

KOBAYASHI PHARMACEUTICAL CO., LTD.

Summary of Financial Statements (Japanese GAAP) (Consolidated) Financial Results for the 2nd Quarter of the Fiscal Year Ending December 31, 2022

August 3, 2022

Listed exchanges : Tokyo
 Listed company name: Kobayashi Pharmaceutical Co., Ltd.
 Code : 4967
 URL : <https://www.kobayashi.co.jp/english/index.html>
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 Expected date for submitting quarterly securities report: August 10, 2022
 Expected date for starting payment of dividends: September 8, 2022
 Preparation of supplementary documents for quarterly financial results: Yes
 Holding of an analyst meeting for quarterly financial results: Yes (For analysts and investors)

(Any fraction less than 1 million yen is rounded down to the nearest million yen.)

1. Consolidated Results for 2nd Quarter of Fiscal Year Ending December 31, 2022 (January 1, 2022 to June 30, 2022)

(1) Consolidated Operating Results (accumulation)

(% figures represent changes from same period in previous year)

	Q2 of FY ending December 31, 2022		Q2 of FY ended December 31, 2021	
Net sales	71,264 millions of yen	6.3 %	67,052 millions of yen	1.3 %
Operating income	9,868	(3.6)	10,240	0.2
Ordinary income	10,904	(1.7)	11,091	0.6
Net income attributable to owners of the parent	7,700	(2.3)	7,881	(4.1)
Net income per share	99.55 yen		100.84 yen	

(Note) Comprehensive income

Q2 of FY ending December 31, 2022: 11,481 million yen (1.3%)

Q2 of FY ended December 31, 2021: 11,331 million yen (100.6%)

(2) Consolidated Financial Position

	Q2 of FY ending December 31, 2022	FY ended December 31, 2021
Total assets	250,823 millions of yen	252,554 millions of yen
Net assets	199,413	195,600
Shareholders' equity ratio	79.4 %	77.4 %

(Reference) Shareholders' equity

Q2 of FY ending December 31, 2022: 199,255 million yen FY ended December 31, 2021: 195,547 million yen

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2. Dividends

	FY ended December 31, 2021	FY ending December 31, 2022	FY ending December 31, 2022 (forecasts)
Dividends per share			
Q1 end	—	—	
Q2 end	37.00 yen	38.00 yen	
Q3 end	—		—
Year-end	46.00		47.00
Total	83.00		85.00

(Note) Revision of the latest dividend forecast: None

3. Forecasts of Consolidated Operational Results for Fiscal Year Ending December 31, 2022 (January 1, 2022 to December 31, 2022)

(% figures represent changes from previous year)			
Full year			
Net sales	162,000 millions of yen	4.3	%
Operating income	27,000	3.6	
Ordinary income	28,200	0.7	
Net income attributable to owners of the parent	20,200	2.5	
Earnings per share	259.85 yen		

(Note) Revision to the latest forecasts of operational results: None

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*** Notes**

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

(2) Adoption of special accounting methods for preparing quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

① Changes in accounting policies due to revisions of accounting standards: Yes

② Changes in accounting policies other than ①: None

③ Changes in accounting estimates: None

④ Retrospective restatement: None

(Note) For details, please refer to "2. Quarterly Consolidated Financial Statements and Main Notes (4) Notes on quarterly consolidated financial statements (Changes in accounting policies)" on page 10 of the attachment.

(4) Issued shares (common shares)

① Number of shares issued at period-end (including treasury stock):

② Number of shares of treasury stock at period-end:

③ Average number of shares outstanding during period (consolidated cumulative quarters):

Q2 of FY ending December 31, 2022	82,050,000 shares	FY ended December 31, 2021	82,050,000 shares
Q2 of FY ending December 31, 2022	4,770,286 shares	FY ended December 31, 2021	4,314,084 shares
Q2 of FY ending December 31, 2022	77,346,336 shares	Q2 of FY ended December 31, 2021	78,163,083 shares

* This brief report of quarterly financial statements is not subject to audit procedures by a certified public accountant or an independent auditor.

*** Notes on proper use of forecasts and other matters**

The forward-looking statements in this document concerning forecasting of operational results, etc. are based on currently available information and assumptions considered reasonable by the Company. Actual operational results may be significantly different from these statements due to various factors. For matters concerning forecasts for operational results, please refer to "1. Qualitative Information on Quarterly Results (3) Explanation of future forecast information, such as forecast of consolidated results" on page 4 of the attachment.

