

Translation

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## Consolidated Financial Results for the Year Ended March 31, 2026 (Based on IFRS)

May 14, 2026

Company name: WELLNEO SUGAR Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 2117 URL <https://www.wellneo-sugar.co.jp/>  
 Representative: President and Representative Director Koji Yamamoto  
 Inquiries: Executive Officer in charge of Finance Division Kenji Oba TEL 03 - 3668 - 1293  
 Scheduled date of ordinary general meeting of shareholders: June 25, 2026  
 Scheduled date to commence dividend payments: June 26, 2026  
 Scheduled date to file Securities Report: June 24, 2026  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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	%
Year ended Mar. 2026	112,904	16.3	10,324	25.8	9,764	14.1	6,508	13.3	6,472	12.6	7,302	20.0
Year ended Mar. 2025	97,069	5.3	8,206	41.4	8,558	12.2	5,746	4.0	5,746	4.0	6,087	4.4

	Basic earnings per share	Diluted earnings per share	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
	Yen	Yen	%	%	%
Year ended Mar. 2026	197.88	—	8.6	9.0	9.1
Year ended Mar. 2025	175.61	—	8.0	8.3	8.5

(Reference) Investment earnings/loss on equity-method: Year ended March 2026: -581 million yen Year ended March 2025: 252 million yen

In the fiscal year ended 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.

Basic earnings per share are calculated based on the average number of shares during the period after deducting treasury shares. Treasury shares include shares of the Company held by the "Impact Neutralization Trust<sup>®</sup>" 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	Equity attributable to owners of parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2026	105,827	77,197	77,197	72.9	2,357.99
As of Mar. 31, 2025	110,585	74,586	73,074	66.1	2,247.83

In the fiscal year ended 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.

(3) Consolidated results of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended Mar. 2026	10,764	(4,707)	(11,039)	10,461
Year ended Mar. 2025	8,927	(8,977)	2,986	15,445

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2025	—	46.00	—	56.00	102.00	3,343	60.0	4.6
Year ended March 31, 2026	—	54.00	—	65.00	119.00	3,903	60.3	5.2
Year ending March 31, 2027 (Forecast)	—	60.00	—	59.00	119.00		60.0	

## 3. Forecast of consolidated financial results for the year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

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
Six months ending Sep. 30, 2026	55,000	(4.8)	4,800	(7.5)	4,900	(6.2)	3,400	(5.8)	3,400	(4.9)	103.85
Full year	110,000	(2.6)	9,200	(10.9)	9,400	(3.7)	6,500	(0.1)	6,500	0.4	198.54

### \*Notes

- (1) Significant changes in the scope of consolidation during the fiscal year ended March 31, 2026: 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 third quarter consolidated accounting period of the fiscal year ended March 31, 2026, 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 March 31, 2026	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 March 31, 2026	61,539 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)

Year ended March 31, 2026	32,708,684 shares	Year ended March 31, 2025	32,726,628 shares
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(Note) The number of treasury shares at the end of the period includes shares of the Company held by the "Impact Neutralization Trust<sup>®</sup>" (0 shares for the fiscal year ended March 31, 2026 and 291,100 shares for the fiscal year ended March 31, 2025) and the "officers' share delivery trust (RS trust)" (59,400 shares for the fiscal year ended March 31, 2026 and 0 shares for the fiscal year ended March 31, 2025). Shares of the Company held by the "Impact Neutralization Trust<sup>®</sup>" (57,453 shares for the fiscal year ended March 31, 2026 and 51,800 shares for the fiscal year ended March 31, 2025) and the "officers' share delivery trust (RS trust)" (31,838 shares for the fiscal year ended March 31, 2026 and 0 shares for the fiscal year ended March 31, 2025) are also included in treasury shares deducted in the calculation of the average number of shares during the period.

### (Reference) Summary of non-consolidated business results

Non-consolidated financial results for the year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

#### (1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Net profit	
	Million of yen	%	Million of yen	%	Million of yen	%	Million of yen	%
Year ended Mar. 2026	83,655	100.2	7,620	108.8	7,737	15.0	5,530	(35.2)
Year ended Mar. 2025	41,781	—	3,649	681.1	6,730	—	8,535	—

	Basic earnings per share	Diluted net income per share
	Yen	Yen
Year ended Mar. 2026	169.08	—
Year ended Mar. 2025	260.83	—

Basic earnings per share is calculated based on the average number of shares during the period after deducting treasury shares. Treasury shares include shares of the Company held by the "Impact Neutralization Trust<sup>®</sup>" and the "officers' share delivery trust (RS trust)."

