

Non-consolidated Financial Results for the Nine Months Ended September 30, 2025 [Japanese GAAP]



October 29, 2025

Company name: Kanro Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 2216
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: No

(Amounts are rounded down to the nearest million yen)

1. Non-consolidated Financial Results for the Nine Months Ended September 30, 2025 (January 1, 2025 to September 30, 2025)

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

| | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|--------------------------------------|-------------|------|------------------|------|-----------------|------|-------------|------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Nine months ended September 30, 2025 | 24,392 | 7.6 | 3,341 | 6.2 | 3,380 | 6.7 | 2,366 | 1.4 |
| September 30, 2024 | 22,679 | 10.0 | 3,147 | 40.8 | 3,169 | 40.1 | 2,334 | 50.5 |

| | Basic earnings per share | Diluted earnings per share |
|--------------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Nine months ended September 30, 2025 | 56.17 | — |
| September 30, 2024 | 55.56 | — |

(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

| | Total assets | Net assets | Equity ratio |
|--------------------------|--------------|-------------|--------------|
| | Million yen | Million yen | % |
| As of September 30, 2025 | 29,144 | 17,706 | 60.8 |
| As of December 31, 2024 | 29,105 | 16,831 | 57.8 |

(Reference) Equity: As of September 30, 2025: ¥17,706 million
 As of December 31, 2024: ¥16,831 million

2. Cash Dividends

| | Annual cash dividends per share | | | | |
|-------------------|---------------------------------|-----------------|-----------------|----------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| FY2024 | — | 35.00 | — | 58.00 | 93.00 |
| FY2025 | — | 45.00 | — | | |
| FY2025 (Forecast) | | | | 16.00 | — |

(Notes) 1. Revision to the forecast for dividends announced most recently: No

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 ending December 31, 2025 represents the actual dividend before such share split, and the total annual

dividend for the fiscal year ending December 31, 2025 (forecast) is shown as “–”. The year-end dividend per share for the fiscal year ending December 31, 2025 (forecast) on a pre-split basis will be 48.00 yen per share, resulting in an annual dividend per share of 93.00 yen per share.

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

(% 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 |
| Full year | 34,100 | – | 4,400 | – | 4,450 | – | 3,300 | 78.31 |

(Notes) 1. Revision to the financial results forecast announced most recently: Yes

2. Consolidated financial results will begin from the fiscal year ending December 31, 2025.

Since consolidated financial statements were not prepared for the previous fiscal year, the percentage change from the previous fiscal year is not stated.

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 current consolidated fiscal year. Without considering the share split, basic earnings per share for the fiscal year ending December 31, 2025 would be 234.94 yen.

* Notes:

(1) Accounting policies adopted specially for the preparation of non-consolidated financial statements: No

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

1) Changes in accounting policies due to the revision of accounting standards: No

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 September 30, 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 | 3,808,348 shares | 3,807,498 shares |
| | January 1, 2025 to September 30, 2025 | January 1, 2024 to September 30, 2024 |
| 3) Average number of shares during the period | 42,138,720 shares | 42,026,634 shares |

* 1. Since a three-for-one share split of common shares was conducted, effective 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 assuming that the share split was conducted 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) (September 30, 2025: 1,039,500 shares and December 31, 2024: 1,039,500 shares).

* Review of the Japanese-language originals of the attached non-consolidated financial statements by a certified public accountant or audit firm: No

* 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. Please refer to “(3) Explanation of Non-consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the Appendix for assumptions on financial results forecasts and notes on the use of such forecasts.

(Method of obtaining supplementary material on financial results)

Supplementary material on financial results is disclosed on TDnet on October 29, 2025 as well as on the Company's website.

Table of Contents (Appendix)

| | |
|--|---|
| 1. Qualitative Information on Financial Results for the Period under Review | 2 |
| (1) Explanation of Business Results..... | 2 |
| (2) Explanation of Financial Position | 2 |
| (3) Explanation of Non-consolidated Financial Results Forecast and Other Forward-looking Information | 3 |
| 2. Non-consolidated Financial Statements and Primary Notes | 4 |
| (1) Non-consolidated Balance Sheets..... | 4 |
| (2) Non-consolidated Statements of Income | 6 |
| (3) Notes to Non-consolidated Financial Statements..... | 7 |
| (Notes on going concern assumption)..... | 7 |
| (Notes in the case of significant changes in shareholders' equity) | 7 |
| (Notes to non-consolidated statement of cash flows) | 7 |
| (Notes to segment information, etc.) | 7 |
| (Revenue recognition) | 7 |

1. Qualitative Information on Financial Results for the Period under Review

(1) Explanation of Business Results

The Japanese economy during the nine months ended September 30, 2025 recovered moderately, despite signs of U.S. trade policies, etc. impacting some industries. Personal consumption also showed signs of a rebound amid ongoing 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 policy trends and ongoing price hikes exert on personal consumption through a downturn in consumer sentiment.

