

# KANRO Financial Results for the Fiscal Year Ended December 31, 2025

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## Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 [Japanese GAAP]



February 13, 2026

Company name:	Kanro Inc.
Listing:	Tokyo Stock Exchange
Securities code:	2216
URL:	<a href="https://www.kanro.co.jp/en/">https://www.kanro.co.jp/en/</a>
Representative:	Tetsuya Murata, President and CEO
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Telephone:	+81-3-3370-8811
Scheduled date of Ordinary General Meeting of Shareholders:	March 27, 2026
Scheduled date to commence dividend payments:	March 10, 2026
Scheduled date of filing annual securities report:	March 26, 2026
Preparation of supplementary material on financial results:	Yes
Holding of financial results briefing:	Yes (for institutional investors and financial analysts)

(Amounts are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for FY2025 (January 1, 2025 to December 31, 2025)

(1) Consolidated Operating Results (% of change from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
December 31, 2025	34,771	—	4,691	—	4,746	—	3,378	—
December 31, 2024	—	—	—	—	—	—	—	—

(Note) Comprehensive income: For the fiscal year ended December 31, 2025: ¥3,637 million [—%]  
For the fiscal year ended December 31, 2024: ¥— million [—%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2025	80.18	—	17.8	14.1	13.5
December 31, 2024	—	—	—	—	—

(Reference) Equity in earnings (losses) of affiliates: FY2025: ¥ - million

FY2024: ¥ - million

- (Notes) 1. Since consolidated financial statements were not prepared for the fiscal year ended December 31, 2024, figures for the fiscal year ended December 31, 2024 and the year-on-year percentage change for the fiscal year ended December 31, 2025 are not stated. In addition, since the fiscal year under review is the first year for which consolidated financial results have been prepared, return on equity and ordinary profit to total assets are calculated based on year-end equity and year-end total assets, respectively.
2. Since a three-for-one share split of common shares was implemented with an effective date of July 1, 2025, basic earnings per share is calculated on the assumption that the share split was implemented at the beginning of the previous fiscal year.

KANRO Financial Results for the Fiscal Year Ended December 31, 2025

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2025	33,607	18,984	56.5	450.54
As of December 31, 2024	—	—	—	—

(Reference) Equity: As of December 31, 2025: ¥18,984 million

As of December 31, 2024: ¥— million

- (Notes) 1. Since consolidated financial statements were not prepared for the fiscal year ended December 31, 2024, figures as of December 31, 2024 are not stated.  
 2. Since a three-for-one share split of common shares was implemented with an effective date of July 1, 2025, net assets per share is calculated on the assumption that the share split was implemented at the beginning of the previous fiscal year.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended December 31, 2025	5,053	(5,248)	(526)	4,261
December 31, 2024	—	—	—	—

(Note) Since consolidated financial statements were not prepared for the fiscal year ended December 31, 2024, figures for the fiscal year ended December 31, 2024 are not stated.

2. Cash Dividends

	Annual cash dividends per share					Total dividends	Payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2024	—	35.00	—	58.00	93.00	1,338	—	—
FY2025	—	45.00	—	17.00	—	1,381	39.9	7.3
FY2026 (Forecast)	—	15.00	—	18.00	33.00		40.3	

(Notes) 1. Since consolidated financial statements were not prepared for the fiscal year ended December 31, 2024, payout ratio (consolidated) and dividends to net assets (consolidated) for the fiscal year ended December 31, 2024 are not stated.

2. The Company implemented a three-for-one share split of common shares with an effective date of July 1, 2025. The interim dividend per share at the end of the second quarter of the fiscal year ended December 31, 2025 represents the actual dividend before the stock split, and the total annual dividend is stated as “-“. If calculated on a pre-share split basis, the year-end dividend per share for the fiscal year ended December 31, 2025 would be 51.00 yen per share and the annual dividend per share would be 96.00 yen.

