WELLNEO SUGAR Co., Ltd.

# Financial Results for FY3/26
# Medium-Term Management Plan Briefing

May 27, 2026 | Securities Code 2117

# Agenda

## Opening Remarks

01

# Financial Results for FY3/26 and Forecast for FY3/27

## (1) FY3/26 Financial results -Summary-

WELLNEO SUGAR Co., Ltd.

- The Sugar segment increased profit due to the consolidation of Toyo Sugar Refining
- The Food & Wellness segment increased profit due to factors including the consolidation of Toyo Sugar Refining and the fact that, although impairment losses were recorded in the Fitness business, the amount recorded was lower than in the previous fiscal year

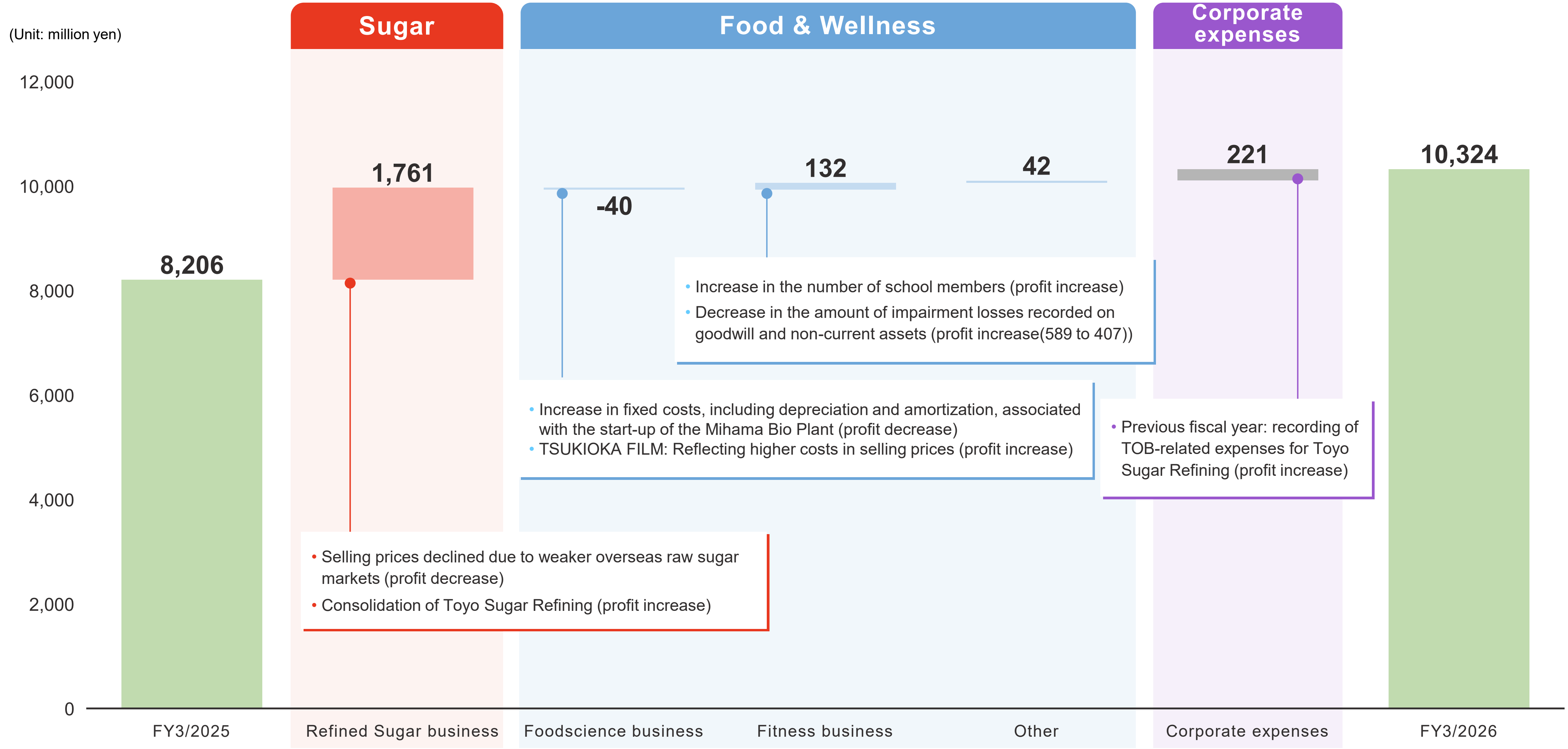
| (Unit: million yen) | | FY3/26 | FY3/25 | Change YoY | | FY3/26 Forecast | Change vs forecast | |
|---|---|---|---|---|---|---|---|---|
| | | | | Amount | Change | | Amount | Change |
| **Revenue** | | **112,904** | **97,069** | **15,834** | **16.3%** | **114,000** | **-1,095** | **-1.0%** |
| Sugar | | 96,712 | 83,800 | 12,911 | 15.4% | 98,500 | -1,787 | -1.8% |
| Food & Wellness | | 16,192 | 13,269 | 2,922 | 22.0% | 15,500 | 692 | 4.5% |
| **Operating profit** | | **10,324** | **8,206** | **2,118** | **25.8%** | **8,500** | **1,824** | **21.5%** |
| Sugar | *1) | 11,084 | 9,323 | 1,761 | 18.9% | 8,800 | 2,284 | 26.0% |
| Food & Wellness | *2) | 118 | -16 | 135 | — | 700 | -581 | -83.0% |
| Corporate expenses | | -879 | -1,100 | 221 | — | -1,000 | 120 | — |
| **Share of profit (loss) of investments accounted for using equity method** | *3) | **-581** | **252** | **-833** | **–** | **–** | **–** | **–** |
| **Profit before tax** | | **9,764** | **8,558** | **1,205** | **14.1%** | **8,500** | **1,264** | **14.9%** |
| **Profit** | | **6,508** | **5,746** | **761** | **13.3%** | **5,900** | **608** | **10.3%** |
| **Profit attributable to owners of parent** | | **6,472** | **5,746** | **725** | **12.6%** | **5,900** | **572** | **9.7%** |

*1) Including impairment losses on sugar production facilities (37 million yen)
*2) Including impairment losses in the Fitness Business and Warehousing Business (428 million yen)
*3) Including one-time expenses (688 million yen)

# (1) FY3/26 Financial results

-Analysis of factors affecting the financial results (Reasons for increase/decrease in operating profit)-

WELLNEO SUGAR Co., Ltd.



# (1) FY3/26 Financial results -Statements of cash flows-

WELLNEO SUGAR Co., Ltd.

## Overview of the financial results for FY3/26

- Operating cash flow was 10,764 million yen in income: Income before income taxes (9,764 million yen), etc.
- Investment cash flow was 4,707 million yen in expenditures: Acquisition of non-current assets (4,560 million yen), etc.
- Financing cash flow was 11,039 million yen in expenditures: Net decrease in short-term borrowings (5,800 million yen) , dividend payments (3,588 million yen), etc.

| (Unit: million yen) | FY3/26 | FY3/25 |
|---|---|---|
| Cash flows from operating activities | 10,764 | 8,927 |
| Cash flows from investing activities | -4,707 | -8,977 |
| Cash flows from financing activities | -11,039 | 2,986 |
| **Net increase (decrease) in cash and cash equivalents** | **-4,983** | **2,935** |
| **Cash and cash equivalents at beginning of year** | **15,445** | **12,509** |
| **Cash and cash equivalents at end of year** | **10,461** | **15,445** |

# (1) FY3/26 Financial results -Statements of financial position-

WELLNEO SUGAR Co., Ltd.

