Summary of Financial Results for the Second Quarter (First Half) of Fiscal Year Ending December 31, 2025 [Japanese Standards] (Consolidated)

August 7, 2025

Name of Listed Company: Pigeon Corporation (Stock code: 7956)
Listing: Prime Market, Tokyo Stock Exchange
Website: www.pigeon.com
Representative: Ryo Yano, President and CEO
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Scheduled Filing Date of Semi-annual Securities Report: August 8, 2025
Scheduled Commencement Date of Dividend Payments: September 8, 2025
Preparation of Any Additional Explanatory Materials for Financial Results: Yes
Holding of Any Briefing Session for Financial Results: Yes (For analysts and institutional investors)

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

1. Consolidated Business Performance for the Second Quarter (First Half) of Fiscal Year Ending December 31, 2025 (January 1 to June 30, 2025)

(1) Consolidated Operating Results (cumulative)

(Millions of yen, unless otherwise noted; % figures denote year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent	
First half ended June 30, 2025	53,734	4.7%	6,684	14.8%	6,875	6.9%	4,624	29.4%
First half ended June 30, 2024	51,313	6.9%	5,822	(10.6)%	6,431	(9.6)%	3,574	(21.7)%

(Note) Comprehensive income: First half ended June 30, 2025 ¥1,370 million (84.7% negative)
First half ended June 30, 2024 ¥8,971 million (12.9%)

	Net Income per Share (¥)	Diluted Net Income per Share (¥)
First half ended June 30, 2025	38.67	–
First half ended June 30, 2024	29.89	–

(2) Consolidated Financial Position

(Millions of yen, unless otherwise noted)

	Total Assets	Net Assets	Equity Ratio (%)
As of June 30, 2025	105,400	80,646	74.1
As of December 31, 2024	108,308	84,607	74.9

(Reference) Equity (Shareholders' equity + Accumulated other comprehensive income)
As of June 30, 2025 ¥78,096 million
As of December 31, 2024 ¥81,144 million

2. Cash Dividends

	Annual Dividend (¥)				
	1Q-end	2Q-end	3Q-end	Year-end	Total
FY ended December 31, 2024	–	38.00	–	38.00	76.00
FY ending December 31, 2025	–	38.00			
FY ending December 31, 2025 (Forecast)			–	38.00	76.00

(Note) Revision of dividend forecast from the most recent announcement: None

3. Consolidated Business Performance Forecast for the Fiscal Year Ending December 31, 2025 (January 1 to December 31, 2025)

(Millions of yen, unless otherwise noted; % figures denote year-on-year changes)

	Net Sales		**Operating Income**		**Ordinary Income**		**Net Income Attributable to Owners of Parent**		**Net Income per Share (¥)**
Full year	109,700	5.3%	12,900	6.3%	12,900	(2.9)%	8,400	0.3%	70.24

(Note) Revision of business performance forecast from the most recent announcement: None

Notes

(1) Significant changes in the scope of consolidation during the period under review: None
New: － (Company name: －), Excluded: － (Company name: －)

(2) Application of any accounting procedures specific to preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatements
1) Changes in accounting policies associated with revision of accounting standards: Yes
2) Changes in accounting policies other than the above 1): None
3) Changes in accounting estimates: None
4) Restatements: None
(Note) For details, see the section "(4) Notes on Semi-annual Consolidated Financial Statements (Changes in Accounting Policies)" in "2. Semi-annual Consolidated Financial Statements and Main Notes" on page 11.

(4) Number of shares issued (common stock)
1) Number of shares issued at the period-end (including treasury stock)
As of June 30, 2025: 121,653,486 shares
As of December 31, 2024: 121,653,486 shares
2) Number of shares of treasury stock at the period-end
As of June 30, 2025: 2,023,268 shares
As of December 31, 2024: 2,064,269 shares
3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)
First half ended June 30, 2025: 119,609,586 shares
First half ended June 30, 2024: 119,589,585 shares
(Note) The number of shares of treasury stock at the period-end includes the Company shares held by the board incentive plan (BIP) trust for compensation of directors (128,887 shares as of June 30, 2025; 169,948 shares as of December 31, 2024). The Company shares held by the BIP trust for compensation of directors are also included in the shares of treasury stock to be subtracted in the calculation of the average number of shares outstanding during the period.

