

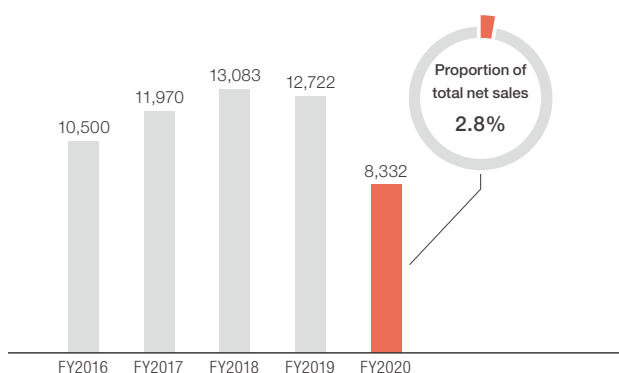


Medical Professional Staffing and Placement Business

Medical Resources Co., Ltd.

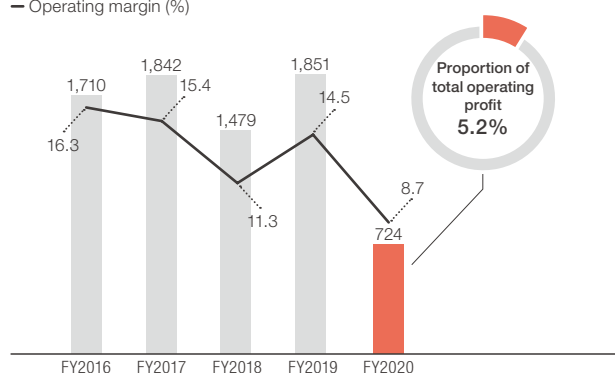
Net sales

■ Segment sales (millions of yen)



Operating profit

■ Operating profit (millions of yen)
— Operating margin (%)



Medical Resources by the Numbers

We believe communication with job seekers (medical professionals) and job providers (medical institutions and companies) is extremely important for our human resources business. Medical Resources values face-to-face meetings with both client groups, and have set up offices nationwide to establish a framework for meetings

and conversations. We have gained the trust and satisfaction of both job seekers and job providers through our efforts to grasp nuanced needs that are hard to convey over the telephone or in writing and crafting proposals that match the needs of both parties.



A Triple Crown in Career-Change Sites for Nurses



Temporary staffing of pharmacists

Estimated by Nihon Chouzai based on results of the MHLW FY2020 Worker Dispatch Business Report.



Best sites for nurses changing careers in Tokyo and Kanagawa



Nurse career-change sites people are watching



Sites with trustworthy consultant support

Survey by Japan Marketing Research Organization (conducted in April 2021)

A TRIPLE CROWN

in Career-Change Sites for Registered Pharmaceutical Sellers



Career-change site chosen by pharmacists

No.1

Survey by Japan Marketing Research Organization (conducted in July 2019)



Best career-change sites for registered pharmaceutical sellers who are experienced store managers and deputy store managers



Best companies for registered pharmaceutical sellers changing careers



Best career-change sites for registered pharmaceutical sellers in their 20s and 30s

Survey by Japan Marketing Research Organization (conducted in December 2020)

Medical Resources' Competitive Advantages

Offering high-value-added services to job providers (medical institutions and companies) and job seekers (doctors, pharmacists, and other medical professionals) as a comprehensive HR services company for the healthcare industry

In FY2020, we continued to shift our focus from staffing to placement in the core pharmacist business. Behind this strategy is the expanding scope of work demanded of pharmacists, such as serving as family pharmacists, which has fueled demand for the placement of high-quality personnel. Conversely, demand for temporary staffing of pharmacists is waning. The majority of pharmacies in Japan are privately owned or part of small- and medium-sized chains. Many of these pharmacies lack the resources to recruit pharmacists, which is undergirding ongoing high demand for staff placements. Our transition away from temporary staffing toward pharmacist and physician placements coincided with the impact of the

COVID-19 pandemic, which put further downward pressure on temporary pharmacist staffing demand. As a result, sales in the pharmacist staffing business were down year on year. Placements of pharmacists, doctors, and other medical professionals were up, however, driving a year-on-year increase in sales from this business.

