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Summary of Consolidated Financial Results

For the Three Months of the Year Ending March 31, 2026 (Based on Japanese GAAP)

July 31, 2025

Company name: Mitsui DM Sugar Co., Ltd. Stock exchange listings: Tokyo
 Stock code: 2109 https://www.msdm-hd.com/
 Company representative: Taku Morimoto President and Chief Executive Officer
 Contact person in charge: Masahiko Mori Director, Managing Executive Officer TEL. 81-3-6453-6161

Planned date to start dividend payment: —

Preparation of supplementary material for financial statements: None

Briefing session for financial statements: None

(Amounts are rounded down to the nearest 1 million yen.)

1. Consolidated Financial Results for the Three Months of the Year Ending March 31, 2026 (from April 1, 2025 to June 30, 2025)

(1) Consolidated Results of Operations (Percentages are year-over-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First three months of FY2025	46,874	4.5	3,565	8.8	3,955	(0.1)	2,675	(7.4)
First three months of FY2024	44,871	5.9	3,277	554.0	3,957	(24.9)	2,889	(47.9)

(Note) Comprehensive income: Three months ended June 30, 2025: 1,894 million yen (-48.3%)
 Three months ended June 30, 2024: 3,667 million yen (-34.7%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
First three months of FY2025	84.43	—
First three months of FY2024	89.52	—

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2025	192,176	115,234	57.6	3,559.53
As of March 31, 2025	202,196	119,341	56.7	3,550.69

(Reference) Equity capital: As of June 30, 2025: 110,717 million yen As of March 31, 2025: 114,614 million yen

2. Cash Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year end	Total
Year ended March 31, 2025	—	Yen	65.00	Yen	Yen
Year ending March 31, 2026	—	—	—	65.00	130.00
Year ending March 31, 2026 (forecast)	65.00	—	—	65.00	130.00

(Note) Revision of the dividend forecast announced most recently: None

3. Consolidated Business Forecasts for the Year Ending March 31, 2026 (from April 1, 2025, to March 31, 2026)

(Percentages are year-over-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	200,000	11.9	12,300	(11.1)	11,800	(18.5)	7,700	22.3	246.17

(Note) Revision of the business forecasts announced most recently: None

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Excluded: 1 Company name: Mitsui DM Sugar Co., Ltd.

(2) Application of accounting method unique to preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policy and accounting estimates and restatement

- (i) Changes in accounting policy due to any revision of accounting standards: None
- (ii) Changes in accounting policy other than i) above: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of outstanding shares (common shares)

(i) Number of outstanding shares at period end (including treasury shares)	As of June 30, 2025	31,464,780 shares	As of March 31, 2025	32,639,780 shares
(ii) Number of treasury shares at period end	As of June 30, 2025	360,168 shares	As of March 31, 2025	360,168 shares
(iii) Average number of shares during period (from the beginning of fiscal year to period end)	Three months ended June 30, 2025	31,685,656 shares	Three months ended June 30, 2024	32,271,138 shares

Note: The Company has introduced a trust-based stock compensation scheme for directors, etc. The number of treasury shares at period end includes treasury shares held by the trust (143,800 shares as of June 30, 2025; 152,400 shares as of June 30, 2024). In addition, the average number of shares during the period is calculated excluding treasury shares, which include those held by the trust (143,800 shares in the three months ended June 30, 2025; 152,400 shares in the three months ended June 30, 2024).

* Review of accompanying Quarterly Consolidated Financial Statements by certified public accountant or audit firm: None

* Explanation on the appropriate use of business forecasts, and other special notes

- Business forecasts and other forward-looking statements contained in this report and supplementary materials are based on information currently available to the Company and on certain assumptions deemed rational. They do not constitute a guarantee that the Company will achieve its forecasts or other forward-looking statements. Actual results may differ significantly from forecasts due to various factors. For assumptions and other criteria used to formulate business forecasts, please refer to "1. Summary of Operating Results, (3) Description of consolidated business forecasts and other information about future forecasts" on page 3 of the Appendix.

- The Company plans to disclose the quarterly document with an accompanying review report after the Quarterly Consolidated Financial Statements have been reviewed by a certified public accountant or audit firm. The planned disclosure date is August 7, 2025.

