

April 30, 2024

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

## Notice of Extraordinary Losses and Difference Between Forecast and Actual Results for the Fiscal Year Ending March 31, 2024

Nihon Chouzai announces that it recorded following extraordinary losses for the fiscal year ending March 2024 (FY'24/3) and there was a difference between the consolidated earnings forecast for the fiscal year ending March 2024, which was released on October 31, 2023, and the actual results announced today.

### 1. Recording of extraordinary losses

#### (1) Impairment Losses Related to Dispensing Pharmacy Business

Due to the decline in profitability of fixed assets in the Dispensing Pharmacy Business as a result of the deterioration of the business environment, the Company has decided to book an impairment loss of 3.2 billion yen for some of its Dispensing Pharmacy outlets as an extraordinary loss, based on a comprehensive review of future recoverability and other factors.

#### (2) Impairment loss related to Pharmaceutical Manufacturing and Sales Business

As a result of a comprehensive review of the future recoverability of fixed assets held by consolidated subsidiary Choseido Pharmaceutical Co., Ltd. due to the decline in profitability resulting from the downsizing of production functions at aging factories and the consolidation of production bases to improve efficiency, the Company has decided to record an impairment loss of 1.1 billion yen as an extraordinary loss.

### 2. Difference between Forecast and Actual Results for the FY'24/3

(for the period of April 1, 2023 – March 31, 2024)

	Sales	EBITDA	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Net Income per Share
Previous Forecast (A)	¥ million 337,100	¥ million 17,300	¥ million 8,400	¥ million 8,300	¥ million 4,300	¥ 143.74

Actual Result (B)	340,310	18,251	9,142	9,439	2,553	85.35
Difference (B-A)	3,210	951	742	1,139	(1,746)	(58.39)
Difference (%)	1.0	5.5	8.8	13.7	(40.6)	—

### 3. Reason for the difference

Net sales, EBITDA, operating profit, and ordinary profit exceeded the previously announced consolidated earnings forecasts due to the favorable increase in the number of prescriptions in the Dispensing Pharmacy Business, steady sales of existing products and new NHI-listed products in the Pharmaceutical Manufacturing and Sales Business, and the growing demand for pharmacist staffing, the mainstay of the Medical professional staffing and placement business, in addition to company-wide cost containment efforts. In addition, company-wide cost reductions contributed to the results, which exceeded the previously announced consolidated earnings forecast.

On the other hand, net income attributable to owners of the parent fell short of the previous forecast by 1.7 billion yen, mainly due to the recording of impairment losses on fixed assets as extraordinary losses at some stores in the Dispensing Pharmacy Business and some plants in the Pharmaceutical Manufacturing and Sales Business.

For the actual results of the FY'24/3, please refer to "Summary of Consolidated Financial Results for the Fiscal Year Ending March 31, 2024 [Japanese GAAP]" released today.