

April 30, 2025

## Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

[Japanese GAAP]

Company name:	NIHON CHOUZAI Co., Ltd.	Listing:	Tokyo Stock Exchange, Prime Market
Stock code:	3341	URL:	<a href="https://www.nicho.co.jp">https://www.nicho.co.jp</a>
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Scheduled date of Annual General Meeting of Shareholders:			June 25, 2025
Scheduled date of filing of Annual Securities Report:			June 26, 2025
Scheduled date of payment of dividend:			June 26, 2025
Preparation of supplementary materials for financial results:			Yes
Holding of financial results meeting:			Yes (for institutional investors and analysts)

Note: The original disclosure in Japanese was released on April 30, 2025 at 16:00 (GMT +9).

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

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 – March 31, 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	%
Fiscal year ended Mar. 31, 2025	360,512	5.9	15,856	(13.1)	6,239	(31.8)	6,915	(26.7)	1,391	(45.5)
Fiscal year ended Mar. 31, 2024	340,310	8.6	18,251	11.7	9,142	20.5	9,439	22.9	2,553	(42.7)

Note: Comprehensive income (million yen) FY3/25: 1,543 (-41.0%) FY3/24: 2,614 (-41.3%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2025	46.54	—	2.4	3.5	1.7
Fiscal year ended Mar. 31, 2024	85.35	—	4.4	5.0	2.7

Reference: Equity in income (losses) of affiliates (million yen) FY3/25: — FY3/24: —

Note: EBITDA = Operating profit + depreciation + goodwill amortization

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2025	197,105	59,097	30.0	1,978.13
As of Mar. 31, 2024	195,087	58,351	29.9	1,950.44

Reference: Shareholders' equity (million yen) As of Mar. 31, 2025: 59,097 As of Mar. 31, 2024: 58,351

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2025	8,824	(9,921)	2,526	27,463
Fiscal year ended Mar. 31, 2024	20,421	(13,726)	(4,430)	26,034

### 2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on net assets (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal year ended Mar. 31, 2024	—	12.50	—	12.50	25.00	749	29.3	1.3
Fiscal year ended Mar. 31, 2025	—	12.50	—	12.50	25.00	749	53.7	1.3
Fiscal year ending Mar. 31, 2026 (forecasts)	—	12.50	—	12.50	25.00		21.3	

### 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	8,200	63.9	3,000	609.1	2,000	158.8	900	—	30.12
Full year	372,800	3.4	19,500	23.0	8,000	28.2	6,900	(0.2)	3,500	151.6	117.15

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) 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

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

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

As of Mar. 31, 2025: 31,048,000 shares As of Mar. 31, 2024: 31,048,000 shares

2) Number of treasury shares at the end of period

As of Mar. 31, 2025: 1,172,744 shares As of Mar. 31, 2024: 1,130,711 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2025: 29,891,239 shares Fiscal year ended Mar. 31, 2024: 29,916,535 shares

Note:

The number of shares of the Company held in the Directors' Remuneration BIP Trust (March 31, 2025: 110 963 shares; March 31, 2024: 69,016 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.

**(For reference) Summary of Non-consolidated Financial Results**

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 – March 31, 2025)**

(1) Non-consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2025	315,614	5.9	5,693	(27.3)	7,028	(18.5)	1,313	(56.0)
Fiscal year ended Mar. 31, 2024	298,040	8.3	7,832	(1.1)	8,625	(0.1)	2,984	(5.4)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2025	43.94	—
Fiscal year ended Mar. 31, 2024	99.76	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2025	157,190	44,282	28.2	1,482.24
As of Mar. 31, 2024	155,685	43,767	28.1	1,462.94

Reference: Shareholders' equity (million yen) As of Mar. 31, 2025: 44,282 As of Mar. 31, 2024: 43,767

Note 1: This financial report is not subject to audit by certified public accountants or auditing firms.

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. As for matters concerning the financial results forecast, please see "1. Overview of Results of Operations (4)Outlook" on page 5 of the attachments.

(2) How to view supplementary materials for financial results

The supplementary materials for financial results will be disclosed on TDNet, and will be posted on the Company's website.

