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Consolidated Financial Results for the Year Ended March 31, 2026 (Based on Japanese GAAP)

May 15, 2026

Company name: Mitsui DM Sugar Co., Ltd. Stock exchange listings: Tokyo
 Stock code: 2109 https://www.msdm-hd.com/
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Planned date for ordinary general meeting of shareholders: June 23, 2026

Planned date to start dividend payment: June 24, 2026

Planned date for submission of annual securities report: June 19, 2026

Preparation of supplementary material for financial statements: Yes

Briefing session for financial statements: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest one million yen.)

1. Consolidated Financial Results for the Year Ended March 31, 2026 (from April 1, 2025, to March 31, 2026)

(1) Consolidated Results of Operations

(Percentages are year-over-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2026	180,102	0.7	12,909	(6.7)	12,640	(12.7)	3,961	(37.1)
Year ended March 31, 2025	178,785	4.7	13,840	225.6	14,483	48.1	6,295	(25.5)

(Note) Comprehensive income

Year ended March 31, 2026: 3,596 million yen (-45.5%) Year ended March 31, 2025: 6,594 million yen (-31.0%)

	Earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating margin
	Yen	Yen	%	%	%
Year ended March 31, 2026	126.75	—	3.5	6.6	7.2
Year ended March 31, 2025	195.06	—	5.6	7.4	7.7

(Reference) Equity in earnings (losses) of affiliates

Year ended March 31, 2026: (74 million yen) Year ended March 31, 2025: 240 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	181,955	114,595	61.6	3,599.62
As of March 31, 2025	202,196	119,341	56.7	3,550.69

(Reference) Equity capital

As of March 31, 2026: 112,008 million yen As of March 31, 2025: 114,614 million yen

(3) Consolidated Cash Flow

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at period end
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2026	12,343	(5,309)	(19,157)	28,116
Year ended March 31, 2025	22,592	(5,635)	(1,693)	40,099

2. Cash Dividends

	Annual dividend					Total dividends (Total)	Dividend payout ratio (Consolidated)	Dividend on equity (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended March 31, 2025	—	65.00	—	65.00	130.00	4,196	66.6	3.7
Year ended March 31, 2026	—	65.00	—	65.00	130.00	4,045	102.6	3.6
Year ending March 31, 2027 (forecast)	—	70.00	—	70.00	140.00		56.6	

3. Consolidated Business Forecasts for the Year Ending March 31, 2027 (from April 1, 2026, to March 31, 2027)

(Percentages are year-over-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	181,000	0.5	13,000	0.7	12,700	0.5	7,700	94.4	247.46

*Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Excluded: 3 Company name: Mitsui DM Sugar Co., Ltd., DIA MARKET CREATION Co., Ltd. and Hiranoya Corporation

(2) Changes in accounting policy and accounting estimates and restatement

(i) Changes in accounting policy due to any revision of accounting standards: None

(ii) Changes in accounting policy other than i) above: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of outstanding shares (common shares)

(i) Number of outstanding shares at period end (including treasury shares)	As of March 31, 2026	31,464,780 shares	As of March 31, 2025	32,639,780 shares
(ii) Number of treasury shares at period end	As of March 31, 2026	348,131 shares	As of March 31, 2025	360,168 shares
(iii) Average number of shares during period	Year ended March 31, 2026	31,257,396 shares	Year ended March 31, 2025	32,276,683 shares

Note: The Company has introduced a trust-based stock compensation scheme for directors. The number of treasury shares at the end of the period includes treasury shares held by the trust (131,500 shares as of March 31, 2026; 143,800 shares as of March 31, 2025). In addition, the average number of shares during the period is calculated excluding treasury shares, which include those held by the trust (135,778 shares in the fiscal year ended March 31, 2026; 146,788 shares in the fiscal year ended March 31, 2025).

(Reference) Overview of Financial Results on a Non-consolidated Basis

1. Financial Results on a Non-consolidated Basis for the Year Ended March 31, 2026 (from April 1, 2025, to March 31, 2026)

(1) Non-consolidated Results for Operations

(Percentages are year-over-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2026	129,519	–	13,639	–	14,733	–	45,906	–
Year ended March 31, 2025	9,520	121.5	6,009	544.4	6,771	212.4	6,306	288.4

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended March 31, 2026	1,468.67	–
Year ended March 31, 2025	195.40	–

Note: Because the Company merged with the wholly owned subsidiary, Mitsui DM Sugar Co., Ltd., effective April 1, 2025, the Company is not disclosing the year-over-year change.

(2) Financial Position on a Non-consolidated Basis

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	135,603	96,105	70.9	3,088.55
As of March 31, 2025	105,196	56,843	54.0	1,760.97

(Reference) Equity capital As of March 31, 2026: 96,105 million yen As of March 31, 2025: 56,843 million yen

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Explanation on appropriate use of business forecasts, and other special notes

Business forecasts and other forward-looking statements contained in this report and supplementary materials are based on information currently available to the Company and on certain assumptions deemed as rational and are not intended to guarantee the achievements by the Company. The actual results may greatly differ due to various factors. For preconditions for business forecasts and notes in using such forecasts, please see “(1) Analysis of operating results, 2) Future outlook” in “1. Operating Results and Other” on page 3 of the appendix.

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1. Operating Results and Other

(1) Analysis of operating results

1) Overview of fiscal 2025

Effective April 1, 2025, the Company merged with Mitsui DM Sugar Co., Ltd. (consolidated subsidiary) and, at the same time, changed the corporate name from “Mitsui DM Sugar Holdings Co., Ltd.” to “Mitsui DM Sugar Co., Ltd.”

During the fiscal year, the Japanese economy has shown signs of a gradual recovery, driven by improvements in the employment and income environment and robust inbound tourism demand. However, the outlook remains uncertain due to the prolonged rise in prices, unstable international conditions, policy developments in the United States, and heightened geopolitical risks stemming from the escalating tensions in the Middle East.

Against this backdrop, the Mitsui DM Sugar Group (“the Group”) implemented a range of measures to achieve the goals of its medium-term management plan, “2026 Diversify into Nutrition & Health.” Based on the plan’s growth strategy for the Group, which has two key elements – “Transform the Group’s business model” and “Reallocate management resources” – the Group is working to optimize its businesses with measures across five areas: (1) reinforce the domestic Sugar Business, (2) grow overseas operations, (3) expand the Life Energy Business, (4) consolidate and strengthen the Group’s R&D capabilities, and (5) contribute to the creation of a sustainable society.

(Sugar Business)

Overseas raw sugar prices opened in the high 18-cent range per pound and immediately rose to the mid-19-cent range, driven by factors such as the appreciation of the Brazilian real. Subsequently, although prices temporarily fell to the high 13-cent range due to improved sugarcane production in Brazil and India and expectations of increased global supply, they rose in tandem with crude oil prices, which surged significantly due to tensions in the Middle East, and the Overseas raw sugar price closed the fiscal year at the mid-15-cent range. In addition, the Domestic market price started at 249 to 251 yen per kilogram, but due to factors such as the weak trend in the overseas raw sugar price, it closed the fiscal year at 241 to 243 yen.

In the domestic market, the main drag on retail sales was sluggish consumer sentiment resulting from ongoing price increases across the food sector. While commercial sales benefited from special demand associated with Expo 2025 Osaka Kansai and strong demand for seasonings starting in the fall, they were impacted by a decline in average selling prices following a reduction in shipping prices implemented in November. On the cost front, while the Company offsets persistently high Freight, packaging materials, and logistics—driven by soaring energy prices—through stable procurement of Raw materials, consulting fees related to the construction of a new core system and manufacturing costs increased. Additionally, contract manufacturing from Wada Sugar Refining Co., Ltd., based on the business alliance agreement, has begun full-scale operations and is contributing to Group earnings.

