

Translation

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Consolidated Financial Results for the Year Ended March 31, 2025 (Based on IFRS)

May 14, 2025

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 26, 2025
 Scheduled date to commence dividend payments: June 27, 2025
 Scheduled date to file Securities Report: June 25, 2025
 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, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

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. 2025	97,069	5.3	8,024	38.3	8,377	9.8	5,565	0.7	5,565	0.7	5,905	1.3
Year ended Mar. 2024	92,192	58.0	5,802	261.2	7,627	322.8	5,524	420.0	5,524	420.0	5,831	394.3

	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. 2025	170.05	-	7.7	8.1	8.3
Year ended Mar. 2024	168.61	-	7.9	8.1	6.3

(Reference) Investment earnings/loss on equity-method: Year ended March 2025: 252 million yen Year ended March 2024: 322 million yen

Basic earnings per share are calculated based on the average number of shares outstanding during the period, excluding treasury stock. Treasury stock includes shares of the Company held by the "Impact Neutralization 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, 2025	110,352	74,363	72,892	66.1	2,242.24
As of Mar. 31, 2024	95,918	71,107	71,107	74.1	2,170.25

(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. 2025	8,927	(8,977)	2,986	15,445
Year ended Mar. 2024	6,662	(822)	(4,593)	12,509

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, 2024	-	46.00	-	56.00	102.00	3,342	60.5	4.8
Year ended March 31, 2025	-	46.00	-	56.00	102.00	3,343	60.0	4.6
Year ending March 31, 2026 (Forecast)	-	54.00	-	54.00	108.00		59.9	

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

Percentages indicate year-on-year changes

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending Sep. 30, 2025	58,000	20.3	4,300	(11.0)	4,300	(13.4)	3,000	(13.4)	3,000	(13.4)	91.76
Full year	114,000	17.4	8,500	5.9	8,500	1.5	5,900	6.0	5,900	6.0	180.19

4. Notes

(1) Significant changes in the scope of consolidation during the year ended March 31, 2025: Yes

Included: 2 companies (Company name) Toyo Sugar Refining Co., Ltd., TOHAN CORPORATION

Excluded: 2 companies (Company name) Nissin Sugar Co., Ltd., ITOCHU Sugar Co., Ltd.

(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, 2025	32,800,095 shares	As of March 31, 2024	35,053,483 shares
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Number of treasury shares at the end of the period

As of March 31, 2025	291,145 shares	As of March 31, 2024	2,288,574 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Year ended March 31, 2025	32,726,628 shares	Year ended March 31, 2024	32,763,397 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" (291,100 shares as of March 2025). In addition, shares of the Company held by the "Impact Neutralization Trust" are included in treasury shares deducted from the calculation of average shares outstanding during the period (51,800 shares as of March 2025).

(Reference) Summary of non-consolidated business results

Non-consolidated financial results for the fiscal year ended March 2025 (April 1, 2024 through March 31, 2025)

(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. 2025	41,781	—	3,649	681.1	6,730	—	8,535	—
Year ended Mar. 2024	1,895	(94.2)	467	(68.7)	485	(70.5)	315	(73.4)

	Basic earnings per share	Diluted net income per share
Year ended Mar. 2025	Yen 260.83	Yen —
Year ended Mar. 2024	9.62	—

Basic earnings per share are calculated based on the average number of shares outstanding during the period, excluding treasury stock. Treasury stock includes shares of the Company held by the "Impact Neutralization 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, 2025	101,415	71,137	70.1	2,188.23
As of Mar. 31, 2024	40,548	37,012	91.3	1,129.65

(Reference) Shareholders' equity: As of March 31, 2025: 71,137 million yen As of March 31, 2024: 37,012 million yen

< Reason for discrepancy with the non-consolidated results for the fiscal year ended March 31, 2024 >

Effective October 1, 2024, the Company has transitioned from a holding company structure to an operating company structure through a merger by absorption, whereby the Company is the surviving company and Nissin Sugar Co., Ltd. and ITOCHU Sugar Co., Ltd. are the companies being absorbed. As a result, the non-consolidated results for the fiscal year ended March 2025 have increased significantly compared to the previous fiscal year. Year on year changes higher than 1,000% are denoted by '—'.

Financial figures in the Summary of non-consolidated business results are based on Japanese standards.

