



# FY2026/7 Q2 (Interim) Consolidated Financial Results

## Supplementary Materials

March 23, 2026

Pharma Foods International Co., Ltd



### [Disclaimer]

Forward-looking statements in this document, including forecasts, outlooks, and strategies, are based on information available to the Group at the time of preparation and are not historical facts. We do not guarantee their accuracy. Actual results may differ materially due to changes in the economic or business environment.

- ✓ **Strategic upfront investments driving H1 FY2026 performance**  
Upfront investments executed per plan; H1 designated as an aggressive investment phase, with H2 positioned for profit transition.  
Improved profitability achieved through enhanced retention rates and Lifetime Value (LTV), despite moderate challenges in new customer acquisition.
- ✓ **Upward revision of FY2026 full-year earnings forecast**  
**Operating income projected to exceed initial forecasts by 33.3%**, driven by increased profitability centered on the flagship "Newmo" series.  
H2 focus remains on new value creation, further margin expansion, and strengthening the financial foundation.
- ✓ **Redefining "New Value Creation 1K Project"**  
**Core objective remains the enhancement of corporate value.** High profitability to be realized through business base reinforcement and capital efficiency, linking innovation-led transformation to high growth.  
Goal set as becoming a high-profit, high-growth entity rooted in biotechnology. The ¥100 billion revenue target reaffirmed as a key milestone, with project management prioritized on maximizing shareholder and corporate value.

**1. Consolidated Financial Results: FY2026/7 Q2 (Interim)**

2. Revised Consolidated Forecast  
and Medium-term Management Plan 2026 Progress

# FY2026/7 Q2 (Interim) Consolidated Financial Results Overview



Upfront investments executed as planned, with H1 designated as an aggressive investment phase and H2 as a profit transition period. Interim losses were incorporated into the full-year budget, with a return to profitability expected on a full-year basis. **Net income for the current period is projected to increase by 307% year-on-year.**

(Millions of Yen)

	FY25/7 Interim (Cumulative)	FY26/7 Interim (Cumulative)	Change	
<b>Net Sales</b>	29,857	<b>32,441</b>	+2,583	+8.7%
<b>Gross Profit</b>	24,285	<b>26,296</b>	+2,010	+8.3%
<b>Operating Profit</b>	623	<b>▲2,361</b>	-2,984	-
<b>Ordinary Profit</b>	645	<b>▲2,437</b>	-3,083	-
<b>Net Income</b> <small>Attributable to Owners of Parent</small>	229	<b>▲1,824</b>	-2,054	-

# Assets, Liabilities, Net Assets, and Cash Flows

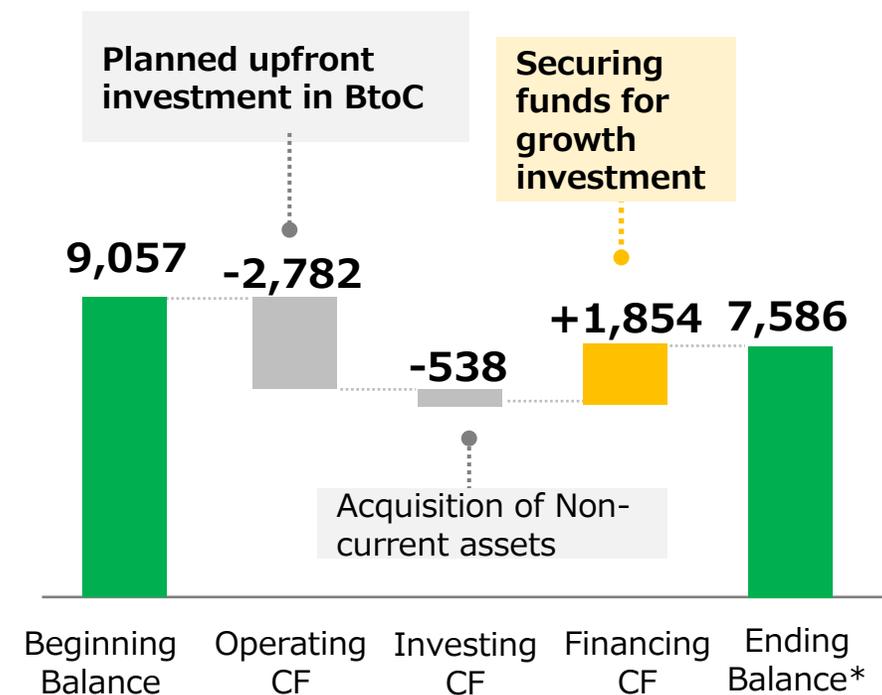
Funding for growth investments secured per business plan. Total liabilities increased by ¥1,382 million from the previous fiscal year-end due to higher interest-bearing debt. Operating cash flow and financial position projected to improve following the profit transition in H2.

(Millions of Yen)

	End of FY25/7	End of FY26/1	Change
<b>Total Assets</b>	32,649	<b>32,255</b>	-393
Current Assets	23,870	<b>22,345</b>	-1,524
PP&E	4,696	<b>4,837</b>	+141
Other	4,082	<b>5,071</b>	+989
<b>Total Liabilities</b>	21,101	<b>22,484</b>	+1,382
Current Liabilities	20,005	<b>21,666</b>	+1,661
Non-current Liabilities	1,096	<b>817</b>	-279
<b>Total Shareholders' Equity</b>	11,353	<b>9,351</b>	-2,002
<b>Net Assets</b>	11,547	<b>9,771</b>	-1,776
<b>Equity Ratio</b>	35.4%	<b>30.3%</b>	-5.1points
<b>Interest-bearing Debt Balance</b>	12,661	<b>14,878</b>	+2,217
<b>D/E Ratio (multiple)</b>	1.09	<b>1.52</b>	+0.43points

## Interim Consolidated Cash Flows

(Millions of Yen)



\*including effect of exchange rate changes on cash and cash equivalents

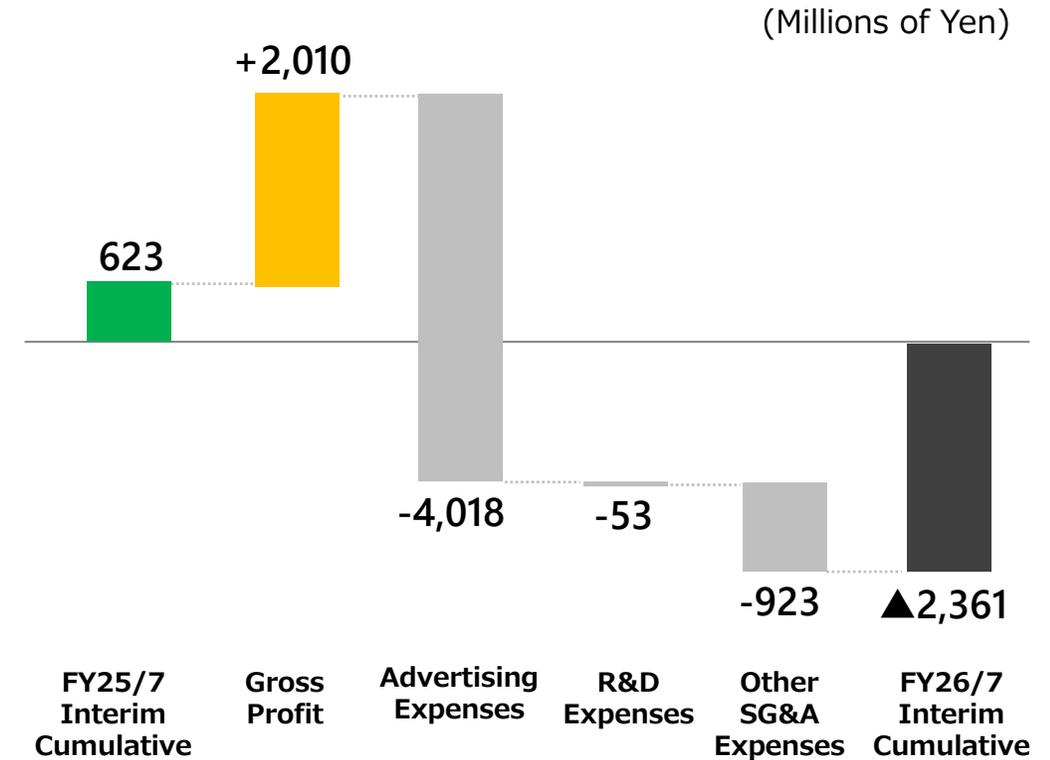
# Segment Performance and Operating Income Variance Analysis

Strategic growth investments to develop new revenue pillars following the “Newmo Series” resulted in a ¥4.0 billion YoY increase in advertising expenses; however, gross profit concurrently rose by ¥2.0 billion, maintaining high margins through our core strength in high-value-added products.

## Net Sales/Operating Income

	(Millions of Yen)	FY25/7 Interim (Cumulative)	FY26/7 Interim (Cumulative)	Change	
Net Sales	BtoB	3,760	<b>3,576</b>	-184	
	BtoC	25,958	<b>28,730</b>	+2,772	
	Biomedical	135	<b>104</b>	-31	
	Other	2	<b>30</b>	+27	
	<b>Total</b>	29,857	<b>32,441</b>	+2,583	+8.7%
Operating Profit	BtoB	709	<b>502</b>	-206	
	BtoC	985	<b>▲1,557</b>	-2,543	
	Biomecial	▲199	<b>▲260</b>	-60	
	Other*1	▲8	<b>▲11</b>	-3	
	Adjustments*2	▲863	<b>▲1,033</b>	-170	
	<b>Total</b>	623	<b>▲2,361</b>	-2,984	-

## Operating Income Variance Analysis



\*1 : Includes non-reportable segments (fund management, Expo exhibition, NEDO projects).

