

October 31, 2024

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Securities code	3341; Tokyo Stock Exchange Prime Market
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### Notice of Difference Between Forecast and Actual Results for the First Half of FY2025

Nihon Chouzai announces that there was a difference between the operating results forecast for the first half of the fiscal year ending March 31, 2025 (FY'25/3) it released on April 30, 2024, and the actual results announced today.

#### 1. Difference between Forecast and Actual Results for the First Half of FY'25/3

(for the period of April 1, 2024–September 30, 2024)

	Sales	EBITDA	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Net Income per Share
Previous Forecast (A)	¥ million 183,700	¥ million 6,900	¥ million 2,300	¥ million 2,400	¥ million 1,200	¥ 40.11
Actual Result (B)	175,575	5,003	423	772	(43)	(1.44)
Difference (B-A)	(8,124)	(1,896)	(1,876)	(1,627)	(1,243)	(41.55)
Difference (%)	(4.4)	(27.5)	(81.6)	(67.8)	—	—

#### 2. Reason for the difference

Sales and operating profit fell short of initial expectations due to several factors. In the Dispensing Pharmacy Business, prescription volume was lower than anticipated at the beginning of the fiscal year due to a drop in the number of patients with infectious diseases, which was expected to be about the same level as the previous fiscal year. In the Pharmaceutical Manufacturing and Sales Business, the production volume and sales of generic drugs by group company Choseido Pharmaceutical were below initial expectations following the discovery of manufacturing management deficiencies at the Kawauchi Plant in April 2024.

In the dispensing pharmacy business, we have worked to increase the number of prescriptions filled and to raise the unit price of prescriptions through the promotion of medical DX, family care functions, and home

medical care, and we have also started a fundamental review of unprofitable stores. By implementing various measures to reduce the cost of sales, we expect to see an improvement in business performance in the second half of the year. In the Pharmaceutical Manufacturing and Sales Business, Choseido Pharmaceutical has worked to improve deficiencies in manufacturing management. Starting in July 2024, we gradually resumed shipments of products manufactured and production at the plant.

We are also implementing company-wide measures to reduce SG&A expenses, and we expect this to improve consolidated business performance in the second half of the year.

For details on the results for the first six months of the fiscal year ending March 31, 2025, please refer to the "Summary of Consolidated Financial Results for the Second Quarter (First Half) of the Fiscal Year Ending March 31, 2025 (Six Months Ended September 30, 2024 [Japanese GAAP])" released today.

At this time, there is no revision to the full-year earnings forecast. If circumstances change significantly and it becomes necessary to revise the forecast, we will promptly disclose the revised forecast.