

Supplementary Materials:
Financial Results for the Nine Months Ended
September 30, 2025



October 29, 2025

Kanro Inc.

(TSE: 2216)

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“1H” refers to the period from January to June, Q3 refers to the period from January to September, and “2H” refers to the period from July to December in the materials.

Summary of FY2025 (Jan. to Sep. 2025)



◆ Market environment

- Candy market: YoY growth continued (total up 11.0%, of which, Hard candy up 5.5%, Gummies up 16.1%) *1,3
- Our market share (2024 share in parentheses): Total candy market 11.3% (11.9%), Hard candy 19.1% (19.3%), Gummies 14.8% (16.2%) *2,3

*1: INTAGE Inc. SRI+; Candy market YoY change in sales amount by type (Jan.–Sep. total for 2024 and 2025)
*2: INTAGE Inc. SRI+; Candy market Kanro's share in sales amount by type (Jan.–Sep. total for 2024 and 2025)
*3: Figures for Kanro's marshmallow products are not included.

◆ Status of company business

- Feb.: Announced the long-term vision “Kanro Vision 2.0” and “Medium-term Corporate Strategy 2030,” and a new gummy line at Asahi Plant
- Mar.: *Puré Gummy* commercial aired (Internet pre-release from Mar. 27; TV commercial aired from Apr. 4)
- May: Established U.S. local subsidiary, Kanro America Inc.
- Jun.: Held Kanro's first IR Day (business briefing session); Exhibited at Summer Fancy Food Show 2025 in New York
- Jul.: Three-for-one share split of common stock effective; *Marosh* brand renewal
- Aug.: Integrated Report 2025 received Gold Awards in two categories at the ARC Awards
- Sep.: Launched *Kanro Ame* 70th Anniversary Project; Corporate website renewal



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Main factors behind performance changes in FY2025 (Jan. to Sep. 2025)(YoY)



◆ Progress against financial results forecast

- Net sales: Steady progress in line with strong performance by mainstay brands of both hard candy and gummies
- Operating profit: Steady progress in line with increased sales sufficient to offset higher costs

◆ Year on year (increase in net sales, increase in profits)

- Net sales: 24,300 million yen (net sales up 7.6%)
 - ✓ Hard candy: (net sales up 6.9%)
 - Mainstay brand of *Non-Sugar* brand throat drop sold well, with strong sales of *Kanro Ame* through the 70th Anniversary Project.
 - ✓ Gummies: (net sales up 7.5%)
 - Mainstay brands, *Puré Gummy* series and *Candemina Gummy* series, performed well, amid intensifying competition with other companies.
 - *Marosh*, which had continued to struggle year on year, began to grow in the second half due to its July rebranding and PR efforts.
- Operating profit / Ordinary profit / Profit: Exceeded year on year
 - ✓ The increase in depreciation burden from the expanded gummies production building at Matsumoto Plant and the increase in labor and other fixed costs due to higher wages were absorbed by higher sales.
 - ✓ The increase in freight/storage costs and advertising expenses, as well as higher personnel expenses and expenses related to initiatives ahead of business domain expansion and management foundation development, were absorbed by higher sales.
 - ✓ There was a reactionary decrease from extraordinary income arising from reduction of strategic shareholdings.

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Performance summary of FY2025 (Jan. to Sep. 2025)

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Unit: JPY mn

	FY2025				FY2024	
	Jan.–Sep. Actual	% of total	YoY	YoY %	Jan.–Sep. Actual	% of total
Net sales	24,392	100.0%	1,713	7.6%	22,679	100.0%
Cost of sales	14,123	57.9%	834	6.3%	13,289	58.6%
Freight and storage costs	1,512	6.2%	167	12.5%	1,344	5.9%
Advertising expenses	499	2.0%	87	21.1%	412	1.8%
Other selling expenses	284	1.2%	66	30.4%	217	1.0%
Personnel expenses	3,003	12.3%	181	6.4%	2,822	12.4%
Other expenses	1,627	6.7%	181	12.6%	1,445	6.4%
Operating profit	3,341	13.7%	194	6.2%	3,147	13.9%
Ordinary profit	3,380	13.9%	211	6.7%	3,169	14.0%
Profit	2,366	9.7%	32	1.4%	2,334	10.3%