\*2 : Includes corporate expenses (G&A) and amortization of goodwill

# BtoB Segment Sales and Variance Analysis

Functional ingredients declined 8.7% YoY but are projected to recover in H2. Expanded distribution of flagship e-commerce items in Functional Products and CHC served as positive drivers. Strategic scale adjustment of CMO business implemented to prioritize higher-margin in-house production.

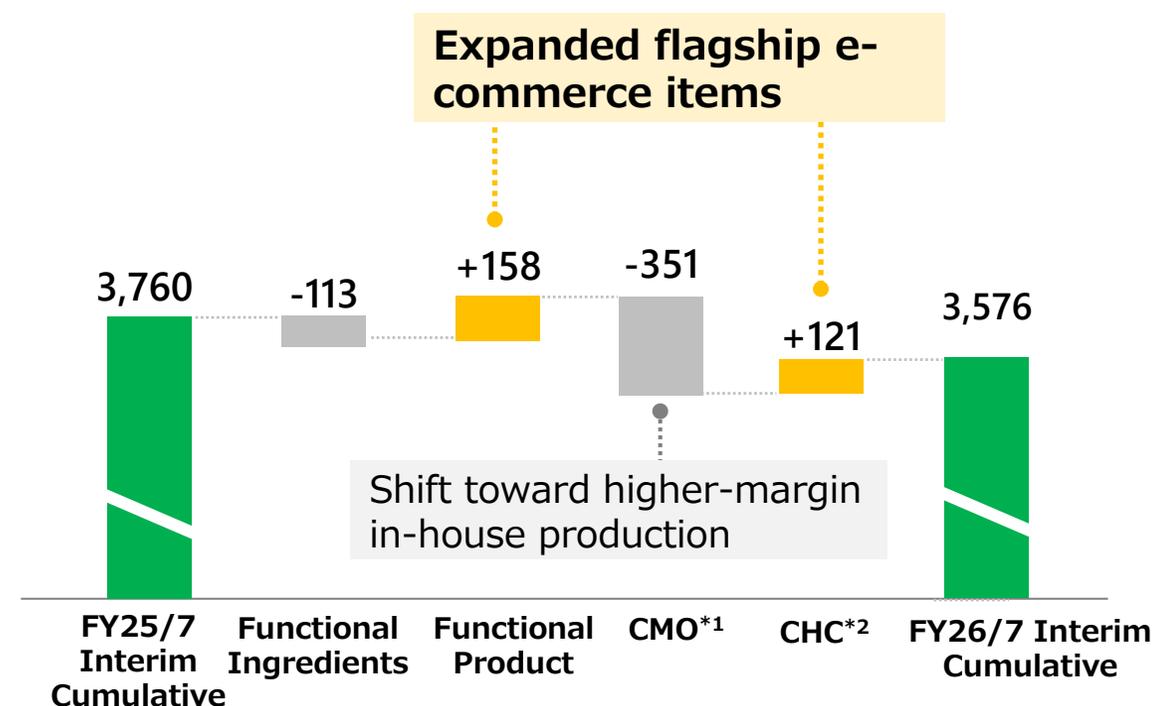
## BtoB

(Millions of Yen)

	FY25/7 Interim (Cumulative)		FY26/7 Interim (Cumulative)		
		Ratio		Ratio	Change
Functional Ingredients	1,308	35%	1,195	33%	-8.7%
Functional Products	289	8%	448	13%	+54.7%
CMO*1	1,648	44%	1,296	36%	-21.3%
CHC*2	513	13%	635	18%	+23.7%
<b>Total</b>	<b>3,760</b>	<b>100%</b>	<b>3,576</b>	<b>100%</b>	<b>-4.9%</b>

## Sales Variance Analysis

(Millions of Yen)



\*1 : Contract Manufacturing Organization (Meiji Yakuhin)

\*2 : Consumer Health Care, sale of pharmaceuticals and functional foods through drugstores. (Meiji Yakuhin)

# Expanding Adoption of Proprietary Functional Ingredients and Channel Development for In-house NB Products

## CHC : Drugstores



### Wholesale & Direct Sales

- Drugstore chains
- Cross-border e-commerce, etc

## Functional Ingredients



### Direct Sales

- Major beverage manufacturers
- Major food manufacturers
- Dairy food manufacturers
- Supplement manufacturers
- Overseas trading companies etc

## CMO : Contract Pharmaceutical Manufacturing



**New Plant Completion**  
(Scheduled for July 2028  
Meiji Yakuin)

### Contract Manufacturing

- Major pharmaceutical companies etc
- (Maximize utilization for higher-margin in-house products)

**Net Sales**  
**3,576**  
Millions of yen

18%

33%

36%

13%

## Functional Products(In-house NB)



### Wholesale

- ITOCHU Corporation
- Nippon Access, Inc., etc

# Functional Ingredients Adopted by Leading Food Manufacturers for Best-sellers and Major Beverage Brands



**Rohto Pharmaceutical Co., Ltd.**

“Senobic” Growth Support Beverage  
Powdered beverage with cumulative sales exceeding 20 million units



**Ezaki Glico Co., Ltd.**

“GABA” Mental Balance Chocolate  
A long-selling product with nationwide distribution.



**Coca-Cola (Japan) Co., Ltd.**

“Ayataka Koi Hojicha”  
(Dark Roasted Green Tea)  
A major tea brand extension;  
scheduled for release on April 6.

# Expansion of Retail Distribution for Category-Leading E-commerce Products

Shipments of Newmo hair growth essence increased via “Costco-exclusive packaging”. Retail presence expanded with the adoption of “WMOA” eyelash serum and the new “KURUB” cream shampoo at LOFT stores, successfully transitioning flagship e-commerce products into the retail sector.



**Costco**

“Newmo” Hair Growth Essence  
Strong performance of Costco-exclusive bottles



**LOFT\***

“WMOA” Eyelash Serum  
Deployment of dedicated in-store displays

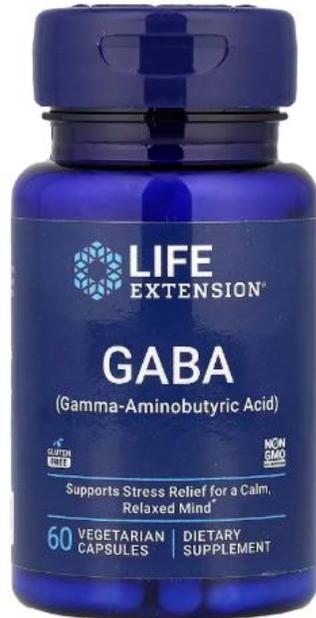
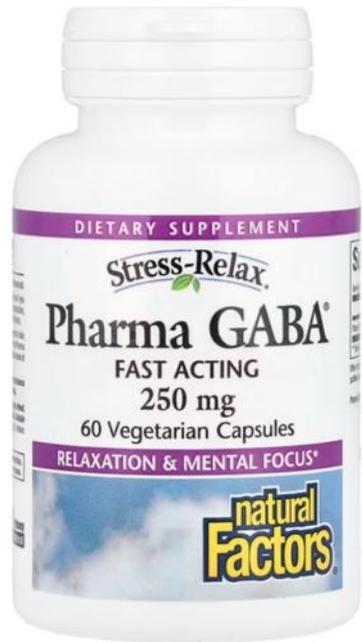


**LOFT\***

“KURUB” Cream Shampoo  
Innovative texture developed through advanced hair research

# Expansion of Global Adoption for GABA

Increasing demand for PharmaGABA in North America and Thailand, driven by global growth trends in stress care and sleep markets. Preparations for the U.S. GRAS certification nearing completion; rapid demand expansion in food and beverage sectors expected upon the certification.



## Natural Factors

One of North America's largest supplement manufacturers

## Life Extension

Major North American supplement provider

## Now

Major North American supplement provider

## Youtheory

No. 1 North American market share in collagen supplements

## OSOTSPA

Thailand's largest soft drink manufacturer

# BtoC Segment Sales and Variance Analysis

Net sales increased 10.7% YoY, driven by an 18.4% YoY growth in Pharmaceuticals and Quasi-drugs. Cosmetics remained stable YoY. Despite a decline in Supplements, revenue growth is targeted through the renewal of long-selling products in H2.

## BtoC

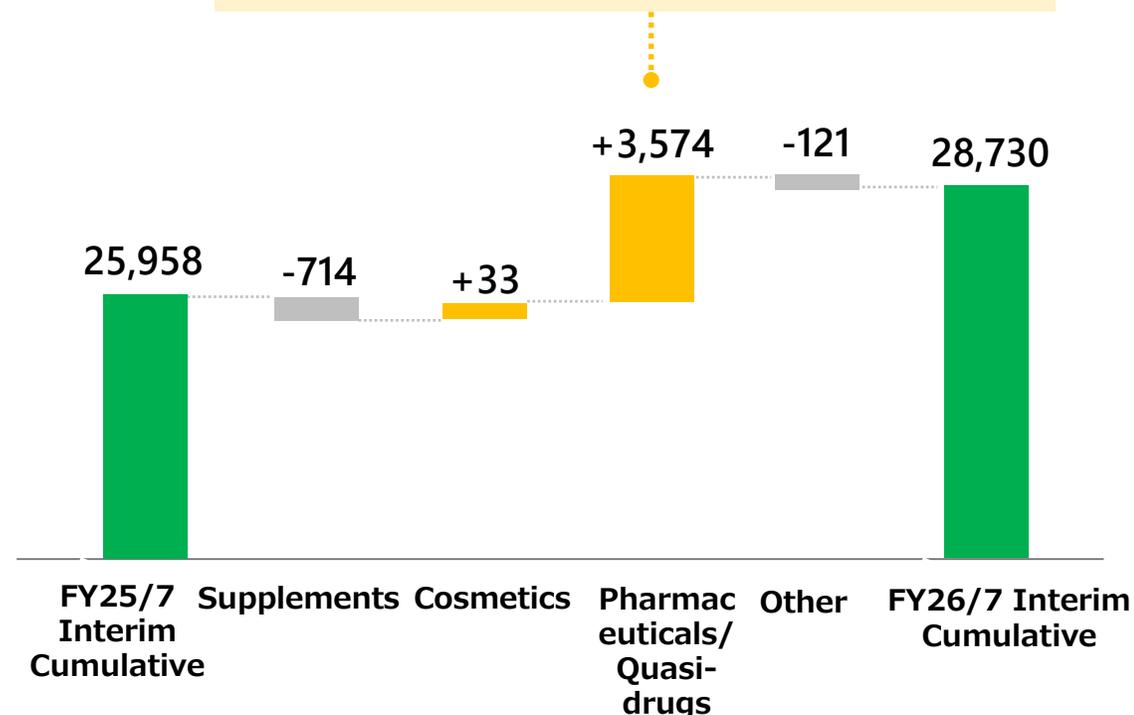
(Millions of Yen)

