on to develop hybrid pharmacies.



2012 Establishing Japan Medical Research Institute

Capitalizing on the vast pool of prescription data held by Nihon Chouzai, we launched a business to create value that will tie into the robust development of the healthcare industry and better lives for people in Japan, including through the analysis of drug data, the provision of information, and consulting services for pharmaceutical companies and other organizations. We established Japan Medical Research Institute in 2012 to take over this initiative, and continue to expand the scope of the business.

2014 In-house development of an electronic medication notebook

Our experience of the Great East Japan Earthquake made us keenly aware of the importance of patients being able to access their own medication information, even in times of disaster. Against this background, we began work to develop an electronic medication notebook service that would be easy for patients to use, one that retains the functions of a printed medication notebook while also incorporating the latest ICT-based features. We launched operation of our proprietary electronic medication notebook, *Okusuri Techo Plus*, in 2014.



2025 Delisting the company and entering a new phase

In December 2025, the Nihon Chouzai Group is being delisted, coming under the joint ownership of Advantage Partners and LYFE Capital. By capitalizing on the expertise and synergies of both companies, we will enter a new phase aiming to further enhance corporate value.

(Millions of yen)

400,000

—

360,512

300,000

200,000

100,000

0

1980 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 (FY)

Consolidated Net Sales

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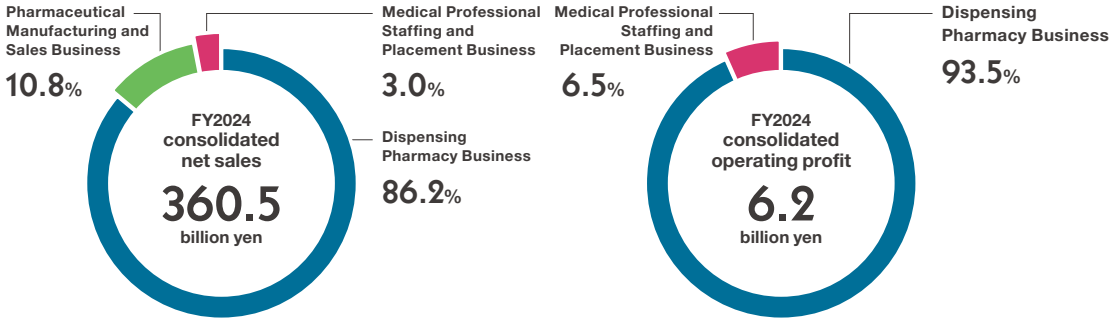
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At a Glance


Results for FY2024



EBITDA	Number of employees (Consolidated, including part-time employees)	Engagement score
15.8 billion yen	6,811	3.50

Dispensing Pharmacy Business

P.30



Number of pharmacies

760

Number of pharmacists

3,889

Prescription unit price

18,732 yen

Patient satisfaction

8.42

*Out of 10

Number of Nihon Chouzai private brand drugs


104

Okusuri Techo Plus subscribers

2.68 million

Pharmaceutical Manufacturing and Sales Business

P.42



Manufacturing and development bases

5 plants, 1 research laboratory

Number of drugs handled


404

New products in FY2024

7

Medical Professional Staffing and Placement Business

P.46



Locations nationwide

12 branches

Satisfaction with pharmacist career change consultation

97.7%

Job postings

Over 100,000

*1 Consolidated net sales and operating profit indicate breakdowns based on sums of the three business segments. Adjustments have not been eliminated. All figures are rounded down to the nearest unit, while ratios are rounded up or down to the nearest unit. As it recorded an operating loss of 630 million yen for the year, the Pharmaceutical Manufacturing and Sales Business is not reflected in the consolidated operating profit graph.