3. Consolidated Financial Results Forecast for FY2026 (January 1, 2026 to December 31, 2026)

(% of change from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	18,000	—	2,300	—	2,300	—	1,600	—	37.97
Full year	36,500	5.0	4,900	4.4	4,900	3.2	3,450	2.1	81.87

KANRO Financial Results for the Fiscal Year Ended December 31, 2025

**\* Notes:**

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

Newly included : 1 company (Company name) : Kanro America Inc.  
 Excluded : None (Company name) :

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: Yes
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

	As of December 31, 2025	As of December 31, 2024
1) Total number of issued shares at the end of the period (including treasury shares)	45,946,812 shares	45,946,812 shares
2) Total number of treasury shares at the end of the period	3,808,480 shares	3,807,498 shares
	Fiscal year ended December 31, 2025	Fiscal year ended December 31, 2024
3) Average number of shares during the period	42,138,623 shares	42,054,804 shares

- \* 1. Since a three-for-one share split of common shares was implemented with an effective date of July 1, 2025, the total number of issued shares at the end of the period, the total number of treasury shares at the end of the period, and the average number of shares during the period are calculated on the assumption that the share split was implemented at the beginning of the previous fiscal year.
2. Total number of treasury shares at the end of the period includes the Company's treasury shares owned by Custody Bank of Japan, Ltd. (Trust Account) (December 31, 2025: 1,039,500 shares and December 31, 2024: 1,039,500 shares).

## KANRO Financial Results for the Fiscal Year Ended December 31, 2025

(Reference) Overview of Non-consolidated Financial Results

### 1. Non-consolidated Financial Results for FY2025 (January 1, 2025 to December 31, 2025)

(1) Non-consolidated Operating Results (% of change from the previous fiscal year.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2025	34,796	9.5	4,728	10.4	4,783	10.9	3,418	4.9
December 31, 2024	31,778	9.5	4,284	26.4	4,315	25.7	3,260	32.4

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2025	81.13	—
December 31, 2024	77.52	—

(Note) Since a three-for-one share split of common shares was implemented with an effective date of July 1, 2025, basic earnings per share is calculated on the assumption that the share split was implemented at the beginning of the previous fiscal year.

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
December 31, 2025	33,757	18,774	55.6	445.55
December 31, 2024	29,105	16,831	57.8	399.42

(Reference) Equity: As of December 31, 2025: ¥18,774 million

As of December 31, 2024: ¥16,831 million

(Note) Since a three-for-one share split of common shares was implemented with an effective date of July 1, 2025, net assets per share is calculated on the assumption that the share split was implemented at the beginning of the previous fiscal year.

\* These financial results are outside the scope of audit procedures by a certified public accountant or audit firm.

\* Explanation of the proper use of financial results forecast and other notes  
The earnings forecasts and other forward-looking statements herein are based on currently available information and certain assumptions deemed reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors.

(Method of obtaining supplementary material on financial results)

Supplementary material on financial results is disclosed on TDnet on February 13, 2026 as well as on the Company's website.

## KANRO Financial Results for the Fiscal Year Ended December 31, 2025

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## 1. Overview of Business Results, etc.

Since the Group started preparing consolidated financial statements from the fiscal year under review, a comparative analysis with the previous fiscal year and the end of the previous fiscal year has not been conducted.

### (1) Overview of Business Results for the Fiscal Year under Review

The Japanese economy during the fiscal year ended December 31, 2025 (hereinafter, the “fiscal year under review”) recovered moderately, despite signs of U.S. trade policies and other factors impacting some industries. Personal consumption also showed signs of a rebound due to improvements in the employment and income environment. However, the outlook remains uncertain due to the risk of downward pressure on the economy that U.S. trade policies and ongoing price hikes exert on personal consumption.

In the candy market, amid such an economic environment, favorable conditions continued and sales in each category and in the overall market increased year on year. As for our major domains, the hard candy category experienced steady demand for throat drops, while the gummy category demonstrated sustained and significant growth with sales of hard-texture products and fruit-based products.

Kanro commenced Medium-term Corporate Strategy 2030, which sets out “Kanro Vision 2.0,” under our corporate purpose of “Sweeten the Future.” As a result of promoting our business based on this strategy, net sales during the fiscal year under review amounted to ¥34,771 million.