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## 1. Overview of Results of Operations

### (1) Results of Operations

In the consolidated fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025), the Japanese economy showed signs of modest recovery, although some areas remained stagnant. Looking ahead, the economy is expected to continue recovering gradually amid improving employment and income conditions, but caution remains warranted due to the potential impact of slowing overseas economies 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 consolidated fiscal year ended March 31, 2025, despite an increase in prescription volume in the Dispensing Pharmacy Business and groupwide efforts to control costs, performance was weighed down by impairment losses recorded at some of the dispensing pharmacies in the Dispensing Pharmacy Business, and the impact of manufacturing management deficiencies discovered at the Kawauchi Plant of Choseido Pharmaceutical in the Pharmaceutical Manufacturing and Sales Business.

As a result, net sales came to 360,512 million yen (+5.9% YoY), operating profit of 6,239 million yen (-31.8% YoY), ordinary profit of 6,915 million yen (-26.7% YoY), and profit attributable to owners of parent of 1,391 million yen (-45.5% YoY).

Segment-specific earnings are as indicated below.

#### 1) Dispensing Pharmacy Business

In the consolidated fiscal year under review, prescription volume increased by 4.1% year-on-year, owing to contributions from pharmacies newly opened in the current and previous fiscal years, as well as a rise in the number of patients with influenza and other acute illnesses from mid-December onward. Meanwhile, the cost of sales and SG&A expenses rose due to wage increases implemented in April 2024. As a result, while net sales increased, operating profit declined, with net sales of 321,951 million yen (+6.3% YoY) and operating profit of 13,446 million yen (-11.5% YoY).

As of March 31, 2025, the Group had a total of 753 pharmacies, reflecting 38 pharmacy openings and 21 closures during the fiscal year. The average share of generic drugs dispensed, on a volume basis, rose 3.2pt from September 2024 to 93.3% across the Group (excluding discontinued items), mainly due to the launch of the Selective Care System for long-term listed drugs (brand-name drugs with generic versions) in October 2024. Group pharmacies providing at-home medical care—defined as those making at least 24 home visits annually—grew steadily, accounting for 94.9% of the total.

In efforts to improve healthcare access and convenience for patients, we have actively promoted the adoption and use of My Number Cards (personal identification number cards) as health insurance cards. As of March 2025, the average usage rate of My Number Cards as health insurance cards at Nihon Chouzai pharmacies was 44.2%.

Further, we continued to expand the lineup of 5 COINS PHARMA, our brand of uniformly priced OTC drugs, and broadened sales channels beyond Group pharmacies to include the major online retail platform Amazon, where we launched sales in March 2025. Through these efforts, we are bolstering initiatives to promote self-medication for all.

#### 2) Pharmaceutical Manufacturing and Sales Business

In the fiscal year under review, the Pharmaceutical Manufacturing and Sales Business reported net sales of 40,156 million yen (-0.7% YoY) and operating loss of 630 million yen (operating profit of 250 million yen same period a year ago).

Net sales and operating profit declined. While both existing products and newly NHI-listed products launched in December 2024 sell robustly, a drop in selling prices of existing products following the April 2024 NHI drug price

revision, as well as the ongoing impact of manufacturing management deficiencies discovered at the Kawauchi Plant of Choseido Pharmaceutical in the same month. On March 27, 2025, Choseido received an administrative penalty issued by Tokushima Prefecture under the Act on Securing Quality, Efficacy and Safety of Pharmaceuticals and Medical Devices. In response, on April 23, Choseido submitted a business improvement plan to address the corrective order. The subsidiary fully complied with the order to suspend pharmaceutical manufacturing operations during the designated period and resumed operations on April 30. 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.

As of March 31, 2024, the Group offered a total of 434 products, including one OTC drug, reflecting a revision of the product lineup. In-house manufactured products accounted for 50.2% of the total, a proportion that has been steadily increasing since the fiscal year ended March 31, 2020. To ensure a stable supply, we had previously restricted shipments of many products due to industrywide supply concerns. However, we are gradually resuming normal shipments, starting with products for which a reliable supply system has been established. As of March 31, 2024, 115 products were under restricted shipment schedules. We will continue to prioritize quality management and the stable supply of generic drugs while expanding our lineup of in-house manufactured products, including those newly added to the NHI drug price list, by investing in R&D. We will also take measures to enhance productivity.

### **3) Medical Professional Staffing and Placement Business**

In the fiscal year under review, the Medical Professional Staffing and Placement Business generated net sales of 11,365 million yen (+13.8% YoY) and operating profit of 937 million yen (+0.0% YoY).

