



Beyond innovation, for a beautiful smile!

Supplementary Material on Financial Results for Q3 of FYE September 2025

August 5, 2025

Shinnihonseiyaku Co., Ltd.
Securities Code: 4931
Tokyo Stock Exchange Prime Market

Highlights from Period Under Review

Revenue

Net sales: **¥30,733 million** +3.8% YoY

- General: YoY growth led by Healthcare, with effective database marketing
- Cosmetics: On par with the comparative period: Marketing investment reallocated from mail-order to online channel
- Healthcare: +32.6% growth YoY, with *Fun and Health* continuing to perform well on back of higher investment

Profit, expenses

Operating profit: **¥3,888 million** +20.4% YoY

- Operating profit: Exceeded target, on course to exceed annual target
- Marketing investment: Investment concentrated on fledgling brands, with emphasis on investment efficiency
- Expenses: Further cost savings strengthened profit structure, generating more profit for aggressive marketing investment

Q3 highlights

- **PERFECT ONE** Performance: YoY growth in online sales
Strategy: Maximize LTV and target middle-aged consumers to renew growth
- **FOCUS** Performance: YoY sales growth
Strategy: Shorten product-launch cycle to boost competitiveness
- **Fun and Health** Performance: Further brisk performance delivered huge growth
Strategy: Up investment to enable higher revenue growth
- **Wellness Food** Strategy: Fully absorb Flatcraft and maximize synergistic effects

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1. Financial Results

Financial Results: Summary

Cosmetics: On par with the comparative period: Marketing investment reallocated from mail-order to online channel

Healthcare: **+32.6% growth** YoY, with *Slimore Coffee* continuing to perform well on back of higher investment

Operating profit: Exceeded target thanks to higher revenue from *FOCUS* and *Fun and Health* and cost savings

Unit: Million yen

Indicator	Comparative period (Q3 2024/9) actual	Period under review (Q3 2025/9)	YoY change in actual	
			change	%
Net sales	29,606	30,733	+1,127	+3.8%
Cosmetics	25,468	25,246	-221	-0.9%
Healthcare	4,138	5,487	+1,349	+32.6%
Operating profit	3,230	3,888	+658	+20.4%
Operating profit margin	10.9%	12.7%	+1.7pt	—
Ordinary profit	3,211	3,921	+709	+22.1%
Net profit (attributable to owners of parent)	2,169	1,880	-289	-13.3%

Financial Results: Additional Information

Sales by channel: Growth in mail-order sales driven by *Fun and Health* and *FOCUS*, growth in online sales driven by *PERFECT ONE*
Huge growth in wholesale sales, with *FOCUS* product launch and higher number of retailers for *PERFECT ONE*

Marketing: Reallocated budget to focus investment on *Fun and Health* and on online sales in Cosmetics, with emphasis on investment efficiency

Operating expenses: Further cost savings strengthened profit structure, generating more profit for aggressive marketing investment

Unit: Million yen

Indicator	Comparative period (Q3 2024/9) actual	Period under review (Q3 2025/9)	YoY change in actual	
			change	%
Sales by channel				
Mail-order and online	27,110	27,905	+795	+2.9%
Wholesale	2,588	2,912	+323	+12.5%
Overseas	-92	-84	+8	-8.8%
Global online sales ¹⁾				
Overseas and domestic EC sales	5,973	6,963	+990	+16.6%
Marketing investment				
Advertising expenses	8,403	8,578	+175	+2.1%
Sales promotion expenses	3,802	4,202	+399	+10.5%
Operating expenses				
FF cost ²⁾	3,154	3,018	-135	-4.3%
Call center costs	1,769	1,708	-61	-3.5%

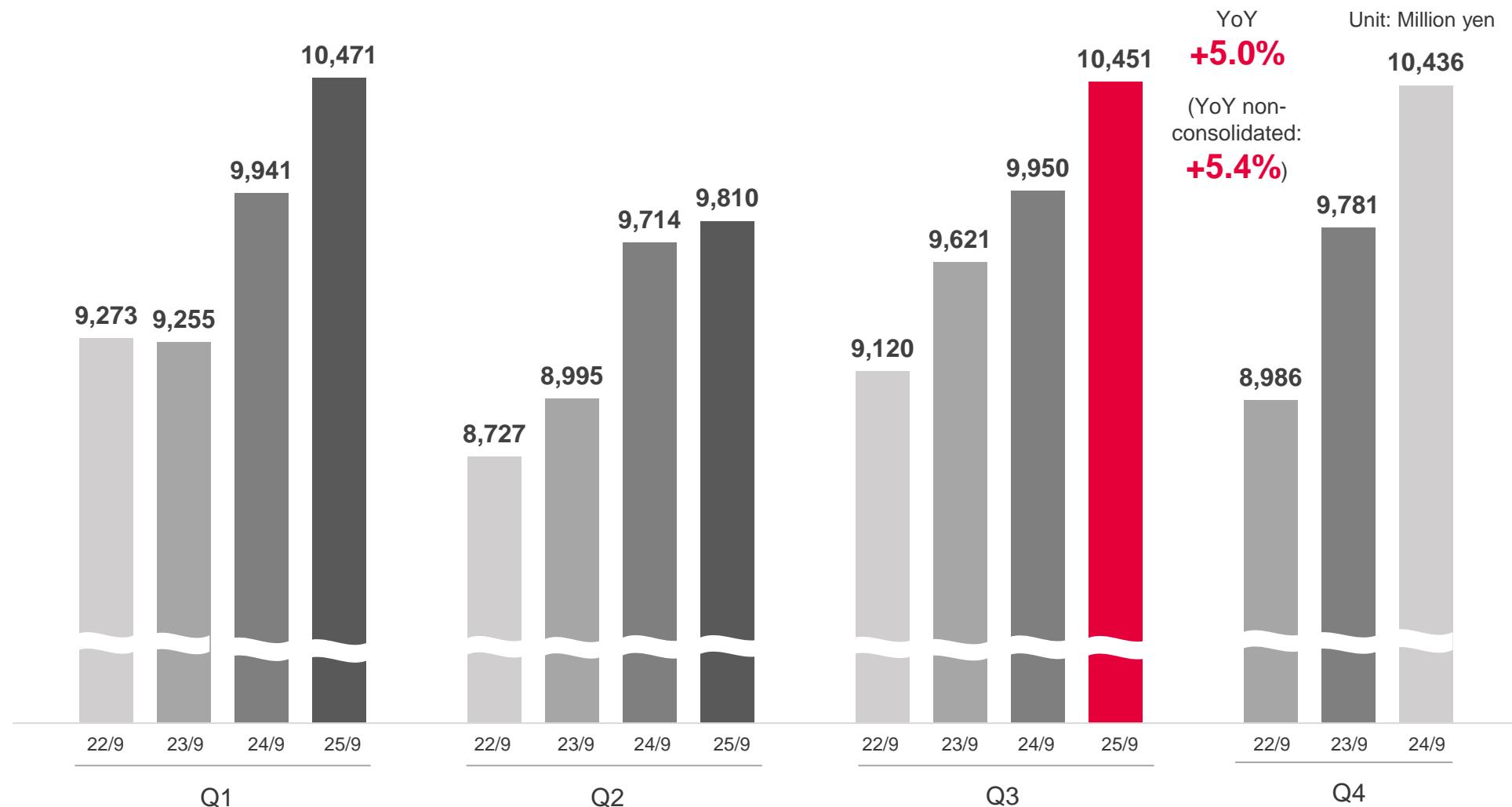
1) Global online sales = Online sales in Japan (included in the "mail-order and online" category) + Online sales overseas (included in the "overseas" category)

2) FF cost = Order fulfilment costs

FYI: Quarterly Net Sales

YoY growth delivered in every quarter

In Q3, net sales increased 5.0% on a consolidated basis after we reallocated marketing investment to *Fun and Health* and *FOCUS*.