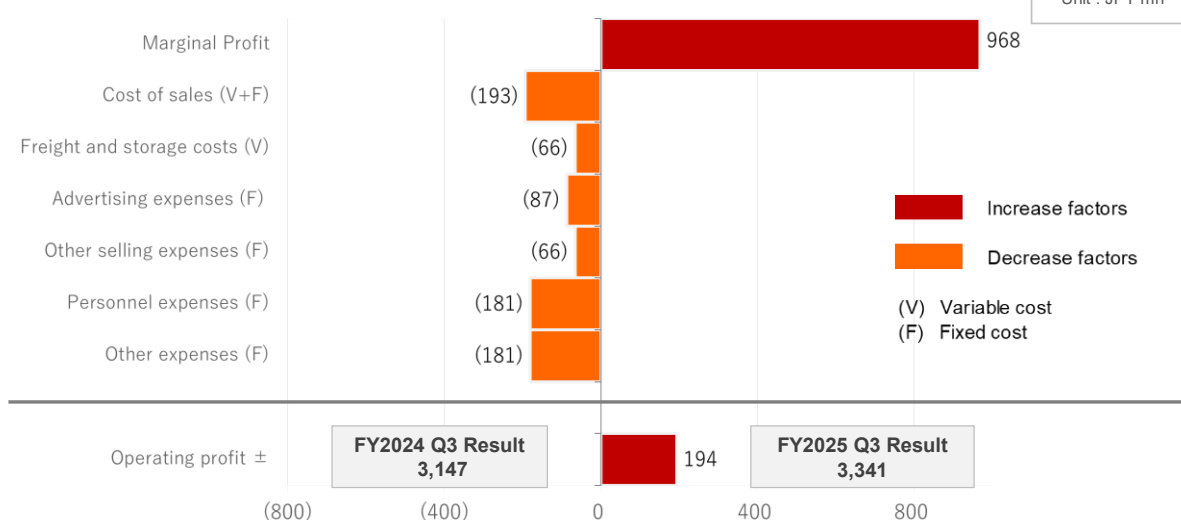
* The values displayed in these materials are truncated at the JPY mn level, so the breakdowns and totals may not always match completely.

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Factors of changes in OP (FY2024 Q3 Result vs FY2025 Q3 Result)

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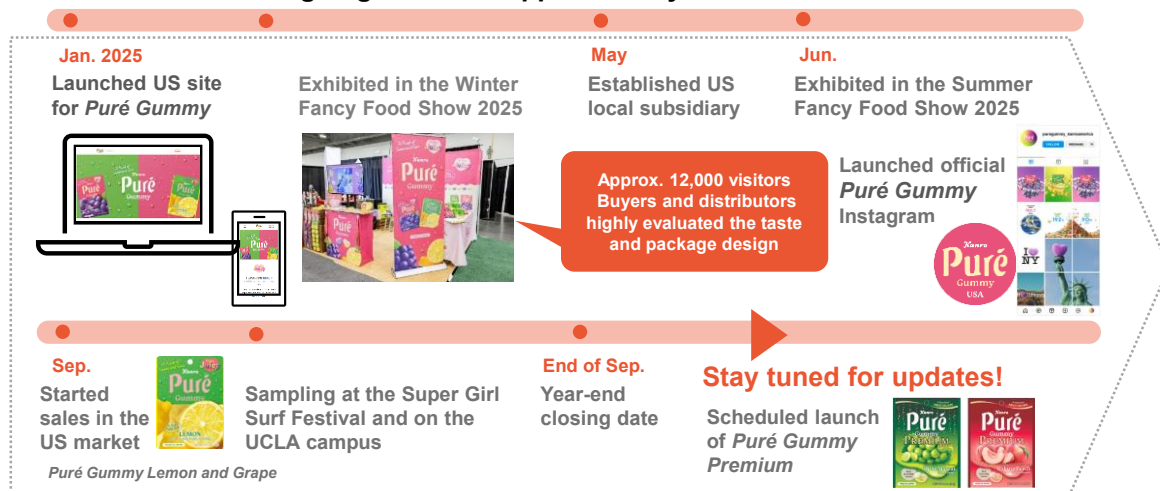
Unit : JPY mn