(Method to obtain the supplementary documents for quarterly financial results)

The Company plans to hold a results presentation for institutional investors and securities analysts on Thursday, August 4, 2022. It plans to post the supplementary documents for financial results to be distributed in the results presentation on its website on Wednesday, August 3, 2022.

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1. Qualitative Information on Quarterly Results

(1) Explanation of operational results

During the first six-month period of the consolidated fiscal year under review (January 1, 2022 to June 30, 2022), the outlook for the business environment surrounding the Kobayashi Pharmaceutical Group continued to remain uncertain. Due to the spread of new coronavirus infections caused by the omicron variant in some countries and regions as well as soaring raw material prices and rising geopolitical risks, there were concerns about a slowdown in global economic activities, despite economic activities resuming in many countries owing to the diffusion of vaccines against COVID-19.

Under these circumstances, the Group launched new products to meet customers' needs, strengthened its existing product lineups, and invested in businesses with high future growth potential under the brand slogan "You make a wish and we make it happen."

As a result, net sales, operating income and ordinary income were 71,264 million yen (+6.3% year on year), 9,868 million yen (-3.6% year on year) and 10,904 million yen (-1.7% year on year), respectively, and net income attributable to owners of the parent was 7,700 million yen (-2.3% year on year).

Business results by segment were as follows:

Domestic Business

In the Domestic Business, the Company launched 15 new products in the spring of the current year. The products that contributed to growth in sales were *Naripitan Tokishakuyakusan* (Kampo, a Chinese medicine, effective for alleviating ringing ears), *Naishi Help* (a food with functional claim that helps reduce visceral fat in persons with high BMI), *Shoshugen for Toilet Antibacterial+* (a compact deodorizer that fully eliminates persistent odors and inhibits the growth of bacteria on the floor), and *Netsusama Sheet Gel de Hinyari Eye Mask* (an eye mask exclusive for cooling eyes).

Furthermore, demand for *Nodonool Spray* (a medicine that disinfects viruses and germs in the affected area of the throat) and *Netsusama Sheet* (a cooling gel sheet for the forehead) increased along with the spread of the COVID-19 omicron variant.

In addition, sales of body warmers, including *Kiribai Body Warmer Haru*, sold well owing to falling temperatures.

However, sales of *BreathCare* (an oral breath freshener capsule that refreshes the breath from the stomach) continued to be sluggish from the previous year due to self-restraint on going out and a reduction in the number of drinking gatherings.

Consequently, the Company reported net sales of 56,376 million yen (+3.1% year on year) and segment income of 9,335 million yen (-8.9% year on year).

Net sales include inter-segment sales or transfers, which totaled 2,540 million yen in the first six-month period of the previous consolidated fiscal year and 3,168 million yen in the same period of the current consolidated year.

(Breakdown of sales to external customers)

	Q2 ended June 30, 2021 (January 1, 2021 to June 30, 2021)	Q2 ended June 30, 2022 (January 1, 2022 to June 30, 2022)	Change	
	Amount (millions of yen)	Amount (millions of yen)	Amount (millions of yen)	Change (%)
Healthcare products	25,763	26,207	443	1.7
Household products	21,893	22,093	199	0.9
Skin care	3,552	3,282	(270)	(7.6)
Body warmers	904	1,625	721	79.7
Total	52,114	53,208	1,093	2.1

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International Business

In the International Business, the Company markets body warmers, *Netsusama Sheet* (a cooling gel sheet for the forehead) and *Ammeltz* (an external anti-inflammatory), mostly in the United States, China, and Southeast Asia, and sought to expand sales by aggressively investing principally in advertising and sales promotion.

Furthermore, sales of body warmers increased steadily in the United States due to lower temperatures, and in Southeast Asia countries, demand for *Netsusama Sheet* grew sharply to treat fever after COVID-19 vaccinations. In addition, growth in sales owing to the impact of the depreciation of the yen also contributed to the increase in net sales.

On the other hand, from March 2022, COVID-19 outbreaks put millions under lockdown in Chinese cities, snarling supply chains. Consequently, shipments of the Company's products were delayed, causing sales to be depressed. However, the Company saw net sales grow from the previous year, since the weaker yen caused net sales to increase in yen terms.