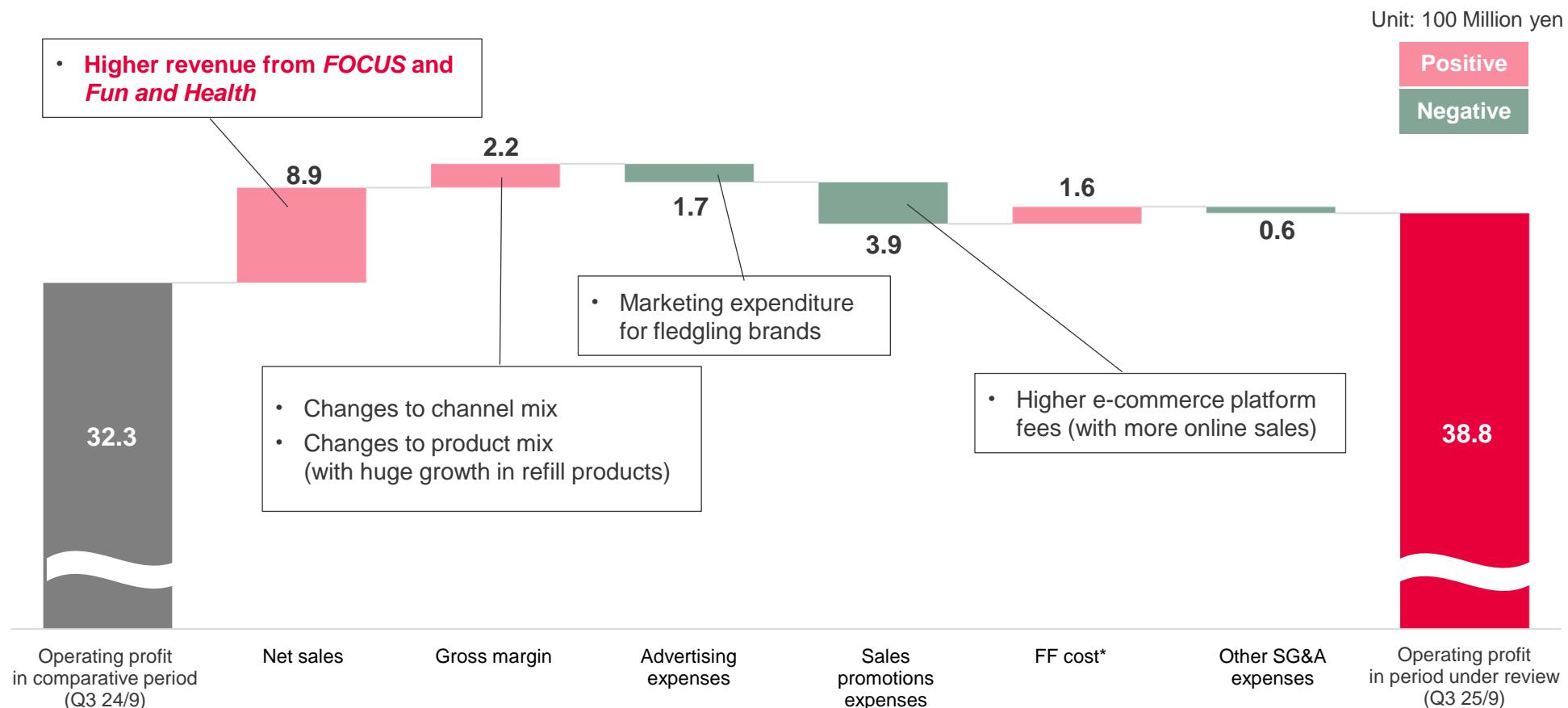


Financial Results: Profit Analysis

Operating profit growth: **+20.4% YoY**

Biggest positive contributors: Higher revenue from *FOCUS* and *Fun and Health*, cost savings.

Growth partially offset by: Higher marketing investment in fledgling brands, higher e-commerce platform fees.

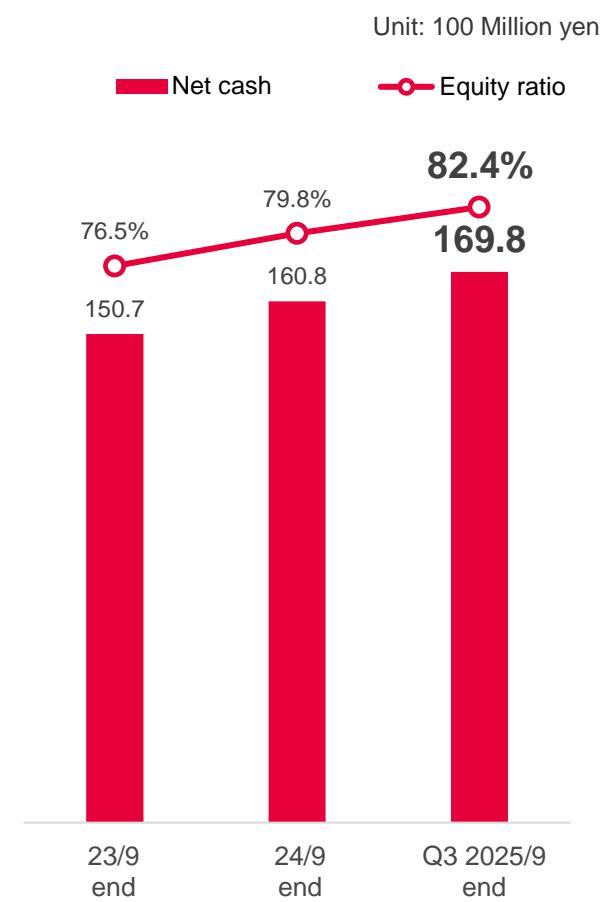


* In this case, FF cost refers specifically to shipping/delivery costs and agency fees.