* Summaries of financial results for the second quarter (first half) are exempt from review by certified public accountants and an audit firm.

* Cautionary Statement regarding Performance Forecast
The forecast and future projections stated in this report have been prepared on the basis of the information and assumption that shall be reasonable as of the date of announcement of this summary information, and the forecast and future projections stated in this report are in no way intended as a promise of achievement as a company.

In addition, the actual results could differ significantly from forecast figures depending on a variety of factors. See the section "(3) Forward-looking Statements Including Consolidated Business Performance Forecast" in "1. Overview of Management Results and Related Matters" on page 5 regarding conditions which are preconditions for business performance forecast and cautions for using the business performance forecast.

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1. Overview of Management Results and Related Matters

(1) Overview of Management Results for the Period Under Review

1) Performance Overview

During the first-half period under review, the Japanese economy was on a modest recovery path against the backdrop of improved employment and income conditions. In the global economy, while there were signs of a pickup in some regions, the overall outlook remains uncertain due to concerns of a downturn caused by the U.S. policy trends including trade policies, and the impact of continued high interest rates in the U.S. and Europe.

Against this background, in 2023, the Pigeon Group is moving forward with its Eighth Medium-Term Business Plan (covering the period from the fiscal year ended December 31, 2023 through the fiscal year ending December 31, 2025). To respond flexibly to a business environment that continues to change rapidly worldwide, thereby ensuring itself of sustainable growth, the Group is steadily implementing three basic strategies (brand strategy, core product strategy and regional strategy). Guided by these strategies, the Group is focusing on pursuing sustainable growth in existing business fields and on exploring and cultivating new growth fields where it can deploy its unique expertise, thereby proactively rebuilding its operating structure. In addition to pursuing business growth, the Group implemented a range of measures to achieve its purpose, which is “to make the world more baby-friendly by furthering our commitment to understanding and addressing babies' unique needs.”

During the first half under review, net sales grew to ¥53,734 million (up 4.7% YOY), buoyed by strong sales, particularly in the China Business. On the profit front, higher revenues boosted gross profit, and the gross profit margin improved by 1.9 percentage points YOY, offsetting an increase in selling, general and administrative expenses. As a result, operating income increased to ¥6,684 million (up 14.8% YOY), ordinary income to ¥6,875 million (up 6.9% YOY) and net income attributable to owners of parent to ¥4,624 million (up 29.4% YOY).

The main exchange rates used in the preparation of the semi-annual financial statements for the Company’s overseas consolidated subsidiaries (revenues and expenses) are as follows:

・1 US$: 148.50 yen (152.14 yen)
・1 CNY: 20.47 yen (21.08 yen)

Note: Figures in parentheses represent the exchange rate in the same period of the previous fiscal year.

2) Segment Review

The Group has a total of four reportable segments: Japan Business, China Business, Singapore Business, and Lansinoh Business. The overview of each segment’s performance is given below.

Japan Business

This segment consists of businesses such as the Baby Care Business, Child Care Service Business, and Health & Elder Care Business. Net sales for the entire segment amounted to ¥18,476 million (up 2.6% YOY), and segment profit was ¥1,107 million (up 6.5% YOY).

In the Baby Care Business (childcare and feminine products), sales expanded YOY. Sales of nursing bottles and nipples, one of the Group’s mainstay product lines, increased YOY, as did sales of baby foods and beverages, which account for a high percentage of total sales. Sales of the new childcare appliance products SHUPOT, an electric nose cleaner for babies, and POCHItto, a steam disinfector and dryer for nursing bottles, remained strong. In the baby food and beverage category, the new products launched in May, “Orange no Gyugyutto Yasai” and “Aka no Gyugyutto Yasai,” enjoyed favorable sales. Additionally, starting in June 2025, we implemented price revisions for some of our baby products including nursing bottles and nipples.

We conducted a number of initiatives in communications. Using social-media sites such as Instalive, the Group showcased products and promoted sales. To reach medical practitioners, the Group held multiple online seminars. In April 2025, we held the 39th Tree-Planting Ceremony as part of the Pigeon’s Newborn Baby Commemorative Tree-Planting Campaign, celebrating babies born in 2024. Through these and other efforts, the Group worked continuously to strengthen its brand.

