

Financial Results Briefing for Third Quarter of Fiscal Year Ending December 31, 2025 (January 1, 2025 to September 30, 2025)

Kobayashi Pharmaceutical Co., Ltd.

Yumi Nakagawa, Executive Officer and General Manager, Finance Headquarters

November 11, 2025

Regarding red yeast rice-related products

We would like to reiterate our deepest apologies to our customers, business partners, and all other parties concerned with our company for the concerns and inconvenience caused by the incident of our red yeast rice-related products last year.

Under our new management structure, we continue to give priority above all to apologizing to and compensating our customers who have suffered health damage and our suppliers who have suffered losses, and we will do so sincerely and appropriately.

Status of Red Yeast Rice Incident

- **Progress of Recurrence Prevention Measures**

The procedure for detecting contaminant ingredients other than the specified compound has been partially introduced for products developed in-house.

- **Progress of Compensation for Health Damage(Inpatient/Outpatient Treatment)**

The dedicated website was renewed on October 6th. Currently, there are 500 individuals confirmed as eligible for compensation, with payments completed for 180 of them.

Results for Q3 FY 2025

- Q3 cumulative sales and income decreased.(Sales: -2.4 billion yen, Operating income: -5.4 billion yen)
- Compared to the plan, net sales were about 3 billion yen lower(Domestic : -1.0 billion yen, International: -2.0 billion yen). Operating income exceeded by approx. 4 billion yen)

Forecast for the Fiscal Year Ending December 2025

- At present, we have determined that no revision is necessary and will maintain the initial plan.

- **Net sales:**

We have been below our plan through Q3.

While domestic performance is currently strong, if the risk of a mild winter materializes, including overseas, there is a possibility that full-year sales will fall below the plan.

- **Operating income:**

In Q4, we will invest additional advertising expenses unused through Q3.

There is a possibility that future downside risks to sales may push down profits. However, we will maintain the upward trend through Q3. We aim to achieve or even exceed our plan for the full year.

Overview of the Measures to Prevent Recurrence of the Red Yeast Rice Incident (Three Pillars)

4/20

- (1) Awareness raising and structural enhancement regarding quality and safety**
 - Thoroughly implement “quality and safety first” to change the awareness of our executives and employees regarding quality and safety.
 - Clarify roles and responsibilities and strengthen quality assurance and management systems.
- (2) Fundamental reform of corporate governance**
 - Revamp the composition of the Board of Directors, which oversees the management of the new Kobayashi Pharmaceutical.
 - To regain the trust of our stakeholders and realize a new Kobayashi Pharmaceutical, establish determination and the mechanisms to become a company that does the right thing in the right way.
- (3) “New Kobayashi Pharmaceutical” to be created by all of us**
 - To enhance our risk sensitivity and our ability to create new value, implement measures to eliminate the homogeneity that exists within our company and ensure diversity.
 - All executives and employees will work together as one to create a new Kobayashi Pharmaceutical.

Detailed progress on recurrence prevention measures will be released in February 2026.

Major Progress of Measures to Prevent Recurrence

5/20

1. Awareness raising and structural enhancement regarding quality and safety

[Progress]

The "Detection Procedures for Ingredients other than Specified Ingredients" apply to food ingredients and some supplement products developed by our company. The system was introduced in August as scheduled. We will continue to improve our testing technology.

*  indicates that the status has been newly completed after August 5, 2025.

Description and progress		Status			Implementation /introduction
		Planning	Start/ preparation for introduction	Implemented /introduced	
Education and awareness reform	Provision of education and training on quality and safety for all executives and employees				Done (2024/6~)
	Regular transmission of messages and dialogue with employees by the president				Done (2024/8~)
Strengthening of quality assurance system	Clarification of the role of the Reliability Assurance Headquarters				Done (2025/1~)
	Shift to function-based headquarters to strengthen front-line expertise				Done (2025/1~)
Reinforcement of manufacturing management system	Self-inspection and third-party checking of each plant				Done (2024/10~) * Continued after this
	Establishment of the Manufacturing Promotion Office				Done (2025/1~)
	Establishment of comprehensive hygiene management standards for each product category				Done (2025/7~) * Start with oral products
	Effective periodic holding of "mass production review meetings"				Done (2025/4~)
Inspection techniques	Consideration and introduction of procedures for detecting contamination by ingredients other than specified ingredients				Done(2025/8)
Personnel evaluation	Introduction of a system in which activities that contribute to quality and safety are subject to evaluation				2025/12

* Even for measures marked "Implemented/introduced," we will continue to verify the effectiveness and constantly review the content.

Major Progress of Measures to Prevent Recurrence

6/20

2. Fundamental reform of corporate governance

【Progress】

We secured resources by reviewing, including withdrawing unprofitable businesses, and optimizing the number of SKUs. (See page 17 for details about SKU Optimization)

*  indicates that the status has been newly completed after August 5, 2025.

Description and progress		Status			Implementation /introduction
		Planning	Start/ preparation for introduction	Implemented/ introduced	
Departure from management dependent on the founding family	Change of Chairman of the Board and President				Done (2024/7)
Board of Directors reform	Strengthening supervisory functions by increasing the number of outside directors and inviting a chairman of the Board from outside				Done (2025/3)
	Reexamination of organizational design				2026/3
	Strengthening cooperation between the Board of Directors and the executive side				Done (2024/7~)
Review of executive meeting structure (Abolition of GOM)	Establishment of a new Executive Committee (clarification of the executive decision-making organ)				Done (2024/11)
	Establishment of four specialized committees (investment/human resources/quality/risk)				Done (2025/3)
Reinforcement of risk response structure	Reorganization of existing risk and compliance-related committees				Done (2025/3)
	Building a risk escalation system in case of emergency				Done (2024/8~)
Review of business operations	Selection based on resources				Done(2025/8)

* Even for measures marked “Implemented/introduced,” we will continue to verify the effectiveness and constantly review the content.

| Major Progress of Measures to Prevent Recurrence

7/20

3. “New Kobayashi Pharmaceutical” to be created by all of us

[Progress]

With regard to organizational culture reform, we will hold dialogues with all employees and conduct management workshops in which all executive officers participate.

We will identify the organizational culture we want to be and the culture we need to change. We are currently preparing a new code of conduct and plan to issue a new code of conduct for the entire company at the end of the year.

