

July 31, 2025

Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2026 (Three Months Ended June 30, 2025)

[Japanese GAAP]

Company name: NIHON CHOUZAI Co., Ltd.

Listing: Tokyo Stock Exchange, Prime Market

Stock code: 3341

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Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: None

Note: The original disclosure in Japanese was released on July 31, 2025 at 16:30 (GMT +9).

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2026 (April 1, 2025 – June 30, 2025)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 30, 2025	94,155	8.9	3,827	89.9	1,608	—	1,457	—	712	—
Three months ended Jun. 30, 2024	86,433	5.6	2,015	(44.8)	(236)	—	85	(94.7)	(140)	—

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2025: 705 (— %)

Three months ended Jun. 30, 2024: (143) (— %)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2025	23.86	—
Three months ended Jun. 30, 2024	(4.70)	—

Note: EBITDA = Operating profit + depreciation + goodwill amortization

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jun. 30, 2025	208,492	59,432	28.5
As of Mar. 31, 2025	197,105	59,097	30.0

Reference: Shareholders' equity (million yen) As of Jun. 30, 2025: 59,432 As of Mar. 31, 2025: 59,097

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2025	—	12.50	—	12.50	25.00
Fiscal year ending Mar. 31, 2026	—	—	—	—	—
Fiscal year ending Mar. 31, 2026 (forecasts)	—	0.00	—	0.00	0.00

Note: Revisions to the most recently announced dividend forecast: Yes

Note: For the details of the dividend forecast, please refer to “Notice regarding Revision of Dividend Forecast (No Dividend) for the Fiscal Year Ending March 2026 and Abolition of the Shareholder Benefits Program” disclosed today (July 31, 2025).

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 – March 31, 2026)

(Percentages represent year-on-year changes)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	184,200	4.9	7,400	47.9	3,000	609.1	2,000	158.8	900	—	30.12
Full year	372,800	3.4	17,900	12.9	8,000	28.2	6,900	(0.2)	3,500	151.6	117.15

Note: Revisions to the most recently announced consolidated forecast: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of outstanding shares (common stock shares)

1) Number of shares outstanding at the end of period (including treasury shares)

As of Jun. 30, 2025:	31,048,000 shares	As of Mar. 31, 2025:	31,048,000 shares
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2) Number of treasury shares at the end of period

As of Jun. 30, 2025:	1,170,714 shares	As of Mar. 31, 2025:	1,172,744 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2025:	29,875,557 shares	Three months ended Jun. 30, 2024:	29,918,036 shares
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Note:

The number of shares of the Company held in the Directors' Remuneration BIP Trust (June 30, 2025: 108,893 shares; March 31, 2025: 110,963 shares) was included in the total number of treasury share at the end of the period. The Directors' Remuneration BIP Trust was included in the number of treasury share, which was to be deducted from the calculation of the average number of shares outstanding during the period.

Note 1: Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

Note 2: Cautionary statement with respect to forward-looking statements and other special items

(1) Note concerning forward-looking statements

Forecasts and other forward-looking statements in this document incorporate risks and uncertainties because these statements are based on Nihon Chouzai's judgments and assumptions using information that is currently available. These materials are not promises by Nihon Chouzai regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons.

(2) How to view supplementary materials for financial results

Supplementary materials for quarterly financial results will be disclosed at the Timely Disclosure network (TDnet) as appropriate, and also will be available on the Nihon Chouzai website.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first three months of the consolidated fiscal year ending March 31, 2026 (April 1, 2025–June 30, 2025), improvements in the employment and income conditions, along with the effects of various government policies, were expected to support a gradual recovery in the Japanese economy. However, the outlook remained uncertain due to risks stemming from US trade policy and rising prices. Under these economic conditions, the Nihon Chouzai Group, as a healthcare group operating under the mission of “Giving people the closest possible support,” remains committed to providing quality healthcare services and pharmaceuticals.