Going forward, we expect to see progress in working style reforms and significant changes in the social conditions governing the medical professions. We will continue to respond swiftly to these changes and achieve sustainable growth by capitalizing on the synergy brought about by having a dispensing pharmacy business within the Group.

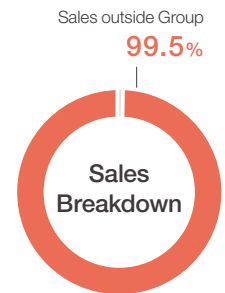
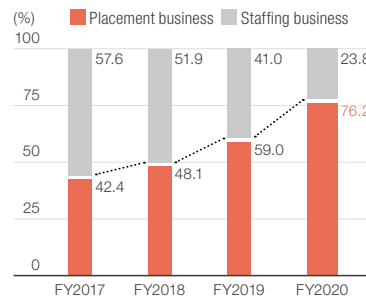
Growth Strategy

Ensuring high profitability and creating a balanced business portfolio by expanding the placement business

As the industry's leading company, Medical Resources boasts numerous strengths in the area of pharmacist staffing. Meanwhile, we are transitioning toward a more balanced business portfolio while targeting high profitability by expanding our placement business.

Going forward, in addition to capturing rising demand for family pharmacists* and growing the pharmacist placement service, we will expand our placement business for doctors, nurses, registered pharmaceutical sellers, and other medical professionals, to achieve even higher growth. Although Medical Resources is part of the Nihon Chouzai Group, the Group only accounts for 0.5% of total transactions. We will further expand the range of services we provide to the medical institutions and companies seeking qualified human resources and to the medical professionals who are considering a career change.

Gross Profit Breakdown



*A family pharmacist is expected to provide long-term support to a patient, grasping the patient's medication status (all prescription and over-the-counter drugs), continuously monitoring whether or not there are any unused medications and whether any side effects occur, and providing appropriate guidance. To enable such support, family pharmacists must meet the following criteria.
 Criteria for a family pharmacist:
 1. More than three years pharmacy experience
 2. Works at the pharmacy at least 32 hours a week
 3. Has at least one year tenure at the pharmacy
 4. Has obtained certified pharmacist training credentials from a certifying organization

We offer highly reliable HR services. Only 16 companies* in Japan have acquired all three types of certification

Three Reassurances We Offer Pharmacy Staff

We offer three kinds of reassurance to support the successful career changes of pharmacists.



Privacy Mark

As a company that has acquired Privacy Mark business certification, we recognize the value of personal information entrusted to us by customers. We rigorously manage customer information in accordance with our privacy policy.



Excellent Job Placement Agency certification

Medical Resources has been certified as a company that complies with the Conduct Guidelines established by the Excellent Job Placement Agency Recommendation Council. We have met certain criteria including stability of management, thorough compliance with laws and regulations, and proper business operation.



Excellent Temporary Staffing Agency certification

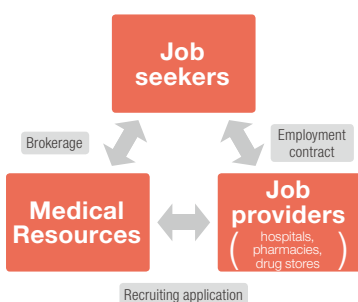
We are certified as a company that not only complies with laws and regulations, but also provides reassuring services to both temporary staff and the companies where they work. We support career development for temporary staff, help ensure better working environments, and work to prevent problems at the companies where they work.