Overseas, sales volume recovered due to the commencement of operations at new production facilities located in the United Arab Emirates (UAE) and Vietnam, which are under the umbrella of Singapore-based SIS'88 Pte Ltd (consolidated subsidiary).

As a result of the above, Sugar Business reported net sales of 152,201 million yen (up 0.6% year on year) and operating income of 11,404 million yen (down 2.6% year on year).

Sugar market status during period

Overseas raw sugar price (NY sugar current delivery, per pound)

Opening price: 18.89 cents, highest price: 19.63 cents, lowest price: 13.61 cents, closing price: 15.51 cents

Domestic market price (listed in *Nihon Keizai Shimbun* “The Nikkei”, per kilogram of a large bag of superfine sugar, Tokyo)

Opening price: 249-251 yen, closing price: 241-243 yen

(Life Energy Business)

Sales of food additives and food coloring in the food technology business of TAISHO TECHNOS CO., LTD. (consolidated subsidiary) remained strong, while the bio business (including the manufacture of fermented products) of Hokkaido Sugar Co., Ltd. (consolidated subsidiary) remained at the same level as the previous fiscal year. Additionally, the vitality health foods business of YOUR MEAL Co., Ltd. (consolidated subsidiary)—which includes nutritionally enhanced meals targeting athletes and those seeking a healthy physique—grew primarily through the home-delivery meal box business and online sales. Similarly, in the nutritional care supplements business of NUTRI Co., Ltd. (consolidated subsidiary), certain products such as swallowing support products performed well. However, both companies were impacted by an increase in selling, general and administrative expenses (SG&A), including advertising expenses and warehousing fee income.

As a result, net sales in Life Energy Business amounted to 25,348 million yen (up 1.1% year on year), and operating income was 1,007 million yen (down 20.3% year on year).

(Real Estate Business)

In addition to the Okayama and Kobe-Nagata areas, the rental properties across Japan—including the Group’s head office building, “Mita S-Garden” (Shiba, Minato-ku, Tokyo)—are operating smoothly. However, selling, general and administrative expenses increased due to repair expenses for multiple properties, as well as the provision of allowance for doubtful accounts

related to lease assets. As a result, net sales in Real Estate Business amounted to 2,552 million yen (up 5.5% year on year) and operating income of 461 million yen (down 44.4% year on year).

As a result of the above, the Group recorded consolidated net sales of 180,102 million yen (up 0.7% year on year) and operating income of 12,909 million yen (down 6.7% year on year).

In non-operating income and expenses, the main factors included a decrease in Royalty income from the development and marketing rights agreement for fingolimod (FTY720), as well as the recognition of a share of loss for entities accounted for using the equity method, primarily due to deteriorating earnings at overseas affiliates, resulting in ordinary income of 12,640 million yen (down 12.7% year on year). In addition, while the Group recorded a gain on the disposal of non-current assets from the sale of rental properties, the Group recognized an impairment loss on related non-current assets following a reassessment of the recoverability of goodwill and intangible fixed assets associated with SIS'88 Pte Ltd (consolidated subsidiary) and its subsidiaries. As a result, profit attributable to owners of the parent of 3,961 million yen (down 37.1% year on year).

2) Future outlook

In the domestic market, the economic environment for the next fiscal year is expected to see a revival of socioeconomic activity driven by sustained wage increases and improved employment conditions, as well as a continued rise in inbound tourism demand. While growth opportunities are emerging for the Company through digital transformation (DX) to improve operational efficiency, as well as investments in environmental conservation and human resource development, the environment surrounding the Group continues to change and grow more complex by the day due to prolonged geopolitical risks and persistently high costs for Raw materials and Heating and lighting expenses. Consequently, the outlook remains difficult to predict.

Against this backdrop, the Group has formulated its new Midterm Management Plan 2030, titled “Driving Value Creation through Transformation and Advancing to the Next Growth Phase,” covering the fiscal years ending March 2027 through March 2030. Under this new Midterm Management Plan, the Group has identified the three transformations: “Business Model Transformation,” “Management Infrastructure Transformation,” and “Sustainability Management Transformation.” By accelerating the Group’s transformation more than ever before and continuing to create new values that bring happiness to people and society, the Group will move forward toward our next stage of growth.

Issues to work on at each segment in fiscal 2026 are as follows:

(Business Model Transformation)

The Group will restructure the business portfolio by implementing structural reforms in the Sugar Business to further strengthen profitability, and by expanding the scope of Life Energy Business to accelerate growth. Regarding domestic Sugar Business, as the industry leader, the Group will drive transformation to maintain and enhance competitiveness. The Group will complete the reorganization of the Group’s production bases in the Kyushu region, for which the Company announced the end of production at the end of September 2026 (planned), and, together with the business alliance with Wada Sugar Refining Co., Ltd. in the Kanto region, the Group will further solidify the domestic sugar production structure. In the Group supply chain, which covers the entire country, the Group will drive reforms in production, sales, and logistics through measures such as improving operational efficiency using AI. To strengthen the foundation supporting the sustainable domestic Sugar Business, the Group will actively adopt environmentally conscious technologies and implement raw material procurement and capital investments based on the Group’s Human Rights Policy and Procurement Policy. At the same time, the Group will implement structural reforms in domestic Sugar Business—the Group’s core business—and proceed with the appropriate allocation of management resources to the Life Energy Business, a growth area, and to the corporate division that supports the Group’s business expansion. To achieve both the strengthening of the business foundation and the expansion of the portfolio, the Group will also implement operational efficiency improvements across the entire Group.

Regarding overseas businesses, although global geopolitical risks are on the rise, the Group will continue to drive the transformation of the business models in response to market trends and demand in each region, focusing on Southeast Asia, the Middle East, and China, where robust economic growth persists. In Southeast Asia (excluding Thailand) and the Middle East, the Company will establish a production system based on market strategies that leverage the strong brand power of SIS'88 Pte Ltd (consolidated subsidiary), including its repackaging facility in the United Arab Emirates (UAE), and the full-scale operation of Asian Blending Pte Ltd’s (consolidated subsidiary) manufacturing facility in Vietnam. In the China region, centered on COFCO Sugar Liaoning Co., Ltd. (equity-method affiliate), the Company will continue to grow to capture the massive market in this major sugar-consuming nation. Furthermore, in the Thailand region, through Kaset Phol Sugar Ltd. (equity-method affiliate), the Group will contribute to the Group’s earnings by improving performance through the stabilization of operations. The Group will strengthen the overall governance structure for the overseas businesses and leverage the Group’s comprehensive strengths, including the safe and reliable production know-how and R&D capabilities cultivated through the domestic operations—to maximize the collective capabilities.

In Life Energy Business, the Group will expand the market presence and accelerate growth by combining the rapid advancement and sophistication of the circular business model with in-house growth and M&A activities that complement the expansion of functions, technologies, and sales channels. In addition to establishing and expanding the sports nutrition business by leveraging

the long-standing expertise and know-how in sugars and proteins and developing the senior nutrition business in the long-term care sector, the Group will promote the expansion of businesses targeting active seniors by integrating these two areas. In Life Energy Business, oversee business development and R&D for the entire group. As described below, each group company will continue to leverage its respective strengths to continuously create new products and businesses, thereby contributing to the expansion of the group's operations. NUTRI Co., Ltd. (consolidated subsidiary) aims to expand its sales channels—including through product development and collaboration with other companies—by leveraging high-quality products such as swallowing aids, nutritional supplements, and liquid meals, as well as market access built on the trust of medical and nursing care professionals. TAISHO TECHNOS CO., LTD. (consolidated subsidiary), as a food science company handling a wide range of food ingredients such as preservatives, natural pigments, agar and gels, the Company will leverage specialized expertise in functional food development and formulation. YOUR MEAL Co., Ltd. (consolidated subsidiary) will accelerate the development of new products and businesses through its frozen meal delivery subscription service, leveraging the high agility and marketing capabilities inherent in its startup culture. Hokkaido Sugar Co., Ltd. (consolidated subsidiary) will enhance profitability by conducting contract manufacturing that meets customer needs under strict quality control, utilizing its extensive range of microorganism cultivation technology and purification technology developed for sugar production. Additionally, Sakura Food Industries Co., Ltd. (equity-method affiliate) will strengthen its business development capabilities through the development and manufacture of portion-sized containers and other products.

