Translation

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Consolidated Financial Results for the Three Months Ended June 30, 2026 (Based on IFRS)

August 6, 2026

Company name: WELLNEO SUGAR Co., Ltd.
Stock exchange listing: Tokyo
Stock code: 2117 URL https://www.wellneo-sugar.co.jp/
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: No
Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

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	%
Three months ended June 30, 2026	28,601	(5.1)	3,077	21.5	3,153	22.9	2,079	19.2	2,079	21.7	2,465	34.1
Three months ended June 30, 2025	30,154	23.6	2,532	9.5	2,566	7.5	1,745	7.6	1,708	5.3	1,838	(4.6)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2026	63.52	–
Three months ended June 30, 2025	52.39	–

Basic earnings per share are calculated based on the average number of shares outstanding during the period, excluding treasury shares. Treasury shares includes shares of the Company held by the “Impact Neutralization Trust.” and the “officers’ share delivery trust (RS 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
	Millions of yen	Millions of yen	Millions of yen	%
As of June 30, 2026	108,013	77,493	77,493	71.7
As of March 31, 2026	105,827	77,197	77,197	72.9

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2026	–	54.00	–	65.00	119.00
Year ending March 31, 2027	–				
Year ending March 31, 2027 (Forecast)		60.00	–	59.00	119.00

(Note) Revision to the most recently announced dividend forecast: No

3. Forecast of consolidated financial results for the year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

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
First half period	55,000	(4.8)	4,800	(7.5)	4,900	(6.2)	3,400	(5.8)	3,400	(4.9)	103.85
Full year	110,000	(2.6)	9,200	(10.9)	9,400	(3.7)	6,500	(0.1)	6,500	0.4	198.54

(Note) Revision to the most recently announced earnings forecast: No

4. Notes

(1) Significant changes in the scope of consolidation during the three months ended June 30, 2026: No

Included: - company (Company name)

Excluded: - company (Company name)

(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 June 30, 2026	32,800,095 shares	As of March 31, 2026	32,800,095 shares

Number of treasury shares at the end of the period

As of June 30, 2026	61,539 shares	As of March 31, 2026	61,539 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2026	32,738,556 shares	Three months ended June 30, 2025	32,616,100 shares

(Note) The number of treasury shares at the end of the period includes shares of the Company held by the “officers’ share delivery trust (RS trust)” (59,400 shares at the end of the first quarter of the fiscal year ending March 31, 2027 and 59,400 shares at the end of the fiscal year ended March 31, 2026). Shares of the Company held by the “Impact Neutralization Trust” (0 shares for the first quarter of the fiscal year ending March 31, 2027 and 183,950 shares for the first quarter of the fiscal year ended March 31, 2026) and the “officers’ share delivery trust (RS trust)” (59,400 shares for the first quarter of the fiscal year ending March 31, 2027 and 0 shares for the first quarter of the fiscal year ended March 31, 2026) are also included in treasury shares deducted in the calculation of the average number of shares during the period.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary).

* 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) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information” on page 4 of the attached document.

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1. Overview of Business Performance

(1) Overview of business performance for the quarter

During the current first quarter consolidated cumulative period, the Japanese economy maintained a moderate recovery trend, with signs of a pickup in private consumption against the backdrop of improvements in the employment and income environment. On the other hand, the outlook remains uncertain due to concerns over trends in energy prices amid the situation in the Middle East and the impact of rising prices, as well as fluctuations in financial and capital markets.

During the current first quarter consolidated cumulative period, revenue was 28,601 million yen (down 5.1% YoY), mainly due to reductions in selling prices resulting from the decline in overseas raw sugar market prices in the Sugar Segment. On the other hand, the Company continued profitability-focused sales, and operating profit was 3,077 million yen (up 21.5% YoY), while profit before tax was 3,153 million yen (up 22.9% YoY). Profit attributable to owners of parent was 2,079 million yen (up 21.7% YoY).

The following is an overview of each segment. The profit for each segment does not include 274 million yen in company-wide expenses, among other items.