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Timeline for US market expansion

Toward a full-scale entry into the US market with *Puré Gummy*
Ongoing efforts to approach buyers and consumers



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Appendix

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Year-on-year change for mainstay brands (retail sales amount)

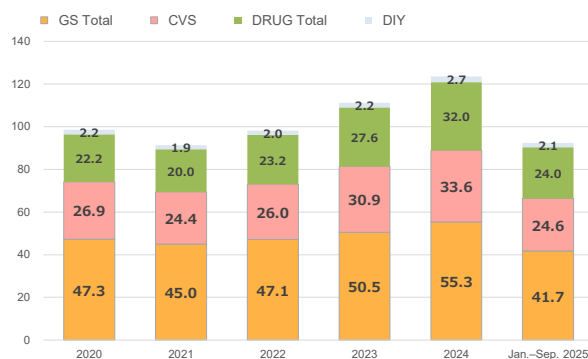
Hard candy brand	Jan.–Sep. Actual (YoY)	Gummy brand	Jan.–Sep. Actual (YoY)
<i>Kenko Nodoame</i> series 	101.1%	<i>Puré Gummy</i> 	107.0%
<i>Non-Sugar</i> brand throat drop 	103.1%	<i>Candemina Gummy</i> 	101.1%
<i>Kinno Milk</i> candy 	100.9%	-	-
<i>Kanro Ame</i> 	96.7%	-	-

* INTAGE Inc. SRI+: Estimated sales in Hard candy and Gummy markets, 2024–2025 (Jan.–Sep. total for each year)

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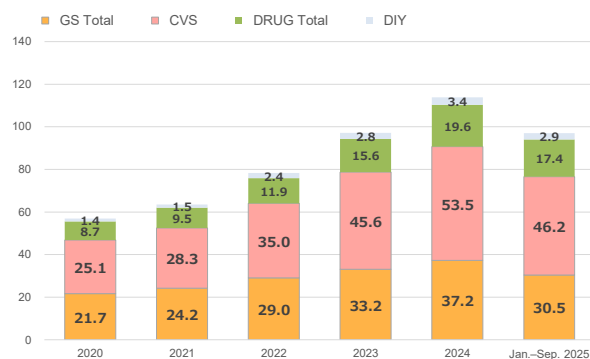
Hard candy + Gummies market: Trends in sales amount by business category

◆ Hard candy



◆ Gummies

Unit: Bln. yen



* INTAGE Inc. SRI+: Changes in sales amount by business category for Hard candy and Gummies, 2020–2024 (Jan.–Dec. total for each year), 2025 (Jan.–Sep. total)

* GS: Grocery store, CVS: Convenience store, DRUG: Pharmacy/Drugstore, DIY: DIY store

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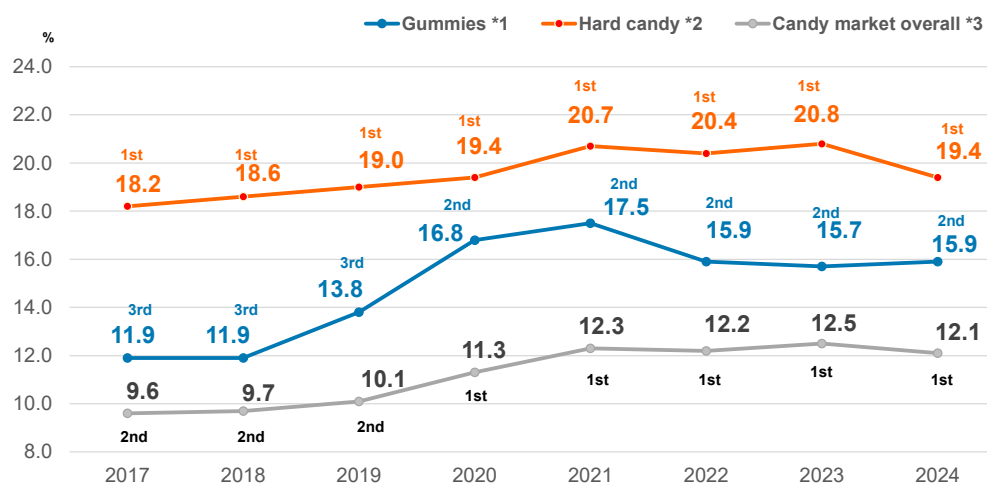
Price revisions and content changes for major products

*The actual retail price is the open price.

