



## Achieving True Separation of Drug Prescribing and Dispensing Services

The separation of drug prescribing and dispensing services sought by Nihon Chouzai is not merely a separation wherein drugs prescribed in the hospital and dispensed in the pharmacy outside of the hospital are given to the patient. Nihon Chouzai pursues the goal of “true separation of drug prescribing and dispensing services,” which aims for doctors and pharmacists performing their functional roles from an independent position to ensure medical safety, provide high quality medical services for patients, and work to control the increase in medical expenses, including the reduction of financial burden on patients.



### The Nihon Chouzai Group

Since Nihon Chouzai was founded in 1980, we have pursued the ideal functions and roles of a dispensing pharmacy that supports medical care in Japan, and has actively contributed to the development of society and medical care, as a pioneer in the dispensing pharmacy industry. With the Dispensing Pharmacy Business as our core business, we create new businesses by capturing the contemporary needs of society and boldly taking on challenges in the medical peripheral businesses. Currently, we are engaged in four businesses. In addition to the Dispensing Pharmacy Business, there are Pharmaceutical Manufacturing and Sales Business, Medical Professional Staffing and Placement Business, and Information Provision and Consulting Business.

We will continue to boldly venture on peripheral businesses that contribute to “achieving true separation of drug prescribing and dispensing services,” and build a multilayered business structure by creating new businesses, while also deepening the business model in which each of our businesses demonstrate synergies between each other.

Contents

01 Corporate Philosophy

03 Growth Trajectory

05 Business Portfolio

07 Value Creation Model

09 Strategy for Achieving Growth

1 Growth towards achieving true separation of drug prescribing and dispensing services

13 Message from the President

19 The Year in Brief Nihon Chouzai Group

21 Financial Highlights

2 Business Performance

23 Dispensing Pharmacy Business

33 Information Provision and Consulting Business

35 Pharmaceutical Manufacturing and Sales Business

43 Medical Professional Staffing and Placement Business

3 Base that supports Nihon Chouzai

49 Human Environment (See page 42 for examples of environmental initiatives)

59 Social

61 Governance

4 Data section

71 Main Prescription Dispensing Fee Revisions

74 Explanation of Terminology

77 10-Year Summary of Financial and Non-financial Data

79 Report of Business Results and Financial Analysis

86 Risks of Businesses

89 Company Profile

90 History

91 Stock Information

92 Reference Pages for Major Contents



Determining Degree of Importance

Corporate Report 2020 presents topics with a high degree of importance to the Nihon Chouzai Group and to society. This document is published on an annual basis as reference material for readers to gain an understanding of the Company's business status and its corporate policies. This year, Nihon Chouzai discusses two important themes on which the Company is focused: further growth as a comprehensive healthcare company and growth achieved by seeing the significant changes involved in industry reorganization as a positive opportunity.

Editorial Policy

In addition to the management policy and business strategy of the Nihon Chouzai Group, this report covers both financial and nonfinancial information in detail so that all stakeholders, and first and foremost, shareholders and investors, will have an understanding of the Company's medium- to long-term creation of corporate value. The period covered in this report is fiscal 2019 (April 1, 2019 to March 31, 2020). However, as necessary, the contents may also cover some aspects of fiscal 2020.

Notes Concerning Forward-Looking Statements

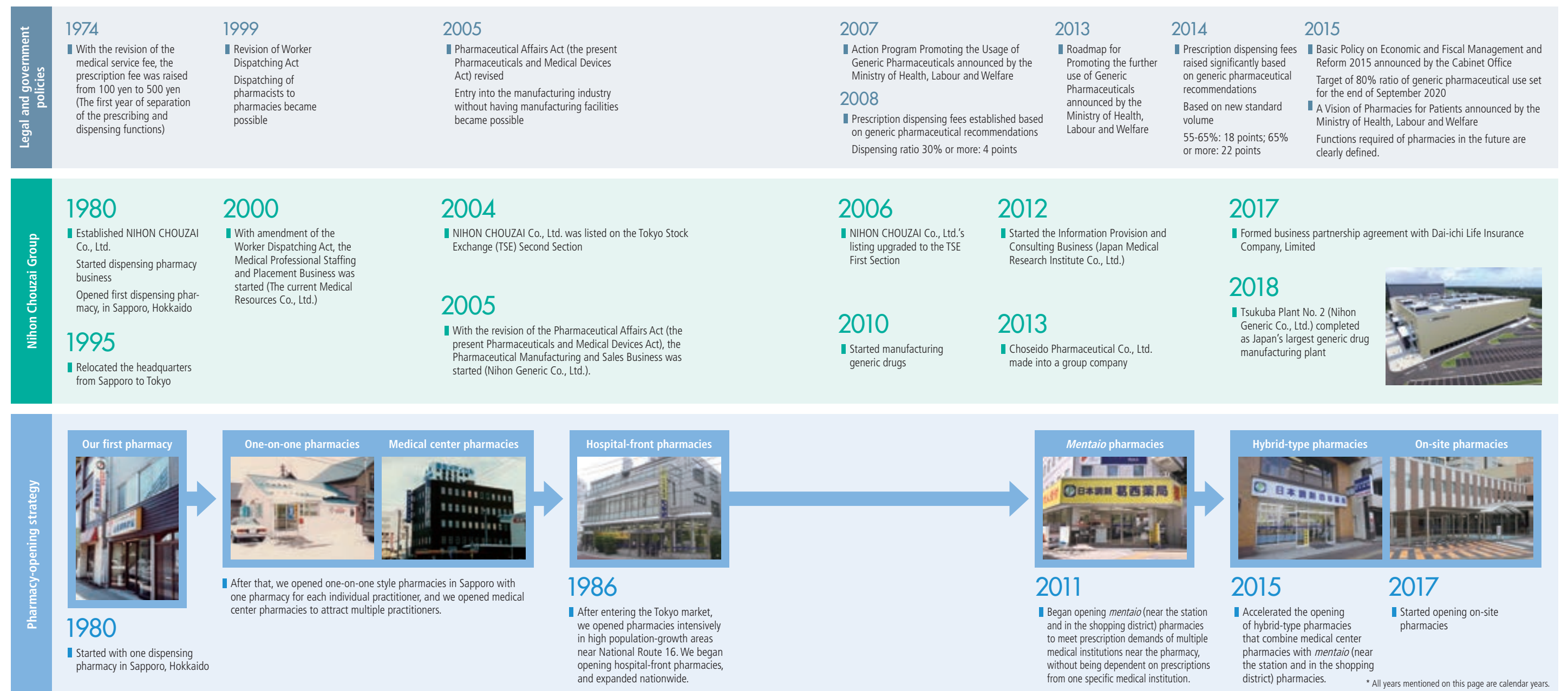
The Corporate Report 2020 includes forward-looking statements with regard to the Nihon Chouzai Group's plans, strategies, business performance and other information. These statements are based on judgements made by the Company's management, and these are gained from currently available information. Actual business performance and other information may be impacted by various risks and uncertainties and may differ significantly from these projections. Your understanding is therefore requested. Factors that may have an impact on business performance and future outlook include, but are not limited to, the economic situation in which the Company's business domains operate, the reform status of relevant laws and regulations, conditions with regard to revisions of medical service fees, and the progress of product development.

