

Translation

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Consolidated Financial Results for the Nine Months Ended December 31, 2025 (Based on IFRS)

February 9, 2026

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 Stock exchange listing: Tokyo
 Stock code: 2117 URL <https://www.wellneo-sugar.co.jp/>
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2025	87,510	16.9	9,219	21.1	8,830	13.0	5,995	11.0	5,958	10.3	6,556	13.9
Nine months ended December 31, 2024	74,834	6.9	7,611	51.7	7,811	17.7	5,401	11.6	5,401	11.6	5,757	9.2

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2025	182.23	—
Nine months ended December 31, 2024	164.82	—

Basic earnings per share are calculated based on the average number of shares outstanding during the period, excluding treasury shares. Treasury shares includes shares of the Company held by the “Impact Neutralization Trust.” and the “officers’ share delivery trust (RS trust).”

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of December 31, 2025	104,240	76,464	76,464	73.4
As of March 31, 2025	110,585	74,586	73,074	66.1

In the second quarter consolidated accounting period for the fiscal year ending March 31, 2026, the provisional accounting treatment related to business combination was finalized, and the figures for the fiscal year ended March 31, 2025, reflect the details of this finalized provisional accounting treatment.

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	—	46.00	—	56.00	102.00
Year ending March 31, 2026	—	54.00	—		
Year ending March 31, 2026 (Forecast)				54.00	108.00

(Note) Revision to the most recently announced dividend forecast: No

3. Forecast of consolidated financial results for the year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

Percentages indicate year-on-year changes

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	114,000	17.4	8,500	3.6	8,500	(0.7)	5,900	2.7	5,900	2.7	180.19

(Note) Revision to the most recently announced earnings forecast: No

During the second quarter consolidated accounting period, the Company finalized the provisional accounting treatment related to business combination. Figures for the fiscal year ended March 31, 2025, reflect the details of this finalized provisional accounting treatment. Accordingly, the percentage change from the previous term has also been computed using the revised figures.

4. Notes

- (1) Significant changes in the scope of consolidation during the nine months ended December 31, 2025: Yes

Included: - company (Company name)

Excluded: 1 company (Company name) DAIICHI TOGYO CO., LTD.

(Note) DAIICHI TOGYO CO., LTD. was excluded from the scope of consolidation from the current third quarter consolidated accounting period because it was dissolved as a result of an absorption-type merger effective October 1, 2025, in which the Company is the surviving entity.

- (2) Changes in accounting policies and changes in accounting estimates

Changes in accounting policies required by IFRS: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

- (3) Number of issued shares (ordinary shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2025	32,800,095 shares	As of March 31, 2025	32,800,095 shares
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Number of treasury shares at the end of the period

As of December 31, 2025	61,407 shares	As of March 31, 2025	291,145 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2025	32,699,706 shares	Nine months ended December 31, 2024	32,771,937 shares
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(Note) The number of treasury shares at the end of the period includes the Company's shares held under the "Impact Neutralization Trust[®]" (0 shares at the end of the third quarter of fiscal year ending March, 2026; 291,100 shares at the end of fiscal year ended March 2025) and the "officers' share delivery trust (RS trust)" (59,400 shares at the end of the third quarter of fiscal year ending March 2026; 0 shares at the end of fiscal year ended March 2025). In addition, shares of the Company held by the "Impact Neutralization Trust[®]" (74,690 shares for the third quarter of fiscal year ending March 2026) and the "officers' share delivery trust (RS trust)" (23,570 shares for the third quarter of fiscal year ending March 2026) are included in treasury shares to be deducted from the calculation of average shares outstanding during the period.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary).

* Explanation of the appropriate use of earnings forecasts, and other special notes
(Cautionary statement regarding forward-looking statements, etc.)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. The Company does not guarantee that it will achieve these forecasts. Actual results may differ materially from these forecasts due to various factors. For the assumptions underlying the earnings forecasts and notes on the use of earnings forecasts, please refer to "1. Overview of Business Performance,(4) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information" on page 4 of the attached document.

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1. Overview of Business Performance

(1) Overview of business performance for the quarter

During the third quarter of the current consolidated cumulative period, the Japanese economy maintained a moderate recovery, supported by improvements in the employment and income environment and by inbound demand. On the other hand, the outlook remains uncertain due to continued price increases and downside risks to the economy stemming from U.S. trade policies and other factors.