(Management Infrastructure Transformation)

The Group will continue to expand the human capital with the aim of creating value through the Group's transformation. Regarding the human resources strategy, the Group will strive to transform the management infrastructure by focusing on three strategic pillars: acquiring and developing talent capable of driving business transformation; fostering an organizational culture characterized by challenge, collaboration, and gratitude; and supporting the maximization of individual potential and autonomous growth. This will be achieved by leveraging data and KPI analysis related to human resources to enhance organizational strength and strengthen leadership, while prioritizing the creation of an environment that places the highest importance on physical and mental health and safety. Furthermore, the Group will enhance the creativity and efficiency of the organization itself by building a new core system and improving business processes using digital technologies and AI.

(Sustainability Management Transformation)

By redefining the Group key challenges, considering the business environment surrounding the Group, establishing KPIs (key performance indicators), and working to address these challenges, the Group will contribute to the creation of a sustainable society. Furthermore, guided by the Group Basic Sustainability Policy—“Realize a sustainable society through Our Five Commitments to Harmony (*)”—the Group will drive forward the Sustainability Management Transformation.

(*) Our Five Commitments to Harmony

- Caring for our planet... We contribute to environmental improvement through initiatives to address climate change and limited water resources, as well as through waste reduction.
- Caring for People... We contribute to realizing a society where human rights are respected by strengthening occupational health and safety and promoting Diversity, Equity, and Inclusion (DE&I).
- Supporting Happiness... We work closely and flexibly with you, as your lifetime partner, to help you enjoy sweeter living.
- Promoting Health and Well-being... We contribute to the healthy daily lives of everyone by sharing accurate knowledge about sugar and promoting a balanced sugar intake (Tekito) lifestyle.
- Standing by Local Communities... We are committed to the progress of local communities by revitalizing industry and creating shared value.

(2) Analysis of financial position

1) Assets, liabilities and net assets

Total assets at the end of the current fiscal year decreased by 20,241 million yen from 202,196 million yen at the end of the previous fiscal year to 181,955 million yen. This was primarily due to a decrease of 11,680 million yen in Cash and deposits, a decrease of 944 million yen in Accounts receivable - trade, a decrease of 1,267 million yen in Machinery, equipment and vehicles, a decrease of 3,495 million yen in Goodwill, a decrease of 2,174 million yen in other intangible fixed assets, an increase of 1,359 million yen in net defined benefit assets, and a decrease of 1,092 million yen in deferred tax assets.

Total liabilities decreased by 15,495 million yen from 82,855 million yen at the end of the previous fiscal year to 67,359 million yen. This was primarily due to a 684 million yen decrease in Notes and accounts payable - trade, 3,076 million yen decrease in Income taxes payable, and 10,000 million yen decrease in Bonds, among other factors.

Total net assets decreased by 4,746 million yen from 119,341 million yen at the end of the previous fiscal year to 114,595 million yen. This was primarily due to an increase of 80 million yen in capital surplus, a decrease of 4,008 million yen in retained earnings, an increase of 535 million yen in other valuation differences, an increase of 851 million yen in Remeasurements of defined benefit plans, and a decrease of 2,139 million yen in non-controlling interests.

2) Cash flow

Cash and cash equivalents (“cash”) at the end of the fiscal year decreased by 11,983 million yen compared to the end of the previous fiscal year, to 28,116 million yen, due to an increase of 12,343 million yen from operating activities, a decrease of 5,309 million yen from investing activities, and a decrease of 19,157 million yen from financing activities.

Changes in cash flow for fiscal 2025 and their reasons are as follows.

(Cash flow from operating activities)

Net cash provided by operating activities amounted to 12,343 million yen (compared to a net increase of 22,592 million yen in the previous fiscal year).

This was primarily due to an increase in cash resulting from net income before income taxes of 7,416 million yen, depreciation and amortization of 5,620 million yen, and an impairment loss of 6,320 million yen, offset by a decrease in cash resulting from income tax payments of 8,294 million yen.

(Cash flow from investing activities)

Net cash used in investing activities amounted to 5,309 million yen (compared to a net cash outflow of 5,635 million yen in the previous fiscal year).

This was primarily due to a net cash outflow of 5,620 million yen resulting from expenditures related to the acquisition of Property, plant and equipment, such as factory facilities.

(Cash flow from financing activities)

Net cash used in financing activities amounted to 19,157 million yen (compared to a net cash outflow of 1,693 million yen in the previous fiscal year).

This was primarily due to an increase in cash and cash equivalents resulting from proceeds from short-term loans payable amounting to 9,267 million yen and proceeds from long-term loans payable amounting to 1,000 million yen, among other factors, offset by outflows of 9,703 million yen for repayment of short-term loans, 1,400 million yen for repayment of long-term loans, 10,000 million yen for redemption of Bonds, 3,843 million yen for the purchase of Treasury stock, and 4,133 million yen in dividend payments.

(Reference) Changes in cash-flow-related indices

	FY2023	FY2024	FY2025
Capital adequacy ratio (%)	58.6	56.7	61.6
Market-price-based capital adequacy ratio (%)	52.5	53.9	58.1
Debt redemption period (years)	3.5	2.2	3.0
Interest coverage ratio (times)	39.75	51.99	22.97

Capital adequacy ratio: $\text{Equity capital} \div \text{Total assets}$

Market-price-based capital adequacy ratio: $\text{Value of shares} \div \text{Total assets}$

Debt redemption period: $\text{Interest-bearing debt} \div \text{Cash flow}$

Interest coverage ratio: $\text{Cash flow} \div \text{Interest payment}$

Notes:

1. Data on a consolidated basis is used for calculation.
2. Value of shares is calculated based on the number of outstanding shares excluding treasury shares.
3. Cash flow used is operating cash flow.
4. Interest-bearing debt includes all the debts recorded in the consolidated balance sheets for which the Company pays interest.

(3) Fundamental policy for profit allocation and dividends for fiscal 2025 and 2026

The Company continues to regard the return of profits to the shareholders as one of the top management priorities. The basic policy is to pay stable and consistent dividends, while also considering the need to expand the business for future growth and to build up internal reserves to strengthen the management foundation. Accordingly, the Company has established a minimum annual dividend of 60 yen per share, provided that the consolidated dividend payout ratio does not exceed 100%. The Company will implement shareholder returns by combining cash dividends with flexible capital policies, taking into comprehensive consideration the prevailing business environment at any given time. As part of this initiative, and considering the current business environment, the Company repurchased treasury stock totaling 3,842 million yen in May 2025.

Based on the above basic policy, the Company plans to pay a year-end dividend of 65 yen per share for the current fiscal year. Combined with the interim dividend, this brings the total annual dividend per share to 130 yen.

Regarding the Group’s basic policy on profit distribution for the fiscal year ending March 2027 and beyond, the Company will continue to regard returning profits to shareholders as one of the top management priorities. The Company will introduce DOE (Dividend on Equity) as a new benchmark for profit distribution and aim for stable and continuous dividend growth, targeting a consolidated dividend payout ratio of 50% or a DOE of approximately 5%. Regarding the repurchase of treasury stock, the

Company views this as a flexible means of optimizing the level of Shareholders' equity to what the Company deems most efficient in relation to the cost of capital, thereby enhancing corporate value.

For fiscal 2026, based on the new basic policy outlined above, the Company expects the dividend per share for the next fiscal year to be 140 yen (interim 70 yen, year-end 70 yen).

2. Corporate Group

There were no material changes in the Group's business during the fiscal year under review.