Description and progress	Status			Implementation /introduction
	Planning	Start/ preparation for introduction	Implemented/introduced	
Recruitment, placement, and development of human resources with an emphasis on expertise and diversity				2026/1
Review of organizational culture (organizational culture reform PJ)				2025/11
Developing an initiative to keep this incident from being forgotten [Establishment of “Quality and Safety Day” on March 22 (the day this case was made public)]				Done (2025/3)

* Even for measures marked “Implemented/introduced,” we will continue to verify the effectiveness and constantly review the content.

Progress of Compensation for Health Damage(Inpatient/Outpatient Treatment) 8/20 (as of October 31, 2025)

(Number of persons is approximate)

Those who have contacted the compensation support center	1,330
Those who have received compensation application documents	860
Those whose documents are currently under review	20
Those whose documents have been reviewed	840
Those who are Confirmed for compensation	500
Those currently undergoing treatment/ Those currently negotiating the terms of compensation.	320
Those whose final payment (including damages for mental suffering) has been completed.	180

* Regarding inquiries concerning death: At this time, our investigation has not identified any clear cases where death was directly caused by the consumption of the product.

Financial Results Briefing for Third Quarter of Fiscal Year Ending December 31, 2025

| Summary of Business Performance (Up to the Third Quarter) 10/20

Net sales

(Unit: billion yen)	Q3 cumulative	YoY change	vs.plan
Consolidated	112.0	-2.4 (-2.1%)	-3.0
Domestic Business	81.4	-1.9 (-2.4%)	-1.0
International Business	30.1	-0.5 (-1.7%)	-2.0

Operating income

(Unit: billion yen)	Q3 cumulative	YoY change	vs.plan
Consolidated	11.4	-5.4 (-32.3%)	+4.0
Domestic Business	11.6	-4.3 (-27.0%)	+4.0
International Business	-0.2	-0.9 (-)	0

【Summary of sales】

Domestic Business (Figures in parentheses are YoY changes)

- New products contributed (+2.1 billion) .
- Inbound tourism demand increased (+0.9 billion) .
- Sales of body warmers were strong due to Q1 lower temperatures (+0.2 billion).
- Sales of existing goods declined due to the cancellation of advertisements which lasted until Q2 (-3.7 billion) .
- Sales in the Direct Marketing Business fell due to the cancellation of regular subscriptions (-1.4 billion).

International Business (Figures in parentheses are YoY changes)

*Foreign currency translation effects are included.

- U.S.: Sales of body warmers increased due to Q1 harsh winter (+1.7 billion)
- China (Mainland): Net sales decreased due to lower demand for *Netsusama Sheet* resulting from fewer opportunities for fever to occur (-1.3 billion).
- Southeast Asia: Net sales decreased due to backlash from the previous year's infectious disease-related special demand for *Netsusama Sheet* (-0.6 billion)

【Summary of operating income】

- YoY change: The decrease in profit was due to factors such as reduced sales, in addition to an increase in fixed costs and advertising expenses.
- Vs.plan: 4 billion yen increase due to a delay in advertising investment (caused by the postponement of advertising resumption) and thorough company-wide cost management.

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending 11/20 December 31, 2025

Q3 cumulative sales and income decreased. However, Q3 quarterly saw a revenue increase, driven by the full-scale resumption of domestic TV advertising from July. Extraordinary loss on red yeast rice-related products totaled 0.4 billion yen in Q3 (Q3 cumulative total of 3.3 billion yen)

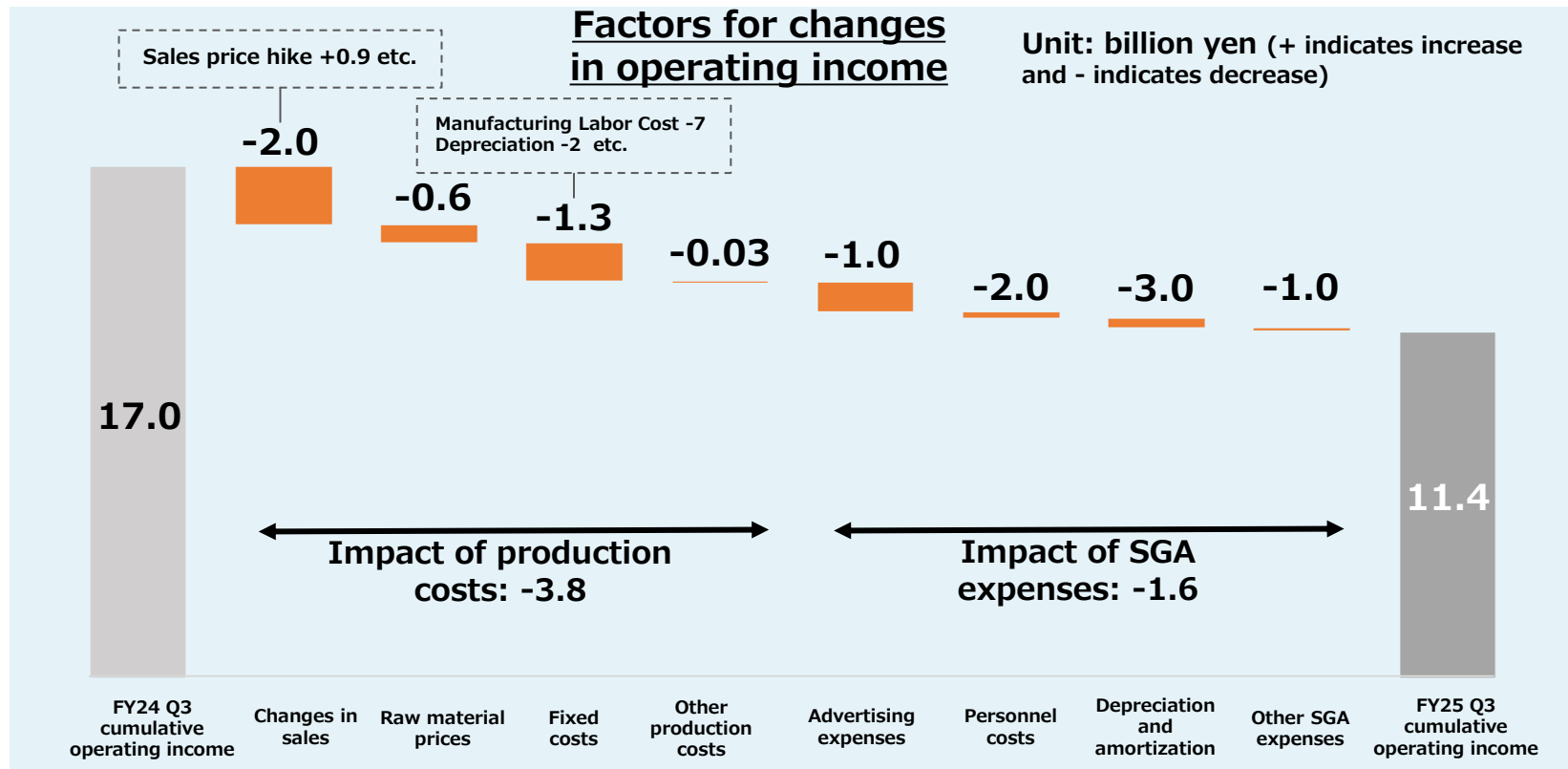
(Unit: billion yen)	Q3 (Jul. to Sep.)				Q3 cumulative (Jan. to Sep.)			
	Amount		Year-on-year change	Percentage of net sales	Amount		Year-on-year change	Percentage of net sales
	FY24	FY25			FY24	FY25		
Net sales	41.3	43.0	+4.1%	—	114.4	112.0	-2.1%	—
Gross profit	21.9	22.7	+3.5%	52.8%	62.6	58.8	-6.1%	52.5%
Operating income	7.5	4.8	-35.4%	11.3%	16.9	11.4	-32.3%	10.3%
Ordinary income	7.4	5.6	-24.1%	13.2%	17.9	12.9	-27.9%	11.5%
Net income	3.9	3.6	-6.8%	8.5%	5.3	6.8	+27.4%	6.1%
EBITDA*	9.5	7.0	-26.7%	16.3%	22.8	17.9	-21.5%	16.0%