The year-on-year increase in net sales and operating profit was attributed to continued growth of the mainstay pharmacist staffing and placement business. 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) Financial Position**

Total assets as of the end of March 2025 were 197,105 million yen, up 2,018 million yen (+1.0%), compared to 195,087 million yen at the end of the previous consolidated fiscal year. This is mainly due to increase in Raw materials and supplies.

Total liabilities were 138,008 million yen, up 1,273 million yen (+0.9%) compared to 136,735 million yen at the end of the previous consolidated fiscal year. This is mainly due to increased in Short-term loans payable.

Total net assets were 59,097 million yen, up 745 million yen (+1.3%) compared to 58,351 million yen at the end of the previous consolidated fiscal year. As a result, our equity ratio is 30.0%

**(3) Cash Flows**

There was a net an increase of 1,429 million yen in cash and cash equivalents from the end of March 2024 to 27,463 million yen at the end of March 2025.

Net cash provided by operating activities was 8,824 million yen, a decrease of 11,596 million yen from one year earlier. Major income factors include 7,659 million yen of depreciation and 2,850 million yen from profit before income taxes. Conversely, major expenditure factors include 3,480 million yen in income tax paid and 3,103 million yen increase from inventories.

Net cash used in investing activities 9,921 million yen, a decrease of 3,805 million yen. Major expenditure factors include expenditures of 6,376 million yen for the purchase of property, plant and equipment. This is mainly comprised of investments for new store opening in the dispensing pharmacy business and capital investments in the pharmaceutical manufacturing and sales business.

Net cash used in financing activities 2,526 million yen, an increase of 6,956 million yen. Major income factors include 9,450 million yen from long-term loans payable. Conversely, major expenditure factors include 10,981 million yen in repayments of long-term loans payable.

## Trends in cash flow indicators

	FY3/21	FY3/22	FY3/23	FY3/24	FY3/25
Shareholders' equity ratio (%)	26.8	29.6	26.8	29.9	30.0
Shareholders' equity ratio based on market prices (%)	28.7	22.3	28.7	24.3	22.7
Cash flows to debt ratio (years)	6.5	2.9	6.5	2.7	6.6
Interest coverage ratio (times)	35.1	64.8	35.1	68.7	20.2

Note: The above figures are calculated as follows.

Shareholders' equity ratio: Shareholders' equity / Total assets

Shareholders' equity ratio based on market prices: Market capitalization / Total assets

Cash flows to debt ratio: Interest-bearing debts / Operating cash flows

Interest coverage ratio: Operating cash flows / Interest payments

- All indices are calculated based on consolidated figures.
- Market capitalization is calculated by multiplying the listed share price at the end of period by the number of shares outstanding (net of treasury shares) at the end of period.
- Operating cash flows are calculated using the figures for "Net cash provided by (used in) operating activities" in the consolidated statement of cash flows. Interest-bearing debts include all debts on the consolidated balance sheet that incur interest. Interest payments are calculated using the figures for "Interest expenses paid" in the consolidated statement of cash flows.

#### (4) Outlook

In the dispensing pharmacy industry, the Group's primary battleground, the government has introduced dispensing fee revisions that emphasize the strengthening and utilization of family pharmacy functions, provision of at-home medical care, and promotion of healthcare digitalization. These revisions indicate an expanding role of pharmacies and pharmacists as community medical institutions and healthcare providers, coupled with an increasing demand for their adaptability in response to significant changes in the operating environment.

We have actively promoted the central management of medication information using our electronic medication notebook, Okusuri Techo Plus, provided medication guidance tailored to each patient, cooperated with medical institutions, and enhanced post-dispensing consultations and follow-ups. We were among the first in the industry to expand online healthcare services, using our in-house developed online pharmacy service NiCOMS and handle electronic prescriptions. Further, to provide higher quality medical services to patients, many of our pharmacies have obtained certifications as specialized medical institution cooperation pharmacies and regional cooperation pharmacies ahead of industry peers. As such, we have focused on developing pharmacies that serve as hubs for local medical institutions and advanced medical care, while also cultivating highly specialized pharmacists.

Viewing the drastically changing business environment as a growth opportunity, we have positioned online medical services, at-home medical care, and specialty drugs as focus areas and are aggressively investing in their growth. We have already built a system for online medical services through our in-house developed medication notebook app Okusuri Techo Plus and online pharmacy service NiCOMS; expanded At-Home Medical Care Support Centers that mainly provide at-home medical care; and opened pharmacies in the vicinity of hospitals that serve as centers for advanced medical care.