Changes in significant subsidiaries in each business segment are as follows.

(Sugar Business)

Effective April 1, 2025, the Company merged with its consolidated subsidiary, Mitsui DM Sugar Co., Ltd. Consequently, the Company has excluded Mitsui DM Sugar Co., Ltd. from the scope of consolidation for the fiscal year. Additionally, effectively on the same date, the Company changed its trade name from Mitsui DM Sugar Holdings Co., Ltd. to Mitsui DM Sugar Co., Ltd.

On October 27, 2025, DIA MARKET CREATION Co., Ltd., which was a consolidated subsidiary of the Company, was dissolved. Consequently, the company has been excluded from the scope of consolidation starting from the third quarter of the current fiscal year.

On March 31, 2026, the Company sold all its stocks in Hiranoya Corporation, which was a consolidated subsidiary. Consequently, the company was excluded from the scope of consolidation as of the end of the fiscal year.

(Life Energy Business)

There are no changes in significant subsidiaries.

(Real Estate Business)

There are no changes in significant subsidiaries.

3. Basic Stance on Selection of Accounting Standards

The Mitsui DM Sugar Group plans to continue using Japanese accounting standards for the time being, as they facilitate comparison with previous consolidated financial statements and the earnings of other companies. However, the Group intends to respond appropriately to the adoption of International Financial Reporting Standards (IFRS) based on developments in Japan and overseas.

4. Consolidated Financial Statements and Important Notes

(1) Consolidated balance sheets

(Million yen)

	FY2024 (As of March 31, 2025)	FY2025 (As of March 31, 2026)
Assets		
Current assets		
Cash and deposits	40,596	28,915
Notes receivable - trade	584	281
Accounts receivable - trade	13,335	12,390
Lease investment assets	579	593
Merchandise and finished goods	28,077	28,161
Work in process	3,018	2,552
Raw materials and supplies	9,185	9,602
Other	3,314	3,564
Allowance for doubtful accounts	(2)	(3)
Total current assets	98,689	86,058
Non-current assets		
Property, plant and equipment		
Buildings and structures	44,963	44,949
Accumulated depreciation	(27,821)	(28,437)
Buildings and structures, net	17,141	16,512
Machinery, equipment and vehicles	97,973	98,440
Accumulated depreciation	(82,882)	(84,616)
Machinery, equipment and vehicles, net	15,091	13,823
Tools, furniture and fixtures	4,003	4,098
Accumulated depreciation	(3,347)	(3,496)
Tools, furniture and fixtures, net	656	602
Land	26,310	26,094
Leased assets	2,451	1,643
Accumulated depreciation	(1,198)	(1,108)
Leased assets, net	1,253	534
Construction in progress	160	1,079
Total property, plant and equipment	60,614	58,647
Intangible assets		
Goodwill	4,538	1,043
Other	3,921	1,746
Total intangible assets	8,460	2,790
Investments and other assets		
Investment securities	16,728	17,390
Investments in capital of subsidiaries and associates	3,868	3,966
Long-term loans receivable	17	16
Net defined benefit asset	2,121	3,480
Deferred tax assets	1,926	834
Lease investment assets	7,971	7,403
Other	1,828	1,677
Allowance for doubtful accounts	(29)	(310)
Total investments and other assets	34,433	34,458
Total non-current assets	103,507	95,896
Total assets	202,196	181,955

(Million yen)

	FY2024 (As of March 31, 2025)	FY2025 (As of March 31, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,482	8,798
Short-term loans payable	8,552	8,011
Current portion of bonds payable	10,000	10,000
Current portion of long-term loans payable	1,400	1,400
Lease obligations	324	346
Accrued expenses	4,287	4,793
Income taxes payable	5,542	2,465
Provision for directors' bonuses	123	70
Other	6,043	5,197
Total current liabilities	45,756	41,082
Non-current liabilities		
Bonds payable	10,000	—
Long-term loans payable	17,404	17,168
Lease obligations	939	635
Deferred tax liabilities	2,160	1,846
Provision for directors' retirement benefits	102	108
Provision for share awards for directors	55	69
Reserves for business restructuring	1,002	1,002
Net defined benefit liability	3,643	3,654
Asset retirement obligations	313	339
Other	1,477	1,453
Total non-current liabilities	37,099	26,277
Total liabilities	82,855	67,359
Net assets		
Shareholders' equity		
Capital stock	7,083	7,083
Capital surplus	8,407	8,487
Retained earnings	94,638	90,629
Treasury shares	(708)	(685)
Total shareholders' equity	109,419	105,514
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	903	1,439
Deferred gains or losses on hedges	27	98
Foreign currency translation adjustment	3,720	3,562
Remeasurements of defined benefit plans	543	1,394
Total accumulated other comprehensive income	5,195	6,493
Non-controlling interests	4,726	2,587
Total net assets	119,341	114,595
Total liabilities and net assets	202,196	181,955

(2) Consolidated statements of income and consolidated statements of comprehensive income
(Consolidated statements of income)

(Million yen)

	FY2024 (From April 1, 2024, to March 31, 2025)	FY2025 (From April 1, 2025, to March 31, 2026)
Net sales	178,785	180,102
Cost of sales	138,709	138,052
Gross profit	40,075	42,049
Selling, general and administrative expenses		
Distribution expenses	7,702	7,943
Salaries and bonuses	5,838	6,222
Provision for directors' bonuses	98	63
Retirement benefit expenses	164	293
Share-based payment expenses	16	37
Provision of allowance for doubtful accounts	(3)	296
Other	12,417	14,283
Total selling, general and administrative expenses	26,234	29,140
Operating income	13,840	12,909
Non-operating income		
Interest income	5	15
Dividends income	157	199
Royalty income	608	324
Equity in earnings of affiliates	240	—
Miscellaneous income	362	320
Total non-operating income	1,375	859
Non-operating expenses		
Interest expenses	434	537
Loss on retirement of non-current assets	34	70
Share of loss of entities accounted for using equity method	—	74
Facilities removal expenses	71	215
Miscellaneous loss	192	230
Total non-operating expenses	733	1,128
Ordinary income	14,483	12,640
Extraordinary income		
Gain on disposal of non-current assets	—	647
Gain on sales of investment securities	241	416
Subsidy income	756	85
Gain on change in equity	182	—
Total extraordinary income	1,179	1,150
Extraordinary losses		
Loss on reduction of non-current assets	276	54
Impairment losses	※1 4,275	※1 6,320
Provision for business restructuring	※2 1,002	—
Other	166	—
Total extraordinary losses	5,720	6,374
Income before income taxes	9,942	7,416
Income taxes - current	5,754	4,851
Income taxes - deferred	(1,549)	164
Total income taxes	4,205	5,016
Profit	5,737	2,400
Profit (loss) attributable to non-controlling interests	(558)	(1,561)
Profit attributable to owners of parent	6,295	3,961

(Consolidated statements of comprehensive income)

(Million yen)

	FY2024 (From April 1, 2024, to March 31, 2025)	FY2025 (From April 1, 2025, to March 31, 2026)
Profit	5,737	2,400
Other comprehensive income		
Valuation difference on available-for-sale securities	3	525
Deferred gains or losses on hedges	38	35
Foreign currency translation adjustment	869	(572)
Remeasurements of defined benefit plans	(264)	855
Share of other comprehensive income of entities accounted for using equity method	210	353
Total other comprehensive income	857	1,196
Comprehensive income	6,594	3,596
Comprehensive income attributable to:		
Owners of parent	6,986	5,260
Non-controlling interests	(391)	(1,664)

