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Consolidated Financial Results for the Nine Months Ended June 30, 2025 [Japanese GAAP]

August 5, 2025

Company name: Shinnihonseiyaku Co., Ltd. Stock exchange listing: Tokyo Stock Exchange
Code number: 4931 URL: <https://corporate.shinnihonseiyaku.co.jp/en/>
Representative: Takahiro Goto, President & Representative Director of the Board and Chief Executive Officer
Contact: Mitsuyoshi Fukuhara, Senior Managing Director of the Board and Chief Operating Officer
(TEL) +81-92-720-5800
Scheduled date for commencing dividend payments: —
Availability of supplementary briefing material on financial results: Yes
Financial results briefing sessions scheduled: Yes (for institutional investors and analysts)

(Amounts less than 1 million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months Ended June 30, 2025 (October 1, 2024 to June 30, 2025)

(1) Consolidated Operating Results (Cumulative) (% indicates the change from the corresponding period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended June 30, 2025	30,733	3.8	3,888	20.4	3,921	22.1	1,880	(13.3)
Nine months ended June 30, 2024	29,606	6.2	3,230	13.8	3,211	14.2	2,169	18.1

(Note) Comprehensive income

Nine months ended June 30, 2025 2,242 million yen (2.8%)
Nine months ended June 30, 2024 2,182 million yen (18.9%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended June 30, 2025	88.63	88.54
Nine months ended June 30, 2024	100.68	100.36

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2025	26,834	22,137	82.4
As of September 30, 2024	27,222	21,792	79.8

(Reference) Equity

As of June 30, 2025 22,123 million yen
As of September 30, 2024 21,718 million yen

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2024	—	0.00	—	45.00	45.00
Fiscal year ending September 30, 2025	—	0.00			
Fiscal year ending September 30, 2025 (Forecast)			—	52.00	52.00

(Note) 1. Revision from the most recently announced dividend forecast: No

2. Breakdown of year-end dividends for the fiscal year ended September 30, 2024

Ordinary dividend: 35.00 yen

Commemorative dividend: 10.00 yen (commemorating receipt of GUINNESS WORLD RECORDS™ certificate)

3. Consolidated Financial Results Forecast for the Fiscal Year Ending September 30, 2025 (October 1, 2024 to September 30, 2025)

(% indicates the change from the corresponding period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	42,000	4.9	4,500	7.7	4,520	10.2	3,100	10.9	146.72

(Note) Revision from the most recently announced financial results forecast: No

* Notes

- (1) Significant changes in the scope of consolidation during the first nine months of the fiscal year under review: No
- New companies N/A
- Excluded companies N/A

- (2) Accounting methods specific to the preparation of quarterly consolidated financial statements: No

- (3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: Yes
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

- (4) Total number of shares issued (common stock)

1) Total number of shares issued at the end of the period (including treasury shares)	As of June 30, 2025	21,855,200 shares	As of September 30, 2024	21,855,200 shares
2) Total number of treasury shares at the end of the period	As of June 30, 2025	717,653 shares	As of September 30, 2024	280,773 shares
3) Average number of shares during the period (cumulative)	Nine months ended June 30, 2025	21,219,309 shares	Six months ended June 30, 2024	21,550,832 shares

* Review of accompanying quarterly consolidated financial statements by a certified public accountant or accounting auditor: No

* Explanation on the proper use of financial results forecast and other notes

(Disclaimer regarding forward-looking statements)

Financial results forecasts and other forward-looking statements herein are based on currently available information and certain assumptions that the Company deems reasonable. Actual results, etc. may differ significantly from these forecasts due to various factors.

(How to obtain the Supplementary Briefing Material and the contents of the financial results briefing)

The Company plans to stream the financial results briefing for institutional investors and analysts online on Tuesday, August 5, 2025. The supplementary briefing material used in this briefing is disclosed today on TDnet and is posted on the Company's website.

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1. Summary of Business Results, etc.

