KOBAYASHI Pharmaceutical Co., Ltd.

Financial Results Briefing for Second Quarter of Fiscal Year Ending December 31, 2026

Kobayashi Pharmaceutical Co., Ltd.

Norikazu Toyoda, President and Chief Executive Officer
Yumi Nakagawa, Executive Officer and General Manager, Finance Headquarters

August 6, 2026

Regarding red yeast rice-related products

We would like to reiterate our deepest apologies to our customers, business partners, and all other parties associated with our company for the concerns and inconvenience caused by the incident of our red yeast rice-related products in 2024.
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.

(as of July 31, 2026)

(Approximate figures)

Those who have contacted the compensation desk	1,350
Those who have submitted compensation application documents	900
Number of people whose compensation application documents are currently being reviewed	10
Number of people whose compensation application documents have been checked	890
Those who have been found to be eligible for compensation	520
Those who are currently undergoing treatment or those who are currently negotiating compensation details	140
Number of people whose compensation has been paid	380

* Regarding death-related inquiries, our survey has identified no cases where death was clearly caused by the consumption of the product at this point.

Summary of Financial Results

Net Sales

(Unit: billion yen)	Q2 cumulative (Jan. to Jun.)	YoY change (Percentage)	vs. plan
Consolidated	70.7	+1.7 (+2.5%)	-1.5
Domestic Business	51.9	+0.2 (+0.5%)	-1.5
International Business	18.4	+1.4 (+8.2%)	±0

Operating Income

(Unit: billion yen)	Q2 cumulative (Jan. to Jun.)	YoY change (Percentage)	vs. plan
Consolidated	2.1	-4.5 (-67.5%)	+0.5
Domestic Business	4.2	-3.9 (-47.6%)	+0.2
International Business	-2.1	-0.7 (-%)	+0.3

[Summary of Sales]

[Highlights of Domestic Business]

- In addition to the slump in seasonal products (cold-related and heat relief products) and the termination of our own Direct Marketing Business, shipment controls due to the situation in the Middle East and the accompanying advertising constraints weighed on our year-on-year performance..
- On the other hand, products with continued advertising investment demonstrated strong promotional benefits, and healthcare in particular strongly drove the overall business, absorbing these negative factors and securing an increase in net sales for the Domestic Business as a whole.

[Highlights of International Business]

- The U.S. experienced a decrease in net sales due to the impact of production delays at outsourced manufacturers.
- Mainland China saw a significant increase in net sales, driven mainly by Cooling gel sheets and Ammeltz, continuing from Q1.
- Southeast Asia also saw steady sales of Cooling gel sheets and Ammeltz.

[Summary of Operating Income]

Vs. previous year: Operating income in Japan decreased due to a significant increase in advertising expenses as a rebound from the voluntary suspension of advertising in the first half of the previous year (resumed from July 2025).

Vs. plan: The deterioration in gross profit due to lower-than-expected sales (-1.5 billion yen) was covered by advertising constraints accompanying shipment control due to the situation in the Middle East, resulting in operating income landing approximately 0.5 billion yen higher than expected.

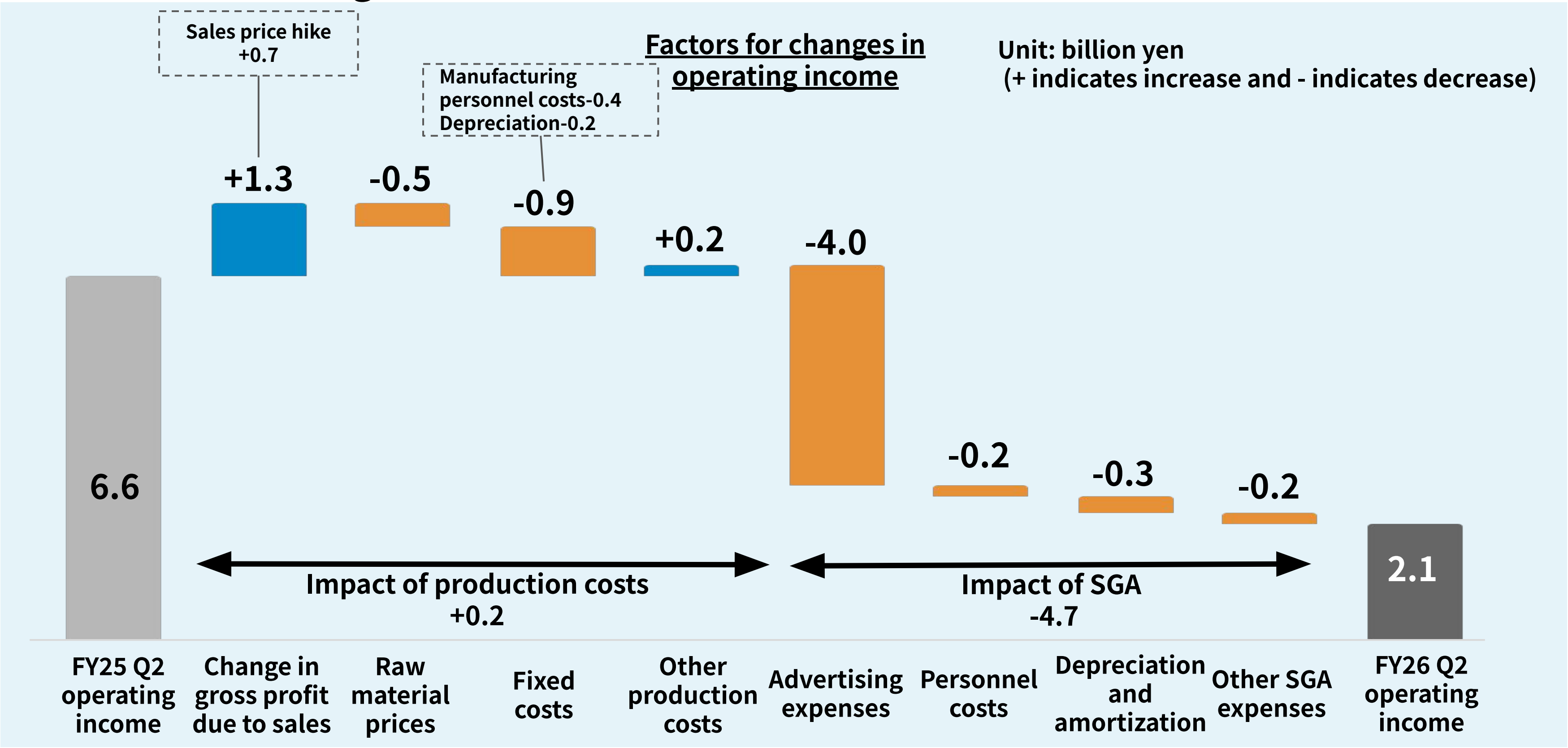
Sales Increased but Profits Declined. The company recorded approximately 0.7 billion yen as an extraordinary loss for office integration expenses associated with the relocation to the new research institute, "Saito R&D and Manufacturing Lab."