Balance Sheet

Indicator	2023/9 end	2024/9 end	Q3 2025/9 end	Q3 2025/9 end vs. 2024/9 end
Current assets	21,254	23,062	23,240	+178
Cash and deposits	15,518	16,341	17,107	+766
Accounts receivable-trade	3,171	4,291	3,418	-872
Inventories	2,092	2,028	2,383	+355
Non-current assets	4,247	4,160	3,593	-566
Goodwill	818	712	—	-712
Total assets	25,501	27,222	26,834	-388
Liabilities	5,840	5,430	4,697	-733
Trade payables	946	548	718	+169
Interest-bearing debt	446	254	120	-133
Net assets	19,661	21,792	22,137	+344
Treasury shares	-647	-529	-1,378	-848
Total liabilities and net assets	25,501	27,222	26,834	-388

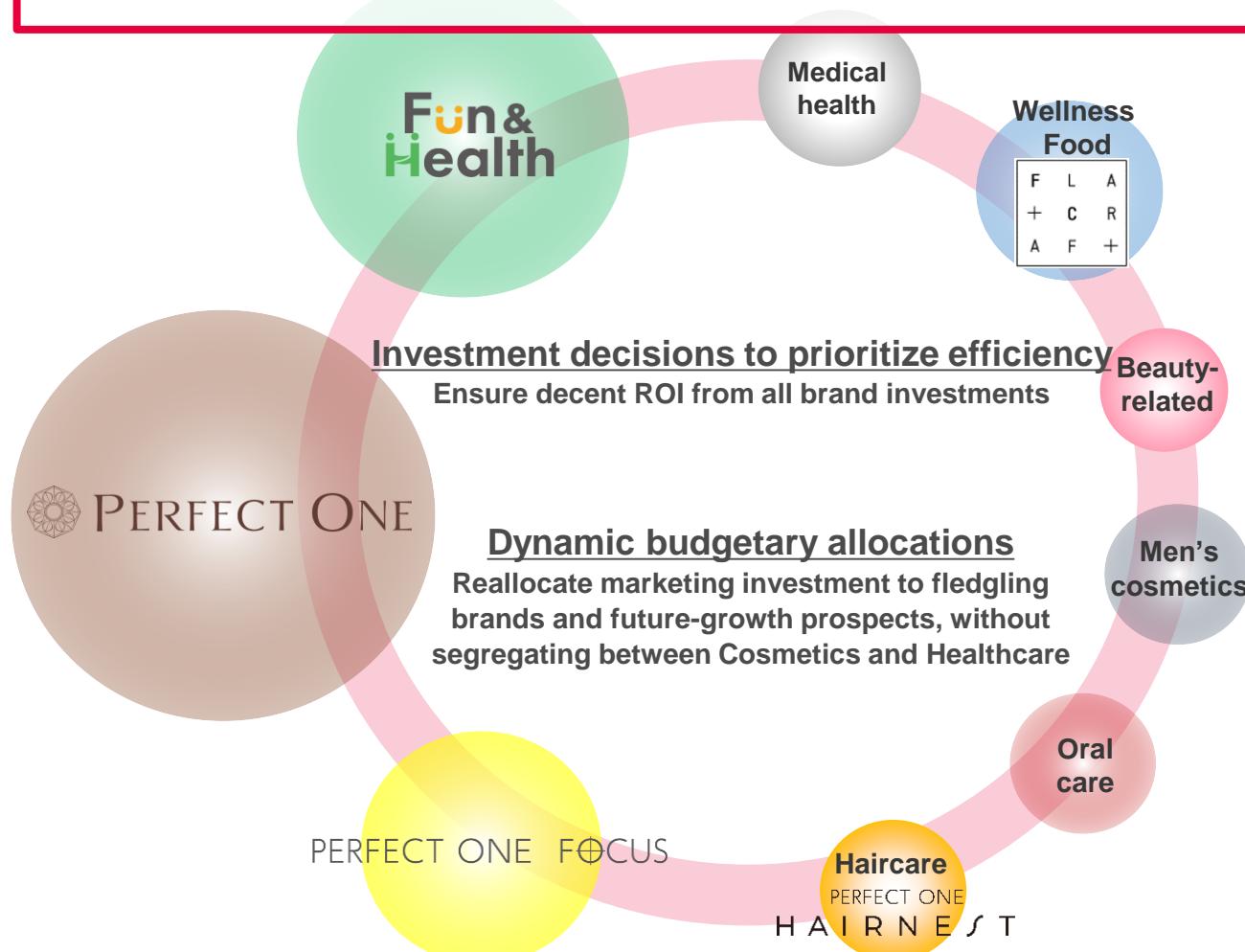
Unit: Million yen



2. Business Highlights

Marketing Investment Policy in the Medium-Term Management Plan, Growth Next 2027

Strategy: Enhance customer database marketing to maximize customers' satisfaction and quality of life



PERFECT ONE

Performance: YoY growth in online sales

Strategy: Maximize LTV and target middle-aged consumers to renew growth

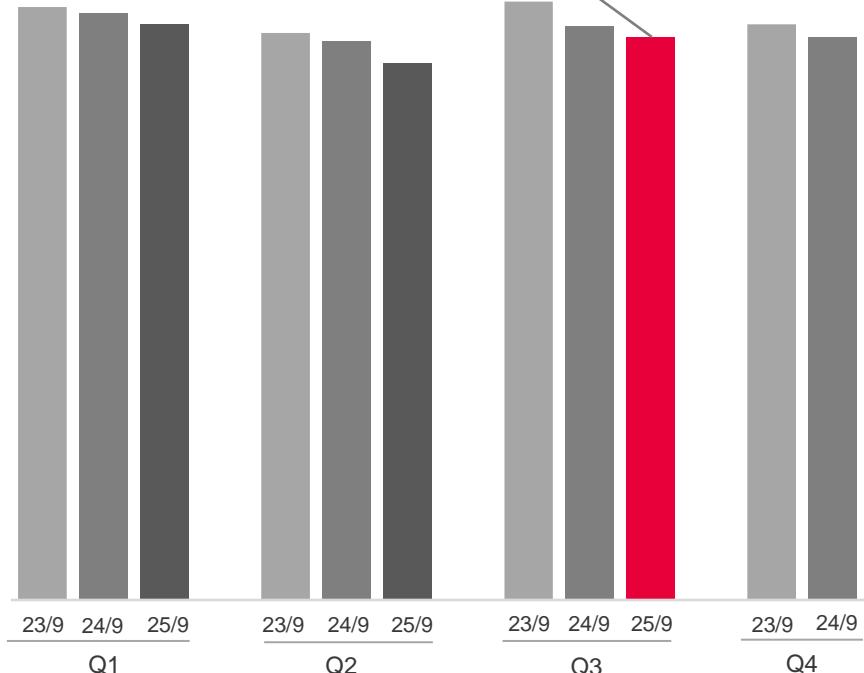
The online sales growth was achieved by reallocating marketing investment to the online channels and scaling up product-launch process.

The roles of offline advertising will now include, besides the role of winning new customers, the roles of integrating mail-order and online sales strategies and increasing brand awareness among middle-aged consumers.

To renew growth, we will maximize LTV and target middle-aged consumers with offline advertising and new product launches.

