Securities code: 1301

KYOKUYO

BUSINESS REPORT

103rd Business Report

April 1, 2025 ▶ March 31, 2026

Shareholders Information

Business year:	April 1 to March 31 of next year
Ordinary General Meeting of Shareholders:	June of each year
Record date for exercising voting rights at the Ordinary General Meeting of Shareholders:	March 31
Term-end dividend record date:	March 31
Media for public notice:	The Company displays public notices by electronic means. Public notices are displayed online on the Company's website: https://www.kyokuyo.co.jp. However, if the Company is unable to issue public notices by electronic means due to accidents or any other unavoidable circumstances, public notices will be displayed in the Nihon Keizai Shimbun newspaper published within Tokyo Prefecture.
Shareholders list manager and special purpose bank accounts manager:	Mitsubishi UFJ Trust and Banking Corporation
Contact information:	Transfer Agency, Mitsubishi UFJ Trust and Banking Corporation

For inquiries regarding unpaid dividends and general shareholder administration matters, please contact the Company's shareholders list manager listed below.

Transfer Agency, Mitsubishi UFJ Trust and Banking Corporation

137-8081, New Tokyo Post Office P.O.B. No. 29

0120-232-711 (toll-free in Japan)

Our website

Top page

Company introduction video for individual investors

Kyokuyo Co., Ltd.

3-3-5, Akasaka, Minato-ku, Tokyo, 107-0052, Japan

KYOKUYO

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TOP MESSAGE

We are pleased to present this business report for the 103rd fiscal term (term ended March 2026). We would like to take this opportunity to thank our shareholders for their support.

President and Representative Director
Makoto Inoue

Corporate Philosophy

Aiming to grow together with society, contributing to a healthy and happy lifestyle and food culture based on management of human respect

During the current fiscal year, which marked the second year of "Gear Up Kyokuyo 2027," our three-year medium-term business plan, we worked to expand our business base by broadening our production sites and sales sites, and strengthening our partnerships with stakeholders through the development of a more comfortable work environment.

However, profits remained sluggish due to delays in improving profitability of our overseas business and weakening consumer demand caused by soaring global prices for marine products. As a result, challenges remained in strengthening our earning capability and responding effectively to changes in the business environment.

This year is the final year of our current medium-term business plan. We will further strengthen the execution of each measure and work to improve profitability. Based on our corporate purpose of "Contributing to people's lives and the planet through foods with a focus on fish, for a more sustainable world," we will be working to further strengthen and expand the Kyokuyo Group in pursuit of becoming a strong Kyokuyo.

We will strive to meet the expectations of our shareholders through future results, and we sincerely ask for their continued support.

FINANCIAL HIGHLIGHTS

Financial information is available here
https://www.kyokuyo.co.jp/en/ir/highlight/index.html

Key Consolidated Performance Indicators

Points

- Both sales and profit **reached record highs**
- Sales were buoyed by the **Marine Products Business**, while profits were **led by the Freshfoods Business**.

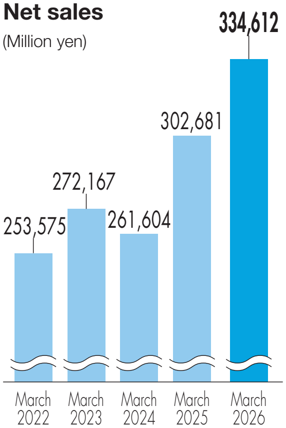
Key Consolidated Financial Indicators

Points

- **Net assets and total assets increased**, while lower profitability led to **declines in ROA and ROE**.

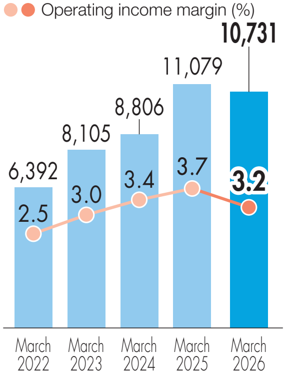
Net sales

(Million yen)



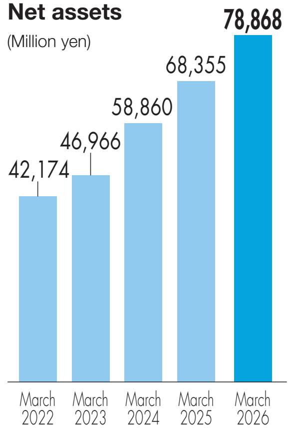
Operating profit / Operating income margin

Operating profit (Million yen)
Operating income margin (%)



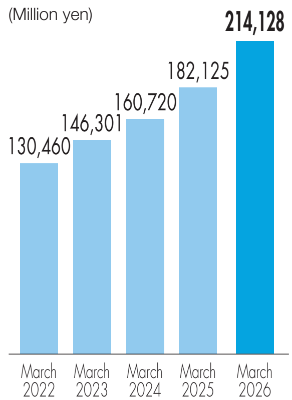
Net assets

(Million yen)



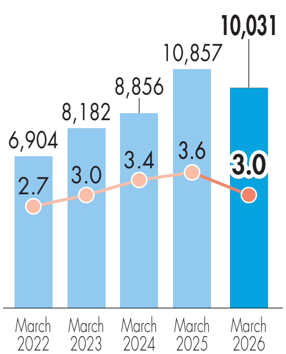
Total assets

(Million yen)



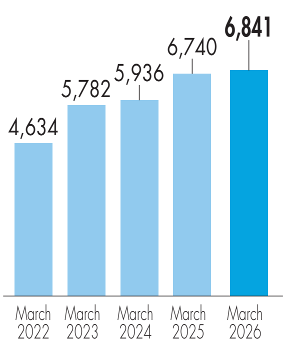
Ordinary profit / Ordinary income margin

Ordinary profit (Million yen)
Ordinary income margin (%)



Profit attributable to owners of parent

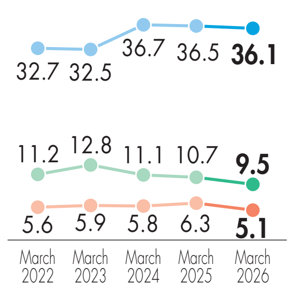
(Million yen)



Equity ratio / Return on equity (ROE) / Return on asset (ROA)

(%)

Equity ratio ROE ROA

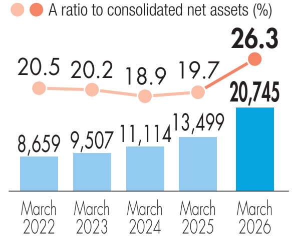


Reference

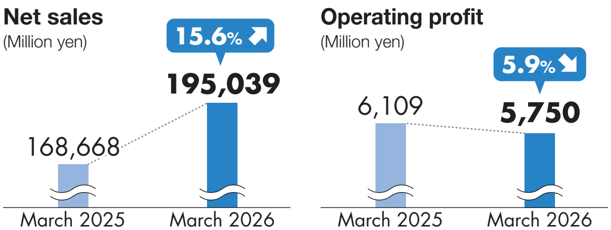
Cross-Shareholdings

Amount recorded in the balance sheet and ratio to consolidated net assets of shares held by the Company for purposes other than net investment

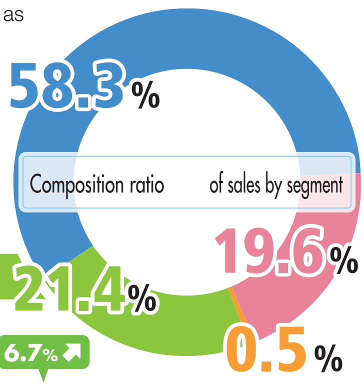
The amount recorded in the balance sheet for shares held by Company (Million yen)
A ratio to consolidated net assets (%)



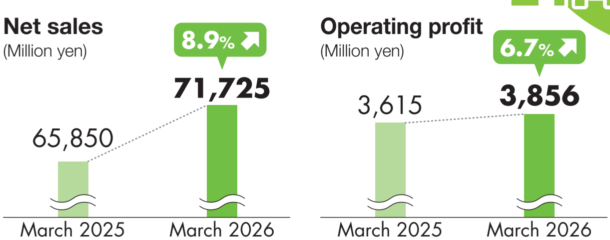
Marine Products Business



Utilizing our domestic and international procurement network constructed since we started out as a fishing company in 1937, we have stable sources of high-quality marine products from around the world and provide processed products such as fish fillets, crabs, and peeled shrimp. As for the Overseas Business, the linchpin of our efforts, we are working to develop the Group's own overseas production bases and strengthening global sales of marine products and processed products, in addition to export sales of Japanese marine products.

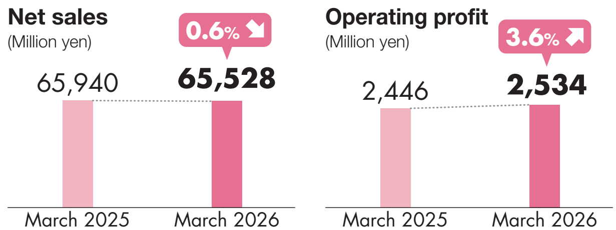


Freshfoods Business



This segment consists of the sushi and sashimi business, led by sushi toppings, the tuna business, which handles everything from catching skipjack and purchasing tuna to processing and sales, and the aquaculture business. Sushi toppings are not only for Japan, but also promoted for sale to overseas franchises of conveyor-belt sushi restaurants. For skipjack, we have our own procurement capability with Group-owned vessels. As for tuna, in addition to sourcing from overseas, we farm tuna in Shikoku using proprietary technologies cultivated within the Group and ship it under our original brand name "Hon Maguro no Kiwami." We also engage in aquaculture of red sea bream and burihira® (a yellowtail-goldstriped amberjack crossbreed species), and we are working to expand the variety of farmed fish and strengthen access to resources.

Processed Food Business

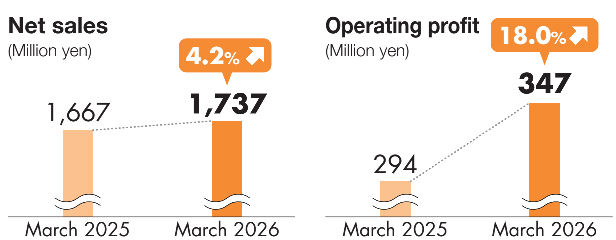


This segment is composed of frozen food products for industrial use, frozen and chilled food products for home use, and shelf-stable foods such as canned foods and seafood delicacies.

Frozen food products for industrial use, including simmered and grilled fish, fried marine products, imitation crab meat, and the Dandori Jozu series, consisting of boneless fillets, are sold to restaurants, deli departments of mass retailers, and medical and nursing care facilities.

For frozen food products for home use, we offer products such as simmered and grilled fish, and that can be used as dishes for dining tables or lunch boxes. Canned products include mackerel and other canned seafood, as well as canned meat and agricultural products. We also sell delicacies such as squid jerky and health products like DHA supplements.

Logistics Business



The Logistics Business provides logistics services such as distribution and delivery from warehouses, with a primary focus on the cold storage business in three sites in Ohi and Jonanjima in Tokyo, and Fukuoka.

Gear Up Kyokuyo 2027 (FY2024-FY2026)

Purpose **"Contributing to people's lives and the planet through foods with a focus on fish, for a more sustainable world"**

Based on our corporate purpose, while expanding our business base and strengthening our financial base as well as our partnerships with stakeholders, we will work to achieve our missions, pursuing a strong Kyokuyo by implementing measures from the following three perspectives.

- **Expanding business base** (production sites, sales sites, etc.)
- **Strengthening financial base** (acquiring stable profits, diverse procurement of capital, etc.)
- **Strengthening our partnerships with stakeholders** (customers and business partners)

＼Kyokuyo Group's Missions／

- Providing healthy, safe, and reliable foods
- Practicing responsible procurement in the global supply chain
- Realizing sustainable food in harmony with society and the global environment
- Creating a cheerful company where each and every individual can play an active role

Three perspectives

01 Human resources and organization

Emphasize our engagement with each individual in each company within the Kyokuyo Group to create a work environment in which each employee can play an active role, and through the development of human resources that will be the driving force for growth, put in place an organization that can respond to changes in society.

02 Four businesses

Strengthen and expand Kyokuyo Group centering on four businesses, namely, Marine Products, Freshfoods, Processed Food, and Overseas, as an organization rich in human resources that can adapt flexibly to change.

03 Globalization

Expand our business wings overseas, where demand for marine products is growing, by establishing local production and sales structures for products that meet the food needs of different regions around the world through the development of four businesses, as responding to food diversity will lead to business opportunities.

For the fiscal year ending March 31, 2027, we forecast the following full-year results.

Objective	Full-year results forecast for the fiscal year ending March 2027	
Expanding business scale	Net sales of	¥365.0 billion
Strengthening high-profit structure	Operating profit of	¥12.0 billion
	Ordinary profit of	¥11.0 billion

Medium-Term Business Plan

"Gear Up Kyokuyo 2027" Looking back on the second year (FY2025)

Perspective Globalization

Expanding our business base Growing the Overseas Business

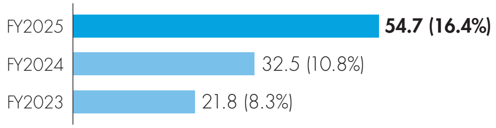
September 2025 Acquired a Danish company with a Nordic sales network for processed seafood products

As part our efforts to further expand our overseas business, we acquired Engelsviken Canning Denmark A/S and Engelsviken Norway A/S, seafood processing and sales companies with production and sales sites in the Nordic region, and made them consolidated subsidiaries. In addition to strengthening sales in Western and Southern Europe, which we have expanded primarily through a Dutch subsidiary, we will further enhance our sales presence in the Nordic market.

Engelsviken Canning Denmark A/S

ECD shrimp products and canned goods sold in Nordic supermarkets

Overseas net sales (Overseas net sales ratio) Unit: billion yen



Perspective Human resources and organization

Strengthening our partnerships with stakeholders

Creating a more comfortable work environment

October 2025 Prohibited smoking during working hours

To protect employees' health and further improve the work environment, thereby enhancing employee engagement, we have prohibited smoking during working hours, except for designated break times.

We will continue to promote health and productivity management initiatives to ensure a workplace where each employee can remain mentally and physically healthy and fully engaged in their work.

March 2026 Increased wage and starting salary

From FY2026, we have raised the average monthly salary of union members by ¥14,000. As a result, the starting salary has been increased from ¥300,000 to ¥315,500.

By enhancing employee motivation and supporting stable livelihoods, we will continue to further improve the work environment.

Perspective Four businesses

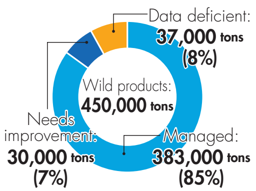
April 2025 Completed a new dedicated plant to produce neribushi, a processed skipjack product

– An SDGs initiative to effectively utilize by-products from frozen skipjack –

Ibusuki Shokuhin Co., Ltd. (Kagoshima Prefecture), a subsidiary engaged in the production of seared skipjack, established a neribushi processing plant. The plant processes shavings generated during the cutting process of frozen skipjack into neribushi used in commercial dashi powder and other applications.

June 2025 Conducted the Second Marine Resources Survey

Status of wild marine resources



In FY2023, of the Company's procured marine products, 84% were wild products and 16% were aquaculture products. Regarding the resource status of wild seafood, 85% was classified as "managed," 7% as "needs improvement," and 8% as "data deficient."

Action to Implement Management that is Conscious of Cost of Capital and Stock Price

On June 25, 2025, we disclosed "Action to Implement Management that is Conscious of Cost of Capital and Stock Price" through the Tokyo Stock Exchange.

Current situation analysis – Reasons for PBR remaining below 1.0 –

1. Although ROE remains above 10%, PER remains around 7 times.
2. We believe that the low PER is due to the fact that stock price has not increased along with the increase in "net income per share" due to the growth in business performance and the increase in net assets due to the capital increase implemented in 2024.
3. ROE is over 10%, but there is room for improvement.

Policy for improving PER and ROE

Policy for improving PER

Under the medium-term management plan "Gear Up Kyokuyo 2027" (FY2024-FY2026), we will strive to expand our business scale and strengthen our high-profit structure to accumulate net profit, while strengthening our IR activities to promote understanding of our business model and growth potential, increase interest in our shares, and work to improve our share price.

Measure **Participation in an IR event for individual investors**

The Company participated in the "Nomura IR Asset Management Fair 2026," which was held online from January 8 to 27, 2026. To help investors who were learning about the Company for the first time better understand its business operations and growth strategy, the Company introduced itself though easy-to-understand videos.

Policy for improving ROE

By strengthening our high-profit structure and increasing profits, we will improve our net profit margin while reducing financial leverage.

$$\text{ROE} = \frac{\text{Net income}}{\text{Net sales}} \times \frac{\text{Net sales}}{\text{Total assets}} \times \frac{\text{Total assets}}{\text{Equity}}$$

	Net profit margin	Total asset turnover	Financial leverage
FY 2025 Results	2.0%	1.7 times	2.8 times
Current situation analysis	Low	High	High
Policy	High	High	Low

*Although we are managing its equity capital efficiently, there is room to reduce financial leverage by increasing equity capital through profit accumulation.

TOPICS

To bring to life our corporate purpose of "Contributing to people's lives and the planet through foods with a focus on fish, for a more sustainable world," the Company is implementing the following initiatives.

Initiative to encourage greater fish consumption: "If you're a seafood company, eat fish!"

At a time when the decline in fish consumption has long been a concern, the Company launched an internal campaign in 2025 titled "If you're a seafood company, eat fish!" based on the ideas that "Employees of Kyokuyo themselves should be eating fish" and "Kyokuyo should help expand fish consumption." As part of this initiative, seafood bento lunches are distributed to employees four times a year.

We encourage fish consumption by distributing special meals associated with seasonal events, such as grilled eel bento lunches on the Day of the Ox and ehomaki sushi rolls on Setsubun.

Grilled eel bento lunch (example)

Ehomaki sushi roll (example)

Employees enjoying the meals

As part of efforts to address marine plastic pollution, employees participated in volunteer cleanup

"Joint Costal Cleanup 2025 by Four Seafood Companies"

To accelerate, expand, and raise awareness of initiatives aimed at solving the issue of marine plastic pollution, four companies—Kyokuyo Co., Ltd., Maruha Nichiro Corporation, (now Umios Corporation), Nissui Corporation, and Toyo Reizo Co., Ltd.—jointly conducted a coastal cleanup activity in Chiba prefecture.

Employees of each company and their family members participated as volunteers. A total of 182 participants from the four companies took part, and 17.5 kg of garbage was collected.

Shareholder Returns

Dividends: **150** yen

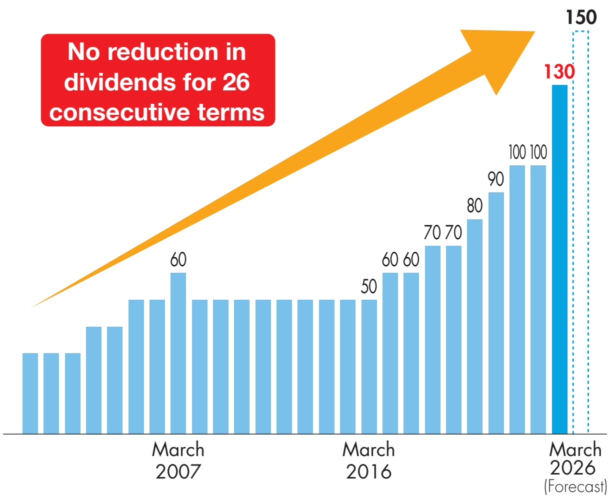
We aim to enhance the Company's internal reserves to strengthen its corporate structure and prepare for future business development, while at the same time maintaining stable dividends and improving the level of dividends through medium- to long-term profit growth. We will propose a dividend of 150 yen per share for the fiscal year ended March 31, 2026 at the 103rd Ordinary General Meeting of Shareholders.

Dividends

The Company has maintained or increased its dividends for 26 consecutive fiscal terms, ensuring stable dividend payments.

Dividends trends Unit: yen

*The record date for dividends is March 31. No interim dividend is paid.



*On October 1, 2016, the Company conducted a 1-for-10 share consolidation. Dividend amounts prior to the consolidation are presented on a post-consolidation basis by multiplying the actual dividend per share by 10 to ensure consistency with the post-consolidation figures.

*The dividend for the fiscal year ended March 2007 (prior to the share consolidation) includes a commemorative dividend of 1.00 yen for the Company's 70th anniversary.

Details of Special Benefit Plan

Target Shareholders

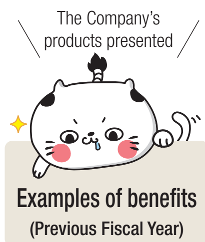
Shareholders on the Company's register of shareholders who hold one unit of shares (100 shares) or more on March 31 of each year

Benefits

- Shareholders who hold a unit of shares (100 shares) or more and less than three units of shares (300 shares)
  ➡ Presented with the **Company's products valued at ¥2,500**
- Shareholders who hold three units of shares (300 shares) or more
  ➡ Presented with the **Company's products valued at ¥6,000**

Shipment:

Gifts will be shipped each year in July.



Assorted canned products valued at ¥2,500

- Boiled mackerel
- Red snow crab leg meat
- Boiled coho salmon

Assorted canned products valued at ¥6,000

- Boiled mackerel x 2 cans
- Red snow crab leg meat x 2 cans
- Boiled coho salmon x 2 cans