

(As of March 31, 2022)

Consolidated Financial Data	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021			
<b>Fiscal year in which revisions to dispensing fees and NHI drug prices were made</b>		<small>Dispensing Fees</small>	<small>NHI Drug Prices</small>		<small>Dispensing Fees</small>	<small>NHI Drug Prices</small>		<small>Dispensing Fees</small>	<small>NHI Drug Prices</small>	<small>Dispensing Fees</small>	<small>NHI Drug Prices</small> <sup>*11</sup>	<small>Dispensing Fees</small>	<small>NHI Drug Prices</small>	<small>NHI Drug Prices</small>
<b>Business results (fiscal year)</b>														
Net sales	130,041	139,466	165,347	181,844	219,239	223,468	241,274	245,687	268,520	278,951	<b>299,392</b>			
Gross profit	22,038	21,494	25,623	31,929	39,068	39,258	43,837	41,975	46,372	49,374	<b>52,422</b>			
Selling, general and administrative expenses	16,574	18,248	20,878	25,281	28,578	30,738	33,250	35,242	38,779	41,267	<b>45,833</b>			
Operating profit	5,464	3,245	4,744	6,647	10,489	8,519	10,587	6,733	7,593	8,106	<b>6,589</b>			
EBITDA*1	8,968	7,319	9,129	10,923	15,615	14,237	17,127	14,525	15,491	16,286	<b>14,974</b>			
Ordinary profit	4,941	2,855	4,188	6,003	9,878	7,976	10,138	6,077	7,405	8,409	<b>6,767</b>			
Profit attributable to owners of parent	2,085	184	1,901	2,778	6,329	4,638	6,104	3,790	6,697	3,538	<b>3,705</b>			
<b>Cash flows (fiscal year)</b>														
Cash flows from operating activities	7,127	2,885	6,243	5,831	19,327	△940	23,141	13,572	13,192	11,213	<b>19,411</b>			
Cash flows from investing activities	△9,694	△6,422	△14,510	△8,437	△7,823	△28,444	△13,843	△1,770	△2,731	△7,767	<b>△9,313</b>			
Cash flows from financing activities	7,920	5,496	8,782	1,422	7,031	18,205	△2,034	△10,516	△7,955	△2,806	<b>△17,448</b>			
<b>Financial position (at year-end)</b>														
Total assets*2	86,615	95,140	117,295	130,141	157,609	178,347	186,573	178,677	185,551	186,262	<b>178,753</b>			
Net assets	14,716	14,702	15,849	17,635	32,473	36,447	41,506	41,073	47,072	49,868	<b>52,876</b>			
Cash and cash equivalents	12,554	14,513	15,027	13,844	32,380	21,200	28,464	29,749	32,254	32,893	<b>25,543</b>			
Merchandise and finished goods	8,419	11,908	12,165	15,911	15,328	21,455	20,873	22,272	22,988	23,139	<b>23,024</b>			
Interest-bearing debt*3	42,279	48,281	62,037	68,327	66,794	86,524	87,611	81,302	74,381	73,219	<b>56,597</b>			
<b>Per share information</b>														
Net assets per share*4 (yen)	511.99	508.52	545.32	628.80	1,015.11	1,139.35	1,297.50	1,369.52	1,569.77	1,663.01	<b>1,763.34</b>			
Net income per share*4 (yen)	72.73	6.42	65.62	97.24	216.42	145.02	190.84	121.74	223.33	118.01	<b>123.56</b>			
<b>Financial and non-financial data</b>														
Sales growth rate (%)	16.0	7.2	18.6	10.0	20.6	1.9	8.0	1.8	9.3	3.9	<b>7.3</b>			
SG&A expense ratio (%)	12.7	13.1	12.6	13.9	13.0	13.8	13.8	14.3	14.4	14.8	<b>15.3</b>			
Operating margin (%)	4.2	2.3	2.9	3.7	4.8	3.8	4.4	2.7	2.8	2.9	<b>2.2</b>			
ROA*5 (%)	2.6	0.2	1.8	2.2	4.4	2.8	3.3	2.1	3.6	1.9	<b>2.0</b>			
ROE*6 (%)	15.2	1.3	12.0	16.6	25.3	13.5	15.7	9.2	15.2	7.3	<b>7.2</b>			
Equity ratio*7 (%)	17.0	15.5	13.5	13.6	20.6	20.4	22.2	23.0	25.4	26.8	<b>29.6</b>			
Interest coverage ratio*8 (times)	13.0	4.9	8.6	7.1	24.4	—	37.1	25.8	34.9	35.1	<b>64.8</b>			
Debt-to-equity ratio*9 (times)	2.9	3.3	3.9	3.8	2.1	2.4	2.1	2.0	1.6	1.5	<b>1.1</b>			
Capital expenditure	8,961	5,566	9,069	12,279	8,073	23,344	15,316	5,254	12,025	9,492	<b>8,362</b>			
Depreciation	3,028	3,591	3,825	3,631	4,461	4,741	5,214	6,304	6,316	6,416	<b>6,569</b>			
R&D expenses	1,224	1,023	1,534	1,767	1,913	2,388	2,784	2,764	2,991	2,776	<b>3,411</b>			
Number of employees*10	2,304	2,488	3,009	3,283	3,435	3,781	4,075	4,383	4,904	5,221	<b>5,552</b>			