In the first three months of the consolidated fiscal year under review, benefited from a sharp increase in the average price per prescription in the Dispensing Pharmacy Business, as well as ongoing progress in curbing SG&A expenses. As a result, net sales were 94,155 million yen (+8.9 % YoY), operating profit was 1,608 million yen (loss of 236 million yen in the same period of the previous fiscal year), ordinary profit was 1,457 million yen (ordinary profit of 85 million yen in the same period of the previous fiscal year), and profit attributable to owners of parent was 712 million yen (loss of 140 million yen in the same period of the previous fiscal year).

Segment-specific earnings are as indicated below.

1) Dispensing Pharmacy Business

In the first three months of the consolidated fiscal year under review, in addition to an increase in the number of prescriptions due to the contribution of newly opened stores in the previous fiscal year, the unit price of prescriptions rose significantly. As a result, net sales were 84,001 million yen (+9.6% YoY) and operating profit was 2,985 million yen (+72.6% YoY).

As of June 30, 2025, the total number of pharmacies came to 760, reflecting 13 new store openings and 6 closures during the three-month period under review. The percentage of generic drugs dispensed, on a volume basis, across the Group on average was 93.3% (excluding discontinued drugs). Group pharmacies providing at-home medical care (those that make at least 24 home visits annually) accounted for 94.1% of total, growing steadily.

We are continuing to actively improve operational efficiency through the use of AI. In May 2025, we decided to roll out corte, an AI-powered medication history recording support service that had previously been introduced at a limited number of pharmacies, to all locations. By expanding the service to all Group pharmacies, we expect to reduce the time pharmacists spend creating and recording medication histories, enabling them to focus more on patient-facing tasks such as post-medication follow-up and providing feedback to physicians. Through these efforts, we aim to enhance the overall quality of healthcare.

In April 2025, we launched 10COINSKAMPO, a private-brand line of OTC Kampo medicines uniformly priced at 1,100 yen, as a new addition to our private-label product lineup. Aimed at reducing cost barriers and helping consumers select Kampo remedies suited to their specific conditions, the brand offers 15 reasonably priced products that address a variety of health needs. By enhancing our OTC product lineup, we are expanding efforts to promote self-medication for all.

2) Pharmaceutical Manufacturing and Sales Business

In the first three months of the current consolidated fiscal year, the Pharmaceutical Manufacturing and Sales Business reported net sales of 10,507 million yen (+5.7% YoY) and operating profit of 123 million yen (loss of 461 million yen in the same period of the previous fiscal year). In April 2024, manufacturing management deficiencies were discovered at the Kawauchi Plant of Choseido Pharmaceutical Co., Ltd., a Group company, resulting in some delays in the restoration of product supply. However, sales and operating profit 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.

The Group takes this administrative action seriously and, in addition to the subsidiary's steady implementation of the improvement plan, will work as one to prevent recurrence and enhance quality control.

A total of 414 products (including one OTC drug) were on sale as of the end of the first quarter of the consolidated fiscal year under review, reflecting revisions to the product lineup. The percentage of in-house manufactured products was 50.0%, continuing the upward trend since the fiscal year ended March 31, 2020.

We had to limit shipments of many products due to industry-wide supply concerns, but in efforts to ensure stable supply, we are gradually resuming regular shipments, starting with the ones for which a stable supply system has been put in place. As of June 30, 2025, 107 items were under limited shipment.

3) Medical Professional Staffing and Placement Business

In the first three months of the current consolidated fiscal year, the Medical Professional Staffing and Placement Business reported net sales of 3,064 million yen (-7.1% YoY) and operating profit of 382 million yen (-42.4% YoY). Sales and profit declined despite strong performance in the mainstay pharmacist staffing business, due to weaker results in the pharmacist and physician placement businesses compared to the same period of the previous fiscal year. Demand also increased for the healthcare business, including the occupational physician business, and we intend to further contribute to the health management of companies in Japan through the business.

