

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2026 (Nine Months Ended December 31, 2025)



(Under Japanese GAAP)

Company name: ROHTO PHARMACEUTICAL CO.,LTD.

Listing: Tokyo Stock Exchange

Securities code: 4527

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)**(1) Consolidated operating results (cumulative)**

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2025	253,071	12.0	33,575	5.1	39,852	20.5	28,279	14.3
December 31, 2024	225,895	12.3	31,960	(9.4)	33,076	(11.2)	24,744	(5.4)

Note: Comprehensive income For the nine months ended December 31, 2025: ¥ 33,500 million [29.7%]
For the nine months ended December 31, 2024: ¥ 25,831 million [(29.2)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
December 31, 2025	125.15	121.12
December 31, 2024	108.46	108.15

Note: In the first quarter of the fiscal year ending March 31, 2026, the Company finalized the provisional accounting treatment for the business combination. Figures for the nine months ended December 31, 2024 reflect the details of the finalization of the provisional accounting treatment.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
December 31, 2025	460,668	304,857	62.3
March 31, 2025	437,039	280,737	60.2

Reference: Equity

As of December 31, 2025: ¥ 287,074 million

As of March 31, 2025: ¥ 262,990 million

Note: In the first quarter of the fiscal year ending March 31, 2026, the Company finalized the provisional accounting treatment for the business combination. Figures for the fiscal year ended March 31, 2025 reflect the details of the finalization of the provisional accounting treatment.

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	16.00	-	20.00	36.00
Fiscal year ending March 31, 2026	-	21.00	-		
Fiscal year ending March 31, 2026 (Forecast)				23.00	44.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	340,500	10.3	40,500	5.9	46,500	17.1	33,000	7.0	146.04

Notes: 1. Revision to the financial results forecast announced most recently: Yes

2. Year-on-year changes are calculated based on figures after retrospective adjustments, reflecting the finalization of the provisional accounting treatment related to the business combination conducted in the first quarter of the fiscal year ending March 31, 2026.

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 companies(Rohto MediLuxe Europe S.A.S.U.)
 Excluded: - companies()

Note: Please refer to page 8 of the attachments "2. Quarterly Consolidated Financial Statements and Major Notes, (3) Notes to Quarterly Consolidated Financial Statements" for further information.

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

Note: Please refer to page 8 of the attachments "2. Quarterly Consolidated Financial Statements and Major Notes, (3) Notes to Quarterly Consolidated Financial Statements" for further information.

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

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 (ii) Changes in accounting policies due to other reasons: None
 (iii) Changes in accounting estimates: None
 (iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2025	236,178,310 shares
As of March 31, 2025	236,178,310 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2025	10,213,970 shares
As of March 31, 2025	10,213,934 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2025	225,964,362 shares
Nine months ended December 31, 2024	228,138,753 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

*Cautionary statement with respect to forward-looking statements and other special items

Forecasts regarding future performance in these materials are based on assumptions judged to be valid and information available to the Company at the time the materials were created. These materials are not promises by the Company regarding future performance. Actual results of operations may differ significantly from the forecasts depending on various factors. For discussion of the assumptions and other factors considered by the Company in preparing the above projections, please refer to page 3 of the attachments "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements."

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first nine months of the current fiscal year, the Japanese economy remained on a moderate recovery track owing to continued improvements in the employment and income environment, as well as the number of foreign visitors to Japan remaining high against the backdrop of the trend toward a weaker yen. Meanwhile, prolonged price increases for food and other items impacted household budgets, and personal consumption remained weak due to consumers' persistent frugality, despite signs of a pick-up. Regarding overseas economies, uncertainty over future US monetary and trade policies continued to exert downward pressure on economic activity, and the lagging recovery in the Chinese economy continued. Resource and materials prices and exchange rates remained unstable due to protracted geopolitical risks, particularly the situation in Ukraine and the Middle East, and domestic companies continued to face upward pressure on costs and uncertainty in their business environment. In these environments, the economic outlook for Japan and other countries is still uncertain.

