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May 13, 2025

To whom it may concern:

Company name: Shinnihonseiyaku Co., Ltd.
Representative name: Takahiro Goto, President & Representative Director of the Board and Chief Executive Officer
(Securities Code: 4931, TSE Prime)
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Notice Concerning Recording of Extraordinary Loss (Impairment Loss) and Differences between First Half of Consolidated Financial Results Forecasts and Actual Result

Shinnihonseiyaku Co., Ltd. (the Company) announces that it has decided to record an extraordinary loss (impairment loss) in its consolidated financial results for the first six months of the fiscal year ending September 30, 2025 as follows, and differences have occurred between the first half of consolidated financial results forecasts in "Consolidated Financial Results for the Fiscal Year Ended September 30, 2024" released on November 12, 2024 and the actual results.

1. Details of the Impairment Loss

Flatcraft, Inc., a consolidated subsidiary of the Company, has revised the plan due to an inability to achieve the originally anticipated revenue levels as a result of changes in the business environment. As a result of conducting an impairment test, the Company has decided to record an impairment loss of 759 million yen on goodwill and intangible assets as an extraordinary loss.

2. Differences between the first half of consolidated financial results forecasts and the actual results for the fiscal year ended March 2025 (October 1, 2024 to March 31, 2025)

	Net sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	(Million yen) 20,350	(Million yen) 2,110	(Million yen) 2,120	(Million yen) 1,460	(yen) 68.89
Actual figure (B)	20,282	2,533	2,540	935	44.03
Difference (B-A)	(67)	423	420	(524)	―
Rate of change (%)	(0.3)	20.1	19.8	(35.9)	―
(Reference) First half results for the previous fiscal year (Fiscal year ended September 31, 2024)	19,656	2,076	2,083	1,402	65.08

3. Reason for differences between first half of consolidated financial results forecasts and actual results

For the first half of the fiscal year ending September 30, 2025, net sales remained generally in line with the plan, mainly due to the strong performance of healthcare products in the mail-order sales business and others.

Operating profit and ordinary profit exceeded the plan with the effect of increased sales centered on healthcare products, as well as the effects of operating cost structure reforms, including fulfillment costs and call center costs.

On the other hand, net profit attributable to owners of parent fell short of the previous forecast due to the recording of impairment loss as an extraordinary loss as announced in 1 above.

4. Impact on Business Performance

There will be no revisions to the full-year financial results forecast or dividend forecast as a result of recording this extraordinary loss.