

September 23, 2020

Company name	Nihon Chouzai Co., Ltd.
Company representative	Yosuke Mitsuhashi, President and CEO
(Code: 3341, Tokyo Stock Exchange 1st Section)	
Contacts	Kazunori Ogi, Director, General Manager of Finance Department (Phone: +81-3-6810-0800)

Notice Regarding Revision to Financial Forecasts

In light of recent financial trends and other factors, we have revised our financial forecasts for the first half of the fiscal year ending March 31, 2021 (April 1, 2020 to September 30, 2020), which was announced on April 30, 2020, as follows.

1. Revision to the consolidated financial forecasts for the six months ending September 30, 2020 (from April 1, 2020 to September 30, 2020)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	138,895	361	249	(51)	(1.70)
Revised forecasts (B)	135,000	2,300	2,200	1,000	33.35
Change (B-A)	(3,895)	1,938	1,950	1,051	
Percentage of change (%)	(2.8)%	536.4%	782.8%	—	
(Reference) Actual results for the first half of the previous fiscal year (The six months ended September 30, 2019)	130,297	4,066	4,001	2,094	69.85

Note: Nihon Chouzai conducted a 2-for-1 stock split effective on April 1, 2020. Net income per share has been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

2. Reasons for the revisions to financial forecasts

In the financial forecasts for the first half of the fiscal year ending March 31, 2021 announced on April 30, 2020, we assumed that the impact of the spread of the novel coronavirus disease (COVID-19), such as

curbs on outpatient treatment and longer prescription days would continue through June, and would begin to recover from July onwards. As for the current situation, the number of prescriptions decreased more than expected due to the continued curbs on outpatient treatment and other factors since July. As a result, although unit prices of prescriptions are still higher than expected due to longer prescription days, net sales for the first half of the fiscal year under review are expected to be slightly lower than the forecasts made at the beginning of the period.

On the other hand, in terms of profit, each stage of profit is expected to be significantly higher than the initial forecasts, however without reaching the level of the same period of the previous fiscal year, as the results of the various cost-containment measures implemented throughout the entire Group have greatly exceeded the plan, and as a result of an increase in gross profit due to the implementation of a sales strategy emphasizing profitability in the pharmaceutical manufacturing and sales business, as well as strong sales of new, high-margin products.

Based on these circumstances, the Company has decided to revise its financial forecasts for the first half of the fiscal year ending March 31, 2021, as shown above.

As for the full-year financial forecasts for the fiscal year ending March 31, 2021, the previous forecasts remain unchanged at this point in time as the Company is currently examining financial trends for the second half of the fiscal year. If, however, it is deemed necessary to revise the forecasts in the future, the Company will disclose it immediately.

Note: The above forecasts are based on information available at the current point in time. Actual results may differ from these forecasts due to various factors.

In addition, the number of outstanding shares used for calculating "Net income per share" is the estimated average number of shares outstanding during the period.

End