

Supplementary Materials:
Financial Results for Three Months Ended
March 31, 2026



April 30, 2026

Kanro Inc.

(TSE: 2216)

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“Q1” refers to the period from January to March, “1H” refers to the period from January to June, and “2H” refers to the period from July to December in the materials.

(Supplementary Materials 1) 【Summary of Financial Results】

Quarterly

Unit: Million yen

	FY2025					FY2026					FY2025 Q1 vs. FY2026 Q1	
	Non-consolidated		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	8,205	8,520	7,667	10,378	34,771	8,710				36,500	504	6.2%
Hard candy	4,263	3,766	3,320	5,749	17,099	4,486				-	222	5.2%
Gummies *1	3,764	4,507	4,115	4,472	16,860	4,090				-	326	8.7%
Healthy snacks	173	244	227	153	799	131				-	(42)	(24.6)%
Other *2	3	2	3	3	13	2				-	(1)	(37.8)%
Cost of sales	4,674	4,896	4,552	5,950	20,074	4,917				21,000	242	5.2%
Cost of sales margin (%)	57.0	57.5	59.4	57.3	57.7	56.5				57.5	-	(0.5)pt
Gross profit	3,531	3,623	3,114	4,427	14,697	3,793				15,500	261	7.4%
Gross profit margin (%)	43.0	42.5	40.6	42.7	42.3	43.5				42.5	-	0.5pt
Operating profit	1,397	1,266	677	1,349	4,691	1,399				4,900	2	0.2%
Operating profit margin (%)	17.0	14.9	8.8	13.0	13.5	16.1				13.4	-	(1.0)pt
Ordinary profit	1,407	1,272	701	1,365	4,746	1,407				4,900	0	0.1%
Profit (Profit attributable to owners of parent)	993	881	492	1,011	3,378	993				3,450	0	0.0%

*1 The data is included marshmallow products.

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

1H/2H

Unit: Million yen

	FY2025 (Actual)			FY2026 (Forecast)			FY2025 vs. FY2026	
	Non-consolidated	Consolidated		Consolidated			1H (YoY%)	2H (YoY%)
	1H	2H	Full year	1H	2H	Full year		
Net sales	16,725	18,046	34,771	18,000	18,500	36,500	7.6%	2.5%
Gross profit	7,154	7,542	14,697	7,700	7,800	15,500	7.6%	3.4%
Gross profit margin (%)	42.8	41.8	42.3	42.8	42.2	42.5	(0)pt	0.4pt
Operating profit	2,664	2,027	4,691	2,300	2,600	4,900	(13.7)%	28.3%
Operating profit margin (%)	15.9	11.2	13.5	12.8	14.1	13.4	(3.2)pt	2.8pt
Ordinary profit	2,679	2,067	4,746	2,300	2,600	4,900	(14.2)%	25.8%
Profit (Profit attributable to owners of parent)	1,874	1,504	3,378	1,600	1,850	3,450	(14.7)%	23.0%

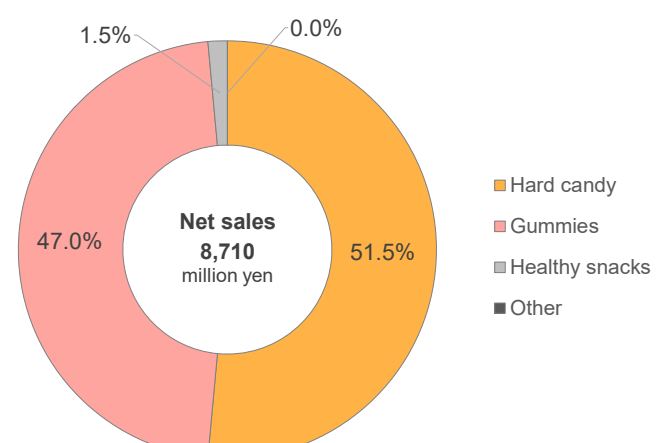
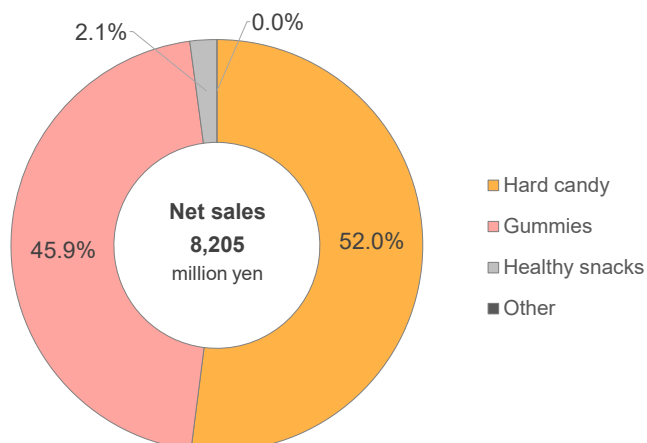
*1 Results and forecast for the second half represent simple differences. Starting from Q4, the second-half forecast will reflect consolidated profit and loss figures.

*2 Consolidated financial statements began at the end of the fiscal year ended December 31, 2025.

Composition of Net sales Jan. to Mar.