(Unit: billion yen)	Q2 (Apr. to Jun.)				Q2 cumulative (Jan. to Jun.)			
	Amount		YoY change	Margin	Amount		YoY change	Margin
	FY25	FY26			FY25	FY26		
Net sales	36.4	37.0	+1.8%	—	69.0	70.7	+2.5%	—
Gross profit	19.4	18.8	-2.9%	50.9%	36.1	36.3	+0.5%	51.4%
Operating income	4.1	0.8	-80.3%	2.2%	6.6	2.1	-67.5%	3.1%
Ordinary income	4.8	1.3	-72.4%	3.6%	7.2	3.0	-58.5%	4.2%
Net income	1.5	0.1	-93.5%	0.3%	3.1	1.1	-64.1%	1.6%
EBITDA*	6.2	3.3	-47.0%	8.9%	10.9	6.9	-36.9%	9.8%

*EBITDA = Operating income + Depreciation + Amortization of goodwill

Factors behind Changes in Consolidated Operating Income

Operating income decreased due to the impact of the full-scale resumption of domestic advertising.



Although sales of household products decreased, partly due to the suppression of advertising and sales promotion activities associated with the impact of the Middle East situation, the increase in sales of healthcare products, to which advertising significantly contributed, drove performance. Domestic net sales excluding former direct marketing products increased by 3.1%. Operating income decreased due to the resumption of advertising, etc.

*Figures in parentheses exclude former direct marketing products.

(Unit: billion yen)		Q2 (Apr. to Jun.)			Q2 cumulative (Jan. to Jun.)		
		Amount		YoY change	Amount		YoY change
		FY25	FY26		FY25	FY26	
Net sales	Healthcare products	15.1 (14.4)	15.4 (15.3)	+2.2% (+6.8%)	28.6 (27.1)	29.2 (29.0)	+2.0% (+7.0%)
	Household products	13.5	13.0	-3.4%	22.1	22.0	-0.4%
	Body warmers	0.3	0.1	-44.3%	0.9	0.7	-23.7%
	Total	28.9 (28.2)	28.7 (28.6)	-0.9% (+1.3%)	51.7 (50.2)	51.9 (51.8)	+0.5% (+3.1%)
Total operating income		5.6	2.6	-53.9%	8.1	4.2	-47.6%
Margin		19.5%	9.1%	–	15.8%	8.3%	–

Inbound-tourism-demand-related sales (Q2 cumulative)

2025	2026
2.3 billion yen	2.6 billion yen

Examples of strong-performing products

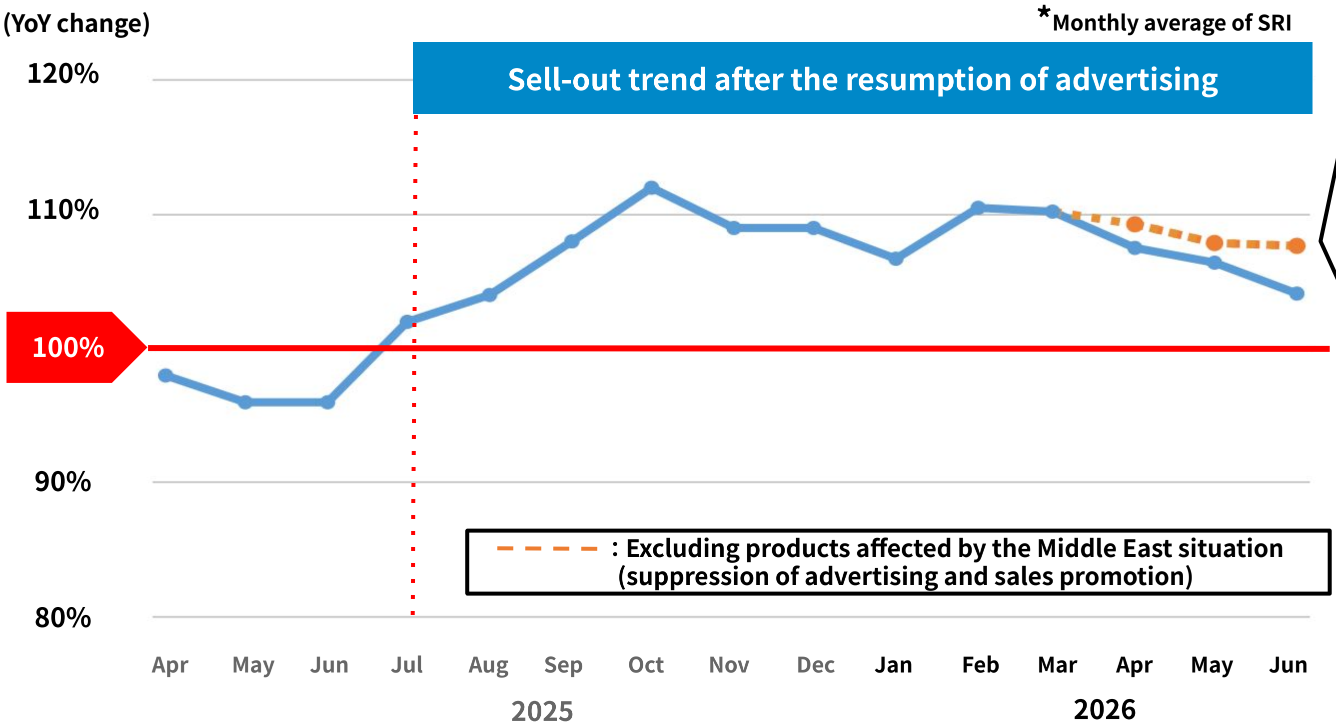
BREATH CARE

Nodonool

Effects of domestic advertising

Following the resumption of advertising in July 2025, the recovery trend has continued, particularly in the healthcare-related product group.

Sell-out status of products for which TV advertising resumed in the healthcare-related product group, excluding seasonal items*



Excluding products affected by the Middle East situation (suppression of advertising and sales promotion), a certain advertising effect has been maintained since April.

