

## Company Information (as of March 31, 2025)

### Company Profile

**Trade name**  
NIHON CHOUZAI Co., Ltd.

**Established**  
March 1980

**Headquarters**  
108-0014  
9F Tamachi Tower, 5-33-11, Shiba,  
Minato-ku, Tokyo  
+81-(0)3-6810-0800 (general)

**Capital**  
3,953.02 million yen

**Consolidated net sales**  
360.5 billion yen (FY2024)

**Employees**  
Regular employees: 4,798;  
part-time employees and others: 673

\* Figures for part-time employees and others represent the average annual number of employees based on conversion to an 8-hour workday

**Main financing banks**  
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation,  
MUFG Bank, Ltd., Resona Bank, Ltd.

**Main business area**  
Management of a dispensing pharmacy chain

### Affiliated companies

**Nihon Generic Co., Ltd.**  
Manufacture and sale of pharmaceuticals  
8F Tamachi Tower, 5-33-11, Shiba,  
Minato-ku, Tokyo  
<https://www.nihon-generic.co.jp/en/>

**Choseido Pharmaceutical Co., Ltd.**  
Manufacture and sale of pharmaceuticals  
92 Kou, Kokufu-cho, Tokushima City,  
Tokushima  
<https://www.choseido.com/>

**Medical Resources Co., Ltd.**  
Staffing and placement of healthcare professionals  
8F Tamachi Tower, 5-33-11, Shiba, Minato-ku, Tokyo  
<https://www.medical-res.co.jp/>

**Japan Medical Research Institute Co., Ltd.**  
Research investigation, provision of information and advertising media, and consulting services related to the healthcare industry in general  
9F Tamachi Tower, 5-33-11, Shiba, Minato-ku, Tokyo  
<https://www.jpmedri.co.jp/>

### Cover Story

Guided by its mission of giving people the closest possible support, the Nihon Chouzai Group places high value on points of contact with patients and customers.

Centered on our nationwide network of pharmacies, we provide comprehensive support for the health of all the people in the communities we serve through our Pharmaceutical Manufacturing and Sales Business, Medical Professional Staffing and Placement Business, and Information Provision and Consulting Business.

To achieve the goal of Long-Term Vision 2035 of becoming the most trusted partner in healthcare, it is vital to build trust through a variety of points of contact.

Building on trust built up over the years, we will accelerate our growth and embrace new challenges to realize our vision for the kind of Group we want to become.



### Nihon Chouzai Group Disclosure

#### Financial Information

#### Non-Financial Information

##### Integrated Report

This report contains a wide range of financial and non-financial information to help stakeholders grasp the overall picture of value creation in the Nihon Chouzai Group and our path toward the long-term enhancement of corporate value.

##### IR information website

Presents management policies, financial information, stock information, and other data, mainly for shareholders and investors

<https://www.nicho.co.jp/en/ir/>

\*After the delisting, past financial information is archived on the company's IR website.

##### Securities report (Japanese only)

Statutory materials presenting the corporate overview, business overview, sales results, state of facilities, accounting status, and other information based on Japan's Financial Instruments and Exchange Act

<https://www.nicho.co.jp/corporate/ir/library/securities.html>

\*Due to the delisting, starting in FY2026 the company will not prepare or submit securities reports.

##### Corporate Governance Report

Outlines the Group's initiatives and goals for corporate governance, which stock exchanges require listed companies to submit

<https://www.nicho.co.jp/en/sustainability/esg/governance/>

\*After the delisting, the company will not prepare or submit corporate governance report.

##### Sustainability website

Publishes sustainability-related information on the Nihon Chouzai Group for a wide range of stakeholders

<https://www.nicho.co.jp/en/sustainability/>

##### Sustainability Data Book

Comprehensive sustainability disclosure for the Nihon Chouzai Group

<https://www.nicho.co.jp/en/sustainability/databook/>

##### Corporate website

Encompasses everything related to the business activities of the Nihon Chouzai Group

<https://www.nicho.co.jp/en/>

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## 11-Year Summary of Financial and Non-Financial Data (As of March 31, 2025)