	FY25/7 Interim (Cumulative)		FY26/7 Interim (Cumulative)		
		Ratio		Ratio	Change
Supplements	3,271	12%	2,557	9%	-21.8%
Cosmetics	2,842	11%	2,876	10%	+1.2%
Pharmaceuticals /Quasi-drugs	19,382	75%	22,957	80%	+18.4%
Other	461	2%	339	1%	-26.3%
<b>Total</b>	<b>25,958</b>	<b>100%</b>	<b>28,730</b>	<b>100%</b>	<b>+10.7%</b>

## Sales Variance Analysis

(Millions of Yen)

Strong performance in Newmo series and upfront investment in intestinal, tinnitus, and urinary care)



# Strategic Shift Toward High-Profitability Customer Structure Centered on Newmo Series

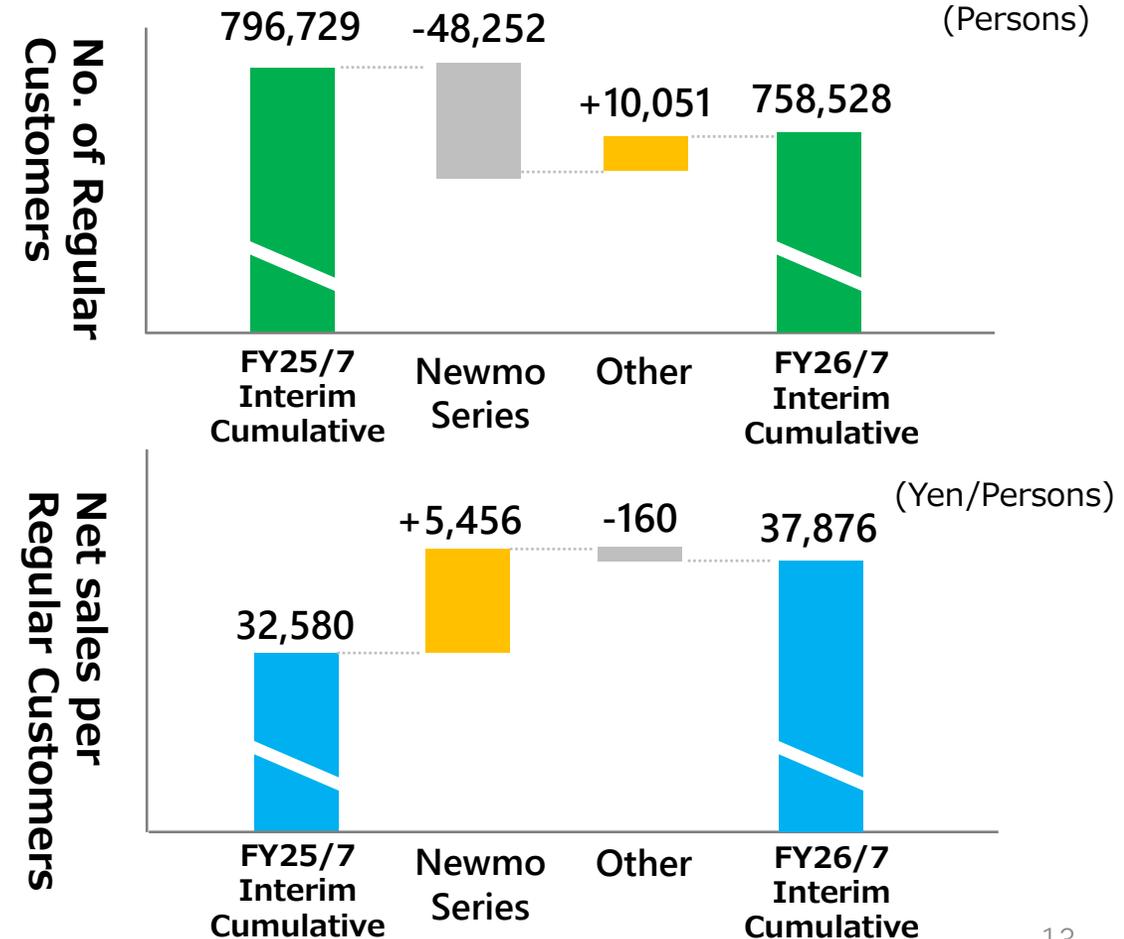
Customer Lifetime Value (LTV) improved within the Newmo series. Despite a decline in the number of regular customers, net sales increased 10.7% YoY. This transformation toward a higher-margin customer base resulted from optimized multi-channel (mall) sales strategies and successful retention rate initiatives.

## BtoC

(\*1, 2: Millions of Yen  
\*3: Persons  
\*4: Yen)

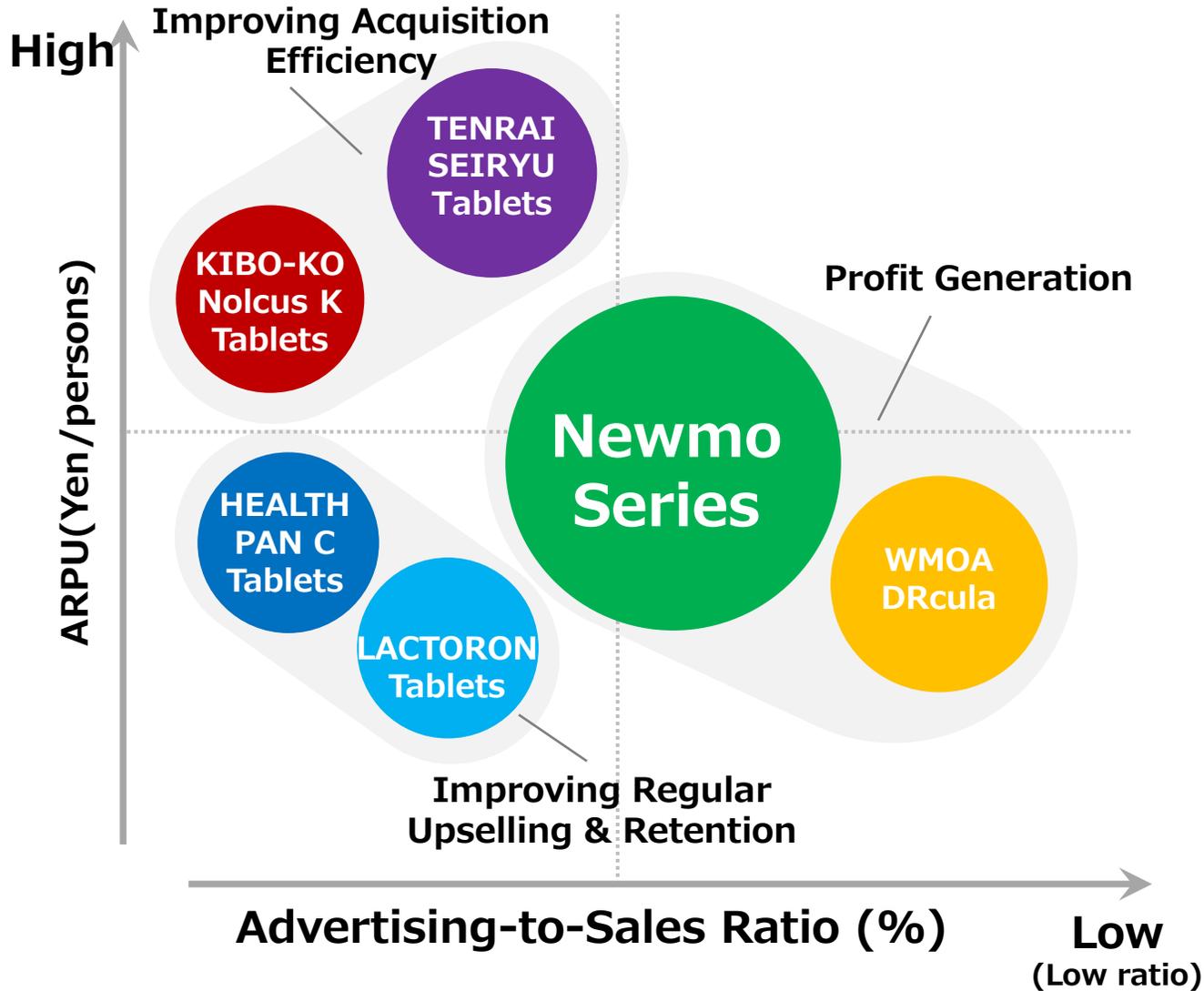
	FY25/7 Interim (Cumulative)	FY26/7 Interim (Cumulative)	
			Change
Net Sales <sup>*1</sup>	25,958	28,730	+10.7%
Advertising Expenses <sup>*2</sup>	17,442	21,393	+18.7%
Regular Customers <sup>*3</sup>	796,729	758,528	-4.8%
Net Sales per Regular Customers <sup>*4</sup>	32,580	37,876	+16.3%