To respond to the rapidly changing business environment, strengthen corporate governance, and meet stakeholder expectations for sustainability management, the Group released its medium- to long-term management plan, Long-Term Vision 2035, in September 2024. Under the Vision, the Group has set an aspirational goal of becoming "the most trusted partner in healthcare" –the first choice people turn to for advice. We will strive to further improve capital profitability and growth while working together to realize our Vision.

In the fiscal year ending March 31, 2026, in Dispensing Pharmacy Business, we expect sales growth driven by contributions from pharmacies newly opened in the previous fiscal year, increased handling of specialty drugs, and a stronger focus on in-home medical care. However, we anticipate a year-on-year decline in profit, primarily due to the hiring of some 500 newly graduated pharmacists and costs associated with a major overhaul of the dispensing system, aimed at further streamlining operations and enhancing patient-facing services.

In the Pharmaceutical Manufacturing and Sales Business, the business environment has become even more challenging due to annual drug price revisions and rising manufacturing costs caused by recent high inflation. However, we will strive to minimize the impact of these factors and improve profitability through the continuous launch of newly NHI-listed products and cost reduction activities. In addition, we are continuing to work with the generics industry as a whole to resolve issues related to the supply of generic drugs, and we will continue to fortify our stable supply systems. The Group will address the manufacturing management shortfalls at Choseido's Kawauchi Plant by prioritizing recurrence prevention, quality control, and stable supply, in line with the business improvement plan.

In the Medical Professional Staffing and Placement Business, although growth in demand for pharmacist staffing and placement services has slowed, the Group aims to increase market share by enhancing usability through a system overhaul and strengthening customer acquisition efforts. In the physician staffing and placement segment, which has continued to grow in recent years, we plan to implement initiatives to further accelerate business expansion. We also intend to expand our healthcare services nationwide, including the occupational physician staffing and placement business.

As a result of the above, for the fiscal year ending March 31, 2025, we forecast net sales of 372,800 million yen (+3.4% YoY), operating profit of 8,000 million yen (+28.2% YoY), ordinary profit of 6,900 million yen (-0.2% YoY), and profit attributable to owners of parent of 3,500 million yen (+151.6% YoY).

## **2. Basic Approach to the Selection of Accounting Standards**

The Nihon Chouzai Group will continue to prepare consolidated financial statements using Japanese accounting standards for the time being to permit comparisons with prior years and with the financial data of other companies. We will take suitable actions with regard to the application of the International Financial Reporting Standards (IFRS) by taking into account associated factors in Japan and other countries.

### 3. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheet

	(Millions of yen)	
	FY3/24 (As of Mar. 31, 2024)	FY3/25 (As of Mar. 31, 2025)
Assets		
Current assets		
Cash and deposits	26,034	27,463
Notes receivable-trade	69	8
Accounts receivable-trade and contract assets	21,761	23,167
Electronically recorded monetary claims-operating	395	360
Merchandise and finished goods	28,992	29,507
Work in process	2,420	2,057
Raw materials and supplies	6,677	9,682
Other	4,691	4,726
Allowance for doubtful accounts	(12)	(11)
Total current assets	91,031	96,962
Non-current assets		
Property, plant and equipment		
Buildings and structures	59,149	58,944
Accumulated depreciation	(31,267)	(32,447)
Buildings and structures, net	27,882	26,496
Machinery, equipment and vehicles	22,480	23,662
Accumulated depreciation	(10,724)	(12,175)
Machinery, equipment and vehicles, net	11,756	11,487
Land	13,371	13,105
Leased assets	1,826	1,624
Accumulated depreciation	(710)	(868)
Leased assets, net	1,116	755
Construction in progress	2,642	1,661
Other	23,324	25,207
Accumulated depreciation	(19,664)	(20,931)
Other, net	3,659	4,275
Total property, plant and equipment	60,428	57,781
Intangible assets		
Goodwill	12,955	11,587
Other	8,471	10,864
Total intangible assets	21,426	22,452
Investments and other assets		
Investment securities	18	13
Long-term loans receivable	4,868	4,657
Leasehold and guarantee deposits	9,904	7,759
Deferred tax assets	5,656	6,310
Other	1,752	1,168
Total investments and other assets	22,200	19,908
Total non-current assets	104,056	100,143
Total assets	195,087	197,105

