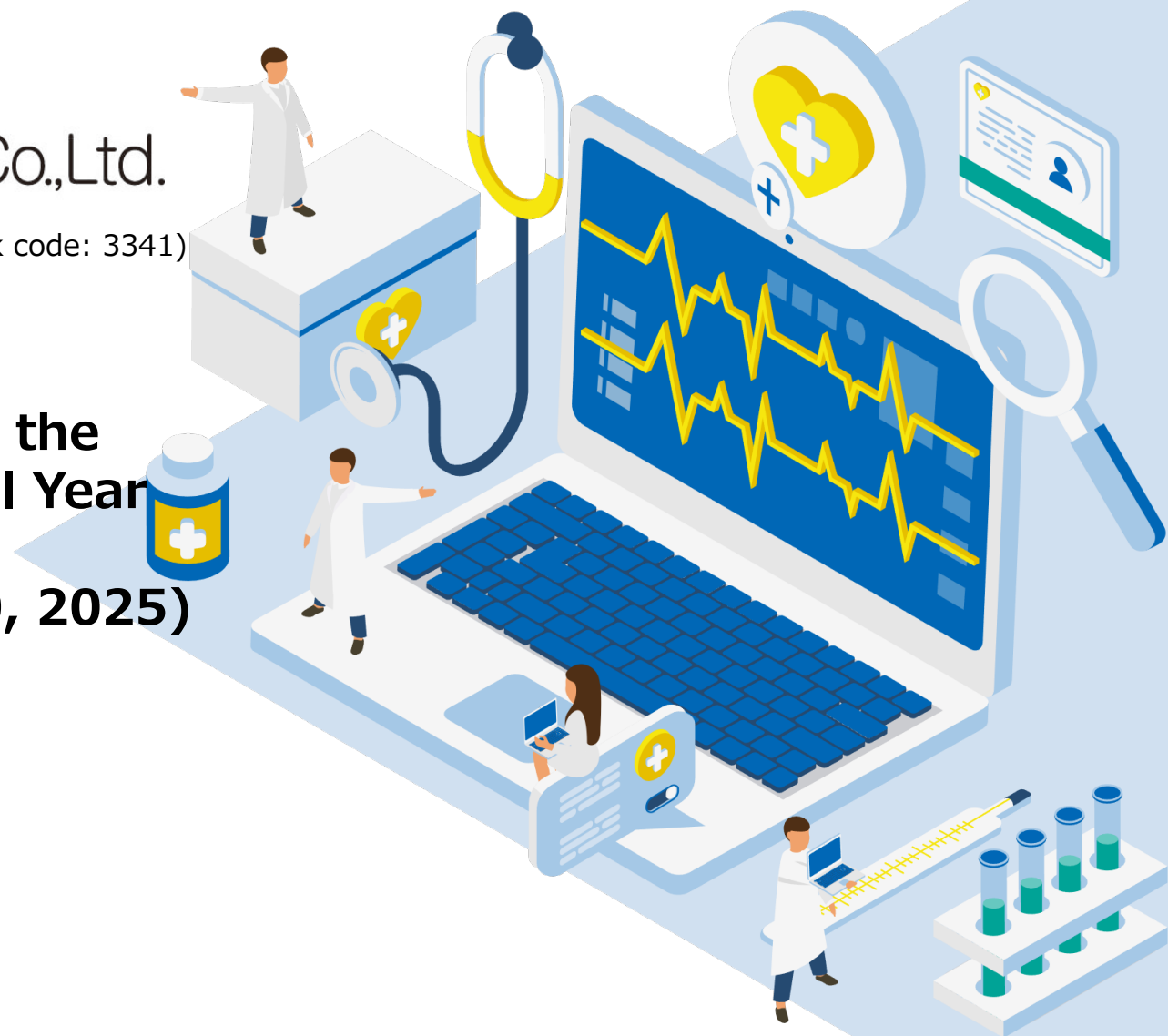




(Tokyo Stock Exchange, Prime Market / Stock code: 3341)

Results of Operations for the First Quarter of the Fiscal Year Ending March 31, 2026 (April 1, 2025 to June 30, 2025)

July 31, 2025



1

Financial Highlights



Consolidated Results

Net sales and profit increased, driven by an increase in the average price per prescription in the Dispensing Pharmacy Business and ongoing progress in curbing SG&A expenses.

Dispensing Pharmacy Business

Net sales and profit grew, due to an increase in prescription volume attributed to newly opened pharmacies in the previous fiscal year, a sharp increase in the average price per prescription, and progress in SG&A expense control.

Pharmaceutical Manufacturing and Sales Business

Despite the lingering impact of delays in production recovery at Choseido Pharmaceutical's Kawauchi Plant, net sales and profit increased, supported by higher prices of minimum-priced drugs following the April 2025 NHI drug price revisions, as well as contributions from products newly listed on the NHI drug price list in December 2024.

Medical Professional Staffing and Placement Business

While the pharmacist staffing business secured roughly the same number of service users (clients), primarily small and medium-sized pharmacies, as in the previous fiscal year, net sales and profit declined due to weaker results in the pharmacist and physician placement businesses compared with the same period of the previous fiscal year.

Consolidated Statement of Income

Net sales increased 8.9% YoY due to increasing prescription volume and a sharp increase in the average price per prescription. Operating profit was 1.6 billion yen due to a progress in curbing SG&A expenses.

(Millions of yen)	1Q FY3/24 Results	1Q FY3/25 Results	1Q FY3/26 Forecast	1Q FY3/26 Results	Change Vs. Forecast	Vs. Forecast	YoY growth rate
Net sales	81,848	86,433	90,600	94,155	3,555	3.9%	8.9%
Cost of sales	68,067	73,163	76,900	79,144	2,244	2.9%	8.2%
Gross profit	13,781	13,270	13,600	15,010	1,410	10.4%	13.1%
% to sales	16.8%	15.4%	15.0%	15.9%	0.9pt	—	—
SG&A expenses	12,185	13,507	13,400	13,402	2	0.0%	(0.8%)
% to sales	14.9%	15.6%	14.8%	14.2%	(0.6pt)	—	—
Consumption taxes	5,830	6,236	6,700	6,852	152	2.3%	9.9%
R&D expenses	659	852	800	673	(126)	(15.8%)	(21.0%)
Operating profit	1,596	(236)	200	1,608	1,408	704.4%	—
% to sales	2.0%	(0.3%)	0.2%	1.7%	1.5pt	—	—
Ordinary profit	1,605	85	200	1,457	1,257	628.7%	1,602.9%
% to sales	2.0%	0.1%	0.2%	1.5%	1.3pt	—	—
Profit attributable to owners of parent	659	(140)	(100)	712	812	—	—
% to sales	0.8%	(0.2%)	(0.1%)	0.8%	0.9pt	—	—
EBITDA	3,653	2,015	2,300	3,827	1,527	66.4%	89.9%

Consolidated Balance Sheet

Main factors behind the increase in assets were increases of 6.1 billion yen in merchandise and finished goods. The increase in liabilities mainly reflected a 14.1 billion yen increase in accounts payable-trade.