\*Figures have been rounded down. Percentages have been rounded to the nearest first decimal place.

Notes: 1. EBITDA = Operating profit + depreciation + amortization of goodwill

2. Figures before FY2017 are not retroactively adjusted in accordance with a change in accounting standards.

3. Interest-bearing debt = loans + lease obligations + installment accounts payable + bonds

4. Nihon Chouzai conducted 2-for-1 stock splits on October 1, 2015 and April 1, 2020. Net assets per share and net income per share have been calculated as if these stock splits had taken place at the beginning of FY2011.

5. ROA = profit attributable to owners of parent ÷ average of total assets at the beginning and end of the fiscal year

6. ROE = profit attributable to owners of parent ÷ average equity at the beginning and end of the fiscal year

7. Equity ratio = shareholders' equity ÷ total assets

8. Interest coverage ratio = operating cash flows ÷ interest payment. This figure is not presented when operating cash flows are negative.

9. Debt-to-equity ratio = interest-bearing debt ÷ net assets

10. Number of employees indicates regular employees. It does not include non-regular employees such as associate, contract, fixed-term, or part-time employees.

11. NHI drug prices were revised in October 2019 in line with changes in the consumption tax rate.

**Consolidated Balance Sheet**

Nihon Chouzai Co., Ltd. and subsidiaries (as of March 31, 2021 and 2022)

(Millions of yen)

(Millions of yen)

Assets	FY2020	FY2021	Liabilities	FY2020	FY2021
<b>Current Assets</b>			<b>Current liabilities</b>		
Cash and deposits	32,893	25,543	Accounts payable-trade	44,044	48,513
Notes receivable-trade	80	27	Electronically recorded monetary obligations-operating	2,742	2,862
Accounts receivable-trade	21,050	-	Short-term borrowings	-	1,000
Accounts receivable-trade and contract assets	-	20,458	Current portion of long-term loans payable	27,966	12,366
Electronically recorded monetary claims-operating	831	422	Lease obligations	139	148
Merchandise and finished goods	23,139	23,024	Income taxes payable	884	1,800
Work in process	1,413	1,799	Provision for bonuses	3,602	3,861
Raw materials and supplies	6,174	6,262	Provision for directors' bonuses	46	45
Other	3,668	4,121	Asset retirement obligations	80	4
Allowance for doubtful accounts	△6	△8	Other	8,214	8,330
<b>Total current assets</b>	<b>89,246</b>	<b>81,651</b>	<b>Total current liabilities</b>	<b>87,720</b>	<b>78,931</b>
<b>Non-current assets</b>			<b>Non-current liabilities</b>		
Property, plant and equipment			Long-term loans payable	42,997	41,531
Buildings and structures	53,669	55,883	Lease obligations	1,229	1,127
Accumulated depreciation	△24,102	△26,324	Long-term accounts payable-installment purchase	424	-
Buildings and structures, net	29,566	29,559	Provision for directors' retirement benefits	199	71
Machinery, equipment and vehicles	20,960	21,700	Net defined benefit liabilities	2,153	2,276
Accumulated depreciation	△6,927	△7,956	Asset retirement obligations	1,336	1,422
Machinery, equipment and vehicles, net	14,033	13,743	Other	332	514
Land	14,198	14,155	<b>Total non-current liabilities</b>	<b>48,673</b>	<b>46,944</b>
Leased assets	2,789	2,799	<b>Total liabilities</b>	<b>136,394</b>	<b>125,876</b>
Accumulated depreciation	△1,592	△1,704			
Leased assets, net	1,196	1,095			
Construction in progress	1,649	1,226			
Other	19,595	21,091			
Accumulated depreciation	△15,455	△16,847			
Other, net	4,140	4,244			
Total property, plant and equipment	64,785	64,025			
Intangible assets					
Goodwill	16,508	15,220			
Other	2,443	3,749			
Total intangible assets	18,952	18,969			
Investments and other assets					
Investment securities	16	16			
Long-term loans receivable	635	554			
Lease and guarantee deposits	8,288	8,797			
Deferred tax assets	3,368	3,842			
Other	967	896			
Total investments and other assets	13,277	14,107			
<b>Total non-current assets</b>	<b>97,015</b>	<b>97,102</b>			
<b>Total assets</b>	<b>186,262</b>	<b>178,753</b>			