In the candy market, even amid such an economic environment, favorable conditions continued with sales in each category and in the overall market having increased year on year. As for our major domains, the hard candy category experienced a temporary downturn due to the heatwave, but is already showing signs of recovery, while demand for throat drops drove the market. The gummy category demonstrated sustained and significant growth, mainly with sales of hard-texture products as well as 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.” In line with this plan, net sales during the nine month ended September 30, 2025 increased by ¥1,713 million (7.6%) year on year to ¥24,392 million.

Sales of hard candy products increased by ¥729 million (6.9%) year on year to ¥11,350 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 brands *Puré Gummy* (ピュレグミ) series and *Candemina Gummy* (カンデミーナグミ) series increased amid intensifying competition with other companies. In addition, supply volume 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 increased by ¥861 million (7.5%) year on year to ¥12,387 million. Sales of healthy snacks increased by ¥122 million (23.4%) year on year to ¥645 million, 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 increased by ¥879 million (9.4%) year on year to ¥10,269 million.

Operating profit increased by ¥194 million (6.2%) year on year to ¥3,341 million, owing to the effect of higher sales absorbing increased general and administrative expenses. These included 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 increased by ¥211 million (6.7%) year on year to ¥3,380 million.

In addition, profit increased by ¥32 million (1.4%) year on year to ¥2,366 million, despite a decrease in extraordinary income due to a reduction in cross-shareholdings.

(2) Explanation of Financial Position

Total assets at the end of the third quarter of the fiscal year under review increased by ¥39 million (0.1%) from the end of the previous fiscal year to ¥29,144 million.

The increase in total assets was mainly attributable to decreases in accounts receivable – trade by ¥2,179 million and cash and deposits by ¥1,027 million, and increases in property, plant and equipment by ¥2,520 million and merchandise and finished goods by ¥438 million.

Liabilities decreased by ¥835 million (6.8%) from the end of the previous fiscal year to ¥11,438 million.

The decrease in liabilities was mainly attributable to an increase in short-term borrowings by ¥1,000 million and decreases in accounts payable – other by ¥925 million, accrued expenses by ¥685 million, and income taxes payable by ¥215 million.

Net assets increased by ¥875 million (5.2%) from the end of the previous fiscal year to ¥17,706 million. This was mainly due to the recording of ¥2,366 million in profit and the payment of ¥1,482 million in cash dividends.

(3) Explanation of Non-consolidated Financial Results Forecast and Other Forward-looking Information

Non-consolidated financial results forecasts for the fiscal year ending December 31, 2025 are as announced in “Notice Concerning the Announcement of Consolidated Financial Results Forecast Following the Commencement of Consolidated Accounting” issued on October 29, 2025.

2. Non-consolidated Financial Statements and Primary Notes

(1) Non-consolidated Balance Sheets

(Thousand yen)

| | As of December 31, 2024 | As of September 30, 2025 |
|---------------------------------------|-------------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 5,041,259 | 4,013,782 |
| Accounts receivable - trade | 9,016,832 | 6,837,756 |
| Merchandise and finished goods | 1,213,548 | 1,651,589 |
| Work in process | 21,982 | 145,069 |
| Raw materials and supplies | 414,425 | 473,290 |
| Other | 229,861 | 308,054 |
| Total current assets | 15,937,909 | 13,429,543 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings | 8,111,574 | 8,132,171 |
| Accumulated depreciation | (4,550,722) | (4,742,141) |
| Buildings, net | 3,560,852 | 3,390,030 |
| Machinery and equipment | 15,863,174 | 15,909,318 |
| Accumulated depreciation | (10,618,381) | (10,995,440) |
| Machinery and equipment, net | 5,244,792 | 4,913,877 |
| Land | 1,497,829 | 1,497,829 |
| Other | 3,068,763 | 3,102,361 |
| Accumulated depreciation | (2,260,084) | (2,379,486) |
| Other, net | 808,679 | 722,875 |
| Construction in progress | 95,056 | 3,203,293 |
| Total property, plant and equipment | 11,207,210 | 13,727,906 |
| Intangible assets | 478,676 | 500,380 |
| Investments and other assets | | |
| Investment securities | 161,295 | 135,982 |
| Shares of subsidiaries and associates | — | 43,404 |
| Deferred tax assets | 1,132,101 | 1,111,676 |
| Other | 188,601 | 196,056 |
| Total investments and other assets | 1,481,998 | 1,487,119 |
| Total non-current assets | 13,167,885 | 15,715,406 |
| Total assets | 29,105,795 | 29,144,950 |

(Thousand yen)