(2) Explanation of Financial Position

Total assets at the end of the first quarter of the current consolidated fiscal year came to 208,492 million yen, an increase of 5.8%, or 11,386 million yen, from 197,105 million yen at the end of the fiscal year ended March 2025. Growth in assets was mainly due to increases in cash and deposits and merchandise and finished goods.

Total liabilities were 149,059 million yen, an increase of 8.0%, or 11,050 million yen, from 138,008 million yen at the end of the previous fiscal year. This was mainly due to an increase in Accounts payable-trade.

Total net assets were 59,432 million yen, an increase of 335 million yen from 59,097 million yen at the end of the previous fiscal year. As a result, the equity ratio came to 28.5%.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

There are no changes to the consolidated earnings forecasts for the first half and full year of the fiscal year ending March 31, 2026 announced on April 30, 2025.

If it becomes necessary to revise the forecast, we will disclose it promptly.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

(Millions of yen)

	FY3/25 (As of Mar. 31, 2025)	First quarter of FY3/26 (As of Jun. 30, 2025)
Assets		
Current assets		
Cash and deposits	27,463	31,396
Notes receivable-trade	8	2
Accounts receivable-trade and contract assets	23,167	23,715
Electronically recorded monetary claims-operating	360	357
Merchandise and finished goods	29,507	35,658
Work in process	2,057	2,243
Raw materials and supplies	9,682	9,725
Other	4,726	5,023
Allowance for doubtful accounts	(11)	(12)
Total current assets	96,962	108,111
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	26,496	26,190
Land	13,105	13,105
Construction in progress	1,661	1,550
Other, net	16,518	16,297
Total property, plant and equipment	57,781	57,143
Intangible assets		
Goodwill	11,587	11,382
Other	10,864	11,339
Total intangible assets	22,452	22,721
Investments and other assets		
Investment securities	13	13
Leasehold and guarantee deposits	7,759	7,769
Other	12,136	12,734
Total investments and other assets	19,908	20,516
Total non-current assets	100,143	100,381
Total assets	197,105	208,492

	(Millions of yen)	
	FY3/25 (As of Mar. 31, 2025)	First quarter of FY3/26 (As of Jun. 30, 2025)
Liabilities		
Current liabilities		
Accounts payable-trade	54,954	69,141
Electronically recorded obligations-operating	2,133	2,609
Short-term loans payable	5,500	5,650
Current portion of long-term loans payable	8,660	1,060
Income taxes payable	743	1,464
Provision for bonuses	4,285	2,268
Provision for bonuses for directors (and other officers)	58	—
Other	8,351	12,461
Total current liabilities	84,687	94,656
Non-current liabilities		
Long-term loans payable	42,898	44,014
Provision for retirement benefits for directors (and other officers)	79	71
Retirement benefit liability	2,536	2,591
Other	7,806	7,725
Total non-current liabilities	53,321	54,402
Total liabilities	138,008	149,059
Net assets		
Shareholders' equity		
Share capital	3,953	3,953
Capital surplus	9,228	9,228
Retained earnings	47,661	48,002
Treasury shares	(1,946)	(1,944)
Total shareholders' equity	58,896	59,239
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	200	193
Total accumulated other comprehensive income	200	193
Total net assets	59,097	59,432
Total liabilities and net assets	197,105	208,492

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**(Quarterly Consolidated Statement of Income)****(For the Three-month Period)**

(Millions of yen)

	First Three months of FY3/25 (Apr. 1, 2024 – Jun. 30, 2024)	First Three months of FY3/26 (Apr. 1, 2025 – Jun. 30, 2025)
Net sales	86,433	94,155
Cost of sales	73,163	79,144
Gross profit	13,270	15,010
Selling, general and administrative expenses	13,507	13,402
Operating profit and loss	(236)	1,608
Non-operating income		
Commission income	11	11
Rental income	223	220
Subsidy Income	279	162
Other	149	102
Total non-operating income	663	496
Non-operating expenses		
Interest expenses	97	116
Commission expenses	—	258
Rent expenses	162	166
Other	81	106
Total non-operating expenses	340	647
Ordinary profit	85	1,457
Extraordinary income		
Gain on sales of non-current assets	11	7
Total extraordinary income	11	7
Extraordinary losses		
Loss on sales of non-current assets	—	0
Total extraordinary losses	—	0
Profit before income taxes	96	1,464
Income taxes-current	677	1,266
Income taxes-deferred	(439)	(514)
Total income taxes	237	751
Profit and loss	(140)	712
Profit and loss attributable to owners of parent	(140)	712