	(Millions of yen)	
	FY3/24 (As of Mar. 31, 2024)	FY3/25 (As of Mar. 31, 2025)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	52,759	54,954
Electronically recorded obligations-operating	3,657	2,133
Short-term loans payable	450	5,500
Current portion of long-term loans payable	10,981	8,660
Lease obligations	171	153
Income taxes payable	2,072	743
Provision for bonuses	4,086	4,285
Provision for bonuses for directors (and other officers)	63	58
Asset retirement obligations	853	61
Other	9,762	8,136
<b>Total current liabilities</b>	<b>84,858</b>	<b>84,687</b>
<b>Non-current liabilities</b>		
Long-term loans payable	42,108	42,898
Lease obligations	1,213	1,058
Provision for retirement benefits for directors (and other officers)	85	79
Retirement benefit liability	2,587	2,536
Asset retirement obligations	1,410	2,276
Other	4,471	4,471
<b>Total non-current liabilities</b>	<b>51,876</b>	<b>53,321</b>
<b>Total liabilities</b>	<b>136,735</b>	<b>138,008</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	3,953	3,953
Capital surplus	9,228	9,228
Retained earnings	47,020	47,661
Treasury shares	(1,898)	(1,946)
<b>Total shareholders' equity</b>	<b>58,303</b>	<b>58,896</b>
<b>Accumulated other comprehensive income</b>		
Remeasurements of defined benefit plans	48	200
<b>Total accumulated other comprehensive income</b>	<b>48</b>	<b>200</b>
<b>Total net assets</b>	<b>58,351</b>	<b>59,097</b>
<b>Total liabilities and net assets</b>	<b>195,087</b>	<b>197,105</b>

**(2) Consolidated Statements of Income and Comprehensive Income****(Consolidated Statement of Income)**

(Millions of yen)

	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)
Net sales	340,310	360,512
Cost of sales	283,073	303,147
Gross profit	57,236	57,365
Selling, general and administrative expenses	48,093	51,125
Operating profit	9,142	6,239
Non-operating income		
Commission income	46	46
Rent income	703	876
Compensation income	208	310
Insurance income	16	6
Subsidy income	56	519
Other	355	507
Total non-operating income	1,387	2,266
Non-operating expenses		
Interest expenses	355	460
Rent expenses	484	661
Loss on retirement of non-current assets	39	83
Other	212	385
Total non-operating expenses	1,090	1,590
Ordinary profit	9,439	6,915
Extraordinary income		
Gain on sales of non-current assets	65	20
Compensation income	32	33
Total extraordinary income	97	68
Extraordinary losses		
Loss on sales of non-current assets	7	0
Impairment loss	4,391	4,132
Total extraordinary losses	4,399	4,132
Profit before income taxes	5,137	2,850
Income taxes-current	3,782	1,976
Income taxes-deferred	(1,197)	(516)
Total income taxes	2,584	1,459
Profit	2,553	1,391
Profit attributable to owners of parent	2,553	1,391

**(Consolidated Statement of Comprehensive Income)**

(Millions of yen)

	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)
Profit	2,553	1,391
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	60	152
Total other comprehensive income	60	152
Comprehensive income	2,614	1,543
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,614	1,543

**(3) Consolidated Statement of Changes in Equity**

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,953	10,926	45,216	(3,600)	56,495
Changes of items during period					
Dividends of surplus	—	—	(749)	—	(749)
Profit attributable to owners of parent	—	—	2,553	—	2,553
Purchase of treasury shares	—	—	—	(0)	(0)
Disposal of treasury shares	—	—	—	4	4
Cancellation of treasury shares	—	△1,698	—	1,698	—
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during period	—	(1,698)	1,803	1,702	1,807
Balance at end of current period	3,953	9,228	47,020	(1,898)	58,303

	Accumulated other comprehensive income		Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	(12)	(12)	56,483
Changes of items during period			
Dividends of surplus	—	—	(749)
Profit attributable to owners of parent	—	—	2,553
Purchase of treasury shares	—	—	(0)
Disposal of treasury shares	—	—	4
Cancellation of treasury shares	—	—	—
Net changes of items other than shareholders' equity	60	60	60
Total changes of items during period	60	60	1,868
Balance at end of current period	48	48	58,351

