

Summary of Consolidated Financial Statements for the First Half of the Fiscal Year Ending March 31, 2026

November 5, 2025

The financial statements herein have been prepared in accordance with accounting principles and practices widely accepted in Japan, and are for reference purposes only.

MEDIPAL HOLDINGS CORPORATION

Stock exchange listing: Tokyo Stock Exchange

Stock exchange code: 7459

Website: <https://www.medipal.co.jp/english/>

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Scheduled date of semi-annual securities report submission: November 13, 2025

Start of distribution of dividends (scheduled): December 2, 2025

Supplementary materials for the financial statements: Yes

Presentation to explain the financial statements: Yes (For institutional investors, securities analysts and media)

(All amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the First Half of the Fiscal Year Ending March 31, 2026 (April 1, 2025, to September 30, 2025)

(1) Sales and Profits

(The year-on-year change refers to the same period of the previous fiscal year.)

	Net sales (Millions of yen)	Year-on-year change (%)	Operating profit (Millions of yen)	Year-on-year change (%)	Ordinary profit (Millions of yen)	Year-on-year change (%)
Six months ended September 30, 2025	1,897,562	4.0	25,083	(7.7)	34,269	(2.3)
Six months ended September 30, 2024	1,824,672	2.6	27,162	31.7	35,080	19.7

Note: Comprehensive income decreased by 29.0% year on year to ¥25,040 million in the six months ended September 30, 2025, and increased by 14.2% year on year to ¥35,271 million in the six months ended September 30, 2024.

	Profit attributable to owners of parent (Millions of yen)	Year-on-year change (%)	Earnings per share (Yen)	Earnings per share (diluted) (Yen)
Six months ended September 30, 2025	22,090	1.7	106.80	—
Six months ended September 30, 2024	21,727	26.7	103.94	—

(2) Financial Position

	Total assets (Millions of yen)	Net assets (Millions of yen)	Net worth ratio* (%)	Net assets per share (Yen)
As of September 30, 2025	1,907,622	766,138	32.7	3,037.32
As of March 31, 2025	1,824,984	757,947	33.9	2,979.39

* Calculated based on net worth of ¥623,679 million as of September 30, 2025, and ¥619,564 million as of March 31, 2025. ¥

(3) Consolidated Cash Flows

	Cash flows from operating activities (Millions of yen)	Cash flows from investing activities (Millions of yen)	Cash flows from financing activities (Millions of yen)	Cash and cash equivalents at end of period
Six months ended September 30, 2025	25,501	5,283	(15,962)	274,163
Six months ended September 30, 2024	41,832	(6,520)	(14,376)	249,016

2. Dividend Payments

	Dividends per share (Yen)				
	1st quarter	2nd quarter	3rd quarter	Year-end	Full year
Paid for the year ended March 31, 2025	—	30.00	—	32.00	62.00
Paid for the year ending March 31, 2026	—	32.00			
Planned for the year ending March 31, 2026			—	32.00	64.00

Note: Revisions to planned dividend payments announced on May 13, 2025: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2026 (April 1, 2025 - March 31, 2026)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	(Millions of yen)	YoY change	(Millions of yen)	YoY change	(Millions of yen)	YoY change	(Millions of yen)	YoY change	(Yen)
Full fiscal year	3,785,000	3.1%	52,000	(6.5%)	69,000	5.7%	34,500	(14.3%)	167.28

Note: Revisions to forecast announced on May 13, 2025: None

Note: Pursuant to a decision by the Board of Directors in a meeting held on May 13, 2025, the Company acquired its own shares during the period under review. The forecast of earnings per share, above, was calculated in consideration of the impact of this share buyback.

Notes

- (1) Significant changes in scope of consolidation in the six months ended September 30, 2025: Yes

Subsidiaries added to the scope of consolidation: None

Subsidiaries removed from the scope of consolidation: 1 (MVC Co., Ltd.)

Note: MVC Co., Ltd., was removed from the scope of consolidation because it was absorbed by the Company's wholly owned subsidiary, ATOL Co., Ltd. (the surviving company of the merger) effective from April 1, 2025.