About the Cover

Since its founding, Nihon Chouzai has endeavored to contribute to the reform of Japan's social security system. With the advent of a “super-aged” society, now is a time of major changes with various measures to curb the increase in social security expenses and address other issues that are emerging. Seeing these changes as opportunities to create synergy between our Dispensing Pharmacy Business and other businesses, the cover of Corporate Report 2020 expresses the image of immense growth as a comprehensive healthcare company with a focus on the people who work in each company and each department.

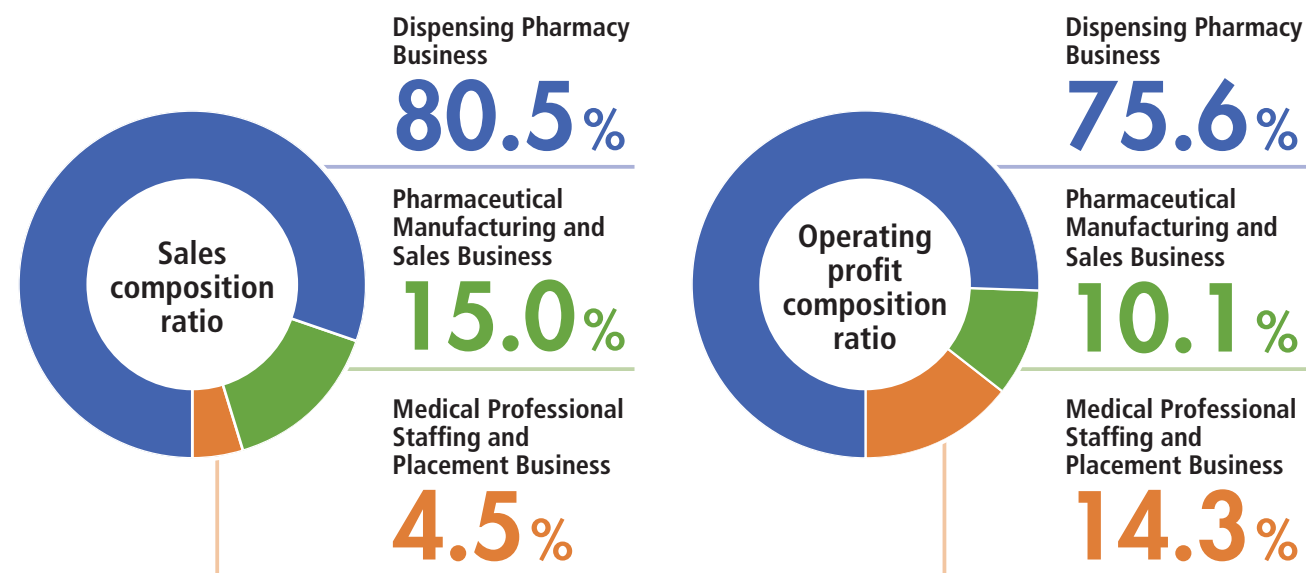


# Growth Trajectory





# Business Portfolio



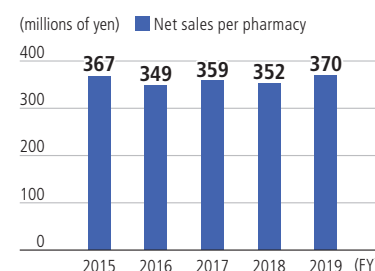
\* Percentages are rounded to the nearest unit.



Dispensing Pharmacy Business

A leading dispensing pharmacy company

Net sales per pharmacy  
**No.1**



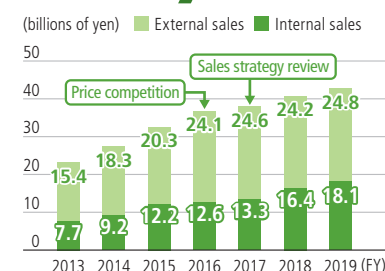
In the Dispensing Pharmacy Business, we have focused on opening Nihon Chouzai pharmacies, while flexibly conducting M&A according to strict standards. This has allowed us to open pharmacies that are not easily affected by revisions. In addition, by maintaining annual net sales per pharmacy at around 350 million yen, we are scaling up and adding functions to our pharmacies, in order to build a structure and constitution that can survive the industry reorganization.



Pharmaceutical Manufacturing and Sales Business

Manufacturer of a full line of generic drugs

Unrivaled business model  
**Only one**



In the Pharmaceutical Manufacturing and Sales Business, we are deepening our unrivaled business model, in which the expansion of the Dispensing Pharmacy Business leads to the expansion of this business. In addition, we have recently stepped up efforts to expand external sales.



Medical Professional Staffing and Placement Business

Human resource services company that specializes in the medical field

Dispatching of pharmacists  
**No.1**

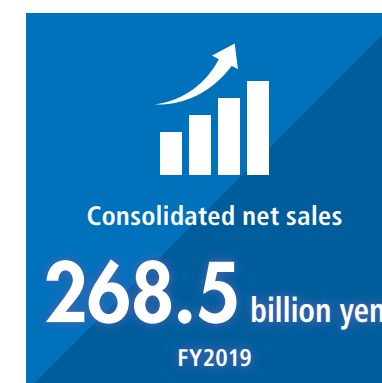
High growth potential

High profitability

High reliability

In the Medical Professional Staffing and Placement Business, we are achieving value-added staffing and placement not offered by other companies by taking advantage of the high-quality education system created by the Dispensing Pharmacy Business. We are also working to expand the business by increasing the number of service lines beyond pharmacists.