[Sugar Segment]

With respect to overseas raw sugar markets, prices started in the mid-15 cents per pound range. After reaching the highest level in the current fiscal year, prices fell to the low 13 cents range, the lowest level in the current fiscal year, due to factors including steady progress in production in major producing countries and signs of improvement in the situation in the Middle East. Thereafter, due to factors including expectations of production decreases caused by weather risks in major producing countries and the impact of a stronger dollar, prices rose to the low 14 cents range and ended the current first quarter consolidated cumulative period at that level.

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, 2026	15.44	54.42	159.87
High price	April 2, 2026	15.50	54.58	159.72
Low price	April 17, 2026	13.22	46.75	160.42
Closing price	June 30, 2026	14.34	51.65	163.39

(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.

As for the domestic refined sugar market (as reported in the Nihon Keizai Shimbun, Tokyo), the current first quarter consolidated cumulative period ended at 241 to 243 yen per kilogram of refined sugar, unchanged from the end of the previous fiscal year.
In this environment, although sales volume for commercial-use products showed recovery for bakery and other applications, it fell below the same period of the previous fiscal year due to decreases for beverages and confectionery, partly reflecting the impact of rising prices. Sales volume of household products fell below the same period of the previous fiscal year due to factors including a decline in opportunities for cooking at home, despite strong shipments of rock sugar and the Company's proprietary product "Kibi Sato." In terms of profit, profit increased, in part due to the continuation of profitability-focused sales.
As a result, total revenue in the Sugar Segment was 24,549 million yen (down 5.3% YoY), and segment profit was3,227 million yen (up 18.4% YoY).

[Food & Wellness Segment]

The Food & Wellness Segment provides a wide variety of functional materials and services used across a broad range of settings, primarily through the Food Science and Fitness businesses.
In the Food Science business, the Company's proprietary product "Okinawa Amami Kibi Oligo" continued to ship stably, while "Cup Oligo" (galactooligosaccharides) and CI (cyclodextran) have established an increased production system at the Mihama Bio Plant, with production progressing smoothly. Functional food materials, including rutin and hesperidin, at Toyo Sugar Refining Co., Ltd. have also remained firm. TSUKIOKA FILM PHARMA CO., LTD. recorded lower revenue but higher profit, in part due to the sale of idle land.
In the Fitness business, although the number of adult members at comprehensive-type facilities continued to lack growth, the number of school members increased steadily as the Company focused on children's school businesses and advanced the expansion of acceptance capacity. On the other hand, revenue increased, but profit decreased, in part due to the recognition of impairment losses in the current first quarter.
The Warehousing business was generally in line with the previous fiscal year.
As a result, total revenue in the Food & Wellness Segment was 4,052 million yen (down 3.9% YoY), and segment profit was 124 million yen (down 17.3% YoY).

(2) Overview of financial position for the Quarter

(Assets)

Current assets as of the end of the current first quarter consolidated accounting period were 40,042 million yen, a decrease of 792 million yen from the end of the previous consolidated fiscal year. This was mainly due to decreases of 748 million yen in inventories and 357 million yen in assets held for sale, despite an increase of 323 million yen in trade and other receivables. Non-current assets were 67,970 million yen, an increase of 2,978 million yen from the end of the previous consolidated fiscal year. This was mainly due to increases of 2,225 million yen in right-of-use assets, 401 million yen in other financial assets, and 201 million yen in property, plant and equipment.
As a result, total assets were 108,013 million yen, an increase of 2,185 million yen from the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities as of the end of the current first quarter consolidated accounting period were 24,241 million yen, a decrease of 316 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 2,117 million yen in trade and other payables, despite an increase of 2,000 million yen in borrowings. Non-current liabilities were 6,277 million yen, an increase of 2,206 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 2,076 million yen in lease liabilities.
As a result, total liabilities were 30,519 million yen, an increase of 1,889 million yen from the end of the previous consolidated fiscal year.