* EBITDA = Operating income + Depreciation + Amortization of goodwill

Factors behind Changes in Consolidated Operating Income

12/20

Operating income decreased due to the impact of lower sales, higher fixed costs stemming from securing personnel at the factory for quality improvement, and the effect of the full-scale resumption of domestic TV advertising from July.



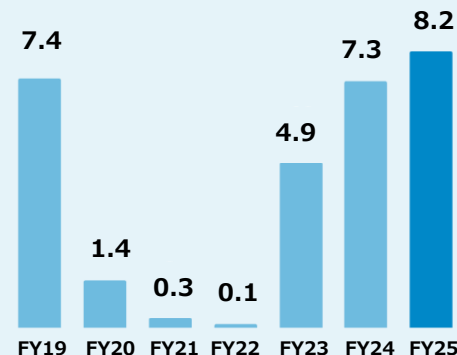
Domestic Business (Sales Breakdown by Product Category)

13/20

Q3 cumulative sales and income decreased. While the revenue increase in Q3 quarterly was driven by the full-scale resumption of domestic TV advertising from July, the concurrent rise in advertising expenses led to a significant decrease in operating income.

(Unit: billion yen)		Q3 (Jul. to Sep.)			Q3 cumulative (Jan. to Sep.)		
		Amount		Year-on-year change	Amount		Year-on-year change
		FY24	FY25		FY24	FY25	
Net sales	Healthcare products	13.2	14.2	+7.6%	43.1	41.4	-3.8%
	Household products	13.8	14.0	+1.7%	35.2	36.1	+2.6%
	Body warmers	0.6	0.6	-7.0%	1.3	1.5	+14.9%
	Direct Marketing Business	0.9	0.7	-18.5%	3.6	2.2	-38.7%
	Total	28.7	29.7	+3.5%	83.4	81.4	-2.4%
Total operating income		6.2	3.4	-43.8%	15.9	11.6	-27.0%
Margin (%)		21.6%	11.7%	-	19.2%	14.3%	-

Changes in inbound-tourism-demand-related sales
Q3 cumulative total
 (Unit: billion yen)



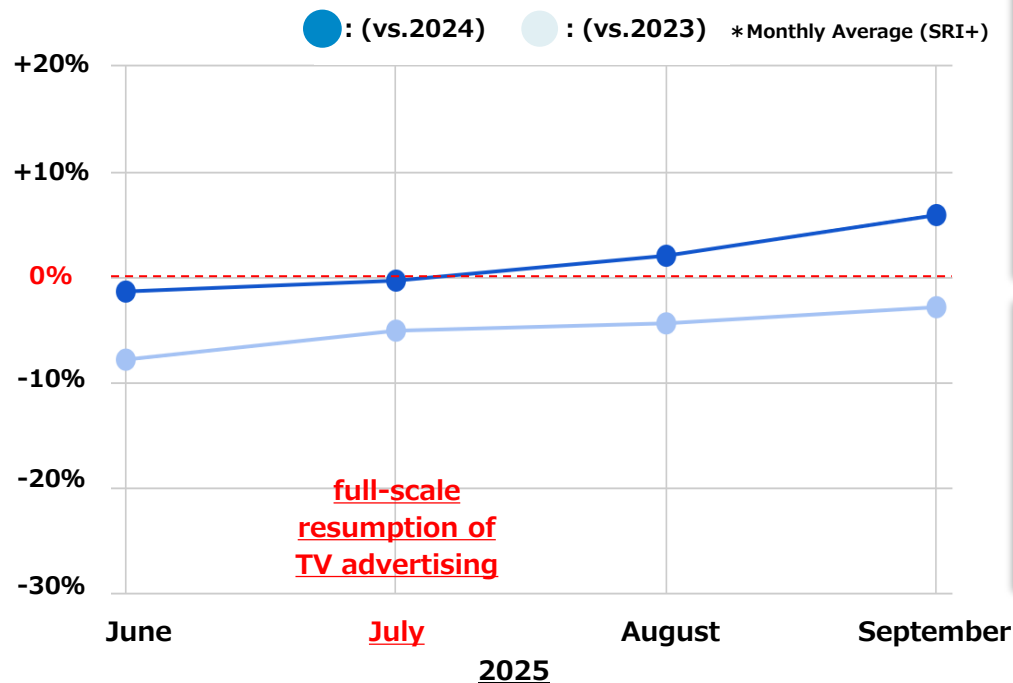
(Topics related to inbound tourism)
 In Q3 quarterly, the surge in popularity, especially for *Itteki Shoshugen* and *Breath Care*, also contributed to the revenue increase.