(3) Consolidated statements of changes in net assets
FY2024 (From April 1, 2024, to March 31, 2025)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of period	7,083	8,583	92,719	(724)	107,660
Change of items during the period					
Dividends from surplus			(4,377)		(4,377)
Profit attributable to owners of parent			6,295		6,295
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0			0
Retirement of treasury shares					
Change of scope of consolidation					
Transfer from retained earnings to capital surplus					
Purchase of shares of consolidated subsidiaries		(176)			(176)
Other				16	16
Net changes of items other than shareholders' equity					
Total change of items during the period	—	(176)	1,918	16	1,758
Balance at the end of the period	7,083	8,407	94,638	(708)	109,419

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of period	904	(63)	2,853	808	4,504	5,175	117,340
Change of items during the period							
Dividends from surplus							(4,377)
Profit attributable to owners of parent							6,295
Purchase of treasury shares							(0)
Disposal of treasury shares							0
Retirement of treasury shares							
Change of scope of consolidation							
Transfer from retained earnings to capital surplus							
Purchase of shares of consolidated subsidiaries							(176)
Other							16
Net changes of items other than shareholders' equity	(0)	90	866	(265)	690	(448)	242
Total change of items during the period	(0)	90	866	(265)	690	(448)	2,000
Balance at the end of the period	903	27	3,720	543	5,195	4,726	119,341

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of period	7,083	8,407	94,638	(708)	109,419
Change of items during the period					
Dividends from surplus			(4,138)		(4,138)
Profit attributable to owners of parent			3,961		3,961
Purchase of treasury shares				(3,843)	(3,843)
Disposal of treasury shares		0			0
Retirement of treasury shares		(3,842)		3,842	—
Change of scope of consolidation		73	9		82
Transfer from retained earnings to capital surplus		3,841	(3,841)		—
Purchase of shares of consolidated subsidiaries		8			8
Other		(0)		23	23
Net changes of items other than shareholders' equity					
Total change of items during the period	—	80	(4,008)	23	(3,905)
Balance at the end of the period	7,083	8,487	90,629	(685)	105,514

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of period	903	27	3,720	543	5,195	4,726	119,341
Change of items during the period							
Dividends from surplus							(4,138)
Profit attributable to owners of parent							3,961
Purchase of treasury shares							(3,843)
Disposal of treasury shares							0
Retirement of treasury shares							—
Change of scope of consolidation							82
Transfer from retained earnings to capital surplus							—
Purchase of shares of consolidated subsidiaries							8
Other							23
Net changes of items other than shareholders' equity	535	70	(158)	851	1,298	(2,139)	(840)
Total change of items during the period	535	70	(158)	851	1,298	(2,139)	(4,746)
Balance at the end of the period	1,439	98	3,562	1,394	6,493	2,587	114,595

(4) Consolidated statements of cash flows

(Million yen)

	FY2023 (From April 1, 2023, to March 31, 2024)	FY2024 (From April 1, 2024, to March 31, 2025)
Net cash provided by (used in) operating activities		
Income before income taxes	9,942	7,416
Depreciation and amortization	5,942	5,620
Loss (gain) on disposal of non-current assets	(43)	(624)
Loss on retirement of non-current assets	34	70
Loss (gain) on sales of investment securities	(241)	(416)
Share of loss (profit) of entities accounted for using equity method	(240)	74
Equity in loss (gain) of affiliates	(182)	—
Amortization of goodwill	585	786
Increase (decrease) in allowance for doubtful accounts	(12)	291
Increase (decrease) in provision for directors' bonuses	32	(52)
Increase (decrease) in provision for share awards for directors	0	13
Increase (decrease) in reserves for business restructuring	1,002	—
Increase (decrease) in net defined benefit liability	(39)	(17)
Interest and dividends income	(163)	(214)
Interest expenses	434	537
Subsidy income	(756)	(85)
Impairment losses	4,275	6,320
Loss on reduction of non-current assets	276	54
Decrease (increase) in notes and accounts receivable - trade	3,366	118
Decrease (increase) in inventories	(2,747)	(99)
Increase (decrease) in notes and accounts payable - trade	46	57
Increase (decrease) in accrued consumption taxes	675	(573)
Other, net	325	1,611
Subtotal	22,512	20,888
Interest and dividends income received	163	214
Proceeds from subsidy income	1,589	85
Payments for retirement of non-current assets	(630)	—
Interest expenses paid	(384)	(551)
Income taxes paid	(658)	(8,294)
Net cash provided by (used in) operating activities	22,592	12,343

(Million yen)

	FY2024 (From April 1, 2024, to March 31, 2025)	FY2025 (From April 1, 2025, to March 31, 2026)
Net cash provided by (used in) investing activities		
Payments into time deposits	(202)	(302)
Purchase of property, plant and equipment	(3,880)	(5,620)
Proceeds from sales of property, plant and equipment	49	936
Purchase of investment securities	(1,738)	(7)
Proceeds from sales of investment securities	303	287
Purchase of intangible assets	(179)	(609)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	252
Other, net	13	(246)
Net cash provided by (used in) investing activities	(5,635)	(5,309)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	14,376	9,267
Decrease in short-term loans payable	(12,840)	(9,703)
Proceeds from long-term loans payable	3,354	1,000
Repayment of long-term loans payable	(1,624)	(1,400)
Payments for the redemption of Bonds	—	(10,000)
Purchase of treasury shares	(0)	(3,843)
Cash dividends paid	(4,370)	(4,133)
Cash dividends paid to non-controlling shareholders	(19)	(1)
Other, net	(569)	(343)
Net cash provided by (used in) financing activities	(1,693)	(19,157)
Effect of exchange rate change on cash and cash equivalents	58	140
Net increase (decrease) in cash and cash equivalents	15,322	(11,983)
Cash and cash equivalents at beginning of period	24,777	40,099
Cash and cash equivalents at end of period	40,099	28,116

(5) Notes on consolidated financial statements

(Notes on assumptions of a going concern)

None

(Important matters concerning preparation of consolidated financial statements)

1. Matters concerning scope of consolidation

I. Number and names of consolidated subsidiaries

Number of consolidated subsidiaries: 17

Names of consolidated subsidiaries:

Hokkaido Sugar Co., Ltd., Spoon Sugar Co., Ltd., Showa Sugar Co., Ltd., SIS' 88 Pte. Ltd., Asian Blending Pte Ltd, SIS MIDDLE EAST INVESTMENT L.L.C, Asian Blending LIMITED LIABILITY COMPANY, TAISHO TECHNOS CO., LTD., NUTRI Co., Ltd., YOUR MEAL Co., Ltd., Nittosangyo Co., Ltd., Kanmon Sugar Manufacturing Co., Ltd., Nakatora Fudosan Co., Ltd., Ohtori-hyoto Co., Ltd., Ishigakijima Sugar Manufacturing Co., Ltd., MEITO WAREHOUSE CO., LTD., and D2 Mondo Sugar Company Co., Ltd.

DIA MARKET CREATION Co., Ltd., which was a consolidated subsidiary in the previous fiscal year, has been excluded from the scope of consolidation due to its dissolution.

Hiranoya Corporation, which was a consolidated subsidiary in the previous fiscal year, has been excluded from the scope of consolidation due to the transfer of its stocks on March 31, 2026.

Furthermore, effective April 1, 2025, the Company carried out an absorption-type merger in which Mitsui DM Sugar Co., Ltd., a former consolidated subsidiary of the Company, was the dissolving company. Consequently, Mitsui DM Sugar Co., Ltd., which was a consolidated subsidiary in the previous fiscal year, has been excluded from the scope of consolidation.

II. Names, etc. of unconsolidated subsidiaries

Names of unconsolidated subsidiaries

Hokuseki Co., Ltd., others

Reasons for exclusion from the scope of consolidation

All these unconsolidated subsidiaries are small, and the total assets, net sales, net income (comparable to equity interest), retained earnings (comparable to equity interest) all do not have a significant impact on the consolidated financial statements.