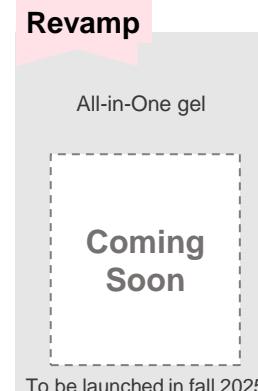
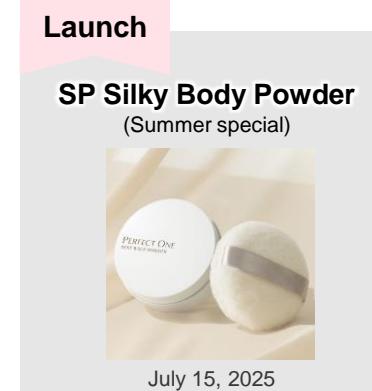
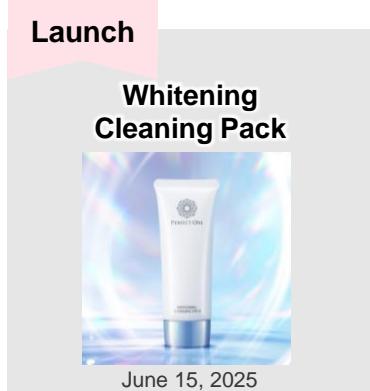
PERFECT ONE: Quarterly net sales

- Offline sales dipped following the reallocation of marketing investment to online advertising
- Lower price-per-unit (with sales growth in refill products)



Trends + VOC + Unique value

Scaling up launches of products for middle-aged consumers



Offline and online advertising is being integrated to grow online sales



QR code for
online store



PERFECT ONE FOCUS

Performance: YoY sales growth

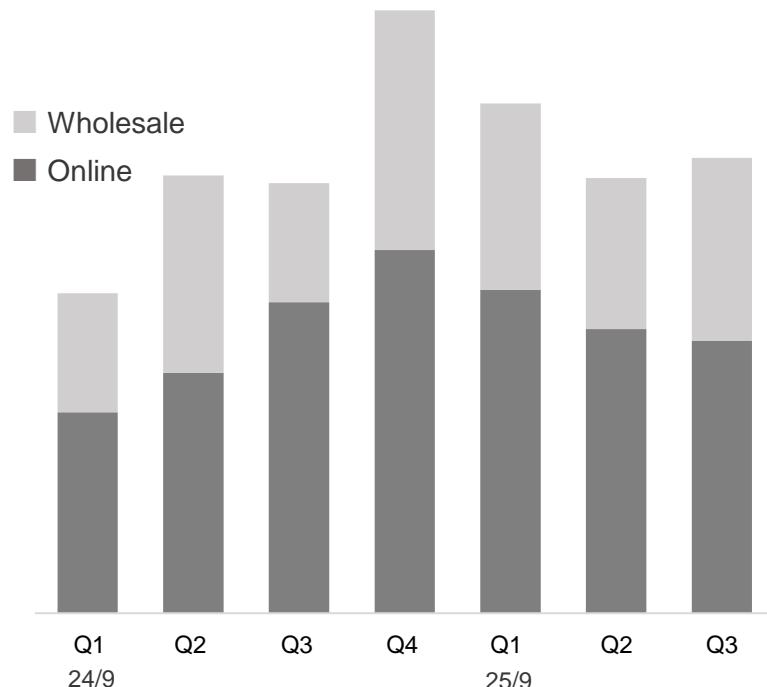
Strategy: Shorten product-launch cycle to boost competitiveness

The YoY sales growth was led by fledgling brands and new product launches, with a larger brand share in the cleansing balm market.*

Wholesale sales grew significantly following launch of VC Charge Smooth Mask. We will expand number of retail partners in Q4.

Online sales have dipped amid tough competition, but we can turn this around by shortening the product development cycle and expanding the lineup.

FOCUS: Quarterly net sales in Japan



- Celebs and influencers boost brand awareness



- VC Charge Smooth Mask listed in five Best Cosme rankings



- Trends + VOC + Unique value

Launching new products to expand lineup

Launch

VC Hydra Clear Cleansing Oil

To be launched on September 1, 2025

Following on from the success of the cleansing balm, this will be the first oil cleansing product under the FOCUS brand.

Combines mild peeling with blackhead and skin care to make the skin look poreless.

New mask item will play a role in getting brand into more retail spaces

Launch
Coming Soon

To be launched in November
With its new formulation, the new product will drive market penetration

Fun and Health

Performance: Further brisk performance delivered huge growth Strategy: Up marketing investment to enable higher revenue growth

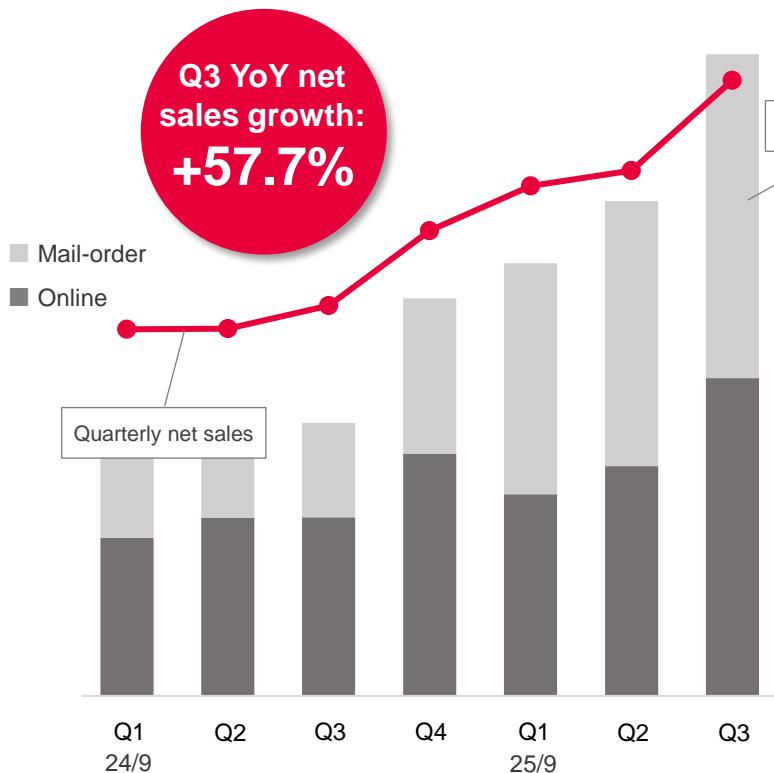
Quarterly net sales marked **+57.7%** YoY sales growth, with solid growth in *W Health Green Juice* and customer growth for *Slimore Coffee*.

Slimore Coffee (the best-performing brand) will receive bigger marketing investment as the main driver of consolidated sales (mail-order, online, and wholesale).

To enable higher growth, a new health-food supplement will be launched in September and new categories (e.g. aging care) will be developed.

Fun and Health:

Quarterly net sales, no. of new users



- *W Health Green Juice* no. 1 in domestic sales for third year running*¹



- Anan “good for the body” prize awarded to core product*²



- *Slimore Coffee*: Launch of wholesale distribution

We started distributing *Slimore Coffee* to drugstores.

With the impact of our advertising, *Slimore Coffee* will now be stocked in 3,200 drugstores. This number will increase in future periods.