As a result, net sales and segment income were 14,452 million yen (+33.4% year on year) and 145 million yen (versus a segment loss of 524 million yen in the previous year), respectively.

Net sales include inter-segment sales or transfers, which totaled 627 million yen in the first six-month period of the previous consolidated fiscal year and 949 million yen in the same period of the current year.

(Breakdown of sales to external customers)

	Q2 ended June 30, 2021 (January 1, 2021 to June 30, 2021)	Q2 ended June 30, 2022 (January 1, 2022 to June 30, 2022)	Change	
	Amount (millions of yen)	Amount (millions of yen)	Amount (millions of yen)	Change (%)
United States	3,824	4,435	610	16.0
China	3,924	4,464	540	13.8
Southeast Asia	1,375	3,206	1,831	133.2
Others	1,082	1,396	314	29.0
Total	10,206	13,503	3,296	32.3

Direct Marketing Business

The Direct Marketing Business markets nutritional supplements and skin care products. The Company strove to exploit new customers while encouraging existing customers to continue to place orders for its products through sales promotional campaigns, such as advertisements and direct mail.

Consequently, the Company reported net sales of 4,250 million yen (−5.2% year on year) and segment income of 131 million yen (+25.8% year on year).

Net sales do not include inter-segment sales or transfers.

Other Businesses

Businesses in this segment include the transportation business, manufacture and sale of plastic containers, real estate management, and advertisement planning and production. The companies in this business segment operate individually on a financially independent basis, and their delivery prices of materials and services were reviewed and revised as necessary.

As a result, net sales and segment income were 3,344 million yen (−0.1% year on year) and 325 million yen (−21.3% year on year), respectively.

Net sales include inter-segment sales or transfers, which totaled 3,096 million yen in the first six-month period of the previous consolidated fiscal year and 3,041 million yen in the same period of the current year.

(2) Explanation of financial position

Total assets decreased by 1,730 million yen from the balance as of the end of the previous consolidated fiscal year to 250,823 million yen. This was attributable mainly to an increase of 12,723 million yen in cash and deposits, a decline of 18,368 million yen in notes and accounts receivable-trade, a fall of 5,622 million yen in short-term investment securities, a rise of 5,115 million yen in merchandise and finished goods, a growth of 1,520 million yen in buildings and structures, net, an increase of 1,120 million yen in construction in progress, and a decrease of 1,444 million yen in investment securities.

Liabilities declined by 5,544 million yen from the balance as of the end of the previous consolidated fiscal year to 51,410 million yen. This was attributable mainly to a fall of 462 million yen in electronically recorded obligations-operating, a decrease of 2,535 million yen in accounts payable-other, and a decline of 1,243 million yen in income taxes payable.

Net assets increased by 3,813 million yen from the balance as of the end of the previous consolidated

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fiscal year to 199,413 million yen, bringing the shareholders' equity ratio to 79.4%. This was attributable mainly to an increase of 3,984 million yen in retained earnings, a rise of 4,056 million yen in treasury stock, and a growth of 4,657 million yen in foreign currency translation adjustment.

Cash flows from operating activities

Cash flows from operating activities totaled 18,819 million yen (versus 9,773 million yen in the previous year). The major factors were: income before income taxes of 10,860 million yen, depreciation of 2,112 million yen, a decrease in notes and accounts receivable-trade of 19,397 million yen, an increase in inventories of 5,393 million yen, a fall in accounts payable-other of 2,699 million yen, and income taxes paid of 4,178 million yen.

Cash flows from investing activities

Cash flows from investing activities totaled -781 million yen (versus 4,142 million yen in the previous year). Major factors were payments into time deposits of 24,639 million yen, proceeds from withdrawal of time deposits of 23,745 million yen, proceeds from sales and redemption of securities of 5,613 million yen, and purchase of property, plant and equipment of 4,912 million yen.

Cash flows from financing activities

Cash flows from financing activities totaled -7,724 million yen (versus -3,459 million yen in the previous year). The major factors were purchase of treasury stock of 4,056 million yen and cash dividend paid of 3,574 million yen.

Consequently, cash and cash equivalents as of June 30, 2022 totaled 93,584 million yen, an increase of 11,597 million yen from the end of the previous fiscal year.