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2026	99,774	74,029	74.2	2,261.24
As of Mar. 31, 2025	101,415	71,137	70.1	2,188.23

(Reference) Shareholders' equity: As of March 31, 2026: 74,029 million yen As of March 31, 2025: 71,137 million yen

<Reasons for differences from the results for the previous fiscal year in the non-consolidated business results>

As a result of conducting an absorption-type merger with an effective date of October 1, 2024, in which the Company was the surviving company in absorption-type merger and Nissin Sugar Co., Ltd. and ITOCHU Sugar Co., Ltd. were the absorbed companies in absorption-type merger, the Company, which had been under a holding company structure before the merger, became an operating company for the six months in the fiscal year ended March 31, 2025 and for the full year in the fiscal year ended March 31, 2026. Accordingly, non-consolidated business results for the fiscal years ended March 31, 2025, and March 31, 2026, fluctuated significantly compared with the previous fiscal year, and “-” is presented when the year-on-year percentage change exceeds 1,000%. Japanese GAAP is applied to the financial figures in the summary of non-consolidated business results.

\* The financial results are not subject to audit by a certified public accountant or auditing firm.

\* 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) Outlook for the Future” on page 5 of the attached document.

(How to obtain supplementary materials for financial results)

The Company plans to hold a briefing for institutional investors and analysts on Wednesday, May 27, 2026. Supplementary materials for financial results distributed at this briefing will be posted on the Company's website on the same day.

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## 1. Overview of Business Performance

### (1) Overview of business performance for the fiscal year

During the current consolidated fiscal year, the Japanese economy maintained a moderate recovery trend, supported by improvements in the employment and income environment. On the other hand, the outlook remains uncertain due to unstable international conditions, the impact of foreign exchange fluctuations, and other factors.

In 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 112,904 million yen (up 16.3% YoY) and operating profit was 10,324 million yen (up 25.8% YoY). Profit before tax was 9,764 million yen (up 14.1% YoY), and profit attributable to owners of parent was 6,472 million yen (up 12.6% YoY).

The following is an overview of each segment. The profit for each segment does not include 879 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 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 mid-13 cents range, the lowest level in the current fiscal year, but rose due to the worsening situation in the Middle East and ended the current consolidated fiscal year in the mid-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	March 5, 2026	13.61	47.29	157.60
Closing price	March 31, 2026	15.52	55.05	160.88

(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 consolidated fiscal year at 241 to 243 yen per kilogram.

In this environment, although sales volume for commercial-use products declined for beverages and seasonings, it exceeded the previous consolidated fiscal year as a result of the consolidation of Toyo Sugar Refining Co., Ltd. Sales volume of household products exceeded the previous consolidated 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 consolidation of Toyo Sugar Refining Co., Ltd.

As a result, total revenue in the Sugar Segment was 96,712 million yen (up 15.4% YoY), and segment profit was 11,084 million yen (up 18.9% 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, the Company's proprietary product "Okinawa Amami Kibi Oligo" continued to ship stably, and "Cup Oligo" (galactooligosaccharides) and CI (cyclodextran) established an increased production system at the Mihama Bio Plant. The manufacture and sale of functional food materials, including rutin and hesperidin, at Toyo Sugar Refining Co., Ltd., also remained firm. At TSUKIOKA FILM PHARMA CO., LTD., revenue and profit increased, in part due to progress in passing higher costs on to selling prices.

In the Fitness business, the Company is working to improve advertising and promotional methods for children's school businesses and expand acceptance capacity. Although membership fee revenue remained firm, revenue decreased due to the impact of facility closures implemented in the previous consolidated fiscal year. On the other hand, although impairment of unprofitable facilities was recognized in the current consolidated fiscal year, profit increased because impairment of unprofitable facilities was also recognized in the previous consolidated fiscal year.

In the Warehousing business, revenue and profit increased, in part due to an increase in handling volumes of imported plywood in port transportation.

As a result, total revenue in the Food & Wellness Segment was 16,192 million yen (up 22.0% YoY), and segment profit was 118 million yen (compared with segment loss of 16 million yen in the previous fiscal year).