## Variance Analysis: Regular Customers & Average Sales per Customer



# Maximizing Profitability via Category-Leading Products and Targeted Pharmaceuticals

## ARPU・Advertising-to-Sales Ratio & Strategic Initiatives



# Enhanced Product Competitiveness of Long-seller "Tamagosamin" (Relaunched as Food with Functional Claims)



A cornerstone long-seller since its e-commerce launch in 2012

Cumulative Shipments **8.38 M unites\***

Relaunched as a Food with Functional Claims

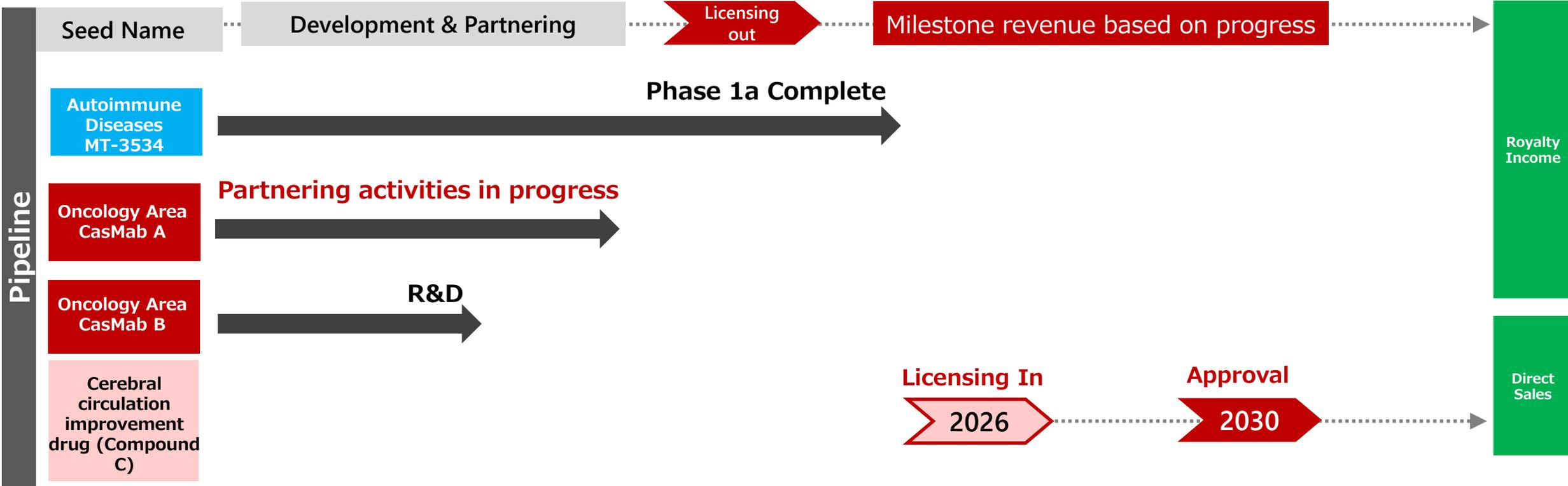
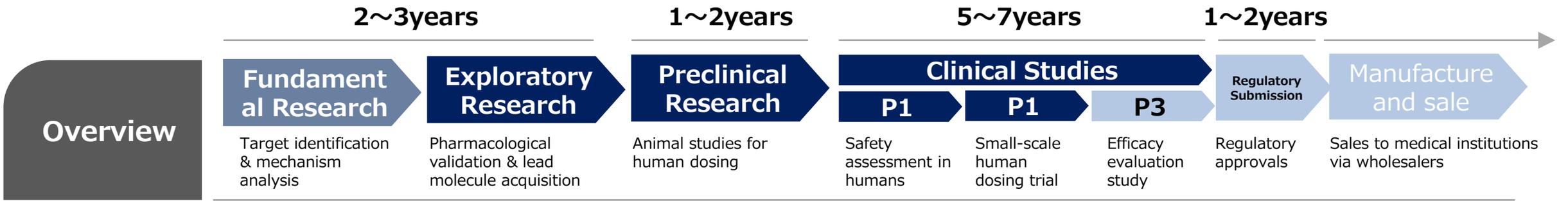
## Functional Claim Details

This product contains Egg Yolk Enzyme-Decomposed Peptides, Chicken Feet Enzyme-Decomposed Peptides, and N-acetylglucosamine. **It is reported to have the function of mitigating knee discomfort during daily activities (standing, walking, starting movement, etc.) for healthy middle-aged and older adults experiencing joint issues.**

Notification No. K134

\*As of Jan 31, 2026

# Biomedical Business R&D Pipeline Outlook\*

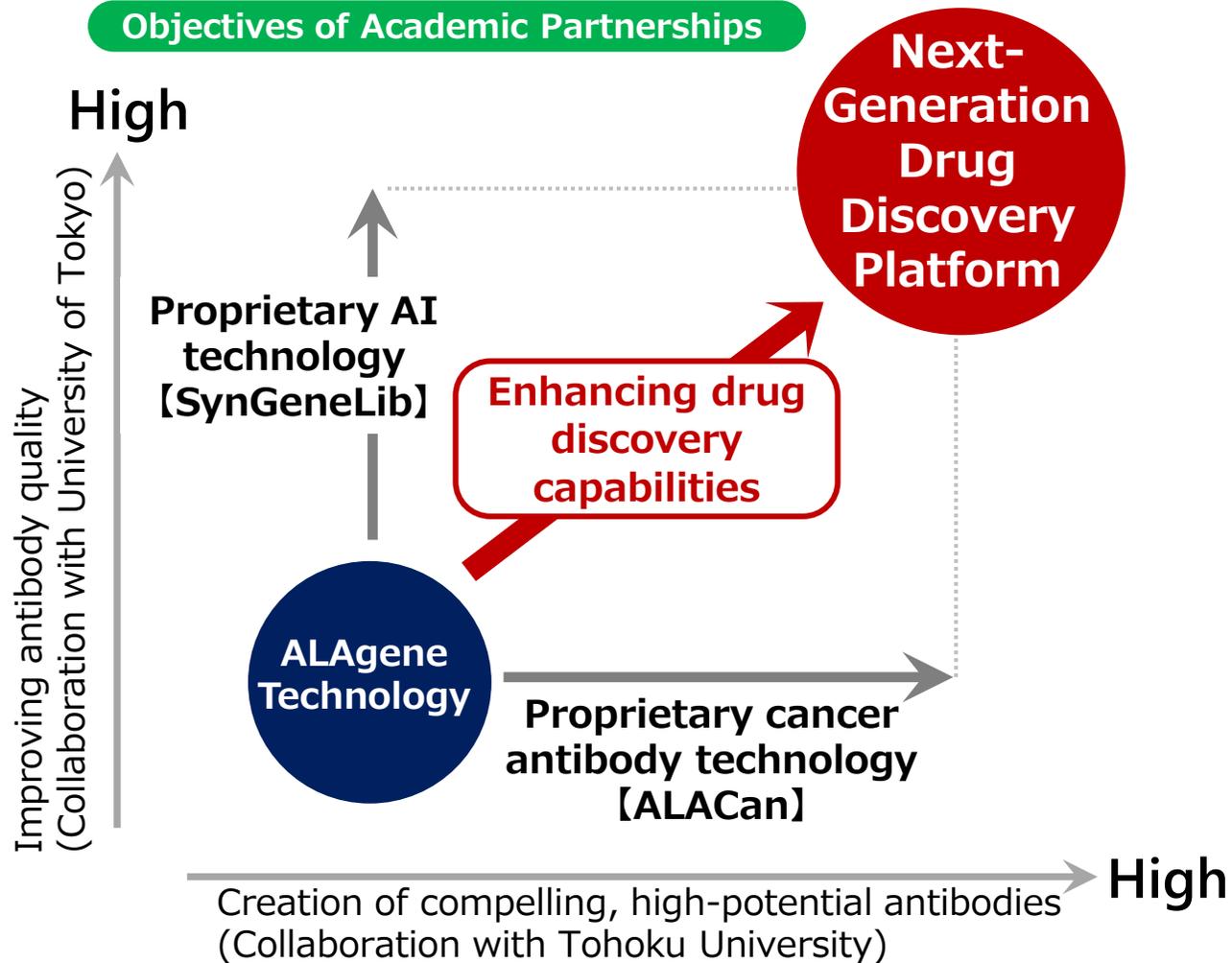


\*Future outlooks are based on internal projections and do not guarantee pipeline progress, licensing agreements, or regulatory approvals.

# Strengthening Drug Discovery Platform in Oncology through Academic Partnerships

Accelerating pipeline development by ensuring efficacy and safety while mitigating commercialization risks. Targeted implementation of a next-generation drug discovery platform designed for continuous generation of promising research seeds and early monetization.

## Objectives of Academic Partnerships



Press Release: Feb 26, 2026

### Prof. Yukinari Kato

Tohoku University  
Graduate School of Medicine

Combining **CasMab® technology** for cancer-specific antibody generation with proprietary ALAgene® technology to create high-potential candidates.