(3) Explanation of future forecast information, such as forecast of consolidated results

The Group did not revise its forecast of consolidated results for the fiscal year ending December 31, 2022, which the Group announced via the Summary of Financial Statements for the Fiscal Year Ended December 31, 2021 released on February 4, 2022.

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2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly consolidated balance sheet

(millions of yen)

	Previous consolidated fiscal year (December 31, 2021)	End of 1st six-month period of FY ending December 2022 (June 30, 2022)
ASSETS		
Current assets		
Cash and deposits	95,024	107,747
Notes and accounts receivable-trade	55,169	36,801
Short-term investment securities	14,022	8,400
Merchandise and finished goods	8,853	13,968
Work in process	1,388	1,704
Raw materials and supplies	4,866	5,906
Other	2,587	2,510
Allowance for doubtful accounts	(22)	(11)
Total current assets	181,889	177,026
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,158	9,679
Machinery, equipment and vehicles, net	5,055	5,597
Tools, furniture and fixtures, net	1,450	1,518
Land	4,695	4,704
Leased assets, net	608	573
Construction in progress	2,555	3,676
Total property, plant and equipment	22,524	25,749
Intangible assets		
Goodwill	7,189	7,881
Trademark rights	3,721	3,822
Software	1,538	1,841
Other	207	226
Total intangible assets	12,658	13,772
Investments and other assets		
Investment securities	29,466	28,021
Long-term loans receivable	816	885
Deferred tax assets	1,489	1,680
Real estate for investment, net	2,735	2,721
Other	1,840	1,905
Allowance for doubtful accounts	(866)	(940)
Total investments and other assets	35,482	34,275
Total non-current assets	70,664	73,797
Total assets	252,554	250,823

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(millions of yen)

	Previous consolidated fiscal year (December 31, 2021)	End of 1st six-month period of FY ending December 2022 (June 30, 2022)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	9,293	9,233
Electronically recorded obligations-operating	8,151	7,688
Short-term loans payable	1	—
Accounts payable-other	21,187	18,652
Lease obligations	169	185
Income taxes payable	3,836	2,592
Accrued consumption taxes	639	262
Provision for bonuses	2,486	2,412
Other	4,936	4,147
Total current liabilities	50,703	45,174
Non-current liabilities		
Lease obligations	460	411
Deferred tax liabilities	1,564	1,584
Net defined benefit liability	1,978	1,980
Provision for directors' retirement benefits	41	41
Other	2,206	2,217
Total non-current liabilities	6,250	6,236
Total liabilities	56,954	51,410
NET ASSETS		
Shareholders' equity		
Capital stock	3,450	3,450
Capital surplus	4,183	4,183
Retained earnings	200,534	204,518
Treasury stock	(23,706)	(27,763)
Total shareholders' equity	184,461	184,388
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,953	9,941
Foreign currency translation adjustment	1,166	5,823
Re-measurements of retirement benefit plans	(1,034)	(898)
Total accumulated other comprehensive income	11,085	14,866
Share acquisition rights	53	158
Total net assets	195,600	199,413
Total liabilities and net assets	252,554	250,823

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(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income

(Quarterly consolidated statements of income)

(For the first six-month period of the fiscal year ending December 31, 2022)

(millions of yen)

	Six-month period ended June 30, 2021 (January 1, 2021 to June 30, 2021)	Six-month period ended June 30, 2022 (January 1, 2022 to June 30, 2022)
Net sales	67,052	71,264
Cost of sales	27,430	30,334
Gross profit	39,621	40,930
Selling, general and administrative expenses	29,381	31,061
Operating income	10,240	9,868
Non-operating income		
Interest income	75	35
Dividend income	227	243
Real estate rent	150	149
Foreign exchange gains	321	478
Other	226	360
Total non-operating income	1,001	1,268
Non-operating expenses		
Interest expenses	9	9
Rent cost of real estate	48	48
Provision of allowance for doubtful accounts	66	77
Compensation expenses	—	47
Other	27	49
Total non-operating expenses	150	232
Ordinary income	11,091	10,904
Extraordinary income		
Gain on sales of non-current assets	0	2
Insurance claim income	—	8
Total extraordinary income	0	10
Extraordinary loss		
Loss on sales and retirement of non-current assets	39	31
Loss on disaster	2	12
Other	11	9
Total extraordinary loss	53	53
Income before income taxes	11,037	10,860
Income taxes - current	2,834	2,864
Income taxes - deferred	322	296
Total income taxes	3,156	3,160
Net income	7,881	7,700
Net income attributable to owners of the parent	7,881	7,700