FY2025 Q1 (Non-consolidated)

FY2026 Q1 (Consolidated)



(Supplementary Materials 2) 【Statements of Income】

Unit: Million yen

	FY2025 Q1 (Non-consolidated)		FY2026 Q1 (Consolidated)		FY2025 Q1 vs. FY2026 Q1	
	Amount	%	Amount	%	YoY	YoY%
Net sales	8,205	100.0%	8,710	100.0%	504	6.2%
Cost of sales	4,674	57.0%	4,917	56.5%	242	5.2%
Gross profit	3,531	43.0%	3,793	43.5%	261	7.4%
Freight and storage costs	456	5.6%	555	6.4%	99	21.8%
Advertising expenses	94	1.2%	117	1.4%	23	24.5%
Other selling expenses	77	0.9%	96	1.1%	19	25.4%
Total selling expenses	628	7.7%	770	8.8%	142	22.6%
Personnel expenses	973	11.9%	988	11.4%	15	1.5%
Other expenses	531	6.5%	634	7.3%	102	19.3%
General and administrative expenses	1,505	18.3%	1,623	18.6%	117	7.8%
Selling, general and administrative expenses	2,133	26.0%	2,393	27.5%	259	12.2%
Operating profit	1,397	17.0%	1,399	16.1%	2	0.2%
Non-operating income	11	0.1%	14	0.2%	3	28.5%
Non-operating expenses	1	0.0%	5	0.1%	4	310.5%
Non-operating income and expenses	9	0.1%	8	0.1%	(1)	(13.2)%
Ordinary profit	1,407	17.1%	1,407	16.2%	0	0.1%
Loss on retirement of non-current assets	1	0.0%	1	0.0%	0	31.4%
Impairment losses	3	0.0%	6	0.1%	2	65.0%
Extraordinary losses	5	0.1%	7	0.1%	2	57.3%
Extraordinary income and losses	(5)	-	(7)	-	(2)	-
Profit before income taxes	1,401	17.1%	1,399	16.1%	(2)	(0.1)%
Total income taxes	408	5.0%	406	4.7%	(2)	(0.6)%
Profit (Profit attributable to owners of parent)	993	12.1%	993	11.4%	0	0.0%

* Consolidated financial statements began at the end of the fiscal year ended December 31, 2025.

The impact of the financial results of Kanro America Inc. on the consolidated financial results is immaterial, and therefore the amount of increase / decrease and the rate of increase / decrease from the non-consolidated financial results for three months ended March 31, 2025 are stated in the "Year-on-year change" section.

(Supplementary Materials 3) 【Financial Indicators FY2022—FY2026/Forecast】

(FY2026 figures forecast; all others actual)

Fiscal Year	Unit	Non-consolidated			Consolidated	Consolidated forecast
		FY2022	FY2023	FY2024	FY2025	FY2026
Net sales	million yen	25,118	29,015	31,778	34,771	36,500
Net sales YoY	%	16.3	15.5	9.5	9.4	5.0
Gross profit	million yen	9,674	11,738	13,186	14,697	-
Gross profit margin	%	38.5	40.5	41.5	42.3	-
Operating profit	million yen	1,933	3,388	4,284	4,691	4,900
Operating profit margin	%	7.7	11.7	13.5	13.5	13.4
EBITDA	*1 million yen	3,080	4,599	5,787	6,299	6,560
Ordinary profit	million yen	2,001	3,432	4,315	4,746	4,900
Profit (Profit attributable to owners of parent)	million yen	1,346	2,462	3,260	3,378	3,450
Profit YoY (Profit attributable to owners of parent YoY)	%	53.2	82.9	32.4	3.6	2.1
Net assets	million yen	12,555	14,533	16,831	18,984	-
Total assets	million yen	22,315	25,839	29,105	33,607	-
Equity ratio	%	56.3	56.2	57.8	56.5	-
Net assets per share	*2 yen	301.74	347.98	399.42	450.54	-
Basic earnings per share	*2 yen	32.03	59.03	77.52	80.18	81.87
ROA	*3 %	6.2	10.2	11.9	10.8	-
ROIC	*3 %	10.9	18.2	20.5	18.3	16.0
ROE	*3 %	11.1	18.2	20.8	18.9	17.2
PER	times	11.5	11.7	15.3	20.7	-
PBR	times	1.22	1.99	2.97	3.68	-
Cash flows from operating activities	million yen	2,373	3,935	4,398	5,053	-
Cash flows from investing activities	million yen	(1,116)	(1,839)	(2,169)	(5,248)	-
Cash flows from financing activities	million yen	(1,106)	(585)	(1,009)	(526)	-
Cash and cash equivalents at end of period	million yen	2,250	3,761	4,981	4,261	-
Number of employees	persons	608	639	678	705	-
Average number of temporary employees excluded from the number of employees	persons	(141)	(149)	(162)	(154)	-
Capital investment	million yen	1,052	1,856	2,950	4,980	8,519
Depreciation	million yen	1,149	1,216	1,508	1,613	1,676
Research and development expenses	million yen	755	771	786	839	-
Total number of issued shares at the end of the period (not including treasury shares)	*2 number of shares	41,608,284	41,766,303	42,139,314	42,138,332	-
Dividends per share	*2 yen	10.50	19.33	31.00	32.00	33.00
Payout ratio	%	32.8	32.8	40.0	39.9	40.3

*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, 2022.