(2) Overview of financial position for the fiscal year

(Assets)

Current assets as of the end of the current consolidated fiscal year were 40,835 million yen, a decrease of 6,216 million yen from the end of the previous consolidated fiscal year. This was mainly due to decreases of 4,983 million yen in cash and cash equivalents and 1,264 million yen in inventories. Non-current assets were 64,992 million yen, an increase of 1,458 million yen from the end of the previous consolidated fiscal year. This was mainly due to increases of 1,596 million yen in property, plant and equipment and 834 million yen in other financial assets, despite decreases of 578 million yen in investments accounted for using equity method and 488 million yen in right-of-use assets. As a result, total assets were 105,827 million yen, a decrease of 4,757 million yen from the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities as of the end of the current consolidated fiscal year were 24,558 million yen, a decrease of 7,450 million yen from the end of the previous consolidated fiscal year. This was mainly due to decreases of 5,800 million yen in borrowings and 1,881 million yen in trade and other payables. Non-current liabilities were 4,071 million yen, an increase of 82 million yen from the end of the previous consolidated fiscal year. This was mainly due to increases of 273 million yen in deferred tax liabilities and 177 million yen in provisions, despite decreases of 272 million yen in lease liabilities and 102 million yen in retirement benefit liability.

As a result, total liabilities were 28,630 million yen, a decrease of 7,368 million yen from the end of the previous consolidated fiscal year.

(Equity)

Total equity as of the end of the current consolidated fiscal year was 77,197 million yen, an increase of 2,610 million yen from the end of the previous consolidated fiscal year. This was mainly due to profit attributable to owners of parent of 6,472 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 72.9%, up 6.8 percentage points from the end of the previous consolidated fiscal year.

(3) Overview of cash flow for the fiscal year

Cash and cash equivalents at the end of the current fiscal year decreased by 4,983 million yen from the end of the previous consolidated fiscal year to 10,461 million yen. The status of each cash flow for the current consolidated fiscal year is as follows.

(Cash flow from operating activities)

Net cash provided by operating activities was 10,764 million yen (compared with net cash provided of 8,927 million yen in the same period of the previous fiscal year).

The main factors were profit before tax of 9,764 million yen, depreciation and amortization of 2,552 million yen, impairment losses of 465 million yen, share of loss of investments accounted for using equity method of 581 million yen, a decrease in inventories of 1,269 million yen, income taxes paid of -3,065 million yen, and -1,344 million yen resulting from a decrease 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 4,707 million yen (compared with net cash used of 8,977 million yen in the same period of the previous fiscal year).

The main factor was payments of -4,560 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 11,039 million yen (compared with net cash provided of 2,986 million yen in the same period of the previous fiscal year).

The main factors were a net decrease in short-term borrowings of -5,800 million yen, payments of -1,397 million yen for acquisition of interests in subsidiaries from non-controlling interests, and cash dividends paid of -3,588 million yen.

(Reference) Trends in cash flow-related indicators

	FY3/2023	FY3/2024	FY3/2025	FY3/2026
Equity ratio attributable to owners of parent (%)	73.0	74.1	66.1	72.9
Market value-based equity ratio attributable to owners of parent (%)	58.3	79.6	68.5	88.5
Cash flow to interest-bearing debt ratio (Years)	(7.8)	1.6	2.0	1.1
Interest coverage ratio (Times)	(27.3)	81.4	105.8	60.0

Equity ratio attributable to owners of parent: Equity attributable to owners of the parent / Total assets

Market-based equity ratio attributable to owners of parent: Market capitalization of shares / Total assets

Cash flow to interest-bearing debt ratio: Interest-bearing debt / Cash flow

Interest coverage ratio: Cash flow / Interest payments

(Note 1) All indicators are calculated based on consolidated financial figures.

(Note 2) Market capitalization is based on the number of shares outstanding, excluding treasury shares.

(Note 3) Cash flow refers to cash flows from operating activities.

(Note 4) Interest-bearing debt includes all liabilities on which interest is paid, as recorded in the consolidated statement of financial position.

#### (4) Outlook for the Future

In the third year of the medium-term management plan “WELLNEO Vision 2027” (April 2024 - March 2028), the Company Group will steadily advance the strengthening and expansion of both businesses, with the Sugar Segment and Food & Wellness Segment as dual pillars, to realize the “Well-being” of various stakeholders.