Under these circumstances, the Company announced the Rohto Group Medium- to Long-Term Growth Strategy 2025-2035 and the Management Policy for Achieving Long-Term Growth on May 13, 2025. At Rohto, we define our purpose as "to lead all individuals and society surrounding us to 'well-being' by delivering 'health' to people around the world through our products and services and to make people happier and make the future brighter." We are making efforts every day to achieve this goal.

Consequently, net sales increased significantly to 253,071 million yen (up 12.0% year-on-year). In Japan, sales increased, reflecting product proposals that meet customer needs as well as rising inbound demand. Overseas, despite effects of the yen's appreciation, sales also increased significantly due to product proposals that meet customer needs and inclusion of the results of Singaporean Chinese herbal medicine manufacturing and sales company Eu Yan Sang International Ltd. and Austrian pharmaceutical and medical device manufacturing and sales company Mono chem-pharm Produkte GmbH in the consolidated statement of income from the third quarter of the previous fiscal year.

As for profits, operating income was 33,575 million yen (up 5.1% year-on-year), ordinary income was 39,852 million yen (up 20.5% year-on-year), and profit attributable to owners of parent was 28,279 million yen (up 14.3% year-on-year), due to increased net sales despite a rising cost of sales ratio.

Results by reportable segment are as follows.

Japan

Sales to outside customers increased to 126,677 million yen (up 0.3% year-on-year).

Sales were brisk for "Rohto V5" supplements, new lip balm products, "Gyutto," which is a new hair mask launched in the previous fiscal year, "Hadalabo" skincare products, and eye drops. Among the domestic group companies, Rohto Nitten Co., Ltd. and Amato Pharmaceutical Products, Ltd. contributed to sales growth.

Segment profit (operating income basis) decreased to 17,963 million yen (down 2.8% year-on-year) due to profit decreases at our consolidated subsidiaries, although the Company continued to record a profit increase.

Americas

Sales to outside customers increased to 15,554 million yen (up 2.7% year-on-year).

Hydrox Laboratories, which manufactures and sells medical disinfectants and other products, continued to perform strongly. In addition, our consolidated subsidiaries in Brazil, which experienced strong performances in the sales of "Hadalabo" and the ophthalmology business, also made a contribution to the increase in sales.

Segment profit (operating income basis) decreased to 1,017 million yen (down 6.2% year-on-year) due to an increase in selling, general and administrative expenses.

Europe

Sales to outside customers increased significantly to 17,165 million yen (up 28.0% year-on-year).

Dax Cosmetics, based in Poland, contributed to the increase in sales due to the strong sales of "Perfecta" and "Hadalabo Tokyo." Sales of "Rohto Dry Aid" and "Rohto Dry Aid Fresh Boost" eye drops also remained strong. Furthermore, Mono chem-pharm Produkte GmbH has also contributed to sales.

Segment profit (operating income basis) decreased to 579 million yen (down 40.4% year-on-year) due to an increase in selling, general and administrative expenses in addition to a higher cost of sales ratio resulting from a lower production volume caused by the bankruptcy

of a container supplier for anti-inflammatory analgesic products, as well as higher unit prices from alternative suppliers in the UK.

Asia

Sales to outside customers increased significantly to 91,087 million yen (up 32.9% year-on-year).

Sales were strong in Vietnam, Indonesia, and other Southeast Asian countries. In the second quarter of the current fiscal year, our Myanmar subsidiary obtained an import license in the country, where it had faced difficulties in the import of raw materials and products. This allowed it to go into production and contribute to the increase in sales. In addition, Eu Yan Sang International Ltd. contributed to sales. Regarding the performance of particular products, “Hadalabo,” “Acnes” skincare products, “Selsun” antidandruff shampoo, and eye drops are among those that contributed to the increase in sales.