Sales of hard candy products amounted to ¥17,099 million, buoyed by throat drops and the gourmet category. By product, sales were favorable for the *Kenko Nodoame* (健康のど飴) series and the *Non-Sugar Nodoame* (ノンシュガーのど飴) series, and the gourmet category product *Jururu* (じゅるる) series also enjoyed favorable sales. In gummies, sales of the leading brand *Puré Gummy* (ピュレグミ) series increased amid intensifying competition with other companies in Japan. Kanro America Inc., established in the U.S. in May 2025, also sells this series, mainly in California. In addition, supply volumes rose for the high-value product *Gummi-tzel* (グミッツェル) sold at the Company-owned Hitotubu Kanro stores and on “Kanro POCkET” digital platform owing to improved production processes, and continued to enjoy favorable sales growth. As a result, sales amounted to ¥16,860 million. Sales of healthy snacks were ¥799 million, partly due to favorable sales of *Sakupori Natto* (サクポリ納豆).

In terms of profits, higher sales enabled the Company to absorb an increased burden of depreciation associated with expansion of the gummy building at the Matsumoto Plant and higher labor and other fixed costs in line with a hike in wages. Accordingly, gross profit amounted to ¥14,697 million. Operating profit amounted to ¥4,691 million, owing to the effect of higher sales absorbing increased general and administrative expenses. These included an increase in corporate advertising expenses, rising personnel costs due to increased staffing and a hike in wages, system-related expenses, including for the launch of a new core system, and increased expenditures for measures to expand business areas, including those in the U.S. Ordinary profit amounted to ¥4,746 million.

In addition, profit attributable to owners of parent amounted to ¥3,378 million owing to the recording of extraordinary income from the reduction of cross-shareholdings, as well as the application of the tax system to promote wage increases, despite the posting of extraordinary losses, including impairment losses.

### (2) Overview of Financial Position for the Fiscal Year under Review

Total assets at the end of the fiscal year under review amounted to ¥33,607 million. This was mainly

## KANRO Financial Results for the Fiscal Year Ended December 31, 2025

attributable to ¥14,610 million in property, plant and equipment, ¥10,247 million in accounts receivable - trade, and ¥4,321 million in cash and deposits.

Total liabilities at the end of the fiscal year under review amounted to ¥14,622 million. This was mainly attributable to ¥3,249 million in notes and accounts payable - trade, ¥2,711 million in accrued expenses, ¥2,249 million in accounts payable - other, and ¥2,064 million in retirement benefit liability.

Net assets at the end of the fiscal year under review amounted to ¥18,984 million. This was mainly due to ¥2,864 million in share capital, ¥13,950 million in retained earnings, and ¥(742) million in treasury shares.

### (3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents at the end of the fiscal year under review amounted to ¥4,261 million.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥5,053 million, despite an increase in working capital, income taxes paid and other factors.

(Cash flows from investing activities)

Net cash used in investing activities was ¥5,248 million.

This was due to cash outflows for capital investment and other expenditures.

(Cash flows from financing activities)

Net cash used in financing activities was ¥526 million.

This was attributable to cash outflows mainly from cash dividends paid.

### (Reference) Cash flow-related indicators

	FY2025
Equity ratio (%)	56.5
Equity ratio on a market value basis (%)	207.8
Cash flows to interest-bearing debt ratio (Years)	0.2
Interest coverage ratio (Times)	1,683.0

(Notes) Equity ratio:  $\text{Equity} / \text{Total assets}$

Equity ratio on a market value basis:  $\text{Market capitalization} / \text{Total assets}$

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

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

(Note 1) Aggregate market value of shares is calculated based on issued and outstanding shares excluding treasury shares.

(Note 2) Operating cash flows are used for “cash flows” in the above calculations.

(Note 3) Interest-bearing debt include all liabilities (short-term borrowings and long-term borrowings) reflected on the consolidated balance sheets that incur interest payments. Interest payments represent the interest payments recorded in the consolidated statement of cash flows.

(Note 4) All calculations are based on consolidated financial figures.

### (4) Future Outlook

In the year 2026, the second year of Medium-term Corporate Strategy 2030, the Company expects that net sales will increase by ¥1,728 million (5.0%) year on year to ¥36,500 million as we strive to increase production by promoting further production streamlining and efficiency improvements.

In terms of expenses, we expect raw material prices to remain high, energy costs to rise, labor costs to grow partly owing to increased personnel, as well as logistics costs and personnel expenses to increase and expenditures for measures to expand business in the U.S. to rise. Operating profit is projected to increase ¥208 million (4.4%) year on year to ¥4,900 million, ordinary profit is projected to increase ¥153 million (3.2%) year on year to ¥4,900 million, and profit attributable to owners of parent is projected to increase ¥71 million (2.1%) year on year to ¥3,450 million.

