

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 Acquisition of Workers Doctors by Consolidated Subsidiary (Creation of Sub-subsidiary)

Nihon Chouzai Co., Ltd. announces that its consolidated subsidiary Medical Resources Co, Ltd. voted at its Board of Directors meeting on October 22, 2020 to acquire all shares of Workers Doctors Inc. (Suginami Ward, Tokyo; below, Workers Doctors) as follows.

1. Purpose of acquisition

The Nihon Chouzai Group provides high-quality medical services nationwide to realize its corporate philosophy of "achieving the true separation of drug prescribing and dispensing services." We were the first in the industry to have locations in all 47 Japanese prefectures and currently operate 666 dispensing pharmacies nationwide (October 1, 2020). Our consolidated subsidiary Medical Resources Co., Ltd. has capitalized on its expertise in human resources in the dispensing pharmacy industry to expand to twelve locations across the country, where it handles placement and staffing of pharmacists, doctors, nurses and other medical professionals.

Workers Doctors provides occupational medical services and labor health management support to businesses in metro Tokyo, drawing from its president's experience in over 30 years as an occupational physician. It has earned the deep trust of major corporations and municipal governments.

One-third of Japan's shrinking population is predicted to be elderly by 2030, and there are fears that the decline in the working-age population and growing number of elderly will leave a shortage of doctors. We believe occupational physicians will become even more important in the future in the face of the dramatic changes in the working environment and corporate management.

Medical Resources has strengthened its physician staffing services in response to these developments and has steadily established a track record in the business.

We believe the new acquisition will allow us to expand our occupational physician services nationwide by utilizing our physician staffing experience and nationwide base along with Workers Doctors' knowhow and network in industrial physicians. This will give us a wider range of services and allow us to respond broadly to the varied needs of corporate occupational health management including mental health care, an essential component of corporate health and productivity control.

Workers Doctors seeks to "give a smile to company workers" and offer occupational physician services that help companies and doctors achieve their mutual aim of a safe, hygienic, healthy and happy environment. This mission has close affinity with our group's goal of a comprehensive health care company aimed at resolving societal challenges, and we believe our joint growth can contribute to Japan's industrial and medical fields.

2. Description of soon-to-be-acquired subsidiary Workers Doctors Inc. (as of October 22, 2020)

(1) Company name	Workers Doctors Inc.		
(2) Location	2F Tsukiyama Bldg, 1-27-20 Takaido Nishi, Suginami-ku, Tokyo, Japan		
(3) Name and title of representative	Ichiro Ito		
(4) Business	Provision of occupational physician services		
(5) Capital	One million yen		
(6) Establishment date	September 6, 2012		
(7) Principal shareholders and their holding ratio	Ichiro Ito, one other 100%		
(8) Relation with listed company	Capital	None	
	Personnel	None	
	Business	None	
(9) Earnings and financial information for past three years			
Fiscal year	FYE November 2017	FYE November 2018	FYE November 2019
Net assets	21 million yen	26 million yen	31 million yen
Total assets	56 million yen	89 million yen	102 million yen
Net assets per common share	218,000 yen	265,000 yen	318,000 yen
Sales	146 million yen	172 million yen	201 million yen
Operating profit	5 million yen	6 million yen	9 million yen
Ordinary profit	5 million yen	6 million yen	9 million yen
Net income attributable to parent company	4 million yen	4 million yen	5 million yen
Net income per common share	44,000 yen	47,000 yen	52,000 yen

3. Description of counterparty of share acquisition (as of October 22, 2020)

Some counterparties are undisclosed by mutual consent.

(1) Name	Ichiro Ito, one other
(2) Relation with listed company	None

4. Percentage of shareholdings before and after acquisition

(1) Shares owned before change	0 (Voting rights ownership: 0.00%)
(2) Number of shares to be acquired	100 (Voting rights ownership: 100.00%)
(3) Shares owned after change	100 (Voting rights ownership: 100.00%)

Note: The acquisition price will remain undisclosed as per agreement with the counterparty. The Board of Directors has deemed the price fair and appropriate upon comprehensive consideration of the company's earnings performance and financial condition and reasonable adjustments in meetings between the parties, and acknowledges that the economic rationale has been maintained.

5. Schedule

(1) Board of Directors resolution	October 22, 2020
(2) Contract execution	October 22, 2020
(3) Share transfer	November 1, 2020 (planned)

6. Outlook

This transaction should have minimal impact on consolidated earnings in the fiscal year ending March 31, 2021.