(1) Summary of Business Results for the Nine Months Ended June 30, 2025

During the nine months under review, the environment surrounding Japan saw a continued moderate recovery supported by growth in inbound demand and improvements in the employment and income situations. On the other hand, the international outlook remains uncertain as the impact of currency fluctuations due to the shift in US tariff and monetary policies combined with rising prices, has further intensified consumers' inclination to save.

In this market environment, the Group worked on key activities in accordance with “Growth Next 2027,” the Medium-Term Management Plan to realize its PURPOSE “Beyond innovation, for a beautiful smile!”

In Mail-order and online sales, *PERFECT ONE*, our cosmetics product, saw growth in e-commerce sales thanks to reallocation of marketing investment to e-commerce and stronger efforts to launch new products aimed at acquiring middle-aged consumers (40s and 50s). In offline mail-order sales, the reduction in marketing investment for the purpose of efficiency resulted in a decline in brand sales. However, we aim to reignite growth by acquiring middle-aged consumers through maximization of lifetime value (LTV), placing offline ads, and launching new products. *PERFECT ONE FOCUS* saw brand share expand for main products in the cleansing balm market, contributing to a continuing trend of strong performance, while e-commerce sales declined temporarily under intensifying market competition. In healthcare, strong revenue growth continued thanks to stable growth of *W Health Green Juice*, which is the main *Fun and Health* food with functional claims, and successful acquisition of new customers for *Slimore Coffee*.

In Wholesale sales, there was steady growth in the retailer-client base distributing *PERFECT ONE* and in sales under a strategy that emphasizes increasing net sales per store. *PERFECT ONE FOCUS* achieved substantial growth, boosted by the introduction of the new product, “*VC Charge Smooth Mask*.” Sales testing targeting inbound demand, mainly in duty free shops, and large consumer electronics mass retailers and drugstores in urban areas, also performed well and we expect to continue to scale up testing. In *Fun and Health*, we also began distributing *Slimore Coffee* at drugstores.

In Overseas sales, we analyzed popular content and media that provided high investment efficiency from the continued test marketing in the US. We will continue to narrow the focus of test marketing and improve accuracy.

Flatcraft, Inc., the consolidated subsidiary expanding *Wellness Food*, underperformed relative to its originally formulated plan and the plan has been revised. The Company is recording an impairment loss of 759 million yen on goodwill and intangible assets as an extraordinary loss during the first half. Flatcraft, Inc. will be absorbed into the Company, effective October 1, 2025. This merger will maximize synergy effects due to knowledge sharing, strengthen systems that enable efficient use of management resources and rapid and flexible decision-making, and further accelerate the Company's efforts to achieve the targets of the Medium-Term Management Plan.

As a result of the foregoing, for the nine months under review, the above efforts resulted in net sales were 30,733 million yen (up 3.8% year-on-year), operating profit came to 3,888 million yen (up 20.4% year-on-year), ordinary profit was 3,921 million yen (up 22.1% year-on-year), and profit attributable to owners of parent posted 1,880 million yen (down 13.3% year-on-year).

The Group's business segments consist of Mail Order, Wholesale and Overseas Sales of cosmetics and products related to healthcare. As the ratio of Wholesale and Overseas Sales to overall sales is insignificant and their materiality as disclosed information is low, a description by business segment has been omitted.

(2) Summary of Financial Position for the Nine Months Ended June 30, 2025

Total assets as of the end of the nine months under review were 26,834 million yen, a decrease of 388 million yen from the end of the previous fiscal year. This was mainly due to decreases of 872 million yen in accounts receivable-trade and 712 million yen in goodwill, despite increases of 766 million yen in cash and deposits and 355 million yen in inventories.

Liabilities totaled 4,697 million yen, a decrease of 733 million yen from the end of the previous fiscal year. This was mainly due to decreases of 301 million yen in income taxes payable, 141 million yen in provision for bonuses, 283 million in other under current liabilities, and 133 million yen in long-term borrowings (including the current portion of long-term borrowings), despite an increase of 169 million yen in accounts payable - trade.