Examples of strong-performing products thanks to advertising

Hemorind

Dasmock

International Business (Performance by Region)

Increased sales and decreased profit. The decrease in sales in the U.S. was covered by other countries and regions. (Effect of foreign currency translation: Net sales +1.4 billion yen, Operating income +0.5 billion yen)

(Unit: billion yen)		Q2 (Apr. to Jun.)				Q2 cumulative (Jan. to Jun.)			
		Amount		YoY change		Amount		YoY change	
		FY25	FY26	Including effect of foreign currency translation	Excluding effect of foreign currency translation	FY25	FY26	Including effect of foreign currency translation	Excluding effect of foreign currency translation
Net sales	U.S.	3.0	2.8	-7.8%	-18.2%	7.8	7.2	-8.5%	-14.0%
	Mainland China	1.0	1.5	+49.1%	+30.0%	2.4	3.5	+43.9%	+30.4%
	Hong Kong	0.6	0.7	+11.3%	+1.7%	1.2	1.4	+14.7%	+8.2%
	Southeast Asia	1.5	1.9	+30.6%	+15.8%	3.5	3.9	+12.4%	+1.5%
	Other	1.0	1.1	+7.4%	-6.6%	1.8	2.2	+19.3%	+6.2%
	Total International Business	7.3	8.2	+12.2%	-0.8%	17.0	18.4	+8.2%	-0.5%
Total operating income		-1.4	-1.8	—	—	-1.4	-2.1	—	—
Margin		—	—	—	—	—	—	—	—

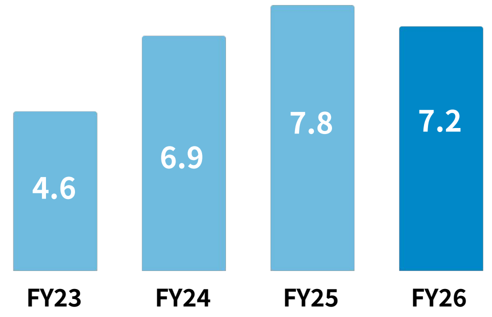
International Business (Net Sales by Region)

U.S.

-0.7 billion yen YoY in Q2 cumulative

[Major topics]
Decrease in sales of healthcare products due to continued production delays at contract manufacturers.

Net sales trends (Q2 cumulative total)
(Unit: billion yen)

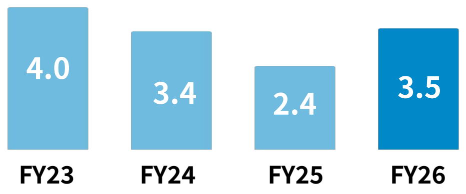


Mainland China

+1.1 billion yen YoY in Q2 cumulative

[Major topics]
Following Q1, shipments of Cooling gel sheets and Ammeltz progressed smoothly.

Net sales trends (Q2 cumulative total)
(Unit: billion yen)

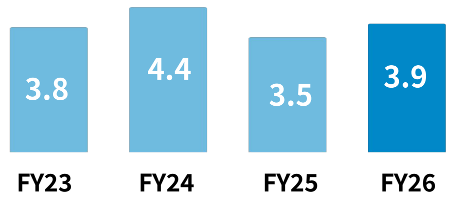


Southeast Asia

+0.4 billion yen YoY in Q2 cumulative

[Major topics]
-Performed steadily as the impact of inventory adjustments and import delays of Cooling gel sheets in the previous year has run its course.
-Sales increased as growth in other countries offset the impact of a weak flu season in Thailand and Malaysia.

Net sales trends (Q2 cumulative total)
(Unit: billion yen)



Impact of Middle East Situation (As of July 31, 2026)

Impact on supply chain	Requests for price increases continue, centered on the following raw materials. Procurement delays and restrictions are trending toward resolution: Packaging materials (bottles, films, etc.) Petrochemical raw materials (alcohols, surfactants, etc.) The actual impact is limited to some products because we procure from a variety of suppliers.
Impact on business	Loss of sales opportunities due to shipment control of standard products (to suppress stockouts) and cancellation of some promotional products. Cost increases due to requests for raw material price increases.
Financial impact (Variance from initial plan)	Net sales: -1.0 billion yen (First half: -0.5 billion yen, Second half: -0.5 billion yen) Operating income: -2.0 billion yen (First half: -0.3 billion yen, Second half: -1.7 billion yen) Only reflects confirmed events at this point (excluding uncertain future risks). Assumes no profit improvement effects from various countermeasures (details of improvement effects on the next page).

Countermeasures

- Promotion of alternative procurement
- Expense control
- Optimization of product prices

[Regarding product price increases]

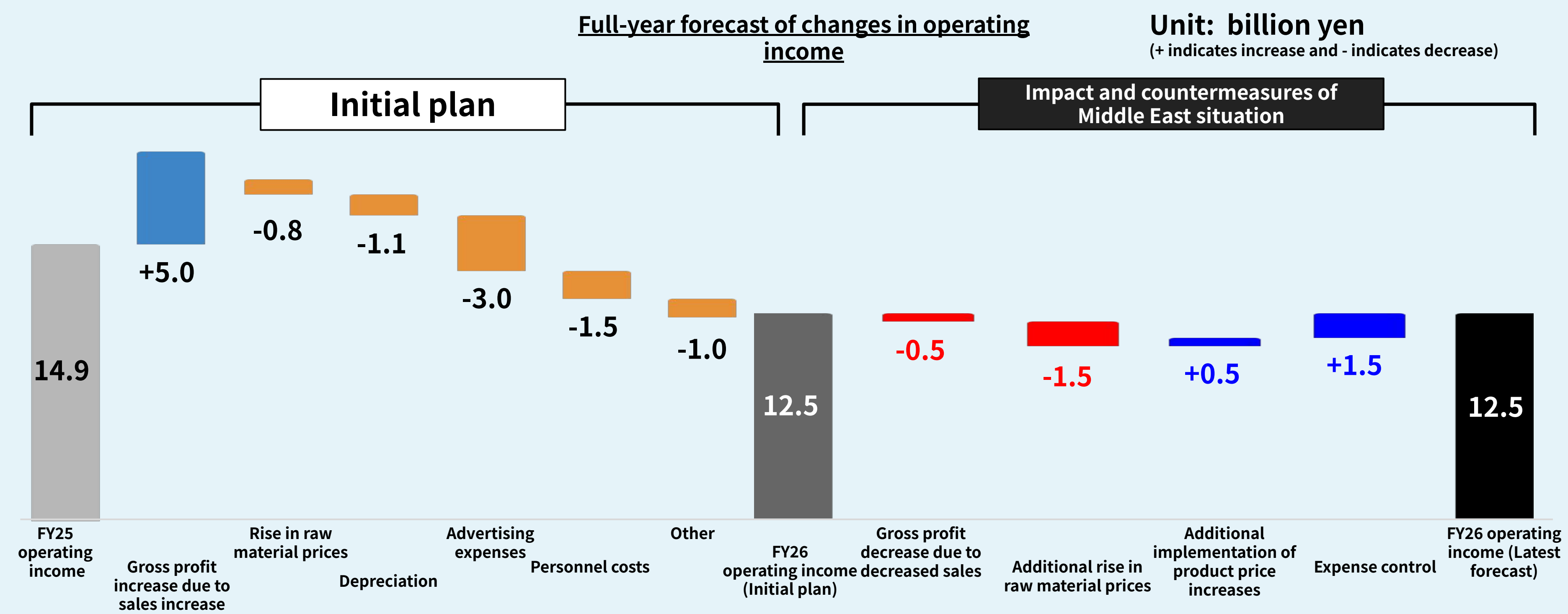
- From August shipments: 40 items including body warmers