In the third quarter of the current consolidated cumulative period, because Toyo Sugar Refining Co., Ltd. became a consolidated subsidiary at the end of the previous consolidated fiscal year, revenue was 87,510 million yen (up 16.9% YoY) and operating profit was 9,219 million yen (up 21.1% YoY). Profit before tax was 8,830 million yen (up 13.0% YoY), and profit attributable to owners of parent was 5,958 million yen (up 10.3% YoY).

The following is an overview of each segment. The profit for each segment does not include 669 million yen in company-wide expenses, among other items.

[Sugar Segment]

With respect to overseas raw sugar markets, prices started in the upper 18 cents per pound range and rose to the mid-19 cents level, the highest in the period. Subsequently, amid increased uncertainty over the global economy caused by the announcement of mutual tariff policies by the United States and expectations for increased production in major producing countries, prices fell to the low 14 cents range, the lowest level in the current fiscal year, and the current third quarter consolidated cumulative period ended in the low 15 cents range.

Overseas raw sugar markets (New York market raw sugar futures (current contract))

	Date	Cents/lb	Yen/kg	Exchange rate (Yen/Dollar)
Opening price	April 1, 2025,	18.89	62.81	150.82
High price	April 2, 2025	19.63	65.28	150.84
Low price	November 6, 2025	14.04	47.99	155.04
Closing price	December 31, 2025	15.01	52.14	157.56

(Note) One pound is converted to approximately 0.4536 kg, and the exchange rate is based on the TTS of the direct exchange rate announced by the Bank of Mitsubishi UFJ on the day.

As for the domestic refined sugar market (as reported in the Nihon Keizai Shimbun, Tokyo), the price of refined sugar per kilogram started at 249 to 251 yen and, reflecting the decline in overseas raw sugar prices, fell by 8 yen in November to end the current third quarter consolidated cumulative period at 241 to 243 yen per kilogram.

In this environment, although sales volume for commercial-use products declined for beverages and seasonings due to restrained purchasing driven by high prices, it exceeded the same period of the previous fiscal year as a result of the new consolidation of Toyo Sugar Refining Co., Ltd. The sales volume of household products exceeded the level of the same period of the previous fiscal year, in part due to strong shipments of the Company's proprietary product "Kibi Sato." In terms of profit, profit increased, in part due to the new consolidation of Toyo Sugar Refining Co., Ltd.

As a result, total revenue in the Sugar Segment was 75,257 million yen (up 16.4% YoY), and segment profit was 9,312 million yen (up 16.8% YoY).

[Food & Wellness Segment]

The Food & Wellness Segment provides a wide variety of functional materials and services used across a broad range of settings, primarily through the Food Science and Fitness businesses.

In the Food Science business, shipments of our oligosaccharide product lineup, including the Company's proprietary product "Okinawa Amami Kibi Oligo," continued to be steady, supported by stable demand reflecting heightened interest in the effect of improving the intestinal environment, as well as various sales promotion measures and sales activities aimed at expanding the number of stores carrying these products. In addition, at the Mihama Bio Plant, the Company established a higher-production system for "Cup Oligo" and "CI (Cyclodextran)." At TSUKIOKA FILM PHARMA CO., LTD., revenue and profit increased, in part due to progress in reflecting higher costs in selling prices.

Additionally, as part of Toyo Sugar Refining Co., Ltd.'s Food Science business, the Company manufactures and sells functional food material such as rutin and hesperidin.

In the Fitness business, during the current period, the Company focused on improving advertising and promotional strategies for children's school businesses and on expanding acceptance capacity. Although the number of members increased across business formats, including comprehensive-type facilities, revenue and profit declined, in part due to facility closures in the previous fiscal year.

In the Warehousing business, revenue and profit increased, in part, due to higher handling volumes of livestock products at refrigerated warehouses and of imported plywood in port transportation.

As a result, total revenue in the Food & Wellness Segment was 12,253 million yen (up 20.5% YoY), and segment profit was 575 million yen (up 6.9% YoY).

(2) Overview of financial position for the Quarter

(Assets)

Current assets as of the end of the current third quarter consolidated accounting period were 39,790 million yen, a decrease of 7,260 million yen from the end of the previous consolidated fiscal year. This was mainly due to a 5,009 million yen decrease in inventories and a 4,074 million yen decrease in cash and cash equivalents, despite a 1,711 million yen increase in trade and other receivables. Non-current assets were 64,449 million yen, an increase of 915 million yen from the end of the previous consolidated fiscal year. This was mainly due to increases of 1,019 million yen in property, plant, and equipment and 502 million yen in other financial assets, despite decreases of 427 million yen in investments accounted for using equity method.