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

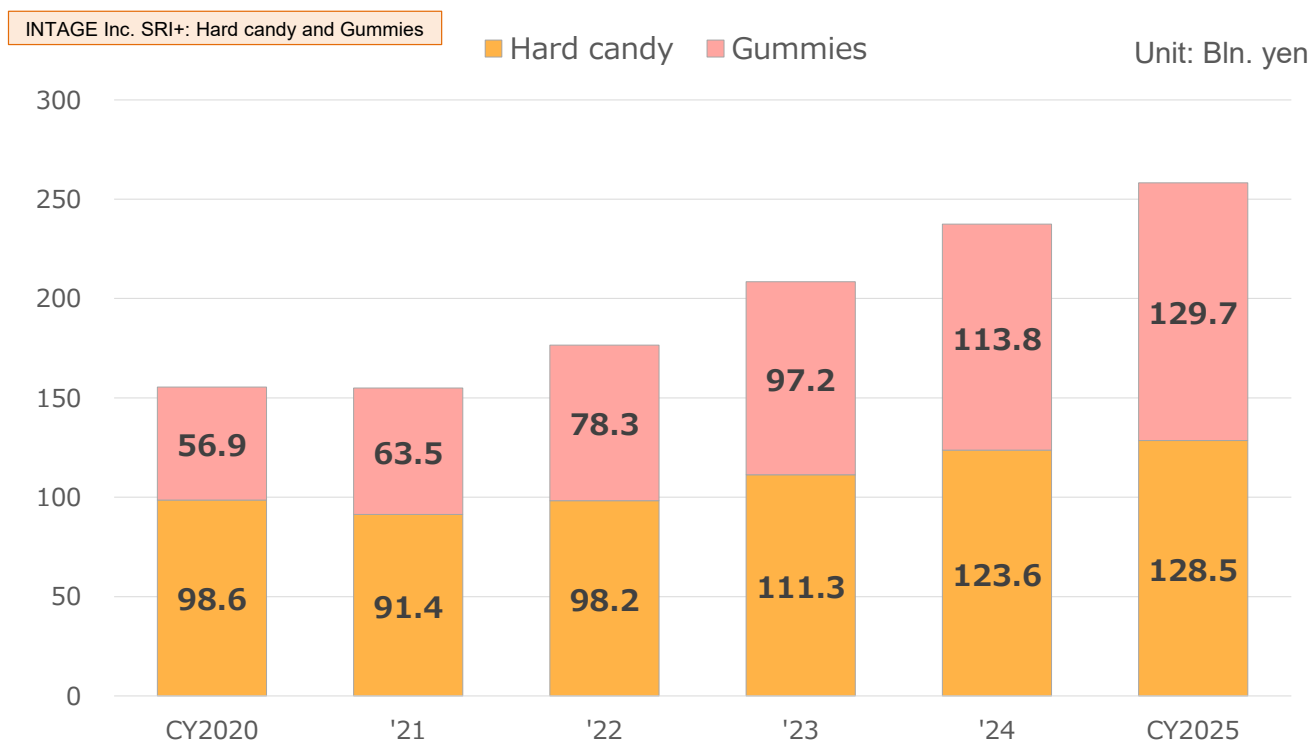
ROIC = Operating profit after tax / (average of interest-bearing liabilities at beginning and end of period + average of net assets at beginning and end of period)

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

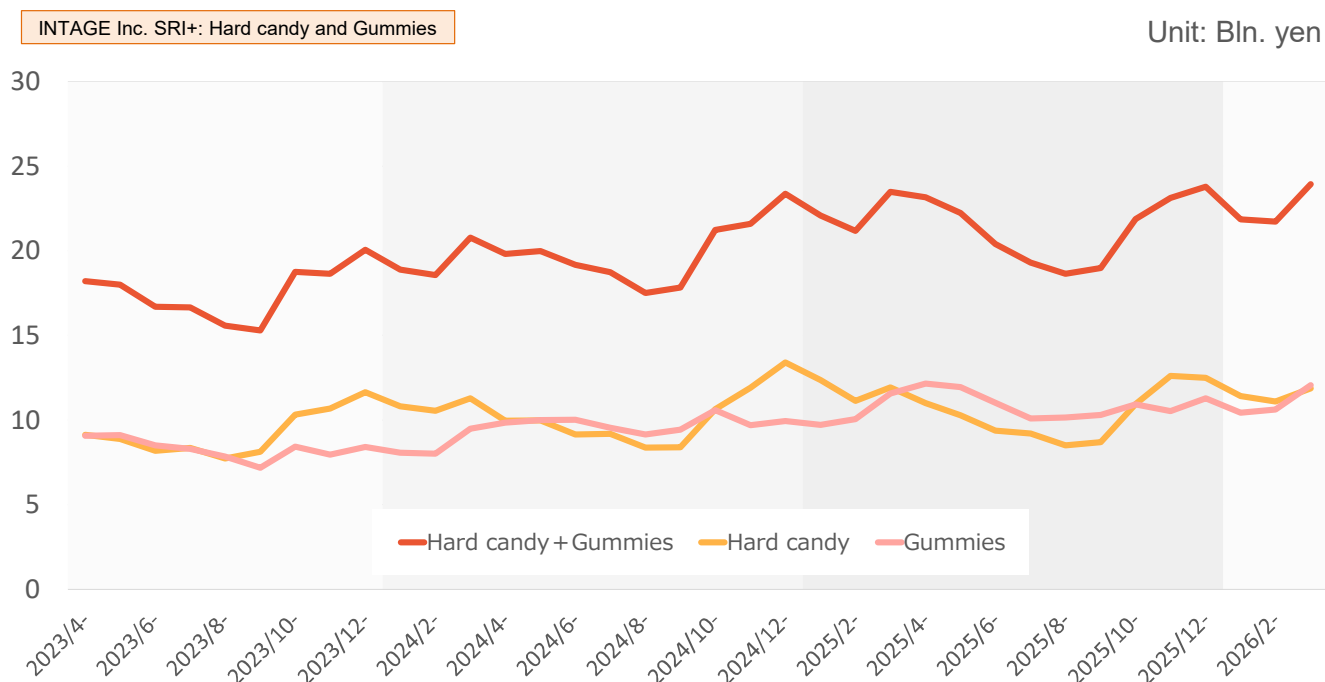
(Supplementary Materials 4) 【Market Trends】