(Millions of yen)	End of Mar. 2024 (FY3/24)	End of Mar. 2025 (FY3/25)	End of Jun. 2025 (1Q FY3/26)	YoY change	YoY change (%)
Current assets	91,031	96,962	108,111	11,148	11.5%
Merchandise and finished goods	28,992	29,507	35,658	6,151	20.8%
Non-current assets	104,056	100,143	100,381	237	0.2%
Property, plant and equipment	60,428	57,781	57,143	(638)	(1.1%)
Intangible assets	21,426	22,452	22,721	269	1.2%
Investments and other assets	22,200	19,908	20,516	607	3.1%
Total assets	195,087	197,105	208,492	11,386	5.8%
Current liabilities	84,858	84,687	94,656	9,969	11.8%
Accounts payable-trade	52,759	54,954	69,141	14,187	25.8%
Short-term loans payable	450	5,500	5,650	150	2.7%
Current portion of long-term loans payable	10,981	8,660	1,060	(7,600)	(87.8%)
Non-current liabilities	51,876	53,321	54,402	1,080	2.0%
Long-term loans payable	42,108	42,898	44,014	1,116	2.6%
Total liabilities	136,735	138,008	149,059	11,050	8.0%
Total net assets	58,351	59,097	59,432	335	0.6%
Shareholders' equity	58,351	59,097	59,432	335	0.6%
Equity ratio	29.9%	30.0%	28.5%	(1.5pt)	—
Net interest-bearing debt	28,890	30,806	20,501	(10,305)	(33.5%)

Dispensing Pharmacy Business

Net sales increased 9.6% YoY, due to increased prescription volume from newly opened stores in the previous fiscal year and a sharp increase in the average price per prescription owing to expansion of specialty pharmaceuticals. Furthermore, operating profit increased 72.6% YoY, owing to ongoing progress in curbing SG&A expenses.

(Millions of yen)	1Q FY3/24 Results	1Q FY3/25 Results	1Q FY3/26 Forecast	1Q FY3/26 Results	Change Vs. Forecast	Vs. Forecast	YoY growth Rate
Net sales	72,309	76,643	80,000	84,001	4,001	5.0%	9.6%
Cost of sales	61,213	66,067	69,700	71,786	2,086	3.0%	8.7%
Gross profit	11,096	10,575	10,200	12,214	2,014	19.7%	15.5%
% to sales	15.3%	13.8%	12.8%	14.5%	1.8pt	—	—
SG&A expenses	8,189	8,846	8,900	9,228	328	3.7%	4.3%
% to sales	11.3%	11.5%	11.1%	11.0%	(0.1pt)	—	—
Operating profit	2,907	1,729	1,300	2,985	1,685	129.7%	72.6%
% to sales	4.0%	2.3%	1.6%	3.6%	1.9pt	—	—
No. of pharmacies at the end of each period (stores) <small>note 1</small>	725	741	764	760	(4)	(0.5%)	2.6%
Prescription drug sales per pharmacy <small>note 2</small>	100	103	105	111	5	5.3%	7.0%

Note: Rounding down to the nearest unit

Prescription drug sales per pharmacy = Prescription drug sales / Average No. of pharmacies during the period

Pharmaceutical Manufacturing and Sales Business

Net sales increased 5.7% YoY, and the operating profit was 0.1 billion yen, despite the lingering impact of delays in production recovery at Choseido Pharmaceutical's Kawauchi Plant. This was supported by higher prices of minimum-priced drugs following the April 2025 NHI drug price revisions and products newly listed on the NHI drug price list in December 2024 contributed to the result.

(Millions of yen)	1Q FY3/24 Results	1Q FY3/25 Results	1Q FY3/26 Forecast	1Q FY3/26 Results	Change Vs. Forecast	Vs. Forecast	YoY growth Rate
Net sales	10,530	9,945	11,100	10,507	(592)	(5.3%)	5.7%
Cost of sales	9,264	9,089	9,300	9,268	(31)	(0.3%)	2.0%
Gross profit	1,265	855	1,700	1,238	(461)	(27.1%)	44.8%
% to sales	12.0%	8.6%	15.3%	11.8%	(3.5pt)	—	—
SG&A expenses	1,139	1,316	1,300	1,114	(185)	(14.2%)	(15.3%)
% to sales	10.8%	13.2%	11.7%	10.6%	(1.1pt)	—	—
Operating profit	126	(461)	300	123	(176)	(58.7%)	—
% to sales	1.2%	(4.6%)	2.7%	1.2%	(1.5pt)	—	—

Note: Rounding down to the nearest unit

Medical Professional Staffing and Placement Business

While the mainstay pharmacist staffing business maintained sales at the same level as the previous fiscal year, driven primarily by demand from small and medium-sized pharmacies, sales in the pharmacist placement and physician placement businesses declined. As a result, net sales and profit fell, despite efforts to curtail head office and other expenses.

(Millions of yen)	1Q FY3/24 Results	1Q FY3/25 Results	1Q FY3/26 Forecast	1Q FY3/26 Results	Change Vs. Forecast	Vs. Forecast	YoY growth Rate
Net sales	2,580	3,296	3,000	3,064	64	2.1%	(7.1%)
Cost of sales	1,027	1,369	1,300	1,408	108	8.3%	2.8%
Gross profit	1,553	1,927	1,600	1,655	55	3.5%	(14.1%)
% to sales	60.2%	58.5%	53.3%	54.0%	0.7pt	—	—
SG&A expenses	1,069	1,263	1,200	1,273	73	6.2%	0.8%
% to sales	41.4%	38.3%	40.0%	41.6%	1.6pt	—	—
Operating profit	484	663	400	382	(17)	(4.5%)	(42.4%)
% to sales	18.8%	20.1%	13.3%	12.5%	(0.9pt)	—	—