- From September shipments: 121 items including Liquid BLUELET

Examples of products subject to price increases

Full-year Forecast of Changes in Operating Income

The -2.0 billion yen impact on operating income from the Middle East situation (a -0.5 billion yen decrease in gross profit due to lower sales and a -1.5 billion yen additional rise in raw material prices) will be covered by +0.5 billion yen from additional product price increases and +1.5 billion yen from expense control, keeping the published forecast unchanged. Although we will continue to monitor the risk of sales downside due to the materialization of seasonal factors (such as warm winter and a lull in infectious disease outbreaks), there are no changes to the initial plan at this point.



Regarding Extraordinary Income and Loss

Extraordinary income and loss are scheduled to be recorded from Q3 onwards as follows.

Impact on profit	Item	Amount of extraordinary income/loss recorded (billion yen)	Timing of recording
+	Recording of extraordinary income associated with the application for the tender offer for PALTAC shares	+ Approx. 3.3	Q3
–	Recording of extraordinary loss associated with the business transfer of Jiangsu Kobayashi Transfer of all equity interests in Jiangsu Kobayashi Pharmaceutical Co., Ltd. held by Kobayashi Pharmaceutical (China) Co., Ltd., a consolidated subsidiary of the Company, to Venturepharma Pharmaceutical (Xiamen) Co., Ltd.	Under examination (Estimated at approx. -0.5 to -1.0)	Q4 (Planned)

There are no revisions to the full-year outlook.

(Unit: billion yen)	FY 2025 results	FY 2026 forecast		
	Amount	Amount	YoY change	Margin
Net sales	165.7	173.0	+4.4%	—
Operating income	14.9	12.5	-16.2%	7.2%
Ordinary income	16.9	13.0	-23.5%	7.5%
Net income	3.6	10.0	+173.5%	5.8%
EBITDA	23.6	22.0	-6.9%	12.7%
EPS	49.19 yen	134.52 yen	+173.5%	—
ROE	1.7%	4.8%	—	—
Dividend	104 yen (Interim 44 yen, Year-end 60 yen)	106 yen (Interim 45 yen, Year-end 61 yen)	—	—
Domestic business	118.0	123.0	+4.2%	—
International business	46.9	49.4	+5.1%	—

Progress of Measures to Prevent Recurrence of the Red Yeast Rice Incident and Progress of the Medium-term Management Plan

(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.

Theme of the New Medium-term Management Plan
- To achieve sustainable growth in the future -
Building a foundation for the future

Strategic Pillar 1:
Enhancement of management foundation to restore "trust"

Strategic Pillar 2:
Corporate transformation to achieve "sustainable growth" again

Strategic Pillar 3:
Sustainable growth of "Domestic Business"

Strategic Pillar 4:
Acceleration of "Global" expansion and establishment of foundation

Strategic Pillar 5:
Management emphasizing capital efficiency to "improve corporate value"

(1) Awareness raising and structural enhancement regarding quality and safety

(2) Fundamental reform of corporate governance

(3) "New Kobayashi Pharmaceutical" to be created by all of us

(1) Began operation of a system for education and permeation of the Quality Management System (QMS) and for frontline-driven continuous improvement

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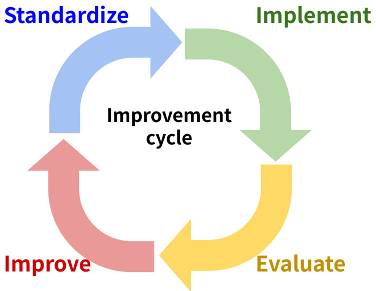


Medium-term Management Plan KGI: "Zero major quality incidents"

Prepared documents for all 39 QMS processes. Implement education for the frontline to instill the system.

The "QMS Management Committee" is held regularly to firmly establish a continuous improvement cycle.

(2) As stated in the measures to prevent recurrence, verified the company's organizational design, proposed to the General Meeting of Shareholders, and implemented the change

Change in organizational design	Regarding the organizational design, transitioned from a "Company with an Audit & Supervisory Board" to a "Company with an Audit and Supervisory Committee" following approval at the Annual General Meeting of Shareholders in March 2026.

(1) Awareness raising and structural enhancement regarding quality and safety

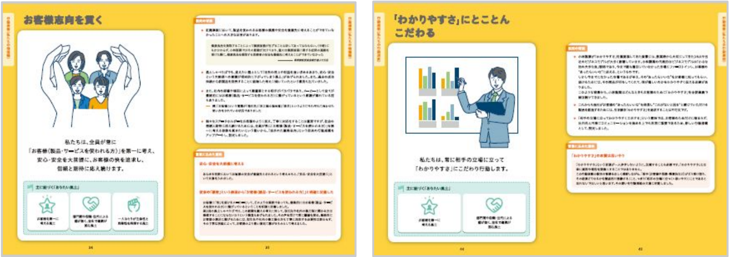
(2) Fundamental reform of corporate governance

(3) "New Kobayashi Pharmaceutical" to be created by all of us

[Organizational culture reform] Transformation into a "new Kobayashi Pharmaceutical" where employees can work with pride and continue to provide "comfort" to society even more, without ever repeating the same mistakes

Corporate Philosophy Guidebook (Cover)

Corporate Philosophy Guidebook (Examples of content)



Desired state and goals	Aiming for a state where the new corporate philosophy is rooted in daily operations KGI: "Pride" in working for the Company at 70% or more
Initiatives	- Issued the "Corporate Philosophy Guidebook" to serve as a compass when in doubt. - Selected approx. 100 "frontline promotion leaders" from across the company who volunteered to promote permeation. - The management team leads by example in following the code of conduct and supports the initiatives of the frontline promotion leaders. - With the President as the leader, everyone works together as one to advance the transformation.

(1) Awareness raising and structural enhancement regarding quality and safety

(2) Fundamental reform of corporate governance

(3) "New Kobayashi Pharmaceutical" to be created by all of us

[Preventing the incident from being forgotten] March 22, the date on which the incident was made public, was designated as "Quality and Safety Day," and initiatives to foster and strengthen a culture of "quality and safety first" were implemented following the previous year.