*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 Mar. (YoY%)

Unit: Bln. yen

	Whole Market			Kanro		
	Jan.- Mar. /2025	Jan.- Mar. /2026	YoY%	Jan.- Mar. /2025	Jan.- Mar. /2026	YoY%
Hard candy	35.4	34.4	(2.9)%	6.8	7.3	6.8%
Gummies	31.3	33.1	5.7%	4.5	4.8	6.5%
Total	66.7	67.5	1.2%	11.3	12.1	6.7%

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

Summary of FY2026 Q1

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◆ In Q1, net sales increased YoY, while profits were flat

- Progress against first-half forecast announced in Feb. 2026: Net sales 48%, operating profit 61%
- Price revisions implemented for some candy products (from Feb.)

◆ No revision to first-half or full-year earnings forecasts

- No significant impact on raw material procurement from causes such as the situation in the Middle East at present
- Impact of fluctuations in raw material and energy prices on earnings remains uncertain
- Flexible price revisions will be considered in response to changes in various factors behind cost increases

◆ Market environment and our market share

- Candy market: Total up 2.8%, of which, hard candies down 2.9%, gummies up 5.7%*1,3
- Our market share [Jan.–Mar. (2025 share in parentheses)]
Total candy market: 12.5% (12.0%), of which, hard candies 21.1% (19.2%), gummies 14.6% (14.5%)*2,3

1: Intage Inc. SRI+ Candy market 2025 and 2026 (Jan.–Mar. total), YoY change in sales amount by type (% change from previous year)

2: Intage Inc. SRI+ Candy market 2025 and 2026 (Jan.–Mar. total), Kanro share of sales amount by type

3: Figures for Kanro's marshmallow products are not included.

* Consolidated financial results began from the fiscal year ended December 31, 2025. Because Kanro America Inc.'s performance has only a minor impact on consolidated results, the year-on-year comparison in this material uses the non-consolidated financial statements for the first quarter of the fiscal year ended December 31, 2025.

1

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Main factors behind changes in FY2026 Q1 (YoY)

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Year-on-Year: Net sales increased, while profits were flat

– Increase in net sales

- ✓ Hard candy: Sales of throat drops declined, while the gourmet category remained strong, led by *Kinno Milk* series, including the seasonal *Kinno Milk Premium Chocolat*, and *JuRuRu* series, such as *JuRuRu Shine Muscat*
- ✓ Gummies: Amid intensifying competition with other companies, the mainstay brand, *Puré Gummy* series increased in sales; strong performance continued for new products such as *Kanro THE STRONG* series; *Gummi-tzel* continued to grow

– Operating profit / Ordinary profit / Profit attributable to owners of parent:

Profits were flat YoY, as higher sales offset various factors behind cost increases

- ✓ Increase factors: Increase in marginal profit from higher sales
- ✓ Decrease factors: Increase in general and administrative expenses that include freight and storage costs, advertising expenses, and expenses for measures aimed at expanding business areas

2

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Summary of FY2026 Q1 performance (YoY)

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Unit: JPY mn

	FY2026				FY2025	
	Jan.-Mar. actual	% of total	YoY	YoY %	Jan.-Mar. actual	% of total
Net sales	8,710	100.0%	504	6.2%	8,205	100.0%
Cost of sales	4,917	56.5%	242	5.2%	4,674	57.0%
Freight and storage costs	555	6.4%	99	21.8%	456	5.6%
Advertising expenses	117	1.4%	23	24.5%	94	1.2%
Other selling expenses	96	1.1%	19	25.4%	77	0.9%
Personnel expenses	988	11.4%	15	1.5%	973	11.9%
Other expenses	634	7.3%	102	19.3%	531	6.5%
Operating profit	1,399	16.1%	2	0.2%	1,397	17.0%
Ordinary profit	1,407	16.2%	0	0.1%	1,407	17.1%
Profit attributable to owners of parent	993	11.4%	0	0.0%	993	12.1%

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

* Consolidated financial results began from the fiscal year ended December 31, 2025. Because Kanro America Inc.'s performance has only a minor impact on consolidated results, the YoY comparison uses the non-consolidated financial statements for the first quarter of the fiscal year ended December 31, 2025, for both the amounts and the rates of change.