- (2) Application of accounting methods specific to preparation of the consolidated financial statements: None

- (3) Changes in accounting policies and estimates, and restatements of accounting estimates

(a) Changes in accounting policies due to revisions of accounting standards: None

(b) Changes in accounting policies other than (a) above: None

(c) Changes in accounting estimates: None

(d) Restatements: None

- (4) Number of shares issued and outstanding (common stock)

(a) Number of shares issued at the end of the period (including treasury stock)	As of September 30, 2025	219,226,042	As of March 31, 2025	219,226,042
(b) Number of treasury shares at the end of the period	As of September 30, 2025	13,887,292	As of March 31, 2025	11,275,805
(c) Average number of shares outstanding during the period	April 1 to September 30, 2025	206,838,708	April 1 to September 30, 2024	209,027,860

Note: Financial results for the first six months of the fiscal year are not subject to review by certified public accountants or an audit firm.

Disclaimer Regarding Forward-Looking Statements

The forecast of consolidated financial results is based on information at the time of the publication of this report. Results may differ from the forecast amounts owing to a wide range of factors.

Availability of Supplemental Materials Covering the Financial Results

Supplementary materials are made available in the "IR Library" section of the Company's website.

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1. Overview of Financial Results

(1) Overview of Results of Operations for the First Six Months

Consolidated financial results for the first six months ended September 30, 2025, are as follows.

(Millions of yen, rounded down to the nearest million)

	Six months ended September 30, 2024	Six months ended September 30, 2025	Difference	YoY change
Net sales	1,824,672	1,897,562	+72,889	+4.0%
Gross profit	126,441	130,279	+3,838	+3.0%
Percentage of net sales	6.93%	6.87%	(0.06pp)	
Selling, general and administrative expenses	99,278	105,196	+5,917	+6.0%
Percentage of net sales	5.44%	5.54%	+0.10pp	
Selling, general and administrative expenses excluding (i) and (ii) below	97,844	100,661	+2,816	+2.9%
(i) Business investment and other expenses	337	3,369	+3,031	+899.0%
(ii) Amortization of goodwill and intangible assets*	1,096	1,165	+68	+6.3%
Operating profit	27,162	25,083	(2,079)	(7.7%)
Percentage of net sales	1.49%	1.32%	(0.17pp)	
Operating profit excluding (i) and (ii) above	28,596	29,618	+1,021	+3.6%
Ordinary profit	35,080	34,269	(811)	(2.3%)
Net extraordinary income	4,693	5,539	+846	+18.0%
Profit before income taxes	39,774	39,809	+34	+0.1%
Profit attributable to owners of parent	21,727	22,090	+363	+1.7%

* Amortization of goodwill and intangible assets associated with growth investments set forth in the 2027 MEDIPAL Medium-Term Vision

Net sales

Net sales rose by ¥72,889 million [4.0%] year on year to ¥1,897,562 million.

- All business segments posted net sales growth compared with the same period of the previous fiscal year, with increases of ¥48,163 million [4.1%] in the Prescription Pharmaceutical Wholesale Business segment, ¥24,708 million [4.1%] in the Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business segment, and ¥6 million [0.0%] in the Animal Health Products and Food Processing Raw Materials Wholesale Related Business segment.

Operating profit

Operating profit decreased by ¥2,079 million [(7.7%)] year on year to ¥25,083 million.

- Gross profit increased by ¥3,838 million [3.0%] on the back of net sales growth. The ratio of gross profit to net sales came to 6.87%, down 0.06 of a percentage point from 6.93% in the same period of the previous fiscal year.
- Selling, general and administrative (SG&A) expenses rose by ¥5,917 million [6.0%], mainly due to a year-on-year increase in business investment* and other expenses in the Prescription Pharmaceutical Wholesale Business segment, along with rising logistics expenses and proactive investment in human resources in the Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business segment. The ratio of SG&A expenses to net sales stood at 5.54%, up 0.10 of a percentage point from 5.44% in the same period of the previous fiscal year.

* The amount of this business investment made during the period under review has been reflected in the Company's forecast of financial results announced on May 13, 2025.

Ordinary profit

Ordinary profit decreased by ¥811 million [(2.3%)] year on year to ¥34,269 million.

- This decrease in ordinary profit was comparatively smaller than the year-on-year decrease in operating profit, mainly because net non-operating income increased by ¥1,267 million compared with the same period of the previous fiscal year mainly as a result of a gain on investments in affiliated companies (recorded as "share of profit of entities accounted for using equity method").

Profit attributable to owners of parent

Profit attributable to owners of parent increased by ¥363 million [1.7%] year on year to ¥22,090 million.