Wholesale Channels

Retailer-client base is growing, driving revenue growth

Marketing strategies for wholesale channels

General marketing strategy:

Increase sales-per-store growth as part of efforts to grow retailer-client base

Store type	Strategy						
Drugstores	<p>Drugstore sales to lead wholesale sales Use customer database and ads in sales promotions</p> <table border="1" style="margin-left: 20px; border-collapse: collapse; text-align: center;"> <tr> <th colspan="3">No. of drugstore in our retailer-client base</th> </tr> <tr> <th>24/9 end: 920</th> <th>25/6 end: 1,920</th> <th>Target for 25/9 end: 2,000</th> </tr> </table>	No. of drugstore in our retailer-client base			24/9 end: 920	25/6 end: 1,920	Target for 25/9 end: 2,000
No. of drugstore in our retailer-client base							
24/9 end: 920	25/6 end: 1,920	Target for 25/9 end: 2,000					
Variety stores General merchandise stores	<p>Use social media strategy to boost sell-through sales To drive growth, use customer database and ads in sales promotions</p>						
Duty-free shops (in airports and cities)	<p>Target inbound visitors to build global brand recognition</p>						

- More drugstores on board will contribute to net sales growth.
- Following positive results from test sales among inbound visitors in urban areas, sales will be scaled up.

Overseas Sales

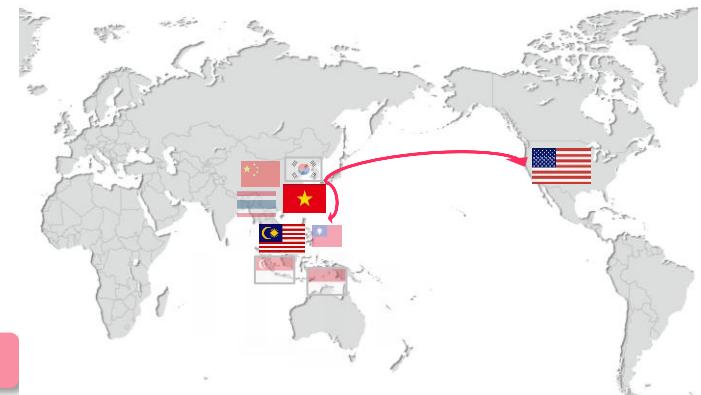
Now analyzing what content offers best ROI

Strategy set out in Growth Next 2027

Starting with the US, develop products and services applicable anywhere in the world

USA

- We are evaluating hit content and media as part of an effort to refine our feasibility studies.
- We will increase the number of SKUs for the US and expand test marketing for each SKU.



Asia

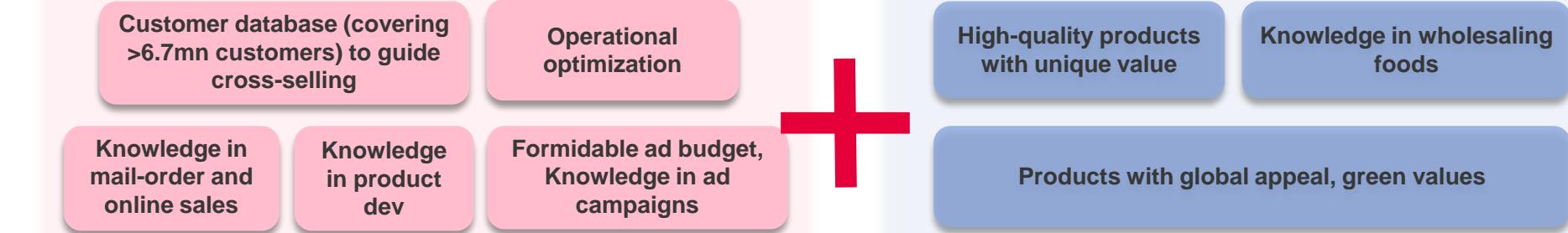
- Malaysia: In Q4, we will launch a cross-border EC platform.
Vietnam: In FYE Sep 2026, we will launch an online store and start trading on an online mall.
- To convert the fledgling demand among inbound visitor into overseas sales growth, we will use cross-border e-commerce platforms to encourage such visitors to become repeaters after they return home.

Wellness Food

Shinnihonseiyaku to merge subsidiary Flatcraft into itself in October 2025

The merger will pool Knowledge, and the resulting synergy will drive expansion in the fledgling healthcare sector.

Operations will be improved by having channels complement each other and by forging new sales channels, leveraging Shinnihonseiyaku's Knowledge in database marketing and in mail-order and online sales.



Fun & Health



Operational optimization will be synergized with knowledge in mail-order and online sales to drive online sales growth



High-quality products with unique value will be introduced to Japan.
Knowledge in mail-order and online sales will be used to forge new sales channels



Wellness Food

3. Annual Targets

Annual Targets

Net sales: Key to reaching the target is growth in fledgling *Fun and Health* and progress in new initiatives.

Operating profit: We are set to exceed the target with the reallocation of marketing investment to *Slimore Coffee* and other fledgling brands, as well as to new brands and businesses.

We will keep creating new efficiencies to strengthen the profit structure, generating more profit for aggressive marketing investment.

Indicator	2024/9 actual	2025/9		2025/9 target vs. 2024/9 actual change	2025/9 target vs. 2024/9 actual % change
		Q3 actual	2025/9 target		
Net sales	40,043	30,733	42,000	+1,956	+4.9%
Cosmetics	34,288	25,246	35,500	+1,211	+3.5%
Healthcare	5,755	5,487	6,500	+744	+12.9%
Operating profit	4,176	3,888	4,500	+323	+7.7%
Operating profit margin	10.4%	+12.7%	+10.7%	0.3pt	—
Ordinary profit	4,103	3,921	4,520	+416	+10.2%
Net profit (attributable to owners of parent)	2,795	1,880	3,100	+304	+10.9%

Annual Targets: Assumptions

Mail-order and online sales will increase as a result of our efforts to grow the fledgling *Fun and Health* brands and online cosmetic sales.

Wholesale sales will increase with higher sales-per-store for *PERFECT ONE* and with growth in new *FOCUS* products.

On an annual basis, overseas revenue will grow at pace slower than initially expected, but we will make headway in laying the foundations for a global expansion.