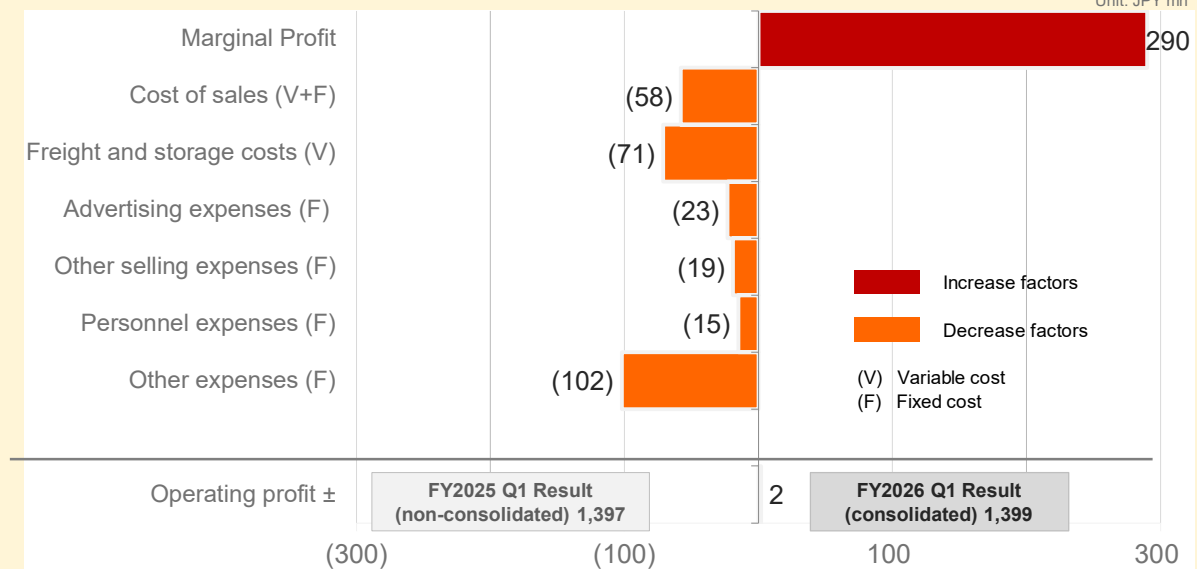
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(For your reference) Factors of changes in OP (FY2025 Q1 Result (non-consolidated) vs FY2026 Q1 Result (consolidated))

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Unit: JPY mn



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Store count exceeded 300, reaching the Medium-term Corporate Strategy minimum target in one year

May 2025

Established local subsidiary, Kanro America Inc. in the U.S.

Sep.

Launched sales of *Puré Gummy* in the U.S. market



Nov.

Launched sales of *Puré Gummy Premium*



Jan. 2026

Exhibited at the Winter Fancy Faire 2026

Feb.

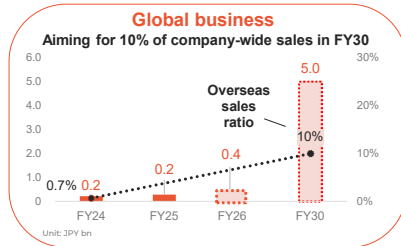
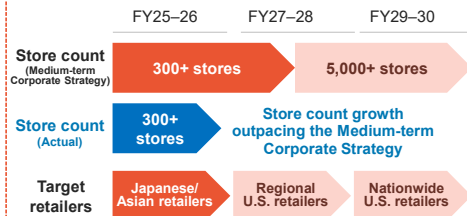
Exhibited at CAMEX (Campus Market Expo), a university co-op trade show

Apr.

Exhibited at OC JAPAN FAIR 2026

Examples of retail partners (as of end-Mar. 2026)
Japanese retailers (Tokyo Central, Mitsuwa Marketplace, Daiso);
Asian retailers (H Mart); university co-ops (UCLA), etc.

Roadmap



Exhibited at CAMEX (Campus Market Expo), a university co-op trade show in Feb. 2026



Puré Gummy featured as a top trend at the latest trade show

White Peach most popular flavor

CAMEX-Campus Market Expo
Location: Phoenix, Arizona, U.S.
Period: Feb. 26 to 27, 2026

Kanro America Inc.
Expanding sales areas and strengthening the business foundation



Upcoming initiatives:

- Event participations
 - Anime Expo 2026 (Jul.)
 - Head in the Clouds music festival (Aug.)
 Expand awareness of *Puré Gummy* through sampling
- Brand initiatives
 - Expansion of product lineups
 - Rebranding to drive shelf placement with U.S. retailers

New TV commercial for *Puré Gummy*, our flagship gummy brand



Key message “*Bloom into your sparkling self*”
Encourages consumers to take a confident step forward in the new-life season
Web pre-release from Mar. 24
TV on-air from Apr. 3

[Click here for details](#) (in Japanese)

Brand site: [Puré Gummy / Kanro POCkET](#) (in Japanese)

Driving brand value and further strengthening engagement over the medium- to long-term

New gummy line expansion on track for Jul. 2027 start-up
Production capacity to increase by approximately 50% upon completion

Asahi Plant expansion
 – Conceptual image after completion



Asahi Plant
 – Current status



Location	2216-1 Yanagikubo, Komi, Asahi-mura, Higashichikuma-gun, Nagano, Japan (on premises of Asahi Plant)	Investment details	Expansion of building; construction of new gummy line and new automated warehouses, etc.
		Capital investment	approx. JPY13.0 billion

Construction progress:
Groundbreaking in Oct. 2025; exterior work currently underway
Workforce expansion and training for production personnel underway in preparation for start-up

Opening a new permanent store at Isetan Shinjuku to reach customer segments beyond our existing base in the department-store channel, where gift demand is expected to be strong, and to enhance brand awareness for Kanro



Opening date: May 20, 2026
Location: Isetan Shinjuku Main Building, B1F

https://kanro-corp.g.kuroco-img.app/v=1776408986/files/topics/1541_ext_2_0.pdf (in Japanese)

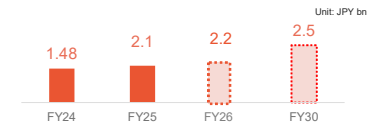
Under the concept of “A Little Sweeter Time,” aiming to offer products and create store experiences that add a touch of quality to everyday moments



Isetan Shinjuku exclusive set

HITOTUBU KANRO business

FY2030 net sales target: JPY2.5 billion



* Sales in the HITOTUBU KANRO business are included in gummies, hard candy, etc.