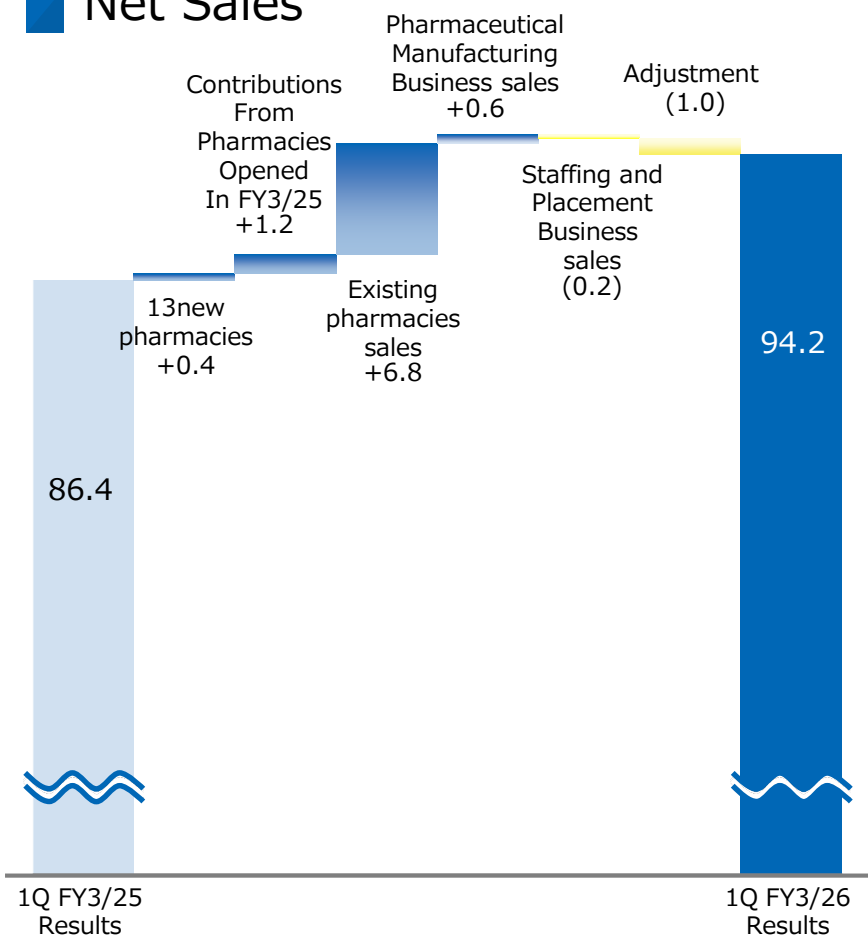
Note: Rounding down to the nearest unit

Reference Materials

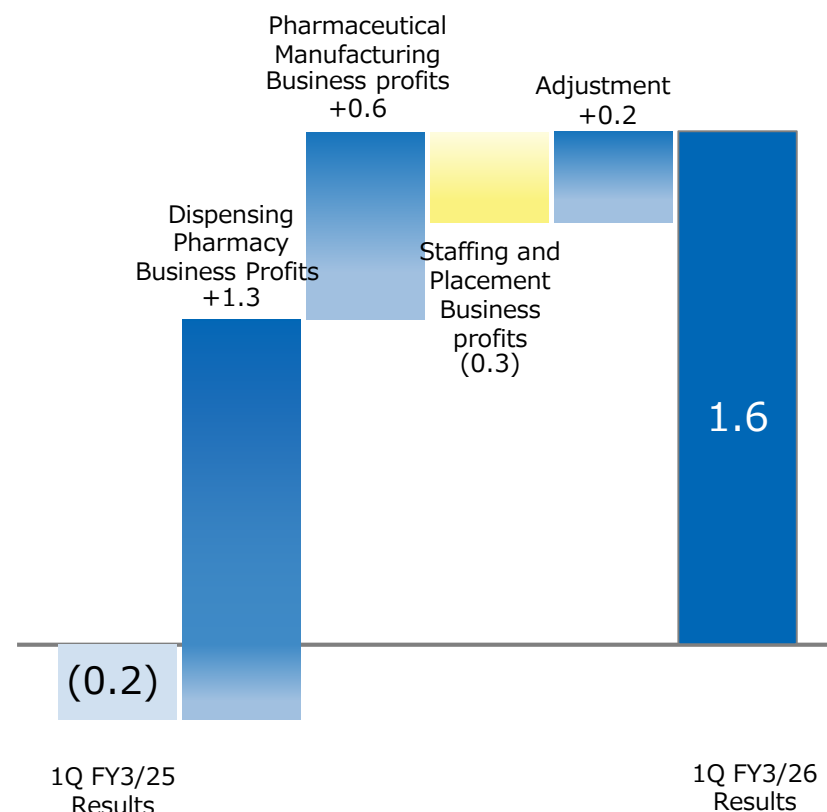
Consolidated Results: Major Components of YoY Changes (Net Sales / Operating Profit)

(Billions of yen; figures are rounded to the nearest 100 million yen)

Net Sales



Operating Profit

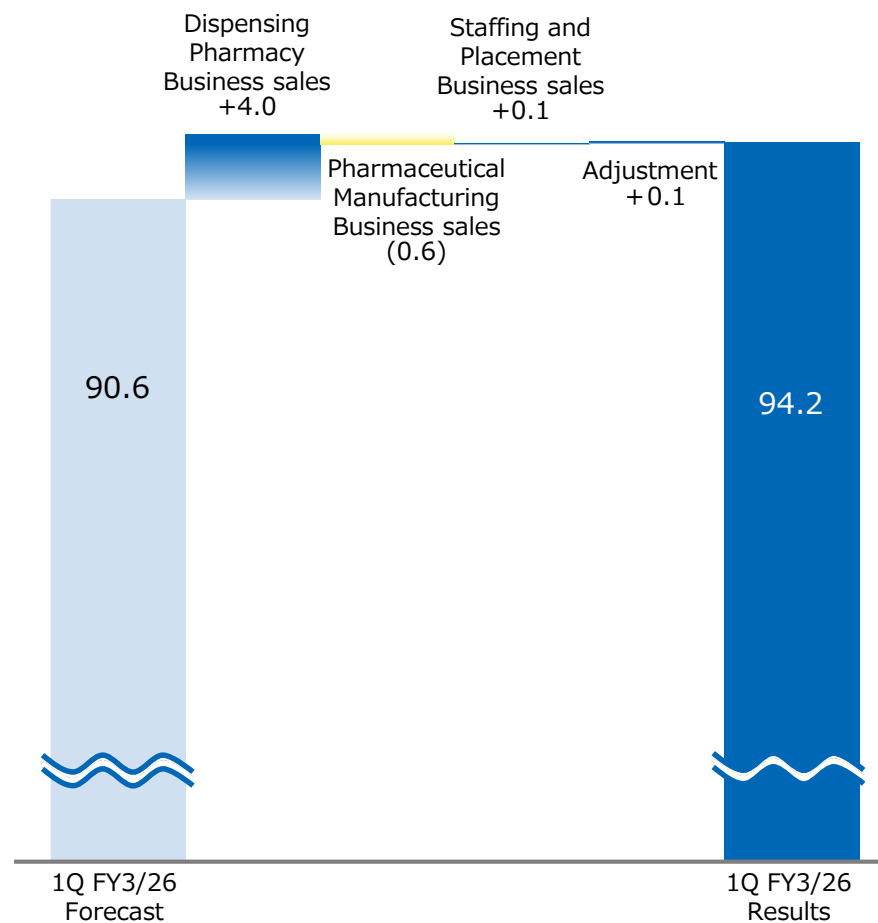


Reference Materials

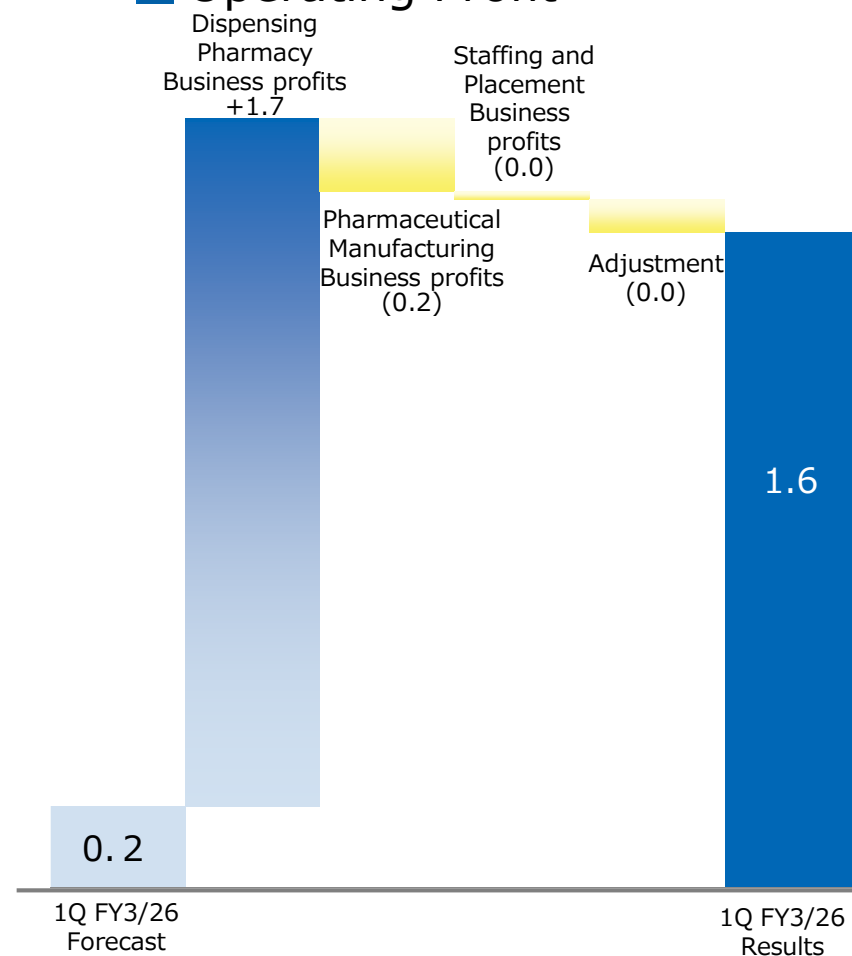
Consolidated Results: Major Components of Changes vs. Forecast (Net Sales / Operating Profit)