As a result, total assets were 104,240 million yen, a decrease of 6,344 million yen from the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities as of the end of the current third quarter consolidated accounting period were 24,012 million yen, a decrease of 7,997 million yen from the end of the previous consolidated fiscal year. This was mainly due to decreases of 4,657 million yen in trade and other payables and 3,400 million yen in borrowings. Non-current liabilities were 3,763 million yen, a decrease of 225 million yen from the end of the previous consolidated fiscal year. This was mainly due to a 280 million yen decrease in lease liabilities.

As a result, total liabilities were 27,775 million yen, a decrease of 8,222 million yen from the end of the previous consolidated fiscal year.

(Equity)

Total equity as of the end of the current third quarter consolidated accounting period was 76,464 million yen, an increase of 1,878 million yen from the end of the previous consolidated fiscal year. This was mainly due to profit attributable to owners of parent of 5,958 million yen, a decrease of 3,587 million yen due to dividends of surplus, an increase of 683 million yen due to the disposal of treasury shares, and a decrease of 1,512 million yen in non-controlling interests due to additional acquisition of shares of Toyo Sugar Refining Co., Ltd.

As a result, the ratio of equity attributable to owners of parent to total assets was 73.4%, up 7.3 percentage points from the end of the previous consolidated fiscal year.

(3) Overview of cash flow for the Quarter

Cash and cash equivalents at the end of the current third quarter consolidated accounting period decreased by 4,074 million yen from the end of the previous consolidated fiscal year to 11,371 million yen. The status of each cash flow for the third quarter of the current consolidated fiscal year is as follows.

(Cash flow from operating activities)

Net cash provided by operating activities was 7,998 million yen (compared with net cash provided of 6,892 million yen in the same period of the previous fiscal year).

The main factors were profit before tax of 8,830 million yen, depreciation and amortization of 1,908 million yen, income taxes paid of -3,069 million yen, and a net cash outflow of -511 million yen resulting from a decrease in inventories, an increase in trade and other receivables, and a decrease in trade and other payables.

(Cash flow from investing activities)

Net cash used in investing activities was 3,648 million yen (compared with net cash used of 2,235 million yen in the same period of the previous fiscal year).

The main factor was payments of -3,618 million yen for the purchase of property, plant, and equipment and intangible assets.

(Cash flow from financing activities)

Net cash used in financing activities was 8,424 million yen (compared with net cash used of 5,072 million yen in the same period of the previous fiscal year).

The main factors were a net decrease in short-term borrowings of -3,400 million yen, payments of -1,377 million yen for acquisition of interests in subsidiaries from non-controlling interests, and cash dividends paid of -3,587 million yen.

(4) Explanation of consolidated earnings forecasts and other forward-looking information

From the fourth quarter onward, while the Japanese economy is expected to continue its moderate recovery, supported by sustained growth in consumption, the outlook remains uncertain due to concerns such as the impact of U.S. trade policies, unstable international conditions, and reduced consumer spending resulting from rising prices.

Amid such circumstances, in the second year of the medium-term management plan “WELLNEO Vision 2027” (April 2024 – March 2028), the Company will steadily advance the strengthening and expansion of the Sugar and Food & Wellness segments as dual pillars, to realize the “Well-being” of various stakeholders.

In the Sugar segment, the business environment remains uncertain due to concerns over weather conditions in major producing countries, geopolitical risks, rising costs for energy and other inputs, and the impact of foreign exchange fluctuations. The Group will give top priority to fulfilling its social responsibility by ensuring a stable supply of safe sugar, which is a daily necessity for consumers, while also working to procure raw materials under favorable conditions and reflecting rising costs in selling prices, thereby focusing on profitability.

Furthermore, by swiftly realizing the benefits of strengthening the business foundation and generating synergies through the consolidation of Toyo Sugar Refining Co., Ltd. and the absorption-type merger with DAIICHI TOGYO CO., LTD., the Company will aim to improve business performance by enhancing operational efficiency and productivity across business processes and by strengthening product and sales capabilities centered on the promotion of high-value-added products such as “Kibi Sato.” In anticipation of the continued acceleration of industry realignment, the Company will continue to strive for improved management efficiency and quality.