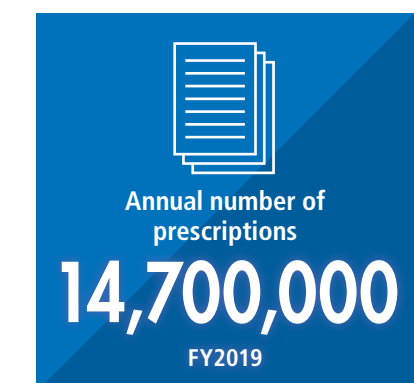
## A numerical view of the Nihon Chouzai Group



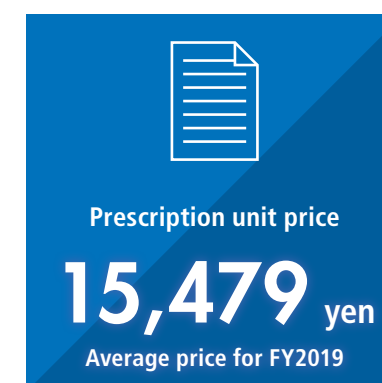
14 consecutive terms of growth since being listed on the stock market



A group of skilled professionals centered on pharmacists



Supports a wide range of prescriptions from advanced medical care to at-home medical care



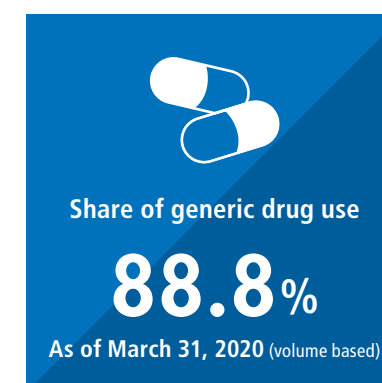
Track record of handling highly specialized pharmaceuticals



Supporting advanced medical care and accumulating know-how



Proactive initiatives toward at-home medical care



No. 1 in promoting use of generic drugs



Handling a number of products comparable to major generic manufacturers



Developing a staffing and placement business specialized in medical professionals

### Market environment

Dispensing pharmacy market size  
**Approx. 7.4** trillion yen  
FY2018

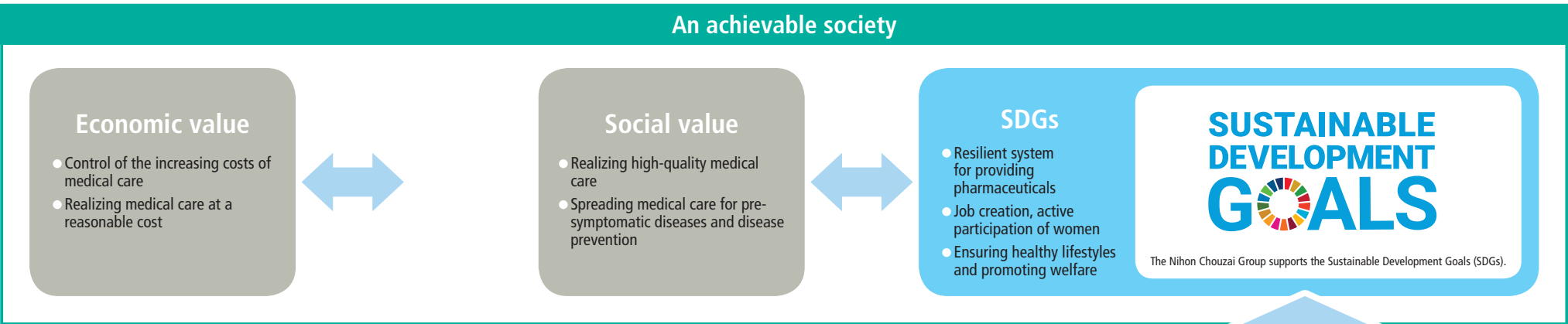
Generic drug market size  
**Approx. 1** trillion yen  
FY2017

Number of pharmacists nationwide  
**Approx. 310,000** pharmacists  
FY2018

Source: Fuji Keizai Co., Ltd.  
Survey results of the domestic generic drug market

Value Creation Model

The business of the Nihon Chouzai Group helps solve social issues facing Japan, and our business is directly linked to the creation of social value. We will help to solve social issues by making the most of our management resources and raising our corporate value.



Social issues



Climate change risk  
Maintenance of medical infrastructure in case of disaster



Super-aging society  
Increased medical expenses



Work style reform at medical institutions



Unused drug issue  
Polypharmacy

Input (management capital)