- Net extraordinary income amounted to ¥5,539 million, up ¥846 million compared with the same period of the previous fiscal year. Among the main factors underlying this result, a gain on sale of investment securities of ¥9,938 million was recorded under extraordinary income, while ¥4,291 million in expenses for business restructuring associated with the logistics operations of the Prescription Pharmaceutical Wholesale Business was recorded under extraordinary losses.

Prescription Pharmaceutical Wholesale Business Segment

(Millions of yen, rounded down to the nearest million)

	Six months ended September 30, 2024	Six months ended September 30, 2025	Difference	YoY change
Net sales	1,167,635	1,215,799	+48,163	+4.1%
Gross profit	74,123	75,563	+1,439	+1.9%
Percentage of net sales	6.35%	6.22%	(0.13pp)	
Selling, general and administrative expenses	62,268	65,889	+3,620	+5.8%
Percentage of net sales	5.33%	5.42%	+0.09pp	
Selling, general and administrative expenses excluding (i) and (ii) below	61,862	62,382	+519	+0.8%
(i) Business investment and other expenses	337	3,369	+3,031	+899.0%
(ii) Amortization of goodwill*	68	137	+68	+100.0%
Operating profit	11,854	9,673	(2,180)	(18.4%)
Percentage of net sales	1.02%	0.80%	(0.22pp)	
Operating profit excluding (i) and (ii) above	12,260	13,180	+919	+7.5%

* Amortization of goodwill associated with growth investments set forth in the 2027 MEDIPAL Medium-Term Vision

Net sales

Net sales rose by ¥48,163 million [4.1%] year on year to ¥1,215,799 million.

- Despite falling demand for diagnostic reagents for COVID-19, net sales increased on the back of growth in the medical supplies market, higher sales from dispensing pharmacies' channels, and the Company's success in stepping up marketing of medical equipment and products designated as having potential for growth.

Operating profit

Operating profit fell by ¥2,180 million [(18.4%)] year on year to ¥9,673 million.

- Gross profit increased by ¥1,439 million [1.9%] year on year mainly as a result of the increase in net sales. The ratio of gross profit to net sales came to 6.22%, down 0.13 of a percentage point year on year from 6.35%. This reflected changes in the product mix resulting from declining sales of diagnostic reagents for COVID-19.
- SG&A expenses rose by ¥3,620 million [5.8%] to ¥65,889 million, primarily due to a year-on-year increase in business investment and other expenses. The ratio of SG&A expenses to net sales came to 5.42%, up 0.09 of a percentage point from 5.33% in the same period of the previous fiscal year.

Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business Segment

(Millions of yen, rounded down to the nearest million)

	Six months ended September 30, 2024	Six months ended September 30, 2025	Difference	YoY change
Net sales	600,427	625,135	+24,708	+4.1%
Gross profit	44,181	46,532	+2,350	+5.3%
Percentage of net sales	7.36%	7.44%	+0.09pp	
Selling, general and administrative expenses	30,203	32,637	+2,433	+8.1%
Percentage of net sales	5.03%	5.22%	+0.19pp	
Operating profit	13,977	13,894	(82)	(0.6%)
Percentage of net sales	2.33%	2.22%	(0.11pp)	

Net sales

Net sales rose by ¥24,708 million [4.1%] year on year to ¥625,135 million.

- Although consumers tended to economize amid rising prices of goods and services, this business boosted sales as it applied consumer purchasing data in sales activities to clearly identify growing demand from inbound tourism and changes in purchasing behavior associated with growing awareness of health and demand for leisure outings. It also handled a larger volume of food deliveries and expanded its lineups of high value-added products, particularly cosmetics. As a result, the business kept sales volume in line with the previous year and increased product selling prices, thereby boosting net sales.

Operating profit

Operating profit edged down by ¥82 million [(0.6%)] year on year to ¥13,894 million.

- Gross profit increased by ¥2,350 million [5.3%] year on year to ¥46,532 million, backed by the net sales growth and expanded lineups of high value-added products. The ratio of gross profit to net sales increased by 0.09 of a percentage point from 7.36% to 7.44%, reflecting the Company's efforts to boost sales of high value-added products tailored for consumer needs.
- SG&A expenses rose by ¥2,433 million [8.1%] to ¥32,637 million, resulting from proactive investment in human resources as well as rising logistics expenses, which reflected higher delivery fees and changes in demand caused by weather conditions. The ratio of SG&A expenses to net sales came to 5.22%, up 0.19 of a percentage point from 5.03% in the same period of the previous fiscal year.