In health and elder care, we worked to renew our mainstay wiping products and strengthen sales of meal-related products such as “Jibundetaberu Meal Catch,” a new product launched in February of this year.

Regarding childcare service, we currently provide services at 51 in-company childcare facilities, and will continue to develop this business further while striving to improve the quality of service content.

Overall, earnings in this segment rose YOY, thanks to increased gross profit from higher sales and an improved factory operating ratio.

China Business

Net sales in this segment amounted to ¥21,274 million (up 8.4% YOY), and segment profit was ¥5,696 million (up 10.6% YOY).

In mainland China, sales in local currency terms increased YoY due to expanded brand exposure and strengthened sales promotion activities. In terms of products, sales of core products such as baby bottles, nipples, and baby skincare products remained steady. Sales of drinking bottles have been strong since the expansion of its product lineup last year. Sales of products that accommodate age increase, for older infants and children, have also steadily contributed to sales as part of our initiatives to address the declining number of births.

In consumer communications, in addition to strengthening brand exposure on social media such as Douyin, the mainland China version of the short-video platform TikTok, and Redbook, we also strengthened our digital marketing activities such as live commerce. This boosted sales, particularly at our flagship e-commerce stores, during the 618 shopping festival, the second-largest e-commerce sales period in China, after the Double 11 period in November.

In the South Korean market, where the Group operations are managed through this segment, we continued to strengthen our brand and carried out sales and marketing efforts starting with its local sales subsidiaries. In the North American market, sales of Pigeon brand baby care products, particularly nursing bottles and nipples, remained strong.

Overall, earnings in this segment rose YOY, as an increase in gross profit due to higher sales and other factors offset an increase in SG&A expenses.

Singapore Business

Net sales of the segment amounted to ¥7,200 million (up 1.5% YOY), and segment profit was ¥1,113 million (up 16.6% YOY).

In the ASEAN region and India, where Group operations are managed through this segment, net sales rose YOY due to increased sales generated through the sales companies. In the core product categories on which this business focuses, sales were strong in nursing bottles and nipples, partly due to the effect of brand renewal of the SofTouch™ Series (marketed in Japan as Bonyu Jikkan®). In skincare, strong sales were driven by the Natural Botanical Baby Series, which includes Natural Botanical Baby Diaper Cream. We will continue to target customers in the upper-middle class and higher income brackets, for example by deploying vigorous sales and marketing activities centered on our core products of nursing bottles, nipples and baby skincare products.

Overall, earnings in this segment rose YOY, partly due to an improvement in the gross profit margin thanks to increased nursing bottle and nipple sales.

Lansinoh Business

Net sales of the segment amounted to ¥10,613 million (up 5.2% YOY), and segment profit increased to ¥486 million (up 5.3% YOY).

In North America, a vital market for this segment, sales of mainstay products such as nipple creams, breast milk storage bags, and breast milk pads, as well as nursing bottles and nipples on which this segment began to focus in 2025, remained steady, and net sales in local-currency terms increased YOY as a result. Also in Europe, breast-pump products and prenatal and postnatal care products sold well in Germany and the U. K., and net sales in local-currency terms increased YOY.

Overall, earnings in this segment increased YOY due to lower marine transportation costs and other factors, offsetting the impact of the U.S. tariffs on cost of sales.

(2) Overview of Financial Position for the Period Under Review

(Assets)
As of June 30, 2025, our Group recorded total assets of ¥105,400 million, down ¥2,908 million from the end of the previous fiscal year. Current assets decreased by ¥748 million, while fixed assets decreased by ¥2,159 million.

Current assets decreased mainly due to a decrease in cash and deposits of ¥5,129 million, despite increases in notes and accounts receivable – trade of ¥3,271 million and other current assets of ¥762 million.

Fixed assets decreased mainly due to decreases in buildings and structures of ¥1,200 million and other tangible fixed assets of ¥521 million.

(Liabilities)
As of June 30, 2025, our Group recorded total liabilities of ¥24,753 million, up ¥1,052 million from the end of the previous fiscal year. Current liabilities increased by ¥1,654 million, while fixed liabilities decreased by ¥602 million.

Current liabilities increased mainly due to increases in notes and accounts payable – trade of ¥776 million and provision for expenses related to voluntary product recall of ¥450 million.

Fixed liabilities decreased mainly due to a decrease in other fixed liabilities of ¥522 million.