(Billions of yen; figures are rounded to the nearest 100 million yen)

Net Sales



Operating Profit



2

Growth strategy



Dispensing Pharmacy Business

- Prescription Volume and Unit Price
- Pharmacy Openings/ Pharmacy Openings by Format/ Open Pharmacies with Various Functions

Pharmaceutical Manufacturing and Sales Business

- Sales trends by quarter/internal and external sales
- Product portfolio

Medical Professional Staffing and Placement Business

- Trends in sales and various KPIs for major businesses



Prescription Volume and Unit Price

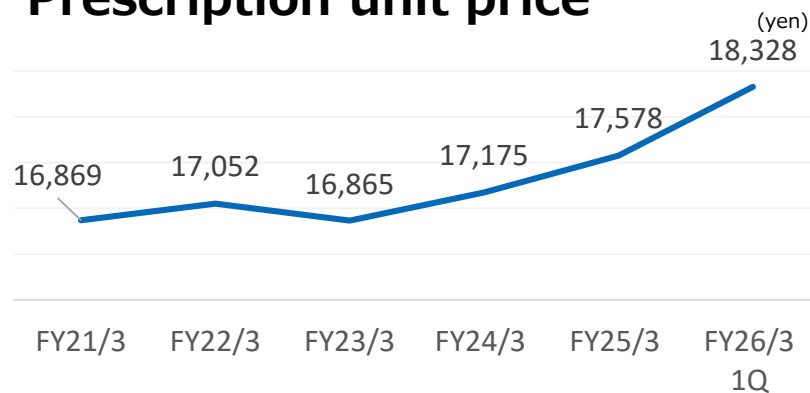
Despite the impact of consolidating and closing unprofitable pharmacies, prescription volume remained solid, supported by contributions from 38 pharmacies opened in FY3/25.

The prescription unit price increased sharply, thanks to increased handling of specialty pharmaceuticals.

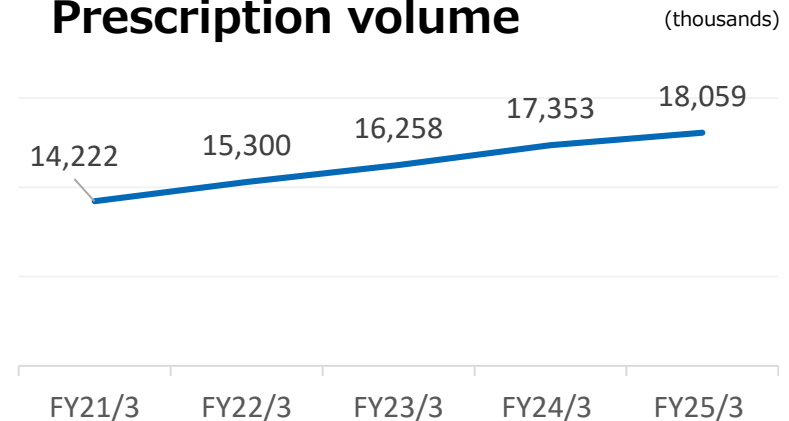
FY3/26 1Q Results

(YoY growth rate)	Prescription drug sales	No. of prescriptions	Prescription unit prices
Existing pharmacies	9.3%	0.4%	8.9%
Pharmacies opened in FY3/25	1946.8%	1368.7%	39.4%
Total	9.8%	2.1%	7.6%

Prescription unit price



Prescription volume



FY3/26 1Q Prescription Volume 4,531,000

Pharmacy Openings

Sales per pharmacy are increasing, owing to investments in large-scale pharmacies equipped to support advanced and at-home medical care, through both organic openings and M&A.

We pursue a balanced approach to new pharmacy development, utilizing M&A while maintaining the ratio of organic openings.

Pharmacy Openings

	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24	FY3/25	FY3/26 1Q
Opened	65*	29	40	38	36	38	13
Organic growth (percentage)	35 (53.8%)	22 (75.9%)	34 (85.0%)	30 (78.9%)	25 (69.4%)	34 (89.5%)	9 (69.2%)
M&A	30	7	6	8	11	4	4
Closed	13	9	13	17	18	21	6
No. of pharmacies at the end of period	650	670	697	718	736	753	760

Note: Including one location that was converted from a store specializing in the sale of general merchandise to a pharmacy

Quarterly number of stores for FY2026 (plan)

	FY26/3 1Q	FY26/3 2Q	FY26/3 3Q	FY26/3 4Q
Pharmacies at end-period	764	767	772	780

*Only store closures (including closures due to relocation) confirmed at the beginning of the fiscal year are reflected.

Pharmacy Openings by Format

In addition to steadily opening hospital-front pharmacies, we are actively expanding hybrid pharmacies, which are playing an increasingly important role in delivering community-based healthcare. We will continue to pursue a balanced store development strategy, focusing primarily on urban areas where the impact of population decline is limited.

Pharmacy Openings by format

	FY3/22	FY3/23	FY3/24	FY3/25	FY3/26 1Q
Opened	40	38	36	38	13
Hospital-front pharmacies	20	17	17	14	4
Hybrid pharmacies	20	21	19	24	9

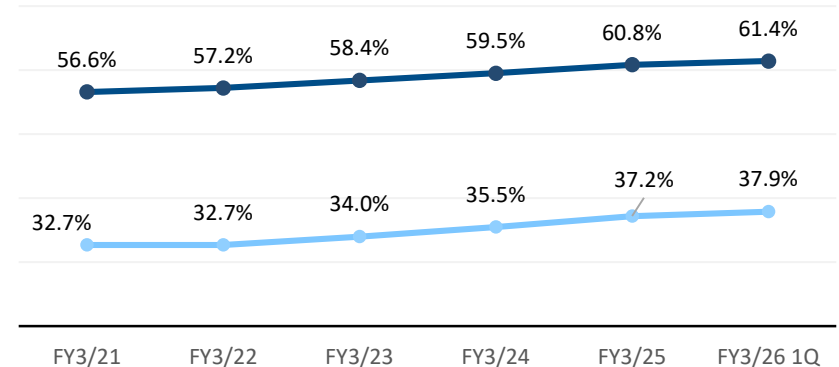
Hybrid Pharmacy: Combination of non-hospital-front (Mentaio) & medical center type pharmacies

Hybrid pharmacies are located in front of train stations, in shopping districts, and in other such areas, and combine the company's Mentaio-type pharmacies (serving a wide catchment area) and its medical center-type pharmacies.