*Number of Certified Companies: Excellent Job Placement Agency certification: 38; Excellent Temporary Staffing Agency certification: 152; Privacy Mark: 16,639
 *Companies with all three types of certification were extracted from all certified companies appearing in the following: JIPDEC, List of Excellent Job Placement Agencies, List of Excellent Temporary Staffing Agencies (as of July 14, 2021)

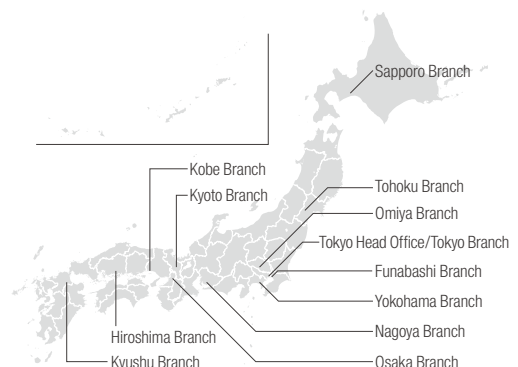
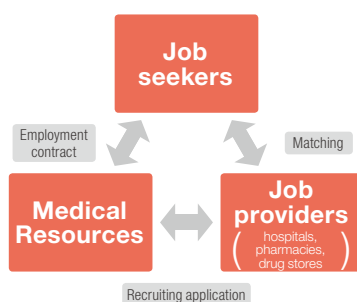
We have continued to improve matching quality over many years through our detail-oriented counseling. As a company that handles important personal information, we have acquired Privacy Mark certification and have sought to build a high-quality, highly reliable staffing and placement business. A company that obtains these certifications has not only demonstrated the quality of its placement and staffing services, but proven that it meets numerous other criteria,

including having a sound business and a framework for compliance management. Furthermore, as 99.5% of our sales derive from staffing and placement services to privately owned pharmacies and pharmacy chains other than Nihon Chouzai, we are well-positioned to help achieve a true separation of drug prescribing and dispensing services by sending high-quality pharmacists into the field throughout Japan.

Placement Business



Staffing Business



Business Development

Pharmacist Businesses



High brand recognition

Medical Resources undertakes HR services for Nihon Chouzai, a company with overwhelmingly high brand recognition in the healthcare industry, which is renowned for its high caliber of education. By providing high-quality educational content to the pharmacists we staff and place, we deliver high-value-added human resources. We are striving to further enhance our brand recognition, such as by providing client pharmacies with business support plans and high-value-added services that draw on the pharmacy management expertise of the Nihon Chouzai Group.

Face-to-face engagement

With offices throughout Japan, we place great value on the information that can be gleaned by speaking directly with medical professionals as we meet face-to-face and offer career change counseling. We stress the importance not only of identifying desired employment conditions of job seekers, but also their optimal working environments and needs, to be able to present them with ideal job offers.

Working styles have a tremendous influence on people's lives. We seek to provide a sense of security to job seekers with regard to working styles by leveraging our high brand recognition and cultivating trust through direct dialogue. For job providers, we provide detailed information about the latest developments in the career change market. Combined with the high quality of our matching services, this supports our unflagging efforts to ensure a win-win situation for both job seekers and recruiters at hiring companies.

High Matching Quality



Ability to attract customers

Regardless of whether or not they are actively seeking a new job, pharmacists tend to be highly motivated people. Many are attuned to new information on a daily basis. Moreover, because pharmacists are required to have a high degree of specialized knowledge as medical professionals, needs for informative websites, such as the one shown below (Pharma Labo), are increasing year by year. By adapting to these circumstances and keeping abreast of pharmacists' careers, we are working continuously to be an even more trusted medium.



Education

By providing high-quality educational content to pharmacists in our staffing and placement businesses, we cultivate high-value-added human resources. The advanced educational program developed for pharmacies in Nihon Chouzai's Dispensing Pharmacy Business is a strength unmatched by other companies.

Content for Pharmacists

JP Learning

JP Learning is an e-learning course that allows participants to earn the credits needed to acquire certified pharmacist training credentials. The course provides more than 1,000 pages of substantial content.