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1. Summary of Operating Results

(1) Summary of operating results for the quarterly period under review

On April 1, 2025, Mitsui DM Sugar Co., Ltd. (consolidated subsidiary) was absorbed in a merger, and the company name was changed from Mitsui DM Sugar Holdings Co., Ltd. to Mitsui DM Sugar Co., Ltd. Going forward, we will continue to build an effective and optimal group governance structure and aim to become a more efficient and profitable corporate group while further growing each business.

During the first quarter of the current fiscal year, the Japanese economy showed signs of a moderate recovery against the backdrop of improvements in the employment and income environment and strong inbound demand. However, the outlook remains uncertain due to factors such as continued price increases, the risk of an economic downturn caused by unstable international conditions, and concerns about the impact of policy trends in the United States.

Against this backdrop, the Mitsui DM Sugar Group ("the Group") implemented a range of measures to achieve the goals of its medium-term management plan, "2026 Diversify into Nutrition & Health." Based on the plan's growth strategy for the Group, which has two key elements – "Transform the Group's business model" and "Reallocate management resources" – the Group is working to optimize its businesses with measures across five areas: (1) reinforce the domestic Sugar Business, (2) grow overseas operations, (3) expand the Life Energy Business, (4) consolidate and strengthen the Group's R&D capabilities, and (5) contribute to the creation of a sustainable society.

(Sugar Business)

Overseas raw sugar prices started at the high-18 cents per pound and immediately rose to the mid-19 cent range due to the appreciation of the Brazilian real. After that, due to improved prospects for sugarcane production in Brazil and India, the price temporarily declined to the 14-cent level but ended the first quarter at the 15-cent level. Domestic market prices remained at 249 to 251 yen per kilogram throughout the period.

Domestic refined sugar sales were affected by a decline in consumer spending due to continued food price increases in the household sector. However, commercial sales remained strong in the Kansai region due to special demand for Expo 2025 Osaka Kansai, and nationwide, good weather around the long holiday in May boosted demand. In terms of costs, we absorbed the continued high levels of marine freight, packaging materials, and distribution costs caused by soaring energy prices mainly through stable procurement of raw materials due to weak overseas raw sugar prices. In addition, contract manufacturing of Wada Sugar Refining Co., Ltd. products based on a business alliance agreement between the Company and Wada Sugar Refining Co., Ltd. is now in full swing and contributing to the Group earnings.

Overseas, sales volume recovered and profits improved due to the opening of new production bases in the United Arab Emirates (UAE) and Vietnam last year under the affiliated companies of SIS' 88 Pte Ltd (consolidated subsidiary) in Singapore, which are operating steadily.

As a result, the Sugar Business reported net sales of 39,897 million yen (up 4.9% year on year) and operating income of 3,100 million yen (up 17.3% year on year).

Sugar market status during period

Overseas raw sugar price (NY sugar current delivery, per pound)

Opening price: 18.89 cents, highest price: 19.63 cents, lowest price: 14.68 cents, closing price: 15.05 cents

Domestic market price (listed in *Nihon Keizai Shimbun*, per kilogram of a large bag of superfine sugar, Tokyo)

Three months ended June 30, 2025: 249-251 yen

(Life Energy Business)

Sales of quality improvers and preservatives were strong in the food technology business of TAISHO TECHNOS CO., LTD. (consolidated subsidiary). In addition, sales volume increased in the vitality health foods business of YOUR MEAL Co., Ltd. (consolidated subsidiary), which mainly offers nutritionally enhanced meals for athletes and people seeking to maintain a healthy physique. In the nutritional care supplements business of NUTRI Co., Ltd. (consolidated subsidiary), sales of some products remained strong, but both companies were affected by an increase in selling, general and administrative expenses, including advertising expenses.

As a result, the Life Energy Business reported net sales of 6,312 million yen (up 1.3% year on year) and operating income of 252 million yen (down 36.1% year on year).

(Real Estate Business)

In addition to the Okayama and Kobe-Nagata areas, real estate rental properties located throughout Japan, including our head office building, Mita S-Garden (Shiba, Minato-ku, Tokyo), are performing well, but repair expenses for several properties that have been leased for many years increased temporarily. As a result, the Real Estate Business reported net sales of 664 million yen (up 10.0% year on year) and operating income of 211 million yen (down 10.9% year on year).