## Summary of changes from the end of the previous fiscal year

- Current assets: Cash and cash equivalents decreased due to the repayment of short-term borrowings (5,800 million yen) and other factors
- Non-current assets: Property, plant, and equipment increased due to facility renewals
- Current liabilities: Short-term borrowings decreased
- Equity: Profit attributable to owners of parent (6,472 million yen), payment of dividends (-3,587 million yen)

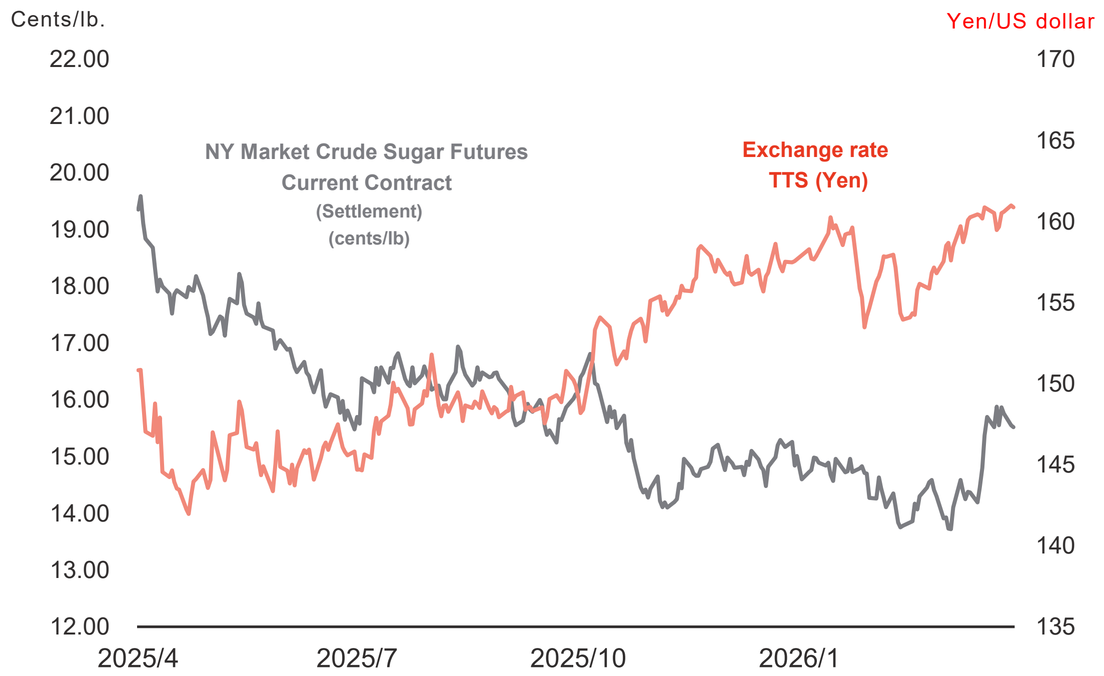
| (Unit: million yen) | End of FY3/26 | End of FY3/25 | Increase / decrease |
|---|---|---|---|
| Current assets | 40,835 | 47,051 | -6,216 |
| Non-current assets | 64,992 | 63,533 | 1,458 |
| **Total assets** | **105,827** | **110,585** | -4,757 |
| Current liabilities | 24,558 | 32,009 | -7,450 |
| Non-current Liabilities | 4,071 | 3,989 | 82 |
| Equity | 77,197 | 74,586 | 2,610 |
| **Total liabilities and equity** | **105,827** | **110,585** | -4,757 |

# (1) FY3/26 Financial results -Market trends-

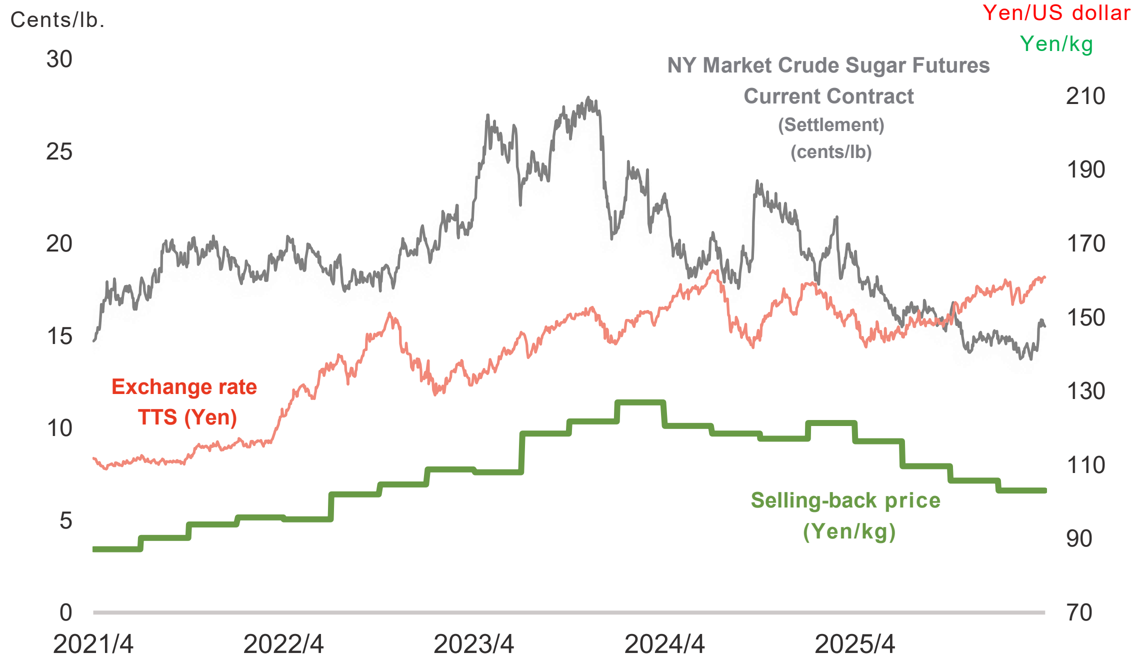
WELLNEO SUGAR Co., Ltd.

- The price started in the upper 18-cent range per pound and **rose to the mid-19-cent range, the highest level this fiscal year**
- Subsequently, amid uncertainty in the global economy stemming from the United States' announcement of tariff policies and expectations of increased production in major producing countries, the price fell to **the mid-13-cent range, the lowest level this fiscal year**, but rose to the mid-15-cent range due to factors including the rise in crude oil prices associated with the worsening situation in the Middle East and ended the current consolidated fiscal year at that level

## Status in FY2025




## Status over the past five years



# (2) FY3/27 Forecast -Summary-

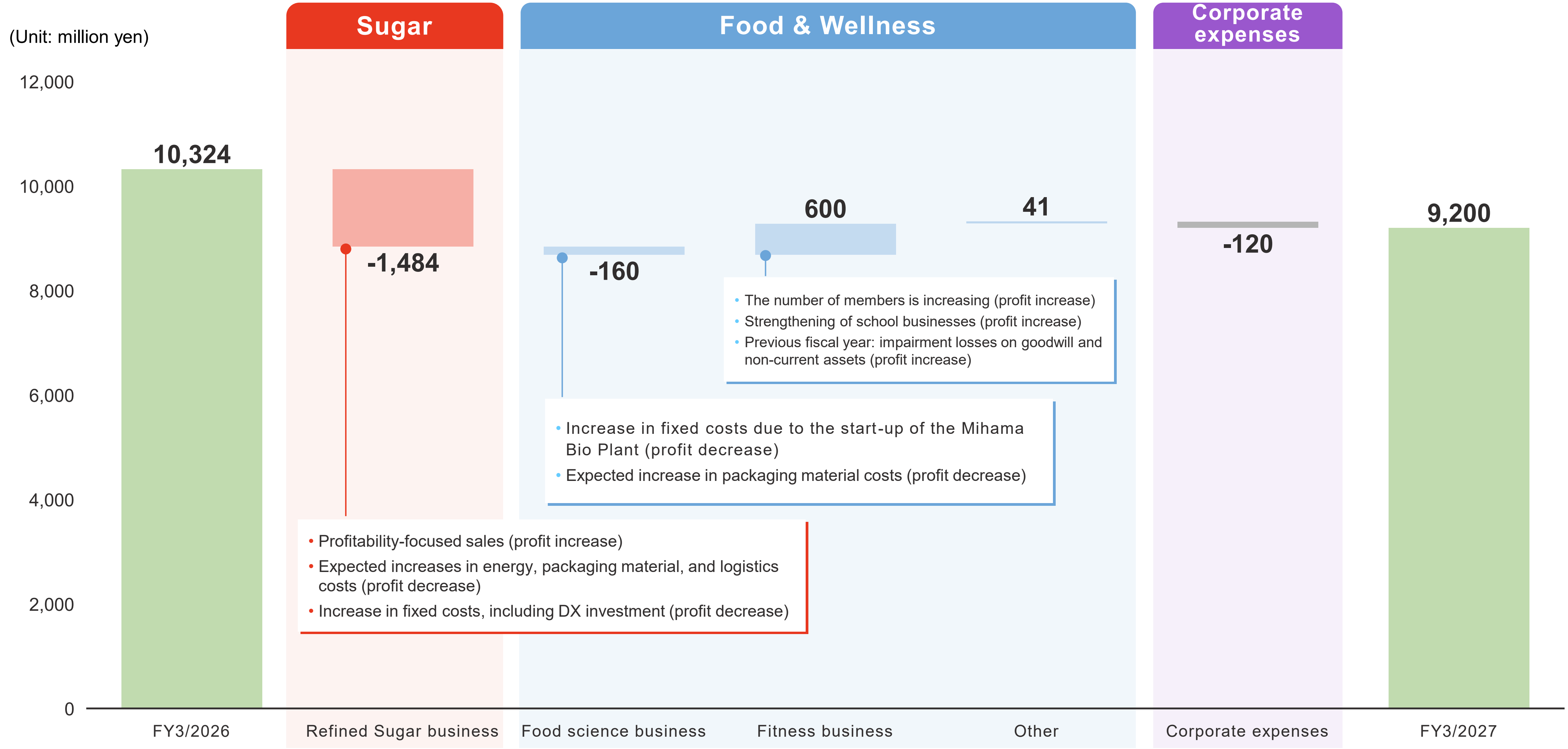
WELLNEO SUGAR Co., Ltd.