Pharmacy openings by region

Region	Pharmacy openings in FY3/26 1Q	No. of pharmacies at FY3/26 1Q	Percentage
Kanto	10	399	52.5%
Kansai	2	87	11.4%
Other	1	274	36.1%
Total	13	760	100.0%

Breakdown of pharmacies by format



—○— Percentage of Hybrid Pharmacies
 —●— Percentage of Hybrid Pharmacies in Tokyo Area

Open Pharmacies with Various Functions

Specialized medical institution cooperation pharmacies

52 stores

Certified pharmacies that are able to provide specialized pharmacy management, collaboration with other medical institutions, advanced pharmacy management, and special dispensing for patients who require specialized pharmacy management. Currently, pharmacies with a high level of expertise in "cancer" treatment are certified.

Regional cooperation pharmacies

480 stores

Pharmacies certified by prefectural governors that appropriately collaborate with local medical institutions and other pharmacies and serve as a link between hospitals and nursing care facilities and homes.

Health support pharmacies

234 stores

Pharmacies that meet the standards for health support set by the Minister of Health, Labor and Welfare, with the function of actively supporting community residents and patients to lead healthy and prosperous lives.

At-Home Medical Care Support Centers

32 stores

Highly specialized pharmacists who focus on home healthcare provide a wide range of home healthcare services to meet the needs of the community, including not only elderly patients but also pediatric patients with serious illnesses such as cancer and other serious or intractable diseases.

Pharmacies for home palliative care patients

1 stores

A certification system started in Dec. 2022 by the Japanese Society for Pharmaceutical Palliative Care and Sciences. Certification is awarded to pharmacies with specialized functions deemed necessary for palliative care to enable patients to choose the best pharmacy for themselves and receive quality palliative pharmacotherapy.

Online medication Service NiCOMS

Available at all stores

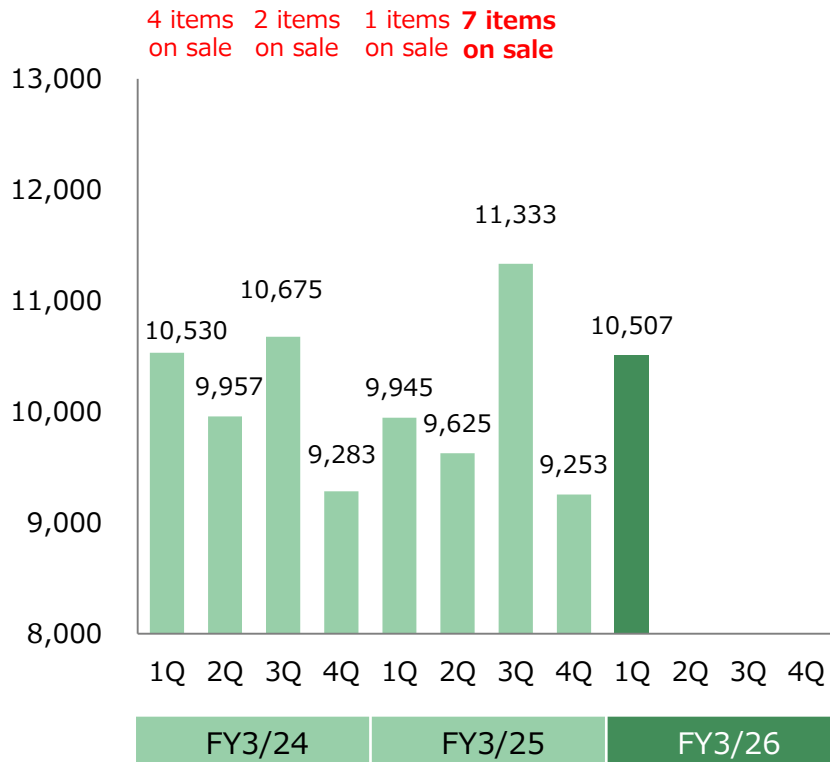
※Excluding some stores (affiliated companies)

An online medication guidance service developed in-house and available at all Nihon Chouzai Pharmacy stores. Patients can receive explanations of their medications from pharmacists in their own homes using their smartphones or PCs, and have their medications delivered to their homes.

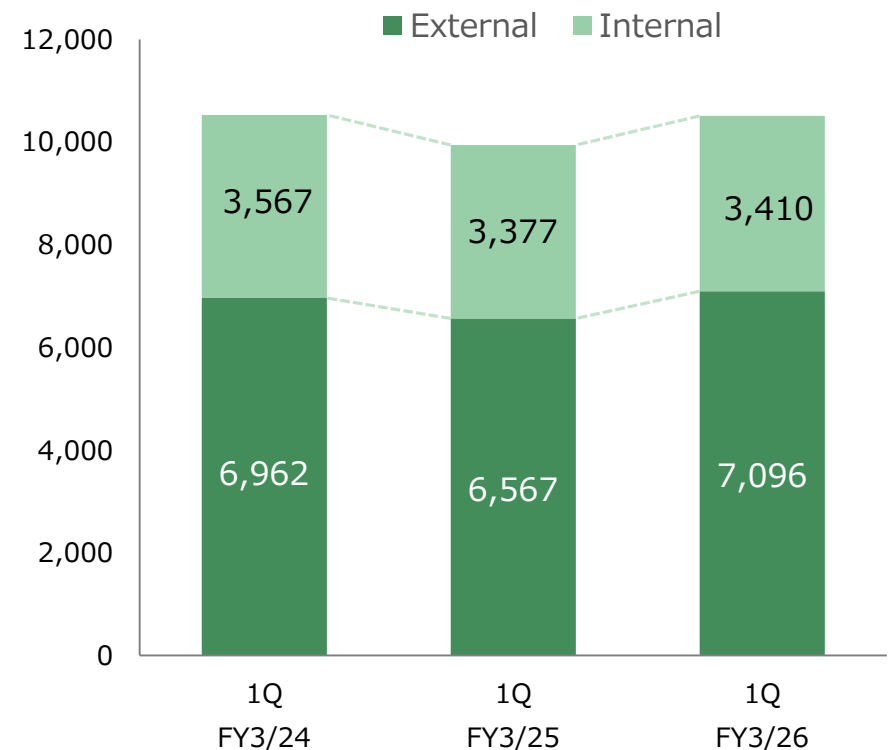
Sales trends by quarter/internal and external sales

Net sales increased, owing to higher prices of minimum-priced drugs following the April 2025 NHI drug price revisions and contributions from products newly added to the NHI drug price list in December 2024.