As a result, in the first three months of the fiscal year, the Group recorded net sales of 46,874 million yen (up 4.5% year on year) and operating income of 3,565 million yen (up 8.8% year on year).

In non-operating income and expenses, there was a decrease in royalty income, mainly due to a decrease in royalty income under the development and marketing rights agreement for fingolimod (FTY720), and a decrease in sales at affiliates in China. As a result, ordinary income was 3,955 million yen (down 0.1% year on year). In addition, due to an increase in tax-related expenses and others, profit attributable to owners of parent was 2,675 million yen (down 7.4% year on year).

(2) Summary of quarterly financial position

Changes in consolidated financial position

As of June 30, 2025, total assets stood at 192,176 million yen, down 10,020 million yen from the end of the previous fiscal year. Significant changes in the main items on the consolidated balance sheet were as follows:

(i) Current assets

Current assets totaled 91,521 million yen, down 7,167 million yen from the end of the previous fiscal year. This was mainly due to an increase of 254 million yen in accounts receivable - trade, an increase of 1,865 million yen in raw materials and supplies, and an increase of 488 million yen in other current assets, while there was a decrease of 3,877 million yen in cash and deposits and a decrease of 5,451 million yen in merchandise and finished goods.

(ii) Non-current assets

Non-current assets totaled 100,654 million yen, down 2,852 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 238 million yen in buildings and structures, a decrease of 736 million yen in machinery, equipment and vehicles, a decrease of 325 million yen in goodwill, a decrease of 179 million yen in investments in capital of subsidiaries and associates, and a decrease of 926 million yen in deferred tax assets.

(iii) Liabilities

Liabilities totaled 76,941 million yen, down 5,913 million yen from the end of the previous fiscal year. This was mainly due to an increase of 1,814 million yen in notes and accounts payable - trade, an increase of 759 million yen in accrued expenses, and a decrease of 2,627 million yen in short-term loans payable, a decrease of 4,375 million yen in income taxes payable, a decrease of 361 million yen in long-term loans payable, and a decrease of 543 million yen in deferred tax liabilities.

(iv) Net assets

Net assets totaled 115,234 million yen, up 4,106 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 2,675 million yen in profit attributable to owners of parent, the retirement of 3,841 million yen of treasury stock, the payment of 2,107 million yen in dividends from retained earnings, a decrease of 3,273 million yen in retained earnings, and a decrease of 666 million yen in foreign currency translation adjustment.

(3) Description of consolidated business forecasts and other information about future forecasts

The Group's consolidated business forecasts for the fiscal year ending March 31, 2026, are unchanged from the forecasts released on May 15, 2025. The Company will make timely disclosures in the event of developments that require revisions to its consolidated business forecasts.

2. Quarterly Consolidated Financial Statements and Important Notes

(1) Quarterly consolidated balance sheets

(Million yen)

	FY2024 (As of March 31, 2025)	First three months of FY2025 (As of June 30, 2025)
Assets		
Current assets		
Cash and deposits	40,596	36,718
Notes receivable - trade	584	577
Accounts receivable - trade	13,335	13,589
Merchandise and finished goods	28,077	22,625
Work in process	3,018	2,577
Raw materials and supplies	9,185	11,051
Other	3,893	4,382
Allowance for doubtful accounts	(2)	(1)
Total current assets	98,689	91,521
Non-current assets		
Property, plant and equipment		
Buildings and structures	44,963	44,994
Accumulated depreciation	(27,821)	(28,091)
Buildings and structures, net	17,141	16,903
Machinery, equipment and vehicles	97,973	97,753
Accumulated depreciation	(82,882)	(83,398)
Machinery, equipment and vehicles, net	15,091	14,354
Tools, furniture and fixtures	4,003	4,018
Accumulated depreciation	(3,347)	(3,393)
Tools, furniture and fixtures, net	656	624
Land	26,310	26,310
Lease assets	2,451	2,322
Accumulated depreciation	(1,198)	(1,205)
Lease assets, net	1,253	1,116
Construction in progress	160	404
Total property, plant and equipment	60,614	59,714
Intangible assets		
Goodwill	4,538	4,213
Other	3,921	3,640
Total intangible assets	8,460	7,854
Investments and other assets		
Investment securities	16,728	16,661
Investments in capital of subsidiaries and associates	3,868	3,688
Long-term loans receivable	17	17
Net defined benefit asset	2,121	2,137
Deferred tax assets	1,926	1,000
Other	9,799	9,605
Allowance for doubtful accounts	(29)	(24)
Total investments and other assets	34,433	33,086
Total non-current assets	103,507	100,654
Total assets	202,196	192,176