Pop-up store currently open

HITOTSUBU KANRO Haneda Airport Store
Apr. 8 to Jul. 7 (limited-time)
Located in Haneda Star Sweets, Marketplace, 2F, Terminal 1, Haneda Airport



https://kanro-corp.g.kuroco-img.app/v=1773649455/files/topics/1526_ext_2_0.pdf (in Japanese)

Appendix

Medium-term Corporate Strategy 2030: Financial targets

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Expected to progress steadily toward achieving the medium-term financial targets

Indicators	2025 Actual	2026 Forecasts	2030 Target
Net sales	JPY34.7 bn	JPY36.5 bn (up 5.0% YoY)	JPY50.0 bn or more (CAGR: 7.8% or higher)
Operating profit margin	13.5%	13.4%	13% or higher
EBITDA ^(*)	JPY6.29 bn	JPY6.56 bn	JPY10.0 bn
ROIC	18.3%	16.0%	11% or higher
ROE	18.9%	17.2%	15% or higher

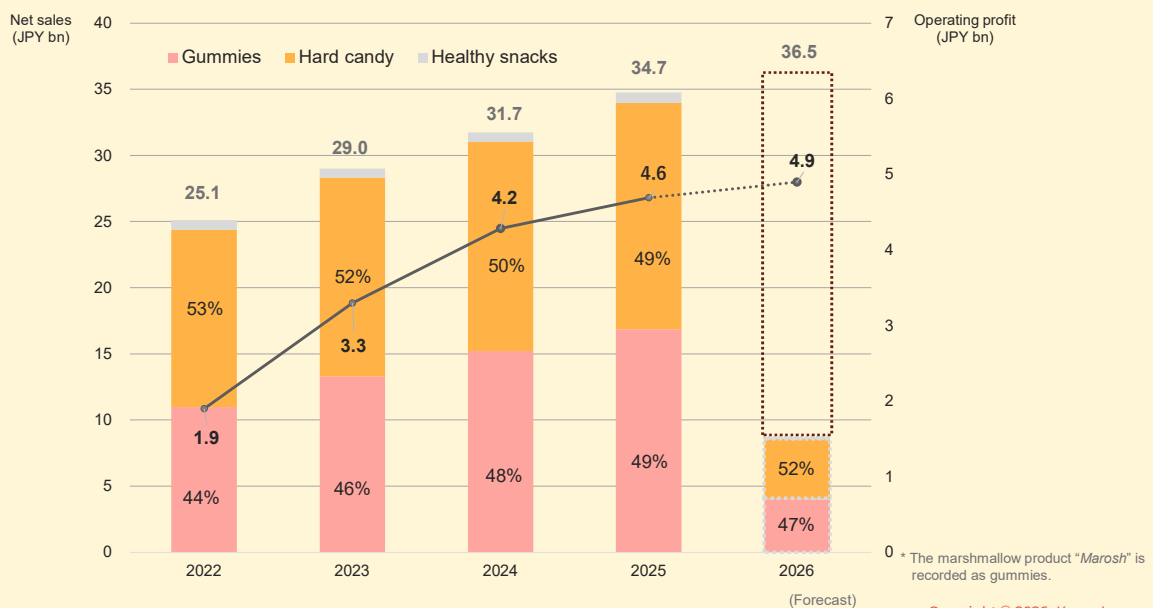
(*) Our EBITDA is defined as operating profit plus depreciation and amortization.

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2022 to 2026: Trends in net sales / operating profit and the composition of net sales







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

Hard candy brand	Jan.–Mar. 2026 Actual	Gummy brand	Jan.–Mar. 2026 Actual
Kenko Nodoame series 	100.1%	Puré Gummy 	104.9%
Non-Sugar Nodoame 	103.5%	Candemina Gummy 	97.8%
Kinno Milk candy 	110.0%	-	-
Kanro Ame 	108.5%	-	-

* INTAGE Inc. SRI+ Hard candy + Gummy market Jan.–Mar. total for 2025–2026, estimated sales amount