Status of Resumption of Advertising in Japan

14/20

Following the full-scale resumption of TV advertising in July 2025, sales have been gradually recovering.

Status of Sell-out Recovery for Products with Resumed TV Advertising*



【vs.2024】

- In July, when the full-scale TV advertising resumed, sales volume (sell-out) remained at the same level as the previous year when advertising was suspended.
- Sell-out gradually increased starting in August, indicating that the advertising efforts began to take effect.

【vs.2023】

- Although sell-out has increased since the advertising resumed, it has not yet reached the level seen two years ago, when advertising was in effect.

International Business (Performance by Region)

15/20

Q3 cumulative sales and income decreased.

Despite strong performance in the U.S., the overall International total sales slightly decreased, largely due to a seasonal drop in demand for *Netsusama Sheets* in Mainland China and Southeast Asia.

(The effect of foreign currency translation: -0.36 billion yen for net sales; +0.13 billion yen for operating income)

(Unit: billion yen)		Q3 (Jul. to Sep.)				Q3 cumulative (Jan. to Sep.)			
		Amount		Year-on-year change		Amount		Year-on-year change	
		FY24	FY25	Including effect of foreign currency translation	Excluding effect of foreign currency translation	FY24	FY25	Including effect of foreign currency translation	Excluding effect of foreign currency translation
Net sales	U.S.	6.8	7.5	+10.8%	+12.6%	13.7	15.4	+12.4%	+14.7%
	Mainland China	2.0	1.6	-15.8%	-14.8%	5.4	4.1	-24.0%	-22.5%
	Hong Kong	0.6	0.7	+7.5%	+9.2%	2.0	1.9	-6.2%	-4.5%
	Southeast Asia	1.8	2.0	+13.6%	+11.4%	6.2	5.6	-10.1%	-11.9%
	Other	1.1	1.0	-10.5%	-10.6%	3.0	2.9	-5.2%	-4.0%
	Total International Business	12.5	13.1	+4.8%	+5.7%	30.6	30.1	-1.7%	-0.5%
Total operating income		1.2	1.2	+3.1%	+2.3%	0.7	-0.2	—	—
Margin (%)		10.0%	9.8%	—	—	2.5%	—	—	—

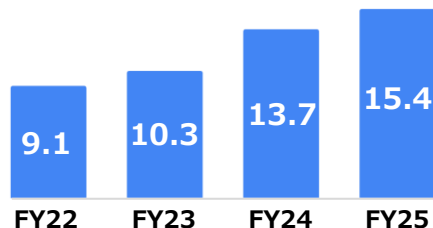
U.S.

Q3 cumulative total
+1.7 billion yen year-on-year

[Major topics]

- Increase in sales of body warmers in Q1 due to harsh winter
- New product (supplement) of Focus contributed to sales.
- Strong shipments of body warmers in preparation for the 2025-2026 winter season store displays.

Net sales trends
(Q3 cumulative total)
(Unit: billion yen)



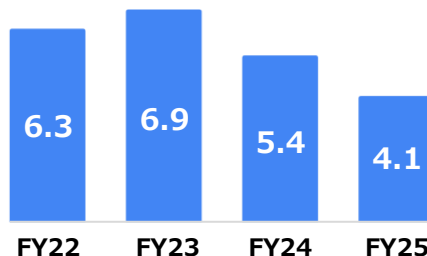
Mainland China

Q3 cumulative total
-1.3 billion yen year-on-year

[Major topics]

- Lower demand for *Netsusama Sheet* resulting from fewer opportunities for fever to occur
- The shipment delays of *Ammeltz*, which occurred through Q2, is trending toward resolution and full-scale resumption is scheduled for October.

Net sales trends
(Q3 cumulative total)
(Unit: billion yen)



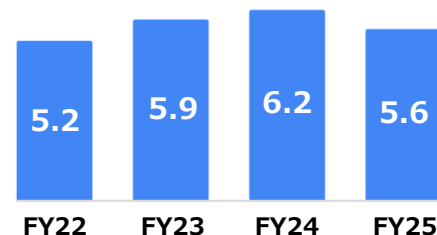
Southeast Asia

Q3 cumulative total
-0.6 billion yen year-on-year

[Major topics]

- The inventory adjustments (timing difference) that occurred through Q2 are trending toward resolution.
- High hurdle for *Netsusama Sheet* in the Philippines due to special demand related to infectious diseases last year.
- Revenue decrease mainly due to the decline in tourists from Mainland China (Thailand, Singapore).

Net sales trends
(Q3 cumulative total)
(Unit: billion yen)



| Toward Medium- to Long-term Growth (SKU Optimization)

17/20

We have implemented structural reforms, specifically SKU optimization, aimed at securing resources for medium- to long-term growth.

【Background】

The increase in the number of SKUs had led to a dispersion of resources, resulting in an inability to secure sufficient resources for quality enhancement and investment in growth areas.

**Frequent
production line
changeovers**

**Increase in
administrative
tasks**

**Opportunity loss
due to stockouts of
key products**

【Objective】

To strengthen the business foundation through SKU optimization and create resources for future growth.

***The SKU reduction focused more on securing resources than on the direct improvement of profit margins.**

The criteria for reduction mainly focused on the "annual number of production runs" and "profitability." We have decided to reduce approximately 26% (291 SKUs) of all domestic SKUs and approximately 25% (292 SKUs) of all international SKUs.

We aim to complete the reduction of the majority of these SKUs by the end of 2026.

Problems

**Frequent production
line changeovers**

**Increase in
administrative tasks**

**Opportunity loss
due to stockouts of
key products**

Expected Effects

**Reduction in
Changeovers**

**Reduction:
375 times
annually
(4.4% of total)**

**Reduction in
Administrative
Workload**

**Example:
Fewer testing items when
revising formulations due
to factors such as raw
material discontinuation.**

**Improvement in
Stockout Situation**

**Example:
Potential to increase
production by
approximately 10% for
the key products of
Bluelet Liquid.**

Forecast of Consolidated Results for the Year Ending December 31, 2025 19/20

There are no revisions to the full-year outlook. Factors affecting future operating income are explained on the next page.