* The financial results is 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 28, 2025. 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

From the current consolidated fiscal year, in line with a review of the Company group's business management categories, the reporting segments have been changed from the previous "Sugar and Other Foodstuffs Business," "Health Industry Business," and "Warehousing Business" to the "Sugar Segment" and "Food & Wellness Segment." For this reason, the figures for the previous year have been reclassified into the new segment categories for comparative analysis.

On February 7, 2025, the Company launched a tender offer for the common shares of Toyo Sugar Refining Co., Ltd. pursuant to the Financial Instruments and Exchange Act, and as of March 31, 2025, the company became a consolidated subsidiary of the Company. As a result, the financial position at the end of the current consolidated fiscal year reflects this change. As the allocation of the acquisition cost has not yet been finalized, provisional accounting treatment has been applied.

(1) Overview of business performance for the fiscal year

During the third quarter of the current consolidated fiscal year, the Japanese economy maintained a gradual recovery trend, supported by improvements in the employment and income environment and inbound demand. However, due to factors such as geopolitical instability and exchange rate fluctuations, the outlook remains uncertain.

In the current consolidated fiscal year, revenue was 97,069 million yen (up 5.3% YoY), and operating profit was 8,024 million yen (up 38.3% YoY) due to factors such as the reflection of rising costs in sales prices. Finance income decreased due to the absence of one-off dividend income recorded in the previous year, and profit before tax was 8,377 million yen (up 9.8% YoY), and profit attributable to owners of the parent was 5,565 million yen (up 0.7% YoY).

The following is an overview of each segment. The profit for each segment does not include 1,282 million yen in company-wide expenses, etc.

[Sugar Segment]

The overseas raw sugar market started at mid-22 cents per pound and fell to the lowest price of the current fiscal year, around mid-17 cents, in late August due to increased production forecasts in major producing countries. Subsequently, concerns over reduced production in Brazil due to drought caused prices to surge to the highest price of the current term, upper 23 cents, in late September. From October onward, the Brazilian real depreciated against the US dollar, causing the market to remain sluggish and decline to the upper 17 cent range. Although prices rebounded due to concerns over inventory shortages in major producing countries, the period ended in the upper 18 cent 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, 2024,	22.65	76.11	152.43
High price	September 26, 2024	23.71	76.11	145.61
Low price	August 20, 2024	17.52	56.79	147.03
Closing price	March 31, 2025	18.86	62.58	150.52

(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.

The domestic sugar market (as reported in the Nihon Keizai Shimbun, Tokyo) ended the third quarter period at 249 to 251 yen per kilogram of refined sugar, unchanged from the end of the previous fiscal year.

Under these circumstances, sales of products for commercial use exceeded the previous year's record due to a recovery in products for confectionery and baking, etc., due to an increase in the number of people moving around. Although shipments of our proprietary product "Kibi Sato" performed well, the overall sales volume of consumer products fell below the previous year's level due to subdued consumption caused by rising food prices and a decrease in home-cooking opportunities. There was a significant increase in profit due to the reflection of cost increases in sales prices and the procurement of raw materials under favorable conditions.

As a result of the above, total revenue for the Sugar Segment was 83,800 million yen (up 6.0% YoY), and segment profit was 9,323 million yen (up 51.4% YoY).

[Food & Wellness Segment]

In the Food & Wellness Segment, we provide various functional ingredients and services that can be used in various situations, mainly through our Food Science and Fitness Businesses.

In the Food Science Business, shipments of the Company's original product "Okinawa Amami Kibi Oligo" continued to be strong due to factors including the growing interest in its effects on improving intestinal environments, the October relaunch of the product, sales promotion measures such as TV commercials, and sales activities aimed at expanding the number of stores that carry the product. In addition, production equipment for "Cup Oligo" was installed at the newly completed Mihama Bio Plant within the Chiba Factory, enhancing the production capacity. At TSUKIOKA FILM PHARMA CO., LTD., although there was an increase in orders in the Foil stamping business and pure gold business, there was a decrease in high-profit products in the film business, and as a result, revenue increased and profits decreased.

In the Fitness Business, management resources were concentrated on children's school operations and priority locations, accompanied by active promotional campaigns. Although efforts to improve operational efficiency continued, the closure of unprofitable locations, impairment losses on goodwill and fixed assets, and the absence of a remeasurement gain on lease liabilities recorded in the previous fiscal year resulted in a decline in both revenue and profit.