In the Food & Wellness segment, we will continue to provide a diverse range of functional materials and services that contribute to improving people’s quality of life through health promotion.

In the Food Science business, the Company will expand sales of functional sweetener materials that help improve the intestinal environment, such as “Okinawa Amami Kibi Oligo” and “Cup Oligo,” for which an increased production system has been established at the Mihama Bio Plant. In addition, to raise recognition of “CI (Cyclodextran),” which has plaque-formation-suppressing effects and is manufactured and sold exclusively by the Company worldwide, the Company will implement sales-promotion measures and make capital investment toward in-house production and increased production, with mass production scheduled to begin in fiscal year 2026.

Furthermore, through industry–academia collaborations to develop technologies utilizing prebiotic materials and initiatives with Metagen, Inc., which possesses cutting-edge knowledge in intestinal environment research, the Company will promote business development across various fields centered on flora-design materials that help regulate the intestinal and oral flora environments. In addition, by further strengthening collaboration with the affiliated company Tsuruya Chemical Industries Co., Ltd., enhancing the business strategy for “edible films” at consolidated subsidiary TSUKIOKA FILM PHARMA CO., LTD., and further exploring possibilities through combinations of the Company’s functional materials derived from sugars with Toyo Sugar Refining Co., Ltd.’s glycosylation technologies and the like, the Company will make maximum use of the Group’s assets and expertise to achieve significant growth in the food science business.

In the Fitness business, although the number of members is gradually recovering, the operating environment remains challenging due to increasing diversification and the emergence of competing services. We will continue to provide spaces tailored to individual health and fitness customer needs, carry out advertising and promotional activities to attract members, and strengthen children's school programs at comprehensive fitness centers, with a focus on profitability, aiming for an early recovery in business performance.

As a result of the above, there are no changes to the consolidated earnings forecasts for the full year, as announced in the “Consolidated Financial Results for the Six Months (Interim period) Ended September 30, 2025” dated November 7, 2025.

In addition, the Company resolved at its Board of Directors meeting held on June 17, 2025, to adopt a basic policy to carry out an absorption-type merger on October 1, 2026, with the Company as the surviving entity and its consolidated subsidiary, Toyo Sugar Refining Co., Ltd., as the absorbed company. The Company will promptly disclose any matters that require disclosure, depending on the progress of the necessary procedures for the merger.

2. Condensed Quarterly Consolidated Financial Statements and Main Notes

(1) Condensed quarterly consolidated statement of financial position

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	15,445	11,371
Trade and other receivables	9,035	10,747
Other financial assets	846	857
Inventories	21,108	16,099
Other current assets	615	715
Total current assets	47,051	39,790
Non-current assets		
Property, plant and equipment	19,718	20,737
Right-of-use assets	1,697	1,306
Goodwill	13,769	13,769
Intangible assets	220	367
Investments accounted for using equity method	16,861	16,434
Other financial assets	9,503	10,006
Retirement benefit asset	234	228
Deferred tax assets	157	136
Trade and other receivables	20	24
Other non-current assets	1,349	1,438
Total non-current assets	63,533	64,449
Total assets	110,585	104,240

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	15,810	12,410
Trade and other payables	10,940	6,282
Lease liabilities	771	564
Other financial liabilities	97	321
Income taxes payable	1,674	1,402
Provisions	5	-
Other current liabilities	2,710	3,031
Total current liabilities	32,009	24,012
Non-current liabilities		
Trade and other payables	33	30
Lease liabilities	1,175	894
Other financial liabilities	95	98
Retirement benefit liability	614	536
Provisions	443	446
Deferred tax liabilities	1,562	1,692
Other non-current liabilities	64	64
Total non-current liabilities	3,989	3,763
Total liabilities	35,998	27,775
Equity		
Capital stock	7,000	7,000
Capital surplus	31,255	31,334
Treasury shares	(662)	(161)
Other components of equity	1,914	2,271
Retained earnings	33,566	36,020
Total equity attributable to owners of parent	73,074	76,464
Non-controlling interests	1,512	-
Total equity	74,586	76,464
Total liabilities and equity	110,585	104,240

(2) Condensed quarterly consolidated statements of income and condensed quarterly consolidated statements of comprehensive income
(Condensed quarterly consolidated statements of income)