(Equity)

Total equity as of the end of the current first quarter consolidated accounting period was 77,493 million yen, an increase of 296 million yen from the end of the previous consolidated fiscal year. This was mainly due to profit attributable to owners of parent of 2,079 million yen, other comprehensive income of 386 million yen, and a decrease of 2,128 million yen due to dividends of surplus.
As a result, the ratio of equity attributable to owners of parent to total assets was 71.7%, down 1.2 percentage points from the end of the previous consolidated fiscal year.

(3) Overview of cash flow for the Quarter

Cash and cash equivalents at the end of the current first quarter consolidated accounting period decreased by 94 million yen from the end of the previous consolidated fiscal year to 10,367 million yen. The status of each cash flow for the first quarter of the current consolidated fiscal year is as follows.

(Cash flow from operating activities)

Net cash provided by operating activities was 868 million yen (compared with net cash used of 987 million yen in the same period of the previous fiscal year).
The main factors were profit before tax of 3,153 million yen, depreciation and amortization of 636 million yen, income taxes paid of -1,771 million yen, and -1,198 million yen resulting from a decrease in inventories, an increase in trade and other receivables, and a decrease in trade and other payables.

(Cash flow from investing activities)

Net cash used in investing activities was 686 million yen (compared with net cash used of 1,717 million yen in the same period of the previous fiscal year).
The main factors were payments of -1,231 million yen for the purchase of property, plant and equipment and intangible assets, proceeds of 360 million yen from sales of property, plant and equipment, and proceeds of 248 million yen from sales of investment property.

(Cash flow from financing activities)

Net cash used in financing activities was 276 million yen (compared with net cash provided of 2,610 million yen in the same period of the previous fiscal year).
This was due to a net increase in short-term borrowings of 2,000 million yen, repayments of lease liabilities of -185 million yen, and cash dividends paid of -2,090 million yen.

(4) Explanation of consolidated earnings forecasts and other forward-looking information

From the second quarter onward, while the Japanese economy is showing signs of a pickup in consumption and improvement in the employment and income environment, energy prices remain high, supply chains continue to be affected, and exchange rate fluctuations persist due to heightened geopolitical risks and prolonged international tensions. The situation is therefore expected to remain uncertain.

Under these circumstances, in the third year of the medium-term management plan “WELLNEO Vision 2027” (April 2024 - March 2028), the Company Group will steadily advance the strengthening and expansion of both businesses, with the Sugar Segment and Food & Wellness Segment as dual pillars, to realize the “Well-being” of various stakeholders.

In the Sugar Segment, the industry environment remains uncertain due to concerns over unfavorable weather in major producing countries, heightened geopolitical risks, rising costs across energy and packaging materials, exchange rate fluctuations, and other factors. The Company Group will continue to give the highest priority to fulfilling its social responsibility by consistently supplying safe sugar, a daily necessity, to consumers, while working to procure raw materials on favorable terms and to reflect cost increases in selling prices, and will strive for profitability-focused management.

In addition, through the absorption-type merger of its consolidated subsidiary Toyo Sugar Refining Co., Ltd., scheduled for October 2026, the Company will promote optimization in procurement, production, logistics, and sales under a framework of five production bases nationwide, seek to address cost increases, promote the development and enhancement of a data utilization foundation through the integration of core systems, and work to realize operational efficiency and productivity improvements. Furthermore, the Company will strengthen the product and sales capabilities of high-value-added products, including “Kibi Sato,” and aim to improve business results by expanding integration synergies.

The Company will continue working to improve management efficiency and quality so that it can appropriately respond to the expected acceleration of industry restructuring.

In the Food & Wellness Segment, the Company will contribute to improving people’s quality of life by promoting health. In particular, in the Food Science business, the Company is advancing the development of new applications for flora design materials that improve the intestinal and oral environments and functional materials that utilize glycosyl transfer technology, while working to solve customer issues, and aims to grow this business into a pillar of earnings following the Sugar Segment.

To strengthen production capacity, full-scale production of “Cup Oligo” (galactooligosaccharides) began at the Mihama Bio Plant in April 2025, and CI (cyclodextran) production also began at the same plant in April 2026. Furthermore, at Toyo Sugar Refining Co., Ltd., a new plant for functional materials is also under construction in anticipation of growing demand, and construction is progressing smoothly toward full-scale operation in April 2027.