(Unit: billion yen)	December 2024 results	December 2025 forecast		
	Amount	Amount	Year-on-year change	Percentage of net sales
Net sales	165.6	171.0	+ 3.3%	-
Operating income	24.8	14.0	-43.7%	8.2%
Ordinary income	26.8	15.3	-43.0%	8.9%
Net income	10.0	10.5	+ 4.3%	6.1%
EBITDA *1	32.8	22.8	-30.5%	13.3%
EPS	135.42 yen	141.25 yen	+ 4.3%	-
ROE	4.8%	5.0%	-	-
Dividend	102 yen (43 yen for interim, 59 yen for year-end)	104 yen (44 yen for interim, 60 yen for year-end)	-	-
Net sales of Domestic Business	119.9	120.0	+ 0.1%	-
Net sales of International Business *2	45.1	50.5	+ 11.8%	-

*1 EBITDA = Operating income + Depreciation + Amortization of goodwill

*2 Foreign exchange rates: US\$ 1 = 140 yen; Chinese yuan 1 = 19.7 yen

Q3 Operating Income Progress and Q4 Outlook

20/20

Operating income for the cumulative period through Q3 exceeded the plan by approx. 4.0 billion yen. In Q4, additional investment will be made by allocating a part of the excess through Q3. However, this may change depending on the impact of changes in sales and the examination of expenses.

(1) Q3 cumulative (YoY difference)

FY24 Q3 cumulative Operating income	17.0
Changes in sales	-2.0
Advertising expenses	-1.0
Investment in new buildings	-1.3
Investment in quality(Including personnel costs)	-1.2
Rise in raw material prices	-0.6
Other	+0.5
FY25 Q3 cumulative Operating income	11.4

Unit: billion yen
(+ indicates increase and - indicates decrease)

(2) Q3 cumulative (vs. plan) Impact on operating income

-1.8 billion yen
+1.4 billion yen (Delay in advertising resumption)
+0.2 billion yen (Partial delay in new buildings in China)
+0.6 billion yen (Impact of partial revision)
+0.3 billion yen (roughly as expected)
+3.3 billion yen (Impact of partial revision)

Total +4.0 billion yen

(3) Outlook and assumptions for Q4

Due to sales trends of body warmers and in Mainland China, **there is a risk of Q4 falling short of the plan.**

Unspent advertising expenses through Q3 will be **allocated for additional investment in Q4** with a view to contributing to sales in the next fiscal year.

Part of the amount in excess of the plan in Q3 is assumed to **remain as profit for the full year.**

Items scheduled for Q4 are assumed to be carried out as planned.
(* Examination will continue on whether they will be actually carried out or not.)



<Note>

Of the Company's current business performance, plans, and strategies included in this material, items that are not historical facts are outlooks on future performance, which are based on the judgment of the Company's management according to currently available information.

Therefore, please note that actual performance may differ significantly from the future outlook described in this material due to changes in various factors.

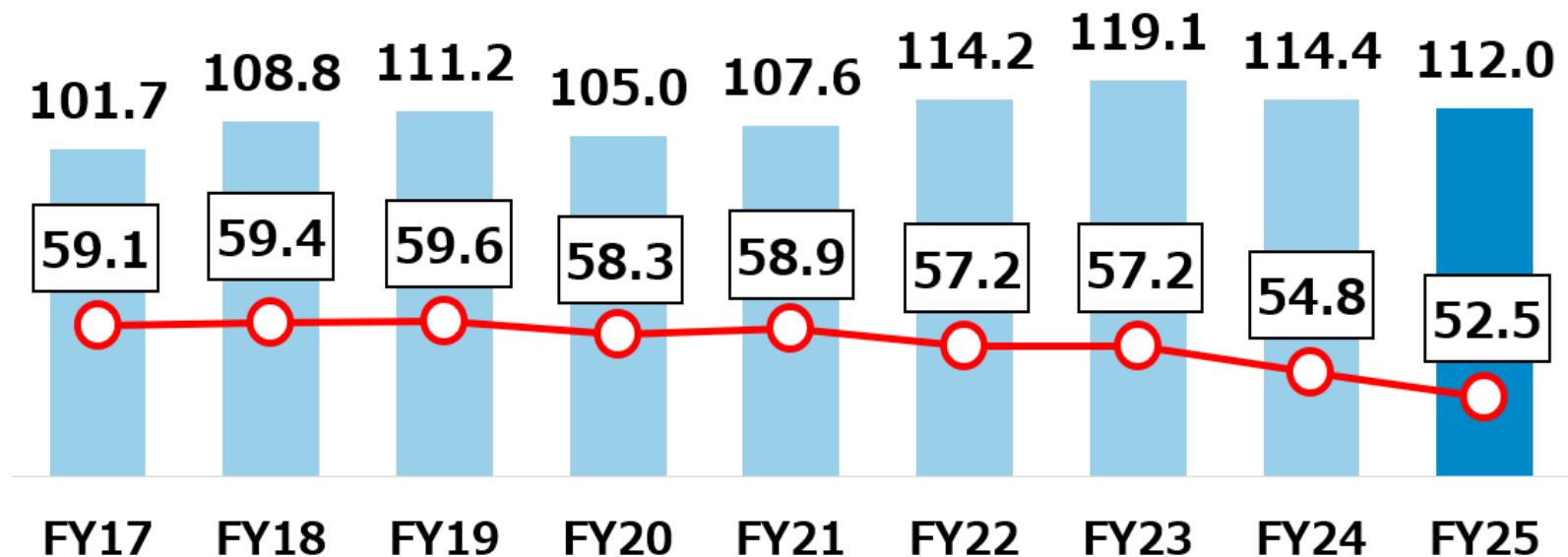
Reference

Changes in Consolidated Net Sales and Gross Profit Ratio (Q3 Cumulative Total)

1

■ Net sales (Unit: billion yen)

● Gross Profit Ratio (Unit:%)