Revision month	Main target brands (hard candy)	Main target brands (gummies)	Notes
Sep–Oct 2022	<i>Kenko Nodame series, Kinno Milk candy, healthy throat drops, Non-Sugar brand throat drops, etc.</i>	<i>Puré Gummy, Candemina Gummy, Marosh</i>	MSRP increased by about 3–10%
Mar 2023	<i>Kenko Ume Nodame, Morimoriyama Fruit Candy, etc.</i>	<i>Puré Gummy, Candemina Gummy, Marosh</i>	MSRP increased by about 3–13%
Feb 2024	<i>Kinno Milk candy</i>	<i>Puré Gummy, Candemina Gummy</i>	MSRP increased by about 3–16%
Apr 2024	—	HITOTUBU KANRO products <i>Gummi-tzel, etc.</i>	<i>Gummi-tzel box set (containing six pieces)</i> JPY900 → JPY1,000 yen, other
Sep–Oct 2024	Stick form • <i>Kenko Ume Nodame</i> • <i>Honey Lemon C throat drops</i> <i>Kinno Milk candy matcha latte</i>	—	Changes made to some healthy snacks as well

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Trends in Kanro's share among manufacturers (retail sales amount)



*1: INTAGE Inc. SRI+ Gummy market Jan.–Dec. total for 2017–2024, share of sales amount by type (Composition)

*2: INTAGE Inc. SRI+ Hard candy market Jan.–Dec. total for 2017–2024, share of sales amount by type (Composition)

*3: INTAGE Inc. SRI+ Candy market Jan.–Dec. total for 2017–2024, share of sales amount

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(Supplementary Materials 1) 【Summary of Financial Results】

Quarterly

Unit: Million yen

	FY2024					FY2025					FY2024 Q3 vs. FY2025 Q3	
	Non-consolidated					Non-consolidated				Consolidated	YoY	YoY%
	Q 1	Q 2	Q 3	Q 4	Full year	Q 1	Q 2	Q 3	Q 4	Full year (Forecast)		
Net sales	7,613	7,949	7,116	9,098	31,778	8,205	8,520	7,667		34,100	1,713	7.6%
Hard candy	3,938	3,510	3,170	5,195	15,815	4,263	3,766	3,320		-	729	6.9%
Gummies *1	3,538	4,235	3,751	3,691	15,217	3,764	4,507	4,115		-	861	7.5%
Healthy snacks	135	195	192	207	730	173	244	227		-	122	23.4%
Other *2	0	7	2	4	14	3	2	3		-	(1)	(6.5)%
Cost of sales	4,355	4,666	4,267	5,303	18,592	4,674	4,896	4,552		-	834	6.3%
Cost of sales margin (%)	57.2	58.7	60.0	58.3	58.5	57.0	57.5	59.4		-	-	(0.7)pt
Gross profit	3,258	3,283	2,848	3,795	13,186	3,531	3,623	3,114		-	879	9.4%
Operating profit	1,212	1,130	804	1,136	4,284	1,397	1,266	677		4,400	194	6.2%
Operating profit margin (%)	15.9	14.2	11.3	12.5	13.5	17.0	14.9	8.8		12.9	-	(0.2)pt
Ordinary profit	1,217	1,138	814	1,145	4,315	1,407	1,272	701		4,450	211	6.7%
Profit (Profit attributable to owners of parent)	941	825	567	925	3,260	993	881	492		3,300	32	1.4%

*Quarterly results represent simple differences. Starting from Q4, consolidated profit and loss figures will be presented.

*1 The data is included marshmallow products.

*2 "Other" refers to miscellaneous products other than foods.