Seminars for pharmacists

We hold seminars for pharmacists several times a year, teaching the drug dispensing and medical knowledge required of pharmacists and new industry trends.

Retention program

This program forms part of the health and welfare benefits for temporarily staffed pharmacists. We also hold money management seminars as well as other seminars for working women.

Yaku-Tore (medication training)

A drug dispensing textbook edited by Nihon Chouzai, provided as a smartphone-based app. The textbook also covers drug dispensing fee revisions.

Content for Pharmacies

Management seminars

A pharmacy management seminar teaching the management know-how of Nihon Chouzai.

Business support planning

This program for companies addresses various issues in pharmacy management through seminars and practical training.

Doctor Businesses

We began our full-scale involvement in the doctor staffing and placement business in FY2017, and began expanding nationwide from April 2018. Having a dispensing pharmacy business within the Group affords the advantage of being able to quickly identify the needs of doctors opening up new practices. We are also expanding our placement business for doctors by demonstrating the mutual benefits of collaboration with the MC-Mentaio Sales Division, which operates pharmacies in medical centers, near train stations and in shopping districts for Nihon Chouzai's Dispensing Pharmacy Business.

In FY2020, upfront investments made up until the preceding year began to bear fruit. Having doubled our

salesforce, we saw a 374% jump in net sales compared to the FY2017, before we launched full-scale efforts in the doctor staffing business. Moreover, to attract more job candidates, we bolstered our efforts to secure job offers, resulting in a significant 167% year-on-year increase in sales. We will continue to improve the appeal of our HR businesses for doctors by fostering an environment that can meet the needs of job seekers.

Further, from April 2021, we were able to make social contributions by referring doctors for workplace vaccination programs of companies and municipalities throughout Japan in response to heightened demand for COVID-19 vaccination.

Four regional sales offices added in FY2018

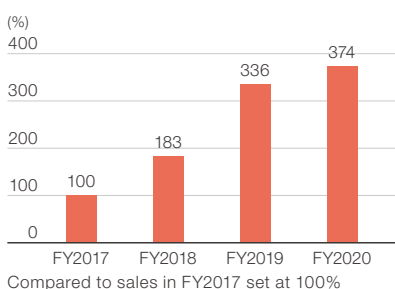
Sales Offices

- New
- Existing



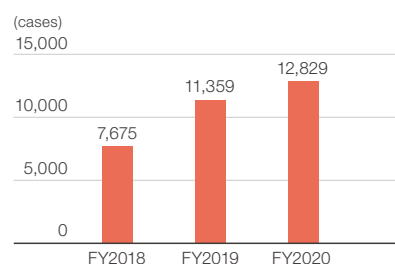
Contributing to sales in FY2020

Growth in Net Sales



Increase in the number of job offers in FY2020

Growth in Doctor Job Offers



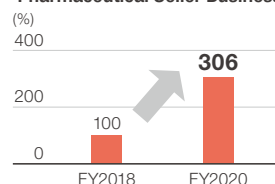
Registered Pharmaceutical Seller Business

More companies are seeking to hire registered pharmaceutical sellers, who are qualified to sell Class 2 (medium-risk) and Class 3 (low-risk) over-the-counter (OTC) drugs. The scale of this market is also expanding, as drug stores, convenience stores, and other retailers broaden their lineup of OTC drugs. Medical Resources entered the registered pharmaceutical seller staffing and placement field in FY2018, and although sales in FY2020 decreased amid the COVID-19 pandemic, we expect a turnaround as the pandemic wanes. We overhauled our recruitment website in March 2020, drawing broad

support, and have been chosen as the No. 1 company among registered pharmaceutical sellers considering a career change.