- The Sugar segment is expected to record lower profit, despite efforts to pursue profitability-focused management, due to the significant impact of increases in costs such as energy, packaging materials, and logistics costs caused by the worsening situation in the Middle East
- The Food & Wellness segment is expected to record higher profit because impairment losses were recorded in the Fitness business in the previous fiscal year

| (Unit: million yen) | FY3/2027 | FY3/2026 | Change from previous year | |
|---|---|---|---|---|
| | | | Amount | Change |
| **Revenue** | **110,000** | **112,904** | **-2,904** | **-2.6%** |
| Sugar | 94,500 | 96,712 | -2,212 | -2.3% |
| Food & Wellness | 15,500 | 16,192 | -692 | -4.3% |
| **Operating profit** | **9,200** | **10,324** | **-1,124** | **-10.9%** |
| Sugar | 9,600 | 11,084 | -1,484 | -13.4% |
| Food & Wellness | 600 | 118 | 481 | 405.6% |
| Corporate expenses | -1,000 | -879 | -120 | – |
| **Profit before tax** | **9,400** | **9,764** | **-364** | **-3.7%** |
| **Profit** | **6,500** | **6,508** | **-8** | **-0.1%** |
| **Profit attributable to owners of parent** | **6,500** | **6,472** | **27** | **0.4%** |

# (2) FY3/27 Financial Forecasts -Analysis of factors affecting the financial results (Reasons for increase/decrease in operating profit)-

WELLNEO SUGAR Co., Ltd.



# 02

# Progress of Medium-term Management Plan WELLNEO Vision 2027

## (2) Medium-term management plan WELLNEO Vision 2027
### -Quantitative targets-

WELLNEO SUGAR Co., Ltd.

- Strengthen and expand both the Sugar segment and the Food & Wellness segment to realize "Well-being".
- Steady progress toward achieving the plan (ROE: 9%, profit attributable to owners of parent: 7.0 billion yen) for FY3/2028
- Changed the plan for operating profit + Share of profit (loss) of investments accounted for using equity method for the Sugar segment and Food & Wellness segment in FY3/2028

| (Unit: million yen) | FY3/26 (Forecast) | FY3/26 (Actual) | FY3/27 (Forecast) | FY3/28 (Plan) |
|---|---|---|---|---|
| **Operating profit + Share of profit (loss) of investments accounted for using equity method** | **8,500** | **9,742** | **9,500** | **10,100** |
| Sugar | 8,800 | *1) 10,738 | 9,800 | 9,900 |
| Food & Wellness | 700 | *2) -117 | 700 | 1,500 |
| Corporate expenses | -1,000 | -879 | -1,000 | -1,300 |
| **Profit attributable to owners of parent** | **5,900** | **6,472** | **6,500** | **7,000** |
| ROE (Cost of equity: FY3/26, 6.0%) | **8%** | **8.6%** | **8.3%** | **9%** |

*1) Including one-time expenses (458 million yen)
*2) Including impairment losses and one-time expenses in the Fitness Business (694 million yen)

## (1) Medium-term management plan WELLNEO Vision 2027 -Priority strategies-

WELLNEO SUGAR Co., Ltd.

- Aiming to realize "Well-being" through four priority strategies

### 1 Expansion of Food & Wellness business

- Active expansion of flora design materials and polyphenol materials
- Expansion of integration synergies
- Growth of the Food Science business through M&A

### 2 Strengthening Sugar's foundation

- Expansion of integration synergies
- Promote further infrastructure expansion measures in response to industry restructuring

### 3 Promotion of human capital management

- Implement personnel policies that encourage "challenge"
- Maximize employee "Well-being" and engagement
- Ensure diversity of human resources and foster an open organizational culture

### 4 Promotion of sustainability management

- Providing products and services that contribute to both deliciousness and health
- Climate change countermeasures and effective use of resources
- Providing safety and security, and respecting human rights

# Food Science Business overview



Materials

## For humans
Functional food materials

**Sugar-derived materials and glycotransfer technology (the Company's core domain)**

## For products
Food additives

— Supporting human health —

— Improving food quality —

- Pharmaceutical and cosmetic materials
- Flora design materials
- Polyphenol materials
- High-intensity sweeteners
- Sugar-derived sweeteners

Manufacturing and processing

**TSUKIOKA FILM PHARMA**
Formulation and processing function (edible film)

**Mihama Bio Plant and Toyo Sugar Refining Chiba Plant**
Manufacturing function (enzyme treatment, refining, and granulation)

**Tsuruya Chemical Industries**
Formulation and processing function (mixing and granulation)

# Building a new organizational structure for functional materials



- In October 2026, the functional materials organization will be upgraded to a headquarters, establishing an organizational structure that can effectively bring the Group's knowledge together
- The Company will consolidate sites and implement efficient organizational operations. As a first step, Toyo Sugar Refining's R&D organization is scheduled to be transferred to the Mihama Bio Plant during FY2026

## Building a new organizational structure

**Functional Materials Headquarters**

- **Strategic Planning Department**
- **Sales Department**
- **Research and Development Department**
- **Production Department**
- **New Plant Project Promotion Office**

No. of personnel: approx. 30 ⇒ 80 (planned)

- Structure of four function-based departments plus one office
- Quality assurance and production technology areas will be addressed in collaboration with Company-wide organizations

## Major measures implemented recently

### Completion of CI equipment expansion

- Equipment installation at the Mihama Bio Plant within the Chiba Plant has been completed to increase CI (cyclodextran) production
- Production transfer from the Okinawa Lab proceeded, and full-scale operation began in April 2026

### Various research results

- In April 2026, the notification of CI (cyclodextran) as **a food with function claims** was formally accepted
- Three patents related to CI (cyclodextran) were granted
  - Anti-caries effect of CI (synergistic effect with sugar)
  - Synergistic effect of CI x xylitol, etc. in inhibiting plaque formation
  - Effect of CI in inhibiting harmful bacteria

