

September 8, 2025

Company name: Pharma Foods International Co., Ltd.
Representative: Mujo Kim, President
(Securities code: 2929 Prime Market)
Inquiries: Seiyu Harada, General Manager of
Corporate Strategy Department
(Telephone: +81-75-394-8600)

Notice Regarding Special Loss (non-consolidated) due to Impairment of Investment in a Subsidiary

Pharma Foods International Co., Ltd. (the “Company”) hereby announces that, in its non-consolidated financial statements for the fiscal year ended July 2025, it has recorded a special loss arising from the impairment of shares in a subsidiary, as outlined below.

1. Details of the Special Loss

The Company announces that, in its non-consolidated financial statements for the fiscal year ended July 2025, it will recognize a special loss of ¥2.3 billion as a valuation loss on shares of an affiliate. This loss arises from an impairment assessment conducted, in accordance with the “Accounting Standard for Financial Instruments,” on the shares of Meiji Yakuhin Co., Ltd. (“Meiji Yakuhin”), a consolidated subsidiary of the Company.

During the same fiscal year, Meiji Yakuhin recorded strong sales of products such as LACTRON Tablets, which address intestinal health issues, and proactively invested in upfront advertising activities. As a result, the number of regular mail-order customers increased significantly to approximately 220,000, about 2.7 times the level of the previous year. However, given the nature of the direct-to-consumer business model - where profits are accumulated over the medium term through repeat purchases - it was challenging to recover these investments within a single fiscal year. Consequently, Meiji Yakuhin’s net assets declined, and the Company has therefore recognized the above-mentioned valuation loss on shares of an affiliate in its non-consolidated financial results.

2. Impact on Financial Results

The above-mentioned valuation loss on shares of the subsidiary is recorded only in the Company’s non-consolidated financial statements and is eliminated in the consolidated financial statements. Therefore, it has no impact on the Company’s consolidated results.