Consolidated Financial Data	FY2014		FY2015		FY2016		FY2017		FY2018		FY2019		FY2020		FY2021		FY2022		FY2023		FY2024		
Fiscal year in which revisions to dispensing fees and NHI drug prices were made	Dispensing Fees	NHI Drug Prices <sup>*11</sup>	Dispensing Fees	NHI Drug Prices																			
<b>Business results (fiscal year)</b>																							
Net sales	181,844		219,239		223,468		241,274		245,687		268,520		278,951		299,392		313,318		340,310		360,512		
Gross profit	31,929		39,068		39,258		43,837		41,975		46,372		49,374		52,422		53,643		57,236		57,365		
Selling, general and administrative expenses	25,281		28,578		30,738		33,250		35,242		38,779		41,267		45,833		46,057		48,093		51,125		
Operating profit	6,647		10,489		8,519		10,587		6,733		7,593		8,106		6,589		7,586		9,142		6,239		
EBITDA <sup>*1</sup>	10,923		15,615		14,237		17,127		14,525		15,491		16,286		14,974		16,337		18,251		15,856		
Ordinary profit	6,003		9,878		7,976		10,138		6,077		7,405		8,409		6,767		7,682		9,439		6,915		
Profit attributable to owners of parent	2,778		6,329		4,638		6,104		3,790		6,697		3,538		3,705		4,458		2,553		1,391		
<b>Cash flows (fiscal year)</b>																							
Cash flows from operating activities	5,831		19,327		△940		23,141		13,572		13,192		11,213		19,411		7,532		20,421		8,824		
Cash flows from investing activities	△8,437		△7,823		△28,444		△13,843		△1,770		△2,731		△7,767		△9,313		△10,018		△13,726		△9,921		
Cash flows from financing activities	1,422		7,031		18,205		△2,034		△10,516		△7,955		△2,806		△17,448		713		△4,430		2,526		
<b>Financial position (at year-end)</b>																							
Total assets <sup>*2</sup>	130,141		157,609		178,347		186,573		178,677		185,551		186,262		178,753		185,297		195,087		197,105		
Net assets	17,635		32,473		36,447		41,506		41,073		47,072		49,868		52,876		56,483		58,351		59,097		
Cash and cash equivalents	13,844		32,380		21,200		28,464		29,749		32,254		32,893		25,543		23,770		26,034		27,463		
Merchandise and finished goods	15,911		15,328		21,455		20,873		22,272		22,988		23,139		23,024		28,416		28,992		29,507		
Interest-bearing debt <sup>*3</sup>	68,327		66,794		86,524		87,611		81,302		74,381		73,219		56,597		58,128		54,925		58,270		
<b>Per share information</b>																							
Net assets per share (yen) <sup>*4</sup>	628.80		1,015.11		1,139.35		1,297.50		1,369.52		1,569.77		1,663.01		1,763.34		1,888.17		1,950.44		1,978.13		
Net income per share (yen) <sup>*4</sup>	97.24		216.42		145.02		190.84		121.74		223.33		118.01		123.56		148.92		85.35		46.54		
<b>Financial and non-financial data</b>																							
Sales growth rate (%)	10.0		20.6		1.9		8.0		1.8		9.3		3.9		7.3		4.7		8.6		5.9		
SG&A expense ratio (%)	13.9		13.0		13.8		13.8		14.3		14.4		14.8		15.3		14.7		14.1		14.2		
Operating margin (%)	3.7		4.8		3.8		4.4		2.7		2.8		2.9		2.2		2.4		2.7		1.7		
ROA (%) <sup>*5</sup>	2.2		4.4		2.8		3.3		2.1		3.6		1.9		2.0		2.4		1.3		0.7		
ROE (%) <sup>*6</sup>	16.6		25.3		13.5		15.7		9.2		15.2		7.3		7.2		8.2		4.4		2.4		
Equity ratio (%) <sup>*7</sup>	13.6		20.6		20.4		22.2		23.0		25.4		26.8		29.6		30.5		29.9		30.0		
Interest coverage ratio (times) <sup>*8</sup>	7.1		24.4		—		37.1		25.8		34.9		35.1		64.8		28.2		68.7		20.2		
Debt-to-equity ratio (times) <sup>*9</sup>	3.8		2.1		2.4		2.1		2.0		1.6		1.5		1.1		1.0		0.9		1.0		
Capital expenditure	12,279		8,073		23,344		15,316		5,254		12,025		9,492		8,362		10,321		12,188		10,330		
Depreciation	3,631		4,461		4,741		5,214		6,304		6,316		6,416		6,569		6,740		7,170		7,659		
R&D expenses	1,767		1,913		2,388		2,784		2,764		2,991		2,776		3,411		3,065		2,765		3,133		
Number of employees <sup>*10</sup>	3,283		3,435		3,781		4,075		4,383		4,904		5,221		5,552		5,689		5,864		6,063		

\* Figures have been rounded down. Percentages have been rounded to the nearest first decimal place.