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(Quarterly consolidated statements of comprehensive income)

(For the first six-month period of the fiscal year ending December 31, 2022)

(millions of yen)

	Six-month period ended June 30, 2021 (January 1, 2021 to June 30, 2021)	Six-month period ended June 30, 2022 (January 1, 2022 to June 30, 2022)
Net income	7,881	7,700
Other comprehensive income		
Valuation difference on available-for-sale securities	1,688	(1,012)
Foreign currency translation adjustment	1,625	4,657
Adjustment for retirement benefits	136	136
Total other comprehensive income	3,450	3,781
Quarterly comprehensive income	11,331	11,481
(Quarterly comprehensive income attributable to)		
Quarterly comprehensive income attributable to owners of the parent	11,331	11,481
Quarterly comprehensive income attributable to non-controlling interests	—	—

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(3) Consolidated statement of cash flows

	(millions of yen)	
	Six-month period ended June 30, 2021 (January 1, 2021 to June 30, 2021)	Six-month period ended June 30, 2022 (January 1, 2022 to June 30, 2022)
Cash flows from operating activities		
Income before income taxes	11,037	10,860
Depreciation	1,871	2,112
Amortization of goodwill	424	466
Interest and dividend income	(302)	(279)
Interest expenses	9	9
Loss (gain) on sales and retirement of non-current assets	39	29
Decrease (increase) in notes and accounts receivable-trade	11,387	19,397
Decrease (increase) in inventories	(4,149)	(5,393)
Increase (decrease) in notes and accounts payable-trade	(266)	(184)
Increase (decrease) in accounts payable-other	(3,638)	(2,699)
Increase (decrease) in accrued consumption taxes	(1,182)	(661)
Other	(1,266)	(940)
Subtotal	13,963	22,717
Interest and dividend income received	336	291
Interest expenses paid	(8)	(11)
Income taxes paid	(4,518)	(4,178)
Net cash provided by (used in) operating activities	9,773	18,819
Cash flows from investing activities		
Payments into time deposits	(27,950)	(24,639)
Proceeds from withdrawal of time deposits	32,004	23,745
Proceeds from sales and redemption of securities	2,100	5,613
Purchase of property, plant and equipment	(1,773)	(4,912)
Proceeds from sales of property, plant and equipment	4	2
Purchase of intangible assets	(180)	(457)
Purchase of investment securities	(5)	(6)
Other	(57)	(127)
Net cash provided by (used in) investing activities	4,142	(781)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(12)	(1)
Purchase of treasury stock	(0)	(4,056)
Cash dividends paid	(3,361)	(3,574)
Other	(85)	(91)
Net cash provided by (used in) financing activities	(3,459)	(7,724)
Effect of exchange rate change on cash and cash equivalents	495	1,305
Net increase (decrease) in cash and cash equivalents	10,951	11,619
Cash and cash equivalents at beginning of period	61,157	81,987
Increase (decrease) in cash and cash equivalents resulting from the change of book closure period of consolidated subsidiaries	—	(22)
Cash and cash equivalents at end of period	72,108	93,584

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(4) Notes on quarterly consolidated financial statements

(Notes on assumption of going concern)

Not applicable

(Notes on a significant change in shareholders' equity)

Based on a resolution at a meeting of the Board of Directors held on October 28, 2021, the Company acquired 883,300 shares of its own stock from November 1, 2021 to February 10, 2022.

As the Company acquired 456,200 shares of its own stock in the first six-month period of the consolidated fiscal year under review, treasury stock increased by 4,056 million yen, amounting to 27,763 million yen as of the end of the first six-month period of the current consolidated fiscal year.

(Changes in accounting policies)

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019; hereinafter "Fair Value Measurement Standard"), etc. has been applied from the beginning of the first three-month period of the consolidated fiscal year under review. In accordance with the transitional treatment prescribed in Paragraph 19 of the Fair Value Measurement Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), the Company has decided to apply the new accounting policies set forth by the Fair Value Measurement Standard, etc. into the future. These changes had no impact on the quarterly consolidated financial statements.

