

March 30, 2023

Acquisition of the Sakura Pharmacy Group by NSSK

Nippon Sangyo Suishin Kiko (“NSSK”; www.nsskjapan.com) is pleased to announce that investment partnerships managed or provided with services by NSSK affiliates completed the acquisition of equity shares of KRAFT Inc. (together with its affiliates, the “Sakura Pharmacy Group” or the “Company Group”; www.kraft-net.co.jp). The proposed business rehabilitation plan, which was a condition of the above transaction, was approved on January 26, 2023, with the consent of all eligible creditors of the Sakura Pharmacy Group.

Founded in 1982, the Sakura Pharmacy Group is headquartered in Chiyoda-ku, Tokyo. The Company Group operates a dispensing pharmacy business under the “Sakura Pharmacy Group” brand, which prepares and dispenses medications to patients based on prescription instructions after diagnosis by a physician at hospitals or clinics. It is one of the major players in the industry with approximately 900 pharmacies situated mainly in highly populated areas such as the Tokyo metropolitan area (Tokyo, Kanagawa, Chiba, Saitama), the Kansai area (Osaka, Hyogo), and the Tokai region (Aichi, Shizuoka). Spending on prescription drugs in Japan continues to be stable at about JPY 7.7 trillion per year, and the pharmacy market is expected to remain robust in the future due to trends such as the aging population and increases in the average number of days medication is taken.

NSSK will leverage the business foundation of the Sakura Pharmacy Group and provide its unique NSSK Value-up Program, and utilize and provide the knowledge and networks that its members have cultivated both domestically and internationally. NSSK will support the Sakura Pharmacy Group’s efforts to further strengthen its governance and compliance framework, introduce management techniques including visualization of KPIs, and improve various systems such as those that contribute to regional medical care, which is expected to lead to increased sales at existing stores. In addition, NSSK will actively invest in digital technology, recruit and develop talented individuals, including pharmacists, plan and implement new store openings and additional acquisitions through M&A to achieve further sales growth. NSSK will also support the formulation and implementation of measures to further strengthen the Sakura Pharmacy Group for its next phase of robust growth, including promoting its corporate philosophy and ESG activities.

With the support of NSSK, the Company Group will continue to support the health of local residents by providing quality medical and nursing services in cooperation with doctors, nurses and care workers, as a pharmacy that plays a part in the “community-based integrated care system”. The Company Group will seek to be a trusted pharmacy, where patients can feel at ease to consult with professionals about their health and medicines at any time.

NSSK’s mission is to build a leading alternative asset investment business in Japan by investing in attractive Japanese companies in partnership with management and contributing to the

Environment, Society and Governance of Japan and beyond. NSSK's investment strategy is to generate superior outcomes by applying global investment discipline, operating expertise and human capital to Japanese companies originating from our proprietary and differentiated sourcing network.

For more information, please contact:

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Company name:	KRAFT Inc. (www.kraft-net.co.jp)
Founded:	October 1982 (currently: KRAFT HONSHA Inc.)
Headquarters:	1-1-1 Marunouchi, Chiyoda-ku, Tokyo
Overview:	KRAFT Inc., together with its affiliates, operate a dispensing pharmacy business that prepares and dispenses medications to patients based on prescription instructions after diagnosis by a physician at hospitals or clinics. It is an industry leader, with approximately 900 pharmacies situated mainly in highly populated areas such as the Tokyo metropolitan area (Tokyo, Kanagawa, Chiba, Saitama), the Kansai area (Osaka, Hyogo), and the Tokai region (Aichi, Shizuoka).