

Value Creation

Value Creation Process

Our Mission

The Nihon Chouzai Group's unchanging significance to society

To give people the closest possible support



Social issues to be addressed, demand from society

- Super-aging society ("2025 Problem")
- Promoting appropriate drug use
- Family pharmacist system
- Realization of new customer experiences through digital transformation
- Rising medical expenses, shortage of doctors
- High-quality healthcare services
- Sustainable management

Accumulated strengths

Human capital

- 71.1% of all of 5,315 employees*1 with high degree of expertise
- Pharmacists: 3,727
Registered dietitians: 55 (as of March 31, 2023)
- Active HR investment
Education: 680 million yen (over 5 years)

Intellectual capital

- Market-leading digital transformation (Investment: approx. 12.9 billion yen over 5 years)
- Ongoing research of generic drugs (Investment: 15 billion yen over 5 years)
- Strong brand recognition: over 40-year track record in advanced healthcare, widely recognized among pharmacists

Financial capital

- Round of large-scale capital investment (FY2016: 23.3 billion yen; FY2022: 10.3 billion yen)
- Total assets: 185.2 billion yen (end of FY2022)

Manufacturing capital

- 718 pharmacies (as of March 31, 2023)
- 5 pharmaceutical manufacturing plants
1 laboratory

Natural capital

- Factory
Water consumption: 77.2t
Electricity consumption: 25,388kWh (FY2022)
In-house power generation using solar panels

Social capital

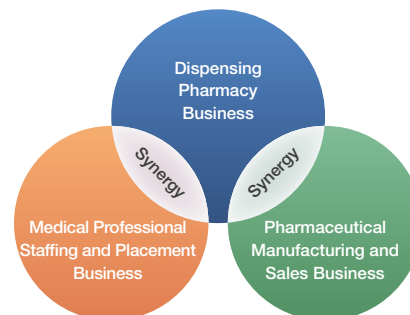
- Robust collaboration with hospitals that provide advanced medical care
- Health Check-Up Stations opened
- Number of patients*2: 12.3 million (FY2022)
- Providing an electronic medication notebook platform

Input

Key tasks

- Responding to diversifying medical needs
- Accelerating digital transformation of healthcare
- Sustainability management

Unique business model



Three strengths



Business Model & Strategy

Output

Outcome

Services provided

Dispensing Pharmacy Business

- Pharmacy operation
- Pharmacist staffing at hospitals
- Sales of healthcare products
- Provision of drug information
- Support for clinic openings
- Medical mall development
- Pharmacy business succession support

Information Provision and Consulting Business

- Drug information service
- Advertising media service
- Survey and research service
- Data health support service

Pharmaceutical Manufacturing and Sales Business

- Manufacturing and sale of generic drugs

Medical Professional Staffing and Placement Business

- Staffing and placement of medical professionals (pharmacists, doctors, nurses, registered pharmaceutical sellers)

Results in FY2022

Society

- Providing high-quality healthcare at pharmacies nationwide, contributing to regional healthcare
- Curbing medical expenses by offering and promoting use of generic drugs
- Heightening convenience by promoting digital transformation of healthcare
- Promoting diversity, equity, inclusion, and belonging
- Contributing to regional healthcare

Number of pharmacies: **718**
(as of March 31, 2023)

Female employees*³: **70.3%**
(as of March 31, 2023)

Electronic medication notebook
Okusuri Techo Plus subscribers: **1.4 million**
(as of June 2023)

Presence at university hospitals nationwide
in Dispensing Pharmacy Business: **50%**
(as of March 31, 2023)

Newly NHI listed generic drugs: **8**
(FY2022)

Job search support: +22% for pharmacists,
+517% for doctors*⁵
(FY2022)

Environment

- Addressing climate change
- Environmentally friendly pharmacies

Pharmaceutical Manufacturing
and Sales Business
Amount of recycled waste: **142 tons**
(FY2022)

CO₂ reduction (Scope 1 and 2):
3,905 tons-CO₂e
(FY2022 versus FY2021)

Sustainable corporate growth

Financial value (FY2022)

- ROE:8.2%
- Sales per employee: 55.1 million yen
- Total dividends paid: 749 million yen
- Number of prescriptions: 16.3 million

Non-financial value (FY2022)

- Strong brand recognition: No.1 in 4 categories for company popularity ranking among job seekers*⁴
- Growth in certified personnel
- Highly secure proprietary system

Vision

Our ideal for
the Group in 2030

To be the most trusted partner in healthcare

*1 Nihon Chouzai only. It includes non-regular employees such as part-time employees. *2 Total number of pharmacy visits. *3 Nihon Chouzai only (as of March 31, 2022) *4 No. 1 in pharmacy/drugstore sector *5 Number of placement contracts (versus FY2018)