Quarterly Sales (millions of yen)



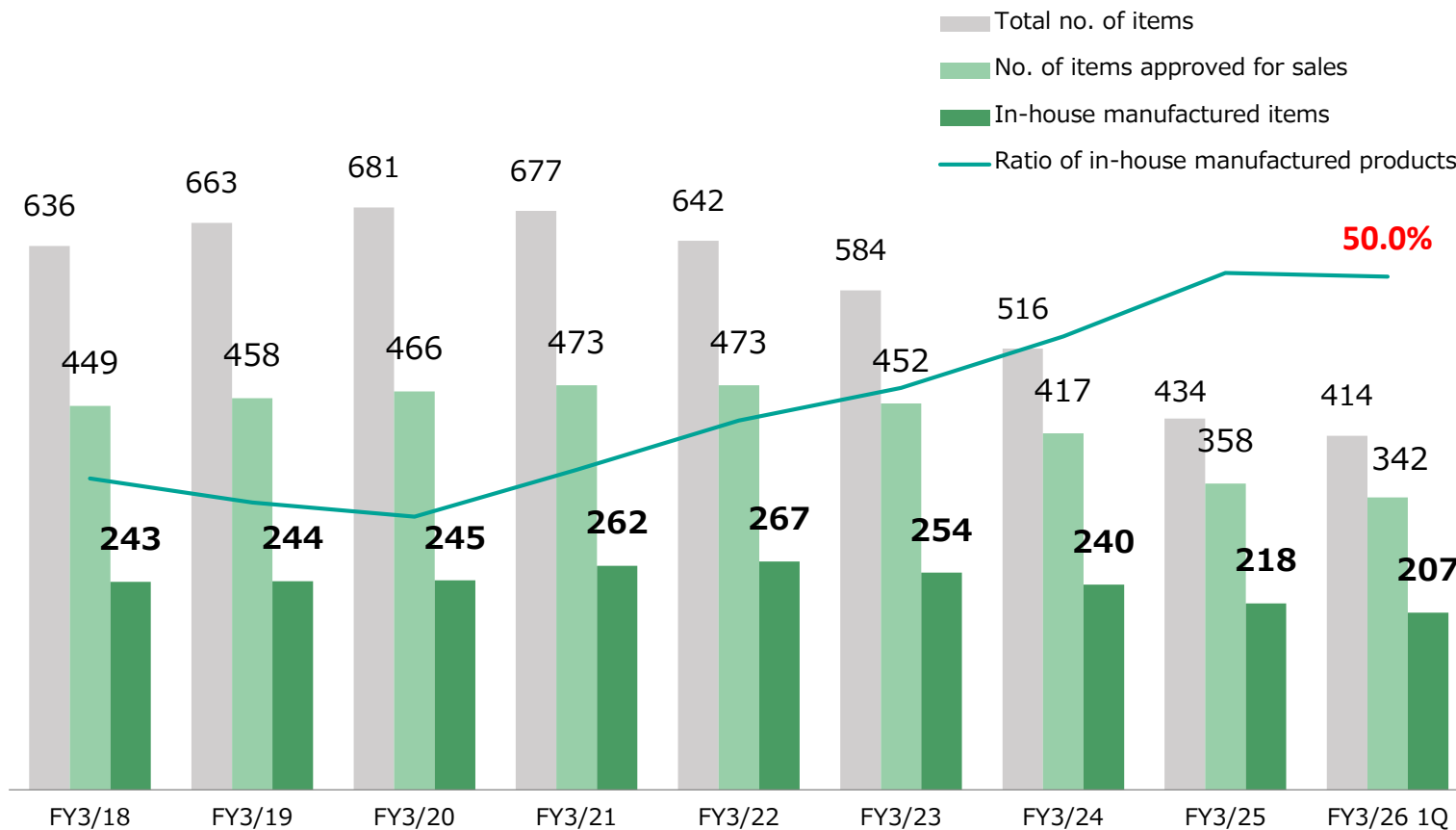
Internal/External sales (Millions of yen)



Product Portfolio

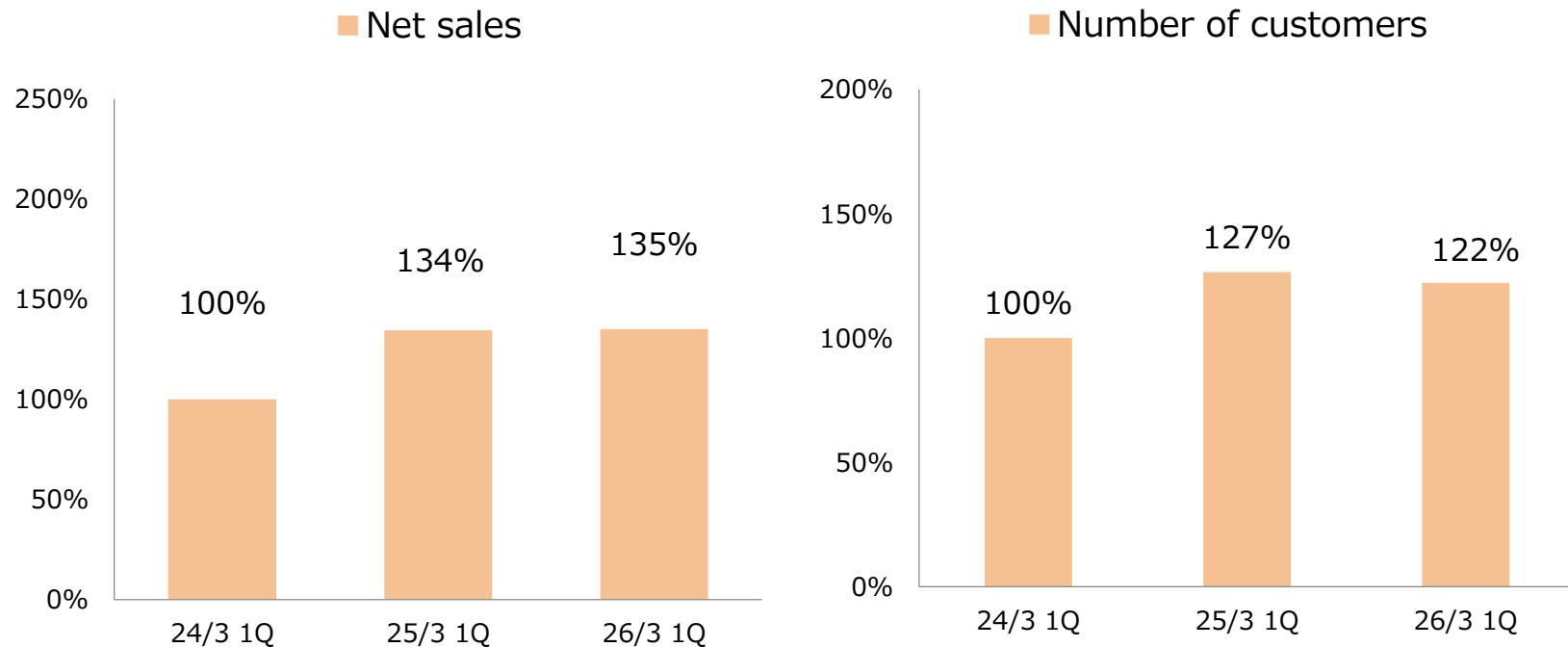
Number of Product Items

Although the total number of items declined following a review of production items, the ratio of in-house manufactured products is trending upward.