In the Warehousing Business, revenue and profits decreased due to a decrease in the volume of imported plywood handled in port transport. As a result of the above, total revenue for the Food & Wellness Segment was 13,269 million yen (up 1.3% YoY), and segment profit was 16 million yen (segment profit for the previous year was 630 million yen).

(2) Overview of financial position for the fiscal year

(Assets)

As of the end of the current consolidated fiscal year, current assets totaled 47,051 million yen, an increase of 9,124 million yen from the end of the previous fiscal year. This was mainly due to a 4,733 million yen increase in inventories and a 2,935 million yen increase in cash and cash equivalents. Non-current assets totaled 63,301 million yen, an increase of 5,310 million yen from the end of the previous fiscal year. This was primarily due to increases of 2,711 million yen in other financial assets, 1,620 million yen in investments accounted for using the equity method, and 1,573 million yen in property, plant, and equipment, despite decreases of 422 million yen in right-of-use assets and 416 million yen in goodwill.

As a result, total assets amounted to 110,352 million yen, an increase of 14,434 million yen from the end of the previous fiscal year.

(Liabilities)

As of the end of the current consolidated fiscal year, current liabilities totaled 32,009 million yen, an increase of 11,161 million yen from the end of the previous fiscal year. This was primarily due to an increase of 7,810 million yen in borrowings and 4,041 million yen in trade and other payables, despite decreases of 280 million yen in other current liabilities and 213 million yen in provisions. Non-current liabilities totaled 3,979 million yen, an increase of 17 million yen from the end of the previous fiscal year. This was mainly due to a 468 million yen decrease in lease liabilities, offset by increases of 220 million yen in retirement benefit liabilities and 235 million yen in deferred tax liabilities.

As a result, total liabilities amounted to 35,989 million yen, an increase of 11,179 million yen from the end of the previous fiscal year.

(Equity)

Total equity as of the end of the fiscal year under review was 74,363 million yen, an increase of 3,255 million yen from the end of the previous consolidated fiscal year.

This was primarily due to an increase of 5,565 million yen resulting from the recording of profit attributable to owners of the parent, a decrease of 3,342 million yen due to the dividend of surplus, an increase in treasury stock amounting to 662 million yen in the Impact Neutralization Trust[®], and an increase in non-controlling interests of 1,470 million yen due to the consolidation of Toyo Sugar Refining Co., Ltd.

Additionally, based on the resolution of the Board of Directors on December 17, 2024, the Company cancelled treasury stock on December 26, 2024. As a result of this cancellation, treasury stock decreased by 3,473 million yen, and capital surplus also decreased by 3,473 million yen.

As a result, the equity ratio attributable to owners of the parent was 66.1%, a decrease of 8.0 percentage points from the end of the previous fiscal year.

(3) Overview of cash flow for the fiscal year

Cash and cash equivalents at the end of the fiscal year under review increased by 2,935 million yen from the end of the previous consolidated fiscal year, amounting to 15,445 million yen.

The status of each cash flow during the consolidated fiscal year under review is as follows.

(Cash flow from operating activities)

Net cash provided by operating activities was 8,927 million yen (compared with 6,662 million yen provided in the previous fiscal year).

Major components included: profit before income taxes of 8,377 million yen, depreciation and amortization of 2,349 million yen, equity in earnings of affiliates of -252 million yen, an increase in inventories of -1,971 million yen, income taxes paid of -3,077 million yen; and a total of 3,523 million yen due to a decrease in trade and other receivables and an increase in trade and other payables.

(Cash flow from investing activities)

Net cash used in investing activities was 8,977 million yen (compared with 822 million yen used in the previous fiscal year).

Major components included, payments of -2,820 million yen for the acquisition of property, plant and equipment and intangible assets, and payments of -6,259 million yen for the acquisition of shares of subsidiaries accompanied by changes in scope of consolidation.

(Cash flow from financing activities)

Net cash provided by financing activities was 2,986 million yen (compared with 4,593 million yen used in the previous fiscal year).

This was due to a net increase in short-term borrowings of 7,810 million yen, payments of -889 million yen for treasury stock, proceeds of 235 million yen for disposal of treasury shares, payments of -832 million yen for lease liabilities, and dividend payments of -3,337 million yen.