Animal Health Products and Food Processing Raw Materials Wholesale and Related Business Segment

(Millions of yen, rounded down to the nearest million)

	Six months ended September 30, 2024	Six months ended September 30, 2025	Difference	YoY change
Net sales	58,607	58,613	+6	+0.0%
Gross profit	8,164	8,213	+49	+0.6%
Percentage of net sales	13.93%	14.01%	+0.08pp	
Selling, general and administrative expenses	6,995	6,859	(136)	(1.9%)
Percentage of net sales	11.94%	11.70%	(0.23pp)	
Selling, general and administrative expenses excluding the following:	5,967	5,831	(136)	(2.3%)
Amortization of goodwill and intangible assets*	1,028	1,028	—	—
Operating profit	1,168	1,353	+185	+15.8%
Percentage of net sales	1.99%	2.31%	+0.32pp	
Operating profit excluding the above amortization	2,197	2,382	+185	+8.4%

* Amortization of goodwill and intangible assets associated with growth investments set forth in the 2027 MEDIPAL Medium-Term Vision

Net sales

Net sales edged up by ¥6 million [0.0%] year on year to ¥58,613 million.

- The Animal Health Products Wholesale Business boosted its sales by actively releasing new products and expanding its partnerships with manufacturers, despite the negative impact of changes in product distribution in the companion animal* health products industry, specifically the direct sale of certain products by their manufacturers. In the livestock and fish farming market, although price competition has been intensifying, sales were up thanks to rising demand for fish vaccines and ingredients for cattle feed. In contrast, however, the Food Processing Raw Materials Wholesale and Related Business posted a decrease in sales to the food market despite its progress in creating new business opportunities and expanding sales to the chemical products market.

*An animal that has a companion-like presence and a close relationship with people in daily life.

Operating profit

Operating profit jumped by ¥185 million [15.8%] year on year to ¥1,353 million.

- Gross profit increased by ¥49 million [0.6%] year on year to ¥8,213 million. The ratio of gross profit to net sales came to 14.01%, up 0.08 of a percentage point from 13.93% in the same period of the previous fiscal year. Although increasingly tough price competition was experienced in the livestock and fish farming markets by the Animal Health Products Wholesale Business and in the food market by the Food Processing Raw Materials Wholesale and Related Business, the latter business boosted its sales to the chemical products market, thereby contributing to the increase in gross profit.
- SG&A expenses decreased by ¥136 million [(1.9%)] to ¥6,859 million, and the ratio of these expenses to net sales improved by 0.23 of a percentage point from 11.94% to 11.70%. This was mainly due to lower personnel expenses in the Food Processing Raw Materials Wholesale and Related Business

Note: Segment sales include inter-segment transactions.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen, rounded down to the nearest million)

	As of March 31, 2025	As of September 30, 2025
ASSETS		
Current assets		
Cash and deposits	261,407	276,633
Notes and accounts receivable – trade	763,541	816,296
Merchandise and finished goods	178,100	190,503
Other	79,739	85,769
Allowance for doubtful accounts	(42)	(41)
Total current assets	1,282,746	1,369,160
Non-current assets		
Property, plant and equipment:		
Buildings and structures, net	103,180	103,599
Land	117,285	117,284
Other, net	48,098	44,425
Total property, plant and equipment	268,564	265,309
Intangible assets		
Goodwill	13,150	12,525
Customer-related intangible assets	16,392	15,761
Other	10,356	9,931
Total intangible assets	39,898	38,218
Investments and other assets		
Investment securities	199,078	194,739
Other	35,341	40,836
Allowance for doubtful accounts	(644)	(642)
Total investments and other assets	233,774	234,933
Total non-current assets	542,237	538,462
Total assets	1,824,984	1,907,622

(Millions of yen, rounded down to the nearest million)

	As of March 31, 2025	As of September 30, 2025
LIABILITIES		
Current liabilities		
Notes and accounts payable – trade	932,474	1,002,231
Income taxes payable	13,329	19,757
Provision for bonuses	7,854	7,616
Provision for loss on disposal of fixed assets	167	167
Provision for loss on Anti-Monopoly Act	2,233	—
Other	53,387	58,204
Total current liabilities	1,009,447	1,087,977
Non-current liabilities		
Retirement benefit liability	16,057	14,051
Other	41,532	39,456
Total non-current liabilities	57,590	53,507
Total liabilities	1,067,037	1,141,484
NET ASSETS		
Shareholders' equity		
Share capital	22,398	22,398
Capital surplus	100,010	100,020
Retained earnings	463,071	477,279
Treasury shares	(22,193)	(28,569)
Total shareholders' equity	563,286	571,129
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	66,060	63,166
Deferred gains or losses on hedges	(37)	6
Revaluation reserve for land	(13,518)	(13,518)
Foreign currency translation adjustment	2,646	1,984
Remeasurements of defined benefit plans	1,126	910
Total accumulated other comprehensive income	56,277	52,549
Share acquisition rights	1	1
Non-controlling interests	138,381	142,457
Total net assets	757,947	766,138
Total liabilities and net assets	1,824,984	1,907,622