Financial capital

Capital investment

12.0 billion yen

Human capital

Investment in human resources

5,715 people

Manufacturing capital

5 plants  
2 research institutes

Intellectual capital

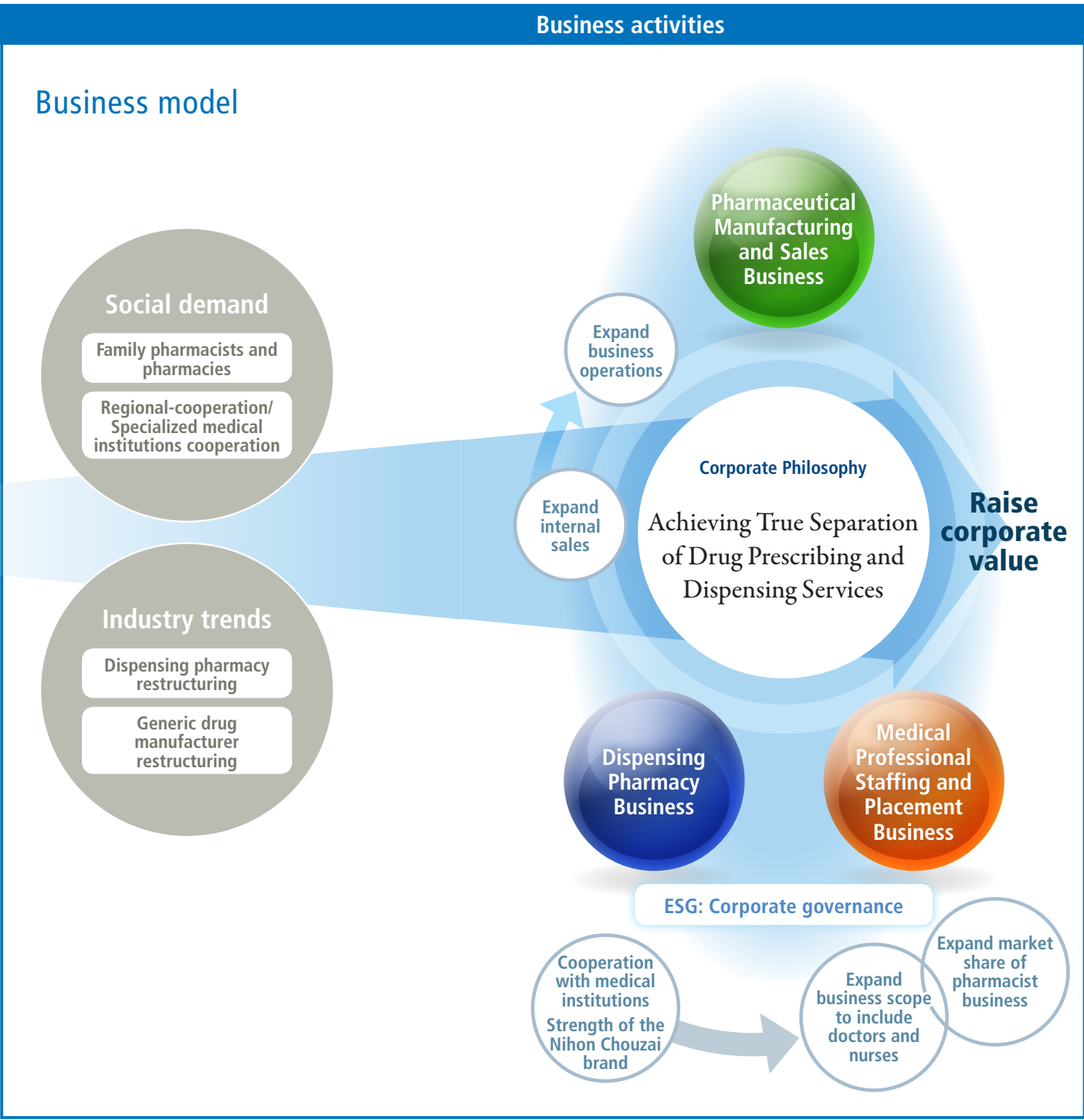
R&D expenses

2.9 billion yen

Social and related capital

Customer confidence

Acquisition of certification



Output (value provided)

For Patients/Consumers

- Providing higher quality medical care
- Support for pre-symptomatic diseases and disease prevention care
- Reduction of the medical expense burden

For Local Communities

- Providing sustainable healthcare
- Integrated cooperation of various occupational disciplines in the community
- Providing a steady supply of pharmaceuticals
- Clean manufacturing facilities

For Medical Institutions

- Cooperation with medical institutions
- Follow-up after medication instruction
- Rationalization of dispensing work

For Employees

- Recruiting diverse human resources
- Providing diverse playing fields
- Investment in human resource education

Priority issues in the SDGs

(1) Aging population and increasing medical expenses

3 GOOD HEALTH AND WELL-BEING

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Providing sustainable medical care and reducing medical expense burden

Promoting manufacturing and use of generic drugs

(2) Improving medical infrastructure

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

Improving pharmaceuticals supply system in case of disaster

Providing stable supply of pharmaceuticals

(3) Global warming and climate change

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

Adopting energy-saving equipment from the construction phase

Introducing new energy-saving equipment

(4) Cooperation with medical institutions

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

Increasing importance of medical collaboration

Support for increased outpatient treatment

(5) Advancement of women and work style reform

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

Promoting diversity and intra-personal diversity

Investing in professional human resource development

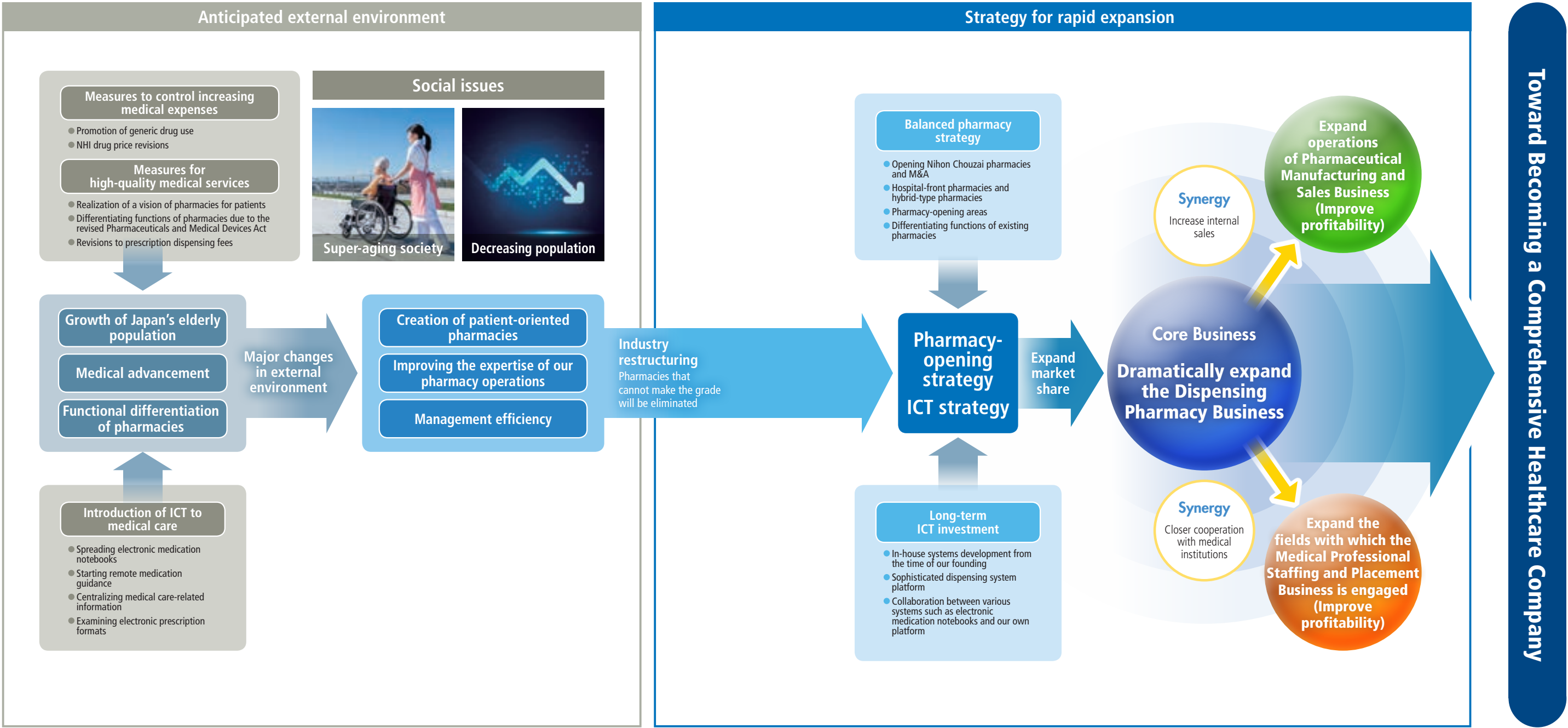


# Strategy for Achieving Growth

## Long-Term Vision — On the Road to 2030

The Nihon Chouzai Group’s Long-Term Vision (announced in April 2018) shows the Group’s vision for the future after having successfully emerged from a reorganization in the industry by using the major changes in the external environment in the medical and pharmaceutical industries as opportunities. We will achieve a dramatic expansion of our Dispensing Pharmacy Business through pharmacy-opening strategies and ICT strategies, then use this as a starting point to expand our Pharmaceutical Manufacturing and Sales Business and Medical Professional Staffing and Placement Business, thereby achieving sustainable growth as a comprehensive healthcare company.