With regard to the dividends of surplus, Medium-term Corporate Strategy 2030 sets forth a shareholder return policy of a minimum of ¥31 per share based on a payout ratio of 40%. Based on this policy, the Company plans to pay an annual dividend of ¥33 per share (including an interim dividend of ¥15 per share) for the next fiscal year (ending December 31, 2026), an increase of ¥1 from the dividend amount for the fiscal year under review.

## 2. Basic Concept Regarding Selection of Accounting Standards

In consideration of comparability across periods and across companies for the consolidated financial statements and non-consolidated financial statements, the Group will prepare consolidated financial statements and non-consolidated financial statements under Japanese accounting standards for the time being.

Concerning the application of International Financial Reporting Standards, the Group will take appropriate measures in consideration of trends in Japan and overseas.

**3. Consolidated Financial Statements and Primary Notes****(1) Consolidated Balance Sheets**

(Thousand yen)

As of December 31, 2025	
<b>Assets</b>	
Current assets	
Cash and deposits	4,321,250
Accounts receivable - trade	10,247,963
Merchandise and finished goods	1,312,145
Work in process	81,675
Raw materials and supplies	568,680
Other	469,688
<b>Total current assets</b>	<b>17,001,403</b>
Non-current assets	
Property, plant and equipment	
Buildings and structures	9,890,213
Accumulated depreciation	(6,086,477)
Buildings and structures, net	3,803,735
Machinery, equipment and vehicles	16,227,480
Accumulated depreciation	(11,246,770)
Machinery, equipment and vehicles, net	4,980,710
Land	1,497,829
Leased assets	177,081
Accumulated depreciation	(111,024)
Leased assets, net	66,056
Construction in progress	3,926,840
Other	1,327,058
Accumulated depreciation	(992,079)
Other, net	334,978
<b>Total property, plant and equipment</b>	<b>14,610,151</b>
Intangible assets	494,695
Investments and other assets	
Investment securities	160,400
Deferred tax assets	1,151,293
Other	189,082
<b>Total investments and other assets</b>	<b>1,500,776</b>
<b>Total non-current assets</b>	<b>16,605,623</b>
<b>Total assets</b>	<b>33,607,027</b>

KANRO Financial Results for the Fiscal Year Ended December 31, 2025

(Thousand yen)

As of December 31, 2025

<b>Liabilities</b>	
Current liabilities	
Notes and accounts payable - trade	3,249,322
Short-term borrowings	1,000,000
Lease liabilities	43,531
Accounts payable - other	2,249,501
Accrued expenses	2,711,300
Income taxes payable	1,004,582
Accrued consumption taxes	344,735
Provision for bonuses	1,305,199
Provision for bonuses for directors (and other officers)	152,000
Other	194,046
<b>Total current liabilities</b>	<b>12,254,220</b>
Non-current liabilities	
Lease liabilities	29,129
Retirement benefit liability	2,064,149
Provision for share awards for directors (and other officers)	183,612
Other	90,995
<b>Total non-current liabilities</b>	<b>2,367,887</b>
<b>Total liabilities</b>	<b>14,622,107</b>
<b>Net assets</b>	
Shareholders' equity	
Share capital	2,864,249
Capital surplus	2,577,892
Retained earnings	13,950,987
Treasury shares	(742,892)
<b>Total shareholders' equity</b>	<b>18,650,238</b>
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	84,553
Foreign currency translation adjustment	1,006
Remeasurements of defined benefit plans	249,121
<b>Total accumulated other comprehensive income</b>	<b>334,681</b>
<b>Total net assets</b>	<b>18,984,919</b>
<b>Total liabilities and net assets</b>	<b>33,607,027</b>

KANRO Financial Results for the Fiscal Year Ended December 31, 2025

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income  
Consolidated Statements of Income

(Thousand yen)