In addition, the Company will restructure the organizational framework of the functional materials business and, by making maximum use of the Group’s knowledge, strongly promote the Food Science business as the Company’s growth engine. The “edible films” of the consolidated subsidiary TSUKIOKA FILM PHARMA CO., LTD. are increasingly being adopted in the pharmaceutical field, as well as being used as alternatives to plastics.

In the Fitness business, the business environment remains challenging as formats continue to diversify, including the emergence of competing services. The Company will provide spaces for health and physical fitness development that meet needs, while also conducting advertising and promotional activities to attract customer traffic. It will strive to strengthen children’s school businesses at comprehensive-type facilities and pursue profitability-focused management, aiming for an early recovery in business performance.

As a result of the above, there are no changes to the consolidated earnings forecasts for the second quarter consolidated cumulative period and the full year, as announced in the “Consolidated Financial Results for the Year Ended March 31, 2026” dated May 14, 2026.

2. Condensed Quarterly Consolidated Financial Statements and Main Notes

(1) Condensed quarterly consolidated statement of financial position

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and cash equivalents	10,461	10,367
Trade and other receivables	8,751	9,074
Other financial assets	886	894
Inventories	19,844	19,096
Other current assets	533	610
Subtotal	40,477	40,042
Assets held for sale	357	―
Total current assets	40,835	40,042
Non-current assets		
Property, plant and equipment	21,315	21,516
Right-of-use assets	1,209	3,434
Goodwill	13,553	13,553
Intangible assets	465	521
Investments accounted for using equity method	16,283	16,319
Other financial assets	10,338	10,740
Retirement benefit asset	1	2
Deferred tax assets	211	197
Trade and other receivables	25	26
Other non-current assets	1,588	1,658
Total non-current assets	64,992	67,970
Total assets	105,827	108,013

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	10,010	12,010
Trade and other payables	9,058	6,941
Lease liabilities	487	742
Other financial liabilities	73	427
Income taxes payable	1,903	1,141
Other current liabilities	3,025	2,979
Total current liabilities	24,558	24,241
Non-current liabilities		
Trade and other payables	29	28
Lease liabilities	902	2,978
Other financial liabilities	98	96
Retirement benefit liability	512	512
Provisions	621	622
Deferred tax liabilities	1,835	1,967
Other non-current liabilities	71	71
Total non-current liabilities	4,071	6,277
Total liabilities	28,630	30,519
Equity		
Capital stock	7,000	7,000
Capital surplus	31,343	31,352
Treasury shares	(161)	(161)
Other components of equity	2,624	2,960
Retained earnings	36,391	36,342
Total equity attributable to owners of parent	77,197	77,493
Non-controlling interests	—	—
Total equity	77,197	77,493
Total liabilities and equity	105,827	108,013

(2) Condensed quarterly consolidated statements of income and condensed quarterly consolidated statements of comprehensive income

(Condensed quarterly consolidated statements of income)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Revenue	30,154	28,601
Cost of sales	24,377	22,346
Gross profit	5,776	6,255
Selling, general and administrative expenses	3,237	3,259
Other operating income	15	261
Other operating expenses	22	179
Operating profit	2,532	3,077
Finance income	99	101
Finance costs	51	62
Share of profit (loss) of investments accounted for using equity method	(13)	37
Profit before tax	2,566	3,153
Income tax expense	821	1,073
Profit	1,745	2,079
Profit attributable to		
Owners of parent	1,708	2,079
Non-controlling interests	36	—
Profit	1,745	2,079
Earnings per share		
Basic earnings per share (Yen)	52.39	63.52

(Condensed quarterly consolidated statements of comprehensive income)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	1,745	2,079
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	86	328
Total of items that will not be reclassified to profit or loss	86	328
Items that may be reclassified to profit or loss		
Cash flow hedges	7	57
Total of items that may be reclassified to profit or loss	7	57
Other comprehensive income	93	386
Comprehensive income	1,838	2,465
Comprehensive income attributable to		
Owners of parent	1,801	2,465
Non-controlling interests	37	—
Comprehensive income	1,838	2,465

