

# Long-Term Results

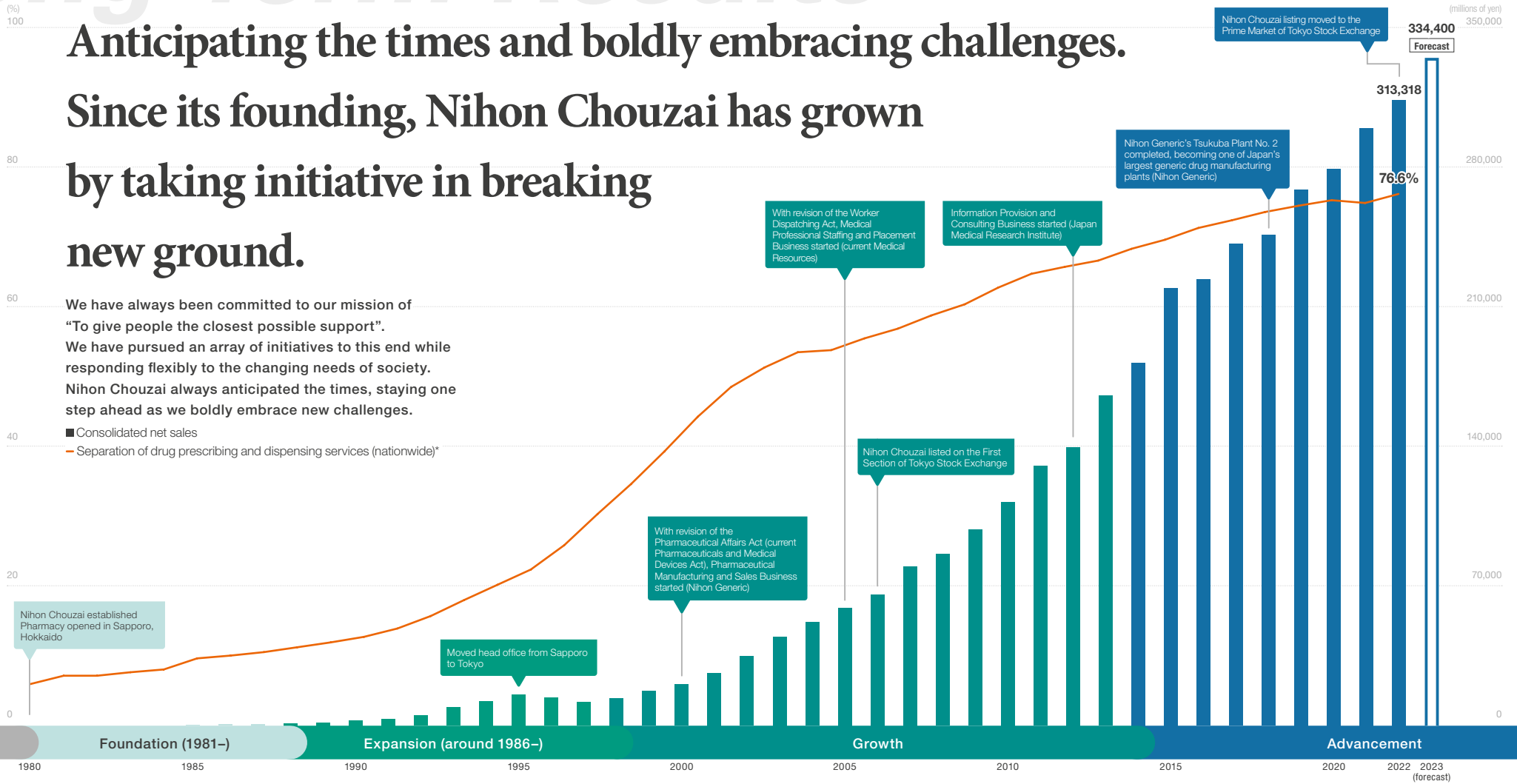
## Anticipating the times and boldly embracing challenges. Since its founding, Nihon Chouzai has grown by taking initiative in breaking new ground.

We have always been committed to our mission of "To give people the closest possible support". We have pursued an array of initiatives to this end while responding flexibly to the changing needs of society. Nihon Chouzai always anticipated the times, staying one step ahead as we boldly embrace new challenges.

NIHON CHOUZAI INTEGRATED REPORT 2023

03

Long-Term Results



Introduction  
Top Message  
How We Create Value  
Sustainability

Corporate Governance

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

We carved out our own market by opening pharmacies and encouraging the still nearly un-practiced separation of drug prescribing and dispensing services at medical institutions in Sapporo.

In addition, the development of medical center-type pharmacies, unique to Nihon Chouzai at the time, became a key driver of rapid growth for the Group.

### Entry into Kanto market and nationwide expansion

We expanded into the Tokyo metropolitan area by leveraging our unique expertise in opening pharmacies.

Amid a series of government measures aiming to promote the separation of drug prescribing and dispensing services, we anticipated growing demand for hospital-front pharmacies at major general hospitals and shifted our store opening strategies to expand our network nationwide.

### Becoming a leading pharmacy company

The national average separation of drug prescribing and dispensing services surpassed 50% in the 2000s. As a string of competitors opened small-scale pharmacies, Nihon Chouzai perceived the trend toward such separation among national, public, and university hospitals, and focused its efforts there. The result was the birth of many hospital-front pharmacies that still operate as our flagship pharmacies, cementing our position as a leading company in the industry.

### Expansion of dispensing pharmacy business and diversification

Leading the industry in identifying healthcare issues and shifting demand, Nihon Chouzai continues to embrace forward-looking challenges, such as the use of online services and support for at-home healthcare needs.

We are also steadily evolving as a healthcare group to meet the expectations of even more stakeholders, focusing on expanding the manufacturing and sales of generic drugs as well as the staffing and placement of pharmacists and other medical professionals.

\*Citation: Japan Pharmaceutical Manufacturers Association, Progress in Pharmaceutical Separation of Drugs (Trends in Insurance Dispensing)