# Development of production sites for functional materials



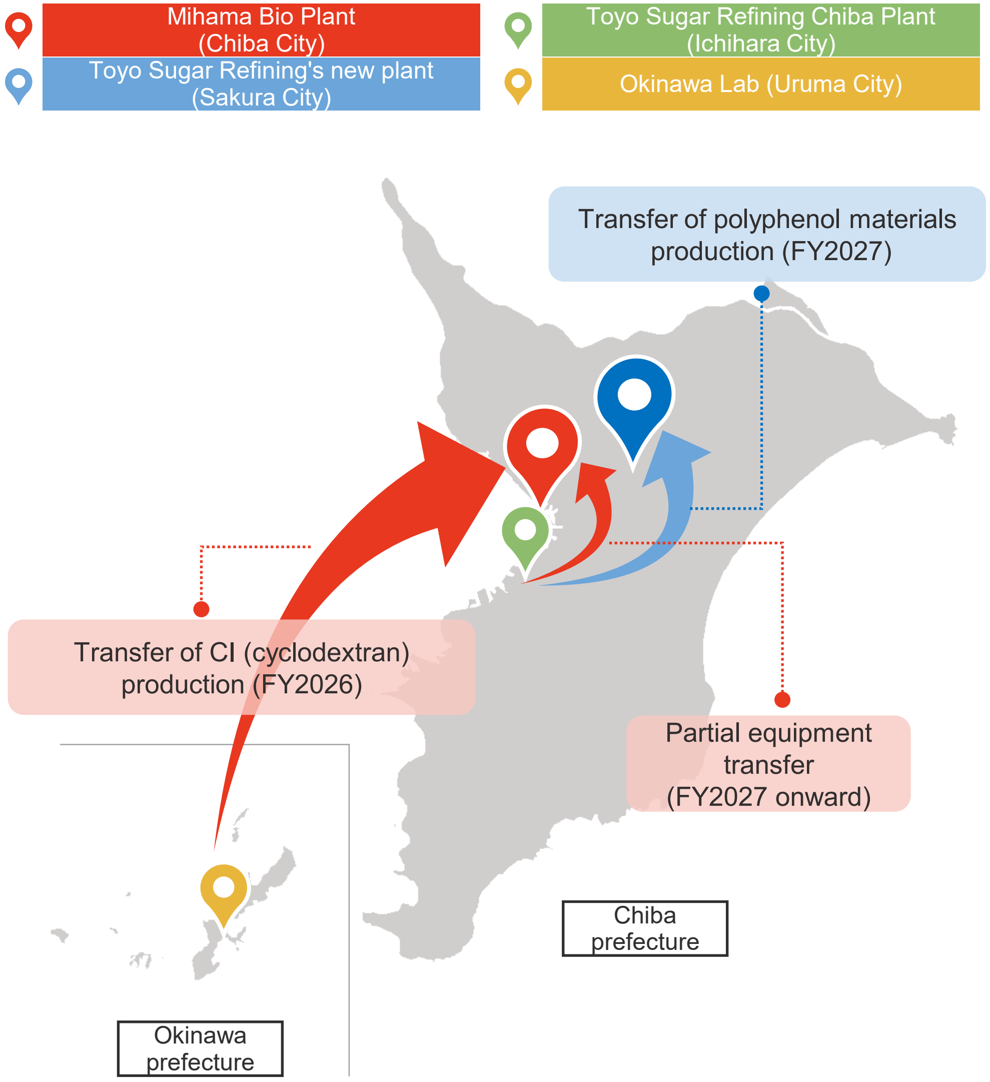
- The Company is developing production sites for functional materials to expand production capacity, stabilize supply, and improve the efficiency of its personnel structure

## Construction of Toyo Sugar Refining’s new plant

- As the current Chiba Plant has reached the limit of its production capacity, a new plant is under construction in Sakura City, Chiba Prefecture (**scheduled to begin operation in April 2027**)
- Production capacity will **expand to approximately two to three times** the current Chiba Plant's capacity
- Various functions of the current Chiba Plant will be transferred sequentially to the new plant and the Mihama Bio Plant

## Mihama Bio Plant

- Production of galactooligosaccharides began in April 2025
- In April 2026, CI production was transferred from the Okinawa Lab, expanding capacity **by approximately 10 times**
- The Company is considering using the Okinawa Lab for research and development purposes



## Vision for the Food Science business

WELLNEO SUGAR Co., Ltd.

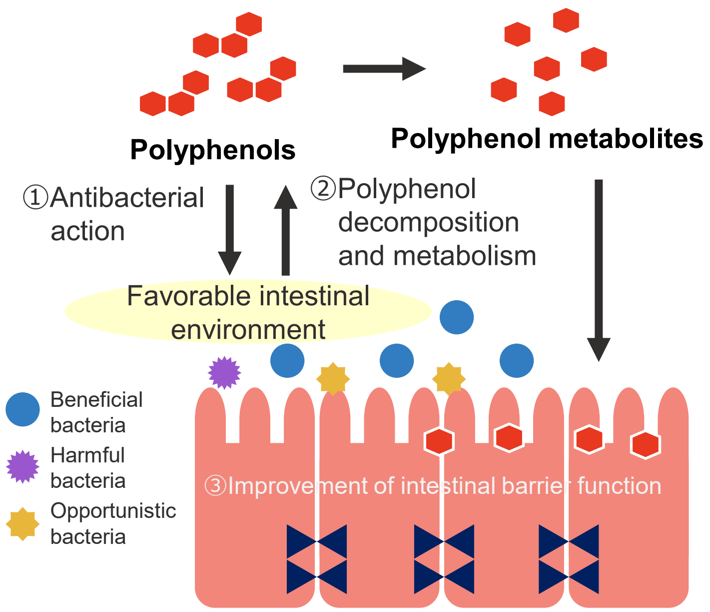
# Make Japan an advanced country in functional materials and technologies originating from “sugar”

Combination of flora design materials and polyphenol materials

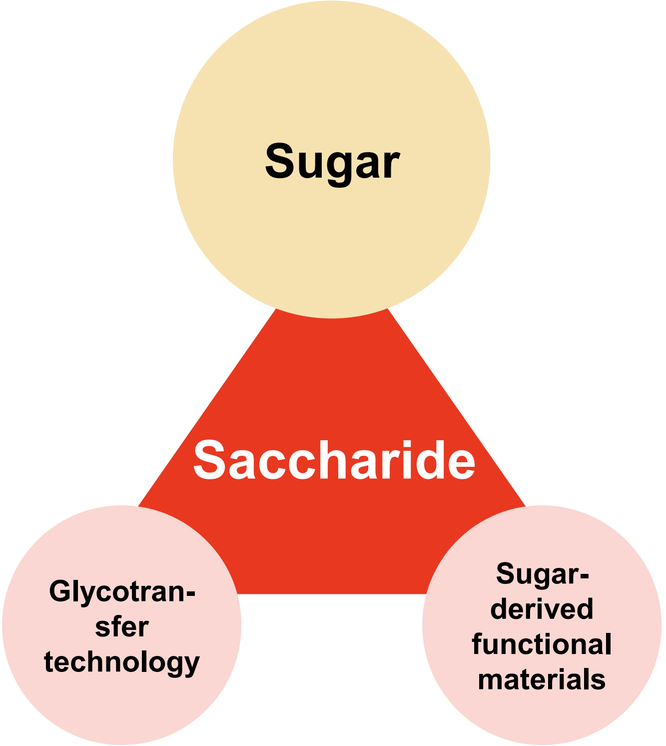
Deepening sugar-derived materials and technologies

Provide functionality for human and products tailored to customer needs

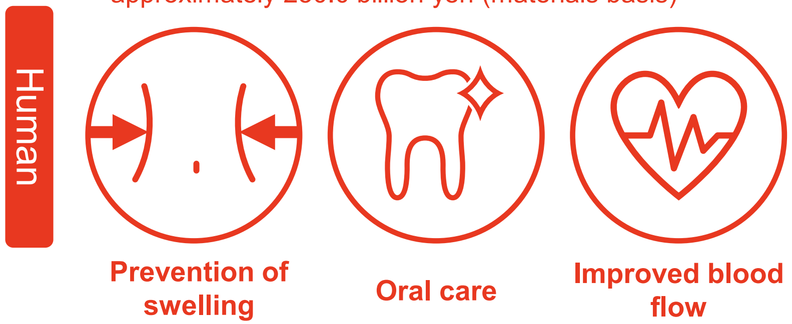
Example: Promote changes and improvements in the intestinal environment through polyphenols and oligosaccharides
⇒ contribute to overall health, including improved intestinal barrier function