	(Million yen)	
	FY2024 (As of March 31, 2025)	First three months of FY2025 (As of June 30, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,482	11,296
Short-term loans payable	8,552	5,924
Current portion of bonds payable	10,000	10,000
Current portion of long-term loans payable	1,400	1,337
Lease obligations	324	298
Accrued expenses	4,287	5,046
Income taxes payable	5,542	1,167
Provision for directors' bonuses	123	43
Other	6,043	5,688
Total current liabilities	<u>45,756</u>	<u>40,803</u>
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	17,404	17,043
Lease obligations	939	829
Deferred tax liabilities	2,160	1,617
Provision for retirement benefits for directors	102	93
Provision for share awards for directors	55	65
Reserves for business restructuring	1,002	1,002
Net defined benefit liability	3,643	3,698
Asset retirement obligations	313	313
Other	1,477	1,475
Total non-current liabilities	<u>37,099</u>	<u>36,138</u>
Total liabilities	<u>82,855</u>	<u>76,941</u>
Net assets		
Shareholders' equity		
Capital stock	7,083	7,083
Capital surplus	8,407	8,414
Retained earnings	94,638	91,364
Treasury shares	(708)	(708)
Total shareholders' equity	<u>109,419</u>	<u>106,153</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	903	905
Deferred gains or losses on hedges	27	78
Foreign currency translation adjustment	3,720	3,053
Remeasurements of defined benefit plans	543	527
Total accumulated other comprehensive income	<u>5,195</u>	<u>4,564</u>
Non-controlling interests	<u>4,726</u>	<u>4,516</u>
Total net assets	<u>119,341</u>	<u>115,234</u>
Total liabilities and net assets	<u>202,196</u>	<u>192,176</u>

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income

(Quarterly consolidated statements of income)

(Million yen)

	First three months of FY2024 (From April 1, 2024, to June 30, 2024)	First three months of FY2025 (From April 1, 2025, to June 30, 2025)
Net sales	44,871	46,874
Cost of sales	35,150	36,152
Gross profit	9,720	10,721
Selling, general and administrative expenses		
Distribution expenses	1,858	2,002
Salaries and bonuses	1,466	1,524
Provision for directors' bonuses	19	12
Retirement benefit expenses	39	62
Share-based payment expenses	3	9
Other	3,056	3,543
Total selling, general and administrative expenses	6,443	7,156
Operating income	3,277	3,565
Non-operating income		
Interest income	0	2
Dividend income	130	177
Royalty income	191	91
Share of profit of entities accounted for using equity method	401	190
Miscellaneous income	116	117
Total non-operating income	839	578
Non-operating expenses		
Interest expenses	93	132
Loss on retirement of non-current assets	11	4
Facilities removal expenses	6	18
Miscellaneous loss	47	33
Total non-operating expenses	159	188
Ordinary income	3,957	3,955
Extraordinary income		
Gain on sale of investment securities	43	43
Subsidy income	83	1
Total extraordinary income	127	44
Profit before income taxes	4,085	4,000
Income taxes—current	1,157	1,033
Income taxes—deferred	120	408
Total income taxes	1,278	1,442
Profit	2,806	2,557
Loss attributable to non-controlling interests	(82)	(117)
Profit attributable to owners of parent	2,889	2,675

Mitsui DM Sugar Co., Ltd. (2109)
Summary of Consolidated Financial Results for the First Three Months Ended June 30, 2025

(Quarterly consolidated statements of comprehensive income)

(Million yen)

	First three months of FY2024 (From April 1, 2024, to June 30, 2024)	First three months of FY2025 (From April 1, 2025, to June 30, 2025)
Profit	2,806	2,557
Other comprehensive income		
Valuation difference on available-for-sale securities	(14)	(12)
Deferred gains or losses on hedges	105	68
Foreign currency translation adjustment	560	(328)
Remeasurements of defined benefit plans	(24)	(15)
Share of other comprehensive income of entities accounted for using equity method	234	(374)
Total other comprehensive income	860	(662)
Comprehensive income	3,667	1,894
Comprehensive income attributable to:		
Owners of parent	3,608	2,044
Non-controlling interests	58	(149)

(3) Notes on quarterly consolidated financial statements

(Preparation of quarterly consolidated financial statements)

The quarterly consolidated financial statements are prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. (hereinafter referred to as the "Standards") published by Tokyo Stock Exchange, Inc. (TSE), and Japan's generally accepted accounting principles (GAAP) (however, the omission of information as stipulated in Article 4, Paragraph 2 of the Standards is applied).