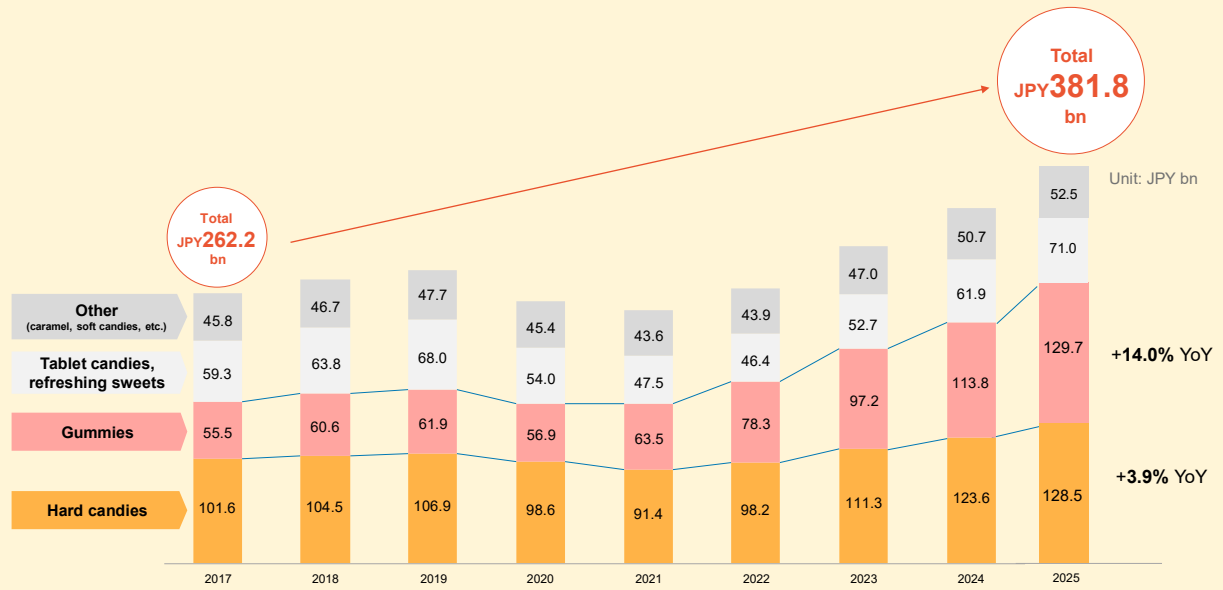
Price revisions and content changes for major products

* The actual retail price is the open price.
* For the most up-to-date information, please refer to our website.

Revision month	Main target brands (hard candy)	Main target brands (gummies)	Notes
Sep.–Oct. 2022	<i>Kanro Ame, Kinno Milk candy, Kenko Nodoame series, Non-Sugar Nodoame, etc.</i>	<i>Puré Gummy, Candemina Gummy, Marosh</i>	MSRP increased by about 3–10%
Mar. 2023	<i>Kenko Ume Nodoame, 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</i> box set (containing six pieces) JPY900 → JPY1,000 yen, other
Feb. 2026	<i>Non-Sugar gourmet (coffee, tea) Morimoriyama Fruit Candy</i>	—	MSRP increased by about 5–16%
Apr. 2026	<i>Non-Sugar Nodoame (fruit, super menthol, Japanese and Chinese loquat, milk)</i>	—	MSRP increased by about 5–16%
Apr. 2026	HITOTUBU KANRO products <i>Small can candy series, etc.</i>	HITOTUBU KANRO products <i>Gummi-tzel, etc.</i>	<i>Gummi-tzel</i> box set (containing six pieces) JPY1,000 → JPY1,100 yen, other

Trends in size of Japan's candy market (retail sales amount)

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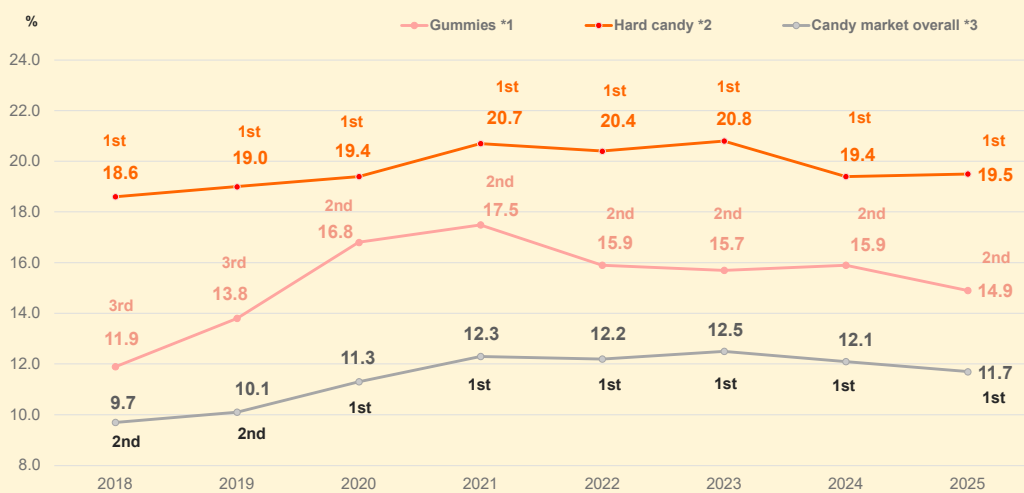
* INTAGE Inc. SRI+ Retail sales by composition

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

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*1: INTAGE Inc. SRI+ Gummy market Jan.–Dec. total for 2018–2025, share of sales amount by type (composition)

*2: INTAGE Inc. SRI+ Hard candy market Jan.–Dec. total for 2018–2025, share of sales amount by type (composition)

*3: INTAGE Inc. SRI+ Candy market Jan.–Dec. total for 2018–2025, share of sales amount

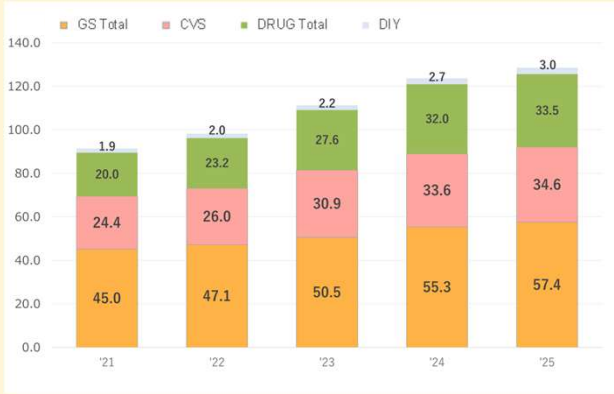
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Hard candy + Gummy market: Trends in sales amount by business category