As of December 31, 2024 As of September 30, 2025

| | | |
|---|------------|------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 2,776,646 | 2,814,772 |
| Short-term borrowings | – | 1,000,000 |
| Accounts payable - other | 2,119,548 | 1,194,019 |
| Accrued expenses | 2,550,578 | 1,864,998 |
| Income taxes payable | 663,168 | 447,344 |
| Provision for bonuses | 1,088,304 | 973,285 |
| Provision for bonuses for directors (and other officers) | 129,000 | 112,500 |
| Other | 289,649 | 332,466 |
| Total current liabilities | 9,616,894 | 8,739,387 |
| Non-current liabilities | | |
| Provision for retirement benefits | 2,378,643 | 2,392,359 |
| Provision for share awards for directors (and other officers) | 148,706 | 174,885 |
| Other | 130,372 | 132,048 |
| Total non-current liabilities | 2,657,722 | 2,699,293 |
| Total liabilities | 12,274,616 | 11,438,681 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 2,864,249 | 2,864,249 |
| Capital surplus | 2,577,892 | 2,577,892 |
| Retained earnings | 12,054,641 | 12,939,103 |
| Treasury shares | (741,602) | (742,643) |
| Total shareholders' equity | 16,755,181 | 17,638,603 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 76,024 | 67,764 |
| Deferred gains or losses on hedges | (27) | (98) |
| Total valuation and translation adjustments | 75,997 | 67,665 |
| Total net assets | 16,831,178 | 17,706,268 |
| Total liabilities and net assets | 29,105,795 | 29,144,950 |

(2) Non-consolidated Statements of Income
Nine Months Ended September 30

(Thousand yen)

| | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2025 |
|--|---|---|
| Net sales | 22,679,639 | 24,392,942 |
| Cost of sales | 13,289,141 | 14,123,148 |
| Gross profit | 9,390,498 | 10,269,793 |
| Selling, general and administrative expenses | 6,243,036 | 6,927,854 |
| Operating profit | 3,147,462 | 3,341,938 |
| Non-operating income | | |
| Interest income | 482 | 7,075 |
| Dividend income | 1,966 | 2,615 |
| Electricity sale income | 7,944 | 8,939 |
| Royalty income | 4,798 | 13,097 |
| Other | 12,482 | 13,829 |
| Total non-operating income | 27,674 | 45,557 |
| Non-operating expenses | | |
| Interest expenses | 842 | 883 |
| Electricity sale expenses | 4,344 | 3,969 |
| Other | 235 | 1,664 |
| Total non-operating expenses | 5,421 | 6,516 |
| Ordinary profit | 3,169,715 | 3,380,979 |
| Extraordinary income | | |
| Gain on sale of non-current assets | — | 55 |
| Gain on sale of investment securities | 75,720 | 21,498 |
| Gain on sale of membership | 713 | — |
| Total extraordinary income | 76,433 | 21,553 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | 0 | — |
| Loss on retirement of non-current assets | 3,727 | 3,474 |
| Impairment losses | 10,666 | 46,653 |
| Total extraordinary losses | 14,393 | 50,128 |
| Profit before income taxes | 3,231,755 | 3,352,404 |
| Income taxes - current | 786,962 | 962,666 |
| Income taxes - deferred | 109,966 | 22,815 |
| Total income taxes | 896,928 | 985,481 |
| Profit | 2,334,826 | 2,366,923 |

(3) Notes to Non-consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in the case of significant changes in shareholders' equity)

Not applicable.

(Notes to non-consolidated statement of cash flows)

A non-consolidated statement of cash flows for the nine months ended September 30, 2025 has not been prepared. Depreciation (including amortization pertaining to intangible assets) for the nine months ended September 30 is as follows.

| (Thousand yen) | | |
|----------------|--|--|
| | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2025 |
| Depreciation | 1,109,325 | 1,201,135 |

(Notes to segment information, etc.)

[Segment information]

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

(Revenue recognition)

Information on disaggregation of revenue generated from contracts with customers

Kanro operates 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 nine months ended September 30, 2024 | | For the nine months ended September 30, 2025 | |
|---|--|-----------------|--|-----------------|
| | Amount (Thousand yen) | Composition (%) | Amount (Thousand yen) | Composition (%) |
| Hard candy | 10,620,585 | 46.9 | 11,350,461 | 46.6 |
| Gummies | 11,525,832 | 50.8 | 12,387,613 | 50.8 |
| Healthy snacks | 523,386 | 2.3 | 645,670 | 2.6 |
| Other | 9,835 | 0.0 | 9,196 | 0.0 |
| Revenue generated from contracts with customers | 22,679,639 | 100.0 | 24,392,942 | 100.0 |
| Sales to external customers | 22,679,639 | 100.0 | 24,392,942 | 100.0 |

Note: "Other" refers to miscellaneous products other than foods.