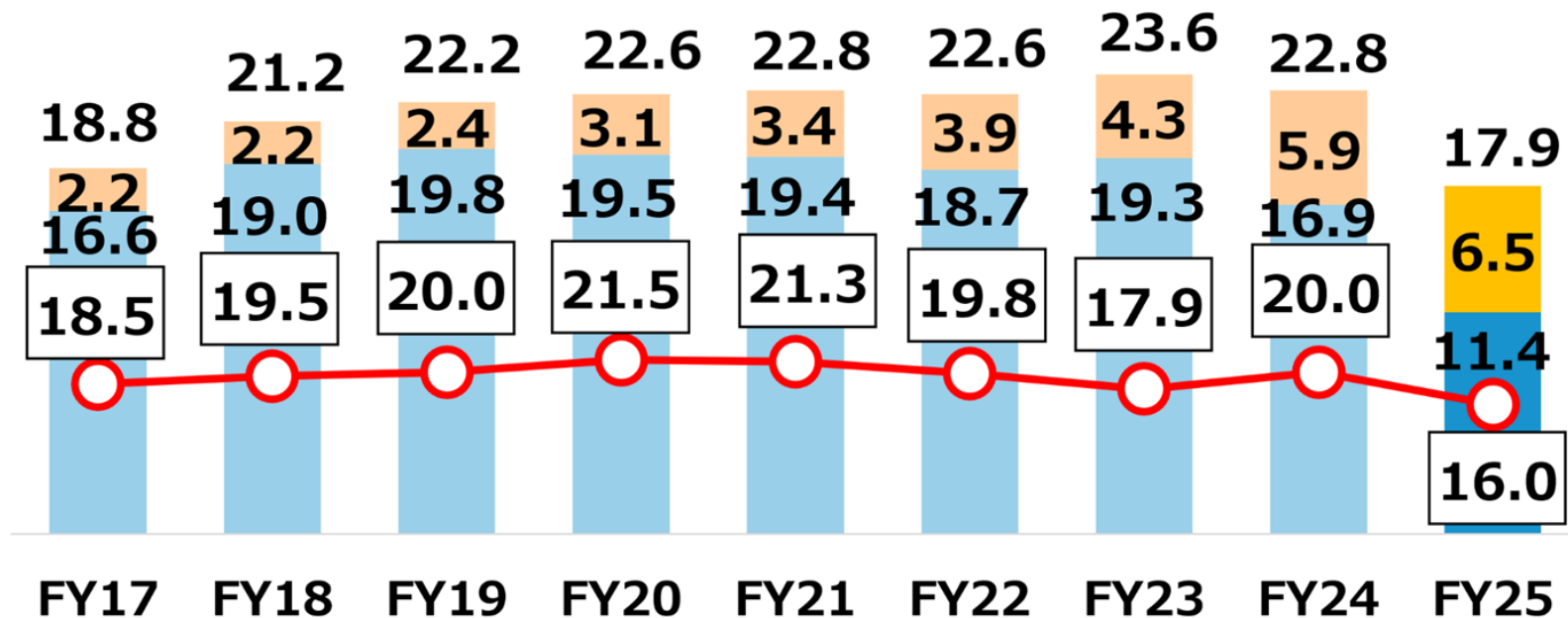
Changes in EBITDA (Q3 Cumulative Total)

2

Depreciation and amortization (Unit: billion yen)

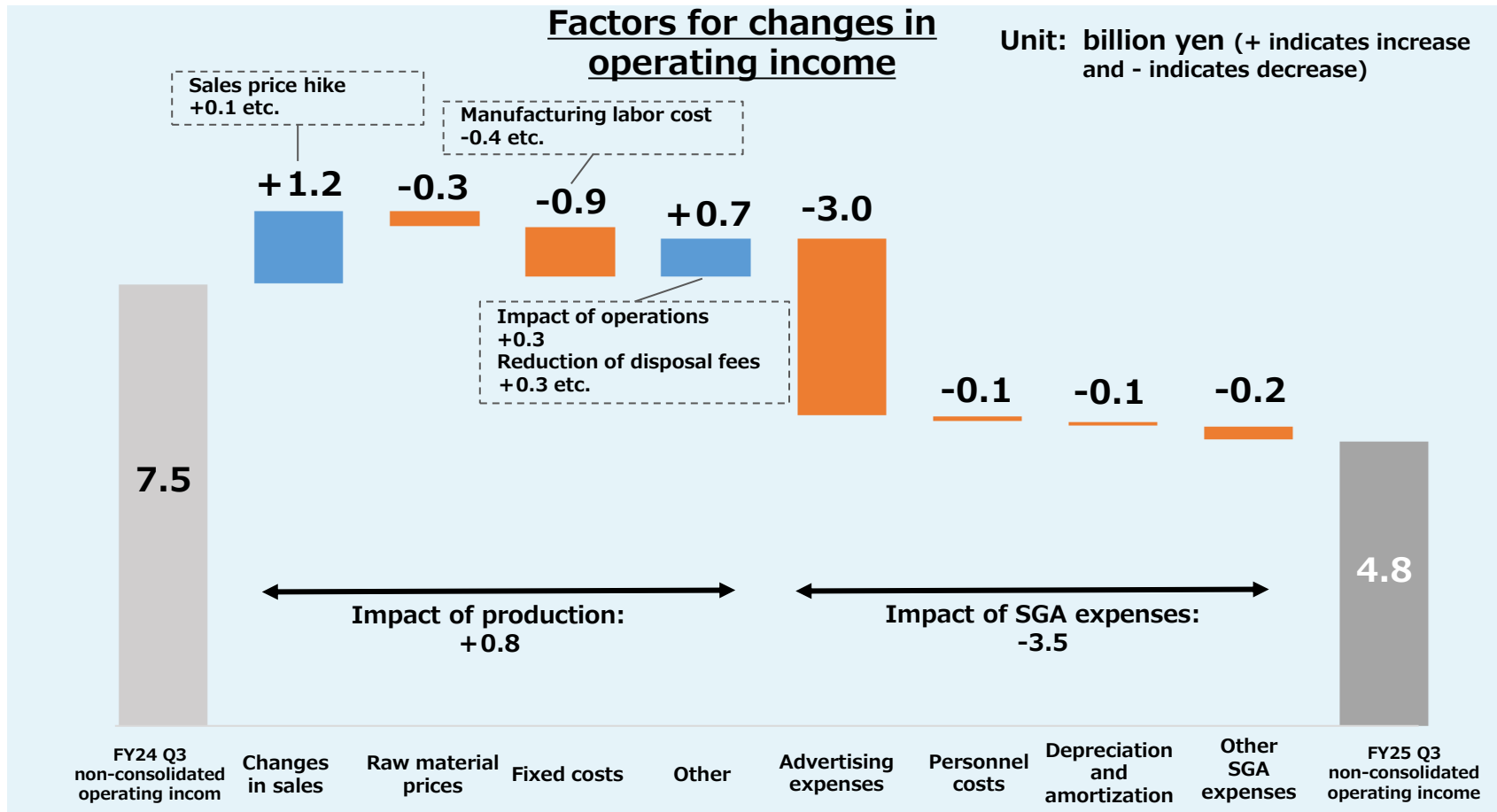
Operating income (Unit: billion yen)