### View of corporate growth



### Group Synergy

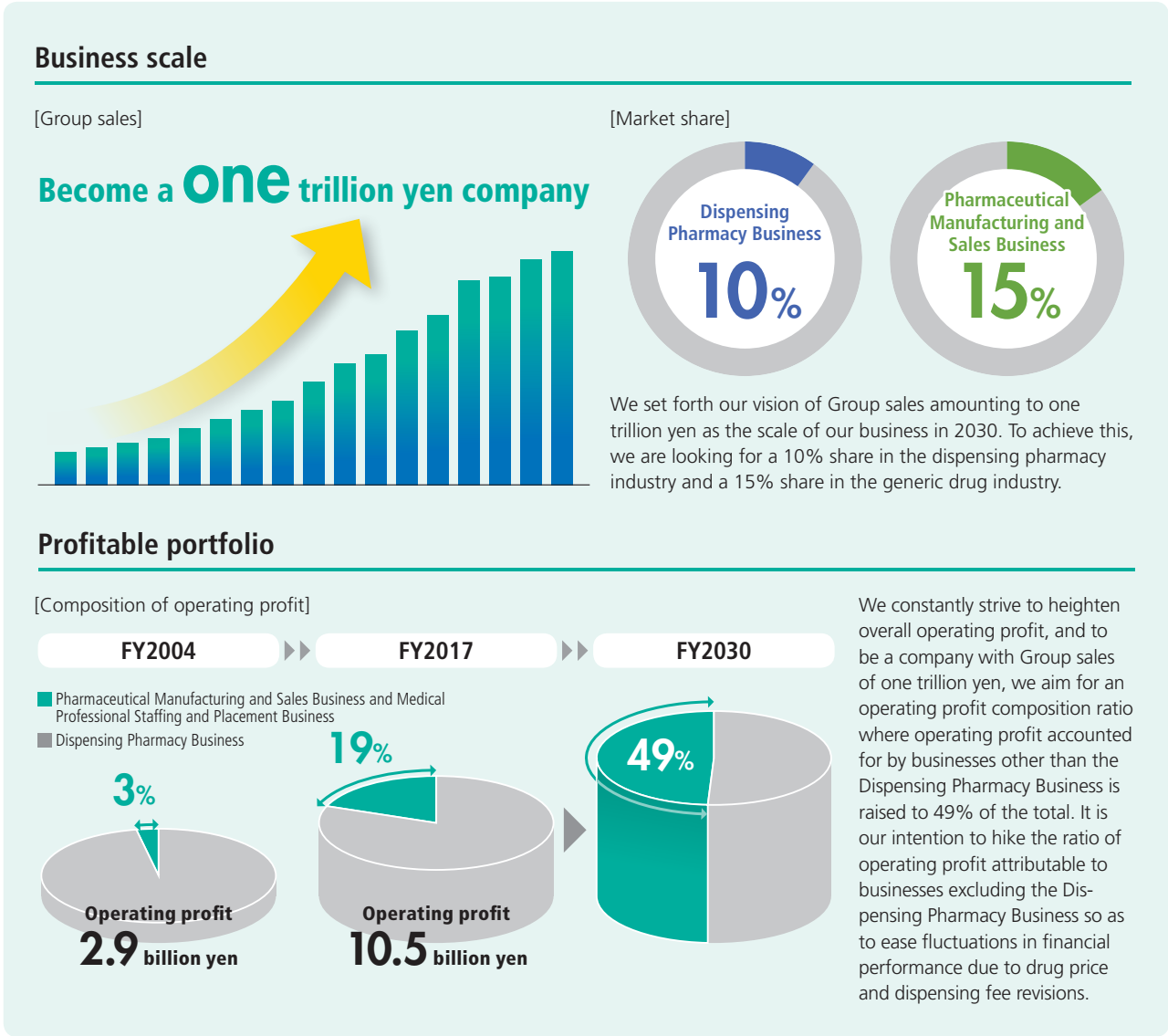
#### Dispensing Pharmacy Business ↔ Pharmaceutical Manufacturing and Sales Business

The expansion of the operations of the Dispensing Pharmacy Business is linked to the expansion of the Pharmaceutical Manufacturing and Sales Business and this has become an unrivaled business model.

#### Dispensing Pharmacy Business ↔ Medical Professional Staffing and Placement Business

By developing the Dispensing Pharmacy Business, we are able to quickly grasp the human resource needs of medical professionals. This business model allows us to quickly expand into new fields.

An image of growth leading to 2030





# Message from the President



*Yosuke Mitsuhashi*

Yosuke Mitsuhashi  
President & CEO

**We will work more actively to dig deeper into medical care, and provide a new standard for Japanese medical care in the coming era. We will “Be Active” in all our endeavors!**

**Q** Looking back on your first year since assuming position as top executive of the Nihon Chouzai Group, could you tell us what you have emphasized in your efforts?

**I have worked to share my policy, “Be Active!” at every opportunity for dialogue and discussion with employees.**

In the first three months since I took office as President, I decided to proceed with initiatives that would have relatively immediate effects. One of these initiatives was drastic cost reduction, which I always thought could be done at a level that would not hinder our current business operations. We had already been running a cost reduction project since April 2019, but there were some matters that should be determined by the President, and others that had a major impact on our financial results; therefore, I gave priority to making decisions on those matters with speed. As a result, we posted a gain on sales of non-current assets of approximately 6.7 billion yen under extraordinary income mainly due to the sale of various assets in the fiscal year under review (fiscal 2019).

Taking into consideration the fact that this is my first year since assuming my current position as top executive of the Nihon Chouzai Group, another matter I have focused on is communication with our employees and part-time staff, who number approximately 6,000 nationwide.

Looking at the environment surrounding the Group, in a lot of ways, including the recent COVID-19 crisis, it is safe to say that social conditions and medical needs are going to change even further and in more drastic ways. Yet, I feel that the government and political administration are not keeping pace with these changes. As such, for the past year I have taken every opportunity for dialogue and discussion with employees and have shared the company value “Be Active!” with them, as my major policy going forward.