(Reference) Trends in cash flow-related indicators

	FY3/2022	FY3/2023	FY3/2024	FY3/2025
Equity ratio attributable to owners of parent (%)	80.0	73.0	74.1	66.1
Market value-based equity ratio attributable to owners of parent (%)	60.9	58.3	79.6	68.6
Cash flow to interest-bearing debt ratio (Years)	2.4	(7.8)	1.6	2.0
Interest coverage ratio (Times)	37.1	(27.3)	81.4	105.8

Equity ratio attributable to owners of parent: $\text{Equity attributable to owners of the parent} / \text{Total assets}$

Market-based equity ratio attributable to owners of parent: $\text{Market capitalization of shares} / \text{Total assets}$

Cash flow to interest-bearing debt ratio: $\text{Interest-bearing debt} / \text{Cash flow}$

Interest coverage ratio: $\text{Cash flow} / \text{Interest payments}$

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

Regarding the business environment surrounding the Group, while consumer spending continues to recover and the overall economy maintains a moderate recovery trend, uncertainties remain due to concerns over weakening consumer appetite caused by rising prices and global instability, including tariff policies under the Trump administration.

Under these circumstances, the Company launched a tender offer on February 7, 2025, for the common shares of Toyo Sugar Refining Co., Ltd. in accordance with the Financial Instruments and Exchange Act. As a result, Toyo Sugar Refining Co., Ltd. became a consolidated subsidiary as of March 31, 2025. Furthermore, as of October 1, 2025, the Company plans to merge DAIICHI TOGYO CO., LTD., a consolidated subsidiary, into itself as the surviving entity. Through this industry realignment, the Company will strengthen its business foundation, enhance competitiveness, and build an optimal supply chain, fulfilling its responsibilities as a leading company in Japan’s refined sugar industry.

As for the consolidated financial forecast for the next fiscal year, the Company projects revenue of 114,000 million yen (up 17.4% YoY), operating profit of 8,500 million yen (up 5.9% YoY), profit before tax of 8,500 million yen (up 1.5% YoY), and profit attributable to owners of the parent of 5,900 million yen (up 6.0% 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 core Sugar segment, the business environment remains uncertain due to ongoing concerns over weather conditions in major producing countries, geopolitical risks, rising costs for energy and other inputs, and the exchange rate fluctuations. Amid these challenges, the Group prioritizes its social responsibility of ensuring a stable supply of safe and reliable sugar, which is a daily essential for consumers. At the same time, we are working to procure raw materials under favorable conditions and reflect rising costs in selling prices, thereby maintaining a strong focus on profitability.

In addition, we aim to quickly realize the benefits of strengthening our business foundation and achieving synergies through the consolidation of Toyo Sugar Refining Co., Ltd. as a subsidiary and the planned absorption-type merger of DAIICHI TOGYO CO., LTD. By enhancing operational efficiency and productivity across our business processes, and by strengthening product and sales capabilities, particularly through the promotion of high-value-added products such as “Kibi Sato,” we are committed to improving our business performance. We will also continue to enhance management efficiency and quality so that we can appropriately respond to the expected acceleration of industry realignment.

As a result, revenue in the Sugar segment is projected to be 98,500 million yen, with segment profit expected to reach 8,800 million yen.

[Food & Wellness Segment]

In the Food & Wellness segment, we are committed to improving people’s quality of life through health promotion by offering a diverse range of functional materials and services.

In the Food Science business, we will continue to expand sales of functional sweetener ingredients that support gut health, including “Okinawa Amami Kibi Oligo,” which was relaunched last year, and “Cup Oligo,” for which we have established a production expansion system at our Mihama Bio Plant. For our proprietary oral care ingredient “Cyclodextran,” which is expected to support oral health, we are investing in additional equipment at the same Mihama Bio Plant to increase production capacity tenfold and meet growing demand.

We are also advancing R&D efforts utilizing prebiotic ingredients through industry-academia collaboration, as well as promoting business development in a wide range of fields centered around flora design materials aimed at improving the intestinal and oral microbiota. These efforts include collaboration with Metagen, Inc., a leader in microbiome research.

In addition, we are further strengthening our collaboration with affiliate company Tsuruya Chemical Industries Co., Ltd., enhancing the strategic development of edible film products at our consolidated subsidiary Tsukioka Film Pharma Co., Ltd., and expanding our business through the functional ingredient assets of Toyo Sugar Refining Co., Ltd., which became a consolidated subsidiary this fiscal year. By fully leveraging the assets and expertise of the Group, we aim to drive significant growth in our Food Science business.

