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July 30, 2026

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Notice Regarding Revision of Earnings Forecasts and Dividend Forecast

In light of recent business performance, we hereby announce that we have revised our consolidated financial results forecast and dividend forecast (announced on March 13, 2026) as outlined below.

1. Forecast of Consolidated Financial Results for the First Half of the Year Ending January 31, 2027 (February 1, 2026, through July 31, 2026)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Previous forecast (A)	million yen 16,420	million yen 450	million yen 480	million yen 370	Yen 18.43
Revised forecast (B)	16,240	70	170	70	3.49
Change (B−A)	(180)	(380)	(310)	(300)	
Percentage change (%)	(1.1)	(84.4)	(64.6)	(81.1)	
(Reference) Results for first half of previous year (First half of year ended January 31, 2026)	16,192	424	468	271	13.43

2. Forecast of Consolidated Financial Results for the Year Ending January 31, 2027 (February 1, 2026 – January 31, 2027)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Previous forecast (A)	million yen 36,820	million yen 1,310	million yen 1,350	million yen 770	Yen 38.34
Revised forecast (B)	36,670	520	620	290	14.45
Change (B−A)	(150)	(790)	(730)	(480)	
Percentage change (%)	(0.4)	(60.3)	(54.1)	(62.3)	
(Reference) Results for the previous year (Year ended January 31, 2026)	36,273	1,264	1,286	642	31.85

3. Reasons for Revision of Consolidated Financial Results Forecast

With respect to net sales for the current second quarter (interim period), although baked confectionery performed strongly due to solid sales of standard items and contributions from new brand products, sales fell short of the previous forecast. This was mainly due to Valentine's Day sales shifting into January of the previous fiscal year more than anticipated, as well as weak performance in the summer season caused by weather conditions and other factors.

On the profit side, although cost reduction measures such as price adjustments and product design changes were implemented, operating profit, ordinary profit, and interim net profit attributable to owners of the parent are all expected to fall short of the previous forecast. This is due to a decline in revenue, as well as our inability to fully absorb cost increases driven by higher-than-expected raw material prices and the earlier-than-anticipated occurrence of depreciation expenses for the new Funabashi plant.

As for the full-year consolidated financial forecast, although we plan to generate revenue while implementing cost reduction measures even more aggressively than before, the rise in naphtha-derived raw material costs is expected to significantly impact profitability. As a result, operating profit, ordinary profit, and profit attributable to owners of parent are all expected to fall short of the previous forecasts.

This announcement is being made today because it became clear that the cost-of-sales ratio rose more than expected and expenses such as logistics costs increased, particularly from May onward, and because we were able to estimate the financial impact of the naphtha shortage that had been under review.

(Note) The above forecasts of financial results are based on information available as of the date of publication of this document. Actual results may differ due to various factors in the future.

4. Revision of Dividend Forecast

	Annual dividend			
	End of Q2	Year-end	Total	Dividend payout ratio
	Yen	Yen	Yen	%
Previous forecast (Announced on March 13, 2026)	6.00	10.00	16.00	41.7
Revised forecast	5.00	5.00	10.00	69.2
(Reference) Results for the previous year (Year ended January 31, 2026)	6.00	10.00	16.00	50.2

5. Reason for Revision of Dividend Forecast

Regarding profit distribution, our basic policy is to distribute profits aligned with business performance, while taking into consideration factors such as the balance between investments for sustainable growth and enhancing corporate value, financial soundness to prepare for various risks, and the outlook for operating results. Under this policy, we aim for a consolidated dividend payout ratio of around 40% and a consolidated total payout ratio of around 50%.

As for the dividend forecast for the fiscal year ending January 31, 2027, applying our basic policy would result in a significant dividend cut compared to the previous fiscal year. In light of this, taking into consideration shareholder returns, we have set a target dividend payout ratio of approximately 70% for the current fiscal year. Although this still represents a decrease compared to the previous forecast (announced on March 13, 2026), we have revised our second-quarter (interim) dividend forecast from 6 yen to 5 yen per share, and our year-end dividend forecast from 10 yen to 5 yen per share. As a result, the annual dividend for the current fiscal year is expected to be 10 yen per share.