2. Matters concerning the application of equity method

I. Number of equity method affiliates and names of major companies

Number of equity method affiliates: 10

Names of major equity method affiliates:

Nansei Cane Sugar Mfg. Co., Ltd., Kaset Phol Sugar Ltd., COFCO Sugar Liaoning Co., Ltd., Shin Higashi Nihon Sugar Manufacturing Co., Ltd., and Kansai Sugar Co., Ltd.

II. Name, etc. of unconsolidated subsidiaries and affiliates that are not accounted for by the equity method

Names of major companies

Unconsolidated subsidiaries: Hokuseki Co., Ltd., others

Affiliates: Murakami Shouten Co., Ltd., others

Reason for not applying the equity method

The influence that unconsolidated subsidiaries and affiliates which are out of the scope of equity method accounting have on consolidated financial statements is minimal, and their overall significance is low even if they are excluded from the scope of application of equity method, considering the amount of net income or loss (comparable to equity interest) and retained earnings (comparable to equity interest). Therefore, they are excluded from the scope of equity method accounting.

3. Matters concerning the fiscal year of consolidated subsidiaries

The financial closing date of consolidated subsidiaries agrees with the consolidated financial closing date with the exception of Showa Sugar Co., Ltd. (June 30), Ishigakijima Sugar Manufacturing Co., Ltd. (June 30), SIS' 88 Pte Ltd (December 31), Asian Blending Pte Ltd (December 31), SIS MIDDLE EAST INVESTMENT L.L.C (December 31), Asian Blending LIMITED LIABILITY COMPANY (December 31) and Ohtori-hyoto Co., Ltd. (January 31). To prepare the consolidated financial statements, financial statements based on closing dates are used for SIS' 88 Pte Ltd, Asian Blending Pte Ltd, SIS MIDDLE EAST INVESTMENT L.L.C, Asian Blending LIMITED LIABILITY COMPANY and Ohtori-hyoto Co., Ltd., while provisional financial results based on the fiscal year-end of December 31 are used for Showa Sugar Co., Ltd. and Ishigakijima Sugar Manufacturing Co., Ltd. However, the Company adjusts necessary for consolidation regarding important transactions

executed with Showa Sugar Co., Ltd., Ishigakijima Sugar Manufacturing Co., Ltd., SIS' 88 Pte Ltd, Asian Blending Pte Ltd, SIS MIDDLE EAST INVESTMENT L.L.C, Asian Blending LIMITED LIABILITY COMPANY and Ohtori-hyoto Co., Ltd. between their respective closing dates and the consolidated closing date.

4. Matters concerning accounting standards

I. Evaluation standard and evaluation method of important assets

(i) Securities

Available-for-sale securities

Stocks other than securities with no market price, etc.

Market value method

(Valuation difference treated using the total net assets direct-entry method, sales cost calculated using the moving-average method)

Securities with no market price, etc.

Cost method based on the moving-average method

(ii) Derivatives

Market value method in principle

(iii) Inventories

Evaluated by the cost method based on the gross average method

Amounts on the balance sheets are calculated by devaluating book values based on a decrease in profitability.

II. Method of depreciation of important depreciable assets

(i) Property, plant and equipment (excluding leased assets)

The Company and its consolidated subsidiaries mainly use the straight-line method.

The useful life of major categories is as follows:

Buildings and structures

15–50 years

Machinery, equipment and vehicles

4–10 years

(ii) Leased assets

Lease period is used as useful life, and the straight-line method is used with zero residual value.

III. Standard to record important allowance and provision

(i) Allowance for doubtful accounts

In preparation for bad debt, for general accounts receivable, a loan loss ratio is considered while for certain receivables such as doubtful accounts receivable, collectability of each receivable is considered in recording the estimated uncollectible amount.

(ii) Provision for directors' bonuses

In preparation for the payment of directors' bonuses, a provision thereof is recorded based on the estimated amount of payment in this fiscal year.

(iii) Provision for directors' retirement benefits

In preparation for the payment of directors' retirement benefits, some consolidated subsidiaries post 100% of the necessary amount to be paid at the end of the fiscal year in accordance with internal rules.

(iv) Provision for share awards for directors

To provide for the grant of shares to directors (and other officers) based on the Company's stock compensation scheme, the Company books the projected amount of stock benefit liabilities as of the end of the fiscal year.

(v) Reserves for business restructuring

To provide for expenses and losses arising from business restructuring, the estimated amount at the end of the fiscal year has been recorded.

IV. Accounting treatment of retirement benefits

In preparation for the payment of employee retirement benefits, an amount is booked based on the projected amount of retirement benefit liabilities and pension assets as of the end of the fiscal year.

When calculating retirement benefit liabilities, the benefit formula method is used to allocate expected benefit payments to the period until this fiscal year end.

Past service cost is expensed by the straight-line method over a certain period (5 years) up to a ceiling of employees' average remaining service period at the time of accrual.

Actuarial difference is first prorated by the straight-line method over a certain period (10 years) up to a ceiling of employees' average remaining service period in each fiscal year at the time of accrual, and the prorated amount is expensed

from the fiscal year after the year of accrual.

Some consolidated subsidiaries use the compendium method.

V. Standard to record important income and expenses

Standard to record income and expenses

The following is a summary of the principal performance obligations in the main businesses of the Company and its consolidated subsidiaries relating to revenue from contracts with customers, and the usual time at which such performance obligations are satisfied (the usual time at which revenue is recognized).

- (i) In the Sugar Business, revenue from the sale of products or goods is generated mainly through the wholesale or manufacturing of refined sugar products such as refined white sugar and granulated sugar, and from processed sugar products such as stick sugar. In addition, in the Life Energy Business, sales are mainly generated through the wholesale or manufacturing of food additives, nutritional care supplements and nutritional products for patients with dysphagia, and other food products. Most of the revenue in the consolidated financial statements is generated by the Sugar Business.

In the Sugar Business, the Company is subject to performance obligations based on sales contracts with customers to deliver refined and processed sugar products to customers by specified dates. As the performance obligation in the sales contract with the customer is to deliver the products by the specified date, the performance obligation is deemed satisfied at the point at which the products are delivered. The customer is deemed to acquire control over the product at the point of delivery, as ownership is transferred to the customer upon completion of delivery under the terms of the sales contract.

In the Life Energy Business, the Company is subject to performance obligations based on sales contracts with customers to deliver food additives, nutritional care supplements and nutritional products for patients with dysphagia, and other food products by specified dates. As the performance obligation in the sales contract with the customer is to deliver the products by the specified date, the performance obligation is deemed satisfied at the point at which the products are delivered. The customer is deemed to acquire control over the product at the point of delivery, as ownership is transferred to the customer upon completion of delivery under the terms of the sales contract.

In the Sugar Business and the Life Energy Business, the Company has determined that contracts with customers do not contain material financial components because, although the normal payment dates are based on individual contracts with customers, they are generally due within one month from the time the performance obligation is satisfied, which is consistent with market practices.

In addition, revenue is calculated after deducting the value of returned products, discounts, rebates, etc. in accordance with contractual obligations with customers. Of these, discounts and rebates are generally fixed amounts, with only some calculated and recorded as estimated amounts based on rates or unit prices and sales volumes specified in the contract terms. The estimated amount is generally consistent with the actual recorded amount, because the method of calculating the number of discounts and rebates stipulated in the contract is to multiply sales volume during the period by a rate or unit price.

- (ii) Standard to record income from finance lease transactions

Net sales and the cost of sales are recorded when a lease fee is received.

VI. Standard to convert important foreign-currency-denominated assets and liabilities into local currency

Foreign currency receivable and payable is converted into yen based on the spot exchange rate as of the consolidated closing date, and differences in translation are recorded as income or expenses. Assets and liabilities of foreign subsidiaries and other overseas entities are converted into yen based on the spot exchange rate as of the consolidated closing date, while income and expenses are converted into yen based on the average exchange rate during the fiscal year. Differences in translation are booked under foreign currency translation adjustment and non-controlling interests in the net assets section.