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

(Millions of yen)

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of current period	3,953	9,228	47,020	(1,898)	58,303
Changes of items during period					
Dividends of surplus	—	—	(749)	—	(749)
Profit attributable to owners of parent	—	—	1,391	—	1,391
Purchase of treasury shares	—	—	—	(70)	(70)
Disposal of treasury shares	—	—	—	21	21
Cancellation of treasury shares	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during period	—	—	641	(48)	592
Balance at end of current period	3,953	9,228	47,661	(1,946)	58,896

	Accumulated other comprehensive income		Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	48	48	58,351
Changes of items during period			
Dividends of surplus	—	—	(749)
Profit attributable to owners of parent	—	—	1,391
Purchase of treasury shares	—	—	(70)
Disposal of treasury shares	—	—	21
Cancellation of treasury shares	—	—	—
Net changes of items other than shareholders' equity	152	152	152
Total changes of items during period	152	152	745
Balance at end of current period	200	200	59,097

**(4) Consolidated Statement of Cash Flows**

(Millions of yen)

	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)
Cash flows from operating activities		
Profit before income taxes	5,137	2,850
Depreciation	7,170	7,659
Amortization of long-term prepaid expenses	102	103
Impairment loss	4,391	4,132
Compensation income	(32)	(33)
Amortization of goodwill	1,891	1,908
Increase (decrease) in allowance for doubtful accounts	5	(0)
Increase (decrease) in provision for bonuses	186	197
Increase (decrease) in provision for bonuses for directors (and other officers)	(4)	(5)
Increase (decrease) in retirement benefit liability	113	(50)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	5	(5)
Interest and dividend income	(24)	(69)
Interest expenses	355	460
Loss (gain) on sales of non-current assets	(57)	(20)
Decrease (increase) in notes and accounts receivable- trade	(177)	(1,240)
Decrease (increase) in inventories	(1,768)	(3,103)
Increase (decrease) in notes and accounts payable-trade	6,501	564
Decrease (increase) in prepaid expenses	(216)	65
Increase (decrease) in accrued expenses	152	201
Decrease (increase) in accounts receivable-other	127	190
Increase (decrease) in accounts payable-other	1,112	(664)
Other, net	(139)	(423)
Subtotal	24,833	12,705
Interest and dividend income received	1	3
Interest expenses paid	(297)	(436)
Income taxes paid	(4,149)	(3,480)
Proceeds from compensation income	32	33
Net cash provided by (used in) operating activities	20,421	8,824
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,943)	(6,376)
Proceeds from sales of property, plant and equipment	88	50
Purchase of intangible assets	(3,461)	(2,842)
Increase in long-term prepaid expenses	(56)	(89)
Payments for acquisition of businesses	(307)	(655)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(716)	(436)
Payment of loans receivable	(936)	(158)
Collection of loans receivable	178	340
Payments of leasehold and guarantee deposits	(3,137)	(568)
Proceeds from refund of leasehold and guarantee deposits	117	703
Other, net	1,447	93
Net cash provided by (used in) investing activities	(13,726)	(9,921)

	(Millions of yen)	
	FY3/24	FY3/25
	(Apr. 1, 2023 – Mar. 31, 2024)	(Apr. 1, 2024 – Mar. 31, 2025)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,550)	5,050
Proceeds from long-term loans payable	8,500	9,450
Repayments of long-term loans payable	(10,440)	(10,981)
Repayments of lease obligations	(190)	(172)
Repayments of installment payables	—	—
Purchase of treasury shares	(0)	(70)
Cash dividends paid	(749)	(749)
Net cash provided by (used in) financing activities	(4,430)	2,526
Net increase (decrease) in cash and cash equivalents	2,263	1,429
Cash and cash equivalents at beginning of period	23,770	26,034
Cash and cash equivalents at end of period	26,034	27,463

## **(5) Notes to Consolidated Financial Statements**

### **Going-concern Assumption**

Not applicable.

### **Changes in accounting estimates**

In the consolidated fiscal year ended March 31, 2025, with the acquisition of new information on the asset retirement obligations that had been recorded as restoration obligations in connection with real estate lease contracts, the Company changed its estimate regarding the cost of restoring the leased assets to their original state. The increase of 667 million yen due to this change in estimate was added to the balance of asset retirement obligations before the change. The Company recorded impairment losses on a portion of the property, plant and equipment recorded as a result of this change, and as a result of this change in estimate, profit before income taxes decreased by 279 million yen for the consolidated fiscal year ended March 31, 2025.