Press Release: Nov 4, 2025

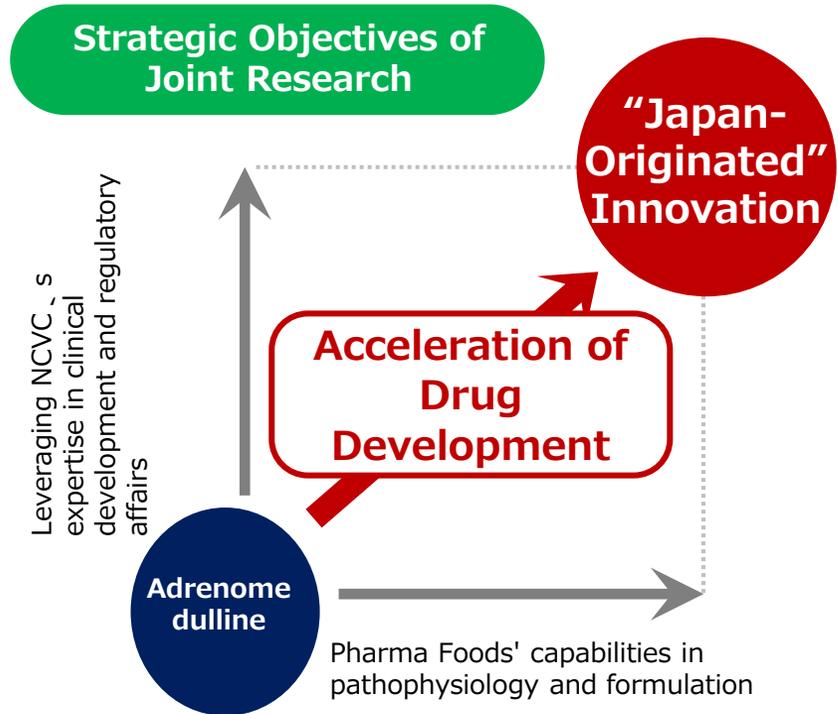
### Prof. Kohei Tsumoto

The University of Tokyo  
Graduate School of Engineering

Utilizing **AI technology to optimize the antibody production process**, focusing on structural stability and production efficiency to accelerate development.

# Development of "Adrenomedullin" for Designated Intractable Disease "CADASIL"

Advancing clinical development for CADASIL, a designated intractable disease with no fundamental treatment, in collaboration with the National Cerebral and Cardiovascular Center (NCVC). Targeting the realization of a breakthrough, Japan-originated drug with a focus on early regulatory approval.



**Executive Director,  
Masafumi Ihara, M.D., Ph.D**

General Manager  
The Department of Neurology

A leading expert in CADASIL research, spearheading the clinical development of Adrenomedullin.



Established a dedicated laboratory within the AMED/AIMGAIN joint research framework for the "CADASIL Drug Discovery Research Department" to advance disease clarification and drug development for CADASIL.



Press Release: Feb 12, 2025

1. Consolidated Financial Results: FY2026/7 Q2 (Interim)

**2. Revised Consolidated Forecast  
and Medium-term Management Plan 2026 Progress**

# Revision of Consolidated Full-Year Forecast FY2026/7

Profitability improved by prioritizing capital efficiency over top-line sales growth, with profits now projected to exceed initial forecasts. Moving forward, we will continue to strengthen our financial foundation to achieve sustainable corporate value through both new value creation and earnings improvement.

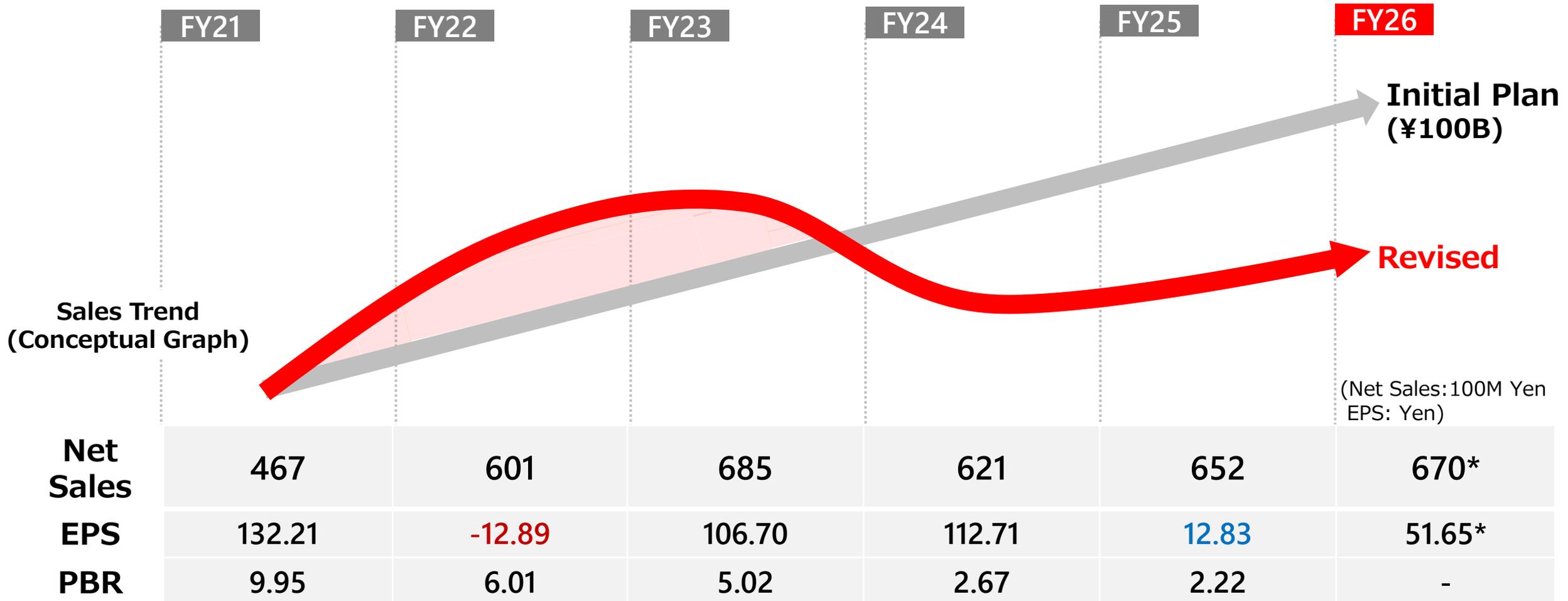
(Millions of Yen)

	FY25/7 Actual	FY26/7 Forecast	YoY Change		Initial Forecast (Sep 11, 2025)	Change	
<b>Net Sales</b>	<b>65,260</b>	<b>67,000</b>	<b>+1,740</b>	<b>+2.7%</b>	<b>68,000</b>	<b>-1,000</b>	<b>-1.5%</b>
<b>Operating Profit</b>	<b>2,367</b>	<b>2,000</b>	<b>-367</b>	<b>-15.5%</b>	<b>1,500</b>	<b>+500</b>	<b>+33.3%</b>
<b>Ordinary Profit</b>	<b>2,553</b>	<b>2,000</b>	<b>-553</b>	<b>-21.7%</b>	<b>1,500</b>	<b>+500</b>	<b>+33.3%</b>
<b>Net Income</b> Attributable to Owners of Parent	<b>368</b>	<b>1,500</b>	<b>+1,132</b>	<b>+307.6%</b>	<b>1,000</b>	<b>+500</b>	<b>+50.0%</b>
<b>Earnings Per Share(EPS)</b> (yen)	12.83	<b>51.64</b>					
<b>Dividend Per Share</b> (yen)	25	<b>25</b>					
<b>Payout Ratio</b> (%)	194.9	<b>48.4</b>					

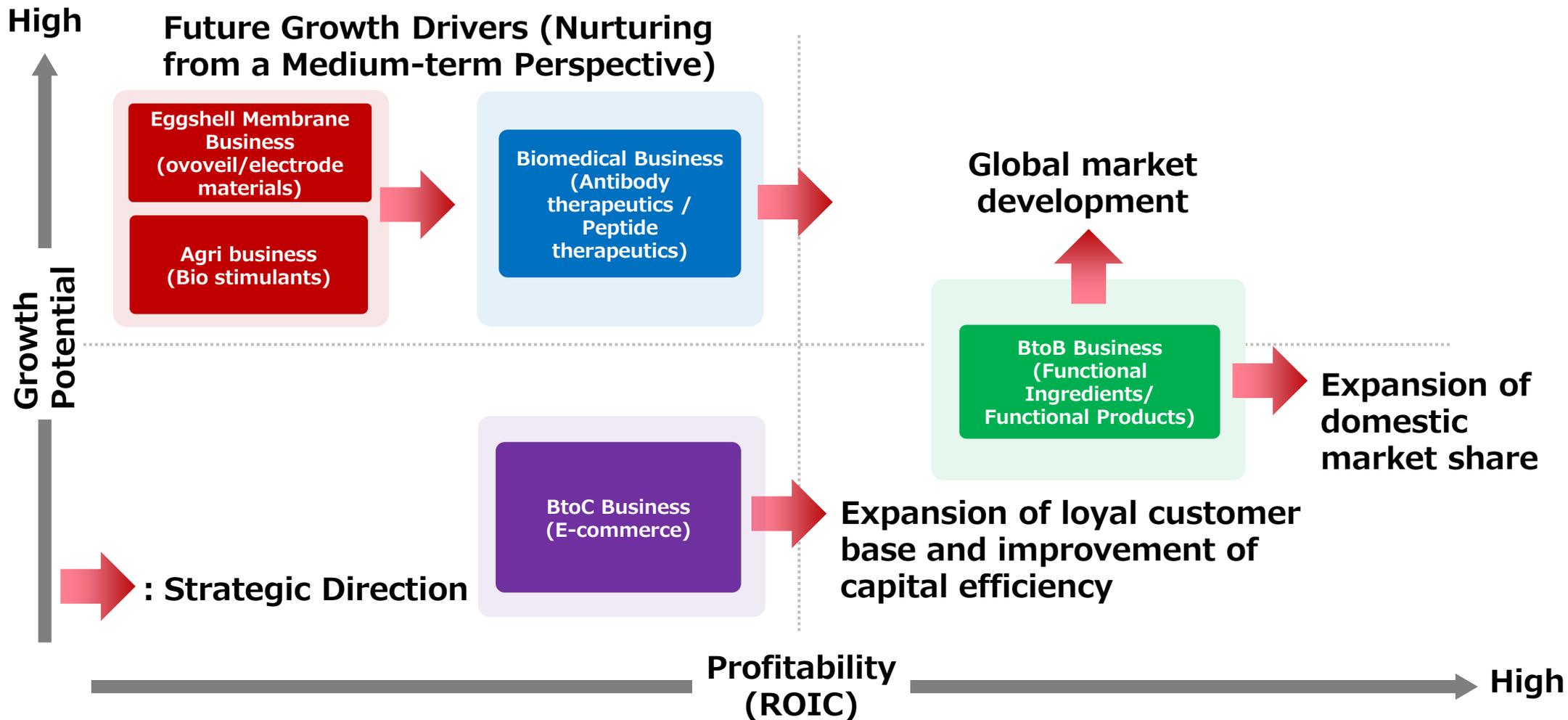
# Performance Review and Strategic Pivot Toward Capital Efficiency