Net assets totaled 22,137 million yen, an increase of 344 million yen from the end of the previous fiscal year. This was mainly due to increases of 909 million yen in retained earnings and 378 million yen in valuation difference on available-for-sale securities, despite an increase of 848 million yen in treasury shares (decrease in net assets).

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	Previous fiscal year (As of September 30, 2024)	First nine months of the fiscal year under review (As of June 30, 2025)
Assets		
Current assets		
Cash and deposits	16,341	17,107
Accounts receivable - trade	4,291	3,418
Inventories	2,028	2,383
Other	446	371
Allowance for doubtful accounts	(44)	(40)
Total current assets	23,062	23,240
Non-current assets		
Property, plant and equipment	1,953	1,894
Intangible assets		
Goodwill	712	–
Other	627	506
Total intangible assets	1,340	506
Investments and other assets	866	1,192
Total non-current assets	4,160	3,593
Total assets	27,222	26,834

(Million yen)

	Previous fiscal year (As of September 30, 2024)	First nine months of the fiscal year under review (As of June 30, 2025)
Liabilities		
Current liabilities		
Accounts payable – trade	548	718
Current portion of long-term borrowings	177	117
Accounts payable – other	2,270	2,165
Income taxes payable	841	540
Provision for bonuses	229	87
Other	806	523
Total current liabilities	4,873	4,153
Non-current liabilities		
Long-term borrowings	76	3
Retirement benefit liability	192	194
Other	287	345
Total non-current liabilities	556	543
Total liabilities	5,430	4,697
Net assets		
Shareholders' equity		
Share capital	4,158	4,158
Capital surplus	4,088	4,070
Retained earnings	13,971	14,881
Treasury shares	(529)	(1,378)
Total shareholders' equity	21,688	21,731
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	–	378
Foreign currency translation adjustment	26	11
Remeasurements of defined benefit plans	3	1
Total accumulated other comprehensive income	29	391
Share acquisition rights	74	13
Total net assets	21,792	22,137
Total liabilities and net assets	27,222	26,834

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

First nine months of the fiscal year

(Million yen)

	First nine months of the previous fiscal year (From October 1, 2023 to June 30, 2024)	First nine months of the fiscal year under review (From October 1, 2024 to June 30, 2025)
Net sales	29,606	30,733
Cost of sales	6,058	6,060
Gross profit	23,548	24,673
Selling, general and administrative expenses	20,317	20,784
Operating profit	3,230	3,888
Non-operating income		
Interest income	5	5
Dividend income	1	1
Gain on valuation of investment securities	–	15
Rental income	9	9
Other	11	23
Total non-operating income	28	55
Non-operating expenses		
Interest expenses	0	0
Loss on valuation of investment securities	12	2
Information security expenses	27	5
Loss on sale of supplies	2	9
Other	3	4
Total non-operating expenses	47	22
Ordinary profit	3,211	3,921
Extraordinary income		
Reversal of allowance for investment loss	6	–
Total extraordinary income	6	–
Extraordinary losses		
Impairment loss	–	759
Provision of allowance for investment loss	–	5
Total extraordinary losses	–	764
Profit before income taxes	3,218	3,157
Income taxes - current	978	1,161
Income taxes - deferred	71	115
Total income taxes	1,049	1,276
Profit	2,169	1,880
Profit attributable to owners of parent	2,169	1,880

Quarterly Consolidated Statement of Comprehensive Income

First nine months of the fiscal year

(Million yen)

	First nine months of the previous fiscal year (From October 1, 2023 to June 30, 2024)	First nine months of the fiscal year under review (From October 1, 2024 to June 30, 2025)
Profit	2,169	1,880
Other comprehensive income		
Valuation difference on available-for-sale securities	–	378
Foreign currency translation adjustment	13	(14)
Remeasurements of defined benefit plans	(0)	(1)
Total other comprehensive income	12	362
Comprehensive income	2,182	2,242
(Breakdown)		
Comprehensive income attributable to owners of parent	2,182	2,242

(3) Notes to the Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable

(Note on significant changes in shareholders' equity)

The Company acquired 487,000 treasury shares in accordance with a Board of Directors resolution adopted on November 12, 2024. As a result of this and other factors, treasury shares increased 848 million yen in the nine months ended June 30, 2025 to 1,378 million yen as of June 30, 2025.