## **Segment and Other Information**

### **Segment information**

#### 1. Overview of reportable segments

Segments used for financial reporting are the Group's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Group consists of three business units: the dispensing pharmacy business, the pharmaceutical manufacturing and sales business, and the medical professional staffing and placement business. Each business unit determines its own comprehensive strategies and conducts its own business activities. Consequently, the Group has three reportable business segments: the dispensing pharmacy business, the pharmaceutical manufacturing and sales business, and the medical professional staffing and placement business.

The dispensing pharmacy business segment involves the operation of dispensing pharmacies. The pharmaceutical manufacturing and sales business segment involves manufacturing and sales activities that specialize mainly in generic drugs and other pharmaceuticals. The medical professional staffing and placement business segment involves the provision of a temporary staffing and placement services for pharmacists, physicians, nurses and other medical professionals.

#### 2. Calculation method for net sales, profit or loss, assets, liabilities, and other items for each reportable segment

The accounting treatment methods for reportable segments are generally the same as those listed in "Basis of the Preparation of Consolidated Financial Statements."

Earnings for reportable segments are operating profit.

Inter-segment sales and transfers are based on market prices.

3. Information related to net sales, profit or loss, assets, liabilities, and other items for each reportable segment  
FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Millions of yen)

	Reportable segment				Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	Dispensing pharmacy business	Pharmaceutical manufacturing and sales business	Medical professional staffing and placement business	Total		
Net sales						
(1) External sales	302,805	27,632	9,873	340,310	—	340,310
(2) Inter-segment sales and transfers	—	12,813	111	12,925	(12,925)	—
Total	302,805	40,446	9,984	353,235	(12,925)	340,310
Segment profit (loss)	15,189	250	937	16,376	(7,233)	9,142
Segment assets	115,690	71,055	4,993	191,739	3,348	195,087
Other items						
Depreciation	2,760	3,481	147	6,389	780	7,170
Amortization of goodwill	1,828	44	17	1,891	—	1,891
Impairment loss	3,225	1,166	—	4,391	—	4,391
Increase in property, plant and equipment and intangible assets	8,932	2,040	83	11,056	1,131	12,188

Notes: 1. The above adjustments include the following items.

- (1) The negative adjustment of minus 7,233 million yen to segment profit or loss includes a profit elimination of 69 million yen for inter-segment transactions and corporate expenses of minus 7,164 million yen. General and administrative expenses that do not belong to any reportable segment are the primary component of corporate expenses.
  - (2) The 3,348 million yen adjustment to segment assets includes a 43 million yen elimination for receivables associated with inter-segment transactions, a 176 million yen elimination for unrealized profit in inventories and a 3,568 million yen addition to corporate assets. Leasehold and guarantee deposits and land that do not belong to any reportable segment are the primary components of corporate assets.
  - (3) The 780 million yen adjustment of depreciation and the 1,131 million yen adjustment that is added to the increase in property, plant and equipment and intangible assets are for investments in corporate assets such as buildings.
2. Segment profit is adjusted to be consistent with operating profit shown on the consolidated statement of income.

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

(Millions of yen)

	Reportable segment				Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	Dispensing pharmacy business	Pharmaceutical manufacturing and sales business	Medical professional staffing and placement business	Total		
Net sales						
(1) External sales	321,951	27,381	11,179	360,512	—	360,512
(2) Inter-segment sales and transfers	—	12,774	185	12,959	(12,959)	—
Total	321,951	40,156	11,365	373,472	(12,959)	360,512
Segment profit (loss)	13,446	(630)	937	13,753	(7,514)	6,239
Segment assets	118,372	70,504	5,436	194,312	2,793	197,105
Other items						
Depreciation	3,236	3,502	131	6,870	788	7,659
Amortization of goodwill	1,888	—	20	1,908	—	1,908
Impairment loss	4,132	—	—	4,132	—	4,132
Increase in property, plant and equipment and intangible assets	6,904	2,475	136	9,516	1,268	10,784

Notes: 1. The above adjustments include the following items.