Pharmacist Staffing Business

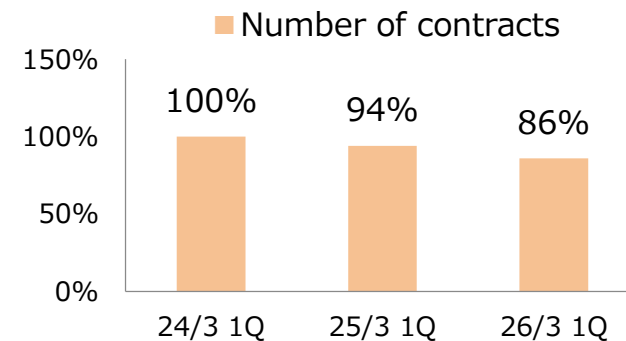
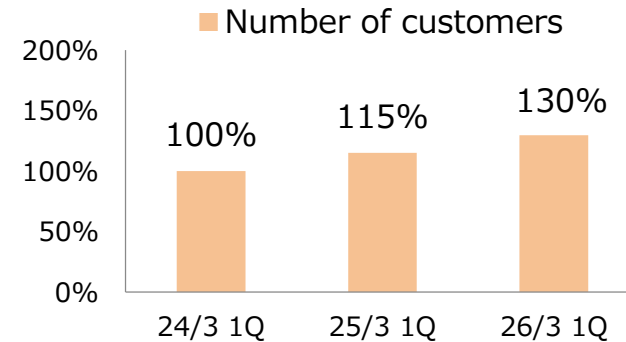
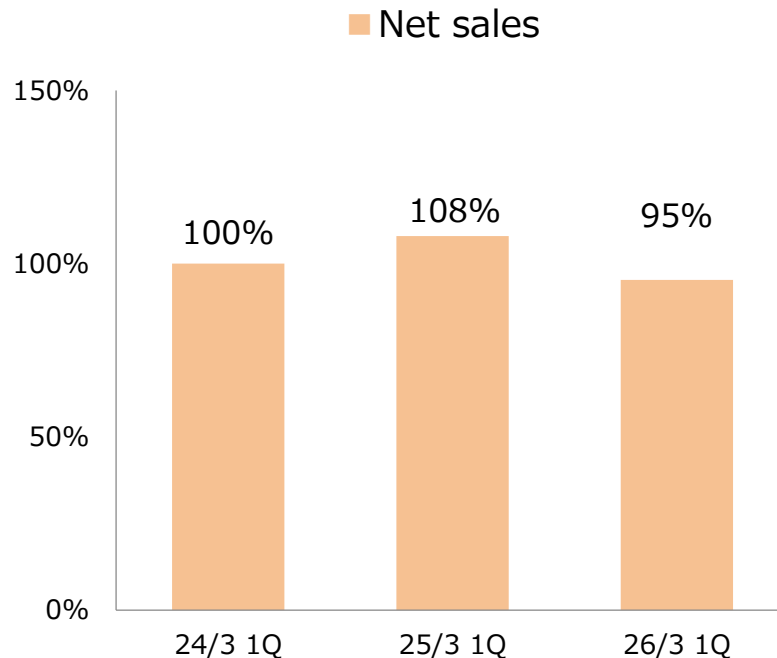
In the pharmacist staffing business, transactions expanded, primarily with small and medium-sized pharmacies, and sales remained on par with the previous fiscal year.



FY3/24 Net sales, customers = 100%

Pharmacist Placement Business

In the pharmacist placement business, sales and the number of contracts closed were slow to grow due to trends among jobseekers. However, a focus on high-unit-price contracts led to continued improvement in the average contract value per placement.