Regarding the business environment surrounding the Company Group, while there are signs of a pickup in consumption and improvement in the employment and income environment, energy prices remain high, supply chains continue to be affected, and exchange rate fluctuations persist due to heightened geopolitical risks and prolonged international tensions. The situation is therefore expected to remain uncertain.

Under these circumstances, the Company plans to conduct an absorption-type merger with its consolidated subsidiary Toyo Sugar Refining Co., Ltd. on October 1, 2026, with the Company as the surviving entity. Through this merger, the Company will seek to expand its business foundation and promote the strengthening of competitiveness and the construction of an optimal supply chain, and, as a leading company in Japan’s refined sugar industry, will strive for sustainable growth and improvement in corporate value.

For the forecast of consolidated financial results for the next consolidated fiscal year, the Company expects revenue of 110,000 million yen (down 2.6% YoY), operating profit of 9,200 million yen (down 10.9% YoY), profit before tax of 9,400 million yen (down 3.7% YoY), and profit attributable to owners of parent of 6,500 million yen (up 0.4% YoY).

The overview by segment is provided below. Segment profits do not include 1,000 million yen in company-wide expenses.

##### [Sugar Segment]

In the mainstay Sugar Segment, the industry environment remains uncertain due to concerns over unfavorable weather in major producing countries, heightened geopolitical risks, rising costs across energy and packaging materials, exchange rate fluctuations, and other factors. The Company Group will continue to give the highest priority to fulfilling its social responsibility by consistently supplying safe sugar, a daily necessity, to consumers, while working to procure raw materials on favorable terms and to reflect cost increases in selling prices, and will strive for profitability-focused management.

In addition, through the absorption-type merger of Toyo Sugar Refining Co., Ltd., the Company will promote optimization in procurement, production, logistics, and sales under a framework of five production bases nationwide, seek to address cost increases, promote the development and enhancement of a data utilization foundation through the integration of core systems, and work to realize operational efficiency and productivity improvements. Furthermore, the Company will strengthen the product and sales capabilities of high-value-added products, including “Kibi Sato,” and aim to improve business results by expanding integration synergies.

The Company will continue working to improve management efficiency and quality so that it can appropriately respond to the expected acceleration of industry restructuring.

As a result, the Company expects revenue in the Sugar Segment of 94,500 million yen and segment profit of 9,600 million yen.

##### [Food & Wellness Segment]

In the Food & Wellness Segment, the Company will contribute to improving people’s quality of life by promoting health. In particular, in the Food Science business, the Company is advancing the development of new applications for flora design materials that improve the intestinal and oral environments and functional materials that utilize glycosyl transfer technology, while working to solve customer issues, and aims to grow this business into a pillar of earnings following the Sugar Segment.

Regarding the strengthening of production capacity, full-scale production of “Cup Oligo” (galactooligosaccharides) began at the Mihama Bio Plant in April 2025, and CI (cyclodextran) production also began at the same plant in April 2026. Furthermore, at Toyo Sugar Refining Co., Ltd., which is scheduled to be absorbed through an absorption-type merger in October 2026, construction of a new plant for functional materials has begun, and the Company will strengthen the supply system with the aim of full-scale operation in April 2027.

In addition, the Company will restructure the organizational framework of the functional materials business and, by making maximum use of the Group’s knowledge following the absorption-type merger, strongly promote the Food Science business as the Company’s growth engine. The “edible films” of the consolidated subsidiary TSUKIOKA FILM PHARMA CO., LTD. are increasingly being adopted in the pharmaceutical industry, and being utilized as alternatives to plastics.

In the Fitness business, although the number of members is increasing, the business environment remains challenging as formats continue to diversify, including the emergence of competing services. The Company will provide spaces for health and physical fitness development that meet needs, while also conducting advertising and promotional activities to attract customer traffic. It will strive to strengthen children’s school businesses at comprehensive-type facilities and pursue profitability-focused management, aiming for an early recovery in business performance.

As a result, the Company expects revenue in the Food & Wellness Segment of 15,500 million yen and segment profit of 600 million yen.