In the fitness business, while membership numbers are gradually recovering, the operating environment remains challenging due to increased diversification and the emergence of competing services. We are striving to improve performance by providing spaces that meet the needs of individuals seeking health and fitness, carrying out promotional campaigns to attract new members, and focusing on profitability by strengthening children's school programs at our comprehensive fitness centers. Our goal is to achieve an early recovery in business performance.

As a result, revenue in the Food & Wellness segment is projected to be 15,500 million yen, with segment profit expected to reach 700 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, 2025 (plan)	46.00 yen	56.00 yen	102.00 yen
Year ending March 31, 2026 (forecast)	54.00 yen	54.00 yen	108.00 yen

For details regarding the above, please refer to the “Notice Regarding Dividends of Surplus” disclosed today (May 14, 2025).

Note that in calculating dividends per share, the number of treasury shares does not include the Company’s shares held under the Impact Neutralization 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).

Applying this policy to the final financial results, the full-year dividend per share has been revised upward from the previous forecast of 92 yen to 102 yen per share, reflecting improved performance and an increase in net profit attributable to owners of the parent.

Accordingly, the year-end dividend per share will be calculated as 102 yen minus the interim dividend of 46 yen, resulting in a year-end dividend of 56 yen per share.

The year-end dividend will be proposed at the 14th Annual General Meeting of Shareholders scheduled to be held on June 26, 2025.

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 169.67 yen = 102 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 2,222.34 yen = 67 yen (rounded up to the nearest yen)

As the 102 yen based on the DPR standard is greater, the full-year dividend per share is set at 102 yen.

Deducting the interim dividend of 46 yen, which was announced on November 7, 2024 and paid in December 2024, the year-end dividend per share is set at 56 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, 2026), the full-year dividend is forecast to be 108 yen per share, consisting of an interim dividend of 54 yen and a year-end dividend of 54 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 179.88 yen = 108 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 2,312.31 yen = 70 yen (rounded up to the nearest yen)

As the 108 yen based on the DPR standard is greater, the forecasted full-year dividend per share is set at 108 yen.

Accordingly, 50% of the forecasted full-year dividend of 108 yen, or 54 yen (rounded up to the nearest yen), is set as the interim dividend per share, and the remaining 54 yen is set as the year-end dividend per share forecast.

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, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and cash equivalents	12,509	15,445
Trade and other receivables	8,237	9,035
Other financial assets	71	846
Inventories	16,375	21,108
Other current assets	733	615
Total current assets	37,927	47,051
Non-current assets		
Property, plant and equipment	18,115	19,688
Right-of-use assets	2,120	1,697
Goodwill	14,280	13,863
Intangible assets	242	220
Investments accounted for using equity method	14,944	16,564
Other financial assets	6,792	9,503
Retirement benefit asset	—	234
Deferred tax assets	129	157
Trade and other receivables	15	20
Other non-current assets	1,350	1,349
Total non-current assets	57,990	63,301
Total assets	95,918	110,352

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	8,000	15,810
Trade and other payables	6,898	10,940
Lease liabilities	880	771
Other financial liabilities	77	97
Income taxes payable	1,781	1,674
Provisions	218	5
Other current liabilities	2,991	2,710
Total current liabilities	20,847	32,009
Non-current liabilities		
Trade and other payables	18	33
Lease liabilities	1,643	1,175
Other financial liabilities	98	95
Retirement benefit liability	394	614
Provisions	430	443
Deferred tax liabilities	1,317	1,552
Other non-current liabilities	58	64
Total non-current liabilities	3,962	3,979
Total liabilities	24,810	35,989
Equity		
Capital stock	7,000	7,000
Capital surplus	34,690	31,255
Treasury shares	(3,528)	(662)
Other components of equity	1,932	1,914
Retained earnings	31,012	33,384
Total equity attributable to owners of parent	71,107	72,892
Non-controlling interests	—	1,470
Total equity	71,107	74,363
Total liabilities and equity	95,918	110,352

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

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Revenue	92,192	97,069
Cost of sales	75,950	77,595
Gross profit	16,242	19,474
Selling, general and administrative expenses	10,530	10,964
Other operating income	450	227
Other operating expenses	359	713
Operating profit	5,802	8,024
Finance income	1,584	185
Finance costs	81	84
Share of profit of investments accounted for using equity method	322	252
Profit before tax	7,627	8,377
Income tax expense	2,103	2,811
Profit	5,524	5,565
Profit attributable to		
Owners of parent	5,524	5,565
Non-controlling interests	—	—
Profit	5,524	5,565
Earnings per share		
Basic earnings per share (Yen)	168.61	170.05