(Notes on segment information, etc.)

Segment information

I. First three months of FY2024 (From April 1, 2024, to June 30, 2024)

Information on net sales and income/loss and revenue breakdown by each reportable segment

	Reportable segment				Adjustments	(Million yen) Amount recorded in quarterly consolidated statements of income
	Sugar Business	Life Energy Business	Real Estate Business	Total		
Net sales						
Revenue from contracts with customers	38,033	6,234	—	44,267	—	44,267
Other revenue	—	—	603	603	—	603
Net sales to third-party customers	38,033	6,234	603	44,871	—	44,871
Intersegment net sales and transfer	83	73	220	377	(377)	—
Total	38,116	6,307	824	45,248	(377)	44,871
Segment profit	2,643	395	237	3,277	—	3,277

(Note) Some adjustments have been made between segment profit and operating income recorded in the quarterly consolidated statements of income.

II. First three months of FY2025 (From April 1, 2025, to June 30, 2025)

Information on net sales and income/loss and revenue breakdown by each reportable segment

	Reportable segment				Adjustments	(Million yen) Amount recorded in quarterly consolidated statements of income
	Sugar Business	Life Energy Business	Real Estate Business	Total		
Net sales						
Revenue from contracts with customers	39,897	6,312	—	46,210	—	46,210
Other revenue	—	—	664	664	—	664
Net sales to third-party customers	39,897	6,312	664	46,874	—	46,874
Intersegment net sales and transfer	49	82	40	172	(172)	—
Total	39,946	6,395	705	47,047	(172)	46,874
Segment profit	3,100	252	211	3,565	—	3,565

(Note) Some adjustments have been made between segment profit and operating income recorded in the quarterly consolidated statements of income.

(Notes when the amount of the shareholders' equity significantly fluctuates)

Based on a resolution of the Board of Directors held on May 15, 2025, the Company acquired 1,175,000 shares of Treasury stock and retired 1,175,000 shares of Treasury stock on June 2, 2025. As a result of the cancellation of treasury stock, the balance of other capital surplus became negative, and therefore, the amount was transferred from retained earnings to capital surplus. As a result, retained earnings decreased by 3,841 million yen during the first quarter of the current fiscal year, and amounted to 91,364 million yen at the end of the first quarter of the current fiscal year.

(Notes on assumptions of a going concern)

None.

(Notes on quarterly consolidated statements of cash flows)

Quarterly consolidated statements of cash flows for the first quarter of the current fiscal year have not been prepared. Depreciation and amortization (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first quarter of the current and previous fiscal years are as follows.

	First three months of FY2024 (From April 1, 2024, to June 30, 2024)	First three months of FY2025 (From April 1, 2025, to June 30, 2025)
	(million yen)	(million yen)
Depreciation and amortization	1,385	1,339
Amortization of goodwill	144	146

(Additional information)

(Earnings-linked stock compensation scheme for directors, etc.)

The Company has introduced a stock compensation scheme for directors (excluding directors who are members of the audit & supervisory committee and outside directors) and executive officers ("directors and others") to increase the motivation of these directors to improve the Group's medium- to long-term earnings performance and increase corporate value.

1. Overview of transactions

Funds are entrusted to a trust set up by the Company ("the trust"), which is used to purchase common shares in the Company ("the Company's shares"). Through the trust, directors and others receive the Company's shares as compensation in exchange for points granted to them in accordance with stock distribution regulations established by the Company's Board of Directors. In principle, directors and others receive the shares on retirement from their positions.

2. Company's shares retained by the trust

The Company's shares retained by the trust are included in net assets as treasury shares at book value (excluding associated expenses). As of March 31, 2025, there were 143,800 shares held by the trust with a book value of 279 million yen. As of June 30, 2025, there were 143,800 shares held by the trust with a book value of 279 million yen.

(Notes on important subsequent events)

None.