(Millions of yen)

Net assets	FY2020	FY2021
<b>Shareholders' equity</b>		
Capital stock	3,953	3,953
Capital surplus	10,926	10,926
Retained earnings	38,551	41,507
Treasury stock	△3,500	△3,500
<b>Total shareholders' equity</b>	<b>49,931</b>	<b>52,887</b>
<b>Accumulated other comprehensive income</b>		
Remeasurements of defined benefit plans	△63	△10
<b>Total accumulated other comprehensive income</b>	<b>△63</b>	<b>△10</b>
<b>Total net assets</b>	<b>49,868</b>	<b>52,876</b>
<b>Total liabilities and net assets</b>	<b>186,262</b>	<b>178,753</b>

**Consolidated Statement of Income**

 Nihon Chouzai Co., Ltd. and subsidiaries  
 For the years ended March 31, 2021 and 2022

(Millions of yen)

	FY2020	FY2021
Net sales	278,951	299,392
Cost of sales	229,577	246,969
Gross profit	49,374	52,422
Selling, general and administrative expenses	41,267	45,833
Operating profit	8,106	6,589
<b>Non-operating income</b>		
Commissions received	36	38
Rent income	446	511
Compensation income	51	40
Insurance claim income	34	144
Subsidy income	655	218
Other	183	258
<b>Total non-operating income</b>	<b>1,408</b>	<b>1,212</b>
<b>Non-operating expenses</b>		
Interest expenses	314	295
Commissions paid	10	0
Rent expenses	331	381
Loss on retirement of non-current assets	261	107
Other	188	249
Total non-operating expenses	1,105	1,034
<b>Ordinary profit</b>	<b>8,409</b>	<b>6,767</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	398	6
Reversal of provision for retirement benefits for directors (and other officers)	-	46
Insurance claim income	-	3,909
Gain on transfer from business divestitures	-	67
<b>Total extraordinary profit</b>	<b>398</b>	<b>4,030</b>
<b>Extraordinary losses</b>		
Loss on abandonment of non-current assets	375	-
Loss on sale of non-current assets	1	-
Impairment losses	1,920	669
Loss due to disaster	27	3,910
<b>Total extraordinary losses</b>	<b>2,324</b>	<b>4,580</b>
Profit before income taxes	6,483	6,217
Income taxes-current	3,218	2,984
Income taxes-deferred	△273	△473
Total income taxes	2,945	2,511
Profit	3,538	3,705
Profit attributable to owners of parent	3,538	3,705

## Consolidated Statement of Comprehensive Income

Nihon Chouzai Co., Ltd. and subsidiaries  
For the years ended March 31, 2021 and 2022

(Millions of yen)

	FY2020	FY2021
<b>Profit</b>	<b>3,538</b>	<b>3,705</b>
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	6	53
Total other comprehensive income	6	53
Comprehensive income	3,545	3,758
(Of which)		
Comprehensive income attributable to owners of parent	3,545	3,758