- (1) The negative adjustment of minus 7,514 million yen to segment profit or loss includes a profit elimination of 36 million yen for inter-segment transactions and corporate expenses of minus 7,550 million yen. General and administrative expenses that do not belong to any reportable segment are the primary component of corporate expenses.
  - (2) The 2,793 million yen adjustment to segment assets includes a 7 million yen elimination for receivables associated with inter-segment transactions, a 175 million yen elimination for unrealized profit in inventories and a 2,976 million yen addition to corporate assets. Leasehold and guarantee deposits and land that do not belong to any reportable segment are the primary components of corporate assets.
  - (3) The 788 million yen adjustment of depreciation and the 1,268 million yen adjustment that is added to the increase in property, plant and equipment and intangible assets are for investments in corporate assets such as buildings.
2. Segment profit is adjusted to be consistent with operating profit shown on the consolidated statement of income.

**Related information**

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

1. Information by product or service

Omitted because the same information is presented in segment information.

2. Information by region

(1) Net sales

Not applicable because there are no external sales outside Japan.

(2) Property, plant and equipment

Not applicable because there is no property, plant and equipment outside Japan.

3. Information about specific customers

Omitted because no single external customer accounts for 10% or more of sales as shown on the consolidated statement of income.

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

1. Information by product or service

Omitted because the same information is presented in segment information.

2. Information by region

(1) Net sales

Not applicable because there are no external sales outside Japan.

(2) Property, plant and equipment

Not applicable because there is no property, plant and equipment outside Japan.

3. Information about specific customers

Omitted because no single external customer accounts for 10% or more of sales as shown on the consolidated statement of income.

**Information related to impairment losses on non-current assets for each reportable segment**

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

Omitted because the same information is presented in segment information.

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

Omitted because the same information is presented in segment information.

**Information related to goodwill amortization and the unamortized balance for each reportable segment**

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Millions of yen)

	Dispensing pharmacy business	Pharmaceutical manufacturing and sales business	Medical professional staffing and placement business	Total
Unamortized balance at the end of current period	12,834	—	120	12,955

Note: Goodwill amortization is omitted because the same information is presented in segment information.

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

(Millions of yen)

	Dispensing pharmacy business	Pharmaceutical manufacturing and sales business	Medical professional staffing and placement business	Total
Unamortized balance at the end of current period	11,465	—	122	11,587

Note: Goodwill amortization is omitted because the same information is presented in segment information.

**Information related to gain on bargain purchase for each reportable segment**

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

Not applicable.

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

Not applicable.

**Per Share Information**

(Yen)

	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)
Net assets per share	1,950.44	1,978.13
Net income per share	85.35	46.54

Notes: 1. Diluted net income per share is not presented since Nihon Chouzai has no outstanding dilutive securities.

2. Basis for calculation of net assets per share is as follows.

	FY3/24 (As of Mar. 31, 2024)	FY3/25 (As of Mar. 31, 2025)
Total net assets (Millions of yen)	58,351	59,097
Deduction on total net assets (Millions of yen)	—	—
Net assets applicable to common stock shares (Millions of yen)	58,351	59,097
Number of common stock shares at end of period used in calculation of net assets per share (Thousand shares)	29,917	29,875

Notes: 1. The number of common stock shares at the end of period that was used to calculate net assets per share is calculated after deducting treasury shares held in the Nihon Chouzai's account.

2. The Company's shares held by the Directors' Remuneration BIP Trust are included in the number of shares of treasury stock deducted from the total number of shares issued and outstanding at the end of the fiscal year for the purpose of calculating net assets per share. The number of shares of treasury stock held by the Trust as of the end of the period was 110 thousand shares.

3. Basis for calculation of net income per share is as follows.

	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)
Profit attributable to owners of parent (Millions of yen)	2,553	1,391
Amounts not available to common stock shareholders (Millions of yen)	—	—
Profit attributable to owners of parent available to common stock shares (Millions of yen)	2,553	1,391
Average number of common stock shares outstanding during the period (Thousand shares)	29,917	29,891

Note: 1. The average number of shares outstanding during the period that was used to calculate net income per share is calculated after deducting treasury shares held in the Nihon Chouzai's account.

2. For the calculation of net income per share, the Company's shares held by the Directors' Remuneration BIP Trust are included in the treasury stock as a deduction in the calculation of the average number of shares outstanding during the fiscal year. The average number of shares of treasury stock held by the Trust during the fiscal year was 95 thousand shares.

*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.*