Segment profit (operating income basis) increased significantly to 13,283 million yen (up 26.3% year-on-year).

In the first quarter of the current fiscal year, the Company finalized the provisional accounting treatment for the business combination. For comparison and analysis with the same period of the previous fiscal year, the amounts after the revision reflecting the finalization of the provisional accounting treatment are used. Please refer to "2. Quarterly Consolidated Financial Statements and Major Notes, (3) Notes to Quarterly Consolidated Financial Statements, Business Combination, etc." for further information.

(2) Explanation of Financial Position

Total assets at the end of the third quarter of the current fiscal year were 460,668 million yen, an increase of 23,629 million yen from the end of the previous fiscal year. This was mainly due to an increase of 12,166 million yen in trademark right, an increase of 7,325 million yen in investment securities, and an increase of 6,690 million yen in notes and accounts receivable - trade, while cash and deposits decreased by 3,062 million yen.

Total liabilities were 155,810 million yen, a decrease of 491 million yen from the end of the previous fiscal year. The main factors were a decrease of 16,389 million yen in long-term borrowings, while short-term borrowings increased by 17,996 million yen.

Net assets totaled 304,857 million yen, an increase of 24,120 million yen from the end of the previous fiscal year. This was mainly due to increases in retained earnings and valuation difference on available-for-sale securities of 18,921 million yen and 4,151 million yen, respectively.

In the first quarter of the current fiscal year, the Company finalized the provisional accounting treatment for the business combination. For comparison and analysis with the end of the previous fiscal year, the amounts after the revision reflecting the finalization of the provisional accounting treatment are used. Please refer to "2. Quarterly Consolidated Financial Statements and Major Notes, (3) Notes to Quarterly Consolidated Financial Statements, Business Combination, etc." for further information.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements

(Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2026)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	338,500	39,500	44,000	32,000	141.62
Revised forecast (B)	340,500	40,500	46,500	33,000	146.04
Change (B – A)	2,000	1,000	2,500	1,000	-
Percentage change (%)	0.6	2.5	5.7	3.1	-

The Company has revised the consolidated financial earnings forecast announced on November 13, 2025, as the Asia and Americas segments performed better than expected in the third quarter of the current fiscal year. Net sales, operating income, ordinary income and profit attributable to owners of parent are all expected to exceed the previous forecast. The assumed exchange rates have been revised to 150 yen to the US dollar and 20.82 yen to the Chinese yuan.

For details, please refer to the “Notice of Revision of Earnings Forecast and Revision of Dividend Forecast (Dividend Increase)” announced today (February 12, 2026).

*The above forecasts are based on information available as of the date of announcement. Actual results may differ from the forecasts due to various factors.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	77,161	74,099
Notes and accounts receivable - trade	47,129	53,820
Electronically recorded monetary claims - operating	23,261	20,481
Merchandise and finished goods	36,386	37,336
Work in process	5,059	5,520
Raw materials and supplies	20,135	23,311
Other	9,255	8,998
Allowance for doubtful accounts	(510)	(457)
Total current assets	217,879	223,109
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	33,288	33,328
Other, net	57,162	57,013
Total property, plant and equipment	90,451	90,342
Intangible assets		
Trademark right	26,955	39,121
Goodwill	34,793	33,024
Other	9,484	9,156
Total intangible assets	71,233	81,302
Investments and other assets		
Investment securities	46,427	53,753
Retirement benefit asset	2,149	2,232
Other	16,282	17,663
Allowance for doubtful accounts	(7,484)	(7,826)
Total investments and other assets	57,375	65,822
Total non-current assets	219,060	237,467
Deferred assets		
Bond issuance costs	99	90
Total deferred assets	99	90
Total assets	437,039	460,668

