

November 15, 2021

Company name	Nihon Chouzai Co., Ltd.
Company representative	Yosuke Mitsuhashi, President and CEO
Securities code	3341; Tokyo Stock Exchange 1st Section
Contacts	Masahiro Tojo, General Manager of Corporate Planning Department (Phone: +81-3-6810-0800)

## Notice of Absorption-Type Merger of Consolidated Subsidiaries (Simplified / Short Form Merger)

Nihon Chouzai Co., Ltd. (hereinafter "the Company") announces that it passed a resolution at its Board of Directors' meeting held on November 15, 2021 to absorb and merge Yajima Medical Brain Co., Ltd. and Duon Co., Ltd. consolidated subsidiaries of the Company, as set forth below. Certain disclosures and details have been omitted in this press release since the companies to be merged are wholly owned subsidiaries.

### 1. Purpose of the merger

Under the corporate philosophy of "Achieving True Separation of Drug Prescribing and Dispensing Services," the Company is developing its business with the aim of providing high-quality medical services on a nationwide scale by operating a chain of dispensing pharmacies throughout Japan.

The dispensing pharmacy subsidiaries acquired by the Company also operate the same operations as directly managed stores and provide the same medical services as directly managed stores, but the Company intends to merge the subsidiaries in order to consolidate the management of the dispensing pharmacy business, strengthen management functions, and further improve management efficiency.

### 2. Summary of merger

#### (1) Schedule of the merger

Board of Directors meeting to approve the merger: November 15, 2021

Conclusion of merger agreement: November 15, 2021

Scheduled date of the merger (effective date): January 1, 2022 (tentative)

Note: Pursuant to the provisions of both Article 796, Paragraph 2 of the Companies Act (simplified merger) and Article 784, Paragraph 1 of the Companies Act (short form merger), the merger will be conducted without obtaining the approval of the merger agreement at a general meeting of shareholders.

#### (2) Method of the merger

The merger is an absorption-type merger wherein the Company will be the surviving company, and Yajima Medical Brain Co., Ltd. and Duon Co., Ltd. will be dissolved.

#### (3) Detail of allocation relating to the merger

Since the dissolving companies are wholly owned subsidiaries of the Company, no shares will be allocated or any other consideration will be delivered upon the merger.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights of the dissolving companies  
Not applicable.

### 3. Outline of the companies involved in the merger

(1) Company name	Nihon Chouzai Co., Ltd. Note1 (Surviving company)	Yajima Medical Brain Co., Ltd. Note2 (Dissolving company)	Duon Co., Ltd. Note2 (Dissolving company)
(2) Scope of business	Management of dispensing chain pharmacies	Management of a pharmacy	Management of a pharmacy
(3) Date of incorporation	March 7, 1980	March 18, 2003	August 3, 2005
(4) Location	Chiyoda-ku, Tokyo	Chiyoda-ku, Tokyo	Chiyoda-ku, Tokyo
(5) Name of the title of representative	Yosuke Mitsuahara, President and CEO	Yosuke Mitsuahara, President and CEO	Yosuke Mitsuahara, President and CEO
(6) Capital	3,953 Million Yen	3 Million Yen	3 Million Yen
(7) No. of issued shares	32,048,000 shares	60 shares	60 shares
(8) Fiscal year end	March 31	March 31	March 31
(9) Principal shareholders and their percentage of holdings Note3	Hiroshi Mitsuahara 28.01% Yosuke Mitsuahara 22.14% Max Planning, Inc. 7.47% Nihon Chouzai Employee Shareholding Association 3.12% Yoko Mitsuahara 2.67% The Master Trust Bank of Japan, Ltd. (Trust account) 2.38%	Nihon Chouzai Co., Ltd. 100.00%	Nihon Chouzai Co., Ltd. 100.00%
(10) Operating results and financial conditions for the immediately preceding fiscal year Note4			
Net assets	49,868 Million Yen	113 Million Yen	35 Million Yen
Total assets	186,262 Million Yen	213 Million Yen	90 Million Yen
Net assets per common share	1,663.01 Yen	2,837,516.95 Yen	589,697.90 Yen
Net sales	278,951 Million Yen	278 Million Yen	225 Million Yen
Operating profit (loss)	8,106 Million Yen	0 Million Yen	5 Million Yen
Ordinary profit (loss)	8,409 Million Yen	0 Million Yen	6 Million Yen

Profit (loss) attributable to owners of parent	3,538 Million Yen	18 Million Yen	5 Million Yen
Net income (loss) per share	118.01 Yen	455,572.60 Yen	92,748.27 Yen

Note1: The Company is a company that is subject to consolidated dividend regulations.

As of March 31, 2021.

Note2: Yajima Medical Brain Co., Ltd. and Duon Co., Ltd. as of today. However, (10) is as of March 31, 2021.

Note3: Shareholding ratio is calculated after deducting treasury shares (2,061,074 shares).

Note4: The Company uses consolidated figure, and Yajima Medical Brain Co., Ltd. and Duon Co., Ltd. use non-consolidated figure.

#### 4. Status after the merger

There will be no changes in the trade name, location, scope of business, stated capital, or accounting periods of the Company or the title and name of the representative upon the completion of the merger.

#### 5. Outlook

The merger is an absorption-type merger of wholly owned subsidiaries of the Company, which is not expected to have any material impact on the Company's consolidated financial results.

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