Major contents of "Quality and Safety Day (2026)"

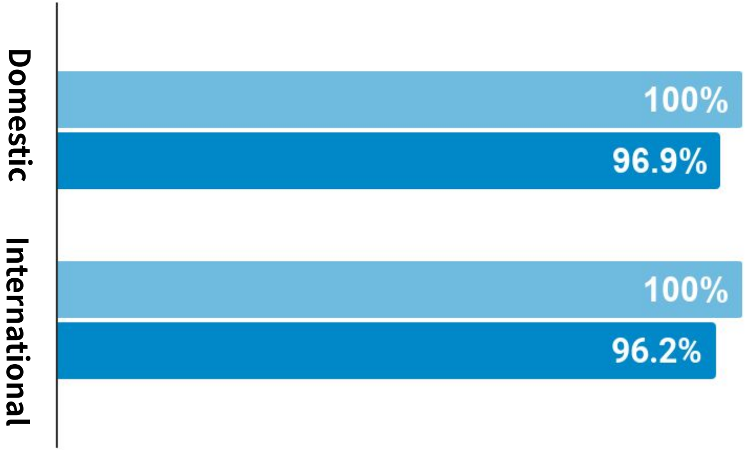
-President's message (direct message from top management)
-Review of this incident and sharing of measures to prevent recurrence
-Explanation of the progress of compensation
-Lectures by external lecturers who have engaged in responding to quality issues in other industries
-Group discussions by all employees

President's message

Group discussion

Against the plan to reduce 291 SKUs (equivalent to 26% of all SKUs) domestically and 292 SKUs (equivalent to 26% of all SKUs) internationally, the planned values are expected to be mostly achieved by the end of 2026, excluding those delayed due to strategic decisions.

Predicted achievement rate against the SKU reduction plan
(as of the end of 2026)



[Main expected effects] Creation of resources

Reduction in number of changeovers	Reduced by 375 times per year (4.4% of the total)
Reduction in administrative workload	Example: Fewer testing items when revising formulations due to factors such as discontinued raw materials
Improvement of stockouts	Example: Approx. 10% increase in production possible for major Liquid BLUELET products

We will continue to hold SKU reduction meetings every three years (the next is scheduled for 2028).

Growth | Stable | Transform

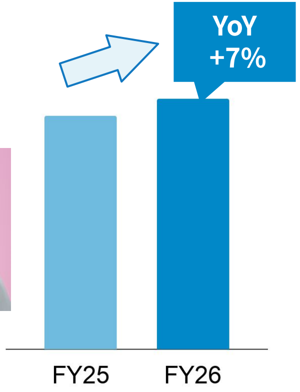
Aggressively invest management resources to aim for significant business growth

In the pharmaceuticals category, which is a growth area, we have promoted a shift to Web advertising in recent years for our mainstay brand "Inochi-no-Haha". We released Web educational videos in June, and sell-out in the 4 weeks after release performed strongly at +12% year-on-year.

Steady recent sales expansion due to the resumption of advertising

Revamped TV commercials

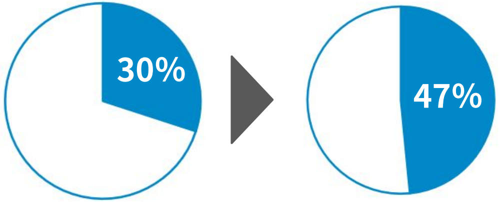
Net sales of "Inochi-no-Haha"
(Q2 cumulative total)



Promotion of a shift to Web advertising

Strategically increasing the composition ratio of Web advertising in recent years

Web advertising composition ratio for "Inochi-no-Haha"



FY23 (Results) | FY26 (Forecast)

Released educational videos in June to stimulate new demand

Promoted "making it a personal issue" by depicting the complex feelings of menopause through realistic everyday scenes

Educational video: Husband version

Educational video: Son version

Sell-out in the 4 weeks after release grew by +12% year-on-year

Growth | Stable | Transform

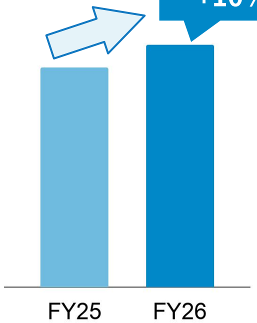
Aggressively invest management resources to aim for significant business growth

In the oral care products category, which is a growth area, we promote the strengthening of existing brands and the aggressive rollout of new products. Overall category sales in the first half of 2026 performed well, up 10% year-on-year.

Strong overall category sales

Net sales of oral care products (Q2 cumulative total)

YoY +10%



Steady sales expansion of major brands

*Figures are YoY changes for the Q2 cumulative total of 2026

YoY +22%

Strong inbound tourism demand

YoY +13%

Advertising effect and standard product display improvement

YoY +8%

Advertising effect

Aggressive market introduction and contribution of new products

Autumn 25

Spring 26

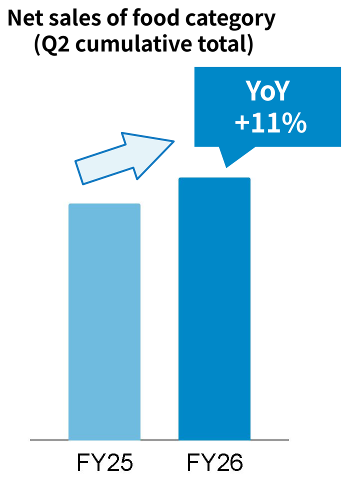
Spring 26

Growth | Stable | **Transform**

Aim for sustainable growth by improving profitability

In the food category, which is a transformation area, we strengthened information dissemination aimed at restoring trust. Driven by the resumption of advertising and the contribution of new products, the overall category grew by 11% in the first half of 2026.

Strong overall category sales



Strengthening information dissemination aimed at restoring trust

Releasing videos of the manufacturing process on the brand website

Driving customers from in-store price cards to the brand website (planned)

In-store price card

Brand website

New products also contribute to sales

Spring 26 | Spring 26

Growth | Stable | **Transform**

Aim for sustainable growth by improving profitability

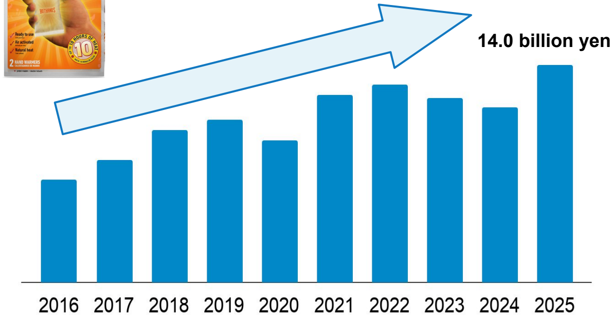
In the deodorizing air fresheners category, which is a transformation area, we implemented a value-added renewal to improve profitability on the occasion of the 30th anniversary of our mainstay product "Shoshugen". By innovating functionality and product value, we achieved a unit price increase of approx. 20% compared to conventional products, promoting the strengthening of our earnings foundation.