(Net Assets)
As of June 30, 2025, our Group recorded total net assets of ¥80,646 million, down ¥3,960 million from the end of the previous fiscal year.

Net assets decreased mainly due to decreases in foreign currency translation adjustment of ¥3,192 million and non-controlling interests of ¥912 million.

(3) Forward-looking Statements Including Consolidated Business Performance Forecast

The Pigeon Group's main area of operations is in "childcare and feminine products." As declining birth rates become a trend in the Group's key markets of Japan and China, as well as many other regions in the world, the business environment enfolding this domain has been impacted by a wide variety of factors such as raising commodity prices caused by soaring prices for inputs such as materials and energies; changes in customers' perspectives on value, consumption patterns, and child-rearing habits; and intensified competition caused by the emergence of local brands. Amid the dizzying pace of these changes in the business environment, uncertainty about prospects for the global economy is intensifying as international tensions and conflicts raise geopolitical risk. Forecasting remains as difficult as ever.

Notwithstanding the above concerns, cause for optimism remains. Despite its declining birthrate, China, the Group's mainstay market, is still vast, with 9 million children born each year and a middle class that is growing rapidly. In other Asian countries and emerging economies, many countries are characterized by large numbers of births; as e-commerce spreads and develops and economies grow, consumption rates can be expected to rise over the medium-to-long term. Even in Japan, a mature market, changes in child-rearing habits and consumer behavior are expected to create new growth opportunities. In North America and Europe, where opportunities had hitherto been considered limited, the Group is making concerted efforts to expand the childcare product business. Looking at the worldwide picture, many markets remain in which the Pigeon Group has not yet entered. By strengthening and intensifying its business activities in these existing and new markets, the Group can achieve considerable growth going forward. The current fiscal year ending December 31, 2025 is the final year of the Group's 8th Medium-Term Business Plan. In this final year of the Plan, the Group will strive to maximize results from its efforts in each business, responding to issues spelled out in the current Plan and seek out avenues for growth in the next Plan.

For the full-year business performance forecasts for the current fiscal year, we expect to be able to absorb the impact of the U.S. reciprocal tariffs to the extent that we can currently estimate. Therefore, we have left unchanged the forecast figures announced at the time of the financial results announcement dated February 14, 2025. However, the future impact of the tariffs on consumption trends in the U.S. market remains uncertain. Should it become necessary to revise the business performance forecasts going forward, we will promptly make an appropriate disclosure.

2. Semi-annual Consolidated Financial Statements and Main Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	At December 31, 2024	At June 30, 2025
ASSETS		
I. Current Assets:		
Cash and deposits	39,201	34,071
Notes and accounts receivable – trade	18,392	21,663
Merchandise and finished goods	10,356	10,795
Work in process	616	582
Raw materials and supplies	3,038	2,985
Other current assets	1,914	2,677
Allowance for doubtful accounts	(57)	(62)
Total Current Assets	73,462	72,713
II. Fixed Assets:		
1. Tangible Fixed Assets:		
Buildings and structures, net	13,418	12,217
Land	7,354	7,244
Other tangible fixed assets, net	10,069	9,547
Total Tangible Fixed Assets	30,841	29,009
2. Intangible Fixed Assets:		
Goodwill	20	–
Other intangible fixed assets	1,275	1,066
Total Intangible Fixed Assets	1,295	1,066
3. Investments and Other Assets:		
Other	2,714	2,610
Allowance for doubtful accounts	(4)	(0)
Total Investments and Other Assets	2,709	2,610
Total Fixed Assets	34,846	32,686
Total Assets	108,308	105,400
LIABILITIES		
I. Current Liabilities:		
Notes and accounts payable - trade	5,195	5,972
Electronically recorded obligations – operating	369	538
Income taxes payable	996	992
Accrued bonuses to employees	1,067	971
Provision for expenses related to voluntary product recall	20	470
Provision for loss on litigation	6	6
Other current liabilities	9,726	10,085
Total Current Liabilities	17,383	19,037
II. Fixed Liabilities:		
Net defined benefit liability	659	676
Provision for share-based remuneration	248	152
Other fixed liabilities	5,409	4,886
Total Fixed Liabilities	6,318	5,715
Total Liabilities	23,701	24,753

(Millions of yen)