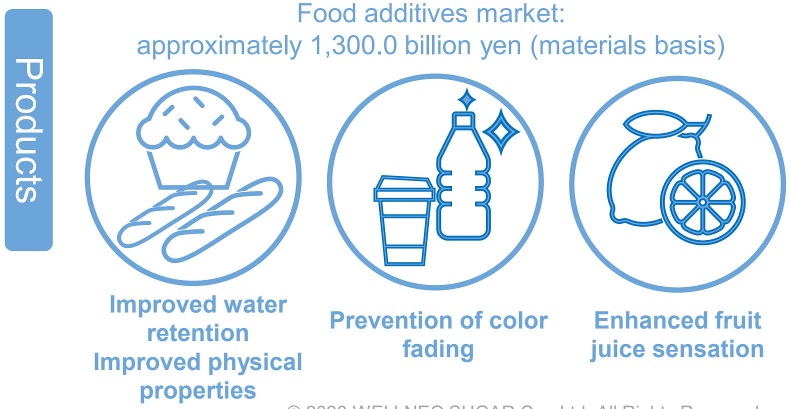

(Source) Foods & Food Ingredients J. Jpn., Vol231, No., 2026




Functional food materials market:
approximately 250.0 billion yen (materials basis)




Food additives market:
approximately 1,300.0 billion yen (materials basis)



# Strengthening the stable supply system through all five factories



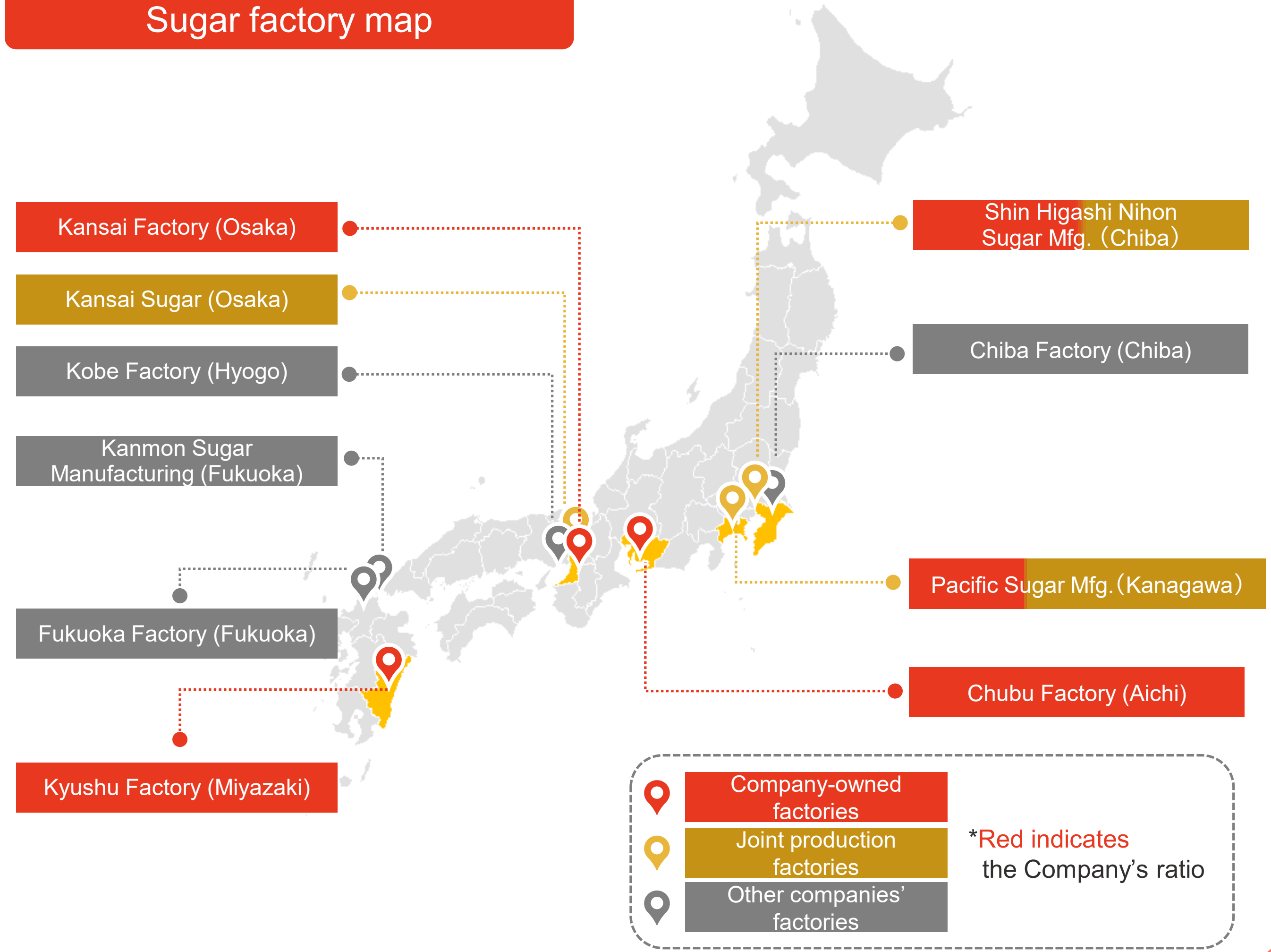
- Domestic sugar consumption has decreased by approximately 20% over the past 25 years, and, along with this, restructuring has progressed to the point where the number of sugar manufacturers and factories has been reduced by approximately half
- Of the current 10 factories, 5 are the Company's production sites (including some joint-production factories), and the stable supply system will be strengthened through industry restructuring

## Historical trends in the domestic sugar industry

| | 2000 (Sugar year) | 2025 (Sugar year) |
|---|---|---|
| Sugar consumption | 2.29 million tons | 1.81 million tons *1) |
| Number of sugar manufacturers | 18 companies | 9 companies *2) |
| Number of sugar factories | 19 factories | 10 factories *3) |

*1) Total demand in the Ministry of Agriculture, Forestry and Fisheries' materials, "Supply and Demand Outlook for Sugar and high-fructose corn syrup"
*2)3) The Company survey (as of April 1, 2026)

## Sugar factory map



# Expansion of synergies through optimization of production and sales



- Achieved synergies of approximately 1.2 billion yen (operating profit) over two years. By optimizing all five factories, the Company will pursue further expansion of synergies over the remaining period

## Production

- Standardization of specifications and marks for commercial use
- Review of production sites by sugar type/package type

## Logistics

- Shared use of delivery vehicles and joint delivery
- Cost reduction by changing shipping sites (switching to short-distance transportation)
- Improved storage efficiency

**Operating profit contribution approx. 1.2 billion yen**

**Further pursue synergies by optimizing all five sites**

## Procurement

- Strengthening procurement capabilities by leveraging volume through the integration of purchasing contact points
- Cost reduction through optimal delivery and inventory planning

## Sales

- Optimization of the sales structure
- Expansion of sales of value-added products (cross-selling)

**Operational efficiency improvement through integration of core systems**

# Promotion of human capital management

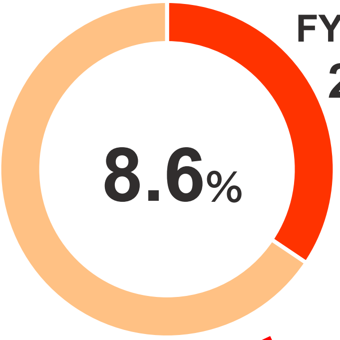
- Promote human capital management that connects employees' challenges to business growth and maximizes integration synergies and creates new value