The new wide deodorizing filter is "textured", increasing its odor absorption power, and the deodorizing ingredients have also been improved.

The mainstay body warmer business is growing steadily. Going forward, we will focus on the supermarket channel, which has significant room for cultivation, and aim for further demand expansion by accelerating its penetration into daily use. With future growth potential in mind, we expanded the U.S. plant in 2025 and increased production capacity to approximately double.

Expansion of usage and sales channels

Net sales trends of body warmer business in the U.S.



[Major sales channels]

- Home centers
- Drugstores
- E-commerce
- Grocery (large room for cultivation)

[Purpose of use]
- Conventionally, main use was for outdoors and watching sports, etc.
- Going forward, accelerate penetration into "daily use"

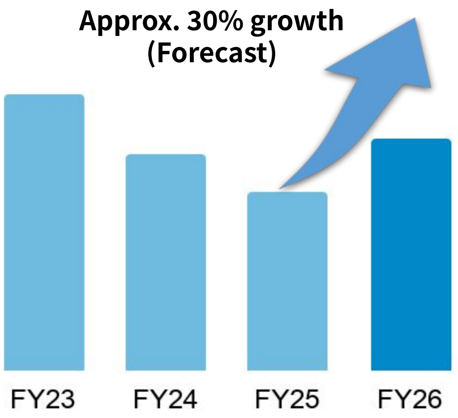
Strengthening the supply system

- Expanded the U.S. plant in 2025 to prepare for future demand expansion (Investment amount: approx. 8.0 billion yen)
- Increased production capacity to approximately double

U.S. plant (Georgia) Expanded

Mainland China, which was in a downtrend, hit bottom in 2025, and in 2026, it is progressing faster than expected due to successful expansion of shipments and advertising investment. We will continue to promote stable growth and profit improvement, aiming to achieve the 2028 sales target of 8.5 billion yen early and to add further to it.

Net sales trends in Mainland China



Body warmers 	- Forecast to grow by approx. 20% in FY2026. - Aim to steadily expand sales through advertising investment in existing products and introduction of new products.
Cooling gel sheets 	- Forecast to grow by approx. 15% in FY2026, breaking away from the overstock situation of the previous periods. - Will steadily grow through measures tailored to each region (expansion of shipments and advertising) and cultivation of heat countermeasure products.
Other  	- Forecast to grow by approx. 50% in FY2026 due to expansion of shipments of pharmaceuticals and air fresheners. - Aim to expand sales by continuing to expand shipments and invest in advertising, as well as adding items to air fresheners.

Initiatives for profit improvement	- Maintain proper operation by thoroughly implementing inventory management standards linked to market sell-out trends. - Reduce fixed costs through optimization of organization, personnel, and bases, and transform to a lean profit structure.

Southeast Asia is a market where further growth is expected by expanding the usage and lineup of the global brand Cooling gel sheets. We aim for 12.0 billion yen in sales in 2028 by executing strategies tailored to the growth phase of each country and promoting the global brand system.

Expansion of Cooling gel sheets usage

There is large room for growth considering users x purposes of use

Users

Adults

Children

Adults × fever
(Expanding)

Children × Fever
(Conventionally main)

Heat relief
(Growth potential)

Fever

Heat

Purpose of use

Advertising promoting heat countermeasure in Malaysia

Lineup expansion

Expanding into peripheral categories (eye care, etc.) leveraging the strong brand foundation

Malaysia

Taiwan

To improve capital efficiency, steadily implement the sale of non-business assets, including the reduction of cross-shareholdings, and the creation of resources. While steadily executing foundation investments to enhance the competitive advantage of existing businesses, flexibly promote the consideration of M&A with an eye on discontinuous growth and shareholder returns.

Funds

* Total for 3 years

Operating cash flow
(before advertising expenses and R&D expenses deductions)
140 billion yen

Optimization of cash and deposit levels
(approx. 3-4 months of monthly sales)
25 billion yen

Sale of nonbusiness assets
(strategically held shares, etc.)
15 billion yen

Borrowing for large-scale M&A deals
(Implement flexibly within the scope of financial rules)
+α

Strategic allocation

* Total for 3 years

Fundamental business investment
(Establishing competitive advantage in existing businesses)
110 billion yen

- Advertising expenses: 50 billion yen (Marketing investment)
- R&D expenses: 30 billion yen (New product development, quality enhancement)
- Capital investment: 30 billion yen (Quality enhancement, maintenance and update)

Strategic value creation category
(Maximize TSR through transformational growth and returns)
70 billion yen +α

- M&A: up to 100 billion yen
  For large-scale deals, utilize also borrowing to achieve profit growth
- Shareholder returns: from 30 billion yen
  In addition to consecutive dividend increases, funds not allocated to M&A will be used for flexible share buybacks to enhance TSR.

"Saito R&D and Manufacturing Lab", a new core base for manufacturing, started operation in April 2026 - Accelerating reliable "quality and safety" and the creation of "it would be nice if this existed" -

Name	Saito R&D and Manufacturing Lab
Location	4-1-66 Saito-Aokita, Minoh City, Osaka Prefecture
Building overview	Total floor area: 33,323㎡ Building area: 6,360㎡ Floors: 5 floors above ground, 1 floor below ground
Investment scale	17.5 billion yen
Start of operation	Sequentially from April 2026
Number of occupants	Approx. 800 (planned)

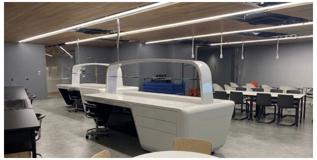
■ Main features

1. Structure that generates cross-departmental communication

Desks for all departments are placed on the 3rd floor, which is the center of the facility, and a large general experiment area that can be used cross-departmentally is set up on other floors.

2. Co-creation laboratory to accelerate open innovation

Newly established "Tsuku-room", a co-creation laboratory where we can make prototypes together with diverse external partners such as companies, universities, and research institutions.



3. Creating an environment that considers ease of working for employees

Realizes a work style where employees can freely select the space to work, such as box seats, phone booths, and meeting spaces.