(3) Condensed quarterly consolidated statement of changes in equity

Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(Millions of yen)

	Equity attributable to owners of parent				
				Other components of equity	
	Capital stock	Capital surplus	Treasury shares	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2025	7,000	31,255	(662)	114	1,799
Profit	—	—	—	—	—
Other comprehensive income	—	—	—	7	84
Total comprehensive income	—	—	—	7	84
Purchase of treasury shares	—	—	—	—	—
Disposal of treasury shares	—	2	473	—	—
Dividends	—	—	—	—	—
Share-based remuneration transactions	—	2	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	65	—	—	—
Transfer to non-financial assets	—	—	—	(10)	—
Total transactions with owners	—	70	473	(10)	—
Balance as of June 30, 2025	7,000	31,326	(188)	111	1,884

	Equity attributable to owners of parent					
	Other components of equity					
	Remeasurements of defined benefit plans	Total	Retained earnings	Total	Non-controlling interests	Total equity
Balance as of April 1, 2025	—	1,914	33,566	73,074	1,512	74,586
Profit	—	—	1,708	1,708	36	1,745
Other comprehensive income	—	92	—	92	1	93
Total comprehensive income	—	92	1,708	1,801	37	1,838
Purchase of treasury shares	—	—	—	—	—	—
Disposal of treasury shares	—	—	—	475	—	475
Dividends	—	—	(1,819)	(1,819)	—	(1,819)
Share-based remuneration transactions	—	—	—	2	—	2
Transfer from other components of equity to retained earnings	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	65	(1,549)	(1,484)
Transfer to non-financial assets	—	(10)	—	(10)	—	(10)
Total transactions with owners	—	(10)	(1,819)	(1,286)	(1,549)	(2,836)
Balance as of June 30, 2025	—	1,996	33,455	73,589	—	73,589

Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(Millions of yen)

	Equity attributable to owners of parent				
				Other components of equity	
	Capital stock	Capital surplus	Treasury shares	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2026	7,000	31,343	(161)	125	2,498
Profit	—	—	—	—	—
Other comprehensive income	—	—	—	57	328
Total comprehensive income	—	—	—	57	328
Purchase of treasury shares	—	—	—	—	—
Disposal of treasury shares	—	—	—	—	—
Dividends	—	—	—	—	—
Share-based remuneration transactions	—	9	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	—	—
Transfer to non-financial assets	—	—	—	(50)	—
Total transactions with owners	—	9	—	(50)	—
Balance as of June 30, 2026	7,000	31,352	(161)	132	2,827

	Equity attributable to owners of parent				Non-controlling interests	Total equity
	Other components of equity		Retained earnings	Total		
	Remeasurements of defined benefit plans	Total				
Balance as of April 1, 2026	—	2,624	36,391	77,197	—	77,197
Profit	—	—	2,079	2,079	—	2,079
Other comprehensive income	—	386	—	386	—	386
Total comprehensive income	—	386	2,079	2,465	—	2,465
Purchase of treasury shares	—	—	—	—	—	—
Disposal of treasury shares	—	—	—	—	—	—
Dividends	—	—	(2,128)	(2,128)	—	(2,128)
Share-based remuneration transactions	—	—	—	9	—	9
Transfer from other components of equity to retained earnings	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	—	—	—
Transfer to non-financial assets	—	(50)	—	(50)	—	(50)
Total transactions with owners	—	(50)	(2,128)	(2,169)	—	(2,169)
Balance as of June 30, 2026	—	2,960	36,342	77,493	—	77,493