## Consolidated Statement of Changes in Net Assets

Nihon Chouzai Co., Ltd. and subsidiaries

(Millions of yen)

For the year ended March 31, 2020	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at the beginning of the period	3,953	10,926	35,762	△3,499	47,143	△70	△70	47,072
Changes of items during the period								
Dividends from surplus			△749		△749			△749
Profit attributable to owners of parent			3,538		3,538			3,538
Purchase of treasury stock				△0	△0			△0
Net changes of items other than shareholders' equity						6	6	6
Total changes of items during the period	-	-	2,789	△0	2,788	6	6	2,795
Balance at the end of the period	3,953	10,926	38,551	△3,500	<b>49,931</b>	△63	△63	<b>49,868</b>

(Millions of yen)

For the year ended March 31, 2022	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at the beginning of the period	3,953	10,926	38,551	△3,500	49,931	△63	△63	49,868
Changes of items during the period								
Dividends from surplus			△749		△749			△749
Profit attributable to owners of parent			3,705		3,705			3,705
Purchase of treasury stock				△0	△0			△0
Net changes of items other than shareholders' equity						53	53	53
Total changes of items during the period	-	-	2,955	△0	2,955	53	53	3,008
Balance at the end of the period	3,953	10,926	41,507	△3,500	<b>52,887</b>	△10	△10	<b>52,876</b>

## Consolidated Statement of Cash Flows

Nihon Chouzai Co., Ltd. and subsidiaries  
For the years ended March 31, 2021 and 2022

(Millions of yen)

	FY2020	FY2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	6,483	6,217
Depreciation	6,416	6,569
Amortization of long-term prepaid expenses	154	157
Impairment losses	1,920	669
Loss due to disaster	27	3,910
Insurance claim income	-	△3,909
Amortization of goodwill	1,763	1,814
Increase (decrease) in allowance for doubtful accounts	0	1
Increase (decrease) in provision for bonuses	282	258
Increase (decrease) in provision for directors' bonuses	△30	△1
Increase (decrease) in net defined benefit liabilities	193	120
Increase (decrease) in provision for directors' retirement benefits	△275	△127
Interest and dividend income	△1	△2
Interest expenses	314	295
Loss (gain) on sales of non-current assets	△396	△6
Decrease (increase) in notes and accounts receivable-trade	△20	1,185
Decrease (increase) in inventories	△694	△4,147
Increase (decrease) in notes and accounts payable-trade	1,250	4,363
Decrease (increase) in prepaid expenses	128	△75
Increase (decrease) in accrued expenses	△248	57
Decrease (increase) in accounts receivable-other	△456	△224
Increase (decrease) in accounts payable-other	718	378
Other	717	481
<b>Subtotal</b>	<b>18,246</b>	<b>17,989</b>
Interest and dividend income received	1	2
Interest expenses paid	△319	△299
Income taxes paid	△6,716	△2,189
Insurance payments received	-	3,909
<b>Net cash provided by (used in) operating activities</b>	<b>11,213</b>	<b>19,411</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	△5,955	△5,956
Proceeds from sales of property, plant and equipment	1,124	73
Purchase of intangible assets	△573	△1,753
Increase in long-term prepaid expenses	△116	△133
Payments for transfer of business	△907	△348
Proceeds from transfer of business	-	75
Purchase of shares of subsidiaries resulting in change in scope of consolidation	△823	△597
Payments for loans receivable	△18	-
Collection of loans receivable	88	84
Payments for lease and guarantee deposits	△769	△935
Proceeds from collection of lease and guarantee deposits	203	194
Other	△20	△18
<b>Net cash provided by (used in) investing activities</b>	<b>△7,767</b>	<b>△9,313</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	△100	1,000
Proceeds from long-term loans payable	8,000	10,900
Repayments of long-term loans payable	△9,406	△27,966
Repayments of lease obligations	△87	△140
Repayments of installment payable	△462	△462
Purchase of treasury stock	△0	△0
Cash dividends paid	△749	△749
Other	-	△28
<b>Net cash provided by (used in) financing activities</b>	<b>△2,806</b>	<b>△17,448</b>
Net increase (decrease) in cash and cash equivalents	639	△7,350
Cash and cash equivalents at beginning of period	32,254	32,893
Cash and cash equivalents at end of period	32,893	25,543

## Company Profile

### Trade name

NIHON CHOUZAI Co., Ltd.