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小林製薬

<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

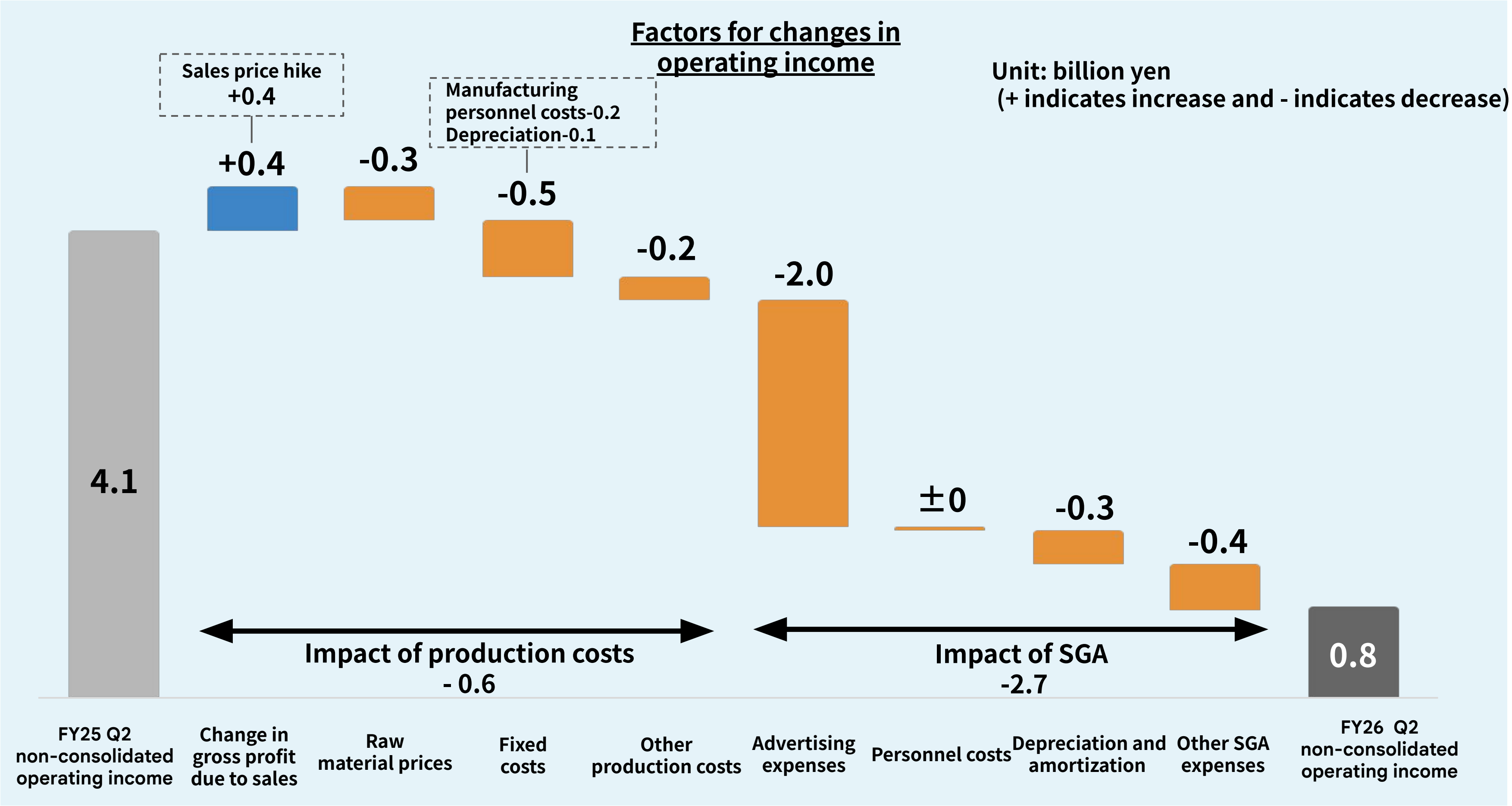
List of New Products for Autumn

With the launch of 3 items, we aim for first-year sales of 0.19 billion yen.

New items

Renewals & Item Additions

Factors behind Changes in Consolidated Operating Income (Q2 non-consolidated)



Consolidated Income Statement (1)

(Unit: billion yen)	FY 26 Q1 (Jan. to Mar.)	FY 26 Q2 (Apr. to Jun.)		FY 26 Q2 cumulative (Jan. to Jun.)	
	Amount	Amount	YoY change	Amount	YoY change
Net sales	33.6	37.0	+1.8%	70.7	+2.5%
Gross profit	17.4	18.8	-2.9%	36.3	+0.5%
Margin	51.8%	50.9%	—	51.4%	—
Operating income	1.3	0.8	-80.3%	2.1	-67.5%
Margin	4.0%	2.2%	—	3.1%	—
Ordinary income	1.6	1.3	-62.4%	3.0	-58.5%
Margin	5.0%	3.6%	—	4.2%	—
Net income	1.0	0.1	-93.5%	1.1	-64.1%
Margin	3.1%	0.3%	—	1.6%	—

Consolidated Income Statement (2)

(Unit: billion yen)	FY 26 Q1 (Jan. to Mar.)	FY 26 Q2 (Apr. to Jun.)		FY 26 Q2 cumulative (Jan. to Jun.)	
	Amount	Amount	YoY change	Amount	YoY change
Advertising expenses	3.0	3.7	+116.5%	6.7	+142.7%
Margin	8.9%	10.2%	―	9.6%	―
Sales promotion expenses	0.7	0.8	+3.8%	1.5	+2.7%
Margin	2.2%	2.2%	―	2.2%	―

Consolidated Balance Sheet (1)

(Unit: billion yen)	FY 25 End of Jun.	FY 25 End of Sep.	FY 25 End of Dec.	FY 26 End of Mar.	FY 26 End of Jun.
Current assets	135.9	132.0	148.8	127.5	124.8
Cash and deposits	56.2	45.2	62.3	56.7	47.0
Notes and accounts receivable-trade	32.9	40.3	52.1	33.4	34.1
Short-term investment securities	13.3	12.6	8.3	8.3	10.3
Inventories	30.6	30.6	22.7	26.4	29.9
Non-current assets	124.7	129.4	126.5	127.2	127.0
Property, plant and equipment	73.4	74.6	67.3	68.3	69.6
Intangible assets	17.8	17.6	17.4	16.9	16.5
Investments and other assets	33.4	37.0	41.7	42.0	40.8
Total assets	260.7	261.4	275.3	254.8	251.8

Consolidated Balance Sheet (2)

(Unit: billion yen)	FY 25 End of Jun.	FY 25 End of Sep.	FY 25 End of Dec.	FY 26 End of Mar.	FY 26 End of Jun.
Current liabilities	46.5	42.3	60.1	41.9	38.0
Notes and accounts payable-trade	9.1	8.5	8.4	7.6	7.8
Accounts payable-other	15.7	13.9	30.9	16.1	16.4
Non-current liabilities	5.9	7.0	4.1	4.0	4.1
Total net assets	208.2	212.0	211.0	208.9	209.6
Capital surplus	0.5	0.5	0.5	0.5	0.5
Retained earnings	207.0	207.3	204.2	200.8	200.9
Treasury stock	- 24.7	-24.7	-24.7	-24.7	-24.7
Total liabilities and net assets	260.7	261.4	275.3	254.8	251.8