(Changes in accounting policies)

(Application of “Accounting Standard for Current Income Taxes,” etc.)

The Company has adopted the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter “2022 Revised Accounting Standard”) and related guidance from the beginning of the fiscal year under review (October 1, 2024).

The revision regarding the accounting classification of income taxes (taxation on other comprehensive income) is in accordance with transitional treatments set forth in the provisos of Article 20-3 of the 2022 Revised Accounting Standard and Article 65-2-(2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28; October 28, 2022; hereinafter “2022 Revised Guidance”). The change in the accounting policy concerned has no impact on the quarterly consolidated financial statements.

The Company has adopted the 2022 Revised Guidance from beginning of the fiscal year under review (October 1, 2024) for revisions related to review of the treatment in consolidated financial statements for deferral of loss (gain) arising from the sale of subsidiary shares among consolidated companies. The change in accounting policy concerned has been applied retrospectively, and the quarterly consolidated financial statements for the previous nine-month period and the consolidated financial statements of the previous fiscal year have been restated to reflect the retrospective application. The change in the accounting policy concerned has no impact on the quarterly consolidated financial statements of the previous nine-month period and the consolidated financial statements of the previous fiscal year.

(Notes on Statement of Cash Flows)

A quarterly consolidated statement of cash flows was not prepared for the first nine months of the fiscal year under review. Depreciation and amortization (including intangible assets other than goodwill) and amortization of goodwill for the first nine months of the consolidated fiscal year under review were as follows.

	First nine months of the previous fiscal year (From October 1, 2023 to June 30, 2024)	First nine months of the fiscal year under review (From October 1, 2024 to June 30, 2025)
Depreciation and amortization	209 million yen	232 million yen
Amortization of goodwill	79 million yen	52 million yen

(Notes on segment information, etc.)

The Group's business segments consist of Mail Order, Wholesale, and Overseas Sales of cosmetics and products related to healthcare. As the ratio of Wholesale and Overseas Sales to overall sales is insignificant and their materiality as disclosed information is low, a description by business segment has been omitted.

(Significant subsequent events)

(Common control transaction, etc.)

At the Company's Board of Directors meeting held on August 5, 2025, the Board approved an absorption-type merger (the "Merger") with an effective date of October 1, 2025 (plan) in which the Company will be the surviving company and the Company's consolidated subsidiary, Flatcraft, Inc., will be the company dissolved.

1. Summary of transaction

(1) Name and business description of dissolved company

Name of dissolved company: Flatcraft, Inc.

Business description: Food import, wholesale, and retail sale

(2) Date of business combination

October 1, 2025 (plan)

(3) Legal form of business combination

Absorption-type business combination in which the Company is the surviving company and Flatcraft, Inc. is the company dissolved

(4) Company name after combination

Shinnihonseiyaku Co., Ltd.

(5) Other matters related to the summary of transactions

The Company is promoting initiatives aimed at achieving the goals of "Growth Next 2027," the Medium-Term Management Plan to realize its PURPOSE "Beyond innovation, for a beautiful smile!"

We expect this business combination of our wholly owned subsidiary, Flatcraft, Inc., which operates a healthcare business, to create a structure that will enable efficient utilization of management resources and swift, flexible decision-making, in addition to maximizing the synergistic benefits from sharing knowledge, and to further accelerate initiatives aimed at achieving the goals of the Medium-Term Management Plan.

2. Summary of accounting treatment

We intend to treat this as a common control transaction, in accordance with the Accounting Standard for Business Combinations and the Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures.