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Consolidated Financial Results for the Nine Months Ended September 30, 2026 [Japanese GAAP]

October 30, 2026

Company name:	Kanro Inc.
Listing:	Tokyo Stock Exchange
Securities code:	2216
URL:	https://www.kanro.co.jp/en/
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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. Consolidated Financial Results for the Nine Months Ended September 30, 2026 (January 1, 2026 to September 30, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2026	25,542	–	2,658	–	2,679	–	1,904	–
September 30, 2025	–	–	–	–	–	–	–	–

(Note) Comprehensive income: For the nine months ended September 30, 2026: ¥1,812 million [—%]
For the nine months ended September 30, 2025: ¥— million [—%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2026	45.41	–
September 30, 2025	–	–

(Notes) 1. Since quarterly consolidated financial statements were not prepared for the nine months ended September 30, 2025, figures for the nine months ended September 30, 2025 and the year-on-year percentage change for the nine months ended September 30, 2026 are not stated.
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.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2026	33,206	18,217	54.9
As of December 31, 2025	33,607	18,984	56.5

(Reference) Equity: As of September 30, 2026: ¥ 18,217million
As of December 31, 2025: ¥18,984 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
FY2025	–	45.00	–	17.00	–
FY2026	–	15.00	–		
FY2026 (Forecast)				18.00	33.00

(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 ended December 31, 2025 represents the actual dividend before such share split, and the total annual dividend is shown as "–". If calculated on a post-share split basis, the annual dividend per share for the fiscal year ended December 31, 2025 would be 32.00 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
Full year	36,500	5.0	4,200	(10.5)	4,200	(11.5)	3,000	(11.2)	73.02

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

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: No

Newly included : None (Company name) :
Excluded : None (Company name) :

(2) Accounting policies adopted specially for the preparation of consolidated financial statements: No

(3) 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

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

	As of September 30, 2026	As of December 31, 2025
1) Total number of issued shares at the end of the period (including treasury shares)	42,946,812 shares	45,946,812 shares
2) Total number of treasury shares at the end of the period	1,864,503 shares	3,808,480 shares
	January 1, 2026 to September 30, 2026	January 1, 2025 to September 30, 2025
3) Average number of shares during the period	41,930,058 shares	42,138,720 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) (September 30, 2026: 995,400 shares and December 31, 2025: 1,039,500 shares).

* Review of the Japanese-language originals of the attached 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 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 30, 2026 as well as on the Company’s website.

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

Since the Group did not prepare consolidated financial statements for the nine months ended September 30, 2025, a comparative analysis with the corresponding period of the previous fiscal year has not been conducted.

(1) Explanation of Business Results

The Japanese economy during the nine months ended September 30, 2026 recovered moderately 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 ongoing price hikes and changes in financial and capital markets, including the impact of the situation in the Middle East and natural disasters, exert on personal consumption.

In the candy market, amid such an economic environment, sales in the overall market increased slightly year on year. Of these, market sales in the hard candy category, which constitutes the Company's major business, decreased year on year due to a downturn in demand for throat drops in the first half. In the gummy category, the market for which had been in a significant expansionary trend in recent years buoyed by hard-texture gummy products, entered a phase of stable growth, with a slight increase compared with the same period of the previous fiscal year.

We have been promoting our business based on the Medium-term Corporate Strategy 2030, which we commenced in 2025 under our corporate purpose of "Sweeten the Future." As a result, net sales during the nine months ended September 30, 2026 amounted to ¥25,542 million.

Sales of hard candy products amounted to ¥11,896 million, with sales of the gourmet category offsetting the downturn in throat drops. By product, the leading brand *Kinno Milk* (金のミルク) series and the *Nutbon* (ナッツボン) series enjoyed favorable sales. In gummies, sales of the *Kanro THE STRONG* (カンロ ザ・ストロング) series, which features a layer of hard-texture gummy encased in a layer of soft-texture gummy, and gummies developed in collaboration with retailers were favorable amid intensifying competition with other companies in Japan. Partly as a result, sales amounted to ¥13,138 million. Sales of the high-value product *Gummi-tzel* (グミッツェル) also continued to increase at the Company-owned Hitotubu Kanro Harajuku store and at the Isetan Shinjuku store, as well as at pop-up stores in Haneda Airport and Hanshin Department Stores. Furthermore, the reopening of the Hitotubu Kanro Gransta Tokyo Store in September brought the number of Company-owned stores to three, thereby expanding our customer touchpoints. In addition, Kanro America Inc., a Company subsidiary, is expanding sales of the *Puré Gummy* (ピュレグミ) series in the U.S., with both the number of retail outlets and sales increasing steadily. Net sales of healthy snacks amounted to ¥500 million.

In terms of profits, in addition to higher fixed costs, including labor costs, due to increased staffing in preparation for the startup of a new gummy production line, profit margins decreased due to higher raw material costs and fuel costs resulting from the situation in the Middle East. As a result, gross profit amounted to ¥10,369 million.

Operating profit amounted to ¥2,658 million, owing to increased general and administrative expenses. These included freight and storage costs, rising corporate advertising expenses and other expenses, higher personnel costs due to increased staffing, system-related expenses, including depreciation of the new core system launched in July 2025, and various expenses associated with expanding business in the U.S. Ordinary profit amounted to ¥2,679 million.

Profit attributable to owners of parent amounted to ¥1,904 million, as a result of the recording of

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 decreased by ¥400 million (1.2%) from the end of the previous fiscal year to ¥33,206 million.

The decrease in total assets was mainly attributable to decreases in accounts receivable – trade by ¥3,014 million and cash and deposits by ¥1,532 million, despite increases in property, plant and equipment by ¥3,986 million and merchandise and finished goods by ¥292 million.

Liabilities increased by ¥367 million (2.5%) from the end of the previous fiscal year to ¥14,989 million. The increase in liabilities was mainly attributable to an increase in short-term borrowings by ¥2,500 million, despite decreases in income taxes payable by ¥942 million, accrued expenses by ¥730 million, and “other” in current liabilities including accrued consumption taxes by ¥468 million.

Net assets decreased by ¥767 million (4.0%) from the end of the previous fiscal year to ¥18,217 million. This was mainly due to the recording of ¥1,904 million in profit attributable to owners of parent and the payment of ¥1,381 million in cash dividends.

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

Consolidated financial results forecasts for the fiscal year ending December 31, 2026 are as announced in “Notice Regarding Revision of Full-Year Consolidated Financial Results Forecast and Maintenance of Year-End Dividend Forecast” announced on July 31, 2026.

2. Consolidated Financial Statements and Primary Notes

(1)Consolidated Balance Sheets

(Thousand yen)

	As of December 31, 2025	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	4,321,250	2,789,178
Accounts receivable - trade	10,247,963	7,232,988
Merchandise and finished goods	1,312,145	1,604,846
Work in process	81,675	154,603
Raw materials and supplies	568,680	649,065
Other	469,688	393,366
Total current assets	17,001,403	12,824,049
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,890,213	10,018,457
Accumulated depreciation	(6,086,477)	(6,256,371)
Buildings and structures, net	3,803,735	3,762,086
Machinery, equipment and vehicles	16,227,480	17,086,960
Accumulated depreciation	(11,246,770)	(11,560,038)
Machinery, equipment and vehicles, net	4,980,710	5,526,921
Land	1,497,829	1,497,829
Construction in progress	3,926,840	7,453,848
Other	1,504,139	1,548,521
Accumulated depreciation	(1,103,104)	(1,192,672)
Other, net	401,034	355,849
Total property, plant and equipment	14,610,151	18,596,535
Intangible assets	494,695	434,322
Investments and other assets		
Investment securities	160,400	29,051
Other	1,340,375	1,322,178
Total investments and other assets	1,500,776	1,351,230
Total non-current assets	16,605,623	20,382,088
Total assets	33,607,027	33,206,137

(Thousand yen)

	As of December 31, 2025	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,249,322	3,168,841
Short-term borrowings	1,000,000	3,500,000
Accounts payable - other	2,249,501	2,500,384
Accrued expenses	2,711,300	1,980,744
Income taxes payable	1,004,582	62,573
Provision for bonuses	1,305,199	1,081,196
Provision for bonuses for directors (and other officers)	152,000	111,450
Other	582,313	114,285
Total current liabilities	12,254,220	12,519,476
Non-current liabilities		
Retirement benefit liability	2,064,149	2,142,404
Provision for share awards for directors (and other officers)	183,612	195,687
Other	120,125	131,548
Total non-current liabilities	2,367,887	2,469,640
Total liabilities	14,622,107	14,989,117
Net assets		
Shareholders' equity		
Share capital	2,864,249	2,864,249
Capital surplus	2,577,892	2,141,805
Retained earnings	13,950,987	13,611,196
Treasury shares	(742,892)	(642,826)
Total shareholders' equity	18,650,238	17,974,424
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	84,553	6,640
Foreign currency translation adjustment	1,006	5,156
Remeasurements of defined benefit plans	249,121	230,797
Total accumulated other comprehensive income	334,681	242,595
Total net assets	18,984,919	18,217,019
Total liabilities and net assets	33,607,027	33,206,137

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

Consolidated Statements of Income

Nine Months Ended September 30

(Thousand yen)

	For the nine months ended September 30, 2026
Net sales	25,542,074
Cost of sales	15,172,760
Gross profit	10,369,314
Selling, general and administrative expenses	7,710,863
Operating profit	2,658,451
Non-operating income	
Interest income	10,566
Dividend income	2,543
Electricity sale income	8,134
Royalty income	11,251
Other	10,666
Total non-operating income	43,163
Non-operating expenses	
Interest expenses	15,169
Electricity sale expenses	3,992
Other	2,728
Total non-operating expenses	21,889
Ordinary profit	2,679,725
Extraordinary income	
Gain on sale of investment securities	148,513
Total extraordinary income	148,513
Extraordinary losses	
Loss on sale of non-current assets	0
Loss on retirement of non-current assets	3,363
Impairment losses	97,192
Total extraordinary losses	100,555
Profit before income taxes	2,727,683
Income taxes - current	756,243
Income taxes - deferred	67,232
Total income taxes	823,476
Profit	1,904,207
Profit attributable to owners of parent	1,904,207

Consolidated Statements of Comprehensive Income
Nine Months Ended September 30

(Thousand yen)

	For the nine months ended September 30, 2026
Profit	1,904,207
Other comprehensive income	
Valuation difference on available-for-sale securities	(77,912)
Foreign currency translation adjustment	4,150
Remeasurements of defined benefit plans, net of tax	(18,323)
Total other comprehensive income	(92,086)
Comprehensive income	1,812,120
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	1,812,120

(3) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

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

Not applicable.

(Notes to consolidated statement of cash flows)

A consolidated statement of cash flows for the nine months ended September 30, 2026 has not been prepared. Depreciation (including amortization pertaining to intangible assets) for the nine months ended September 30, 2026 is as follows.

(Thousand yen)

	For the nine months ended September 30, 2026
Deprecation	1,195,218

(Notes to segment information, etc.)

[Segment information]

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 nine months ended September 30, 2026	
	Amount (Thousand yen)	Composition (%)
Hard candy	11,896,774	46.58
Gummies	13,138,734	51.44
Healthy snacks	500,706	1.96
Other	5,858	0.02
Revenue generated from contracts with customers	25,542,074	100.0
Sales to external customers	25,542,074	100.0

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