	FY2025 (From January 1, 2025 to December 31, 2025)
Net sales	34,771,829
Cost of sales	20,074,130
Gross profit	14,697,698
Selling, general and administrative expenses	10,006,390
Operating profit	4,691,307
Non-operating income	
Interest income	7,082
Dividend income	4,921
Electricity sale income	11,154
Royalty income	22,959
Miscellaneous income	19,643
Total non-operating income	65,762
Non-operating expenses	
Interest expenses	3,002
Electricity sale expenses	5,469
Miscellaneous expenses	2,087
Total non-operating expenses	10,559
Ordinary profit	4,746,510
Extraordinary income	
Gain on sale of non-current assets	186
Gain on sale of investment securities	21,498
Total extraordinary income	21,684
Extraordinary losses	
Loss on retirement of non-current assets	3,658
Impairment losses	56,047
Total extraordinary losses	59,705
Profit before income taxes	4,708,489
Income taxes - current	1,468,807
Income taxes - deferred	(139,124)
Total income taxes	1,329,682
Profit	3,378,807
Profit attributable to owners of parent	3,378,807

KANRO Financial Results for the Fiscal Year Ended December 31, 2025

Consolidated Statements of Comprehensive Income

(Thousand yen)

	FY2025 (From January 1, 2025 to December 31, 2025)
Profit	3,378,807
Other comprehensive income	
Valuation difference on available-for-sale securities	8,528
Deferred gains or losses on hedges	27
Foreign currency translation adjustment	1,006
Remeasurements of defined benefit plans, net of tax	249,121
Total other comprehensive income	258,683
Comprehensive income	3,637,490
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	3,637,490

KANRO Financial Results for the Fiscal Year Ended December 31, 2025

(3) Consolidated Statement of Changes in Equity  
FY2025 (From January 1, 2025 to December 31, 2025)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,864,249	2,577,892	12,054,641	(741,602)	16,755,181
Changes during period					
Dividends of surplus			(1,482,460)		(1,482,460)
Profit attributable to owners of parent			3,378,807		3,378,807
Purchase of treasury shares				(1,289)	(1,289)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,896,346	(1,289)	1,895,057
Balance at end of period	2,864,249	2,577,892	13,950,987	(742,892)	18,650,238

(Thousand yen)

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	76,024	(27)	—	—	75,997	16,831,178
Changes during period						
Dividends of surplus						(1,482,460)
Profit attributable to owners of parent						3,378,807
Purchase of treasury shares						(1,289)
Net changes in items other than shareholders' equity	8,528	27	1,006	249,121	258,683	258,683
Total changes during period	8,528	27	1,006	249,121	258,683	2,153,740
Balance at end of period	84,553	—	1,006	249,121	334,681	18,984,919

KANRO Financial Results for the Fiscal Year Ended December 31, 2025

(4) Consolidated Statement of Cash Flows

	(Thousand yen)
	FY2025 (From January 1, 2025 to December 31, 2025)
<b>Cash flows from operating activities</b>	
Profit before income taxes	4,708,489
Depreciation	1,613,668
Increase (decrease) in provision for bonuses	216,895
Increase (decrease) in provision for bonuses for directors (and other officers)	23,000
Increase (decrease) in provision for retirement benefits	49,186
Increase (decrease) in provision for share awards for directors (and other officers)	34,905
Interest and dividend income	(12,004)
Interest expenses	3,002
Loss on retirement of non-current assets	3,658
Loss (gain) on sale of non-current assets	(186)
Impairment losses	56,047
Loss (gain) on sale of investment securities	(21,498)
Decrease (increase) in trade receivables	(1,231,017)
Decrease (increase) in inventories	(312,441)
Increase (decrease) in trade payables	472,501
Increase (decrease) in accrued expenses	160,313
Increase (decrease) in accrued consumption taxes	299,137
Other, net	121,493
Subtotal	6,185,152
Interest and dividends received	12,004
Interest paid	(3,002)
Income taxes paid	(1,141,057)
Net cash provided by (used in) operating activities	5,053,097
<b>Cash flows from investing activities</b>	
Payments into time deposits	(60,000)
Proceeds from withdrawal of time deposits	60,000
Purchase of property, plant and equipment	(5,166,870)
Proceeds from sale of property, plant and equipment	186
Purchase of intangible assets	(111,403)
Purchase of investment securities	(1,258)
Proceeds from sale of investment securities	37,541
Proceeds from collection of loans receivable	910
Payments of guarantee deposits	(7,476)
Net cash provided by (used in) investing activities	(5,248,370)
<b>Cash flows from financing activities</b>	
Net increase (decrease) in short-term borrowings	1,000,000
Repayments of lease liabilities	(47,497)
Net decrease (increase) in treasury shares	(1,289)
Dividends paid	(1,477,319)
Net cash provided by (used in) financing activities	(526,105)
Effect of exchange rate change on cash and cash equivalents	1,370
Net increase (decrease) in cash and cash equivalents	(720,009)
Cash and cash equivalents at beginning of period	4,981,259
Cash and cash equivalents at end of period	4,261,250