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen, rounded down to the nearest million)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	1,824,672	1,897,562
Cost of sales	1,698,231	1,767,283
Gross profit	126,441	130,279
Selling, general and administrative expenses		
Salaries and allowances	36,918	37,893
Welfare expenses	7,413	7,486
Provision for bonuses	7,197	7,273
Retirement benefit expenses	1,412	1,188
Distribution expenses	11,858	12,547
Rent expenses on land and buildings	2,493	2,824
Depreciation	6,732	6,722
Other	25,251	29,260
Total selling, general and administrative expenses	99,278	105,196
Operating profit	27,162	25,083
Non-operating income		
Interest income	12	88
Dividend income	1,565	1,690
Research fee income	4,260	4,316
Rental income from real estate	1,223	1,275
Share of profit of entities accounted for using equity method	606	2,220
Other	1,241	1,357
Total non-operating income	8,909	10,948
Non-operating expenses		
Interest expenses	3	6
Rental expenses on real estate	826	1,157
Loss on investments in investment partnerships	24	453
Other	137	144
Total non-operating expenses	991	1,762
Ordinary profit	35,080	34,269
Extraordinary income		
Gain on sale of non-current assets	1	0
Gain on sale of investment securities	4,912	9,938
Other	69	481
Total extraordinary income	4,983	10,419
Extraordinary losses		
Loss on sale and retirement of non-current assets	28	24
Impairment losses	168	369
Expenses for business restructuring	—	4,291
Other	93	193
Total extraordinary losses	290	4,879
Profit before income taxes	39,774	39,809
Income taxes – current	19,982	19,286
Income taxes – deferred	(7,777)	(6,962)
Total income taxes	12,204	12,324
Profit	27,569	27,485
Profit attributable to non-controlling interests	5,842	5,394
Profit attributable to owners of parent	21,727	22,090

Consolidated Statements of Comprehensive Income

(Millions of yen, rounded down to the nearest million)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	27,569	27,485
Other comprehensive income		
Valuation difference on available-for-sale securities	6,165	(1,793)
Deferred gains or losses on hedges	(55)	51
Remeasurements of defined benefit plans, net of tax	(156)	(259)
Share of other comprehensive income of entities accounted for using equity method	1,748	(442)
Total other comprehensive income	7,701	(2,444)
Comprehensive income	35,271	25,040
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	29,333	18,363
Comprehensive income attributable to non-controlling interests	5,938	6,677

(3) Consolidated Statements of Cash Flows

(Millions of yen, rounded down to the nearest million)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	39,774	39,809
Depreciation	8,508	8,577
Amortization of goodwill	638	625
Increase (decrease) in provision for bonuses	(677)	(237)
Increase (decrease) in allowance for doubtful accounts	(61)	(3)
Increase (decrease) in provision for loss on disaster	(403)	—
Increase (decrease) in provision for loss on the Anti-Monopoly Act	—	(2,233)
Increase (decrease) in retirement benefit liability	(105)	(2,006)
Decrease (increase) in trade receivables	(13,703)	(52,760)
Decrease (increase) in inventories	(25,556)	(12,440)
Increase (decrease) in trade payables	56,666	69,756
Other	(13,417)	(12,478)
Subtotal	51,660	36,608
Interest and dividends received	2,608	2,829
Interest paid	(2)	(2)
Proceeds from compensation	—	478
Payments associated with disaster loss	(406)	—
Payments related to Anti-Monopoly Act	—	(1,573)
Income taxes paid	(12,027)	(12,838)
Net cash provided by (used in) operating activities	41,832	25,501
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,070)	(4,733)
Proceeds from sale of property, plant and equipment	2	1
Purchase of investment securities	(356)	(486)
Proceeds from sale and redemption of investment securities	5,943	12,759
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,403)	—
Other	(1,635)	(2,258)
Net cash provided by (used in) investing activities	(6,520)	5,283
Cash flows from financing activities		
Purchase of treasury shares	(5,068)	(6,420)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,503)	(951)
Dividends paid	(6,300)	(6,654)
Dividends paid to non-controlling-interest shareholder	(1,518)	(1,639)
Other	14	(296)
Net cash provided by (used in) financing activities	(14,376)	(15,962)
Effect of exchange rate changes on cash and cash equivalents	(4)	3
Net increase (decrease) in cash and cash equivalents	20,931	14,825
Cash and cash equivalents at beginning of period	228,084	259,337
Cash and cash equivalents at end of period	249,016	274,163