**Become a company chosen** by diverse human resources

| Three measures | FY2024-FY2025 results | FY2026-FY2027 plan |
|---|---|---|
| One WELLNEO<br>**Fostering a culture of challenge** | Fostering empathy with the new philosophy and visualization of organizational issues through surveys | Establishing a culture that praises challenge and realizing a highly engaged organization |
| Human resource management<br>**Promoting individual growth and autonomy** | Promoting dialogue through the establishment of one-on-one meetings. Fostering a culture of volunteering through the open recruitment system | Securing diverse human resources by promoting DE&I. Strengthening business through individual maturity |
| Data-driven management<br>**Visualization of human capital** | Development of a foundation for human capital data (introduction of a talent management system) | Developing career paths and visualizing the human resource composition through the establishment of a skill framework |

- KPI (FY2025: Actual)

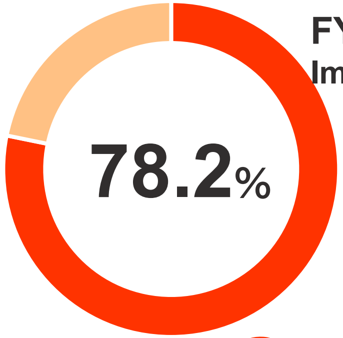
Ratio of female managers




**FY2030 25%**

**FY2024 7.0%**

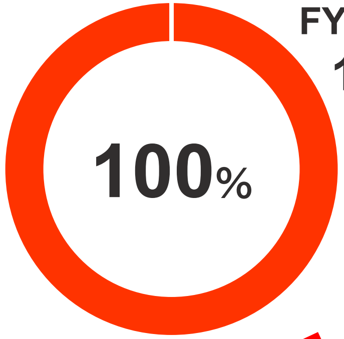
Wage differential between men and women




**FY2030 Improvement**

**FY2024 79.1%**

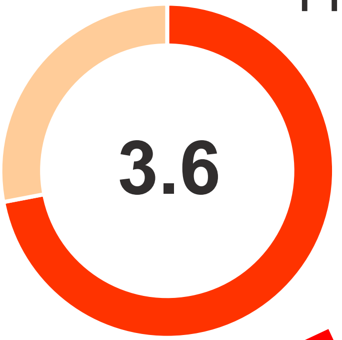
Percentage of male employees taking childcare leave




**FY2030 100%**

**FY2024 84.6%**

Engagement score




**FY2030 Out of 5.0 Target of 4.0 or higher**

**FY2023 3.5**

# (5) Priority strategy (ⅳ) | Promotion of sustainability management

- Toward a Company-wide cross-functional promotion structure

WELLNEO SUGAR Group

## SUSTAINABLE VISION 2030


**Initiatives through subcommittees**

- Strengthening initiatives for materiality through discussions between business execution divisions and members who volunteer
- Each subcommittee sets medium-term targets through FY2030 and formulates action plans to achieve the targets

**Addressing social issues**

- Reducing human rights risks in business: Preparation for supplier questionnaire (scheduled to be implemented in FY2026)
- Initiatives to address climate change: FY2030: 46% reduction in $CO_2$ emissions (Scope 1 and 2 compared with FY2013)
  FY2050: Achieve carbon neutrality

# 03

# Financial Strategy

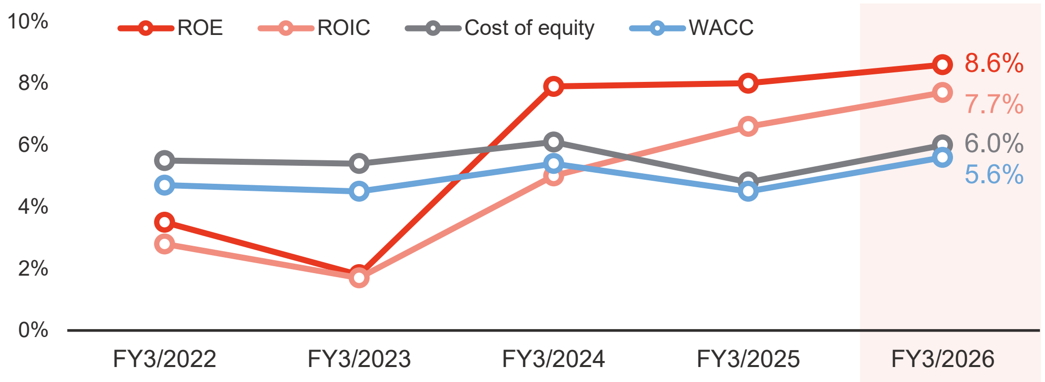
# (1) Actions to realize management conscious of cost of capital and stock price

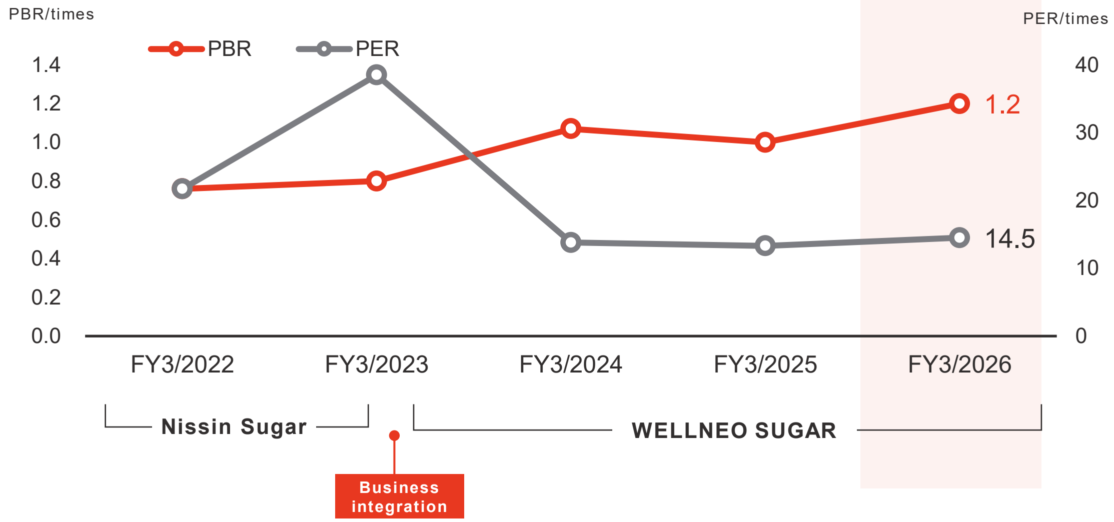
● Implement multifaceted measures to continue to achieve a level of ROE that exceeds the cost of shareholders' equity

## Policies and initiatives

- Pursuit of capital efficiency-conscious management
  - Practicing ROIC management
  - Enhancement of investment management (review of the portfolio)
- Active investment in growth fields and maintaining a high level of shareholder returns
  - Examination of optimal cash allocation
- Reduction of capital cost and securing financial soundness
  - Use of interest-bearing debt toward an optimal capital structure
  - Maintain issuer rating of “A-” or higher (Rating and Investment Information, Inc.)
  - Expansion of IR measures(information dissemination, increased frequency of meetings with institutional investors, etc.)

## Changes in various indicators



# (2) Initiative ( i ) | Practicing ROIC management

WELLNEO SUGAR Co., Ltd.