### Established

March 1980

### Headquarters

37F GranTokyo North Tower, 1-9-1, Marunouchi, Chiyoda-ku, Tokyo  
100-6737  
+81-(0)3-6810-0800 (general)

### Capital

3,953.02 million yen

### Consolidated net sales

299.3 billion yen (FY2021)

### Employees

Regular employees: 5,552; part-time employees and others: 795

\*Figures for part-time employees and others represent the average annual number of employees based on conversion to an 8-hour workday.

### Main financing banks

Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Resona Bank, Ltd.

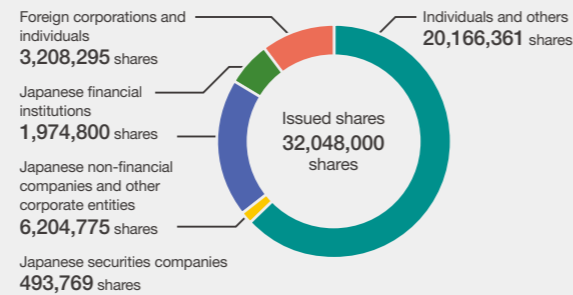
### Main business area

Management of a dispensing pharmacy chain

## Stock Information

### Distribution by Shareholder Type

(As of March 31, 2022)



### Changes in Shareholder Composition

Share (%)	2021/3	2022/3
Individuals and others	72.23	62.93
Japanese securities companies	1.34	1.54
Japanese non-financial companies and other corporate entities	8.18	19.36
Japanese financial institutions	7.08	6.16
Foreign corporations and individuals	11.17	10.01

Notes: 1. The 2,061,175 treasury stock owned by Nihon Chouzai are included in Individuals and others.  
2. Ratios are rounded off to two decimal places.

### Major Shareholders (Top 10 Shareholders)

Shareholder name	Number of shares held	Investment ratio (%)
Yosuke Mitsuahara	6,640,000	22.14
Hiroshi Mitsuahara	4,800,000	16.01
Mitsuahara Kosan Co., Ltd.	3,600,000	12.01
Max Planning, Inc.	2,240,000	7.47
The Master Trust Bank of Japan, Ltd. (trust account)	1,554,200	5.18
Nihon Chouzai Employee Shareholding Association	975,000	3.25
Yoko Mitsuahara	800,000	2.67
Keiko Yeow	538,600	1.80
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002	400,000	1.33
SMBC Nikko Securities Inc.	176,800	0.59

Notes: 1. Investment ratios are calculated after excluding treasury stock (2,061,175 shares).  
2. Investment ratios are rounded off to two decimal places.

## Affiliated companies

### Nihon Generic Co., Ltd.

Manufacture and sale of pharmaceuticals  
39F GranTokyo North Tower, 1-9-1 Marunouchi, Chiyoda-ku, Tokyo

<https://www.nihon-generic.co.jp/en/>

### Choseido Pharmaceutical Co., Ltd.

Manufacture and sale of pharmaceuticals  
92, Kokufuchoko, Tokushima, Tokushima

<https://www.choseido.com/>

### Medical Resources Co., Ltd.

Staffing and placement of healthcare professionals  
40F GranTokyo North Tower, 1-9-1 Marunouchi, Chiyoda-ku, Tokyo

<https://www.medical-res.co.jp/>

### Japan Medical Research Institute Co., Ltd.

Research investigation, provision of information and advertising media, and consulting services related to the healthcare industry in general

39F GranTokyo North Tower, 1-9-1 Marunouchi, Chiyoda-ku, Tokyo

<https://www.jpmedri.co.jp/>

## Shareholder Information

### Authorized shares

88,384,000

### Issued shares

32,048,000

### Number of shareholders

9,558

### Annual General Meeting of Shareholders

June

### Administrator of shareholder registry

Mitsubishi UFJ Trust and Banking Corporation  
1-1, Nikko-cho, Fuchu City, Tokyo 183-0044  
0120-232-711 (toll-free)

### Listed stock exchange

Tokyo Stock Exchange Prime Market

### Securities code

3341

### Settlement date

March 31