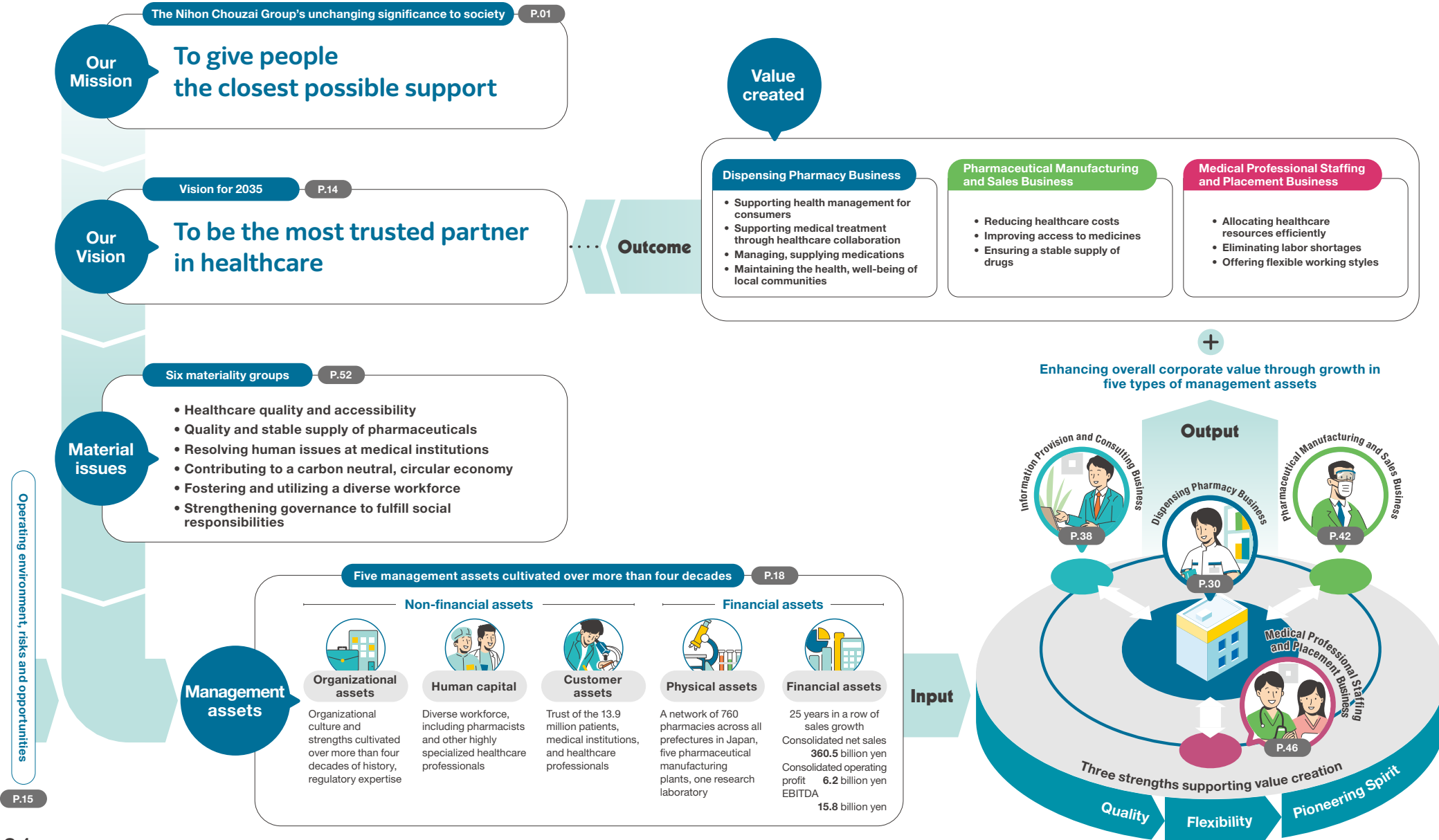
*2 Consolidated net sales, consolidated operating profit, and personnel indicators are as of the end of March 2025. All other indicators are as of the end of September 2025.