So long as we are involved in the medical and pharmaceutical business, we will always need to respond to systemic changes. However, if the perspective and activities of management are focused only on those responses, we will not be able to meet the medical needs that society requires in the first place. Moving forward, each and every employee and staff member of the Nihon Chouzai Group must “Be Active!” We will commit ourselves to our stakeholders, devising and implementing both big solutions and small feats of ingenuity alike, so that we can be an organization always needed by the world.

**Q** What do you think about the future direction of the business under the major policy, “Be Active!”?

**We will dig deeper into medical care, step further into the medical worksite, and work more actively to solve medical issues.**

The Nihon Chouzai Group aims to grow as a comprehensive healthcare company centered on the Dispensing Pharmacy Business. As shown on page 6 of this report in the section “A numerical view of the Nihon Chouzai Group,” although we are steadily growing as a comprehensive healthcare company, I think we are only halfway there in terms of building essential abilities.

Based on this idea, we will continue to dig deeper into medical care, so that Nihon Chouzai can become a brand widely needed and selected by stakeholders, which I committed to earlier. In other words, it means we will step further into the medical worksite and work more actively to solve medical issues, thereby establishing our future market position.

One related initiative is training for pharmacists who can offer cancer treatment. Outpatient treatment is quickly becoming the norm for cancer patients, and there is a need for pharmacy-based pharmacists with advanced skills and expertise so that pharmaceutical treatment can be continued safely outside of a hospital. One indicator of a pharmacist with that expertise is the “Accredited Pharmacist of Ambulatory Cancer Chemotherapy” established by the Japanese Society of Pharmaceutical Oncology (JASPO). Nihon Chouzai promotes acquisition of the “Accredited Pharmacist of Ambulatory Cancer Chemotherapy” by JASPO, and as of April 30, 2020, a total of 21 of our pharmacists have acquired this certification. This is the highest number in the dispensing pharmacy industry, and approximately one in

four certified pharmacy-based pharmacists belong to the Nihon Chouzai Group.

Currently, the Japanese government’s medical policy emphasizes communication between pharmacists and doctors or other professionals in the medical worksite, and the government has made policy evaluation accordingly. Creating a corporate culture in which pharmacists devote themselves to ongoing studies to improve their expertise will aid us in building a brand that is selected by stakeholders. Nihon Chouzai will continue to contribute to regional medical care by creating an environment in which pharmacists with advanced expertise can fully demonstrate their abilities.

Q Since you assumed office, you have actively proclaimed that “we will make our pharmacies selected because of the Nihon Chouzai Group brand.” Could you tell us the background behind this idea?

**In the midst of fierce competition with drug stores, raising awareness of the Nihon Chouzai brand is a major issue for us.**

One environmental change to keep in mind while the Group continues to grow as a comprehensive healthcare company is a fierce competition with drug stores that also have dispensing pharmacy functions. Except

in serious cases, it is true that many patients and customers basically choose a pharmacy without strong preference, and we live in an era where the value of each pharmacy’s existence is in question. In such an

environment, we have received a certain degree of praise from doctors and other medical professionals, but I am aware that the Nihon Chouzai brand has not yet really established itself in the minds of patients and customers.

I recognize this as a major issue for us, and we have expanded the number of Nihon Chouzai stores not dependent on the location of a hospital, particularly in the metropolitan area, so that we can be closer to patients and general consumers. In July

2019, we renewed the Nihon Chouzai Online Store for healthcare products, and both access numbers and sales on the site are growing. I believe that we cannot survive and will have no value if we do not build our brand as a dispensing pharmacy that digs deeper into medical care, and work for at least ten years to raise awareness of the brand. Going forward, we will continue to take measures to connect deeper with our patients and customers.

Q The Nihon Chouzai Group has always been an industry leader in the pursuit of its ICT strategy. How do you analyze the success factors of this ICT strategy?

**Our electronic medication notebook, which was developed in-house, has had a great effect as an important terminal.**

Since April 2020, guidance on the use of drugs by telephone and information and communication devices has been temporarily permitted as a measure to prevent the spread of COVID-19. From September 2020, target areas and patients will be expanded, and online guidance on the use of drugs will begin.

Our electronic medication notebook, Okusuri Techo Plus, is an important terminal for widely providing high-quality medical service to patients through a series of remote guidance on the use of drugs. We are the only company in the dispensing pharmacy

industry that has developed an electronic medication notebook in-house, which allows us to make updates flexibly, leading to expansion of our daily contact with patients.

Five years have passed since the release of Okusuri Techo Plus, with over 500,000 registered members. Looking ahead, we will strive to further promote our ICT strategy by leveraging not only our technological base but our tremendous, competition-beating customer base of over 500,000 members.

Q Could you tell us your thoughts about how you will incorporate contributions to achieving the SDGs into future strategies?

**I think that digging deeper into our core business and realizing sustainable growth will contribute to achieving the SDGs.**

The third goal of the 17 SDGs is “3. Good health and well-being: Ensure healthy lives and promote well-being for all at all ages.” I believe that promotion of our core business and realization of sustainable growth will contribute to the achievement of the SDGs.

I would like to reiterate to all of our stakeholders that, we do not either simply alternate between delight and despair over quarterly profits and stock price trends as a publicly listed company and neglect long-term investment necessary for medical care. To put it in my own words, medical care is not the kind of job that can make a profit quickly on a quarterly basis. Furthermore, as you can see from the recent COVID-19 crisis, even when various societal activities

such as production, consumption, and education all come to a stop, medical care is a critical activity that can never stop regardless of the circumstances to support society. Therefore, in response to requests from the Japanese government, we have not closed any pharmacies during the COVID-19 crisis.

As such, we believe that deeply pursuing the very core of medical care is the most effective contribution to the SDGs. Furthermore, we think that digging deeper into medical care and steadily making investments from a long-term perspective in periods of five to ten years will lead us to meeting stakeholder expectations by returning value and profits in various forms.





**Q** I would like to ask about your long-term vision for 2030. How do you plan to raise the top line of growth, in order to become a company with Group sales of one trillion yen?

**We aim to achieve 2030 Group sales of one trillion yen, without ignoring any possibilities such as new business development.**

As shown in the section, “Strategy for Achieving Growth,” on pages 9 to 11 of this Corporate Report, the Group has a long-term vision for 2030. In this initiative, our Dispensing Pharmacy Business and Pharmaceutical Manufacturing and Sales Business will act as the main drivers for accumulating net sales, aimed at reaching Group sales of one trillion yen in 2030, which is about four times our consolidated net sales of 268.5 billion yen in the fiscal year under review.