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,050	22,433
Electronically recorded obligations - operating	3,006	1,697
Short-term borrowings	7,035	25,032
Accrued expenses	20,138	20,155
Income taxes payable	5,975	6,117
Provision for bonuses	4,161	2,181
Provision for bonuses for directors (and other officers)	65	60
Other	35,175	32,183
Total current liabilities	94,608	109,860
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	25,370	25,330
Long-term borrowings	17,818	1,429
Retirement benefit liability	1,770	1,791
Provision for loss on guarantees	3	-
Other	16,731	17,399
Total non-current liabilities	61,693	45,949
Total liabilities	156,302	155,810
Net assets		
Shareholders' equity		
Share capital	6,504	6,504
Retained earnings	231,713	250,635
Treasury shares	(9,939)	(9,939)
Total shareholders' equity	228,278	247,200
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,466	13,617
Foreign currency translation adjustment	23,820	24,888
Remeasurements of defined benefit plans	1,425	1,368
Total accumulated other comprehensive income	34,711	39,874
Share acquisition rights	382	382
Non-controlling interests	17,363	17,399
Total net assets	280,737	304,857
Total liabilities and net assets	437,039	460,668

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the Nine-Month Period

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Net sales	225,895	253,071
Cost of sales	97,126	110,753
Gross profit	128,768	142,317
Selling, general and administrative expenses	96,808	108,742
Operating income	31,960	33,575
Non-operating income		
Interest income	982	784
Dividend income	545	4,402
Share of profit of entities accounted for using equity method	154	138
Foreign exchange gains	-	1,480
Other	728	1,255
Total non-operating income	2,412	8,061
Non-operating expenses		
Interest expenses	564	913
Foreign exchange losses	55	-
Provision of allowance for doubtful accounts	352	342
Other	323	528
Total non-operating expenses	1,296	1,784
Ordinary income	33,076	39,852
Extraordinary income		
Gain on sale of investment securities	2,224	4
Gain on sale of shares of subsidiaries and associates	39	-
National subsidies	55	-
Total extraordinary income	2,318	4
Extraordinary losses		
Impairment losses	16	-
Loss on tax purpose reduction entry of non-current assets	55	-
Loss on valuation of investment securities	811	1,091
Loss on valuation of shares of subsidiaries and associates	23	-
Total extraordinary losses	906	1,091
Income before income taxes	34,488	38,765
Income taxes	10,085	10,424
Net income	24,402	28,341
Profit (loss) attributable to non-controlling interests	(342)	62
Profit attributable to owners of parent	24,744	28,279

Quarterly Consolidated Statement of Comprehensive Income
For the Nine-Month Period

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Net income	24,402	28,341
Other comprehensive income		
Valuation difference on available-for-sale securities	20	4,151
Foreign currency translation adjustment	1,440	1,075
Remeasurements of defined benefit plans, net of tax	(30)	(57)
Share of other comprehensive income of entities accounted for using equity method	(1)	(9)
Total other comprehensive income	1,429	5,159
Comprehensive income	25,831	33,500
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	26,364	33,448
Comprehensive income attributable to non-controlling interests	(532)	52

(3) Notes to Quarterly Consolidated Financial Statements**Going Concern Assumption**

No reportable information.

Significant Changes in Shareholders' Equity

No reportable information.

Application of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements

Calculation of tax expense

Tax expense was calculated by first reasonably estimating the effective tax rate after the application of tax effect accounting with respect to income before income taxes for the fiscal year, and multiplying that rate by the quarterly income before income taxes.

Notes to Statements of Cash Flows

The Company has not prepared a quarterly consolidated statements of cash flows for the third quarter of the current fiscal year. Depreciation (including amortization related to intangible assets other than goodwill), and amortization of goodwill for the nine months ended December 31 are as shown below.

During the first quarter of the current fiscal year, the Company finalized the provisional accounting treatment for the business combination. Figures for the prior nine months reflect the details of the finalization of the provisional accounting treatment.