(Consolidated statements of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	5,524	5,565
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	175	95
Remeasurements of defined benefit plans	(319)	73
Share of other comprehensive income of investments accounted for using equity method	5	2
Total of items that will not be reclassified to profit or loss	(138)	171
Items that may be reclassified to profit or loss		
Cash flow hedges	445	168
Total of items that may be reclassified to profit or loss	445	168
Other comprehensive income	307	340
Comprehensive income	5,831	5,905
Comprehensive income attributable to		
Owners of parent	5,831	5,905
Non-controlling interests	—	—
Comprehensive income	5,831	5,905

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Equity attributable to owners of parent				
	Capital stock	Capital surplus	Treasury shares	Other components of equity	
				Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2023	7,000	34,687	(3,534)	(12)	1,559
Profit	—	—	—	—	—
Other comprehensive income	—	—	—	445	181
Total comprehensive income	—	—	—	445	181
Purchase of treasury shares	—	—	(0)	—	—
Disposal of treasury shares	—	—	—	—	—
Cancellation of treasury shares	—	—	—	—	—
Dividends	—	—	—	—	—
Share-based remuneration transactions	—	2	6	—	—
Increase (decrease) by business combination	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	36
Transfer to non-financial assets	—	—	—	(277)	—
Total transactions with owners	—	2	6	(277)	36
Balance as of March 31, 2024	7,000	34,690	(3,528)	155	1,776

	Equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity		Retained earnings	Total		
	Remeasurements	Total				
	of defined benefit plans					
Balance as of April 1, 2023	—	1,546	28,563	68,264	—	68,264
Profit	—	—	5,524	5,524	—	5,524
Other comprehensive income	(319)	307	—	307	—	307
Total comprehensive income	(319)	307	5,524	5,831	—	5,831
Purchase of treasury shares	—	—	—	(0)	—	(0)
Disposal of treasury shares	—	—	—	—	—	—
Cancellation of treasury shares	—	—	—	—	—	—
Dividends	—	—	(2,719)	(2,719)	—	(2,719)
Share-based remuneration transactions	—	—	—	9	—	9
Increase (decrease) by business combination	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	319	355	(355)	—	—	—
Transfer to non-financial assets	—	(277)	—	(277)	—	(277)
Total transactions with owners	319	78	(3,075)	(2,987)	—	(2,987)
Balance as of March 31, 2024	—	1,932	31,012	71,107	—	71,107

	Equity attributable to owners of parent				
	Capital stock	Capital surplus	Treasury shares	Other components of equity	
				Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2024	7,000	34,690	(3,528)	155	1,776
Profit	—	—	—	—	—
Other comprehensive income	—	—	—	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)
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
	Other components of equity		Retained earnings	Total		
	Remeasurements	Total				
	of defined benefit plans					
Balance as of April 1, 2024	—	1,932	31,012	71,107	—	71,107
Profit	—	—	5,565	5,565	—	5,565
Other comprehensive income	73	340	—	340	—	340
Total comprehensive income	73	340	5,565	5,905	—	5,905
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	—	—	—	—	1,470	1,470
Transfer from other components of equity to retained earnings	(73)	(148)	148	—	—	—
Transfer to non-financial assets	—	(209)	—	(209)	—	(209)
Total transactions with owners	(73)	(358)	(3,193)	(4,120)	1,470	(2,650)
Balance as of March 31, 2025	—	1,914	33,384	72,892	1,470	74,363

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before tax	7,627	8,377
Depreciation and amortization	2,427	2,349
Impairment losses	173	589
Finance income	(1,584)	(185)
Finance expenses	81	84
Share of loss (profit) of investments accounted for using equity method	(322)	(252)
Decrease (increase) in inventories	(1,760)	(1,971)
Decrease (increase) in trade and other receivables	(749)	987
Increase (decrease) in trade and other payables	139	2,536
Other, net	133	(550)
Subtotal	6,167	11,964
Interest and dividend income received	1,576	127
Interest expenses paid	(80)	(87)
Income taxes paid	(1,001)	(3,077)
Net cash used in operating activities	6,662	8,927
Cash flows from investing activities		
Net decrease (increase) in time deposits	1,000	—
Purchase of property, plant and equipment, and intangible assets	(1,700)	(2,820)
Payments for retirement of property, plant and equipment	(89)	(41)
Proceeds from sale of property, plant and equipment	431	6
Purchase of investments	(27)	(27)
Proceeds from sale and redemption of investments	57	204
Expenditures for acquisition of shares of subsidiaries resulting in changes in the scope of consolidation	—	(6,259)
Purchase of investments accounted for using equity method	(527)	—
Other, net	33	(40)
Net cash used in investing activities	(822)	(8,977)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,000)	7,810
Purchase of treasury shares	(0)	(889)
Proceeds from disposal of treasury shares	—	235
Repayments of lease liabilities	(875)	(832)
Cash dividends paid	(2,717)	(3,337)
Net cash used in financing activities	(4,593)	2,986
Net increase (decrease) in cash and cash equivalents	1,246	2,935
Cash and cash equivalents at the beginning of the period	11,263	12,509
Cash and cash equivalents at the end of the period	12,509	15,445