Foreign Exchange

(Unit: yen)	FY 25 Jan. to Dec.	FY 26 Jan. to Mar.	FY 26 Jan. to Jun.	FY 26 Jan. to Dec. (Planned)
US dollar	149.7	156.8	158.1	148.0
Chinese yuan	20.8	23.0	23.0	21.0

Results by Segment (Domestic Business) (1)

(Unit: billion yen)	FY 26 Q1 (Jan. to Mar.)	FY 26 Q2 (Apr. to Jun.)		FY 26 Q2 cumulative (Jan. to Jun.)	
	Amount	Amount	YoY change	Amount	YoY change
Net sales	23.2	28.7	-0.9%	51.9	+0.5%
Gross profit	11.9	14.9	-5.1%	26.9	-0.1%
Margin	51.4%	52.0%	—	51.7%	—
Operating income	1.6	2.6	-53.9%	4.2	-47.6%
Margin	7.2%	9.1%	—	8.3%	—
Advertising expenses	1.9	2.8	+245.0%	4.7	+361.0%
Margin	8.2%	9.8%	—	9.1%	—
Sales promotion expenses	0.2	0.3	-6.2%	0.6	-4.7%
Margin	1.2%	1.3%	—	1.2%	—

Results by Segment (Domestic Business) (2)

(Unit: billion yen)	FY 26 Q1 (Jan. to Mar.)	FY 26 Q2 (Apr. to Jun.)		FY 26 Q2 cumulative (Jan. to Jun.)	
	Amount	Amount	YoY change	Amount	YoY change
Healthcare products	13.7	15.4	+2.2%	29.2	+2.0%
Pharmaceuticals	7.2	7.5	+2.6%	14.7	+4.2%
Food	1.2	1.6	+14.4%	2.9	+13.0%
Oral care products	3.7	4.6	+9.5%	8.4	+9.9%
Skin care products	1.3	1.6	+12.6%	3.0	+8.0%
Former direct marketing products	0.06	0.08	-88.5%	0.14	-90.3%
Household products	8.9	13.0	-3.4%	22.0	-0.4%
Sanitary products	2.1	2.9	-5.0%	5.0	-5.0%
Deodorizing air fresheners	5.8	8.9	-4.3%	14.8	+0.0%
Household articles	0.9	1.1	+7.8%	2.1	+8.5%
Body warmers	0.5	0.1	-44.3%	0.7	-23.7%

Results by Segment (International Business) (1)

(Unit: billion yen)	FY 26 Q1 (Jan. to Mar.)	FY 26 Q2 (Apr. to Jun.)		FY 26 Q2 cumulative (Jan. to Jun.)	
	Amount	Amount	YoY change	Amount	YoY change
Net sales	10.2	8.2	+12.2%	18.4	+8.2%
Gross profit	5.3	3.8	+4.3%	9.2	+1.4%
Margin	52.9%	47.1%	–	50.3%	–
Operating income	-0.3	-1.8	–	-2.1	–
Margin	–	–	–	–	–

Advertising expenses	1.0	0.9	+2.6%	2.0	+16.2%
Margin	10.7%	11.9%	–	11.2%	–
Sales promotion expenses	0.4	0.4	+16.2%	0.9	+9.4%
Margin	4.5%	5.6%	–	5.0%	–

Results by Segment (International Business) (2)

(Unit: billion yen)	FY 26 Q1 (Jan. to Mar.)	FY 26 Q2 (Apr. to Jun.)			FY 26 Q2 cumulative (Jan. to Jun.)		
	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.	4.40	2.81	-7.8%	-18.2%	7.21	-8.5%	-14.0%
China	2.66	2.29	+34.4%	+18.9%	4.95	+34.0%	+22.9%
Mainland China	1.95	1.56	+49.1%	+30.0%	3.51	+43.9%	+30.4%
Hong Kong	0.70	0.73	+11.3%	+1.7%	1.43	+14.7%	+8.2%
Southeast Asia	2.01	1.98	+30.6%	+15.8%	3.99	+12.4%	+1.5%
Singapore	0.17	0.08	-18.6%	-28.0%	0.26	+19.3%	+8.5%
Malaysia	0.56	0.67	+20.4%	+1.8%	1.24	+7.8%	-7.9%
Thailand	0.36	0.52	+1.7%	-9.5%	0.88	-11.6%	-20.8%
Indonesia	0.36	0.29	+115.4%	+107.3%	0.65	+23.5%	+22.2%
Philippines	0.36	0.27	+48.1%	+50.0%	0.63	+49.9%	+48.2%
Taiwan	0.18	0.12	+694.0%	+637.5%	0.31	+38.3%	+28.9%
Other	1.12	1.10	+7.4%	-6.6%	2.23	+19.3%	+6.2%
U.K.	0.69	0.59	+0.7%	-9.2%	1.28	+9.5%	-0.9%
Australia	0.30	0.49	+27.8%	+5.5%	0.80	+31.7%	+11.6%

By Country/Region and Item

(Unit: billion yen)	FY 26 Q1 (Jan. to Mar.)	FY 26 Q2 (Apr. to Jun.)			FY 26 Q2 cumulative (Jan. to Jun.)		
	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.	4.40	2.81	-7.8%	-18.2%	7.21	-8.5%	-14.0%
Body warmers	2.10	0.51	-11.7%	-17.1%	2.61	-3.6%	-9.5%
Pharmaceuticals	1.50	1.38	-13.9%	-19.1%	2.88	-10.0%	-15.4%
Other	0.80	0.91	+6.3%	-0.2%	1.71	-12.9%	-18.1%
Mainland China	1.95	1.56	+49.1%	+30.0%	3.51	+43.9%	+30.4%
Body warmers	0.56	-0.04	—	—	0.51	+38.3%	+22.8%
Cooling gel sheets	0.63	0.56	+38.4%	+22.9%	1.20	+32.5%	+17.7%
Other	0.76	1.03	+68.6%	+49.7%	1.79	+54.7%	+37.4%
Southeast Asia	2.01	1.98	+30.6%	+15.8%	3.99	+12.4%	+1.5%
Pharmaceuticals	0.43	0.51	+43.7%	+26.8%	0.95	+3.9%	-8.4%
Cooling gel sheets	1.23	1.15	+22.4%	+14.0%	2.38	+12.1%	+5.2%
Other	0.34	0.32	+45.0%	+22.4%	0.66	+28.6%	+14.4%