(4) Condensed quarterly consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Cash flows from operating activities		
Profit before tax	2,566	3,153
Depreciation and amortization	621	636
Impairment losses	―	163
Finance income	(99)	(101)
Finance expenses	51	62
Share of loss (profit) of investments accounted for using equity method	13	(37)
Decrease (increase) in inventories	413	746
Decrease (increase) in trade and other receivables	(236)	(289)
Increase (decrease) in trade and other payables	(3,069)	(1,655)
Other, net	212	(64)
Subtotal	472	2,614
Interest and dividend income received	92	82
Interest expenses paid	(50)	(57)
Income taxes paid	(1,502)	(1,771)
Net cash provided by operating activities	(987)	868
Cash flows from investing activities		
Purchase of property, plant and equipment, and intangible assets	(1,717)	(1,231)
Payments for disposal of property, plant and equipment	(3)	(44)
Proceeds from sales of property, plant and equipment	0	360
Proceeds from sale of investment property	―	248
Purchase of investment securities	(5)	(5)
Proceeds from sale and redemption of investment securities	3	―
Other, net	5	(12)
Net cash used in investing activities	(1,717)	(686)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,100	2,000
Proceeds from the disposal of treasury shares	475	―
Repayments of lease liabilities	(182)	(185)
Cash dividends paid	(1,783)	(2,090)
Net cash used in financing activities	2,610	(276)
Increase (decrease) in cash and cash equivalents	(95)	(94)
Cash and cash equivalents at the beginning of the period	15,445	10,461
Cash and cash equivalents at the end of the period	15,350	10,367

(5) Notes to condensed quarterly consolidated financial statements

(Notes on the going concern assumption)

Not applicable.

(Additional information)

(Officers' share delivery trust system)

The Company has introduced a performance-linked share-based compensation system (RS Trust) using a trust for directors (excluding outside directors) and executive officers (collectively, "Directors, etc.") for the purpose of enhancing their awareness of contributing to increased corporate value through improved performance over the medium to long term.

(1) Overview of the transaction

Under this system, a trust established with funds contributed by the Company (the "Trust") acquires the Company's ordinary shares (the "Company Shares"), and the Company Shares corresponding to the number of points granted by the Company to each Director, etc. are delivered to each Director, etc. through the Trust. However, the Company Shares are subject to transfer restrictions pursuant to transfer restriction agreements entered into between the Company and each Director, etc. In principle, Directors, etc. receive delivery of the Company Shares at a specified time in each fiscal year during the trust period.

(2) Shares of the Company remaining in the Trust

The Company recognizes the Company Shares remaining in the RS Trust as treasury shares at book value of the Trust (excluding incidental expenses). The book value and number of such treasury shares as of the end of the current first quarter consolidated period were 156 million yen and 59,400 shares, respectively.

(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) Information on reportable segments

The revenue and performance of the Company Group's reporting segments are as follows.

Internal revenue and transfers between segments are determined by considering market prices.

Three months ended June 30, 2025 (from April 1, 2025 to June 30, 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	25,935	4,218	30,154	－	30,154
Intersegment revenues	6	28	35	(35)	－
Total	25,942	4,247	30,189	(35)	30,154
Segment profit (loss) (Note 1)	2,725	150	2,875	(343)	2,532
Finance income	－	－	－	－	99
Finance costs	－	－	－	－	51
Share of profit (loss) of investments accounted for using equity method	－	－	－	－	(13)
Profit before tax	－	－	－	－	2,566

Note 1: Segment profit (loss) is consistent with the operating profit in the condensed quarterly consolidated statement of income.

2: The adjustment amount for segment profit (loss) includes company-wide expenses that have not been allocated to each reportable segment.

Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

	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	24,549	4,052	28,601	－	28,601
Intersegment revenues	12	31	43	(43)	－
Total	24,561	4,083	28,645	(43)	28,601
Segment profit (loss) (Note 1)	3,227	124	3,351	(274)	3,077
Finance income	－	－	－	－	101
Finance costs	－	－	－	－	62
Share of profit (loss) of investments accounted for using equity method	－	－	－	－	37
Profit before tax	－	－	－	－	3,153

Note 1: Segment profit (loss) is consistent with the operating profit in the condensed quarterly consolidated statement of income.

2: The adjustment amount for segment profit (loss) includes company-wide expenses that have not been allocated to each reportable segment.