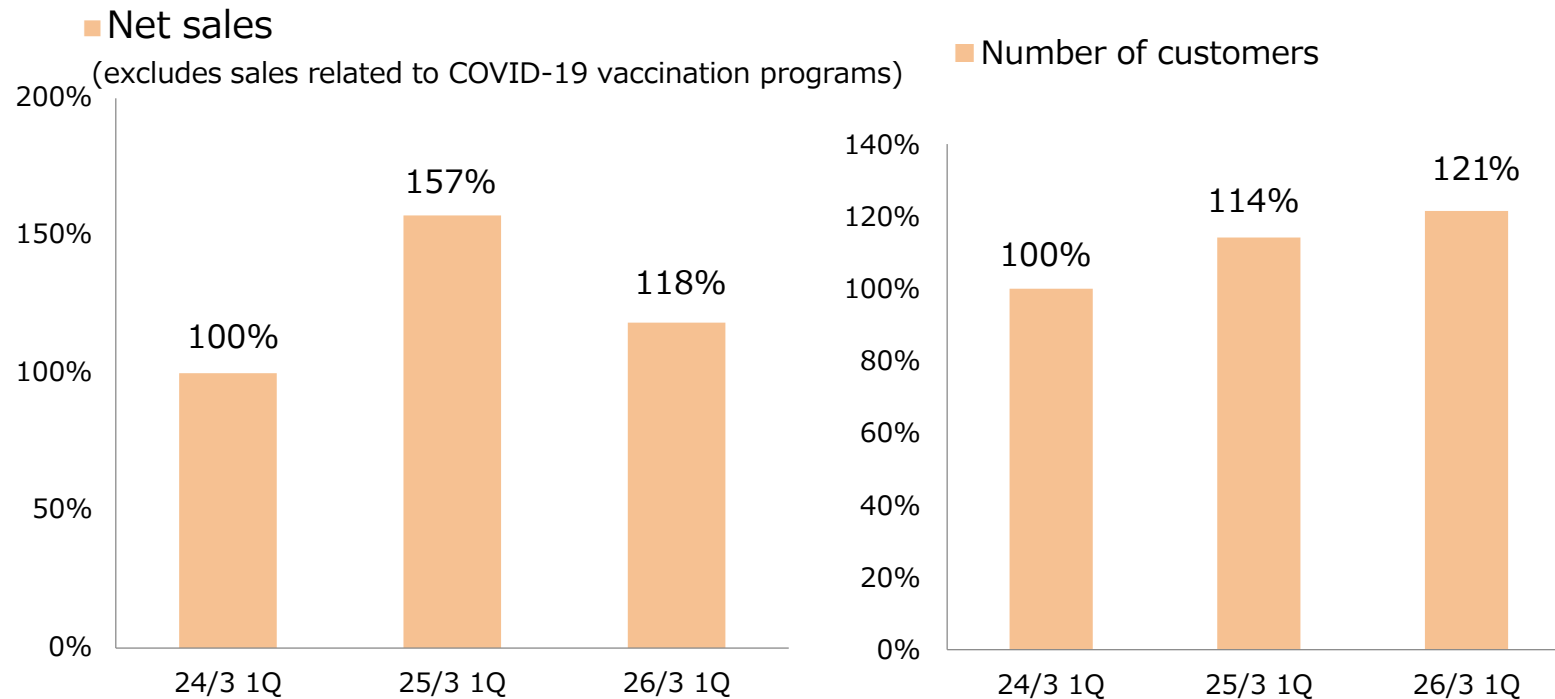


Job-seeker registrations → Matching → **Contracts** → Sales

FY3/24 Net sales, customers and contracts = 100%

Physician Placement Business

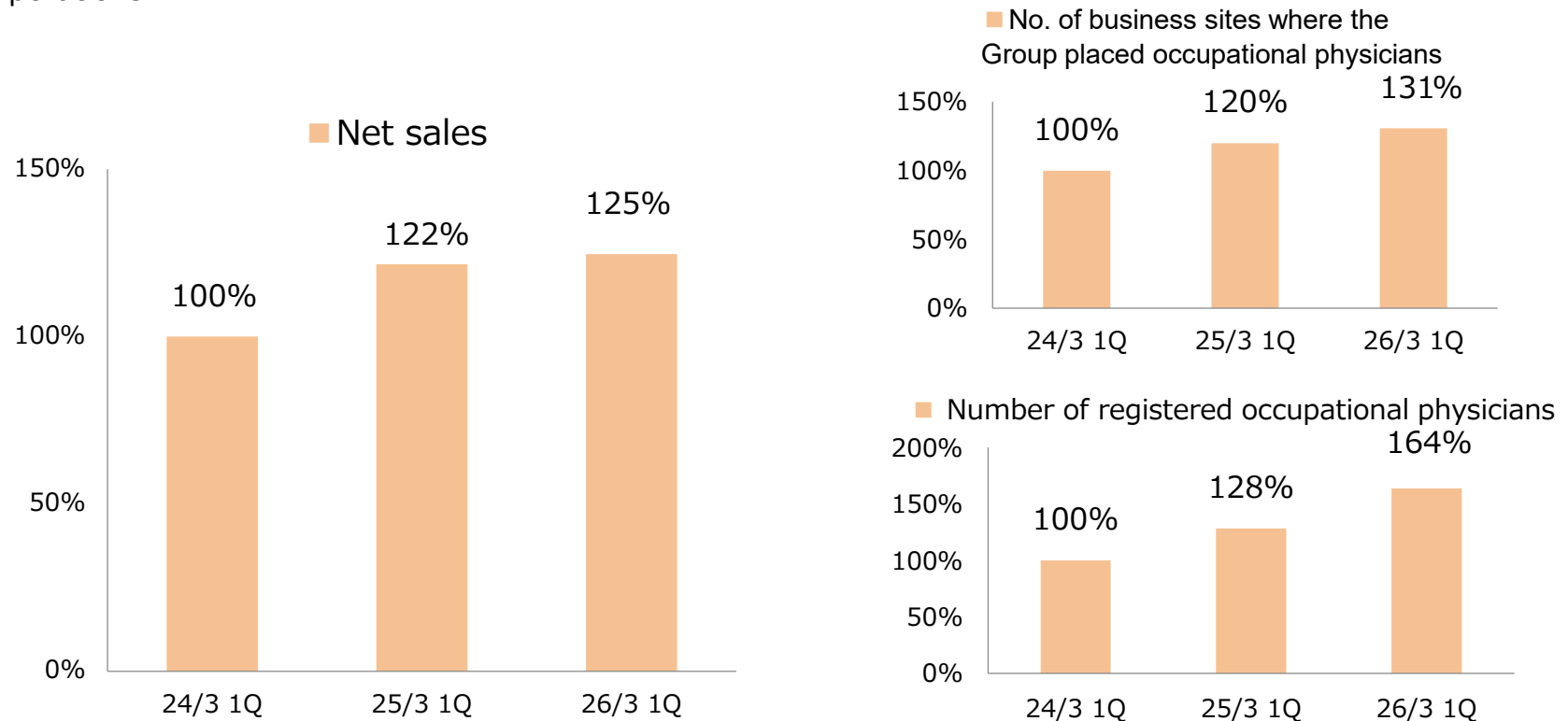
In the physician placement business, sales declined temporarily due to extended lead times associated with efforts to strengthen full-time physician placement services, which carry a high average contract value per placement. However, total contract value increased year-on-year, and the business is expected to recover from the next fiscal year onward.



FY3/24 Net sales, customers = 100%

Occupational Health Physician Business

The healthcare business, including occupational physician business, is steadily expanding. In this business, we primarily offer occupational health physician placement services, as well as occupational health nurse placement and health management-related services, in response to growing demand for health management from corporations.



FY3/24 Net sales, the no. of business sites where the Group placed occupational physicians, and the no. of registered occupational physicians = 100%.

3

Appendix



Business Improvement Initiatives at Choseido Pharmaceutical

Overview

The Company conducted an internal investigation after receiving a report from an employee at Choseido Pharmaceutical's Kawauchi Plant regarding deficiencies in manufacturing management. The investigation revealed that certain manufacturing processes had been conducted using methods not specified in the approved documentation, and that efforts under Choseido Pharmaceutical's existing improvement plan had been insufficient at the Kawauchi Plant.

As a result, on March 27, 2025, the Company received an administrative disposition from Tokushima Prefecture under the Pharmaceuticals and Medical Devices Act.

The business suspension period ended on April 28, 2025. Choseido Pharmaceutical is focusing on preventing recurrence and enhancing quality control measures based on its business improvement plan.

Details of administrative disposition

(1) A business suspension order was issued for manufacturing operations under the pharmaceutical manufacturing license (Kawauchi Plant)*

Suspension period: 32 days (March 28–April 28, 2025)

* However, the suspension excludes the following activities: Facility improvement, maintenance, and inspection; handling of product quality information and returns; quality control of already shipped products; activities related to improving manufacturing management and quality control; and manufacturing and shipment of products excluded from the suspension order, i.e., medically essential products pre-approved by Tokushima Prefecture.

(2) A business improvement order was issued for manufacturing and marketing operations under the pharmaceutical manufacturing license (Kawauchi Plant) and the Type 1 pharmaceutical manufacturing and marketing license

Overview of business improvement plan


On April 23, 2025, Choseido Pharmaceutical submitted a business improvement plan to Tokushima Prefecture. Efforts are underway in line with the following five focus areas

- (1) Revision of the GMP system at the Kawauchi Plant
- (2) Establishment of a legal compliance framework and cultivation of a quality-focused corporate culture
- (3) Recurrence prevention measures at the Kawauchi Plant
- (4) Companywide initiatives
- (5) Recurrence prevention measures as a marketing authorization holder

Details of business improvement plan (Japanese Only) : <https://www.choseido.com/>

Background of Manufacturing Management Issues at Choseido Pharmaceutical

Background

- 
- April 22, 2024
After discovering that the subsidiary was manufacturing products using methods not prescribed in approved documents at Kawauchi Plant, we suspended the shipment of pharmaceuticals manufactured at the plant and reported this issue to Tokushima Prefecture and relevant marketing authorization holders.
 - June 5–June 7, 2024
GMP investigation by Tokushima Prefecture and PMDA
 - June 21, 2024
Received a report of the GMP inspection conducted by Tokushima Prefecture and PMDA
 - July 4, 2024 onward
Gradually resumed shipments of products that have been confirmed by the marketing authorization holders to have no issues
 - July 12, 2024
Submitted an improvement report addressing the findings of the GMP inspection conduction by Tokushima Prefecture and PMDA
 - July 16, 2024
Resumed manufacturing at the Kawauchi Plant under the supervision of marketing authorization holders
 - October 11, 2024
Investigation into the consistency between standard documents and actual procedures was completed for all products
 - December 20, 2024
Submitted a report in response to a reporting order from Tokushima Prefecture
 - March 27, 2025
Received an administrative disposition from Tokushima Prefecture
 - March 28, 2025
Business suspension period began
 - April 23, 2025
Submitted a business improvement plan
 - April 28, 2025
Business suspension period ended

※GMP (Good Manufacturing Practice) = Manufacturing and quality control standards for pharmaceuticals

Precautions

Performance targets, plans, business activities and other forward-looking statements concerning Nihon Chouzai and its subsidiaries are based on information that was available when this presentation was made. There may be significant changes to these statements due to business and other risk factors and other uncertainties. These statements are not promises concerning future performance. Actual results of operations may differ significantly from the outlook in this presentation for a number of reasons. In addition, this presentation is not a solicitation to make an investment in Nihon Chouzai. Investment decisions are the responsibility of individual investors.

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