1H/2H

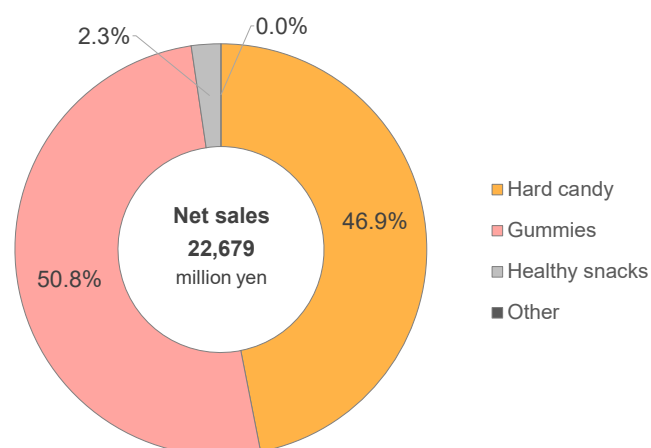
Unit: Million yen

	FY2024 (Actual)			FY2025			FY2024 vs. FY2025	
	Non-consolidated			Non-consolidated	Consolidated	Consolidated	1H (YoY%)	2H (YoY%)
	1H	2H	Full year	1H (Actual)	2H (Forecast)	Full year		
Net sales	15,563	16,215	31,778	16,725	17,374	34,100	7.5%	7.1%
Operating profit	2,343	1,940	4,284	2,664	1,735	4,400	13.7%	(10.6)%
Operating profit margin (%)	15.1	12.0	13.5	15.9	10.0	12.9	0.9 pt	(2.0)pt
Ordinary profit	2,355	1,959	4,315	2,679	1,770	4,450	13.7%	(9.6)%
Profit (Profit attributable to owners of parent)	1,767	1,492	3,260	1,874	1,425	3,300	6.1%	(4.5)%

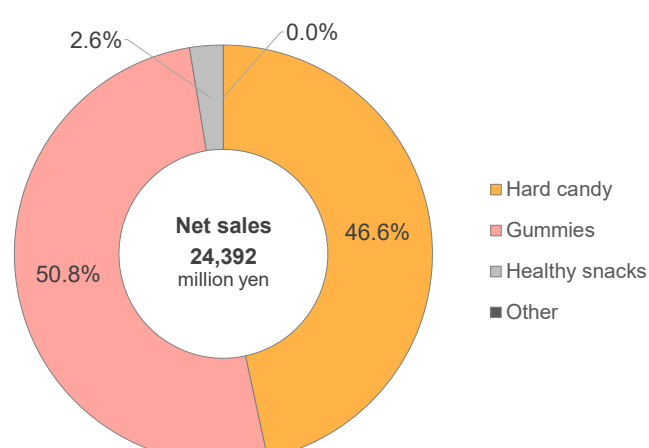
*Results and forecast for the second half represent simple differences. Starting from Q4, the second-half forecast will reflect consolidated profit and loss figures.

Composition of Net sales Jan. to Sep.