Notes:

\*1. EBITDA = Operating profit + depreciation + amortization of goodwill

\*2. Figures before FY2017 are not retroactively adjusted in accordance with a change in accounting standards.

\*3. Interest-bearing debt = loans + lease obligations + installment accounts payable + bonds

\*4. Nihon Chouzai conducted 2-for-1 stock splits on October 1, 2015 and April 1, 2020. Net assets per share and net income per share have been calculated as if these stock splits had taken place at the beginning of FY2013.

\*5. ROA = profit attributable to owners of parent ÷ average of total assets at the beginning and end of the fiscal year

\*6. ROE = profit attributable to owners of parent ÷ average equity at the beginning and end of the fiscal year

\*7. Equity ratio = shareholders' equity ÷ total assets

\*8. Interest coverage ratio = operating cash flows ÷ interest payment. This figure is not presented when operating cash flows are negative.

\*9. Debt-to-equity ratio = interest-bearing debt ÷ net assets

\*10. Number of employees indicates regular employees. It does not include non-regular employees such as associate, contract, fixed-term, or part-time employees.

\*11. NHI drug prices were revised in October 2019 in line with changes in the consumption tax rate. Dispensing fees were also partially revised in conjunction with the drug price adjustment.

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## Outside Evaluations

### Sustainability

#### ► Signing the United Nations Global Compact

In August 2023, Nihon Chouzai signed the United Nations Global Compact, an international initiative to support greater corporate social responsibility. Participation in the Global Compact demonstrates a company's stance on Ten Principles related to four areas—human rights, labor, environment, and anti-corruption. While making all Group executives and employees aware of the purpose of this compact, we will identify areas for improvement and work to sustainably enhance corporate value by measuring our business activities against the yardstick of the values of the Ten Principles.



#### ► Support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations

We endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board (FSB) in June 2022 and have been making steady headway in our disclosure based on the recommendations.



### Human Capital Management

#### ► Certified as 2025 Health & Productivity Management Outstanding Organizations in the large enterprise category

Nihon Chouzai, Nihon Generic, and Medical Resources have all been selected as 2025 Certified Health & Productivity Management Outstanding Organizations in the large enterprise category, under a certification program established by the Ministry of Economy, Trade and Industry. Additionally, Japan Medical Research Institute has been selected as a 2025 Certified Health & Productivity Management Outstanding Organization in the small and medium-sized enterprise category (Next Bright 1000). These programs recognize companies that take employee health management seriously from a management perspective and strategically pursue health and productivity management initiatives.



#### ► Received DBJ Employee Health Management Rating

This rating is connected to a program administered by the Development Bank of Japan to extend loans based on sustainability assessment and certification. The program uses a proprietary screening system to select companies that demonstrate outstanding care for the health of executives and employees. Nihon Chouzai received the DBJ Employee Health Management Rating in 2023.



#### ► Selected for inclusion in FTSE Blossom Japan Index and FTSE Blossom Japan Sector Relative Index

The Group has been continuously selected since 2023 as a constituent of both the FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index, which target Japanese companies taking outstanding action in terms of ESG practices.



#### ► Received B Score in CDP Climate Change Report 2024

We received a B score in the Climate Change Report 2024 published by CDP, an international NPO, following a B score in 2023 as well. The current B score is at the management level in CDP's classification, and indicates that the company understands its own environmental risks and impacts and takes actions on climate issues.



#### ► Kurumin

Nihon Chouzai and Nihon Generic have received Kurumin certification from the Ministry of Health, Labour and Welfare, recognizing them as companies that provide outstanding support for parenting.



#### ► Eruboshi certification

Nihon Chouzai has been recognized as an outstanding company for its efforts to empower women's participation in the workforce, receiving the highest level of Eruboshi certification, which is based on the Act on Promotion of Women's Participation and Advancement in the Workplace.



#### ► Tomonin

Nihon Chouzai in 2021 also acquired Tomonin certification, a symbol mark certifying that we provide a workplace environment where employees can balance work and long-term care. We continue taking steps to ensure that employees do not have to quit their jobs to care for family members.



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