EBITDA ratio (Unit: %)



Factors behind Changes in Consolidated Operating Income (Q3 Quarterly)

3



| Consolidated Income Statement (1)

4

(Unit: billion yen)	FY25 Q1 (Jan. to Mar.)	FY25 Q2 (Apr. to Jun.)	FY25 Q3 (Jul. to Sep.)		FY25 Q3 cumulative (Jan. to Sep.)	
	Amount	Amount	Amount	Year-on-year change	Amount	Year-on-year change
Net sales	32.6	36.4	43.0	+4.1%	112.0	-2.1%
Gross profit	16.6	19.4	22.7	+3.5%	58.8	-6.1%
Margin	51.2%	53.5%	52.8%	-	52.5%	-
Operating income	2.5	4.1	4.8	-35.4%	11.4	-32.3%
Margin	7.8%	11.3%	11.3%	-	10.3%	-
Ordinary income	2.4	4.8	5.6	-24.1%	12.9	-27.9%
Margin	7.4%	13.3%	13.2%	-	11.5%	-
Net income	1.6	1.5	3.6	-6.8%	6.8	27.4%
Margin	5.0%	4.2%	8.5%	-	6.1%	-

| Consolidated Income Statement (2)

5

(Unit: billion yen)	FY25 Q1 (Jan. to Mar.)	FY25 Q2 (Apr. to Jun.)	FY25 Q3 (Jul. to Sep.)		FY25 Q3 cumulative (Jan. to Sep.)	
	Amount	Amount	Amount	Year-on-year change	Amount	Year-on-year change
Advertising expenses	1.0	1.7	4.1	+271.3%	6.9	+16.8%
Margin	3.2%	4.8%	9.6%	-	6.2%	-
Sales promotion expenses	0.7	0.7	0.7	-5.4%	2.2	-11.9%
Margin	2.2%	2.2%	2.0%	-	2.0%	-

| Consolidated Balance Sheet (1)

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(Unit: billion yen)	FY24 End of Sep.	FY24 End of Dec.	FY25 End of Mar.	FY25 End of Jun.	FY25 End of Sep.
Current assets	126.7	144.4	132.3	135.9	132.0
Cash and deposits	41.1	50.8	52.4	56.2	45.2
Notes and accounts receivable-trade	39.6	49.4	32.6	32.9	40.3
Short-term investment securities	10.4	14.8	14.8	13.3	12.6
Inventories	29.4	24.1	27.3	30.6	30.6
Non-current assets	123.7	120.9	119.4	124.7	129.4
Property, plant and equipment	65.4	67.4	67.6	73.4	74.6
Intangible assets	19.5	20.6	19.0	17.8	17.6
Investments and other assets	38.8	32.7	32.7	33.4	37.0
Total assets	250.4	265.3	251.7	260.7	261.4

| Consolidated Balance Sheet (2)

(Unit: billion yen)	FY24 End of Sep.	FY24 End of Dec.	FY25 End of Mar.	FY25 End of Jun.	FY25 End of Sep.
Current liabilities	39.6	46.4	39.6	46.5	42.3
Notes and accounts payable-trade	7.9	8.2	9.0	9.1	8.5
Accounts payable-other	14.2	17.1	9.6	15.7	13.9
Non-current liabilities	6.1	5.4	5.0	5.9	7.0
Total net assets	204.6	213.4	207.0	208.2	212.0
Capital surplus	0.5	0.5	0.5	0.5	0.5
Retained earnings	203.5	208.2	205.4	207.0	207.3
Treasury stock	-24.7	-24.7	-24.7	-24.7	-24.7
Total liabilities and net assets	250.4	265.3	251.7	260.7	261.4

(Unit: yen)	FY24 (Jan. to Dec.)	FY25 (Jan. to Mar.)	FY25 (Jan. to Jun.)	FY25 (Jan. to Sep.)	FY25 (Jan. to Dec.) Forecast
US dollar	151.5	152.6	148.6	148.2	140.0
Chinese yuan	21.0	20.9	20.4	20.5	19.7

| Results by Segment (Domestic Business) (1)

9

(Unit: billion yen)	FY25 Q1 (Jan. to Mar.)	FY25 Q2 (Apr. to Jun.)	FY25 Q3 (Jul. to Sep.)		FY25 Q3cumulative (Jan. to Sep.)	
	Amount	Amount	Amount	Year-on-year change	Amount	Year-on-year change
Net sales	22.7	28.9	29.7	+3.5%	81.4	-2.4%
Gross profit	11.1	15.7	15.7	+4.2%	42.6	-6.2%
Margin	49.1%	54.3%	53.0%	-	52.4%	-
Operating income	2.5	5.6	3.4	-43.8%	11.6	-27.0%
Margin	11.2%	19.5%	11.7%	-	14.3%	-
Advertising expenses	0.2	0.8	3.1	+ 1293.0%	4.2	+ 30.8%
Margin	0.9%	2.8%	10.7%	-	5.2%	-
Sales promotion expenses	0.2	0.4	0.2	26.0%	0.9	-12.3%
Margin	1.2%	1.4%	1.0%	-	1.2%	-

| Results by Segment (Domestic Business) (2)