FY2024 Q3



FY2025 Q3



(Supplementary Materials 2) 【Non-consolidated Statements of Income】

Unit: Million yen

			FY2024 Q3		FY2025 Q3		FY2024 Q3 vs. FY2025 Q3	
			Amount	%	Amount	%	YoY	YoY%
Net sales			22,679	100.0%	24,392	100.0%	1,713	7.6%
Cost of sales			13,289	58.6%	14,123	57.9%	834	6.3%
Gross profit			9,390	41.4%	10,269	42.1%	879	9.4%
		Freight and storage costs	1,344	5.9%	1,512	6.2%	167	12.5%
		Advertising expenses	412	1.8%	499	2.0%	87	21.1%
		Other selling expenses	217	1.0%	284	1.2%	66	30.4%
		Total selling expenses	1,975	8.7%	2,296	9.4%	321	16.3%
		Personnel expenses	2,822	12.4%	3,003	12.3%	181	6.4%
		Other expenses	1,445	6.4%	1,627	6.7%	181	12.6%
		General and administrative expenses	4,267	18.8%	4,631	19.0%	363	8.5%
	Selling, general and administrative expenses		6,243	27.5%	6,927	28.4%	684	11.0%
	Operating profit		3,147	13.9%	3,341	13.7%	194	6.2%
		Non-operating income	27	0.1%	45	0.2%	17	64.6%
Non-operating expenses		5	0.0%	6	0.0%	1	20.2%	
Non-operating income and expenses		22	0.1%	39	0.2%	16	75.4%	
Ordinary profit		3,169	14.0%	3,380	13.9%	211	6.7%	
		Gain on sale of non-current assets	-	-	0	0.0%	0	-
		Gain on sale of investment securities	75	0.3%	21	0.1%	(54)	(71.6)%
		Gain on sale of membership	0	0.0%	-	-	(0)	-
		Extraordinary income	76	0.3%	21	0.1%	(54)	(71.8)%
		Loss on sale of non-current assets	0	0.0%	-	-	(0)	-
		Loss on retirement of non-current assets	3	0.0%	3	0.0%	(0)	(6.8)%
		Impairment losses	10	0.0%	46	0.2%	35	337.4%
		Extraordinary losses	14	0.1%	50	0.2%	35	248.3%
	Extraordinary income and losses		62	0.3%	(28)	-	(90)	-
	Profit before income taxes		3,231	14.2%	3,352	13.7%	120	3.7%
Total income taxes		896	4.0%	985	4.0%	88	9.9%	
Profit		2,334	10.3%	2,366	9.7%	32	1.4%	

(Supplementary Materials 3) 【Financial Indicators FY2021—FY2025/Forecast】

(FY2025 figures forecast; all others actual)

		Non-consolidated				Consolidated forecast
Fiscal Year	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Net sales	million yen	21,589	25,118	29,015	31,778	34,100
Net sales YoY	%	9.9	16.3	15.5	9.5	7.3
Gross profit	million yen	8,353	9,674	11,738	13,186	—
Gross profit margin	%	38.7	38.5	40.5	41.5	—
Operating profit	million yen	1,254	1,933	3,388	4,284	4,400
Operating profit margin	%	5.8	7.7	11.7	13.5	12.9
EBITDA	*1 million yen	2,370	3,080	4,599	5,787	6,019
Ordinary profit	million yen	1,291	2,001	3,432	4,315	4,450
Profit (Profit attributable to owners of parent)	million yen	879	1,346	2,462	3,260	3,300
Profit YoY (Profit attributable to owners of parent YoY)	%	44.3	53.2	82.9	32.4	1.2
Net assets	million yen	11,750	12,555	14,533	16,831	—
Total assets	million yen	21,200	22,315	25,839	29,105	—
Equity ratio	%	55.4	56.3	56.2	57.8	—
Net assets per share	*2 yen	277.74	301.74	347.98	399.42	—
Basic earnings per share	*2 yen	20.78	32.03	59.03	77.52	78.31
ROA	*3 %	4.3	6.2	10.2	11.9	—
ROIC	*3 %	7.3	10.9	18.2	20.5	16.5
ROE	*3 %	7.7	11.1	18.2	20.8	18.3
PER	times	12.7	11.5	11.7	15.3	—
PBR	times	0.96	1.22	1.99	2.97	—
Cash flows from operating activities	million yen	2,620	2,373	3,935	4,398	—
Cash flows from investing activities	million yen	(1,002)	(1,116)	(1,839)	(2,169)	—
Cash flows from financing activities	million yen	(770)	(1,106)	(585)	(1,009)	—
Cash and cash equivalents at end of period	million yen	2,099	2,250	3,761	4,981	—
Number of employees	persons	608	608	639	678	—
Average number of temporary employees excluded from the number of employees	persons	(137)	(141)	(149)	(162)	—
Capital investment	million yen	914	1,052	1,856	2,950	—
Depreciation	million yen	1,115	1,149	1,216	1,508	—
Research and development expenses	million yen	710	755	771	786	—
Total number of issued shares at the end of the period (not including treasury shares)	*2 number of shares	42,307,008	41,608,284	41,766,303	42,139,314	—
Dividends per share	*2 yen	6.67	10.50	19.33	31.00	31.00
Payout ratio	%	32.0	32.8	32.8	40.0	40.0

* The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and related guidance are applied from the beginning of the fiscal year ended Dec. 31, 2022. Accordingly, certain items that were recorded as selling expenses, including agent fees, are deducted from net sales. The figures from the fiscal year ended December 31, 2021, are after retroactive application of said accounting standard.