(Quarterly Consolidated Statement of Comprehensive Income)**(For the Three-month Period)**

(Millions of yen)

	First Three months of FY3/25 (Apr. 1, 2024 – Jun. 30, 2024)	First Three months of FY3/26 (Apr. 1, 2025 – Jun. 30, 2025)
Profit and loss	(140)	712
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	(2)	(7)
Total other comprehensive income	(2)	(7)
Comprehensive income	(143)	705
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(143)	705

(3) Notes to Quarterly Consolidated Financial Statements

Going-concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment and Other Information

Segment information

I. First Three months of FY3/25 (Apr. 1, 2024 – Jun. 30, 2024)

1. Information related to net sales, profit or loss for each reportable segment (Millions of yen)

	Reportable segment				Adjustment (Note)	Amounts shown on quarterly consolidated statement of income
	Dispensing pharmacy business	Pharmaceutical manufacturing and sales business	Medical professional staffing and placement business	Total		
Net sales						
(1) External sales	76,643	6,567	3,223	86,433	—	86,433
(2) Inter-segment sales and transfers	—	3,377	73	3,451	(3,451)	—
Total	76,643	9,945	3,296	89,885	(3,451)	86,433
Segment profit (loss)	1,729	(461)	663	1,931	(2,168)	(236)

Note: Total segment sales and segment profit or loss have been adjusted to be consistent with net sales and operating loss shown on the quarterly consolidated statement of income, respectively. The negative adjustment of 2,168 million yen to segment profit (loss) includes eliminations of minus 82 million yen for inter-segment transactions and corporate expenses of minus 2,086 million yen. General and administrative expenses that do not belong to any reportable segment are the primary component of corporate expenses.

2. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Impairment losses related to non-current assets

Not applicable.

Significant change in goodwill

Not applicable.

II. First Three months of FY3/26 (Apr. 1, 2025 – Jun. 30, 2025)

1. Information related to net sales, profit or loss for each reportable segment (Millions of yen)

	Reportable segment				Adjustment (Note)	Amounts shown on quarterly consolidated statement of income
	Dispensing pharmacy business	Pharmaceutical manufacturing and sales business	Medical professional staffing and placement business	Total		
Net sales						
(1) External sales	84,001	7,096	3,057	94,155	—	94,155
(2) Inter-segment sales and transfers	—	3,410	7	3,417	(3,417)	—
Total	84,001	10,507	3,064	97,572	(3,417)	94,155
Segment profit (loss)	2,985	123	382	3,491	(1,882)	1,608

Note: Total segment sales and segment profit have been adjusted to be consistent with net sales and operating profit shown on the quarterly consolidated statement of income, respectively. The negative adjustment of 1,882 million yen to segment profit (loss) includes eliminations of minus 94 million yen for inter-segment transactions and corporate expenses of minus 1,788 million yen. General and administrative expenses that do not belong to any reportable segment are the primary component of corporate expenses.

2. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Impairment losses related to non-current assets

Not applicable.

Significant change in goodwill

Not applicable.

(Notes on Consolidated Statement of Cash Flows)

We have not prepared a Consolidated Statement of Cash Flows for the three months ended June 30, 2025. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30 is as follows.

	For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)	For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)
Depreciation	1,767 million yen	1,718 million yen
Amortization of goodwill	475 million yen	482 million yen

This summary report is solely a translation of “Kessan Tanshin” (in Japanese, including the attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.