KANRO Financial Results for the Fiscal Year Ended December 31, 2025

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting policies)

(Application of “Accounting Standard for Current Income Taxes,” etc.)

The Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter, the “2022 Revised Accounting Standard”) as of the beginning of the fiscal year ended December 31, 2025.

Regarding changes concerning the accounting classification of income taxes, etc. (taxation on other comprehensive income), the Company followed the transitional treatment stipulated in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment stipulated in the proviso to Paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter, the “2022 Revised Guidance”). This change in accounting policy has no impact on the consolidated financial statements.

In addition, the Company has applied the 2022 Revised Guidance from the beginning of the fiscal year ended December 31, 2025 with regard to changes to the treatment in consolidated financial statements of the deferral for tax purposes of gains or losses arising from the sale of shares in subsidiaries, etc. among consolidated companies. This change in accounting policy has no impact on the consolidated financial statements for the previous fiscal year.

(Segment information, etc.)

This information has been omitted because the entire business of Kanro and its consolidated subsidiaries falls under the single business category of confectionery and food business.

(Revenue recognition)

Information on disaggregation of revenue generated from contracts with customers

Kanro and its consolidated subsidiaries operate in the single business category of confectionery and food business, and the following information breaks down the revenue generated from contracts with customers.

	For the fiscal year ended December 31, 2025	
	Amount (Thousand yen)	Composition (%)
Hard candy	17,099,619	49.2
Gummies	16,860,049	48.5
Healthy snacks	799,086	2.3
Other	13,073	0.0
Revenue generated from contracts with customers	34,771,829	100.0
Sales to external customers	34,771,829	100.0

Note: “Other” refers to miscellaneous products other than foods.

KANRO Financial Results for the Fiscal Year Ended December 31, 2025

(Per share information)

	FY2025 (From January 1, 2025 to December 31, 2025)
Net assets per share	¥450.54
Basic earnings per share	¥80.18

(Notes) 1. Diluted earnings per share is not indicated as there are no residual shares outstanding.

2. The Company conducted a three-for-one share split of common shares on July 1, 2025. Net assets per share and basic earnings per share are calculated on the assumption that the share split was implemented at the beginning of the fiscal year under review.

3. The Company's own shares that remain in the trust recorded as treasury shares in shareholders' equity are included in treasury shares which were deducted in calculating the average number of shares during the period for the calculation of basic earnings per share. In addition, these shares are included in treasury shares deducted from total number of issued shares at the end of the period in calculating net assets per share.

The number of deducted treasury shares at the end of the period in calculating net assets per share for FY2025 was 1,039 thousand shares. The average number of treasury shares during the period deducted in calculating basic earnings per share for FY2025 was 1,039 thousand shares.

4. Net assets per share were calculated based on the following data.

	FY2025 (As of December 31, 2025)
Total net assets (Thousand yen)	18,984,919
Net assets relating to common stock at year-end (Thousand yen)	18,984,919
Number of outstanding shares of common stock (Thousand shares)	45,946
Number of treasury shares of common stock (Thousand shares)	3,808
Number of shares of common stock at year-end used for calculating net assets per share (Thousand shares)	42,138

5. Basic earnings per share was calculated based on the following data.

	FY2025 (From January 1, 2025 to December 31, 2025)
Profit attributable to owners of parent (Thousand yen)	3,378,807
Amount not attributable to common stock holders (Thousand yen)	—
Profit attributable to owners of parent relating to common stock (Thousand yen)	3,378,807
Average number of outstanding shares of common stock during the period (Thousand shares)	42,138

(Significant subsequent events)

Not applicable.