* Consolidated financial results will begin from the fiscal year ending December 31, 2025

*1: EBITDA = Operating profit + Depreciation

*2: Kanro conducted a share split of its common stock at a ratio of two shares for every one share effective as of July 1, 2022 and at a ratio of three shares for every one share effective as of July 1, 2025. Dividends per share, net assets per share, basic earnings per share, and total number of issued shares at the end of the period (not including treasury shares) have been calculated on the assumption that these share splits were conducted at the beginning of the fiscal year ended December 31, 2021.

*3: ROA = Profit (Profit attributable to owners of parent) / Average of total assets at beginning and end of period

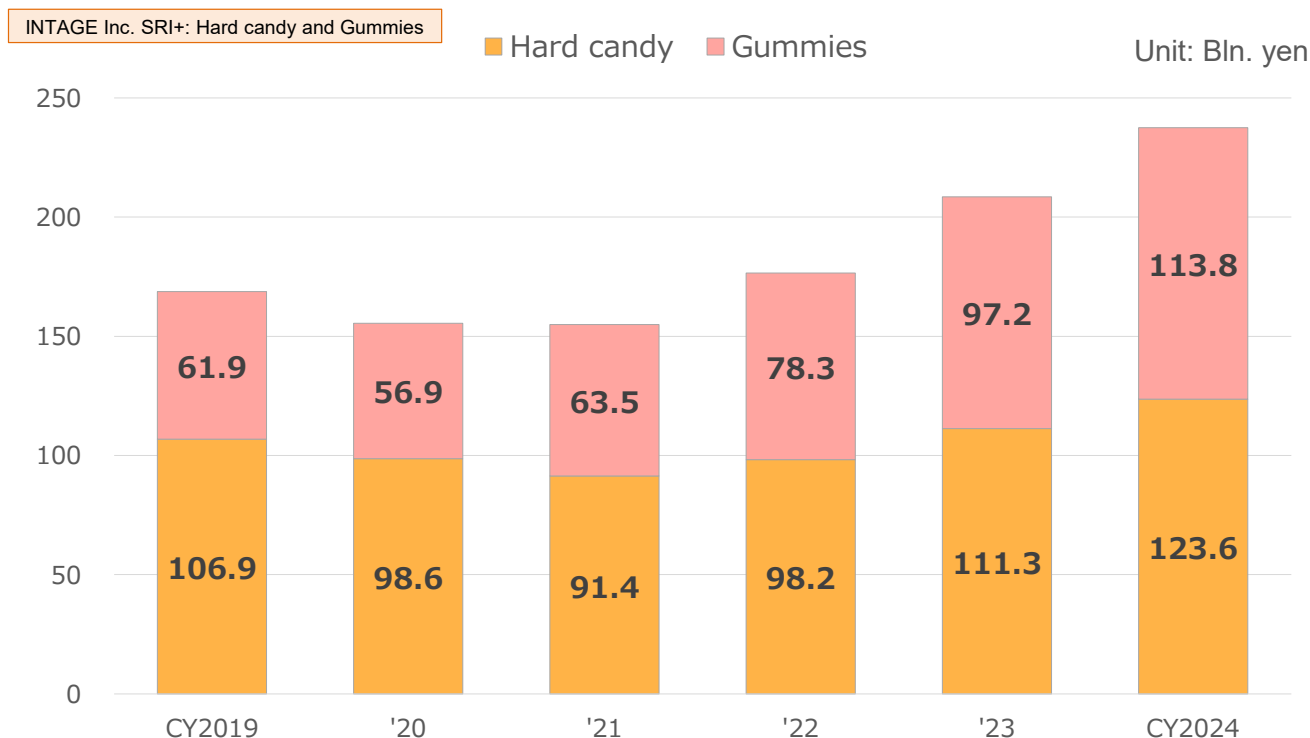
ROIC = Operating profit after tax / (average of interest-bearing liabilities at beginning and end of period + average of net assets at beginning and end of period)