(Millions of yen)

	For the nine months ended Dec. 31, 2024	For the nine months ended Dec. 31, 2025
Depreciation	7,897	11,190
Amortization of goodwill	679	1,519

Changes in the Scope of Consolidation and the Scope of Application of Equity Method

Significant changes in the scope of consolidation

Starting from the first quarter of the current fiscal year, Rohto MediLuxe Europe S.A.S.U., which was a nonconsolidated subsidiary, have been included in the scope of consolidation due to the increased materiality.

Segment Information

I. Prior Third Quarter (Apr. 1, 2024 – Dec. 31, 2024)

1. Information related to net sales and profit and disaggregation of revenue for each reportable segment

(Millions of yen)

	Reportable segment (Note 1)					Others (Note 2)	Total	Adjustment (Note 3)	Reported in quarterly consolidated statement of income (Note 4)
	Japan	Americas	Europe	Asia	Subtotal				
Net sales									
Revenue from contracts with customers	126,245	15,147	13,410	68,547	223,351	2,543	225,895	—	225,895
(1) Sales to customers	126,245	15,147	13,410	68,547	223,351	2,543	225,895	—	225,895
(2) Inter-segment sales and transfers	2,836	1,473	123	4,117	8,550	69	8,619	(8,619)	—
Total	129,082	16,621	13,533	72,664	231,902	2,612	234,515	(8,619)	225,895
Segment profit	18,483	1,084	971	10,513	31,054	210	31,264	696	31,960

Notes: 1. "Americas" includes the business activities of overseas entities in the U.S. and Brazil, and others; "Europe" those in the U.K., Poland, Austria, and others; and "Asia" those in China, Singapore, Malaysia, Vietnam, and others.

2. "Others" is the business that is excluded from reportable segments, and includes the business activities of entities in Australia.

3. "Adjustment" to segment profit of 696 million yen indicates elimination for intersegment transactions.

4. Segment profit is adjusted with operating income reported in the quarterly consolidated statement of income.

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

In the Asia segment, the Company acquired shares in Eu Yan Sang International Ltd., making it a consolidated subsidiary. The increase in goodwill resulting from this event was 32,258 million yen for the nine months of the current fiscal year.

In the Europe segment, the Company acquired shares in Mono chem-pharm Produkte GmbH, making it a consolidated subsidiary. The increase in goodwill resulting from this event was 1,364 million yen for the nine months of the current fiscal year.

The Japan segment recorded impairment loss on non-current assets. The impairment loss recorded for the nine months of the current fiscal year was 16 million yen.

3. Information on assets by reportable segments

During the first quarter of the current fiscal year, the Company acquired shares in Eu Yan Sang International Ltd., making it a consolidated subsidiary. Additionally, during the second quarter of the current fiscal year, the Company acquired shares in Mono chem-pharm Produkte GmbH, making it a consolidated subsidiary. These resulted in increases of 67,883 million yen in the assets of the Asia segment, 11,297 million yen in the assets of the Europe segment, and 340 million yen in the assets of the Others segment, compared to the end of the previous fiscal year.

4. During the first quarter of the fiscal year ending March 2026, the Company finalized the provisional accounting treatment for the business combination. Segment information for the prior nine months reflect the details of the finalization of the provisional accounting treatment.

II. Current Third Quarter (Apr. 1, 2025 – Dec. 31, 2025)

1. Information related to net sales and profit and disaggregation of revenue for each reportable segment

(Millions of yen)

	Reportable segment (Note 1)					Others (Note 2)	Total	Adjustment (Note 3)	Reported in quarterly consolidated statement of income (Note 4)
	Japan	Americas	Europe	Asia	Subtotal				
Net sales									
Revenue from contracts with customers	126,677	15,554	17,165	91,087	250,483	2,587	253,071	—	253,071
(1) Sales to customers	126,677	15,554	17,165	91,087	250,483	2,587	253,071	—	253,071
(2) Inter-segment sales and transfers	3,518	1,263	133	4,387	9,302	44	9,347	(9,347)	—
Total	130,195	16,818	17,298	95,474	259,786	2,632	262,418	(9,347)	253,071
Segment profit	17,963	1,017	579	13,283	32,843	226	33,069	505	33,575

Notes: 1. "Americas" includes the business activities of overseas entities in the U.S. and Brazil, and others; "Europe" those in the U.K., Poland, Austria, and others; and "Asia" those in China, Singapore, Malaysia, Vietnam, and others.