In the Dispensing Pharmacy Business, our market share is currently about 3% of a 7.4 trillion yen market. We believe that we will be able to cover more than half of our one trillion yen goal in the Dispensing Pharmacy Business by expanding our businesses in the future through M&A and development of new business formats. In terms of M&A, we believe that there will gradually be more rehabilitation projects,

backed by Nihon Chouzai’s financial strength, rehabilitation and store management know-how. In the Pharmaceutical Manufacturing and Sales Business, capital investment has already peaked out, so we must focus on how to operate our factories and increase net sales over the first three years in our ten year plan.

What I can say about both the Dispensing Pharmacy Business and Pharmaceutical Manufacturing and Sales Business is that we will not ignore any possibilities for future business expansion. We plan to actively consider all options according to the situation for the next ten years, including large-scale horizontal M&A of other companies in our industry, and development and manufacture of generic drugs aside from pills, to name just a few.

**Q** As top executive of the Nihon Chouzai Group, which continues to grow as a comprehensive healthcare company, could you give us your opinion of the current state of medical care in Japan?

**There are many more things Nihon Chouzai can do as an organization centered on pharmacists. That is why I say “Be Active!”**

While it has long been said that there is a shortage of doctors, pharmacists, nurses, and caregivers, our super-aged society continues to advance relentlessly, and the number of patients has been increasing. In contrast to that, the number of medical professionals has not increased, and they are getting older. As a result, the number of patients per medical professional in the working-age population is steadily increasing. This problem has become even more pronounced amidst the ongoing COVID-19 crisis. As such, doctors and pharmacists share the common issue of how a small number of medical professionals can deal with the constantly growing number of patients. In these circumstances, there are many more things Nihon Chouzai can do as an organization centered on pharmacists. That is why I say “Be Active!”

With the spread of COVID-19 still not contained, it is difficult to predict future changes in patient trends. However, I assume from the growing usage rate for the prescription sending function of Oku-suri Techo Plus that many patients want to spend less time in stores. At the same time, the spread of COVID-19 may have led many patients and consumers to understand the importance of self-medication, pre-symptomatic disease prevention, as well as the convenience of receiving medical services online. There are still some points to be improved regarding guidance on the use of drugs with telephone and information and communication devices as well as delivery of medicine, which has become possible at present thanks to temporary special measures. On the other hand, we have received many appreciative comments from patients, and we will focus on how the government will make decisions in the future.



**Q** What message do you have for stakeholders? For example, what is your future vision for management?

**“Be Active!” in protecting the health of communities and medical care in Japan.**

The business of medical care should be undertaken from a long-term perspective. Based on this point of view, the Group is making investments in a way that it can grow over the long term. We also bear in mind our steady growth so as to be a reliable investee company. As I mentioned before, medical care does not make a profit quickly, but it does in fact grow steadily. For proof of this, you need look no further than the history of the Group’s growth up to the present day, based on our honest efforts made for the core business of medical care since its founding, under our corporate philosophy of “achieving true separation of drug prescribing and dispensing services.”

We were able to celebrate the 40th anniversary of our founding in March 2020. I would like to thank all the stakeholders of the Nihon Chouzai Group, and ask for your continued understanding and support in the future. We at the Nihon Chouzai Group will “Be Active!” in digging deeper into our main business of medical care, continue to boldly undertake the challenge of creating the standard for Japanese medical care in the future without focusing only on responses to systemic changes, and work to support the health of communities and medical care in Japan throughout the entire Group.

The Year in Brief Nihon Chouzai Group

Health support pharmacies

\* List of pharmacies that meet the criteria set by the Ministry of Health, Labour and Welfare each month

April 2019

Matsue Pharmacy

June 2019

Kokubunji Pharmacy, Tsuruyacho Pharmacy

July 2019

Miyazakidai Pharmacy, Ugo Pharmacy

October 2019

Heisei Pharmacy

December 2019

Shinmachida Pharmacy, Urayasu Pharmacy

January 2020

Mitakadai Pharmacy, Ginza Taimei Pharmacy

February 2020

Kimachidori Pharmacy, Tateishi Ekimae Pharmacy

2019

April

May

June

July

August

September

October

November

December

January

February

March

April 2019

Established of the Formulary Business Promotion Department

Launched with the objective of pursuing and spreading a "true formulary"

May 2019

Launched Nihon Chouzai's first PB product, Nihon Chouzai's Aojiru

May 2019

Sponsored World No Tobacco Day on May 31

June 2019

Entrusted with "Support project for data creation and case creation in regional formulary proposals" by the Shizuoka Branch of the Japan Health Insurance Association

July 2019

Opened the Nihon Chouzai Online Store, a healthcare online shopping site that utilizes the expertise of dispensing pharmacies

August 2019

Selected as a constituent of the JPX-Nikkei Mid and Small Cap Index (continued)

August 2019

Published "Formulary Management" (Yakuji Nippo, Limited)

Our Formulary Business Promotion Department provided full cooperation in writing the second part of a series covering everything from basics to practice of formulary

September 2019

Obtained a demonstration license for remote medication guidance (Seto Pharmacy) in two areas within a National Strategic Special Zone (Aichi Prefecture)

September 2019

Held the fourth Nihon Chouzai Group Academic Conference & JP-CS Award 2019, Third Role-Play Awards also held

With the theme of "The Form of Pharmacies Supporting Medical Care: Pharmacies Needed by Society," case studies on initiatives such as medical collaboration and health support were presented.

October 2019

Exhibited at X HEALTH EXPO 2019 (at Tokyo Big Sight) sponsored by Nikkei Business Publications, Inc.

October 2019

Won the Excellent Paper Award at the Japanese Telemedicine and Telecare Association (JTTA) Annual Academic Conference

Presented case studies at Seto Pharmacy and future challenges, with the theme of "Remote medication guidance in the National Strategic Special Zone using electronic medication note-books"

November 2019

Sponsored World Diabetes Day on November 14

December 2019

Conducted remote medication instruction in a National Strategic Special Zone (Chiba City) in an urban area (Tsubakimori Pharmacy) for the first time nationwide

This is the third case in Nihon Chouzai, following the cases in Aichi Prefecture. Using the electronic medication notebook Okusuri Techo Plus, the patient's dispensing and other data can be shared in real time with their family members who live far away

December 2019

Accepted a visit from Kyrgyz Republic

Kyrgyz Republic's Undersecretary of the Ministry of Health and executives from the largest pharmacy visited Nihon Chouzai's Mita Pharmacy.

January 2020

Held a management policy briefing session of the Nihon Chouzai Group

President Mitsuhashi explained how we will enhance the Company's three strengths of Quality, Flexibility, and Pioneering Spirit to build the Nihon Chouzai brand toward 2030.