ROE = Profit (Profit attributable to owners of parent) / Average of net assets at beginning and end of period

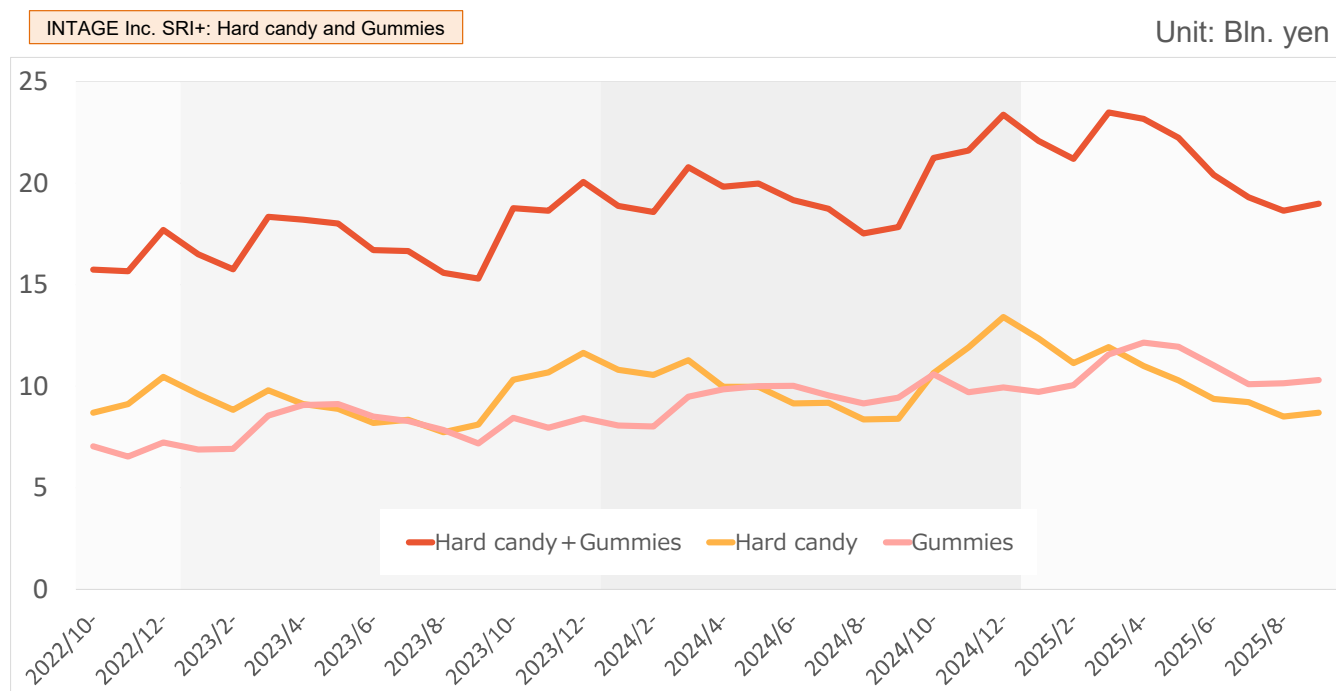
(Supplementary Materials 4) 【Market Trends】

*Please note that due to a change in the data aggregation method, the figures may differ from those previously disclosed.

【Market trends】 Hard candy + Gummies retail sales amount (Yearly)



【Market trends】 Hard candy + Gummies retail sales amount (Monthly)



Retail sales amount from Jan. to Sep. (YoY%)

Unit: Bln. yen

	Whole Market		YoY%	Kanro		YoY%
	Jan.- Sep. /2024	Jan.- Sep. /2025		Jan.- Sep. /2024	Jan.- Sep. /2025	
Hard candy	87.7	92.5	5.5%	16.9	17.7	4.4%
Gummies	83.6	97.0	16.1%	13.5	14.3	6.1%
Total	171.2	189.4	10.6%	30.4	32.0	5.1%

Unit: Bln. yen

* INTAGE Inc. SRI+: Hard candy and Gummies sales amount by type



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