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Value Creation Process



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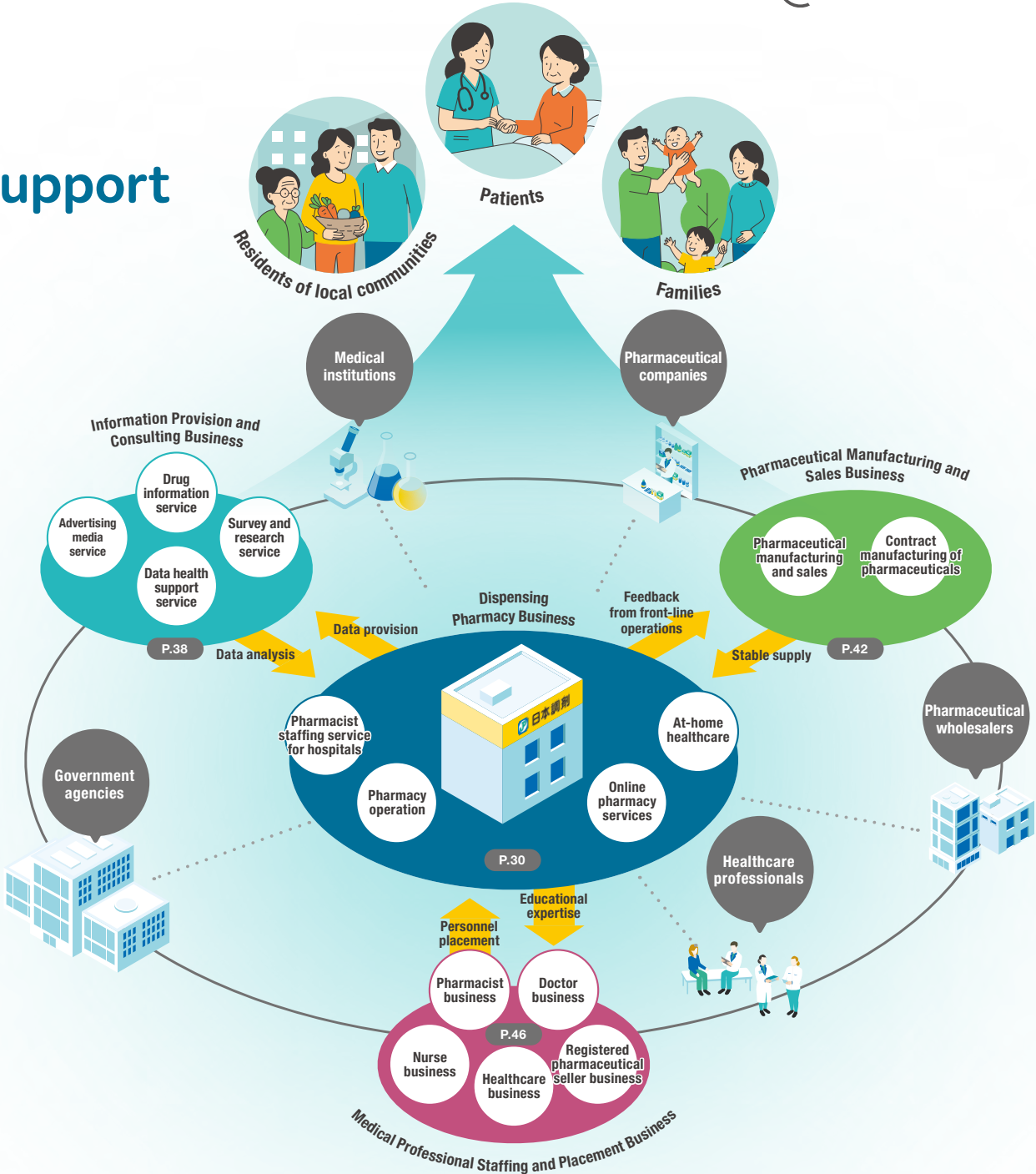
A Business Model to Give People the Closest Possible Support

We provide services not only to patients but to their families and all who live in local communities as well. We view our mission as giving the closest possible support for the health and well-being of every person we encounter.

Guided by this sense of mission, we engage in four businesses: the Dispensing Pharmacy Business, the Pharmaceutical Manufacturing and Sales Business, the Medical Professional Staffing and Placement Business, and the Information Provision and Consulting Business. These businesses function together organically to generate synergies, building a framework that enables us to provide unparalleled comprehensive healthcare services.

Moreover, it is not only within the Group that we create value: We are constantly improving the quality of our services by co-creating value together with diverse group of partners, including government agencies, medical institutions, and pharmaceutical companies.

Under this framework of collaboration between our businesses and co-creation with outside partners, we will continue to earnestly provide support for our customers as the healthcare professionals most closely involved in their well-being.



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Stakeholder Engagement

Through our various business activities, we aim to gauge the needs and expectations of stakeholders by engaging in constructive dialogue and working together to address social issues. Going forward, we will continue to work to deepen trust with stakeholders, build relationships that enable mutual flourishing, and increase corporate value.



Why we engage

As a medical institution that provides quality healthcare throughout Japan, we believe pursuing the care that patients and customers demand is essential for the long-term development of our company. The Nihon Chouzai Group is constantly striving to ensure that patients and customers can receive the best possible healthcare without worry at our pharmacies and through our online pharmacy service throughout Japan.

As a medical institution and as healthcare professionals responsible for regional healthcare, the Group collaborates with other medical care providers to better serve patients and local communities. In this way, we contribute to upholding a sustainable healthcare system in Japan. In addition, for medical institutions facing a shortage of medical staff, we are helping to redress regional disparities in healthcare by supplying appropriate medical personnel through the Group's Medical Professional Staffing and Placement Business.

To achieve sustainable growth, it is vital to create workplaces where employees can take pride in their work as professionals supporting healthcare in Japan. The Nihon Chouzai Group is working not only to foster supportive, fulfilling workplaces, but also carry out employee engagement surveys to enhance employee satisfaction.

The Group also places importance on appropriate disclosure and constructive dialogue to achieve sustainable growth and build corporate value over the longer term. Feedback and demands obtained through interactions with shareholders and investors have been promptly shared within the Group and reflected in management to date.