	(Millions of yen)	
	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Revenue	74,834	87,510
Cost of sales	59,142	68,981
Gross profit	15,692	18,529
Selling, general and administrative expenses	8,151	9,250
Other operating income	136	48
Other operating expenses	66	109
Operating profit	7,611	9,219
Finance income	122	181
Finance costs	61	156
Share of profit (loss) of investments accounted for using equity method	140	(414)
Profit before tax	7,811	8,830
Income tax expense	2,410	2,835
Profit	5,401	5,995
Profit attributable to		
Owners of parent	5,401	5,958
Non-controlling interests	—	36
Profit	5,401	5,995
Earnings per share		
Basic earnings per share (Yen)	164.82	182.23

(Condensed quarterly consolidated statements of comprehensive income)

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Profit	5,401	5,995
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	141	440
Remeasurements of defined benefit plans	29	(2)
Share of other comprehensive income of investments accounted for using equity method	6	5
Total of items that will not be reclassified to profit or loss	177	443
Items that may be reclassified to profit or loss		
Cash flow hedges	179	118
Total of items that may be reclassified to profit or loss	179	118
Other comprehensive income	356	561
Comprehensive income	5,757	6,556
Comprehensive income attributable to		
Owners of parent	5,757	6,519
Non-controlling interests	—	37
Comprehensive income	5,757	6,556

(3) Condensed quarterly consolidated statement of changes in equity

Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(Millions of yen)

	Equity attributable to owners of parent				
	Capital stock	Capital surplus	Treasury shares	Other components of equity	
				Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2024	7,000	34,690	(3,528)	155	1,776
Profit	—	—	—	—	—
Other comprehensive income	—	—	—	179	147
Total comprehensive income	—	—	—	179	147
Purchase of treasury shares	—	—	(0)	—	—
Disposal of treasury shares	—	22	54	—	—
Cancellation of treasury shares	—	(3,473)	3,473	—	—
Dividends	—	—	—	—	—
Share-based remuneration transactions	—	6	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	(75)
Changes in ownership interest in subsidiaries	—	—	—	—	—
Transfer to non-financial assets	—	—	—	(173)	—
Total transactions with owners	—	(3,445)	3,528	(173)	(75)
Balance as of December 31, 2024	7,000	31,245	—	161	1,848

	Equity attributable to owners of parent				Non-controlling interests	Total equity
	Other components of equity		Retained earnings	Total		
	Remeasurements	Total				
	of defined benefit plans					
Balance as of April 1, 2024	—	1,932	31,012	71,107	—	71,107
Profit	—	—	5,401	5,401	—	5,401
Other comprehensive income	29	356	—	356	—	356
Total comprehensive income	29	356	5,401	5,757	—	5,757
Purchase of treasury shares	—	—	—	(0)	—	(0)
Disposal of treasury shares	—	—	—	76	—	76
Cancellation of treasury shares	—	—	—	—	—	—
Dividends	—	—	(3,342)	(3,342)	—	(3,342)
Share-based remuneration transactions	—	—	—	6	—	6
Transfer from other components of equity to retained earnings	(29)	(104)	104	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	—	—	—
Transfer to non-financial assets	—	(173)	—	(173)	—	(173)
Total transactions with owners	(29)	(278)	(3,237)	(3,433)	—	(3,433)
Balance as of December 31, 2024	—	2,010	33,177	73,432	—	73,432

Nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(Millions of yen)

	Equity attributable to owners of parent				
	Capital stock	Capital surplus	Treasury shares	Other components of equity	
				Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2025	7,000	31,255	(662)	114	1,799
Profit	—	—	—	—	—
Other comprehensive income	—	—	—	118	444
Total comprehensive income	—	—	—	118	444
Purchase of treasury shares	—	—	(186)	—	—
Disposal of treasury shares	—	2	681	—	—
Cancellation of treasury shares	—	—	—	—	—
Dividends	—	—	—	—	—
Share-based remuneration transactions	—	9	6	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	(85)
Changes in ownership interest in subsidiaries	—	65	—	—	—
Transfer to non-financial assets	—	—	—	(120)	—
Total transactions with owners	—	78	500	(120)	(85)
Balance as of December 31, 2025	7,000	31,334	(161)	112	2,158