(5) Basic policy on profit distribution and dividends for the current and next fiscal years

	Dividends per share		
	2nd quarter-end	Fiscal year-end	Total
Year ended March 31, 2026 (plan)	54.00 yen	65.00 yen	119.00 yen
Year ending March 31, 2027 (forecast)	60.00 yen	59.00 yen	119.00 yen

Please refer to the “Notice Regarding Dividends from Surplus” announced today (May 14, 2026) regarding the above. When calculating dividends per share, the number of treasury shares excludes shares of the Company held by the officers’ share delivery trust (RS trust).

\*Dividend forecasts are based on information currently available to the Company and on certain assumptions deemed reasonable. Actual dividends may differ due to various factors.

a. Dividends for the fiscal year under review

In our “Basic Policy on Capital Management,” the Company aims to improve ROE (return on equity attributable to owners of the parent) over the medium to long term, while balancing growth investments and shareholder returns. Regarding profit distribution, the Company sets the standard for dividends as the greater of a 60% consolidated dividend payout ratio (DPR) or a 3% dividend on equity attributable to owners of the parent (DOE).

As a result of applying the above policy to the financial results, and given better performance than the previous forecast and an increase in profit attributable to owners of the parent, the annual dividend will be 119 yen per share, an increase of 11 yen from the previous forecast of 108 yen.

Accordingly, the year-end dividend per share will be calculated as 119 yen minus the interim dividend of 54 yen, resulting in a year-end dividend of 65 yen per share.

The year-end dividend will be proposed at the 15th Annual General Meeting of Shareholders scheduled to be held on June 25, 2026.

The formula for calculating the full-year dividend per share for the fiscal year under review is as follows:

[Formula for calculating full-year dividend per share (current fiscal year)]

Standard based on consolidated dividend payout ratio (DPR) of 60%

60% of basic earnings per share for the fiscal year of 197.34 yen = 119 yen (rounded up to the nearest yen)

Standard based on dividend on equity attributable to owners of the parent (DOE) of 3%

3% of net assets per share attributable to owners of the parent of 2,353.72 yen = 71 yen (rounded up to the nearest yen)

As the 119 yen based on the DPR standard is greater, the full-year dividend per share is set at 119 yen.

Deducting the interim dividend of 54 yen, which was announced on November 7, 2025 and paid in December 2025, the year-end dividend per share is set at 65 yen.

In addition, to further promote understanding and support for our group’s products among shareholders holding unit shares and to enhance the attractiveness of investing in the Company’s stock, encouraging more shareholders to hold our shares over the long term, we have introduced a shareholder benefit program.

b. Dividends for the next fiscal year

For the next fiscal year (fiscal year ending March 31, 2027), the full-year dividend is forecast to be 119 yen per share, consisting of an interim dividend of 60 yen and a year-end dividend of 59 yen.

The formula for calculating the forecasted full-year dividend per share for the next fiscal year is as follows:

[Formula for calculating forecasted full-year dividend per share (next fiscal year)]

Standard based on consolidated dividend payout ratio (DPR) of 60%

60% of forecasted basic earnings per share of 198.18 yen = 119 yen (rounded up to the nearest yen)

Standard based on dividend on equity attributable to owners of the parent (DOE) of 3%

3% of forecasted net assets per share attributable to owners of the parent of 2,450.79 yen = 74 yen (rounded up to the nearest yen)

As the 119 yen based on the DPR standard is greater, the forecasted full-year dividend per share is set at 119 yen.

Accordingly, 60 yen, which is 50% of the forecast annual dividend per share (amounts less than 1 yen rounded up), will be the forecast interim dividend per share, and the remaining 59 yen will be the forecast year-end dividend.

## 2. Fundamental Approach to the Selection of Accounting Standards

The Group has adopted International Financial Reporting Standards (IFRS) since the fiscal year ended March 2020, to appropriately reflect performance and improve comparability and analytical convenience for a broad range of investors, including overseas investors.