Effective collaboration with government agencies is indispensable to the Group's businesses. The Nihon Chouzai Group will continue to engage with such agencies to contribute to Japan's regional healthcare system.

As we seek to contribute to regional healthcare, cooperative efforts with various stakeholders in our communities are crucial to our businesses. The Group will continue to provide the best-possible healthcare throughout Japan to ensure that patients and customers can lead their daily lives with a sense of security and safety.

As a Group that is involved in a broad range of business areas, it is critical that we maintain solid relationships with all of our business partners. We will work together with our business partners to create significant value for society and respond to diverse healthcare needs.

Stakeholders' interest

- Providing safe, secure, high-quality healthcare
- Pharmacies available when needed / Providing at-home medical care
- Online pharmacy service that brings together high medical quality and convenience
- Supply of high-quality pharmaceuticals

- Collaboration with medical institutions to build sustainable community healthcare frameworks
- Redressing regional healthcare disparities caused by a shortage of medical personnel
- Cooperation with highly specialized pharmacy pharmacists

- Workplaces where employees can continue to work with a sense of security
- DE&I initiatives
- Fulfilling work that can contribute to healthcare in Japan
- Maintaining stable employment

- Sustainable growth
- Longer-term improvement in corporate value and appropriate disclosure

- Provision of healthcare with guaranteed safety and stability
- Ensure a stable supply of pharmaceuticals
- Cooperative efforts with government agencies
- Reining in the costs of social security
- Understanding of government ministry and agency policies

- Regional healthcare stations
- Family pharmacies and pharmacists
- Actions to contribute to society
- Expansion of pharmacies with specialized functions such as collaborating with medical institutions and providing advanced healthcare

- Provision of value or compensation
- Building long-term co-creation relationships
- Providing quality healthcare services

How we respond

- Providing high-quality healthcare at Nihon Chouzai pharmacies in all prefectures in Japan
- Providing high-quality generic drugs under the Nihon Generic brand
- Providing Nihon Chouzai's online pharmacy service NICOMS
- Expansion of the functions of the electronic medication notebook *Okusuri Techo Plus*

- Healthcare collaboration by highly specialized pharmacists with regional medical institutions
- Staffing and placement businesses that connect medical institutions and healthcare professionals while avoiding poor fits
- Ensure the safety and quality of drugs

- Offering working environments at financially sound medical institutions
- Providing a wide range of job positions that offer fulfillment as a healthcare professional
- Stable employment in the Nihon Chouzai Group (salary, benefits)
- One of the industry's best training programs
- Providing flexible career plans that empower women in the workplace

- Growth strategies to achieve a sound financial structure and sustainable growth
- Engagement activities with stakeholders and investors

- Efforts to develop, manufacture, sell, and ensure a stable supply of high-quality generic drugs
- Reducing medical costs through the use of generic drugs and efforts to eliminate multiple drug use (polypharmacy)
- Contributing to regional healthcare
- Efforts to achieve the digital transformation of healthcare

- Functions to support community residents in staying healthy and to offer nutrition consultations
- Providing a safe and secure community healthcare system through pharmacies
- Nationwide expansion of regional cooperation pharmacies, specialized medical institution cooperation pharmacies, and health support pharmacies, etc.
- Pursuing sustainable management

- Providing quality healthcare services
- Innovating through collaboration and tie-ups
- Extensive business development by leveraging the strength of our nationwide network of pharmacies

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On the Publication of Integrated Report 2025

As a healthcare group that gives people the closest possible support, the Nihon Chouzai Group is working to enhance corporate value over the longer term by creating social and economic value through its business activities.

The integrated report outlines our management policies, business strategies, and the story of our longer-term creation of corporate value. We publish the report to serve as an engagement tool for deepening communication with shareholders, investors, and other stakeholders.

Integrated Report 2025 focuses on the Long-Term Vision 2035 we announced in September 2024. We have expanded the content of the report to include strategies and initiatives for the first phase of working to achieve the vision. Our hope is that this report will help readers to gain a more in-depth understanding and encourage support for the new value the Nihon Chouzai Group is creating as we undergo a transformation.

Reporting Period

The reporting period is FY2024 (April2024-March2025), with references to prior periods and to FY2025 included as necessary.

Note on Forward-Looking Statements

Integrated Report 2025 contains forward-looking statements about the plans, strategies, and performance of the Nihon Chouzai Group. These statements are based on management's judgments derived from currently available information. Please note that actual business performance is subject to various risks and uncertainties and results may differ significantly from the statements.

Factors that can affect the outlook include economic conditions surrounding the various business areas, the status of revisions to relevant laws and regulations, the status of revisions to medical fees, and the status of product development. However, factors that can affect business performance are not limited to these.

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