(4) Notes to the Consolidated Financial Statements

Segment Results

I. Results for the six months ended September 30, 2024

Breakdown of Net Sales and Profit by Segment

(Millions of yen, rounded down to the nearest million)

	Prescription Pharmaceutical Wholesale Business	Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business	Animal Health Products and Food Processing Raw Materials Wholesale Related Business	Total	Adjustment (Note 1)	Amount reported in consolidated statements of income (Note 2)
Net sales						
Sales to customers	1,165,840	600,226	58,606	1,824,672	—	1,824,672
Intersegment sales and transfers	1,795	201	1	1,998	(1,998)	—
Total	1,167,635	600,427	58,607	1,826,671	(1,998)	1,824,672
Segment profit	11,854	13,977	1,168	27,001	161	27,162

Notes: 1. The adjustment of segment profit amounting to ¥161 million is the net balance of ¥1,506 million in inter-segment eliminations and ¥1,344 million in group-wide expenses that are not allocated to reportable segments.

2. Segment profit is adjusted to operating profit as reported in the quarterly consolidated statements of income.

II. Results for the six months ended September 30, 2025

Breakdown of Net Sales and Profit by Segment

(Millions of yen, rounded down to the nearest million)

	Prescription Pharmaceutical Wholesale Business	Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business	Animal Health Products and Food Processing Raw Materials Wholesale Related Business	Total	Adjustment (Note 1)	Amount reported in consolidated statements of income (Note 2)
Net sales						
Sales to customers	1,213,953	624,996	58,612	1,897,562	—	1,897,562
Intersegment sales and transfers	1,846	139	1	1,987	(1,987)	—
Total	1,215,799	625,135	58,613	1,899,549	(1,987)	1,897,562
Segment profit	9,673	13,894	1,353	24,922	160	25,083

Notes: 1. The adjustment of segment profit amounting to ¥160 million is the net balance of ¥1,586 million in inter-segment eliminations and ¥1,425 million in group-wide expenses that are not allocated to reportable segments.

2. Segment profit is adjusted to operating profit as reported in the quarterly consolidated statements of income.

Notes in the Event of Significant Changes in Shareholders' Equity

None applicable

Notes Regarding Assumptions of Going Concern

None applicable

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

MVC Co., Ltd., was removed from the scope of consolidation because it was absorbed by the Company's wholly owned subsidiary, ATOL Co., Ltd. (the surviving company of the merger) effective from April 1, 2025.

Notes Regarding Significant Subsequent Events**Corporate Acquisition**

The Company's consolidated subsidiary, MP AGRO CO., LTD., has concluded an agreement to acquire all shares of Cygni Holdings, Inc., the sole owner of Cygni Corporation, which operates an e-commerce business targeting veterinary clinics. The shares will be acquired from BCM-V Investment Limited Partnership, which is operated by Cygni Holdings' parent company, Basic Capital Management, Limited, through a share transfer.

Acquisition Overview

1) Company to be acquired and its main business

Company to be acquired: Cygni Holdings, Inc.

Main business: Sales of essential medical supplies alongside administrative support services for medical institutions (animal hospitals, hospitals, and care facilities, etc.), and sales of pet supplies to pet stores and pet owners.

2) Reason for the acquisition

Having positioned the expansion of businesses targeting the AGRO&FOOD sector as one of its growth strategies for realizing its 2027 MEDIPAL Medium-Term Vision, the Company aims to strengthen and expand its businesses involved in companion animal-related products and food processing raw materials. By making Cygni Corporation, which sells to veterinary clinics throughout Japan, a subsidiary of MP AGRO, the Company intends to leverage the strengths of both companies to generate synergies, recognizing the potential for boosting sales to major markets, expanding online sales channels, and speeding up the growth of its businesses involved in companion animal-related products.

3) Planned acquisition date

December 19, 2025

4) Equity stake following the acquisition

100% of Cygni Holdings' shares

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