### 3. Consolidated Financial Statements and Main Notes

(1) Consolidated statement of financial position

	(Millions of yen)	
	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and cash equivalents	15,445	10,461
Trade and other receivables	9,035	8,751
Other financial assets	846	886
Inventories	21,108	19,844
Other current assets	615	533
Subtotal	47,051	40,477
Assets held for sale	—	357
Total current assets	47,051	40,835
Non-current assets		
Property, plant and equipment	19,718	21,315
Right-of-use assets	1,697	1,209
Goodwill	13,769	13,553
Intangible assets	220	465
Investments accounted for using equity method	16,861	16,283
Other financial assets	9,503	10,338
Retirement benefit asset	234	1
Deferred tax assets	157	211
Trade and other receivables	20	25
Other non-current assets	1,349	1,588
Total non-current assets	63,533	64,992
Total assets	110,585	105,827

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	15,810	10,010
Trade and other payables	10,940	9,058
Lease liabilities	771	487
Other financial liabilities	97	73
Income taxes payable	1,674	1,903
Provisions	5	—
Other current liabilities	2,710	3,025
Total current liabilities	32,009	24,558
Non-current liabilities		
Trade and other payables	33	29
Lease liabilities	1,175	902
Other financial liabilities	95	98
Retirement benefit liability	614	512
Provisions	443	621
Deferred tax liabilities	1,562	1,835
Other non-current liabilities	64	71
Total non-current liabilities	3,989	4,071
Total liabilities	35,998	28,630
Equity		
Capital stock	7,000	7,000
Capital surplus	31,255	31,343
Treasury shares	(662)	(161)
Other components of equity	1,914	2,624
Retained earnings	33,566	36,391
Total equity attributable to owners of parent	73,074	77,197
Non-controlling interests	1,512	—
Total equity	74,586	77,197
Total liabilities and equity	110,585	105,827

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

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Revenue	97,069	112,904
Cost of sales	77,595	89,125
Gross profit	19,474	23,778
Selling, general and administrative expenses	10,964	12,886
Other operating income	409	63
Other operating expenses	713	631
Operating profit	8,206	10,324
Finance income	185	208
Finance costs	84	186
Share of profit (loss) of investments accounted for using equity method	252	(581)
Profit before tax	8,558	9,764
Income tax expense	2,811	3,255
Profit	5,746	6,508
Profit attributable to		
Owners of parent	5,746	6,472
Non-controlling interests	—	36
Profit	5,746	6,508
Earnings per share		
Basic earnings per share (Yen)	175.61	197.88

## (Consolidated statements of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	5,746	6,508
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	95	759
Remeasurements of defined benefit plans	73	(145)
Share of other comprehensive income of investments accounted for using equity method	2	26
Total of items that will not be reclassified to profit or loss	171	640
Items that may be reclassified to profit or loss		
Cash flow hedges	168	152
Total of items that may be reclassified to profit or loss	168	152
Other comprehensive income	340	793
Comprehensive income	6,087	7,302
Comprehensive income attributable to		
Owners of parent	6,087	7,264
Non-controlling interests	—	37
Comprehensive income	6,087	7,302

## (3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Equity attributable to owners of parent					Financial assets measured at fair value through other comprehensive income
	Capital stock	Capital surplus	Treasury shares	Other components of equity		
				Cash flow hedges		
Balance as of April 1, 2024	7,000	34,690	(3,528)	155		1,776
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	168	—	98
Total comprehensive income	—	—	—	168	—	98
Purchase of treasury shares	—	—	(889)	—	—	—
Disposal of treasury shares	—	31	281	—	—	—
Cancellation of treasury shares	—	(3,473)	3,473	—	—	—
Dividends	—	—	—	—	—	—
Share-based remuneration transactions	—	8	—	—	—	—
Increase (decrease) by business combination	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	(75)
Changes in ownership interest in subsidiaries	—	—	—	—	—	—
Transfer to non-financial assets	—	—	—	(209)	—	—
Total transactions with owners	—	(3,434)	2,865	(209)	—	(75)
Balance as of March 31, 2025	7,000	31,255	(662)	114	—	1,799

	Equity attributable to owners of parent				Non-controlling interests	Total equity
	Other components of equity		Retained earnings	Total		
	Remeasurements of defined benefit plans	Total				
Balance as of April 1, 2024	—	1,932	31,012	71,107	—	71,107
Profit	—	—	5,746	5,746	—	5,746
Other comprehensive income	73	340	—	340	—	340
Total comprehensive income	73	340	5,746	6,087	—	6,087
Purchase of treasury shares	—	—	—	(889)	—	(889)
Disposal of treasury shares	—	—	—	312	—	312
Cancellation of treasury shares	—	—	—	—	—	—
Dividends	—	—	(3,342)	(3,342)	—	(3,342)
Share-based remuneration transactions	—	—	—	8	—	8
Increase (decrease) by business combination	—	—	—	—	1,512	1,512
Transfer from other components of equity to retained earnings	(73)	(148)	148	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	—	—	—
Transfer to non-financial assets	—	(209)	—	(209)	—	(209)
Total transactions with owners	(73)	(358)	(3,193)	(4,120)	1,512	(2,608)
Balance as of March 31, 2025	—	1,914	33,566	73,074	1,512	74,586