株式会社ファーマフーズ

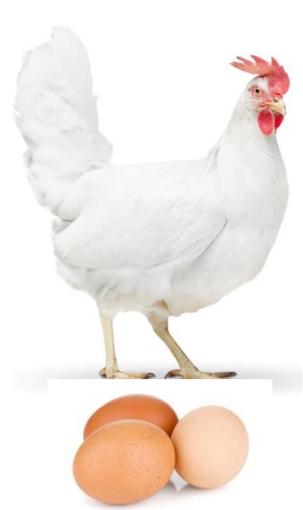
Prioritizing sales growth in previous business investments led to high EPS volatility and a declining PBR. The core objective of the "New Value Creation 1K Project" is to enhance corporate value; we are now **prioritizing profit growth through project management that is more conscious of capital efficiency and stock price**. While balancing growth and profitability, we aim to achieve future net sales of ¥100 billion. Specific management indicators will be incorporated into the next Medium-term Management Plan.



Clearly defining the business portfolio to enhance medium-term corporate value. Based on current situational analysis, we have identified key materiality and redefined our growth process for new value creation, focusing on strengthening the financial base and improving capital efficiency (profitability).



# NEDO "Research and Development of Technologies to Promote Biomanufacturing" Project



260K t/year of eggshells and eggshell membranes

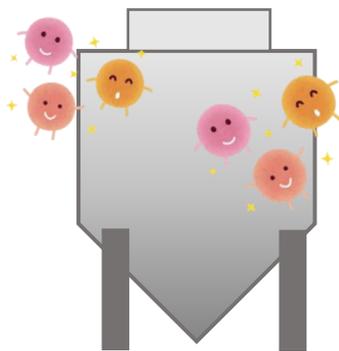


10K t/year of eggshell membrane



2.6million t/year of eggs

※Annual domestic egg production in Japan



Solubilization using modified enzymes



Eggshell membrane starting material



Eggshell membrane-cellulose hybrid fiber



Textile



Eggshell membrane nanofiber



Battery material



Eggshell membrane peptide



Agri Bio-Stimulant

# Expanding "ovoveil" Awareness Globally and Commencing Raw Fiber Supply in Japan

Press Release Nov 17, 2025

Press Release: Feb 4, 2026



## Première Vision Paris 27ss

Exhibited in the "Smart Creation" area of the world's leading international textile trade fair in Paris, France. This zone features companies providing cutting-edge technologies and sustainable materials.

Press Release: Nov 10, 2025



## Tokyo Textile Scope 2026

Invited to a special zone introducing new materials from non-traditional industries at this comprehensive textile exhibition, organized by the Japan Fashion Week Organization.

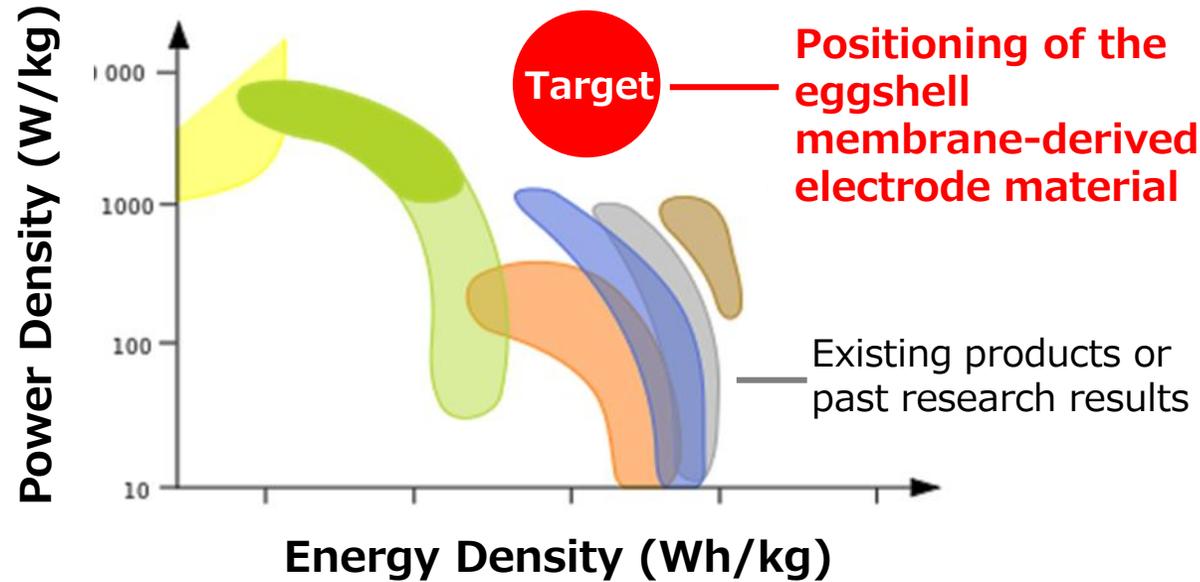


## Exhibition with STYLEM

Jointly held in Tokyo with STYLEM TAKISADA-OSAKA Co., LTD., a leading specialized textile trading company.

# Creation of New Electrode Material from Eggshell Membrane: Achieving High Energy Density and Power Output

## Storage Performance Conceptual Diagram



Joint Press Conference with Shinshu University

Press Release: Nov 20, 2025



JSBBA\* Seminar

Press Release: Mar 16, 2026



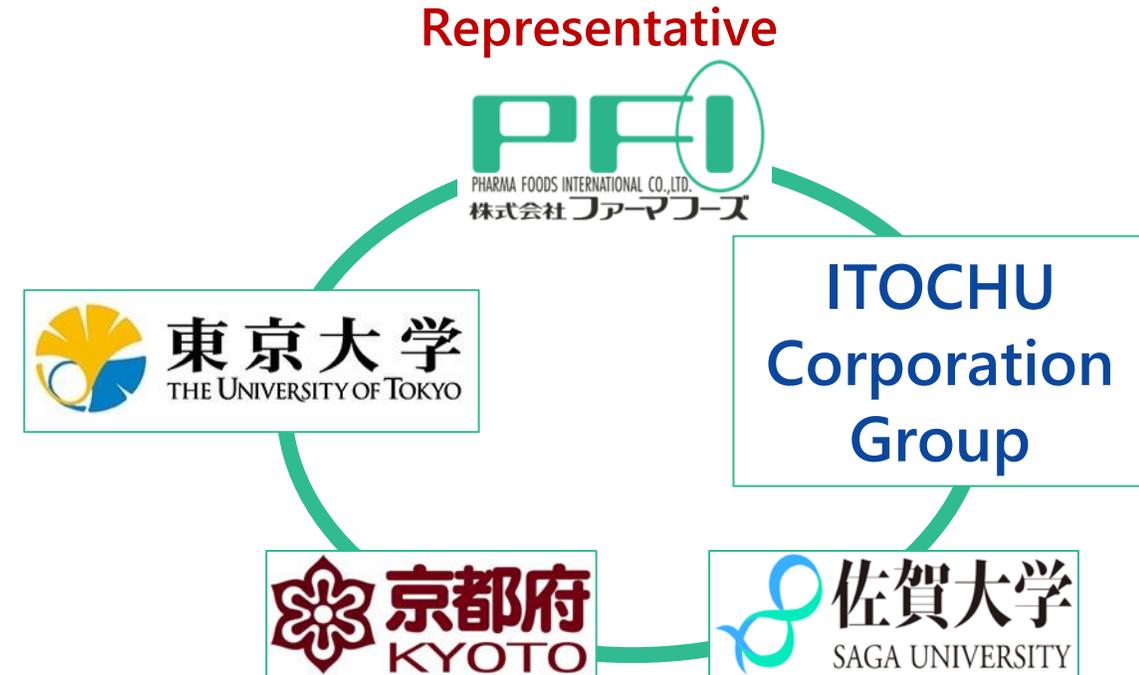
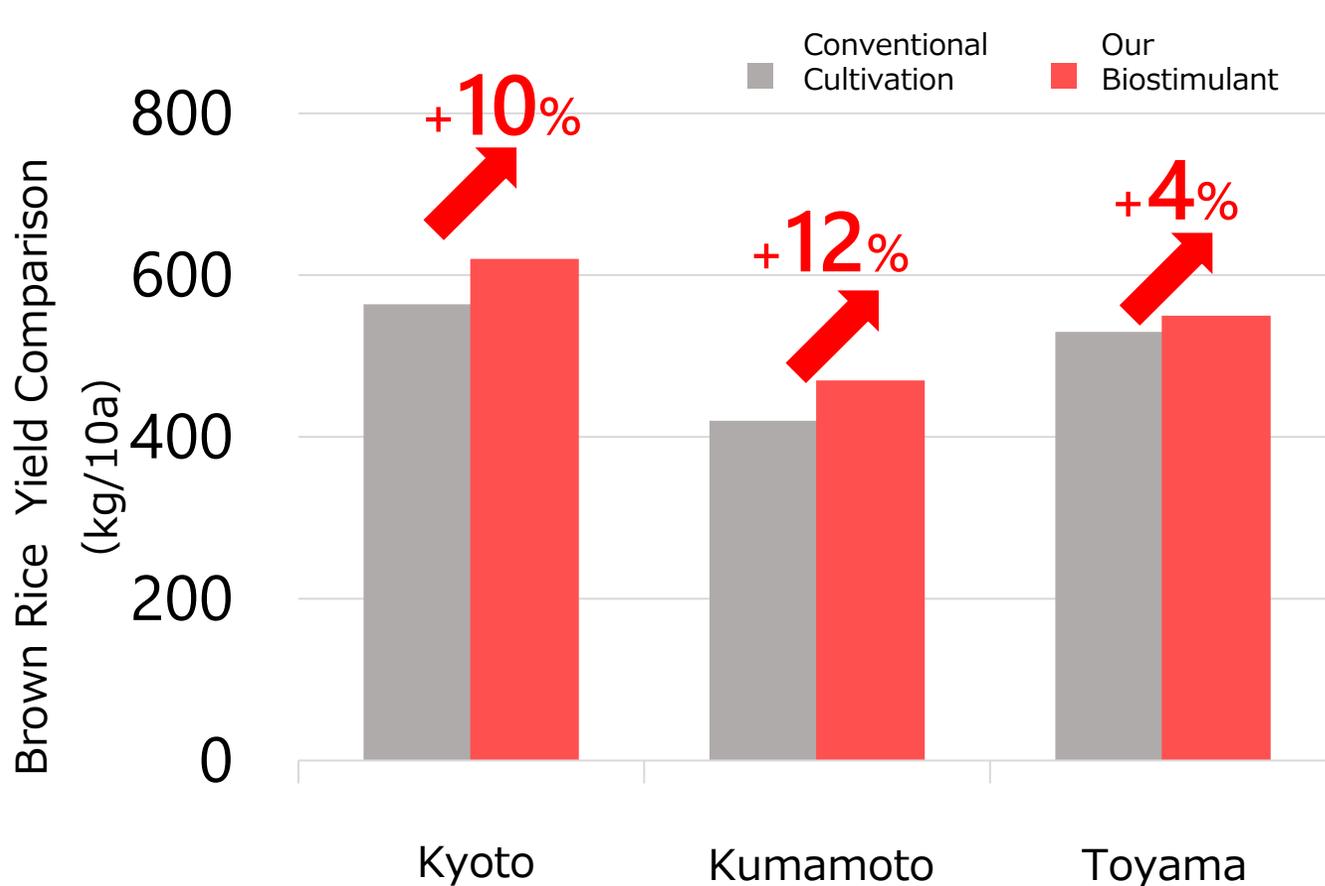
## Expected Application Fields