(Additional information)

(Application of Accounting Standard for Revenue Recognition, etc.)

The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) etc. has been applied from the beginning of the first three-month period of the consolidated fiscal year under review. Furthermore, the Accounting Standard for Revenue Recognition etc. announced on March 30, 2018 has been applied from the beginning of the consolidated fiscal year ended December 31, 2020.

Accordingly, the Company disclosed information on the breakdown of revenue generated from contracts with customers for the first six-month period of the consolidated fiscal year under review in Notes on quarterly consolidated financial statements (Segment information, etc.). Furthermore, in accordance with the transitional treatment prescribed in Paragraph 28-15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12, March 31, 2020), the Company did not disclose information on the breakdown of revenue generated from contracts with customers for the first six-month period of the fiscal year ended December 31, 2021.

(Segment information)

I. Six-month period ended June 30, 2021 (January 1, 2021 to June 30, 2021)

1. Information on net sales, income or loss by reportable segment

	Reportable segment				Other (Note 1)	Grand total	Adjustment (Note 2)	Figures in quarterly consolidated statements of income (Note 3)
	Domestic Business	International Business	Direct Marketing Business	Total				
Net sales								
Net sales to outside customers	52,114	10,206	4,482	66,803	249	67,052	—	67,052
Inter-segment sales and transfers	2,540	627	—	3,167	3,096	6,264	(6,264)	—
Total	54,655	10,833	4,482	69,970	3,346	73,317	(6,264)	67,052
Segment income (loss)	10,243	(524)	104	9,823	413	10,236	3	10,240

(Notes)

1. Other represents businesses that are not included in reportable segments, such as the transportation business, manufacture and sale of plastic containers, real estate management, and advertisement planning and production.
2. Adjustments of 3 million yen in segment income or segment loss are eliminations among segments.
3. Segment income or segment loss is adjusted with operating income in the quarterly consolidated statements of income.

2. Information concerning impairment loss on non-current assets or goodwill by reportable segments

The Group does not provide information concerning impairment loss on non-current assets or goodwill because it does not recognize significant impairment loss on non-current assets and there has been no significant change in the value of goodwill.

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II. Six-month period ended June 30, 2022 (January 1, 2022 to June 30, 2022)

1. Information on net sales, income or loss by reportable segment and on the breakdown of revenue

(millions of yen)

	Reportable segment				Other (Note 1)	Grand total	Adjustment (Note 2)	Figures in quarterly consolidated statements of income (Note 3)
	Domestic Business	Internation al Business	Direct Marketing Business	Total				
Net sales								
Japan	53,208	—	4,250	57,459	302	57,761	—	57,761
United States	—	4,435	—	4,435	—	4,435	—	4,435
China	—	4,464	—	4,464	—	4,464	—	4,464
Southeast Asia	—	3,206	—	3,206	—	3,206	—	3,206
Other	—	1,396	—	1,396	—	1,396	—	1,396
Revenue from contracts with customers	53,208	13,503	4,250	70,962	302	71,264	—	71,264
Net sales to outside customers	53,208	13,503	4,250	70,962	302	71,264	—	71,264
Inter-segment sales or transfers	3,168	949	—	4,117	3,041	7,159	(7,159)	—
Total	56,376	14,452	4,250	75,079	3,344	78,424	(7,159)	71,264
Segment income	9,335	145	131	9,612	325	9,938	(69)	9,868

(Notes)

1. *Other* represents businesses that are not included in reportable segments, such as the transportation business, manufacture and sale of plastic containers, real estate management, and advertisement planning and production.
2. Adjustments of -69 million yen in segment income are eliminations among segments.
3. Segment income is adjusted with operating income in the quarterly consolidated statements of income.

2. Information concerning impairment loss on non-current assets or goodwill by reportable segments

The Group does not provide information concerning impairment loss on non-current assets or goodwill because it does not recognize significant impairment loss on non-current assets and there has been no significant change in the value of goodwill.

(Matters concerning revenue recognition)

Information on the breakdown of revenue from contracts with customers is as provided in Notes on quarterly consolidated financial statements (Segment information, etc.).

(Important subsequent events)

Not applicable