Unit: Million yen

Indicator	2024/9 actual	2025/9		2025/9 target vs. 2024/9 actual change	2025/9 target vs. 2024/9 actual % change
		Q3 actual	2025/9 target		

Sales by channel

Mail-order and online	36,361	27,905	37,060	+698	+1.9%
Wholesale	3,759	2,912	4,840	+1,080	+28.7%
Overseas	-77	-84	100	+177	—

Global online sales

Overseas and domestic EC sales	8,337	6,963	9,310	+972	+11.7%
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Marketing investment

Advertising expenses	11,274	8,578	11,000	-274	-2.4%
Sales promotion expenses	5,269	4,202	5,650	+380	+7.2%

Operating expenses

FF cost	4,195	3,018	4,400	+204	+4.9%
Call center costs	2,394	1,708	2,490	+95	+4.0%

APPENDIX

Our Position in Target Markets

All-in-one

Share of domestic sales:

No. 1 ^{*1}

Market size (2024 actual):
130.2 billion yen ^{*2}



Cushion foundation

Share of domestic sales:

No. 2 ^{*3}

Market size (2024 actual):
37.2 billion yen ^{*2}



Cleansing balm

Share of domestic sales:

No. 2 ^{*4}

Market size (2024 actual):
22.7 billion yen ^{*2}



Green juices with health claims

Share of market for green juices with health claims:

No. 1 ^{*5}

Market size (2024 actual):
12.9 billion yen ^{*5}



*1: Includes PERFECT ONE FOCUS series. Fuji Keizai, *Cosmetics Marketing Handbook 2025* (2024 breakdown of moisture and all-in-one market by manufacturer and brand)

*2: Fuji Keizai, *Cosmetics Marketing Handbook 2025* (data for all-in-one, cushion foundation, and cleansing balm markets)

*3: Fuji Keizai, *Cosmetics Marketing Handbook 2025* (2024 breakdown of cushion foundation market by manufacturer and brand)

*4: Fuji Keizai, *Cosmetics Marketing Handbook 2025* (2024 breakdown of cleansing balm market by manufacturer and brand)

*5: TPC Marketing Research (2024 breakdown of shipments by manufacturer)

Competitive Advantage: Recurring Revenue Model

We have a subscription model that delivers **recurring revenue** from subscribers, and **sustained revenue growth** as more subscribers are acquired.

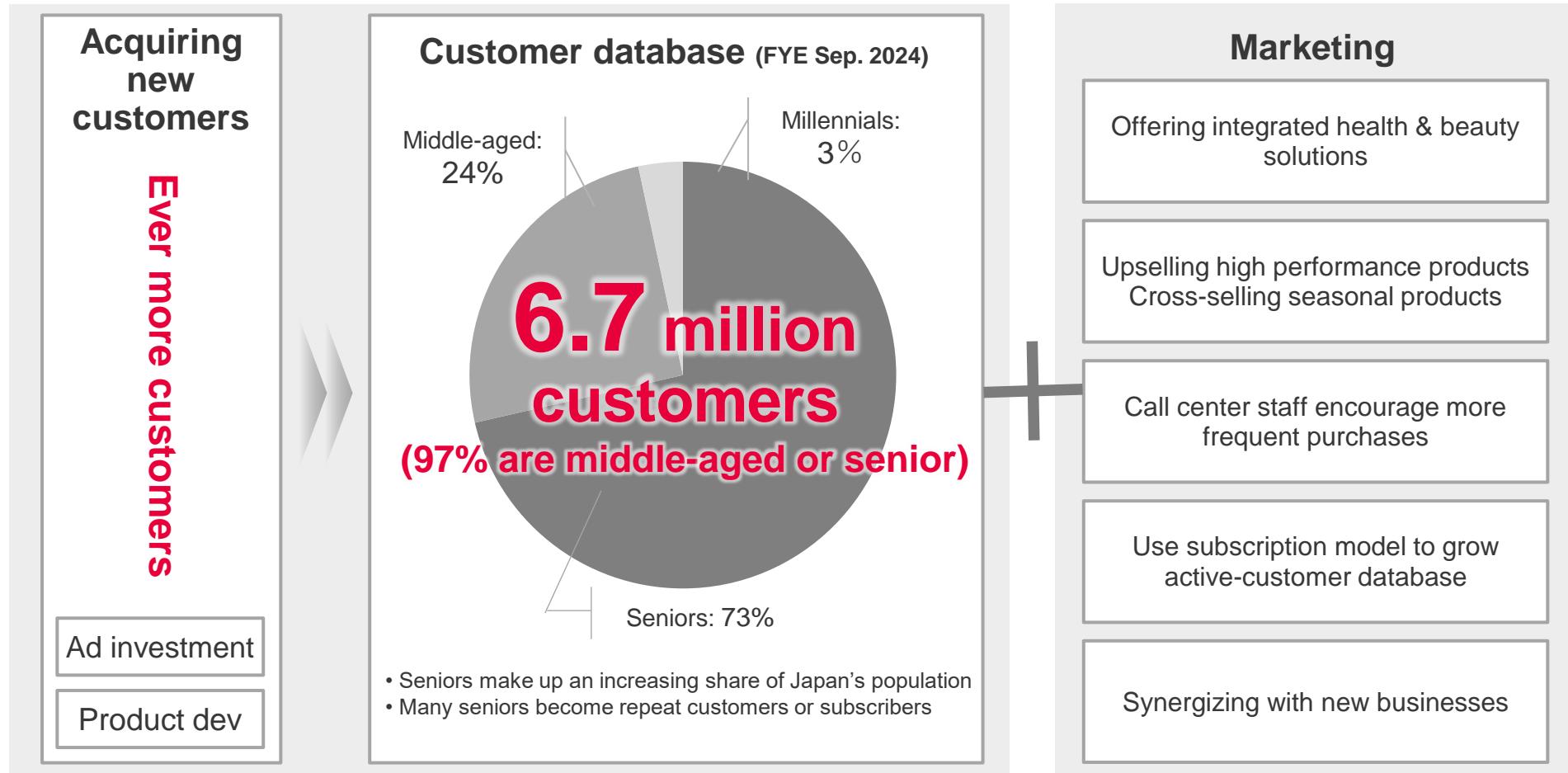
To acquire more subscribers, we invest upfront in advertising.



Competitive Advantage: Customer Database Marketing

We have a **huge customer database** (covering 6.7 million subscribers).

The data **shapes effective marketing strategies** targeting middle-aged and seniors (the majority).