(5) Notes to consolidated financial statements

(Notes on the going concern assumption)

Not applicable.

(Additional information)

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

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

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

Under this trust, the Company acquired 391,000 shares of its stock during the current consolidated fiscal year for 889 million yen. Of these, 99,900 shares were sold by the end of the fiscal year, resulting in a decrease of 227 million yen in treasury stock. As a result, the balance of treasury stock related to the trust recorded on the consolidated statement of financial position at the end of the fiscal year was 662 million yen. The impact of trust fees and other expenses related to establishing this trust on profit and loss in the current consolidated fiscal year was immaterial. Similarly, the impact of gains or losses on the disposal of treasury stock on capital surplus was also immaterial.

Shares of the Company held under this trust are accounted for as treasury stock. Accordingly, they are deducted from the weighted average number of shares outstanding in the calculation of basic earnings per share.

(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) Matters related to changes in reportable segments, etc.

From the current consolidated fiscal year, in line with a review of the Company Group's business management categories, the reporting segments have been changed from the previous "Sugar and Other Foodstuffs Business," "Health Industry Business," and "Warehousing Business" to the "Sugar Segment" and "Food & Wellness Segment."

For this reason, the segment information for the third quarter of the previous fiscal year has been prepared based on the new reportable segment categories.

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

	Reportable Segment			Adjustment (Note 2)	Consolidation
	Sugar	Food & Wellness	Total		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Revenue					
External revenues	79,088	13,103	92,192	—	92,192
Intersegment revenues	38	117	155	(155)	—
Total	79,126	13,221	92,348	(155)	92,192
Segment profit (loss) (Note 1)	6,157	630	6,788	(985)	5,802
Finance income	—	—	—	—	1,584
Finance costs	—	—	—	—	81
Share of profit of investments accounted for using equity method	—	—	—	—	322
Profit before tax	—	—	—	—	7,627
Segment assets	68,551	14,048	82,599	13,318	95,918
Other items					
Depreciation and amortization	1,637	790	2,427	0	2,427
Impairment losses	—	173	173	—	173
Investments accounted for using equity method	14,383	561	14,944	—	14,944
Capital expenditures	1,191	641	1,832	7	1,840

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) represents company-wide expenses attributable to the holding company, which consists of group expenses, etc.
- ② The adjustment amount for segment assets represents corporate assets attributable to the holding company and inter-segment assets. Corporate assets attributable to the holding company consist of cash and cash equivalents of the company.

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	(1,282)	8,024
Finance income	—	—	—	—	185
Finance costs	—	—	—	—	84
Share of profit of investments accounted for using equity method	—	—	—	—	252
Profit before tax	—	—	—	—	8,377
Segment assets	79,352	14,660	94,012	16,339	110,352
Other items					
Depreciation and amortization	1,531	793	2,325	24	2,349
Impairment losses	—	589	589	—	589
Investments accounted for using equity method	15,992	572	16,564	—	16,564
Capital expenditures	2,356	720	3,076	2	3,079

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 inter-segment assets.

3: The amount for capital expenditures does not include the increase in assets due to the consolidation of Toyo Sugar Refining Co., Ltd.

(Per share information)

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

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit attributable to owners of the parent (millions of yen)	5,524	5,565
Weighted average number of common shares outstanding	32,763,397	32,726,628
Basic earnings per share (yen)	168.61	170.05

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

2: In the calculation of per-share information, the number of treasury shares includes the Company's shares held by the Impact Neutralization Trust®.

(Weighted average during the fiscal year: 51,800 shares)

(Material subsequent events)

There are no applicable matters.