

August 22, 2022

Company name	Nihon Chouzai Co., Ltd.
Company representative	Yosuke Mitsuhashi, President and CEO
Securities code	3341; Tokyo Stock Exchange Prime Market
Contacts	Masahiro Tojo, Executive Officer and General Manager of Corporate Planning Department (Phone: +81-3-6810-0800)

## Notice of Absorption-Type Merger of Consolidated Subsidiary (Simplified / Short Form Merger)

Nihon Chouzai Co., Ltd. (hereinafter "the Company") announces that it passed a resolution at its Board of Directors' meeting held on August 22, 2022 to absorb and merge Jinseido Co., Ltd., consolidated subsidiary of the Company, as set forth below. Certain disclosures and details have been omitted in this press release since the company to be merged is a wholly owned subsidiary.

### 1. Purpose of the merger

Under the corporate philosophy of "To give people the closest possible support" the Company is developing its business with the aim of providing high-quality medical services on a nationwide scale by operating a chain of dispensing pharmacies throughout Japan.

The dispensing pharmacy subsidiary acquired by the Company also operates the same operations as directly managed stores and provides the same medical services as directly managed stores, but the Company intends to merge the subsidiary in order to consolidate the management of the dispensing pharmacy business, strengthen management functions, and further improve management efficiency.

### 2. Summary of merger

#### (1) Schedule of the merger

Board of Directors meeting to approve the merger: August 22, 2022

Conclusion of merger agreement: August 22, 2022

Scheduled date of the merger (effective date): October 1, 2022 (tentative)

Note: Pursuant to the provisions of both Article 796, Paragraph 2 of the Companies Act (simplified merger) and Article 784, Paragraph 1 of the Companies Act (short form merger), the merger will be conducted without obtaining the approval of the merger agreement at a general meeting of shareholders.

#### (2) Method of the merger

The merger is an absorption-type merger wherein the Company will be the surviving company, and Jinseido Co., Ltd. will be dissolved.

(3) Detail of allocation relating to the merger

Since the dissolving company is a wholly owned subsidiary of the Company, no shares will be allocated or any other consideration will be delivered upon the merger.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights of the dissolving company

Not applicable.

### 3. Outline of the companies involved in the merger

(1) Company name	Nihon Chouzai Co., Ltd. Note1 (Surviving company)	Jinseido Co., Ltd. Note2 (Dissolving company)
(2) Scope of business	Management of dispensing chain pharmacies	Management of a pharmacy
(3) Date of incorporation	March 7, 1980	February 19, 1979
(4) Location	Chiyoda-ku, Tokyo	Chiyoda-ku, Tokyo
(5) Name of the title of representative	Yosuke Mitsuahara, President and CEO	Yosuke Mitsuahara, President and CEO
(6) Capital	3,953 Million Yen	3 Million Yen
(7) No. of issued shares	32,048,000 shares	3000 shares
(8) Fiscal year end	March 31	March 31
(9) Principal shareholders and their percentage of holdings Note3	Yosuke Mitsuahara 22.14% Hiroshi Mitsuahara 16.01% Mitsuahara Kosan Inc. 12.01% Max Planning, Inc. 7.47% The Master Trust Bank of Japan, Ltd. (Trust account) 5.18% Nihon Chouzai Employee Shareholding Association 3.25% Yoko Mitsuahara 2.67%	Nihon Chouzai Co., Ltd. 100.00%
(10) Operating results and financial conditions for the immediately preceding fiscal year Note4		
Net assets	52,876 Million Yen	36 Million Yen
Total assets	178,753 Million Yen	319 Million Yen
Net assets per common share	1,763.34 Yen	12,175.09 Yen
Net sales	299,392 Million Yen	699 Million Yen
Operating profit (loss)	6,589 Million Yen	9 Million Yen
Ordinary profit (loss)	6,767 Million Yen	10 Million Yen
Profit (loss) attributable to owners of parent	3,705 Million Yen	17 Million Yen
Net income (loss) per share	123.56 Yen	5,883.86 Yen

Note1: The Company is a company that is subject to consolidated dividend regulations.

As of March 31, 2022

Note2: Jinseido Co., Ltd. as of today. However, (10) is as of March 31, 2022

Note3: Shareholding ratio is calculated after deducting treasury shares (2,061,175 shares).

Note4: The Company uses consolidated figure, and Jinseido Co., Ltd. uses non-consolidated figure. Due to a change in the closing date of Jinseido Co., Ltd., the relevant accounting period was an irregular 11-month accounting period.

#### 4. Status after the merger

There will be no changes in the trade name, location, scope of business, stated capital, or accounting periods of the Company or the title and name of the representative upon the completion of the merger.

#### 5. Outlook

The merger is an absorption-type merger of a wholly owned subsidiary of the Company, which is not expected to have any material impact on the Company's consolidated financial results.

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