Growth in Sales of Registered Pharmaceutical Seller Business



Compared to sales in FY2018 set at 100%

Nurse Business

We overhauled the recruitment website for nurses in August 2019 to make it easier to use for job seekers. In FY2019, we augmented the number of staff in this business and have been carrying out nurse-centered sales activities. One outcome has been that we were voted the No. 1 recruitment site with trustworthy consultant support. Though fairly new, the business is off to a solid start, and we will continue to take actions to grow the business going forward.



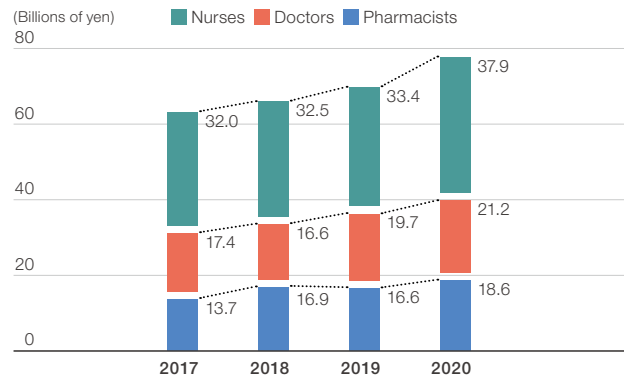
Market Environment

Size of Market for Pharmacists, Doctors, and Nurses

For the fiscal year ending March 2020, the size of the personnel placement market was 18.6 billion yen for pharmacists, 21.2 billion yen for doctors, and 37.9 billion yen for nurses. We can expect further growth in our placement businesses. The pharmacist placement business still has room for expansion, while the potential scale of the market for doctors and nurses is much larger than that for pharmacists.

In FY2020, the COVID-19 pandemic brought about a significant shift in the market supply and demand balance, but we will continue to pursue greater business expansion by leveraging the strengths the Group has built up over time, including its strong brand recognition, reputation for reliability, and the appeal of face-to-face support.

Size of Market for Pharmacists, Doctors, and Nurses*



Number of pharmacists (2018)	Number of doctors (2018)	Number of nurses (2019)	Number of pharmacies (2018)	Number of hospitals (January 2021)	Number of clinics (January 2021)
311,289	327,210	1,683,295	59,138	8,372	103,071

Sources: MHLW Statistical Results of FY2018 Report on Employment Placement Business (Preliminary Report); 2018 Overview of Statistics on Doctors, Dentists, and Pharmacists; Japanese Nursing Association, Statistical Data on Nursing Service in Japan; MHLW Handbook of Health and Welfare Statistics (FY2018) Part 2 "Health", Chapter 4 "Pharmaceutical Affairs"; Summary of Surveys (Dynamic) of Medical Institutions and Hospital Report
 *Size of market for pharmacists includes dentists and veterinarians.

Business Development

WORKERS DOCTORS: A Resource for Registration, Placement, Requests, and Support for Industrial Doctors

As part of the key strategy of promoting the industrial doctor business, in November 2020, we consolidated WORKERS DOCTORS Co., Ltd., a long-term player in the industrial doctor HR business. We will expand our presence in the healthcare field by capturing the growing demand for effective health management as part of companies' ESG management. By drawing on Medical Resource's track record in doctor placements and nationwide sales framework as well as the expertise and network WORKERS DOCTORS has built up in the industrial doctor field, we will expand the industrial doctor HR business nationwide while also broadening the business to meet a wider range of needs for occupational health management, including mental health, which has become indispensable for companies' health management initiatives.



Placing Medical Staff for Mass Vaccination Efforts

Increasingly in Japan, local governments and companies are turning to doctor and nurse staffing and placement to carry out mass vaccination efforts to combat COVID-19. Securing adequate medical staff is a major issue constraining these efforts, but through its comprehensive medical HR services, Medical Resources is positioned to

provide the needed pharmacists, doctors, and nurses, and boasts expertise in gathering medical staff with a short turnaround time. To date, we have placed medical professionals with more than 30 local governments, companies, and corporate groups.