	At December 31, 2024	At June 30, 2025
NET ASSETS		
I. Shareholders' Equity:		
Capital stock	5,199	5,199
Capital surplus	5,132	5,132
Retained earnings	58,303	58,322
Treasury stock	(1,489)	(1,360)
Total Shareholders' Equity	67,145	67,294
II. Accumulated Other Comprehensive Income:		
Valuation difference on available-for-sale securities	28	24
Foreign currency translation adjustment	13,969	10,777
Total Accumulated Other Comprehensive Income	13,998	10,801
III. Non-controlling Interests	3,463	2,550
Total Net Assets	84,607	80,646
Total Liabilities and Net Assets	108,308	105,400

(2) Semi-annual Consolidated Statements of Income and Semi-annual Consolidated Statements of Comprehensive Income

Semi-annual Consolidated Statements of Income

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
I. Net Sales	51,313	53,734
II. Cost of Sales	26,291	26,500
Gross profit	25,021	27,234
III. Selling, General and Administrative Expenses	19,198	20,549
Operating Income	5,822	6,684
IV. Non-operating Income:		
Interest income	177	189
Dividend income	12	11
Subsidy income	34	211
Foreign exchange gains	363	–
Other non-operating income	103	81
Total Non-operating Income	693	494
V. Non-operating Expenses:		
Interest expenses	40	33
Foreign exchange loss	–	250
Other non-operating expenses	44	18
Total Non-operating Expenses	84	303
Ordinary Income	6,431	6,875
VI. Extraordinary Income:		
Gain on sales of fixed assets	149	3
Gain on sales of shares of subsidiaries and associates	0	–
Subsidy income	648	–
Compensation for damage	–	361
Total Extraordinary Income	798	365
VII. Extraordinary Loss:		
Loss on sales of fixed assets	4	0
Loss on disposal of fixed assets	434	20
Loss on tax purpose reduction entry of fixed assets	648	–
Expenses related to voluntary product recall	–	454
Total Extraordinary Loss	1,087	475
Income before Income Taxes	6,143	6,764
Income taxes - current	2,154	2,138
Income taxes - deferred	325	(102)
Total Corporate Income Tax	2,479	2,036
Net Income	3,663	4,728
Net Income Attributable to Non-controlling Interests	88	103
Net Income Attributable to Owners of Parent	3,574	4,624

Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Net Income	3,663	4,728
Other Comprehensive Income		
Valuation difference on available-for-sale securities	(4)	(4)
Foreign currency translation adjustment	5,312	(3,354)
Total Other Comprehensive Income	5,308	(3,358)
Comprehensive Income	8,971	1,370
(Break down)		
Comprehensive income on parent company	8,651	1,428
Comprehensive income on non-controlling interests	319	(58)

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Cash Flows from Operating Activities		
Income before Income Taxes	6,143	6,764
Depreciation	2,345	2,281
Amortization of goodwill	102	19
Increase (decrease) in allowance for doubtful accounts	(11)	1
Increase (decrease) in accrued bonuses to employees	(60)	(71)
Increase (decrease) in net defined benefit liability	5	45
Interest and dividend income	(190)	(201)
Interest expenses	40	33
Gain on compensation for damage	–	(361)
Loss (gain) on sales of fixed assets	(145)	(2)
Loss on disposal of fixed assets	434	20
Loss on tax purpose reduction entry of fixed assets	648	–
Subsidy income	(648)	–
Loss (gain) on sales of shares of subsidiaries and associates	(0)	–
Increase (decrease) in provision for expenses related to voluntary product recall	–	450
Decrease (increase) in notes and accounts receivable – trade	(5,115)	(4,506)
Decrease (increase) in inventories	253	(1,071)
Increase (decrease) in notes and accounts payable – trade	163	1,519
Increase (decrease) in accounts payable	728	1,604
Increase (decrease) in accrued consumption taxes	771	137
Other	(316)	(1,099)
Subtotal	5,148	5,565
Interest and dividend income received	269	154
Interest expenses paid	(40)	(31)
Compensation received for damage	–	361
Income taxes paid	(1,206)	(2,082)
Net Cash Provided by (Used in) Operating Activities	4,171	3,967
Cash Flows from Investing Activities		
Purchase of tangible fixed assets	(1,029)	(1,522)
Proceeds from sales of tangible fixed assets	456	6
Purchase of intangible fixed assets	(62)	(191)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	94	–
Subsidies received	648	–
Other	(143)	(39)
Net Cash Provided by (Used in) Investing Activities	(35)	(1,745)
Cash Flows from Financing Activities		
Decrease in short-term loans payable	(99)	–
Payment of cash dividends	(4,548)	(4,551)
Dividends paid to non-controlling interests	(504)	(854)
Purchase of treasury stock	(0)	(0)
Proceeds from disposal of treasury stock	–	74
Other	(481)	(453)
Net Cash Provided by (Used in) Financing Activities	(5,635)	(5,784)
Effect of Exchange Rate Change on Cash and Cash Equivalents	2,477	(1,567)
Net Increase (Decrease) in Cash and Cash Equivalents	977	(5,130)
Cash and Cash Equivalents at Beginning of Period	34,357	39,201
Cash and Cash Equivalents at End of Period	35,335	34,071