- Regularly check ROIC and related indicators (including KPIs) and discuss progress. Measures to instill ROIC management, including internal awareness activities, are being promoted

## Details of initiatives

### Creation of an ROIC tree for the Sugar segment

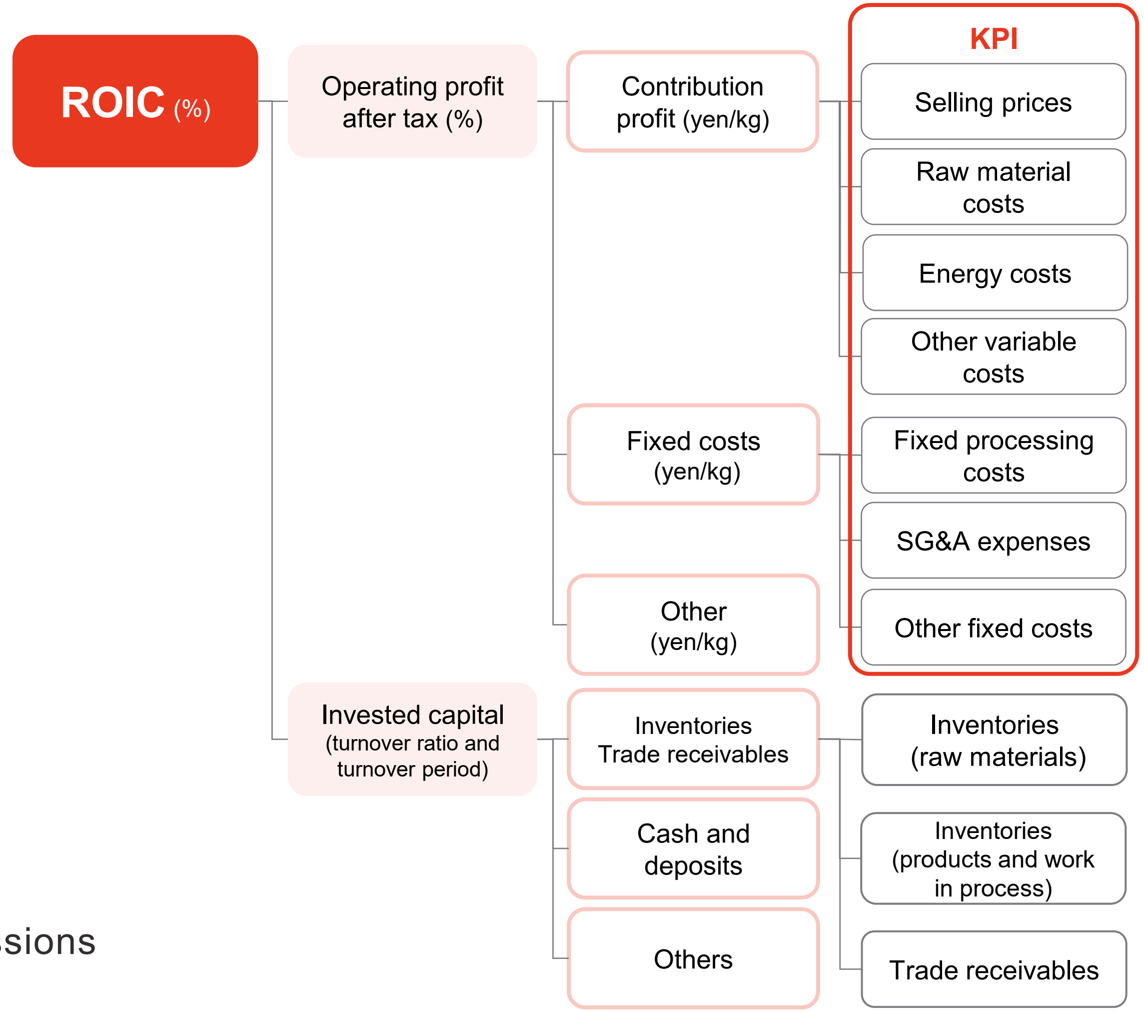
- Created quarterly from FY2025
- Discussed at the Board of Directors and Management Meeting

### Setting KPIs

- Set KPIs related to operating profit
- The key issue for invested capital is set as inventory optimization

### Holding internal briefing sessions

- To improve internal understanding, the significance of ROIC and its connection with on-site indicators are explained to both officers and employees




## Future developments

- Consideration of KPIs for the Food & Wellness segment
- Consideration and execution of specific measures through discussions toward inventory optimization
- Continued implementation of internal awareness activities

# (3) Initiative ( ii ) | Cash allocation

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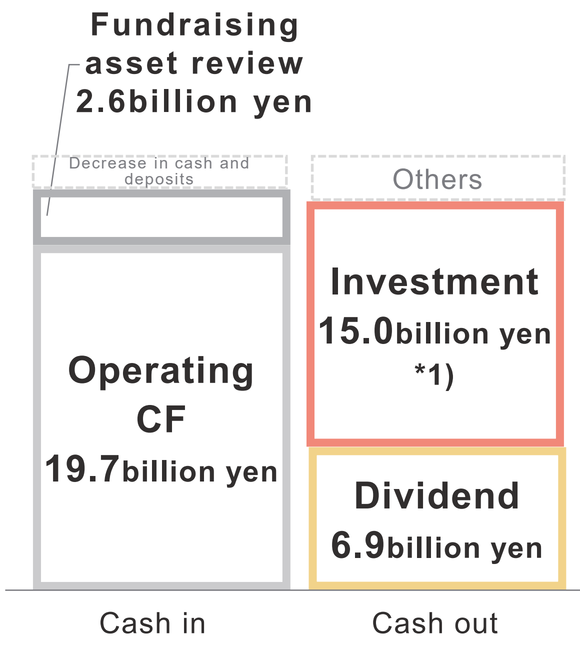
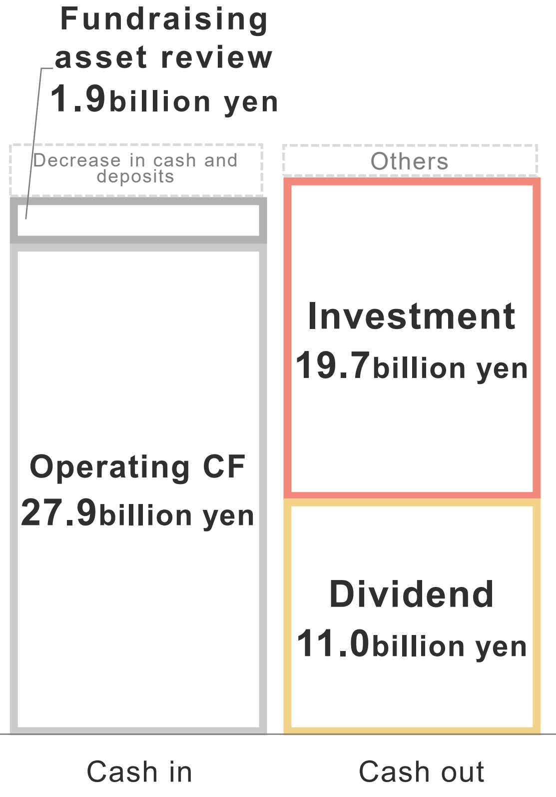
- Cumulative cash flow for the two periods (FY3/2025 and FY3/2026) progressed generally in line with the medium-term management plan
- The remaining investment capacity will be used actively and strategically for growth investments, primarily M&A, to expand the Food Science business
- Funds for growth investment are expected to be covered by borrowings

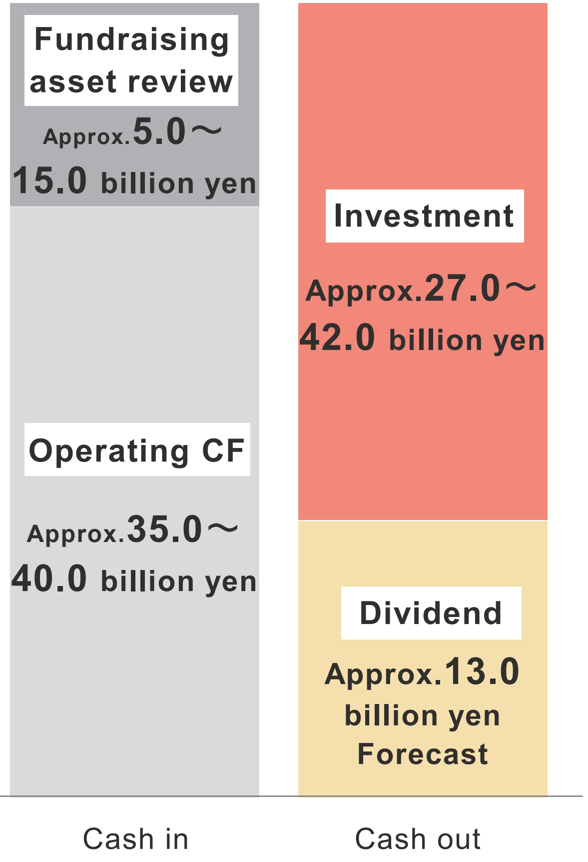
**Cumulative results for two periods**




**Cumulative forecast for three periods**




**Cumulative total for four periods**
**(when the medium-term management plan was prepared)**




*1) Includes 7.6 billion yen for the acquisition of shares of Toyo Sugar Refining and 7.3 billion yen for the acquisition of non-current assets

# (4) Initiative (iii) | Shareholder returns

WELLNEO SUGAR Co., Ltd.