	Equity attributable to owners of parent					
	Other components of equity					
	Remeasurements of defined benefit plans	Total	Retained earnings	Total	Non- controlling interests	Total equity
Balance as of April 1, 2025	—	1,914	33,566	73,074	1,512	74,586
Profit	—	—	5,958	5,958	36	5,995
Other comprehensive income	(2)	560	—	560	1	561
Total comprehensive income	(2)	560	5,958	6,519	37	6,556
Purchase of treasury shares	—	—	—	(186)	—	(186)
Disposal of treasury shares	—	—	—	683	—	683
Cancellation of treasury shares	—	—	—	—	—	—
Dividends	—	—	(3,587)	(3,587)	—	(3,587)
Share-based remuneration transactions	—	—	—	15	—	15
Transfer from other components of equity to retained earnings	2	(83)	83	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	65	(1,549)	(1,484)
Transfer to non-financial assets	—	(120)	—	(120)	—	(120)
Total transactions with owners	2	(203)	(3,504)	(3,128)	(1,549)	(4,678)
Balance as of December 31, 2025	—	2,271	36,020	76,464	—	76,464

(4) Condensed quarterly consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Cash flows from operating activities		
Profit before tax	7,811	8,830
Depreciation and amortization	1,757	1,908
Impairment losses	—	20
Finance income	(122)	(181)
Finance expenses	61	156
Share of loss (profit) of investments accounted for using equity method	(140)	414
Decrease (increase) in inventories	2,126	5,010
Decrease (increase) in trade and other receivables	(661)	(1,705)
Increase (decrease) in trade and other payables	(566)	(3,815)
Other, net	(359)	377
Subtotal	9,907	11,015
Interest and dividend income received	118	187
Interest expenses paid	(59)	(135)
Income taxes paid	(3,074)	(3,069)
Net cash provided by operating activities	6,892	7,998
Cash flows from investing activities		
Purchase of property, plant and equipment, and intangible assets	(2,331)	(3,618)
Payments for disposal of property, plant and equipment	(38)	(40)
Proceeds from sales of property, plant and equipment	5	0
Purchase of investment securities	(21)	(24)
Proceeds from sale and redemption of investment securities	204	200
Other, net	(54)	(165)
Net cash used in investing activities	(2,235)	(3,648)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,090)	(3,400)
Proceeds from the disposal of treasury shares	—	683
Purchase of treasury shares	(0)	(186)
Repayments of lease liabilities	(646)	(557)
Cash dividends paid	(3,336)	(3,587)
Payments for acquisition of interests in subsidiaries from non-controlling interests	—	(1,377)
Net cash used in financing activities	(5,072)	(8,424)
Increase (decrease) in cash and cash equivalents	(415)	(4,074)
Cash and cash equivalents at the beginning of the period	12,509	15,445
Cash and cash equivalents at the end of the period	12,093	11,371

(5) Notes to condensed quarterly consolidated financial statements

(Notes on the going concern assumption)

Not applicable.

(Business combinations and related matters)

(Finalization of provisional accounting treatment for a business combination)

Regarding Toyo Sugar Refining Co., Ltd., which the Company acquired on March 31, 2025, because the allocation of the consideration had not been completed in the previous consolidated fiscal year, a provisional accounting treatment had been applied; however, the allocation was finalized in the current second quarter consolidated accounting period.

With the finalization of this provisional accounting treatment, the amounts at the previous consolidated fiscal year in the consolidated statement of financial position have been retrospectively adjusted. Compared with before the retrospective adjustment, property, plant and equipment increased by 29 million yen, investments accounted for using equity method increased by 296 million yen, deferred tax liabilities increased by 9 million yen, and non-controlling interests increased by 41 million yen. As a result, goodwill decreased by 93 million yen, and retained earnings (negative goodwill) increased by 181 million yen.

(Additional information)

(Establishment of an Impact Neutralization Trust® to increase the ratio of tradable shares)

The Company has chosen to be listed on the Prime Market under the Tokyo Stock Exchange's new market segmentation and is taking measures to increase the ratio of tradable shares to meet the continued listing criteria of the Prime Market. As part of these efforts, the Company has acquired a portion of its shares held by major shareholders ITOCHU Corporation and SUMITOMO CORPORATION, and is selling them into the market through an Impact Neutralization Trust® (hereinafter, the "Trust").

Under this Trust, shares of the Company are purchased via closing price transactions on the Tokyo Stock Exchange (ToSTNeT-2), using funds provided by the Company. The acquired shares are then sold on the market during the trust period, and the sale proceeds are periodically distributed to the Company at predetermined times. This structure constitutes a self-benefit trust, with the Company as the beneficiary.