JSBBA\*: Japan Society for Bioscience, Biotechnology, and Agrochemistry  
The venue reached its 400-person capacity and was filled with excitement.

# Accelerating Commercialization via MAFF “Research and implementation promotion program through open innovation”

Research Topic: Development and social implementation of new biostimulant formulations to ensure sustainable, high-quality rice cultivation in the face of climate change.



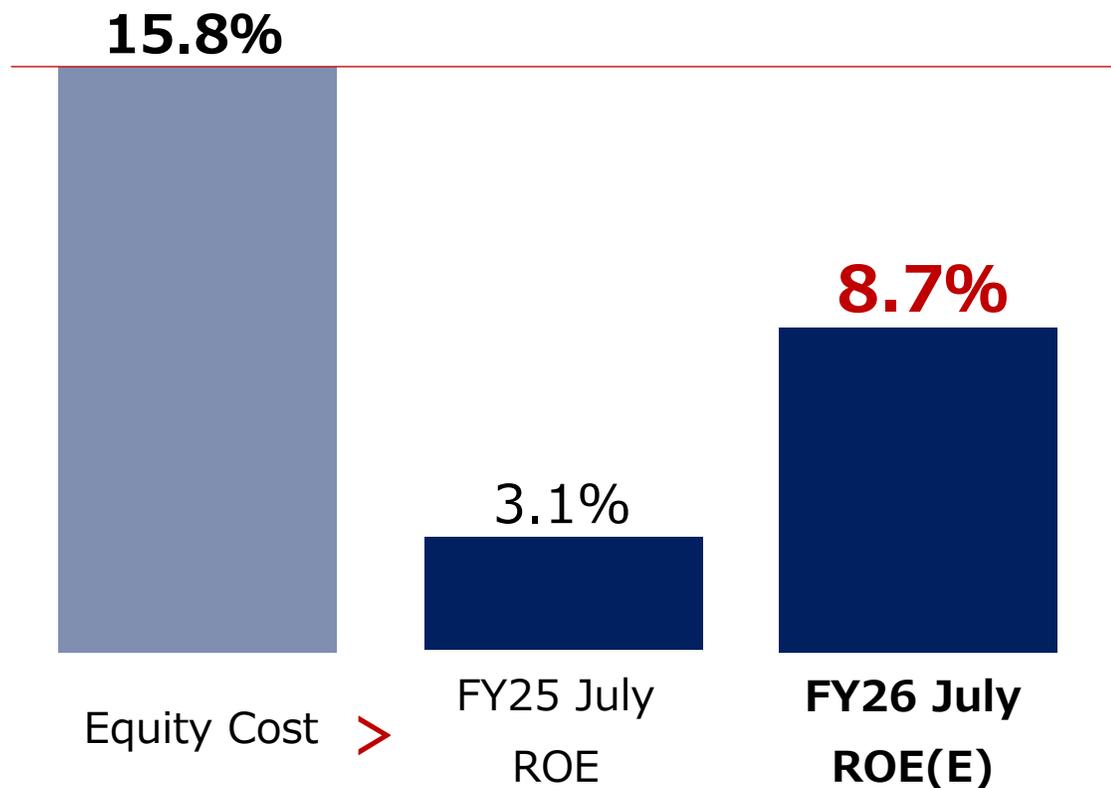
The addition of Kyoto Prefecture and Saga University further strengthens the project's research and implementation framework.

# Appendix

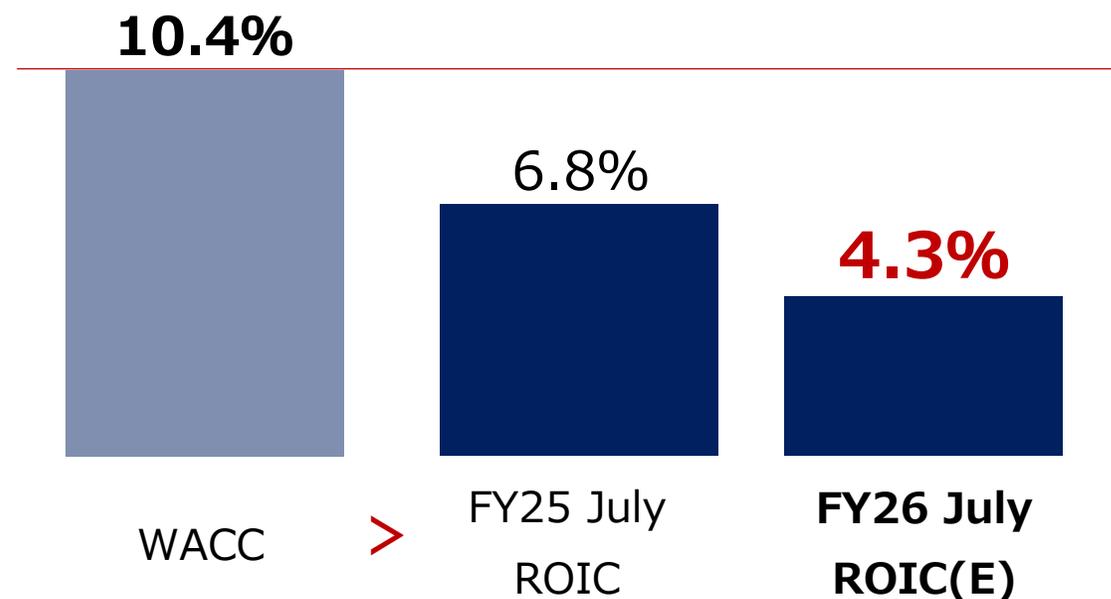
# Management of Capital Costs and Share Price