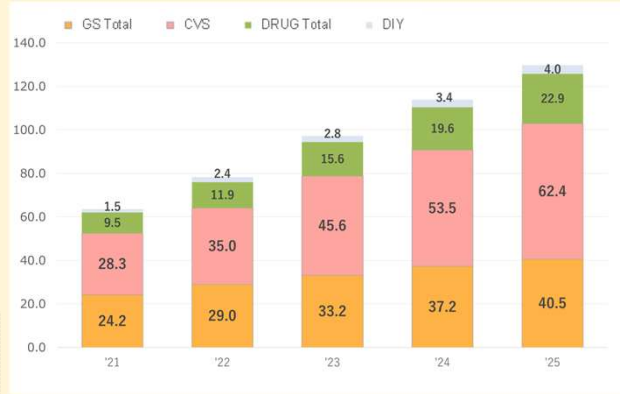
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◆ Hard candy



◆ Gummies

Unit: JPY bn



* INTAGE Inc. SRI+: Changes in sales amount by business category for Hard candy and Gummies, 2021–2025 (Jan.–Dec. total for each year)
* GS: Grocery store, CVS: Convenience store, DRUG: Pharmacy/Drugstore, DIY: DIY store

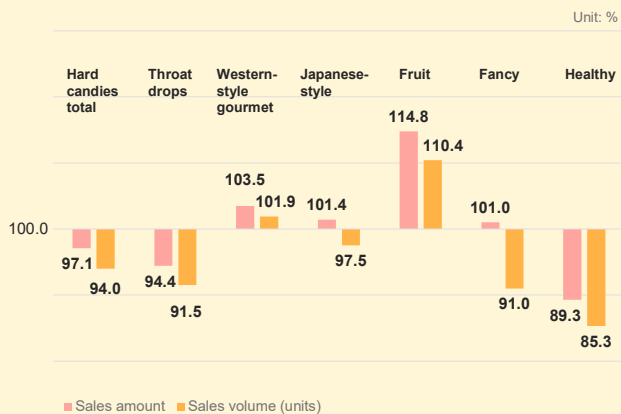
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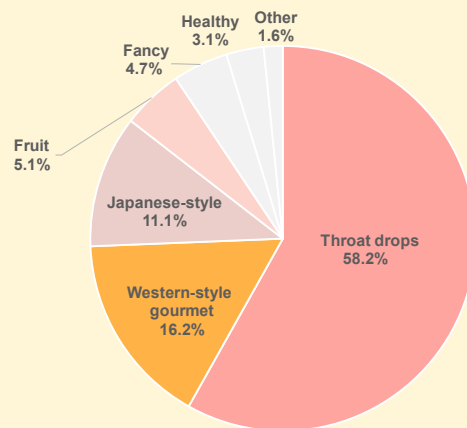
Hard candy market: YoY by category (Jan.– Mar.)

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◆ Sales amount / volume (units), YoY



◆ Sales amount composition



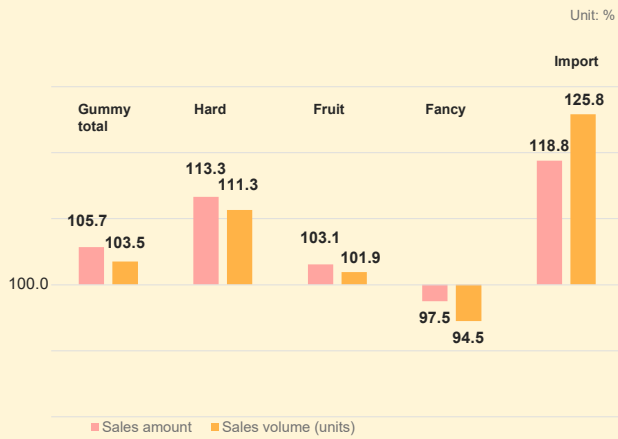
* INTAGE Inc. SRI+: Jan.–Mar. total for 2025–2026; estimated sales amount and estimated sales volume (units)
* Category classifications within the composition are based on Kanro's definitions.

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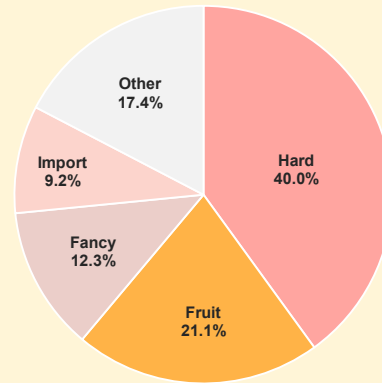
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Gummy market: YoY by category (Jan.– Mar.)

◆ Sales amount / volume (units), YoY



◆ Sales amount composition



* INTAGE Inc. SRI+; Jan.–Mar. total for 2025–2026; estimated sales amount and estimated sales volume (units)
* Category classifications within the composition are based on Kanro's definitions.



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Moreover, information contained herein is not continuously updated, and the reader should be aware that the content may be revised or withdrawn without prior notice.

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