VII. Method of important hedge accounting

- (i) Method of hedge accounting

Deferred hedge accounting is adopted. The designation method is applied for foreign exchange contracts which meet the requirements.

- (ii) Hedging instruments, hedged items and hedging policy

(Hedging instruments)	(Hedged items)
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Foreign exchange forwards	Foreign-currency-denominated forecasted transactions and foreign currency receivable and payable
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Commodity swap	Commodity forecasted transaction
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Commodity futures transactions	Commodity forecasted transaction
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(Hedging policy)

Foreign exchange forwards are used to hedge the foreign currency fluctuation risk within the range required based on the sales plan for export and import transactions.

Commodity swaps and commodity futures transactions are used to hedge the commodity price fluctuation risk within

the range required based on the sales plan.

(iii) Method to evaluate effectiveness of hedging

The Company assumes that the effectiveness of hedging is secured with respect to foreign exchange forwards since they are used for a single currency and single amount and for commodity swaps and commodity futures transactions as they are transacted for a single product and single period.

VIII. Method and period of goodwill amortization

Goodwill is amortized using the straight-line method over a period of 8 to 15 years. However, immaterial goodwill is amortized in its entirety in the fiscal year of recognition.

IX. Scope of funds in the consolidated statements of cash flows

Funds consist of cash on hand, deposits cashable anytime and short-term investments (to be redeemed within three months from the date of acquisition) that are easily realizable and have limited risk of changes in value.

(Notes to Consolidated statements of income)

*1. Impairment losses

FY2024 (From April 1, 2024, to March 31, 2025)

(1) Summary of asset group for which impairment losses have been recognized

Location	Use	Type	Impairment losses
Kanmon Sugar Manufacturing Co., Ltd. (Orihonmachi, Moji-ku, Kitakyushu-shi, Fukuoka)	Sugar production facilities	Buildings and structures, Machinery, equipment and vehicles, Land, Lease assets, etc.	3,899 million yen
Ohtori-hyoto Co., Ltd. (Shimo-Nijicho, Moji-ku, Kitakyushu-shi, Fukuoka)	Sugar production facilities	Buildings and structures, Machinery, equipment and vehicles, Land, Lease assets, etc.	266 million yen
Nittosangyo Co., Ltd. (Orihonmachi, Moji-ku, Kitakyushu-shi, Fukuoka)	Packaging material production equipments	Buildings and structures, Machinery, equipment and vehicles, Lease assets, etc.	110 million yen

(2) Background leading to the recognition of impairment losses

Impairment losses were recognized for the buildings, machinery and equipment, land, etc. of Kanmon Sugar Manufacturing Co., Ltd., Ohtori-hyoto Co., Ltd. and Nittosangyo Co., Ltd. located in Moji-ku, Kitakyushu City, Fukuoka Prefecture, as the recoverable amounts fell below the book values in accordance with the decision to discontinue production at each company.

(3) Breakdown of impairment losses

Buildings and structures	807 million yen
Machinery, equipment and vehicles	1,476 million yen
Tools, furniture and fixtures	39 million yen
Land	1,801 million yen
Lease assets	25 million yen
Construction in progress	71 million yen
Intangible fixed assets (Other)	53 million yen
Total	4,275 million yen

(4) Method of grouping

Non-current assets are classified into the Sugar Business group, the Life Energy Business group and the Real Estate Business group, and the Sugar Business group is further classified mainly by plant. The Life Energy Business group is mainly classified into the food additives group, the bio group, the nutritional care supplements and nutritional products for patients with dysphagia group, and lifestyle support and home-delivered meals group. The Real Estate Business group is classified by rental property. Idle assets are classified by property.

(5) Method of calculation for recoverable amount

The recoverable amount is the higher of the net selling price and the value in use. The net selling price is estimated based on a reasonable estimate that considers market value, and the value in use is calculated by discounting the estimated future cash flow at a rate of 2.8%.

FY2025 (From April 1, 2025, to March 31, 2026)

(1) Summary of asset group for which impairment losses have been recognized

Location	Use	Type	Impairment losses
–	Other	Goodwill, Intangible fixed assets (Other)	4,678 million yen
SIS'88 Pte Ltd (Singapore)	Business Assets	Tools, furniture and fixtures	0 million yen
Asian Blending LIMITED LIABILITY COMPANY (Vietnam)	Refined sugar production facilities, etc.	Buildings and structures, Machinery, equipment and vehicles, Lease assets, etc.	1,642 million yen

(2) Background leading to the recognition of impairment losses

Regarding the structures, machinery, and equipment of Asian Blending Pte Ltd and Asian Blending LIMITED LIABILITY COMPANY, the Company has recognized an impairment loss because, following a review of their recoverability considering changes in the business environment, their recoverable amounts fell below their carrying amounts.

At SIS'88 Pte Ltd and its subsidiaries, following a review of the business plan, the Company determined that the anticipated revenue could no longer be expected; therefore, the Company has recognized the unamortized balances of Goodwill, trademark rights, and customer assets as an impairment loss.

(3) Breakdown of impairment losses

Buildings and structures	269 million yen
Machinery, equipment and vehicles	930 million yen
Tools, furniture and fixtures	2 million yen
Lease assets	440 million yen
Goodwill	2,737 million yen
Intangible fixed assets (Other)	1,941 million yen
Total	6,320 million yen

(4) Method of grouping

Non-current assets are classified into the Sugar Business group, the Life Energy Business group and the Real Estate Business group, and the Sugar Business group is further classified mainly by plant. The Life Energy Business group is mainly classified into the food additives group, the bio group, the nutritional care supplements and nutritional products for patients with dysphagia group, and lifestyle support and home-delivered meals group. The Real Estate Business group is classified by rental property. Idle assets are classified by property.

(5) Method of calculation for recoverable amount

The recoverable amount is the higher of the net selling price and the value in use. The net selling price is estimated based on a reasonable estimate that considers market value, and the value in use is calculated by discounting the estimated future cash flow at a rate of 6.65%.

*2. Provision for business restructuring

FY2024 (From April 1, 2024, to March 31, 2025)

In accordance with the “Basic Policy on the Reorganization of Production Bases in the Domestic Sugar Business” resolved by the Board of Directors during the fiscal year, the estimated amount of expenses and losses expected to be incurred by consolidated subsidiaries that have decided to terminate production by the end of September 2026, which is 1,002 million yen, has been recorded as an extraordinary loss for the fiscal year.

(Notes to segment information, etc.)

[Segment information]

1. Overview of reportable segments

Reportable segments of the Company are structural units of the Company whose separate financial information is available, and which are subject to regular review by the Board of Directors to evaluate a decision on allocation of management resources and financial results.

The Company and its consolidated subsidiaries are engaged in sales of sugar and food ingredients through the wholesale or manufacturing and lease of real estate. Organizations are established based on these products and services.

Therefore, reportable segments of the Company are “Sugar Business,” “Life Energy Business” and “Real Estate Business.”

Sugar Business sells raw sugar, processed sugar and sugar-related products through wholesale or manufacturing. Life Energy Business sells food colorings, flavorings, sugar cane extract, agar, bio-based products, nutritional care supplements and nutritional products for patients with dysphagia through wholesale or manufacturing. Real Estate Business mainly leases land, retail premises and offices.

2. Calculation method of net sales, income/loss, assets, liabilities and other items of each reportable segment

Accounting of reportable business segments is basically the same as those described in the “Important matters concerning preparation of consolidated financial statements.”

Income of reportable segments is on an operating-income basis.

Intersegment sales and transfer is based on the current market price.