	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	—	—	—	152	784
Total comprehensive income	—	—	—	152	784
Purchase of treasury shares	—	—	(186)	—	—
Disposal of treasury shares	—	2	681	—	—
Cancellation of treasury shares	—	—	—	—	—
Dividends	—	—	—	—	—
Share-based remuneration transactions	—	18	6	—	—
Increase (decrease) by business combination	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	(85)
Changes in ownership interest in subsidiaries	—	65	—	—	—
Transfer to non-financial assets	—	—	—	(142)	—
Total transactions with owners	—	87	500	(142)	(85)
Balance as of March 31, 2026	7,000	31,343	(161)	125	2,498

	Equity attributable to owners of parent					Total equity
	Other components of equity		Retained earnings	Total	Non-controlling interests	
	Remeasurements of defined benefit plans	Total				
Balance as of April 1, 2025	—	1,914	33,566	73,074	1,512	74,586
Profit	—	—	6,472	6,472	36	6,508
Other comprehensive income	(145)	792	—	792	1	793
Total comprehensive income	(145)	792	6,472	7,264	37	7,302
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	—	—	—	24	—	24
Increase (decrease) by business combination	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	145	59	(59)	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	65	(1,549)	(1,484)
Transfer to non-financial assets	—	(142)	—	(142)	—	(142)
Total transactions with owners	145	(82)	(3,647)	(3,142)	(1,549)	(4,691)
Balance as of March 31, 2026	—	2,624	36,391	77,197	—	77,197

## (4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before tax	8,558	9,764
Depreciation and amortization	2,349	2,552
Impairment losses	589	465
Gain on bargain purchase	(181)	—
Finance income	(185)	(208)
Finance expenses	84	186
Share of loss (profit) of investments accounted for using equity method	(252)	581
Decrease (increase) in inventories	(1,971)	1,269
Decrease (increase) in trade and other receivables	987	276
Increase (decrease) in trade and other payables	2,536	(1,621)
Other, net	(550)	525
Subtotal	11,964	13,791
Interest and dividend income received	127	211
Interest expenses paid	(87)	(173)
Income taxes paid	(3,077)	(3,065)
Net cash provided by operating activities	8,927	10,764
Cash flows from investing activities		
Purchase of property, plant and equipment, and intangible assets	(2,820)	(4,560)
Payments for disposal of property, plant and equipment	(41)	(46)
Proceeds from sales of property, plant and equipment	6	0
Purchase of investment securities	(27)	(31)
Proceeds from sale and redemption of investment securities	204	450
Payments for acquisition of subsidiaries	(6,259)	—
Other, net	(40)	(519)
Net cash used in investing activities	(8,977)	(4,707)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	7,810	(5,800)
Purchase of treasury shares	(889)	(186)
Proceeds from the disposal of treasury shares	235	683
Repayments of lease liabilities	(832)	(751)
Cash dividends paid	(3,337)	(3,588)
Payments for acquisition of interests in subsidiaries from non-controlling interests	—	(1,397)
Net cash used in financing activities	2,986	(11,039)
Increase (decrease) in cash and cash equivalents	2,935	(4,983)
Cash and cash equivalents at the beginning of the period	12,509	15,445
Cash and cash equivalents at the end of the period	15,445	10,461

(5) Notes to 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 consolidated fiscal year.

In connection with the finalization of this provisional accounting treatment, the revision to the initial allocation of the acquisition cost has been reflected in the comparative information included in the consolidated financial statements, resulting in increases of 29 million yen in property, plant and equipment, 296 million yen in investments accounted for using equity method, 9 million yen in deferred tax liabilities, and 41 million yen in non-controlling interests.

As a result, goodwill decreased by 93 million yen, and retained earnings (negative goodwill) increased by 181 million yen.