# Evaluation 1 – Capital Returns

## ROE



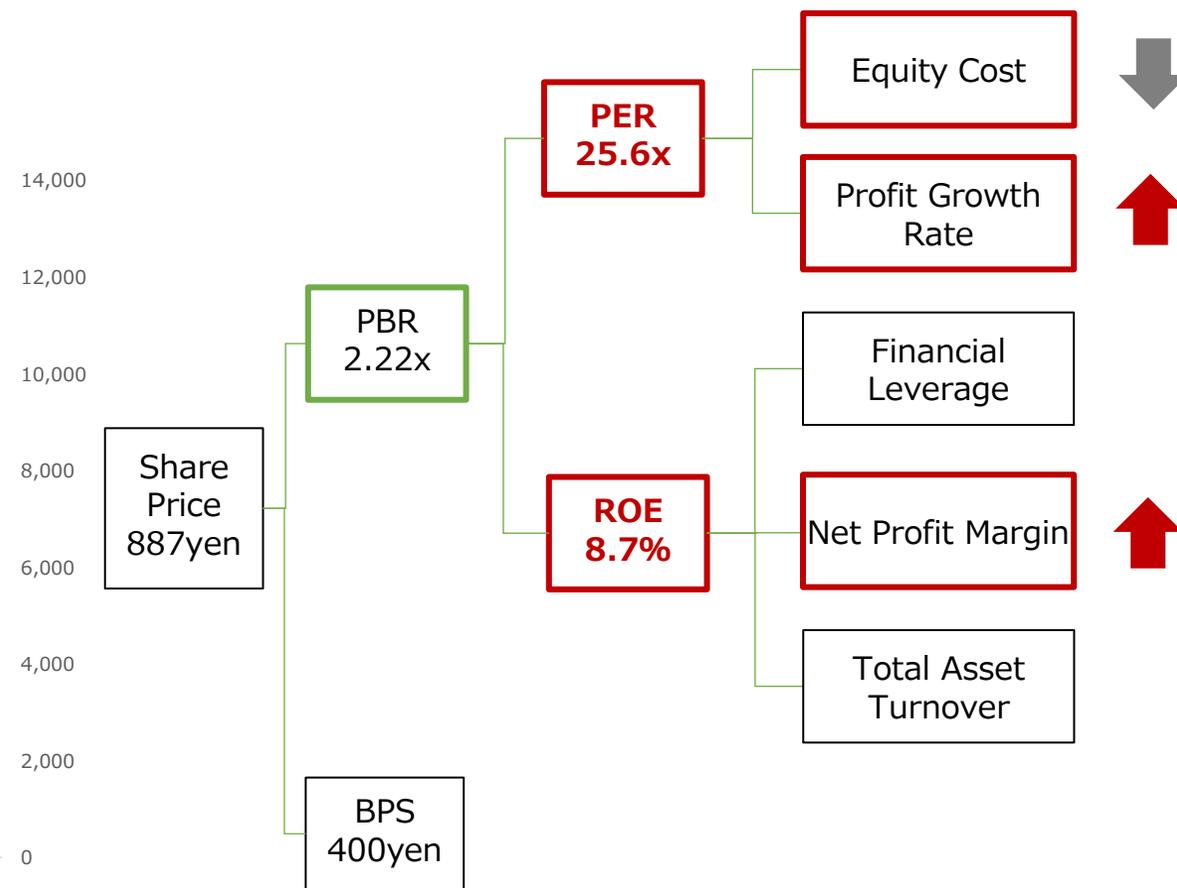
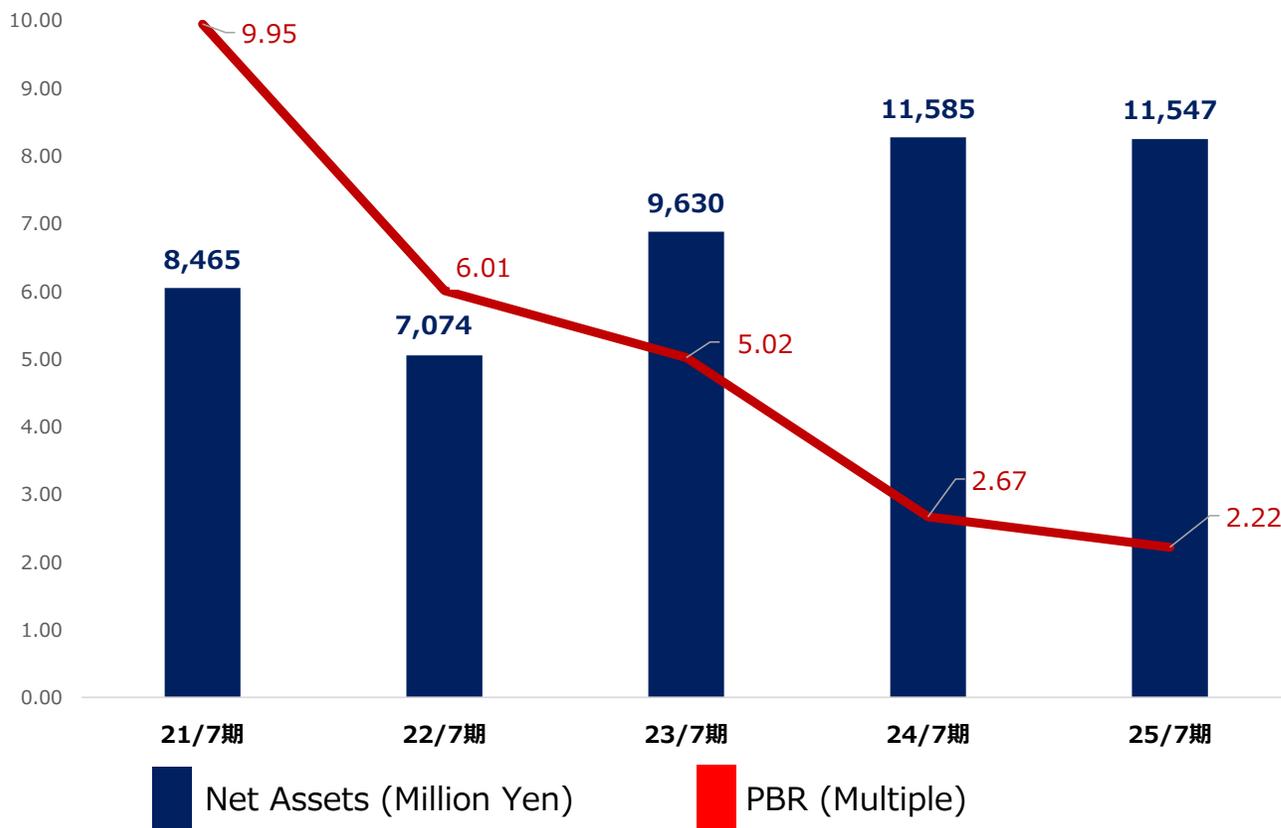
## ROIC



**Continuing bold investments to enhance future profitability; reducing shareholder capital cost remains a challenge, with efforts to improve underway**

※Figures: FY25 July 31 estimated by SMBC Nikko Securities Inc  
Tax rate 30%

# Evaluation 2 – PBR



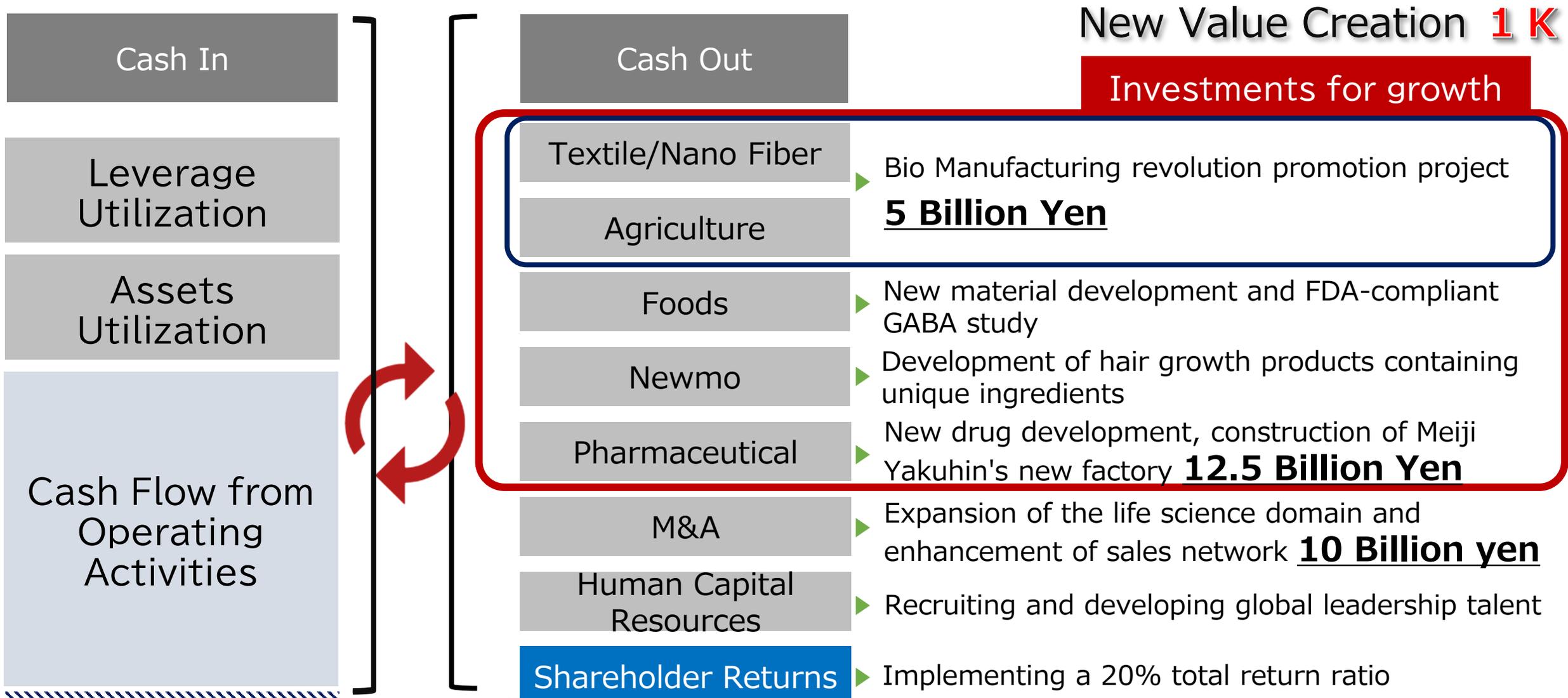
※Share Price: July 31, 2025  
 ※Figures: FY25 July 31  
 ※Margin Rate: Forecast

**Generating outcomes from investments to enhance anticipation of future profit growth rates and profitability levels**

# Initiatives to Improve Corporate Valuation

	Policies	
<b>ROIC Improvement</b>	Pursuing financial balance to improve capital profitability	Flexible management of short-term loan balances
	Earnings through the strengthening of CRM measures that leverage the customer base	Expansion of the one-year subscription service, building long-term relationships with loyal customers through special offers
<b>Capital Costs Decrease</b>	Nurturing new businesses and restructuring the business portfolio through M&A and alliances	Capital and business alliance with ITOCHU Corporation
	Increased opportunities for dialogue with the market and enhanced disclosure of non-financial information	Company introduction session via online, Advanced disclosure time, Financial results materials in English
<b>Expectation of Future Growth</b>	Increase investment in R&D, capital investment, and human capital resources	30 Billion Yen investments over 5 years
	Increase the valuation as a healthcare company through the M&A strategies	The Representative takes the lead in M&A sourcing

# Bold Investments of 30 Billion Yen



The increase in operating CF from investment returns is redistributed between business investment and shareholder returns.