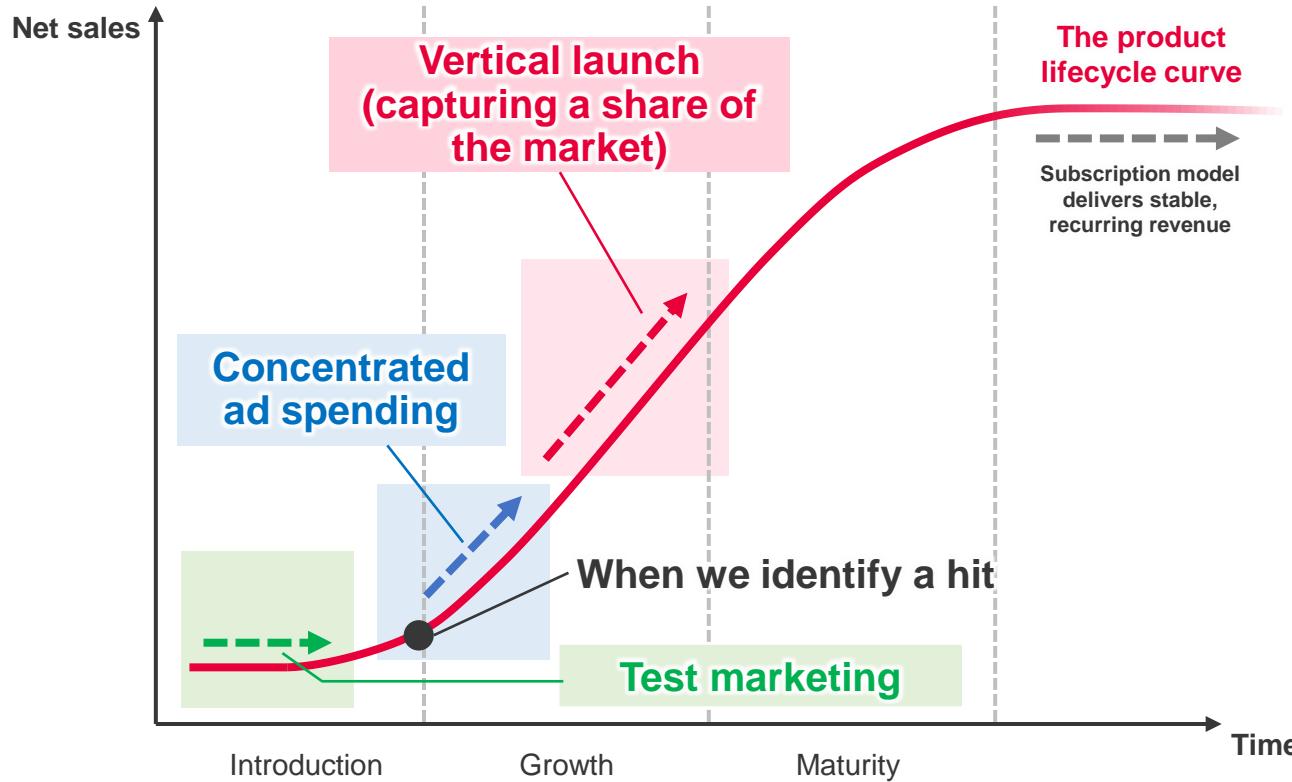


Competitive Advantage: Sales excellence in Mail-Order Channels

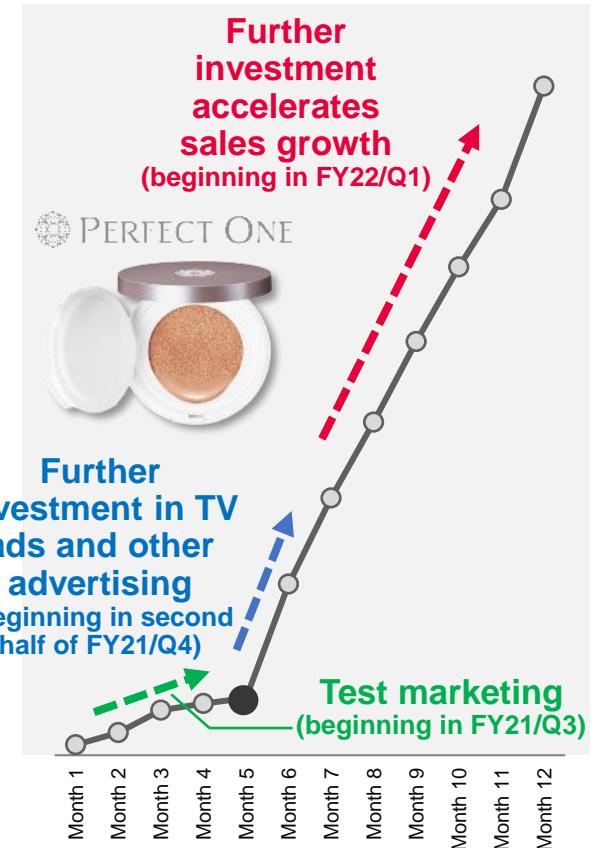
We bring products to market quickly and run an efficient cycle of test marketing and improvement.

When we identify a hit, we act fast: We use concentrated ad spending to capture a share of the market ahead of the competition.

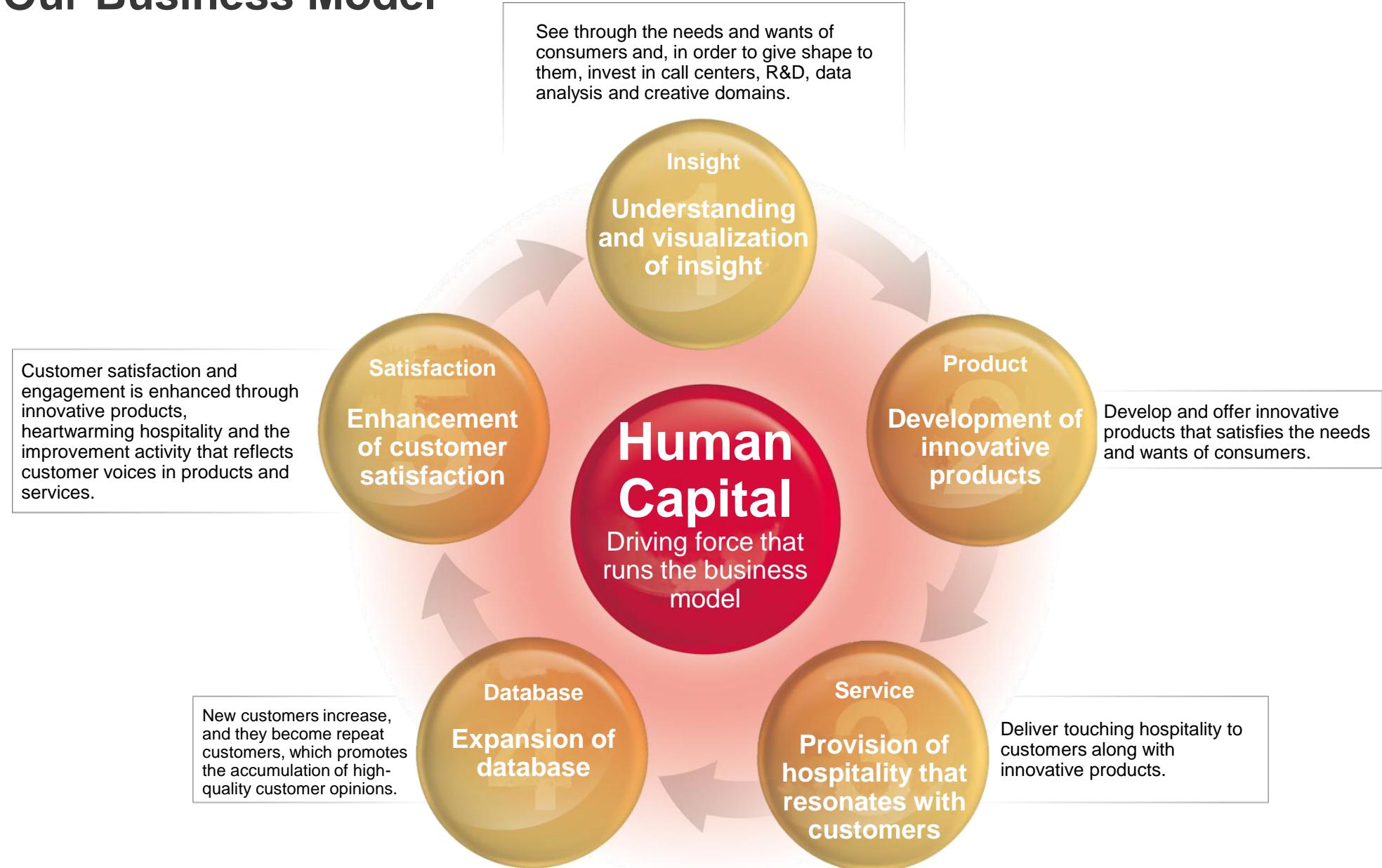
Lifecycle management for mail-order products