3. Information on amounts of net sales, income/loss, assets, liabilities and other items, as well as on revenue breakdown, by each reportable segment

FY2024 (From April 1, 2024, to March 31, 2025)

(Million yen)

	Reportable Segment				Adjustments	Amount recorded in consolidated financial statements
	Sugar Business	Life Energy Business	Real Estate Business	Total		
Net sales						
Revenue from contracts with customers	151,295	25,071	—	176,366	—	176,366
Other revenue	—	—	2,418	2,418	—	2,418
Net sales to third-party customers	151,295	25,071	2,418	178,785	—	178,785
Intersegment of net sales and transfer	219	286	881	1,387	(1,387)	—
Total	151,515	25,357	3,300	180,172	(1,387)	178,785
Segment profit	11,747	1,263	829	13,840	—	13,840
Segment assets	101,421	22,505	43,604	167,530	34,665	202,196
Other items						
Depreciation and amortization	4,493	685	762	5,941	1	5,942
Increase of property, plant and equipment and intangible assets	4,502	535	28	5,066	60	5,126

Notes:

1. Some adjustments were made between segment profit and operating income recorded in consolidated statements of income.
2. Adjustments of segment assets of 34,665 million yen indicate assets of the entire Company not allocated to each reportable segment. They consist of invested assets using surplus funds (cash and deposits), long-term investment fund (investment securities) and assets concerning the administration department.

FY2025 (From April 1, 2025, to March 31, 2026)

(Million yen)

	Reportable Segment				Adjustments	Amount recorded in consolidated financial statements
	Sugar Business	Life Energy Business	Real Estate Business	Total		
Net sales						
Revenue from contracts with customers	152,201	25,348	—	177,550	—	177,550
Other revenue	—	—	2,552	2,552	—	2,552
Net sales to third-party customers	152,201	25,348	2,552	180,102	—	180,102
Intersegment of net sales and transfer	182	303	163	648	(648)	—
Total	152,383	25,652	2,715	180,751	(648)	180,102
Segment profit	11,440	1,007	461	12,909	—	12,909
Segment assets	106,344	22,151	31,114	159,609	22,345	181,955
Other items						
Depreciation and amortization	4,419	734	465	5,620	—	5,620
Increase of property, plant and equipment and intangible assets	4,264	798	284	5,347	427	5,774

Notes:

1. Some adjustments were made between segment profit and operating income recorded in consolidated statements of income.
2. Adjustments of segment assets of 22,345 million yen indicate assets of the entire Company not allocated to each reportable segment. They consist of invested assets using surplus funds (cash and deposits), long-term investment fund (investment securities) and assets concerning the administration department.

[Related information]

FY2024 (From April 1, 2024, to March 31, 2025)

1. Information about each product and service

Description is omitted since it is explained in the segment information section.

2. Information by each region

(1) Net sales

Description is omitted since net sales to third party customers outside Japan account for less than 10% of the consolidated net sales.

(2) Property, plant and equipment

Description is omitted since property, plant and equipment located outside Japan accounts for less than 10% of the property, plant and equipment on the consolidated balance sheets.

3. Information by major customer

(Million yen)

Name of customer	Net sales	Relevant segment
Mitsui & Co., Ltd.	28,682	Sugar Business and Life Energy Business

FY2025 (From April 1, 2025, to March 31, 2026)

1. Information about each product and service

Description is omitted since it is explained in the segment information section.

2. Information by each region

(1) Net sales

Description is omitted since net sales to third party customers outside Japan account for less than 10% of the consolidated net sales.

(2) Property, plant and equipment

Description is omitted since property, plant and equipment located outside Japan accounts for less than 10% of the property, plant and equipment on the consolidated balance sheets.

3. Information by major customer

(Million yen)

Name of customer	Net sales	Relevant segment
Mitsui & Co., Ltd.	23,904	Sugar Business and Life Energy Business

[Information on impairment loss on non-current assets by each reportable segment]

FY2024 (From April 1, 2024, to March 31, 2025)

(Million yen)

	Reportable segment				Corporate and eliminations	Amount recorded in consolidated financial statements
	Sugar Business	Life Energy Business	Real Estate Business	Total		
Impairment losses	4,275	—	—	4,275	—	4,275

FY2025 (From April 1, 2025, to March 31, 2026)

(Million yen)

	Reportable segment				Corporate and eliminations	Amount recorded in consolidated financial statements
	Sugar Business	Life Energy Business	Real Estate Business	Total		
Impairment losses	6,320	—	—	6,320	—	6,320

[Information on amortization of goodwill and unamortized balance of goodwill by each reportable segment]

FY2024 (From April 1, 2024, to March 31, 2025)

(Million yen)

	Reportable segment				Corporate and eliminations	Amount recorded in consolidated financial statements
	Sugar Business	Life Energy Business	Real Estate Business	Total		
Amortization during the period	361	223	—	585	—	585
Balance at the end of current period	3,271	1,267	—	4,538	—	4,538

FY2025 (From April 1, 2025, to March 31, 2026)

(Million yen)

	Reportable segment				Corporate and eliminations	Amount recorded in consolidated financial statements
	Sugar Business	Life Energy Business	Real Estate Business	Total		
Amortization during the period	562	223	—	786	—	786
Balance at the end of current period	—	1,043	—	1,043	—	1,043

(Notes to per-share information)

FY2024 (From April 1, 2024, to March 31, 2025)		FY2025 (From April 1, 2025, to March 31, 2026)	
Net assets per share	3,550.69 yen	Net assets per share	3,599.62 yen
Earnings per share	195.06 yen	Earnings per share	126.75 yen
Diluted earnings per share are not mentioned since dilutive shares do not exist.		Diluted earnings per share are not mentioned since dilutive shares do not exist.	

Notes:

1. The Company has introduced a trust-based stock compensation scheme for directors. Shares of the Company held in the trust account are included in treasury shares, which are deducted from the calculation of "average number of shares during period" for the purpose of calculating "earnings per share" (146 thousand shares in fiscal 2024, 135 thousand shares in fiscal 2025).

2. The basis of calculation of net assets per share and earnings per share is as follows.

	FY2024 (As of March 31, 2025)	FY2025 (As of March 31, 2026)
Total of net assets section (million yen)	119,341	114,595
Amount deducted from total of net assets section (million yen)	4,726	2,587
(Of the above, non-controlling interests (million yen))	(4,726)	(2,587)
Net assets attributable to common shares at period end (million yen)	114,614	112,008
Number of common shares at period end used in calculating net assets per share (shares)	32,279,612	31,116,649

	FY2024 (From April 1, 2024, to March 31, 2025)	FY2025 (From April 1, 2025, to March 31, 2026)
Profit attributable to owners of parent (million yen)	6,295	3,961
Amount not attributable to common shareholders	—	—
Profit attributable to owners of parent attributable to common shares (million yen)	6,295	3,961
Average number of shares outstanding (shares)	32,276,683	31,257,396

(Notes to important subsequent events)

None

5. Other

(1) Transfer of officers

1) Transfer of representative directors

None

2) Transfer of other directors

New candidate for directors (excluding directors who serve on the Audit & Supervisory Committee) (effective June 23, 2026, pending approval by the Ordinary General Meeting of Shareholders)

Name	New position	Current position
Takako Kotake	Outside Director	General Manager of Cooking Co-Creation Studio, Cookpad Inc.
Satoshi Mukawa	Outside Director	General Manager, Sugar & Wheat Flour Department, Food Resources Division, Mitsubishi Corporation

Retiring directors (excluding directors who serve on the Audit & Supervisory Committee) (effective June 23, 2026)

Name	New position	Current position
Hiroto Tamai	Outside Director (Audit and Supervisory Committee Member)	Outside Director
Go Nagasaki	Resignation	Outside Director

New candidate for director who serves on the Audit and Supervisory Committee (effective June 23, 2026, pending approval by the Ordinary General Meeting of Shareholders)

Name	New position	Current position
Hiroto Tamai	Outside Director (Audit and Supervisory Committee Member)	Outside Director

Retiring director who serves on the Audit and Supervisory Committee (effective June 23, 2026)

Name	New position	Current position
Yusuke Kawamura	Resignation	Outside Director (Audit and Supervisory Committee Member)

(2) Other

None