In addition, in the consolidated statement of income for the previous consolidated fiscal year, operating profit, profit before tax, profit, and profit attributable to owners of parent each increased by 181 million yen, and in the consolidated statement of comprehensive income, comprehensive income and comprehensive income attributable to owners of parent each increased by 181 million yen.

(Additional information)

(Establishment of an Impact Neutralization Trust<sup>®</sup> 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<sup>®</sup> (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 consolidated fiscal year. Of these, 291,100 shares were sold during the current consolidated fiscal year, 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 consolidated fiscal year is immaterial. In addition, the impact on capital surplus of gains and losses on the disposal of treasury shares during the current consolidated fiscal year 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 fiscal year.

(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 consolidated fiscal year 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

Revenue and business performance by the Company Group's reportable segments are as follows.

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

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 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	83,800	13,269	97,069	—	97,069
Intersegment revenues	24	117	141	(141)	—
Total	83,824	13,386	97,211	(141)	97,069
Segment profit (loss) (Note 1)	9,323	(16)	9,306	(1,100)	8,206
Finance income	—	—	—	—	185
Finance costs	—	—	—	—	84
Share of profit (loss) of investments accounted for using equity method	—	—	—	—	252
Profit before tax	—	—	—	—	8,558
Segment assets	79,555	14,689	94,245	16,339	110,585
Other items					
Depreciation and amortization	1,531	793	2,325	24	2,349
Impairment losses	—	589	589	—	589
Investments accounted for using equity method	16,289	572	16,861	—	16,861
Capital expenditures	2,356	720	3,076	2	3,079

Note 1: Segment profit (loss) is consistent with the operating profit in the consolidated financial statements.

2: The adjustment amounts are as follows.

① The adjustment amount for segment profit (loss) includes company-wide expenses that have not been allocated to each reportable segment.

② The adjustment amount for segment assets represents corporate assets that are not attributable to any reportable segment, and the elimination of intersegment receivables and payables.

3: Capital expenditures do not include increases in assets due to Toyo Sugar Refining Co., Ltd. becoming a consolidated subsidiary.

4: In the current consolidated fiscal year, the provisional accounting treatment related to the business combination was finalized, and segment information for the previous consolidated fiscal year is based on the amounts after reflecting significant revisions to the initial allocation of the acquisition cost due to the finalization of the provisional accounting treatment.

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

	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	96,712	16,192	112,904	—	112,904
Intersegment revenues	40	127	168	(168)	—
Total	96,752	16,320	113,072	(168)	112,904
Segment profit (loss) (Note 1)	11,084	118	11,203	(879)	10,324
Finance income	—	—	—	—	208
Finance costs	—	—	—	—	186
Share of profit (loss) of investments accounted for using equity method	—	—	—	—	(581)
Profit before tax	—	—	—	—	9,764
Segment assets	79,521	15,386	94,907	10,919	105,827
Other items					
Depreciation and amortization	1,666	841	2,507	44	2,552
Impairment losses	37	428	465	—	465
Investments accounted for using equity method	15,948	334	16,283	—	16,283
Capital expenditures	3,070	1,291	4,362	—	4,362

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

2: The adjustment amounts are as follows.

- ① The adjustment amount for segment profit (loss) includes company-wide expenses that have not been allocated to each reportable segment.
- ② The adjustment amount for segment assets represents corporate assets that are not attributable to any reportable segment, and the elimination of intersegment receivables and payables.

(Per share information)

The basis for calculating basic earnings per share is as follows:

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit attributable to owners of the parent (millions of yen)	5,746	6,472
Weighted average number of common shares outstanding	32,726,628	32,708,684
Basic earnings per share (yen)	175.61	197.88

Note.1: Diluted earnings per share is not presented as there are no potentially dilutive shares.

2: In calculating per share information, the number of treasury shares includes shares of the Company held by the Impact Neutralization Trust<sup>®</sup> and the officers' share delivery trust (RS trust).

(Previous consolidated fiscal year: average of 51,800 shares during the period; current consolidated fiscal year: average of 89,291 shares during the period).

3: In the current consolidated fiscal year, the provisional accounting treatment related to the business combination was finalized, and amounts for the previous consolidated fiscal year are based on the amounts after reflecting significant revisions to the initial allocation of the acquisition price due to the finalization of the provisional accounting treatment.

(Material subsequent events)

Not applicable.