Example: Cumulative sales for cushion foundation



Our Business Model



Company Overview

Company name	Shinnihonseiyaku Co., Ltd.	
Representative	Takahiro Goto, President & Representative Director of the Board and Chief Executive Officer	
Established	March 1992	
Head office	1-4-7 Otemon, Chuo-ku, Fukuoka City, Fukuoka Prefecture	
Share capital	4,158 million yen [as of June 30, 2025]	
Executives	Takahiro Goto, President & Representative Director of the Board and Chief Executive Officer Mitsuyoshi Fukuhara, Senior Managing Director of the Board and Chief Operating Officer Sachiyo Yasuda, Outside Director	Keiichi Zenmyo, Outside Director (Audit and Supervisory Committee Member (full-time)) Takashi Tanabe, Outside Director (Audit and Supervisory Committee Member) Yuji Nakanishi, Outside Director (Audit and Supervisory Committee Member)
Business Description	Planning, mail order, and wholesale of cosmetics, health foods, and pharmaceuticals.	
Bases	Fukuoka (head office), Tokyo Office, Yoshizuka Office, Logistics Center, Itoshima Call Center	
Group companies	Flatcraft, Inc., PERFECT ONE US Co., Ltd.	
Net sales	40.04 billion yen [FYE Sept. 2024]	
Total assets	26.83 billion yen [as of June 30, 2025]	

PURPOSE

Beyond innovation, for a beautiful smile!

MISSION

Achieving the Greatest Possible Satisfaction and Trust from Our Customers
Making Our Employees Happy and Giving Them Dreams for the Future
As a Company That Contributes to Society,
We Aim to Expand Our Efforts Far and Wide without Limitation

VALUE

creating inspiration

CREDO

We will:

Place importance on greetings, smiles, and altruism.
Thoroughly implement listening, empathy, and gratitude.
Act in a challenge, change, and growth-oriented manner.

History

Date	Overview
March 1992	Founded Shinnihonliving Co., Ltd. (currently Shinnihonseiyaku Co., Ltd.) as a company that planned and sold daily essentials in Higashi-Ori, Onojo City, Fukuoka Prefecture (share capital of 10 million yen).
July 1994	Started sales of health foods by mail order.
June 1996	Relocated the head office to Otogana-Higashi, Onojo City, Fukuoka Prefecture.
December 2000	Commenced sales of basic cosmetics by mail order.
April 2002	Renamed Shinnihonliving Co., Ltd. to Shinnihonseiyaku Co., Ltd.
March 2003	Opened a logistics center in Yoshizuka, Hakata-ku, Fukuoka City, Fukuoka Prefecture.
April	Relocated the head office to Yoshizuka, Hakata-ku, Fukuoka City, Fukuoka Prefecture.
May 2005	Started sales of cosmetics brand "RAffINE series."
May 2006	Relocated the head office to Akasaka, Chuo-ku, Fukuoka City, Fukuoka Prefecture.
May	Launched RAffINE Perfect One.
October	Established Iwakuni-Hongo Research Institute as the base for cultivation and research of medical plants.*1
November	Started sales of pharmaceuticals by mail order.
March 2010	Opened its first direct store in Fukuoka PARCO shopping mall.
July	Opened a Tokyo sales office in Uchisaiwaicho, Chiyoda-ku, Tokyo (currently Tokyo Office).
April 2012	Started wholesale of "RAffINE series."
October 2013	Relocated the head office to Otemon, Chuo-ku, Fukuoka City, Fukuoka Prefecture.
April 2014	Changed the cosmetics brand name to "PERFECT ONE."
December 2016	Started sales overseas by mail order (Taiwanese market).
March	PERFECT ONE All-in-One Gel series took the No.1 spot*2 in domestic sales* in the all-in-one market.
June 2019	Listed on Tokyo Stock Exchange Mothers.
January 2020	Relocated Tokyo Office to Marunouchi Building in Chiyoda-ku, Tokyo.
December 2020	Changed listing market to the First Section of the Tokyo Stock Exchange.
June 2021	Acquired shares of Flatcraft, Inc. and made it a consolidated subsidiary.
April 2022	Moved from the First Section of the Tokyo Stock Exchange to Prime Market.
July 2023	Established PERFECT ONE US Co., Ltd. in the United States.
April 2024	Opened Itoshima Call Center in Itoshima City, Fukuoka Prefecture.

*1: The institute was integrated into Yoshizuka Office (R&D Center) in June 2020.

*2: Fuji Keizai "Cosmetics Marketing Handbook 2017" (actual manufacturer and brand market shares in the moisture section and the all-in-one section in 2016)

Financial Highlights

Financial closing month & year		September 2021 (consolidated)*	September 2022 (consolidated)	September 2023 (consolidated)	September 2024 (consolidated)	3Q of FYE September 2025 (consolidated)
Net sales	Million yen	33,899	36,107	37,653	40,043	30,733
Ordinary profit	Million yen	3,415	3,487	3,721	4,103	3,921
Profit	Million yen	2,323	2,357	2,394	2,795	1,880
Share capital	Million yen	4,158	4,158	4,158	4,158	4,158
Total number of shares issued	Shares	21,855,200	21,855,200	21,855,200	21,855,200	21,855,200
Net assets	Million yen	16,180	17,918	19,661	21,792	22,137
Total assets	Million yen	23,240	23,857	25,501	27,222	26,834
Equity ratio	%	68.8	74.4	76.5	79.8	82.4
Return on equity	%	14.5	14.0	12.9	13.6	—
Dividend payout ratio	%	30.2	30.0	29.6	34.7	—
Cash flows from operating activities	Million yen	2,071	2,287	3,468	2,097	—
Cash flows from investing activities	Million yen	-1,359	-496	-208	-382	—
Cash flows from financing activities	Million yen	672	-1,093	-2,101	-902	—
Cash and cash equivalents at the end of the period	Million yen	13,652	14,351	15,518	16,341	—
Number of employees (excluding temporary employees and including seconded employees)	People	309	302	307	316	—
Net assets per share	Yen	747.34	826.51	906.72	1,006.66	—
Basic earnings per share	Yen	107.72	109.91	111.37	129.69	—
Dividend per share	Yen	32.50	33.00	33.00	45.00	—

*Results used are ones after revision as a result of finalizing provisional accounting treatment related to the business combination with Flatcraft, Inc.

Disclaimer concerning the proper use of forecasts of business results

The content presented in this material is based on multiple assumptions and is not intended to promise or guarantee the realization of future planned numbers or measures.

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For inquiries, please use the inquiry form on the Shinnihonseiyaku website.

We will reply to you as soon as we can.

<https://corporate.shinnihonseiyaku.co.jp/contact/>



新日本製薬

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