10

(Unit: billion yen)	FY25 Q1 (Jan. to Mar.)	FY25 Q2 (Apr. to Jun.)	FY25 Q3 (Jul. to Sep.)		FY25 Q3cumulative (Jan. to Sep.)	
	Amount	Amount	Amount	Year-on-year change	Amount	Year-on-year change
Healthcare products	12.7	14.4	14.2	+7.6%	41.4	-3.8%
Pharmaceuticals	6.8	7.3	7.3	+2.7%	21.5	-4.9%
Food	1.1	1.4	1.3	+1.3%	3.9	-11.6%
Oral care products	3.4	4.2	4.2	+22.5%	11.8	+2.7%
Skin care products	1.3	1.4	1.3	+1.6%	4.1	-7.8%
Household products	8.6	13.5	14.0	+1.7%	36.1	+2.6%
Sanitary products	2.2	3.0	2.7	-4.5%	8.1	-3.1%
Deodorizing air fresheners	5.4	9.3	10.0	+3.1%	24.9	+4.7%
Household articles	0.8	1.1	1.2	+4.9%	3.1	+1.8%
Body warmers	0.6	0.3	0.6	-7.0%	1.5	+14.9%
Direct Marketing Business	0.7	0.7	0.7	-18.5%	2.2	-38.7%

| Results by Segment (International Business) (1)

11

(Unit: billion yen)	FY25 Q1 (Jan. to Mar.)	FY25 Q2 (Apr. to Jun.)	FY25 Q3 (Jul. to Sep.)		FY25 Q3cumulative (Jan. to Sep.)	
	Amount	Amount	Amount	Year-on-year change	Amount	Year-on-year change
Net sales	9.7	7.3	13.1	+4.8%	30.1	-1.7%
Gross profit	5.4	3.7	6.8	+1.9%	15.9	-5.0%
Margin	55.9%	50.7%	52.3%	-	53.1%	-
Operating income	0	-1.4	1.2	+3.1%	-0.2	-
Margin	-	-	9.8%	-	-0.7%	-

Advertising expenses	0.8	0.9	0.9	+9.6%	2.7	1.3%
Margin	8.5%	10.4%	9.1%	-	9.1%	-
Sales promotion expenses	0.4	0.3	0.4	-18.5%	1.2	-9.6%
Margin	4.6%	5.4%	3.4%	-	4.3%	-

| Results by Segment (International Business) (2)

12

(Unit: billion yen)	FY25 Q1 (Jan. to Mar.)	FY25 Q2 (Apr. to Jun.)	FY25 Q3 (Jul. to Sep.)			FY25 Q3 cumulative (Jan. to Sep.)		
	Amount	Amount	Amount	YoY change	YoY change (Excluding effect of foreign currency translation)	Amount	YoY change	YoY change (Excluding effect of foreign currency translation)
U.S.	4.83	3.05	7.59	+10.8%	+12.6%	15.48	+12.4%	+14.7%
China	1.99	1.70	2.39	-10.1%	-9.0%	6.09	-19.1%	-17.5%
Mainland China	1.39	1.04	1.69	-15.8%	-14.8%	4.13	-24.0%	-22.5%
(Stores)	1.02	0.68	1.04	-8.9%	-	2.75	-11.2%	-
(Mainland EC)	0.27	0.23	0.41	-53.5%	-	0.92	-53.9%	-
(Cross-border EC)	0.10	0.12	0.23	-	-	0.45	+34.4%	-
(EC percentage)	27.0%	34.6%	38.1%	-	-	33.4%	-	-
Hong Kong	0.59	0.65	0.70	+7.5%	+9.2%	1.95	-6.2%	-4.5%
Southeast Asia	2.03	1.52	2.08	+13.6%	+11.4%	5.64	-10.1%	-11.9%
Singapore	0.11	0.10	0.12	-7.9%	-12.3%	0.34	-13.3%	-13.3%
Malaysia	0.58	0.56	0.43	+10.7%	+6.4%	1.58	-8.1%	-12.5%
Thailand	0.48	0.51	0.53	+20.0%	+13.3%	1.53	-6.5%	-11.3%
Indonesia	0.39	0.13	0.33	+2.5%	+8.0%	0.86	-13.6%	-8.9%
Philippines	0.24	0.18	0.25	-15.3%	-14.8%	0.67	-18.1%	-18.1%
Taiwan	0.21	0.01	0.40	+69.2%	+66.3%	0.63	-7.1%	-7.5%
Other	0.83	1.03	1.03	-10.5%	-10.6%	2.90	-5.2%	-4.0%

| By Country/Region and Item

13

(Unit: billion yen)	FY25 Q1 (Jan. to Mar.)	FY25 Q2 (Apr. to Jun.)	FY25 Q3 (Jul. to Sep.)			FY25 Q3 cumulative (Jan. to Sep.)		
	Amount	Amount	Amount	YoY change	YoY change (Excluding effect of foreign currency translation)	Amount	YoY change	YoY change (Excluding effect of foreign currency translation)
U.S.	4.83	3.05	7.59	+10.8%	+12.6%	15.48	+12.4%	+14.7%
Body warmers	2.13	0.58	5.13	+14.5%	+16.9%	7.85	+27.9%	+30.5%
Pharmaceuticals	1.59	1.60	1.61	+1.5%	+3.6%	4.82	-3.8%	-1.8%
Other	1.10	0.86	0.83	+7.9%	+10.1%	2.80	+7.0%	+9.2%
Mainland China	1.39	1.04	1.69	-15.8%	-14.8%	4.13	-24.0%	-22.5%
Body warmers	0.35	0.02	0.48	-48.4%	-47.3%	0.86	-39.5%	-38.2%
<i>Netsusama Sheet</i>	0.49	0.41	0.54	-5.0%	-2.8%	1.45	-30.1%	-28.6%
Other	0.54	0.61	0.64	+30.0%	+33.0%	1.77	-8.2%	-6.1%
Southeast Asia	2.03	1.52	2.08	+13.6%	+11.4%	5.64	-10.1%	-11.9%
Pharmaceuticals	0.56	0.35	0.29	-38.9%	-40.5%	1.21	-21.0%	-23.6%
<i>Netsusama Sheet</i>	1.18	0.94	1.24	+22.1%	+21.4%	3.36	-10.4%	-11.1%
Other	0.29	0.22	0.54	+63.3%	+60.0%	1.06	+8.0%	+4.9%