- Aiming to improve return on equity attributable to owners of parent (ROE) over the medium to long term, and to achieve both investment in growth and enhanced shareholder returns
- In addition to dividends, to further enhance the attractiveness of investing in the Company's shares, the Company offers its own products as shareholder benefits based on the length of continuous holding

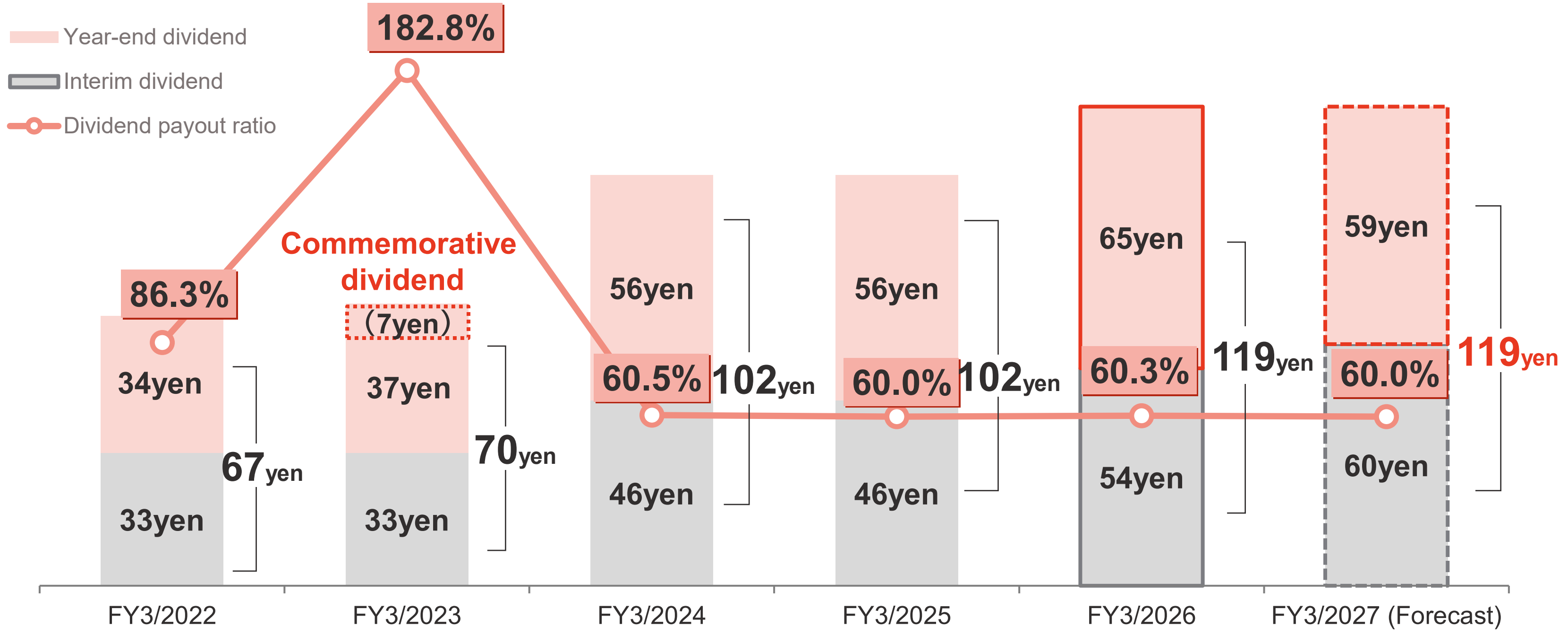
## Dividend

| | |
|---|---|
| **Dividend policy** | Dividends based on the greater of either a 60% consolidated dividend payout ratio (DPR) or a 3% dividend on equity attributable to owners of parent (DOE) |

**FY3/27 Annual dividend per share (Forecast)**

**119 yen**

(Benchmark：DPR60%)




## Shareholder benefits

| Holding period | Less than three years | Three years or more |
|---|---|---|
| Benefit details | The Company's products are equivalent to **1,000 yen** | The Company's products are equivalent to **2,000 yen** |

(Shareholder benefit products for FY2025)

*The three products in the upper row are equivalent to 1,000 yen (with a holding period of less than 3 years). For the equivalent of 2,000 yen, the four products in the lower row are added to the three products in the upper row (with a holding period of 3 years or more).

# Appendix

# Management philosophy

- Under the PVV reorganization in the previous fiscal year, the Company aims to achieve sustainable growth and to implement the medium-term management plan, WELLNEO Vision 2027

## PURPOSE•VISION•VALUES

<Reason for being>

PURPOSE

**Unleashing the Power and Potential of Sugar to Realize "Well-being"**

<Goal image>

VISION

**"Nice" for the mind and body**

A burst of happiness the moment you take a bite. A moment your body delights in.
We will continue to take on challenges to create that moment when everyone smiles and says "Nice!"

Deliciousness and health. Harmony with nature. A new food culture.
We promise to meet diverse needs and deliver 'NEO' answers through the power and potential of sugar.
More than just a sugar company - this is WELLNEO SUGAR.

<Behavioral guidelines>

VALUES

| Challenge | Diversity | Sustainability |
|---|---|---|
| Everyone becomes the protagonist who thinks and keeps progressing | Fostering a corporate culture that turns differences into strengths | A company continuously chosen for its responsible business practices |
| Let's take the first step toward "Nice"<br>Let's exceed customer expectations | Let's stay close to each individual<br>Let's combine diverse ideas | Let's build trust, step by step<br>Let's make choices for the next generation |

# Lineup of functional materials

WELLNEO SUGAR Co., Ltd.

- With the addition of materials held by Toyo Sugar Refining, the lineup has expanded to include quasi-drug, cosmetic, and health food materials, in addition to food and beverage applications
- Going forward, the Company aims to expand the scale of its business by addressing a wide range of users' functional needs, not only by offering applications as functional food materials that support human health, but also by combining functions as food additives that improve the physical properties and taste of products

## CI (cyclodextran)

✓ An oligosaccharide manufactured only by the Company worldwide that enables oral care

## Fructooligosaccharides

✓ An oligosaccharide contained in fruits, vegetables, etc., that has the effect of increasing beneficial bacteria

## Galactooligosaccharides

✓ An oligosaccharide contained in breast milk that is expected to have intestinal regulating effects and help prevent lifestyle-related diseases

## Kestose

✓ A type of fructooligosaccharide that has the effect of improving the intestinal environment and suppressing inflammation

## Rutin

✓ Contained in buckwheat and Japanese pagoda trees, and contributes to strengthening capillaries and alleviating eye fatigue

## Glyceryl glucoside

✓ A component contained in trace amounts in plants that has skin-brightening and moisturizing effects

## Hesperidin

✓ Contained in citrus fruits, and acts to improve blood flow and reduce swelling

## Yuzu polyphenols

✓ Polyphenols obtained from citrus fruits that contribute to enhancing fruit juice sensation and improving sweet and sour taste

# Disclaimer



These materials were prepared for the purpose of providing an understanding of the Company and are not intended as a solicitation to invest in the Company.

Forward-looking statements in this document are based on targets and forecasts, and are not intended to provide assurance or guarantees. Please be aware that the Company's performance in the future may differ from the Company's current future projections. Although statements regarding business results are based on various data that are believed to be reliable, the Company does not guarantee their accuracy or security.

This material is presented on the assumption that investors use it for any purpose at their own discretion and responsibility, and the Company assumes no responsibility whatsoever.

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