February 2020

Concluded a comprehensive agreement on collaboration and cooperation in health promotion measure project with Yahaba Town, Shiwa County, Iwate Prefecture

As a support for local health promotion utilizing WELL BASE YAHABA, a health promotion facility operated by Yahaba Town, Nihon Chouzai Iwate Idaimae Pharmacy is cooperating with medication and nutrition guidance, analysis of health data, and health seminars. This is Japan's first regional health promotion measure through industry-academia-government collaboration centered on health promotion facilities.

Group companies

May 2019 – February 2020

Medical Resources

Held seminars for pharmacists

Held six seminars in total (Tokyo/Osaka). Holding seminars for learning about medical knowledge and industry trends every year

June 2019

Nihon Generic, Choseido Pharmaceutical

Released 8 new generic drugs with 3 different active ingredients

August 2019

Nihon Generic

Tsukuba Plant Summer Vacation Tour

Conducted a tour of our Tsukuba Plant for elementary school students and their parents as part of contribution to the local community

August 2019

Medical Resources

Opened Nurse Step, a website to provide support for nurse recruitment and career change

October 2019

Japan Medical Research Institute

Exhibited at the Asian Conference on Pharmacoeconomics

November 2019

Medical Resources

Conducted a retention program

Held money seminars for working women as a benefit program for dispatched workers

November 2019

Japan Medical Research Institute

The 4th Japan Medical Research Institute Symposium

Held a symposium entitled "Created by Prescription Data: Real World Evidence"

December 2019

Nihon Generic, Choseido Pharmaceutical

Released 14 new generic drugs with 6 different active ingredients

January 2020

Nihon Generic, Choseido Pharmaceutical

Launched "LOXOPROFEN Tablets JG," the second round of over-the-counter drugs

February 2020

Nihon Generic, Choseido Pharmaceutical

Obtained manufacturing and sales approval for 16 generic drugs with 9 different active ingredients

March 2020

Medical Resources

Opened Cheer Job Tohan, a website to provide support for registered pharmaceutical medicine sellers recruitment and career change

19 NIHON CHOUZAI CORPORATE REPORT 2020

NIHON CHOUZAI CORPORATE REPORT 2020 20

Growth towards achieving true separation of drug prescribing and dispensing services

Business performance

Base that supports Nihon Chouzai

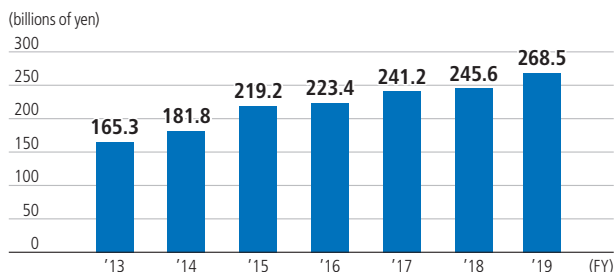
Data section



# Financial Highlights

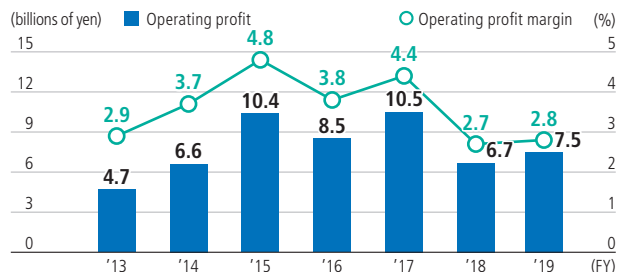
## Net sales

**268.5** billions of yen



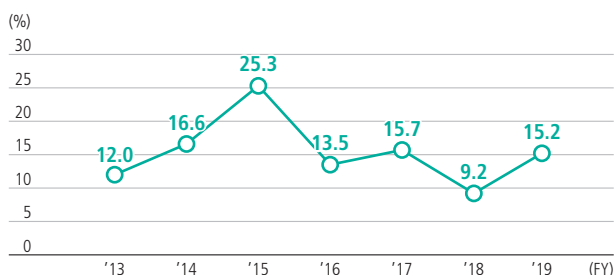
## Operating profit / Operating profit margin

**7.5** billions of yen **2.8%**



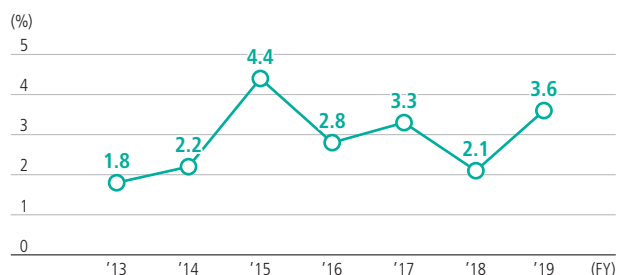
## ROE

**15.2%**



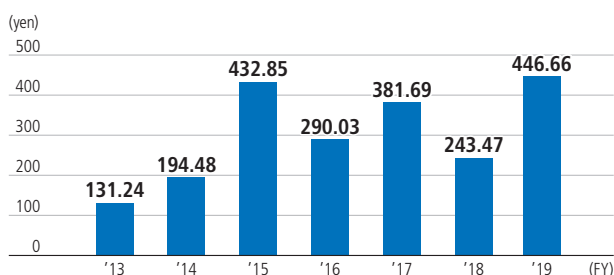
## ROA

**3.6%**



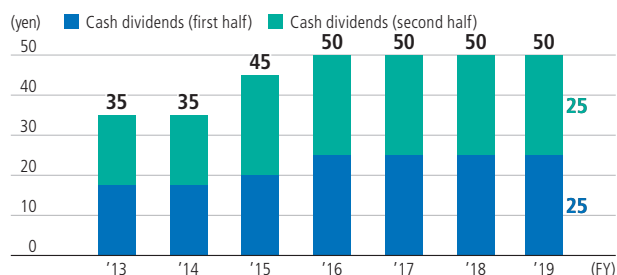
## EPS (Profit per share)

**446.66** yen



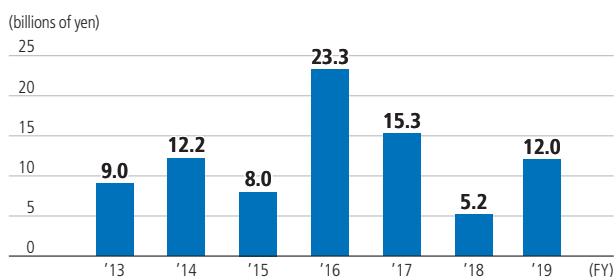
## Cash dividends

**50** yen



## Capital expenditure

**12.0** billions of yen



## R&D expenses

**2.9** billions of yen