By means of this Trust, after acquiring 391,000 shares of the Company's stock for 889 million yen in the previous consolidated fiscal year, the sale on the market of all 391,000 shares was completed at the end of the current third quarter consolidated period. Of these, 291,100 shares were sold during the current third quarter consolidated period, resulting in a decrease of 662 million yen in treasury shares.

The impact on profit or loss of trust fees and other expenses related to the establishment of this Trust during the current third quarter consolidated period is immaterial. In addition, the impact on capital surplus of gains and losses on the disposal of treasury shares during the current third quarter consolidated period is immaterial. Shares of the Company held by this Trust are accounted for as "treasury shares." Accordingly, they are deducted from the weighted average number of shares outstanding in the calculation of basic earnings per share for the quarter period.

(Officers' share delivery trust system)

Based on a resolution of the Ordinary General Meeting of Shareholders held on June 26, 2025, the Company introduced a performance-linked share-based compensation system using a trust for directors (excluding outside directors) and executive officers (collectively, "Directors, etc.") for the purpose of enhancing their awareness of contributing to increased corporate value through improved performance over the medium to long term.

(1) Overview of the transaction

Under this system, a trust established with funds contributed by the Company (the "RS Trust") acquires shares of the Company's stock, and, the Company Shares are delivered through the RS Trust to each Director, etc. in exchange for the points granted to them by the Company. (The stocks granted will be subject to transfer restrictions by entering into a transfer restriction agreement between the company and each Director, etc.) In principle, the timing at which Directors, etc. receive delivery of the Company Shares, etc. is at a certain period of every fiscal year during the trust period.

(2) Shares of the Company remaining in the Trust

The Company recognizes the Company Shares remaining in the RS Trust as treasury shares at book value of the Trust (excluding incidental expenses). The book value and number of such treasury shares as of the end of the current third quarter consolidated period were 156 million yen and 59,400 shares, respectively.

(Segment information)

(1) Overview of reportable segments

The business segments of the Company Group are those constituent units for which separate financial information is available and which are subject to periodic review by the Board of Directors to determine the allocation of management resources and evaluate business performance.

The Company's business segments are consolidated based on the content of services and economic characteristics, and the "Sugar Segment" and "Food & Wellness Segment" are the reportable segments.

In the "Sugar Segment," we are mainly engaged in the manufacture and sale of sugar as a refined sugar business. The "Food & Wellness Segment" primarily engages in the food science business and fitness business. In the food science business, we mainly manufacture and sell other sweeteners and functional ingredients. In the fitness business, we operate fitness clubs.

(2) Information on reportable segments

The revenue and performance of the Company Group's reporting segments are as follows.

Internal revenue and transfers between segments are determined by considering market prices.

Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

	Reportable Segment			Adjustment (Note 2)	Consolidation
	Sugar	Food & Wellness	Total		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Revenue					
External revenues	64,664	10,170	74,834	—	74,834
Intersegment revenues	18	89	107	(107)	—
Total	64,682	10,259	74,942	(107)	74,834
Segment profit (loss) (Note 1)	7,971	538	8,509	(898)	7,611
Finance income	—	—	—	—	122
Finance costs	—	—	—	—	61
Share of profit (loss) of investments accounted for using equity method	—	—	—	—	140
Profit before tax	—	—	—	—	7,811

Note 1: Segment profit (loss) is consistent with the operating profit in the condensed quarterly consolidated statement of income.

2: The adjustment amount for segment profit (loss) includes company-wide expenses that have not been allocated to each reportable segment.

Nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

	Reportable Segment			Adjustment (Note 2)	Consolidation
	Sugar	Food & Wellness	Total		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Revenue					
External revenues	75,257	12,253	87,510	—	87,510
Intersegment revenues	30	97	128	(128)	—
Total	75,287	12,351	87,639	(128)	87,510
Segment profit (loss) (Note 1)	9,312	575	9,888	(669)	9,219
Finance income	—	—	—	—	181
Finance costs	—	—	—	—	156
Share of profit (loss) of investments accounted for using equity method	—	—	—	—	(414)
Profit before tax	—	—	—	—	8,830

Note 1: Segment profit (loss) is consistent with the operating profit in the condensed quarterly consolidated statement of income.

2: The adjustment amount for segment profit (loss) includes company-wide expenses that have not been allocated to each reportable segment.