(4) Notes on Semi-annual Consolidated Financial Statements

(Changes in Accounting Policies)

(Adoption of the “Accounting Standard for Current Income Taxes”)

Beginning from the six months ended June 30, 2025, the Company has adopted the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter the “Revised Accounting Standard 2022”).

Revisions regarding the classification of income taxes (taxation on other comprehensive income) are in accordance with the transitional treatment stipulated in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and in the proviso of Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter the “Revised Guidance 2022”). This change in accounting policy has no effect on the current semi-annual consolidated financial statements.

Additionally, the Revised Guidance 2022 has been applied from the beginning of the current semi-annual consolidated accounting period with respect to the amendments related to the revision of the treatment in consolidated financial statements of the deferral for tax purposes of gains or losses arising from the sale of shares of subsidiaries among consolidated companies. This change in accounting policy has been applied retrospectively, and the semi-annual and annual consolidated financial statements for the previous semi-annual period and the previous fiscal year have been prepared on a retrospective basis. This change in accounting policy has no effect on the semi-annual consolidated financial statements for the previous semi-annual period and the consolidated financial statements for the previous fiscal year.

(Notes on Segment Information etc.)

Segment Information

I. Six months ended June 30, 2024

Information Regarding Net Sales and Profit (Loss) in Each Reportable Segment

(Millions of yen)

	Reportable Segment				Total	Adjustments (Note 1)	Amount recorded in the semi-annual consolidated statement of income (Note 2)
	Japan Business	China Business	Singapore Business	Lansinoh Business			
Net sales							
Net sales to external customers	17,187	19,285	4,752	10,088	51,313	–	51,313
Internal sales or exchange between segments	814	343	2,342	4	3,505	(3,505)	–
Total	18,002	19,629	7,094	10,092	54,818	(3,505)	51,313
Segment profit	1,040	5,149	954	462	7,606	(1,783)	5,822

(Notes)

1. The negative amount of ¥1,783 million of adjustments to segment profit includes negative ¥107 million in elimination of intersegment transactions and negative ¥1,676 million in non-allocable operating expenses. Non-allocable operating expenses are administrative costs of our Group.
2. Segment profits are adjusted to operating income in the semi-annual consolidated statement of income.

II. Six months ended June 30, 2025

Information Regarding Net Sales and Profit (Loss) in Each Reportable Segment

(Millions of yen)

	Reportable Segment				Total	Adjustments (Note 1)	Amount recorded in the semi-annual consolidated statement of income (Note 2)
	Japan Business	China Business	Singapore Business	Lansinoh Business			
Net sales							
Net sales to external customers	17,721	20,569	4,838	10,605	53,734	–	53,734
Internal sales or exchange between segments	755	704	2,361	7	3,829	(3,829)	–
Total	18,476	21,274	7,200	10,613	57,564	(3,829)	53,734
Segment profit	1,107	5,696	1,113	486	8,404	(1,719)	6,684

(Notes)

1. The negative amount of ¥1,719 million of adjustments to segment profit includes negative ¥22 million in elimination of intersegment transactions and negative ¥1,696 million in non-allocable operating expenses. Non-allocable operating expenses are administrative costs of our Group.
2. Segment profits are adjusted to operating income in the semi-annual consolidated statement of income.

(Notes Regarding Substantial Changes in Shareholders' Equity)

Not applicable.

(Notes Regarding Going Concern Assumptions)

Not applicable.