2. "Others" is the business that is excluded from reportable segments, and includes the business activities of entities in Australia.

3. "Adjustment" to segment profit of 505 million yen indicates elimination for intersegment transactions.

4. Segment profit is adjusted with operating income reported in the quarterly consolidated statement of income.

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

No reportable information.

Business Combination, etc.

Finalization of the Provisional Accounting Treatment for Business Combinations

Business combination with Eu Yan Sang International Ltd.

Regarding the business combination with Eu Yan Sang International Ltd. on June 3, 2024 for which provisional accounting treatment was applied in the previous fiscal year, the accounting treatment was finalized in the first quarter of the current fiscal year.

Following the finalization of the provisional accounting treatment, significant revision of the initially allocated amounts of the acquisition cost is reflected in the comparative information included in the quarterly consolidated financial statements for the nine months of the current fiscal year.

As a result, the amount of goodwill provisionally calculated at 44,792 million yen decreased by 12,533 million yen to 32,258 million yen due to the finalization of the accounting treatment. The decrease in goodwill was mainly due to increases of work in process by 93 million yen, merchandise and finished goods by 465 million yen, trademark right by 26,527 million yen, other intangible assets by 884 million yen, other non-current liabilities by 5,873 million yen, and non-controlling interests by 9,441 million yen. As for the amounts at the end of the previous fiscal year, trademark right increased by 26,110 million yen, other intangible assets increased by 863 million yen, other non-current liabilities increased by 5,664 million yen, retained earnings increased by 3,268 million yen, and non-controlling interests increased by 5,689 million yen, while goodwill decreased by 12,353 million yen and foreign currency translation adjustment decreased by 3 million yen. As for quarterly consolidated statement of income for the nine months ended December 31, 2024, due to increases of cost of sales by 228 million yen and selling, general and administrative expenses by 73 million yen, and a decrease of income taxes by 95 million yen, gross profit decreased by 228 million yen, operating income, ordinary income, and income before income taxes decreased by 301 million yen, net income decreased by 206 million yen, and profit attributable to owners of parent decreased by 62 million yen.

Business combination with Mono chem-pharm Produkte GmbH

Regarding the business combination with Mono chem-pharm Produkte GmbH on August 23, 2024 for which provisional accounting treatment was applied in the previous fiscal year, the accounting treatment was finalized in the first quarter of the current fiscal year.

Following the finalization of the provisional accounting treatment, significant revision of the initially allocated amounts of the acquisition cost is reflected in the comparative information included in the quarterly consolidated financial statements for the nine months of the current fiscal year.

As a result, the amount of goodwill provisionally calculated at 1,715 million yen decreased by 350 million yen to 1,364 million yen due to the finalization of the accounting treatment. The decrease in goodwill was due to increases of other intangible assets by 892 million yen, other non-current liabilities by 205 million yen, and non-controlling interests by 336 million yen. As for the amounts at the end of the previous fiscal year, other intangible assets increased by 891 million yen, other non-current liabilities increased by 202 million yen, retained earnings increased by 2 million yen, foreign currency translation adjustment increased by 10 million yen, and non-controlling interests increased by 328 million yen, while goodwill decreased by 347 million yen. As for quarterly consolidated statement of income for the nine months ended December 31, 2024, due to an increase of selling, general and administrative expenses by 5 million yen and a decrease of income taxes by 2 million yen, operating income, ordinary income, and income before income taxes decreased by 5 million yen, and net income decreased by 2 million yen, while profit attributable to owners of parent increased by 1 million yen.

** This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*